



WÄRTSILÄ CORPORATION

SEB FINNISH BLUE CHIP SEMINAR

28 AUGUST 2015

Marco Wirén,
CFO



This is Wärtsilä



Energy Solutions, 23%

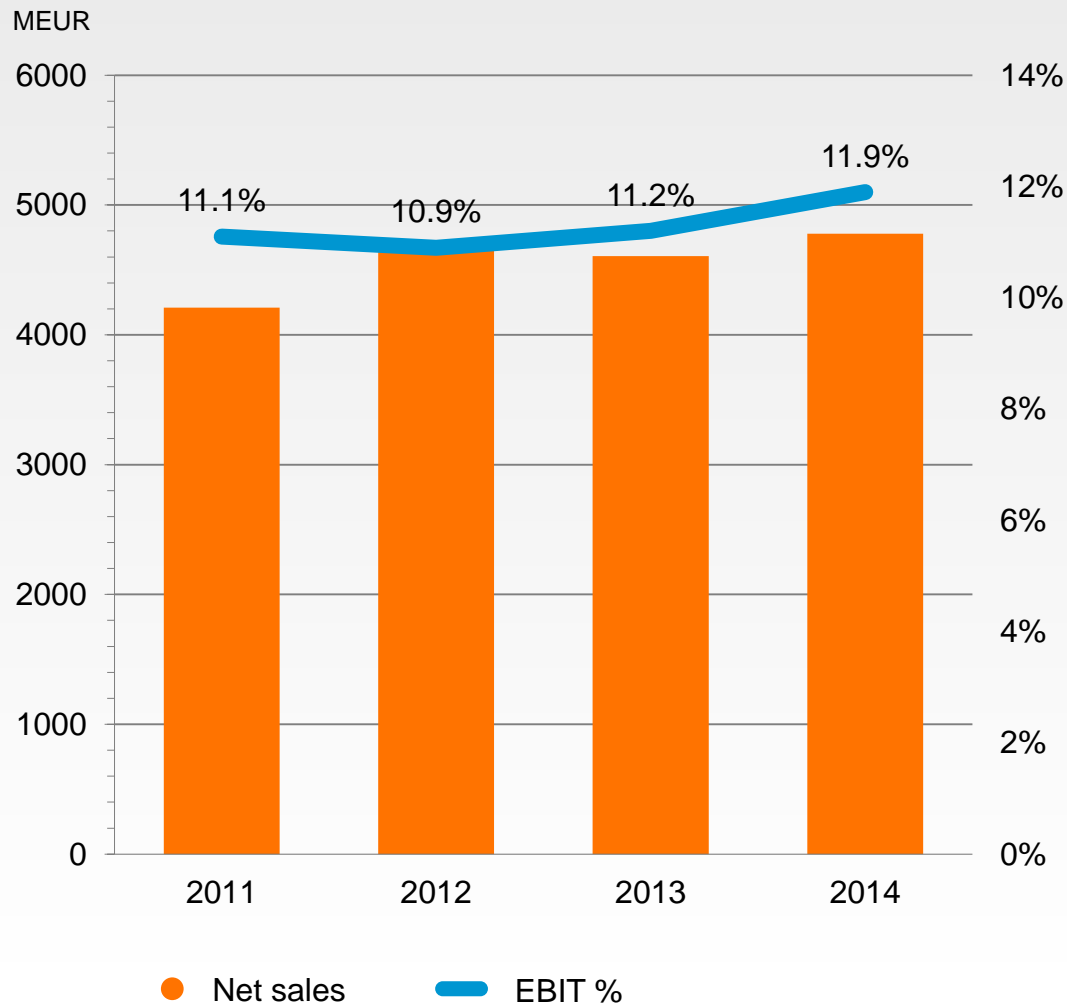


Marine Solutions, 30%

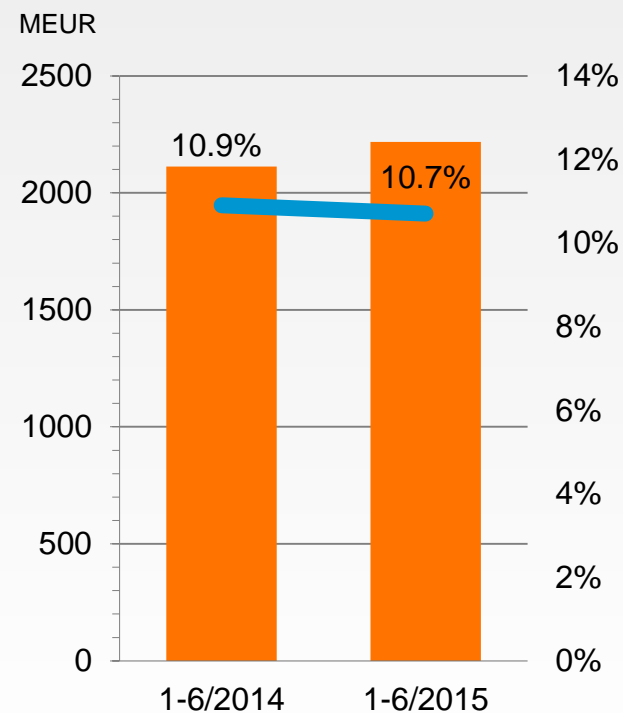


Services, 47%

Net sales and profitability



Review period development



Figures shown before nonrecurring restructuring items.
 Figures for 2011-2013 and H1/2014 include both discontinued and continuing operations.

We aim for faster than market growth



