

# WÄRTSILÄ CORPORATION

**HANDELSBANKEN  
NORDIC LARGE CAP SEMINAR**

**Jaakko Eskola  
President & CEO**

# Wärtsilä's net sales by business 1-6/2017



**ENERGY SOLUTIONS, 28%**

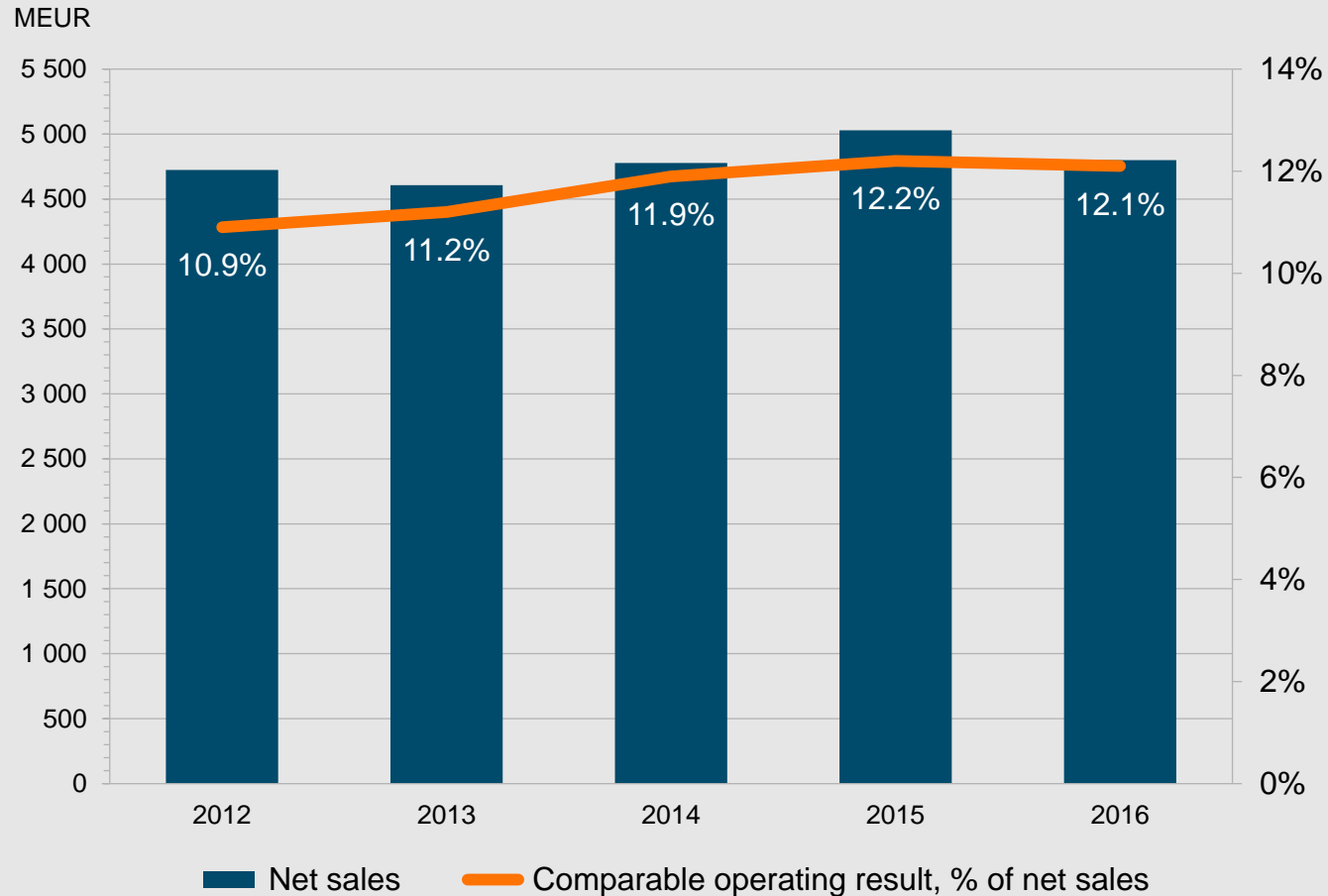


**MARINE SOLUTIONS, 27%**

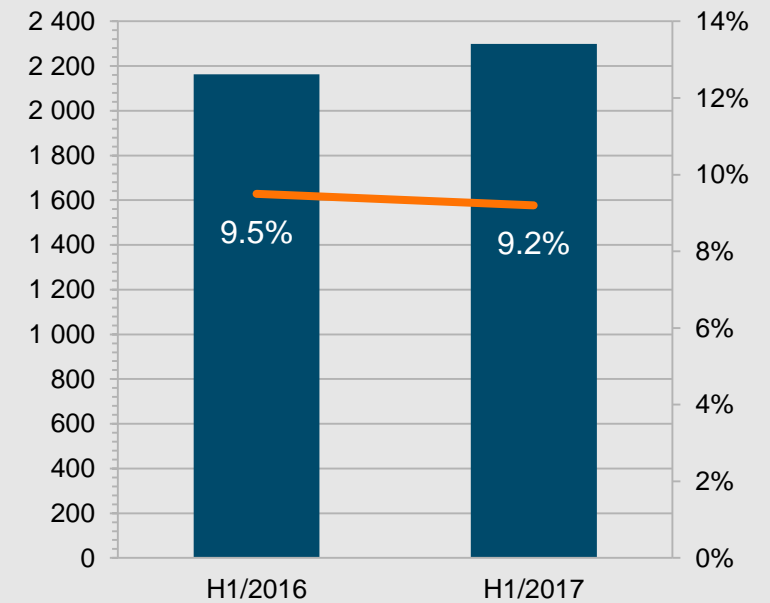
