

# WÄRTSILÄ CORPORATION

## ABG SUNDAL COLLIER – ENGINEERING VISION SEMINAR

25.5.2016

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# Wärtsilä's net sales by business Q1/2016



**ENERGY SOLUTIONS, 14%**



**MARINE SOLUTIONS, 35%**

**SERVICES, 52%**

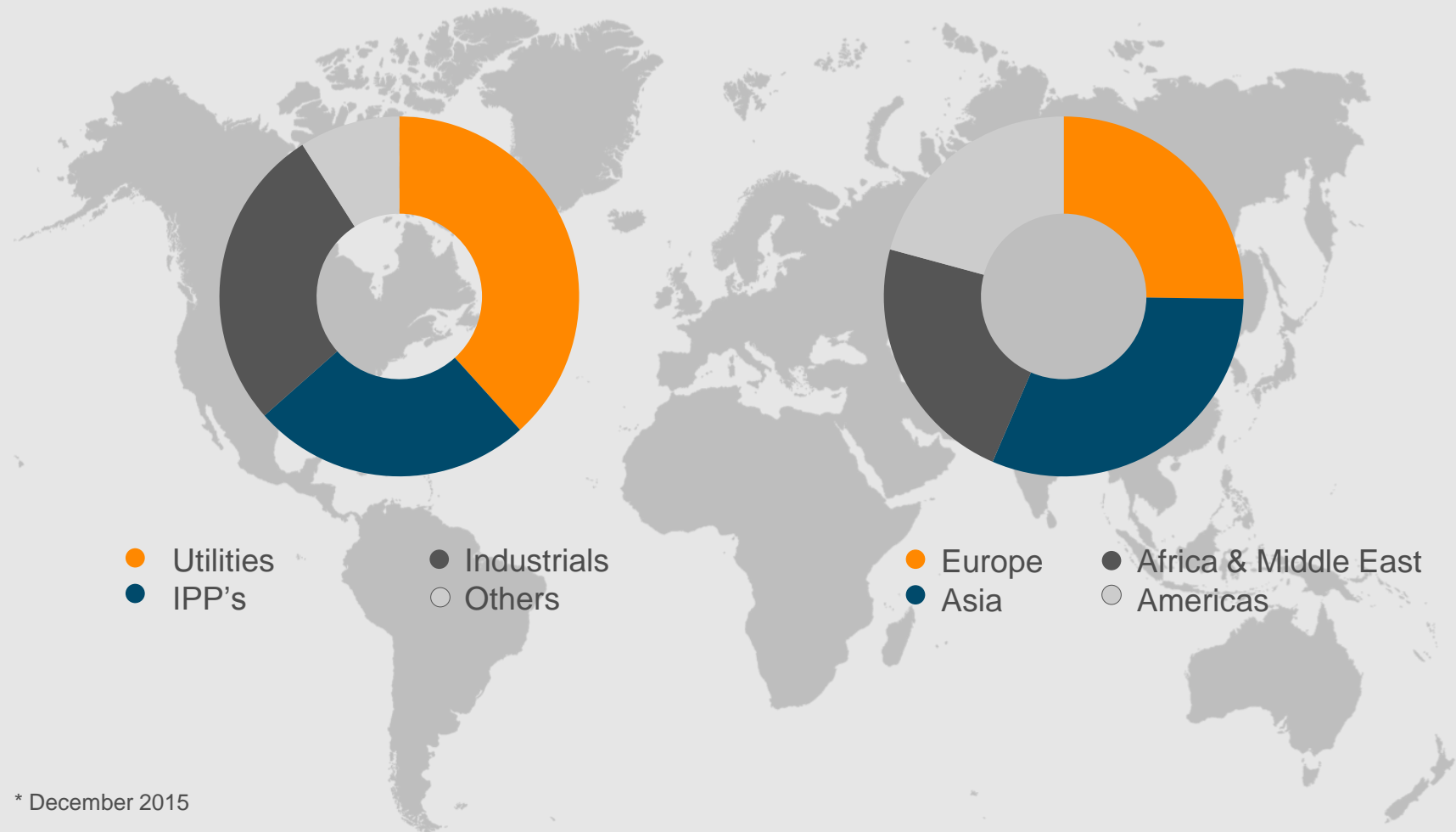


# Key figures

<b>MEUR</b>	<b>Q1/2016</b>	<b>Q1/2015</b>	<b>2015</b>	<b>2014</b>
Order intake	<b>1 271</b>	1 285	4 932	5 084
Order book at the end of the period	<b>5 103</b>	4 931	4 882	4 530
Net sales	<b>967</b>	988	5 029	4 779
Comparable operating result <sup>1</sup>	<b>84</b>	100	612	569
% of net sales <sup>1</sup>	<b>8.7</b>	10.1	12.2	11.9
Earnings/share, EUR	<b>0.30</b>	0.43	2.25	1.76

1) Figures exclude restructuring costs of EUR 1 million in the first quarter of 2016.

