



# WÄRTSILÄ CORPORATION

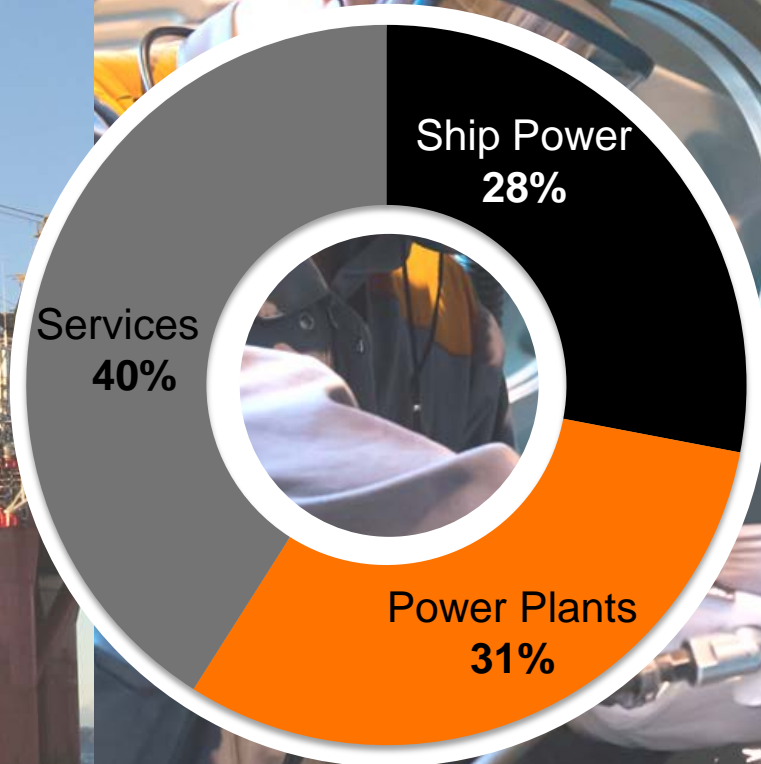
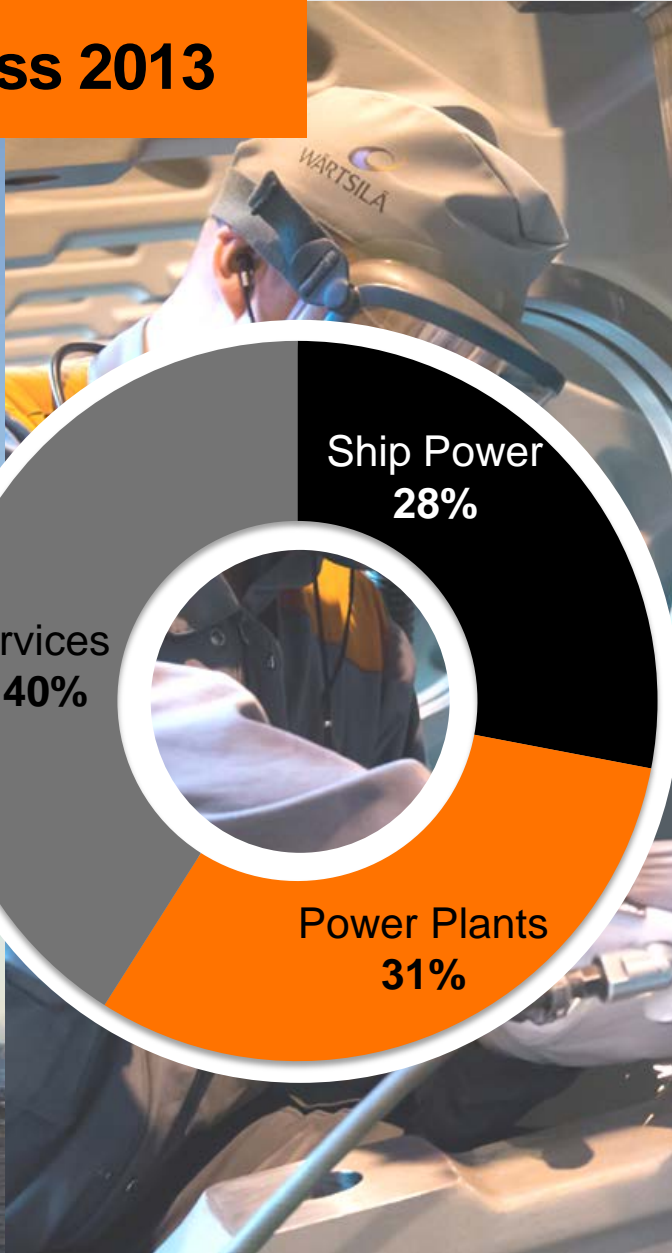
## BANK OF AMERICA MERRILL LYNCH GLOBAL INDUSTRIALS CONFERENCE 2014

