



# WÄRTSILÄ CORPORATION

**CORPORATE PRESENTATION 2015**



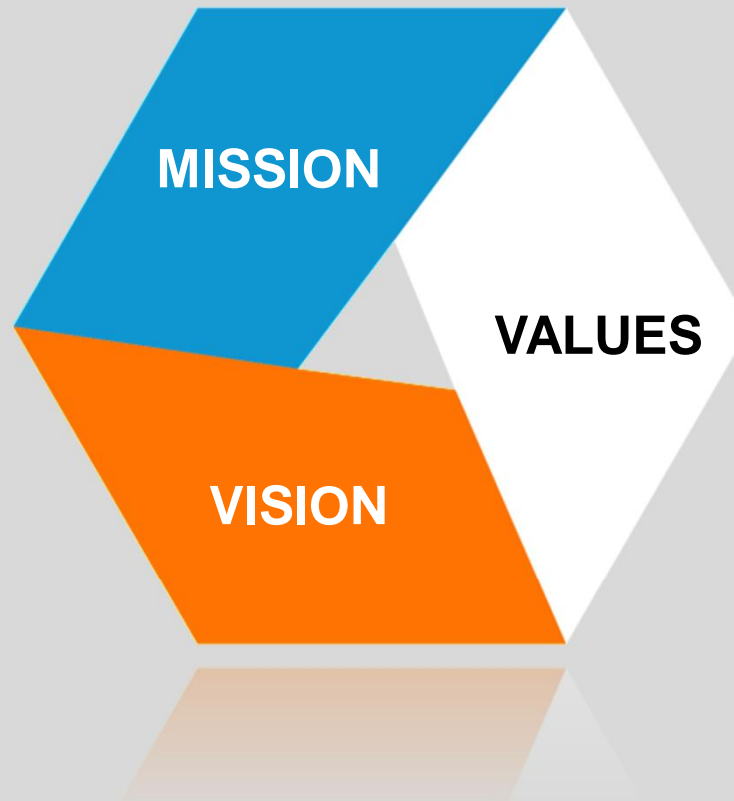
**COMPLETE LIFECYCLE POWER SOLUTIONS**

A global leader in sustainable power for  
the marine and energy markets

# OUR MISSION, VISION AND VALUES

We shape the marine and energy markets with advanced technologies and focus on lifecycle performance, to enhance our customers' business and benefit the environment.

We will be our customers' most valued business partner.



## **ENERGY**

Capture opportunities and make things happen.

## **EXCELLENCE**

Do things better than anyone else in our industry.

## **EXCITEMENT**

Foster openness, respect and trust to create excitement.

# THIS IS WÄRTSILÄ



## ENERGY SOLUTIONS



## MARINE SOLUTIONS



## SERVICES

# WHAT WE BRING TO THE MARKET



**EFFICIENCY**  
**ENVIRONMENTAL SOLUTIONS**  
**FUEL FLEXIBILITY**



- Strong emphasis on technology leadership and innovation
- Long-term co-operation with research institutes and partners
- R&D investments in 2014 EUR 139 million, representing 2.9% of net sales

**“ Total efficiency, cost of ownership, fuel flexibility and versatility, minimised environmental impact, and reliability are our main drivers ”**

# PRODUCTION AND SERVICES GLOBALLY



# OUR PERSONNEL

**17,700**  
PROFESSIONALS

**70**  
COUNTRIES

**200**  
LOCATIONS



# OUR NATIONALITIES



# POSITIONED FOR GROWTH



## ENERGY EFFICIENT SOLUTIONS

- Smart Power Generation combining energy efficiency, fuel and operational flexibility
- Most complete offering of marine products and integrated solutions, including a broad portfolio of environmental products
- Optimised asset performance over the lifecycle

## GAS BASED TECHNOLOGY

- A forerunner in gas and multi-fuel engines, fuel systems, technology and services
- Offering that covers gas value chain from exploration to end consumers
- Wide LNG offering in small and mid-sized terminals

## INNOVATIVE SOLUTIONS

- Strong and global track record in distributed energy
- Project management and engineering competence create customer value
- Making use of digital technology

