

WÄRTSILÄ CORPORATION

Danske Bank: Blue Chip CEO/CFO Conference

30 September 2019

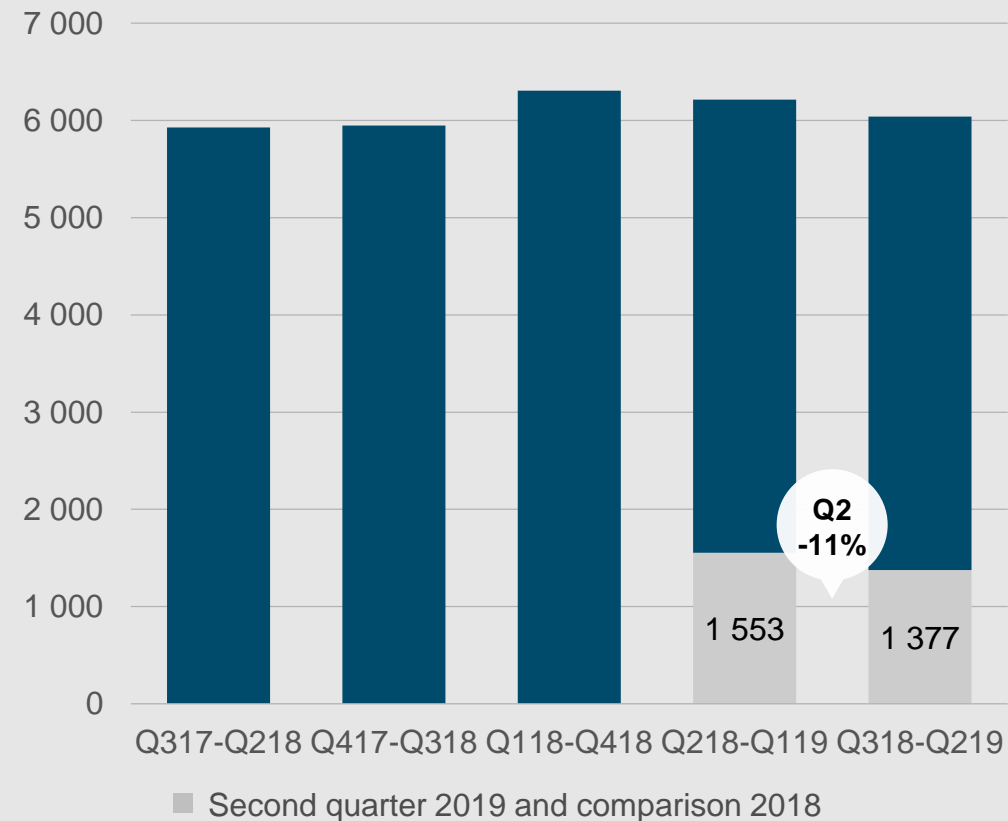
Arjen Berends, Executive Vice President and Chief Financial Officer



**Stable development in net sales,
equipment profitability challenging**

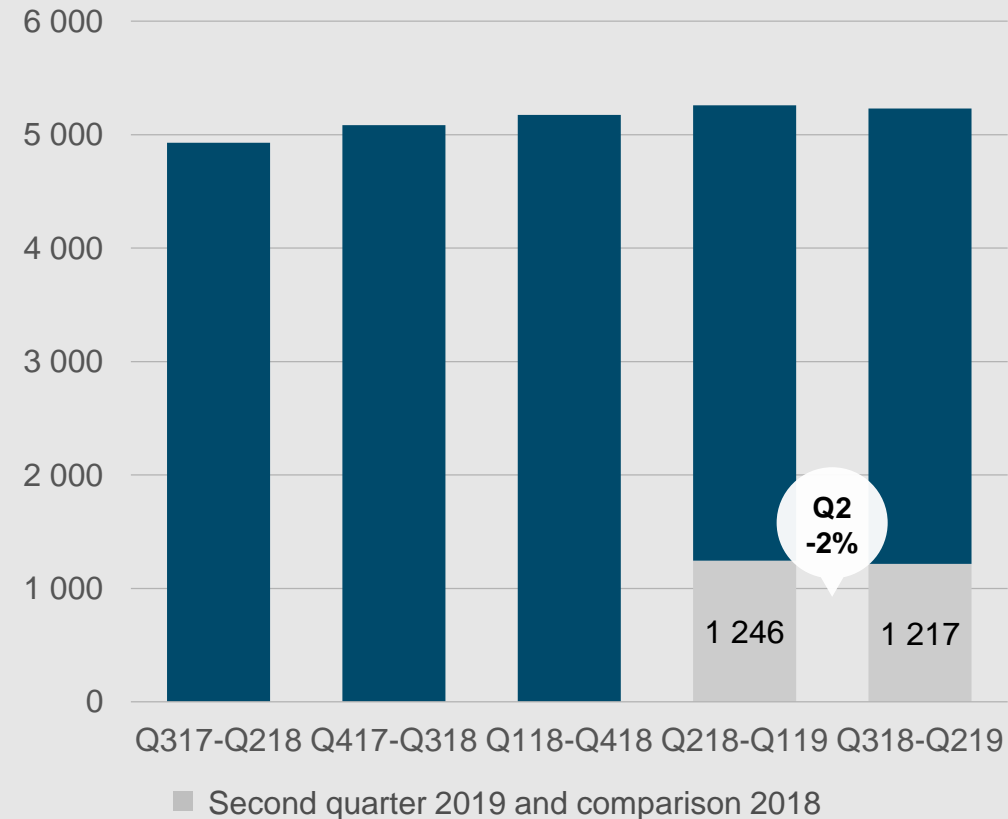
Order intake affected by delayed decision-making in energy markets

Rolling 12m, MEUR



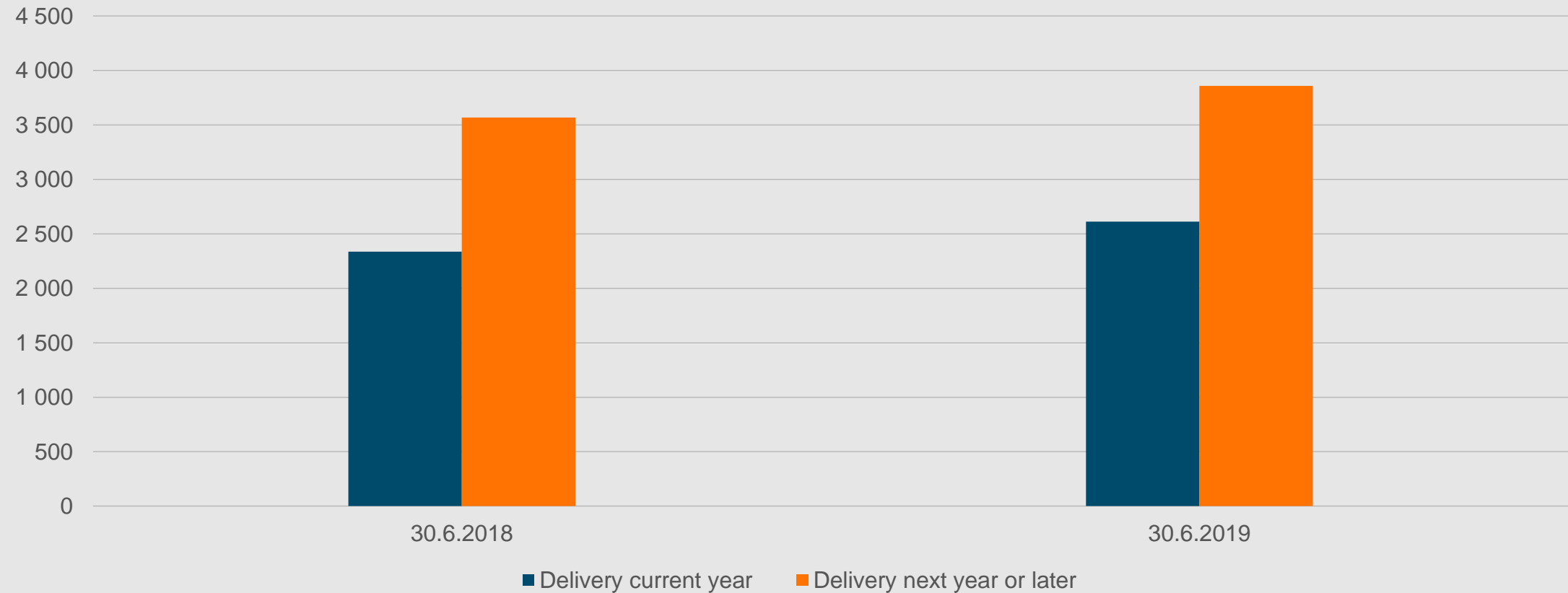
Slight decline in Q2 net sales – positive development in services