**18 MARCH 2014**

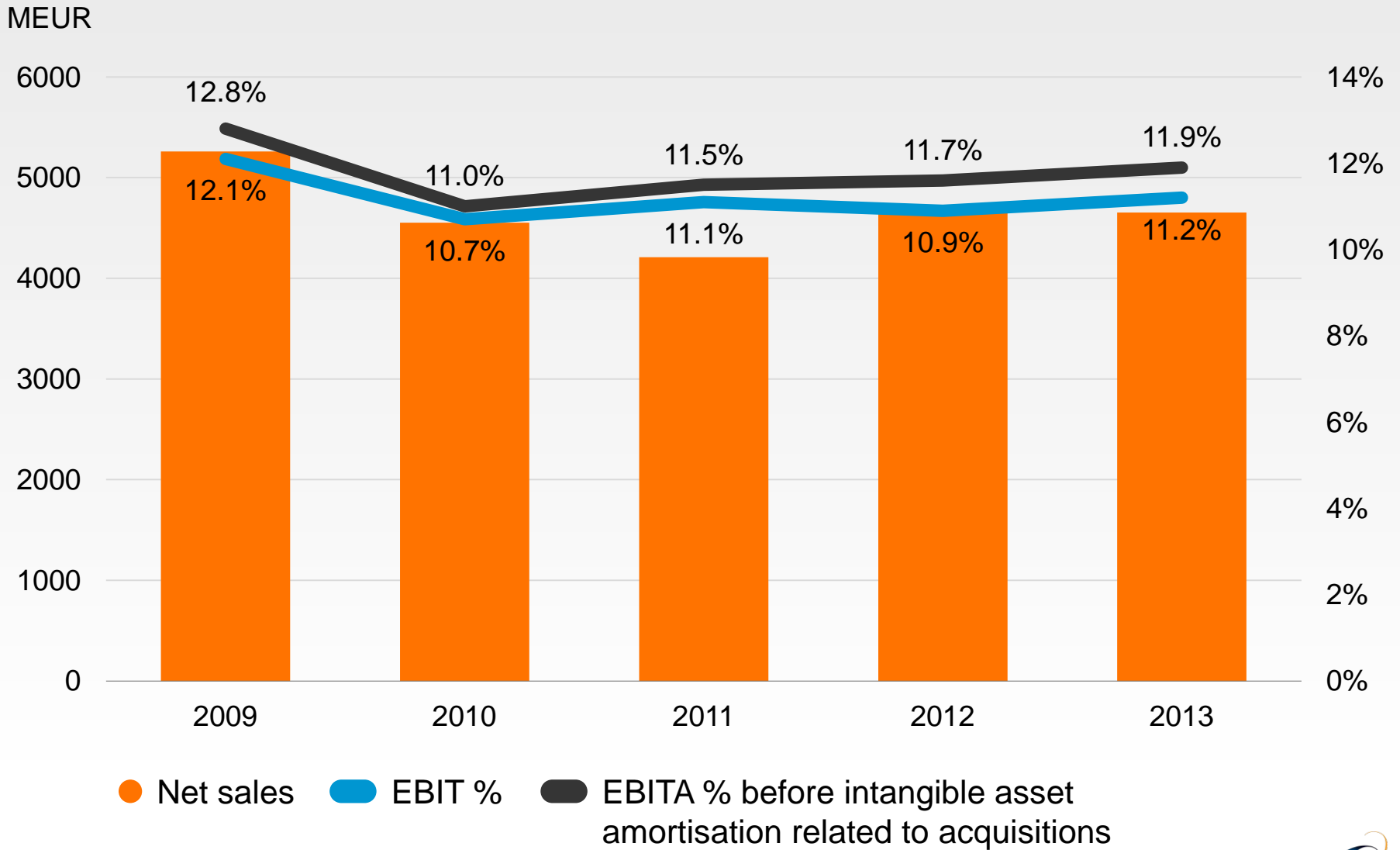
Björn Rosengren,  
President & CEO



# Net sales by business 2013

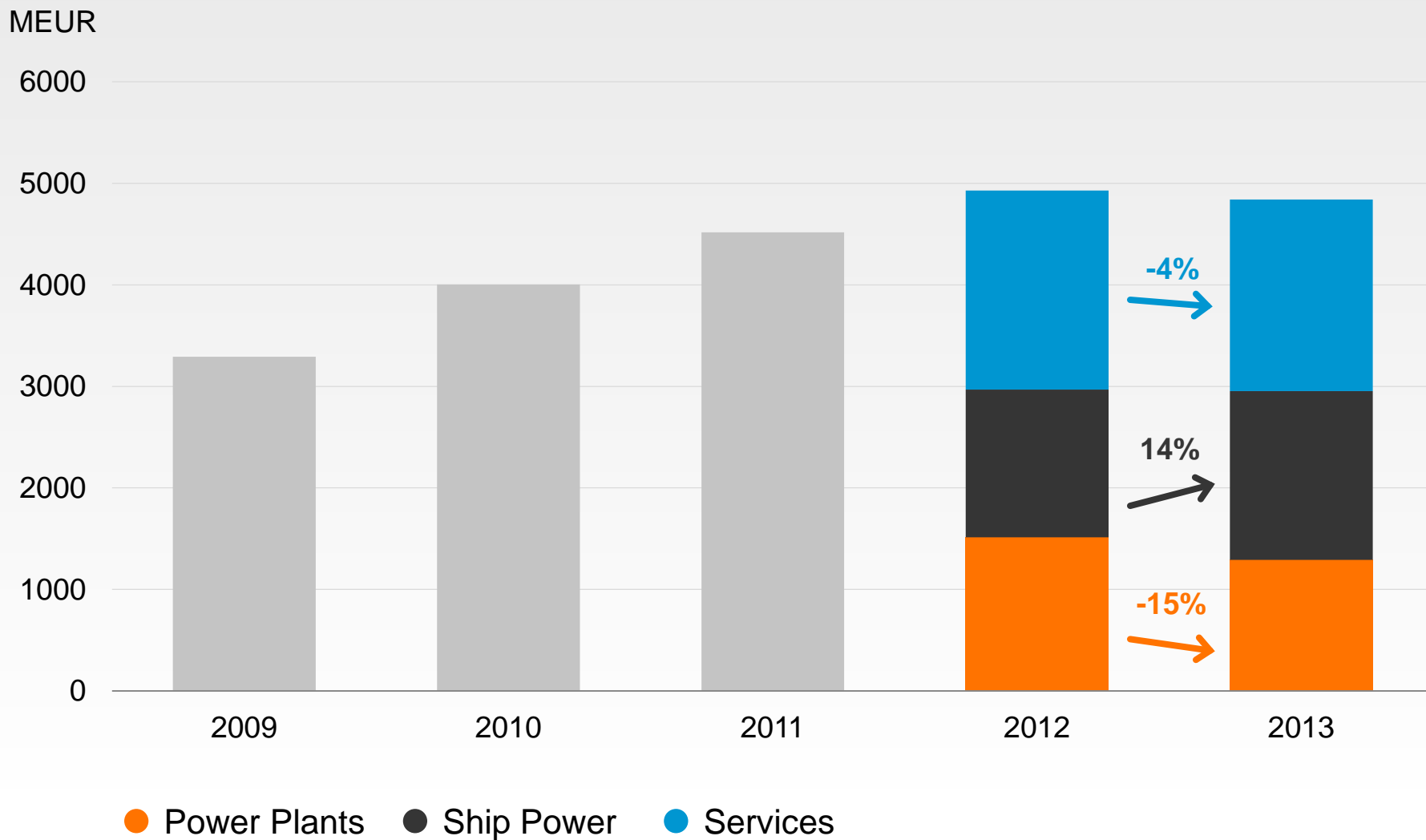


# Profitability developed well

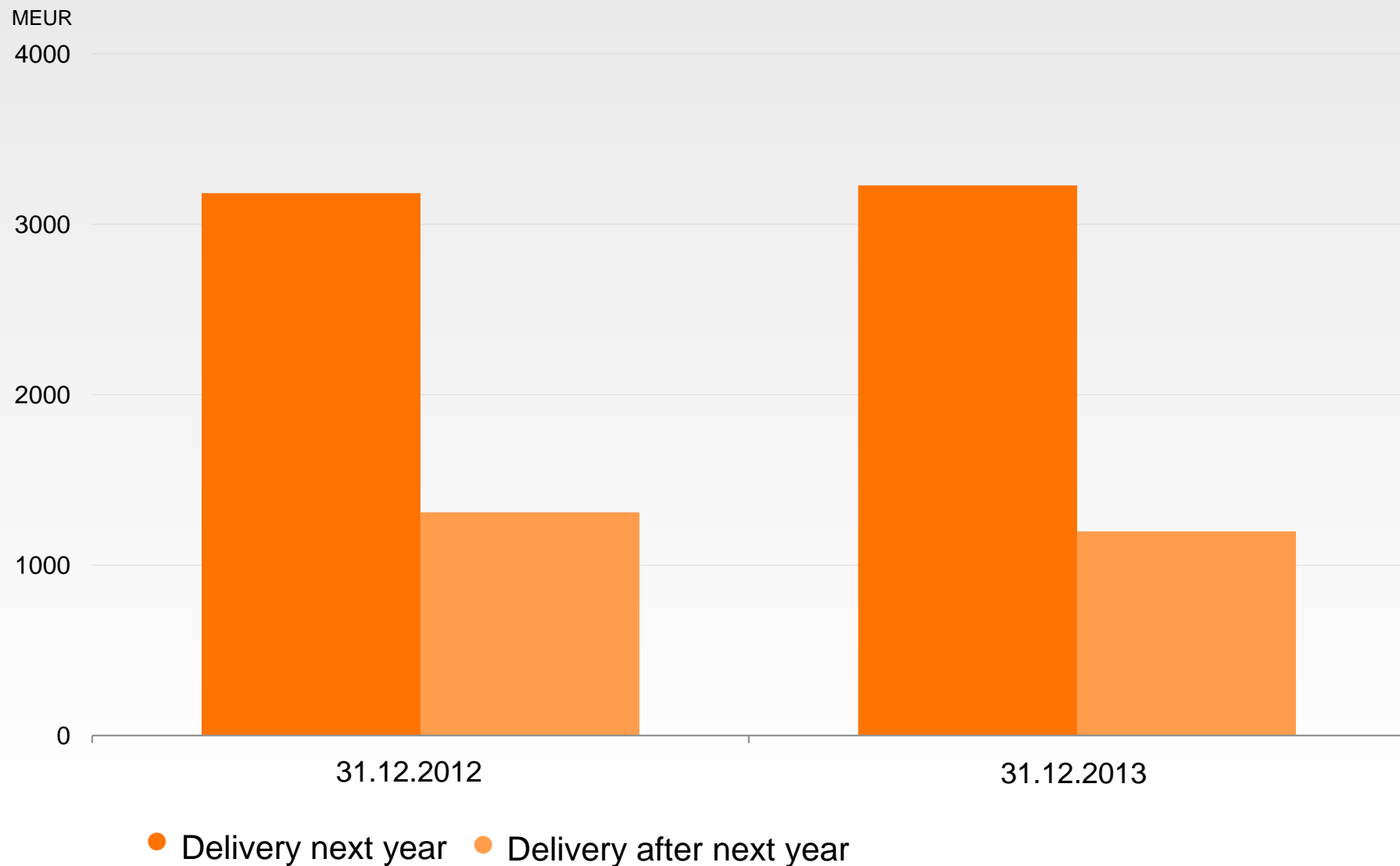


