

# WÄRTSILÄ CORPORATION

HANDELSBANKEN NORDIC LARGE CAP SEMINAR

Jaakko Eskola, President & CEO





## CLEAN ENVIRONMENT

A future without emissions or pollution



## MARKET SHAPING & INNOVATION

A union of new technology and business models

## ENERGY INTELLIGENCE

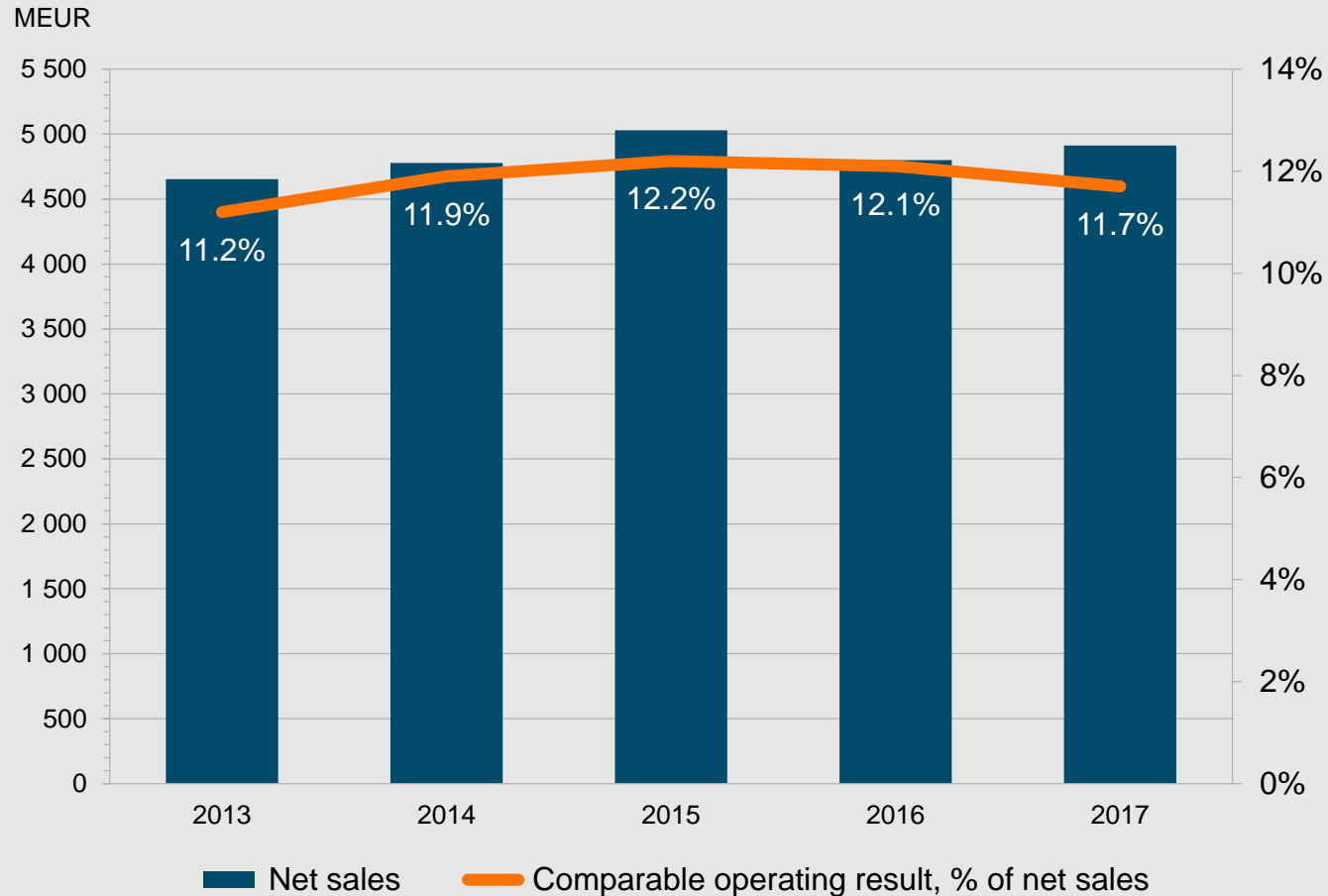
An optimised way of producing and using energy



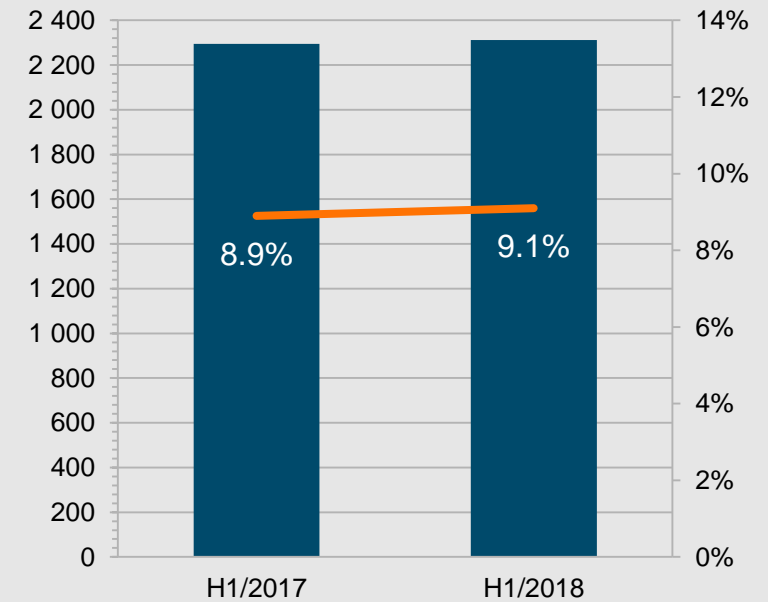
## WÄRTSILÄ'S PURPOSE

is to enable sustainable societies with smart technology.

