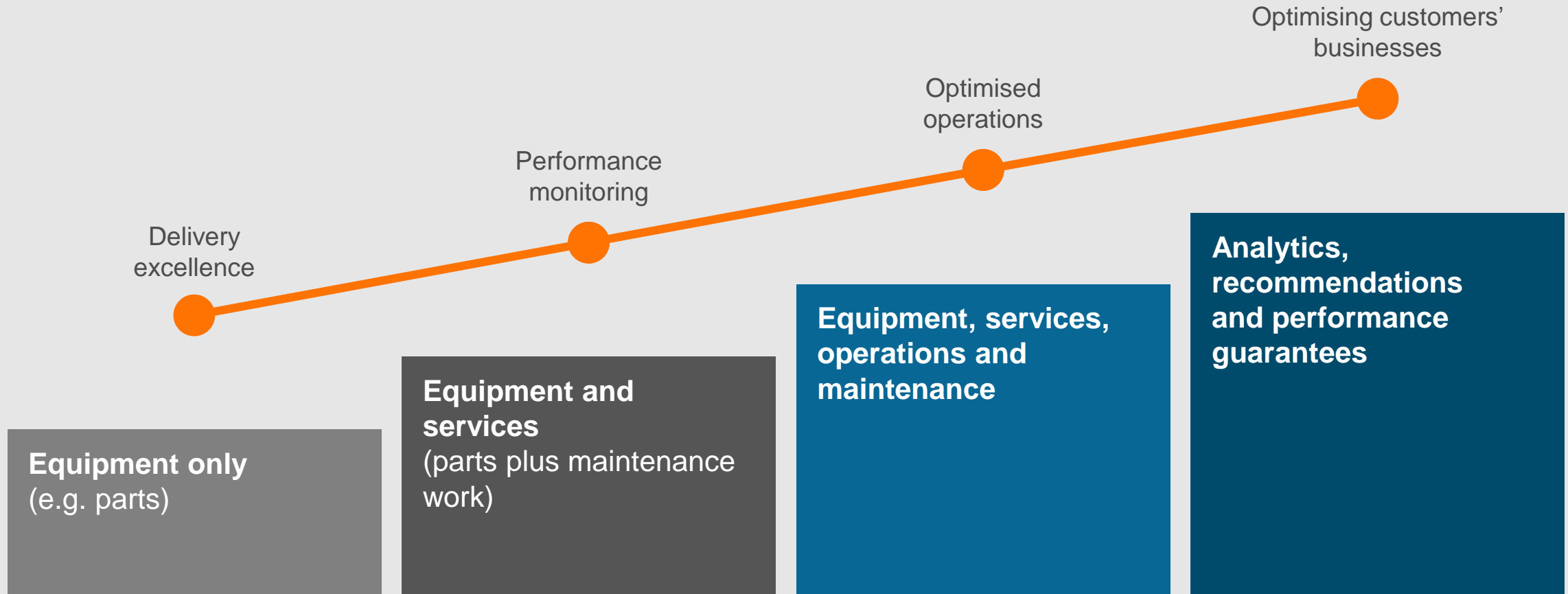


**Services:**

# **Growing within and beyond our installed base**

**Pierpaolo Barbone,  
President Services & Executive Vice President**

# Transforming from hardware to software



# Moving beyond our core markets

## MARINE & POWER PLANTS



### Core business

Servicing **Wärtsilä equipment**

- >180 GW **installed engine base**
- **Past and future marine and energy solution deliveries**

## HYDRO & INDUSTRIAL



### Current & future expansion

Utilising **existing** know-how, global infrastructure and alliances combined with strategic acquisitions to gain foothold in **new markets**