Figures shown before nonrecurring restructuring items

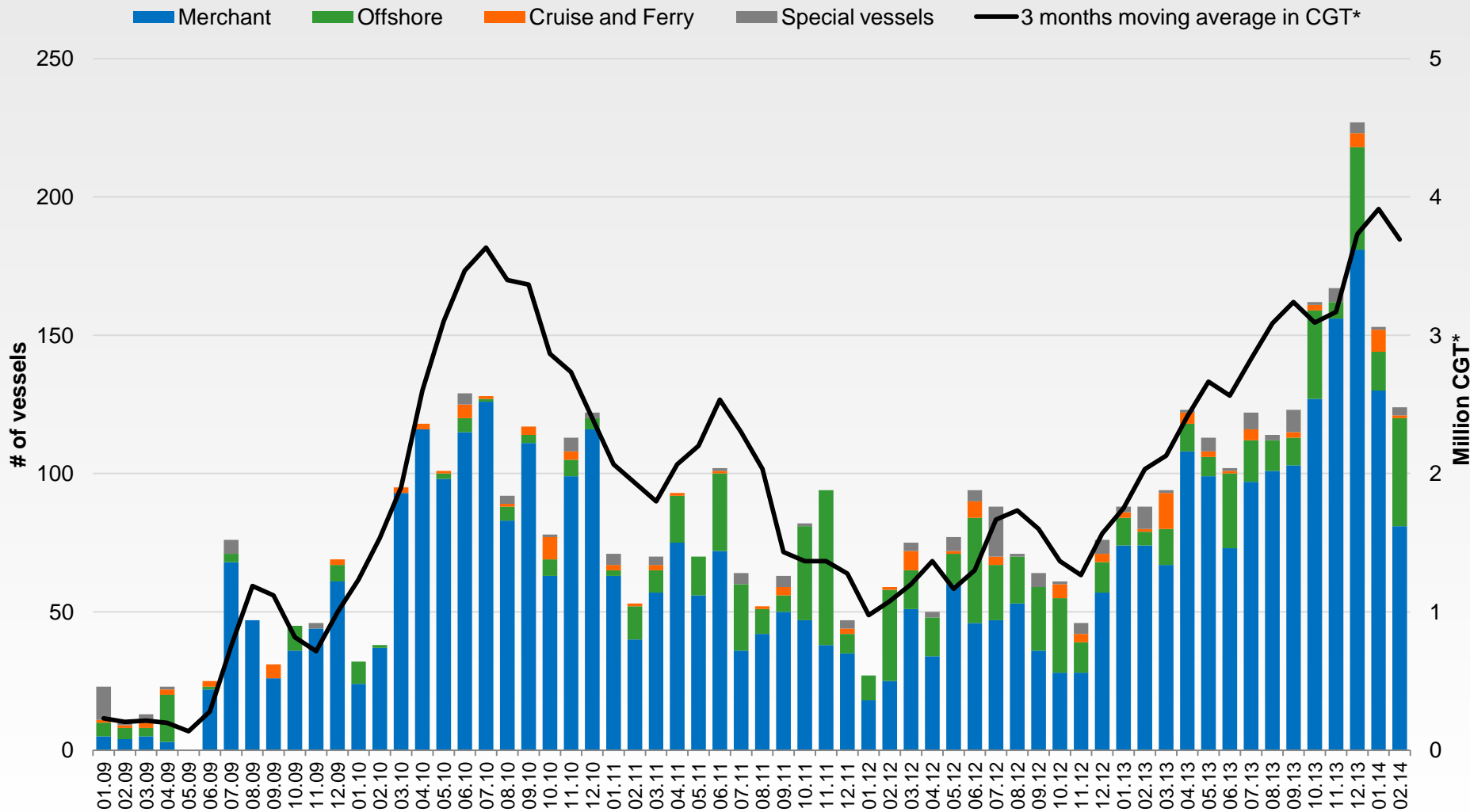
# Order intake reflects market situation



# Order book distribution



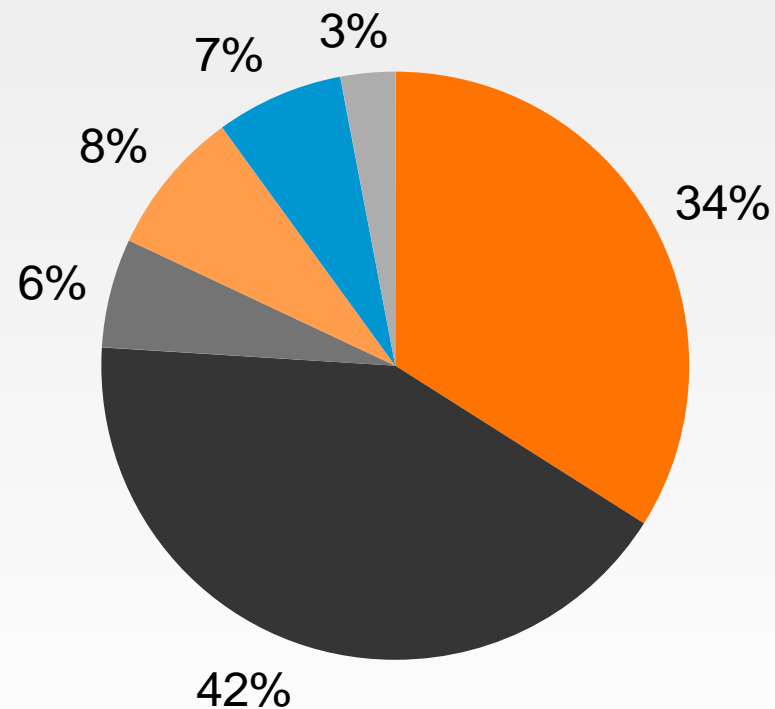
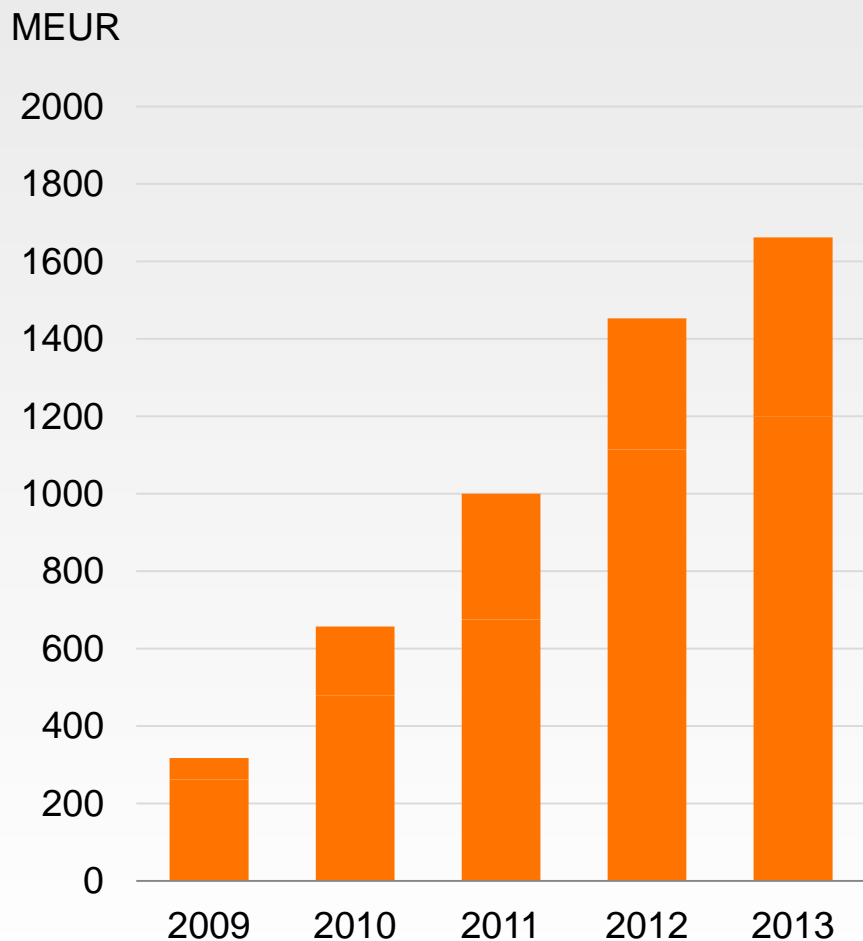
# Vessel contracting remains active



