Strong Financial Position Enables Long-Term Strategy Implementation

Capital Markets Day 2019

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Vaisala's Strengths from Financial Perspective

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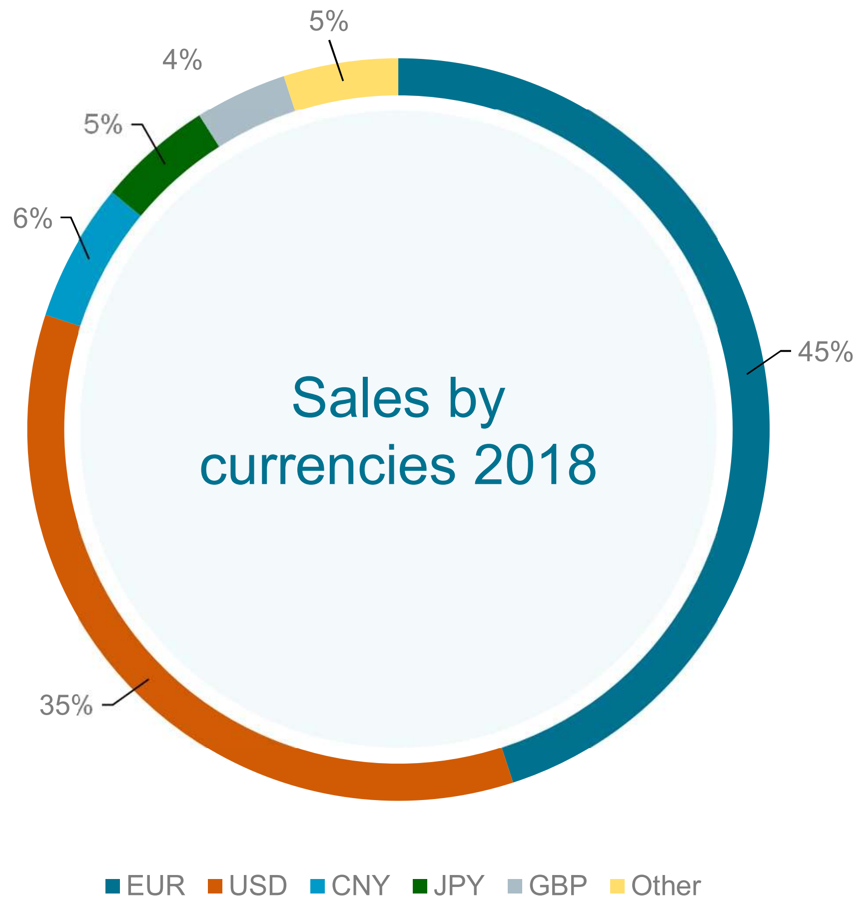
- Vaisala is in growth businesses
- Well diversified sales mix
- Asset-light business model
- Strong cash conversion rate
- High solvency ratio
- Negative gearing
- Solid dividend payer

Vaisala Hedges Foreign Exchange Related Transaction Risk

- Vaisala is a global company with offices in about 30 countries and sales to over 150 countries and therefore, exposed to transaction and translation risk in many currencies.
- The group policy is to hedge all foreign exchange forward positions related to order book, purchase orders and trade receivables.
- Vaisala does not hedge forecasted cash flows other than order book.