Rolling 12m, MEUR



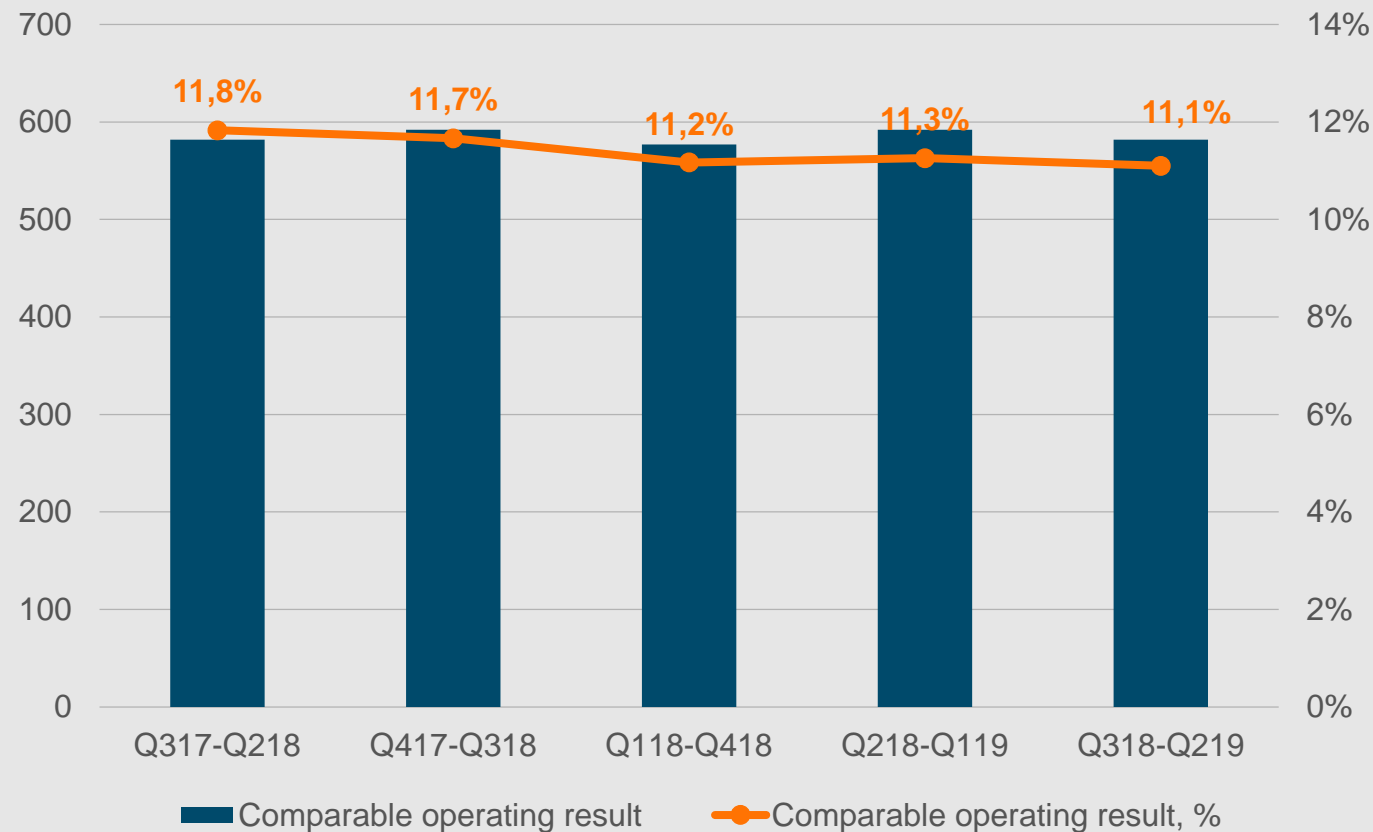
Order book distribution

MEUR

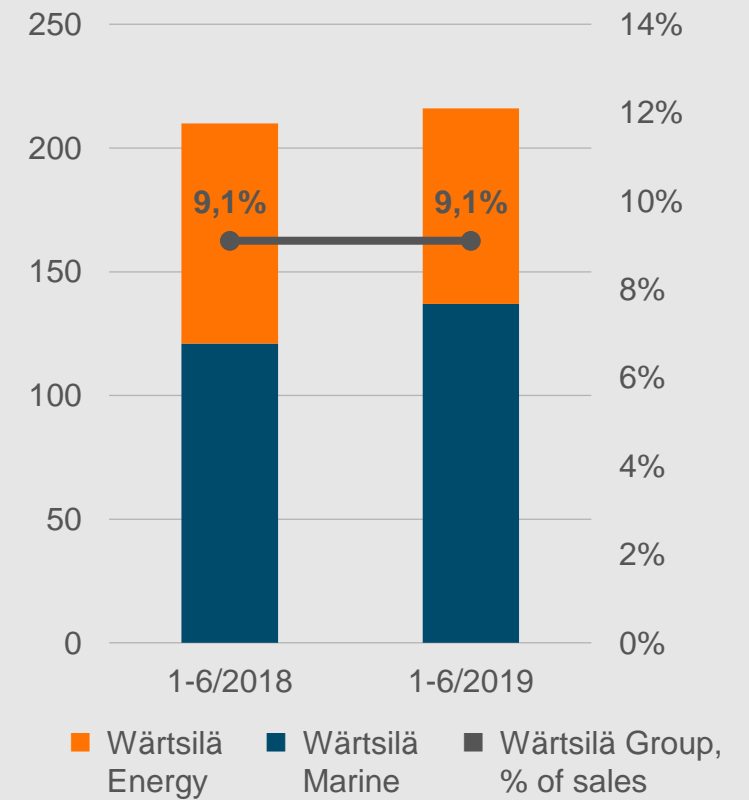


Comparable operating result

Rolling 12m, MEUR

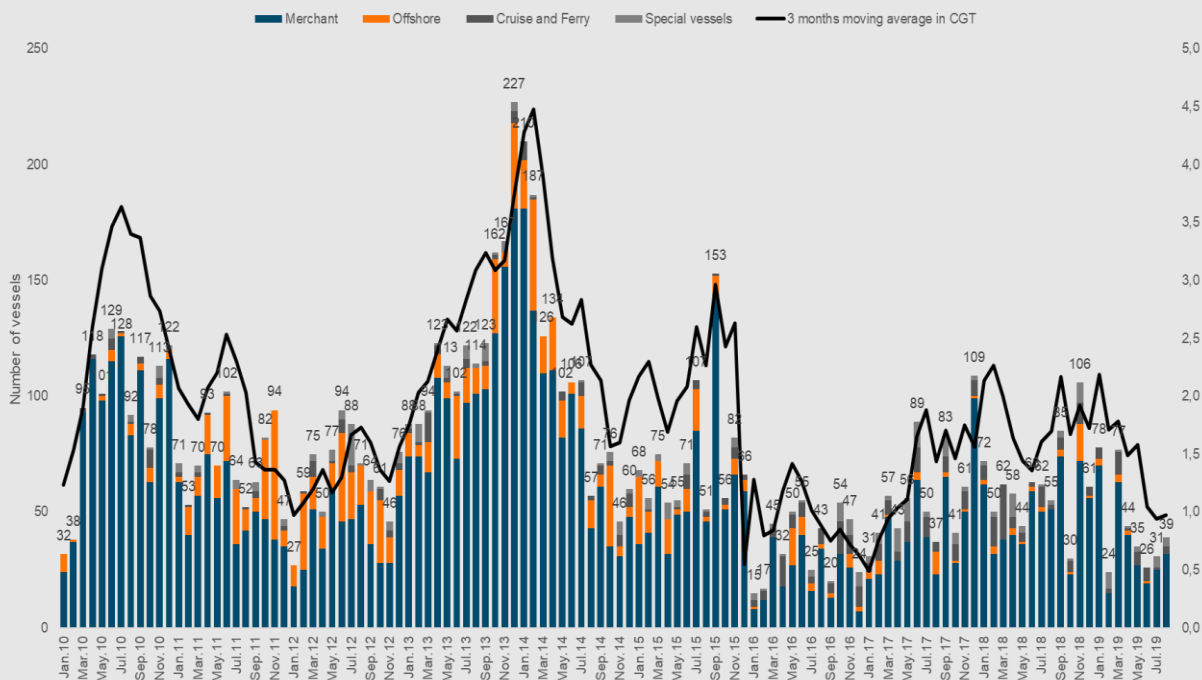