Source: Clarkson Research Services

\* CGT= gross tonnage compensated with workload

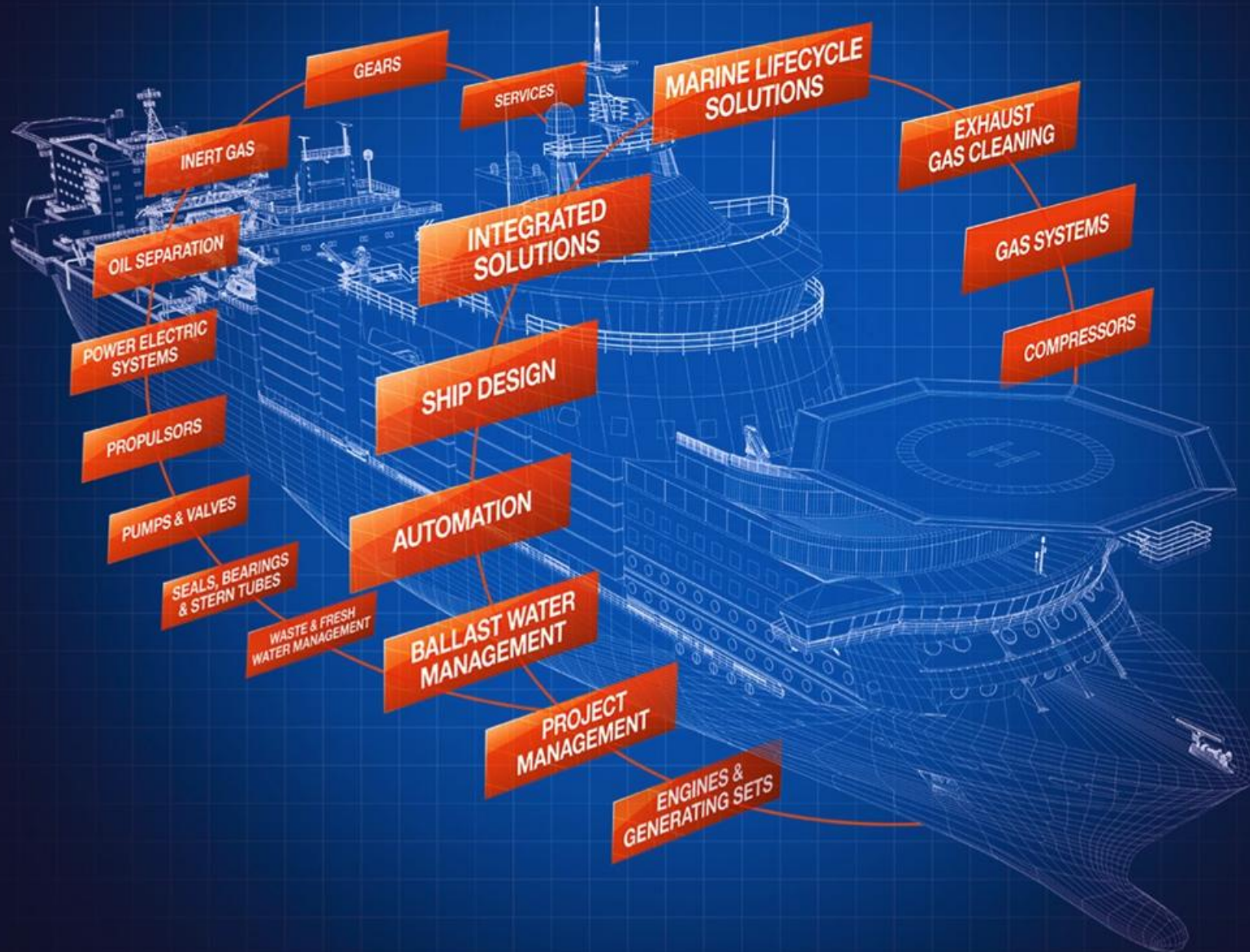
# Growth in Ship Power order intake



- Merchant
- Offshore
- Navy
- Cruise and ferry
- Special vessels
- Other

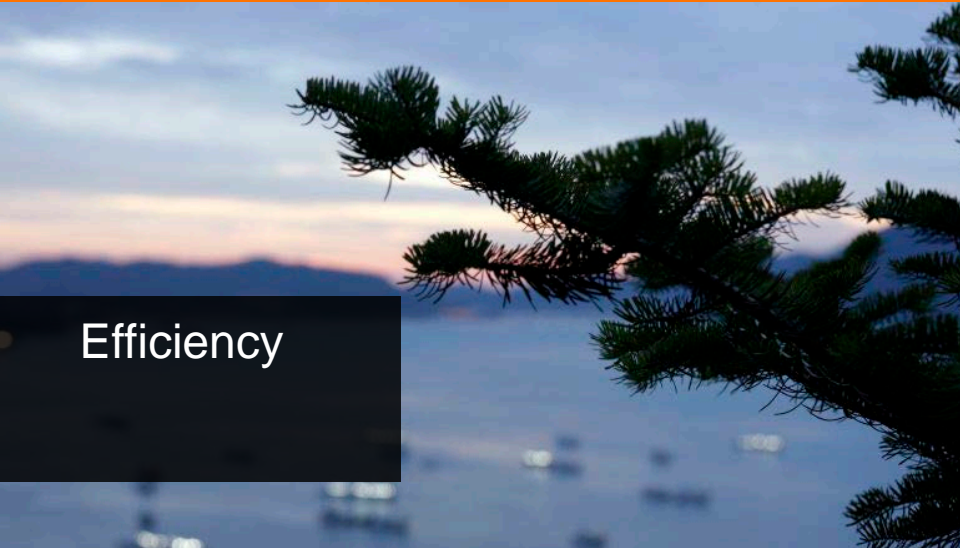


# The most complete marine offering






# Ship Power focus areas




Efficiency



Gas and dual-fuel solutions



Offshore market



Environmental solutions

# Continued interest in gas engines and systems



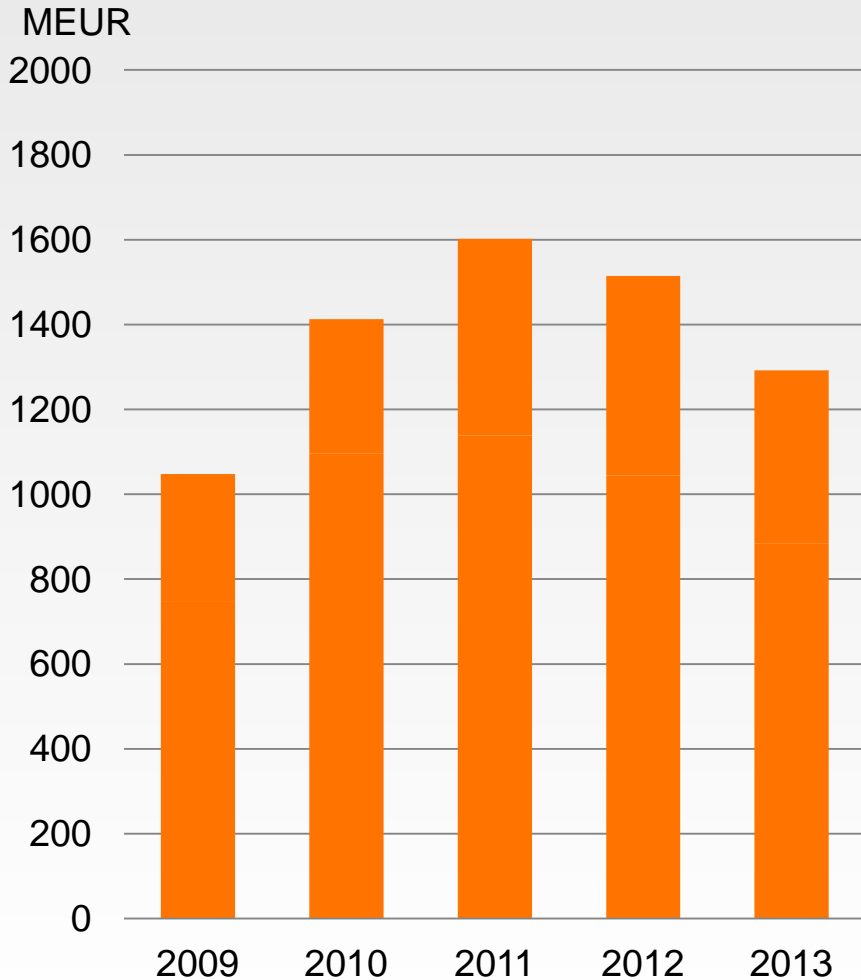


# Power generation markets challenging

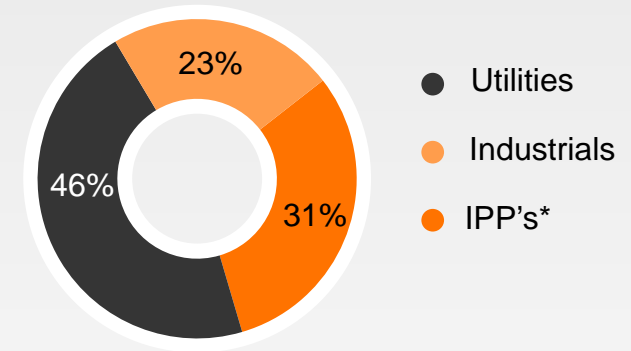
## Electricity consumption growth vs. GDP growth



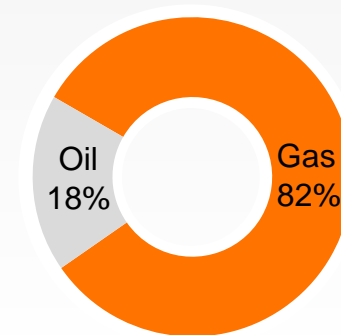
# Power Plants order intake by customer segment



**Review period development**  
Total EUR 1,292 million (1,515)



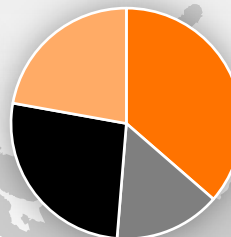
**Review period order intake by fuel in MW**



