

# Wärtsilä Corporation Result presentation Q1 2025

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25 April 2025



## Improved operating result and strong growth in net sales

- All-time high order book of 8,533 MEUR
- Net sales increased by 18% to 1,560 MEUR
- Operating result increased by 30% to 165 MEUR
  - 10.6% of net sales
- Comparable operating result increased by 29% to 171 MEUR
  - 11.0% of net sales
- Good progress in service continued:
  - Service order intake increased by 5%
  - Service net sales increased by 6%
  - Service book-to-bill 1.12
- Solid cash flow from operating activities of 190 MEUR
- Wärtsilä concluded the strategic review of Energy Storage and Optimisation and set new financial targets on March 31, 2025





## Good development in key figures

MEUR	1-3/2025	1-3/2024	CHANGE
<b>Order intake</b>	<b>1,902</b>	1,924	-1%
of which services	<b>992</b>	949	5%
of which equipment	<b>910</b>	975	-7%
<b>Order book</b>	<b>8,533</b>	7,294	17%
of which current year deliveries	<b>4,172</b>	3,864	
<b>Net sales</b>	<b>1,560</b>	1,321	18%
of which services	<b>884</b>	833	6%
of which equipment	<b>676</b>	489	38%
<b>Book-to-bill</b>	<b>1.22</b>	1.46	
<b>Comparable operating result</b>	<b>171</b>	132	29%
% of net sales	<b>11.0</b>	10.0	
<b>Operating result</b>	<b>165</b>	127	30%
% of net sales	<b>10.6</b>	9.6	

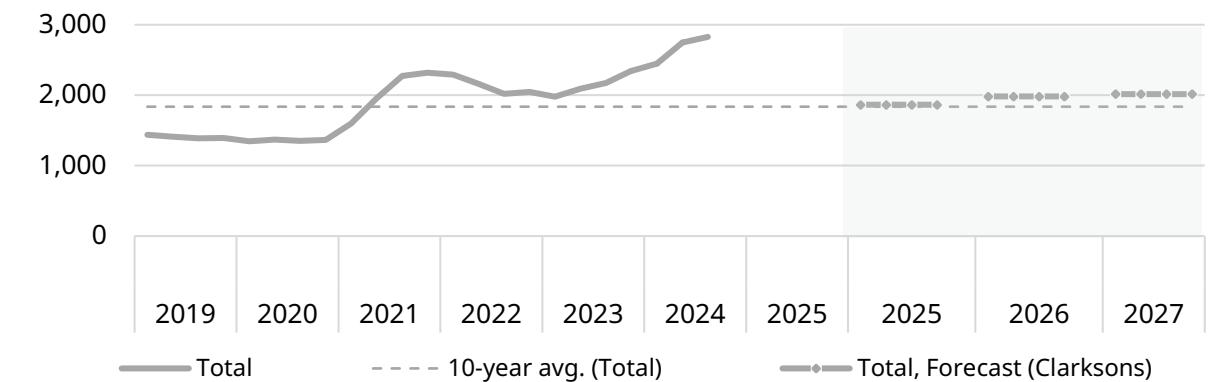
# Marine: A more mixed market sentiment

Demand for new ships negatively affected by growing uncertainty

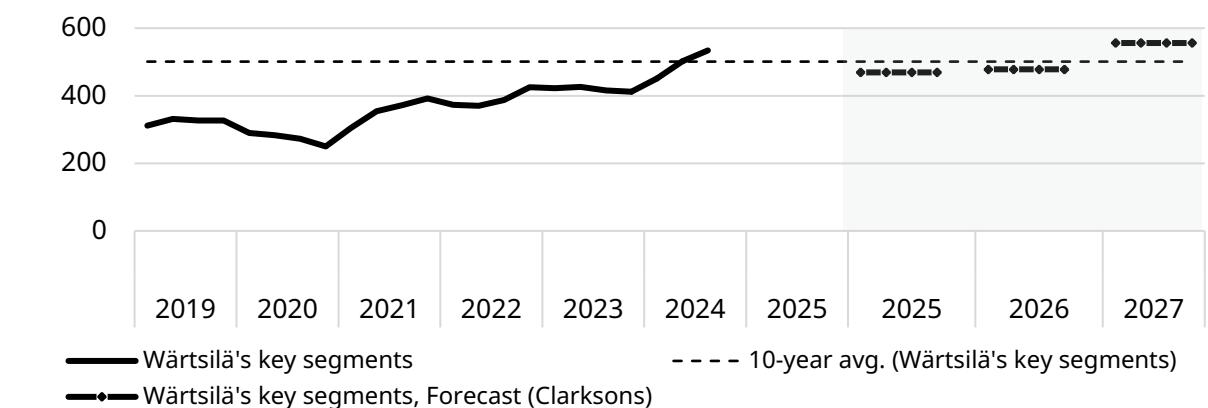
- The number of vessels ordered in the review period decreased to 235 (368 in the corresponding period in 2024, excluding late reporting of contracts).
- More mixed outlook, the heightened uncertainty and caution around measures suggested by US against Chinese-linked ships slowed down the investment appetite in new ships in some segments.
- In cruise, strong growth in demand has enabled cruise lines to continue newbuild investments and also ordering for new containerships remained relatively strong as liner operators progressed with their fleet renewal plans.
- The outcome of the International Maritime Organisation's (IMO) MEPC83 meeting and the agreed proposal for a global carbon fee in the marine market supports the continued decarbonisation journey.
- In Q1/2025, 85 orders for new alternative fuel capable ships were reported, accounting for 36% (32) of all contracted vessels and 65% (45) of the capacity of contracted vessels.

## Vessel contracting trend

Number of vessels (total)



Number of vessels (Wärtsilä's key segments)



Source: Clarksons Research, as per 3rd of April 2025 (+2,000 DWT/GT, including offshore ship-shaped units.) Wärtsilä key segments include LNG carriers, LPG carriers, cruise & ferry, offshore, and special vessels.

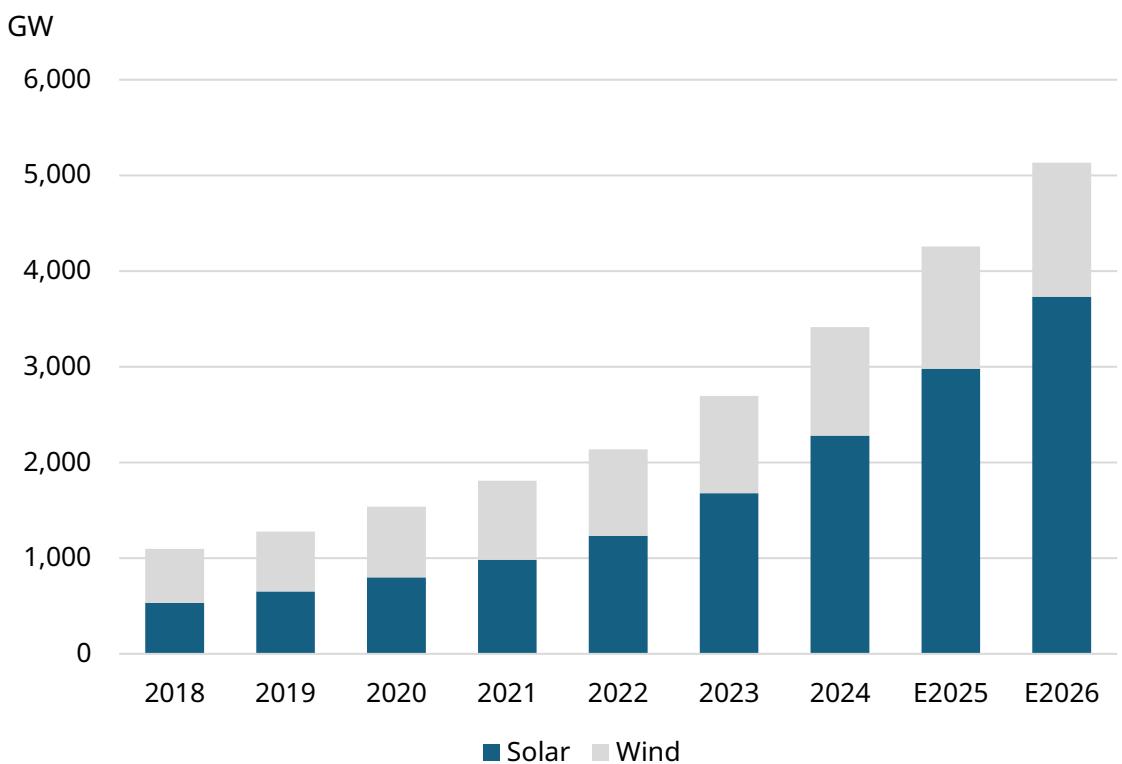
Historical figures in graphs are subject to change due to late reporting of contracts. The impact is most significant for the latest quarters; therefore, data from the last two quarters is not included. Forecasts are from March 2025.

# Energy: strong long-term prospects but elevated uncertainty in the short term

High load growth continues to drive new power capacity

- Wind and solar are expected to post all-time high additions in capacity in 2025. The main driver for capacity additions for wind and solar continues to be favourable economics.
- Tariffs implemented by the US administration have impacted decision making regarding new orders in particular for battery energy storage.
- Demand for baseload engine power plants is expected to remain stable. The drivers for balancing engine power plants continue to develop favourably in 2025 and beyond.
- Data centres present a promising baseload opportunity due to delayed grid connections. According to IEA, additional 45 GW of power capacity is expected to be added for data centres between 2024 and 2027.

