



Q3 EBIT increased following improvement in gross margin

Interim Report January–September 2023
Kai Öistämö, President and CEO

VAISALA

Q3 EBIT increased following improvement in gross margin

- Net sales decreased by 2%
- Order book EUR 166 million
- Operating result increased Y/Y
- Cash flow from operating activities EUR 18.5 (7.3) million

Net sales

130.4 (133.3) MEUR
-2%

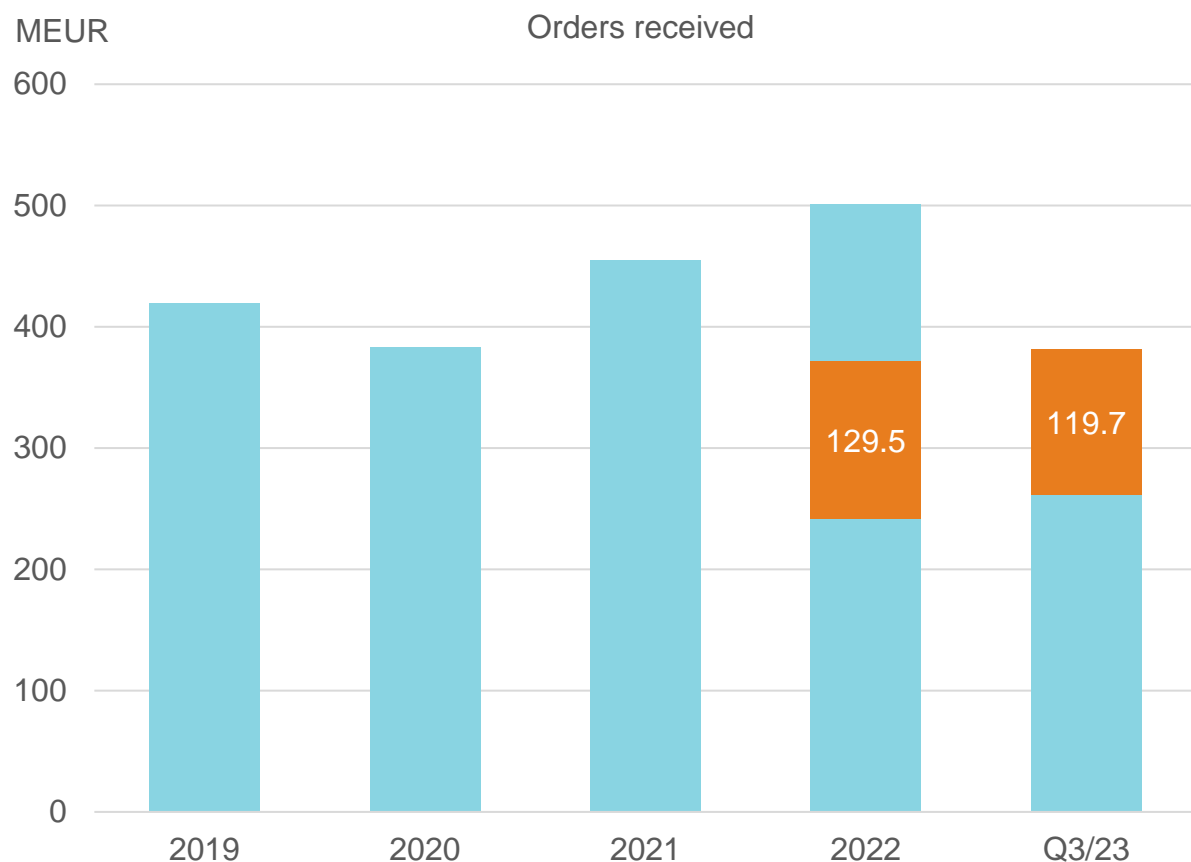
EBIT

25.2 (22.0) MEUR

Subscription sales excluded from orders received and order book as of the beginning of 2023