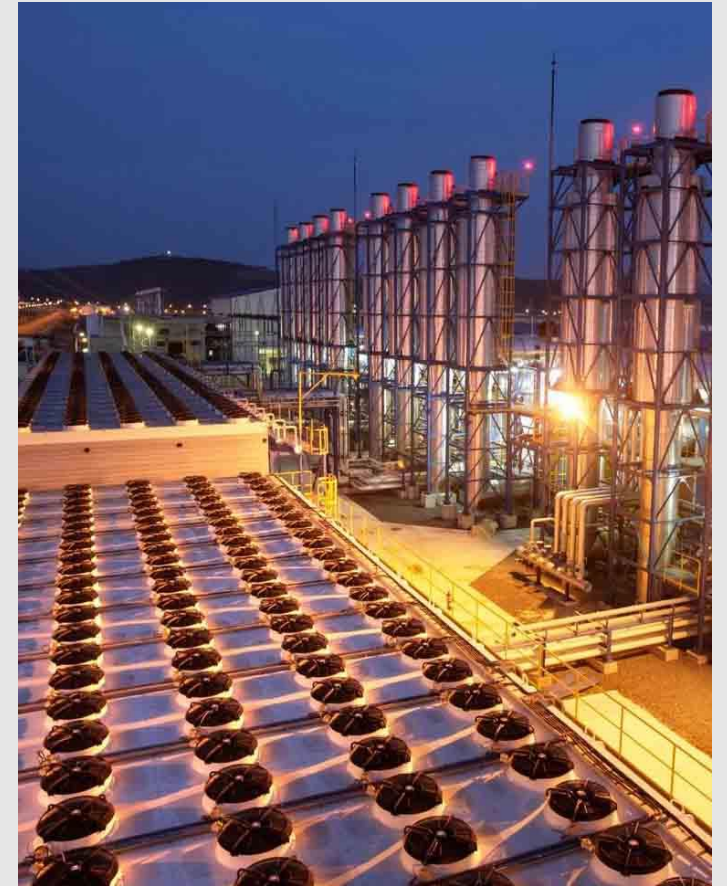
# >4,500 power plants in 175 countries



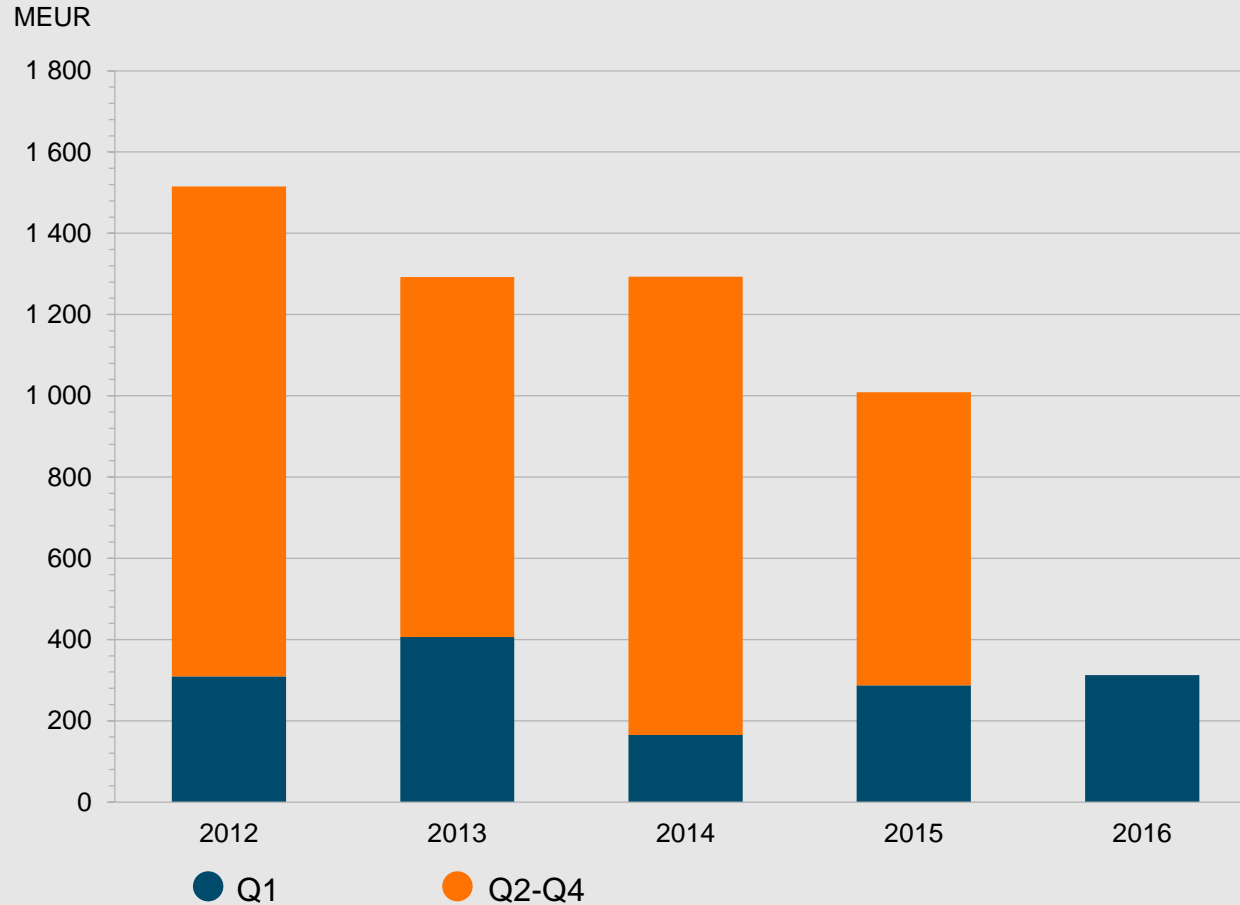
\* December 2015

## Market trends & drivers

- Economic growth, electrification and increased standard of living
- Growth in sustainable energy and reducing carbon emissions
- Rapid growth of intermittent renewable generation and escalating demand fluctuation
- Increasing role of natural gas
- Ageing installed capacity