Asset-Light Business Model Does not Require High Investments

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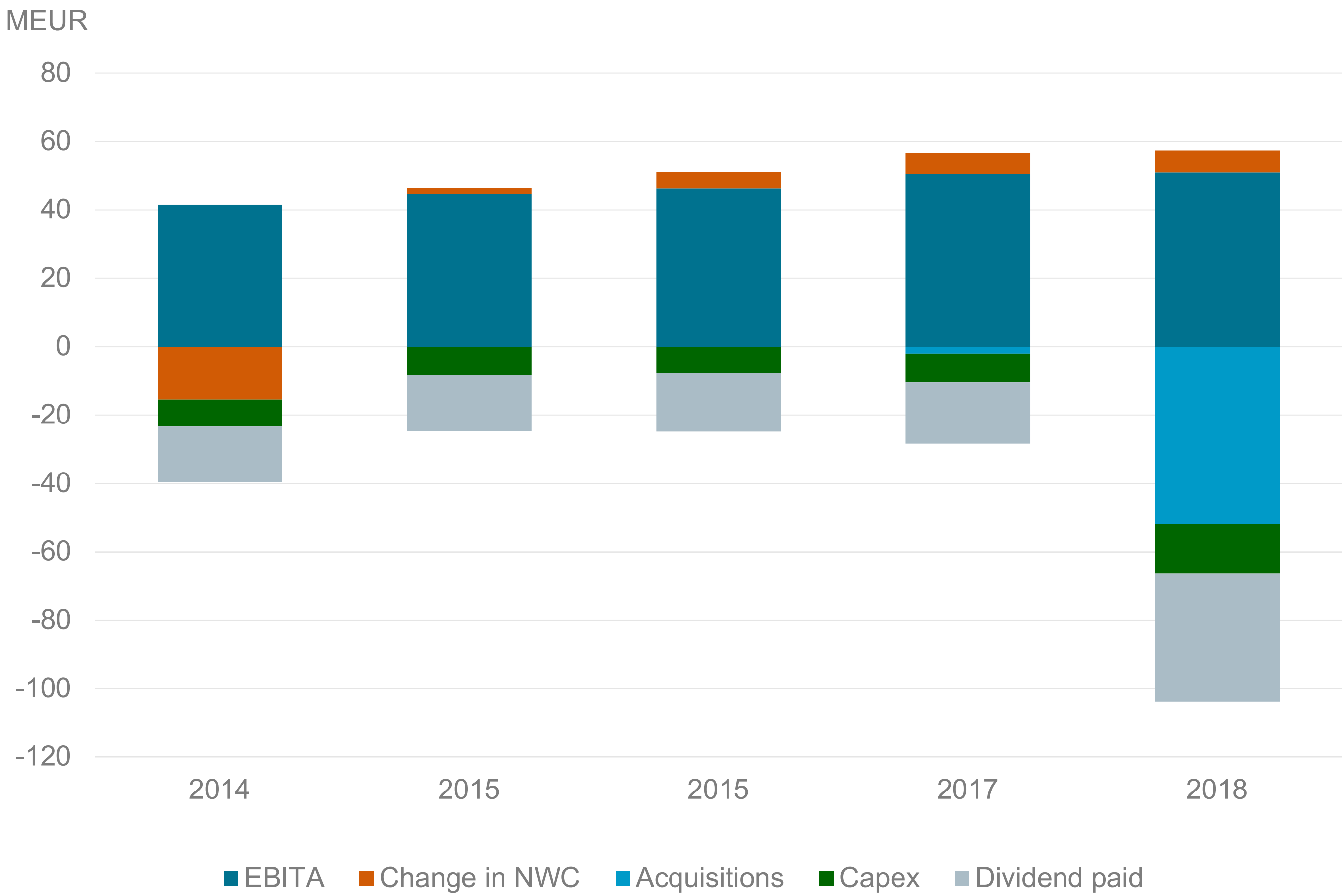
- Annual maintenance capex ~EUR 10 million
- In 2018–2020, Vaisala is investing in R&D building in Vantaa, Finland, and office building in Louisville, Colorado US
- Total investment estimation EUR 42 million

Strong Cash Position Enables Investment in Growth



Profit distribution to shareholders according to dividend policy

Investments in organic growth through focused R&D, expanding sales & marketing

M&A to support growth strategy

Vaisala's Net sales Has Grown Average 4.2% in the 2010s and 5% During the Past Five Years