Q3/2023 orders received decreased by 8%

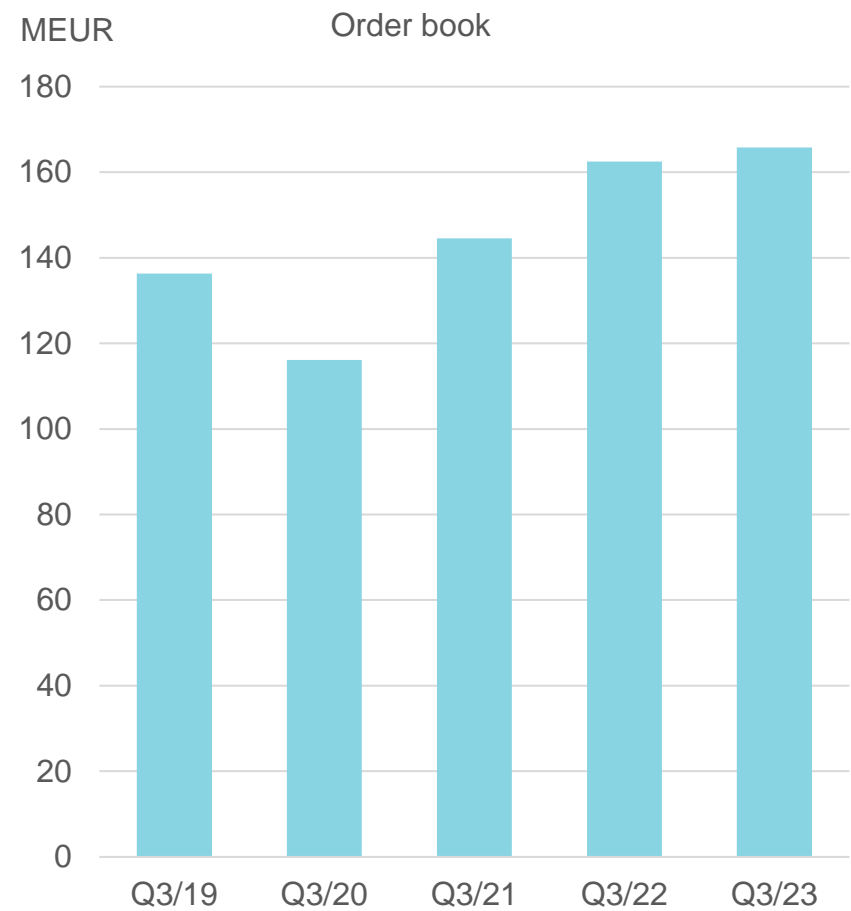


Decrease 2% in constant currencies

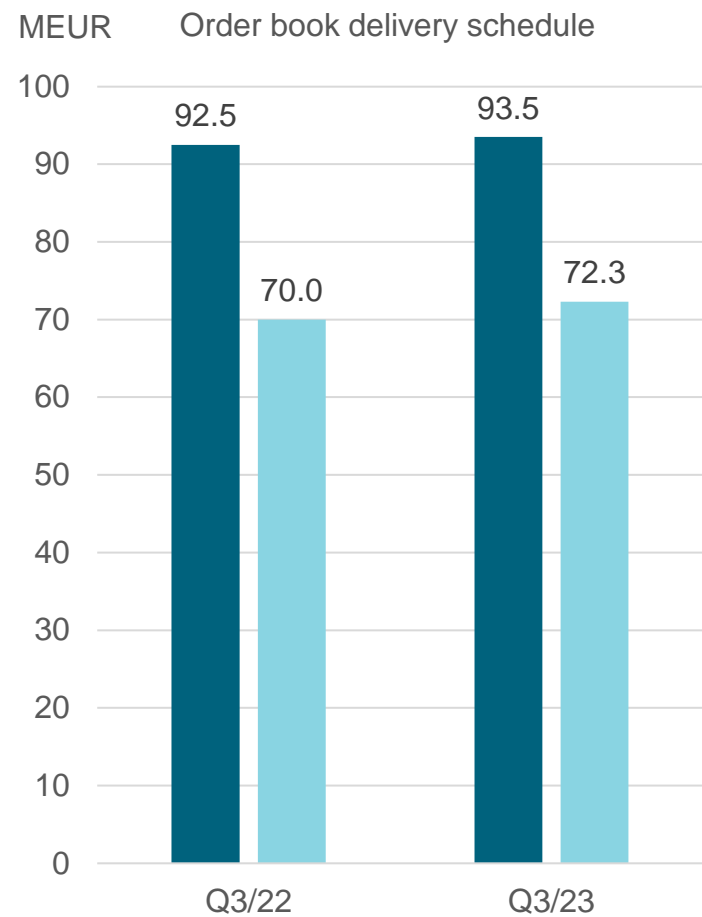
2019-2021 include subscription sales

- Orders received decreased in both business areas Y/Y
- Orders decreased in most of the market segments

