



WÄRTSILÄ CORPORATION

HANDELSBANKEN NORDIC LARGE CAP SEMINAR

16 SEPTEMBER 2015

Björn Rosengren,
President & CEO



This is Wärtsilä



Energy Solutions, 23%

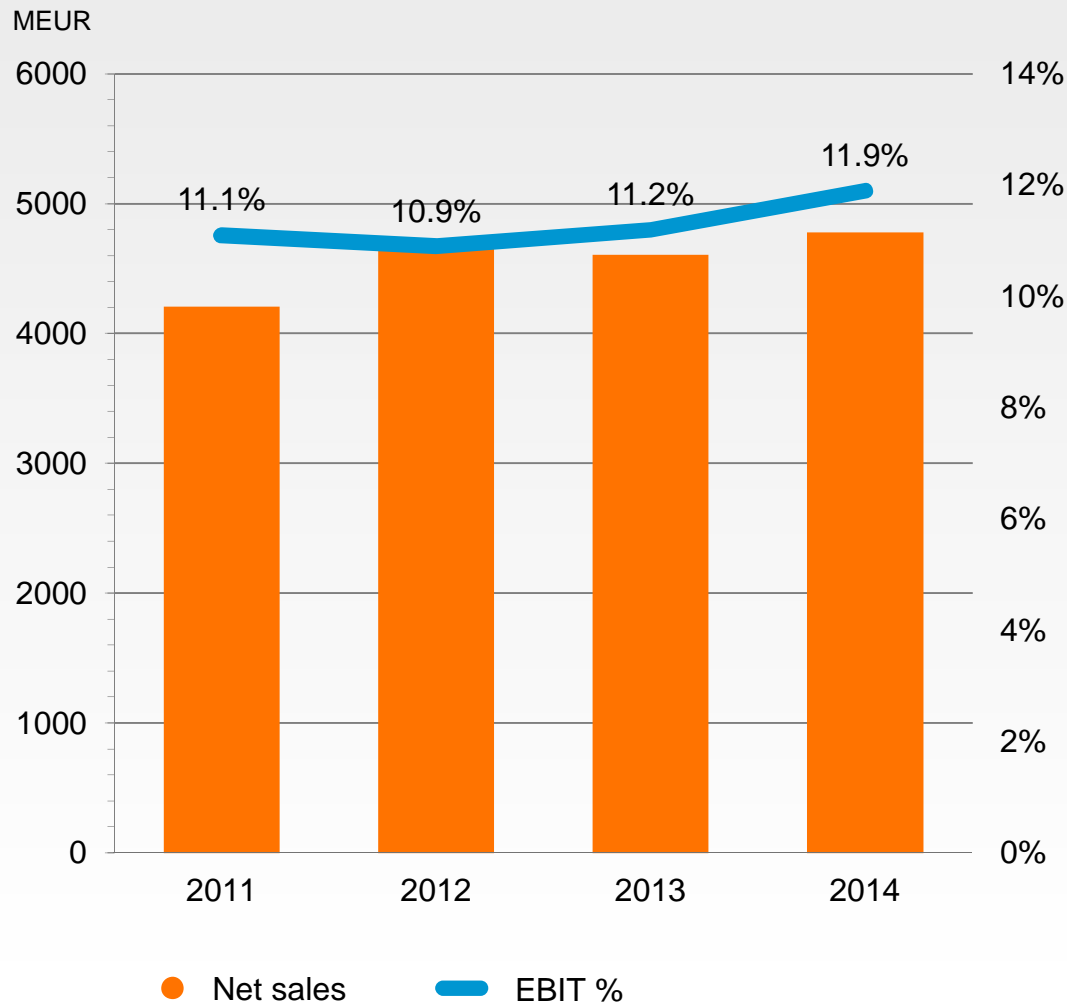


Marine Solutions, 30%

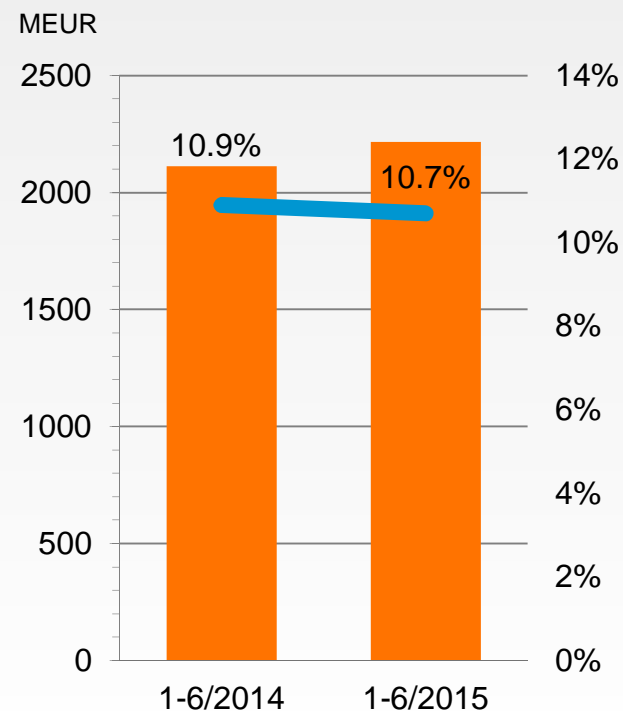


Services, 47%

Net sales and profitability



Review period development



Figures shown before nonrecurring restructuring items.
 Figures for 2011-2013 and H1/2014 include both discontinued and continuing operations.