Review period development
MEUR

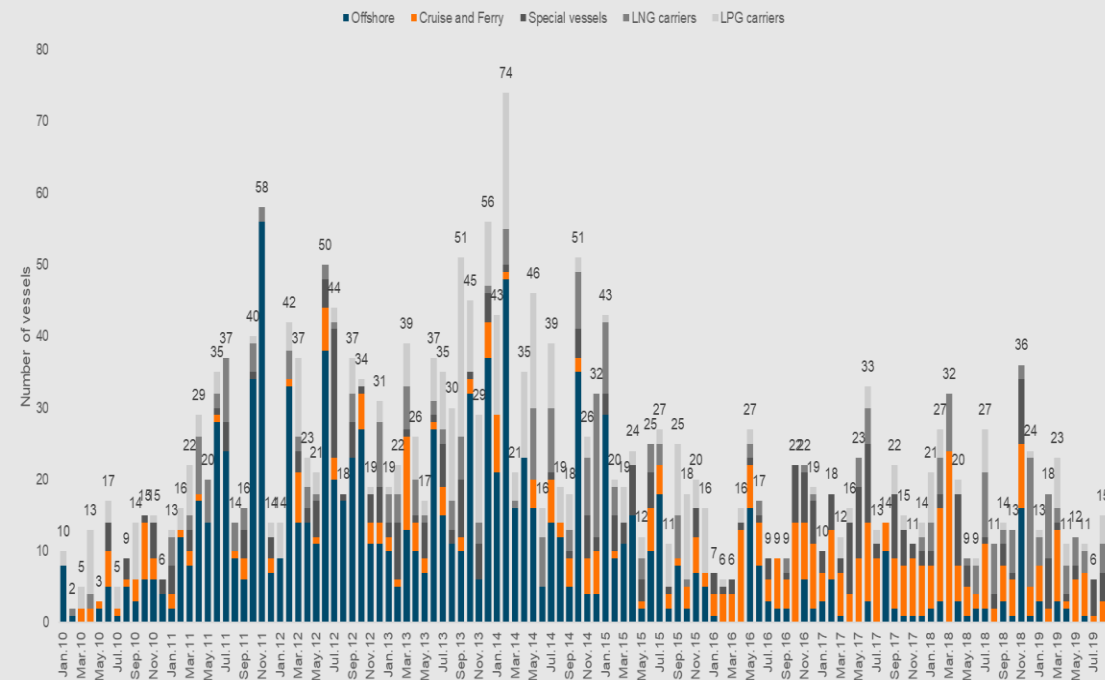


Vessel contracting declining – mix favouring specialised tonnage

Total vessel contracting

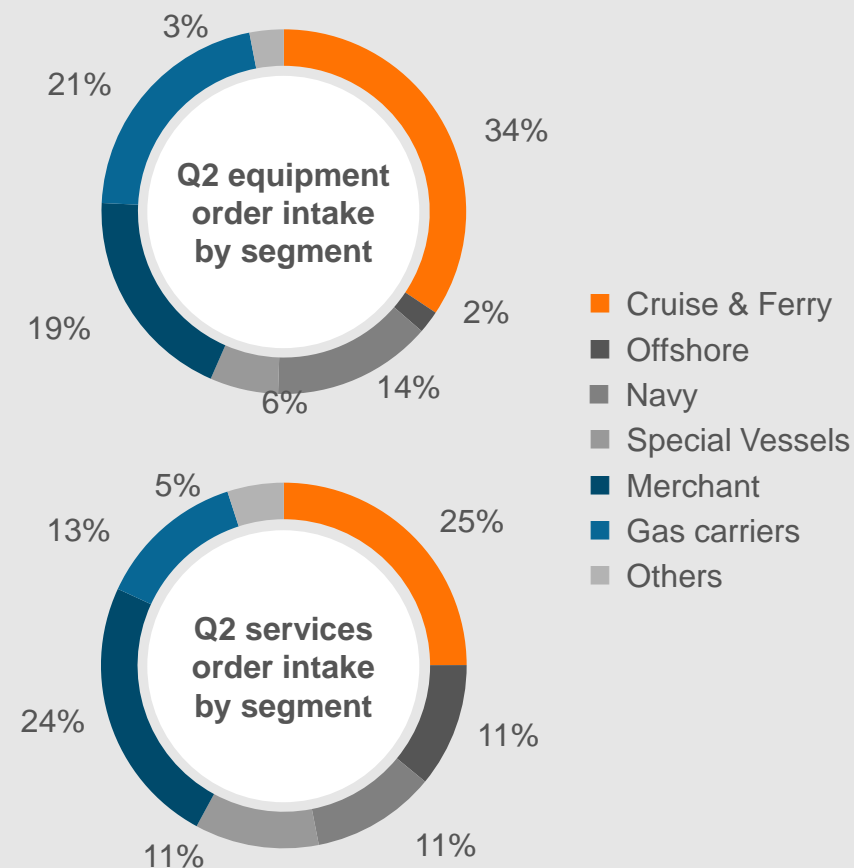