Q3/2023 order book EUR 166 million



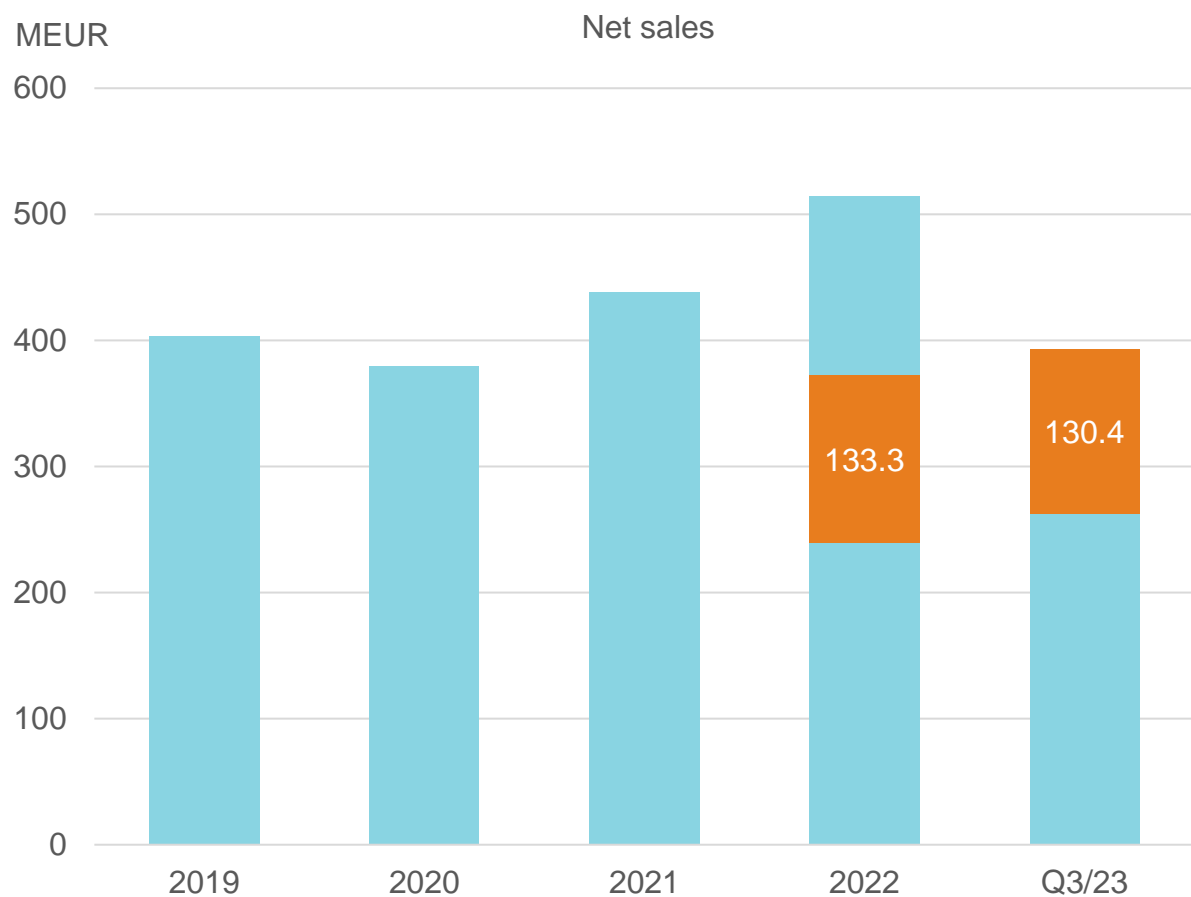
2019-2021 include subscription sales



■ Delivery this year ■ Delivery next year and after

- Order book decreased in Industrial Measurements business area
- Increase in roads and automotive and aviation market segments in Weather and Environment business area