## OIL & GAS

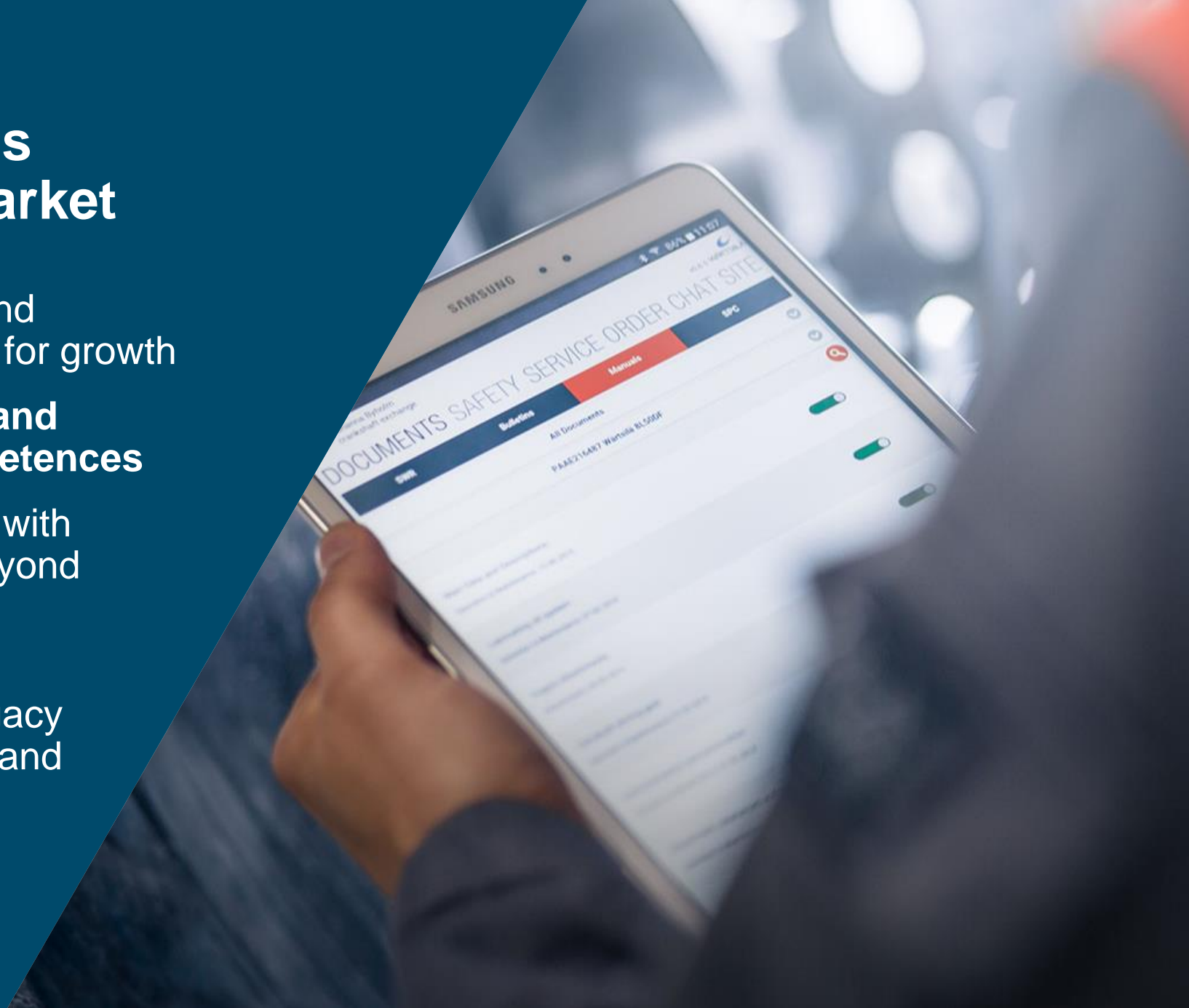


### Expansion potential

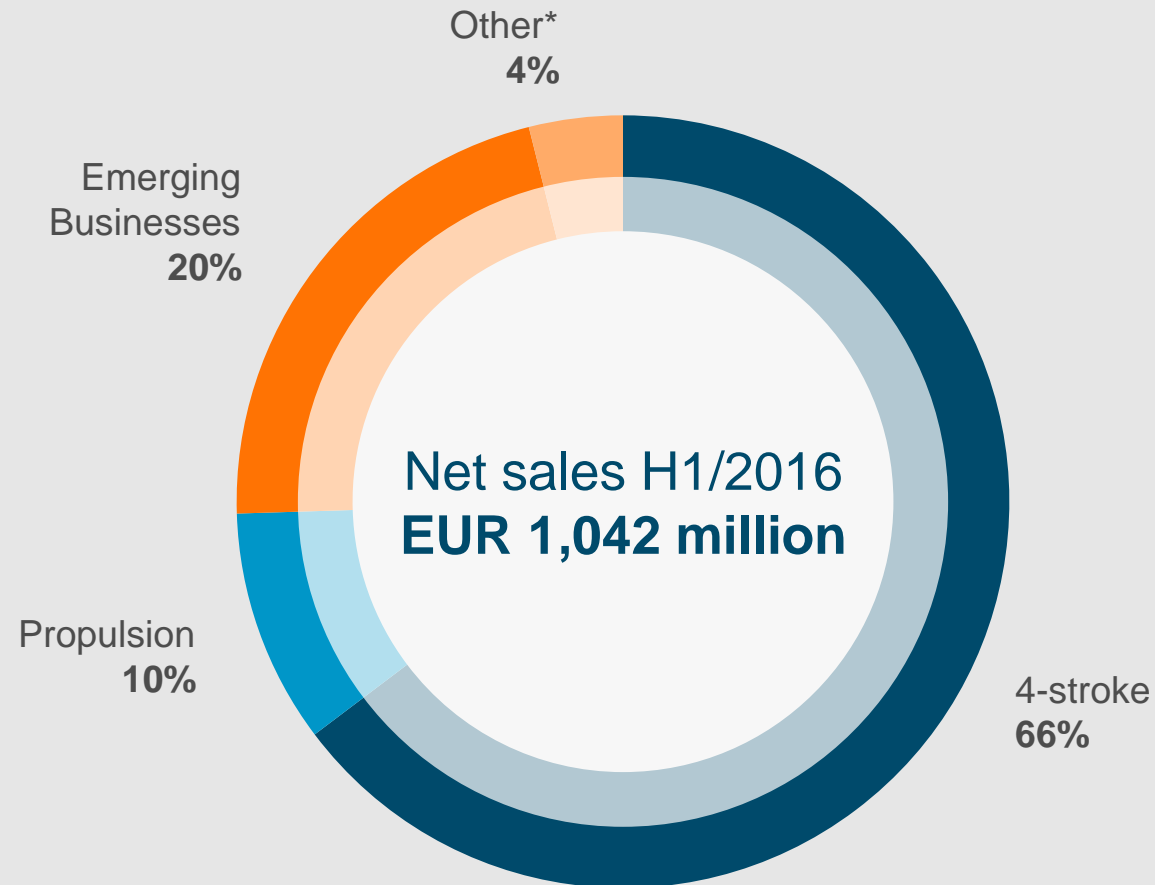
Utilising our capabilities e.g. in power generation, pumping and propulsion for **multiple brands**

# Our Services business is unrivalled in the market

- Our advanced technology and installed base is a key driver for growth
- Proprietary global network and advanced technology competences
- Extensive offering designed with a lifecycle perspective and beyond Wärtsilä's installed base
- Digitalisation: business understanding & customer legacy combined with digital offering and virtual & mobile solutions

