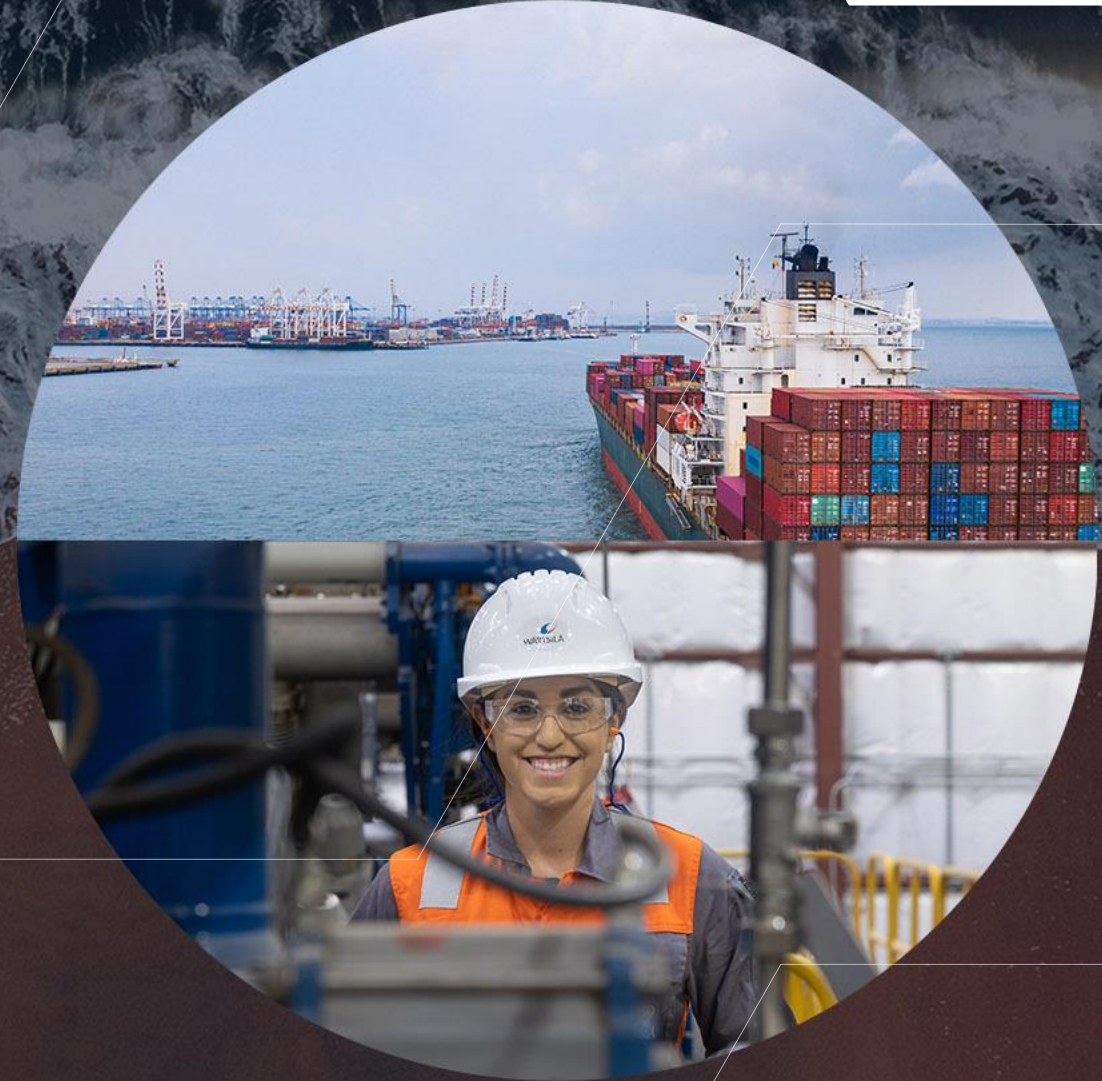


Wärtsilä Corporation Result presentation 2022

Håkan Agnevall, President & CEO
Arjen Berends, CFO



31 January 2023

A challenging year with strong annual growth

- Order intake increased by 6%
- Net sales increased by 22%
- Good progress in services:
 - Service order intake increased by 17% and exceeded equipment order intake in absolute terms
 - Service net sales increased by 12%
- The comparable operating result declined by 9%
 - Supported by higher sales volumes
 - Burdened by cost inflation, less favourable sales mix between equipment and services and a cost provision of EUR 40 million related to the Olkiluoto nuclear project
- Orderly exit from the Russian market completed
- Plan announced to centralise our 4-stroke manufacturing in Vaasa, Finland and to scale down manufacturing in Trieste, Italy
- Decided to integrate the Voyage business into Marine Power to strengthen the end-to-end offering and to accelerate the turnaround



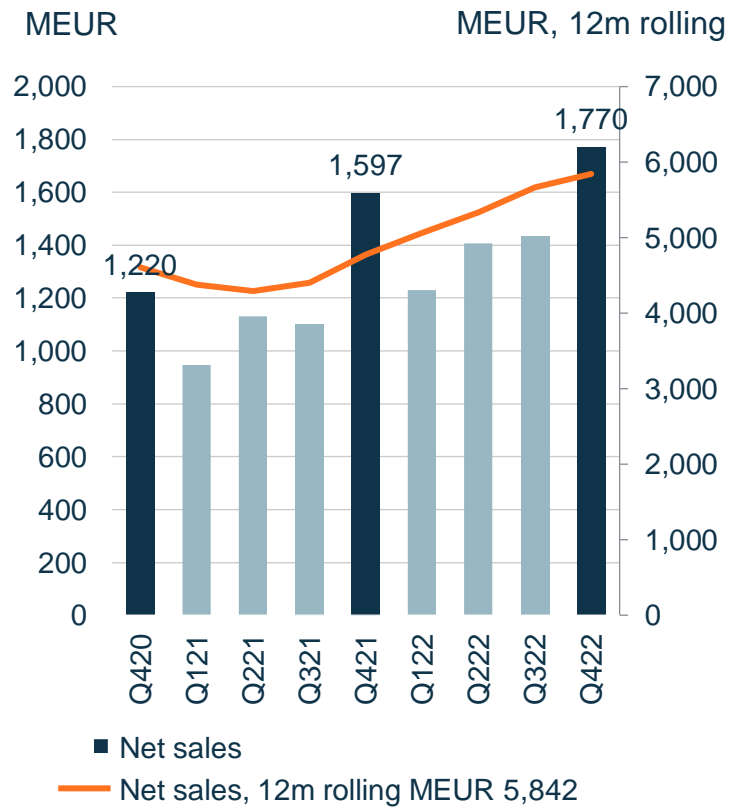
Key figures

MEUR	10-12/2022	10-12/2021	CHANGE	1-12/2022	1-12/2021	CHANGE
Order intake	1,638	2,150	-24%	6,074	5,735	6%
of which services	791	747	6%	3,066	2,615	17%
Order book				5,906	5,859	1%
of which current year deliveries				3,871	3,763	3%
Net sales	1,770	1,597	11%	5,842	4,778	22%
of which services	784	751	4%	2,775	2,467	12%
Book-to-bill	0.93	1.35		1.04	1.20	
Operating result	37	144	-75%	-26	314	-108%
% of net sales	2.1	9.0		-0.4	6.6	
Comparable operating result	93	158	-41%	325	357	-9%
% of net sales	5.3	9.9		5.6	7.5	

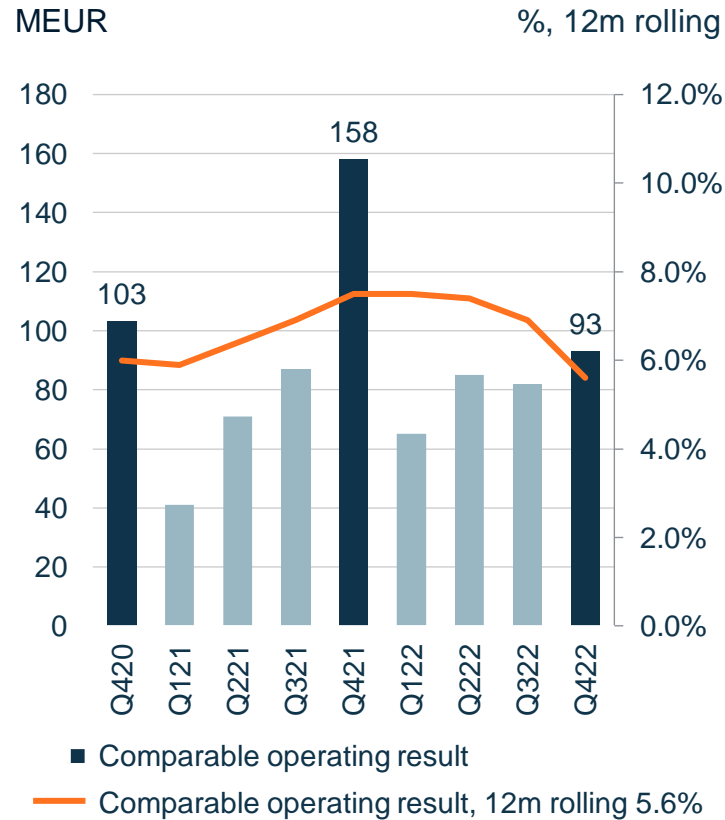
Wärtsilä's financial information for the year 2021 has been adjusted to reflect a change in categorisation between equipment and services in Wärtsilä Marine Power and Wärtsilä Marine Systems. This restatement has no impact on the group's total financial figures.

Fourth quarter highlights

Net sales



Comparable operating result



Net sales EUR 1,770 million

- 4% increase in service sales

Comparable operating result EUR 93 million

- 41% decline

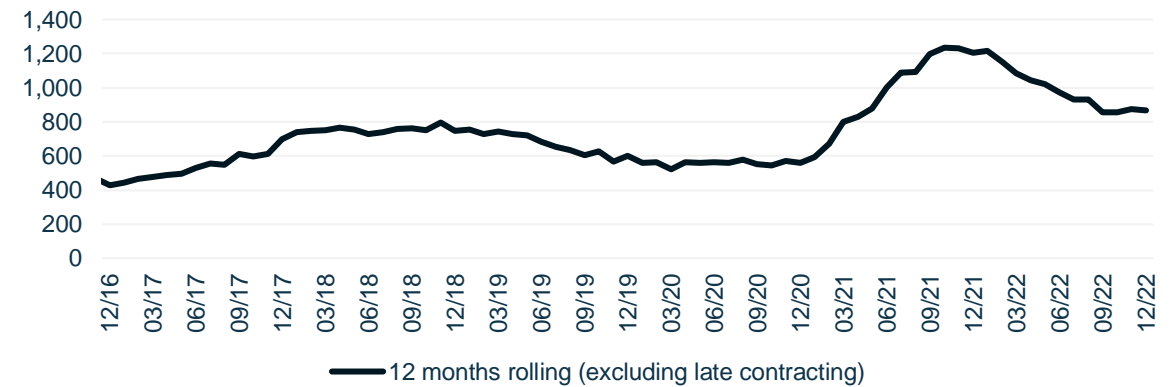
Marine market sentiment continued to improve despite growing macroeconomic concerns

Newbuild investments moderated due to close to full orderbooks at many yards and higher newbuild prices

- The number of vessels ordered in the review period decreased to 1,538 (1,855 in the corresponding period in 2021, excluding late reporting of contracts).
- Ordering activity was supported by record-high orders for LNG carriers, especially in terms of order value.
- Fleet utilisation improved in the passenger travel segment and offshore assets reactivation continued.
- 466 orders placed globally for alternative fuel capable vessels, representing 30% (21%) of all contracted ships and 60% of vessel capacity in the review period.
- Cruise sector focus shifted towards managing the capacity growth and occupancy levels in a profitable way and on mitigating the impact of rising operating costs.