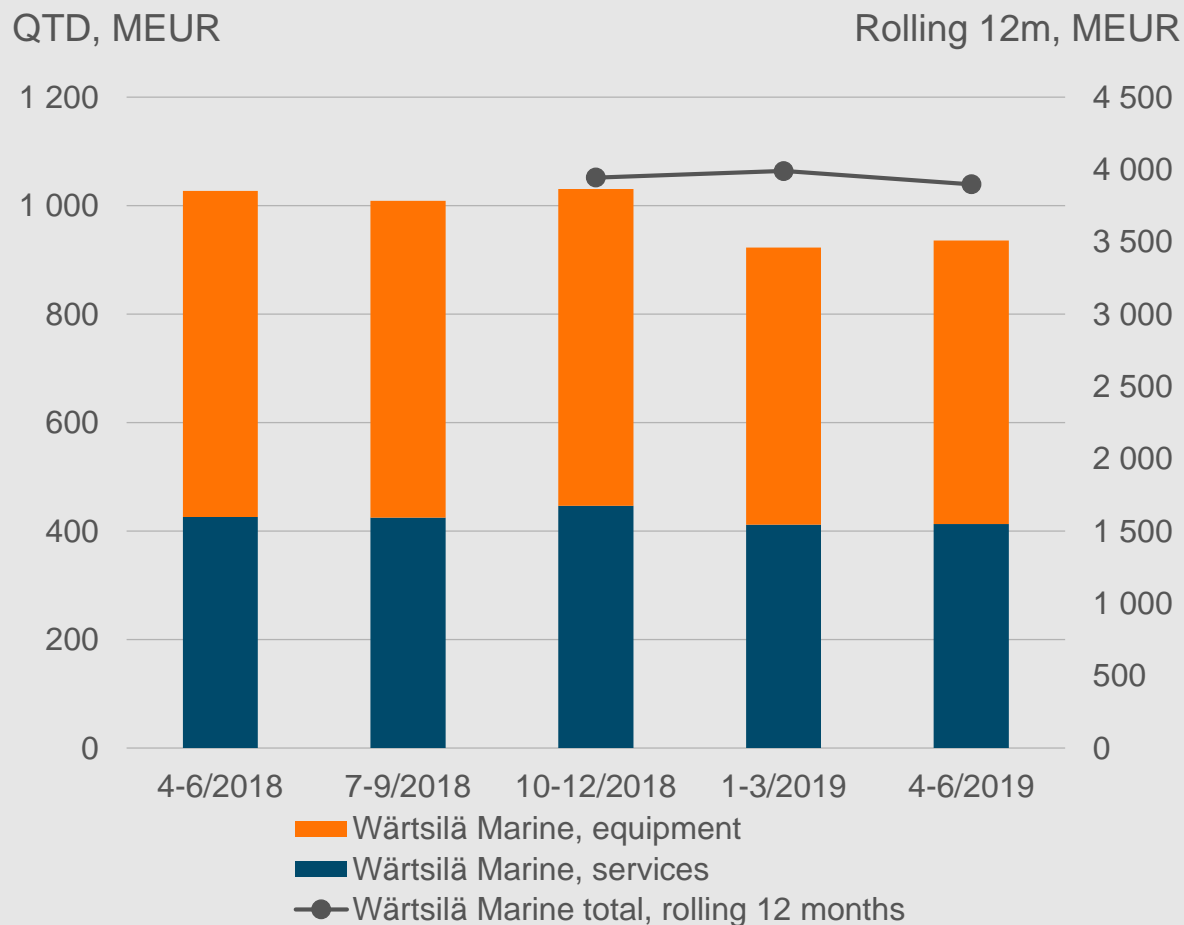


Specialised tonnage

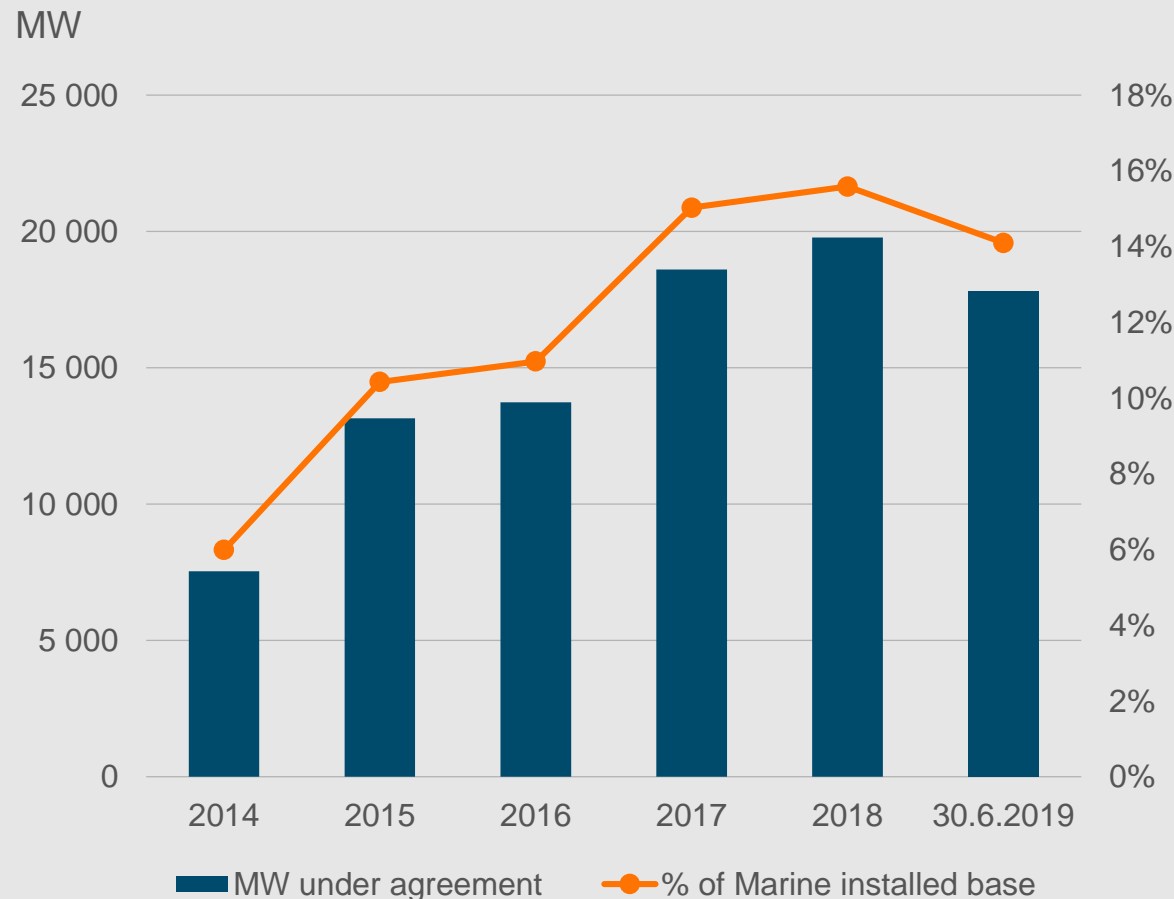


Source: Clarksons, Contracting as per September 6th, 2019
CGT= gross tonnage compensated with workload

