

WÄRTSILÄ

CORPORATE PRESENTATION 2021

WÄRTSILÄ IN BRIEF

FOUNDED IN 1834

GLOBAL LEADER

in sustainable solutions for the marine and energy markets

COMPARABLE OPERATING
RESULT

275 MEUR

ORDER INTAKE

4,359 MEUR

NET SALES

4,604 MEUR

OPERATIONS IN OVER

200 LOCATIONS

OUR PERSONNEL APPROX.

17,800

NATIONALITIES

139

ENABLING SUSTAINABLE SOCIETIES WITH SMART TECHNOLOGY

INNOVATING
SINCE 1834

TOGETHER

FOR A SUSTAINABLE
FUTURE

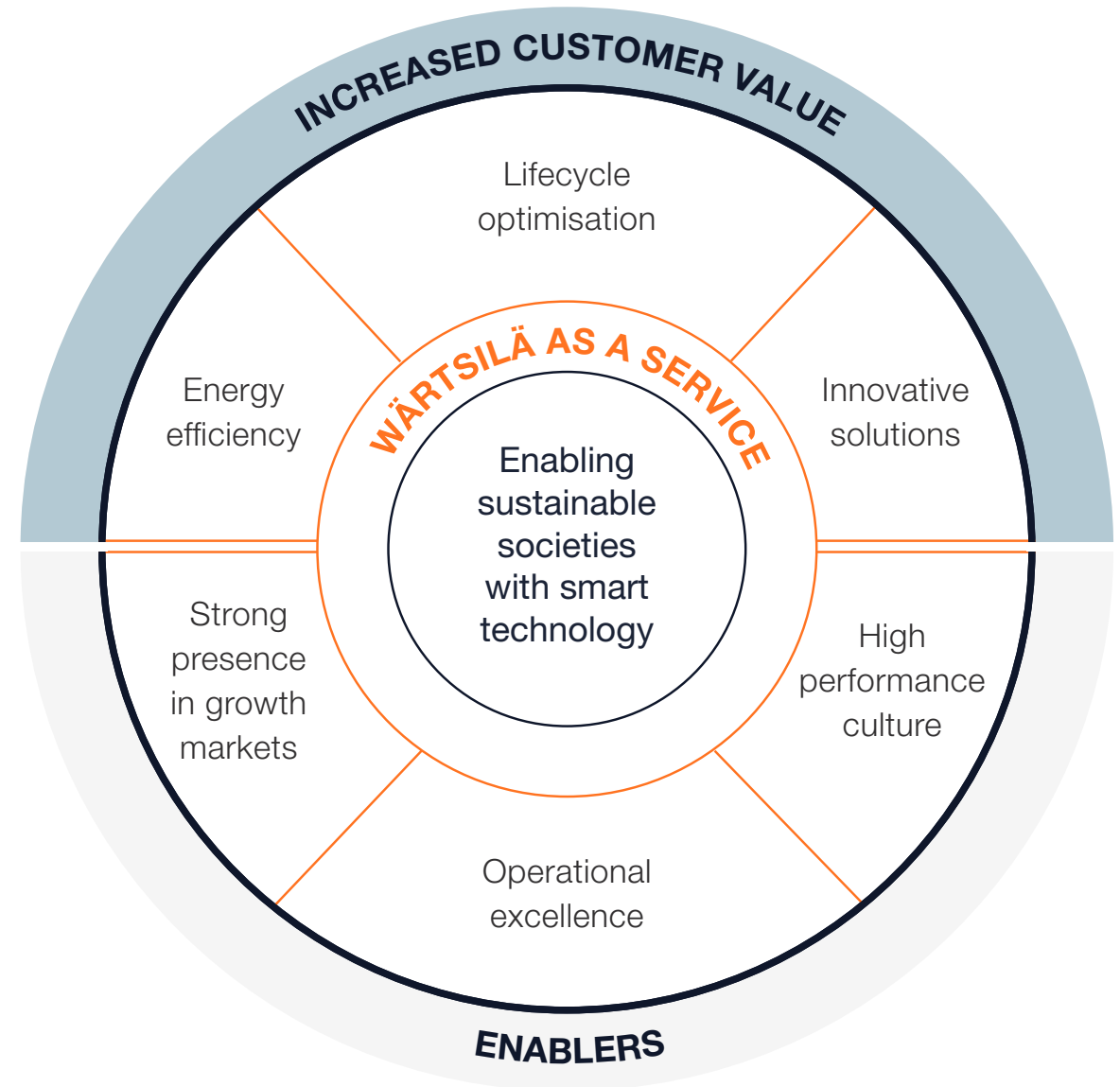
OUR INDUSTRIES

ENERGY

