

SMART STRATEGIES DRIVING PROFITABLE GROWTH

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President & CEO

The marine and energy industries are transforming



CLEAN ENVIRONMENT

A future without emissions or pollution



ENERGY INTELLIGENCE

An optimised way of producing and using energy



MARKET SHAPING & INNOVATION

A union of new technology and business models

Smart solutions are the foundation for our long-term value creation



We are accelerating our digital transformation

ENABLE AND TRANSFORM

- Culture & competencies
- Operating model & technology
- Data capability



DEVELOP THE CORE

- Product development
- Supply chain & logistics
- Sales & marketing
- Customer experience



GROW THE NEW

- New business model acquisition
- Corporate venturing approach
- New disruptive business model

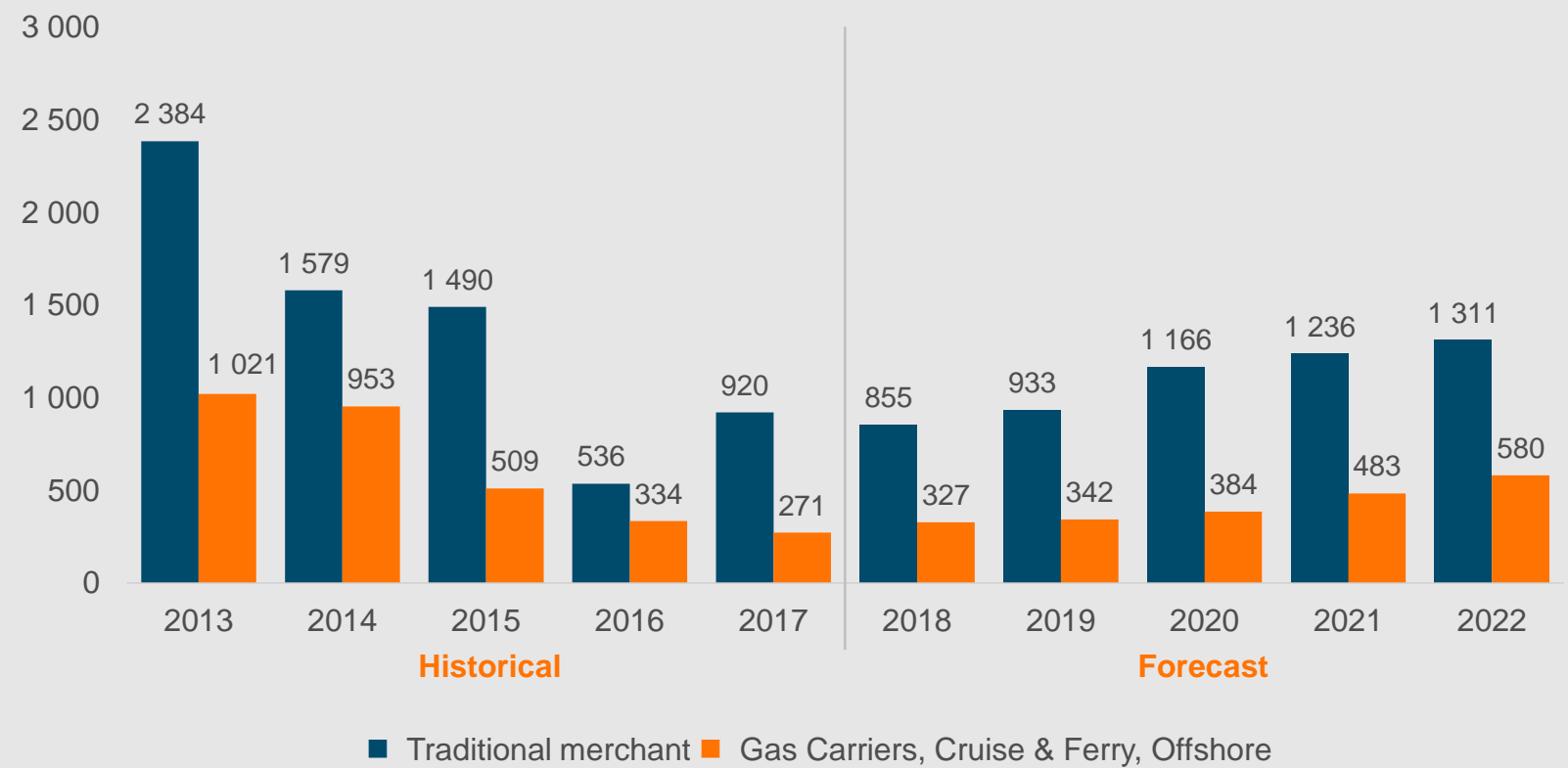


PROFITABLE GROWTH



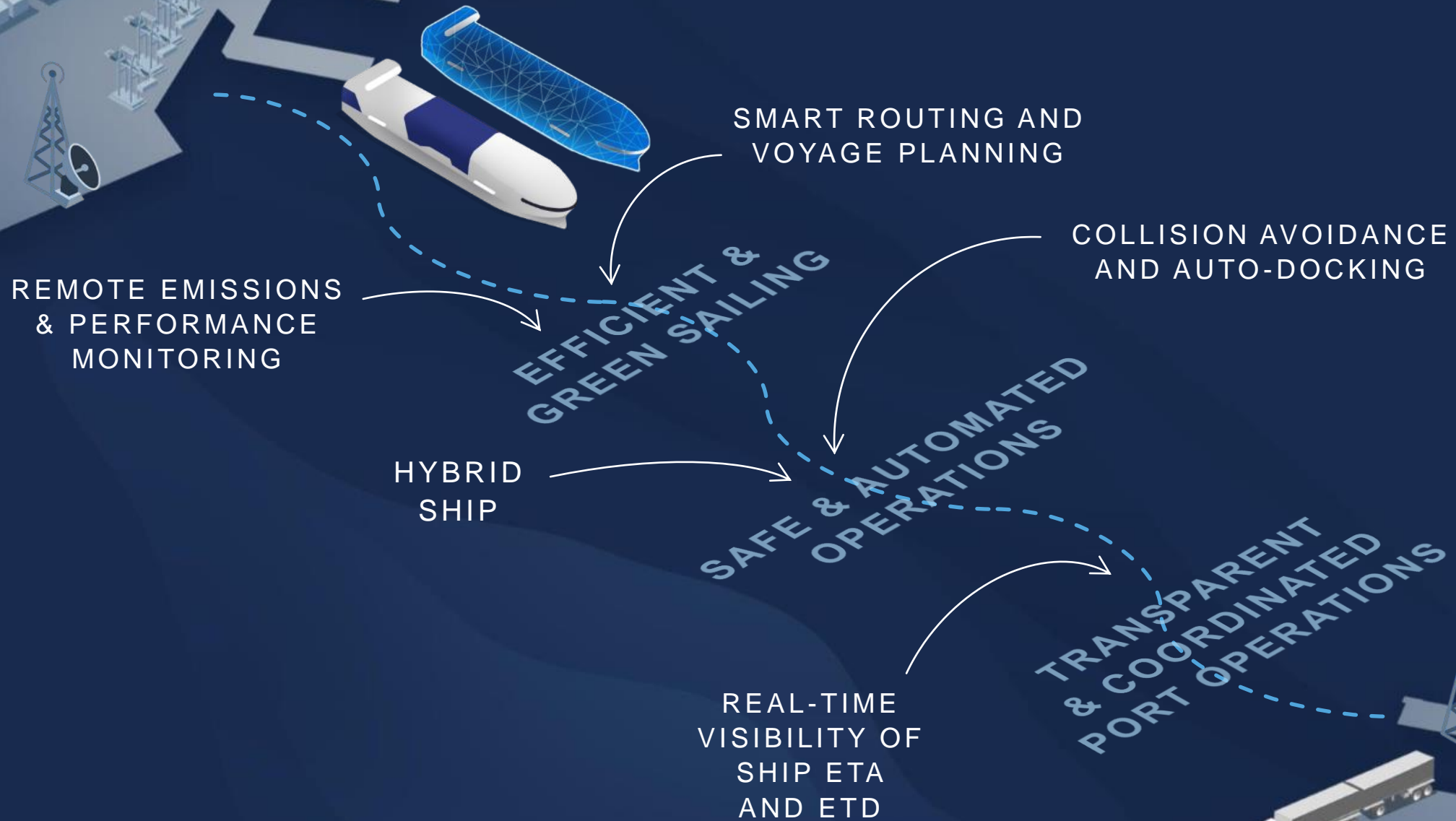
Marine market sentiment is cautiously optimistic