Order intake development



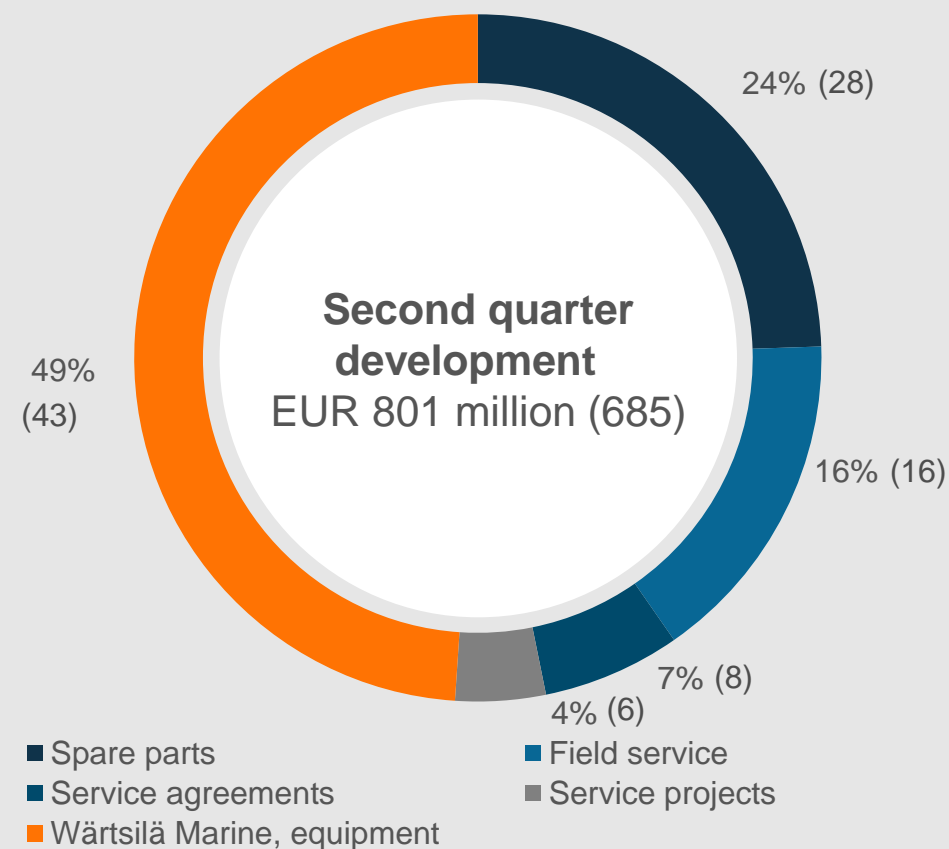
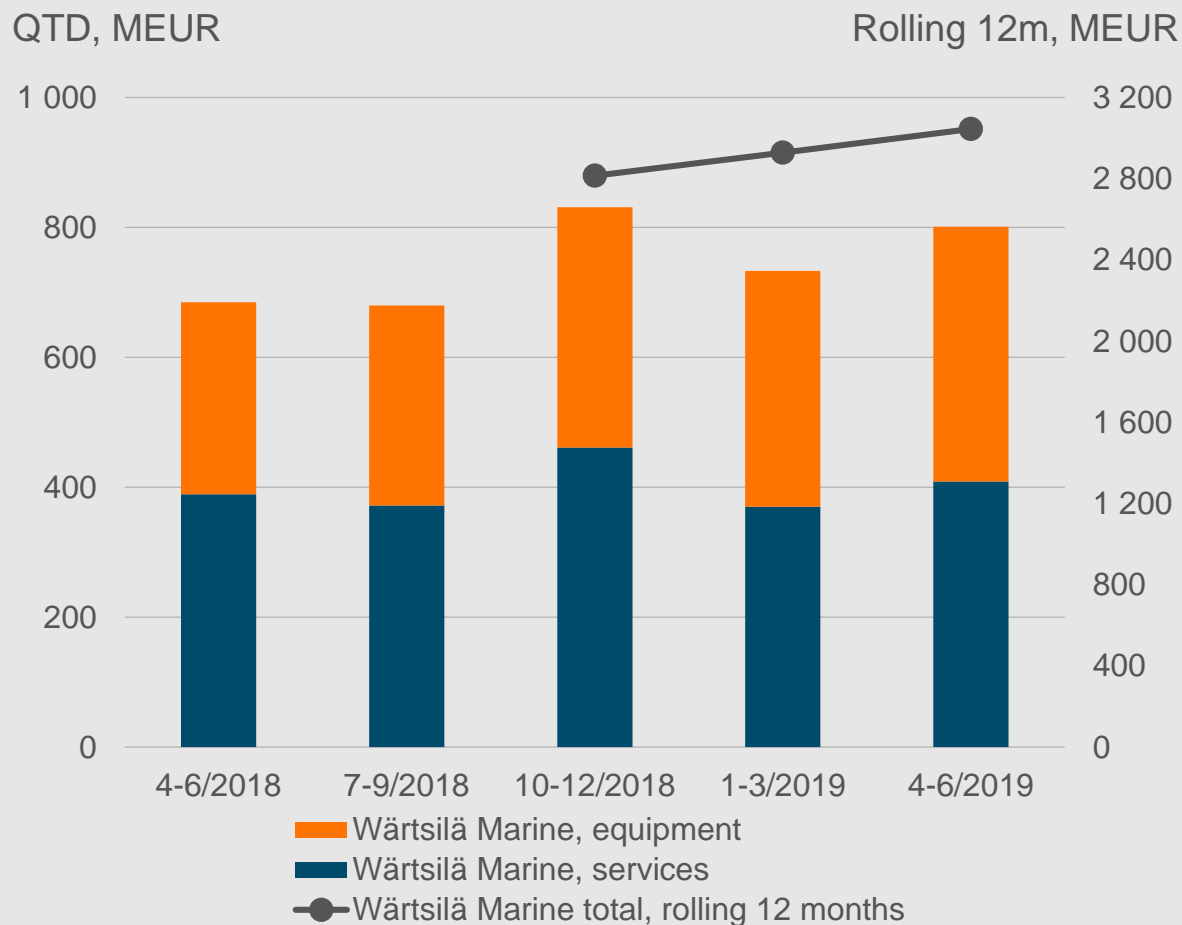
Marine installed base covered by long-term service agreements



Optimised maintenance for Sapura's six pipe-laying support vessels in Brazil

- The five-year agreement includes asset diagnostics to optimise the time between major repair work and increase the efficiency of the vessels' operations