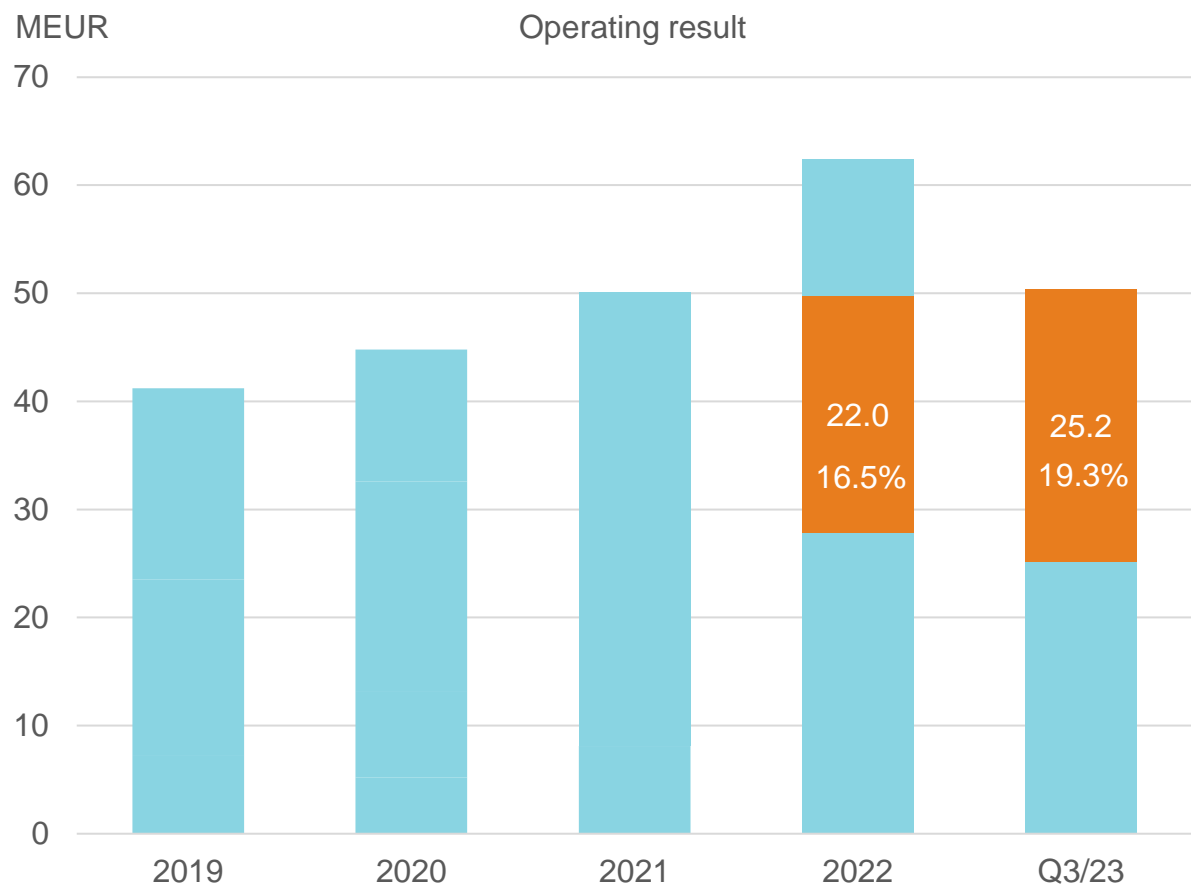
Q3/2023 net sales decreased by 2%



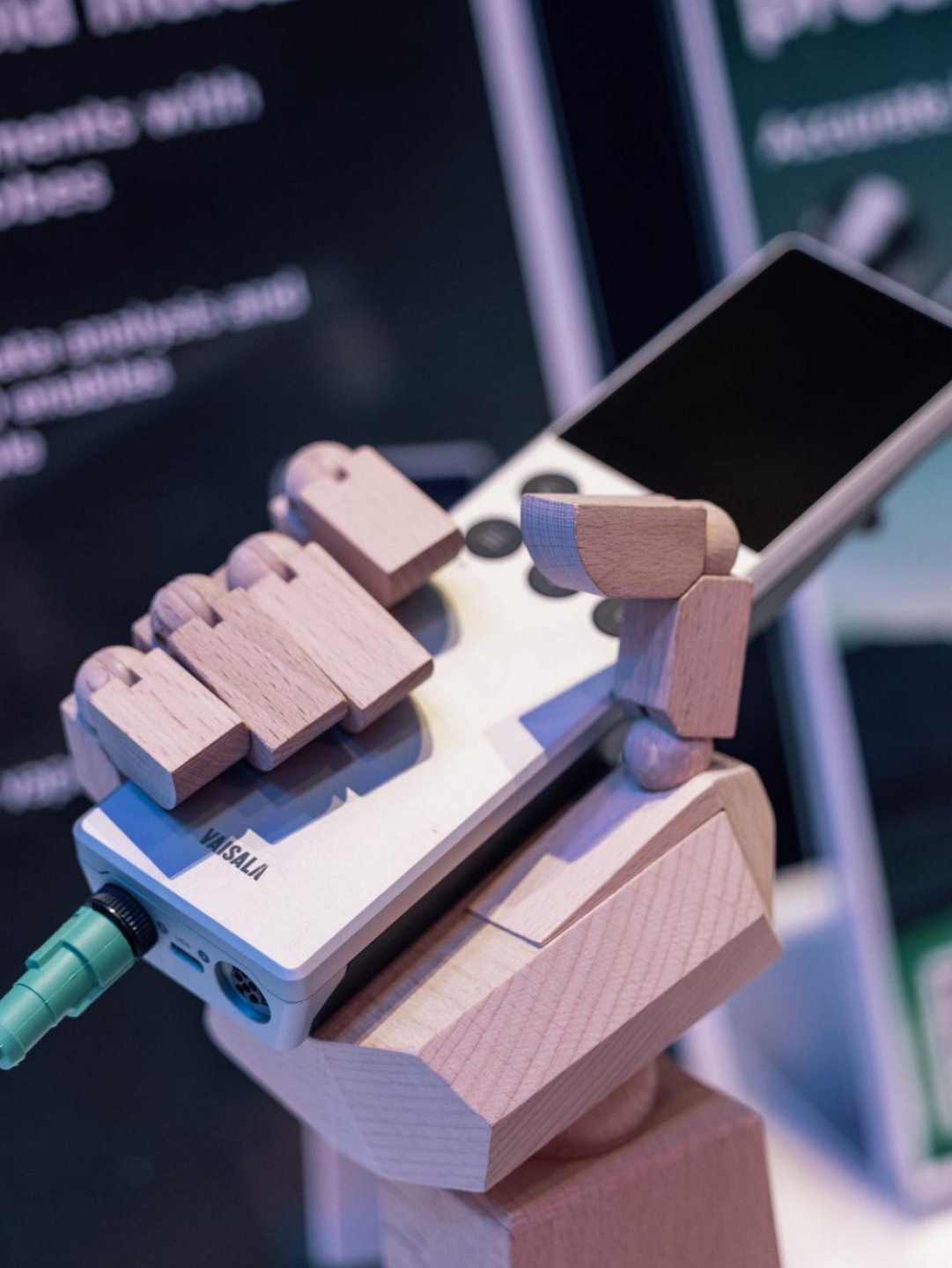
Growth 2% in constant currencies

- Net sales decreased in Industrial Measurements business area and were at previous year's level in Weather and Environment business area
- Net sales growth in renewable energy, roads and automotive, as