



# Review by the President & CEO

Håkan Agnevall

# 2023

- | A year of all-time highs
- | The Wärtsilä Way is yielding results



# Wärtsilä Board of Management



**Håkan Agnevall**  
President and CEO



**Arjen Berends**  
Chief Financial Officer



**Roger Holm**  
President, Wärtsilä Marine



**Anders Lindberg**  
President, Wärtsilä Energy



**Tamara de Gruyter**  
President, Portfolio Business



**Teija Sarajarvi**  
EVP, Human Resources



**Kari Hietanen**  
EVP, Corporate Relations  
and Legal Affairs

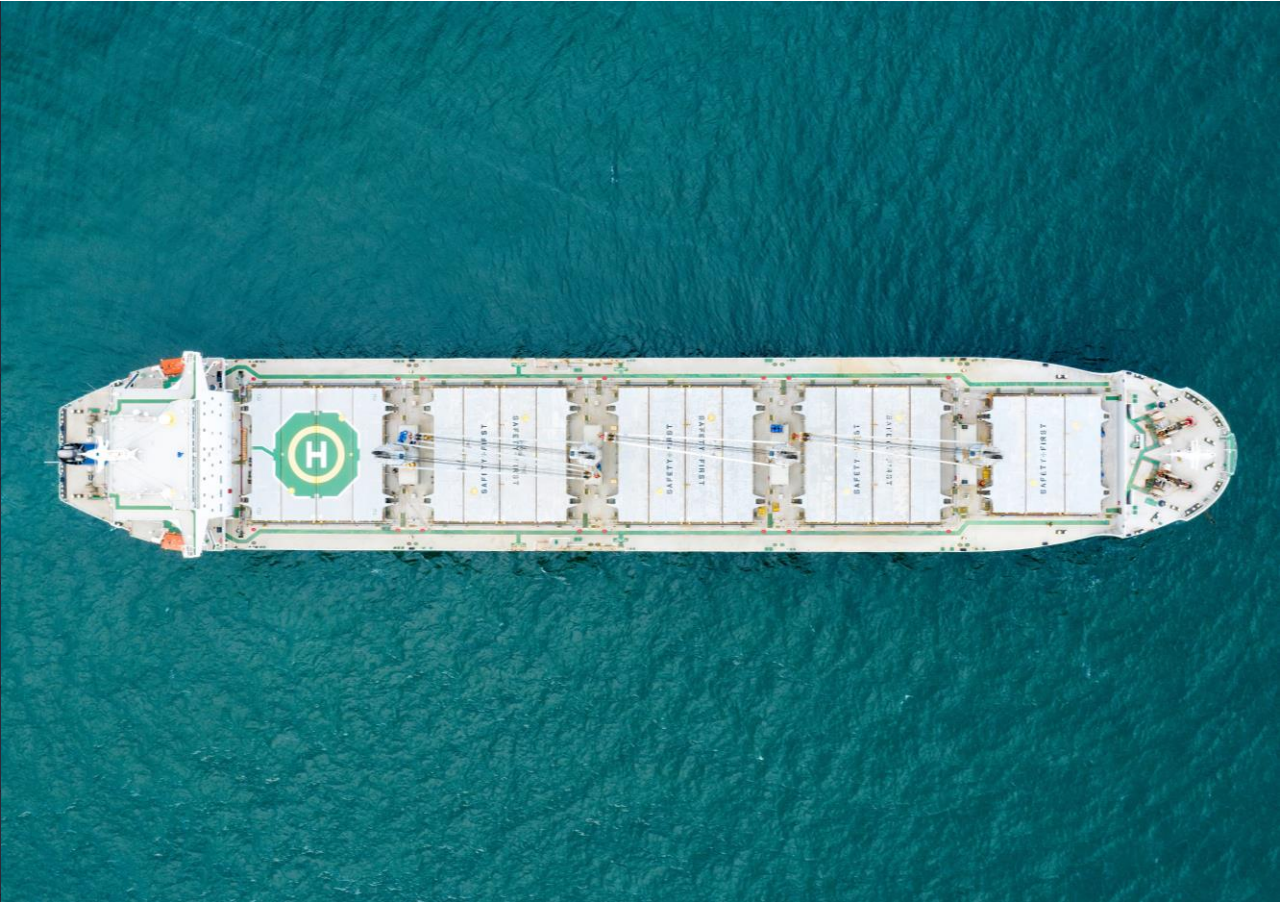
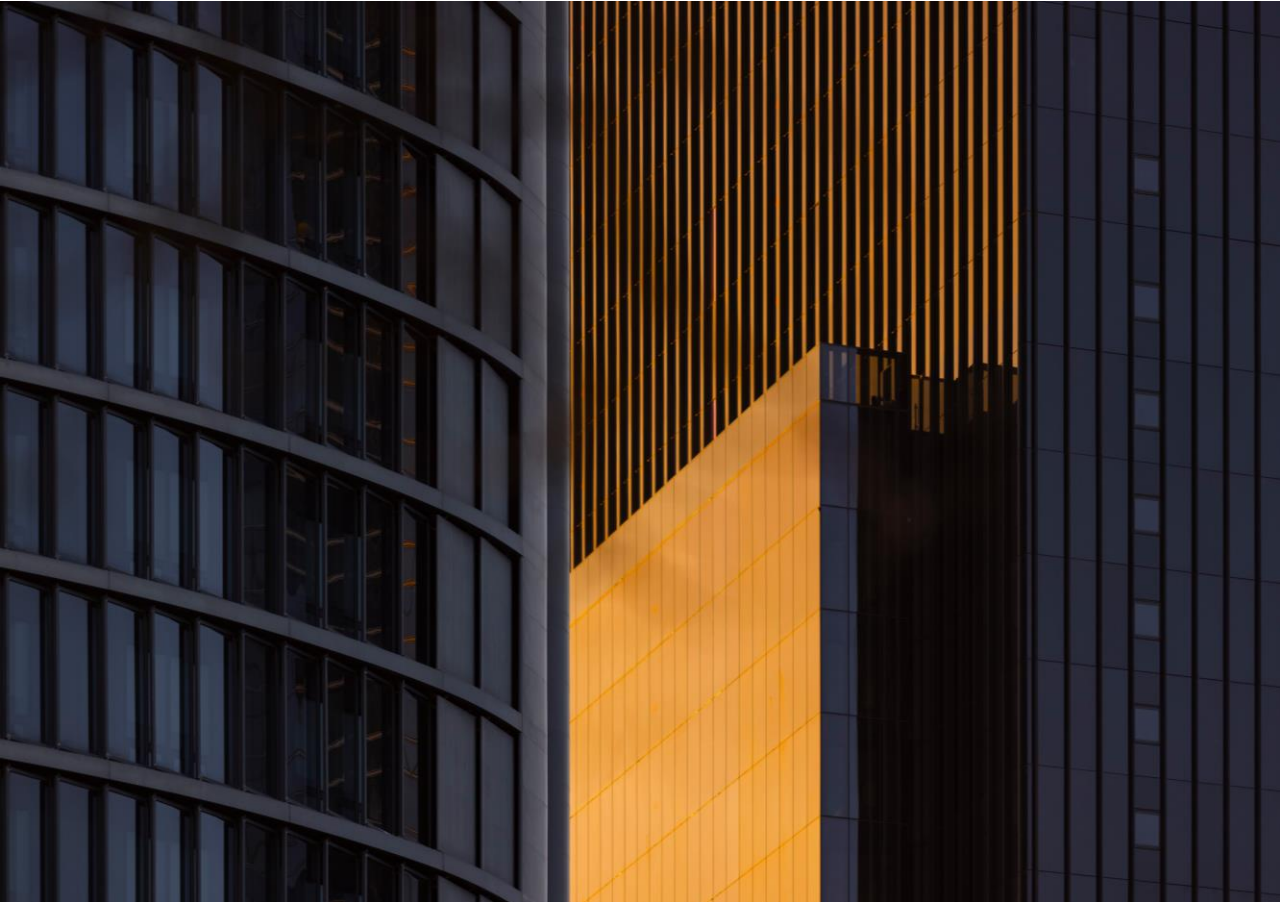