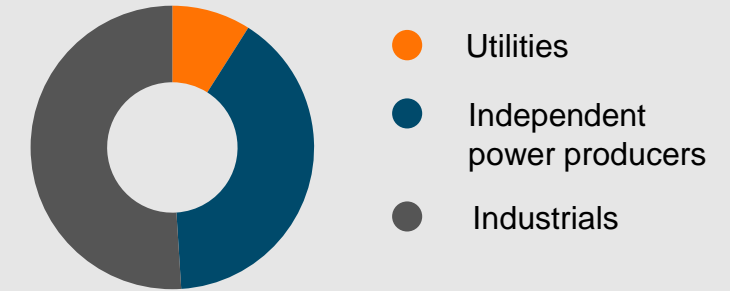


# Solid ordering activity



## First quarter development

Total EUR 312 million (287)



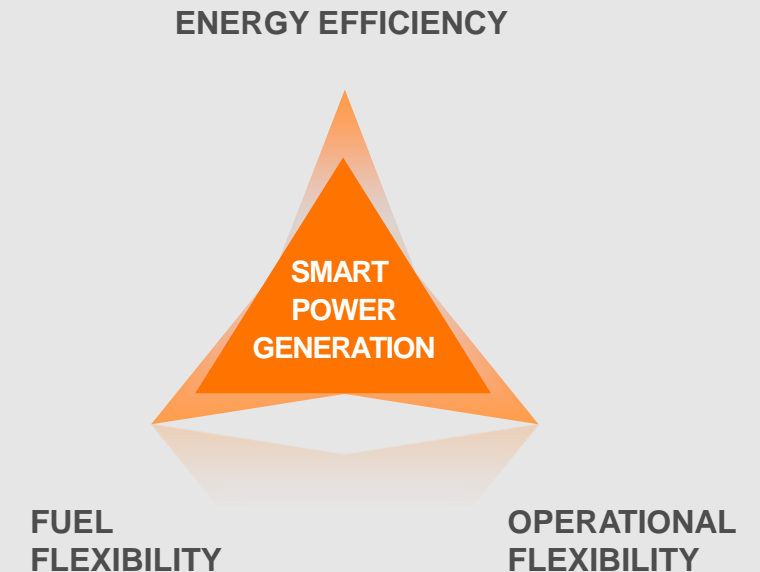
## First quarter order intake by fuel in MW



## Strategy

- Grow strongly in large utility gas power plants market by capturing market share from gas turbines
- Maintain our leading position in HFO & dual-fuel power plants
- Gain market share in utility-scale solar PV business with EPC capability
- Grow in the small to medium scale LNG terminal business by introducing a new value proposition to selected markets