Megatrends drive demand for our solutions



Strong presence in growth markets



Opportunities in strategic focus areas



Strengthening market position through acquisitions

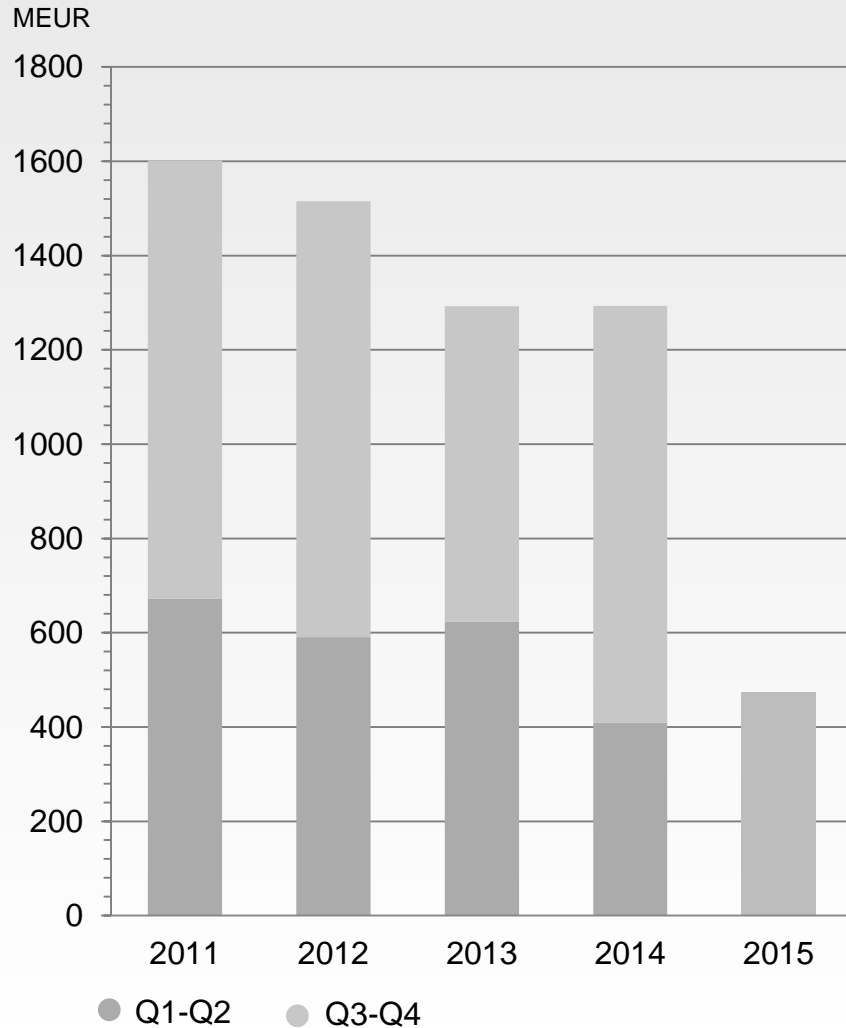
Energy Solutions – market trends & drivers

- Economic growth, electrification and increased standard of living
- Demand for sustainability and reducing carbon emissions
- Rapid growth of intermittent renewable generation and escalating demand fluctuation
- Increasing role of natural gas
- Ageing installed capacity