Leading the path towards a 100% renewable energy future

MARINE

Leading the industry transformation towards a Smart Marine Ecosystem



OUR PERSONNEL

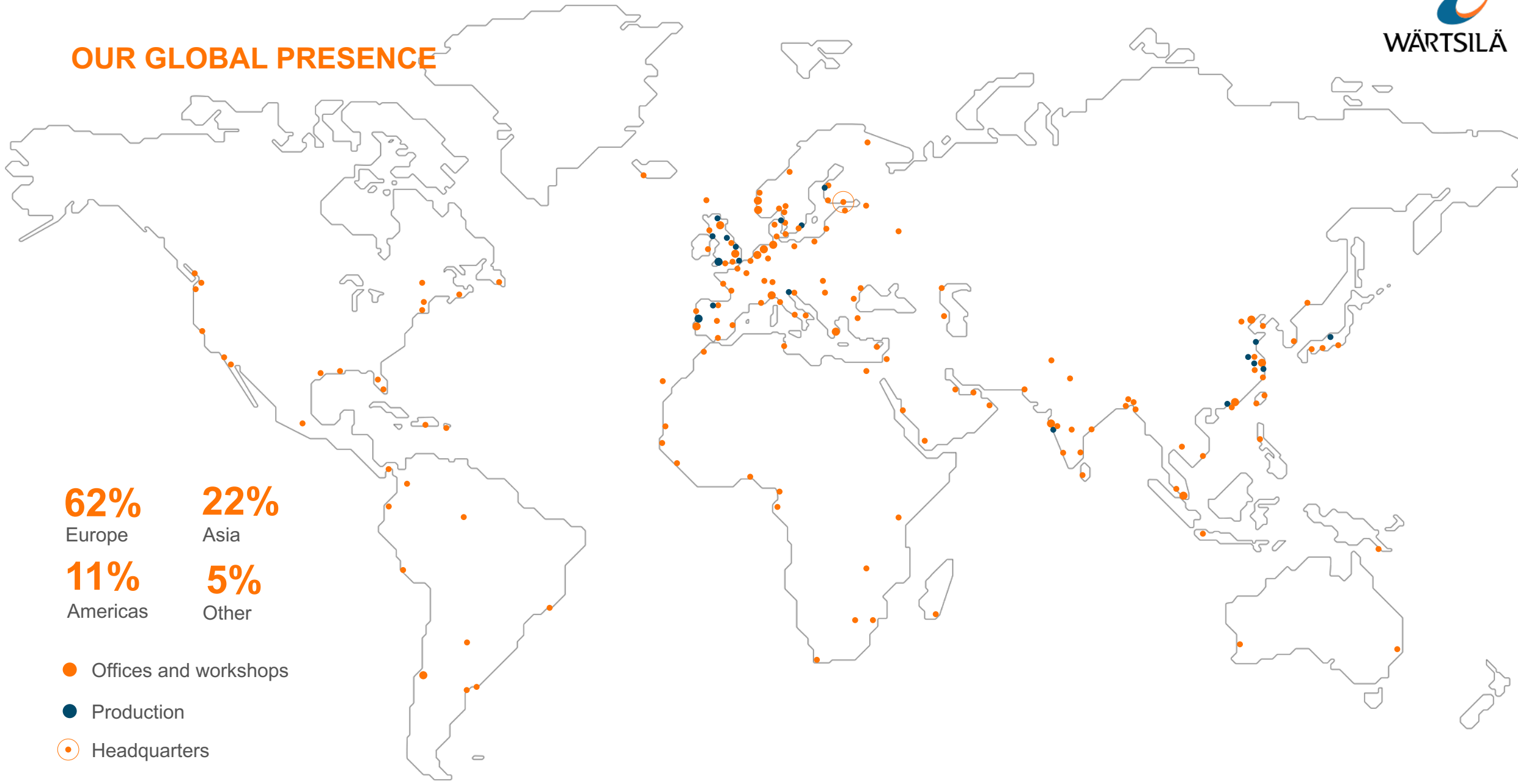
Approx. **17,800** employees

Over **200** locations world-wide

In more than **70** countries



OUR GLOBAL PRESENCE



62%
Europe

22%
Asia

11%
Americas

5%
Other

- Offices and workshops
- Production
- Headquarters

OUR 139 NATIONALITIES



This figure tends to evolve throughout the year, therefore this number is an approximation.