**SERVICES, 45%**



# Net sales and profitability

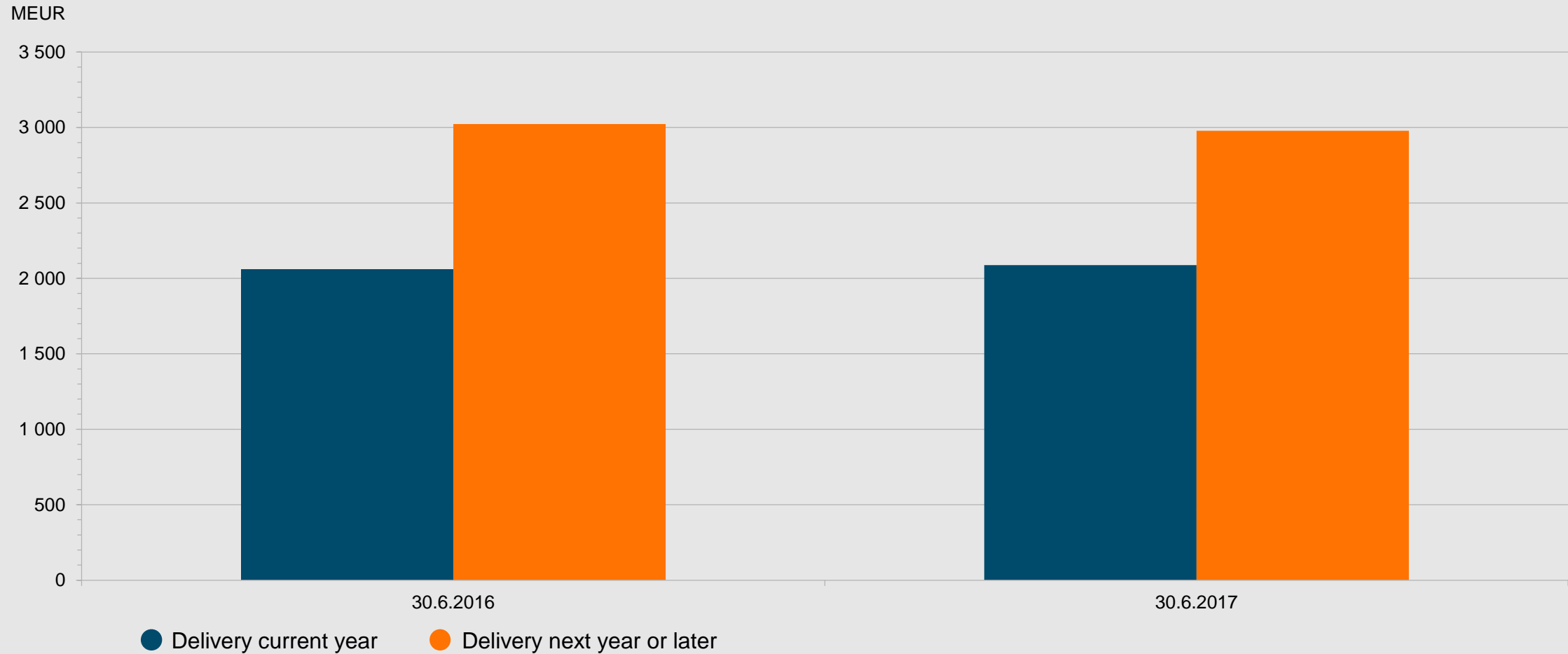


## Review period development

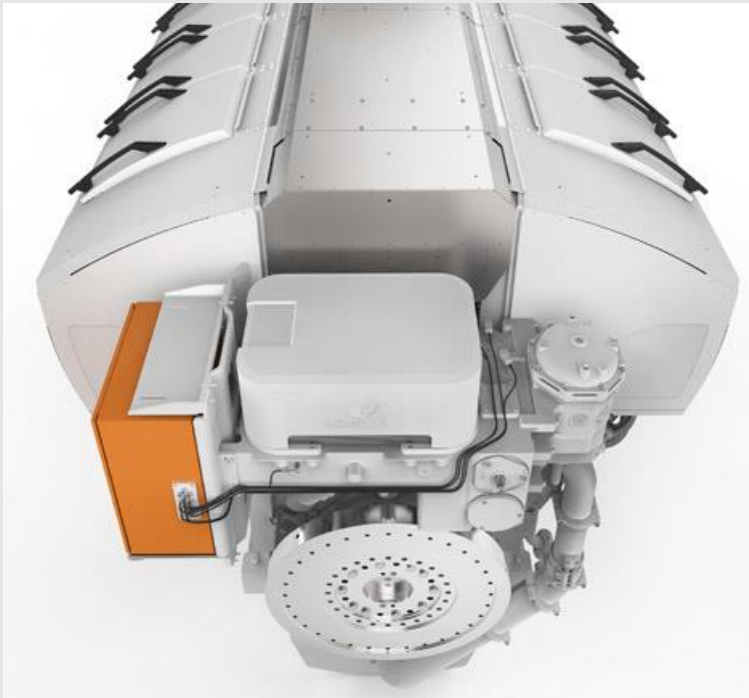


Figures for 2012-2013 include both discontinued and continuing operations.