well as in power and energy market segments was very strong

Q3/2023 operating result increased Y/Y



- Gross margin improved to 58.0 (54.7) %
 - Component spot purchases had a 0.7 (4.2) percentage point negative impact
 - Operating expenses at previous year's level



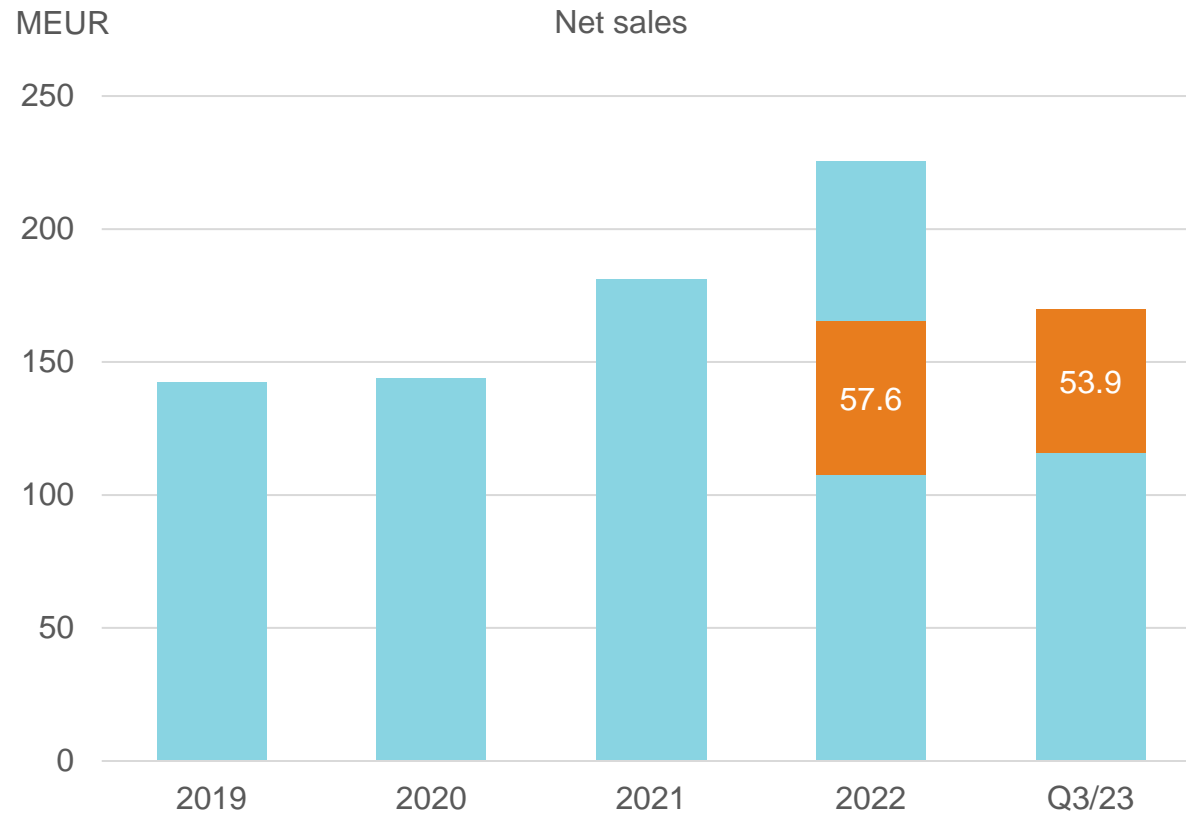
Q3/23 orders received decreased by 14% Y/Y

