

# WÄRTSILÄ CORPORATION

## RESULT PRESENTATION 2019

30 January 2020

Jaakko Eskola, President & CEO

**2019 – A year marked by  
difficult market conditions and  
project related challenges**

Order intake **EUR 5,327 million**, -16%

Order book at the end of the period  
**EUR 5,878 million**, -5%

Net sales **EUR 5,170 million**, -0%

Book-to-bill **1.03** (1.22)

Comparable operating result **EUR 457 million**  
(577), or **8.8% of net sales** (11.2)

Earnings per share **EUR 0.37** (0.65)

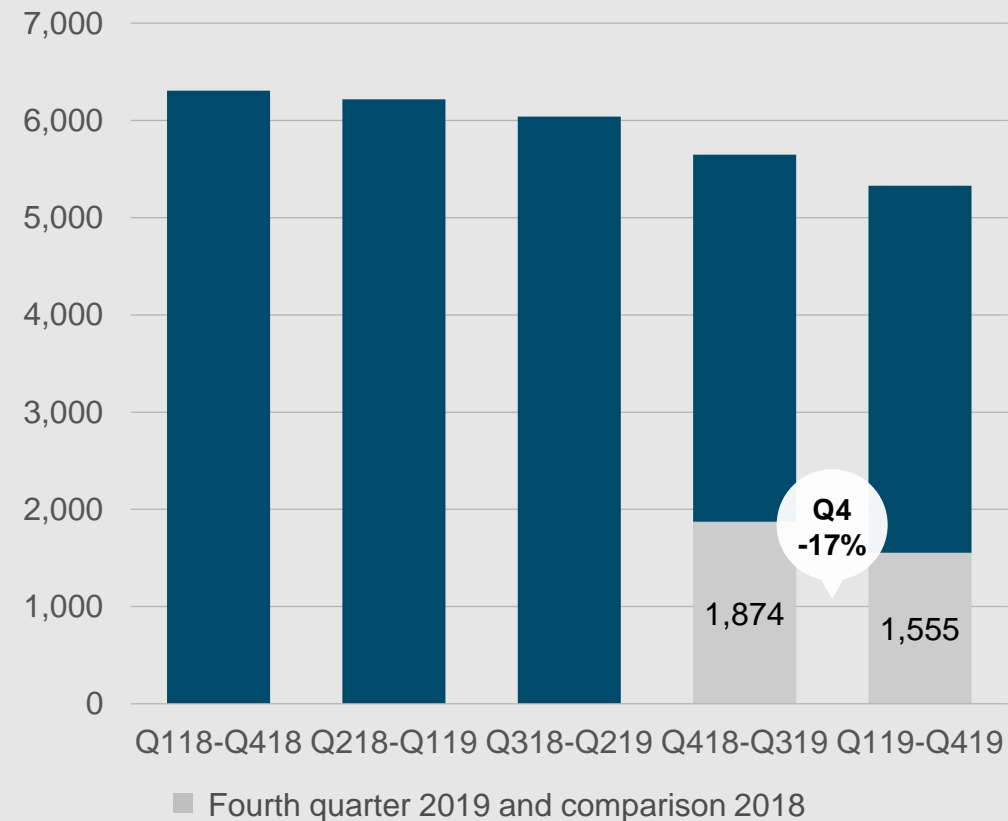
Cash flow from operating activities  
**EUR 232 million** (470)

Dividend proposal **EUR 0.48**  
per share (0.48)