SUSTAINABILITY

SUSTAINABILITY

for our stakeholders and the environment

SUSTAINABILITY STRATEGY AND TARGETS

Strong focus on decarbonisation

HIGH ETHICAL STANDARDS

Values and Code of Conduct program

DEFINED PROCESSES

Certified QEHS management systems

TRANSPARENCY

Sustainability reporting according to GRI standards

RECOGNISED SUSTAINABILITY WORK

I.a. DJSI and FTSE4Good indices

RESEARCH AND DEVELOPMENT



153 MEUR

In 2020, research & development investments amounted to 153 MEUR, representing 3.3% of net sales.

2,600 PATENTS AND APPLICATIONS

Approximately 2,100 patents and 500 patent applications.

FOCUS AREAS FOR OUR RESEARCH & DEVELOPMENT



**FUEL FLEXIBILITY
AND FUTURE FUELS**



**OPTIMISING
ENERGY SYSTEMS**



**TOWARDS ZERO
EMISSION MARITIME**



**NEW TECHNOLOGY TO
ENABLE A SMART
MARINE ECOSYSTEM**

FINANCIAL OVERVIEW

FINANCIAL HIGHLIGHTS

MEUR	2020	2019	2018	2017¹	2016
Order intake	4,359	5,327	6,307	5,644	4,927
Order book at the end of the period	5,057	5,878	6,166	5,100	4,696
Net sales	4,604	5,170	5,174	4,911	4,801
Comparable operating result	275	457	577	576	583
% of net sales	6.0	8.8	11.2	11.7	12.1
Earnings/share, EUR ²	0.23	0.37	0.65	0.63	0.60

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

2) Earnings per share figures for 2016-2017 have been restated to reflect the increased number of shares.

WÄRTSILÄ ENERGY

WÄRTSILÄ ENERGY

Wärtsilä Energy leads the transition **towards a decarbonised and 100% renewable energy future**. We help our customers in the transition by developing market-leading technologies, from future-fuel enabled flexible power plants and hybrid solutions to energy storage and optimisation technology, including the GEMS energy management platform. Wärtsilä Energy's lifecycle services ensure increased efficiency, reliability and guaranteed performance.

Wärtsilä has delivered 74 GW of flexible power plant capacity and more than 80 energy storage systems in 180 countries around the world.

TOWARDS A 100% RENEWABLE ENERGY FUTURE

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

Based on our deep understanding and leading position in the energy transition we develop innovative, **value-adding solutions** for our customers' future needs.



DRIVERS FOR A 100% RENEWABLE ENERGY FUTURE



Increasing public resistance against fossil fuels



Targets for renewables and decarbonisation



Rapidly decreasing price of renewables



Electrification increases electricity demand



Mitigating climate change



Need for decarbonisation and future fuels

FUTURE-PROOF AND FLEXIBLE SOLUTIONS SUPPORTING THE ENTIRE ENERGY TRANSITION, AVAILABLE TODAY

RES 19%
Global average
today*

RES 20%
Tipping point

RES 80%
Renewables
as baseload

RES 100%
Final push



Future-proof **flexible power plants**



Energy storage with industry-leading energy management system (GEMS)



Energy services that support customer needs in the energy transition



Constantly seeking **innovations** and developing solutions for **future fuels** to accelerate decarbonisation

SOLUTIONS TO SUPPORT THE ENERGY TRANSITION

FLEXIBLE POWER PLANTS

Flexible power plants utilising modular and future-proof technology that will run on any available fuels today and tomorrow.

ENERGY STORAGE AND OPTIMISATION

Energy storage solutions that build a resilient and intelligent power system. Industry-leading software can optimise any of the customer's assets and power systems.

LIFECYCLE SERVICES

Lifecycle services encompass performance and maintenance management as well as operational expertise, leading to safe, reliable, and environmentally sustainable operations.

STRENGTHS

With a deep **understanding of the energy transition** and power systems, we can help our customers find their optimal and most efficient path towards 100% renewable energy, while **balancing and future-proofing** their power system.

**POWER SYSTEM
MODELLING**

**FUTURE-PROOF
BALANCING
TECHNOLOGY**

**OPTIMISING ASSETS
DURING THE LIFECYCLE**

KEY FACTS



74 GW

power plant capacity
delivered to **180** countries



12,000

engines delivered across
5,000 power plants



92%

customer satisfaction among
our service agreement
customers with a NPS* of **70**



180

countries and power systems
modelled worldwide



80+

energy storage and
optimisation systems
installed globally



~250

Our expertise centres
support nearly **250** power
plants globally

WÄRTSILÄ IN THE MARINE MARKET

SMART MARINE ECOSYSTEM

We are on a mission to create a Smart Marine Ecosystem – one in which the maritime industry uses only the cleanest available fuels. Where on-board power production is optimised, and routes are precision-planned to avoid navigational hazards, traffic congestion, and unexpected waiting times.