- Orders received decreased in industrial instruments, life science, as well as in power and energy market segments
- Order book decreased to EUR 34.3 (39.1) million



Decrease 8% in constant currencies

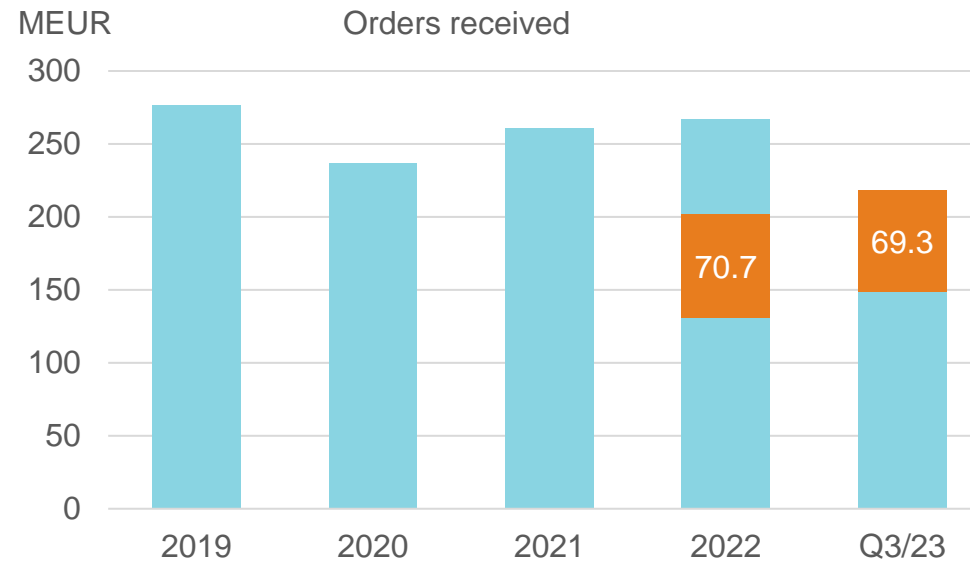
Q3/23 operating result margin improved despite decrease in net sales



- Net sales decreased in life science and industrial instruments market segments
- Gross margin improved to 64.0 (60.9) %
 - Additional material costs related to component spot purchases had a 0.7 (6.3) percentage point negative impact
 - Price pressure and unfavorable product mix burdened gross margin
- Operating result was at previous year's level EUR 14.7 (14.6) million, 27.3 (25.3) % of net sales