# Order book distribution



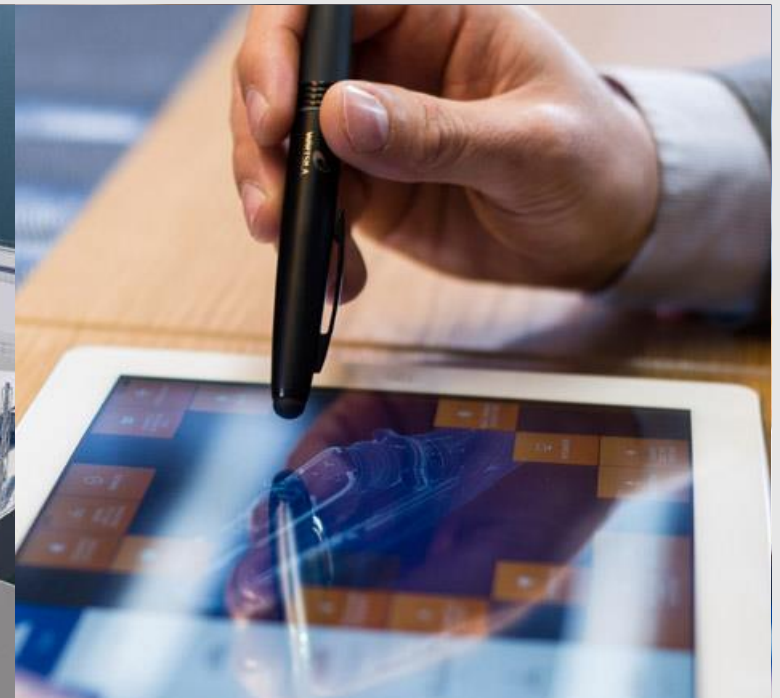
# Focus on long-term profitable growth



**ENERGY EFFICIENT  
SOLUTIONS**

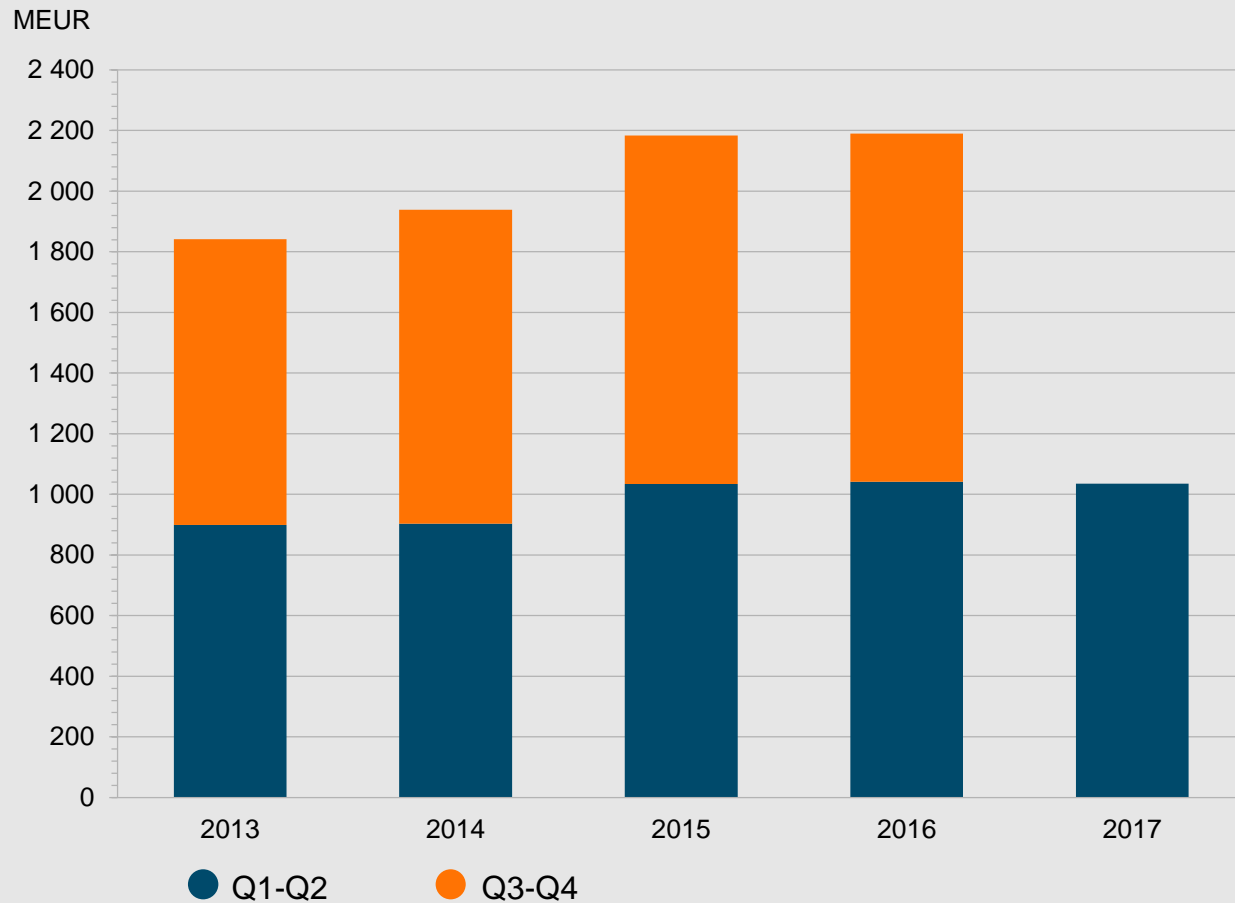


**GAS BASED  
TECHNOLOGY**



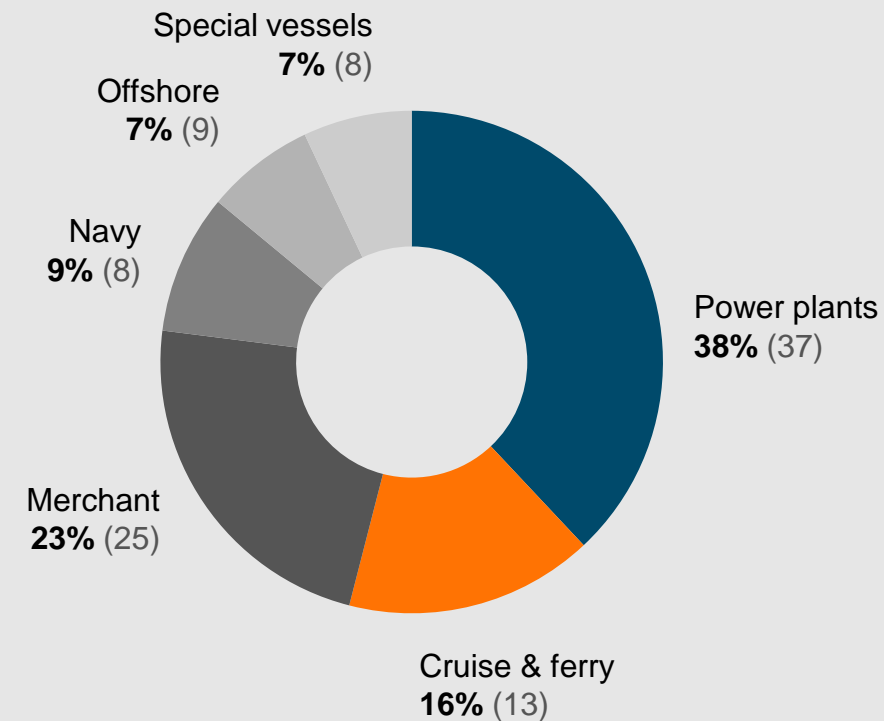
**INNOVATIVE SOLUTIONS**

## Stable development in Services' net sales

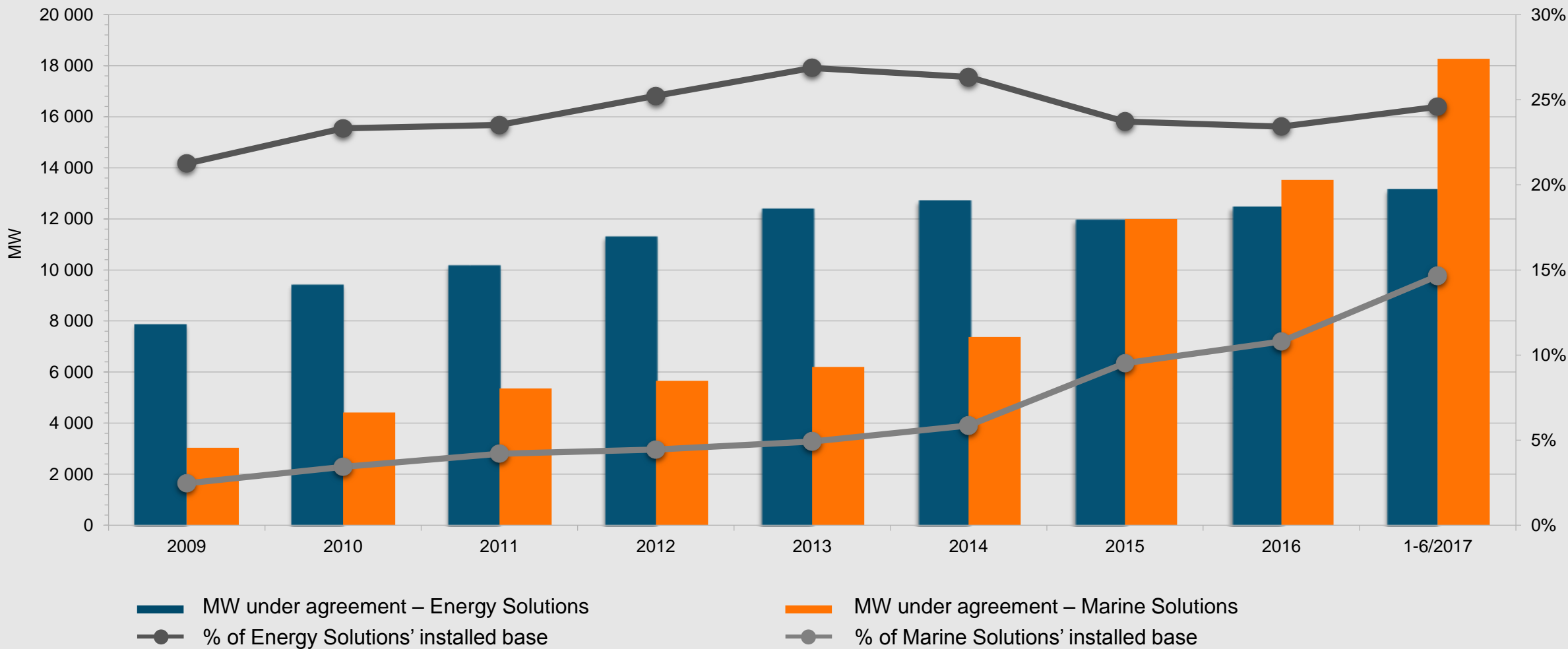


### Review period development

Total EUR 1,035 million (1,042)



# Installed base covered by service agreements



# 12-year strategic partnership with Carnival Corporation

- Ensuring safety and reliability of Carnival's fleet and reduced operational costs
- Scope includes all engine maintenance and monitoring for 79 vessels
- Emphasis on continuous planning together with Carnival and digitising fleet operations
- Performance-based revenue model





