



WÄRTSILÄ CORPORATION

INTERIM REPORT JANUARY-SEPTEMBER 2015

22 OCTOBER 2015

Björn Rosengren,
President & CEO

Highlights Q3/2015

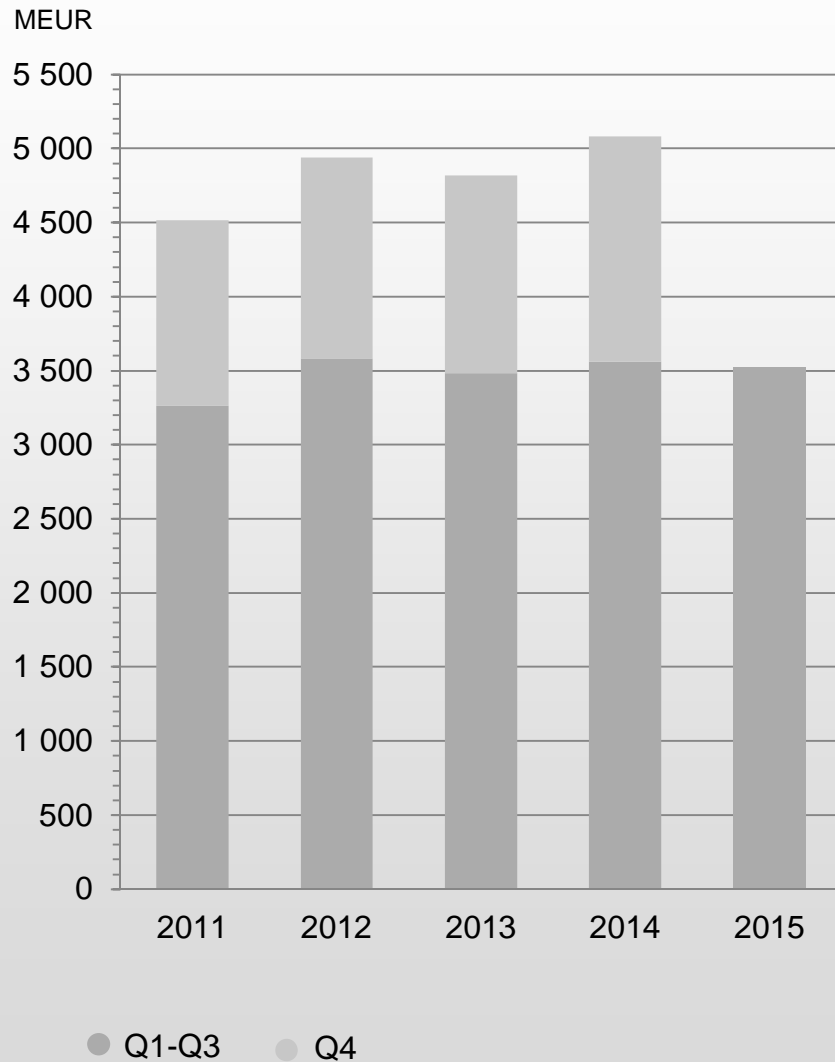


- Order intake EUR 1,086 million, -17%
- Net sales EUR 1,222 million, +9%
- Book-to-bill 0.89 (1.17)
- EBIT EUR 160 million, 13.1% of net sales (EUR 142 million or 12.7%)
- EBITA EUR 170 million, 13.9% of net sales (EUR 149 million or 13.3%)
- EPS EUR 0.49 (0.43)
- Cash flow from operating activities EUR -5 million (68)
- Order book at the end of the period EUR 5,112 million, +9%

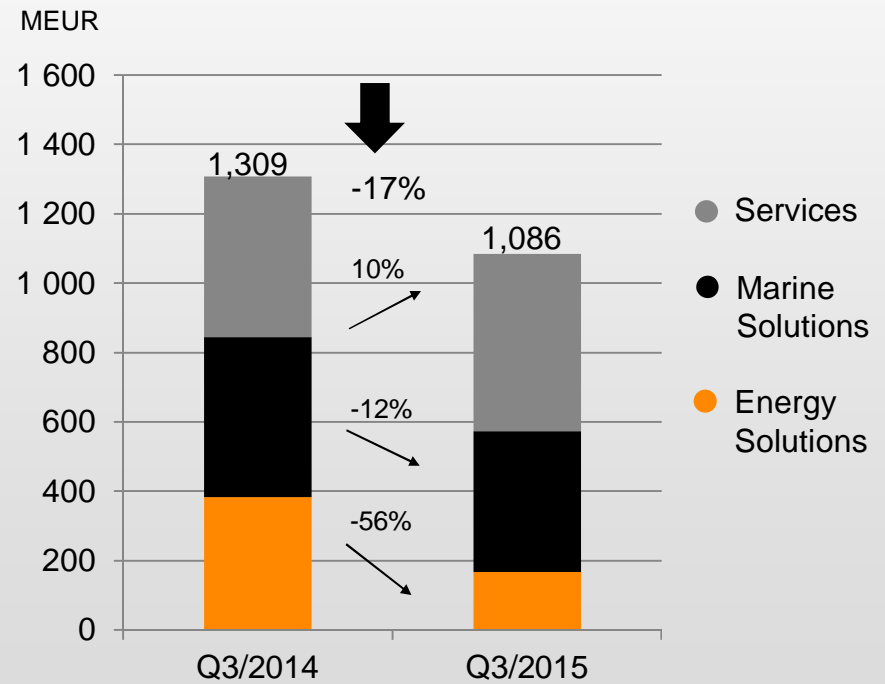
EBIT is shown excluding non-recurring items.

EBITA is shown excluding non-recurring items and purchase price allocation amortisation.

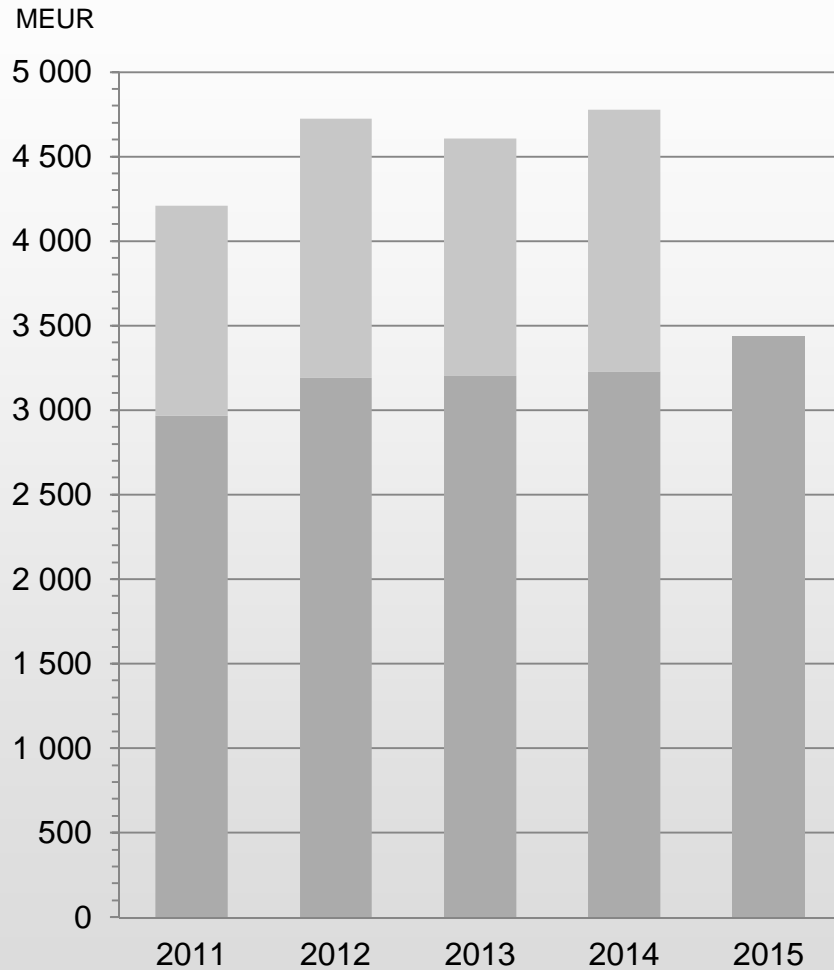
Year to date order intake supported by Services