# Net sales and profitability

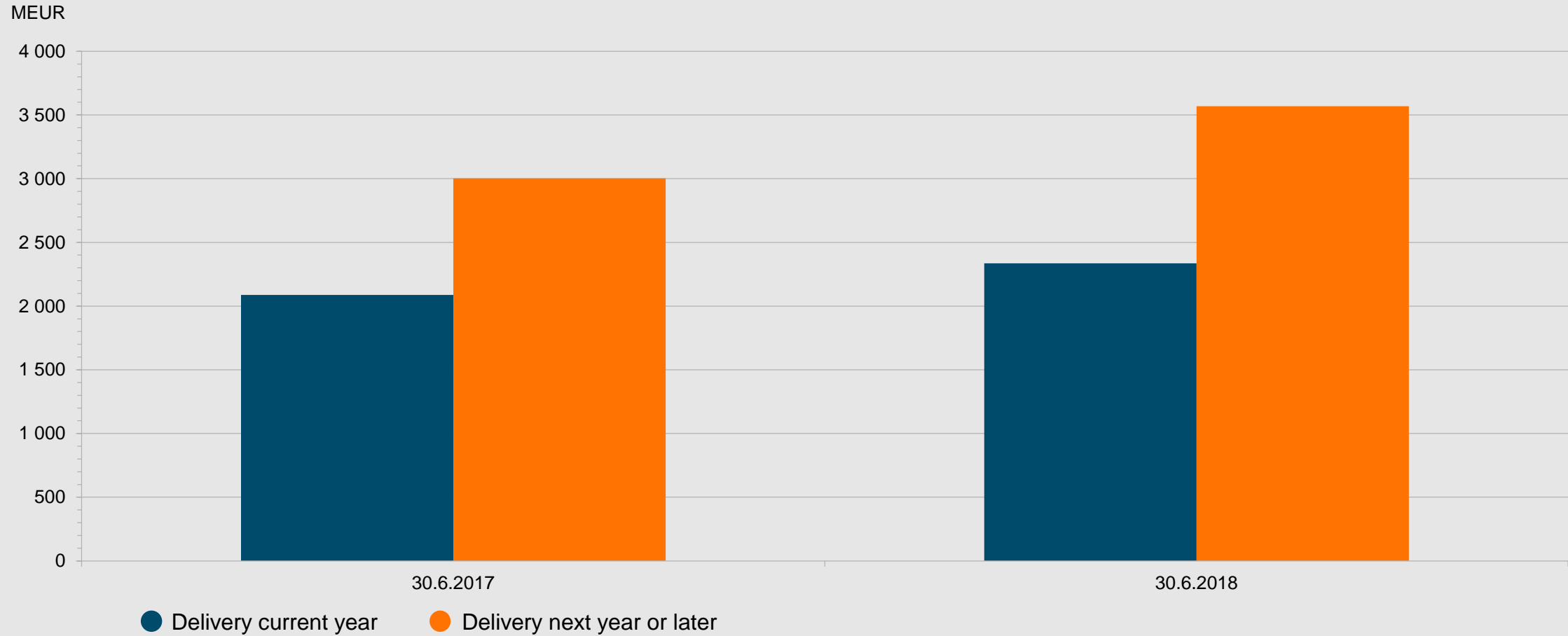


## Review period development



Figures shown before items affecting comparability. Figures for 2013 include both discontinued and continuing operations. Figures for 2017 have been restated due to the adoption of IFRS 15.