## Strategic focus areas

### CUSTOMER FIRST



Growth in existing business by improving **customer loyalty**

### GO DIGITAL



Growth through optimising **customer performance**

### ASSET & LIFECYCLE MANAGEMENT



Growth through value-adding **lifecycle services & projects**

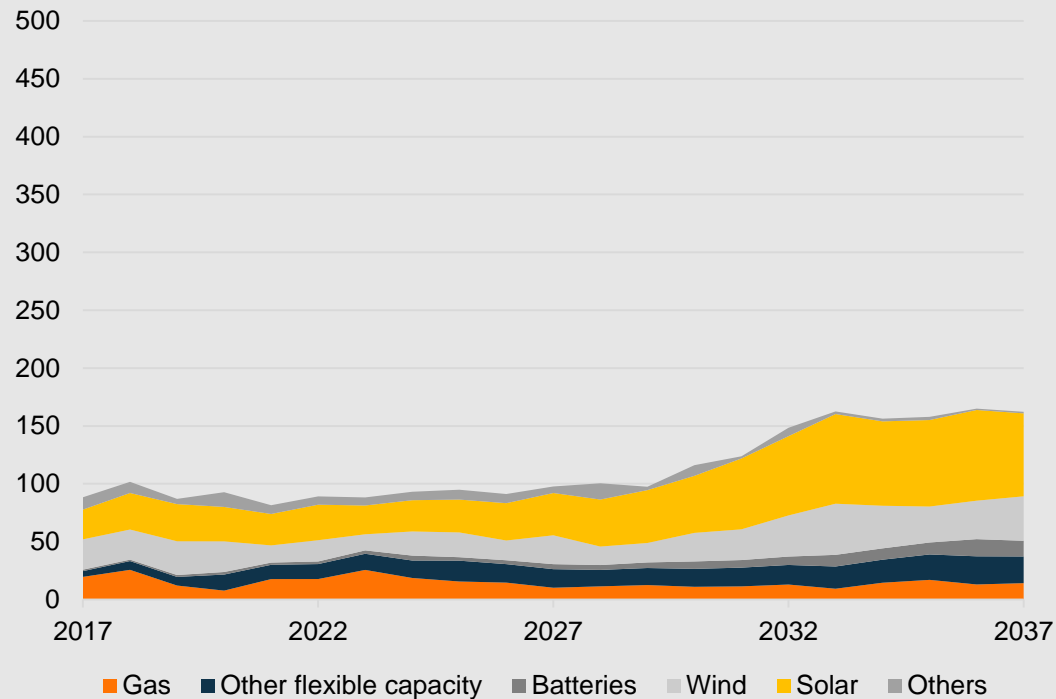
### NEW CUSTOMER ACCESS



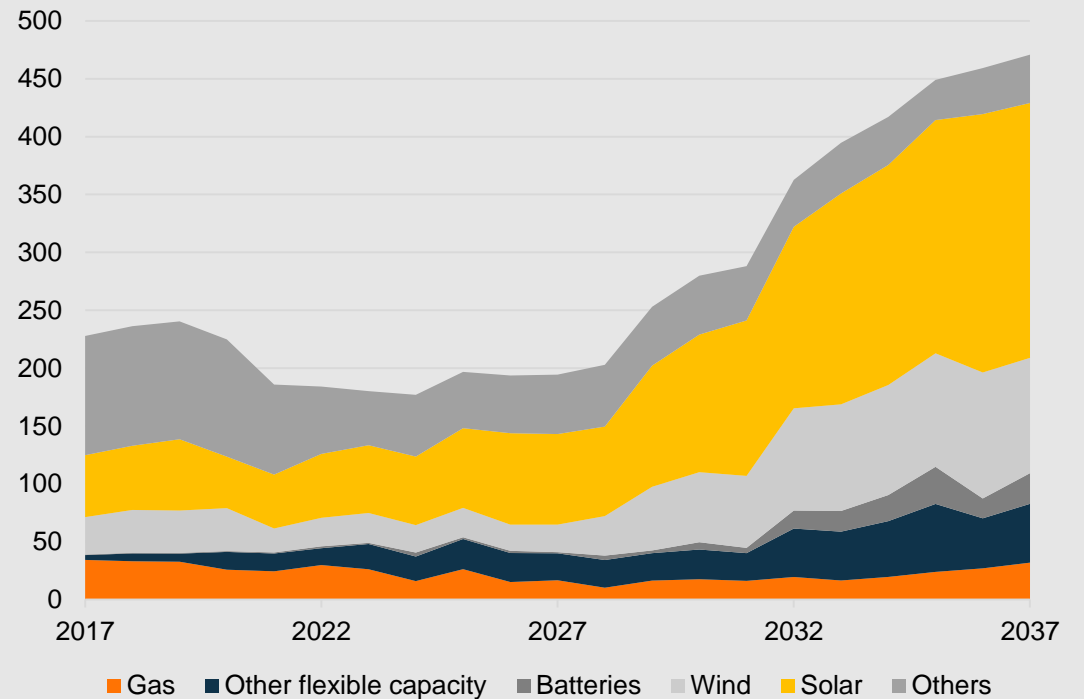
Growth **beyond** the traditional Wärtsilä installed base