Third quarter development

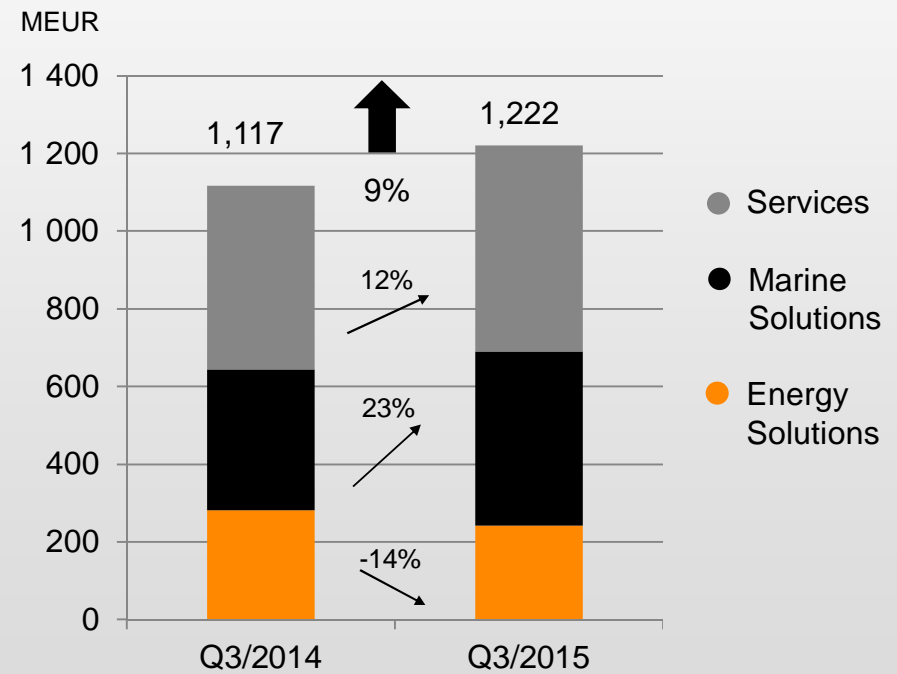


Net sales developing well



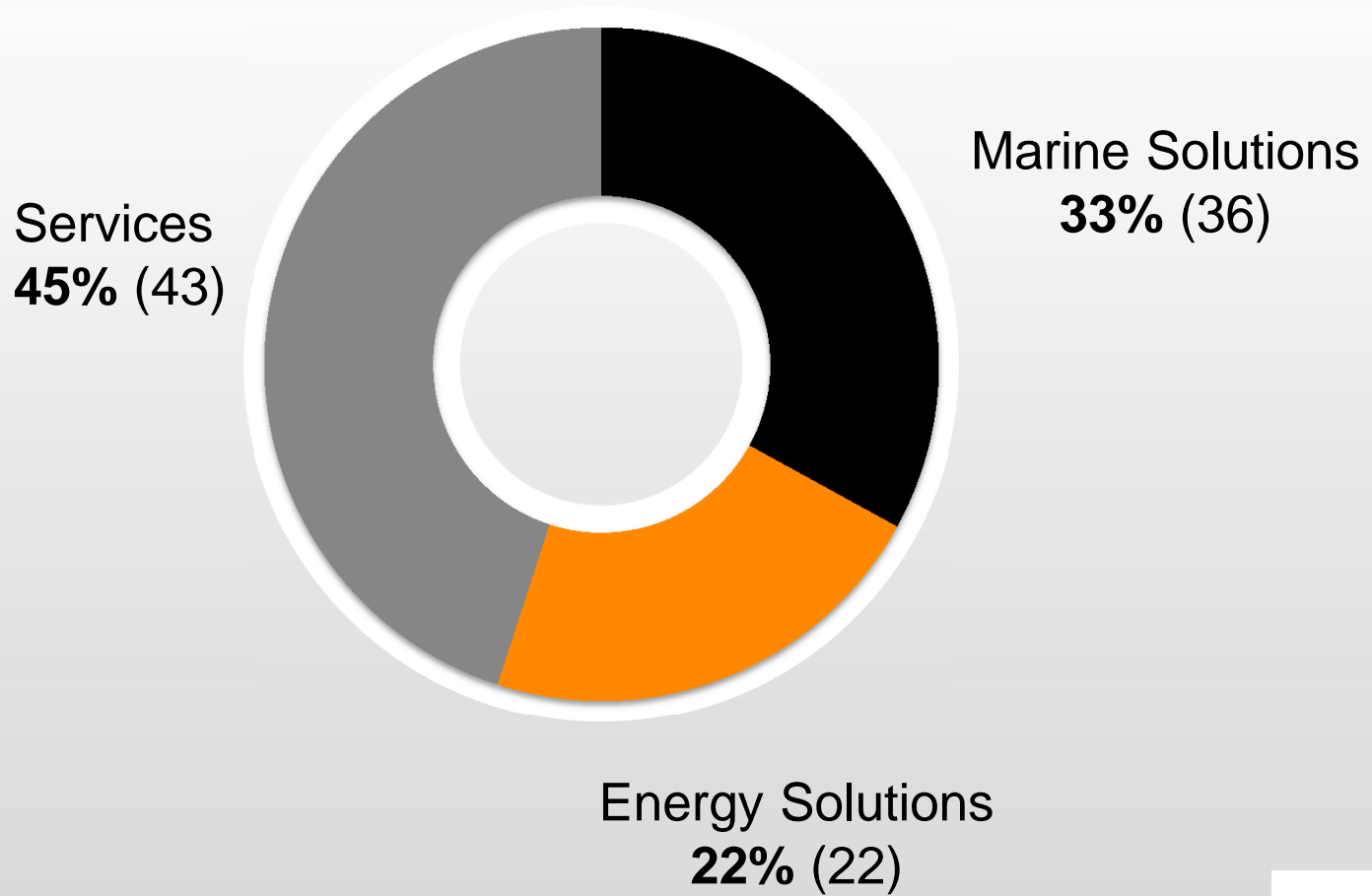
● Q1-Q3 ● Q4

Third quarter development

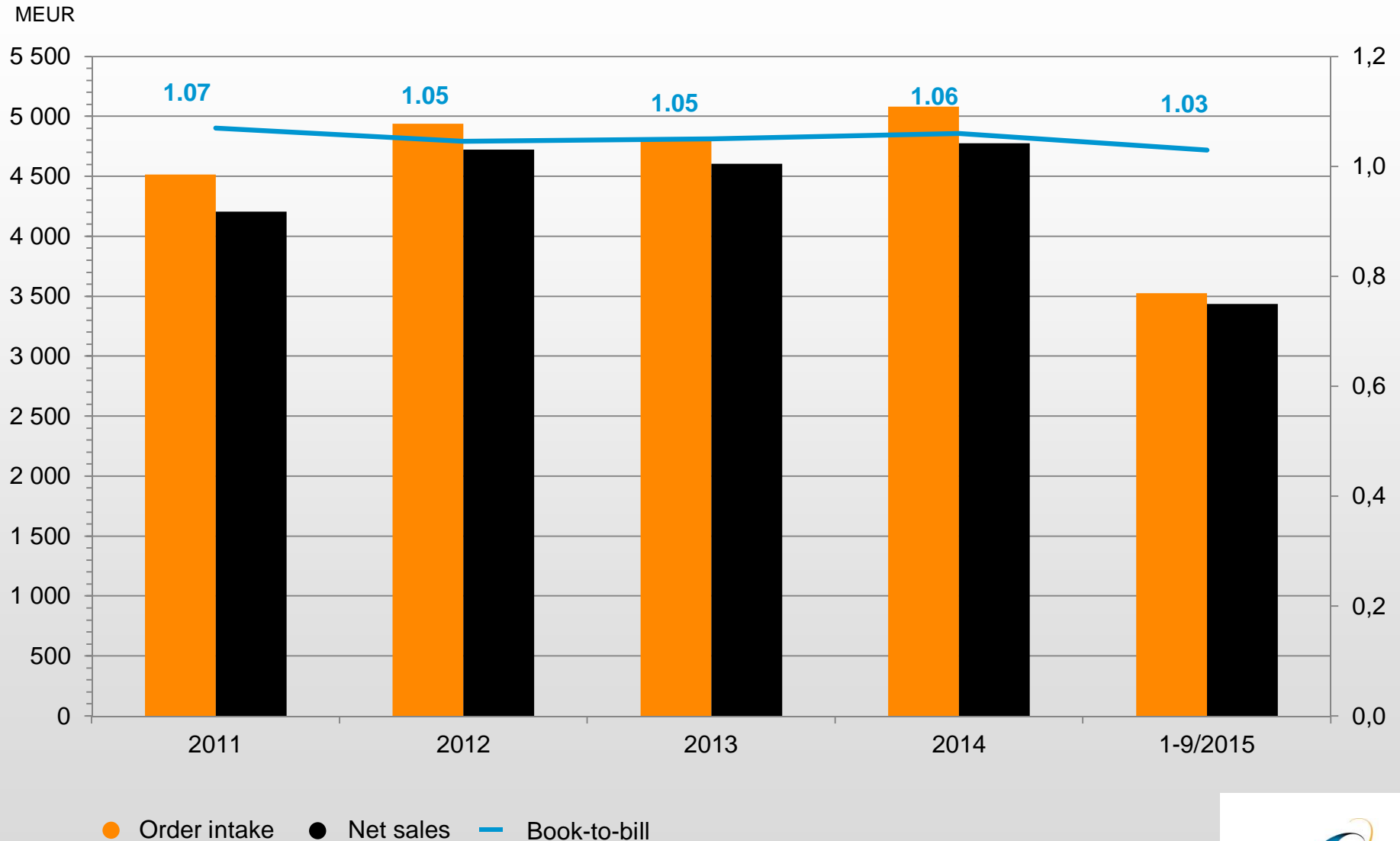


● Services
● Marine Solutions
● Energy Solutions

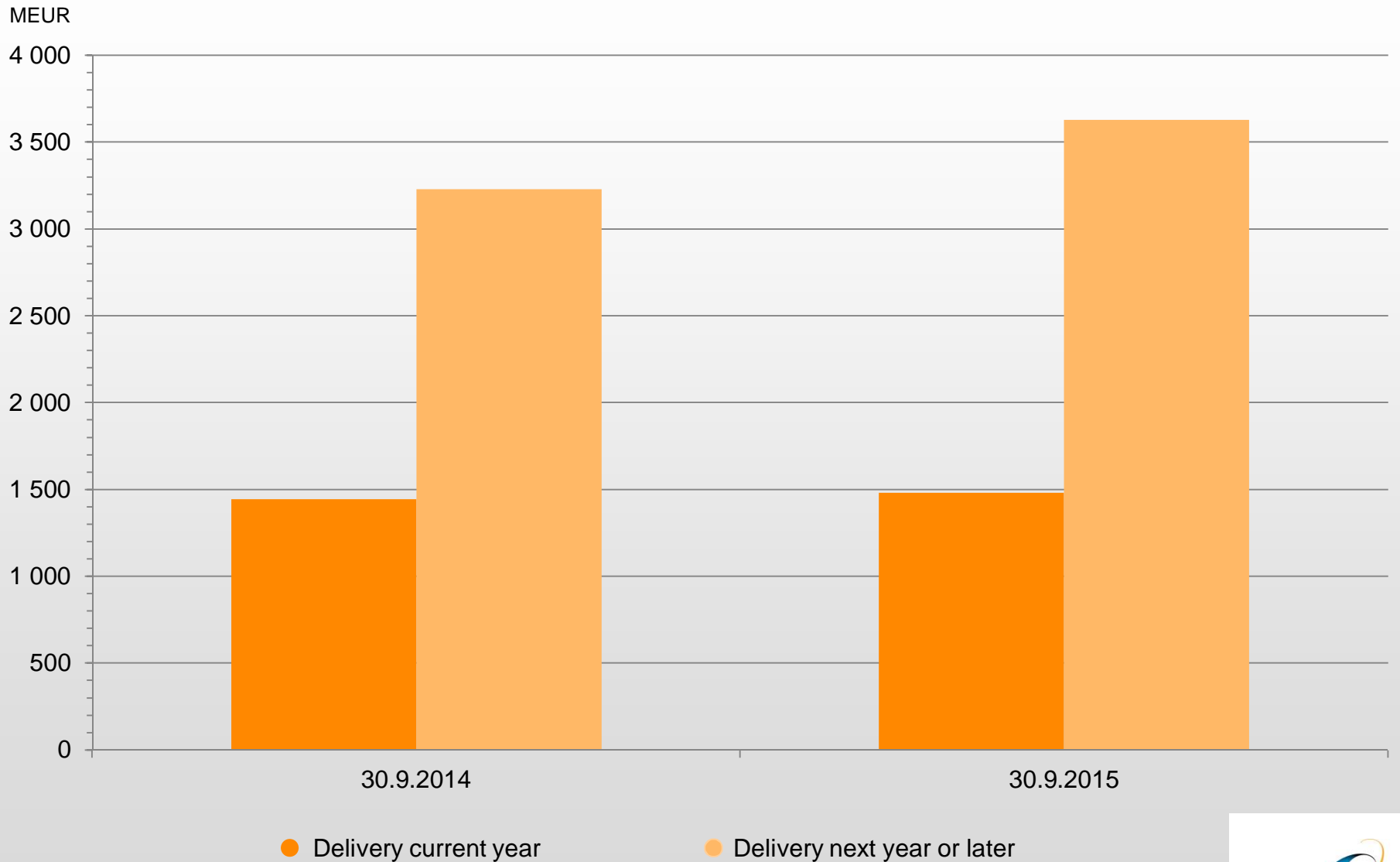
Net sales by business 1-9/2015



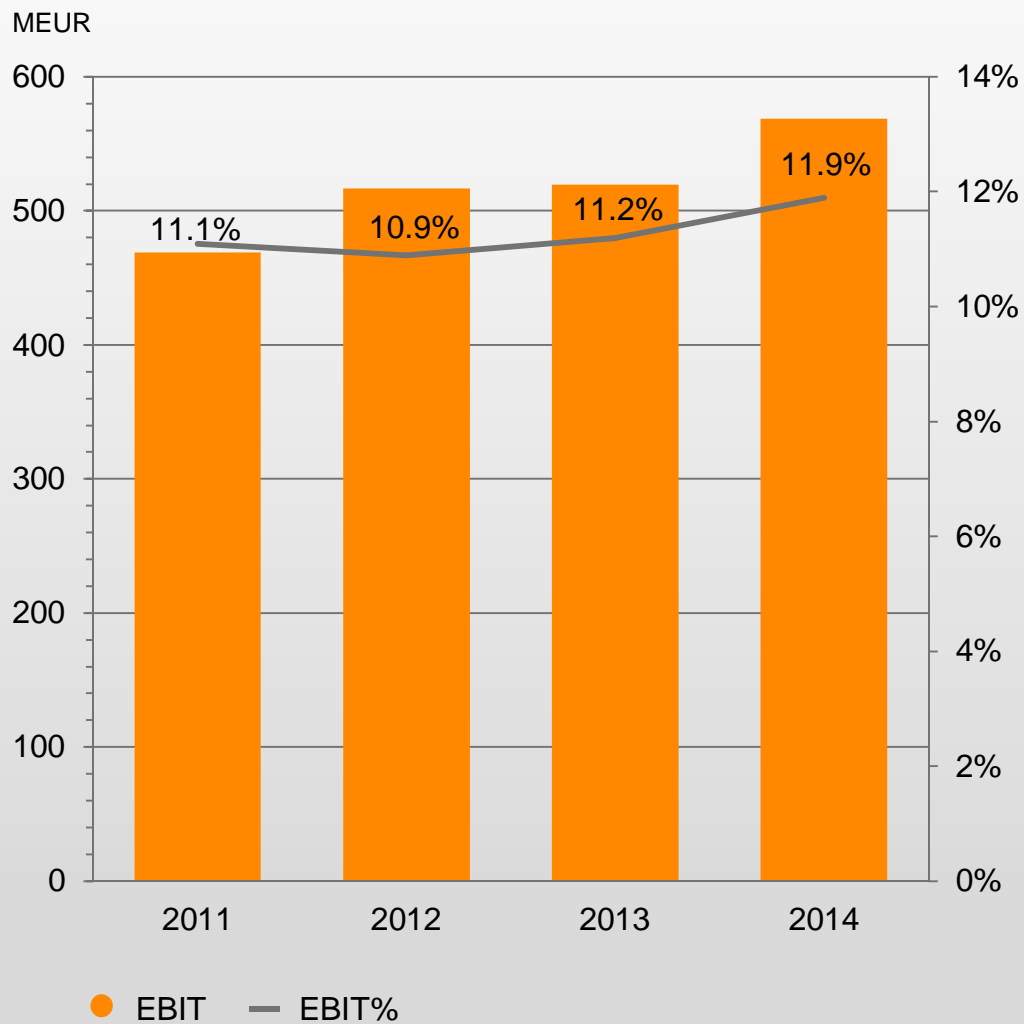