## Development on installed wind and solar capacity

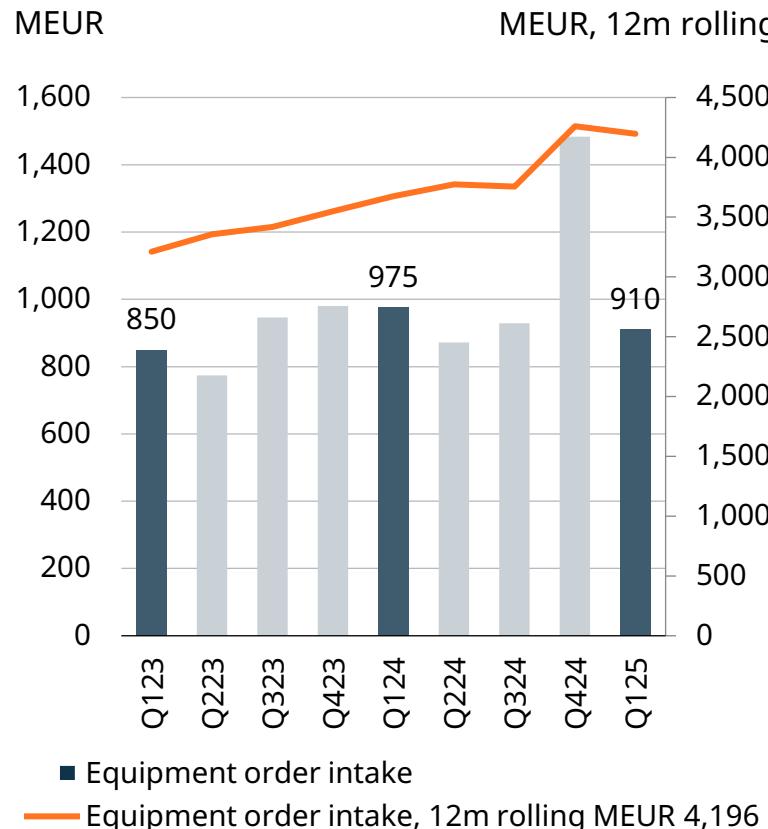


Source: BloombergNEF

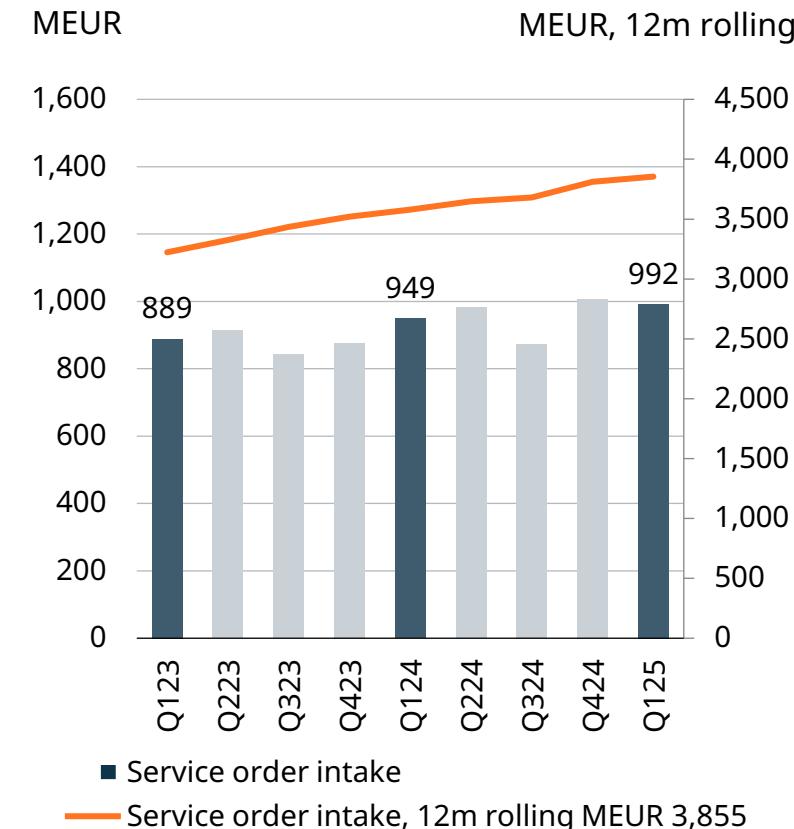
Sources: DNV Energy Transition Outlook 2024, IEA Renewables 2024 - Renewable Energy Progress Tracker and IEA Electricity 2024  
 IEA: International Energy Agency, BNEF: Bloomberg New Energy Finance

# Organic order intake decreased by 2% burdened by Energy Storage & Optimisation

## Equipment



## Services



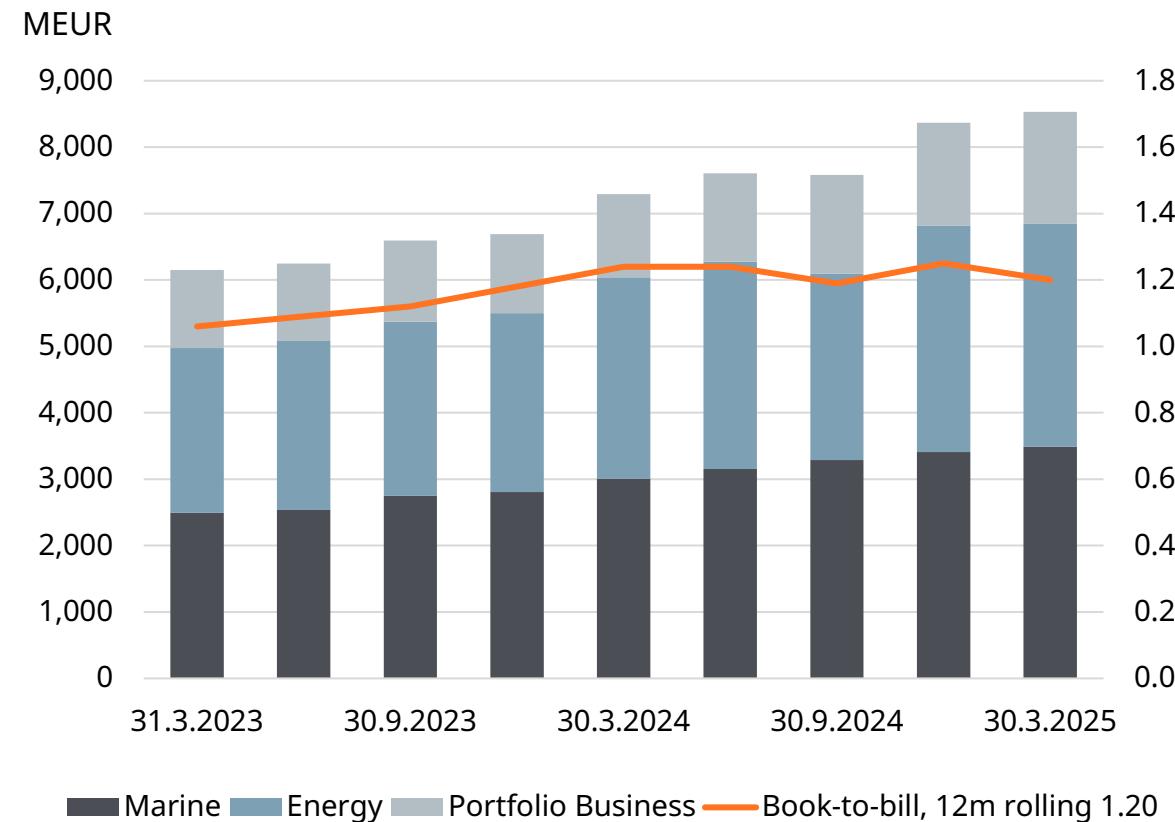
Order intake remained stable, with a decrease by 1%

Equipment order intake decreased by 7% primarily due to lower orders in energy storage, while engine power plants increased

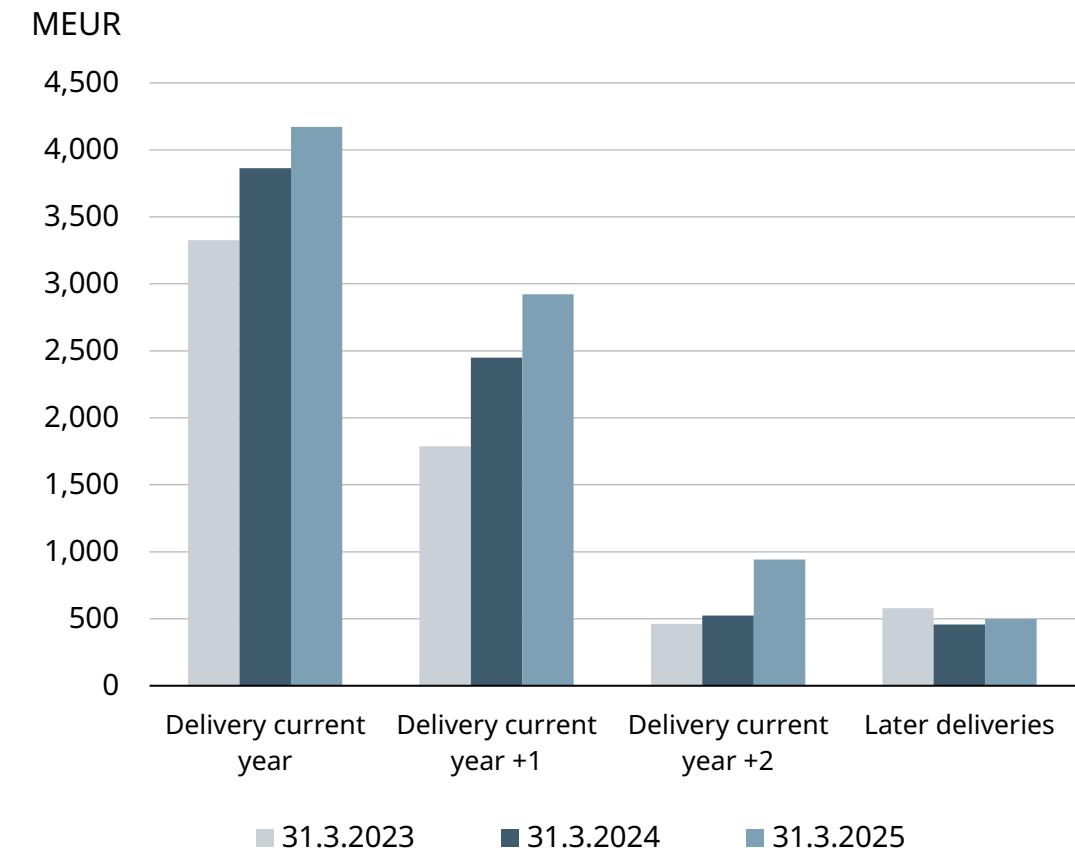
Service order intake increased by 5% driven by growth in Marine