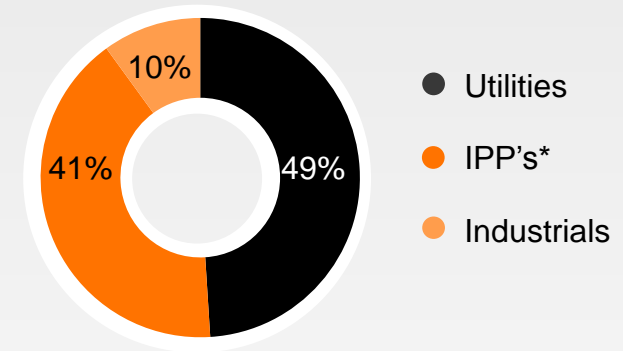


The world needs clean, affordable and reliable power generation

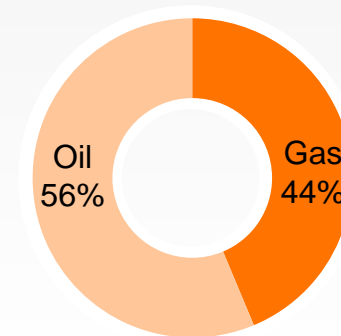
Energy Solutions' order intake



Review period development
Total EUR 475 million (409)

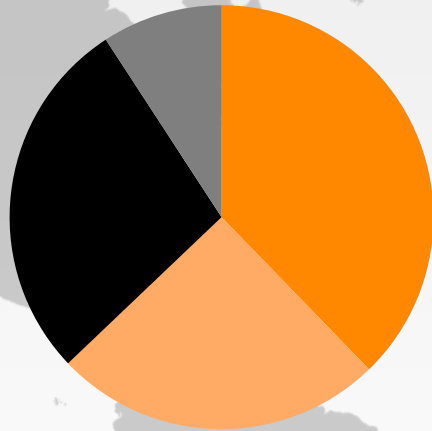


Review period order intake by fuel in MW

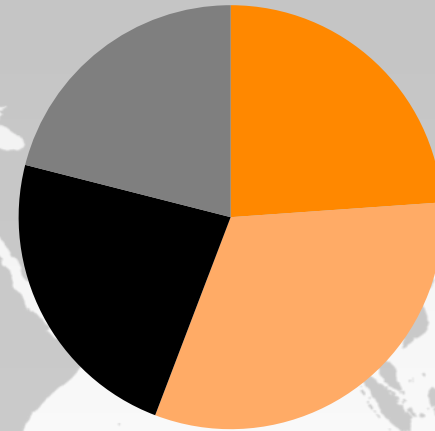


*IPP = Independent Power Producer

58 GW of installed power plant capacity in 175 countries



● Utilities ● Industry
● IPP's ● Others



● Europe ● Africa & Middle East
● Asia ● Americas

* December 2014

Energy Solutions – strategic goals



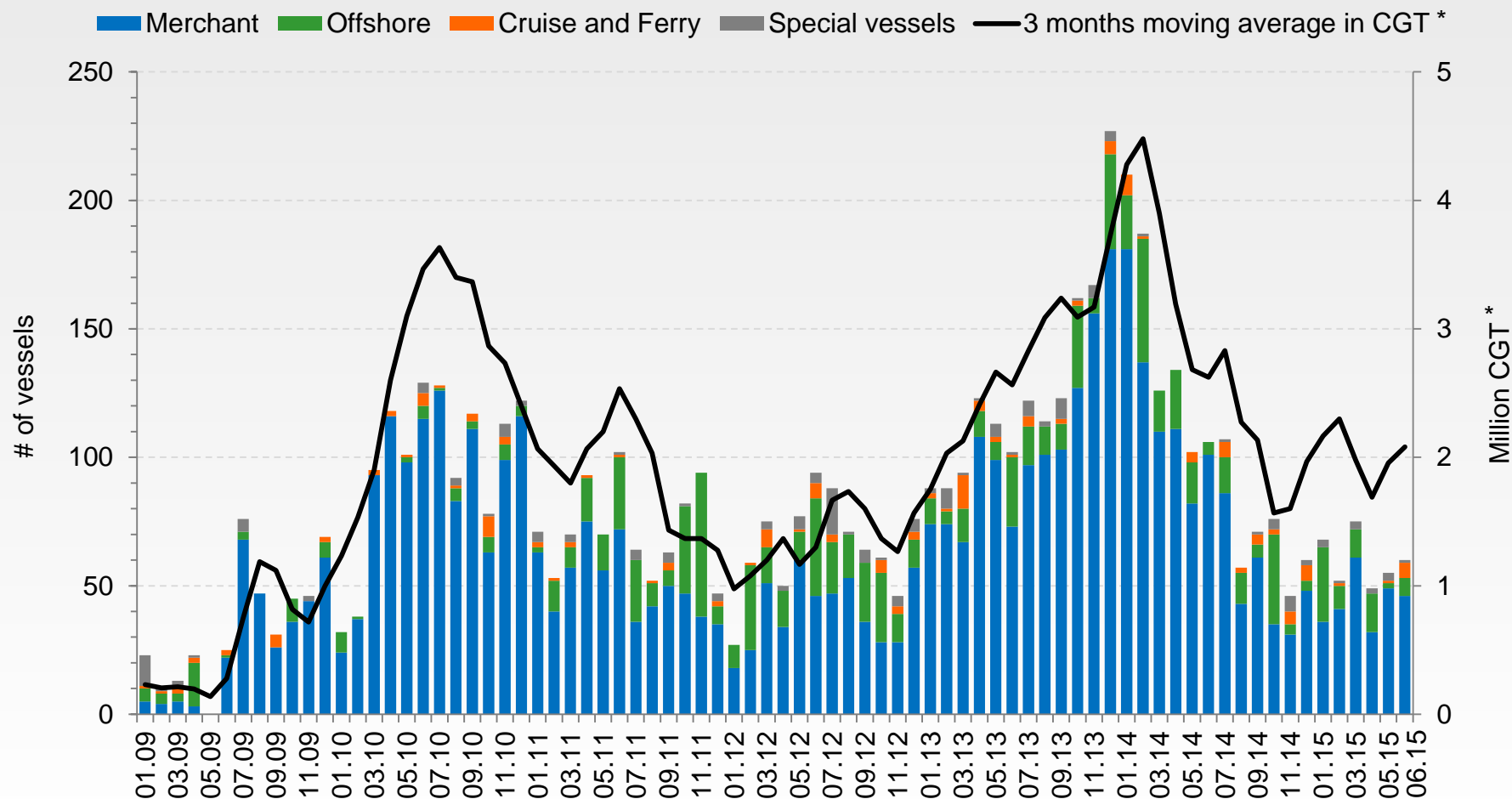
Marine Solutions – market trends & drivers

- Marine trade and transportation growth
- Demand for environmental solutions and gas as a marine fuel
- Energy efficiency, operating performance and security
- Investments in exploration and production of offshore oil & gas impacted by oil price development