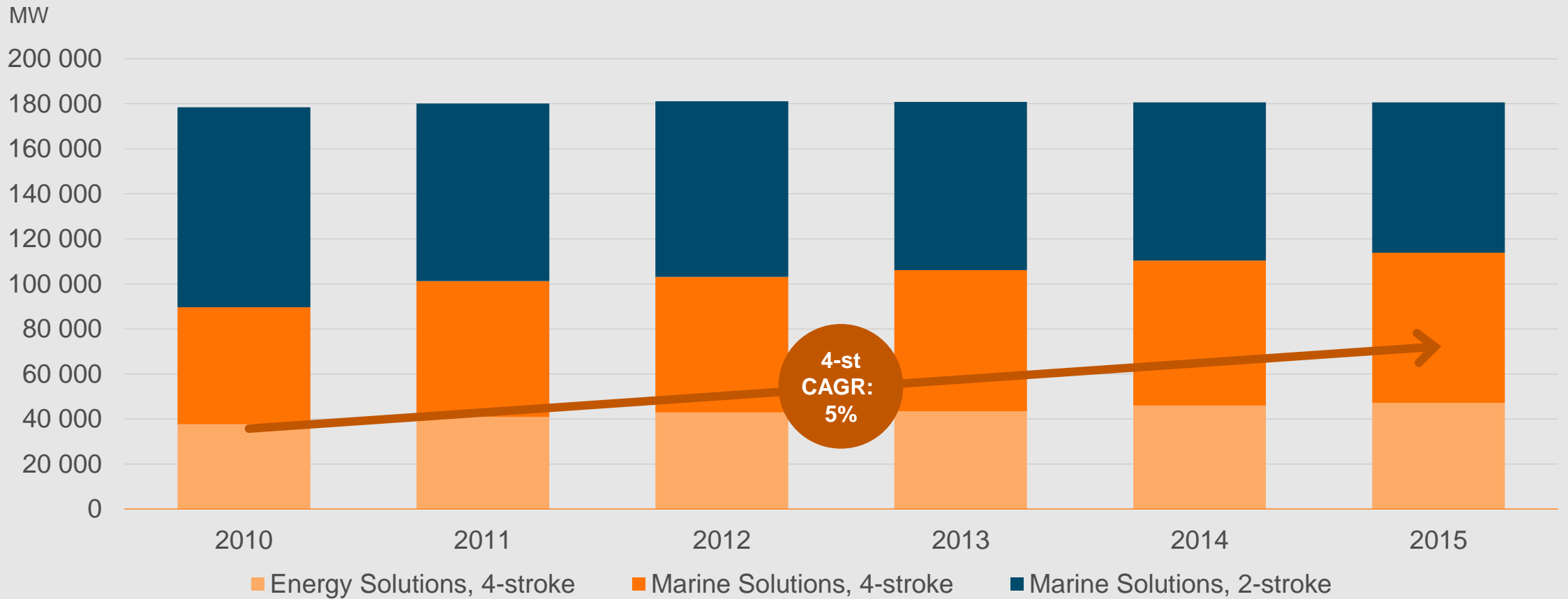


# We have a solid base from which to develop our business



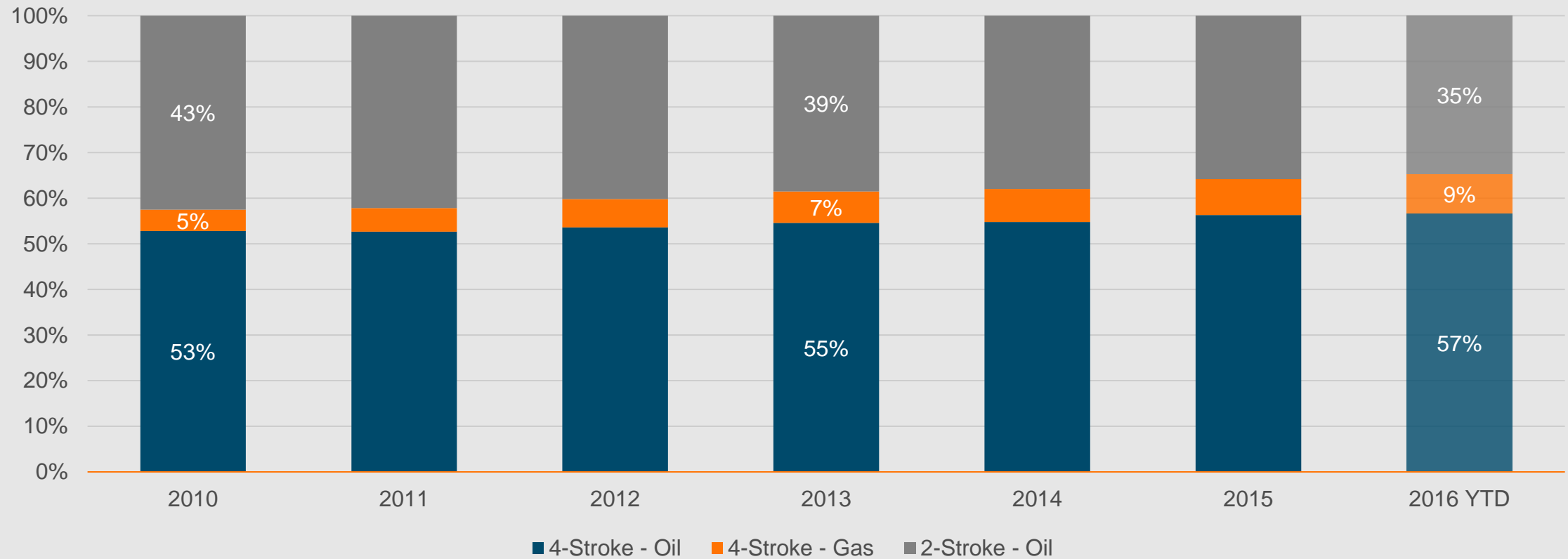
(\*) OTHER: Boiler Services, Training, Railways, Compressors etc.