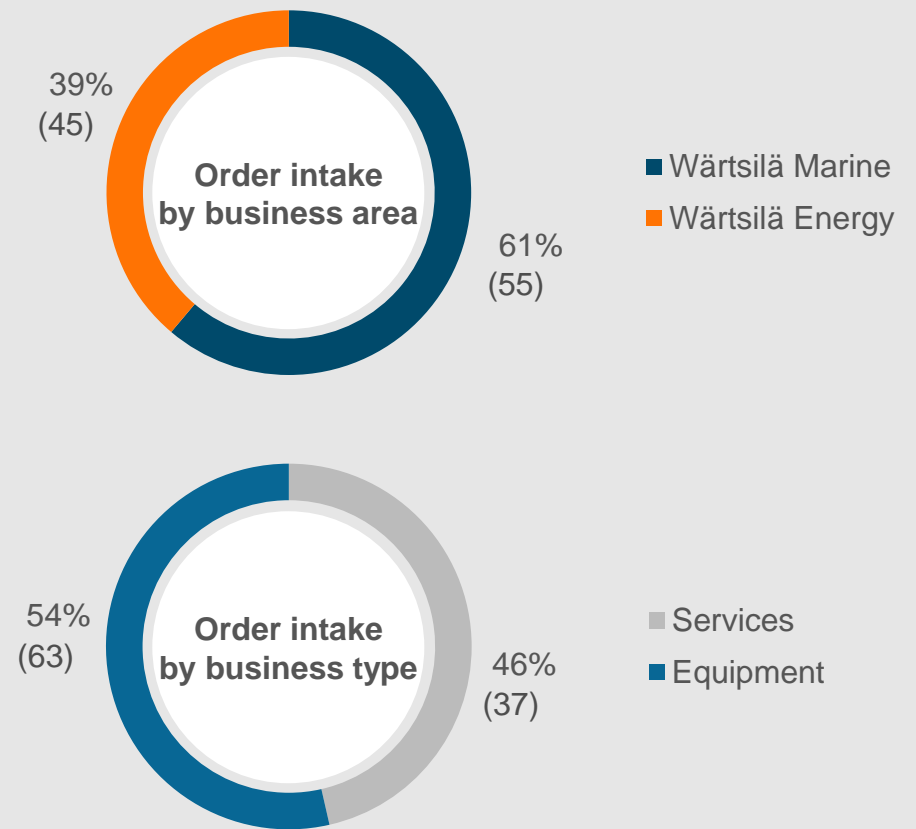


# Order intake declined despite sequential improvement in Q4

Rolling 12m, MEUR

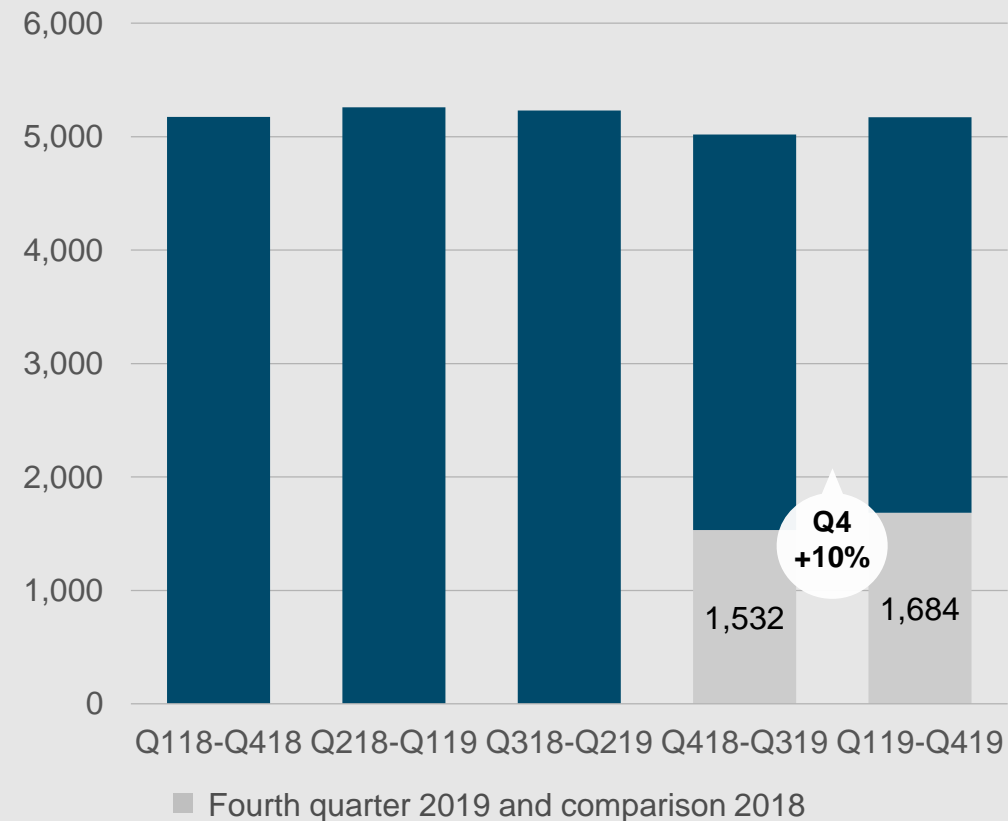


## Fourth quarter development

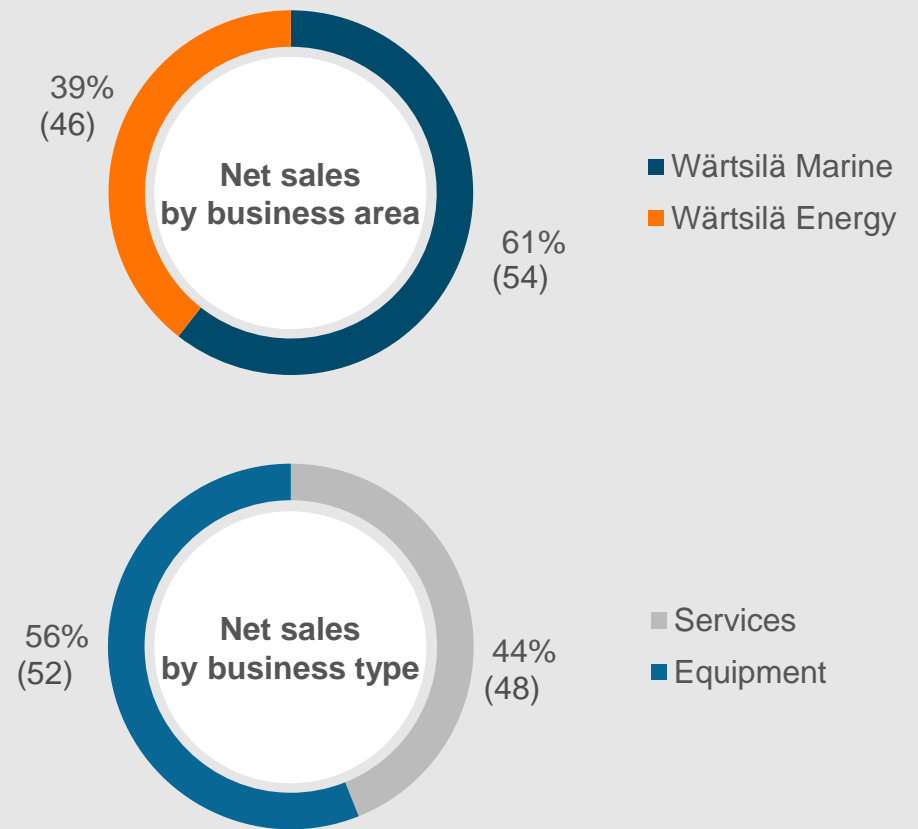


# Net sales growth in marine equipment and services offset the decline in energy equipment

Rolling 12m, MEUR

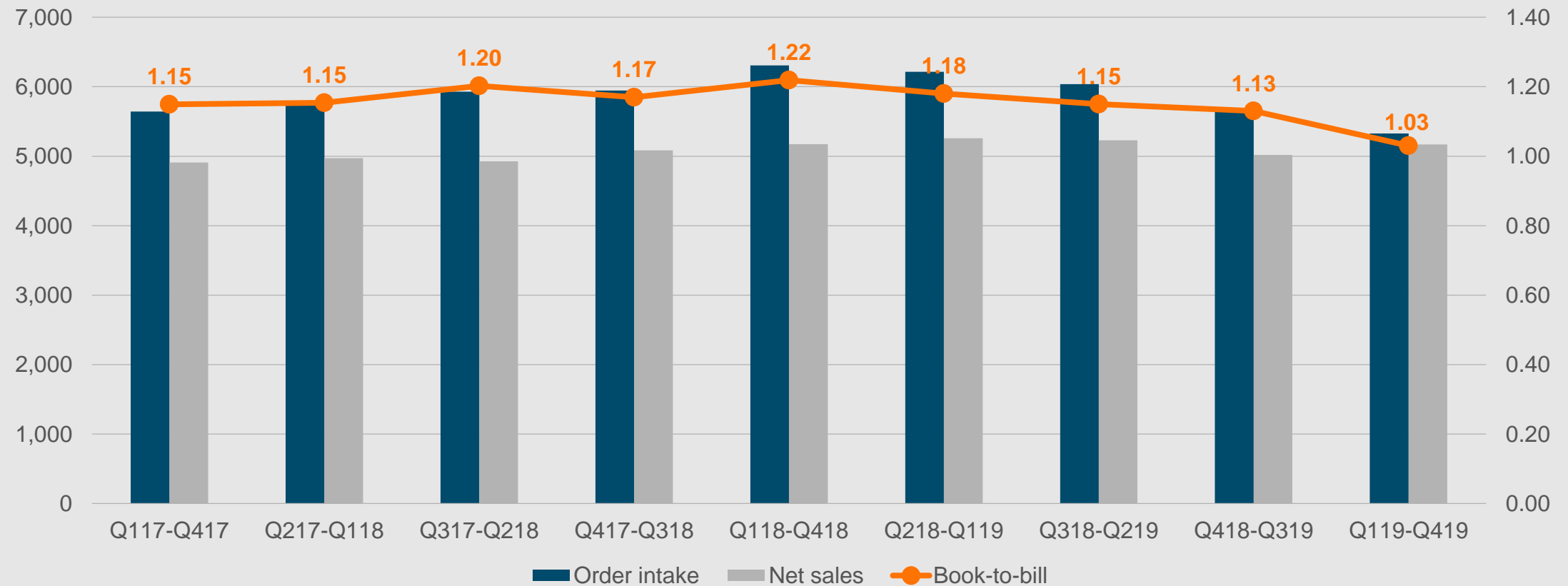


## Fourth quarter development



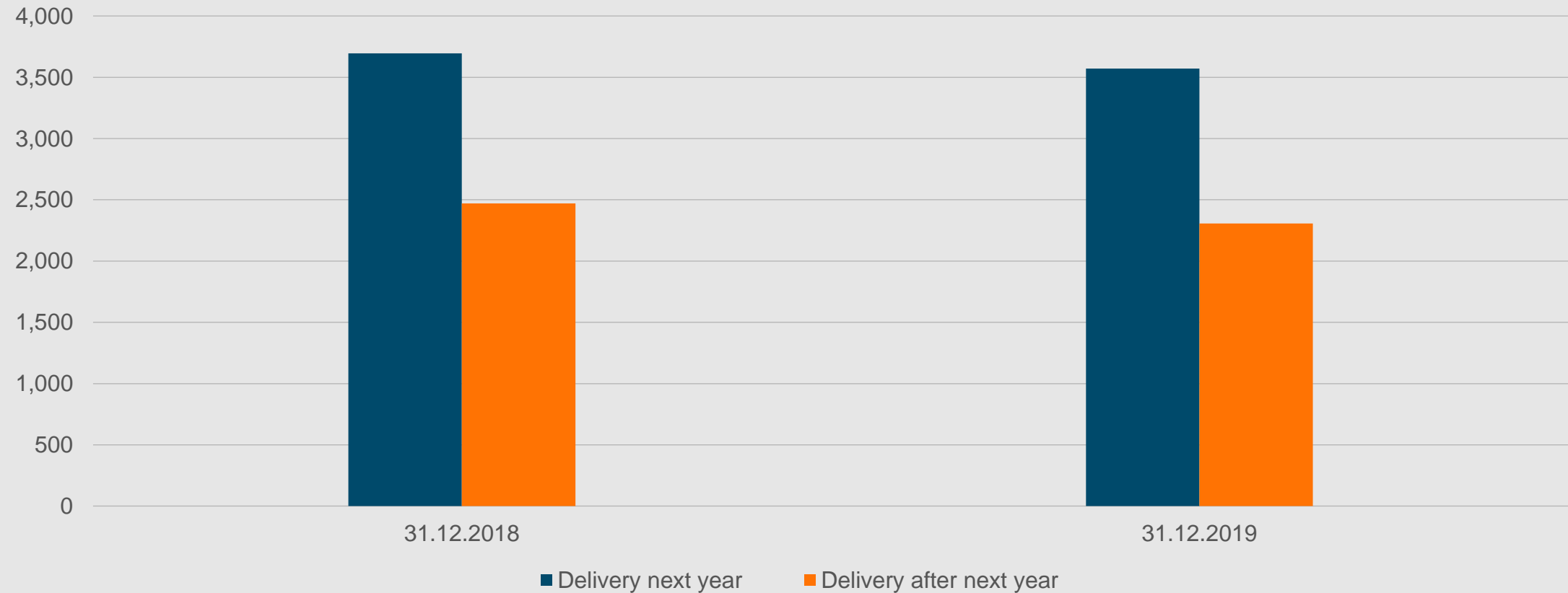
# Book-to-bill

Rolling 12m, MEUR



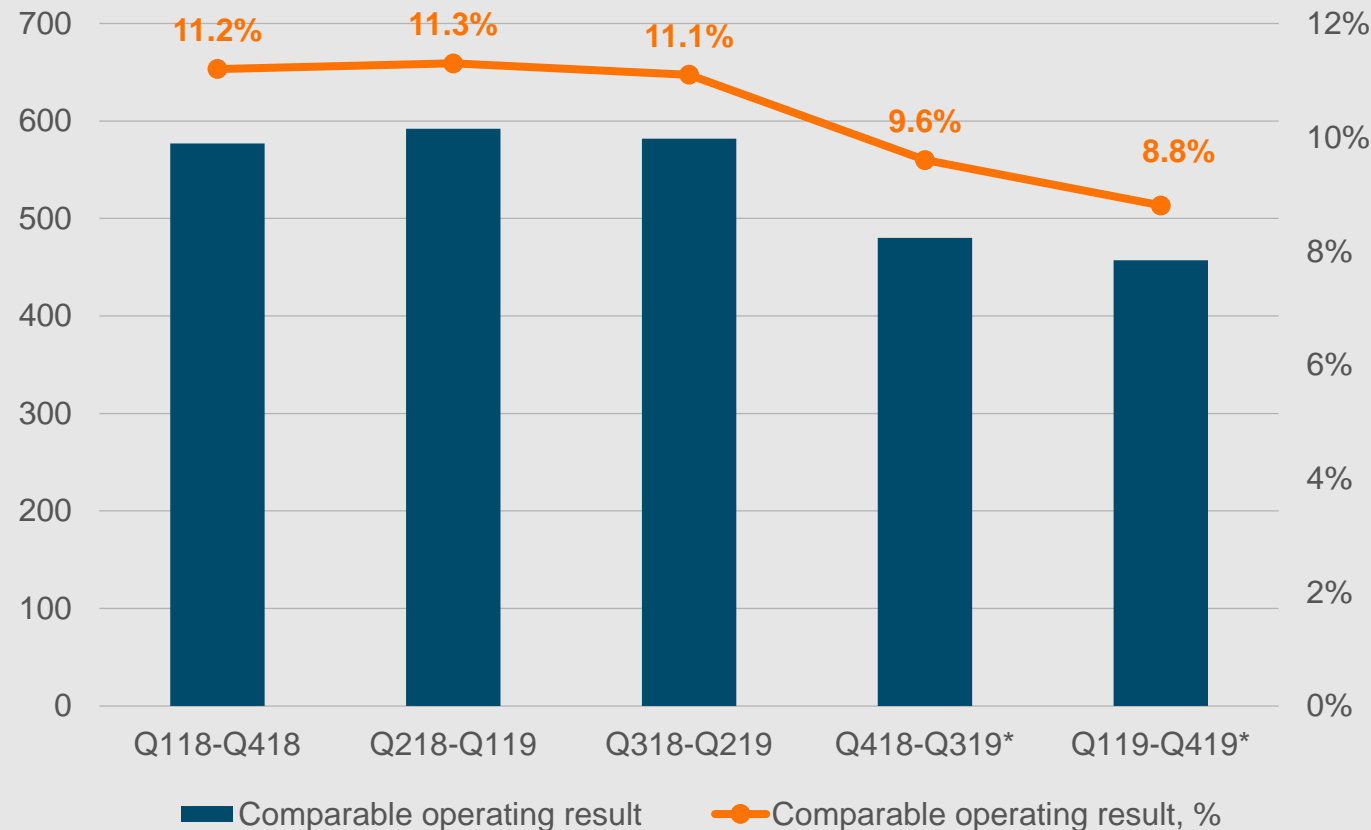
# Order book distribution

MEUR

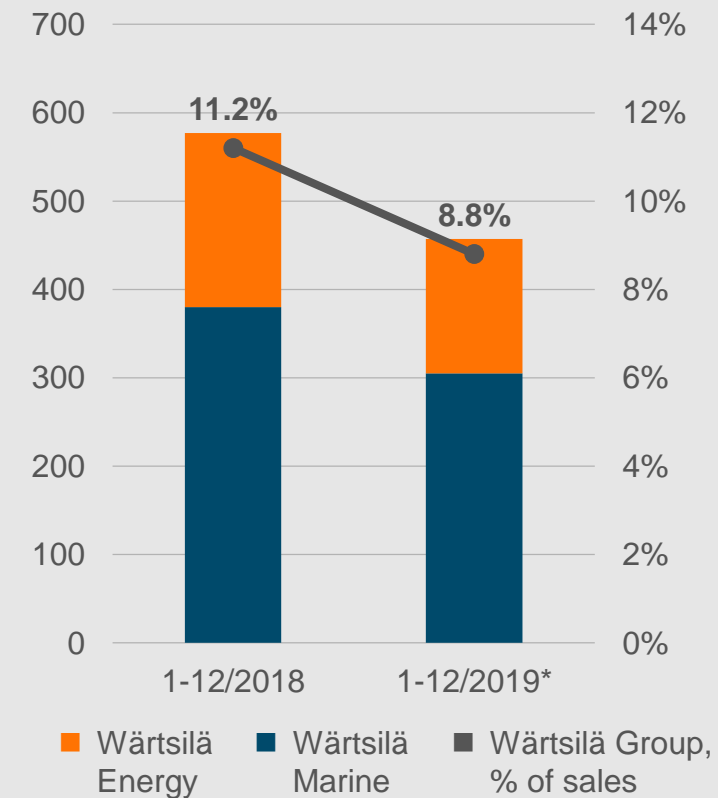


