WÄRTSILÄ CORPORATION
RESULT PRESENTATION 2021

28 JANUARY 2022
HÅKAN AGNEVALL, PRESIDENT & CEO
ARJEN BERENDS, CFO
MOVING IN THE RIGHT DIRECTION IN 2021: ORDERS, NET SALES, OPERATING RESULT, AND CASH FLOW ALL IMPROVED

• Order intake increased by 32%, growth in all businesses

• Good progress in services:
  – Order intake increased by 17%
  – Net sales increased by 11%

• Profitability improved

• Strong cash flow

• Covid-19 continued to have a negative impact on Wärtsilä’s business

• New ambitious financial and decarbonisation targets announced
## POSITIVE DEVELOPMENT IN ALL KEY FIGURES

<table>
<thead>
<tr>
<th>Metric</th>
<th>10-12/2021</th>
<th>10-12/2020</th>
<th>CHANGE</th>
<th>1-12/2021</th>
<th>1-12/2020</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>2,150</td>
<td>1,118</td>
<td>92%</td>
<td>5,735</td>
<td>4,359</td>
<td>32%</td>
</tr>
<tr>
<td>of which services</td>
<td>753</td>
<td>626</td>
<td>20%</td>
<td>2,656</td>
<td>2,267</td>
<td>17%</td>
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<tr>
<td>Order book</td>
<td></td>
<td></td>
<td></td>
<td>5,859</td>
<td>5,057</td>
<td>16%</td>
</tr>
<tr>
<td>of which current year deliveries</td>
<td></td>
<td></td>
<td></td>
<td>3,763</td>
<td>3,298</td>
<td>14%</td>
</tr>
<tr>
<td>Net sales</td>
<td>1,597</td>
<td>1,220</td>
<td>31%</td>
<td>4,778</td>
<td>4,604</td>
<td>4%</td>
</tr>
<tr>
<td>of which services</td>
<td>761</td>
<td>654</td>
<td>16%</td>
<td>2,499</td>
<td>2,255</td>
<td>11%</td>
</tr>
<tr>
<td>Book-to-bill</td>
<td>1.35</td>
<td>0.92</td>
<td></td>
<td>1.20</td>
<td>0.95</td>
<td></td>
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<tr>
<td>Operating result</td>
<td>144</td>
<td>90</td>
<td>59%</td>
<td>314</td>
<td>234</td>
<td>34%</td>
</tr>
<tr>
<td>% of net sales</td>
<td>9.0</td>
<td>7.4</td>
<td></td>
<td>6.6</td>
<td>5.1</td>
<td></td>
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<tr>
<td>Comparable operating result</td>
<td>158</td>
<td>103</td>
<td>53%</td>
<td>357</td>
<td>275</td>
<td>30%</td>
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<tr>
<td>% of net sales</td>
<td>9.9</td>
<td>8.4</td>
<td></td>
<td>7.5</td>
<td>6.0</td>
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</table>
FOURTH QUARTER HIGHLIGHTS

Net sales EUR 1,597 million
  • 16% increase in service sales

Comparable operating result EUR 158 million
  • 53% growth
  • More favourable sales mix between equipment and services
MARINE MARKET DEVELOPMENT

MIXED ACTIVITY LEVELS ACROSS SEGMENTS IN 2021

- The number of vessels ordered in the review period increased to 1,855 (815 in the corresponding period in 2020, excluding late reporting of contracts).

- In 2021, record level vessel contracting was seen in containerships, newbuild activity in gas carriers and bulkers exceeded pre-Covid era. Cruise newbuild activity was limited.

- The transition to cleaner fuels has already started, with 384 orders placed globally for alternative fuel capable vessels.

- At the end of December, around 70% of the cruise fleet capacity was active, up from around 50% at the end of September, and around 20% at the end of June.

Source: Clarksons Research. 12m rolling contracting as per 5 January 2022 (+100 gt, excluding late reporting of contracts) Specialised vessels include LNG carriers, LPG carriers, cruise & ferry, offshore, and special vessels.
ENERGY MARKET SITUATION IMPROVING
GOOD ACTIVITY IN THE ENERGY STORAGE MARKET

• The energy markets were recovering throughout the year 2021, despite the Covid-19 pandemic and the resulting weakening of the investment environment

• While the market situation is improving, customers still continue to postpone investments due to the pandemic

• Activity in the energy storage markets has continued at a good level

• Wärtsilä’s market share in gas and liquid fuel power plants decreased to 5%

The total market, including also power plants with prime movers above 500 MW, increased by 6% to 46.0 GW during the twelve-month period ending in September 2021 (43.3 at the end of June). The 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 INCREASED BY 92%

- Order intake increased across all businesses
- Equipment order intake increased by 184%, driven by energy orders
- Service order intake increased by 20%
INCREASE IN ORDER BOOK