Through our know-how, integrated product portfolio, and full lifecycle solutions – all supported by the market's most extensive service network – we are committed to being the main driving force in sustainable shipping.

MARKET TRENDS & DRIVERS

URBANISATION
AND INCREASE IN
POPULATION

AGING OF
POPULATION
AND GROWING
MIDDLE-CLASS

ADVANCED
TECHNOLOGY
DEVELOPMENTS

CLIMATE CHANGE

GEOPOLITICAL
FACTORS AND
SCARCE
RESOURCES

**SHIPPING IS
THE WORLD'S MOST
EFFICIENT MODE
OF TRANSPORTATION**

90%

**OF WORLD TRADE IS
CARRIED BY SEA**

\$30 BN

**WASTED IN OVERCAPACITY, FUEL
INEFFICIENCY & WAITING TIMES**

LEADING THE WAY TOWARDS A SMART MARINE ECOSYSTEM

A Smart Marine Ecosystem is about the maritime industry working together to address critical challenges and to generate solutions towards a sustainable future.

GLOBAL
DATA
STREAMS

**TOWARDS ZERO
EMISSIONS**

VESSELS

EFFICIENCY

SAFETY

PORTS

RELIABILITY

SUPPLIERS

DRIVING SUSTAINABLE SHIPPING

Data, technology, LNG, biofuels and renewables will take us to reducing **-40% GHG levels by 2030**
Sustainable fuels and advanced technologies will take us to reducing **-50% GHG levels by 2050**



**ENERGY SOURCE
AND FUEL FLEXIBILITY**



**ENERGY EFFICIENT
TECHNOLOGIES**



DATA



... ADOPTED IN A SMART MARINE ECOSYSTEM

OUR THREE MARINE BUSINESSES

Since July 2020, Wärtsilä has organised its Marine operations under three distinct Businesses. With this simplified structure we aim to increase agility and speed in decision-making, and thus accelerate the execution of our Smart Marine strategy.



MARINE POWER

VOYAGE

MARINE SYSTEMS

WÄRTSILÄ MARINE POWER

MARINE POWER

Wärtsilä Marine Power leads the industry in its journey towards a decarbonised and sustainable future. Our portfolio of engines, propulsion systems, hybrid technology, and integrated powertrain systems deliver the reliability, safety, and environmental performance that Wärtsilä's smart marine vision encompasses. We offer our customers performance-based agreements, lifecycle solutions, and an unrivalled global network of maritime expertise.

Never has it been clearer, that the maritime industry needs to step up **its sustainability game.**

WÄRTSILÄ MARINE POWER LEADS THE MARITIME INDUSTRY BY CREATING A COMMERCIALY VIABLE PATH TOWARDS DECARBONISATION.

MARINE POWER OFFERS CUSTOMERS A SOLUTION TO PRESENT CHALLENGES AND AN UPGRADE PATH TO THE FUTURE



KEY FACTS



The world's most extensive network of maritime expertise. In **193** locations, **53** countries



Wärtsilä's biggest business **2 Bn EUR** Net Sales, over **57,000** equipments installed in **19,000** vessels



70,000 transactions for Parts and **3.8 Million** man hours billed for Field Services each year



Market leader in medium speed main engines
67 GW of engines installed base, **17.5 GW** under agreement



Leading the path towards **decarbonisation** by developing state of the art technology and enabling adoption of clean fuels



Top player within controllable pitch propellers (CPP), large waterjets and steerable thrusters

STRENGTHS

**DELIVERING THE
WORLDS MOST
EFFICIENT INTEGRATED
POWERTRAIN SYSTEM**

**PIONEERING RESEARCH
& DEVELOPMENT OF
NEW TECHNOLOGIES**

**UNRIVALLED KNOW-HOW
IN ALTERNATIVE FUELS
& FUEL FLEXIBILITY**

**INCREASING CUSTOMER
VALUE THROUGH
LIFECYCLE SOLUTIONS**

**SUBJECT MATTER
EXPERTS WITH A
PASSION TO MAKE A
DIFFERENCE**

WÄRTSILÄ MARINE SYSTEMS

MARINE SYSTEMS

Wärtsilä Marine Systems offers high-quality products, solutions, and lifecycle services related to the gas value chain, exhaust treatment applications, shaft line solutions, and marine electrical integrations. Our aim is to provide the latest and most efficient solutions in line with Wärtsilä's Smart Marine Ecosystem vision for a safer, better, and more sustainable future for our customers.

MARINE SYSTEMS

Wärtsilä Marine Systems comprises four individual business units with full lifecycle ownership of their respective products and solutions, which are sold for both newbuild and retrofit applications.