# Comparable operating result still burdened by project cost overruns

Rolling 12m, MEUR



Review period development  
MEUR

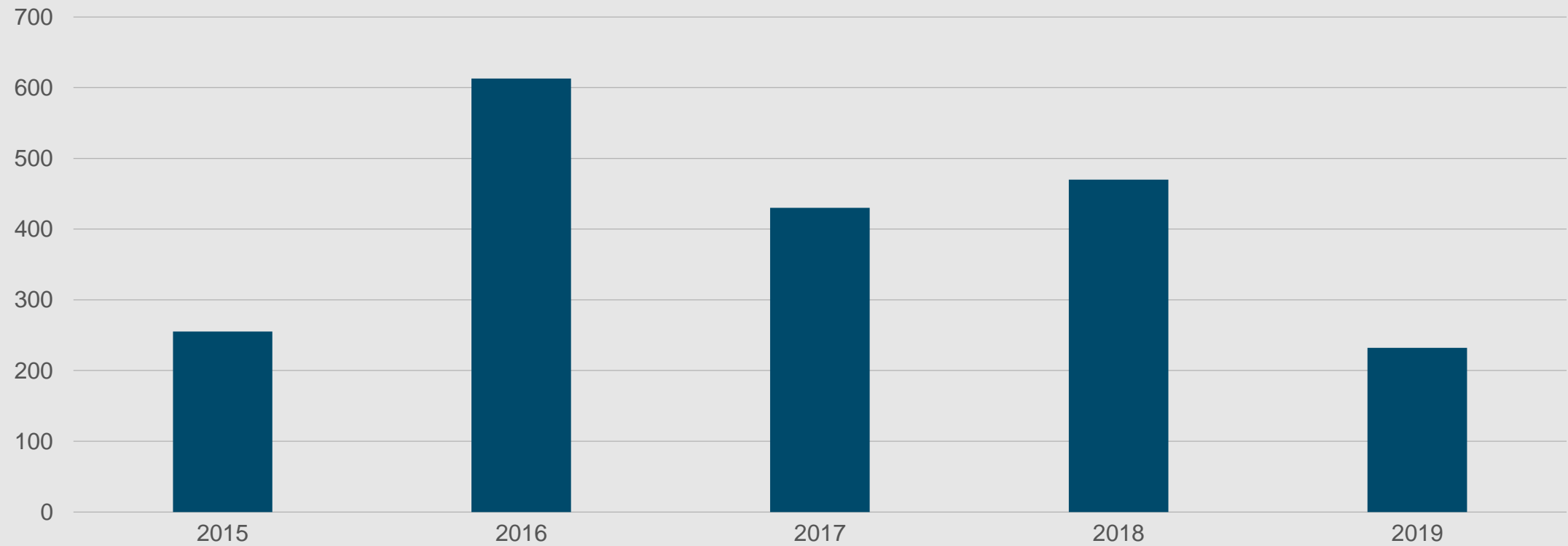


\* The operating result for 2019 includes a charge related to cost overruns in certain large and complex project deliveries in the Marine and Energy businesses:  
 • EUR 84 million in January-September, of which EUR 17 million recognised in Wärtsilä Marine and EUR 67 million in Wärtsilä Energy  
 • EUR 152 million in January-December, of which EUR 51 million recognised in Wärtsilä Marine and EUR 101 million in Wärtsilä Energy