Q3/23 orders received roughly at previous year's level

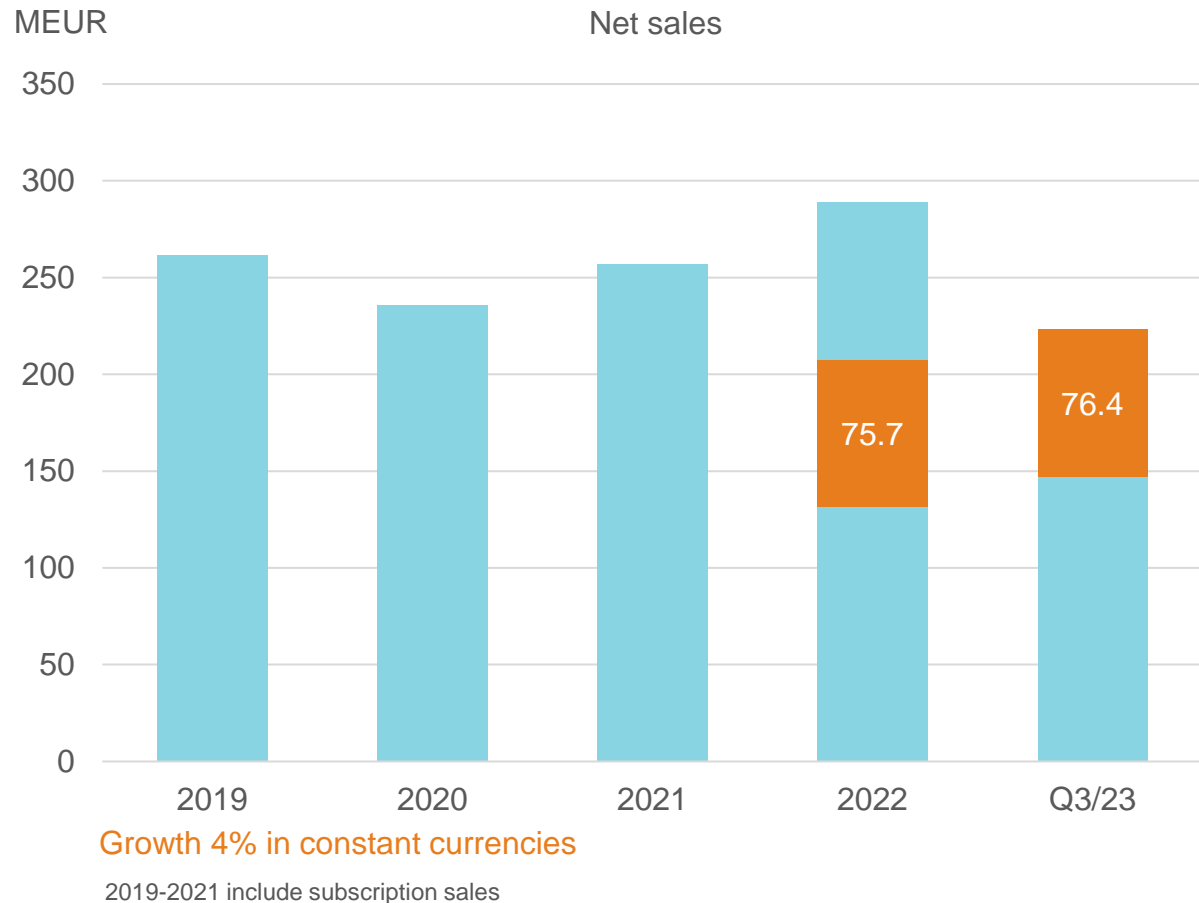
- Orders received decreased in meteorology market segment, but grew very strongly in aviation
- Order book EUR 131.5 (123.4) million, +7%



Growth 2% in constant currencies

2019-2021 include subscription sales

Q3/23 operating result margin improved



- Net sales grew very strongly in renewable energy as well as in roads and automotive but decreased strongly in aviation market segment
- Gross margin improved to 53.7 (49.9) %
 - Additional material costs related to component spot purchases had a 0.6 (2.5) percentage point negative impact
 - Higher share of more profitable product and subscription sales improved gross margin
- Operating result increased to EUR 10.4 (7.5) million, 13.7 (9.9) % of net sales

The background of the slide features a blurred image of a financial bar chart. The chart has several vertical bars of varying heights, some positive and some negative, set against a grid. Numerical values are visible next to some bars, including +8.76, 65.32, -12.14, 15.44, and 75.25. The overall color scheme is blue and white, with a diagonal split between the chart area and the text area.