# Renewables increasing globally, electricity demand growing in the emerging markets

**OECD Gross annual capacity additions (GW)**



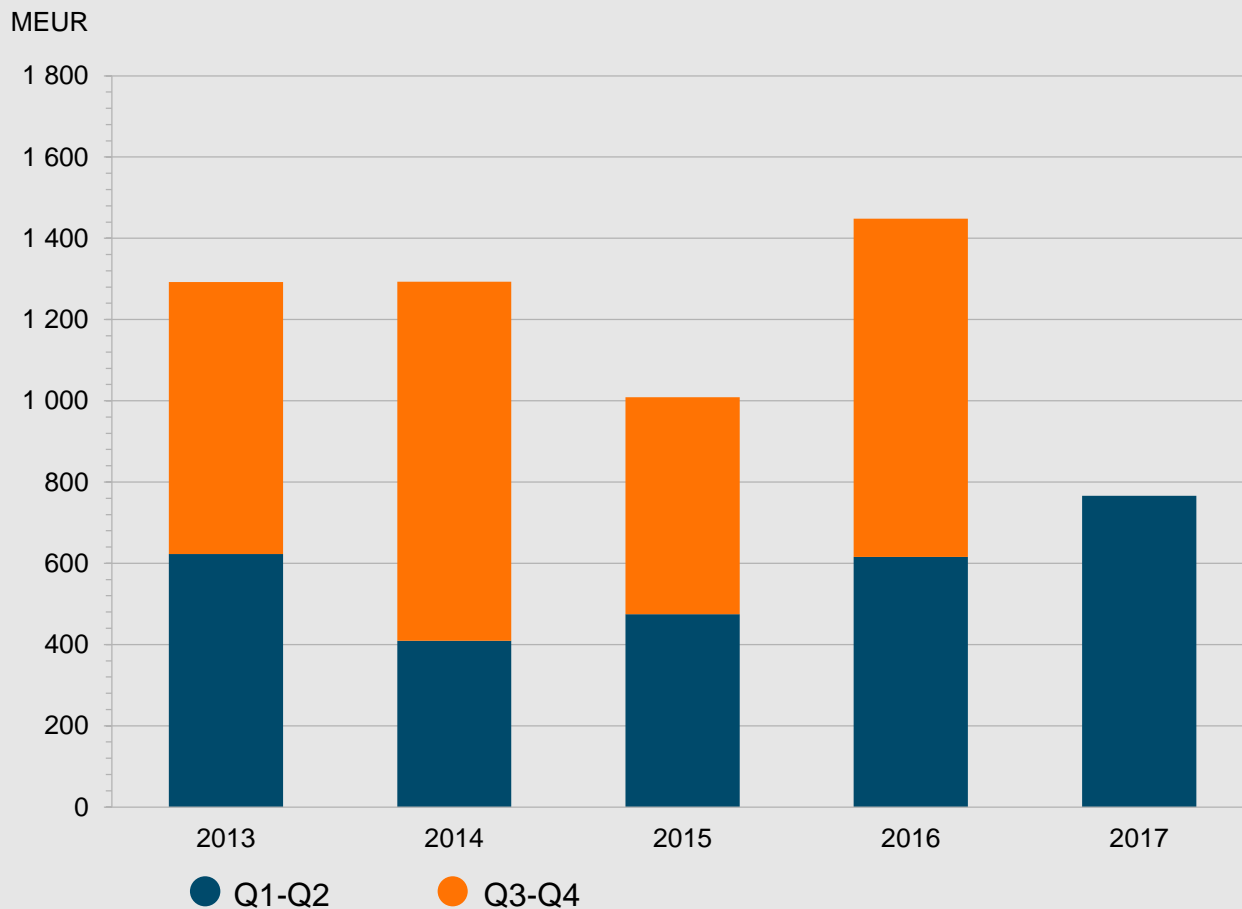
**Non-OECD Gross annual capacity additions (GW)**



Source: Bloomberg New Energy Finance

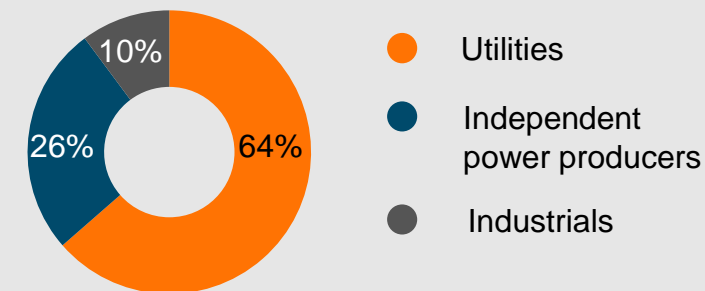
Note: Flexible capacity includes power storage, demand response and other potential resources. Others include: coal, oil, nuclear, hydro and other renewables than wind or solar

# Market trends support Energy Solutions' order intake



## Review period development

Total EUR 766 million (616)