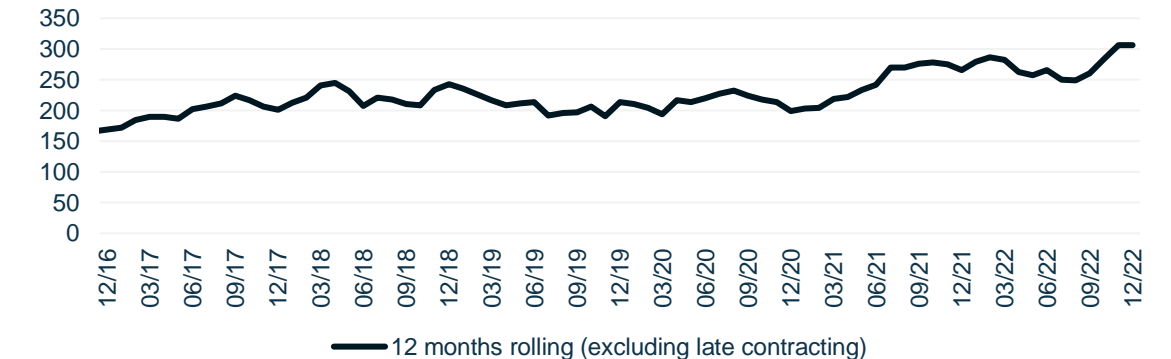
Total vessel contracting

Number of vessels



Specialised vessels

Number of vessels



Source: Clarksons Research, 12m rolling contracting as per 5th of January 2023 (+100 gt, excluding late reporting of contracts)
Specialised vessels include LNG carriers, LPG carriers, cruise & ferry, offshore, and special vessels.

Energy transition outlook is very strong

Energy crisis has brought out a clear need and ambition for a structural change in the energy sector

- Uncertainty caused by the geopolitical situation continues to affect the investment environment for liquid and gas fuelled power plants and energy storage.
- Beyond some short-term setbacks, the energy transition outlook is very strong: advancing the renewable energy build-up strengthens the security of supply by reducing dependency on fossil fuels.
- Growth in the demand for energy storage solutions continued. 42% of full year thermal order intake was related to balancing power.
- Service growth continued, and customers are showing increasing interest in long-term agreements.
- Wärtsilä's market share in gas and liquid fuelled power plants increased to 8% (7).

Contracting for gas and liquid fuelled power plants <500 MW

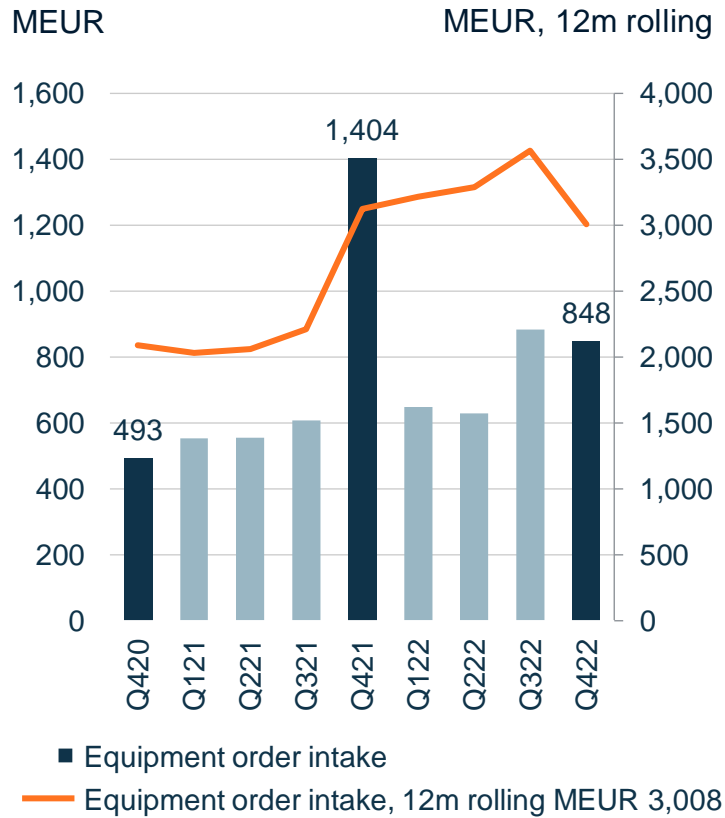
MW, 12m rolling



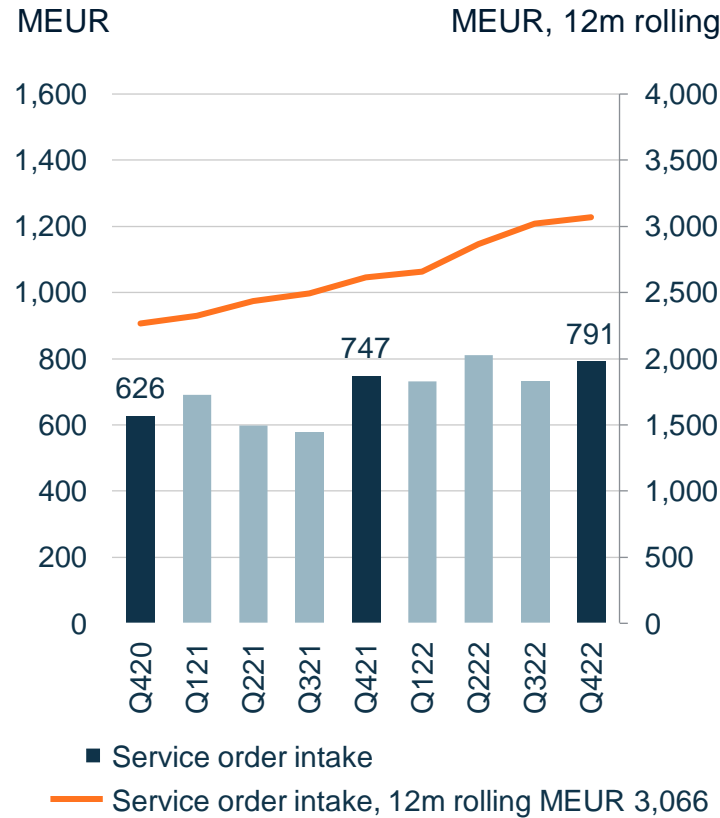
The total market, including also power plants with prime movers above 500 MW, increased by 9% to 61.7 GW during the twelve-month period ending in September 2022 (56.5 at the end of June). The market data includes all Wärtsilä power plants and other manufacturers' gas and liquid fuelled gas turbine based power plants with prime movers below 500 MW, as well as the estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report. The main gas turbine competitors are GE, Siemens, Mitsubishi, and Ansaldo. Other combustion engines are not included.

Order intake decreased by 24%

Equipment



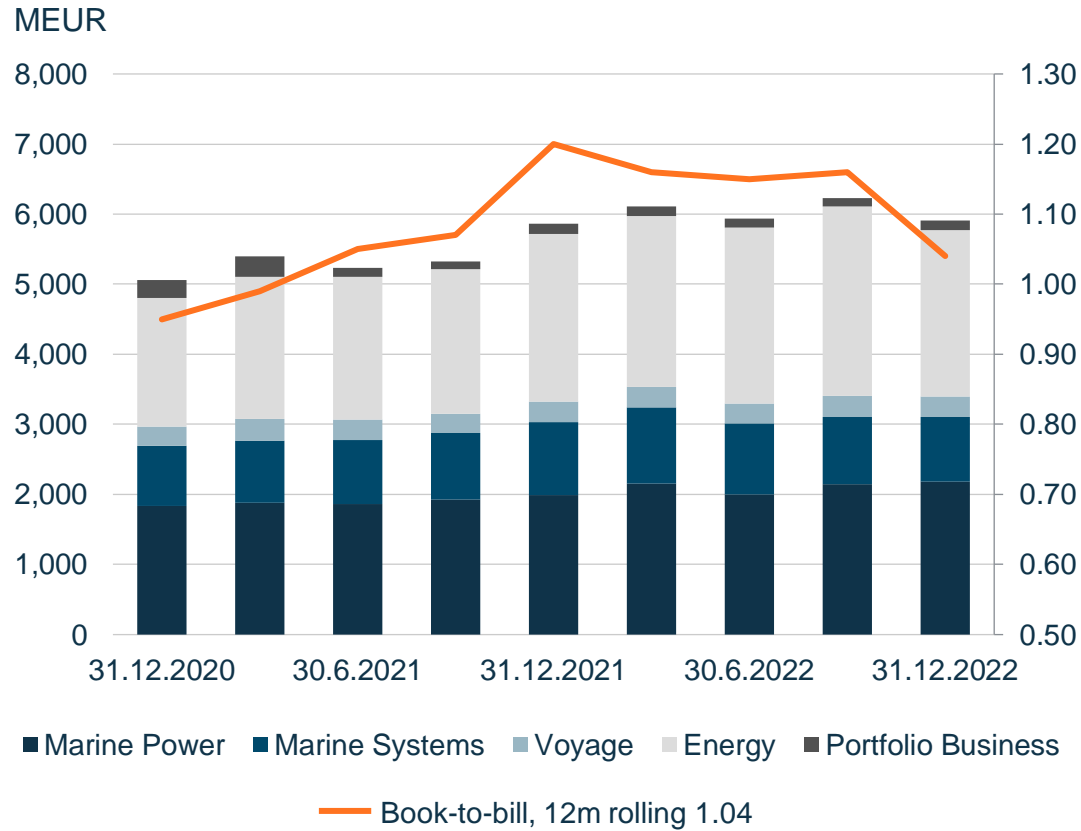
Services



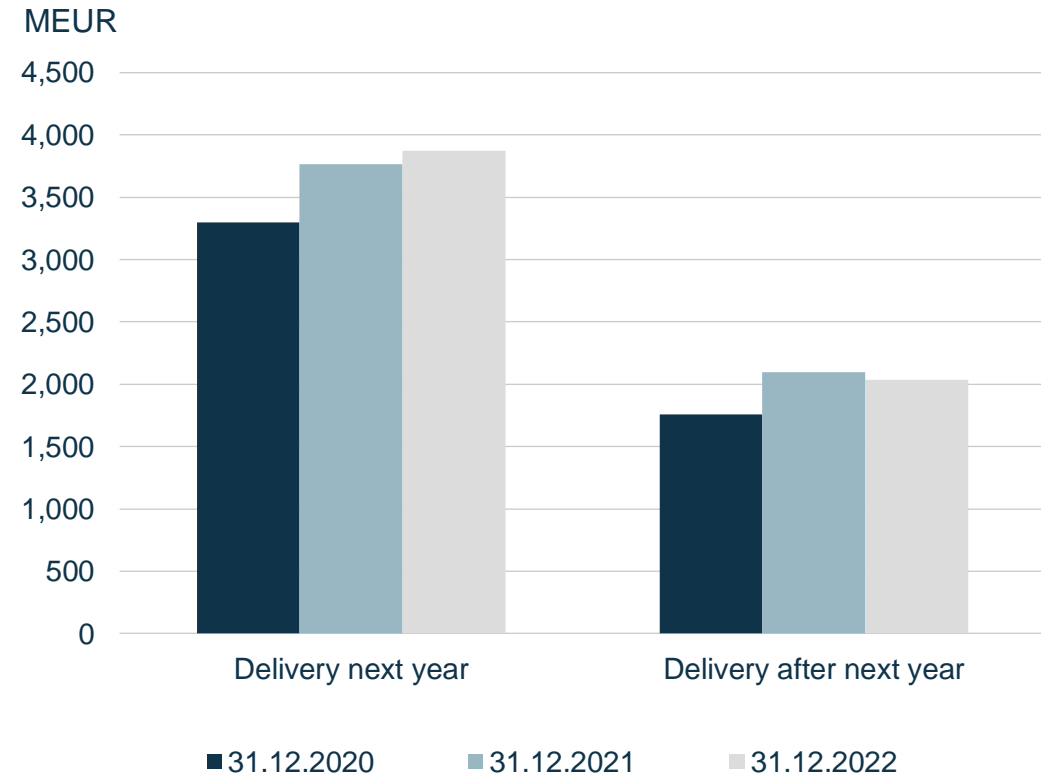
- Equipment order intake decreased by 40% from an all-time high quarter last year
- Service order intake increased by 6%