A dynamic global market, but with distinctive segment-specific and local needs

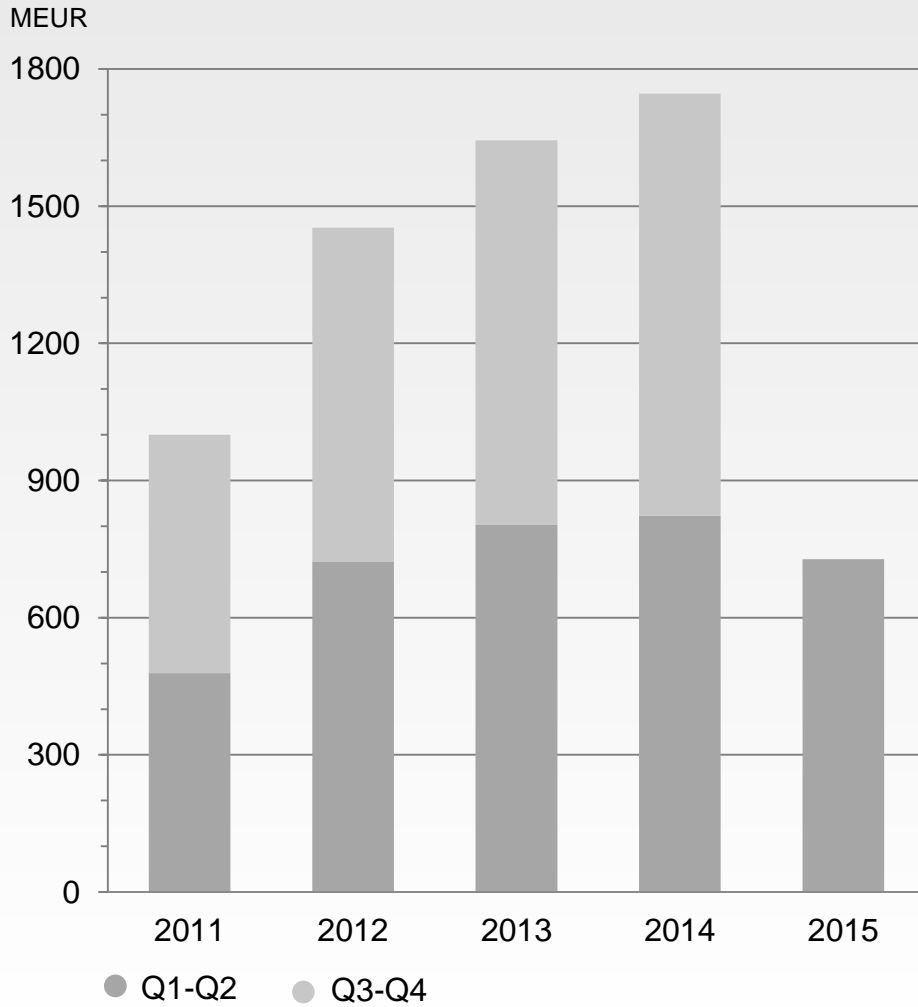
Vessel contracting activity



Source: Clarkson Research Services, figures exclude late contracting

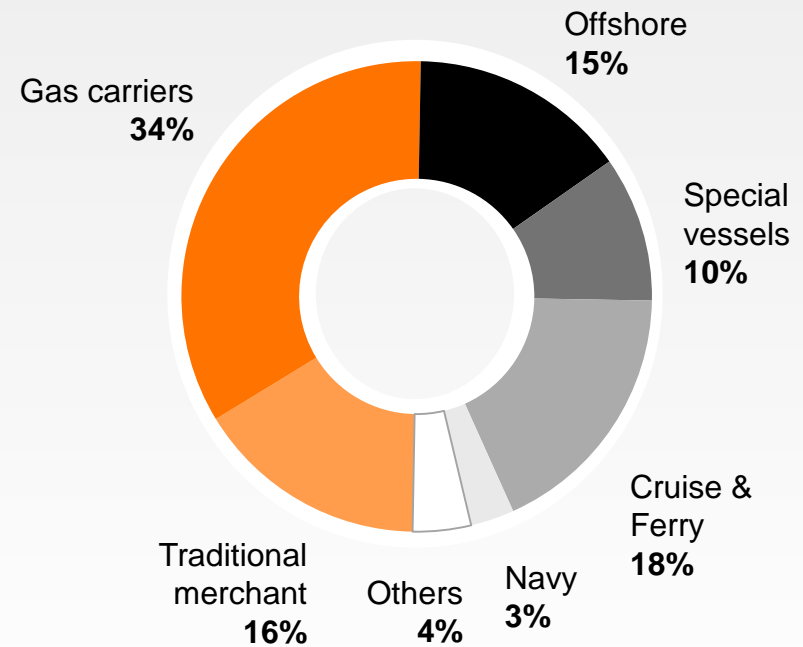
* CGT= gross tonnage compensated with workload

Marine Solutions' order intake



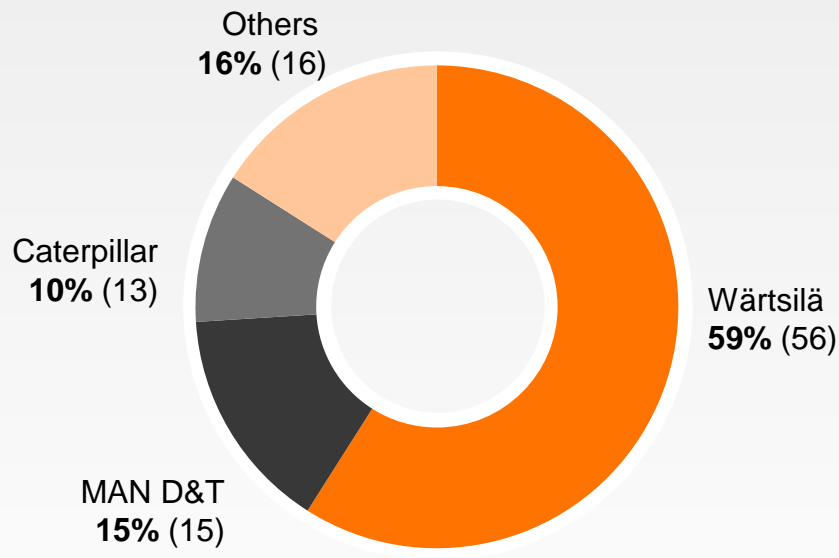
Review period development

Total EUR 728 million (823)