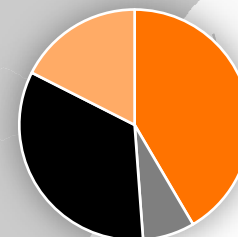
\*IPP = Independent Power Producer

# Power Plants installed base

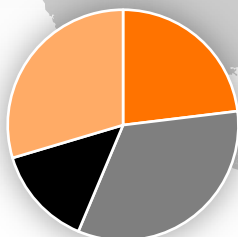
**Europe:**  
Output: 12.5 GW



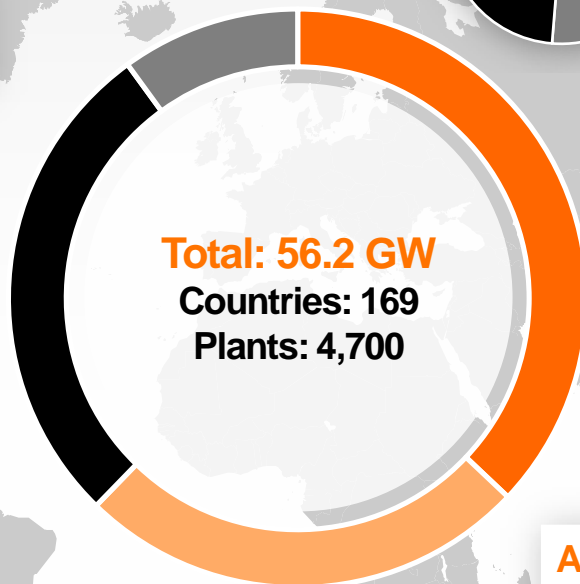
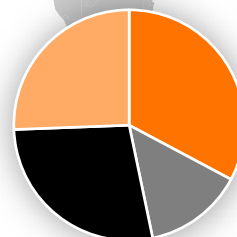
**Asia:**  
Output: 19.8 GW



**Americas:**  
Output: 11.7 GW



**Africa & Middle East:**  
Output: 12.5 GW

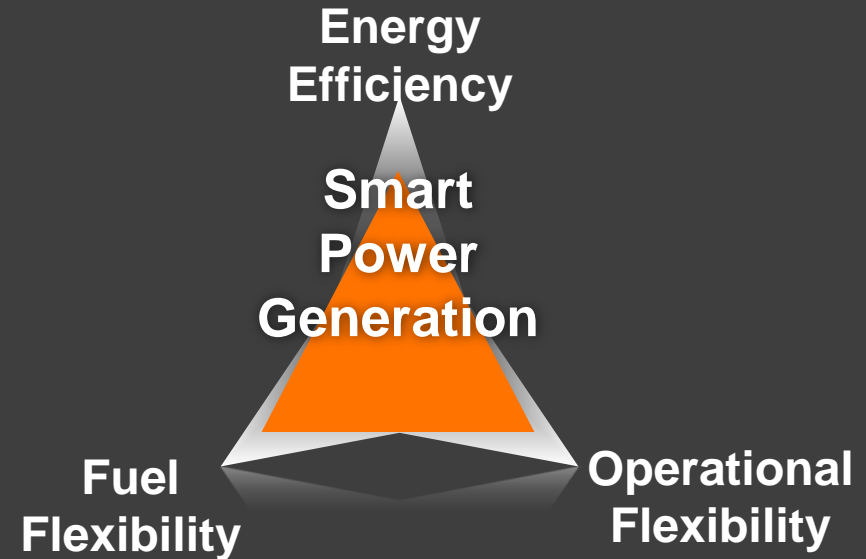


- Utilities
- IPP:s
- Industry
- Others

\* December 2013

# Power Plants' strategic focus

- Maintain market leader position in flexible baseload and industrial self-generation in the growing emerging markets
- Grow in the large utility gas power plant markets
- Actively influence the regulatory environment to enable capacity investments

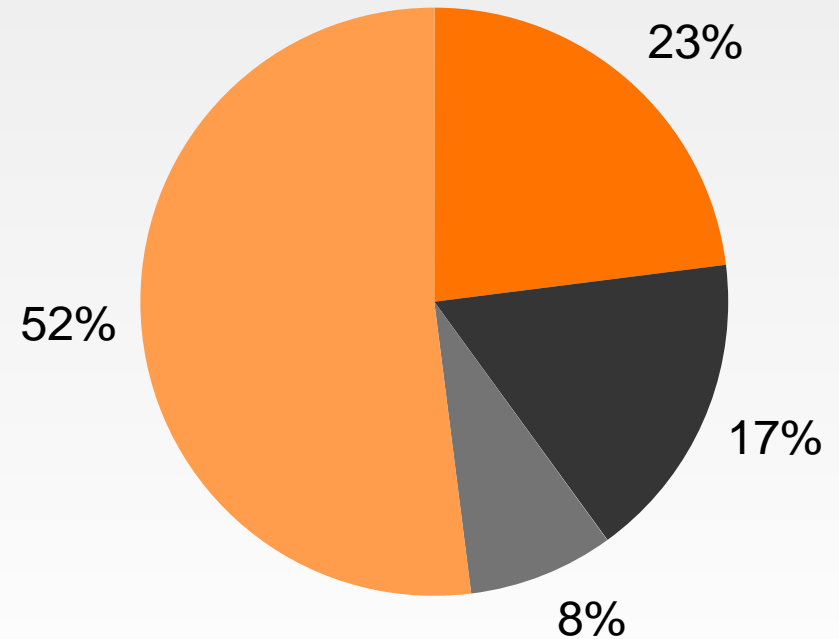
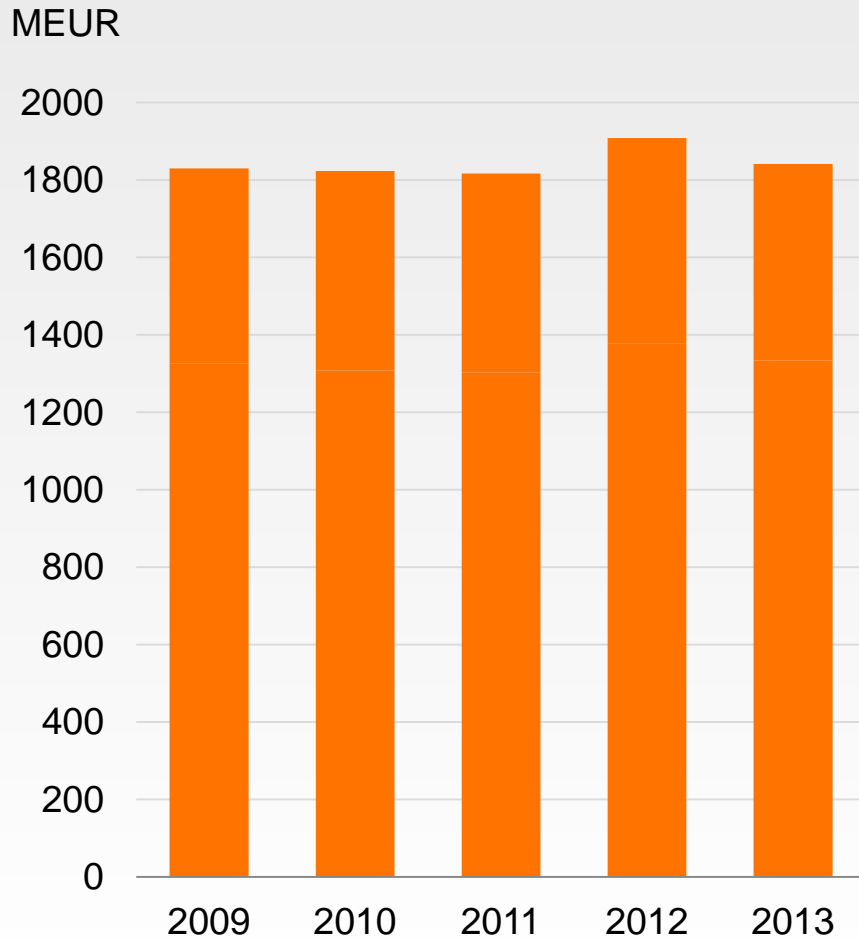




A 3D architectural rendering of a medium-scale LNG infrastructure project. The scene is set on a waterfront with a large body of water. In the foreground, a blue LNG tanker ship is docked at a pier, with the word 'LNG' visible on its side. To the left, another ship is docked at a different pier, with several red and blue containers stacked on the deck. In the background, a large industrial facility is visible, featuring several white cylindrical storage tanks and a complex network of pipes and structures. A road with several red cars leads from the facility towards the water. To the right, a large white cylindrical storage tank is prominently displayed, with the 'Mangal LNG' and 'WARTSILA' logos on its side. A wind turbine is visible in the distance, situated on a small island or peninsula. The overall scene is a detailed representation of a modern LNG processing and storage facility.