BOOK-TO-BILL CONTINUED TO IMPROVE

Order book by business

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<tr>
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</thead>
<tbody>
<tr>
<td>0.00</td>
<td>1,000</td>
<td>1,000</td>
<td>1,500</td>
<td>1,500</td>
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<tr>
<td>0.20</td>
<td>1,000</td>
<td>1,000</td>
<td>1,500</td>
<td>1,500</td>
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<tr>
<td>0.40</td>
<td>1,000</td>
<td>1,000</td>
<td>1,500</td>
<td>1,500</td>
<td>2,000</td>
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<tr>
<td>0.60</td>
<td>1,000</td>
<td>1,000</td>
<td>1,500</td>
<td>1,500</td>
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<tr>
<td>0.80</td>
<td>1,000</td>
<td>1,000</td>
<td>1,500</td>
<td>1,500</td>
<td>2,000</td>
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<td>1,000</td>
<td>1,000</td>
<td>1,500</td>
<td>1,500</td>
<td>2,000</td>
</tr>
<tr>
<td>1.20</td>
<td>1,000</td>
<td>1,000</td>
<td>1,500</td>
<td>1,500</td>
<td>2,000</td>
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</table>

* As published in the Interim report January-March 2020, order book figures for 2019 have been restated due to stricter requirements for booking new orders.

Order book delivery schedule

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Delivery next year</th>
<th>Delivery after next year</th>
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<tbody>
<tr>
<td>0.00</td>
<td>31.12.2019*</td>
<td>31.12.2020</td>
</tr>
<tr>
<td>0.20</td>
<td>31.12.2019*</td>
<td>31.12.2020</td>
</tr>
<tr>
<td>0.40</td>
<td>31.12.2019*</td>
<td>31.12.2020</td>
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<td>0.60</td>
<td>31.12.2019*</td>
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<tr>
<td>0.80</td>
<td>31.12.2019*</td>
<td>31.12.2020</td>
</tr>
</tbody>
</table>

* As published in the Interim report January-March 2020, order book figures for 2019 have been restated due to stricter requirements for booking new orders.
NET SALES INCREASED BY 31%

- Equipment net sales increased by 48%
- Service net sales increased by 16%
TECHNOLOGY AND PARTNERSHIP HIGHLIGHTS

ENABLING INDUSTRY DECARBONISATION

2-stroke future fuels conversion platform
• The retrofit conversion will initially enable operation with currently available LNG fuel, which can then be further developed in order to allow for the adoption of alternative green fuels or fuel blends

New IQ Series exhaust gas treatment system
• Innovative design allows the same exhaust gas cleaning results to be achieved with a smaller footprint

Conversion to ammonia-fuelled engine
• Cooperation agreement with Eidesvik Offshore ASA aims to convert an offshore supply vessel (OSV) to operate with an ammonia-fuelled combustion engine

Smart port innovation and digitalisation
• Wärtsilä Voyage signed a landmark Memorandum of Understanding (MoU) with the Maritime and Port Authority of Singapore (MPA) to further strengthen their collaboration
MARINE POWER: INCREASE IN ALL KEY FIGURES

COMPARABLE OPERATING RESULT INCREASED BY 67%

Order intake

Comparable operating result

Net sales

Comparable operating result

12m rolling MEUR 2,011

12m rolling MEUR 1,863

+ Reactivation of cruise vessels and increased service volumes
+ Efficiency improvement actions

- Cost inflation
- Low factory load
Wärtsilä has signed a long-term Optimised Maintenance Agreement with Singapore based NYK Shipmanagement

- The 13-year contract is designed to ensure maximum uptime and equipment reliability, with assured maintenance costs, for an LNG carrier vessel featuring three Wärtsilä 50DF dual-fuel engines
- The order includes Expert Insight, which enables dynamic, data-driven maintenance planning, optimising maintenance needs and monitoring equipment and systems in real-time through the use of artificial intelligence (AI) and advanced diagnostics
MARINE SYSTEMS: NET SALES AND ORDER INTAKE INCREASED

SERVICE ORDER INTAKE INCREASED BY 21%

Order intake

<table>
<thead>
<tr>
<th>Q419</th>
<th>Q220</th>
<th>Q420</th>
<th>Q221</th>
<th>Q421</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>133</td>
<td>147</td>
<td>147</td>
<td>133</td>
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</tbody>
</table>

12m rolling MEUR 835

Comparative operating result

<table>
<thead>
<tr>
<th>Q420</th>
<th>Q421</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