Vessel contracting



- Improving economic outlook
- Increasing demand for LNG
- Regulatory developments
- Emerging technologies
- New business models

Source: Clarksons Platou, Wärtsilä Internal Analysis



Building on our smart marine competences

MARINE SYSTEMS INTERNATIONAL



Automation, navigation and electrical systems

ENIRAM



Voyage optimisation

GUIDANCE MARINE



Situational awareness

TRANSAS

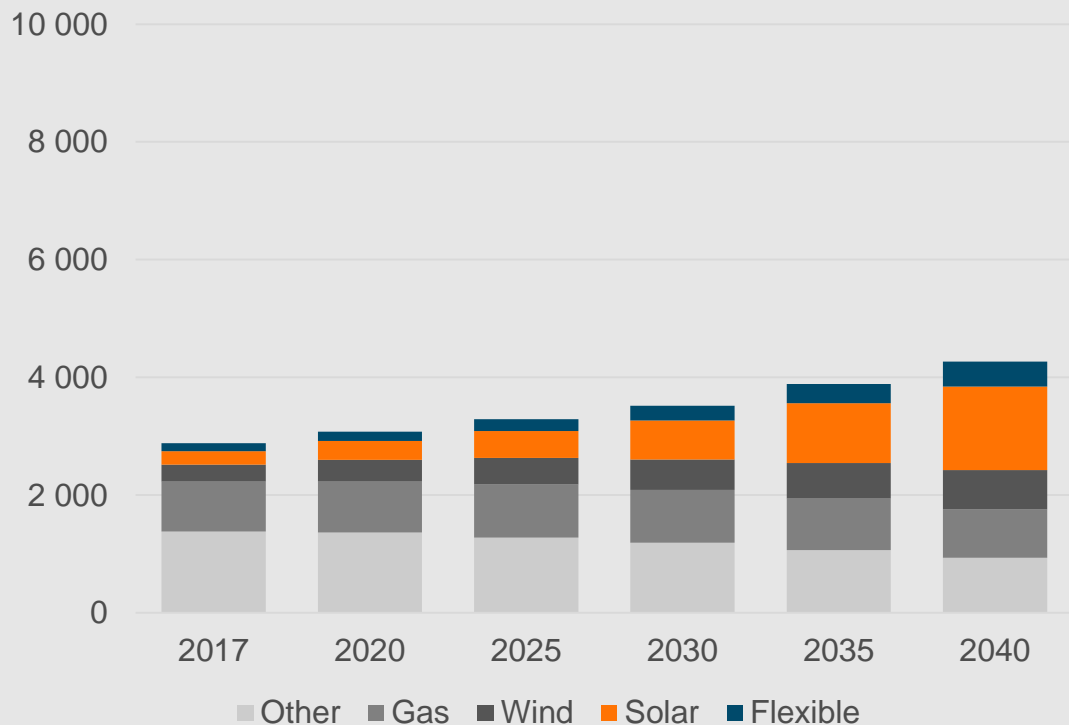


Navigation, simulation and traffic control

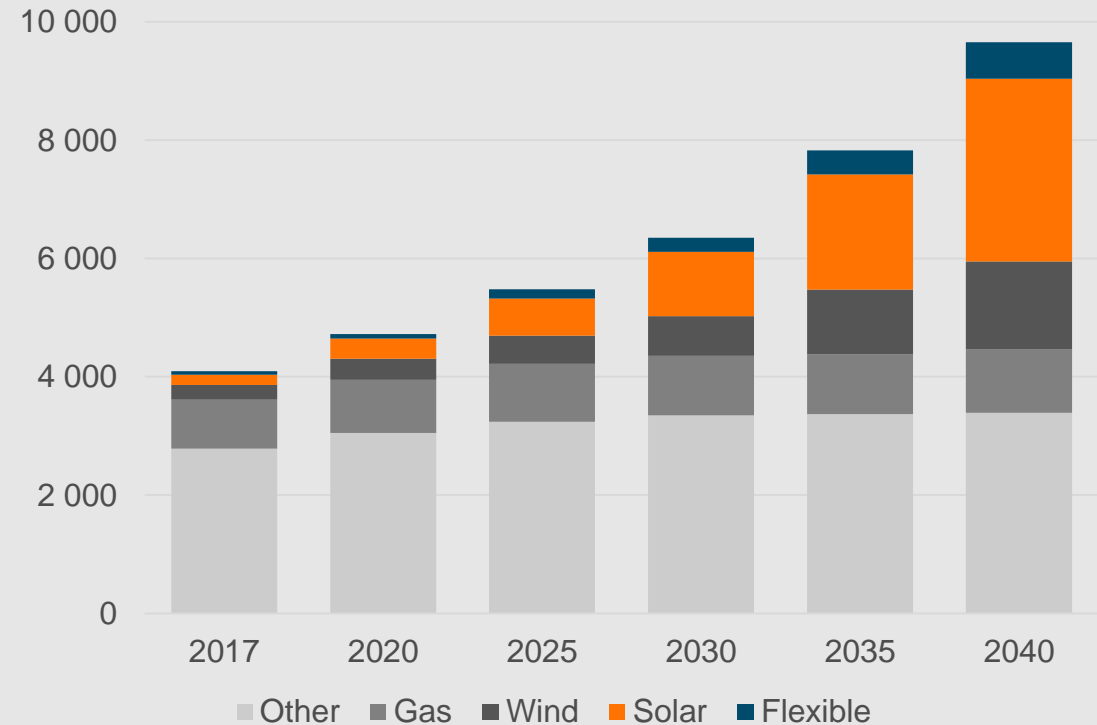


As energy markets transition to renewables and flexible capacity...

Cumulative installed capacity in OECD countries (GW)

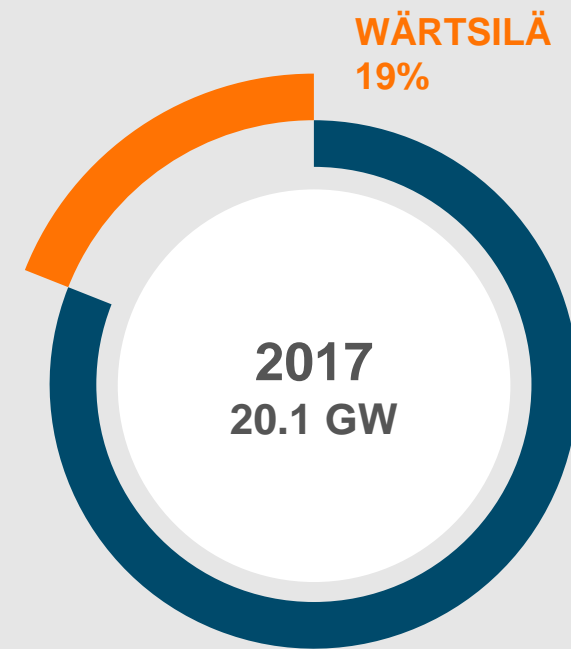
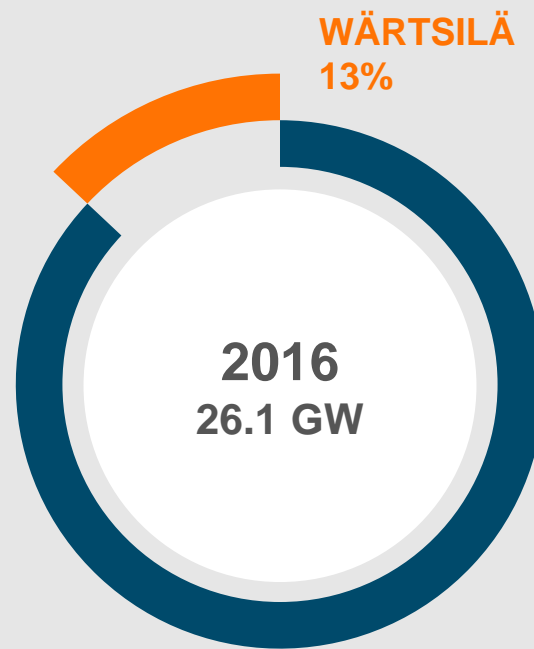
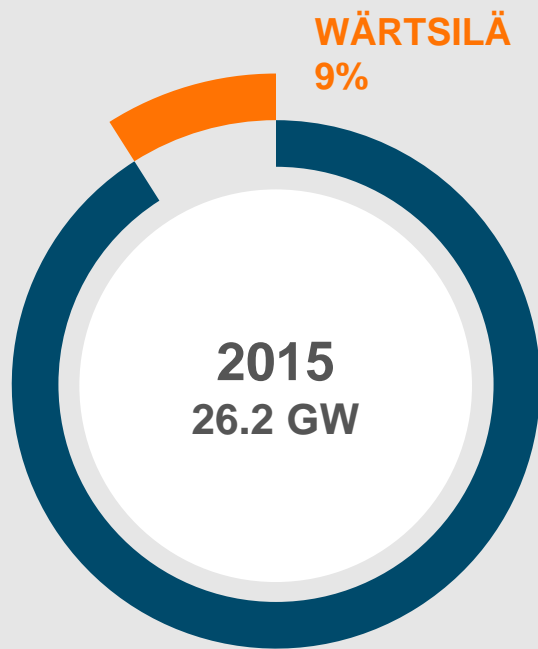