Strong order book, rolling book-to-bill still above 1

Order book by business

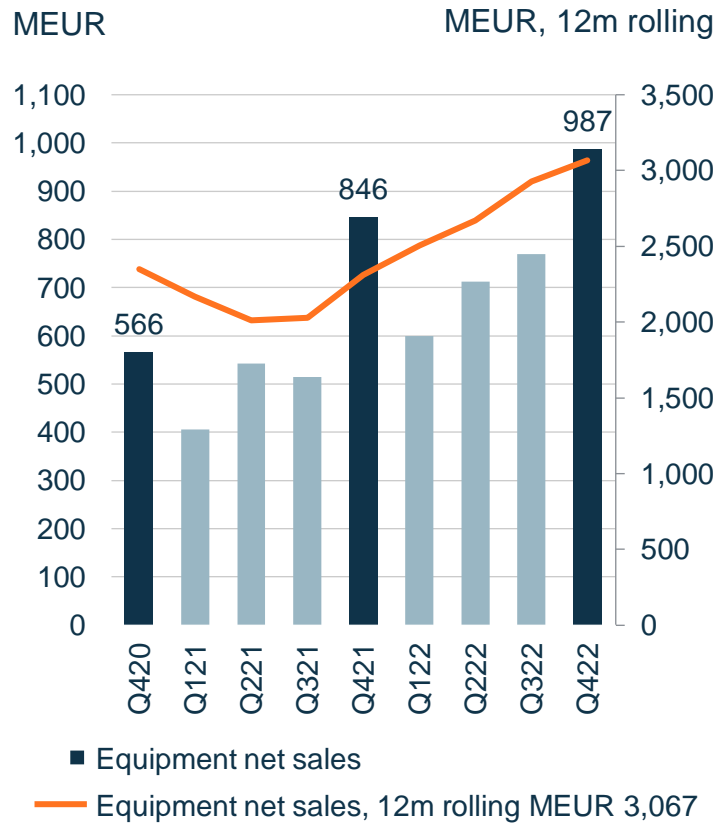


Order book delivery schedule

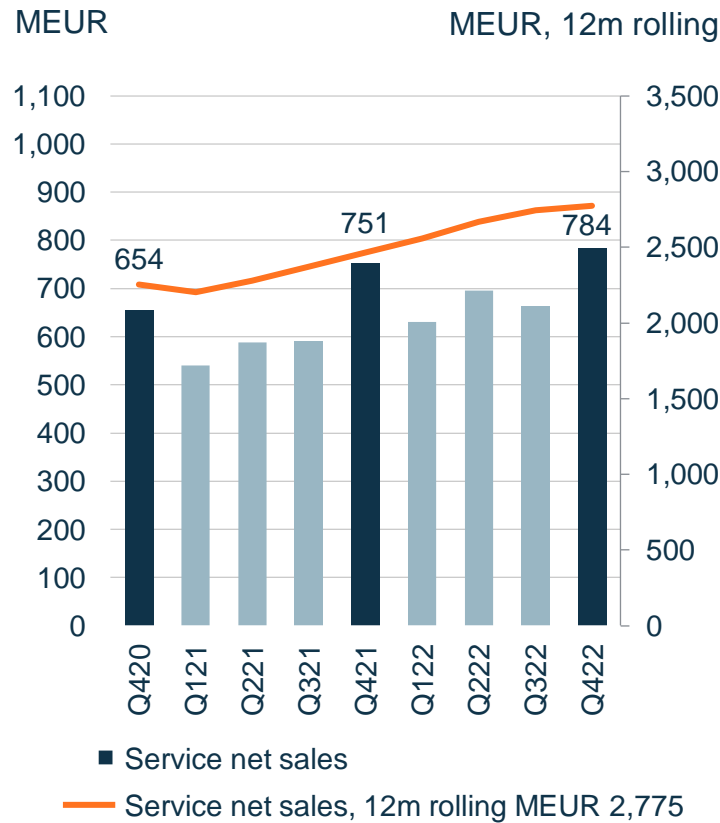


Net sales increased by 11%

Equipment



Services



- Equipment net sales increased by 17%
- Service net sales increased by 4%

Technology and partnership highlights

Enabling industry decarbonisation

Launch of next-generation grid balancing technology

- The solution is based on three fully integrated key components: the Wärtsilä 31SG Balancer engine, prefabricated modules for cost-efficient plant construction, and Wärtsilä Lifecycle services.
- The engine can start and ramp up rapidly even in adverse weather conditions to support intermittent renewable generation.

Successful testing of hydrogen blended fuel on an unmodified engine

- The testing was done in Michigan, USA in collaboration with WEC Energy Group, EPRI and Burns & McDonnell.
- Throughout the testing period, the 18 MW Wärtsilä 50SG engine continued to supply power to the grid.
- This is the largest internal combustion engine ever to operate continuously on a hydrogen fuel blend, thus representing a world-first achievement.