We aim for faster than market growth



Megatrends drive demand for our solutions



Strong presence in growth markets



Opportunities in strategic focus areas



Strengthening market position through acquisitions

Actions for reaching our long-term profitability target

11.9%

14.0%

Streamlining

Group efficiency program implemented during 2014

Increasing accountability

Setup of business line driven organisation

Pricing

Securing value based and market driven pricing

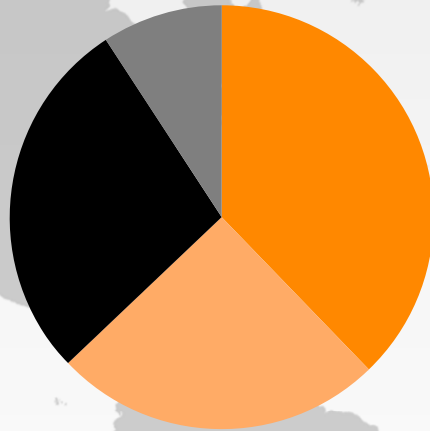
Productivity

Optimising lead times and focusing on continuous process improvement

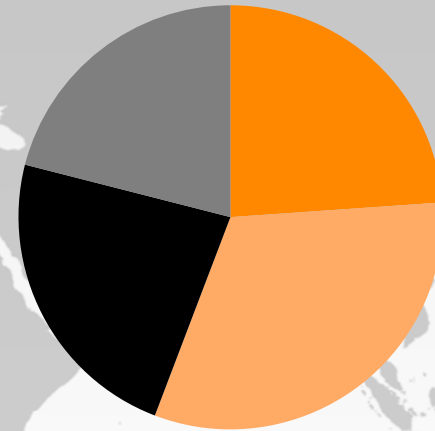
Ensuring competitiveness

Investing into technological leadership

58 GW of installed power plant capacity in 175 countries



● Utilities ● Industry
● IPP's ● Others



● Europe ● Africa & Middle East
● Asia ● Americas

* December 2014

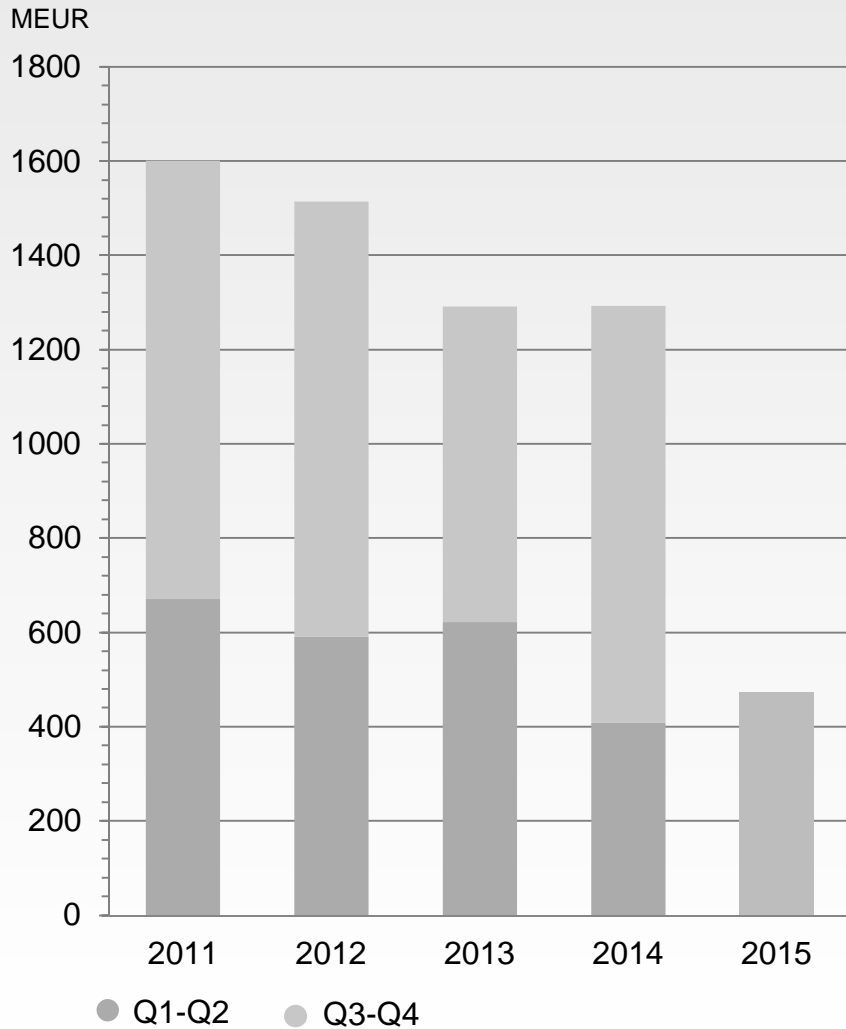
Energy Solutions – market trends & drivers