# All-time high order book, rolling book-to-bill continues well above 1

## Order book by business



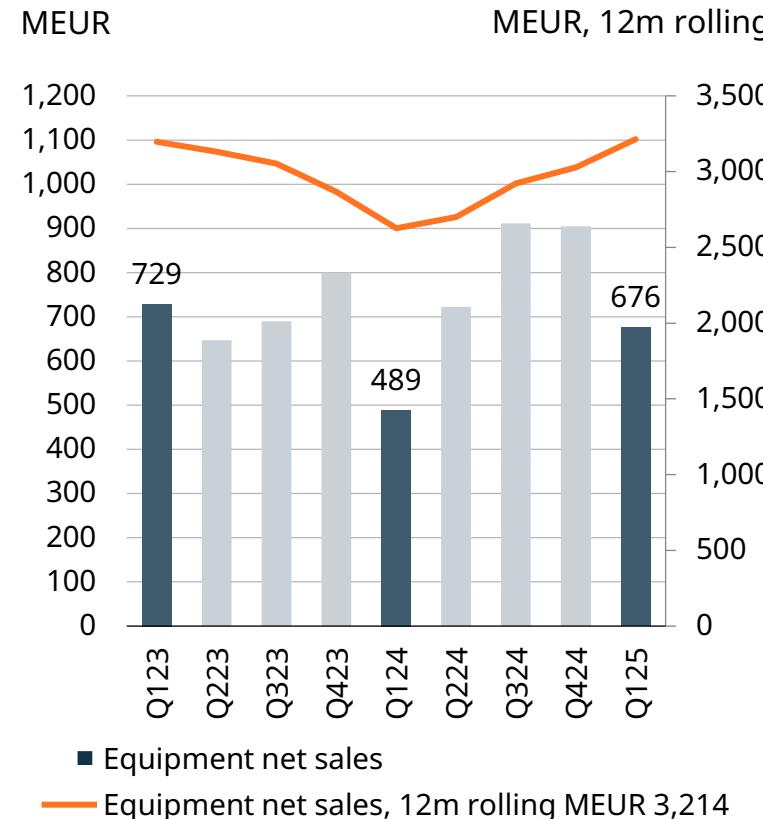
## Order book delivery schedule



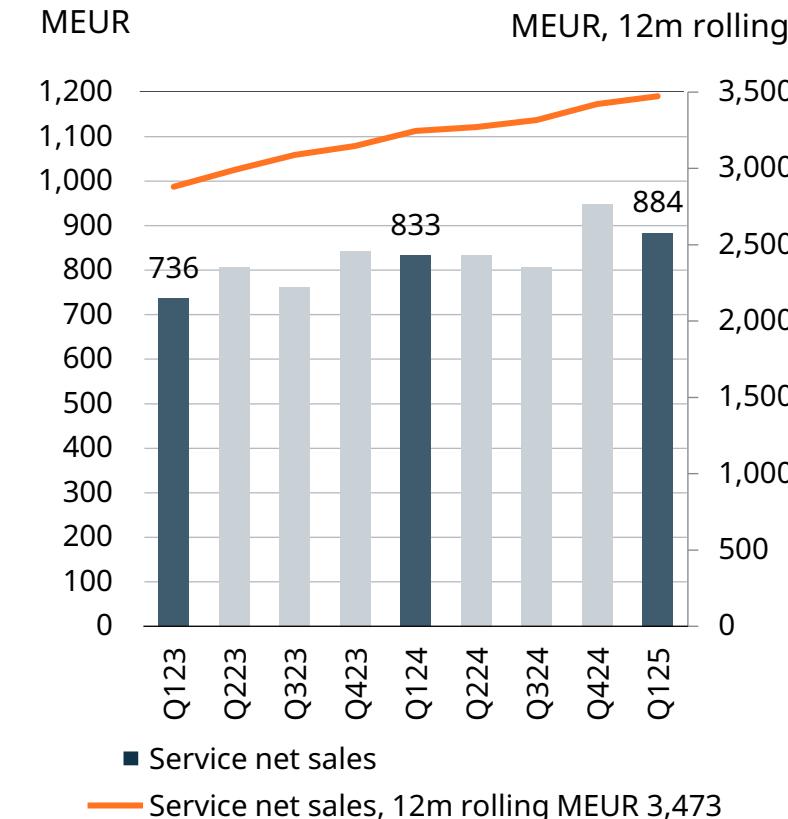
Financial figures for 2023 have been restated to reflect a redefined organisational structure after discontinuation of Marine Systems as a reporting segment as of 1 January 2024. Gas Solutions business unit was moved to Portfolio Business for divestment, and Exhaust Treatment and Shaft Line Solutions business units were moved from Marine Systems to Marine Power and consequently, Marine Power changed its name to Marine as of 1 January 2024.

# Organic net sales increased by 18% supported by growth in Marine and Energy

## Equipment



## Services



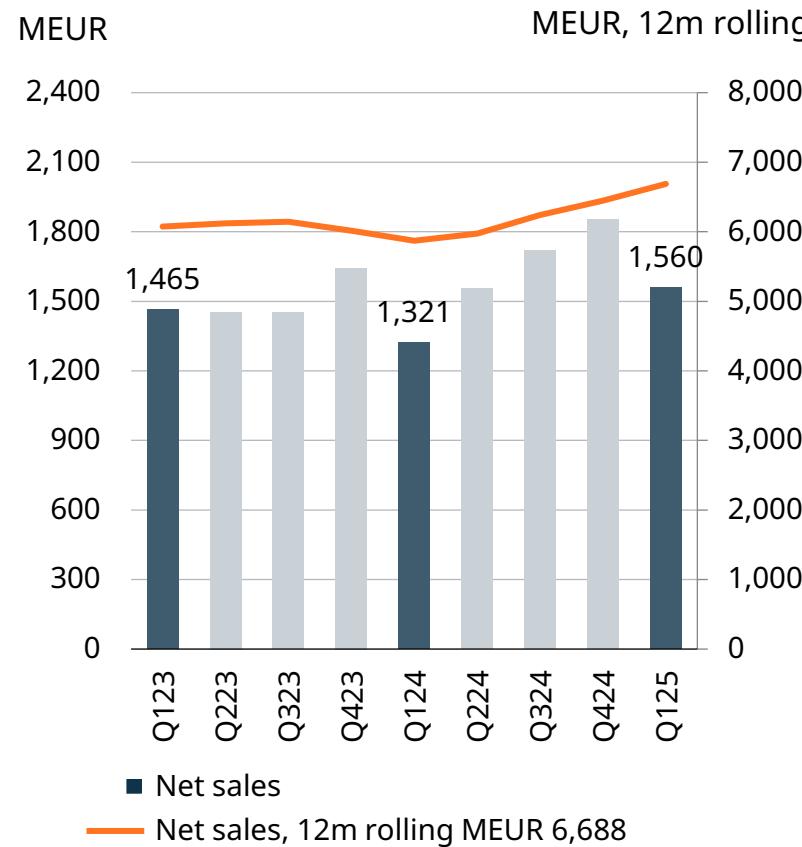
Net sales increased by 18%

Equipment net sales increased by 38% supported by Marine and Energy

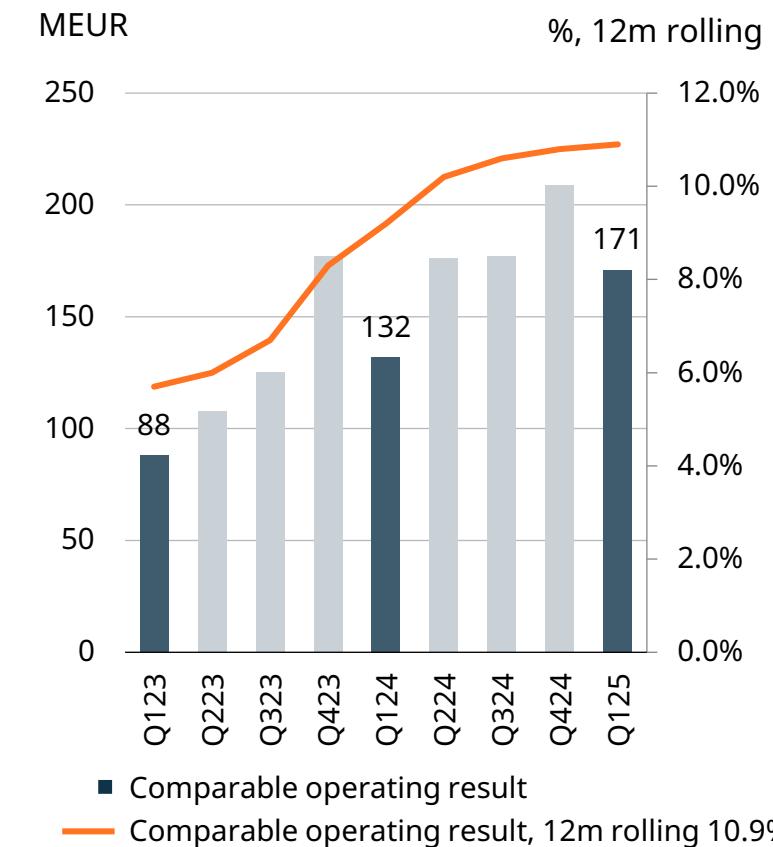
Service net sales increased by 6% supported by growth in Marine, Energy and Portfolio Business

# Profitability continued to improve

## Net sales



## Comparable operating result



Net sales increased by 18%

Comparable operating result increased by 29%

Comparable operating result margin 12m rolling at 10.9% (9.2%)



# Technology and partnership highlights

## Enabling industry decarbonisation

### Wärtsilä Lifecycle Agreement to ensure operational reliability for 14 vessels in CMA Ships fleet

- Wärtsilä has signed a Lifecycle Agreement with CMA Ships, a subsidiary of leading French shipping company CMA CGM.
- The agreement covers 14 large LNG-fuelled container ships already in operation.
- Under the terms of the agreement, Wärtsilä will provide a full-service package that secures reliable operations at a fixed and minimised cost.
- The order was booked in Q1 2025.

### Wärtsilä introduces next-generation engine to balance renewables and improve power plant performance

- Wärtsilä's new, next generation 46TS engine, is designed to balance renewable energy, provide highly efficient baseload power, and run on sustainable fuels in the future.
- The Wärtsilä 46TS engine will be available from 2025.
- In January 2025, Wärtsilä announced the first order for the new 46TS engines placed by Kazakhstan Caspian Offshore Industries (KCOI) in Q4 2024.
- The engines will support KCOI's new 120 MW power plant and additionally, the first hybrid power project of its kind in Kazakhstan, which integrates the engine power plant with wind and solar power.

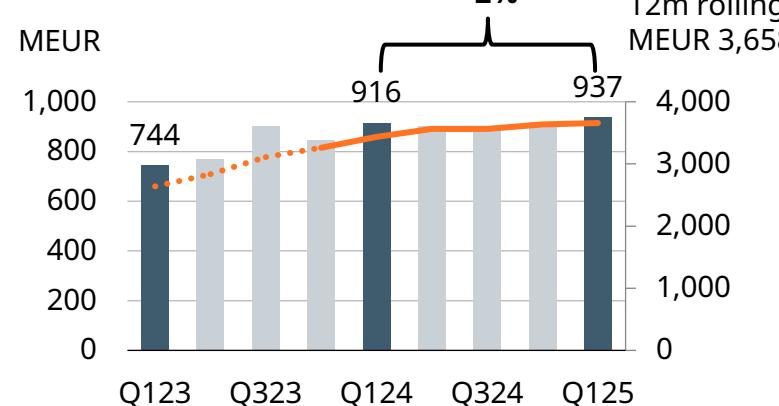
# Marine



# Marine: Continued growth and improved profitability

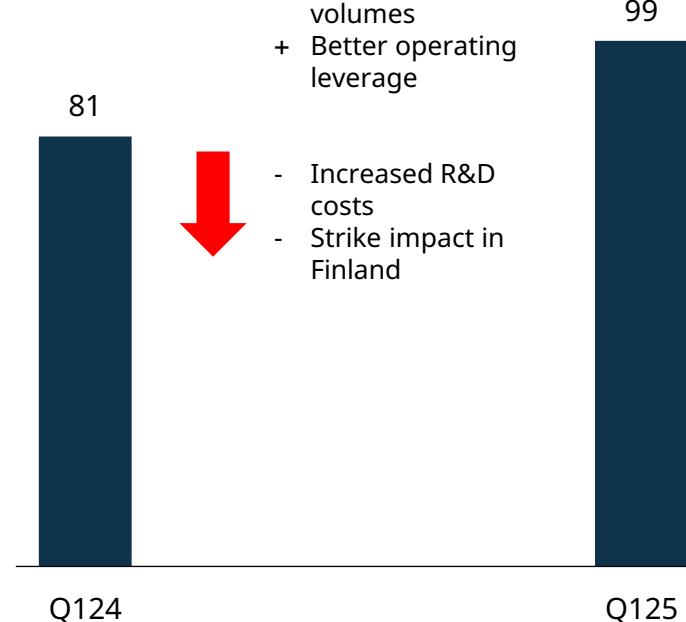
Service net sales increased by 6% supported by the merchant, navy and ferry segments