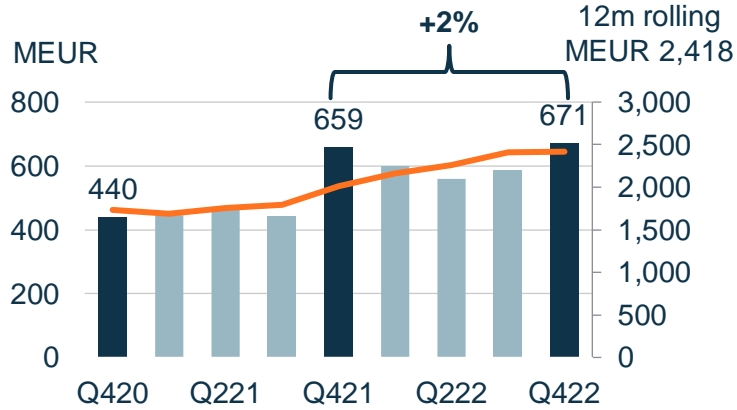


Marine Power

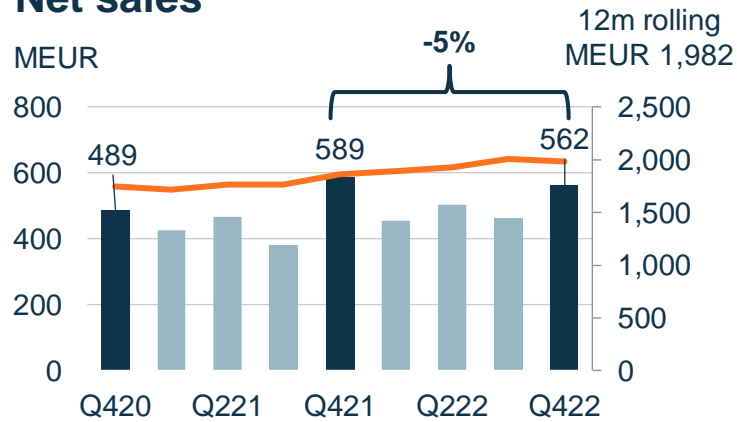
Marine Power: good progress in services

Service order intake increased by 23% and service net sales increased by 17%

Order intake

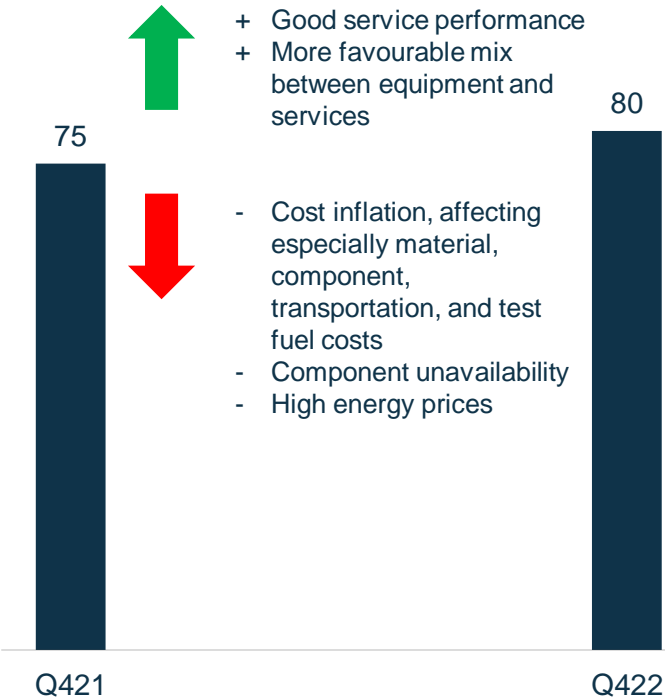


Net sales



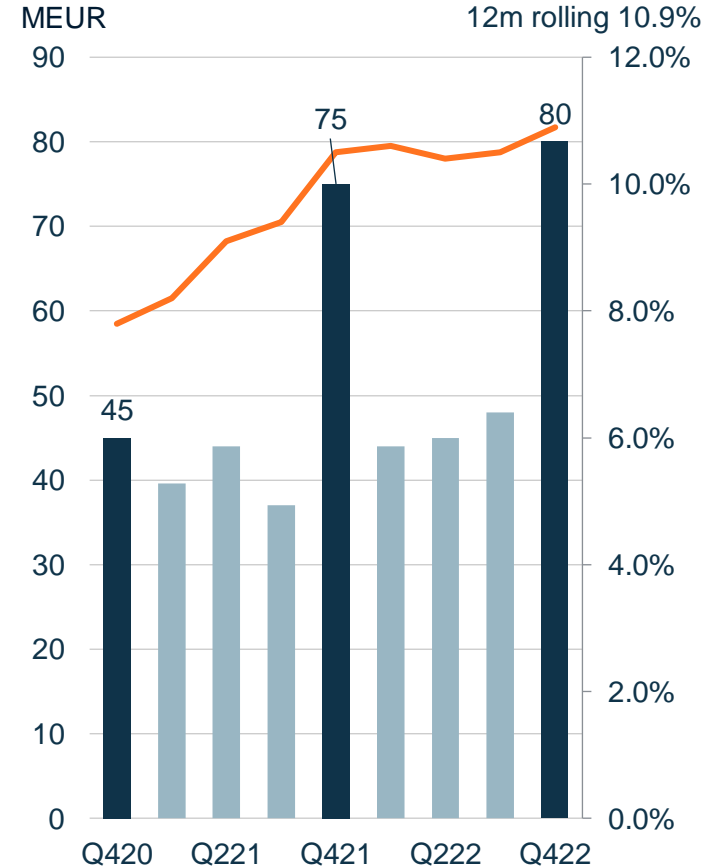
Comparable operating result

MEUR



Comparable operating result

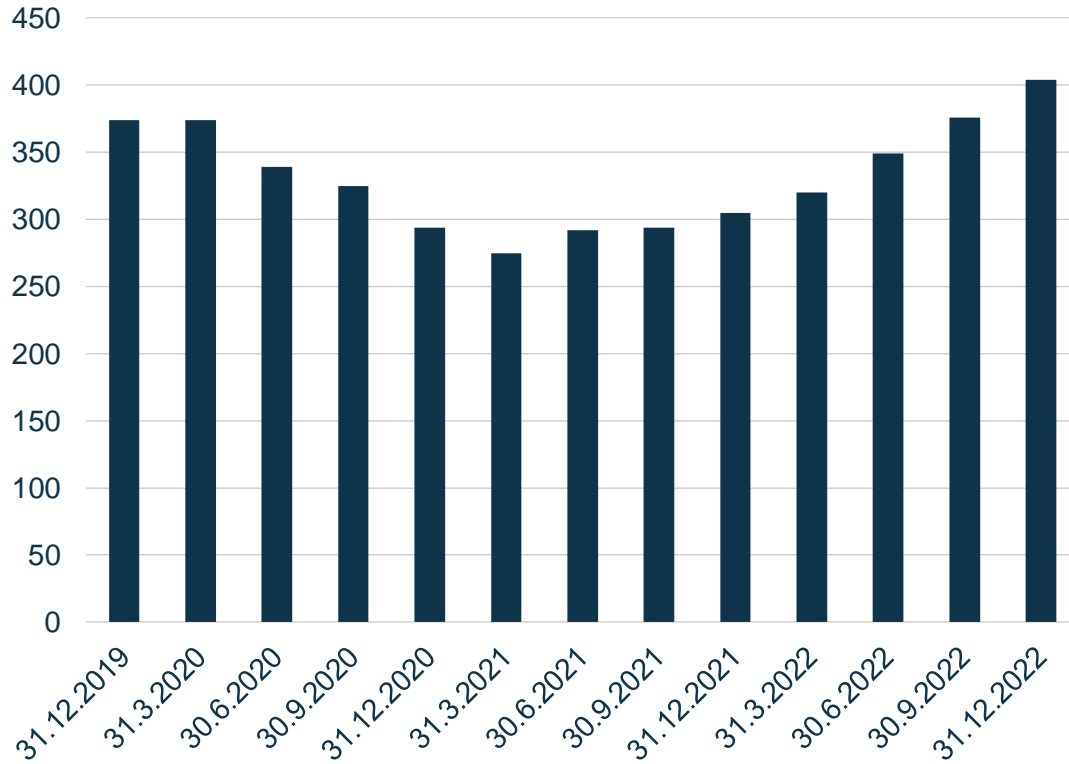
MEUR



Good development in Marine Power service agreements

Net sales from installations under agreement strongly increasing

MEUR, 12m rolling



Wärtsilä's hybrid propulsion system with methanol engine to power four future-proof heavy lift vessels

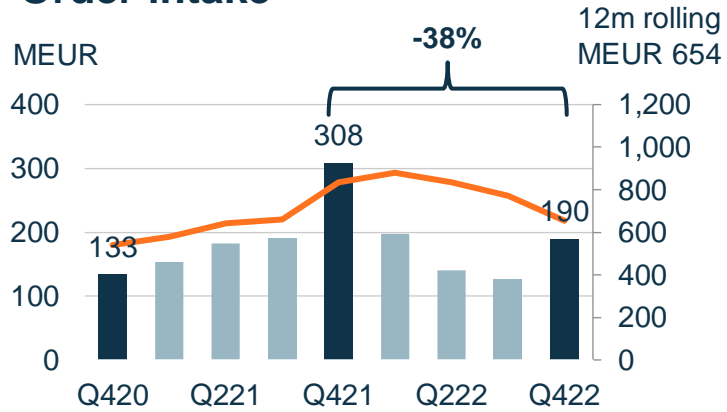
- Hybrid propulsion systems will be supplied for four new heavy lift vessels being built at the Wuhu Shipyard in China for SAL Heavy Lift GmbH.
- Wärtsilä's innovative hybrid system will minimise the ships' CO2 emissions, thus supporting the marine sector's decarbonisation ambitions.
- The system will feature a variable-speed Wärtsilä 32 main engine capable of operating with methanol fuel.
- We are maintaining our position as market leaders with a 25% market share based on installed MWh.

Marine Systems

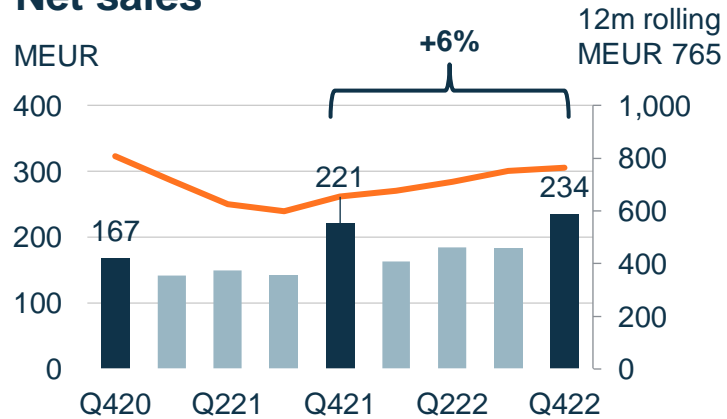
Marine Systems: stable net sales and comparable operating result

Service order intake increased by 11%

Order intake

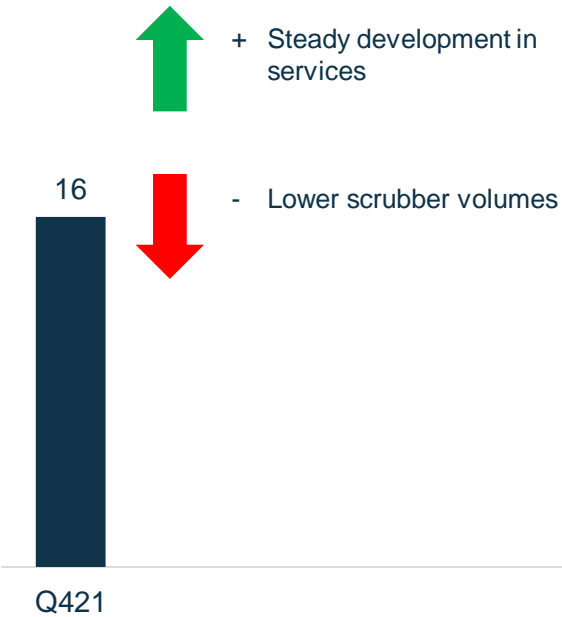


Net sales



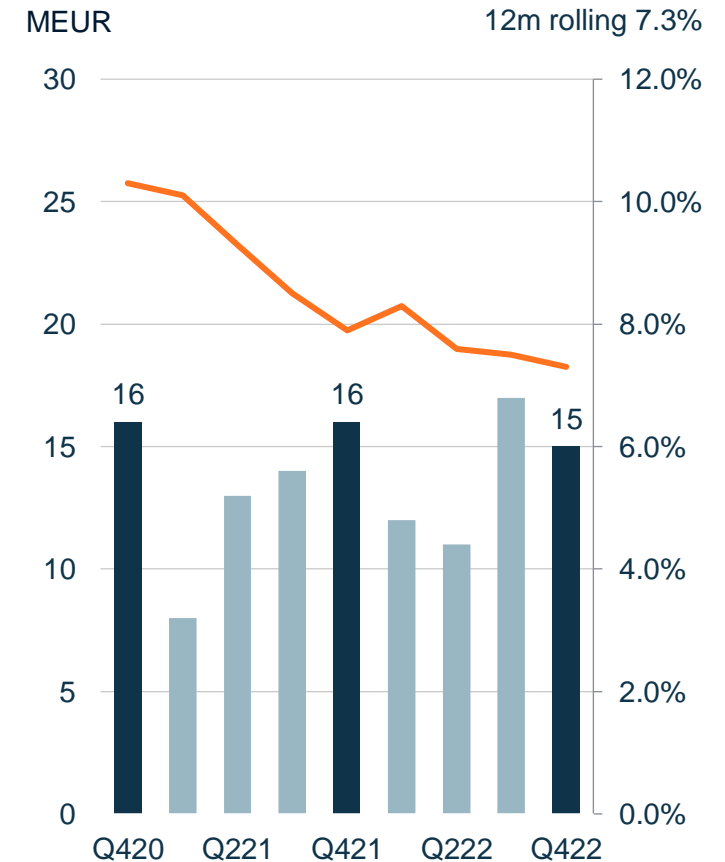
Comparable operating result

MEUR



Comparable operating result

MEUR



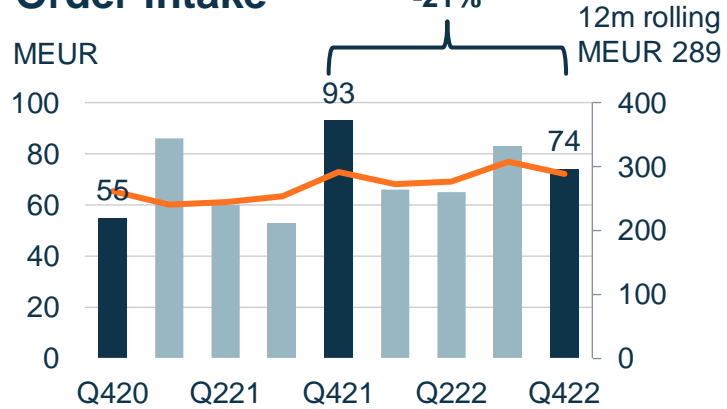
Voyage



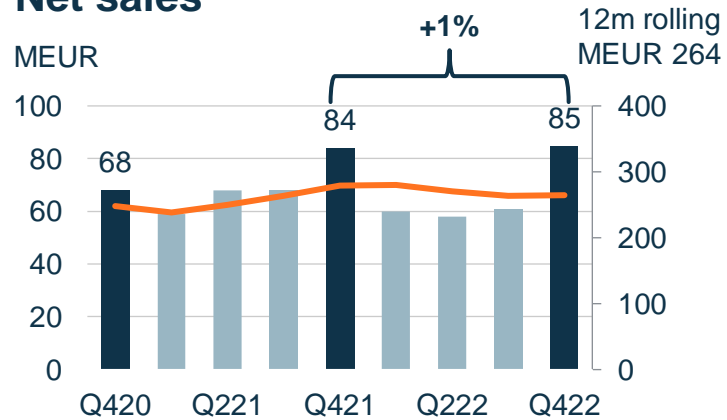
Voyage: positive and improving comparable operating result