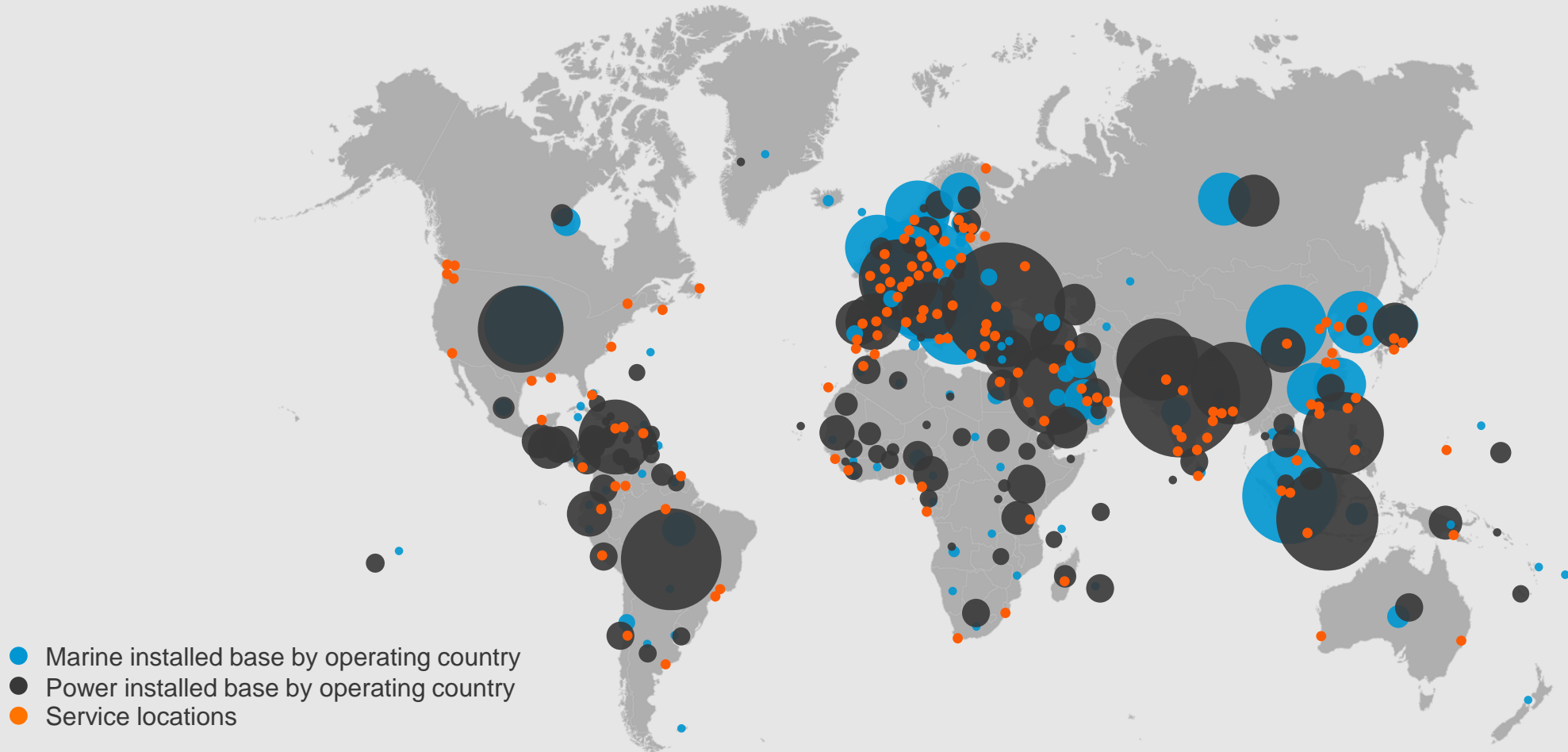
# Order book distribution



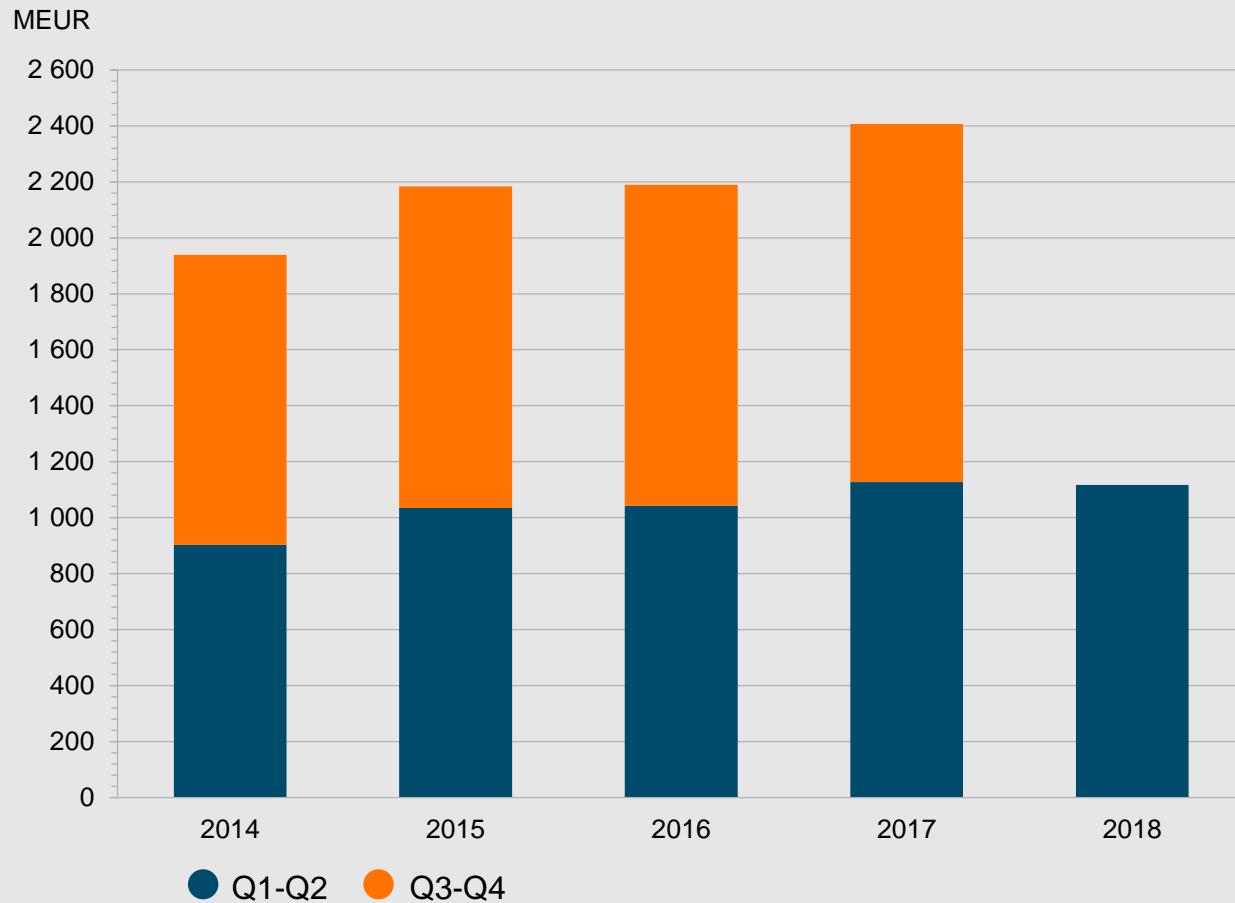
Comparison figures for 2017 have been restated due to the adoption of IFRS 15.