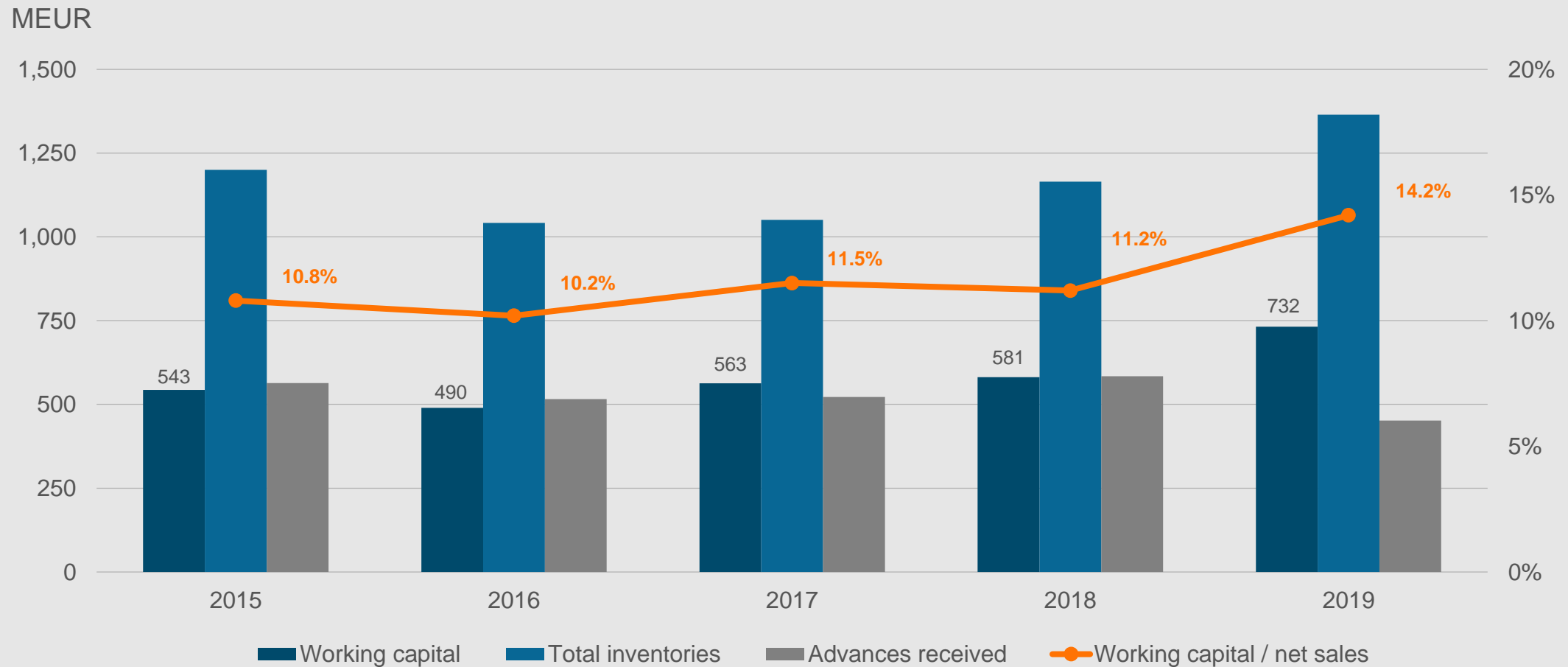


# Cash flow from operating activities

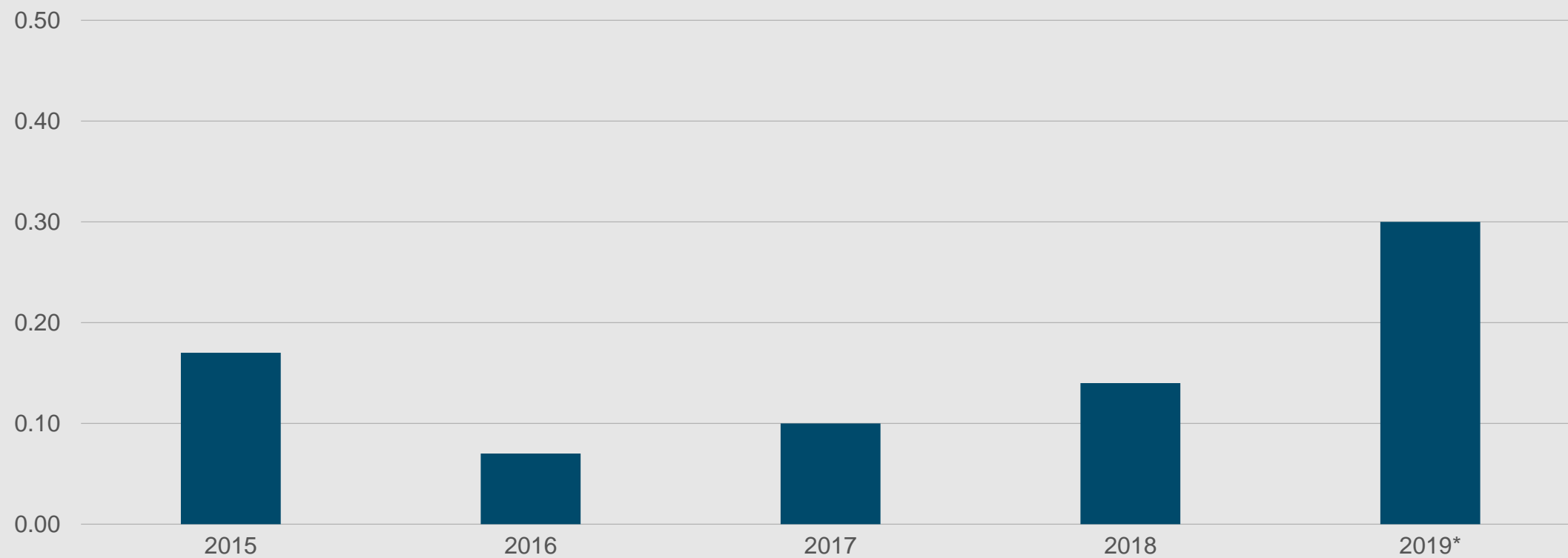
MEUR



# Working capital

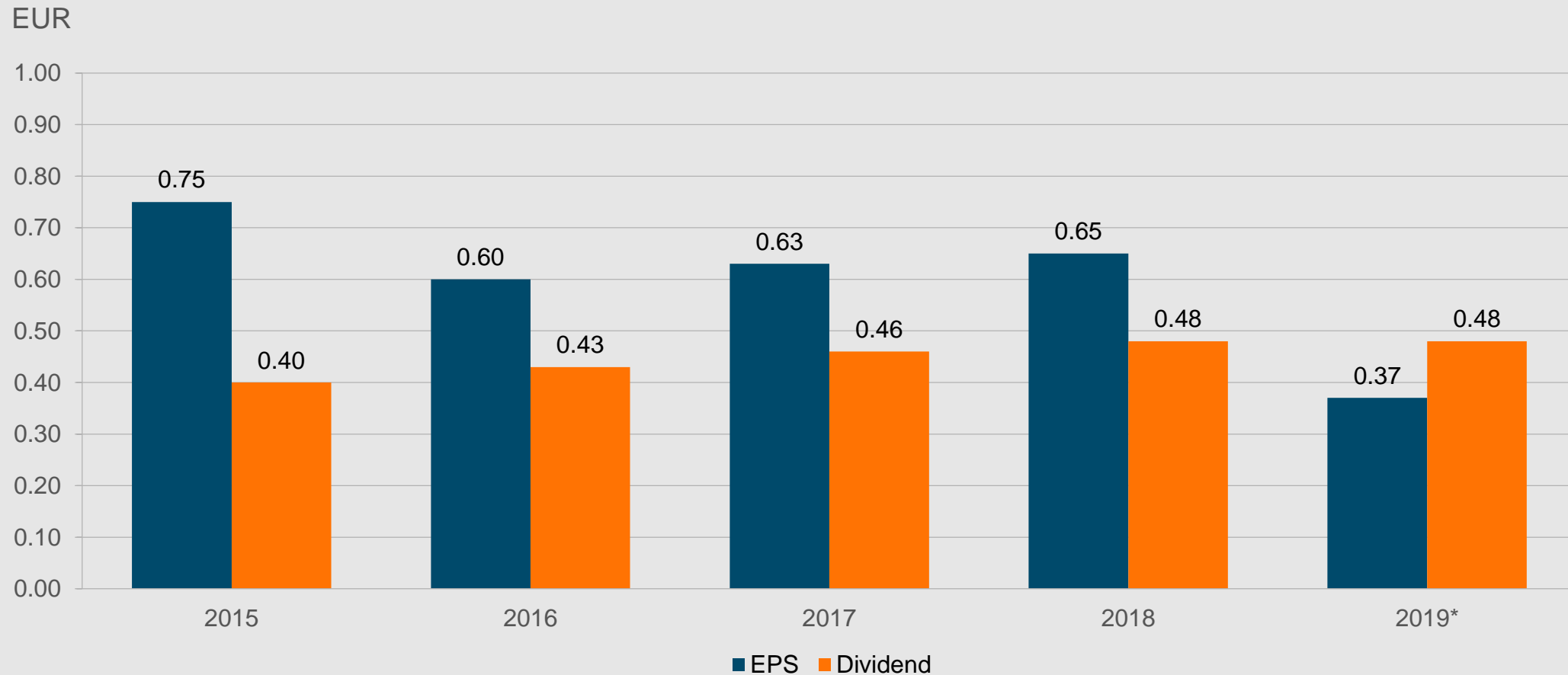


# Gearing



\* Excluding the impact of lease liabilities, gearing amounted to 0.22.

# Earnings and dividend per share



\*Proposal of the Board

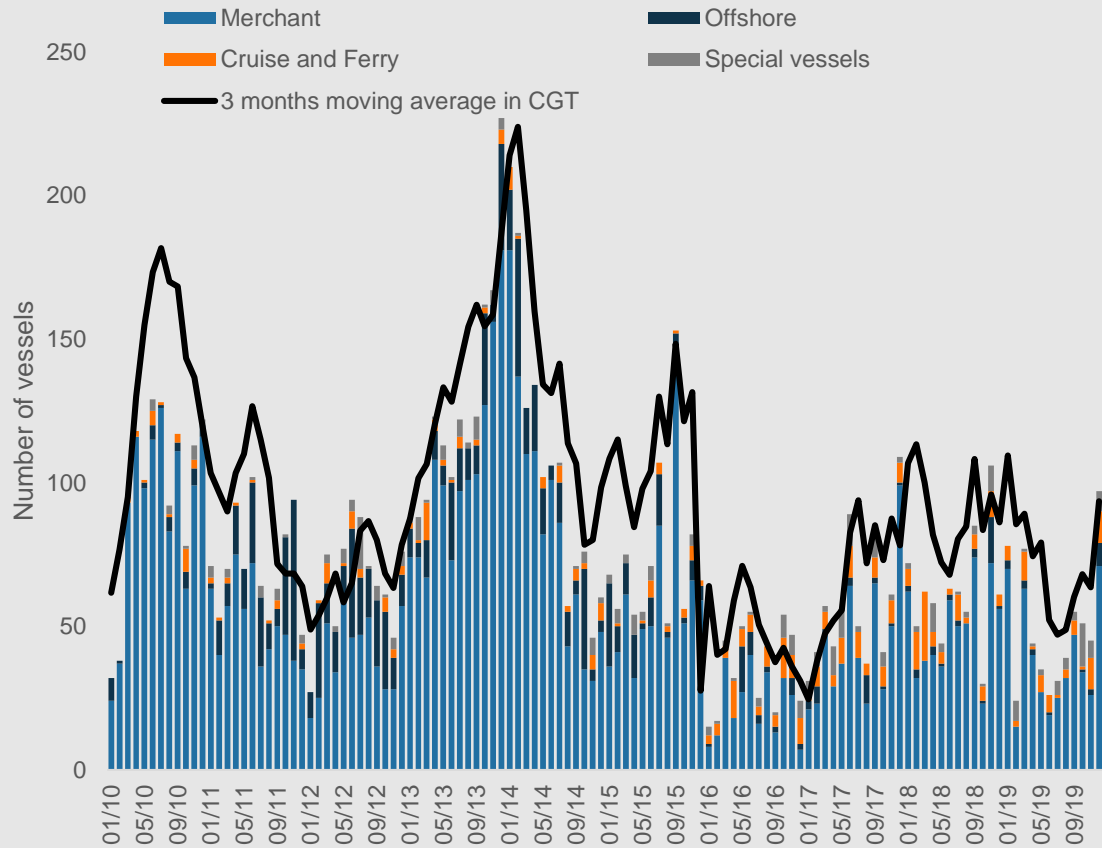
Figures for 2015-2017 have been restated to reflect the increased number of shares.