- Economic growth, electrification and increased standard of living
- Demand for sustainability and reducing carbon emissions
- Rapid growth of intermittent renewable generation and escalating demand fluctuation
- Increasing role of natural gas
- Ageing installed capacity



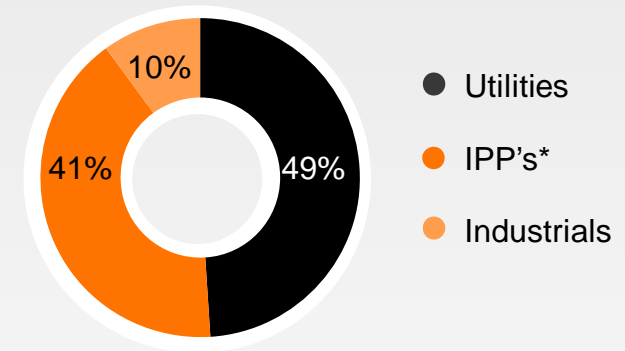
The world needs clean, affordable and reliable power generation

Energy Solutions' order intake

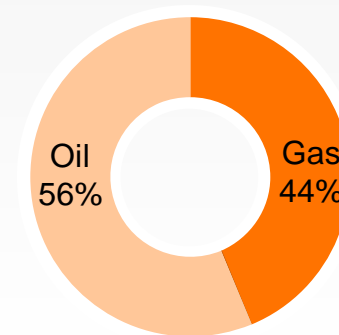


Review period development

Total EUR 475 million (409)



Review period order intake by fuel in MW



*IPP = Independent Power Producer

Energy Solutions – strategic goals



The most complete marine offering on earth



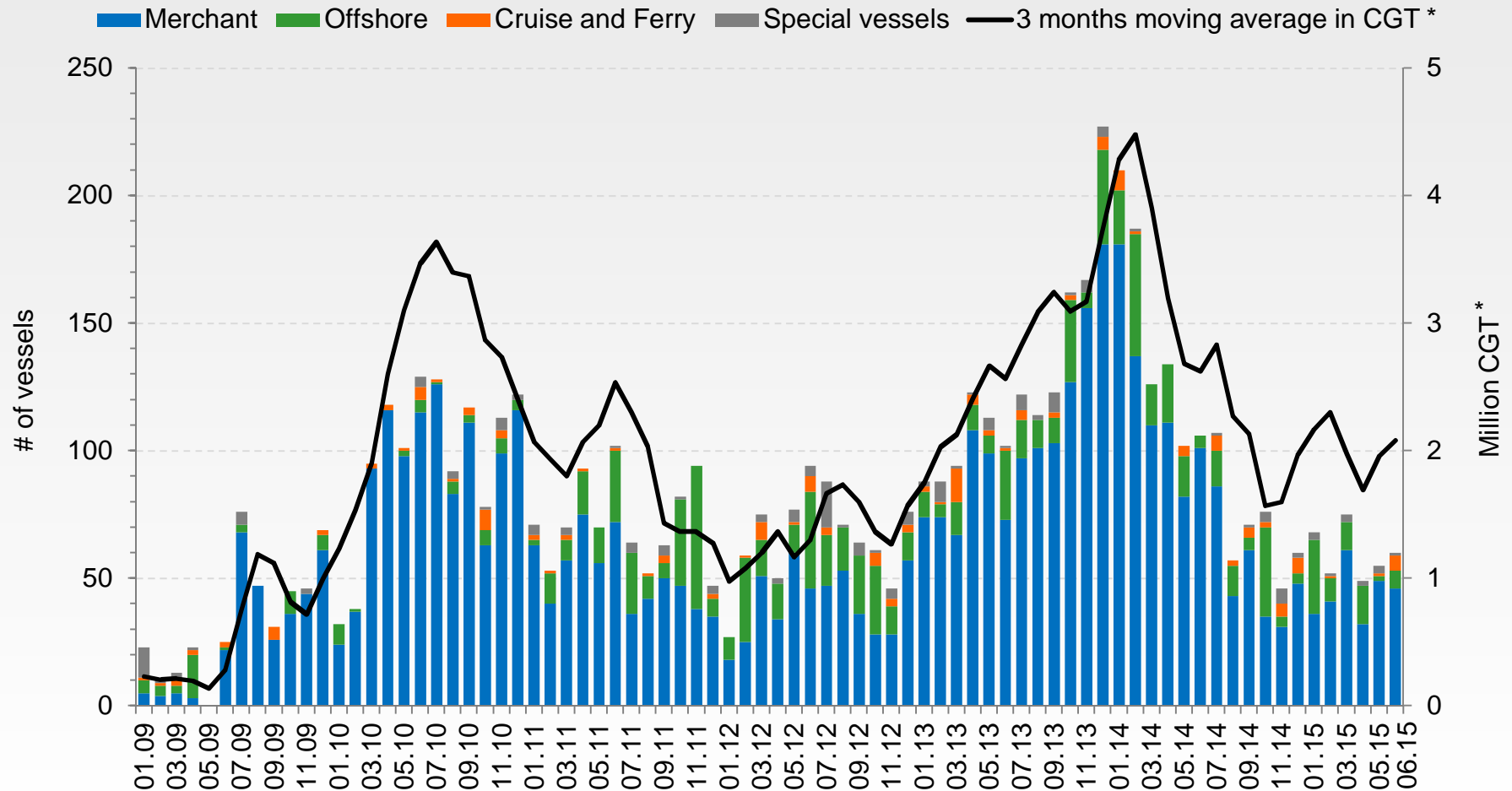
Marine Solutions – market trends & drivers