**Saara Tahvanainen**  
EVP, Marketing and  
Communications

# Our operating environment saw both risks and opportunities grow

Deepening geopolitical tensions

Acceleration of the decarbonisation transformation in marine and energy



The health and safety of our personnel  
is our key priority



17,807 employees



- Finland 23%
- Rest of Europe 37%
- Asia 22%
- Americas 13%
- Other 5%

# The Wärtsilä Way is our roadmap to profitable growth

Enabling sustainable societies through innovation in technology and services

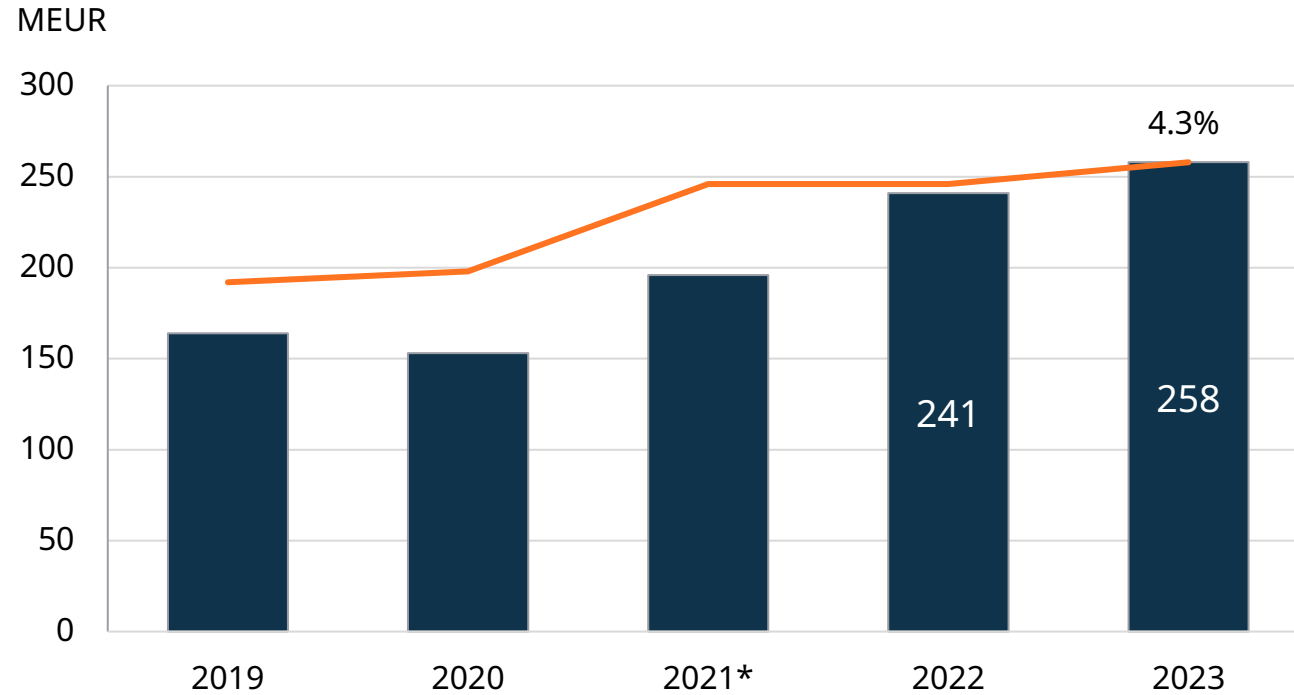
**Transform** – attractive growth opportunities at the center of the decarbonisation transformation

**Perform** – clear path for operational improvements and increased profitability

WÄRTSILÄ 32

# We are driven by innovation and technology

R&D expenditure and % of net sales



\*2021 figure has been restated to reflect a change in the definition of research and development expenditure.