# Wärtsilä Marine Business

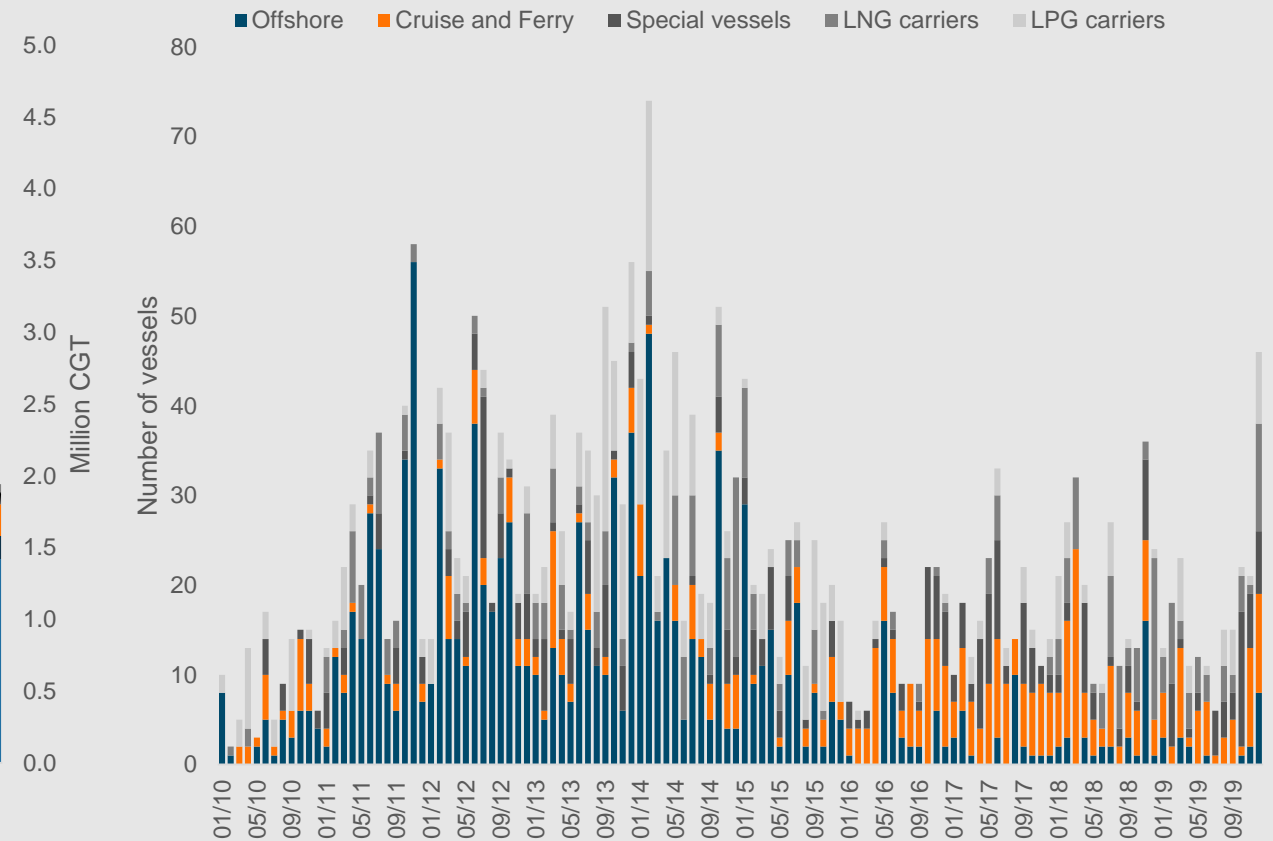


# Market sentiment still cautious – improvement in specialised vessels

## Total vessel contracting

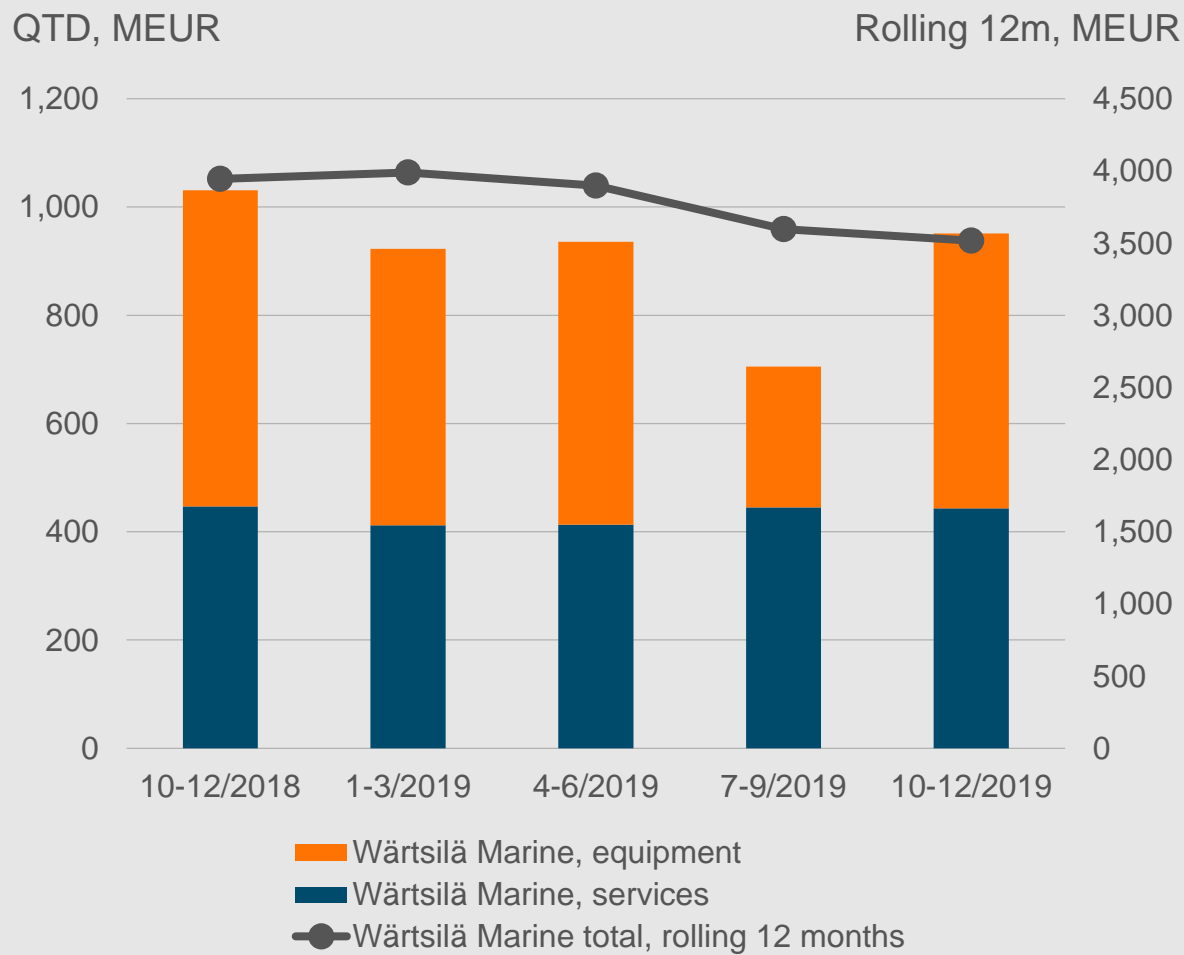


## Specialised tonnage

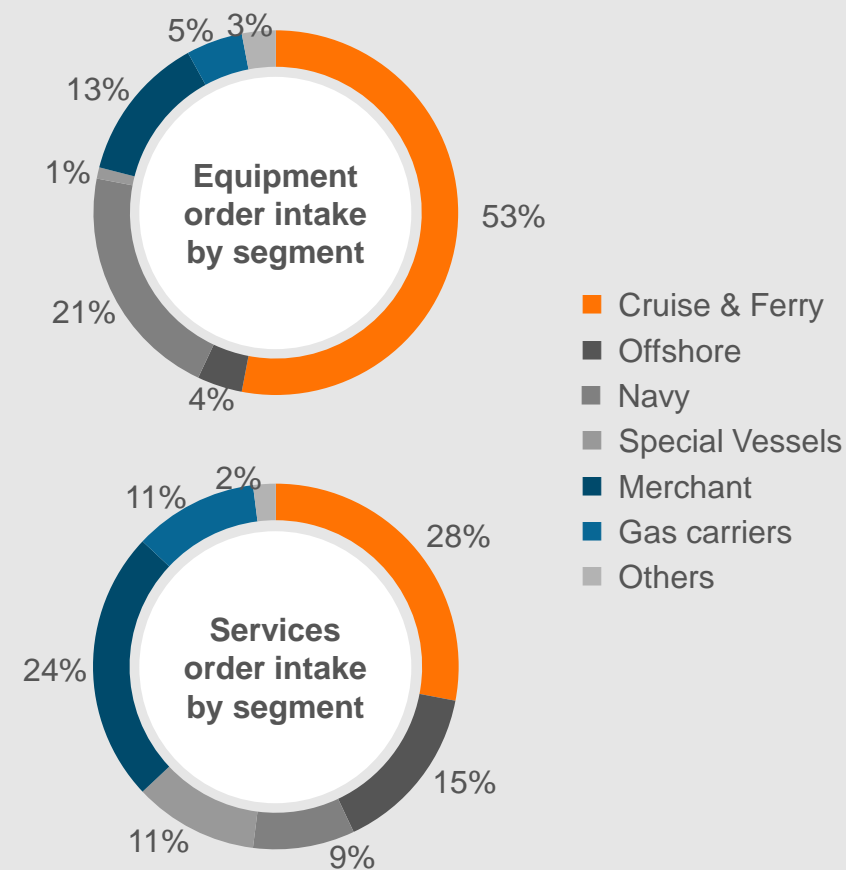


Source: Clarksons Research, contracting as per January 8th, 2020  
CGT= gross tonnage compensated with workload