**Enabling transition to  
a sustainable power system**

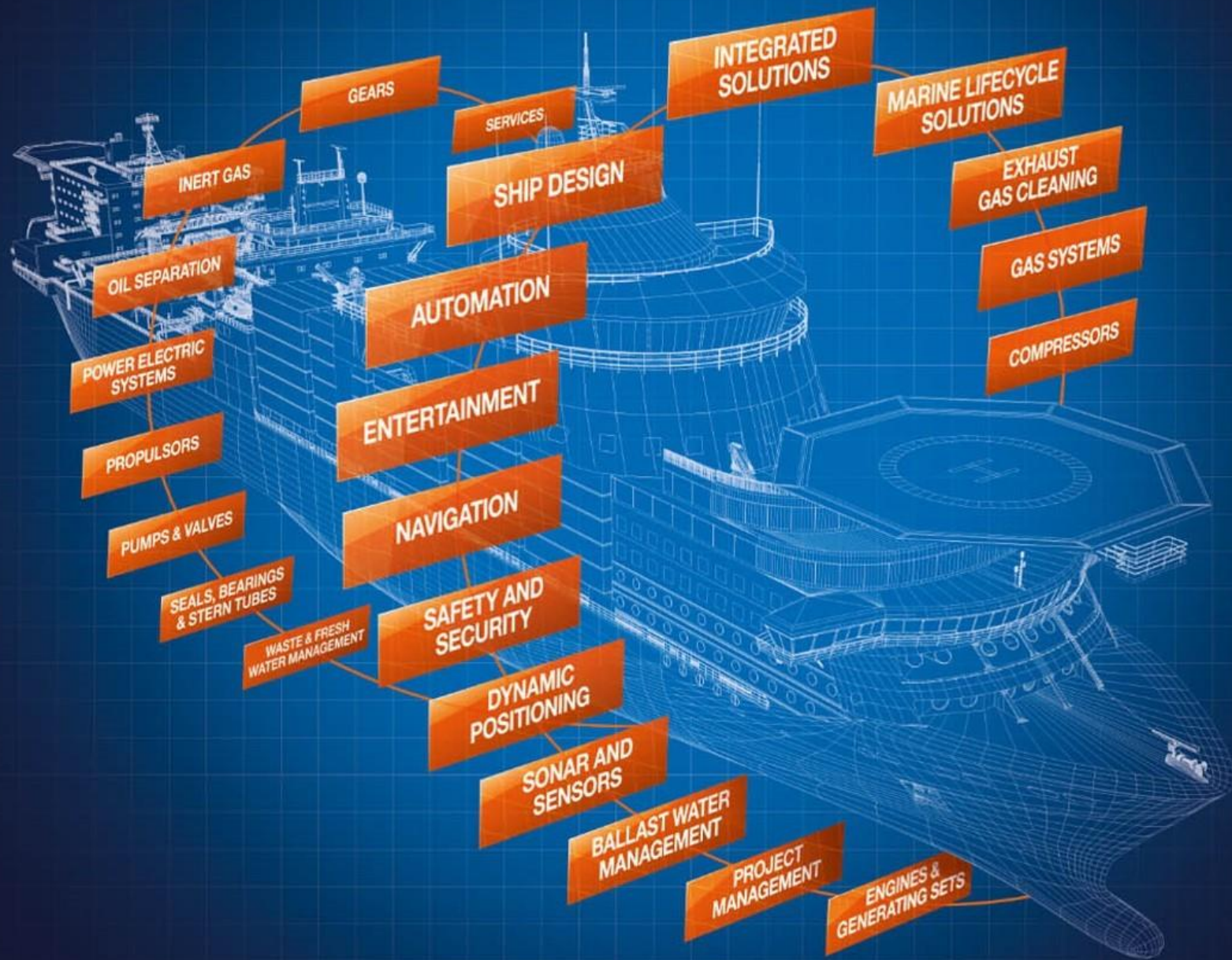


# Wärtsilä enters the utility-scale solar business

Leveraging our global EPC expertise to help our customers reduce carbon emissions by offering hybrid solutions that couple solar PV parks with Smart Power Generation power plants in focus areas such as Africa, the Middle East, the Americas and Southeast Asia.