- Marine trade and transportation growth
- Demand for environmental solutions and gas as a marine fuel
- Energy efficiency, operating performance and security
- Investments in exploration and production of offshore oil & gas impacted by oil price development



A dynamic global market, but with distinctive segment-specific and local needs

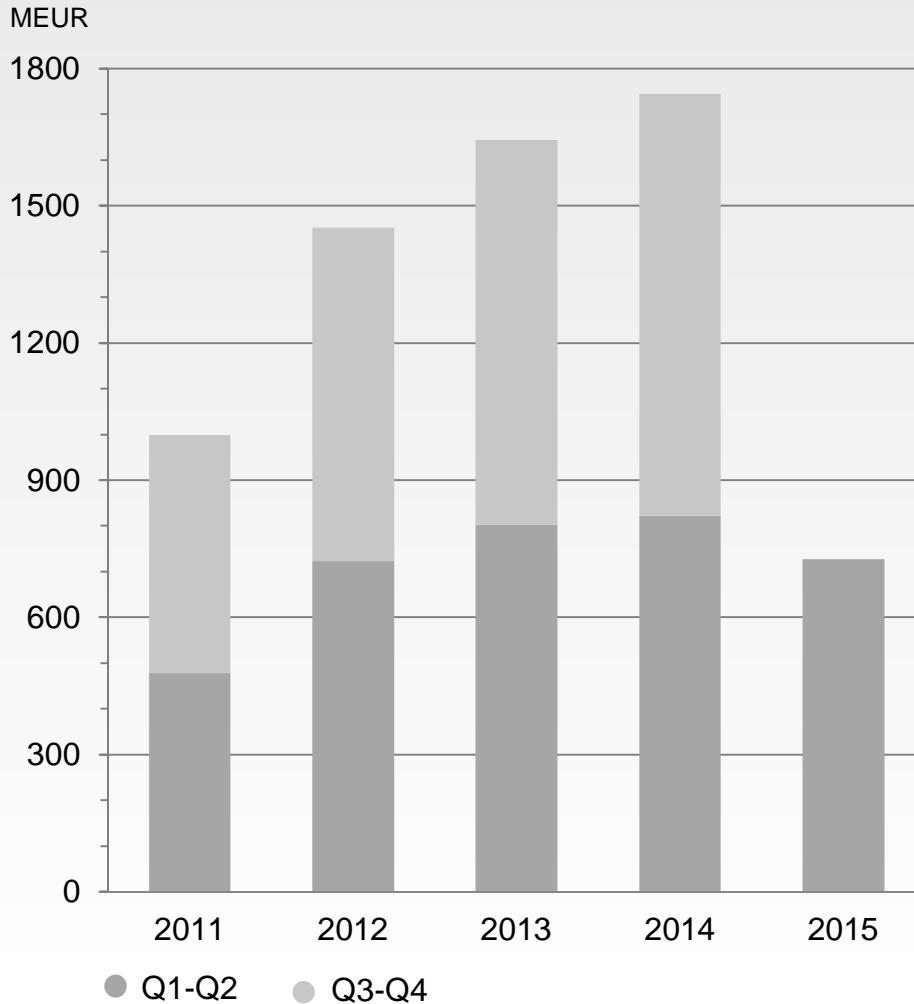
Vessel contracting activity



Source: Clarkson Research Services, figures exclude late contracting

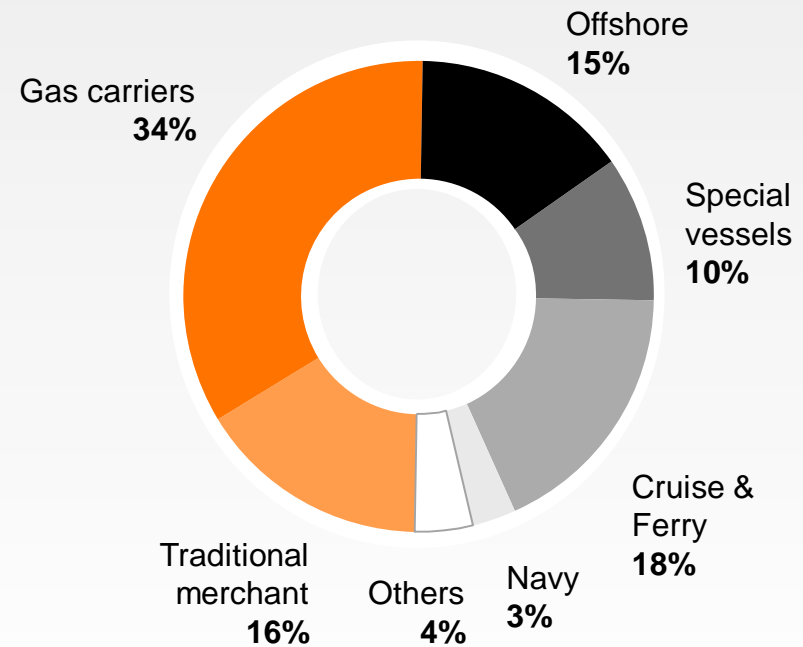
* CGT= gross tonnage compensated with workload