Service orders stable

Order intake

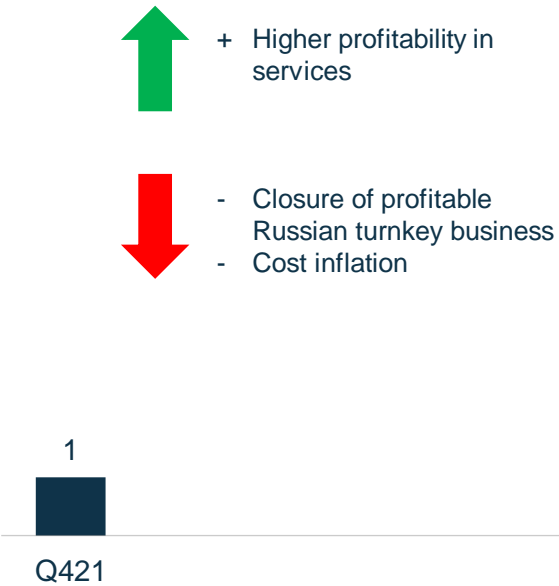


Net sales



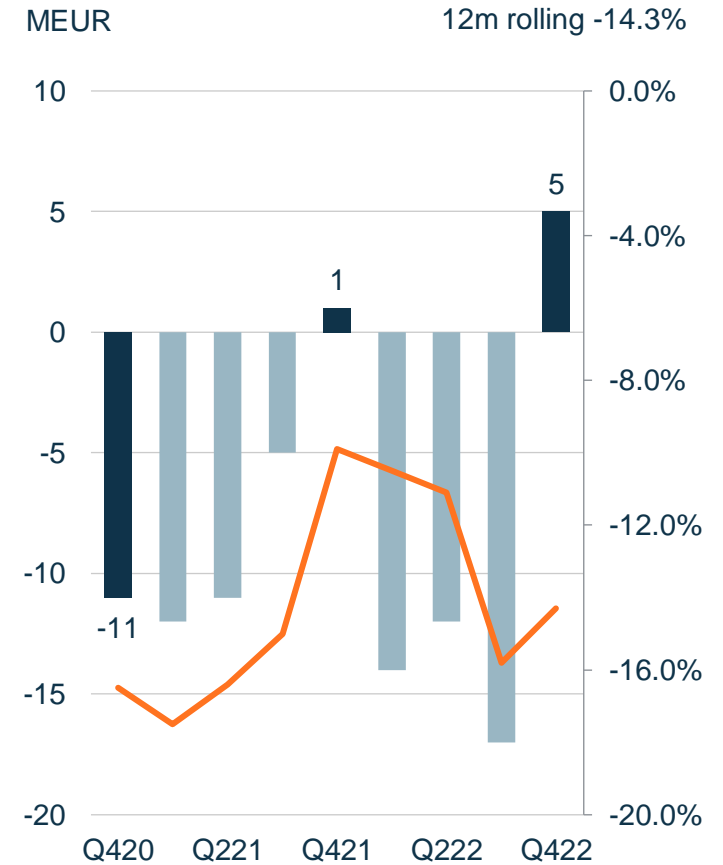
Comparable operating result

MEUR



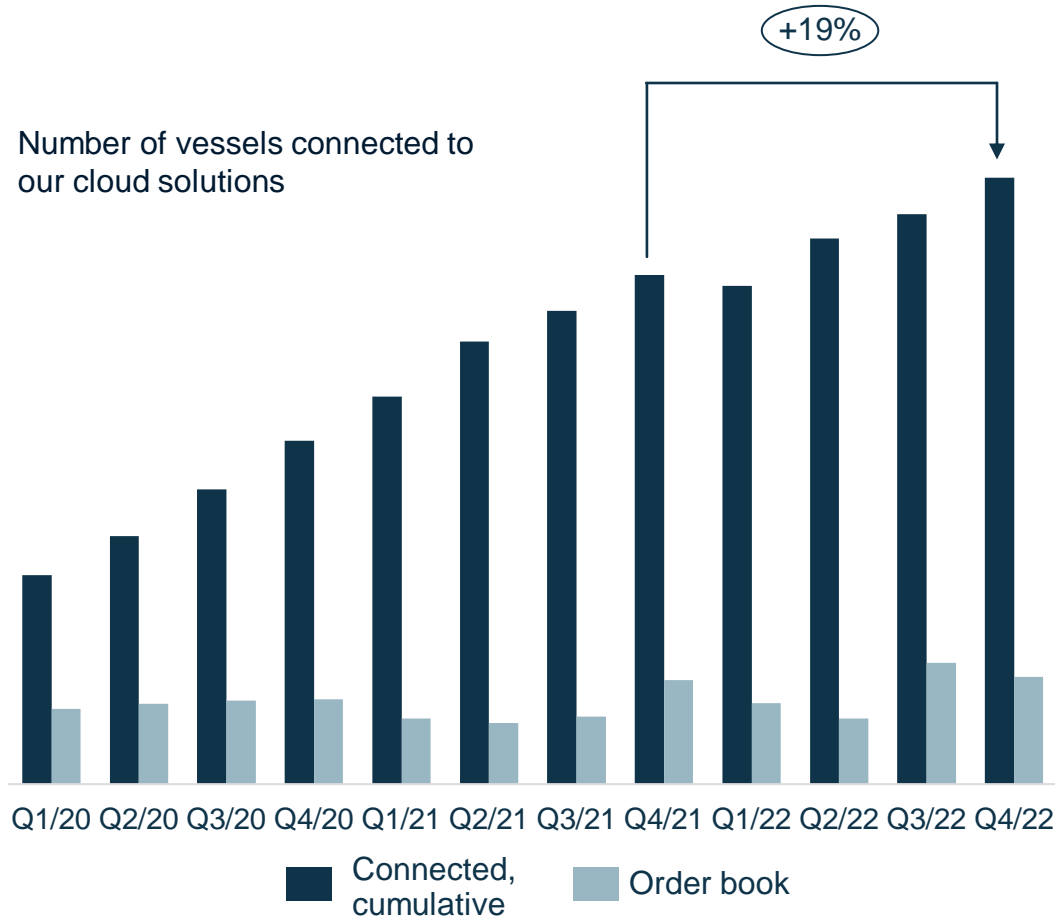
Comparable operating result

MEUR



Voyage cloud solutions

Increase of 19% in connected vessels



Carisbrooke Shipping clearly improves environmental footprint with Wärtsilä's Fleet Optimisation Solution

- Carisbrooke Shipping has in 2022, with the help of Wärtsilä's Fleet Optimisation Solution (FOS), reported fuel reduction of 5-7% and savings of over 600 tons of CO2 emissions.
- Carisbrooke's Fleet Operations Centre is responsible for monitoring vessel position, passage plans and routes, advising on maximising cargo intake, and monitoring vessel safety and performance.
- Real-time data enables continuous optimisation of fuel consumption across the fleet.

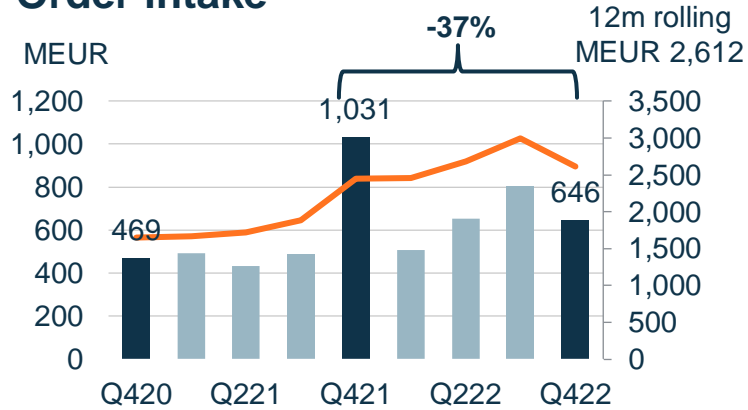
Energy



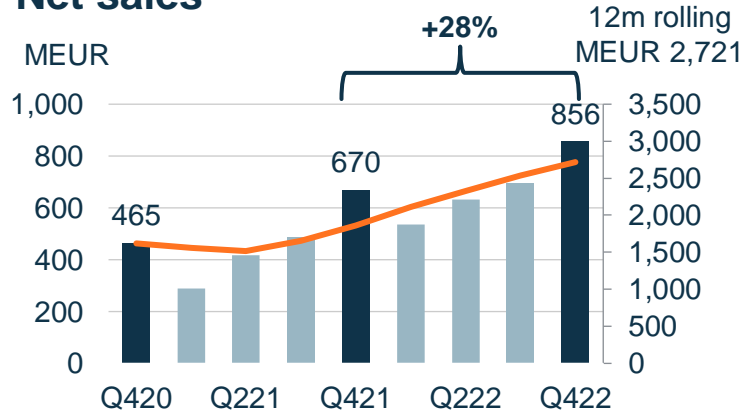
Energy: Olkiluoto cost provision burdened the result