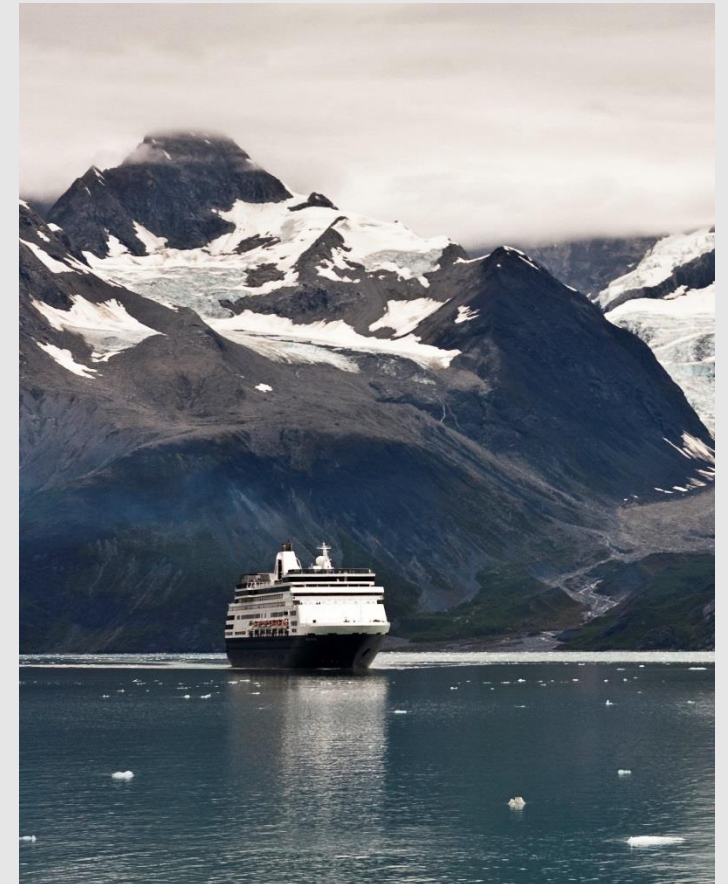




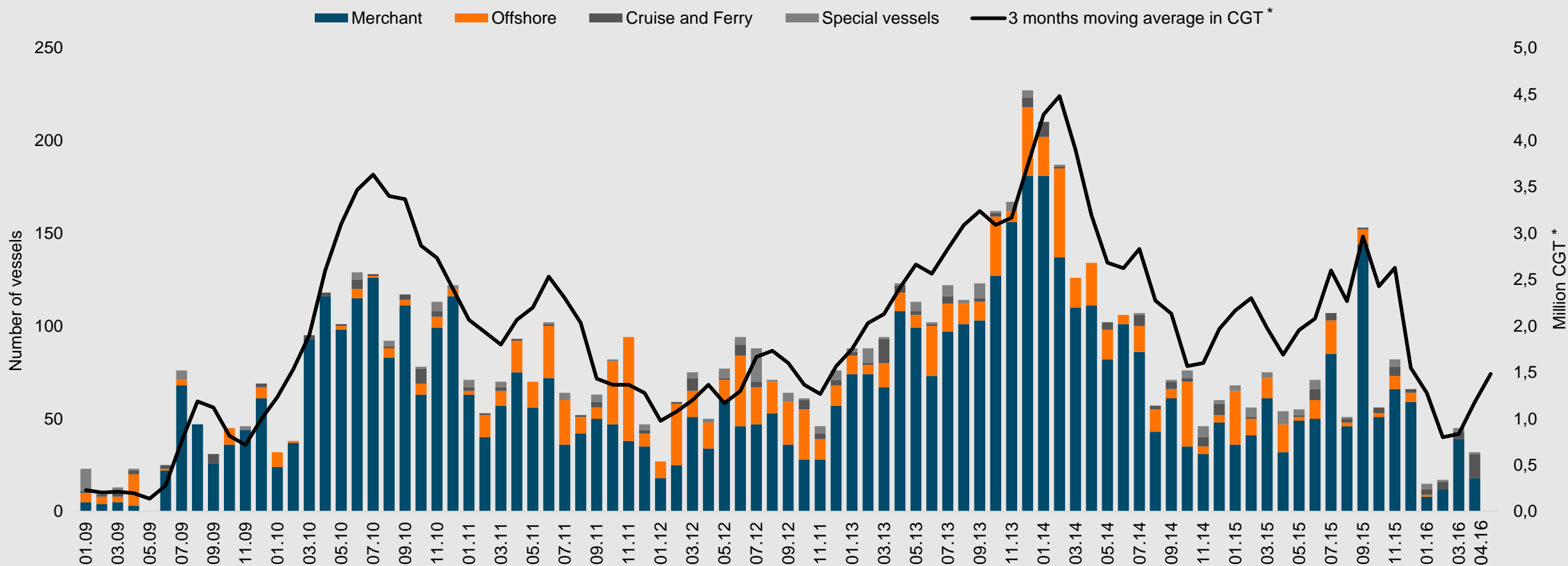


## Market trends & drivers

- Urbanisation, globalisation and population growth support increase in seaborne trade
- Technological developments and new breakthroughs demand faster product development and create new business models
- Increasing consumption and growing middle class population support demand for cruise sector
- Growing energy demand
- Climate change and gas as a fuel



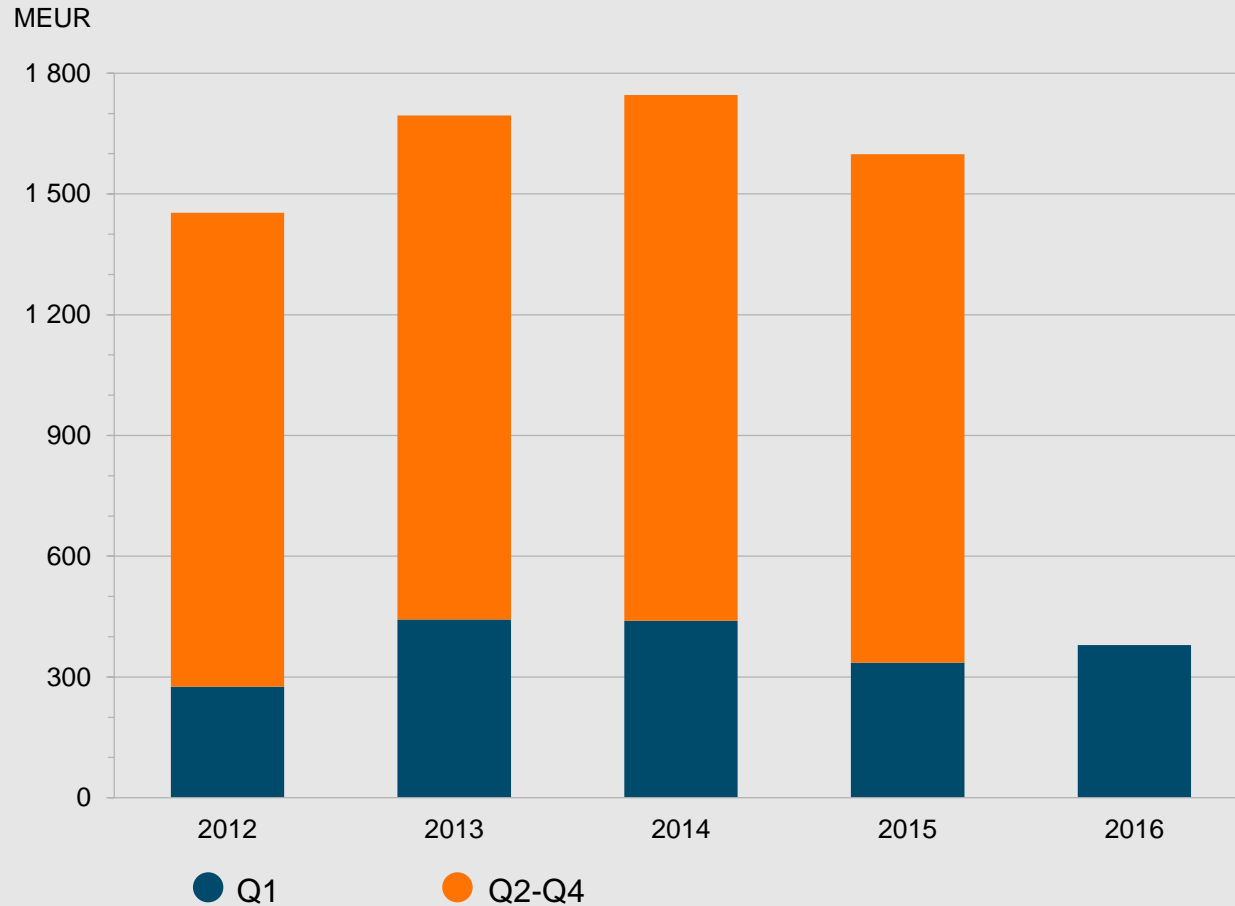
# The demand for new vessels remains limited