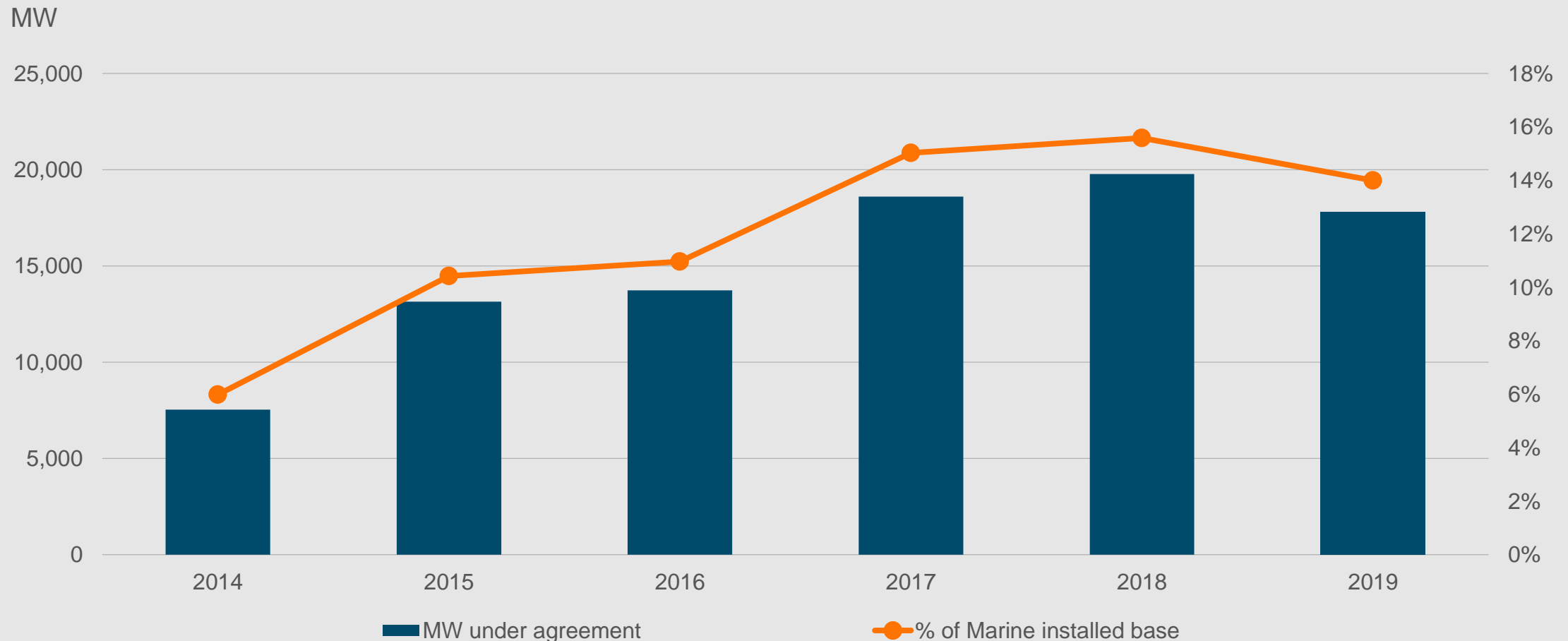
# Order intake development



## Fourth quarter development

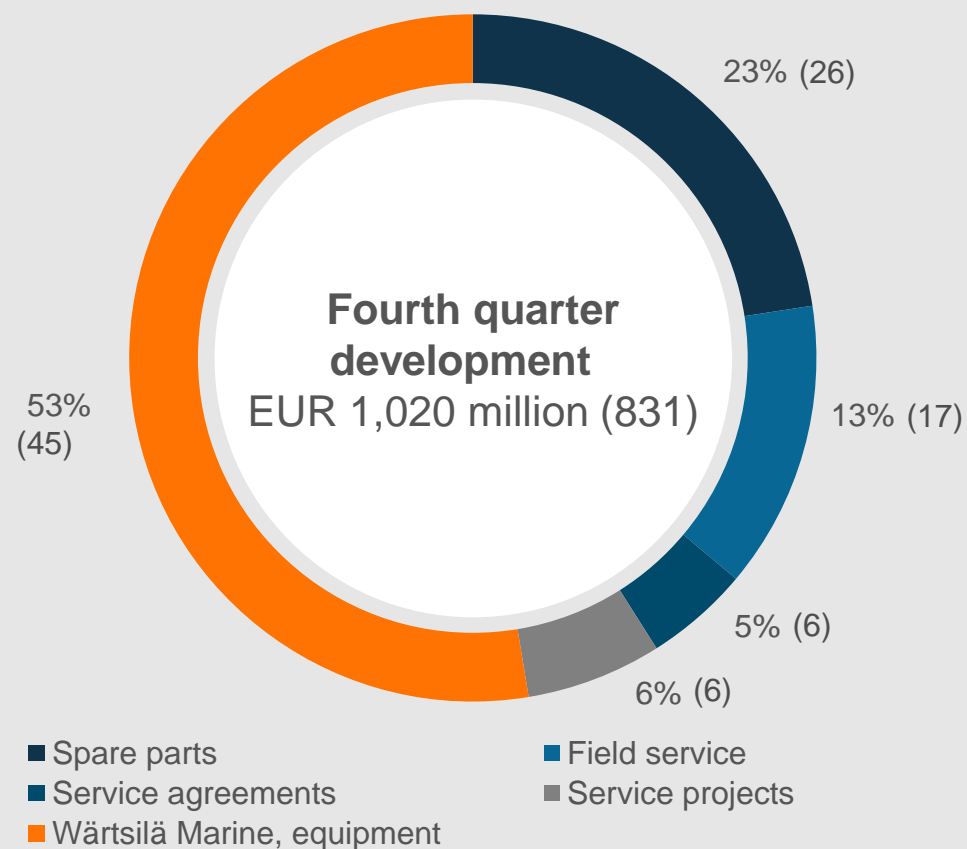
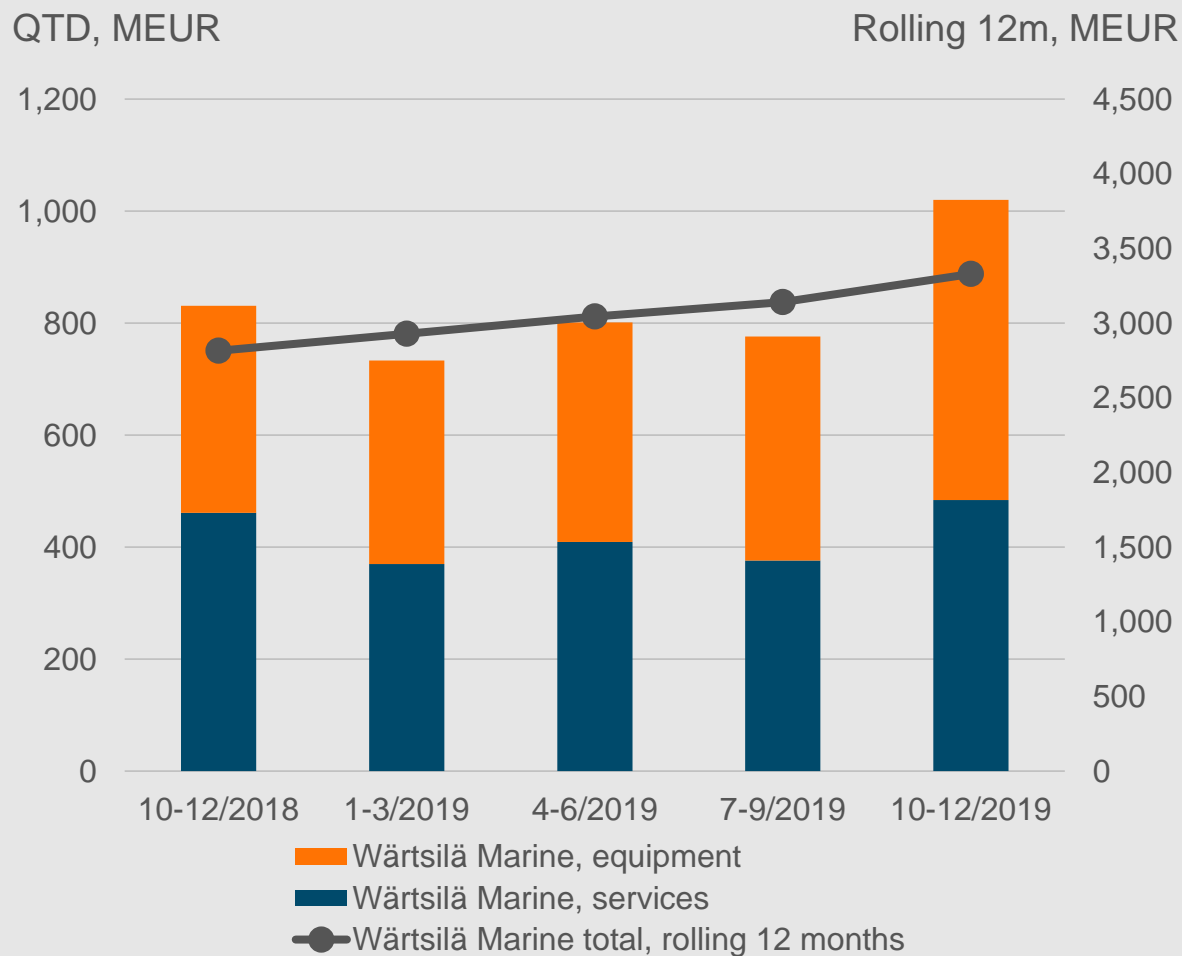


## Marine installed base covered by long-term service agreements





# Net sales development



- Wärtsilä Fleet Operations Solution (FOS) will be rolled out to Anglo-Eastern's global fleet of more than 600 vessels
- The solution integrates individual processes to optimise voyage planning, weather routing, fuel consumption, and the speed of a vessel

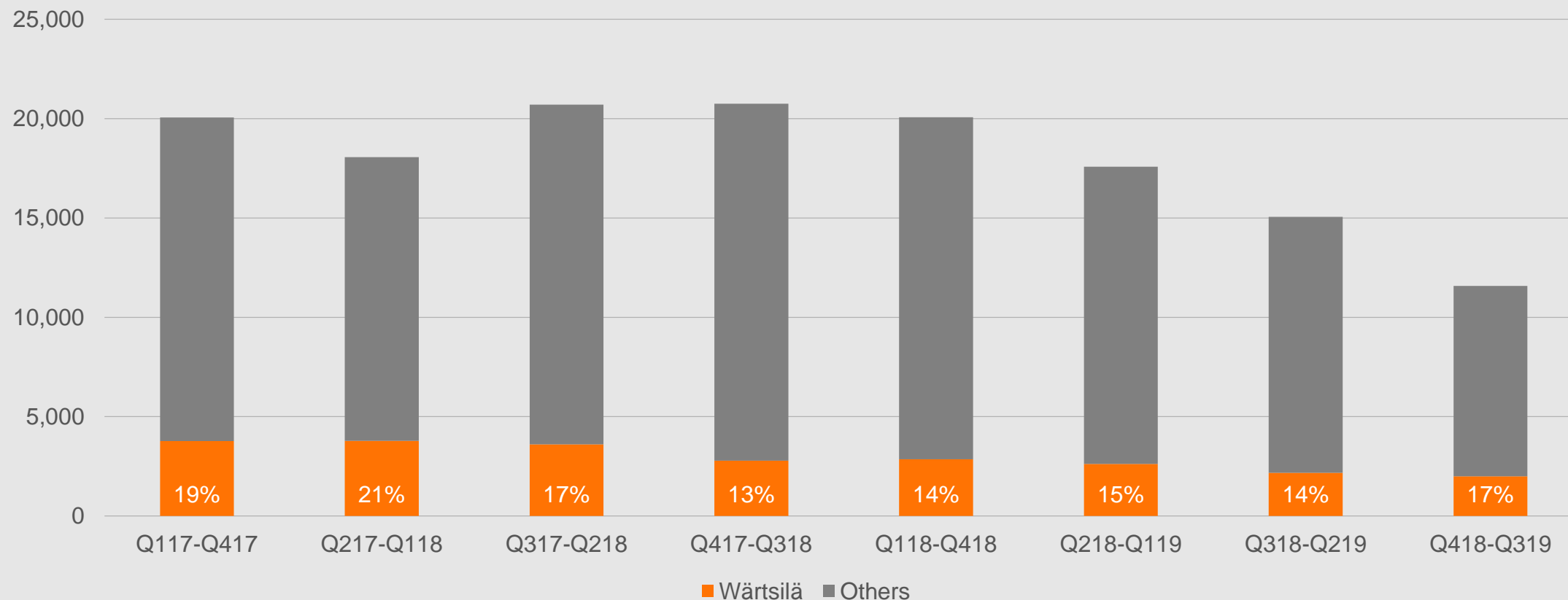




**Wärtsilä**  
**Energy Business**

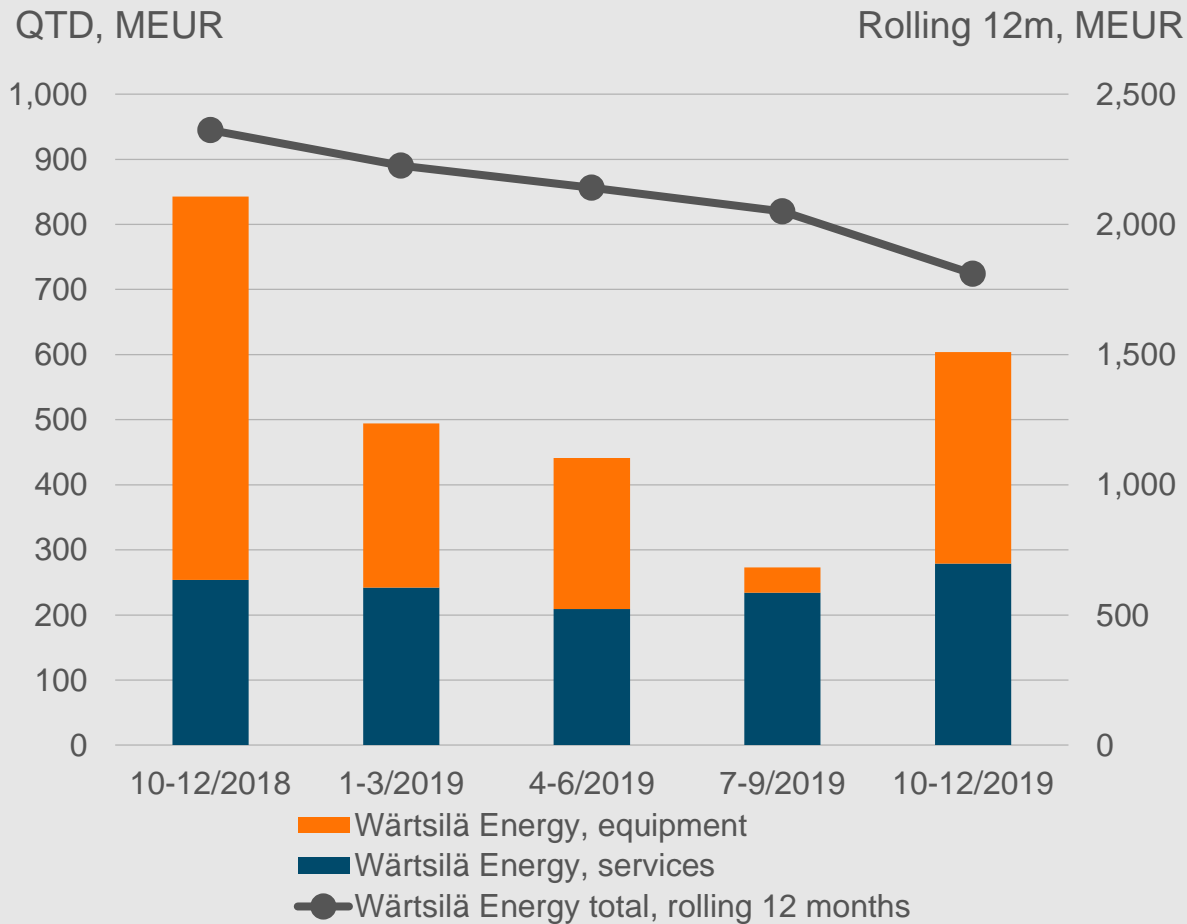
# Market for gas and liquid fuel power plants, <500 MW

