

WÄRTSILÄ CORPORATION

CORPORATE PRESENTATION 2018

THIS IS WÄRTSILÄ

A global leader in smart technologies
and complete lifecycle solutions for
the marine and energy markets





CLEAN ENVIRONMENT

A future without emissions or pollution



MARKET SHAPING & INNOVATION

A union of new technology and business models

ENERGY INTELLIGENCE

An optimised way of producing and using energy



WÄRTSILÄ'S PURPOSE

is to enable sustainable societies with smart technology.

Smart technology company

Wärtsilä takes a leadership role in the Smart Marine and Smart Energy ecosystems throughout their entire lifecycle.

We aim at increasing efficiency while enabling a zero emission society.

- Unique market position
- Deep customer understanding
- Predictive analytics and asset optimisation
- Global service network
- Extensive product range
- Engineering and technology expertise
- Significant investments in future technology



Smart Marine Vision

Wärtsilä's aim is to lead the industry's transformation towards a Smart Marine Ecosystem by **new ways of collaboration and smart technology**.

By applying smart technology and performance optimisation services, Wärtsilä aims to deliver greater efficiencies, minimise climate impact and a higher safety to the shipping industry.



Smart Energy Vision

The energy landscape is in transition towards more flexible and sustainable energy systems. **We envision a 100% renewable energy future.**

Wärtsilä is leading the transition as the **Energy System Integrator** – we understand, design, build and serve optimal power systems for future generations.

We provide all the essential technologies, lifecycle services and optimised solutions for future energy systems.



Focus on research and development

Strong emphasis on digitalisation, smart technologies, new products, and solutions, particularly in the areas of efficiency improvement, fuel flexibility, total cost of ownership, and the reduction of environmental impact.

Long-term co-operation with research institutes and partners.

R&D investments in 2017 amounted to EUR 141 million, representing 2.9% of net sales.

Approximately 2,700 patents and patent applications.



OUR PERSONNEL

- Approximately **19,000** professionals
- In over **200** locations
- In more than **80** countries





ENERGY EFFICIENCY

- › Optimised performance through fuel flexibility and latest innovations
- › Increased competitiveness through operations and business planning
- › Sustainable and environment friendly solutions



LIFECYCLE OPTIMISATION

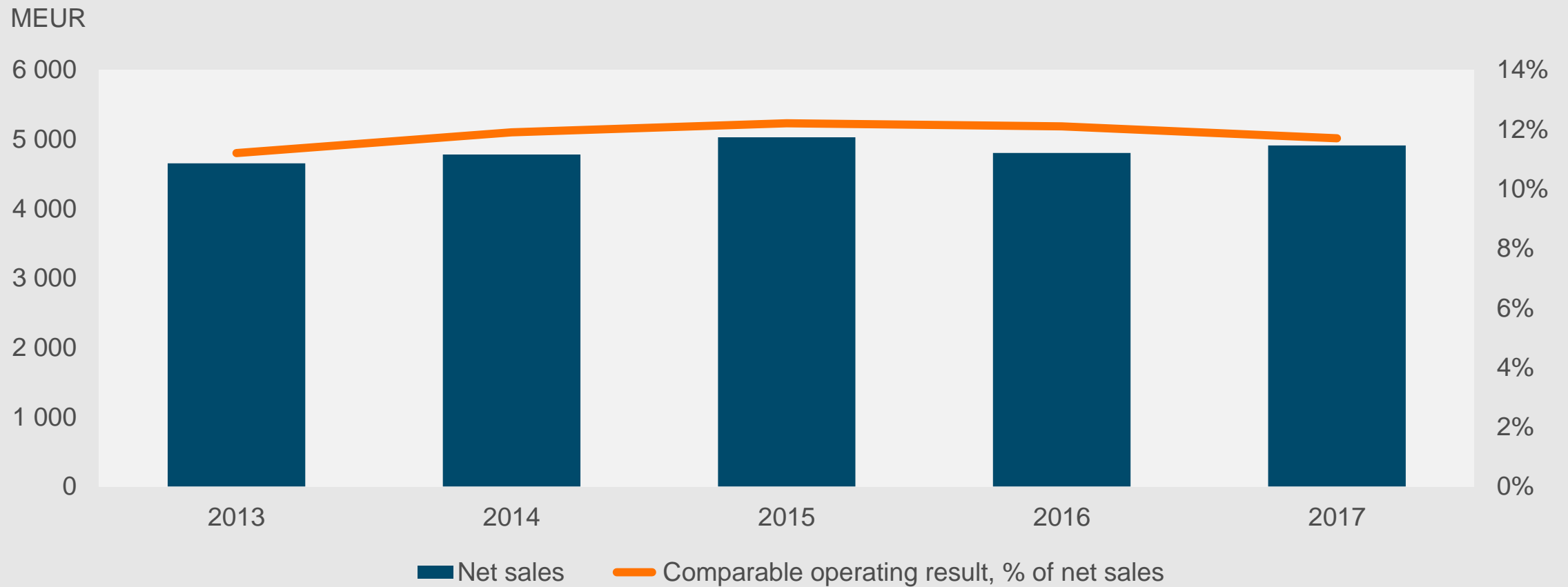
- › Optimised asset performance over the lifecycle with clear value-add to the customers
- › Deep expertise of system integration
- › Data and analytics to support business decisions