Book-to-bill ratio remains above one



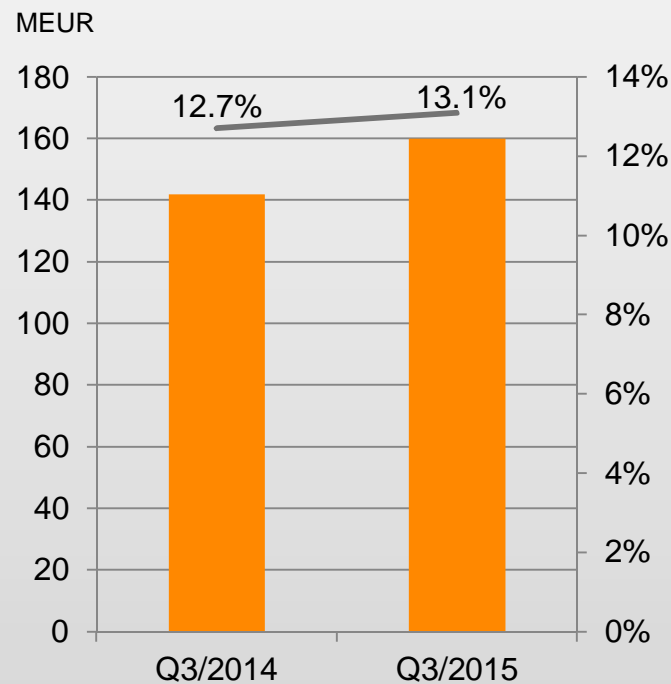
Order book distribution



Operating result and profitability in line with expectations



Third quarter development



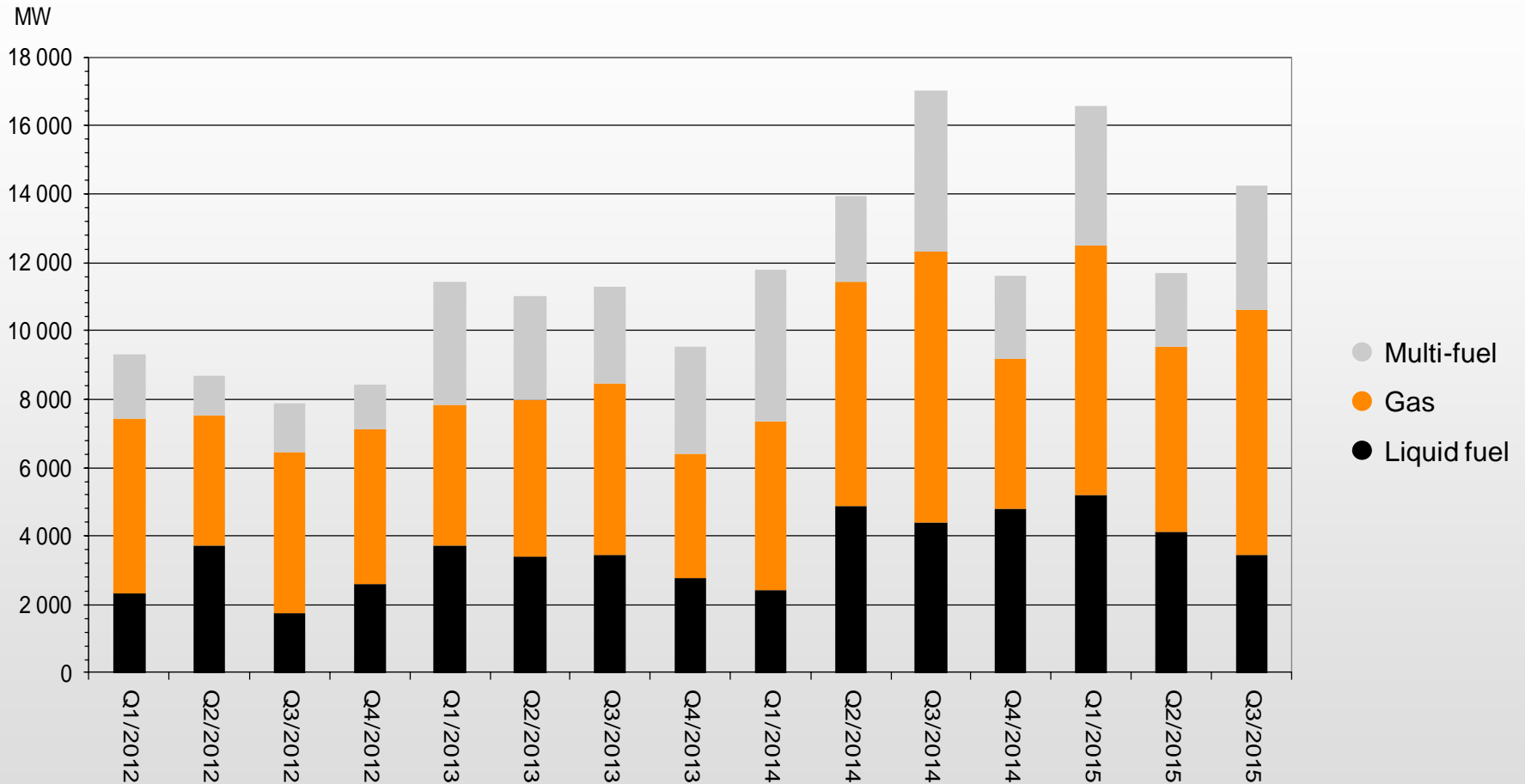
EBIT is shown before non-recurring items. Figures for 2011-2013 include both discontinued and continuing operations.