# Progressing towards our Set for 30 decarbonisation targets

## On track for our 2030 decarbonisation targets

- ✓ To become carbon neutral in our own operations
- ✓ To provide a product portfolio ready for zero carbon fuels

## Improving safety, wellbeing and employee engagement

- ✓ Positive trend in safety indicators
- ✓ Wellbeing behaviours & toolkit launched to support teams
- ✓ Improving trend in employee engagement

## Strengthening thought leadership and being a responsible company

- ✓ Developing industry ecosystems and co-operation with academia
- ✓ Continued focus on ethical compliance
- ✓ Listed by TIME magazine as TIME100 most influential companies in 2023



# We strengthened the focus of our Marine portfolio

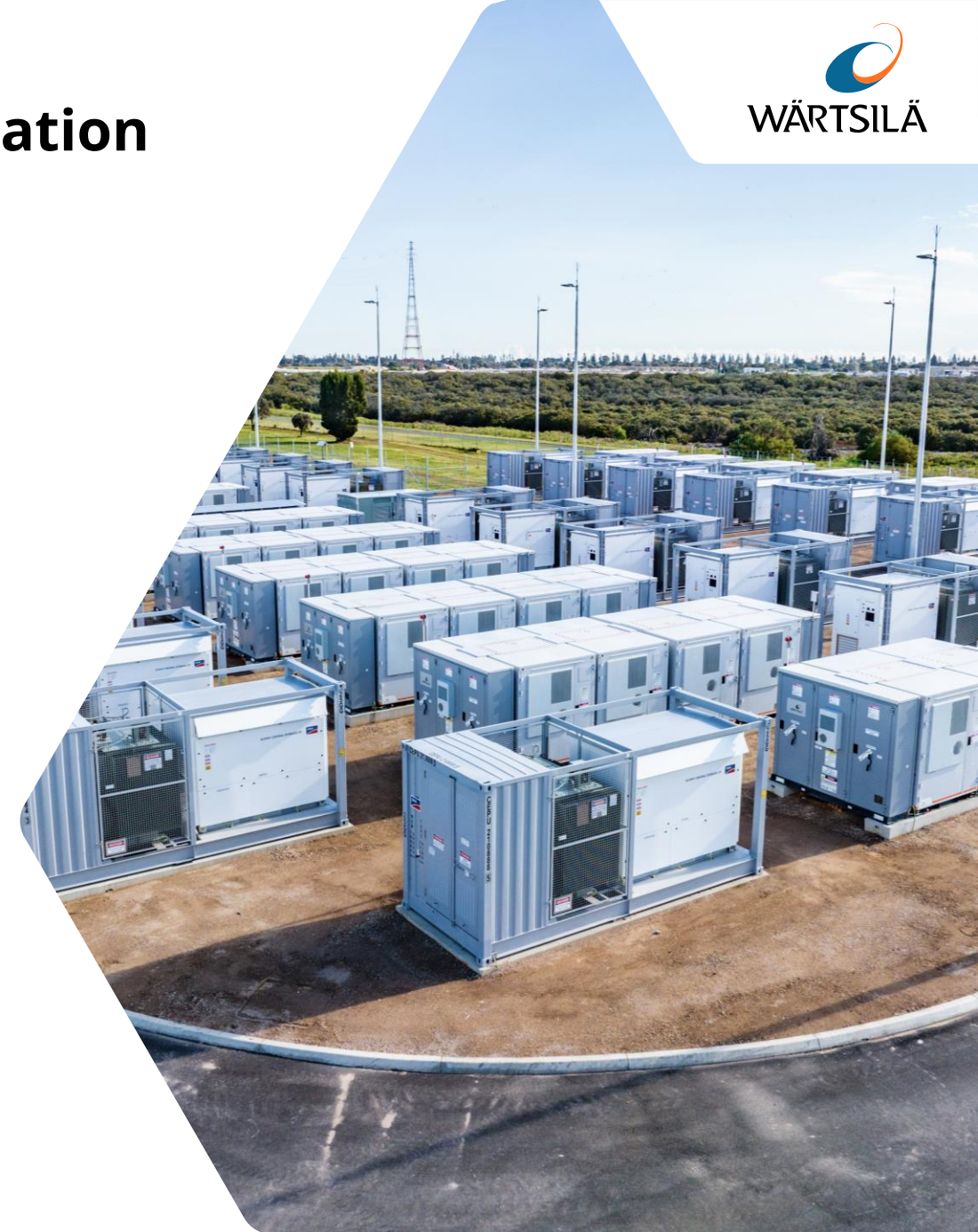
We now have two reporting segments: Marine and Energy

- Automation, Navigation & Control Systems and Marine Electrical Systems moved to Portfolio Business
- Gas Solutions moved to Portfolio Business
- Shaft Line Solutions and Exhaust Treatment business units moved to Marine