INNOVATIVE SOLUTIONS

- › Provide growth opportunities via new era of collaboration and knowledge sharing
- › Improved visibility and transparency
- › Support customers' business with new business models

Solid profitability



Figures shown before items affecting comparability. Figures for 2013 include both discontinued and continuing operations. Figures for 2017 have been restated due to the adoption of IFRS 15.

Financial highlights

MEUR	2017¹	2016	2015	2014	2013³
Order intake	5 644	4 927	4 932	5 084	4 872
Order book at the end of the period	5 100	4 696	4 882	4 530	4 426
Net sales	4 911	4 801	5 029	4 779	4 654
Comparable operating result	576	583	612	569	520
% of net sales	11.7	12.1	12.2	11.9	11.2
Earnings/share, EUR ²	0.63	1.79	2.25	1.76	1.98

1) Figures for 2017 have been restated due to the adoption of IFRS 15.

2) Earnings per share for 2017 have been restated to reflect the increased number of shares.

3) Figures for 2013 include both discontinued and continuing operations.



SERVICES

MARINE SOLUTIONS

ENERGY SOLUTIONS



SERVICES

We create lifecycle services with our customers, enhancing their businesses – whenever, wherever

CUSTOMER BASE

- Installed base of 182,000 MW
- More than 800 installations covered by Wärtsilä lifecycle solution agreements
- Close to 2,600 customers manage their 22,500 installations through Wärtsilä Online Services

REACH AND EXPERTISE

- Approximately 11,000 service professionals with leading technology know-how
- Certified and extensive OEM experience
- Comprehensive digital approach for optimising operations and enabling growth



Meeting the needs of our customers according to their business objectives

DELIVERY EXCELLENCE

- QuantiParts
- QuantiServ
- Spare parts

OPTIMISED MAINTENANCE AND OPERATIONS

- Lifecycle solutions
- Analytics and monitoring services, including Eniram
- Engine services
- Electrical and automation
- Environmental services
- Hydro & Industrial services
- Propulsion services
- Seals and bearings services
- Turbocharger services
- Training services
- Underwater services