# Our 4-stroke installed base supports our growth ambition...



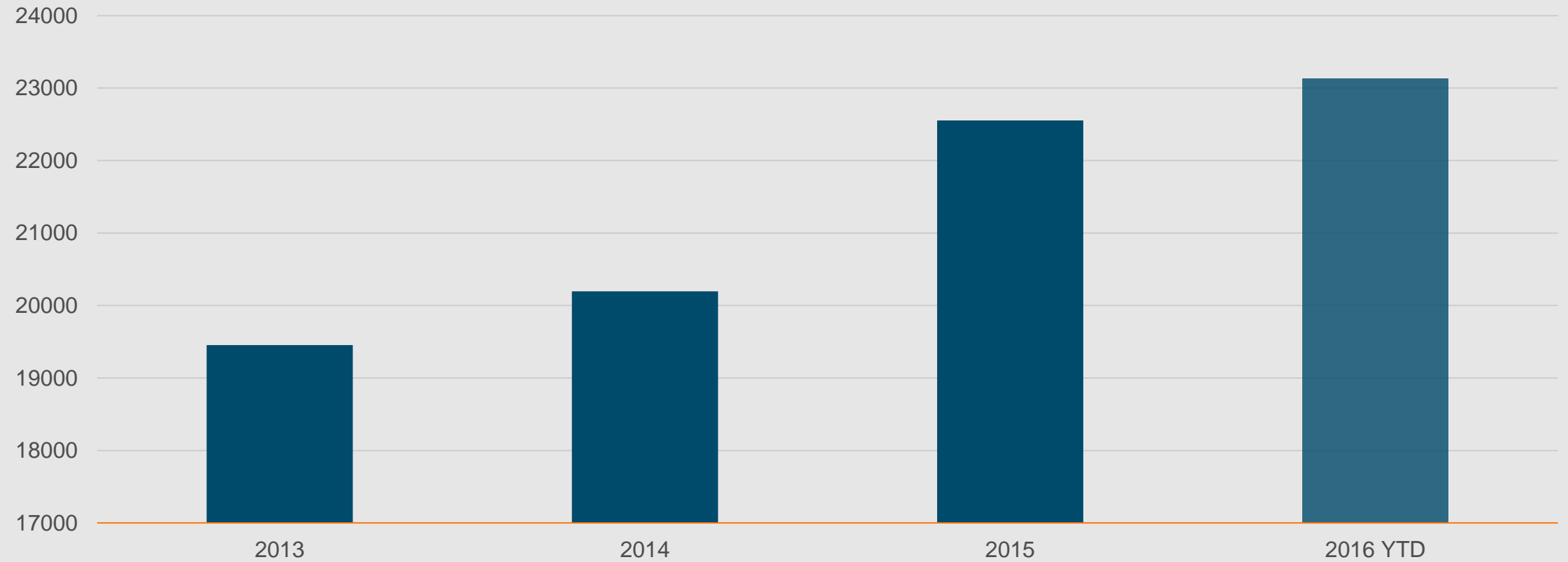
# ...as does the shift towards gas

Installed base by fuel type in % of MW



## ...and the expanding propulsion installed base

Nr. of equipment





# We have four clear strategic initiatives for growth

CUSTOMER FIRST	GO DIGITAL	ASSET & LIFECYCLE MANAGEMENT	NEW CUSTOMER ACCESS
			
<p>Growth in existing business by improving <b>customer loyalty</b></p>	<p>Growth through optimising <b>customer performance</b></p>	<p>Growth through value-adding <b>lifecycle services &amp; projects</b></p>	<p>Growth <b>beyond</b> the traditional Wärtsilä <b>installed base</b></p>