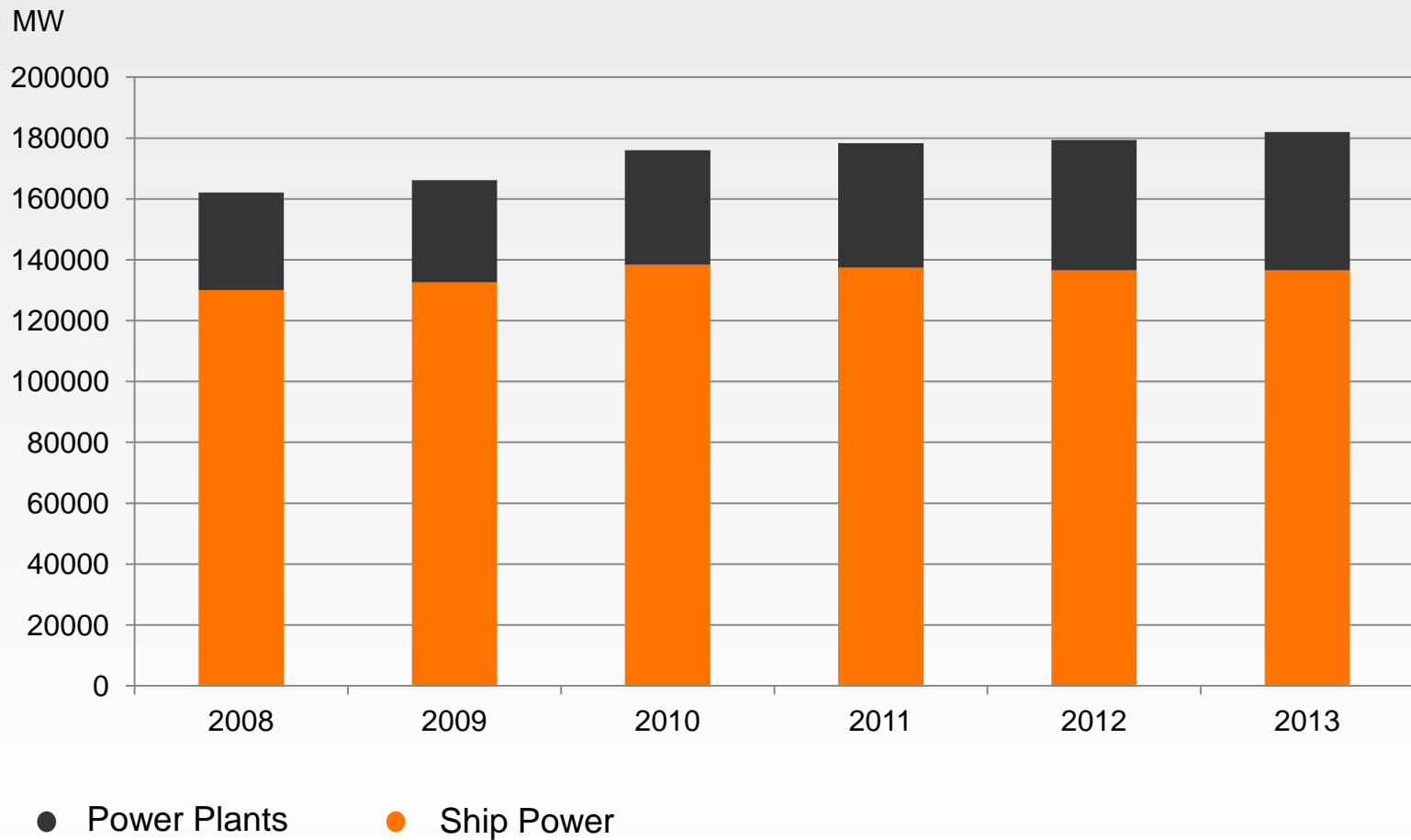
# Developing medium-scale LNG infrastructure