Net sales development

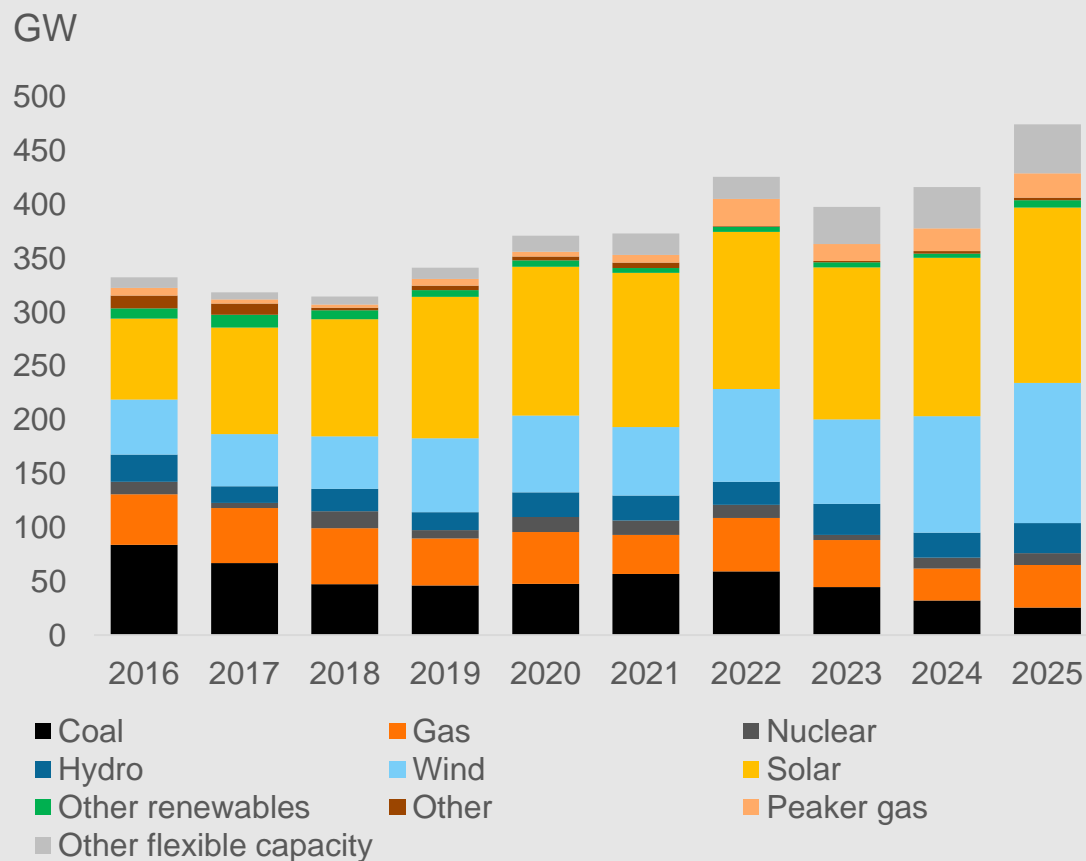


- Smart voyage planning improves safety, lowers CO₂ emissions, and enables significant savings
- Wärtsilä's new Navi-Planner solution utilises connectivity and AI to shorten voyage planning and auto-create a route that is safe to sail