# We are reviewing Energy Storage & Optimisation

- Solid progress and strong market growth
- Strategic review will define the best way to support growth and create shareholder value
- All potential alternatives will be considered
- No timetable set for the completion
- We continue to develop and invest in the ES&O business and serve our customers



# Targets reflect good growth and profitability potential

## Financial target

**Net sales**

**5%** annual organic growth

**Profitability**

**12%** operating margin

**Capital structure**

Gearing **below 0.50**

**Dividend**

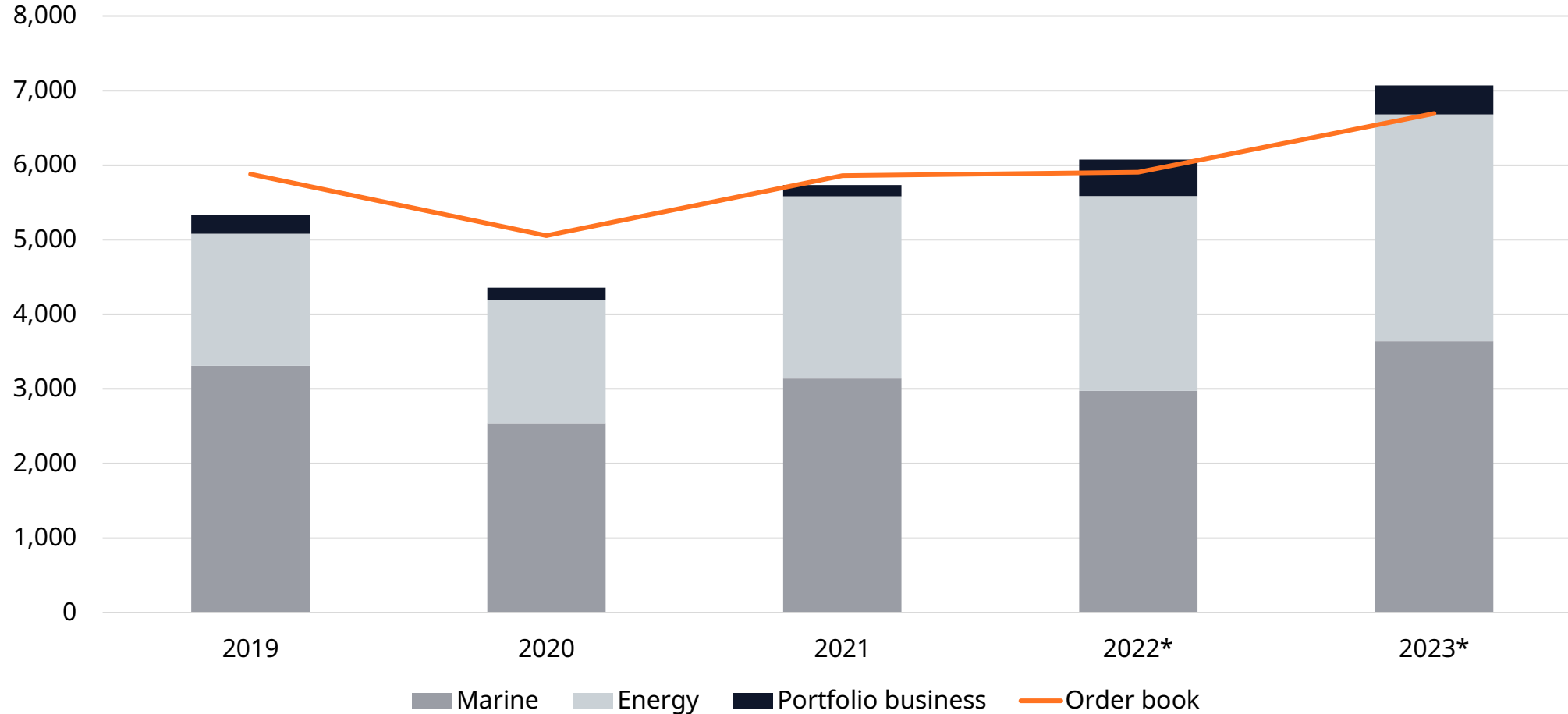
**At least 50%** of earnings



# Continued positive market sentiment

Order intake increased 16%, organically by 22%

## Order intake MEUR



\*2022 and 2023 comparison figures restated to reflect the move of some Marine Business Units to the Portfolio Business.