Rolling 12m, MW

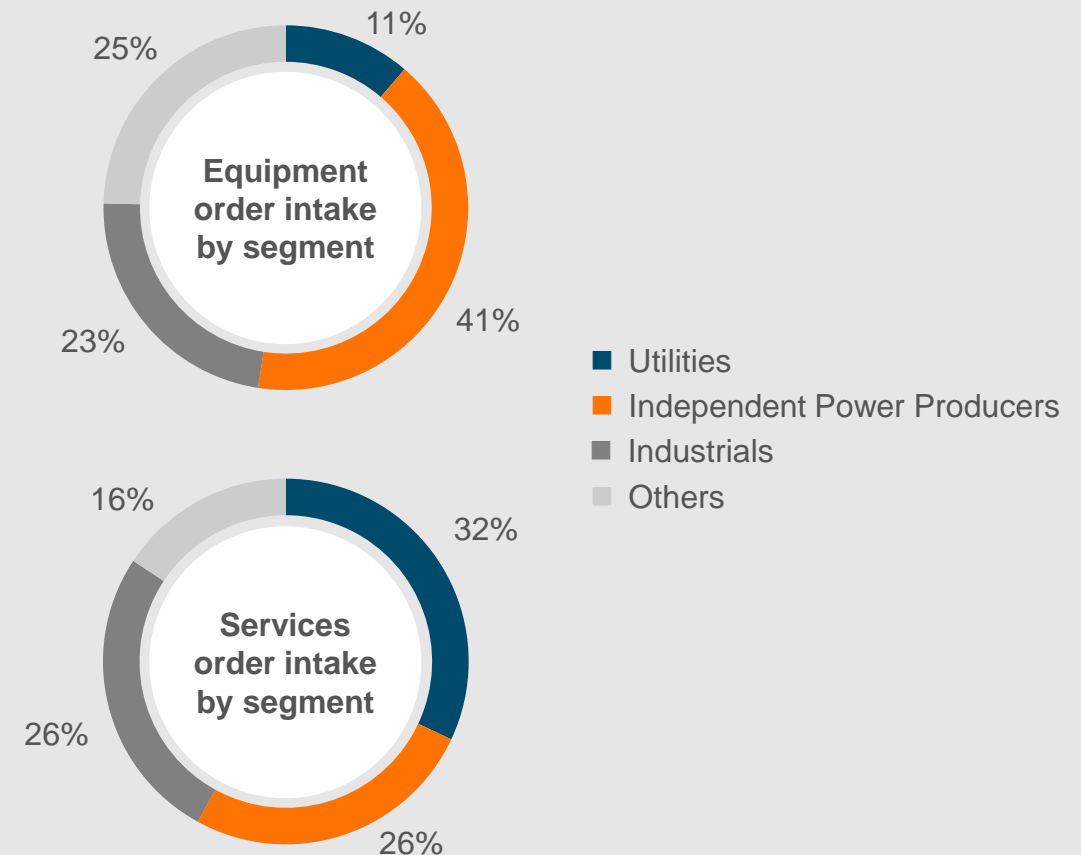


The total market, including also power plants with prime movers above 500 MW, remained stable at 43.0 GW during the twelve-month period ending in September 2019 (42.8 at the end of June). Market shares are calculated on a 12 months rolling basis. Market data includes all Wärtsilä power plants and other 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.