Shaft Line Solutions

Exhaust Treatment

Gas Solutions

Marine Electrical Systems

SHAFT LINE SOLUTIONS

Leading experts in Shaft Line Solutions, offering a comprehensive portfolio of products, integrated Shaft Line Solutions and complete aftermarket services

KEY FACT:

30,000 vessels worldwide have Shaft Line Solution installations



Reliability



Lifecycle support



Remote monitoring



Zero environmental emissions

GAS SOLUTIONS

Wärtsilä's gas solutions bring carbon neutral or transition fuels to the market and minimise emissions from the gas infrastructure. In so doing, Wärtsilä helps customers on the journey towards a sustainable future through a focus on lifecycle support innovation, and digitalisation.

KEY FACT:

500 gas solution projects, almost **3,000** inert gas systems and **45** biogas solutions delivered by Gas Solutions



Decarbonisation



Lifecycle solutions



Remote monitoring



Operational efficiency

EXHAUST TREATMENT

Wärtsilä Exhaust Treatment provides abatement technologies for the marine industry and is the market leader. We develop solutions that go beyond the current marine sector regulatory framework addressing current and future environmental challenges.

KEY FACT:

650 scrubber projects delivered by Exhaust treatment



**Decarbonisation and
towards zero emission**



**Optimisation for
reliability**



Lifecycle services



Digital solutions

MARINE ELECTRICAL SYSTEMS

Wärtsilä Marine Electrical Systems is an integrator of all electrical systems onboard ships. MES forms an integral part of customers' design and building processes from early planning until the delivery of the vessel.



Flexibility



Complex Project Execution



Risk mitigation



Lifecycle service

WÄRTSILÄ VOYAGE

WÄRTSILÄ VOYAGE

From unconnected traditional sails to data-driven intelligent ships and ports that make voyages safer, greener and more efficient: Wärtsilä Voyage is on a mission to build a Smart Marine Ecosystem. We combine hard- and software solutions to optimise the entire lifecycle of marine operations. Our technology is futuristic, but it is targeted to solve today's shipping challenges. Be it energy efficiency, operational efficacy, decarbonisation or navigational safety – we are constantly researching, developing and investing in a wide range of products and solutions that help our partners and clients achieve their goals in every part of the world and oceans. With over 100 years of experience and one the broadest portfolio in the market, we are ready to build the future.

**TECHNOLOGY SOLUTIONS.
FOR A SAFER, GREENER AND MORE EFFICIENT MARINE INDUSTRY.**

THE WÄRTSILÄ VOYAGE BUSINESS PORTFOLIO

**AUTONOMY &
AUTOMATION**

**VOYAGE & FLEET
OPTIMISATION**

**SIMULATION &
TRAININGS**

**SERVICE &
MAINTENANCE**

PORT SOLUTIONS

KEY FACTS



5,000

vessels sail into the future with our integrated navigational bridges



10,000

vessels find the best routes possible with our ECDIS, including charts and publications



12,000

vessels left inefficiencies behind with our automation systems



1,000

vessels benchmark their fuel efficiency with our fuel performing monitoring



5,500

of our simulators prepare seafarers in maritime schools around the world



1,500

pilots said goodbye to worry lines with our pilot personal unit



300

ports ensure traffic without jams with our port solutions

TACKLING DECARBONISATION

AT THE INTERSECTION OF DECARBONISATION & DIGITALISATION

LNG BUNKERING AND
FUEL GAS SUPPLY
SYSTEM SIMULATOR

WÄRTSILÄ FLEET
OPERATIONS
SOLUTION

WÄRTSILÄ
NAVI-PORT

WÄRTSILÄ
SMARTMOVE SUITE

CLOUD SIMULATION

PORTFOLIO BUSINESS

PORTFOLIO SIMPLIFICATION STRENGTHENS THE CORE AND UNLOCKS THE VALUE OF NON-CORE BUSINESSES

Businesses identified as non-core and moved to BU Portfolio Business

- Hydropower solutions and turbine services
- Power converter products and UPS control systems
- Tank control systems
- Water & Waste
- Entertainment Systems (Divestment signed but not yet closed)

Businesses divested in 2020

- Valves
- Jovyatlas
- ELAC

BU Portfolio Business

Financial profile

- Approx. EUR140 million sales, 0% EBIT

Agenda

- Realisation of full potential through increased autonomy
- Long-term sustainability of the businesses through dedicated incentive structure

Objectives

- Simpler, more focused core portfolio
- Accelerated performance improvement of non-core assets
- Value unlock through divestments

THANK YOU

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WÄRTSILÄ