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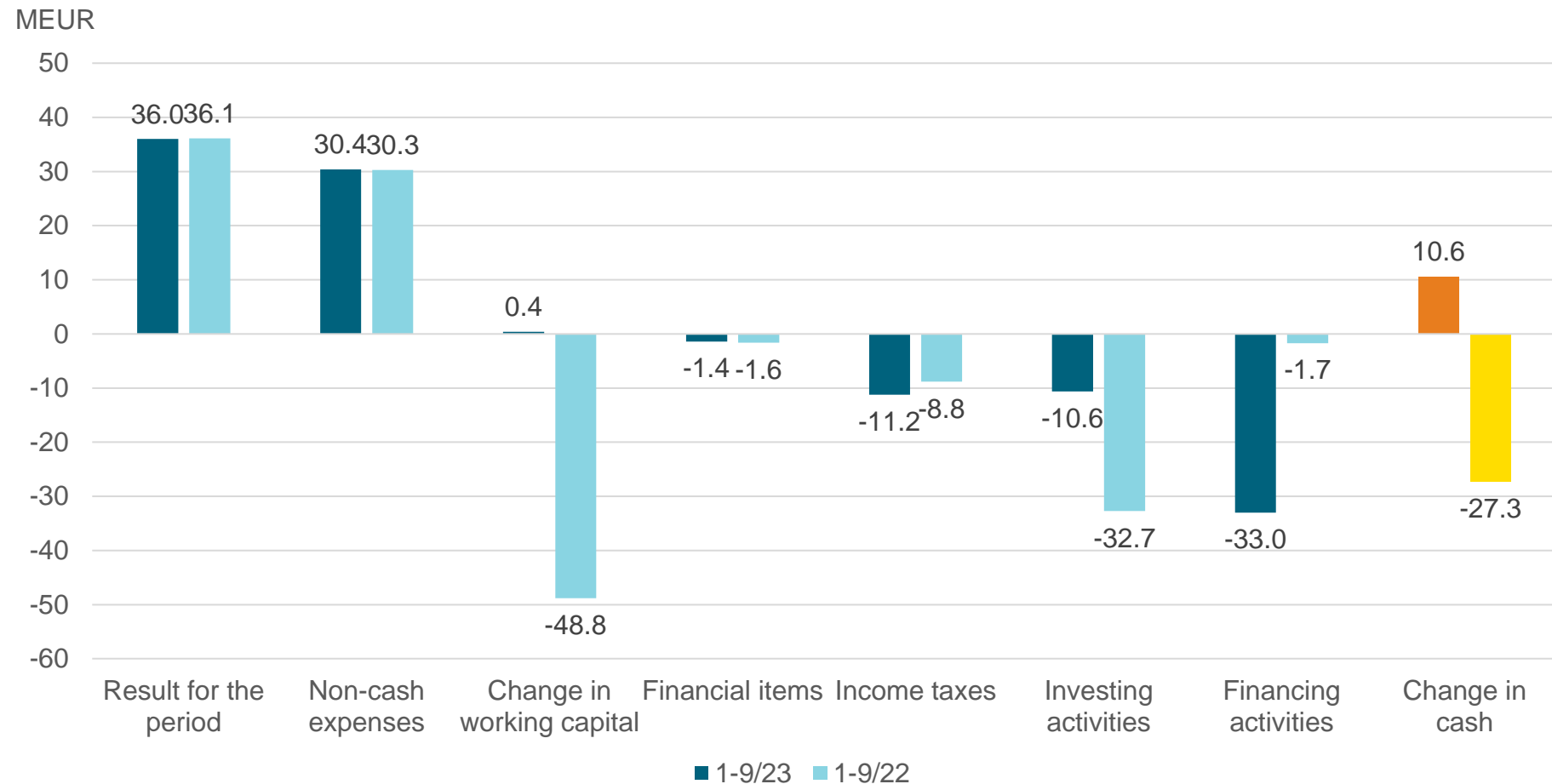
1-9/2023 financials

1-9/2023 showed resilience in net sales and operating result

MEUR	1-9/2023	1-9/2022	1-12/2022
Net sales	393.0	372.6	514.2
Cost of goods sold	-171.4	-166.4	-232.2
Gross profit	221.6	206.2	282.0
Operating expenses	-171.5	-156.6	-219.7
Other operating income and expenses	0.3	0.2	0.3
Operating result	50.3	49.9	62.5
Share of result in associated company	-	-	0.2
Financial income and expenses	-3.3	-2.5	-3.1
Result before taxes	47.1	47.4	59.6
Income taxes	-11.0	-11.3	-14.5
Result for the period	36.0	36.1	45.1

- 1-9/2023 net sales growth 5%
 - Growth in constant currencies 8%
- Gross margin was at previous year's level 56.4 (55.3) %
 - Additional material costs related to component spot purchases had a 0.9 (2.5) percentage point negative impact
- Operating result margin decreased to 12.8 (13.4) % following investments in R&D and S&M as well as IT system renewal
- EPS 0.99 (1.00) EUR

1-9/2023 cash flow from operating activities increased as a result of decrease in trade receivables



Cash and cash equivalents:

- End Q3/2023: 65.8 MEUR
- End Q4/2022: 55.5 MEUR
- End Q3/2022: 52.1 MEUR
- Net working capital flat



Strong financial position

MEUR	1-9/2023	1-9/2022	1-12/2022
Equity per share	7.07	6.86	6.91
Return on equity %	19.0	20.1	18.7
Solvency ratio %	60.1	57.7	58.1
Capital expenditure	10.9	9.6	13.7
Cash and cash equivalents	65.8	52.1	55.5
Interest-bearing liabilities	62.8	76.0	63.4
Gearing %	-1.2	9.6	3.2



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Market development and business outlook



Market development 2023

Growth

Power and energy
Liquid measurements
Renewable energy
Roads and automotive

Stable

Meteorology
Aviation

Slow down

High-end industrial instruments
Life science

Business outlook for 2023 reiterated

Net sales

Vaisala estimates that its full-year 2023 net sales will be in the range of **EUR 530–560 million**

Operating result (EBIT)

Vaisala estimates that its full-year 2023 operating result (EBIT) will be in the range of **EUR 65–75 million**



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