## Order intake



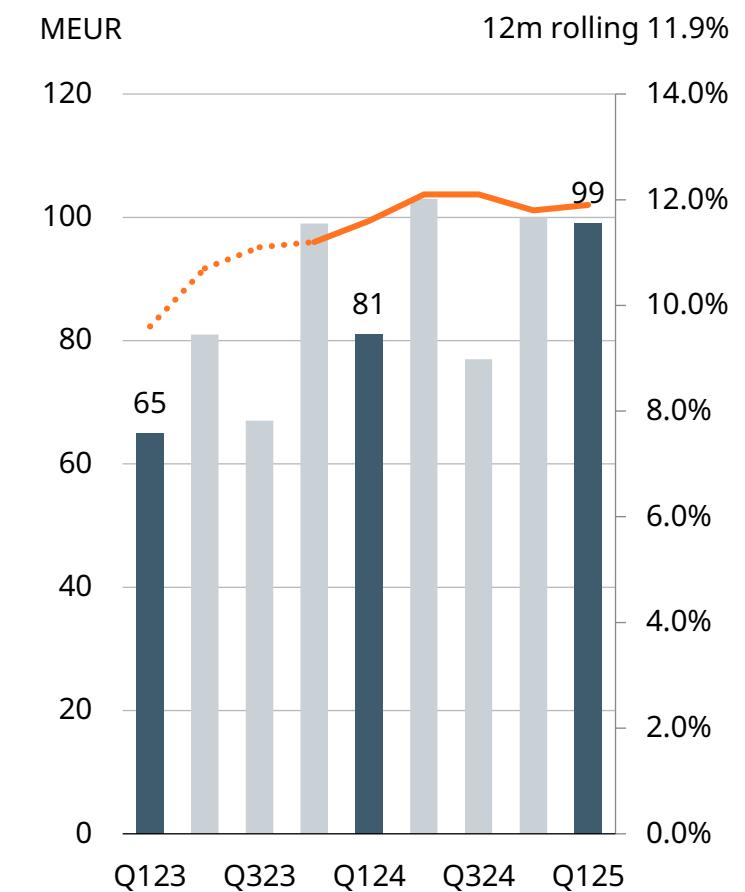
## Comparable operating result

MEUR

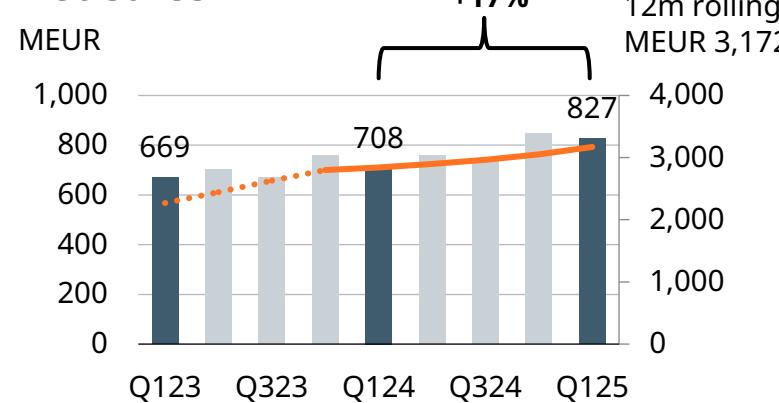


## Comparable operating result

MEUR



## Net sales

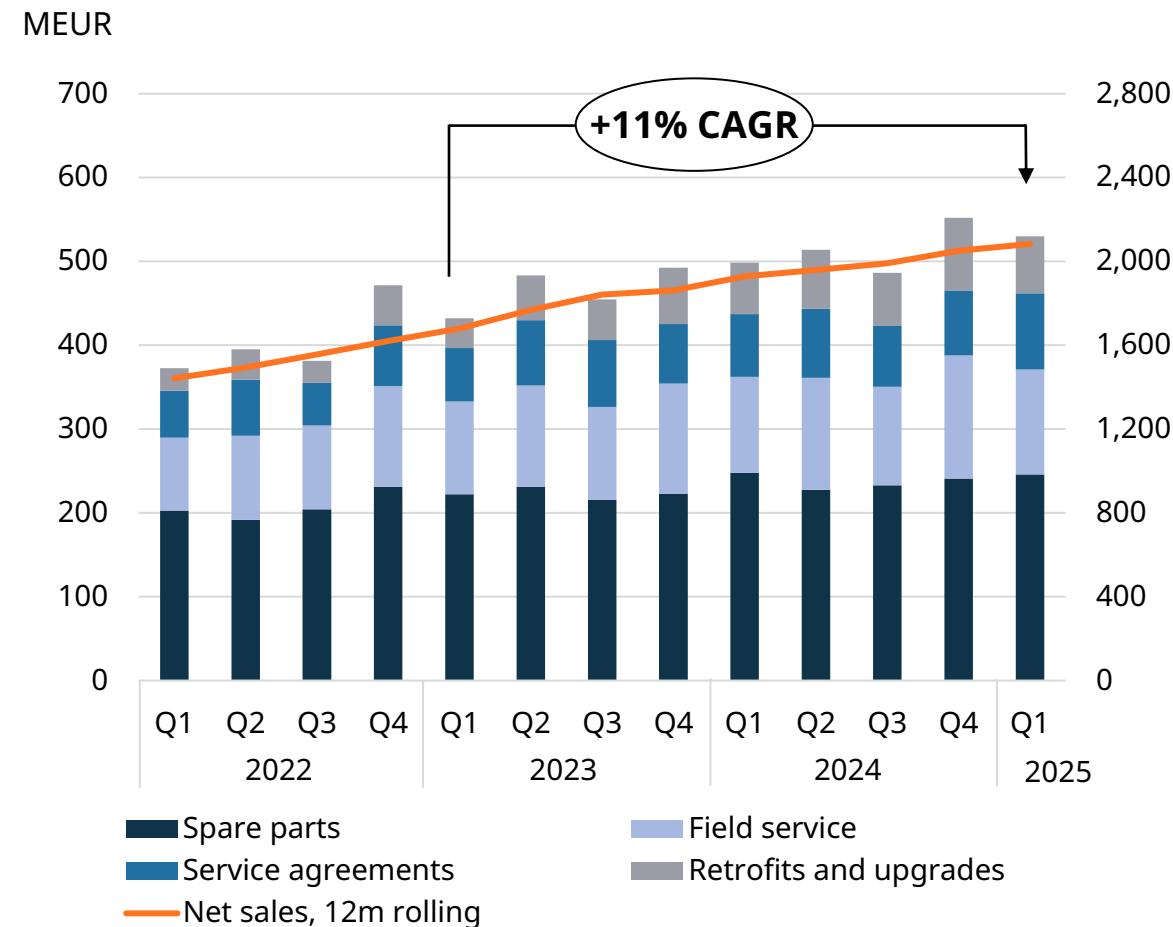


Financial figures for 2023 have been restated to reflect the redefined organisational structure after the discontinuation of Marine Systems as a reporting segment as of 1 January 2024. Exhaust Treatment and Shaft Line Solutions business units were moved from Marine Systems to Marine Power and consequently, Marine Power changed its name to Wärtsilä Marine.  
As financial figures prior to 2023 have not been restated to account for the current organisational structure, the non-comparable figures are marked with a dashed line.

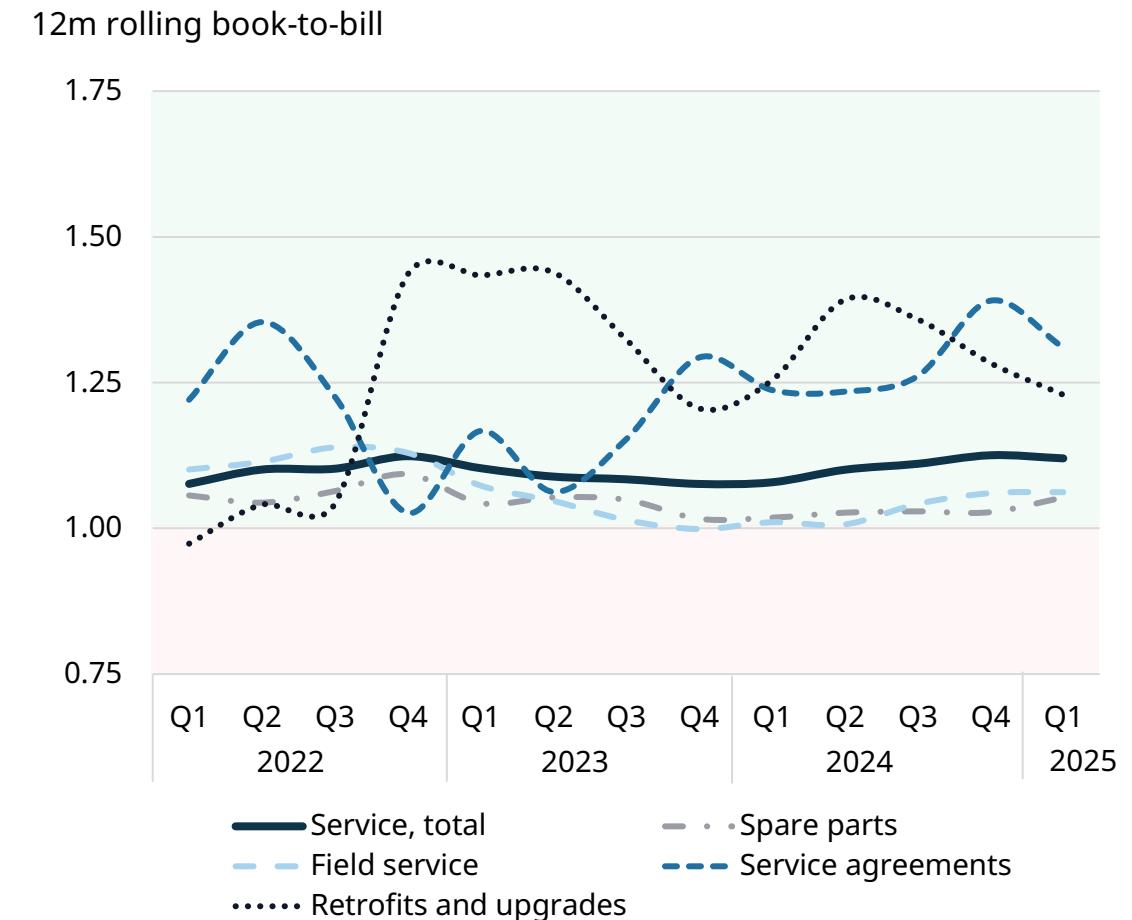
# Good development in Marine service

Book-to-bill above 1 in all service revenue streams

## Marine service, Net sales



## Marine service, Book-to-bill



2023 data restated to reflect the redefined organisational structure as of 1 Jan 2024. Figures prior to 2023 are not fully comparable due to organisational changes.

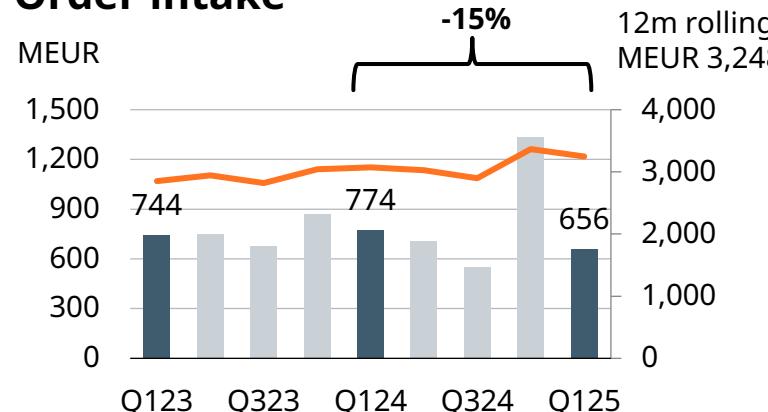
# Energy



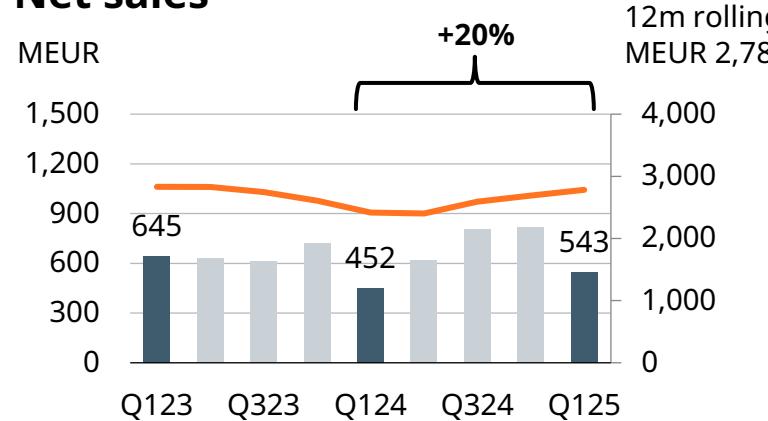
# Energy: Comparable operating result increased