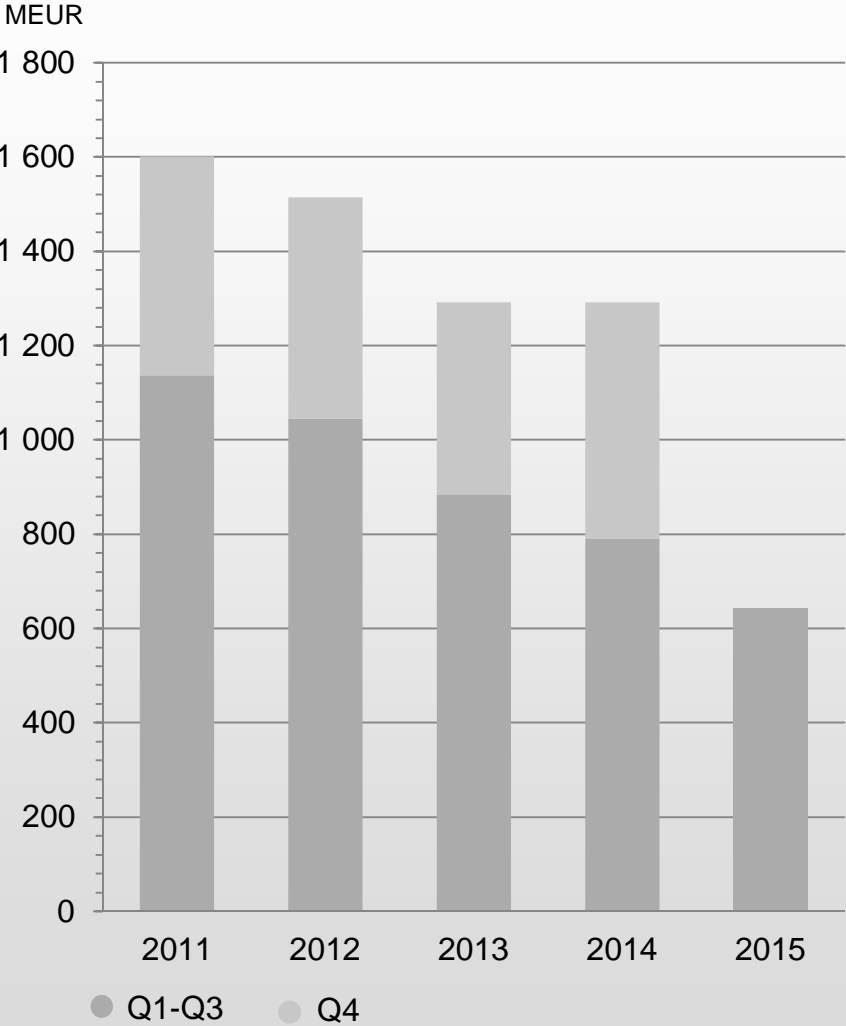
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**Macroeconomic
uncertainty continues to
effect power generation
markets**

Energy Solutions' quotation activity on a good level

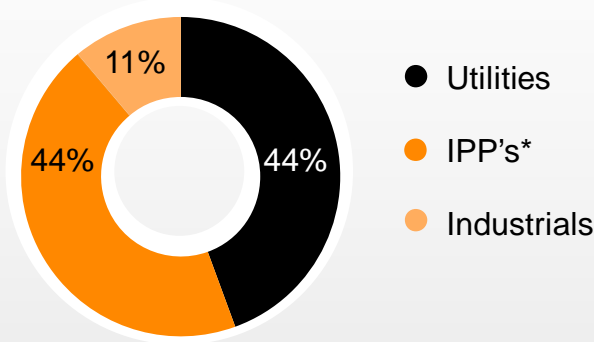


Energy Solutions' order intake impacted by delayed customer decision-making

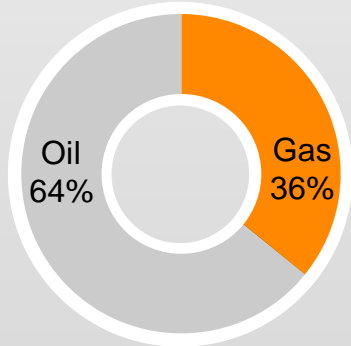


*IPP = Independent Power Producer

Review period development
Total EUR 642 million (792)



Review period order intake by fuel in MW

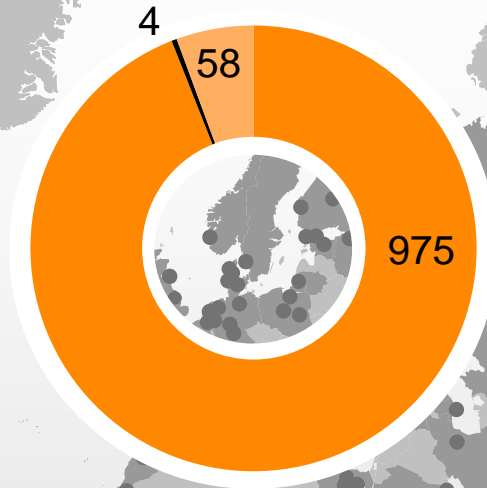


Energy Solutions' orders globally

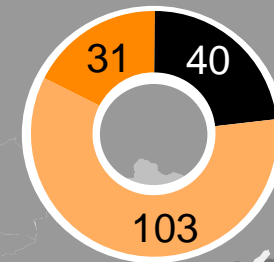
Americas 246 (539)



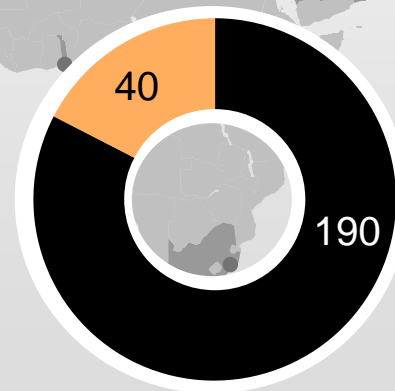
Europe 1,037 (410)



Asia 174 (326)



Africa and Middle East 230 (440)

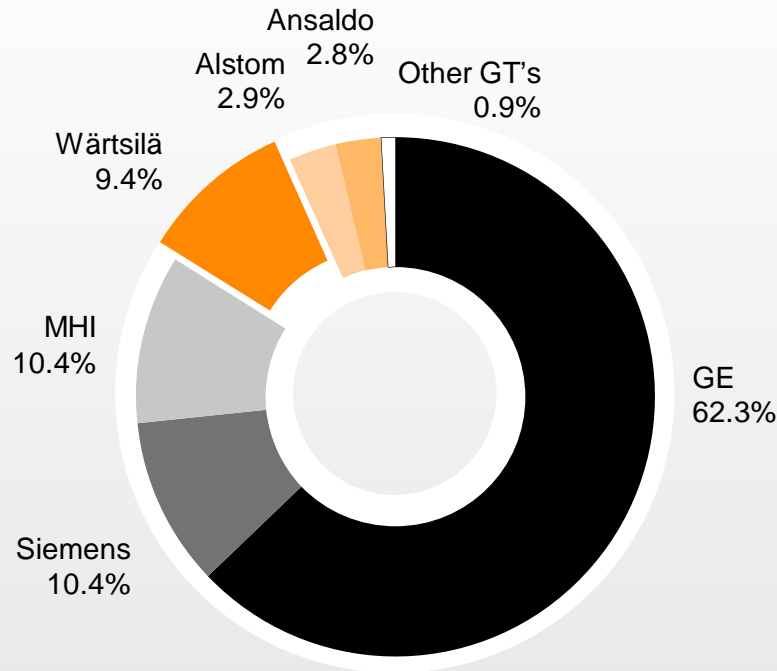


- Utilities
- IPP's
- Industrials

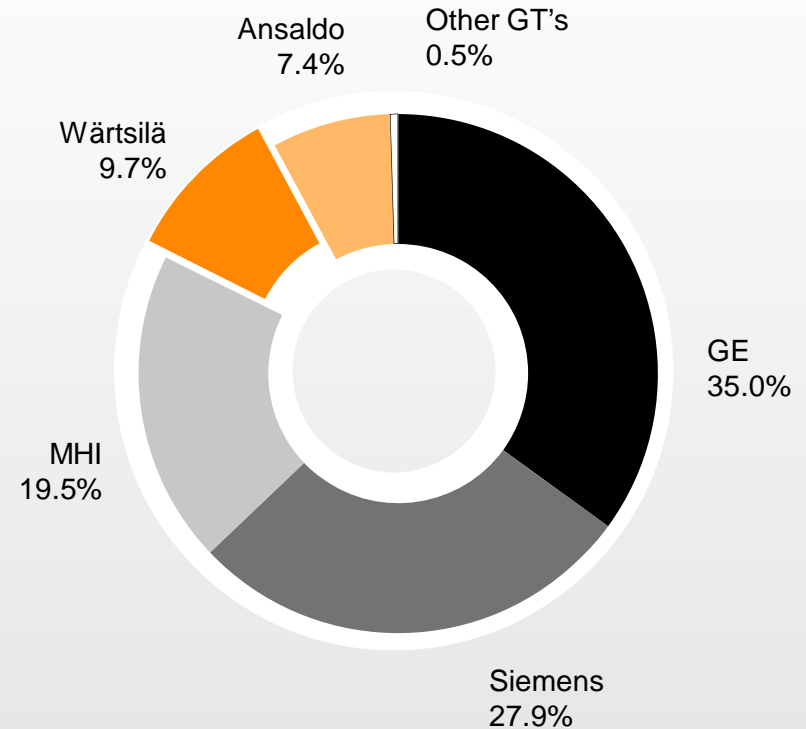
Order intake 1-9/2015: 1,687 MW (1,716)

Market for gas and liquid fuel power plants, <500 MW

1-6/2014



1-6/2015



Market volume 1-6/2015: 12.6 GW (10.6), +19%

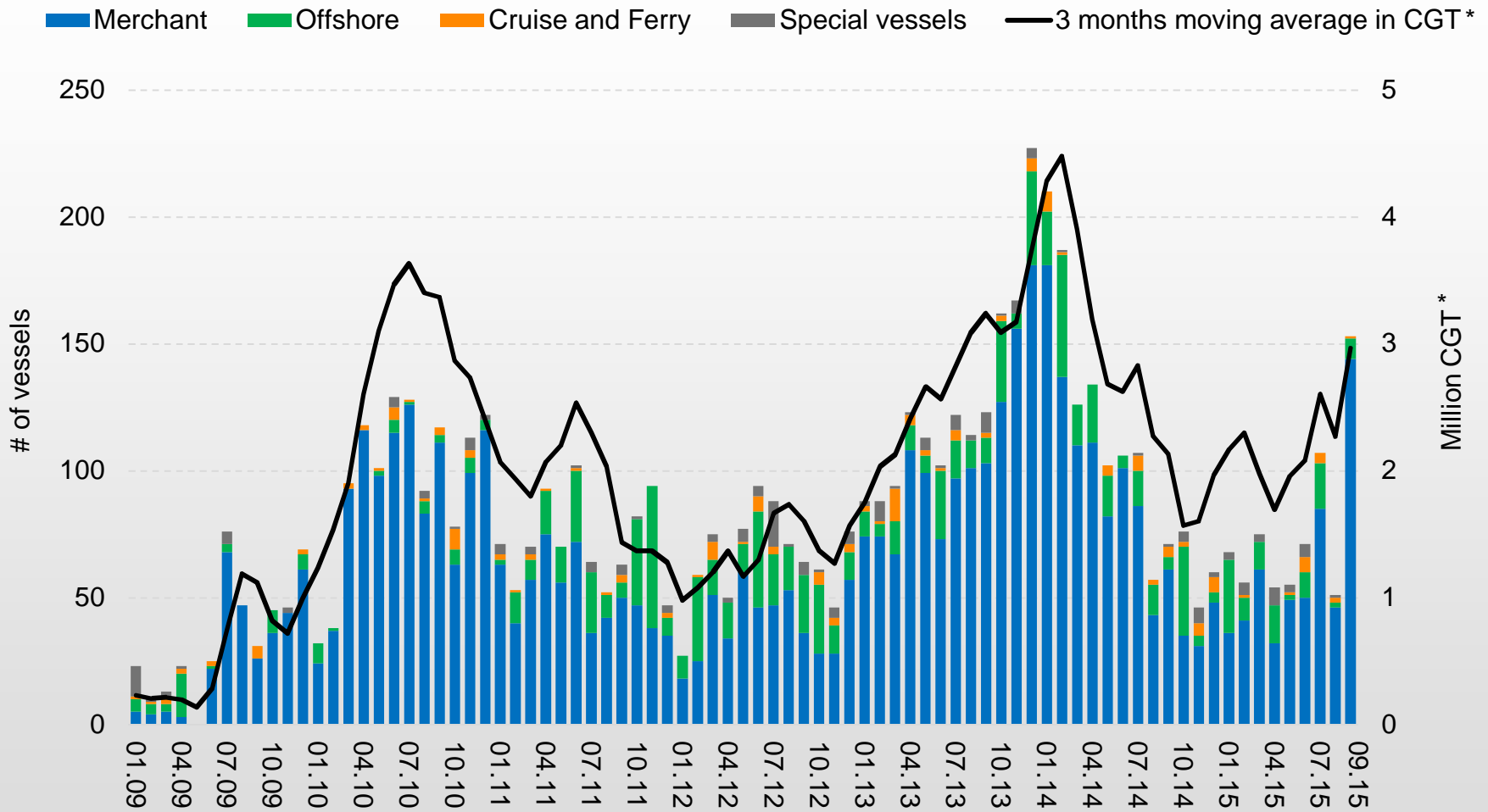
Market data includes all Wärtsilä power plants and other manufacturers' gas and liquid fueled gas turbine based power plants with prime movers above 5 MW, as well as estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report. Other combustion engines not included. In engine technology Wärtsilä has a leading position.