Source: Clarkson Research Services, figures exclude late contracting

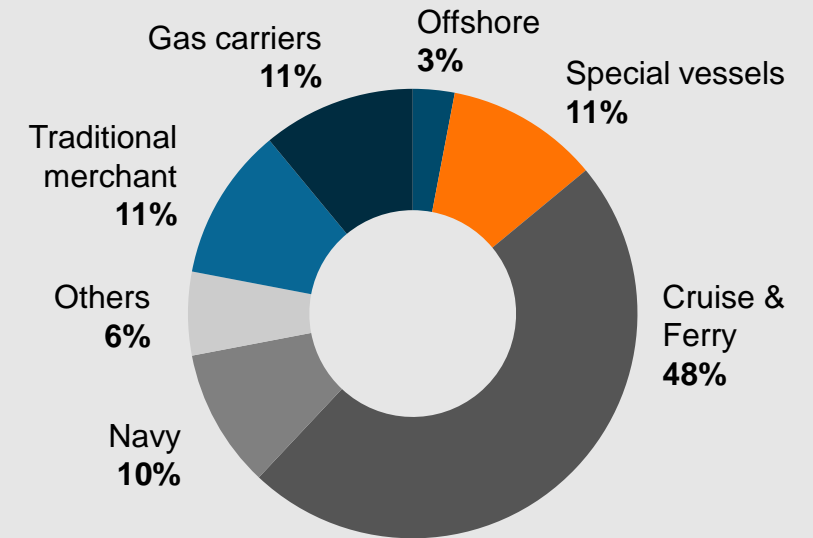
\* CGT= gross tonnage compensated with workload

# Order intake supported by Cruise & Ferry



## First quarter development

Total EUR 379 million (336)