Equipment order intake in Engine Power Plants increased by 35% but decreased in Energy Storage & Optimisation

## Order intake



## Net sales



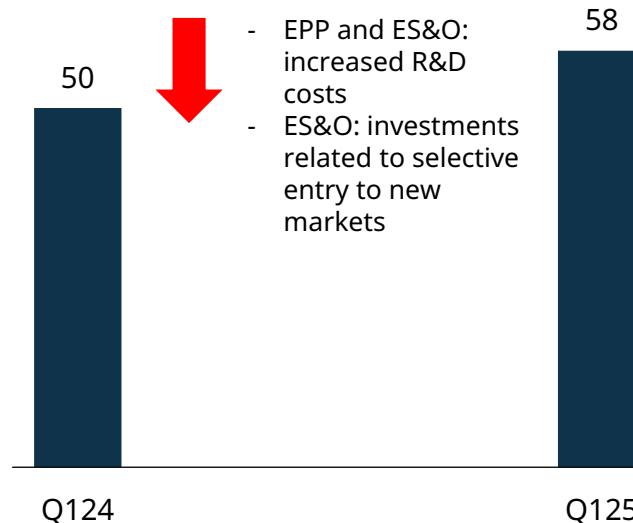
EPP, Engine Power Plants

ES&O, Energy Storage & Optimisation

## Comparable operating result

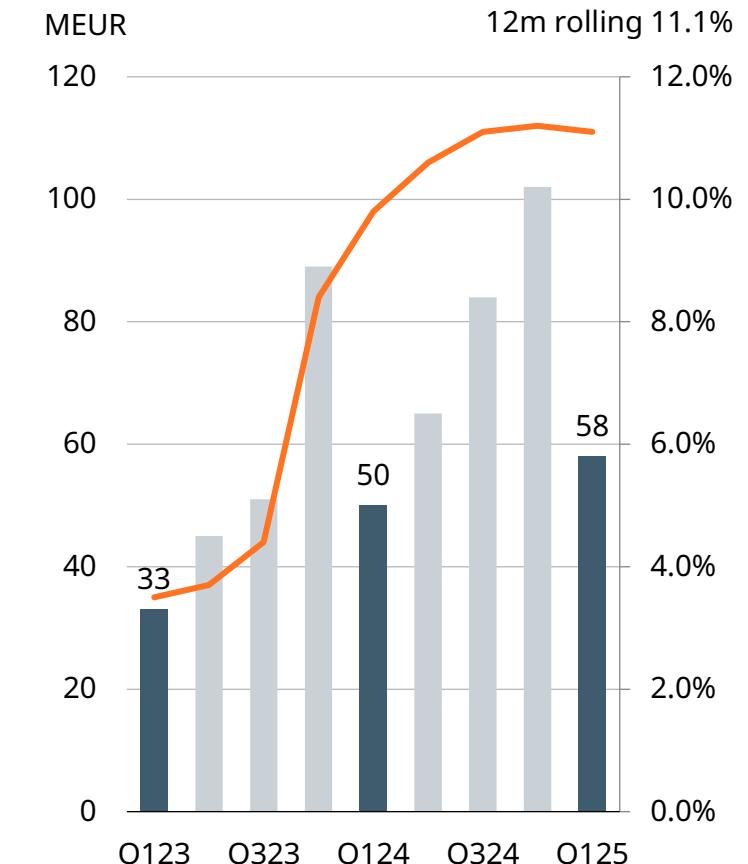
MEUR

- + EPP: improved newbuild profitability
- + EPP: higher service volumes



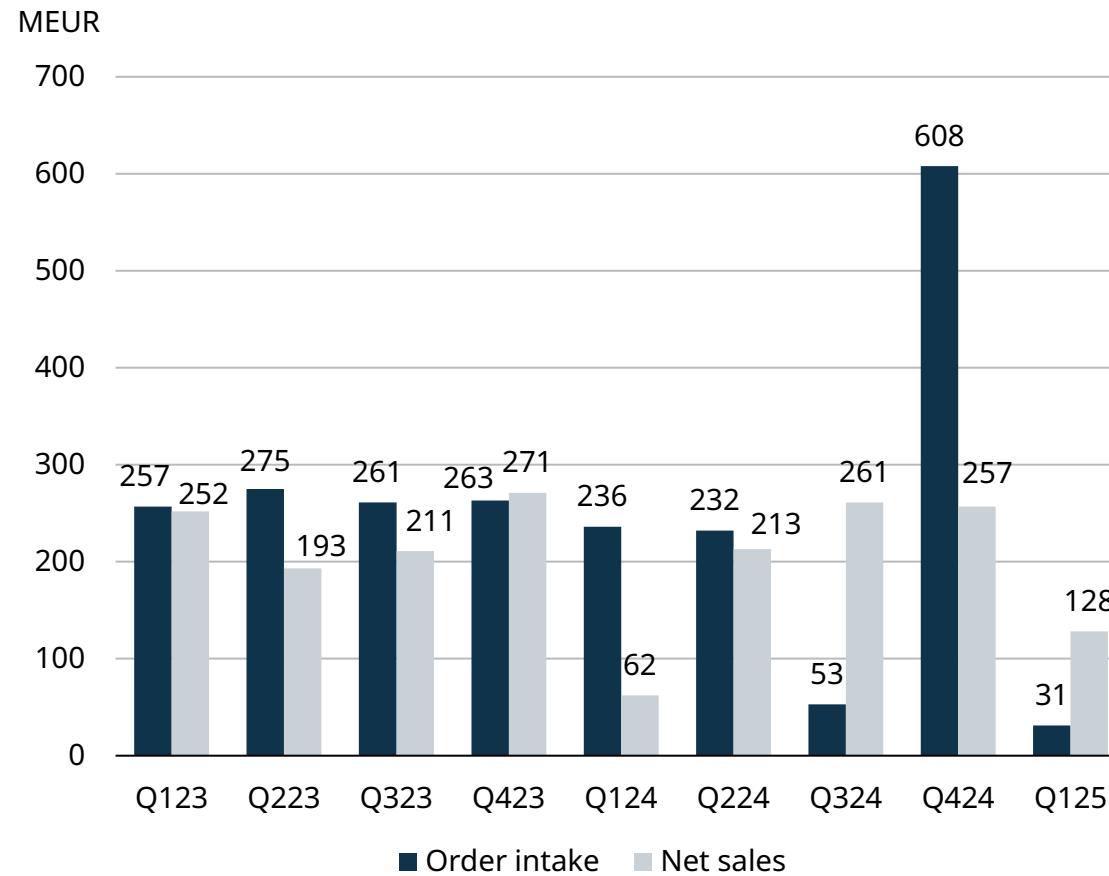
## Comparable operating result

MEUR

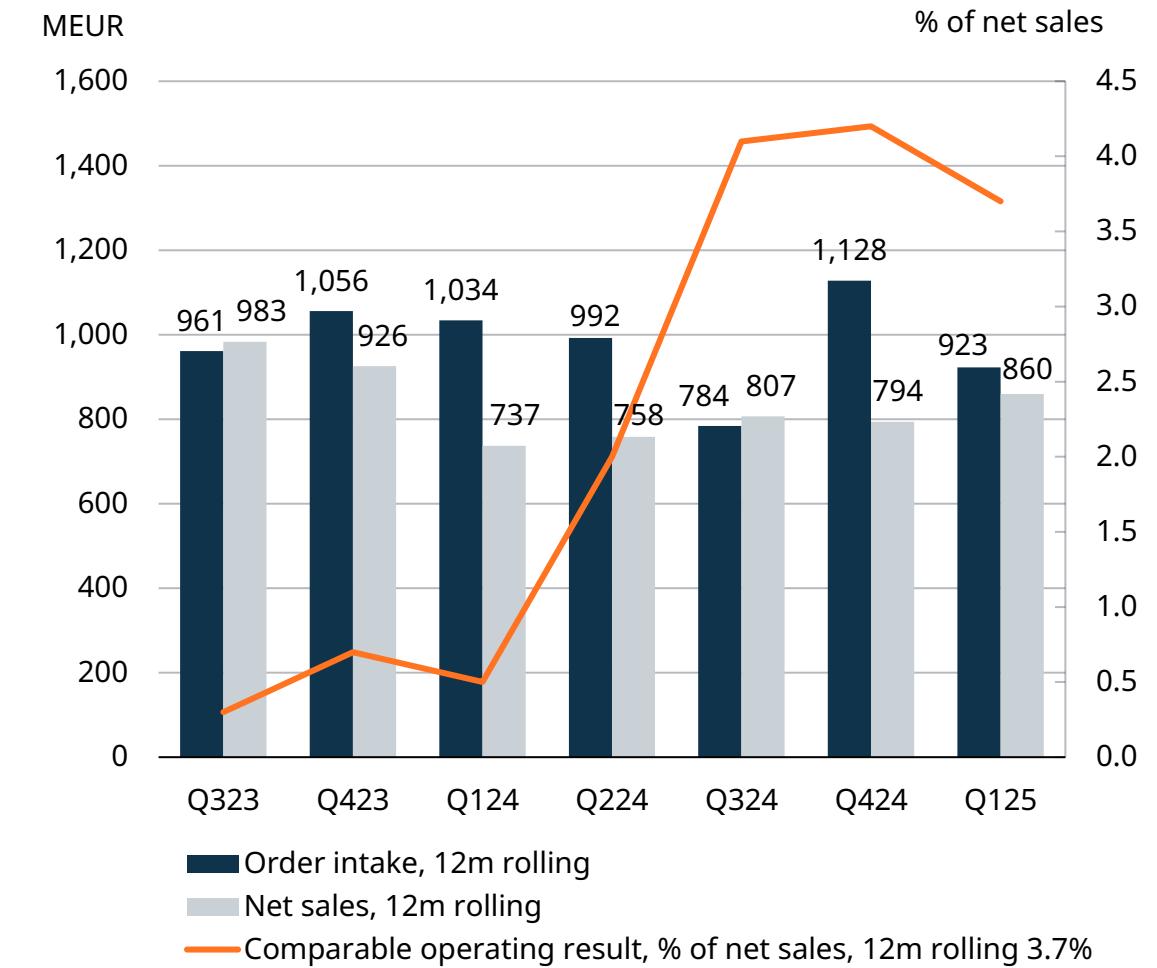


# Energy Storage & Optimisation: Comparable operating result (12m rolling) decreased due to lower project margin mix and cost of selective entries to new markets