**We are where our customers need us to be**  
**11,000 service professionals in 70 countries, 160 locations...**

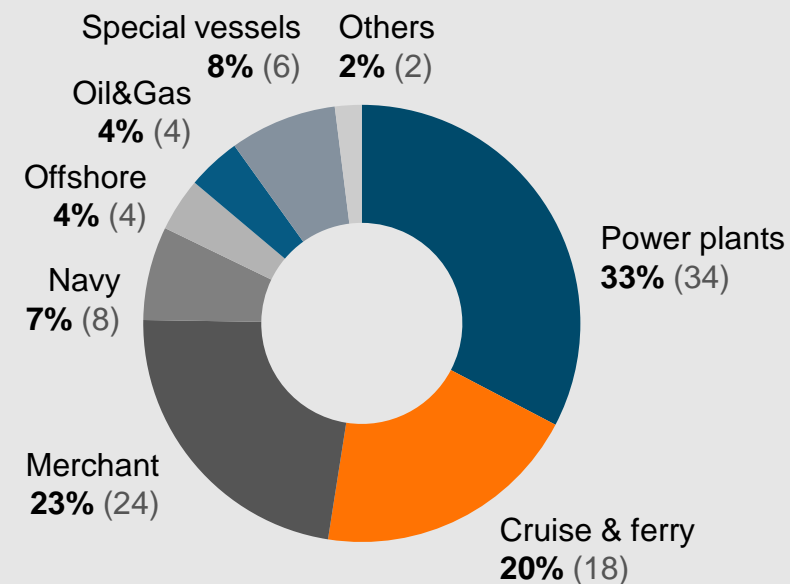


# Services' net sales development



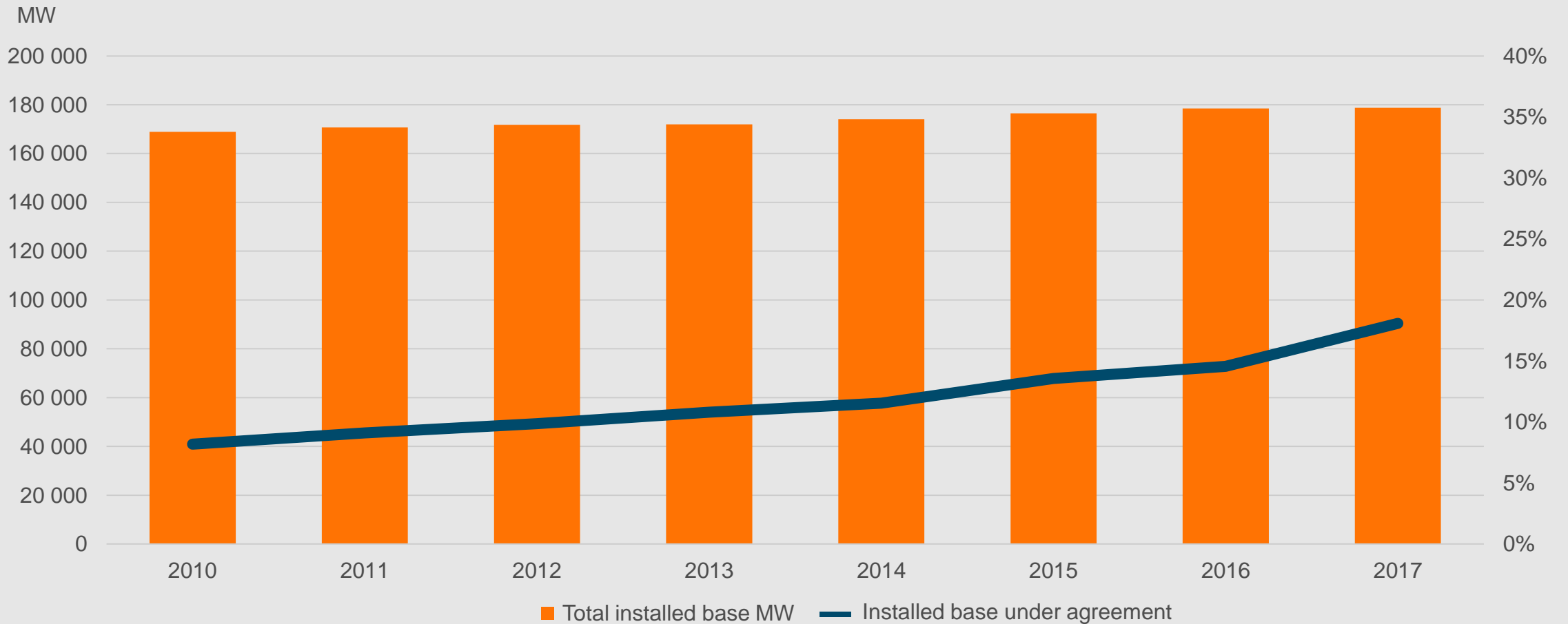
## Review period development

Total EUR 1,117 million (1,127)



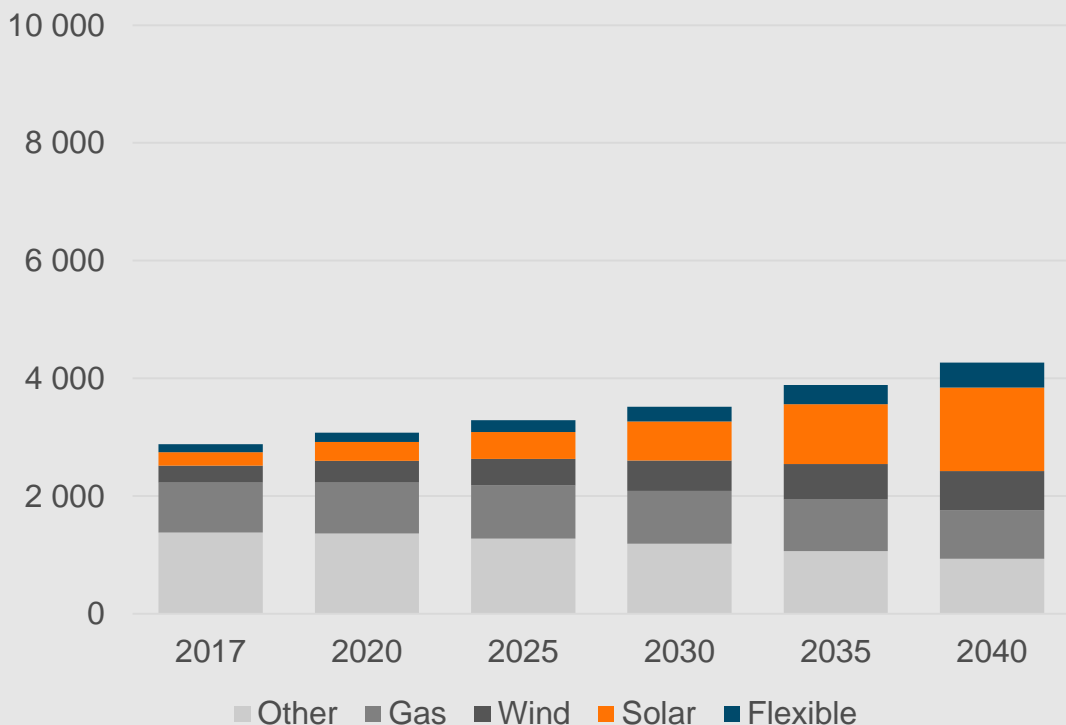
Comparison figures for 2017 have been restated due to the internal reorganisation of service activities and the adoption of IFRS 15.