OPTIMISING CUSTOMERS' BUSINESSES

- Lifecycle solutions
- Analytics and monitoring services, including Eniram

OUR STRATEGIC **FOCUS AREAS**

CUSTOMER FIRST

Growth in existing business by improving customer loyalty

GO DIGITAL

Growth through optimising customer performance

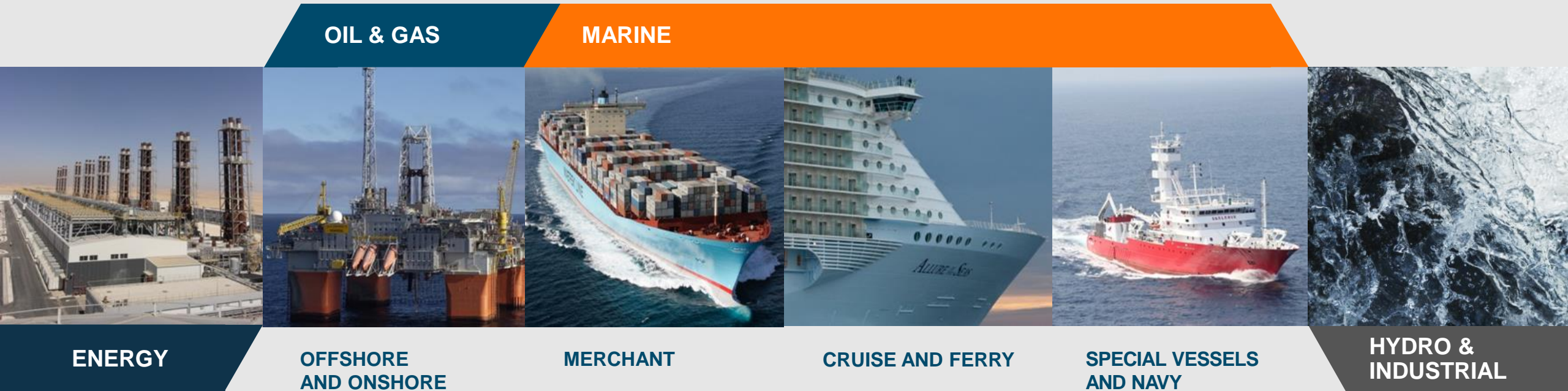
ASSET & LIFECYCLE MANAGEMENT

Growth through value-adding lifecycle services & projects

NEW CUSTOMER ACCESS

Growth beyond the traditional Wärtsilä installed base

The market segments that we serve



ENERGY SOLUTIONS

We are a leading global energy system integrator offering a broad range of environmentally sound solutions. We deliver value to our customers by integrating all the essential technologies, services and solutions for sustainable and reliable energy systems. Our flexible and efficient solutions provide customers with superior value and enable a transition to a more sustainable and modern energy system for future generations.

ECONOMIC
GROWTH,
ELECTRIFICATION
AND IMPROVING
STANDARD
OF LIVING

RAPIDLY
INCREASING
RENEWABLES

DECLINING
INFLEXIBLE
BASE LOAD
GENERATION

EMERGING
DISRUPTIVE
STORAGE
TECHNOLOGY

THE ROLE
OF GAS IS
INCREASING



Strengths

- Competitive capital cost and EPC capability
- Unique operational and fuel flexibility
- The most proven software platform for integrating renewable energy sources
- System integration offering with lifecycle support
- Value added hybrid solutions for existing and new customers
- A leading position in the emerging energy storage market

FIRST COMPANY IN THE WORLD TO OFFER **UTILITY-SCALE HYBRID POWER PLANTS** THAT UNITE LARGE FUEL-BASED POWER STATIONS WITH UTILITY-SCALE SOLAR PV POWER PLANTS.