## Quarterly development



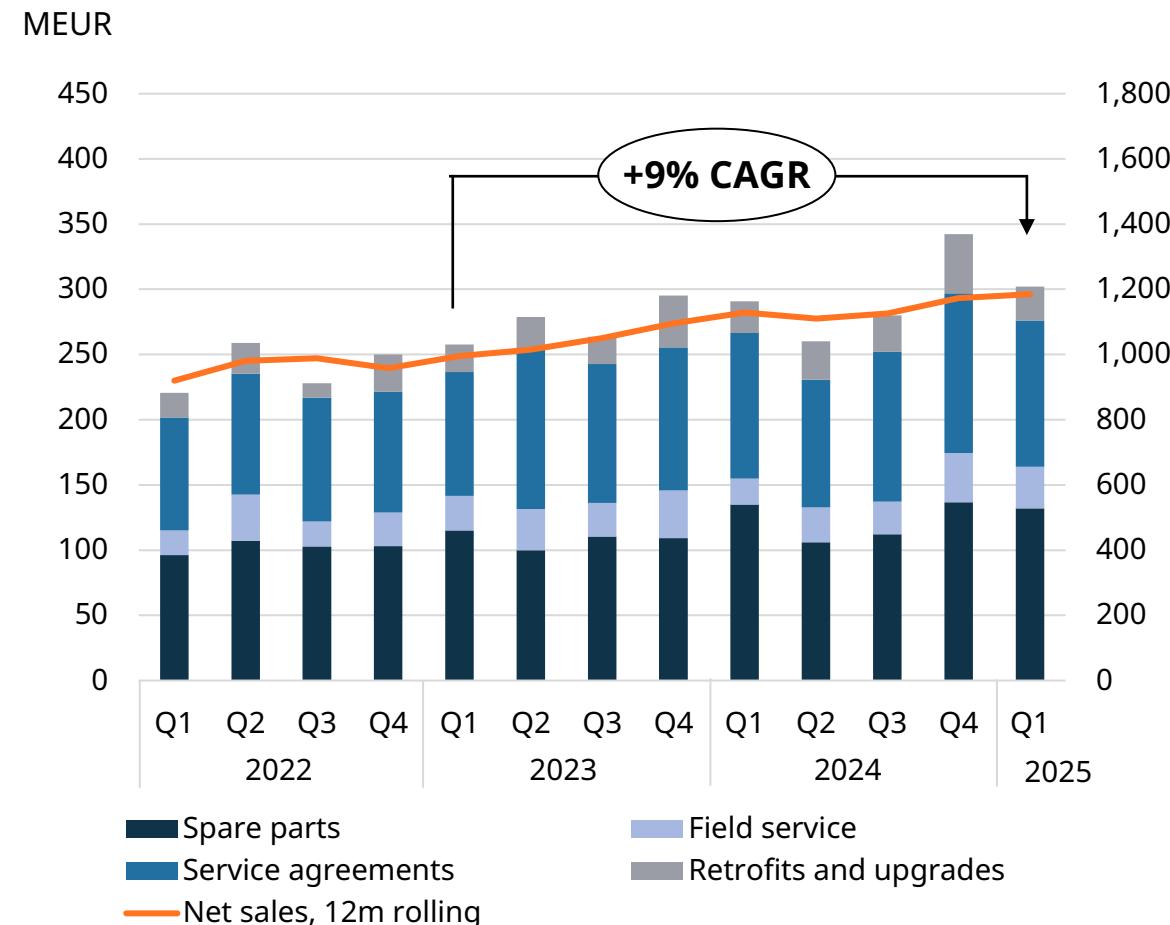
## Rolling 12 months development



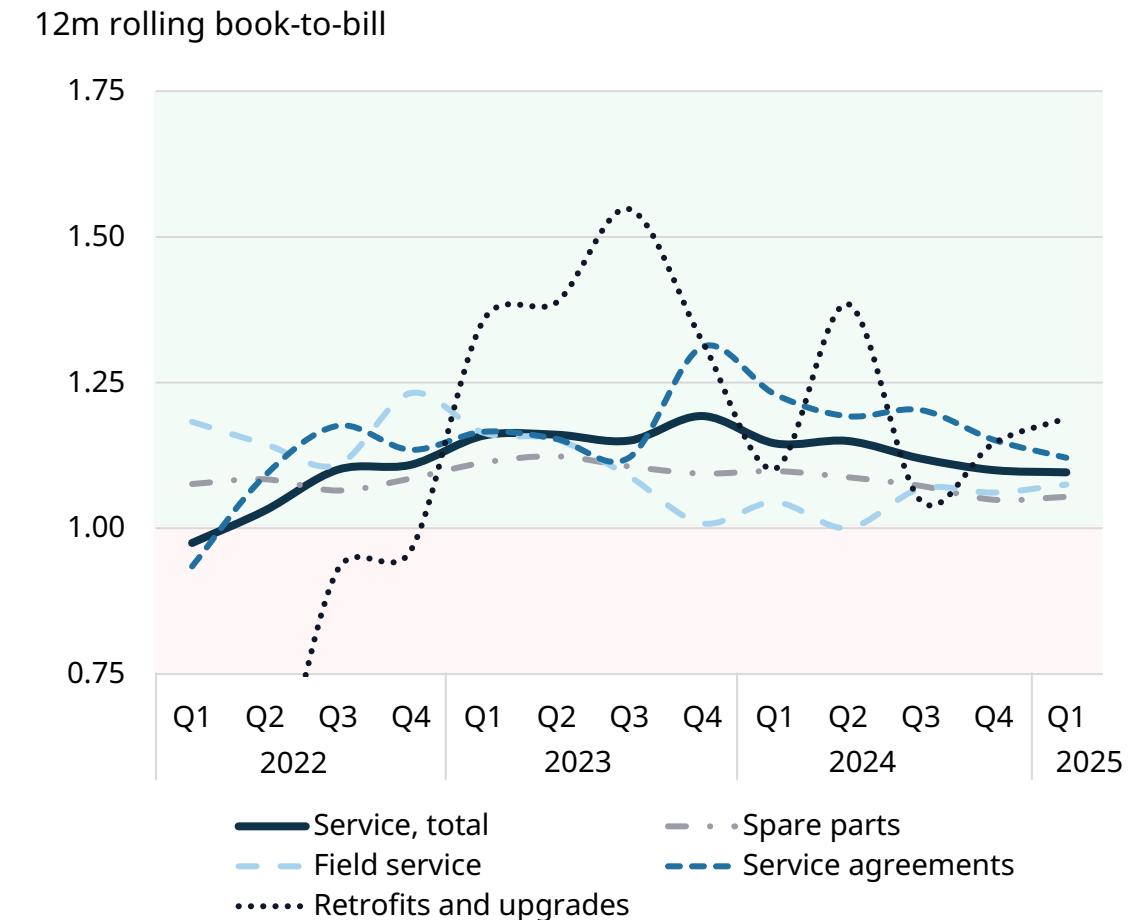
# Good development in Energy service

Book-to-bill above 1 in all service revenue streams

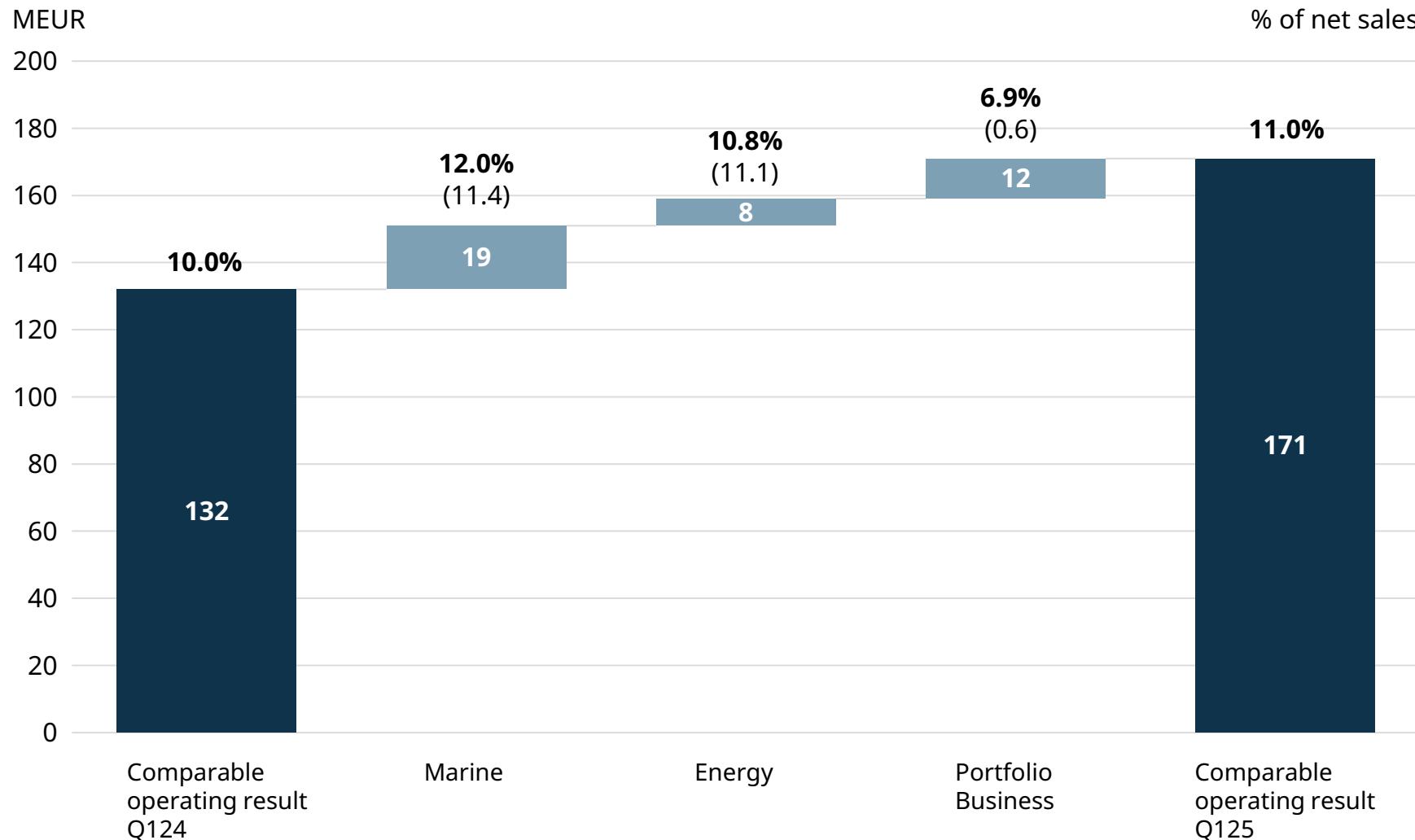
## Energy service, Net sales



## Energy service, Book-to-bill



# Comparable operating result improved – growth in all businesses



Comparable operating result increased by 29%

# Separating Energy into two independent segments and introducing new financial targets

- From April 1, Wärtsilä has three reporting segments: Wärtsilä Marine, Wärtsilä Energy, and Wärtsilä Energy Storage. Portfolio Business continues to be reported as other business activities.
- The change in the reporting structure will be reflected in Wärtsilä's financial reporting starting from the second quarter of 2025. The restated financial information for 2024 and Q1/2025 will be published during the second quarter of 2025.
- To better reflect the new organisational structure, Wärtsilä's Board of Directors has approved the company's new combined financial targets for Marine and Energy, and separate new financial targets for the Energy Storage businesses.
- For the last twelve months, Marine and Energy combined comparable operating result was 12.9% and order intake increased by 9%.\*

## Marine and Energy combined

<b>5%</b>	<b>14%</b>
Annual organic growth	Operating margin

## Energy Storage

<b>Low double-digit</b>	<b>3-5%</b>
Annual organic growth	Operating margin

## Group

<b>&lt;0.5</b>	<b>≥50%</b>
Gearing	Dividend of earnings

\*The restated financial information for 2024 and Q1/2025 will be published during the second quarter of 2025 which might have an effect.