Challenges with cost inflation remained

Order intake

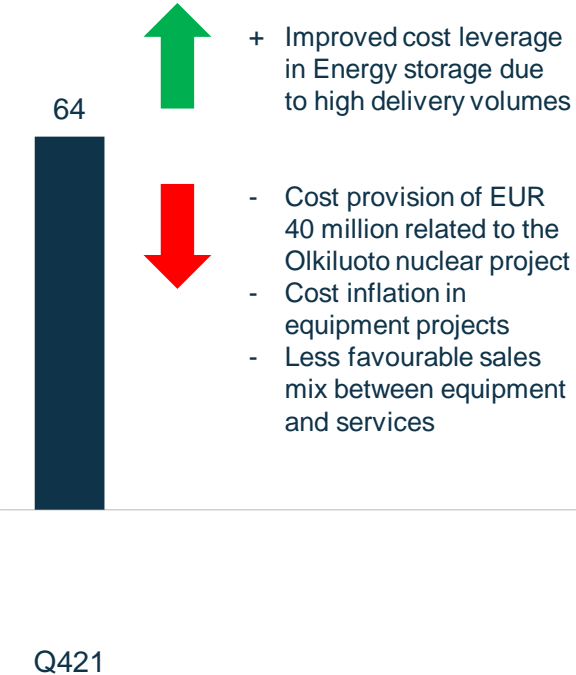


Net sales



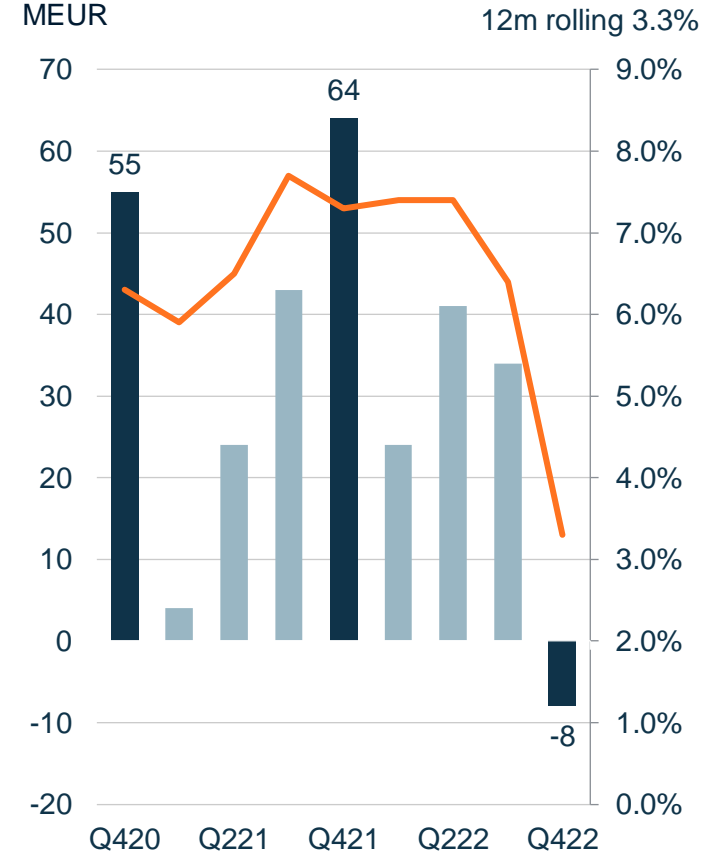
Comparable operating result

MEUR



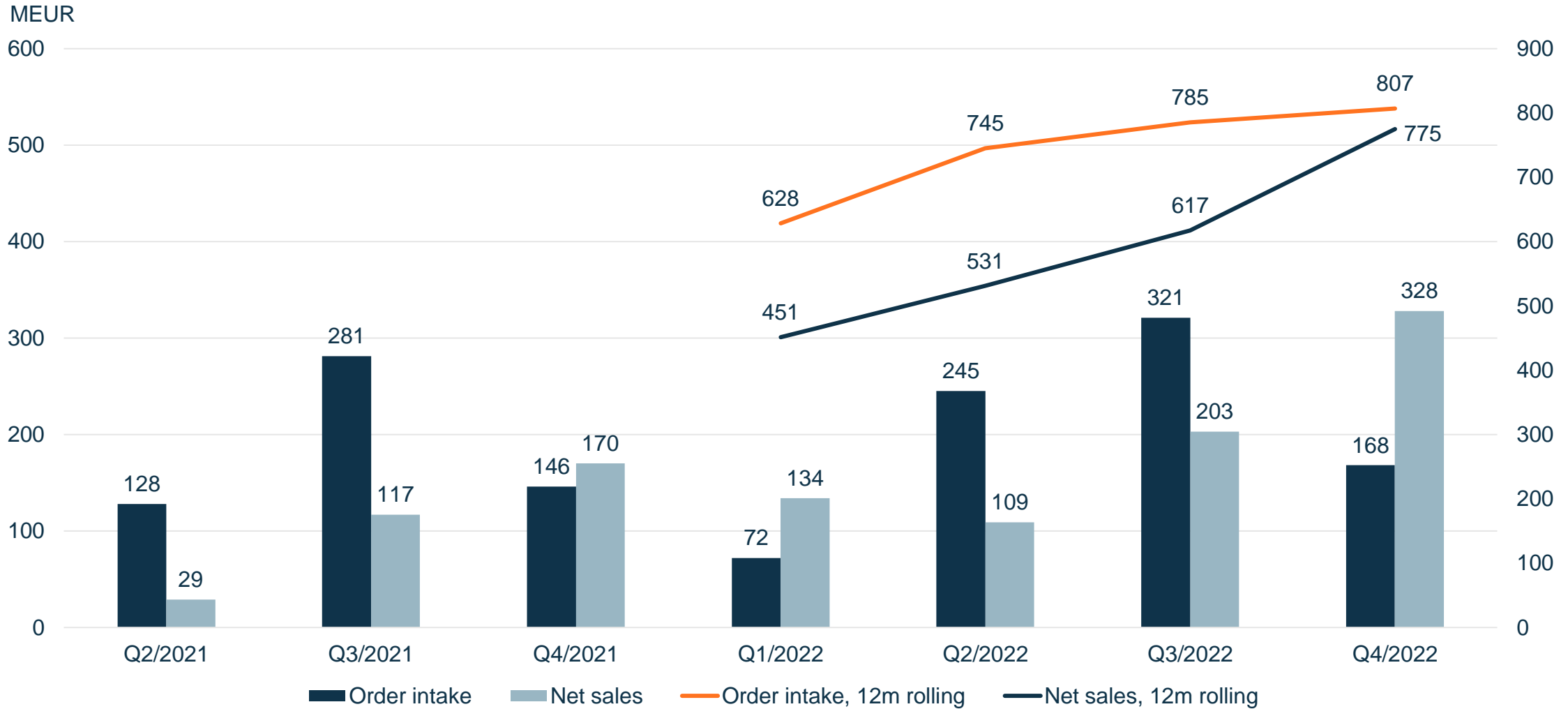
Comparable operating result

MEUR



Energy storage net sales continued to grow

Profitability has been improving and the full year comparable operating result margin was approximately -4% in 2022





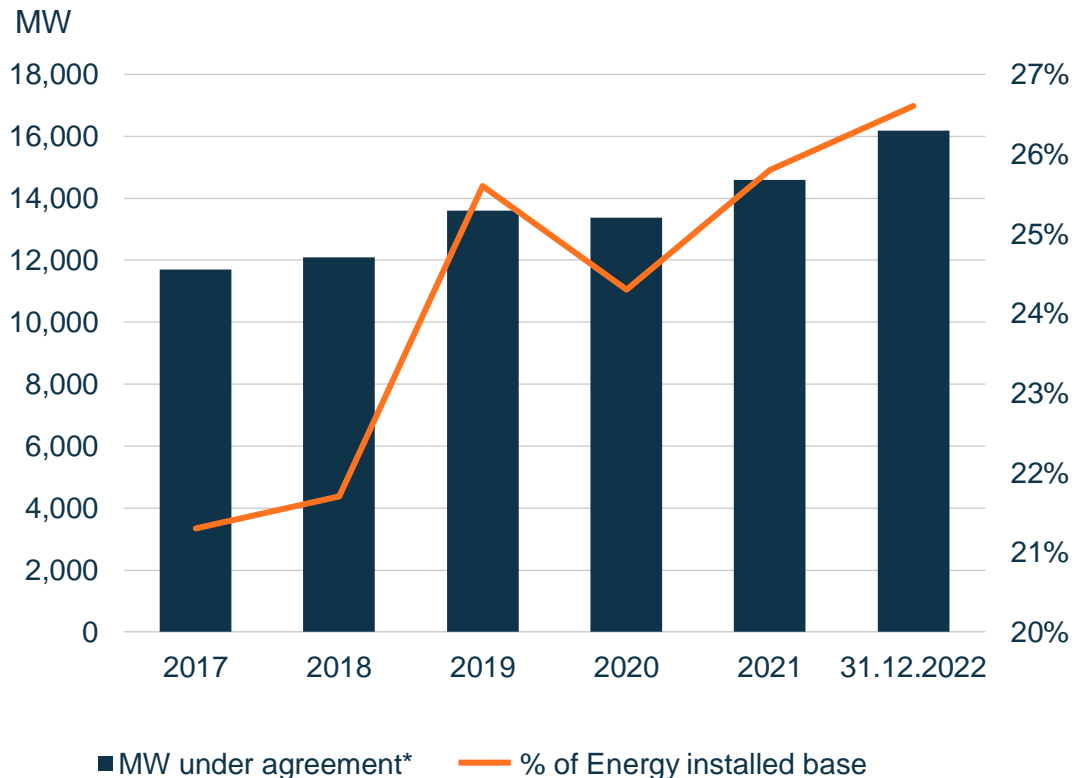
Wärtsilä will supply its internal combustion engine technology for two new balancing power plants in the USA

- The order was placed by a major American investor-owned utility in the Upper Midwest.
- The Wärtsilä engines were selected primarily for their grid-balancing capabilities as the utility expands its integration of renewable energy, notably wind and solar.
- The two plants will operate with Wärtsilä 34DF dual-fuel engines. The first plant will generate an output of 28 MW from three engines, while the second will provide 47 MW of power from five engines.

Wärtsilä engines to provide 113 MW balancing capacity to Basin Electric in the USA

- The balancing capability enables the further integration of renewable energy into the power system.
- The fast-starting and stopping engine technology allows full output to be reached in minutes and thus ensures a reliable electricity supply regardless of weather conditions.

Continued good development in Energy service agreements



* Includes agreements covering both installed assets and assets to be installed in the future

Wärtsilä’s report ‘Pathways for Africa’s Energy Future’ provides power system modelling for Nigeria, South Africa and Mozambique

- The modelling found that renewable energy and flexibility can generate enough energy to provide power for close to 100 million people who currently do not have energy access, if it were matched with the required grid infrastructure.
- The report also demonstrates that replacing coal with renewable energy combined with flexibility from engines and energy storage is the most effective way to reduce energy costs, increase energy access and improve reliability.