67 GW INSTALLED POWER PLANT CAPACITY IN 177 COUNTRIES

OVER 70+ GLOBAL ENERGY STORAGE SYSTEMS INSTALLED

WE HAVE BUILT THE LARGEST LNG TERMINAL IN THE NORDIC REGION

Our customer segments



UTILITIES

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



IPPS

Financial organisations investing in power plants to sell power to utilities



INDUSTRIAL CUSTOMERS

Industrial businesses with captive power plants



ENGINE POWER PLANTS

Ultra-flexible internal combustion engine based power plants



ENERGY STORAGE AND INTEGRATION

Utility-scale energy storage solutions and advanced software



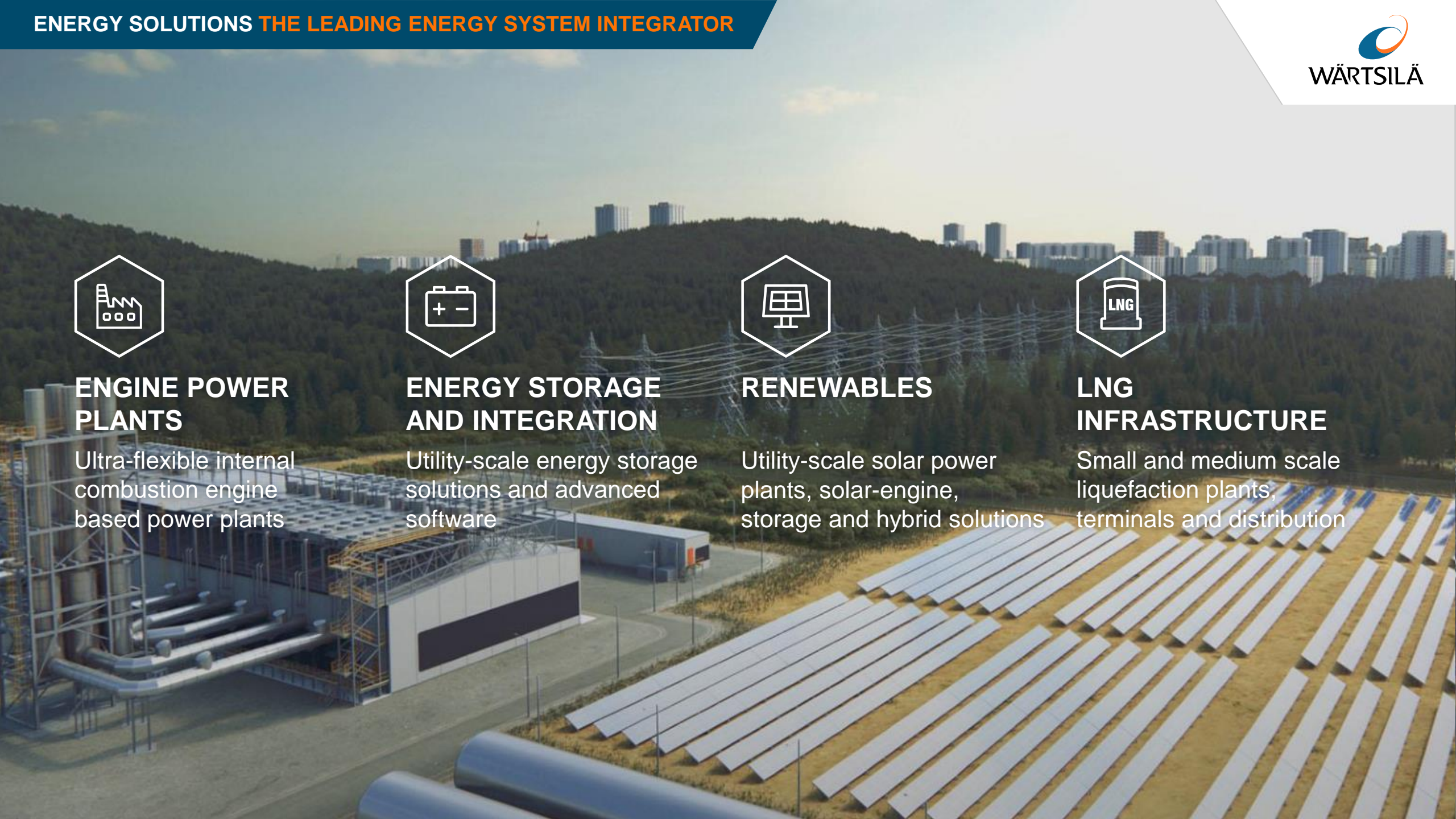
RENEWABLES

Utility-scale solar power plants, solar-engine, storage and hybrid solutions



LNG INFRASTRUCTURE

Small and medium scale liquefaction plants, terminals and distribution



MARINE SOLUTIONS

We are the leading provider of innovative products and integrated solutions in the marine and oil & gas industries. As a leader in our fields, we must continuously develop and transform ourselves to meet changing customer needs. We have a passion to do right for our customers and the environment.



**URBANISATION,
GLOBALISATION AND
POPULATION GROWTH**
SUPPORT SEABORNE
TRADE DEVELOPMENT
AND DRIVE CHANGING
TRADE PATTERNS