# FINANCIAL HIGHLIGHTS

| MEUR                                | 2014  | 2013 <sup>2</sup> | 2012 <sup>3</sup> | 2011  | 2010  |
|-------------------------------------|-------|-------------------|-------------------|-------|-------|
| Order intake                        | 5 084 | 4 821             | 4 940             | 4 516 | 4 005 |
| Order book at the end of the period | 4 530 | 4 311             | 4 492             | 4 007 | 3 795 |
| Net sales                           | 4 779 | 4 607             | 4 725             | 4 209 | 4 553 |
| Operating result <sup>1</sup>       | 569   | 557               | 517               | 469   | 487   |
| % of net sales <sup>1</sup>         | 11.9  | 12.1              | 10.9              | 11.1  | 10.7  |
| Earnings/share, EUR                 | 1.76  | 1.98              | 1.72              | 1.44  | 1.96  |

1) Figures exclude non-recurring items

2) Figures related to the statement of income in the comparison period 2013 have been restated due to the two-stroke business being classified as discontinued operations.

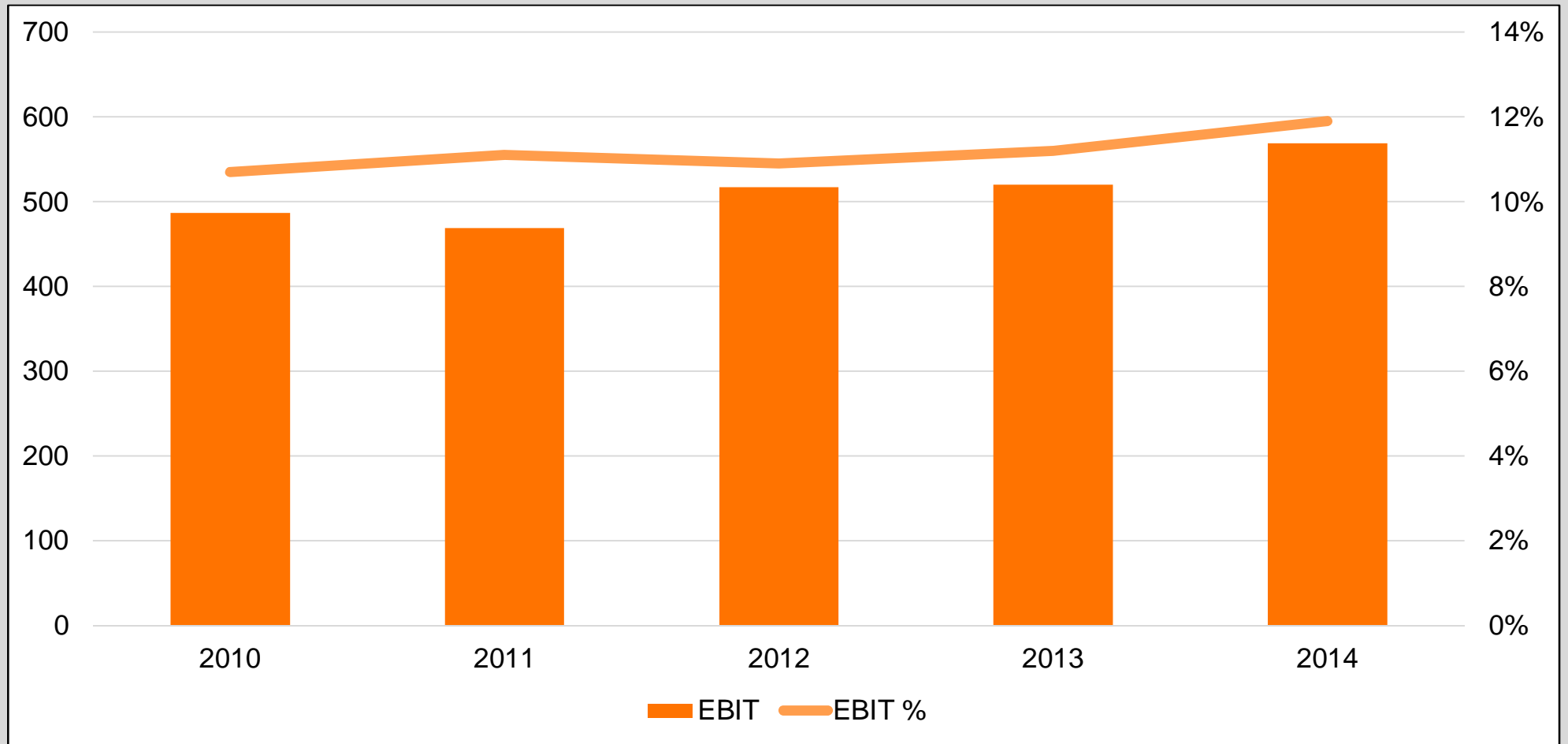
Figures in comparison periods 2010, 2011 and 2012 have not been restated.