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**Marine markets affected
by low contracting and
a weak sentiment
in the offshore segment**

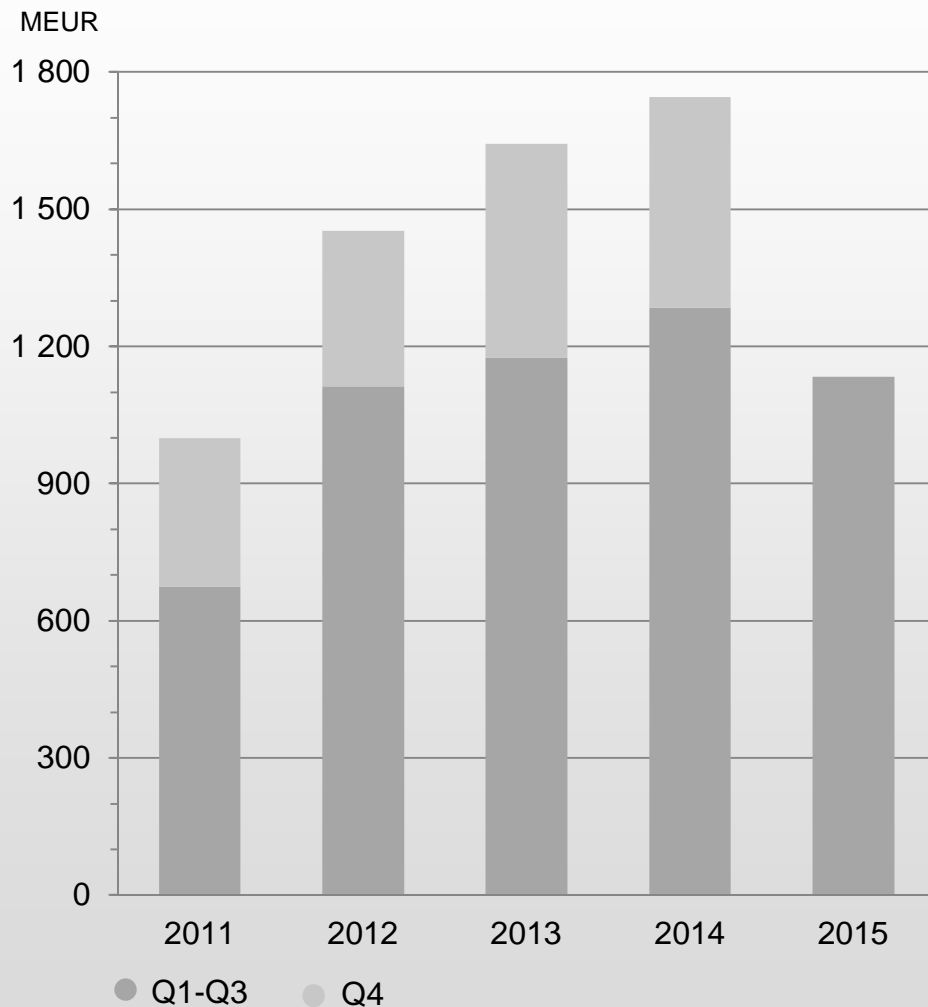
Vessel contracting activity remains low



Source: Clarkson Research Services, figures exclude late contracting

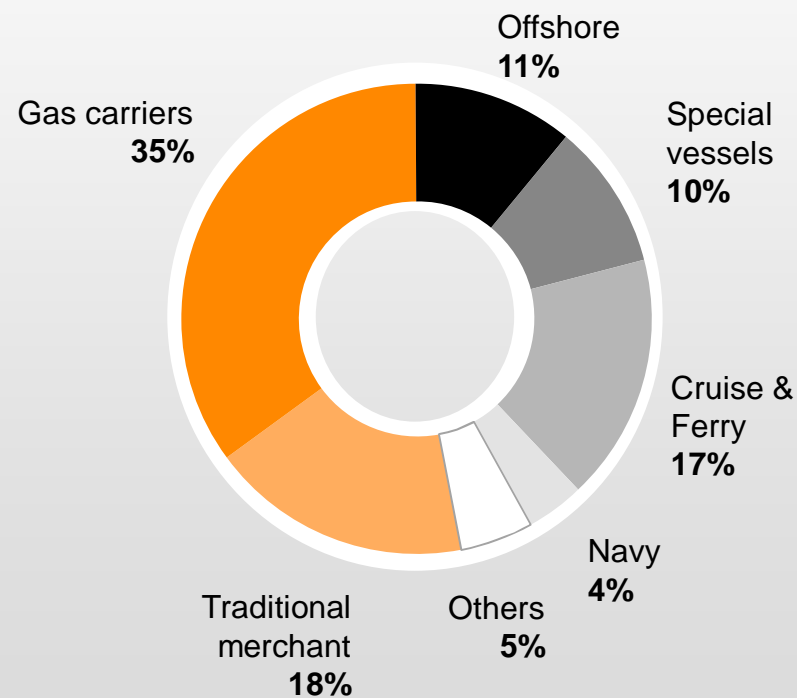
* CGT= gross tonnage compensated with workload

Marine Solutions' order intake impacted by market challenges

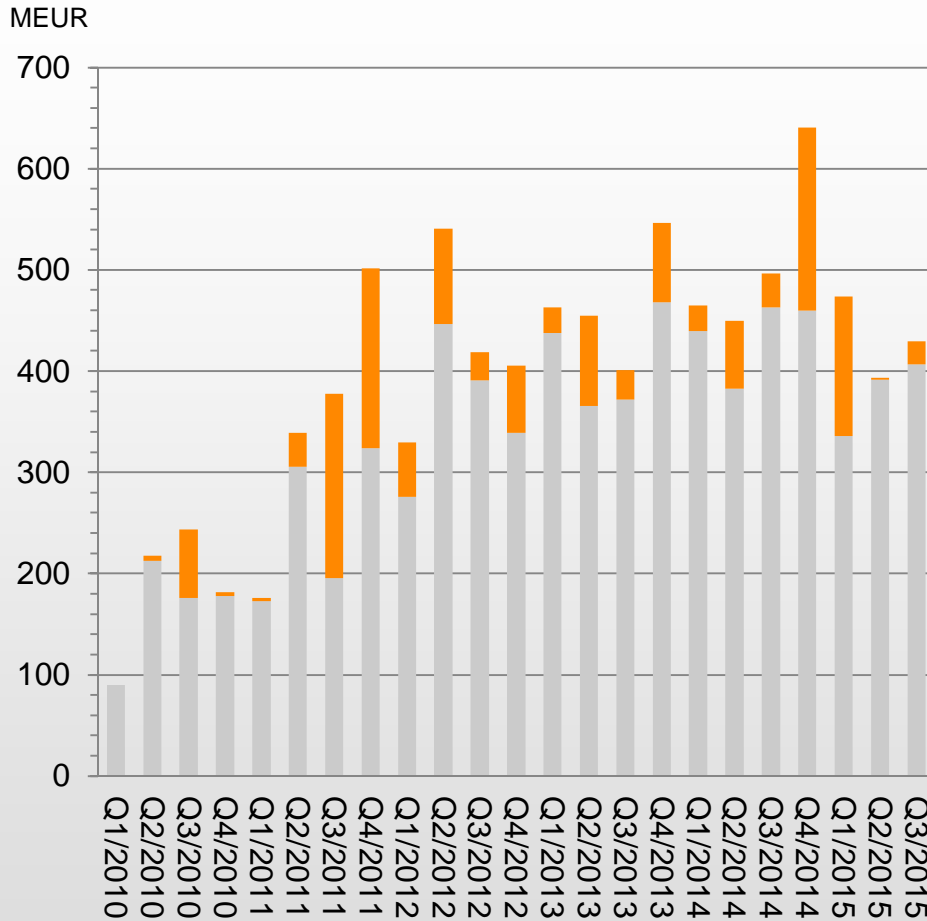


Review period development

Total EUR 1,134 million (1,286)



Joint venture ordering activity

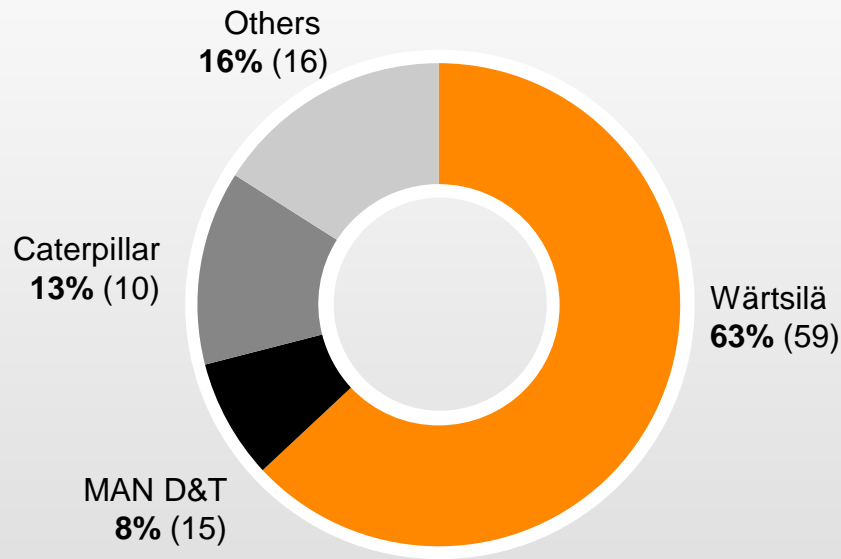


- Joint venture order intake totalled EUR 163 million (126) during January-September 2015
- Wärtsilä's share of ownership in these companies is 50%, and the results are reported as a share of result of associates and joint ventures