# Service markets remain stable

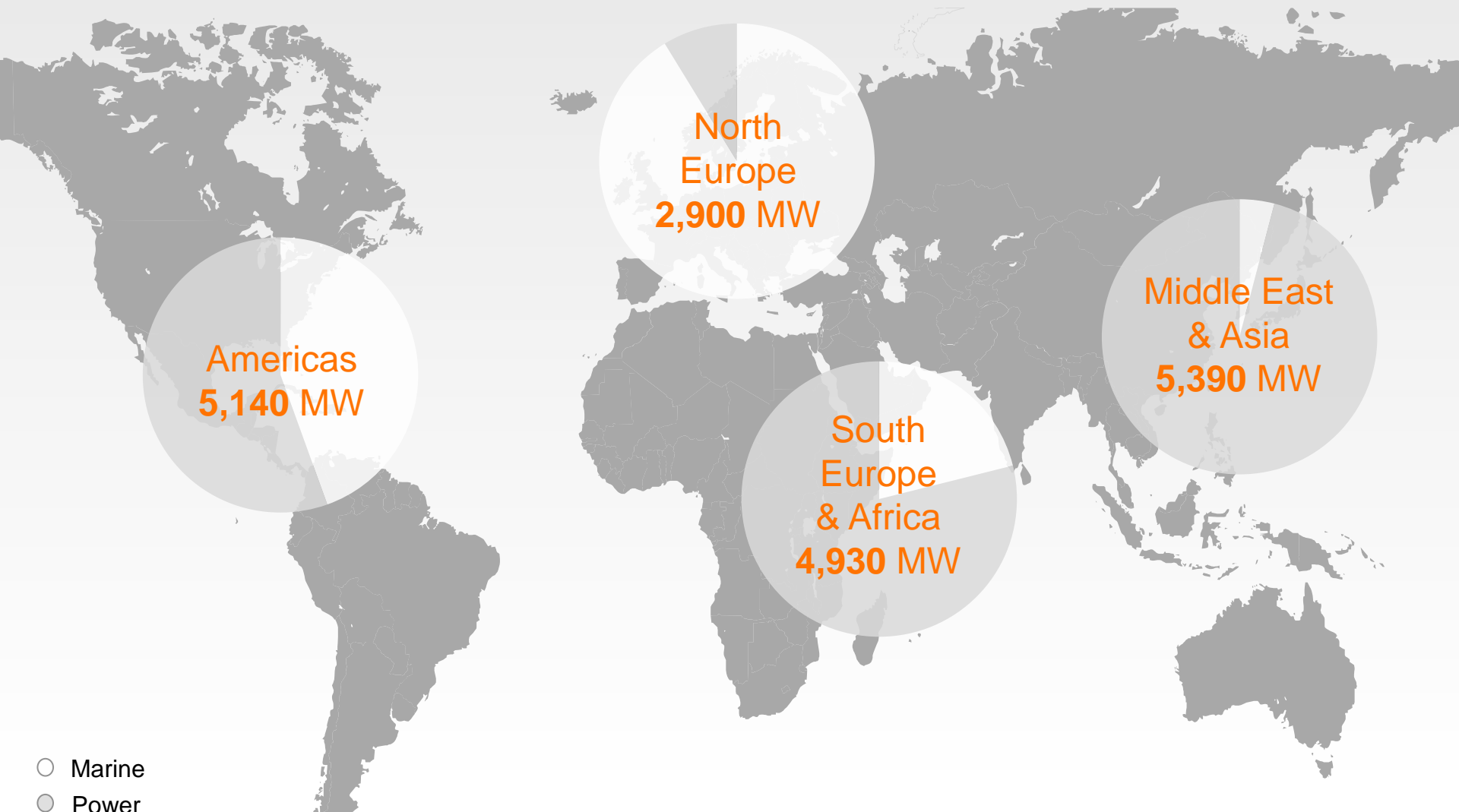


- Field service
- Spare parts
- Contracts
- Projects

# Development of installed engine base



# Wärtsilä's service agreements around the world



- Marine
- Power

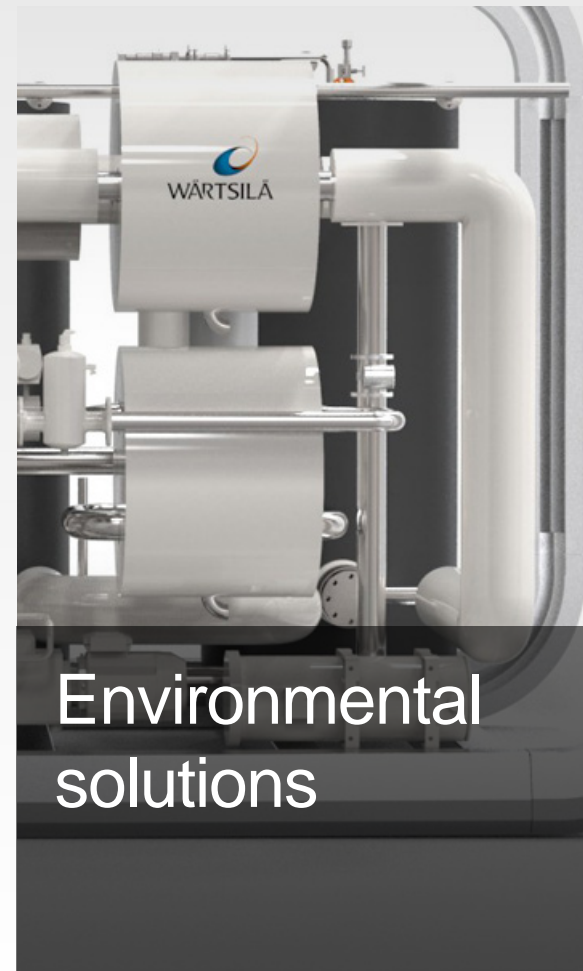
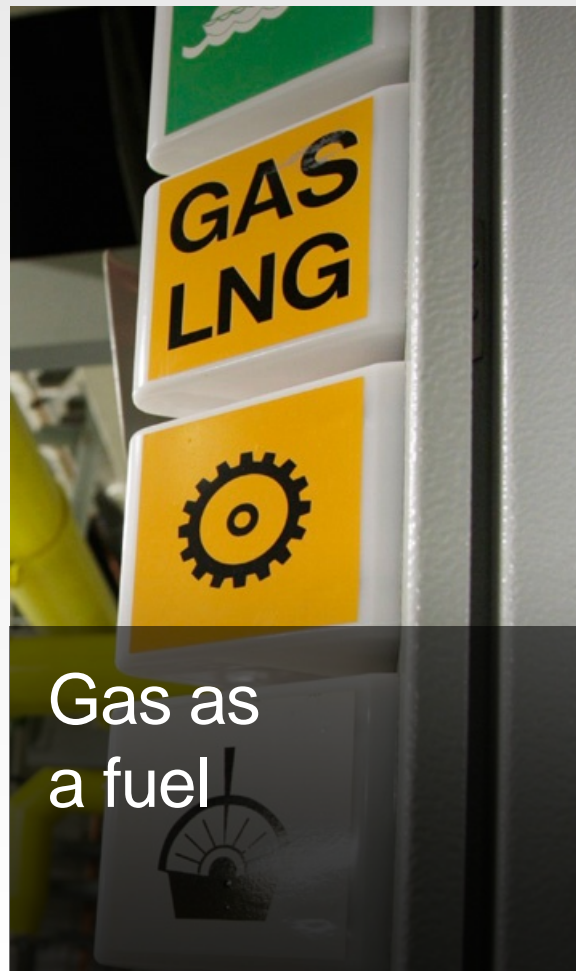
70 countries, 160 locations, 11,000 service professionals



Installed base  
**182,000 MW**

**Wärtsilä Services' global network**  
Widest range of offering and expertise

# Positioned for growth even in challenging markets

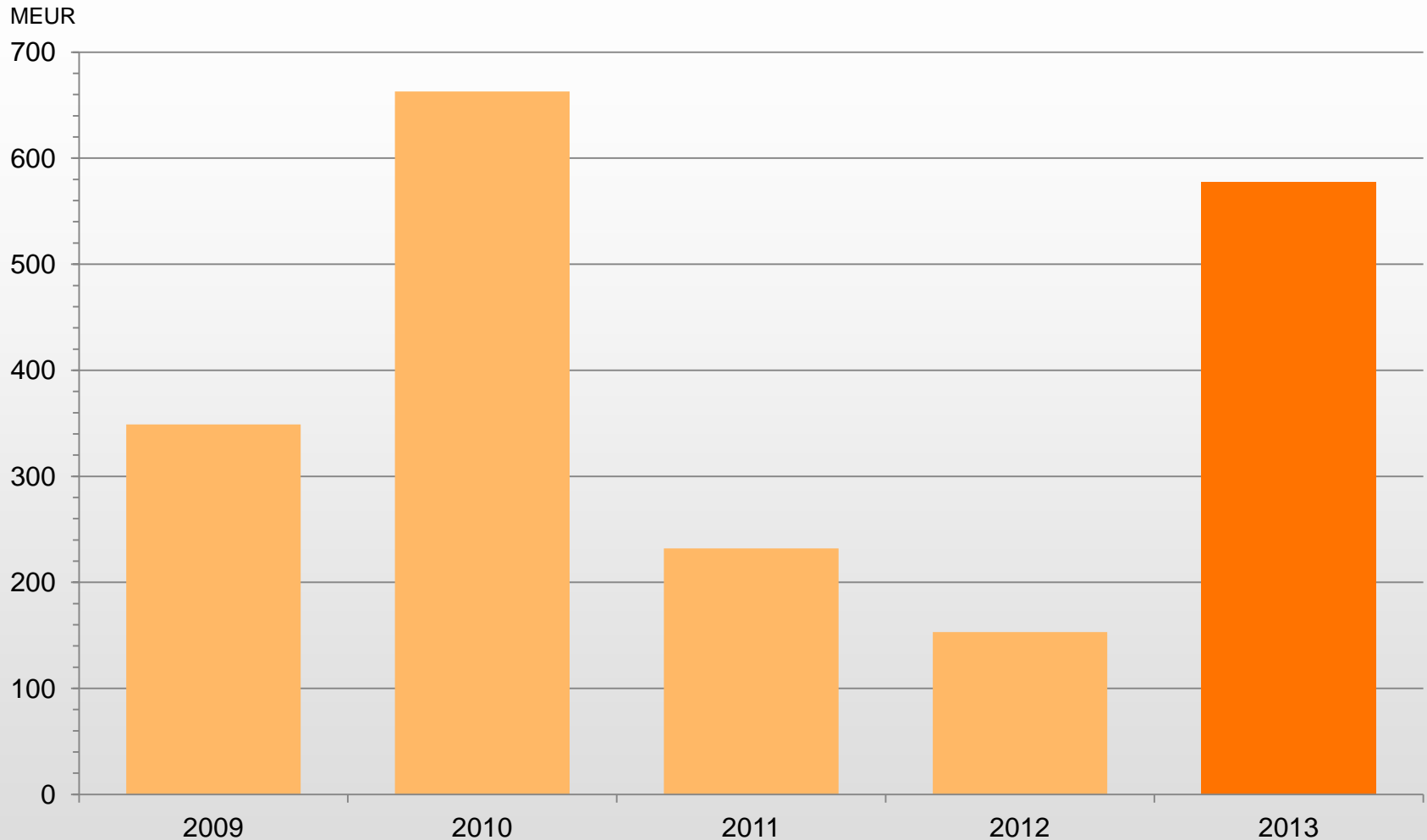




A large industrial vessel, possibly a ship or offshore platform, is shown under construction in a dry dock. The vessel's hull is a light brown color and dominates the left side of the frame. To the right, a dark grey structure, likely part of the vessel's superstructure or a dock building, is visible. The ground is dark and appears to be a concrete or steel surface. The sky is a clear, pale blue. A semi-transparent orange horizontal band is overlaid across the middle of the image, containing the text "Solid financial standing" in a bold, black, sans-serif font. The overall scene is industrial and suggests a large-scale engineering project.