12m rolling 7.9%

Net sales

<table>
<thead>
<tr>
<th>Q419</th>
<th>Q220</th>
<th>Q420</th>
<th>Q221</th>
<th>Q421</th>
</tr>
</thead>
<tbody>
<tr>
<td>221</td>
<td>167</td>
<td>279</td>
<td>279</td>
<td>221</td>
</tr>
</tbody>
</table>

12m rolling MEUR 654

+ Demand for transactional services

- Lower new build scrubber margins
- Equipment/service mix
VOYAGE: INCREASE IN ALL KEY FIGURES
CLEAR IMPROVEMENT IN PROFITABILITY

Order intake
- MEUR
- 12m rolling MEUR 292
- +68%

Comparable operating result
- MEUR
- 12m rolling -9.9%
- Q421
- + Sales volumes
- Equipment/service mix
- Efficiency improvement actions

Net sales
- MEUR
- 12m rolling MEUR 279
- +24%

Comparable operating result
- MEUR
- -11
- - Cost inflation
- Increased investments in digital competences

12m rolling
- MEUR 292
- -9.9%
- Q421

28 January 2022
RESULT PRESENTATION 2021
Wärtsilä to deliver the first-ever Cloud Simulation service in Africa at the Technical University of Mombasa

- The modern training technology will help the African seafarers to be trained remotely on STCW Training (Standards of Training, Certification and Watchkeeping for Seafarers) as well as on other training courses
- The sessions will always have up-to-date databases, tailored content, and training will be accessible on-demand from anywhere and with a wide range of devices
- Cloud Simulators are complementary to on-premises simulators and ensure top-notch remote training even for off-campus seafarers located in far-flung parts of Africa and anywhere in the world
ENERGY: ORDER INTAKE, NET SALES AND COMPARABLE OPERATING RESULT INCREASED

LARGE SINGLE DEALS SUPPORTED ORDER INTAKE

Order intake

Comparable operating result

Net sales

Comparable operating result

Order intake

Comparable operating result

Net sales

Comparable operating result

+120%

MEUR 2,444

MEUR 1,861

+44%

MEUR 1,861

+ Sales volumes
+ Favourable mix within services

- Equipment/service sales mix
- Increased share of energy storage deliveries
- Ramp-up of the storage organisation
- Cost inflation

MEUR

10.0%

9.0%

8.0%

7.0%

6.0%

5.0%

4.0%

3.0%

2.0%

1.0%

0.0%

12m rolling 7.3%

12m rolling 7.3%
Wärtsilä awarded two major contracts with a combined value of approximately 480 MEUR for power plant deliveries to Mexico

- Wärtsilä will supply Mexico’s state-owned electricity utility, Comisión Federal de Electricidad (CFE), with two large multi-fuel power plants having a combined output of 600 MW.

- The projects will be delivered on a full engineering, procurement, and construction (EPC) basis, and they represent the largest generating capacity EPC contract ever awarded to Wärtsilä.

- The projects comprise a 400 MW facility operating with 24 Wärtsilä 50DF dual-fuel engines, and a 200 MW generating unit featuring 22 Wärtsilä 34DF dual-fuel engines.
The demand for remote support for power plants is constantly growing. Yet, we solve most cases during the same day:

- 96% of support cases were solved remotely in 2021
- 91% of support cases were solved during the same day
- Remote support solutions help reduce operating costs through optimisation of data and infrastructure, and they also help prevent problems before they even occur

* Includes agreements covering both installed assets and assets to be installed in the future.
# OTHER KEY FINANCIALS

<table>
<thead>
<tr>
<th></th>
<th>10-12/2021</th>
<th>10-12/2020</th>
<th>1-12/2021</th>
<th>1-12/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>370</td>
<td>274</td>
<td>731</td>
<td>681</td>
</tr>
<tr>
<td>Working capital</td>
<td></td>
<td>-100</td>
<td></td>
<td>257</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td></td>
<td>4</td>
<td></td>
<td>394</td>
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<tr>
<td>Gearing</td>
<td>0.00</td>
<td>0.18</td>
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</tr>
<tr>
<td>Solvency, %</td>
<td>38.6</td>
<td>38.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic earnings/share, EUR</td>
<td>0.14</td>
<td>0.10</td>
<td>0.33</td>
<td>0.23</td>
</tr>
</tbody>
</table>
CASH FLOW FROM OPERATING ACTIVITIES INCREASED

Cash flow from operating activities

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q419</th>
<th>Q120</th>
<th>Q220</th>
<th>Q320</th>
<th>Q420</th>
<th>Q121</th>
<th>Q221</th>
<th>Q321</th>
<th>Q421</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>295</td>
<td>274</td>
<td>61</td>
<td>0</td>
<td>10</td>
<td>19</td>
<td>0</td>
<td>0</td>
<td>370</td>
</tr>
</tbody>
</table>