# Focus on long-term partnerships

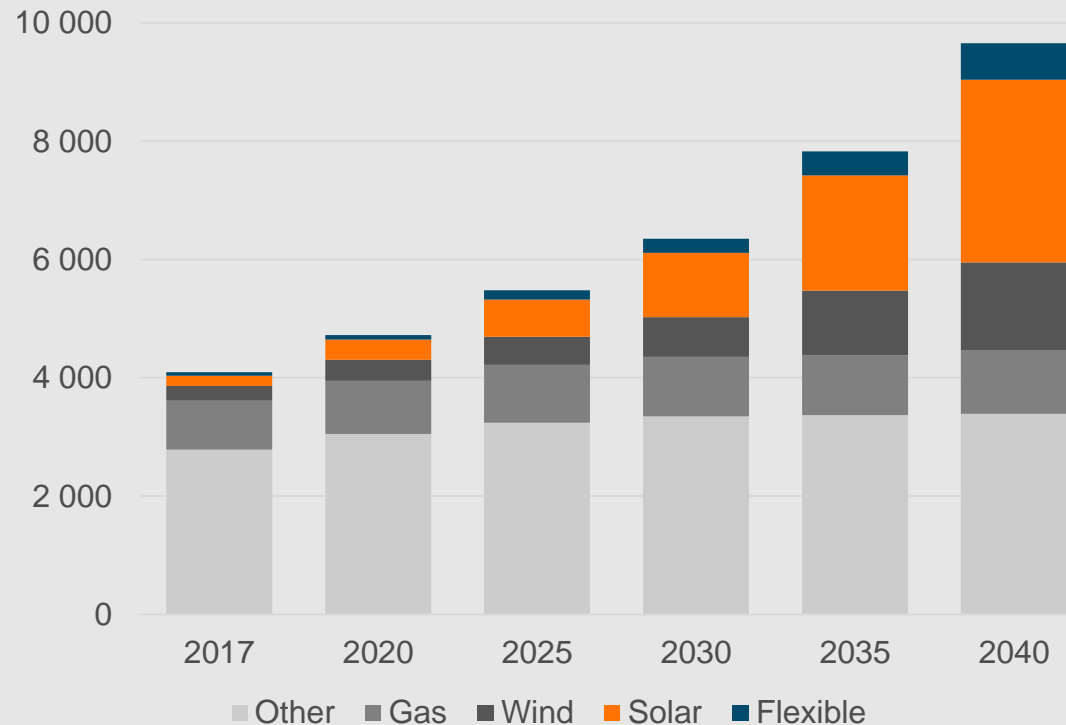


# Markets transitioning to renewables and flexible capacity

Cumulative installed capacity in OECD countries (GW)



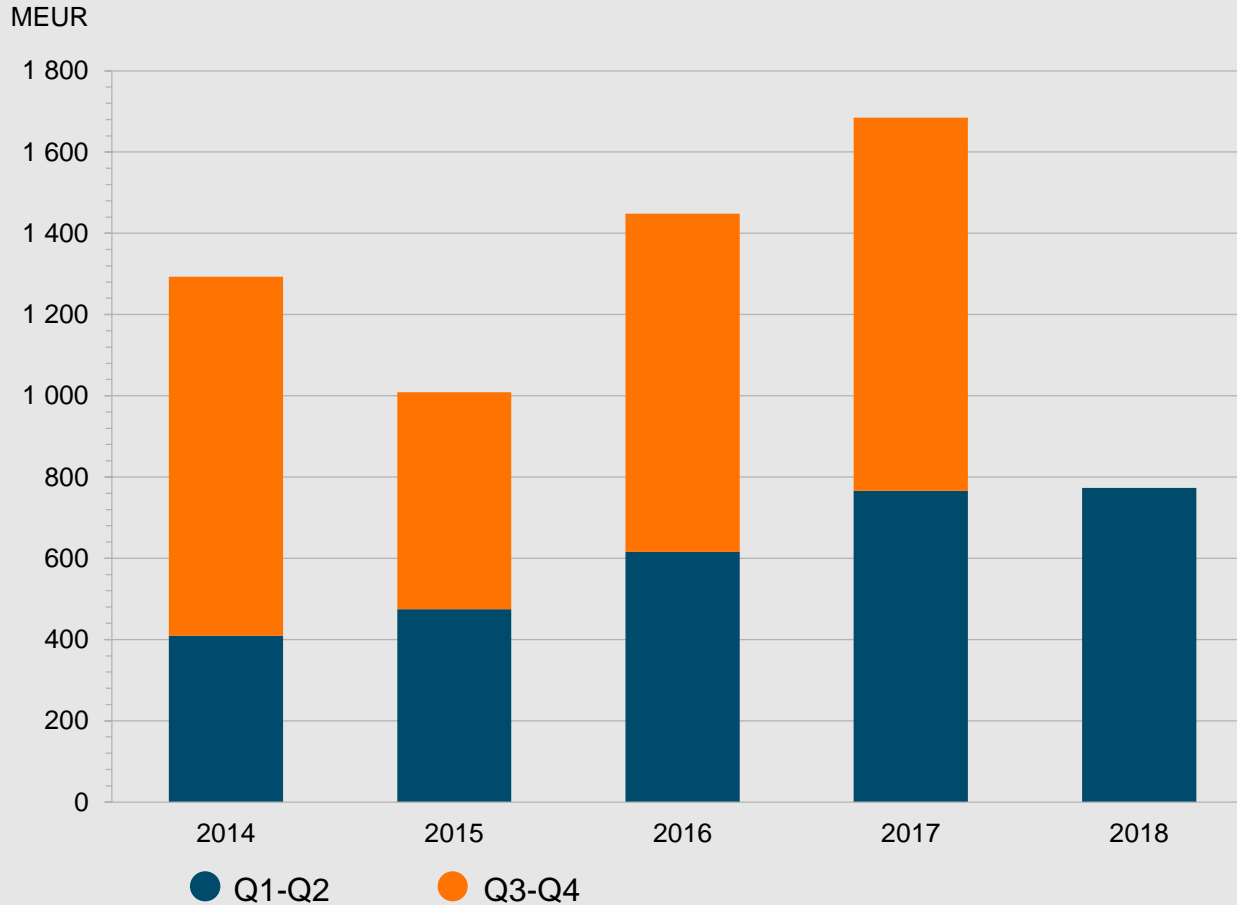
Cumulative installed capacity in non-OECD countries (GW)