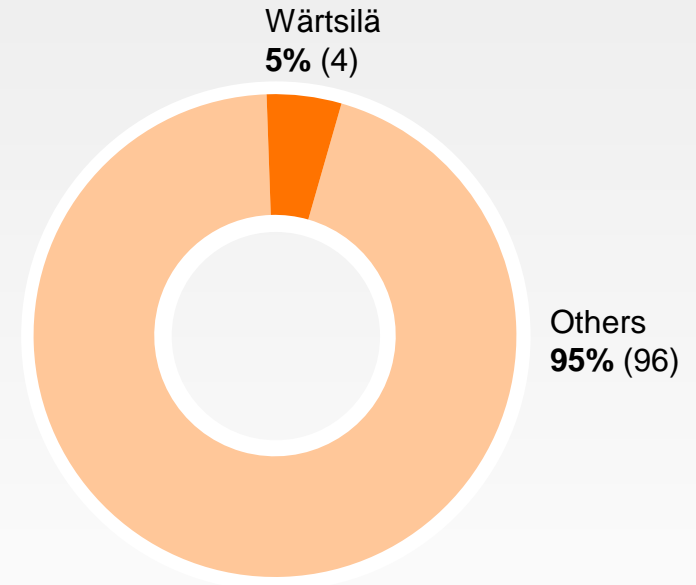
Strong position in marine engine market

Medium-speed main engines



Total market volume last 12 months:
4,988 MW (5,711)

Auxiliary engines



Total market volume last 12 months:
4,078 MW (4,988)

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.

Acquisition of L-3 Marine Systems International finalised

Key figures

MEUR	Marine Solutions 1-6/2015	MSI's contribution 6/2015	MSI 1-6/2015
Order intake	728	41	161
Net sales	674	30	197
Order book, end of period	2,785	519	519

- The integration of MSI with Wärtsilä's existing E&A business within Marine Solutions has started
- In addition to sales synergies, Wärtsilä expects MSI to reach current group profitability within five years
- Purchase price allocation amortisation is expected to be EUR 7 million in 2015
- The goodwill value of the transaction is estimated at EUR 161 million
- In 2015, MSI is expected to contribute approx. EUR 250 million to net sales and EUR 16 million to the operating result excluding PPA amortisation