Cumulative installed capacity in non-OECD countries (GW)



Source: Bloomberg New Energy Outlook 2017
Other includes: coal, oil, nuclear, other renewables; Flexible includes: batteries, demand response and other flexible capacity

...we continue to strengthen our position in addressable markets



Source: McCoy Power Report. Includes GT-based gas and liquid-fuelled, <500 MW power plants with prime movers above 5 MW. Includes estimated output of steam turbines for combined cycles (factor 0.5 for industrial turbines, 0.25 for aeros). Oil & Gas projects not included. Other combustion engines not included – data not available.

TIPPING POINT

Existing thermal capacity replaced with flexible generation

RENEWABLE BASELOAD

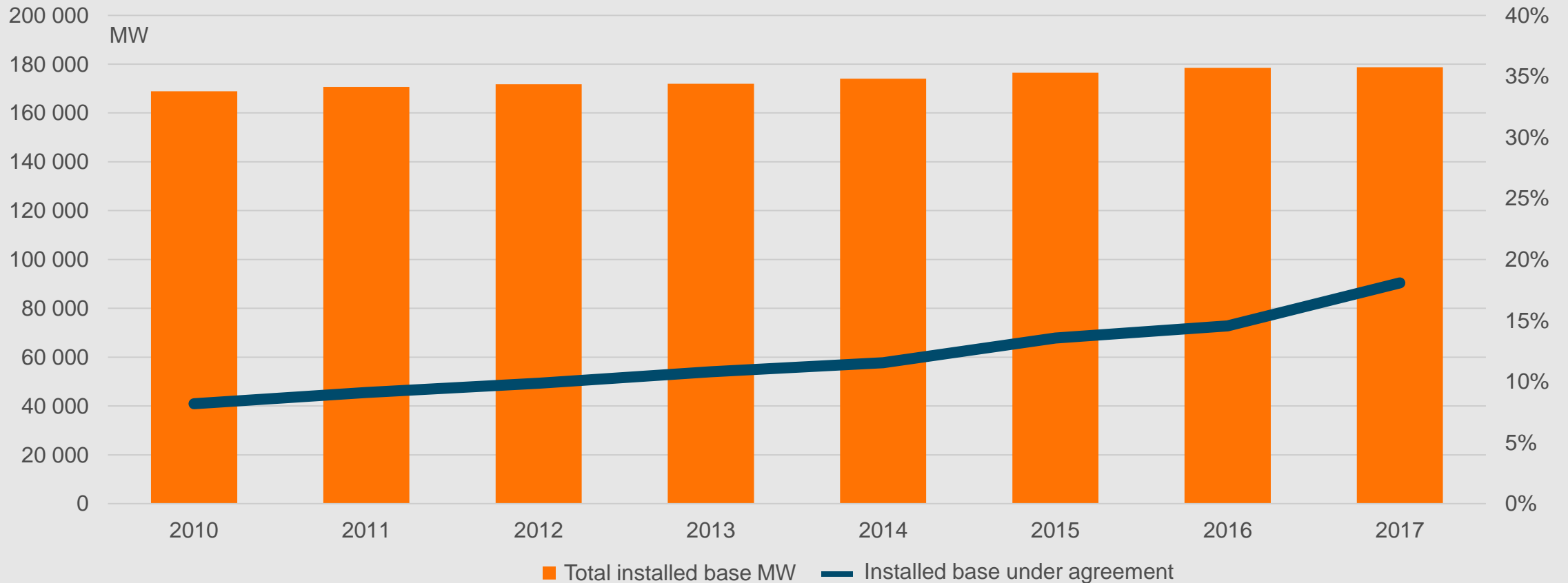
Energy storage becomes affordable, enabling increase in renewable energy