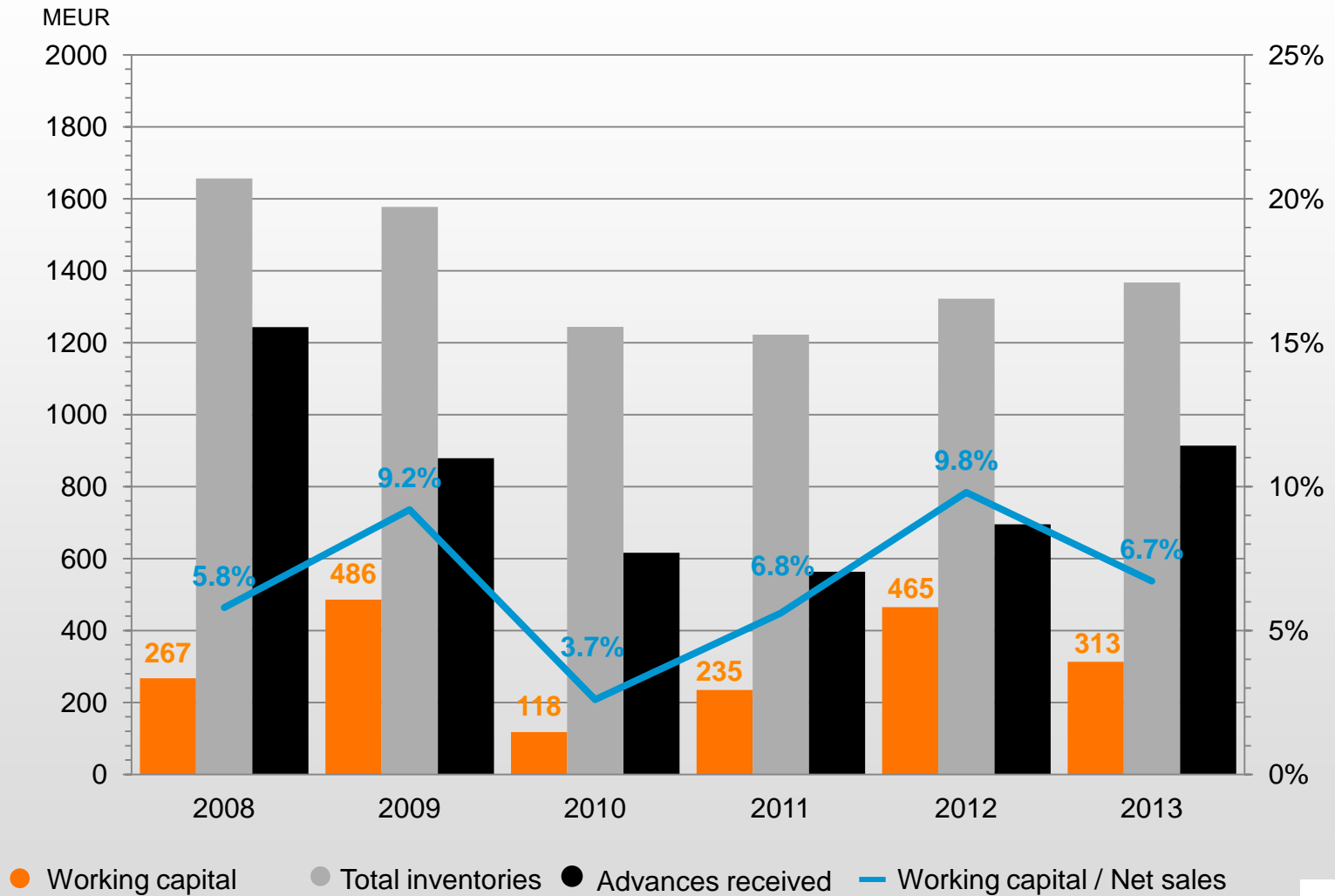
# **Solid financial standing**

# Strong development in cash flow from operating activities



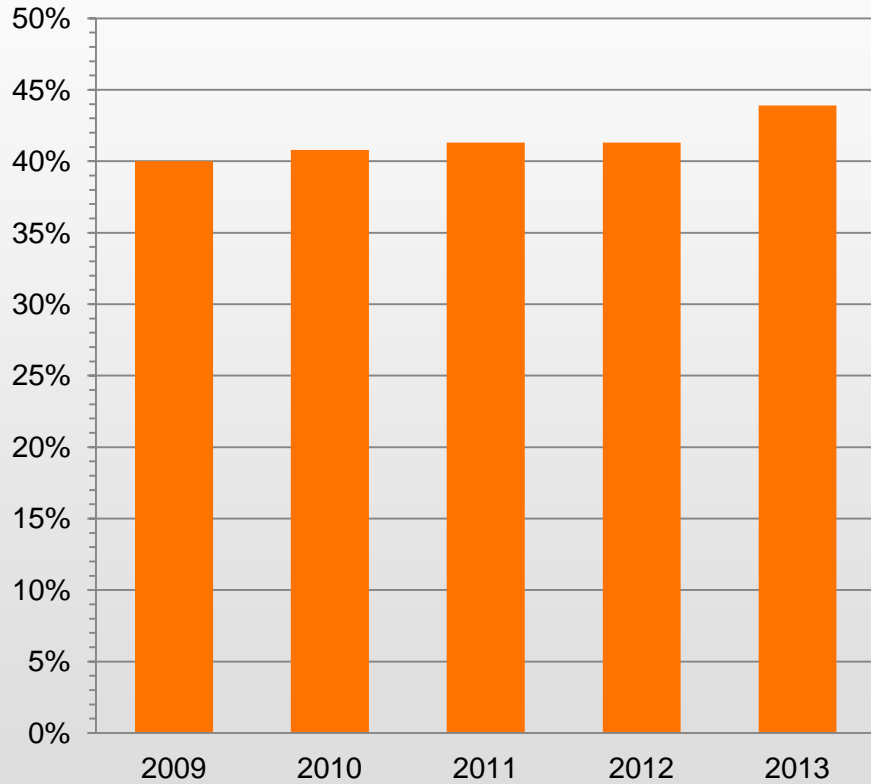
# Working capital

## Good development in advances received

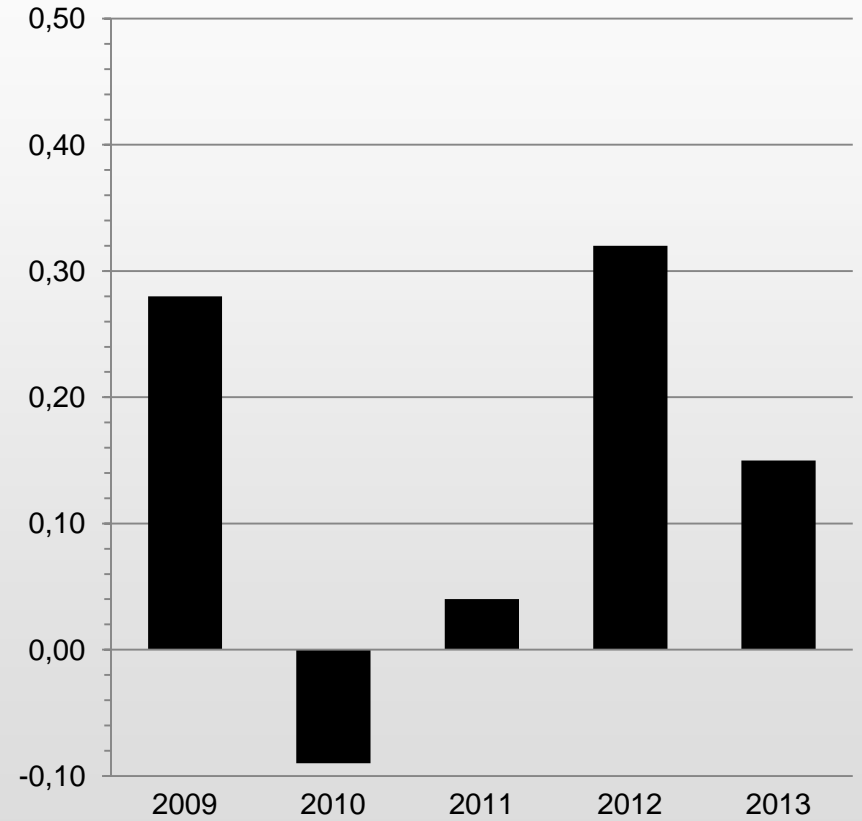


# Financial position

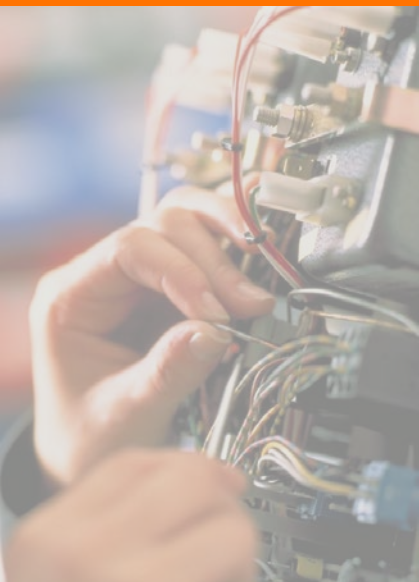
## Solvency



## Gearing



# An organisation based on divisions with end-to-end responsibility



**R&D**



**Production**



**Sales &  
marketing**



**Product  
delivery**



**Customer**

**TRANSPARENCY**

**ACCOUNTABILITY**

**SPEED**

# Group-wide efficiency programme initiated

- Aim to secure future profitability and competitiveness
- Planned reductions of approx. 1,000 jobs globally
- Expected annual savings of EUR 60 million
- Non-recurring costs EUR 50 million, of which EUR 11 million recognised in 2013





- **Power Plants:** Based on the forecasted GDP growth in 2014, the overall market for liquid and gas fuelled power generation is expected improve slightly. Ordering activity remains focused on emerging markets, which continue to invest in new power generation capacity.
- **Ship Power:** The main drivers supporting activity in shipping and offshore are in place. Overall contracting is expected to remain on improved levels, keeping in mind the prevailing overcapacity and the market's limited capacity to absorb new tonnage.
- **Services:** The overall service market outlook remains stable.

**Wärtsilä expects its net sales for 2014 to grow by 0-10% and its operational profitability (EBIT% before non-recurring items) to be around 11%.**



# WÄRTSILÄ

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