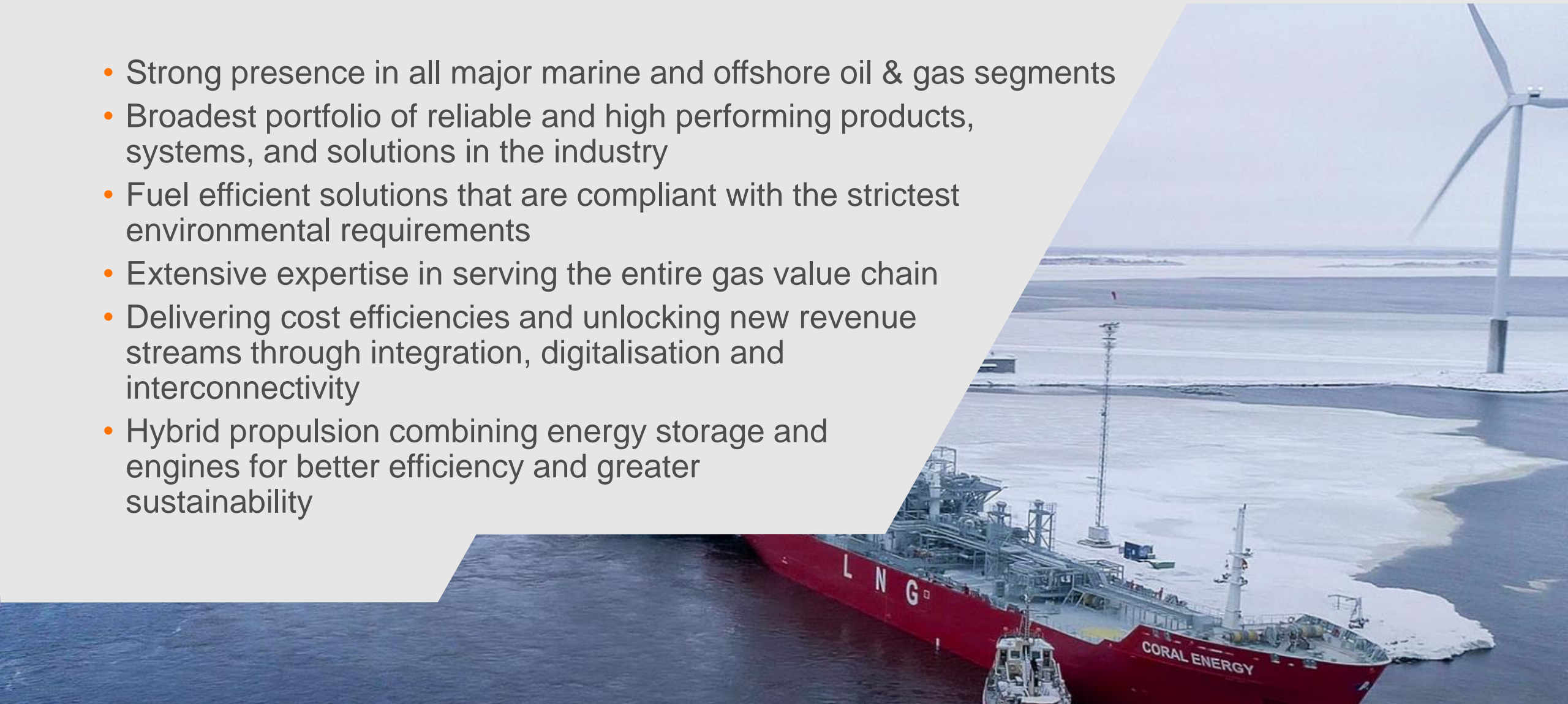
**TECHNOLOGICAL
DEVELOPMENTS AND
NEW BREAKTHROUGHS**
(DIGITALISATION,
DISRUPTIVE
TECHNOLOGIES,
BATTERIES ETC.) CREATE
A NEED FOR NEW
BUSINESS MODELS

**INCREASING
CONSUMPTION AND
GROWING MIDDLE CLASS**
POPULATION SUPPORT
DEMAND FOR CRUISE
SECTOR PARTICULARLY
IN ASIA

**STRICTER
ENVIRONMENTAL
REGULATIONS** ARE
DRIVING INTEREST IN
GAS AS A MARINE FUEL
AND IN EMISSIONS
ABATEMENT
TECHNOLOGIES

Strengths

- Strong presence in all major marine and offshore oil & gas segments
- Broadest portfolio of reliable and high performing products, systems, and solutions in the industry
- Fuel efficient solutions that are compliant with the strictest environmental requirements
- Extensive expertise in serving the entire gas value chain
- Delivering cost efficiencies and unlocking new revenue streams through integration, digitalisation and interconnectivity
- Hybrid propulsion combining energy storage and engines for better efficiency and greater sustainability