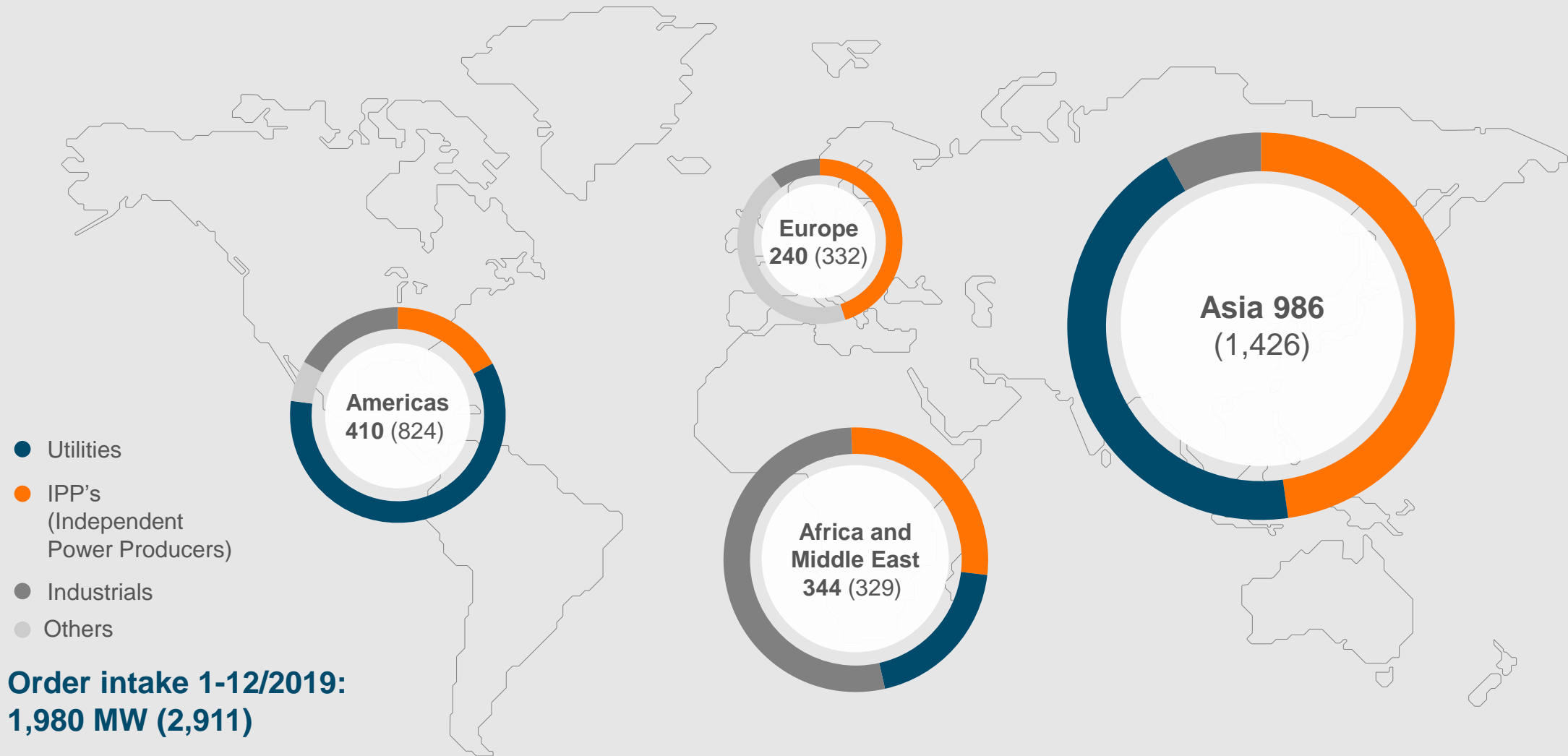
# Order intake development



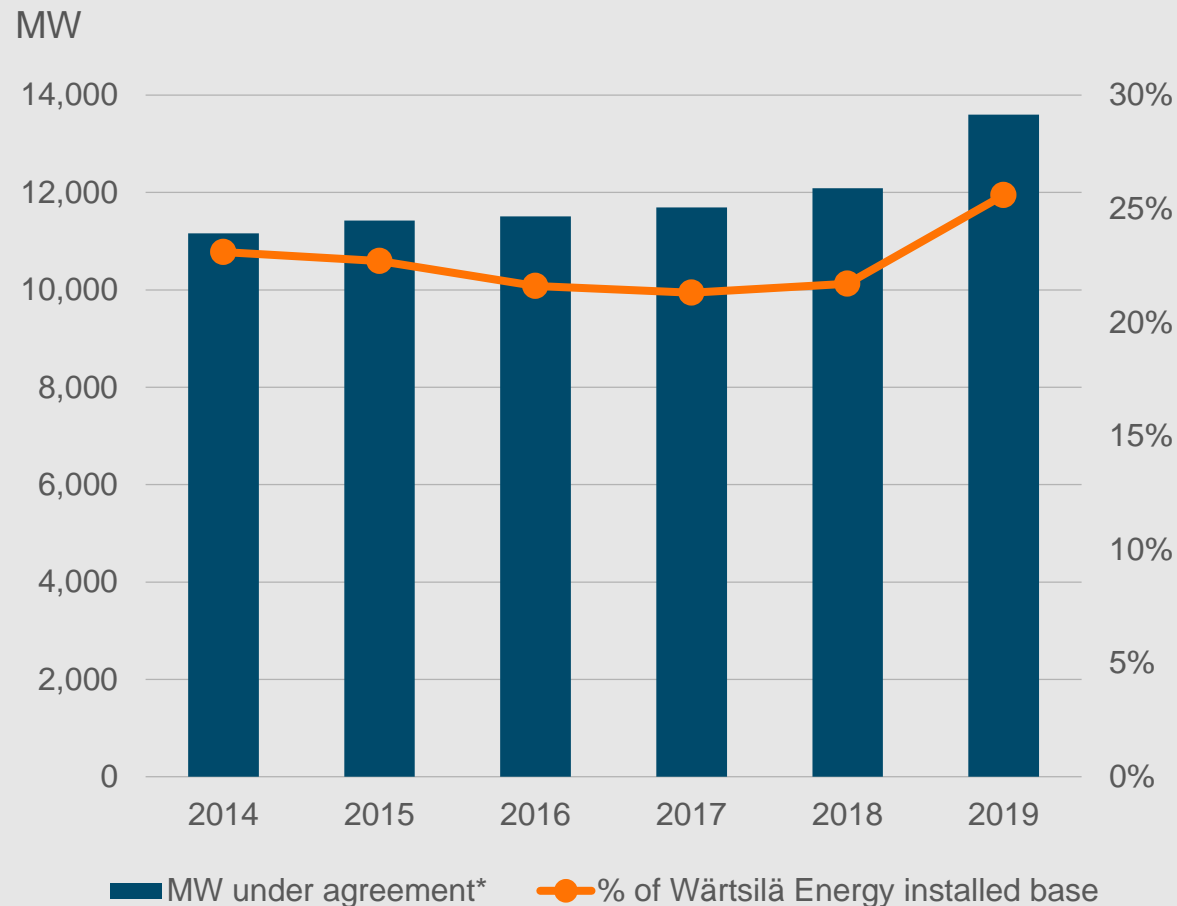
## Fourth quarter development



# Orders received for energy equipment globally



## Energy installed base covered by long-term service agreements

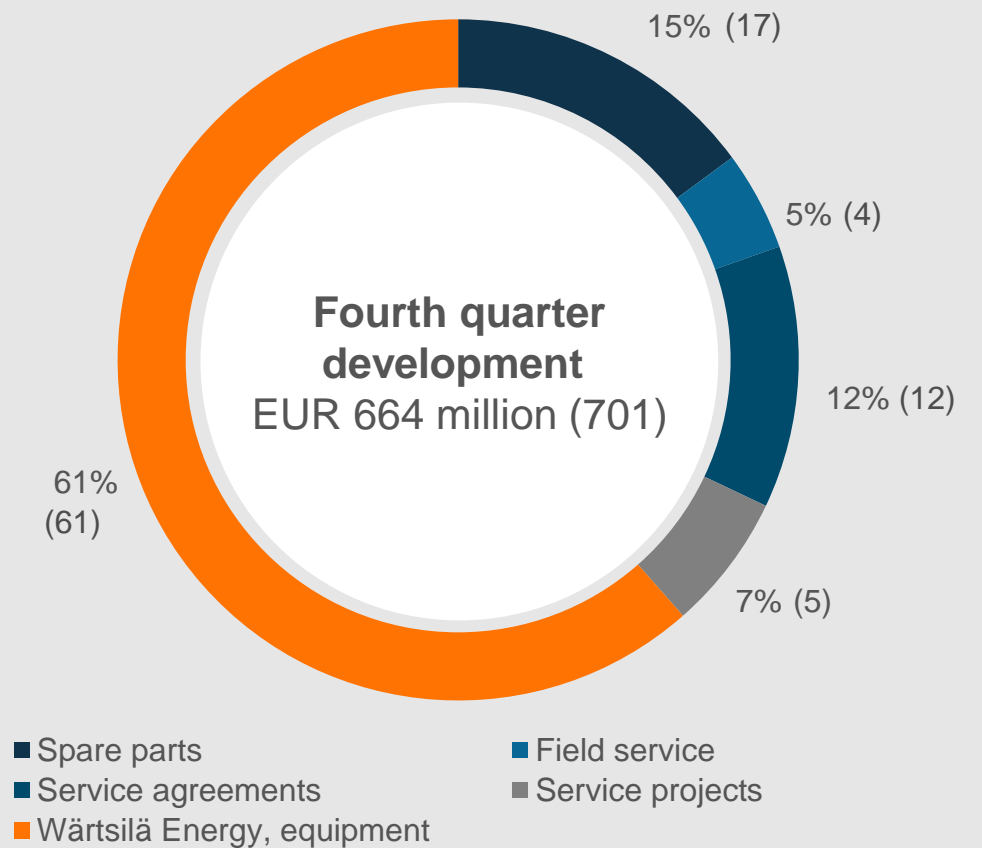
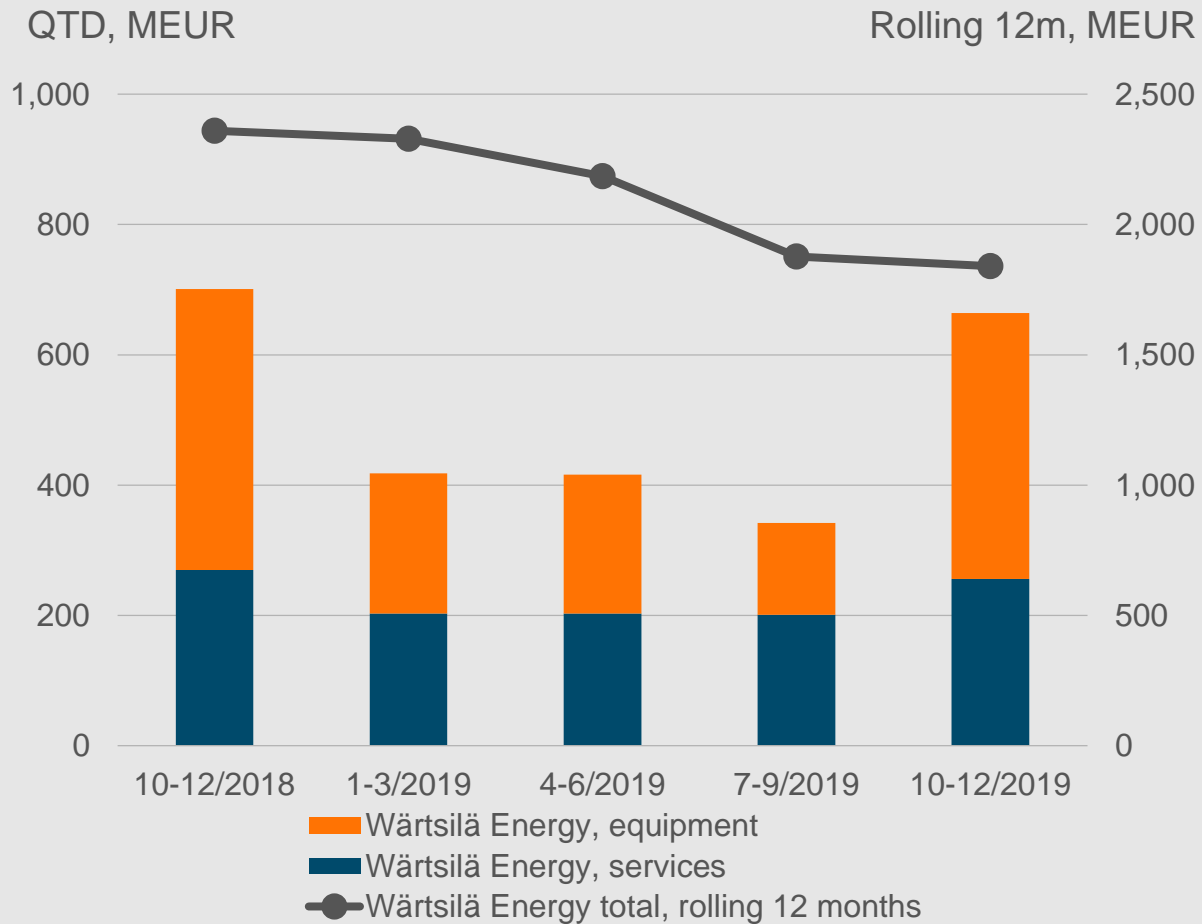


### Wärtsilä signed a spare parts supply agreement in the Dominican Republic

- The service agreement covers all three Wärtsilä power plants owned and/or operated by EGE Haina, which total approx. 400 MW in installed capacity
- The agreement will allow accurate predictability of spare part and maintenance costs

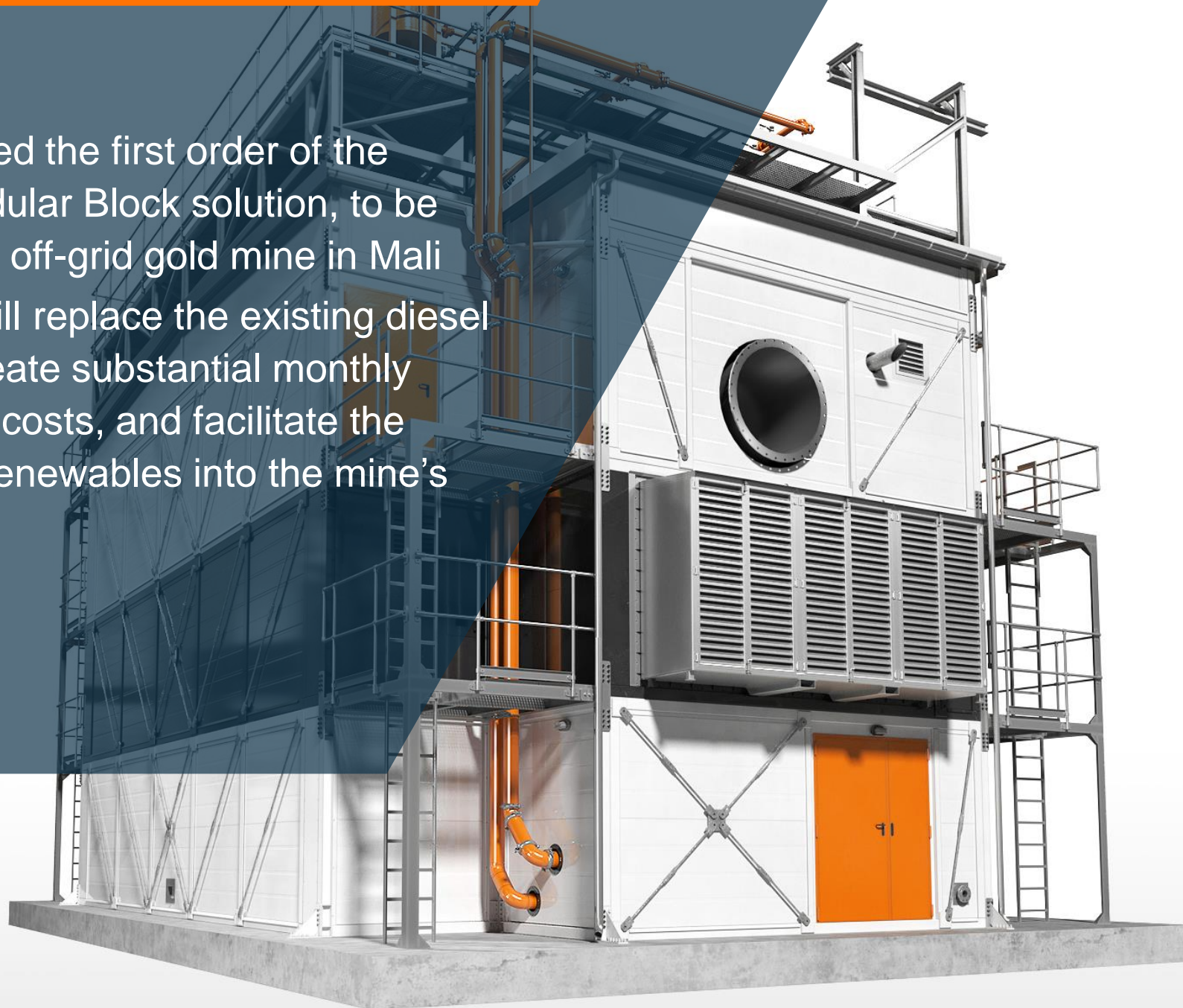
\*Includes agreements covering both installed assets and assets to be installed in the future

# Net sales development





- Wärtsilä secured the first order of the innovative Modular Block solution, to be delivered to an off-grid gold mine in Mali
- The solution will replace the existing diesel generators, create substantial monthly savings in fuel costs, and facilitate the integration of renewables into the mine's energy system



The demand for Wärtsilä's services and solutions in 2020 is expected to be somewhat below that of 2019.

Demand by business area is anticipated to be as follows:

- Soft in Wärtsilä Marine Business
- Soft in Wärtsilä Energy Business



THANK YOU



WÄRTSILÄ

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