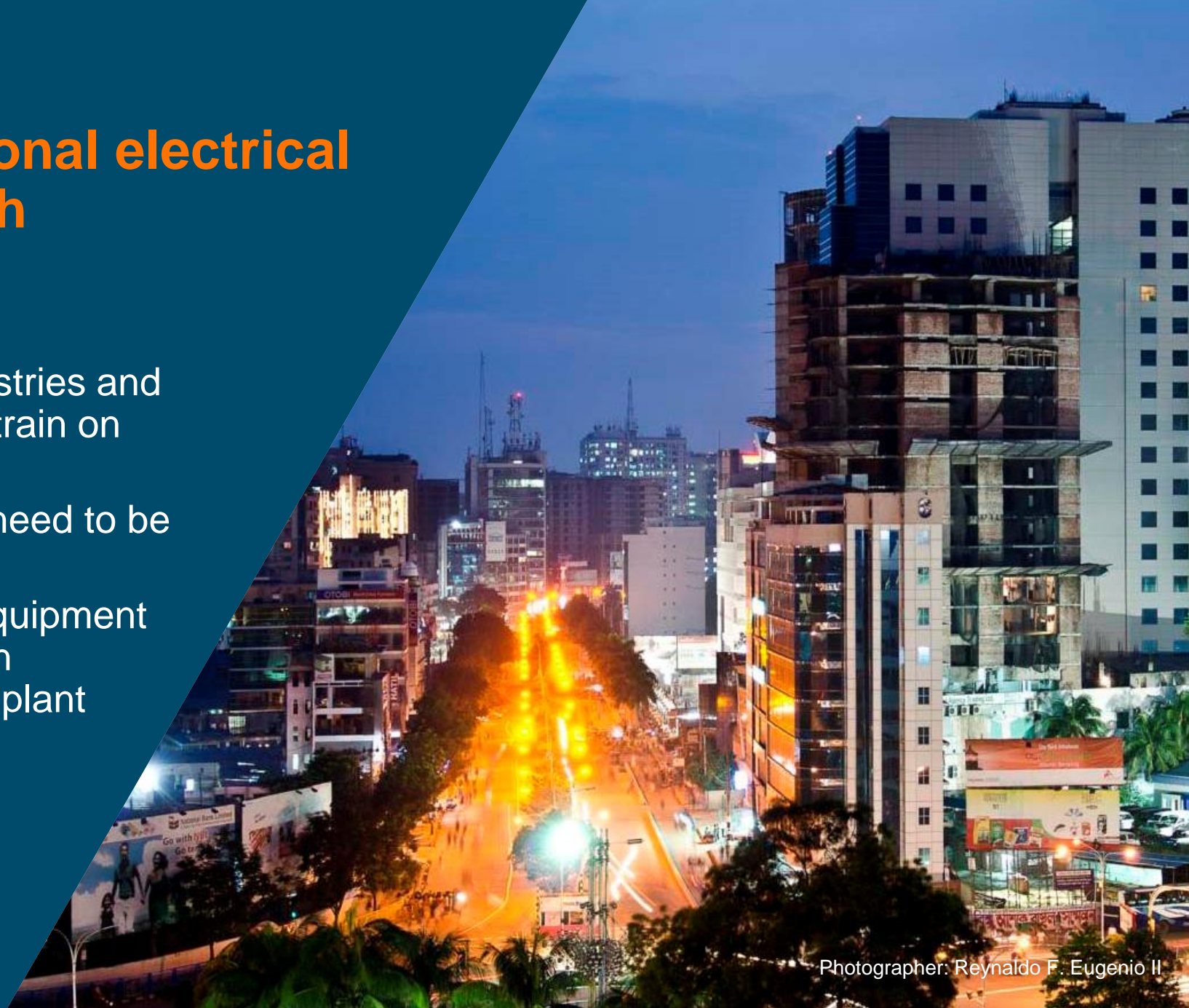


## Review period order intake by fuel in MW



# Urgent need for additional electrical capacity in Bangladesh

- The Bangladeshi economy, industries and population are growing putting strain on power supply
- More reliable power generation need to be added to the national grid
- Orders received in Q3 include equipment for engines for a 220 MW plant in Chandpur and a 300 MW power plant in Gazipur
- Wärtsilä's installed base in Bangladesh now amounts to 3500 MW



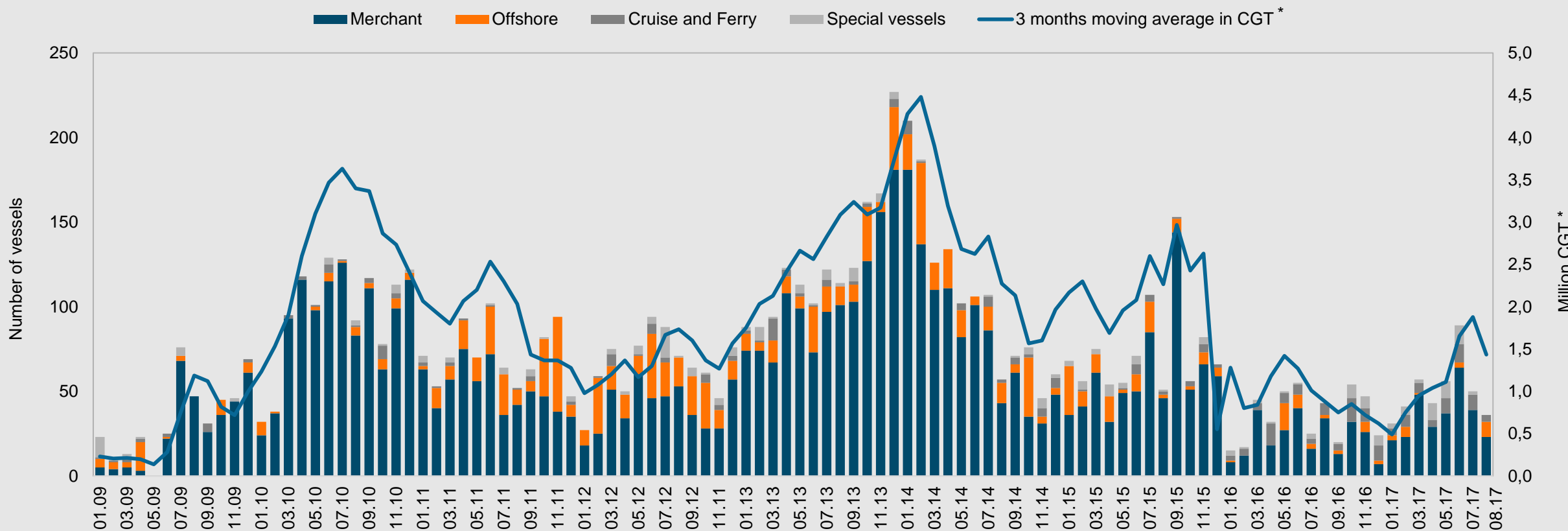
Photographer: Reynaldo F. Eugenio II

## The acquisition of Greensmith will enable Wärtsilä to become a global systems integrator

- A US-based leader in intelligent energy storage technology and solutions
- Specialised in energy storage optimization and integration software
- Enables Wärtsilä' expansion to the energy storage market with solutions that combine and optimise different forms of power generation, energy storage and demand side management