Source: Bloomberg New Energy Outlook 2017  
 Other includes: coal, oil, nuclear, other renewables; Flexible includes: batteries, demand response and other flexible capacity

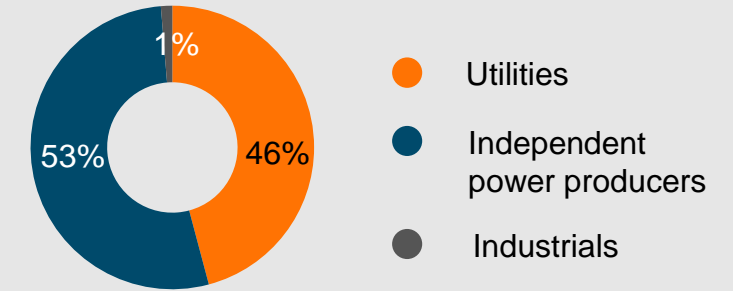


# Market trends support Energy Solutions' order intake

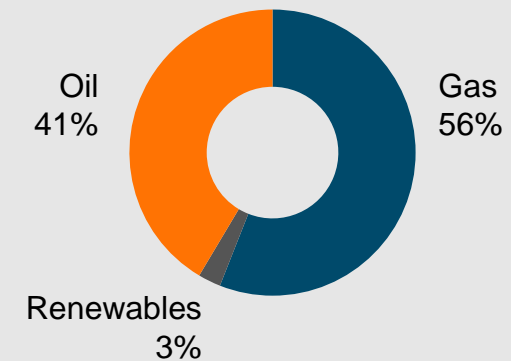


## Review period development

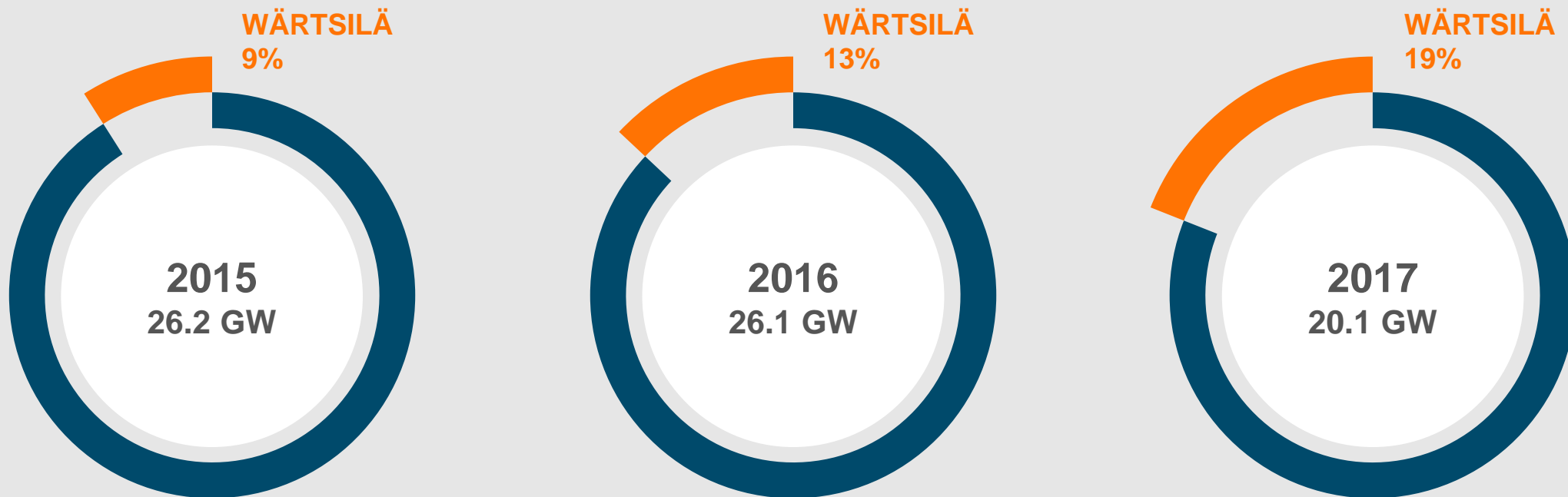
Total EUR 773 million (766)



## Review period order intake by fuel in MW



## Growth in Energy Solutions' market share



Source: McCoy Power Report. Includes GT-based gas and liquid-fuelled, <500 MW power plants with prime movers above 5 MW. Includes estimated output of steam turbines for combined cycles (factor 0.5 for industrial turbines, 0.25 for aeros). Oil & Gas projects not included. Other combustion engines not included – data not available.