Other key financials

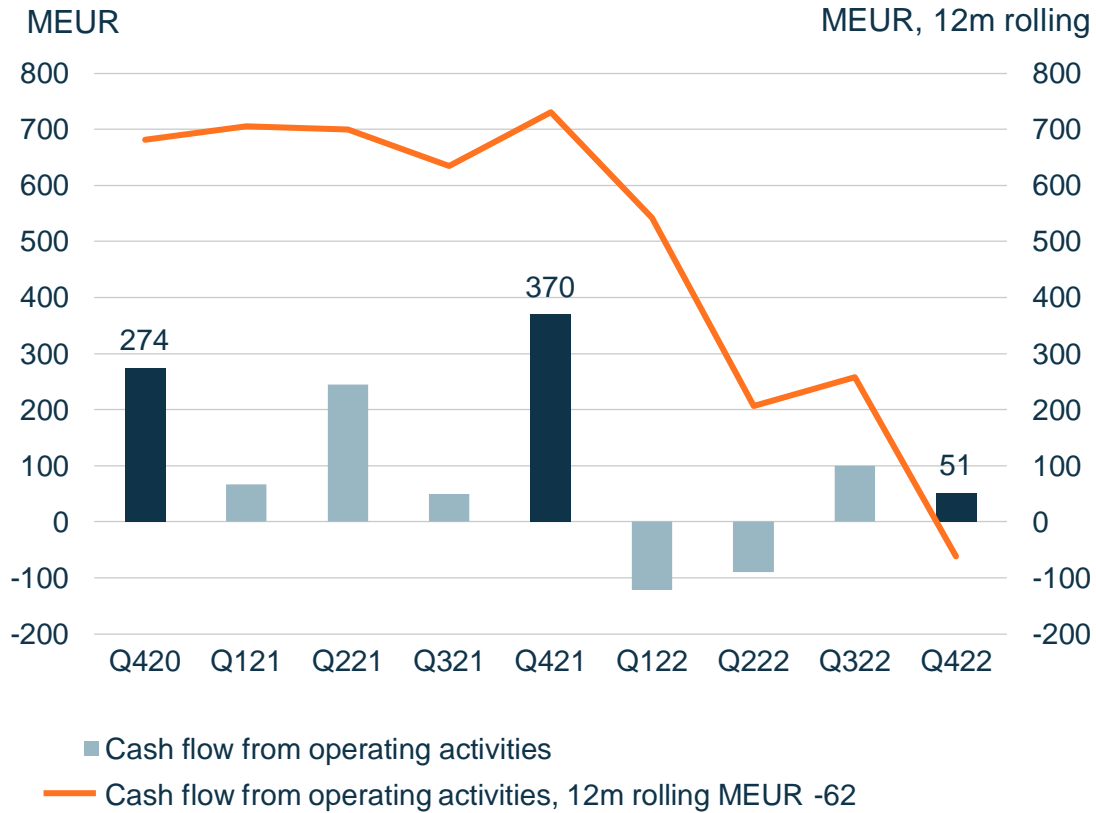


Other key financials

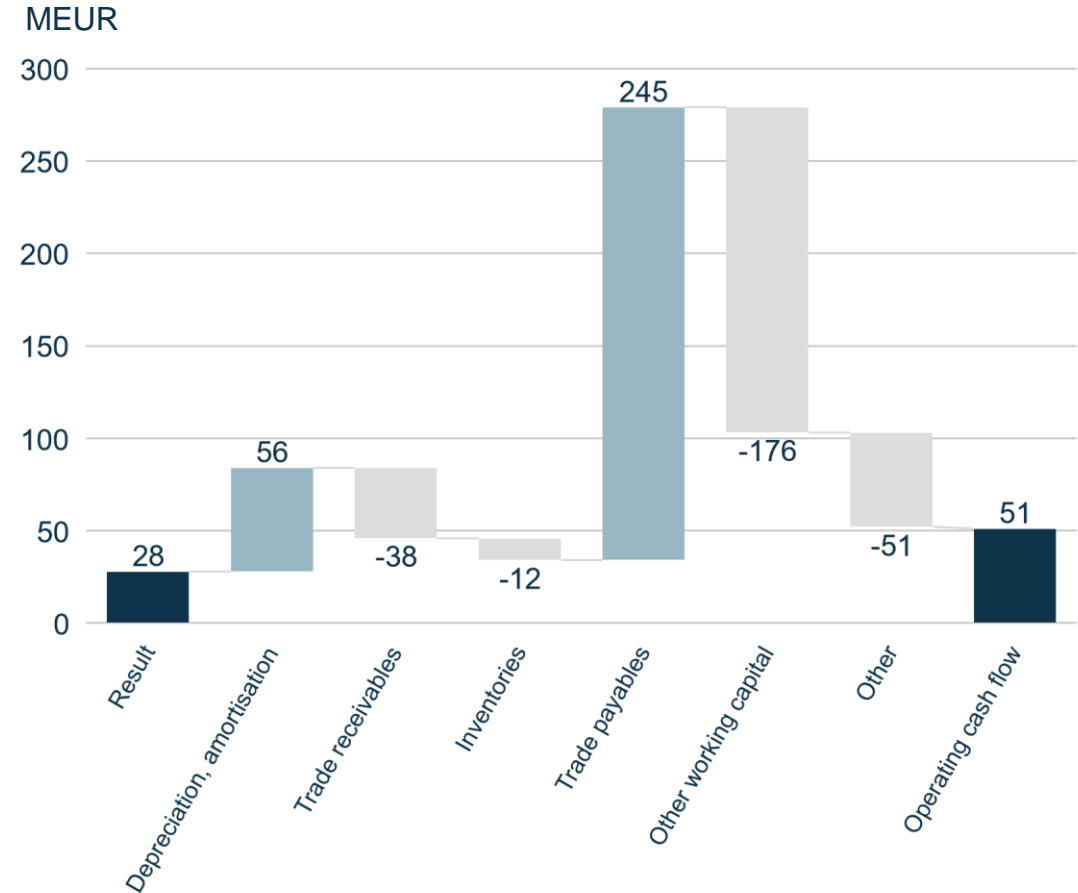
MEUR	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Cash flow from operating activities	51	370	-62	731
Working capital			179	-100
Net interest-bearing debt			481	4
Gearing			0.23	0.00
Solvency, %			35.3	38.6
Basic earnings/share, EUR	0.05	0.14	-0.11	0.33

Cash flow from operating activities decreased

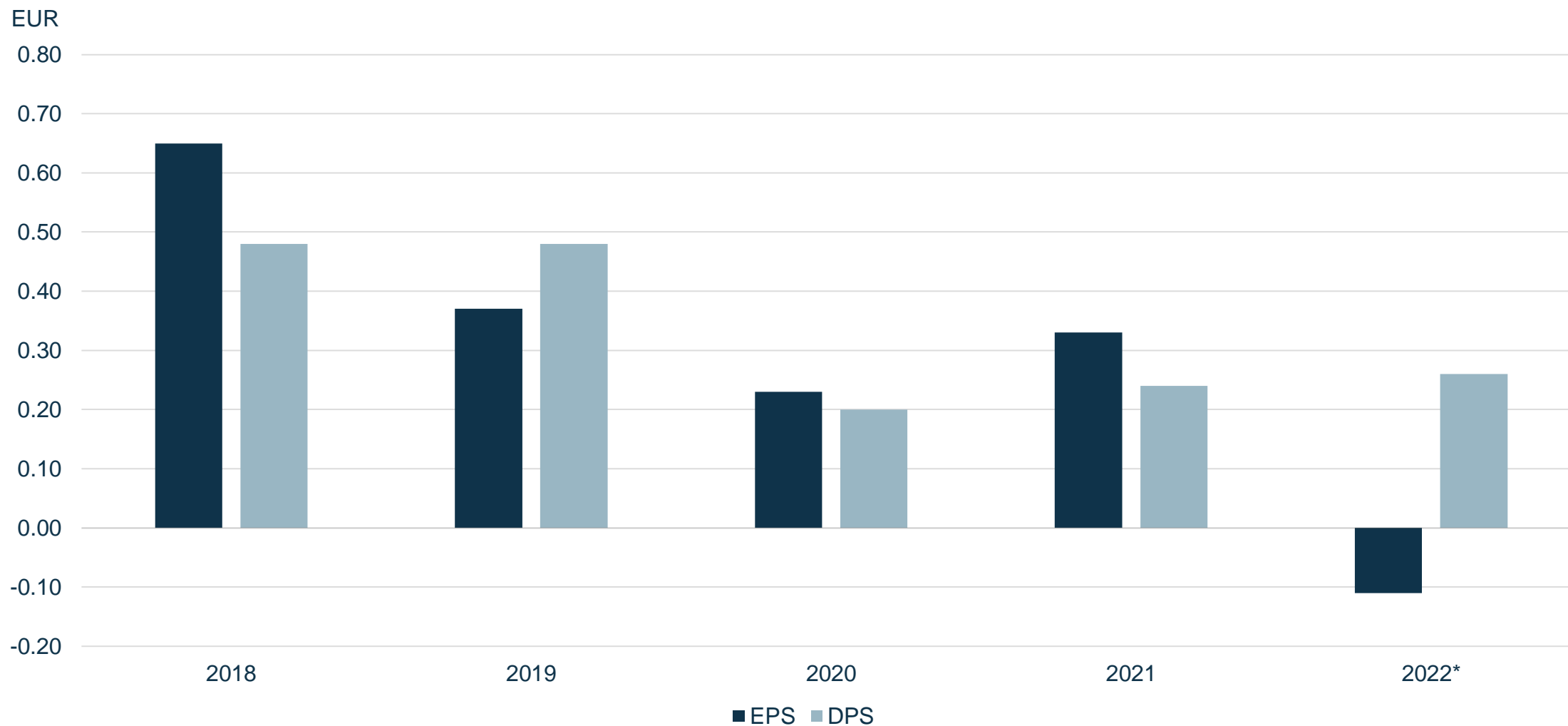
Cash flow from operating activities



Fourth quarter development



Earnings and dividend per share



*Proposal of the Board



Prospects

Wärtsilä expects the demand environment for the next 12 months in the Marine business (including Marine Power and Marine Systems) to be similar to that of last year. For the Energy business, Wärtsilä expects the demand environment to be better than last year.

Q&A

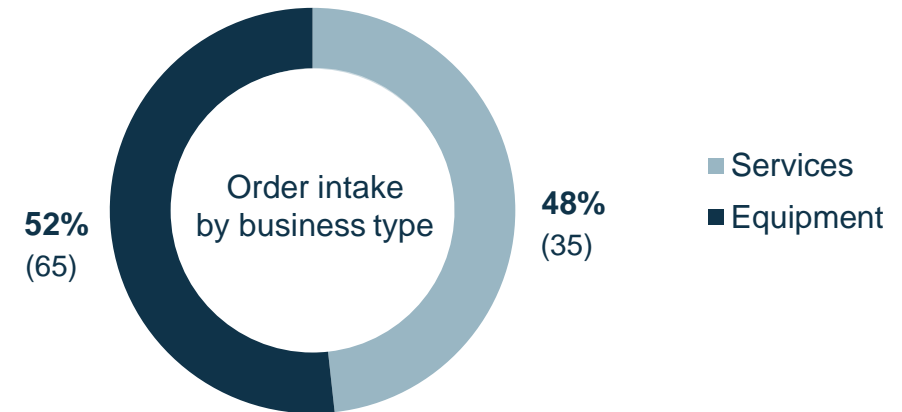
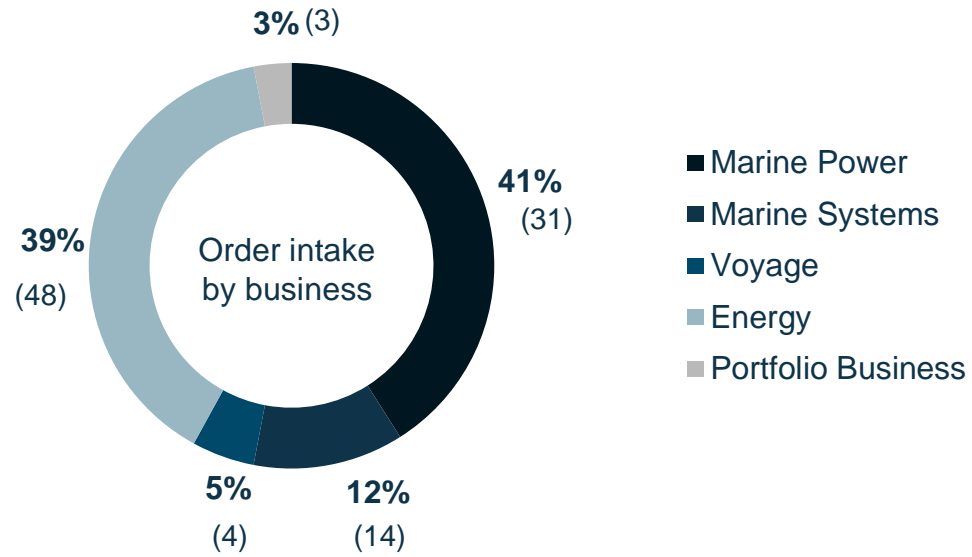


Appendix



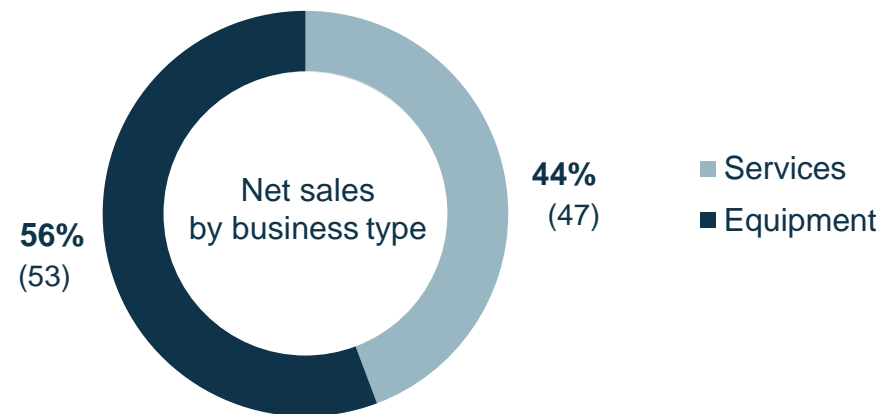
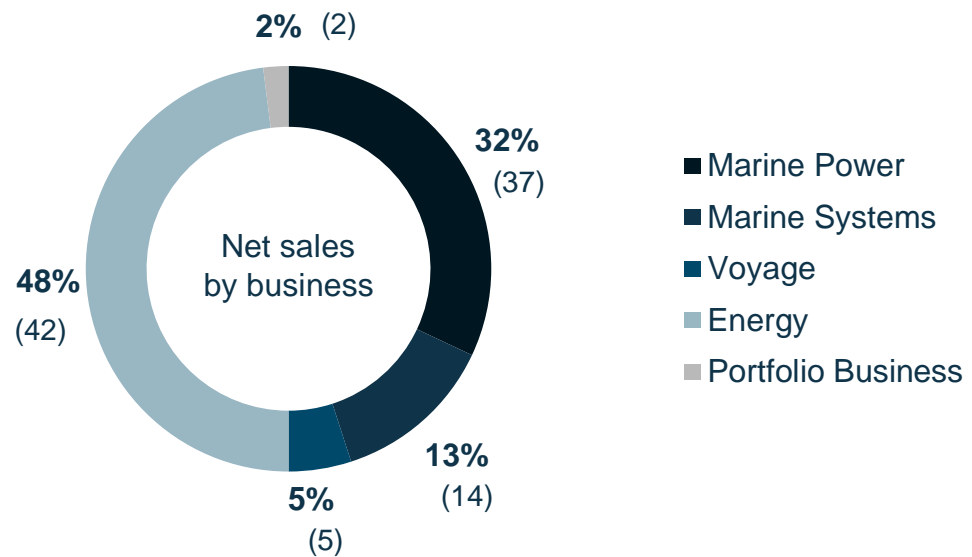
Order intake

