

## 2017 – A YEAR OF SOLID SALES AND STRONG ORDER INTAKE

“The year 2017 developed according to with our expectations. Increased power plant deliveries supported some growth in net sales, while profitability was in line with the previous year, due in part to a positive business mix in the fourth quarter. The favourable order trends seen throughout the year continued in the fourth quarter, providing us with a solid basis from which we can develop our business.

Activity in the service markets improved in the second half, despite low volumes in the offshore and merchant segments. I am especially pleased with the healthy growth in Services’ orders received, which demonstrates that our customers are increasingly seeing the value of longer-term partnerships. Energy Solutions’ order intake was boosted by both increased investments in modernising power infrastructures in the emerging markets, and the growing need for flexible power capacity to support the transition into renewable energy sources. In the marine industry, the sentiment among merchant customers improved during the latter part of the year. This, together with a healthy demand in the cruise and gas carrier segments, supported the growth of Marine Solutions’ order intake.

During the year, we introduced our smart marine and smart energy visions, which emphasise Wärtsilä’s commitment to promoting a low emission economy and providing intelligent ways of producing and using energy. The launch of our marine hybrid module, the development of our capabilities for remote vessel operation, the introduction of new service concepts, and the expansion into energy storage and software solutions are all concrete examples of how we increase customer value with energy efficiency, lifecycle optimisation and innovative solutions.

Looking ahead, I believe that developing smart technology and integrating new business models into our offering will be at the core of our long-term value creation, both for our shareholders and society at large. In terms of 2018, our demand outlook has improved somewhat. We continue to see growth opportunities in our service business, based on our portfolio of long-term agreements and the increasing technological sophistication of our installed base. The demand for our energy solutions is anticipated to be at a good level, supported by a healthy project pipeline and favourable market trends. Market conditions are expected to improve in the marine industry, thus supporting a solid demand outlook.”

### Key figures

MEUR	10-12/2017	10-12/2016	Change	1-12/2017	1-12/2016	Change
Order intake	1 514	1 324	14%	5 644	4 927	15%
Order book at the end of the period				5 064	4 696	8%
Net sales	1 445	1 559	-7%	4 923	4 801	3%
Operating result <sup>1</sup>	225	231	-3%	552	532	4%
% of net sales	15.6	14.8		11.2	11.1	
Comparable operating result	244	253	-4%	590	583	1%
% of net sales	16.9	16.3		12.0	12.1	
Comparable adjusted EBITA	254	262	-3%	626	618	1%
% of net sales	17.5	16.8		12.7	12.9	

Profit before taxes	215	226	-5%	506	479	6%
Earnings/share, EUR	0.86	0.87		1.95	1.79	
Cash flow from operating activities	276	235		430	613	
Net interest-bearing debt at the end of the period				234	150	
Gross capital expenditure				255	146	
Gearing				0.10	0.07	

<sup>1</sup> Items affecting comparability amounted to EUR 19 million (22) during the fourth quarter, of which EUR 18 million (22) related to restructuring programmes, and EUR 1 million (0) to acquisitions and other costs. During the review period January-December 2017, items affecting comparability amounted to EUR 37 million (51), of which EUR 36 million (48) related to restructuring programmes and EUR 2 million (3) to acquisitions and other costs.