### TIPPING POINT

Existing thermal capacity replaced with flexible generation

### RENEWABLE BASELOAD

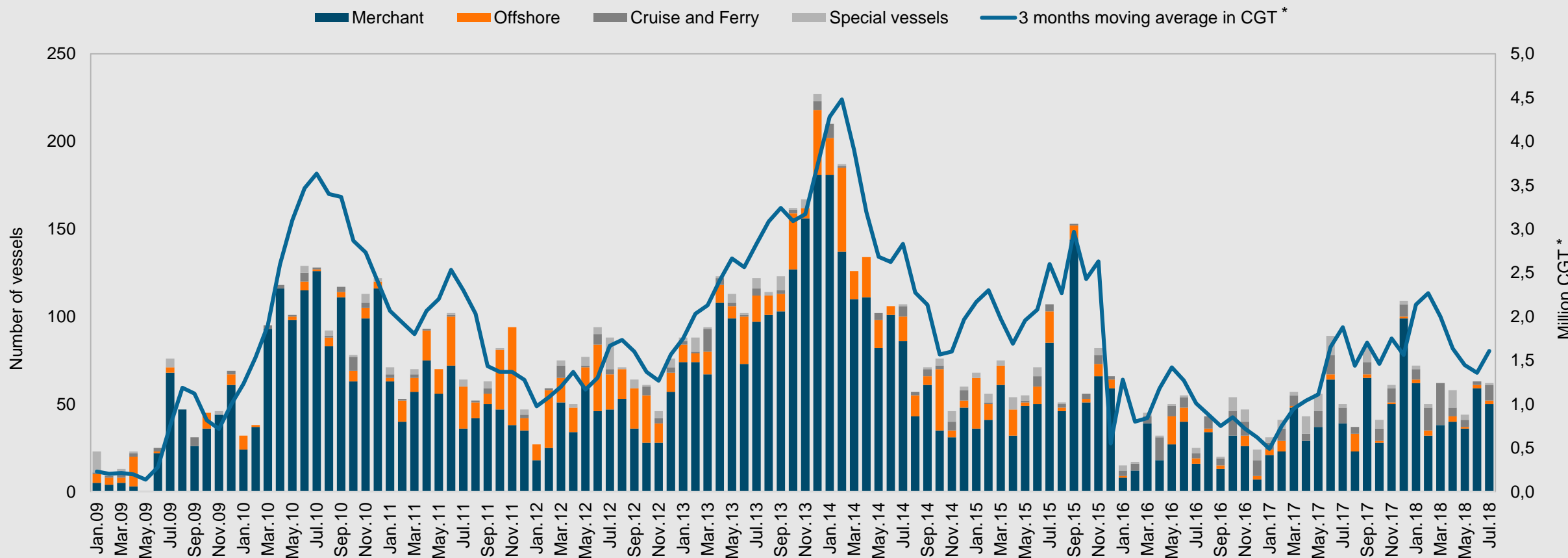
Energy storage becomes affordable, enabling increase in renewable energy

### 100% RENEWABLE ENERGY

Flexible thermal capacity provides seasonal back-up, daily energy variations managed with storage