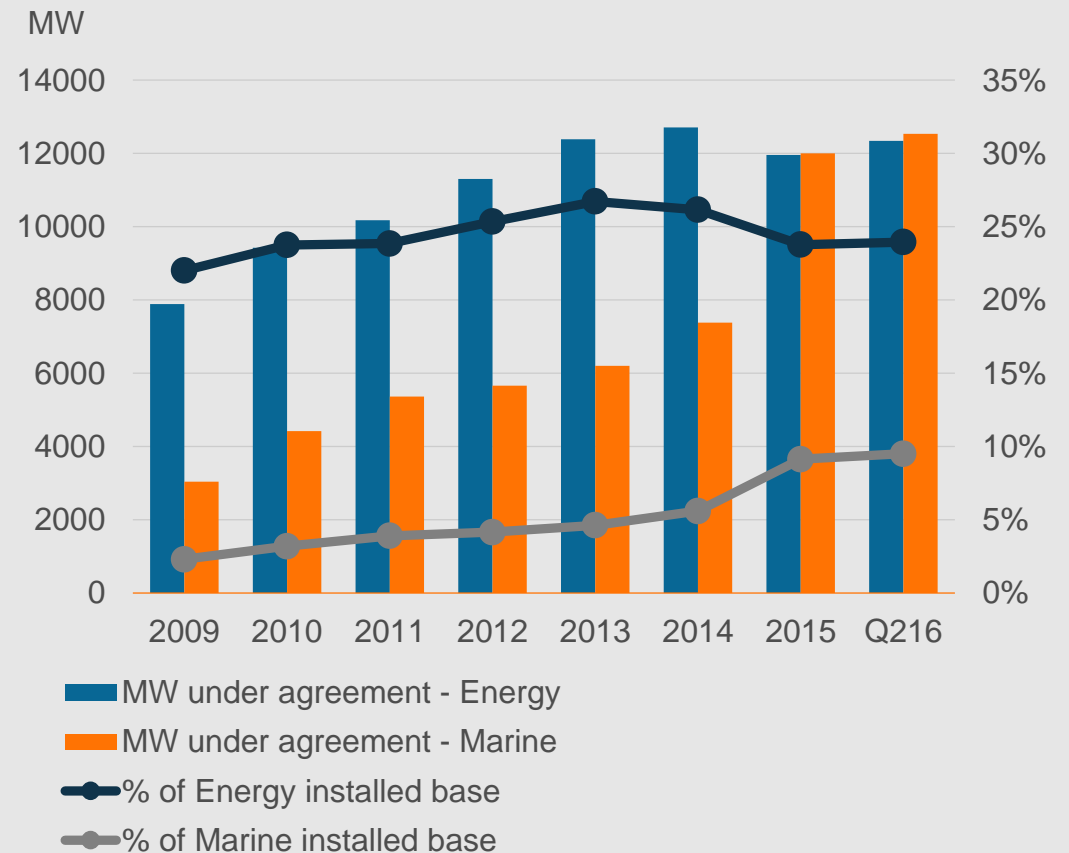
## Improving customer loyalty

- Targeted sales approach based on differentiated service model
- Online Services, covering 1,800 customers and >16,000 installations
- Optimised spare part availability based on data analysis of customer installation needs
- Availability of skilled competences through virtual and mobile engineering, flexible resourcing, pooling and training



## Expanding our lifecycle services offering

- **New lifecycle solutions**
  - Optimised operations through real time monitoring
  - Guaranteed asset performance (e.g. availability, reliability, fuel consumption)
  - Competences, organisation, speed
- **Upgrading of installed base and retrofit projects**
- Leveraging **audit services** to capture new business



## Becoming our industry's forerunner in digitalisation

- **Achieve top-line growth** by introducing new digital services
- Develop **new business models** for combined and stand-alone sales of digital solutions
- Improve the **efficiency of our customers' operations**
- Achieve **efficiency benefits** within our organisation
- Leverage **Eniram know-how**



## Wärtsilä + Eniram – Creating an unbeatable player in marine digitalisation

**eniram**  
A WÄRTSILÄ COMPANY

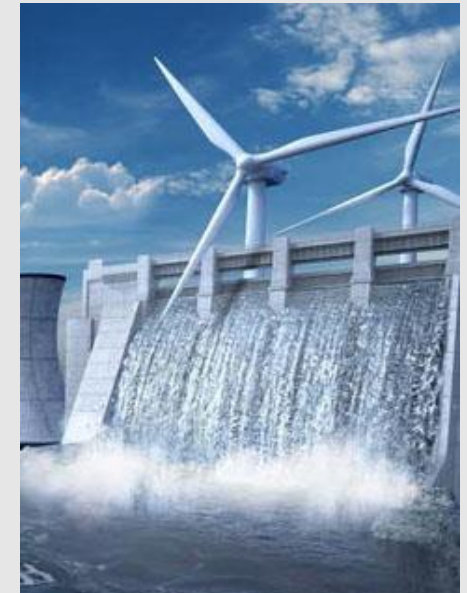
- Eniram will play a central role in enabling Wärtsilä to go to market with a performance guarantee based offering:
  - Advanced analytics & performance optimisation
  - Condition-based maintenance and remote support
- Leveraging our global network will support Eniram's expansion and product launches e.g. Skylight