## Other key financials



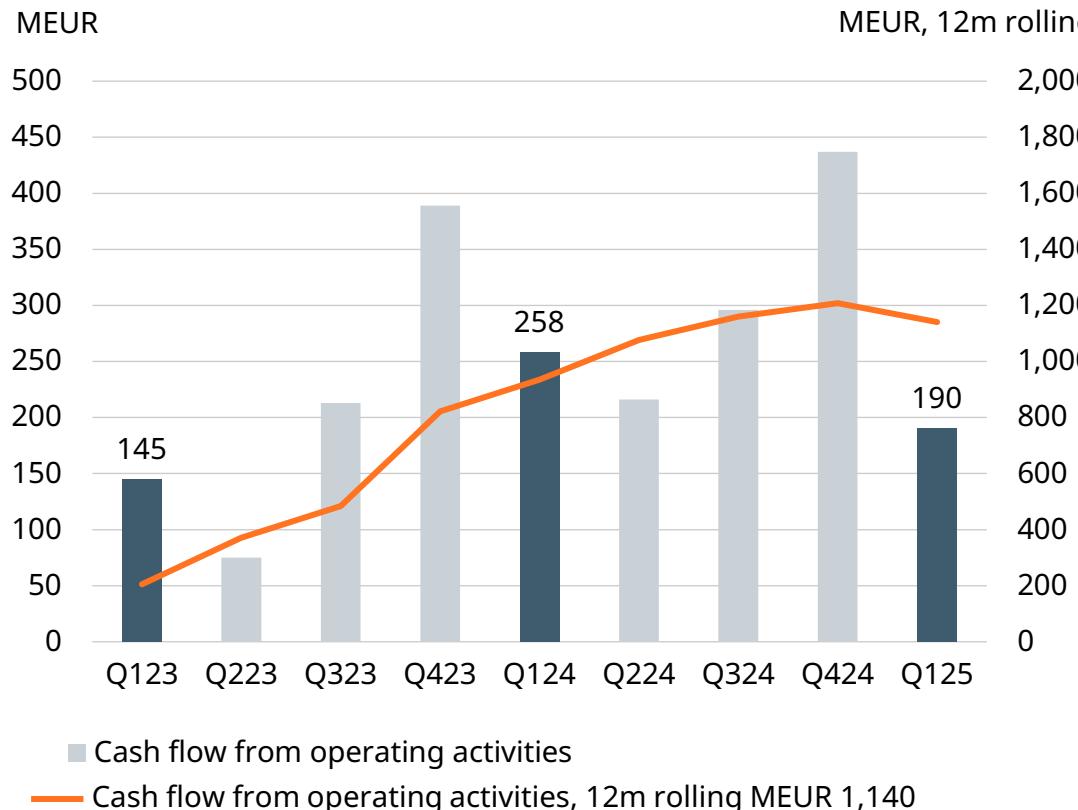
## Other key financials: Solid cash flow from operating activities

MEUR	1-3/2025	1-3/2024
<b>Cash flow from operating activities</b>	<b>190</b>	258
<b>Working capital</b>	<b>-770</b>	-329
<b>Net interest-bearing debt</b>	<b>-817</b>	-79
<b>EBITDA</b>	<b>207</b>	162
<b>Return on capital employed (ROCE), %*</b>	<b>40.6</b>	19.3
<b>Gearing</b>	<b>-0.34</b>	-0.04
<b>Solvency, %</b>	<b>35.2</b>	34.8
<b>Earnings per share (EPS), basic and diluted, EUR</b>	<b>0.21</b>	0.14

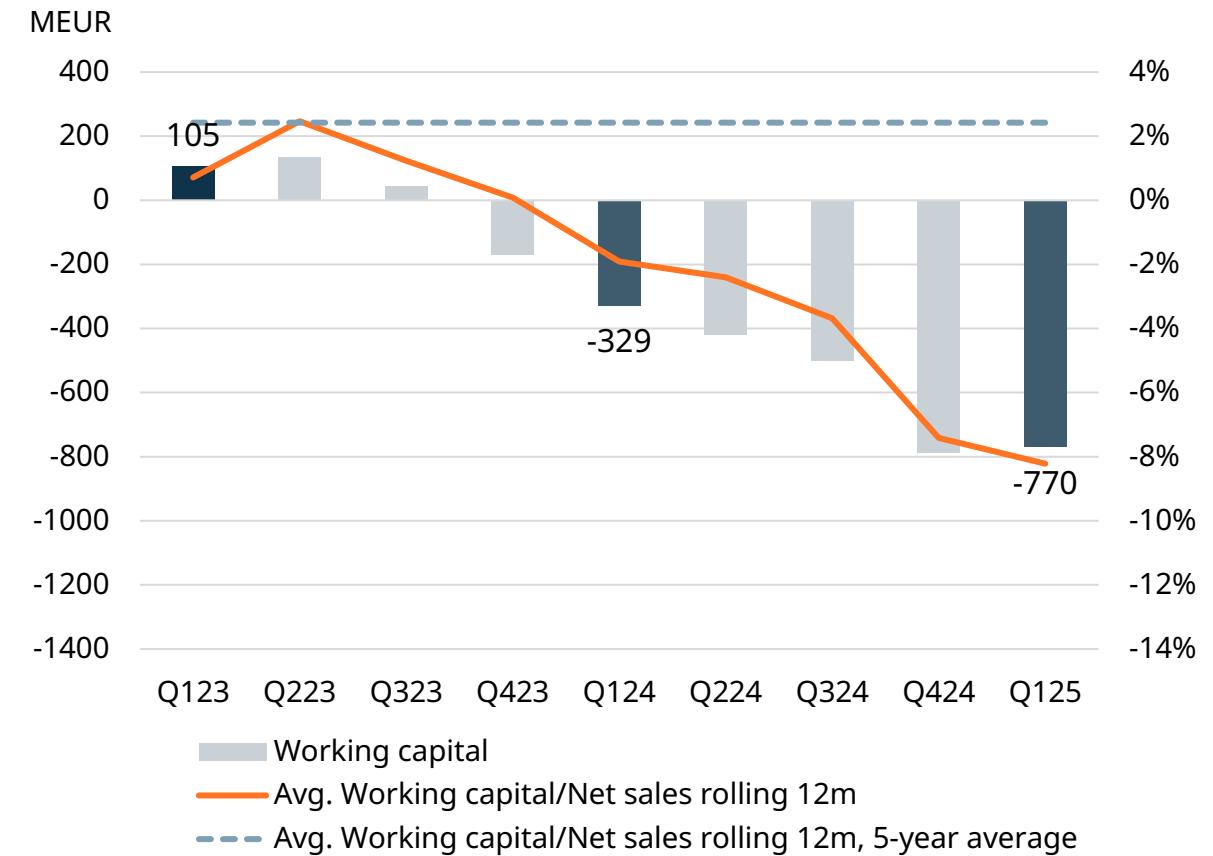
\*Last 12 months.

# Solid cash flow from operating activities

## Cash flow from operating activities



## Working capital to net sales ratio



Average working capital is calculated by taking the average of the period's starting value and ending value.

# Prospects



## Marine

- Wärtsilä expects the demand environment for the next 12 months (Q2/2025–Q1/2026) to be better than in the comparison period.

## Energy

- Wärtsilä expects the demand environment for the next 12 months (Q2/2025–Q1/2026) to be better than in the comparison period.

However, Wärtsilä underlines that the current high external uncertainties make forward-looking statements challenging. Due to high geopolitical uncertainty, the changing landscape of global trade, and the lack of clarity related to tariffs, there are risks of postponements in investment decisions and of global economic activity slowing down.

# Q&A

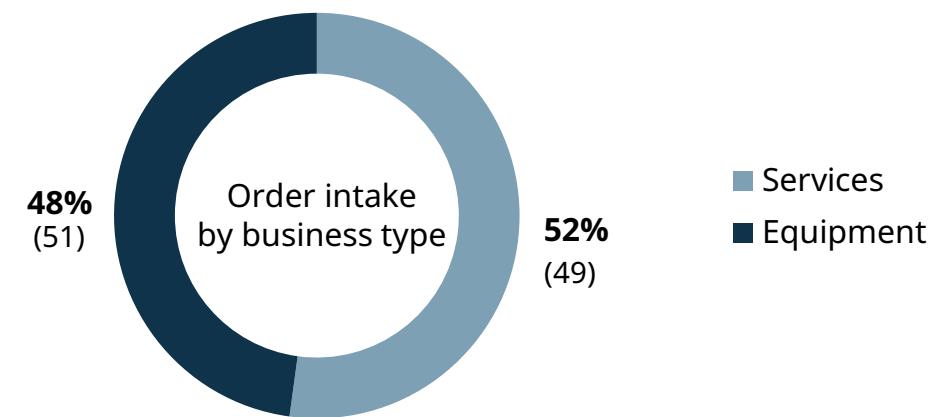
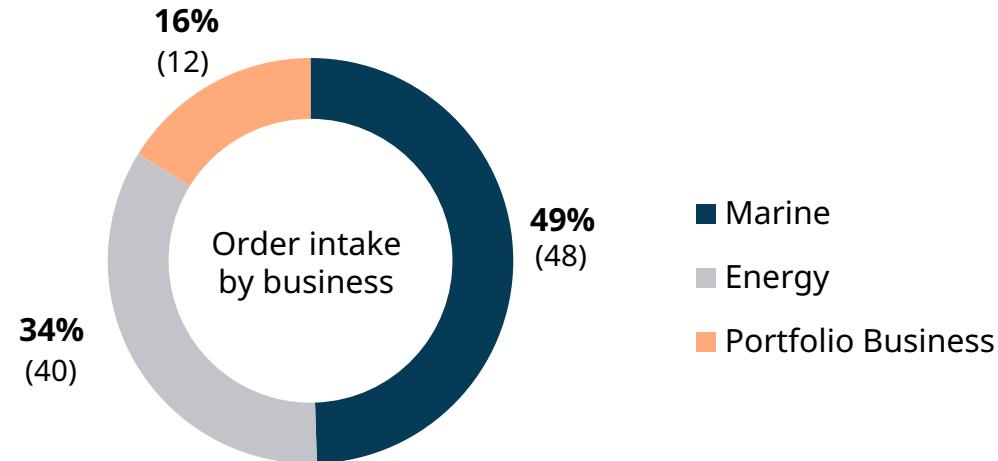


# Appendix



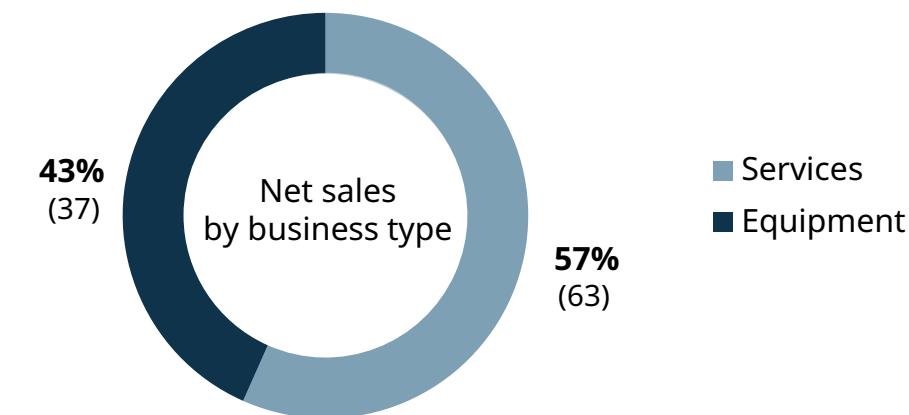
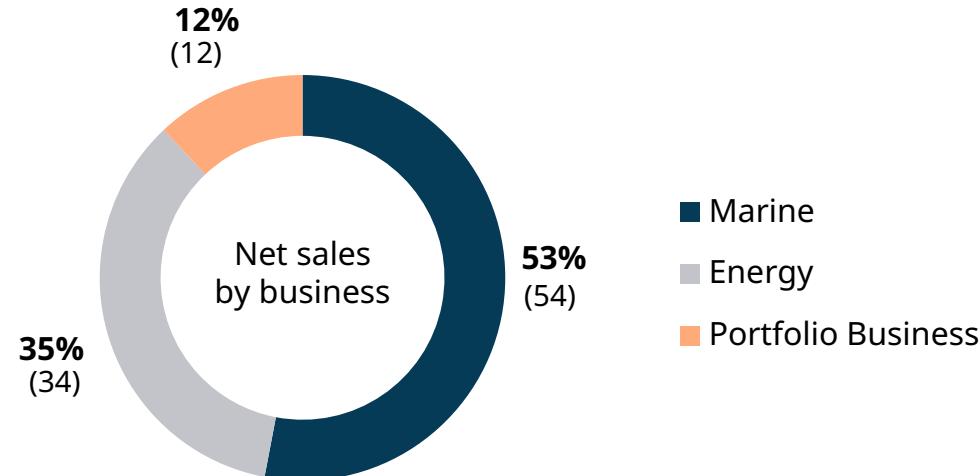
# Order intake