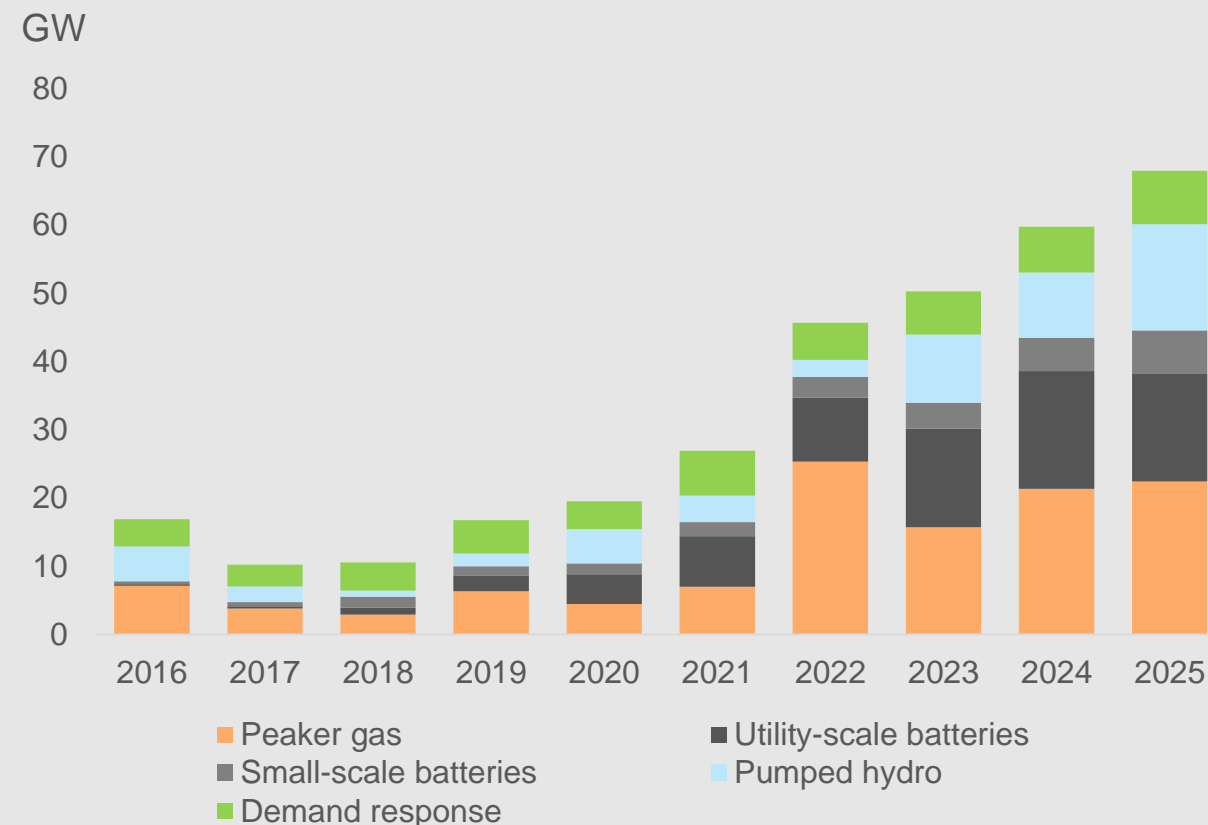


Energy investments favouring renewables and flexibility

Gross capacity additions



Flexible capacity additions

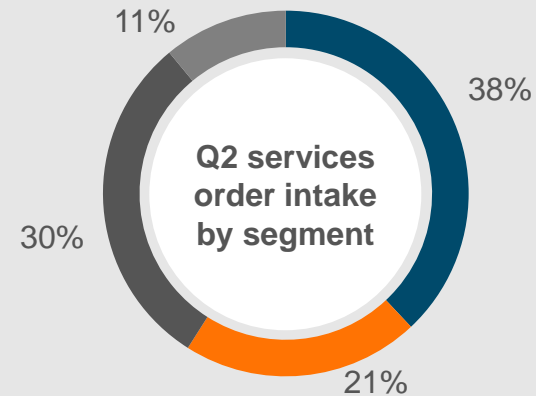
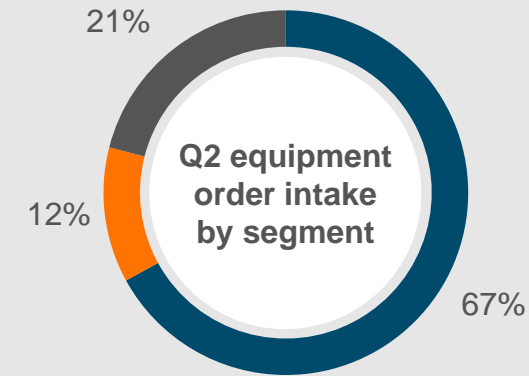
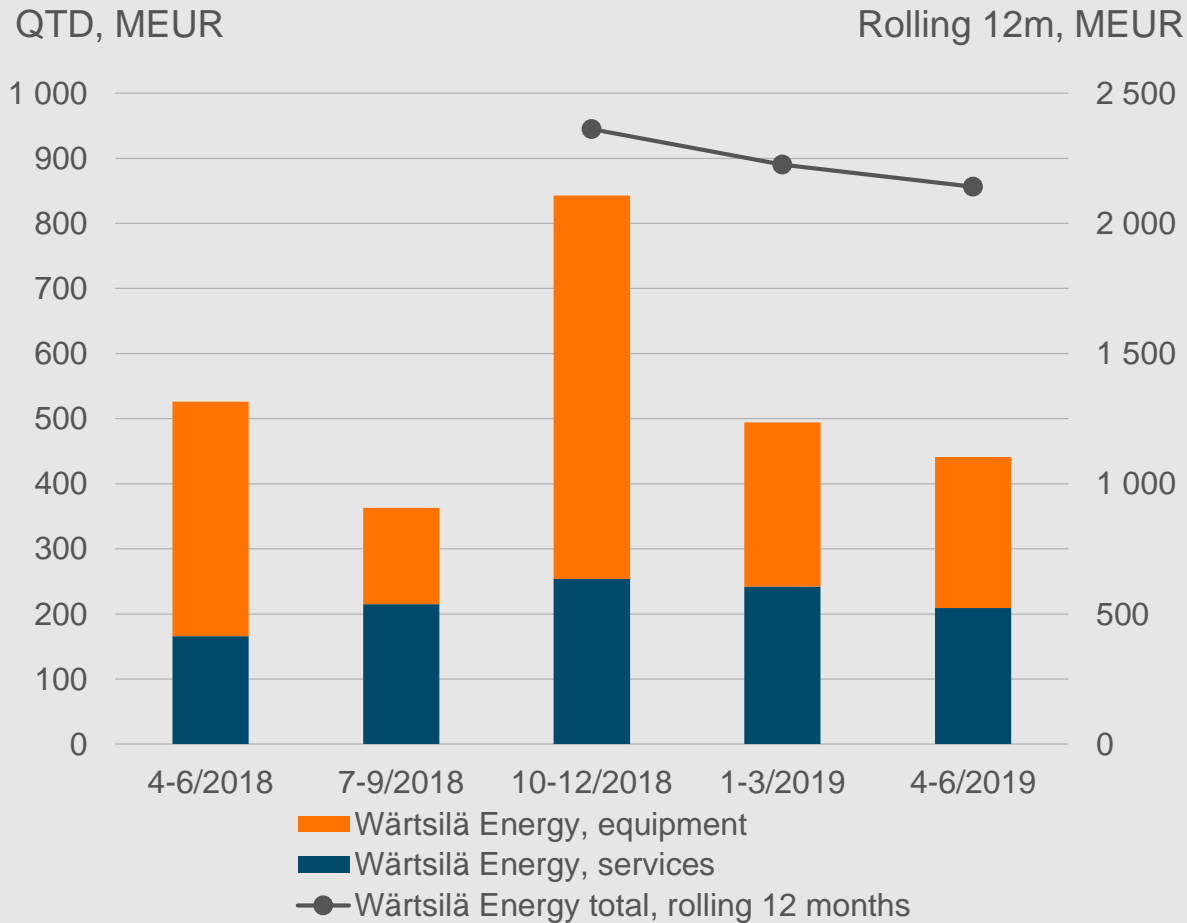


Gross capacity additions. Source: Bloomberg New Energy Outlook 2019.

Note: Other flexible capacity includes all possible technologies that are not running on baseload excluding peaker gas.

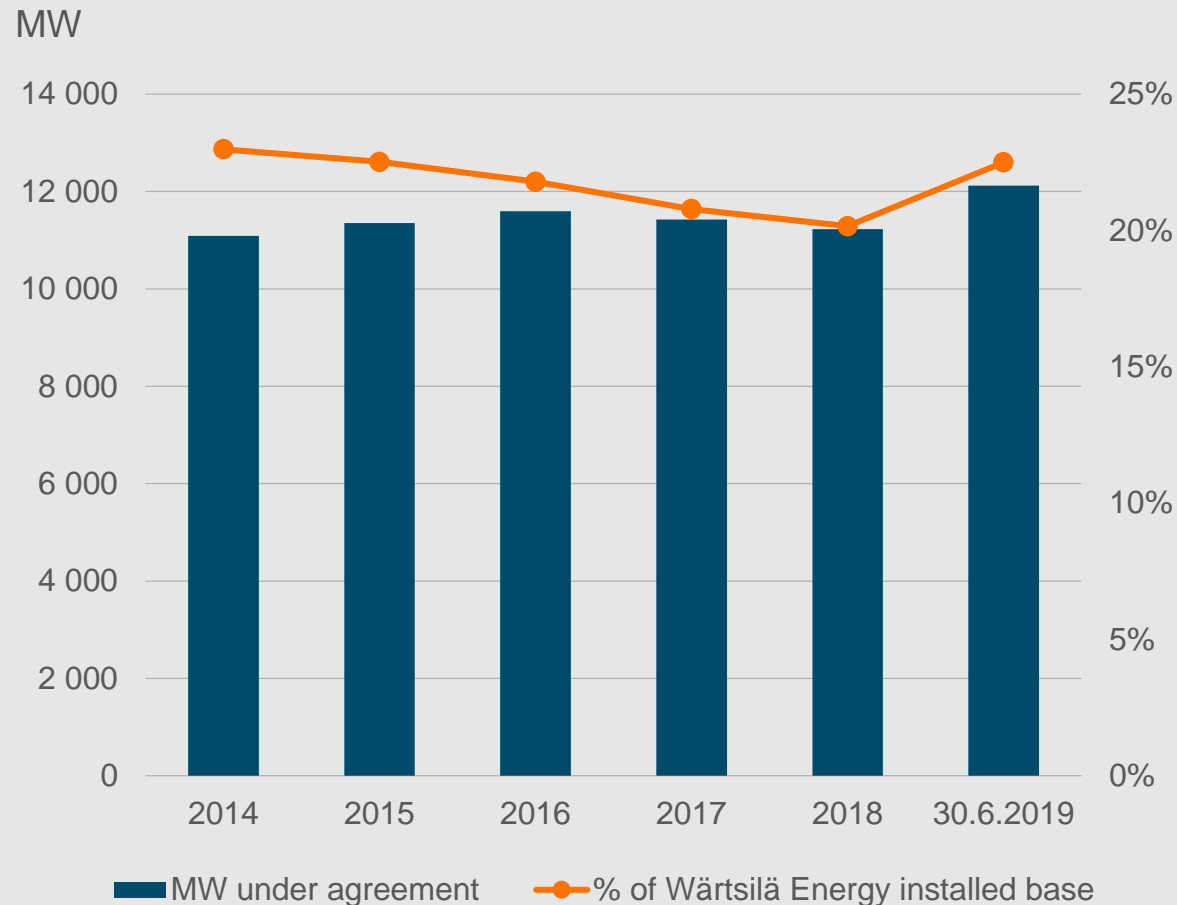
Flexible capacity additions. Source: Bloomberg New Energy Outlook 2019.