# Strategy

LEADER IN

EFFICIENCY

GAS AND DUAL-  
FUEL SOLUTIONS

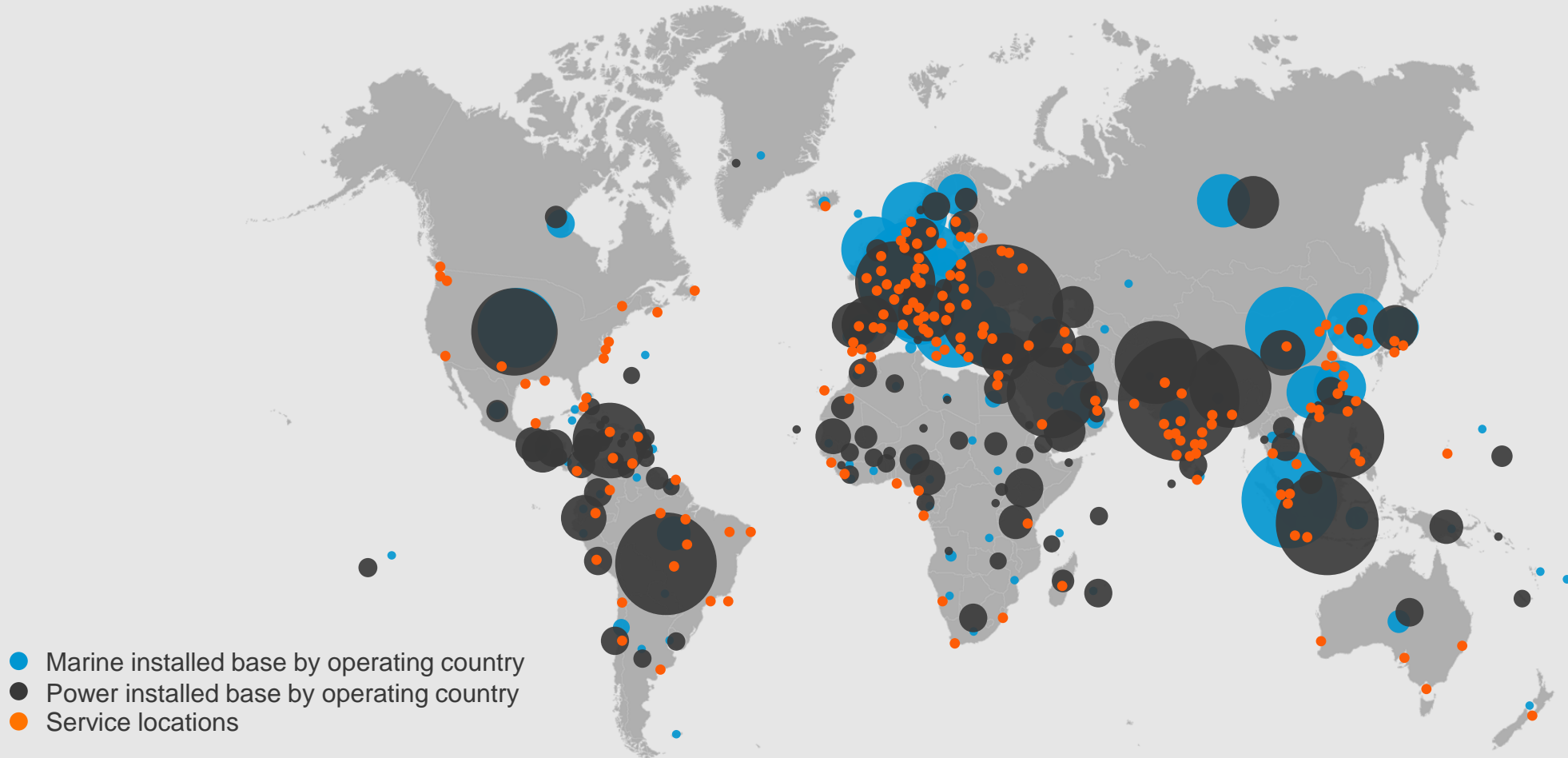
ENVIRONMENTAL  
SOLUTIONS



THROUGH  
OFFERING

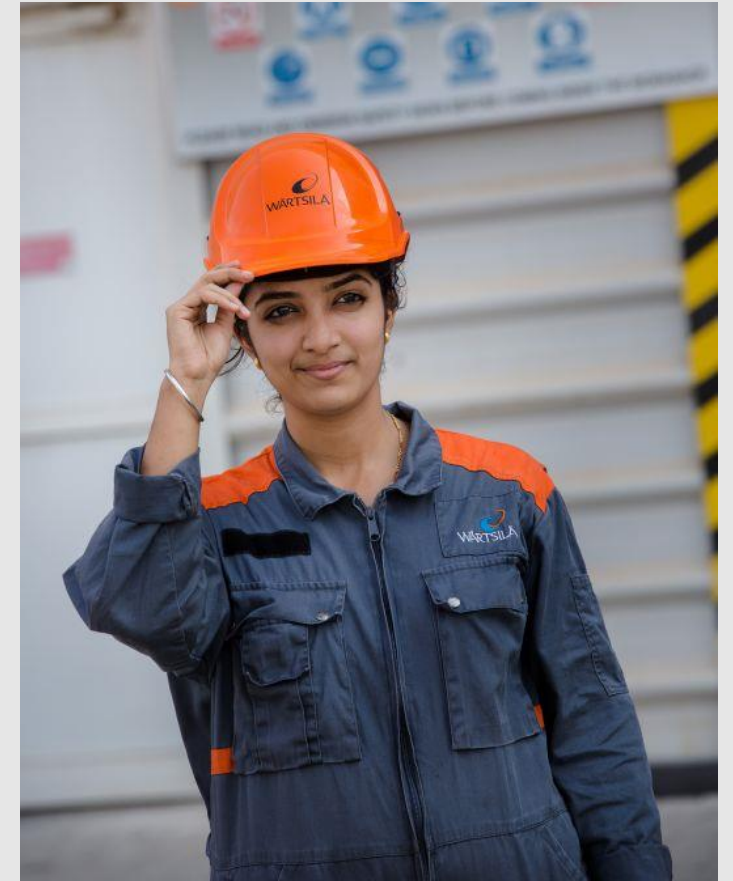
- **Lifecycle solutions** for ship owners and operators
- **Integrated solutions** for the shipbuilding industry, owners and operators
- The best customer value and customer experience in the marine industry