Cash flow from operating activities, 12m rolling MEUR 731

Fourth quarter development

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Profit</th>
<th>Depreciation and amortisation</th>
<th>Trade receivables</th>
<th>Inventories</th>
<th>Trade payables</th>
<th>Other working capital</th>
<th>Other</th>
<th>Operating cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85</td>
<td>40</td>
<td>-93</td>
<td>131</td>
<td>159</td>
<td>16</td>
<td>33</td>
<td>370</td>
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</tbody>
</table>
EARNINGS AND DIVIDEND PER SHARE

* Proposal of the Board
PROSPECTS

Wärtsilä expects the demand environment in the first quarter to be better than that of the corresponding period in the previous year. However, the prevailing market conditions make the outlook uncertain.
ORDER INTAKE

FOURTH QUARTER DEVELOPMENT

Order intake by business:
- Marine Power: 31% (39)
- Marine Systems: 4% (5)
- Voyage: 48% (42)
- Energy: 14% (12)
- Portfolio Business: 3% (2)

Order intake by business type:
- Services: 35% (56)
- Equipment: 65% (44)
NET SALES
FOURTH QUARTER DEVELOPMENT

Net sales by business:
- Marine Power: 37% (40)
- Marine Systems: 5% (6)
- Voyage: 14% (14)
- Energy: 42% (38)
- Portfolio Business: 2% (2)

Net sales by business type:
- Services: 52% (46)
- Equipment: 48% (54)
FOURTH QUARTER DEVELOPMENT BY BUSINESS TYPE

Order intake

- Marine Businesses: EUR 1,060 million (628)
  - 20% (29) Spare parts
  - 11% (16) Field service
  - 7% (5) Service agreements
  - 5% (6) Service projects
  - 58% (43) Equipment

- Energy: EUR 1,031 million (469)
  - 11% (23) Spare parts
  - 3% (5) Field service
  - 9% (26) Service agreements
  - 2% (2) Service projects
  - 75% (44) Equipment

Net sales

- Marine Businesses: EUR 895 million (724)
  - 48% (47) Spare parts
  - 10% (7) Field service
  - 6% (6) Service agreements
  - 13% (15) Service projects
  - 24% (25) Equipment

- Energy: EUR 670 million (465)
  - 58% (45) Spare parts
  - 17% (22) Field service
  - 4% (8) Service agreements
  - 5% (6) Service projects
  - 15% (19) Equipment

28 January 2022
## JANUARY–DECEMBER ORDER INTAKE BY CUSTOMER SEGMENT

<table>
<thead>
<tr>
<th>Marine Businesses</th>
<th>Gas carriers</th>
<th>Cruise &amp; ferry</th>
<th>Offshore</th>
<th>Navy</th>
<th>Special vessels</th>
<th>Merchant</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td><strong>Marine Power</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>5% (22)</td>
<td>27% (31)</td>
<td>3% (4)</td>
<td>16% (8)</td>
<td>21% (22)</td>
<td>28% (13)</td>
<td>0% (0)</td>
</tr>
<tr>
<td>Services</td>
<td>18% (16)</td>
<td>21% (14)</td>
<td>13% (15)</td>
<td>7% (11)</td>
<td>14% (16)</td>
<td>25% (26)</td>
<td>2% (2)</td>
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<tr>
<td><strong>Marine Systems</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>35% (35)</td>
<td>3% (4)</td>
<td>1% (2)</td>
<td>33% (3)</td>
<td>2% (0)</td>
<td>18% (25)</td>
<td>6% (30)</td>
</tr>
<tr>
<td>Services</td>
<td>3% (2)</td>
<td>8% (11)</td>
<td>6% (4)</td>
<td>28% (32)</td>
<td>8% (11)</td>
<td>42% (36)</td>
<td>4% (3)</td>
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<tr>
<td><strong>Voyage</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Equipment</td>
<td>1% (0)</td>
<td>22% (27)</td>
<td>7% (7)</td>
<td>15% (8)</td>
<td>5% (16)</td>
<td>28% (21)</td>
<td>22% (21)</td>
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<tr>
<td>Services</td>
<td>3% (4)</td>
<td>28% (26)</td>
<td>6% (9)</td>
<td>2% (3)</td>
<td>6% (6)</td>
<td>53% (54)</td>
<td>2% (-1)</td>
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<td>Equipment</td>
<td>49% (35)</td>
<td>42% (48)</td>
<td>9% (16)</td>
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<tr>
<td>Services</td>
<td>33% (32)</td>
<td>31% (29)</td>
<td>27% (30)</td>
<td></td>
<td></td>
<td>10% (9)</td>
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</table>
ORDERS RECEIVED FOR ENERGY EQUIPMENT GLOBALLY

EQUIPMENT ORDER INTAKE 1-12/2021: MEUR 1,529 (813)