3) The figures in the comparison period 2012 have been restated during year 2013 according to the revised IAS 19.

Figures in comparison periods 2010 and 2011 have not been restated.

# SOLID PROFITABILITY

MEUR



Figures shown before non-recurring restructuring items.

2014 EBIT and EBIT% include continuing operations. Figures for 2010-2013 include both discontinued and continuing operations.



## ENERGY SOLUTIONS


Our flexible technology provides superior value and environmental benefits, contributing to more efficient and sustainable power systems



# ENERGY SOLUTIONS OFFERING



- Flexible baseload power plants
- Capacity for grid stability, peaking, load following and integrating balancing wind and solar energy
- Multi-fuel solutions enabling use of any gas or liquid fuels
- LNG terminals and distribution systems
- Project development and EPC capability

A photograph of an LNG receiving terminal featuring several large, white, cylindrical storage tanks. The tanks are surrounded by a complex network of yellow and red metal railings and pipes. The sky is clear and blue. The image is used as a background for the text.

We provide our full range of project and lifecycle support to LNG receiving terminals. We have the capability to develop the entire LNG fuel supply chain in partnership with our customers.

# OUR CUSTOMER SEGMENTS



## UTILITIES

Organisations providing electricity and / or heat to power markets or end users.



## IPP'S

Financial organisations investing in power plants to sell power to utilities.



## INDUSTRIAL CUSTOMERS

Industrial businesses with captive power plants.



# ENERGY SOLUTIONS STRATEGY



- Grow strongly in large utility gas power plants by capturing market share from gas turbines
- Maintain our leading position in HFO & dual-fuel power plants
- Grow the gas power plant business further by developing and delivering LNG infrastructure projects
- Grow in biofuel power plants
- Grow in special applications for the nuclear emergency power, combined heat & power and oil & gas industry