- Joint venture order intake, includes figures from Wärtsilä Hyundai Engine Company Ltd. and Wärtsilä Qiyao Diesel Company Ltd.
- Marine Solutions order intake

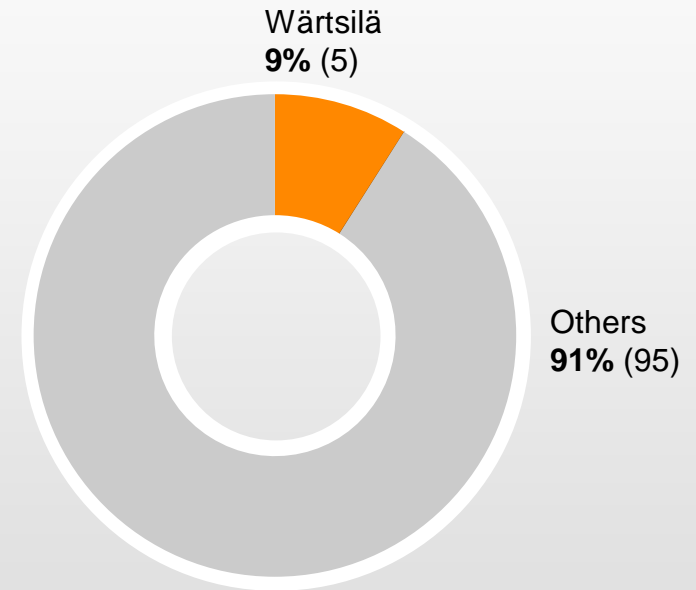
Strong position in marine engine market

Medium-speed main engines



Total market volume last 12 months:
4,519 MW (4,988)

Auxiliary engines



Total market volume last 12 months:
3,986 MW (4,078)

Wärtsilä's market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous quarter. The calculation is based on Wärtsilä's own data portal.

First Wärtsilä 31 engines selected to power an icebreaker



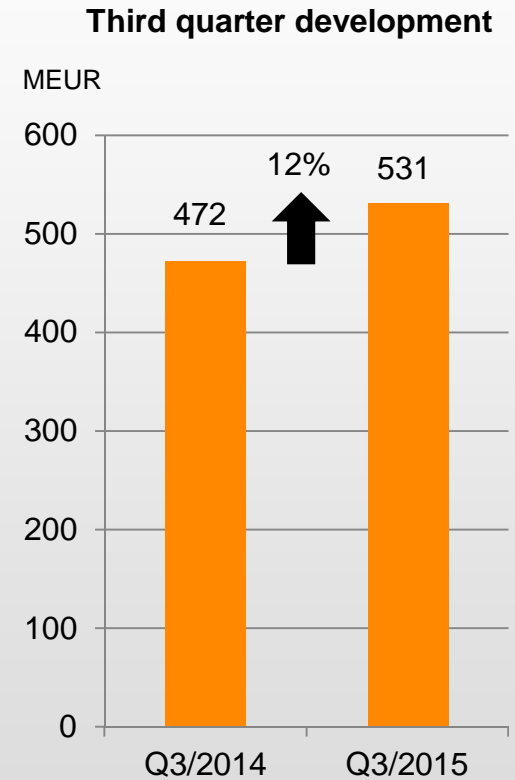
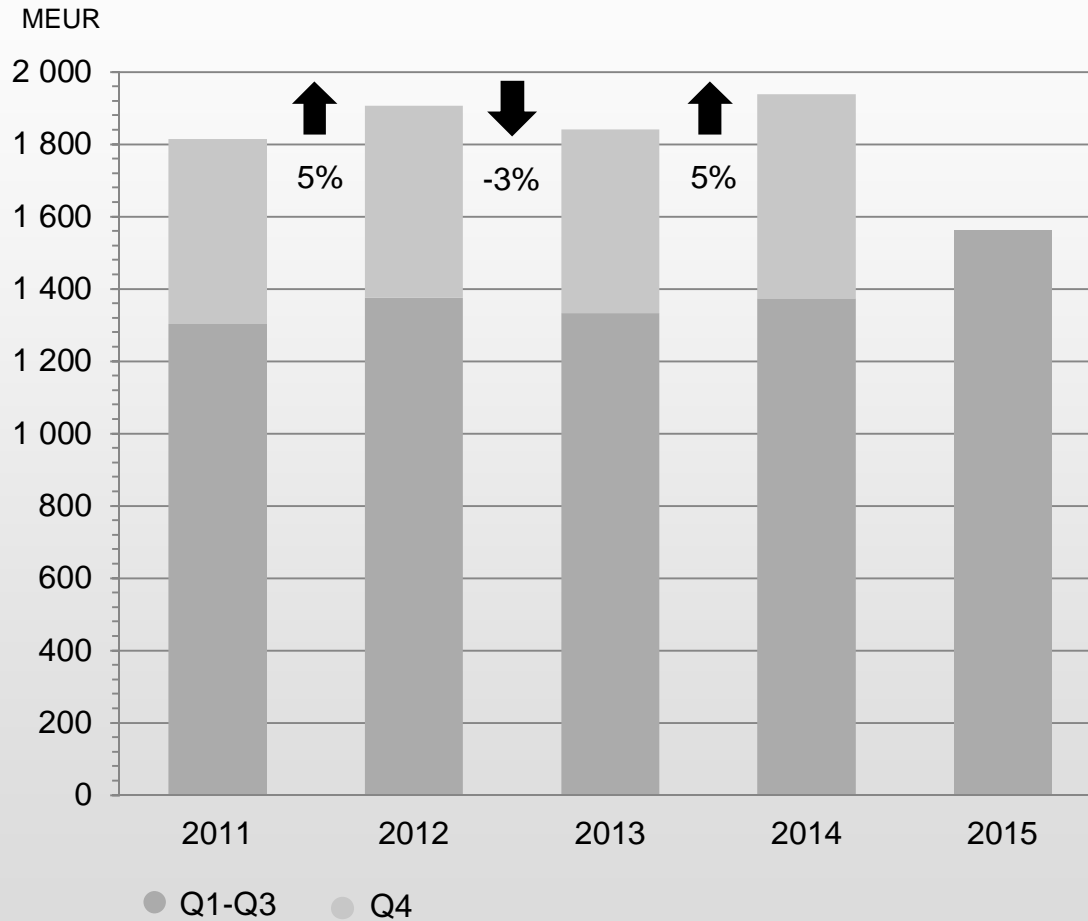
- The recently introduced Wärtsilä 31 engine, the world's most efficient 4-stroke diesel engine, has been selected to power a new generation icebreaker
- The icebreaker will feature three 8-cylinder Wärtsilä 31 engines and Wärtsilä's online monitoring systems
- Wärtsilä 31 engine is fuel efficient, reliable, flexible in operations and has outstanding performance in extreme environmental conditions



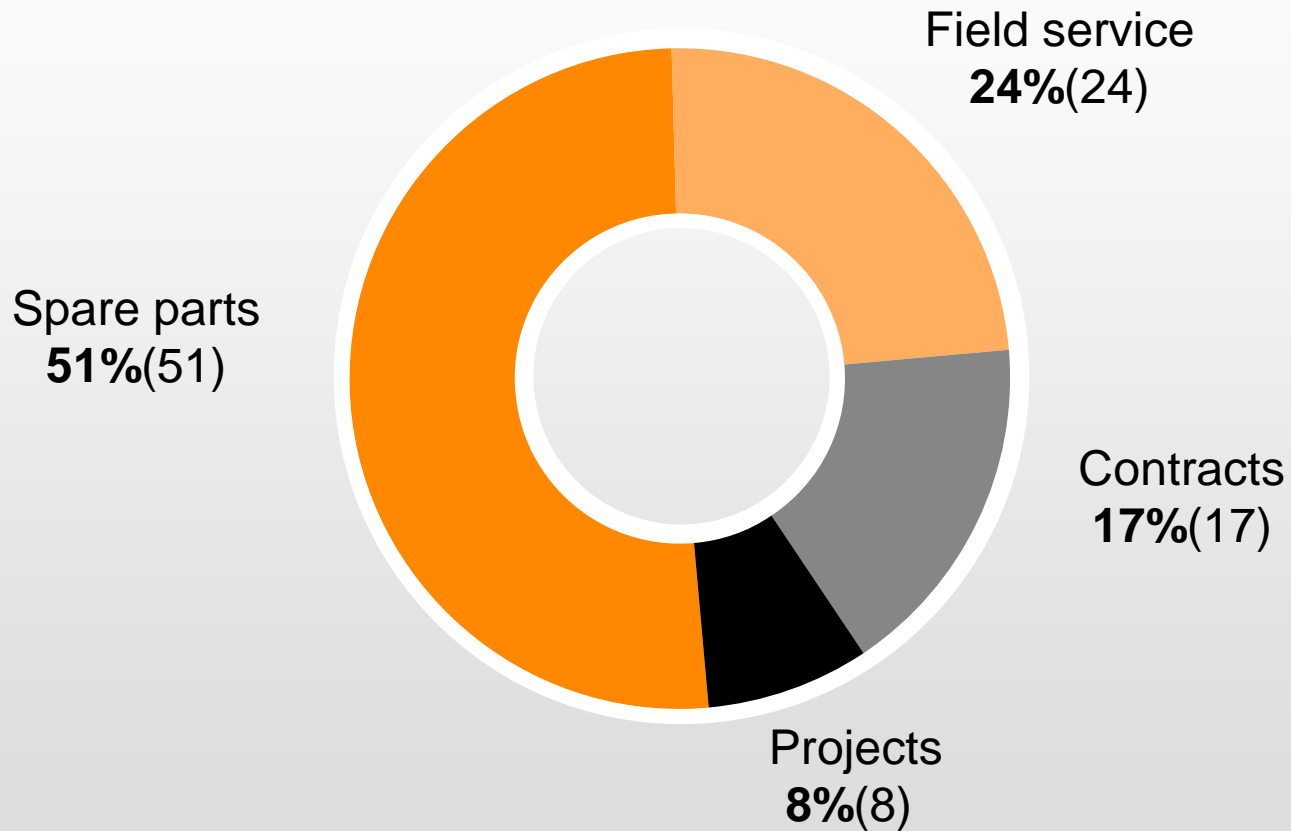
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**Service market activity
developing well**