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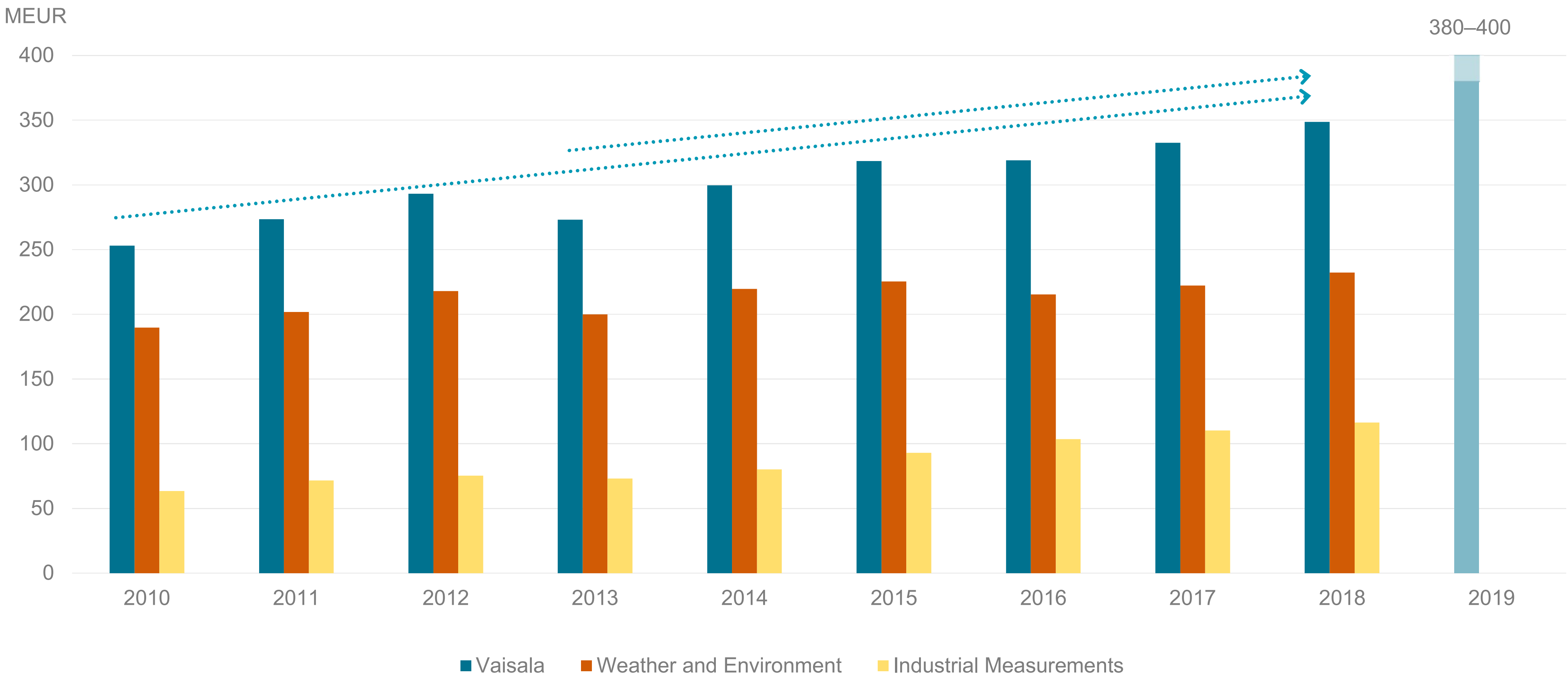

Amortization of Intangible Assets Related to Acquisitions Will Burden EBIT

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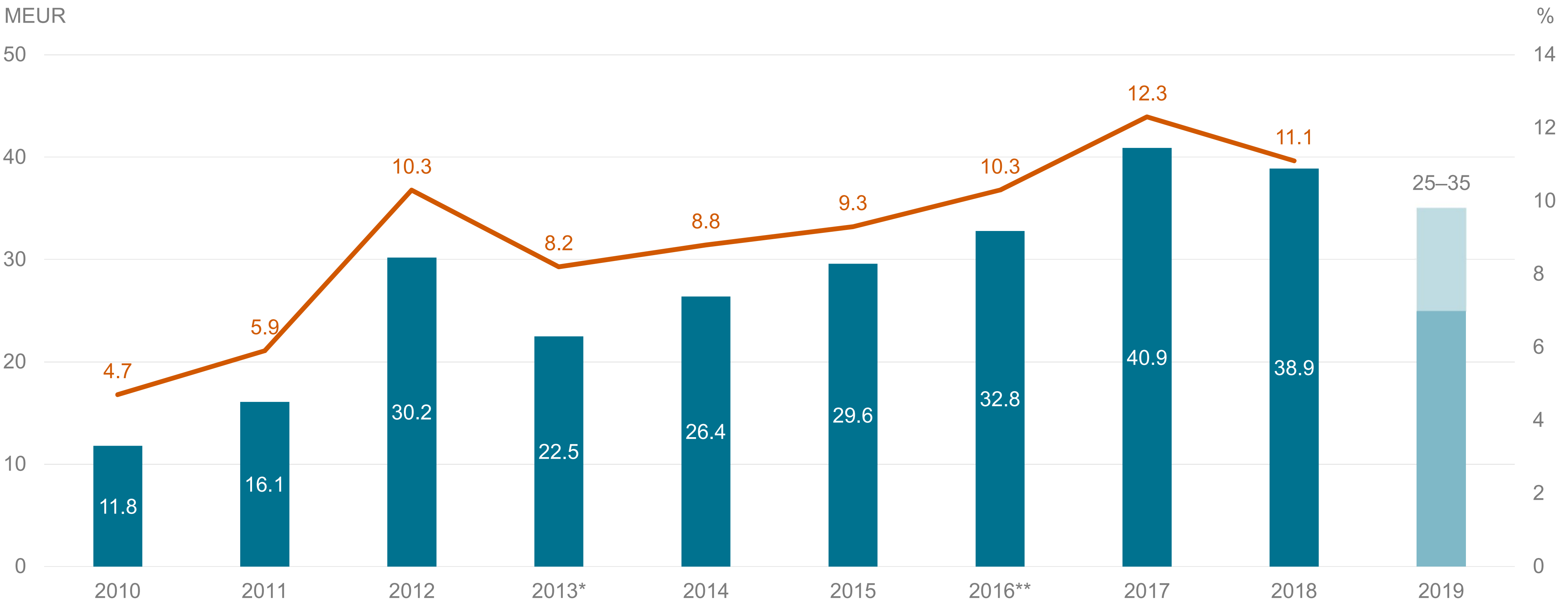