# We delivered customer value in Marine and Energy

Some of our major orders in 2023:



## Indonesia

Supply of three Wärtsilä 31DF engines to two 30MW power plants for PLN



## Australia

Largest single energy storage order to date for Origin Energy



## USA

10-year Guaranteed Asset Performance balancing power agreement for Omaha Public Power District



## Singapore

Retrofitting of ten tankers with EnergoFlow and EnergoProFin solutions for Hafnia

# Services represent 52% of our net sales

Growth potential is strong

**€3.1bn**

2023 net sales

**28%**

Net sales growth since 2021\*

**~90%**

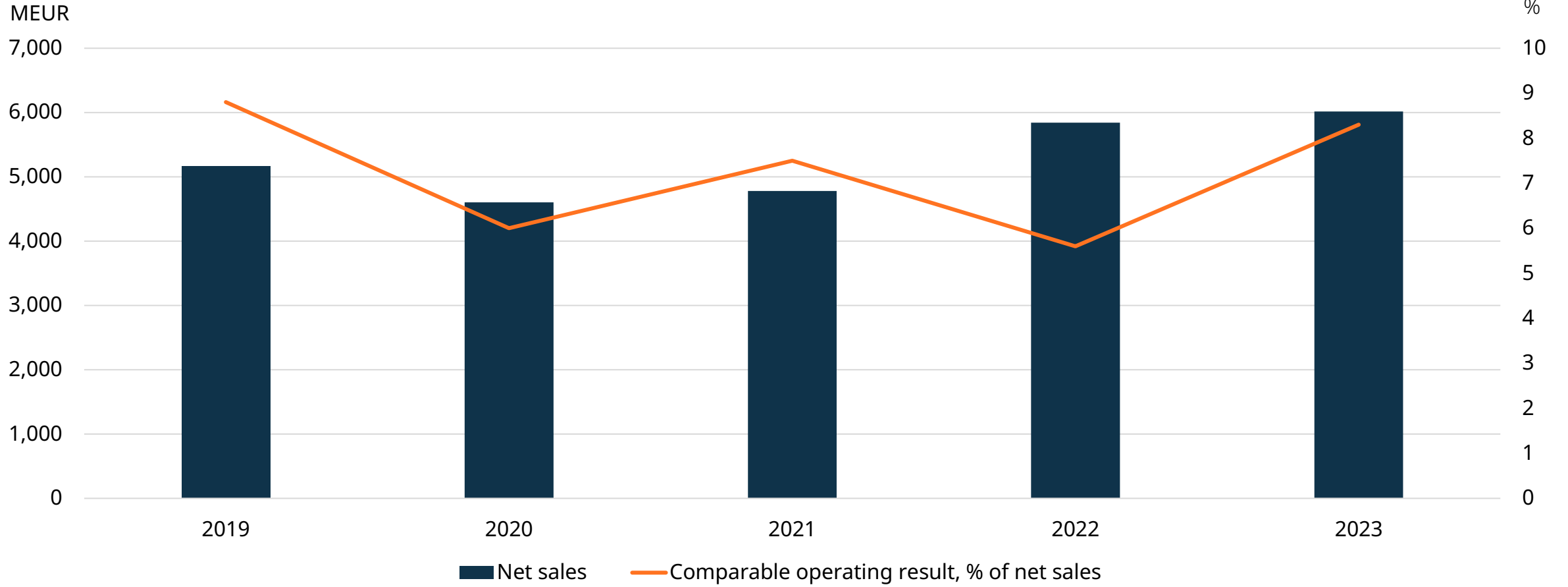
Renewal rate of service agreements

\* FY 2023 vs. 2021

# Comparable operating result increased by 53%

Net sales increased by 3%

## Comparable operating result



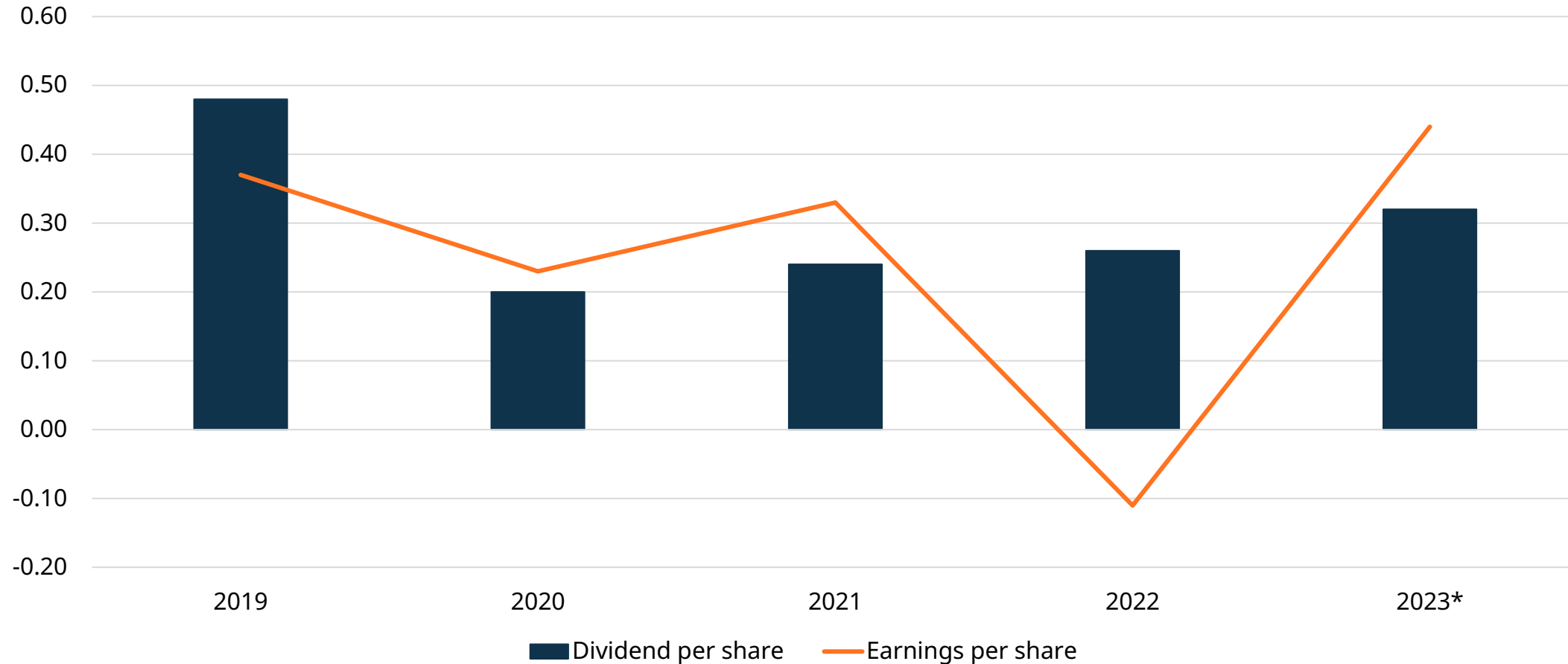
# Strong balance sheet supports business growth

MEUR	1-12/2023	1-12/2022
<b>Cash flow from operating activities</b>	<b>822</b>	-62
<b>Working capital</b>	<b>-169</b>	179
<b>Net interest-bearing debt</b>	<b>35</b>	481
<b>Gearing</b>	<b>0.02</b>	0.23
<b>Solvency, %</b>	<b>37.0</b>	35.3
<b>Basic earnings/share, EUR</b>	<b>0.44</b>	-0.11



# Proposed dividend of EUR 0.32 per share reflects improved operating result

Dividend  
EUR



\* Dividend is a proposal from the Board of Directors

We expect the demand environment for the next 12 months (Q1/2024 - Q4/2024) in Marine and Energy to be better than that of the comparison period



# 190 years of transforming ourselves and our industries

1834

We start life as a sawmill in eastern Finland

1970s

We enter the energy sector

2015

Wärtsilä 31 is named world's most efficient 4-stroke diesel engine

2023

More world firsts with ammonia- and hydrogen-based engines

1950s

Our first marine engines

1995

Pioneering dual-fuel engine

2021

Our first methanol engines



**Thank you!**