The most complete marine offering on earth



Growth opportunities in marine markets



Gas and dual-fuel solutions



Broader scope of supply



Efficiency



Environmental solutions

Wärtsilä dual-fuel references

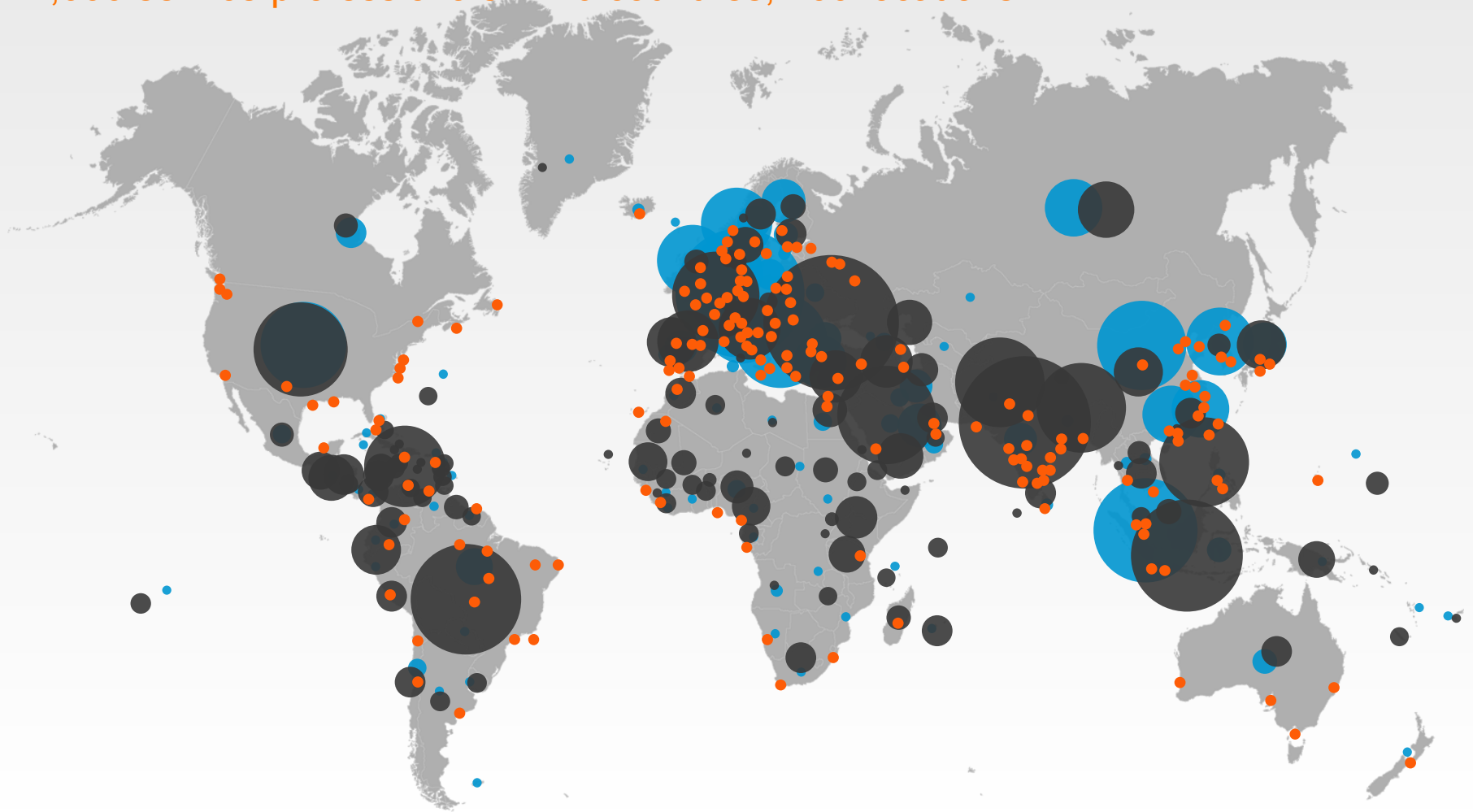


MERCHANT	OFFSHORE	SPECIALS	DF CONVERSION	2 STROKE DF	DF POWER PLANTS
732 Engines	132 Engines	61 Engines	28 Engines	22 Engines	383 Engines
168 LNG carriers	24 Offshore supply vessels	9 Ferries	4 FPSO vessels	6 Large LNG carriers, 2 engines each	79 plants
8 Multigas carriers	5 FPSO vessels	6 Tugs	2 RORO vessels	4 Chemical tankers	Output 5,037 MW