First quarter development



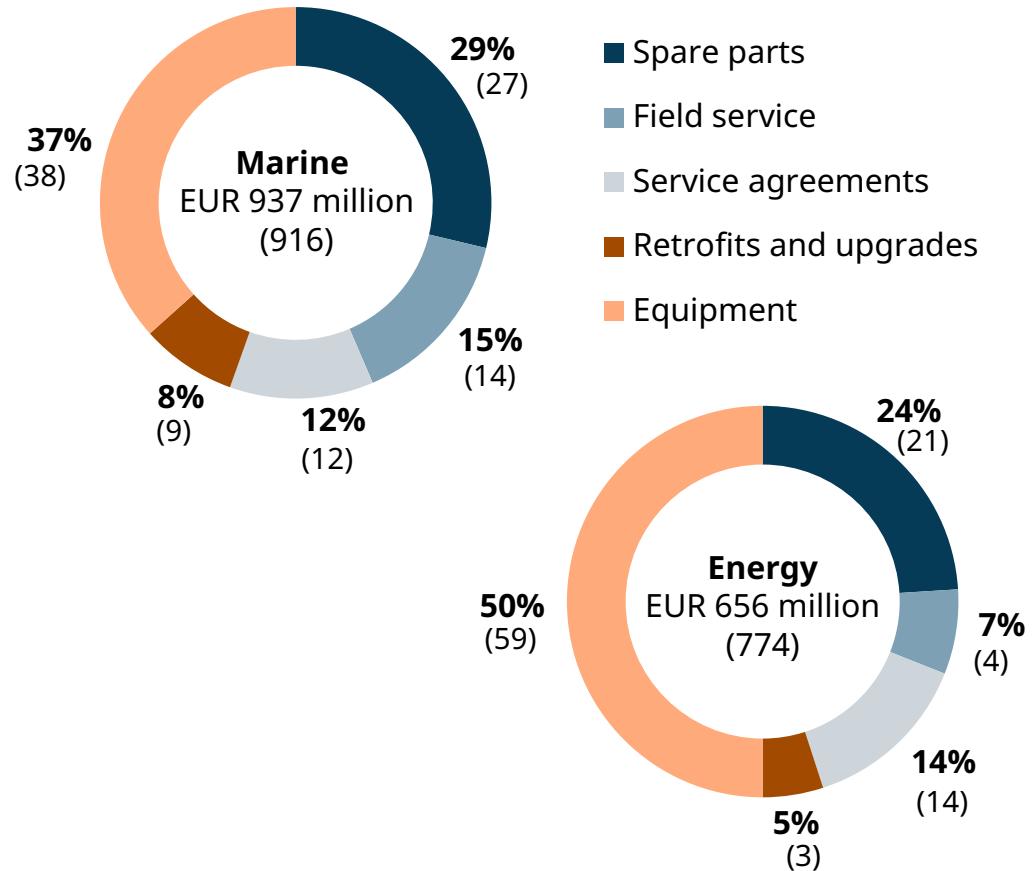
# Net sales

First quarter development

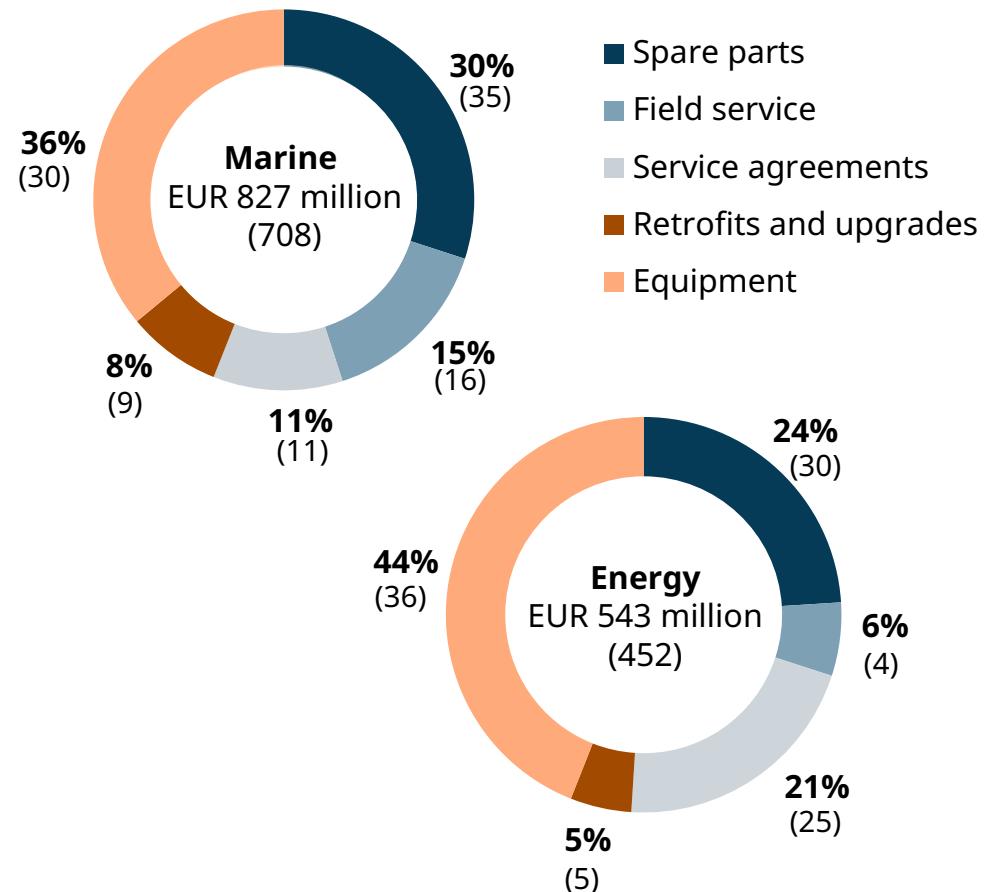


# First quarter development by business type

## Order intake



## Net sales



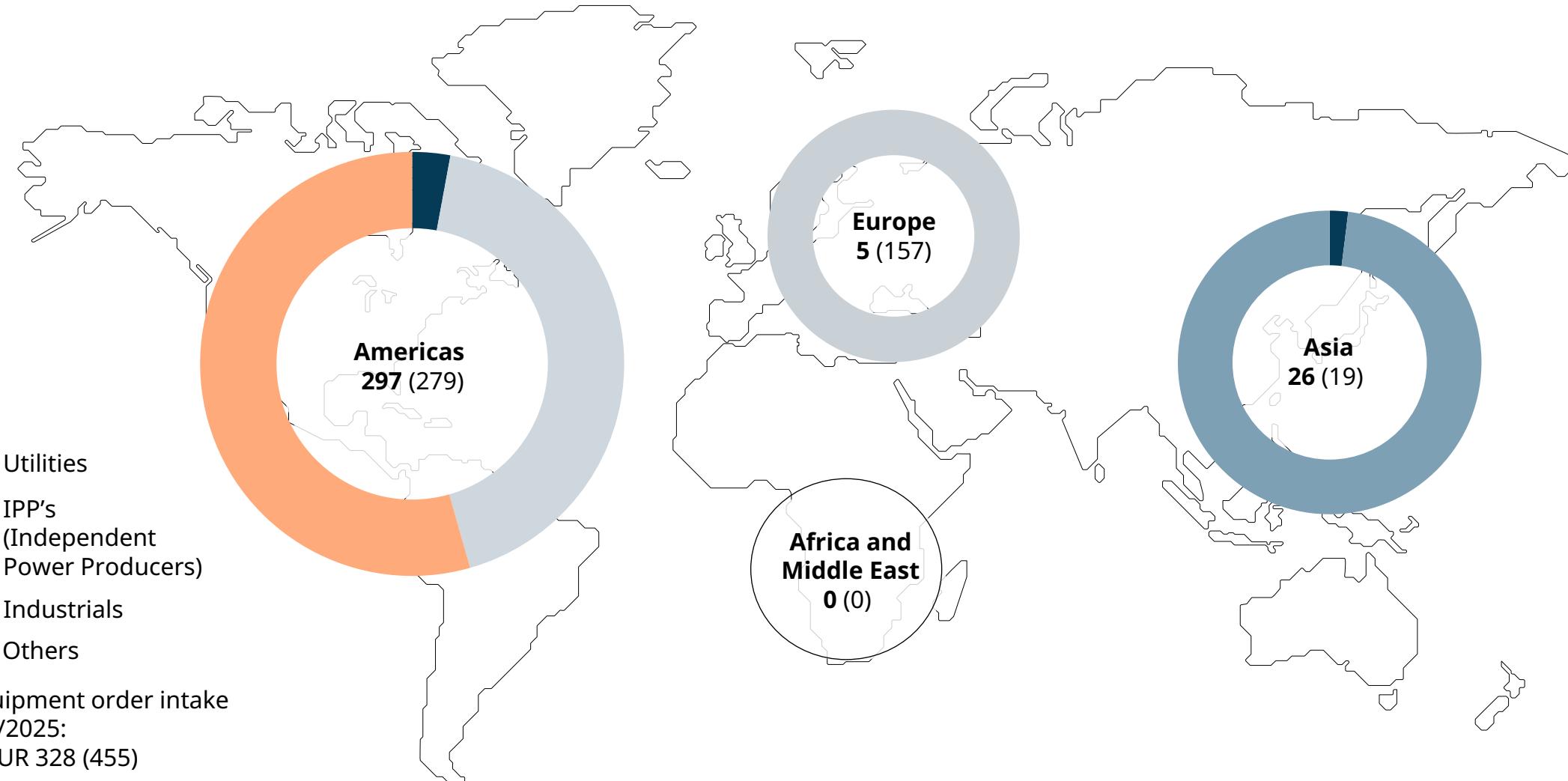
# January–March order intake by customer segment

Marine	Gas carriers	Cruise & ferry	Offshore	Navy	Special vessels	Merchant	Other
Equipment	6% (4)	9% (17)	5% (1)	8% (5)	6% (23)	62% (40)	5% (10)
Services	12% (15)	22% (23)	15% (14)	8% (10)	12% (12)	31% (24)	1% (1)
<b>Total</b>	<b>10% (11)</b>	<b>17% (21)</b>	<b>11% (9)</b>	<b>8% (8)</b>	<b>10% (16)</b>	<b>42% (30)</b>	<b>2% (4)</b>

Energy	Utilities	Independent Power Producers	Industrials	Other
Equipment	3% (39)	48% (39)	0% (0)	49% (22)
Services	36% (28)	29% (26)	23% (27)	12% (19)
<b>Total</b>	<b>36% (35)</b>	<b>29% (33)</b>	<b>23% (11)</b>	<b>11% (21)</b>

# Orders received for Energy equipment globally





WÄRTSILÄ