# 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 drives investments in new technologies

**“ The world needs clean, affordable and reliable power generation ”**

# SMART POWER GENERATION

Enabling transition to a sustainable power system

ENERGY  
EFFICIENCY

SMART  
POWER  
GENERATION

FUEL  
FLEXIBILITY

OPERATIONAL  
FLEXIBILITY

AFFORDABLE

SMART  
POWER  
SYSTEM

RELIABLE

SUSTAINABLE

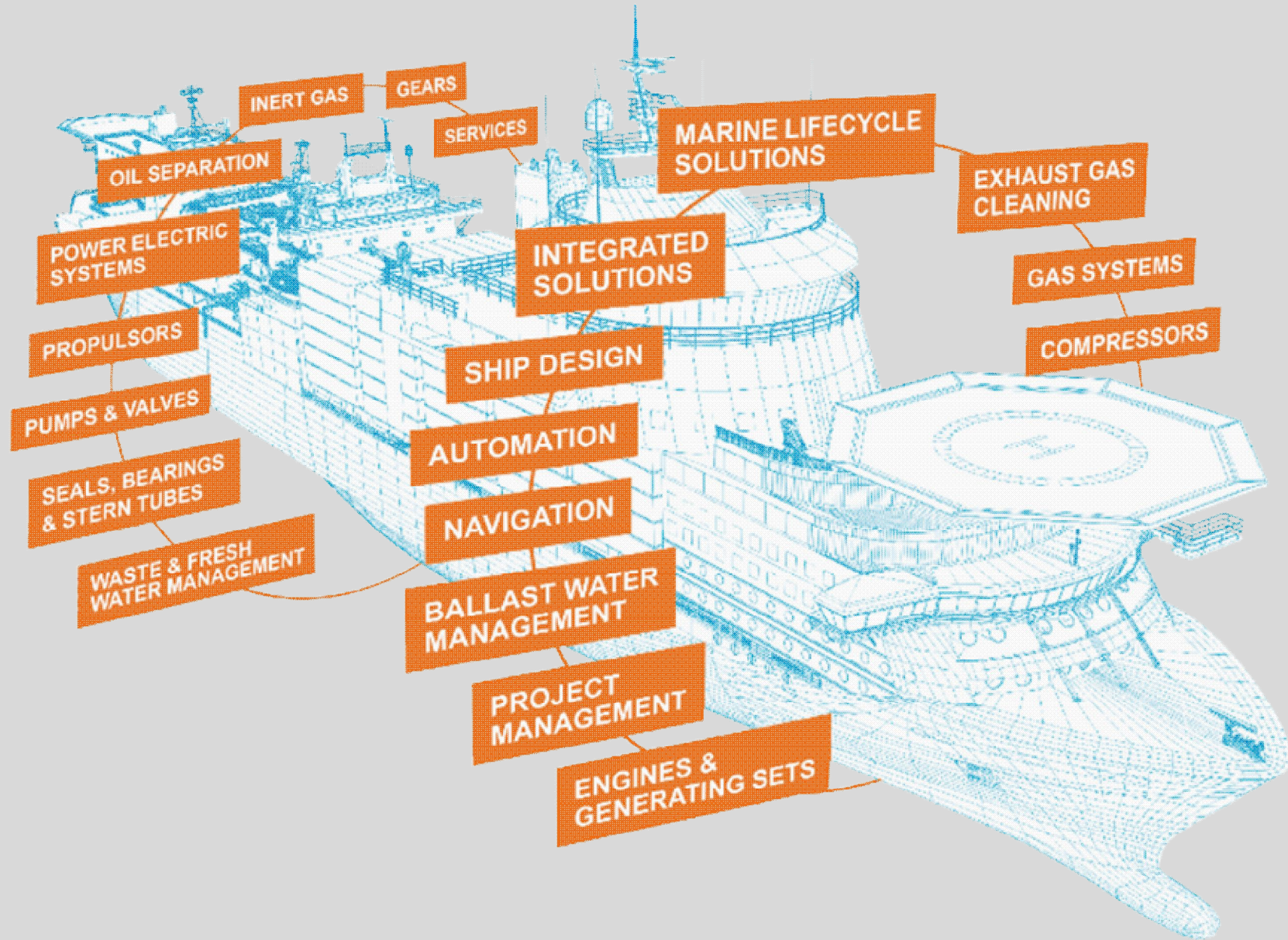


## MARINE SOLUTIONS

We are the leading provider of innovative products and integrated solutions in the marine and oil & gas industries. We are passionate about supporting our customers with what they need, through optimised lifecycle value and best-in-class operational efficiency, environmental excellence and fuel flexibility.



# THE MOST COMPLETE MARINE OFFERING ON EARTH



# COVERING ALL MARKET SEGMENTS



**OFFSHORE**



**MERCHANT**



**CRUISE & FERRY**



**NAVY**



**SPECIAL VESSELS**

**OIL & GAS**

**SHIPPING**

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 most competitive products and delivery process for the marine industry