2 Product tankers	4 FSRU vessels	3 ROPAX vessels	1 Chemical tanker	3 Container vessels	Online since 1997
1 Bulk tanker	2 Platforms	1 Navy vessel	1 Ferry	2 Asphalt carriers	
1 CNG carrier	1 FSO vessel	1 Icebreaker	1 IWW vessel	1 Small LNG carrier	
		1 IWW vessel			
		1 Guide ship			

>1,300 engines >12 million running hours

Wärtsilä Services' global network

11,000 service professionals in 70 countries, 160 locations...



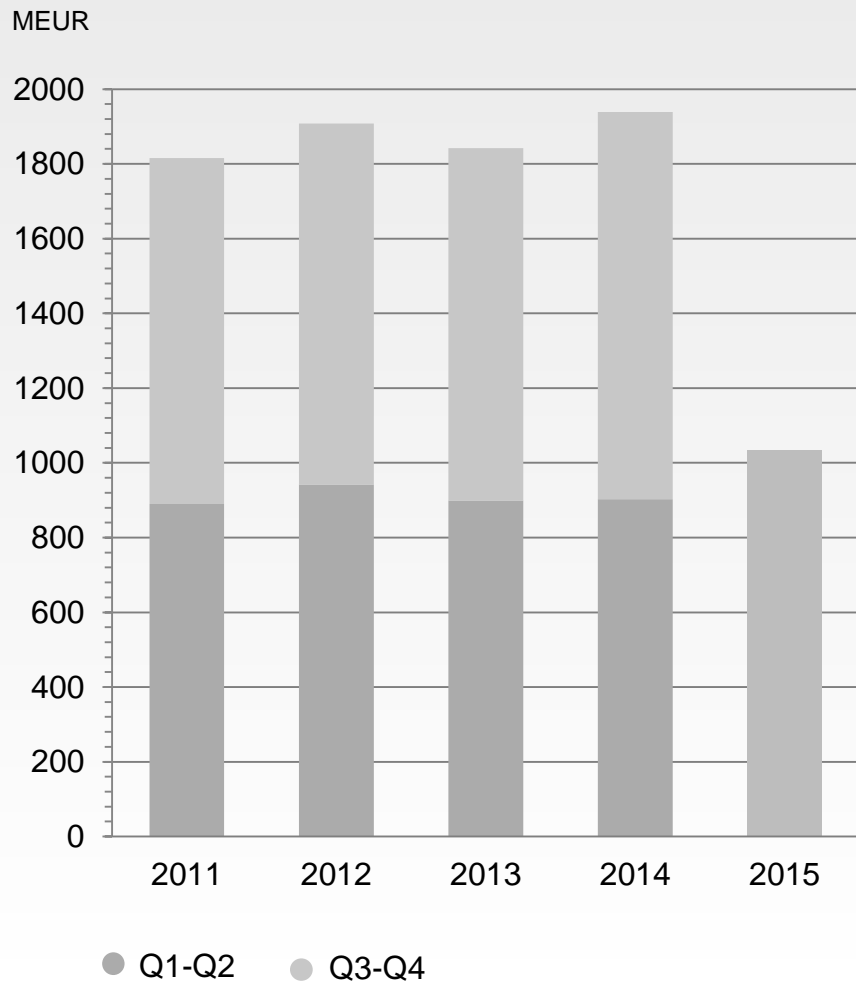
- Marine installed base by operating country
- Power installed base by operating country
- Service locations