# Gradual recovery in vessel contracting

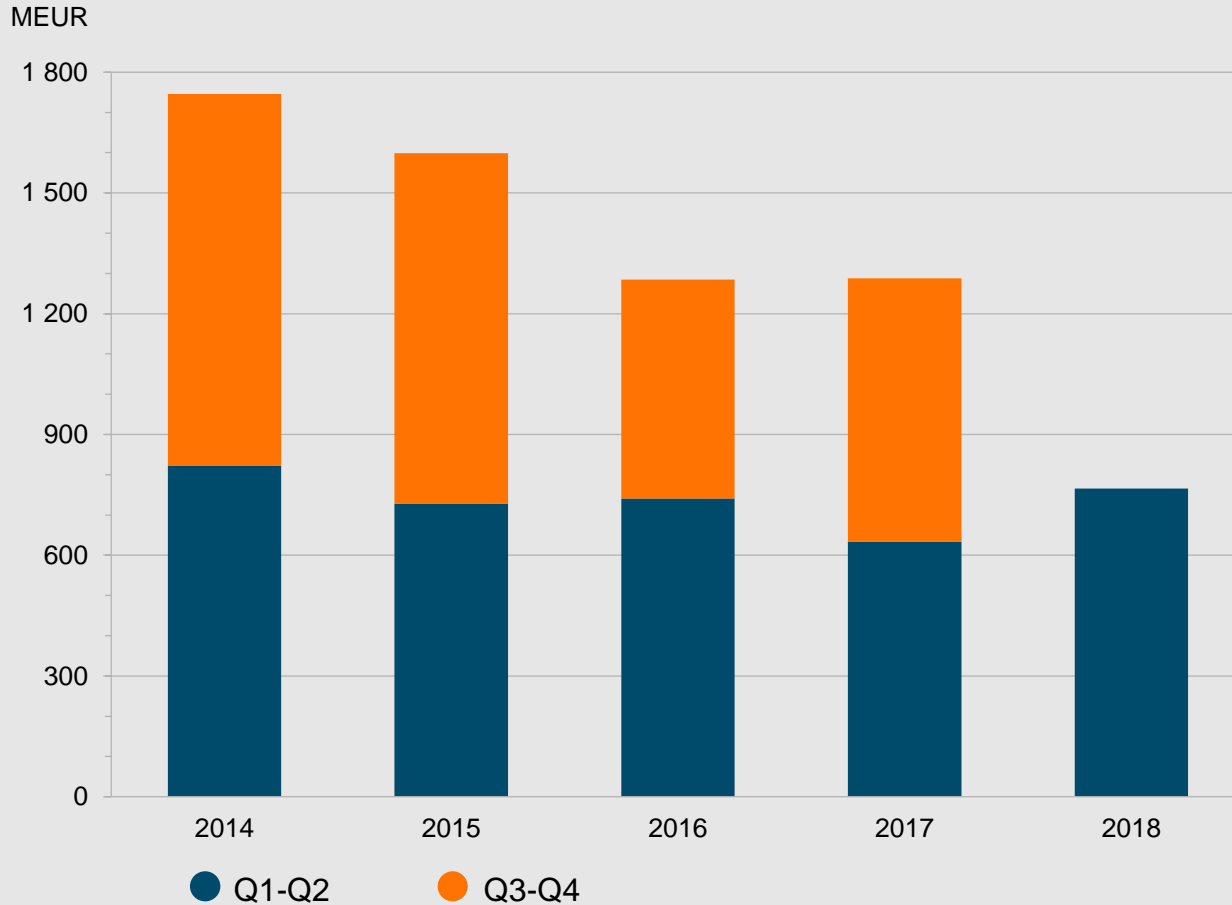


Source: Clarkson Research Services, figures exclude late contracting

\* CGT= gross tonnage compensated with workload

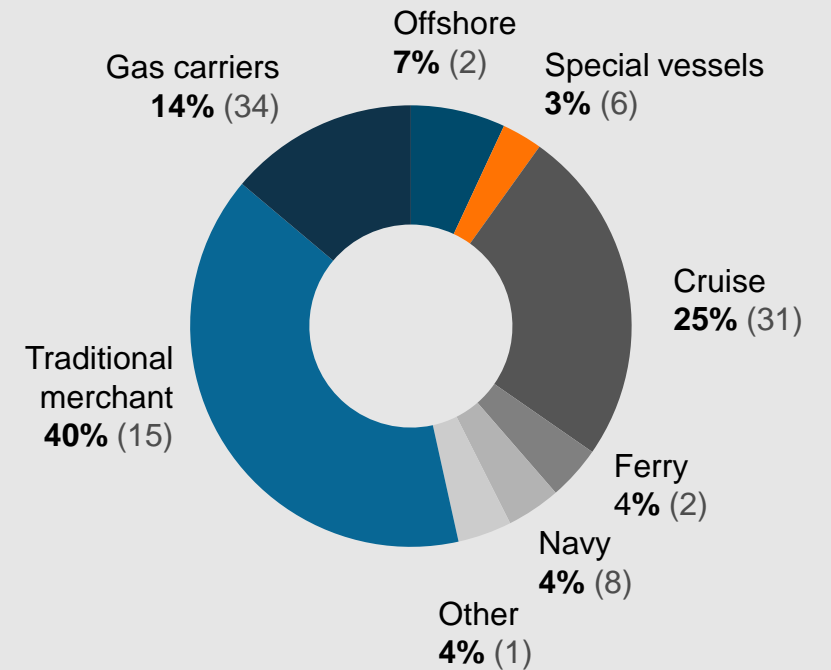


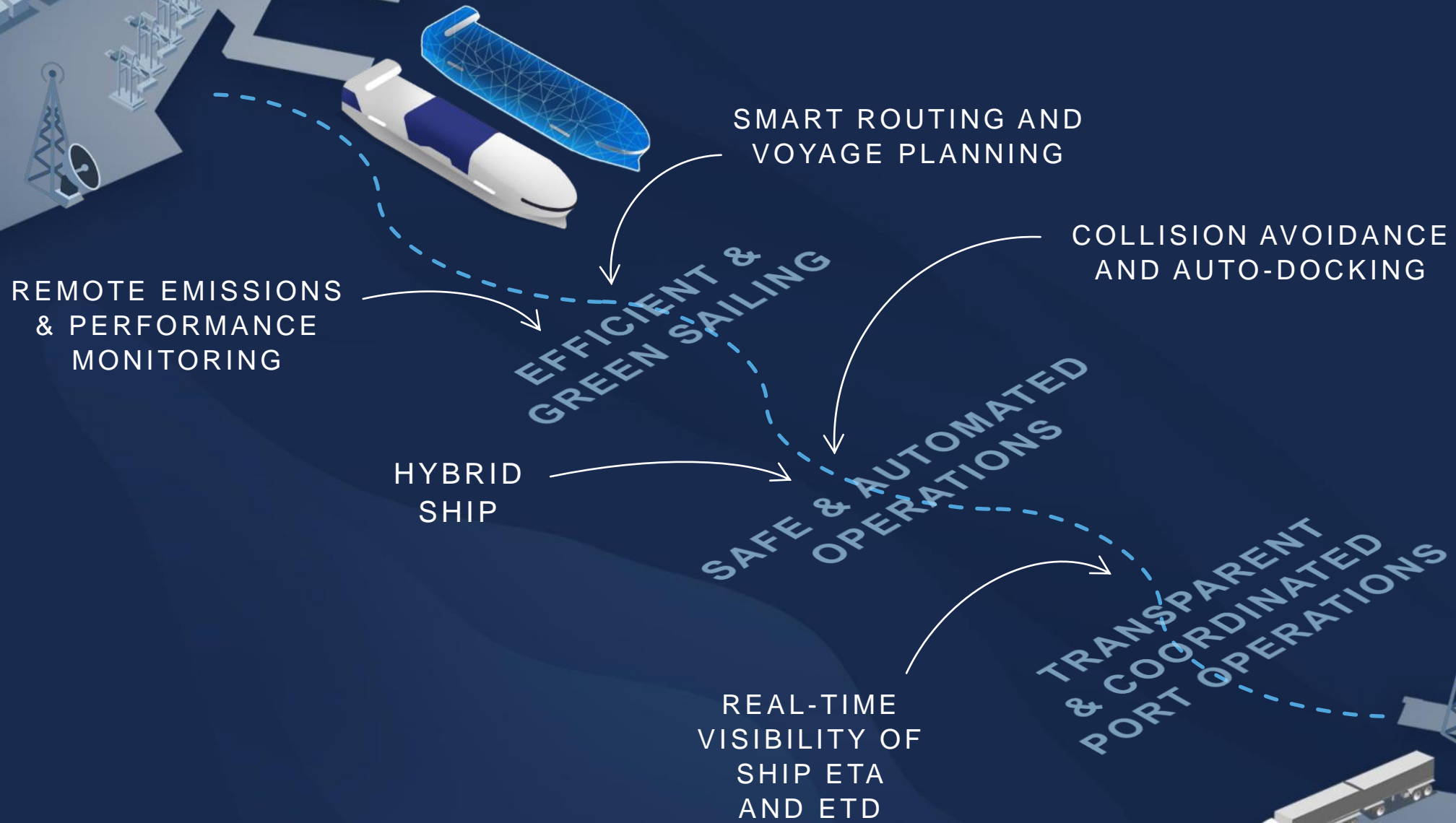
# Marine Solutions' order intake supported by broad product offering



## Review period development

Total EUR 766 million (634)







**THE NEXT GENERATION  
INNOVATION, CO-CREATION AND  
ADVANCED PRODUCTION HUB**



# Prospects for 2018

The demand for Wärtsilä's services and solutions in 2018 is expected to improve somewhat from the previous year.

Demand by business area is anticipated to be as follows:

- Good in Services
- Good in Energy Solutions
- Good in Marine Solutions (raised from solid)





# We are committed to our long-term financial targets



## **GROW FASTER THAN GLOBAL GDP**

Focus on strengthening position in strategic growth markets



## **REACH 14% PROFITABILITY**

Enhanced performance through continuous improvement



## **MAINTAIN GEARING BELOW 50%**

Unleveraged balance sheet supports growth through acquisitions



## **DELIVER DIVIDEND OF ≥50% OF EPS OVER THE CYCLE**

Committed to providing shareholder returns

# THANK YOU

IR Contact:  
Natalia Valtasaari  
Director, Investor & Media Relations  
Tel. +358 (0) 40 187 7809  
E-mail: [natalia.valtasaari@wartsila.com](mailto:natalia.valtasaari@wartsila.com)