**We are where our customers need us to be**  
**11,000 service professionals in 70 countries, 160 locations...**

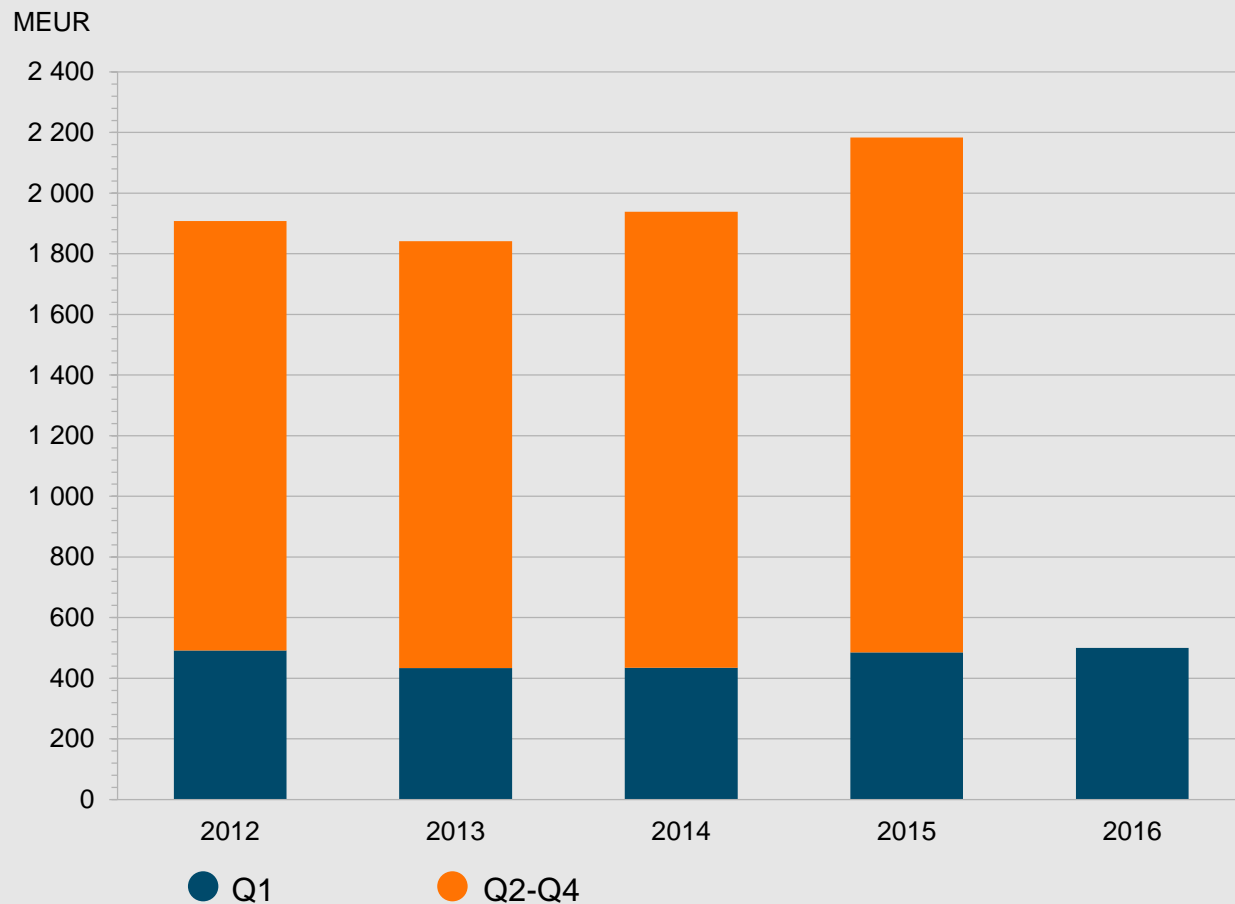


## Market trends & drivers

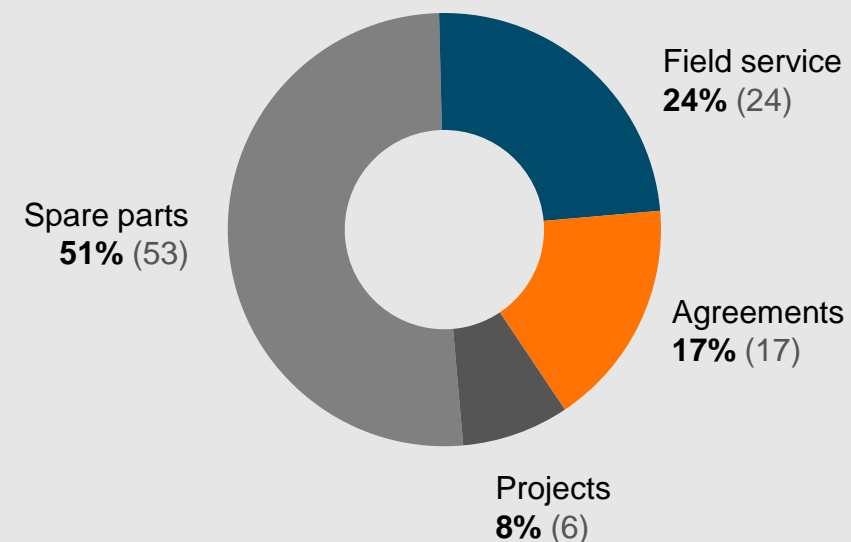
- Development of installed base and installation utilisation
- Growing importance of gas as a fuel
- Need for real time monitoring and analytics
- Need to increase uptime and availability
- Focus on efficiency
- New and stricter regulations



## Steady progression in Services net sales



**Net sales development**  
EUR 500 million (485)





## Strategic focus areas



**CUSTOMER FIRST**



**GO DIGITAL**



**ASSET & LIFECYCLE  
MANAGEMENT**



**NEW CUSTOMER  
ACCESS**

### We will grow by

- Doing more business with existing customers
- Exploring opportunities within new customer segments by leveraging current competences
- Acquiring businesses in growing markets

# PROSPECTS FOR 2016

Wärtsilä expects its net sales for 2016 to grow by 0-5% and its profitability (comparable operating result as a percent of net sales) to be 12.5-13.0%



# Positioned for growth



**ENERGY EFFICIENT SOLUTIONS**



**GAS BASED TECHNOLOGY**



**INNOVATIVE SOLUTIONS**

# THANK YOU!

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