Marine Solutions' order intake

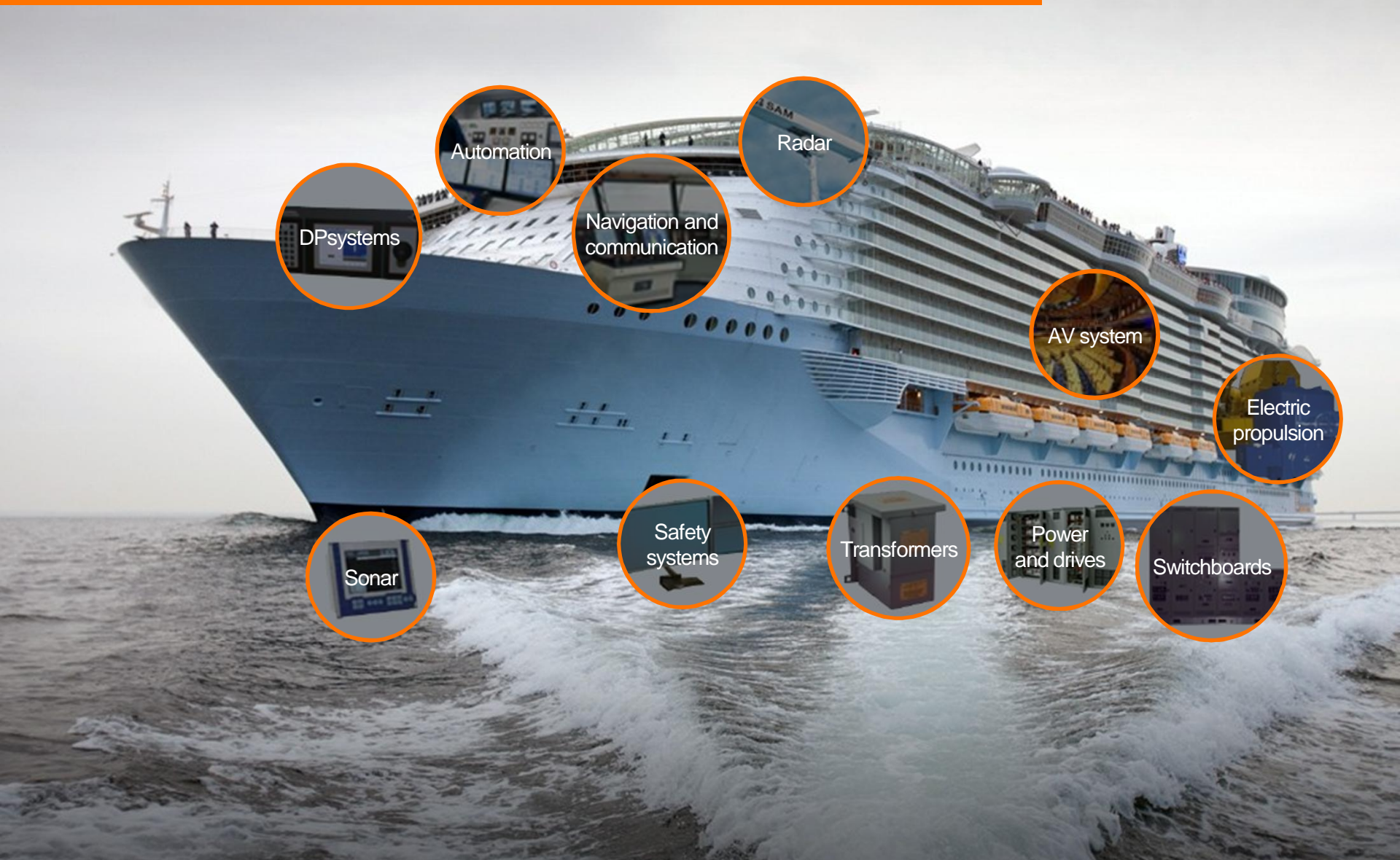


Review period development

Total EUR 728 million (823)