Fourth quarter development



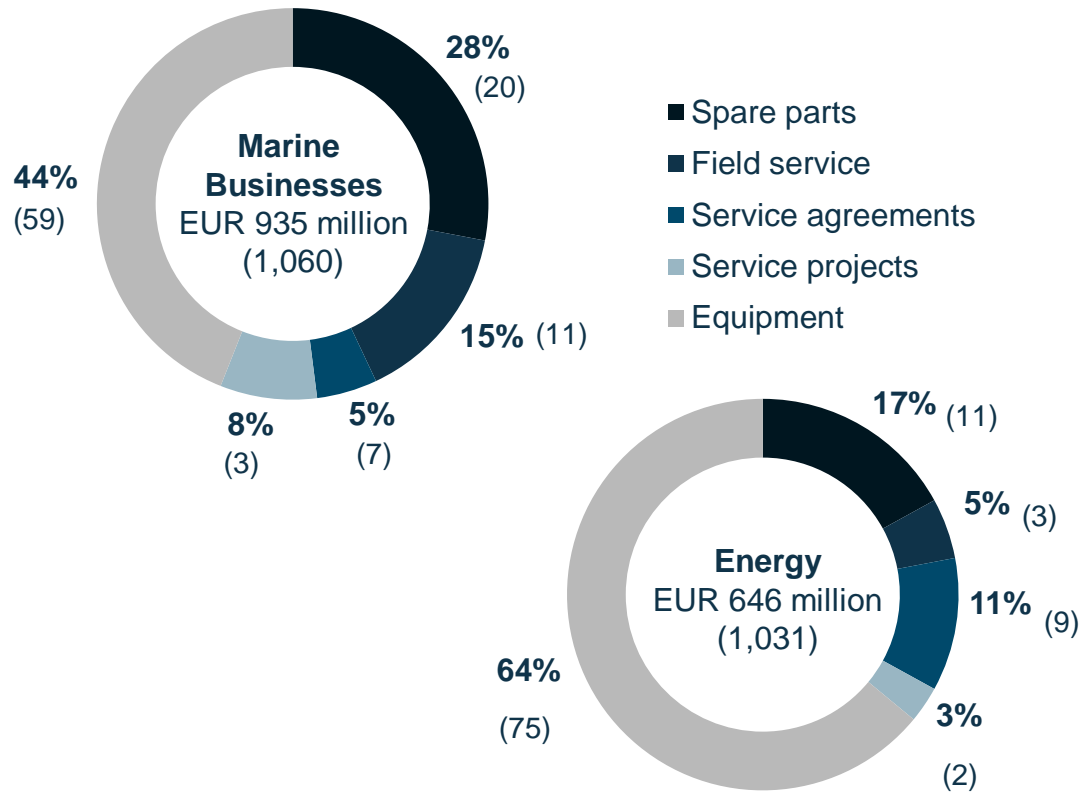
Net sales

Fourth quarter development

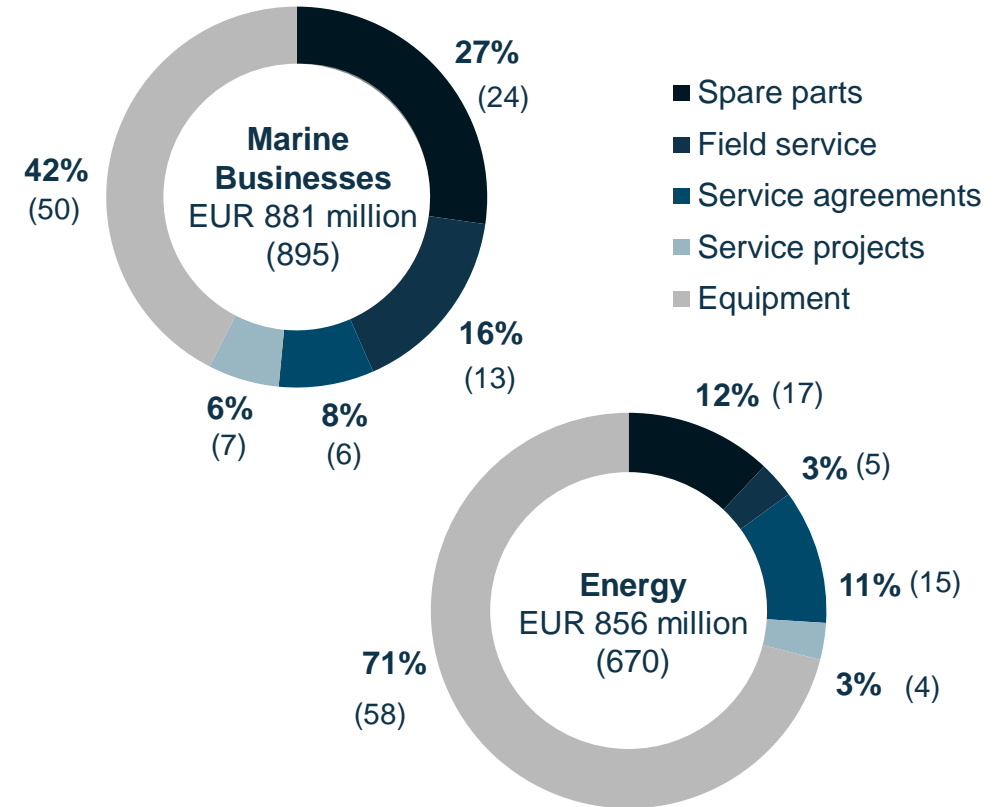


Fourth quarter development by business type

Order intake



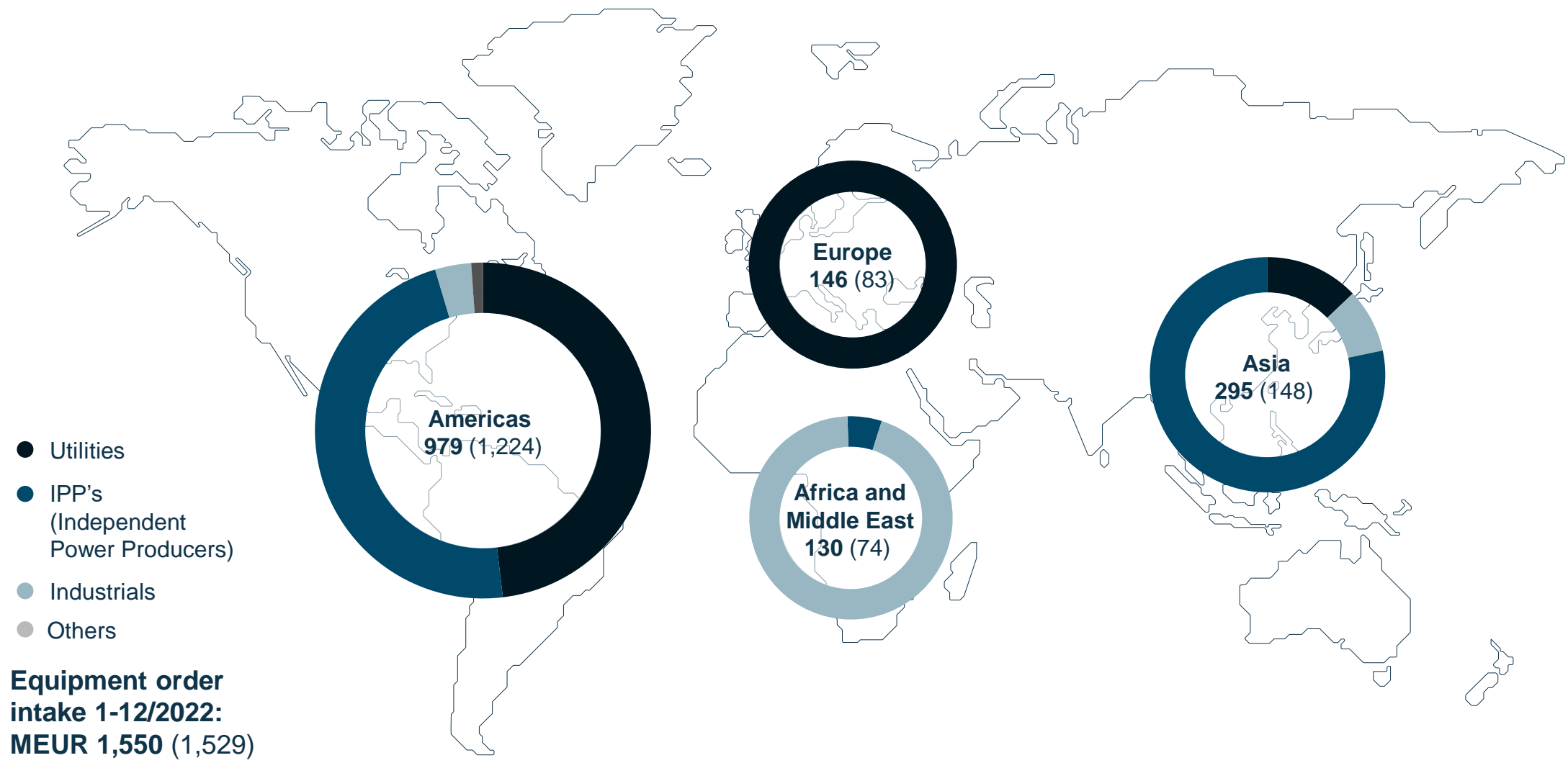
Net sales



January–December order intake by customer segment

Marine Businesses	Gas carriers	Cruise & ferry	Offshore	Navy	Special vessels	Merchant	Other
Marine Power							
Equipment	14% (7)	23% (28)	2% (3)	11% (9)	14% (21)	35% (31)	0% (0)
Services	15% (17)	21% (19)	15% (14)	9% (10)	11% (13)	27% (24)	1% (2)
Marine Systems							
Equipment	23% (35)	2% (4)	1% (1)	35% (34)	7% (2)	17% (18)	15% (6)
Services	3% (3)	8% (8)	6% (5)	30% (26)	6% (9)	43% (43)	4% (5)
Voyage							
Equipment	0% (1)	25% (22)	10% (7)	7% (15)	4% (5)	19% (28)	34% (22)
Services	0% (3)	28% (28)	5% (6)	1% (2)	5% (6)	50% (53)	12% (2)
Marine Businesses, in total							
Equipment	14% (16)	19% (19)	9% (8)	14% (15)	10% (12)	29% (27)	5% (4)
Services	15% (17)	18% (19)	3% (3)	18% (19)	11% (13)	28% (25)	8% (5)
Services	13% (14)	20% (18)	13% (12)	11% (12)	10% (12)	31% (29)	2% (2)
Energy							
		Utilities	Independent Power Producers		Industrials	Other	
Equipment		42% (49)	45% (42)		12% (9)	1% (1)	
Services		38% (33)	28% (31)		24% (27)	11% (10)	

Orders received for Energy equipment globally



Equipment order intake 1-12/2022:
MEUR 1,550 (1,529)



WÄRTSILÄ