- Building more advanced analytics covering multiple platforms and equipment



**Capital Markets  
Day 2016**

## Moving beyond our traditional installed base

- **Step-change in organic sales** from Hydro & Industrial markets
- Acquisition of **Weir American Hydro**, a leader in upgrade, rehabilitation and services of hydropower turbines, as well as industrial equipment and services
- Grow in bearings for industrial generator OEMs through frame agreements
- Leverage the **full service offering, digital solutions & combined competences** of Wärtsilä and Weir American Hydro, enabling access to much larger customer contracts
- Cross-utilise Wärtsilä's global footprint to boost American Hydro's sales



## Expanding our business model for multiple brands



- **Organic growth** by providing **services for multiple brands** leveraging our leading technology, know-how and global network
- Dedicated teams for reconditioning, in-situ machining, laser alignment, metal-stitching and inspections, assessments and overhauls during the voyage
- Pursue **further growth** through **partnerships and acquisitions**
- Be the **world leader** in these activities



## Pursuing growth within and beyond our installed base

- Transforming from hardware to software
- Capitalising on our solid installed base
- Increasing our focus on performance-based, lifecycle agreements
- Capturing growth opportunities in new markets – Hydro & Industrial and multiple brands
- Becoming our industry's forerunner in digital business transformation





THANK YOU



WÄRTSILÄ