Acquisition of MSI strengthens our position in automation and electrical systems



DPsystems

Automation

Navigation and communication

Radar

AV system

Electric propulsion

Sonar

Safety systems

Transformers

Power and drives

Switchboards

A brand new medium-speed Wärtsilä 31 engine launched in June



- The Wärtsilä 31 engine is the industry's most advanced, powerful, fuel efficient, fuel flexible, and environmentally sound engine
- The engine achieved a Guinness World Records title for the most efficient 4-stroke diesel engine
- Remarkable increases in fuel efficiency and fuel flexibility are matched by significant reductions in maintenance costs
- The engine comes in three alternative versions; diesel, dual-fuel and spark-ignited gas

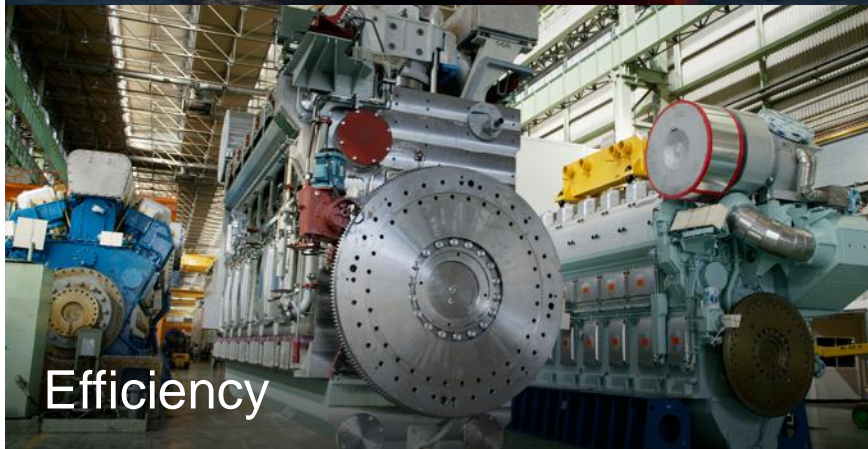
Growth opportunities in marine markets



Gas and dual-fuel solutions



Broader scope of supply



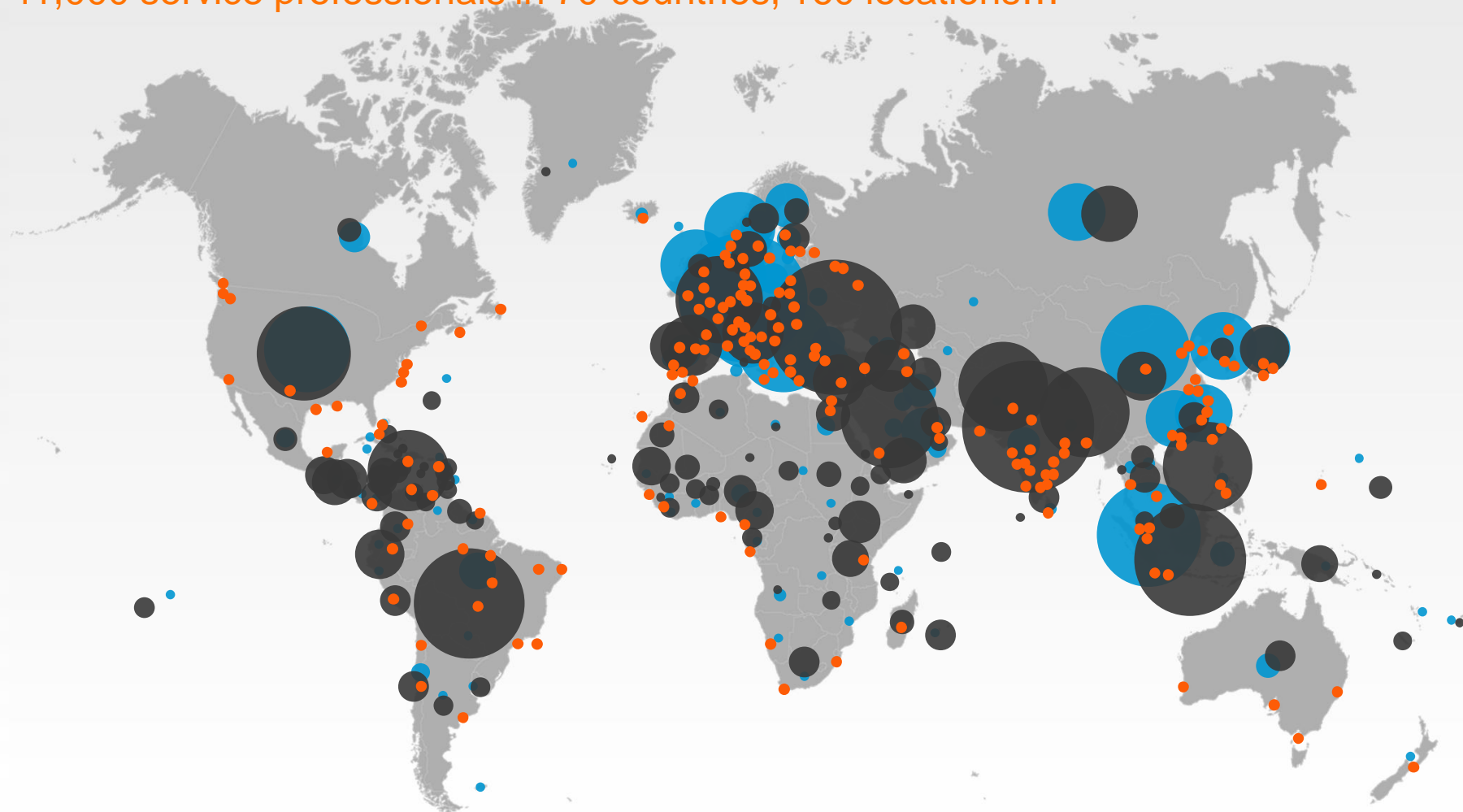
Efficiency



Environmental solutions

Wärtsilä Services' global network

11,000 service professionals in 70 countries, 160 locations...