# MARKET TRENDS & DRIVERS

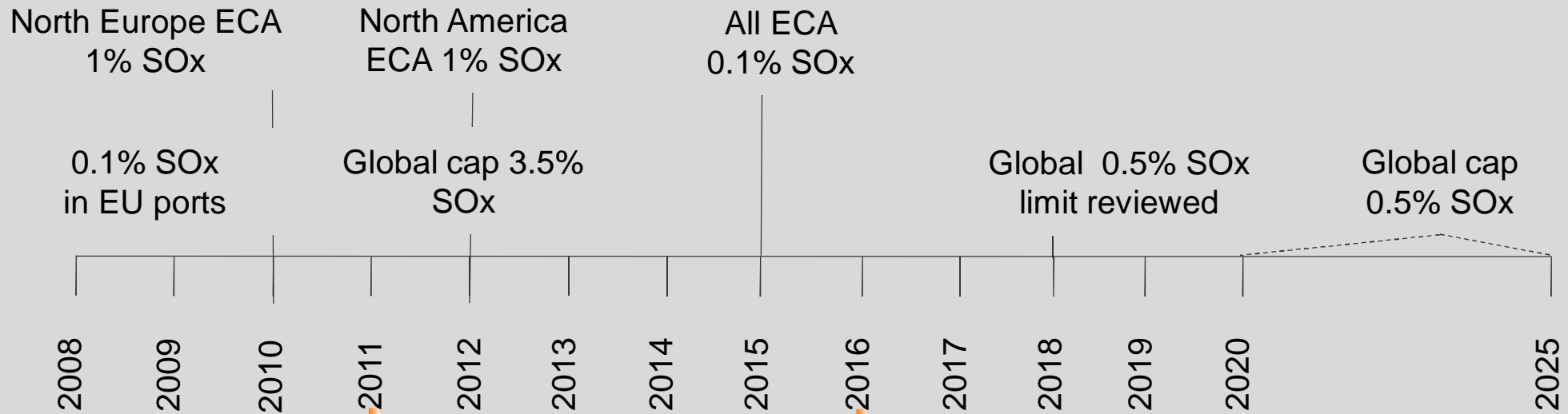


- Marine trade and transportation growth
- Demand for oil and gas drive investments in exploration and production of offshore oil & gas and distribution chain development
- Demand for environmental solutions and gas as a marine fuel
- Energy efficiency, operating performance and security

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



# ENVIRONMENTAL LEGISLATION CONTINUES



NOx Tier II  
(Global)

NOx Tier III in NECA  
(North America)

US Ballast Water  
Management Treaty

Global Ballast Water  
Management Treaty

## SOx legislation:

- Sulphur free fuels
  - LNG
  - Methanol, LPG, bio-fuels
  - Distillates
- Scrubbers in combination with HFO

## NOx legislation:

- Tier II
  - Engine internal methods
- Tier III
  - Secondary methods (SCR)
  - LNG/NG with lean burning process (dual-fuel engines)

## Ballast Water Treaty:

- UV ballast water treatment system
- EC ballast water treatment system
- Minimised amount of ballast water through Ship Design

# WÄRTSILÄ DUAL-FUEL REFERENCES



## MERCHANT

## OFFSHORE

## SPECIALS

## DF CONVERSION

## 2 STROKE DF

## DF POWER PLANTS

**732 ENGINES**

**132 ENGINES**

**61 ENGINES**

**28 ENGINES**

**22 ENGINES**

**383 ENGINES**

168 LNG carriers  
8 Multigas carriers  
2 Product tankers  
1 Bulk tanker  
1 CNG carrier

24 Offshore supply vessels  
5 FPSO vessels  
4 FSRU vessels  
2 Platforms  
1 FSO vessel

9 Ferries  
6 Tugs  
3 ROPAX vessels  
1 Navy vessel  
1 Icebreaker  
1 IWW vessel  
1 Guide ship

4 FPSO vessels  
2 RORO vessels  
1 Chemical tanker  
1 Ferry  
1 IWW vessel

6 Large LNG carriers, 2 engines each  
4 Chemical tankers  
3 Container vessels  
2 Asphalt carriers  
1 Small LNG carrier

79 plants  
Output 5,037 MW  
Online since 1997

**>1,300 engines >12 million running hours**

A photograph of two men in a control room. The man on the left is wearing glasses and a grey shirt, holding a blue pen. The man on the right is wearing a red shirt and glasses, looking down at a control panel. The background shows various control panels and screens.

## SERVICES

Our global network and wide range of products, services and expertise enable us to enhance our customer's business – whenever, wherever

# BENEFITS OF WORKING WITH SERVICES



Optimising customer operations whenever, wherever is our shared passion.

We provide the broadest portfolio and the best services in the industry for both shipping and power generation. We offer expertise, proximity and responsiveness for all customers in the most sustainable way.