Services – market trends & drivers

- Development of installed base and installation utilisation
- Growing importance of gas as a fuel
- Need for real-time data
- Downtime avoidance
- Focus on efficiency
- New and stricter regulations

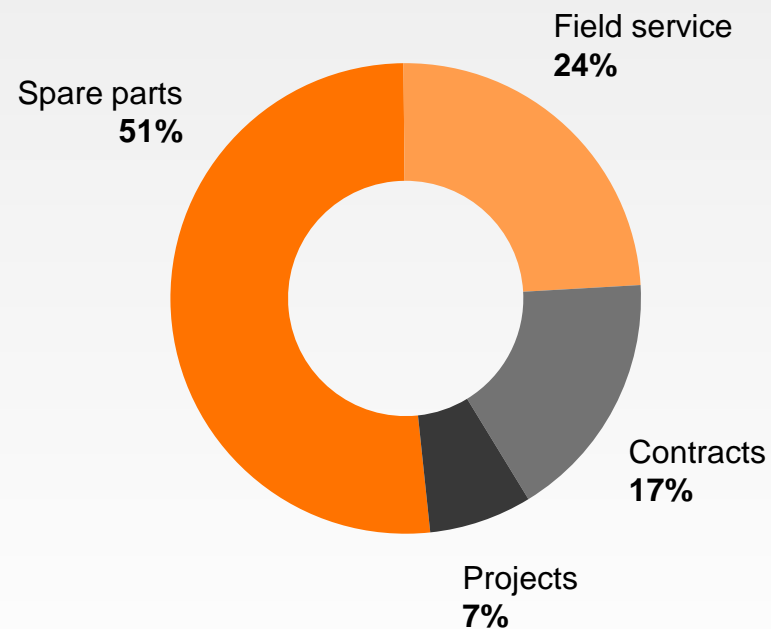


Services' net sales



Review period development

Total EUR 1,034 million (903)



Services' strategic focus areas



CUSTOMER FIRST

We will nourish our partnership with our existing customer base

GO-DIGITAL

We will digitalise our customer engagement

ASSET & LIFECYCLE MANAGEMENT

We will continue to develop and commercialise our portfolio of value-adding services

A brand new medium-speed Wärtsilä 31 engine launched in June



- The Wärtsilä 31 engine is the industry's most advanced, powerful, fuel efficient, fuel flexible, and environmentally sound engine
- The engine achieved a Guinness World Records title for the most efficient 4-stroke diesel engine
- Remarkable increases in fuel efficiency and fuel flexibility are matched by significant reductions in maintenance costs
- The engine comes in three alternative versions; diesel, dual-fuel and spark-ignited gas

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.



Company strategy fine-tuned



- Environmental awareness and changing energy needs are increasingly steering investments in the markets in which we operate
- We seek growth by offering **energy efficient lifecycle solutions, gas based technology**, as well as **innovative solutions** that leverage our project management and engineering competence
- Our growth ambitions are supported by our superior global service network

Focused on reaching our long-term profitability target

11.9%

Streamlining

Group efficiency program implemented during 2014

Increasing accountability

Setup of business line driven organisation

Pricing

Securing value based and market driven pricing

Productivity

Optimising lead times and focusing on continuous process improvement

Ensuring competitiveness

Investing into technological leadership

14.0%



WÄRTSILÄ

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