100% RENEWABLE ENERGY

Flexible thermal capacity provides seasonal back-up, daily energy variations managed with storage



Customers' interest in our new service models is increasing

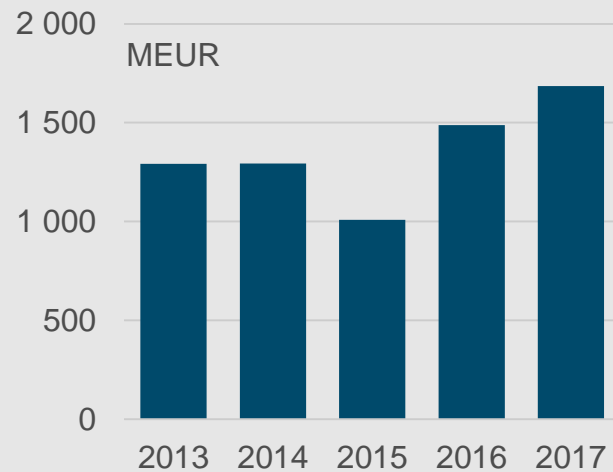


Our short-term market outlook is improving...

ENERGY SOLUTIONS

Good demand outlook due to renewables growth and increasing electricity demand in emerging markets.

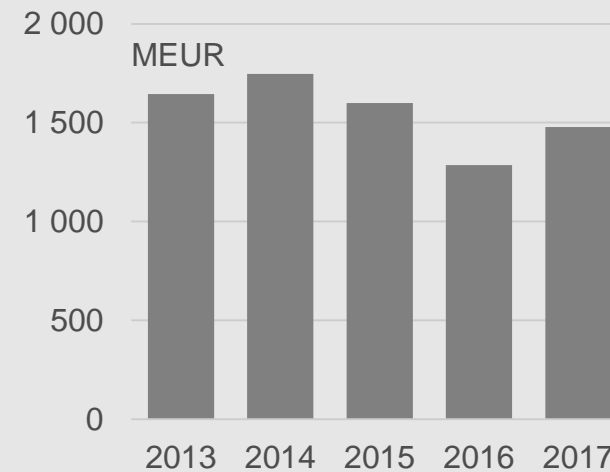
Energy Solutions, orders



MARINE SOLUTIONS

Gradual market recovery, despite challenges related to overcapacity and lack of financing. Solid demand outlook.

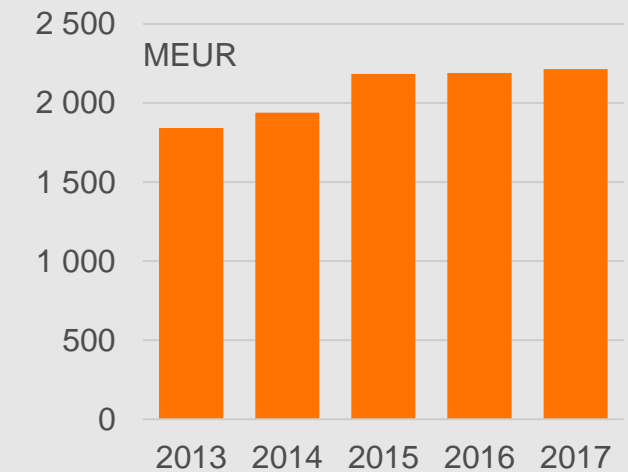
Marine Solutions, orders



SERVICES

Growth opportunities from long-term agreements and the increasing sophistication of our installed base.

Services, sales



...and we remain committed to our long-term financial targets



GROW FASTER THAN GLOBAL GDP

Focus on strengthening position in strategic growth markets

3% growth



REACH 14% PROFITABILITY

Enhanced performance through continuous improvement

12.0% profitability



MAINTAIN GEARING BELOW 50%

Unleveraged balance sheet supports growth through acquisitions

Gearing 10%



DELIVER DIVIDEND OF ≥50% OF EPS OVER THE CYCLE

Committed to providing shareholder returns

Dividend per earnings 70.8%

DEVELOPMENT IN 2017

THANK YOU



WÄRTSILÄ

Capital Markets
Day 2018