Order intake development



- Utilities
- Independent Power Producers
- Industrials
- Others

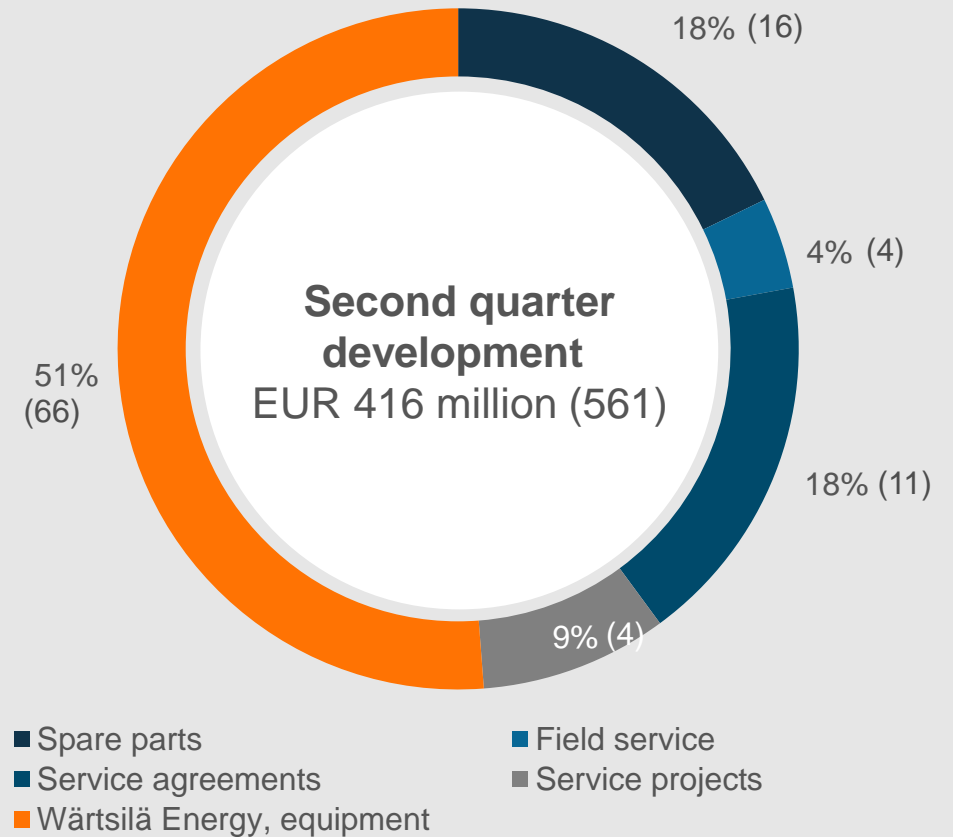
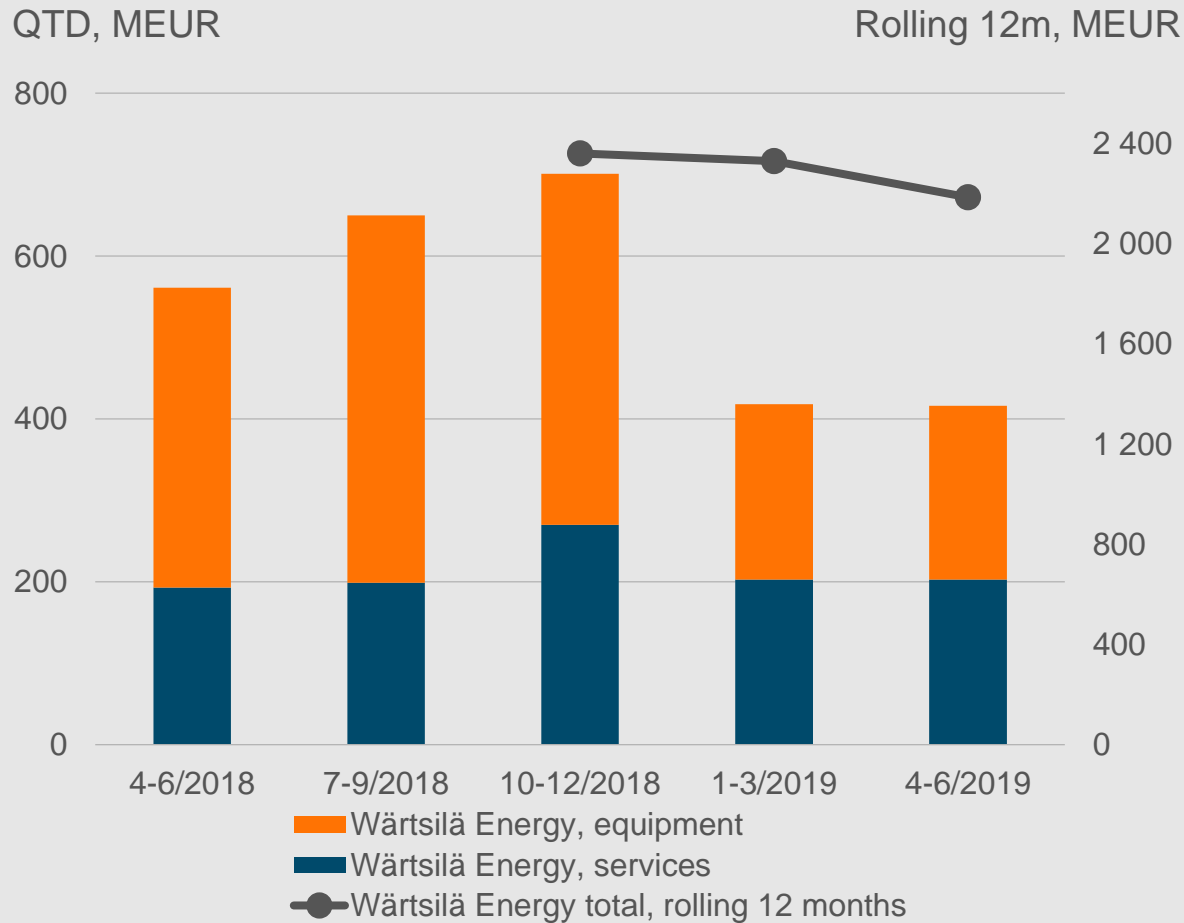
Energy installed base covered by long-term service agreements



Bangladesh's biggest ever service agreement signed

- Two 7-year service agreements signed for Summit's 464 MW power plants in Bangladesh
- Contracts designed to ensure maximum availability, optimise operating costs, and enable reliable generation

Net sales development



- Wärtsilä will supply a 200 MW flexible, dual-fuel baseload power plant to Cambodia on a fast-track basis
- The plant adds capacity to the grid and enables increased levels of renewable energy to be eventually integrated into the system



The demand for Wärtsilä's services and solutions in the coming twelve months is expected to be somewhat below that of the previous twelve months (prev. in-line).

Demand by business area is anticipated to be as follows:

- Soft in Wärtsilä Marine Business (prev. solid)
- Soft in Wärtsilä Energy Business (prev. solid)



THANK YOU



WÄRTSILÄ

Further information:

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