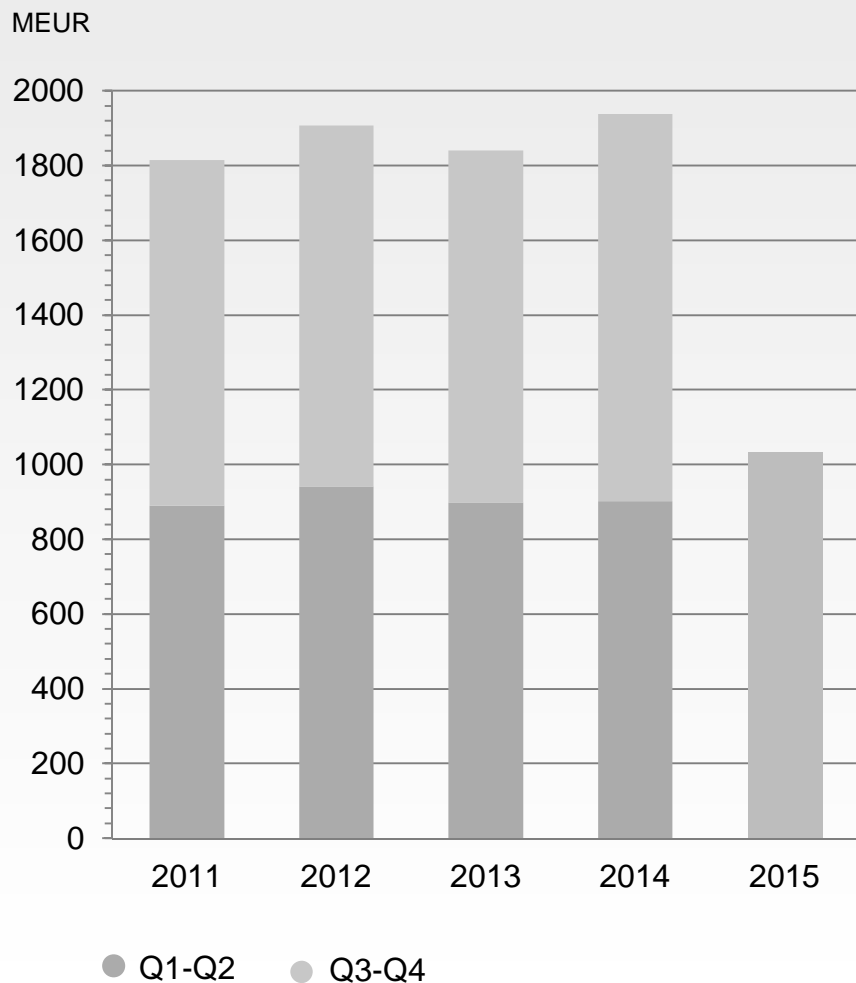
- Marine installed base by operating country
- Power installed base by operating country
- Service locations

Services – market trends & drivers

- Development of installed base and installation utilisation
- Growing importance of gas as a fuel
- Need for real-time data
- Downtime avoidance
- Focus on efficiency
- New and stricter regulations