Our offering covers all market segments



OIL & GAS



MERCHANT



CRUISE & FERRY



NAVY



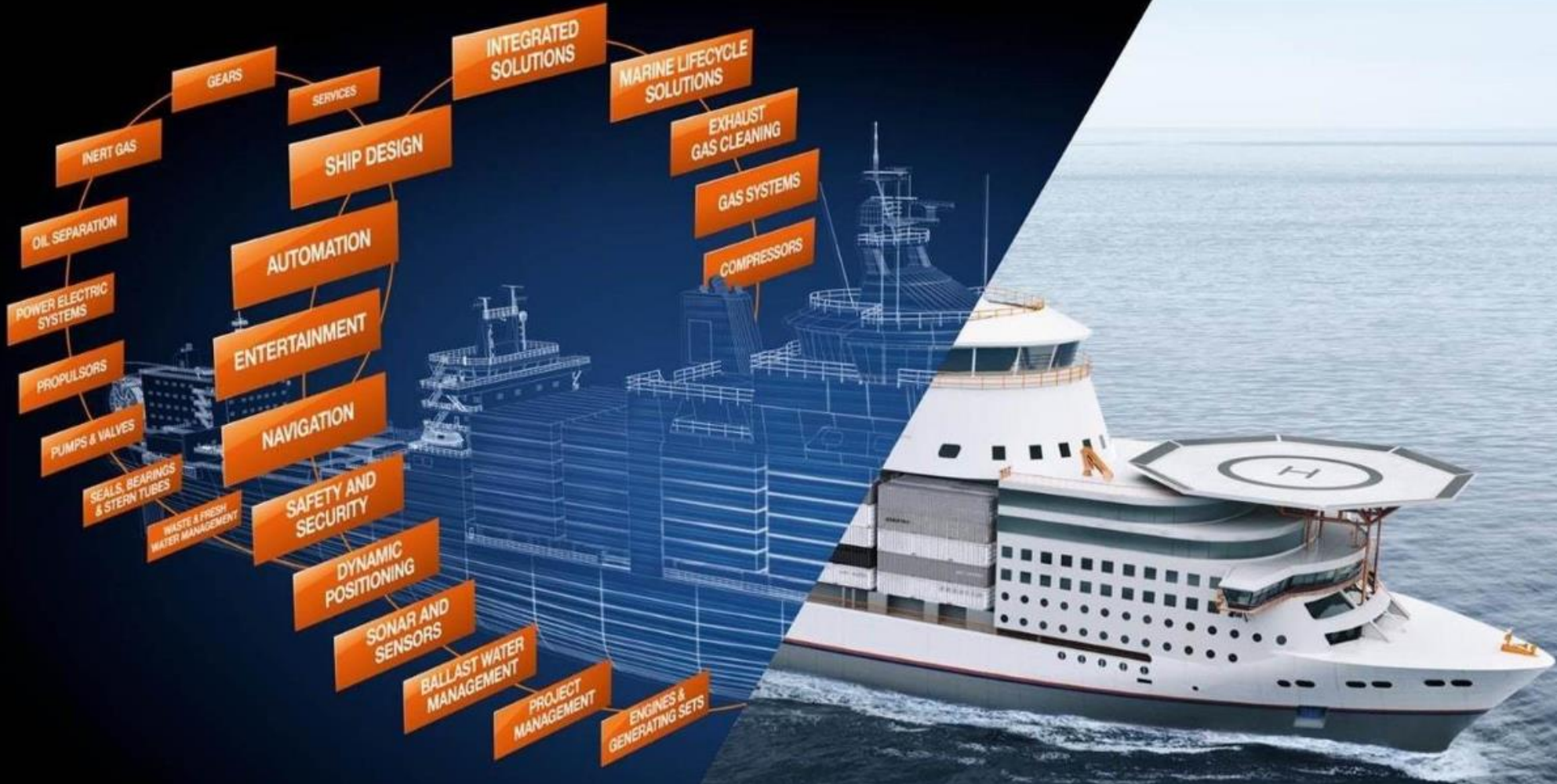
SPECIAL VESSELS

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 **best customer value and customer experience** in the marine industry



EPC	=	engineering, procurement and construction
IFRS 15	=	international financial reporting standard 15
IPPs	=	independent power producers
LNG	=	liquefied natural gas
OEM	=	original equipment manufacturer
PV	=	photovoltaic
R&D	=	research & development