Continued growth in Services' net sales

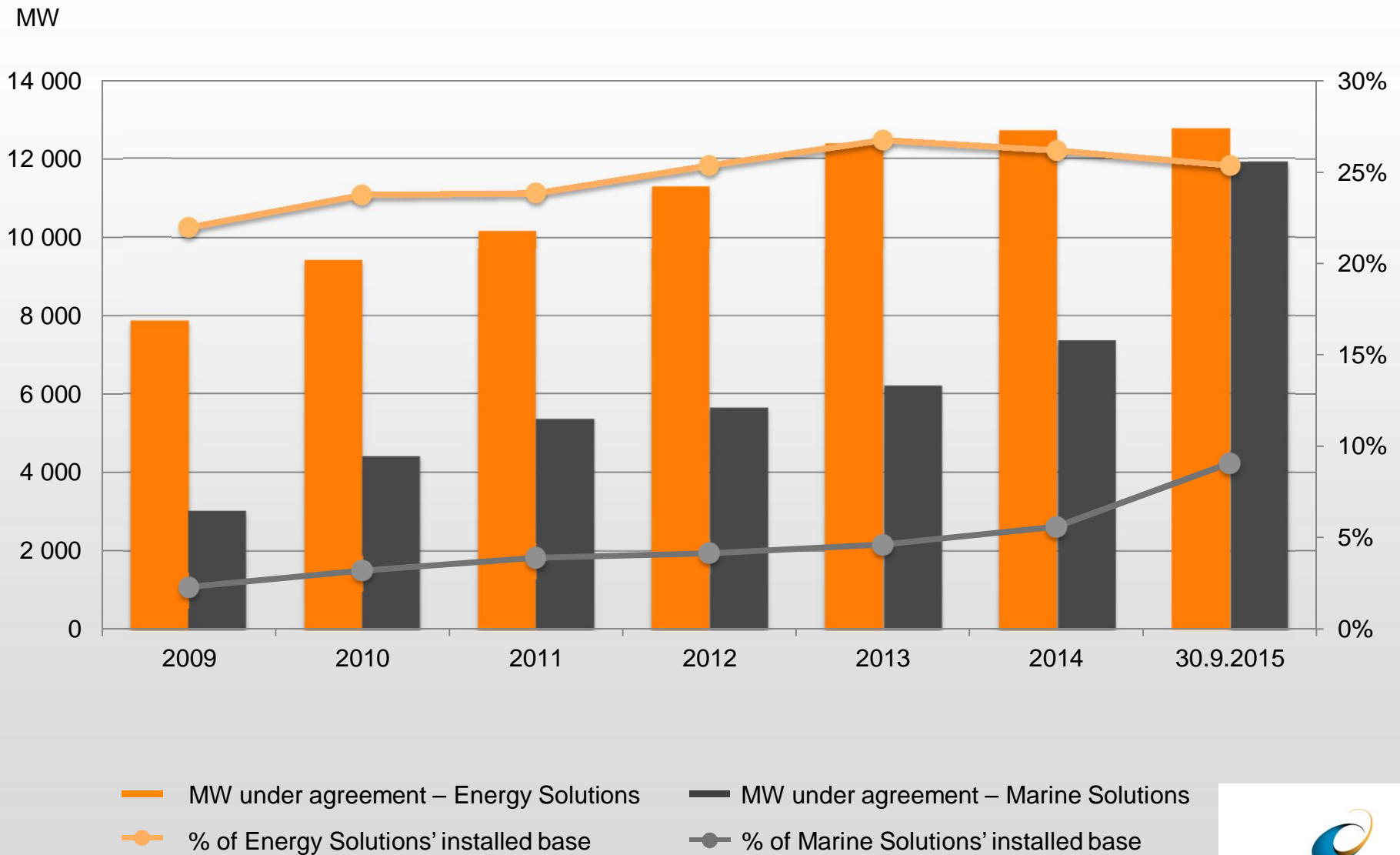


Services net sales distribution 1-9/2015



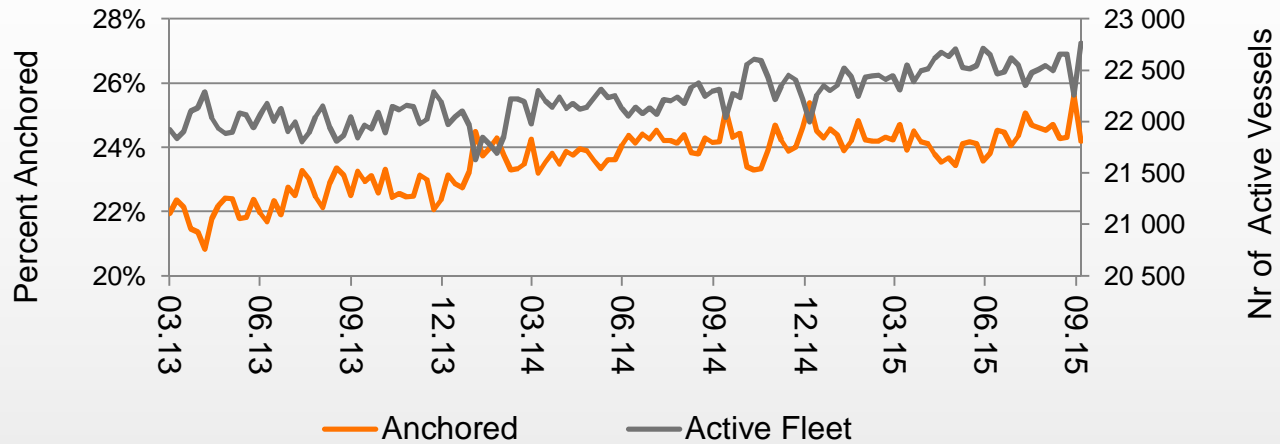
Total EUR 1,565 million (1,375)

Development of service agreements

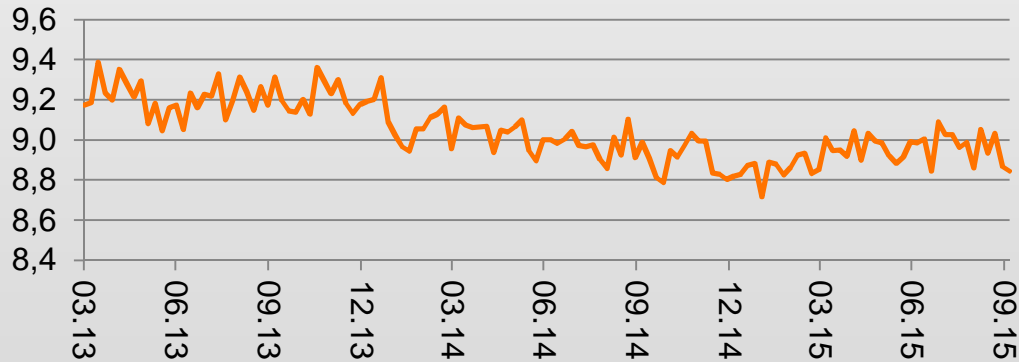


Fleet utilisation

Anchored Vessels & Fleet Development*



Fleet Average Speed, knots**



* Source Bloomberg. Sample of more than 25 000 vessels (>299 GT) covered by IHS AIS Live.

** Source Bloomberg

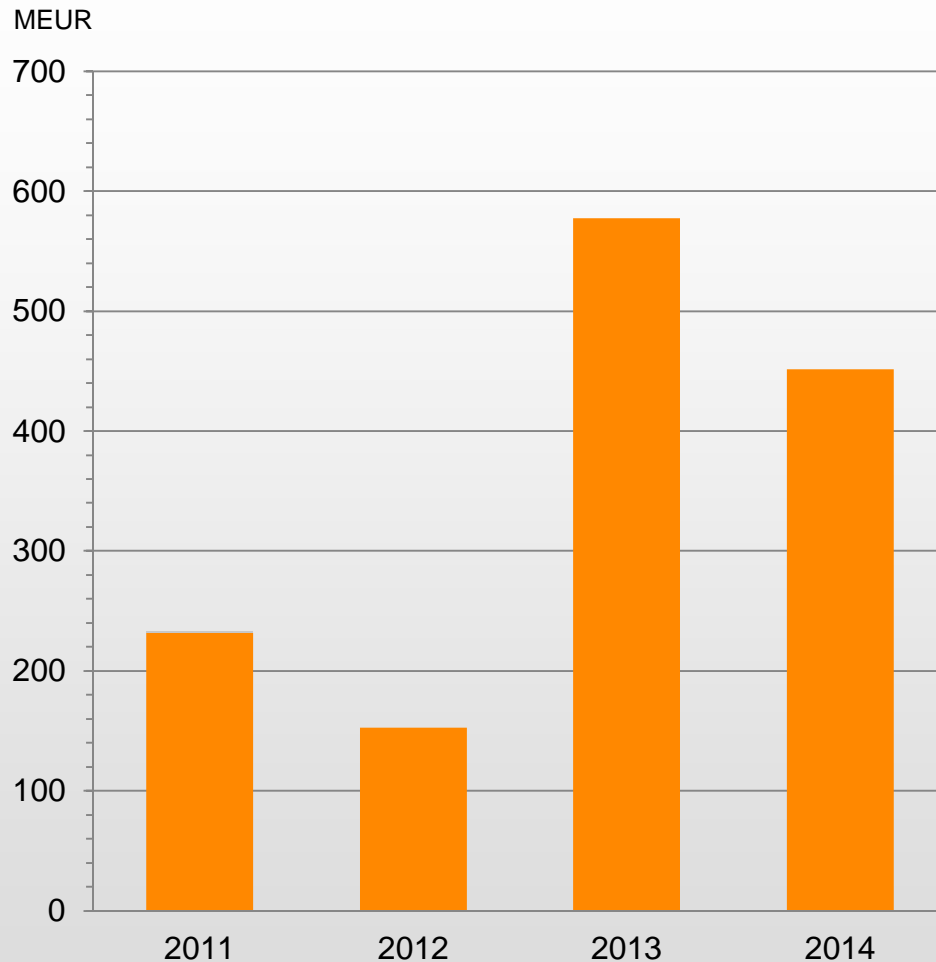


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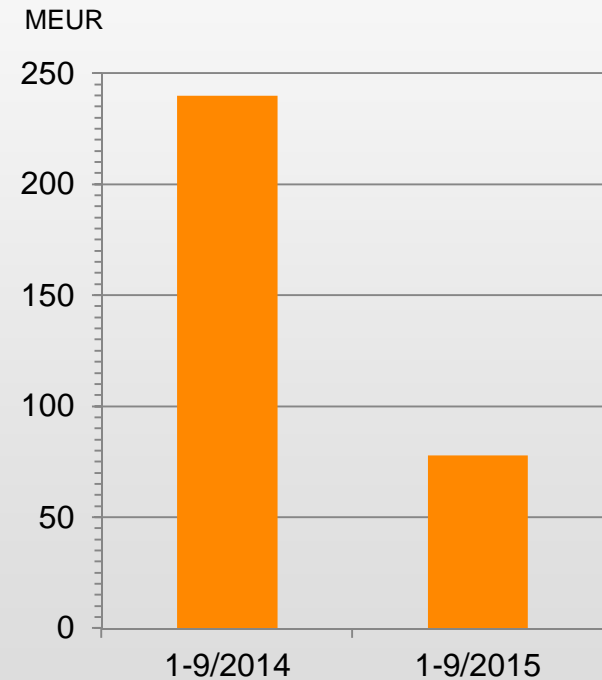
Solid financial standing