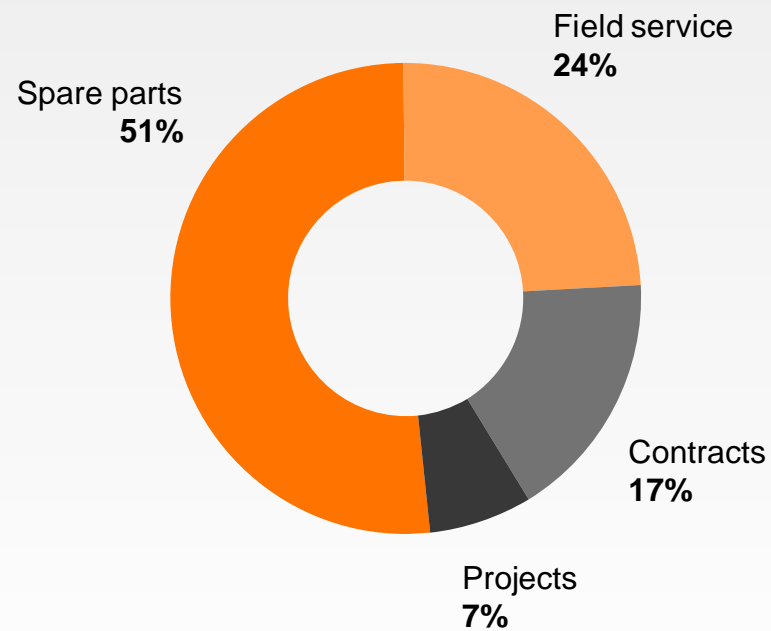


Services' net sales

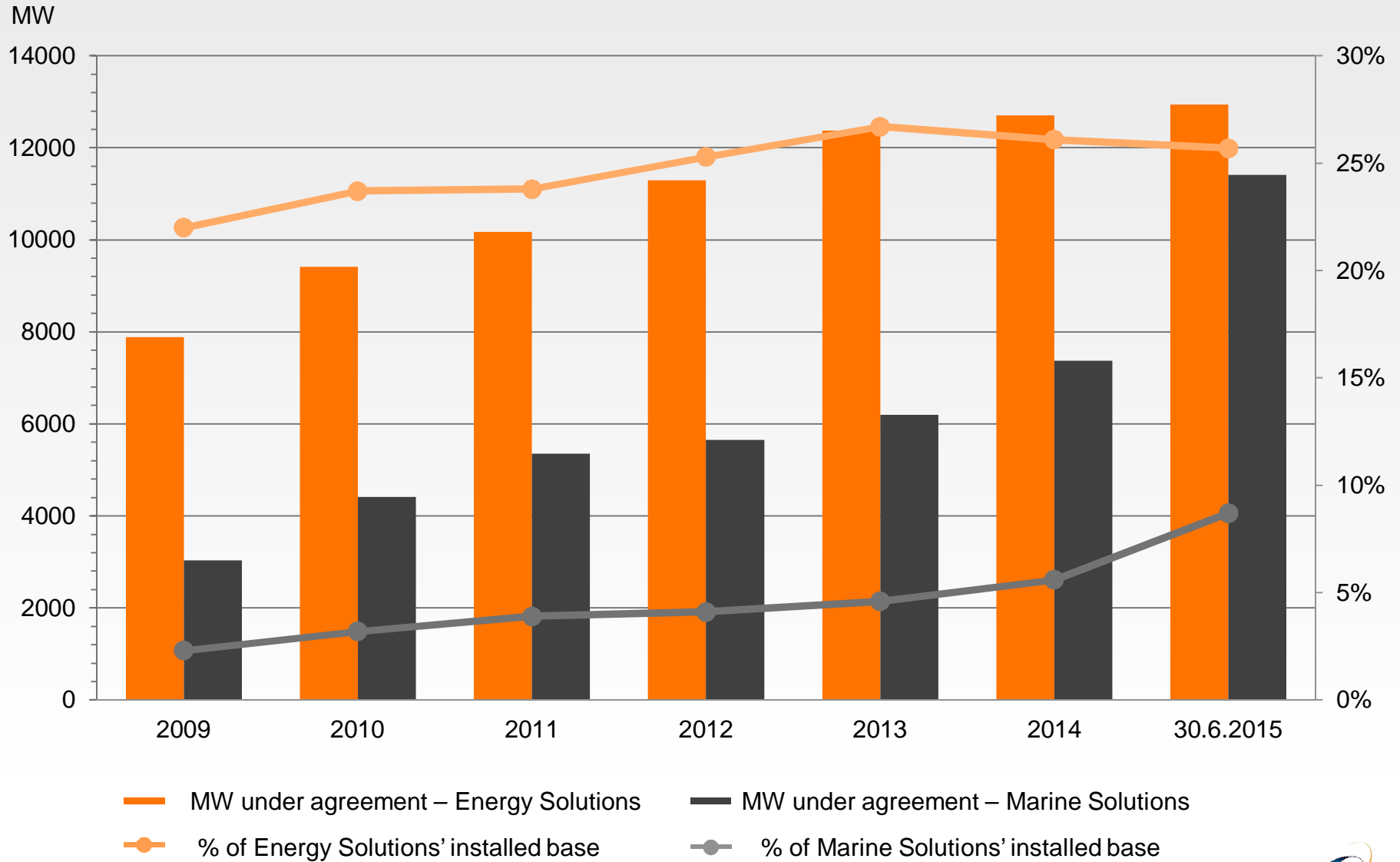


Review period development

Total EUR 1,034 million (903)



Development of service agreements



Services' strategic focus areas



CUSTOMER FIRST

We will nourish our partnership with our existing customer base

GO-DIGITAL

We will digitalise our customer engagement

ASSET & LIFECYCLE MANAGEMENT

We will continue to develop and commercialise our portfolio of value-adding services

Wärtsilä expects its net sales for 2015 to grow by 5-10% and its operational profitability (EBIT% before non-recurring items) to be between 12.0-12.5%.

The guidance includes the impact of the L-3 Marine Systems International acquisition.

We are dedicated to reaching our long-term financial targets

Grow faster than
global GDP

Reach **14%**
profitability

Maintain gearing
below **50%**

Dividend of at
least **50%** of EPS
over the cycle



WÄRTSILÄ

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