* Excl. EUR 4.3 million write-down of goodwill and intangible assets from the acquisition of Veriteq Instruments Inc. in 2010.
** Excl. EUR 10.5 million write down of intangible assets from the acquisitions of Second Wind Systems Inc. And 3TIER Inc. in 2013.

Long-term Financial Targets: Profitable Growth

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Growth

Average annual growth → >5%

- Liquid measurements
- New industrial instruments
- Digital solutions
- Wind lidars

Profitability

Operating profit margin (EBIT) → >12%

How Do We Reach Our Long-Term Financial Target EBIT >12%?

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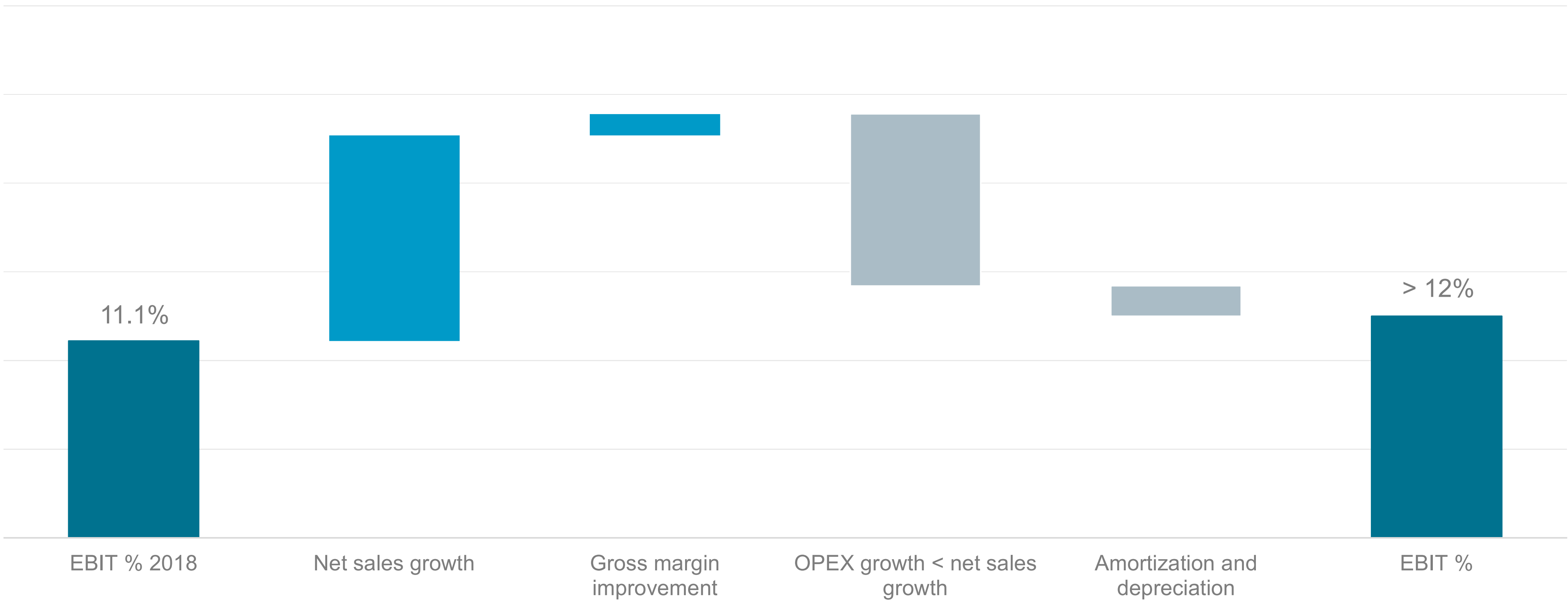

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Observations for a Better World

VAISALA