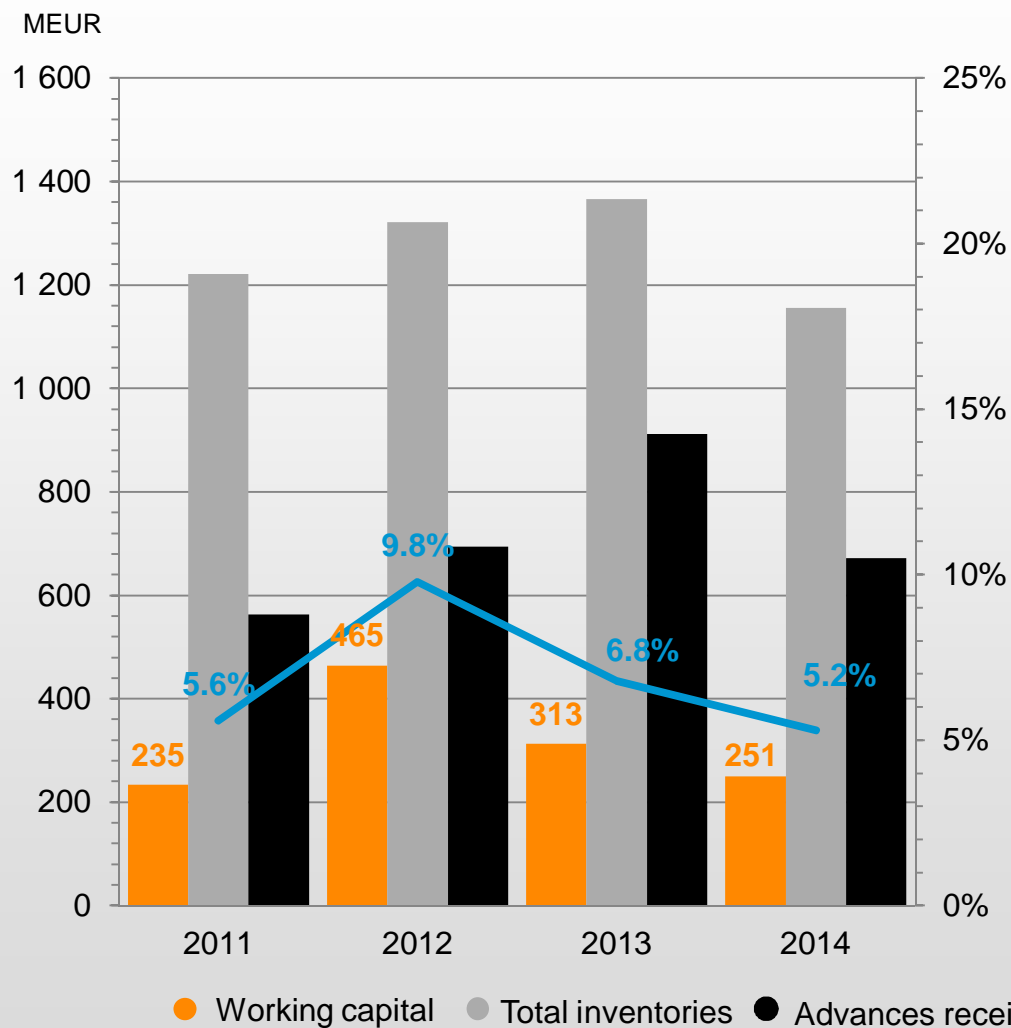
Cash flow from operating activities



Review period development

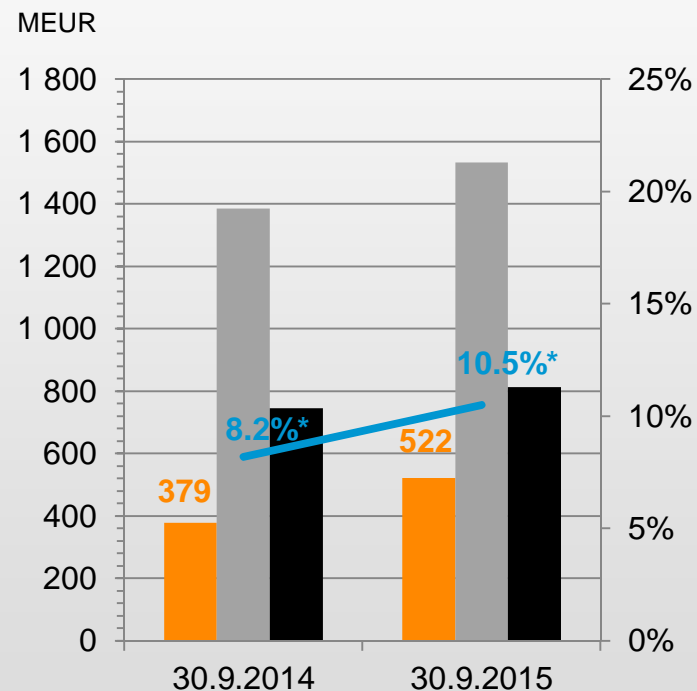


Working capital impacted by increased inventories

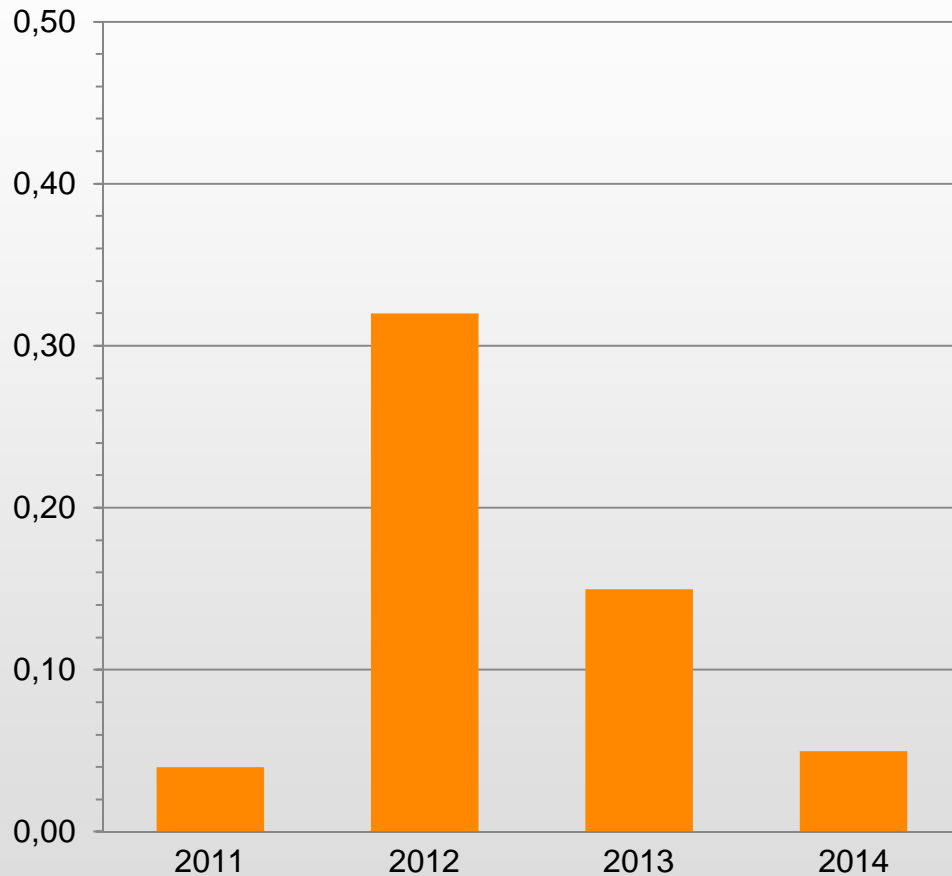


* Working capital / 12 months rolling net sales

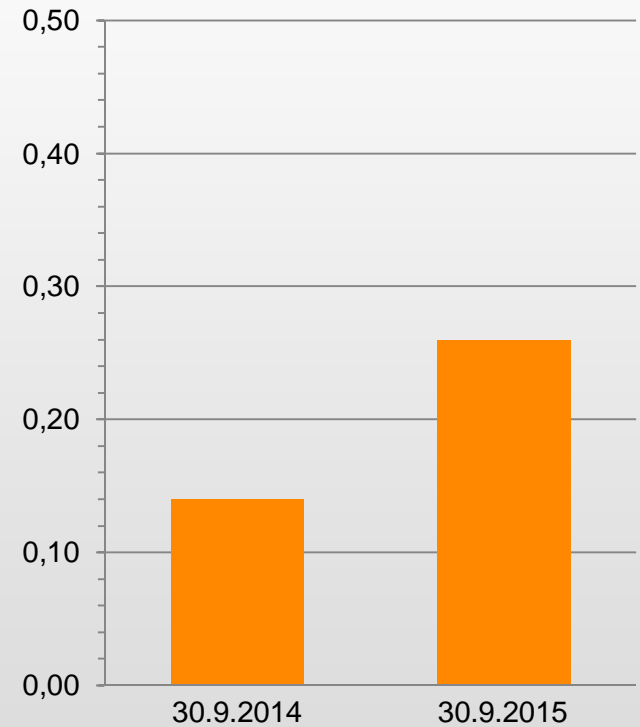
Review period development



Gearing impacted by L-3 MSI acquisition



Review period development





- **Energy Solutions:** The market for liquid and gas fuelled power generation is expected to remain challenging as economic uncertainty continues. The megatrend towards distributed, flexible gas-fired power generation is gaining further ground globally.
- **Marine Solutions:** The outlook for the shipping and shipbuilding markets remains challenging. Overcapacity continues to affect demand and low oil prices impact investments in offshore segment. Gas carrier contracting is expected to continue on a normalised level, while the outlook for cruise & ferry remains positive.
- **Services:** The overall service market outlook is positive with growth opportunities in selected regions and segments. Customers in both the marine and power plant markets continue to show healthy interest in long-term service agreements.

Prospects for 2015 unchanged



Wärtsilä expects its net sales for 2015 to grow by 5-10% and its operational profitability (EBIT% before non-recurring items) to be between 12.0-12.5%. The guidance includes the impact of the L-3 Marine Systems International acquisition.



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