**Installed base 181,000 MW**

**Over 450 installations under service agreements**

**11,000 service professionals**

**70 countries**

**160 locations**

# A WIDE RANGE OF EXPERTISE AND SERVICES



**ENGINE SERVICES**



**PROPULSION SERVICES**



**ELECTRICAL AND AUTOMATION SERVICES**



**SEALS AND BEARINGS SERVICES**



**HYDRO AND INDUSTRIAL PRODUCTS AND SERVICES**



**SERVICE AGREEMENTS**



**SERVICE PROJECTS**



**TRAINING SERVICES**

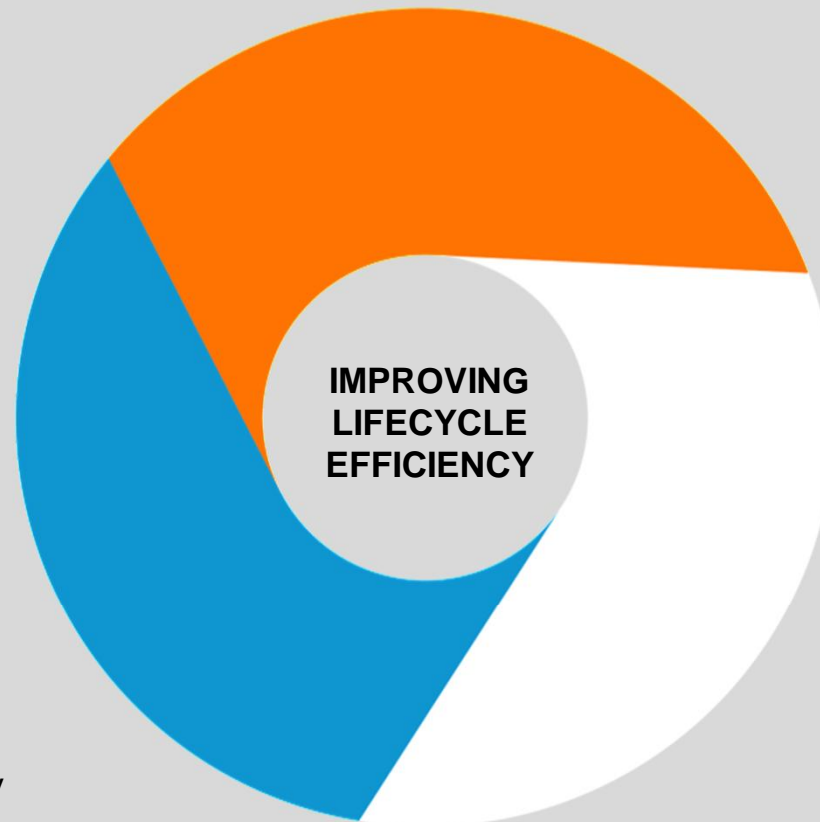
# OUR PASSION: LIFECYCLE EFFICIENCY

## PERFORMANCE OPTIMISATION

Longer term strategies are aimed at improving business efficiency. Optimising performance of installations reduces operational expenses and improves uptime.

## ENVIRONMENTAL EFFICIENCY

Environmental legislation and energy efficiency are currently major concerns for our customers. Sustainable solution options enable a reduced environmental impact and improved operational efficiency.



## PREVENTING THE UNEXPECTED

Reliable, continuous performance is essential. Planning operational reliability of installations through access to highest quality of technologies, services and competences ensures smooth operations and managing risk.

# STRATEGIC FOCUS AREAS



## CUSTOMER FIRST

We will nourish our partnership with our existing customer base by focusing on improved:

- Time to quote
- Delivery accuracy
- Quality of field services

## GO-DIGITAL

We will digitalise our customer engagement:

- Logistics and technical support via online services
- Real-time asset performance management
- Digitalise field service activity
- Enable “intelligent” components

## ASSET & LIFECYCLE

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

- Asset performance management agreements
- Retrofits
- Upgrading of installed base



- Complexity, uncertainty and volatility in global economy and politics
- Digital disruption and need for real-time data
- Growing importance of gas as a fuel
- Solid demand for energy driving opportunities within oil & gas industry
- Overcapacity in merchant shipping and resulting focus on efficiency of operations
- Strong demand for power generation in developing countries
- New and stricter regulations regarding emissions, safety, and asset efficiency



## SERVICES STRATEGIC GOAL

To be recognised as our customers' most valued and competitive service partner: competent, reliable and easy to deal with

# APPENDIX: ABBREVIATIONS

|       |  |
|-------|--|
| CNG   | = compressed natural gas                               |
| DF    | = dual-fuel  |
| EBIT  | = earning before interests and taxes                   |
| ECA   | = emission control area                                |
| EPC   | = engineering, procurement and construction            |
| FPSO  | = floating production, storage and offloading (vessel) |
| FSO   | = floating storage and offloading (vessel)             |
| FSRU  | = floating storage regasification unit (vessel)        |
| HFO   | = heavy fuel oil                                       |
| IPPs  | = independent power producers                          |
| IWW   | = inland waterways (vessel)                            |
| LNG   | = liquified natural gas                                |
| LPG   | = liquified petroleum gas                              |
| MW    | = megawatt   |
| NECA  | = nitrogen emission control area                       |
| NG    | = natural gas  |
| NOx   | = nitrogen oxide                                       |
| R&D   | = research & development                               |
| ROPAX | = combined RORO and passenger ship                     |
| RORO  | = roll-on/roll-off (vessel)                            |
| SCR   | = selective catalytic reduction                        |
| SOx   | = sulphur oxide  |