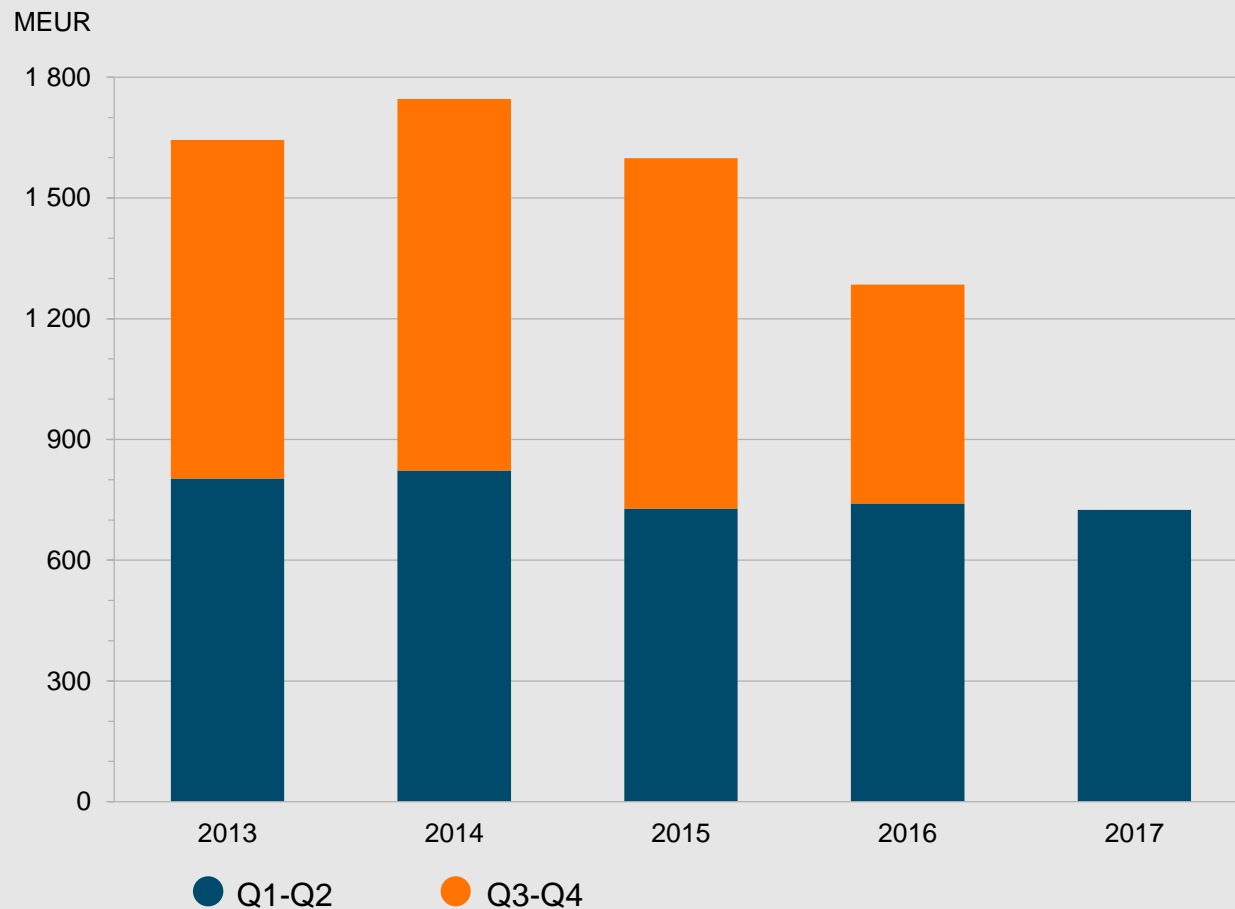
# The marine market environment remains challenging



Source: Clarkson Research Services, figures exclude late contracting

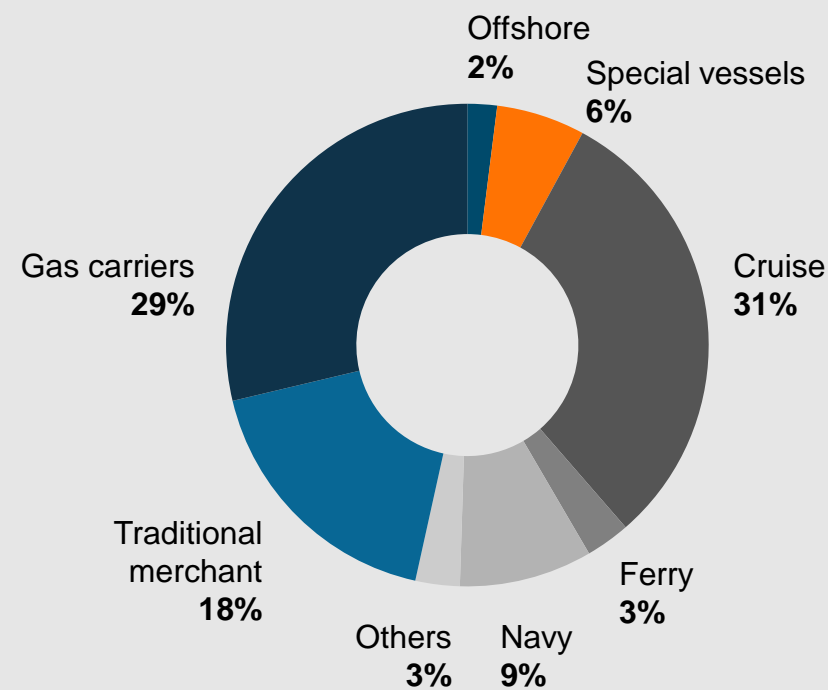
\* CGT= gross tonnage compensated with workload

# Marine Solutions' order intake supported by favourable vessel mix



## Review period development

Total EUR 725 million (741)



# Good activity in FSRU market

- Cost efficiency, flexibility and mobility is creating demand for floating regasification units
- Höegh LNG's two new FSRUs will feature Wärtsilä's latest regasification technology and Wärtsilä's dual-fuel main engines
- Wärtsilä will service the new vessels and eight of Höegh's existing ships under a 5-year technical management agreement



## Developing technologies that enable a Smart Marine future

- In August, Wärtsilä successfully tested the remote control of ship operations using satellite communication
- Gulfmark Offshore's vessel in the North Sea was remotely navigated from Wärtsilä's office in San Diego, California
- The vessel was driven through a sequence of maneuvers using a combination of dynamic positioning and manual joystick control over an almost 4 hour period

**Wärtsilä** successfully tests remote control ship operating capability



# Prospects for 2017

Wärtsilä's overall development in 2017 is expected to be relatively unchanged from the previous year. Demand by business area is anticipated to develop as follows:

- Solid in Services with growth opportunities
- Good in Energy Solutions
- Solid in Marine Solutions (raised from soft)



# THANK YOU

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