



# Growth Through Product Leadership

**Capital Markets Day 2019**

Sampsa Lahtinen, EVP, Industrial  
Measurements Business Area

**VAISALA**

# Serving a Variety of Industries

## For example:

- Power
- Life Science
- Industrial Drying, e.g. paper
- Electronics and Semiconductor Industry
- Building Automation, e.g. demand controlled ventilation
- Automotive Industry
- Food Industry and Agriculture
- Biogas Industry







# Helping Our Customers to Improve

- Product quality
- Productivity
- Energy efficiency
- Well-being and health
- Maintenance activities
- Regulatory compliance

# Megatrends in Industrial Measurements



## Well-being & Health

- Health consciousness
- Aging population



## Smart Energy Production and Utilization

- Energy efficiency
- Sustainable energy sources
- Smart grids



## Resource Efficiency & Circular Economy

- High-quality standards
- Product life cycles
- Reutilized byproducts & waste



## Data Connectivity & Industrial Automation

- Production efficiency
- Smart factories
- Industrial automation
- Security requirements



## Shift Towards Emerging Markets

- India, China, South East Asia and LATAM
- New manufacturing hotspots

# Our Winning Business Model

## CAPABILITIES

**High value add**  
Customer problem solving  
Superior technologies  
Excellence in harsh conditions  
Digital transformation

**Mastering high-mix low-volume**  
Vaisala production system  
Own cleanroom

**Accumulated competence**  
Application knowledge  
Technical expertise

## VALUE PROPOSITION



**World's most reliable measurement**  
**Best customer experience**  
**Fast delivery times**  
**Global best-in-class sales and services**



## CHANNELS

**Direct sales**

**Online store**

**Distributors**

**OEMs**

**Integrators**

**Resellers**



# Global Market Sizes and Growth

	Industrial Instruments	Continuous Monitoring Systems	Power / Dissolved Gas Analysis	Liquid Measurements
MEUR				
Market Size*	600–700	150–200	200–250	80–100
Market Growth p.a.**	5%	10%	10%	5%
Vaisala Market Share	Mid	Mid	Low	Mid
Market Size Total	~1,200 / ~10% Market Share			

Market share indication:

Low <10%

Mid 10–25%

High >25%

\*) Vaisala estimate of the size of market that is addressable currently or with organic development in the roadmaps

\*\*) Market growth rounded to nearest of 0%, 5%, or 10%



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# Growth Through Product Leadership

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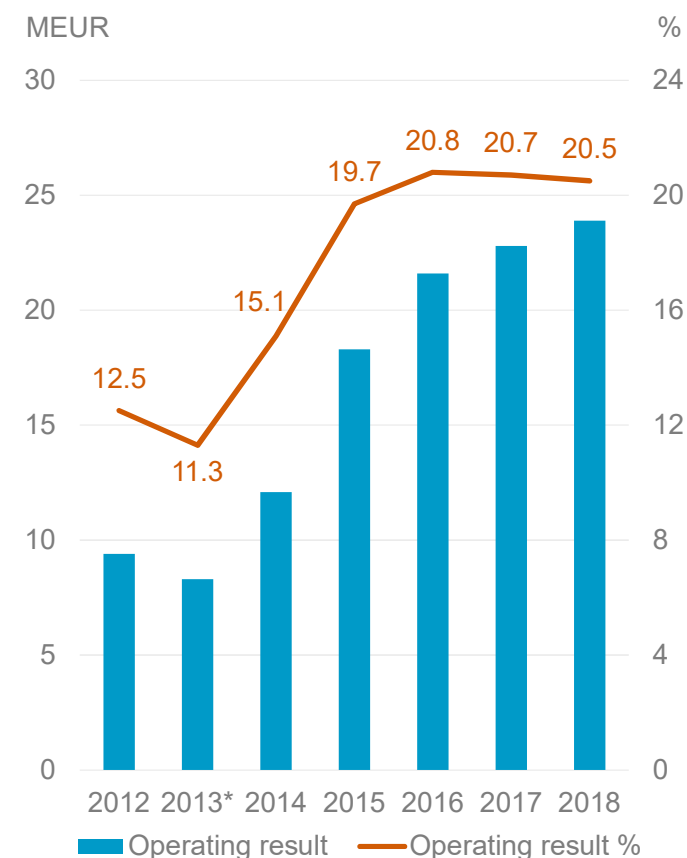
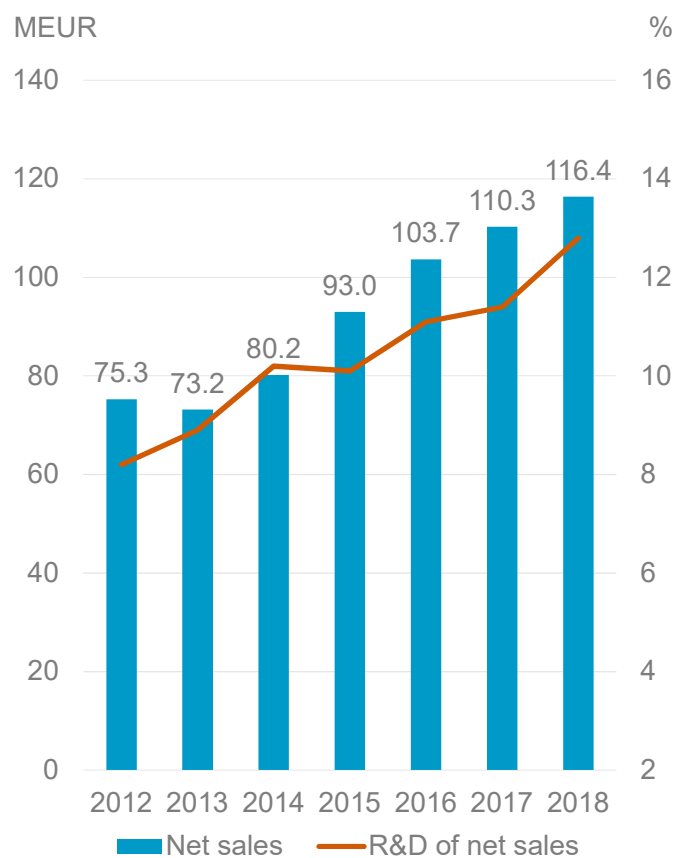
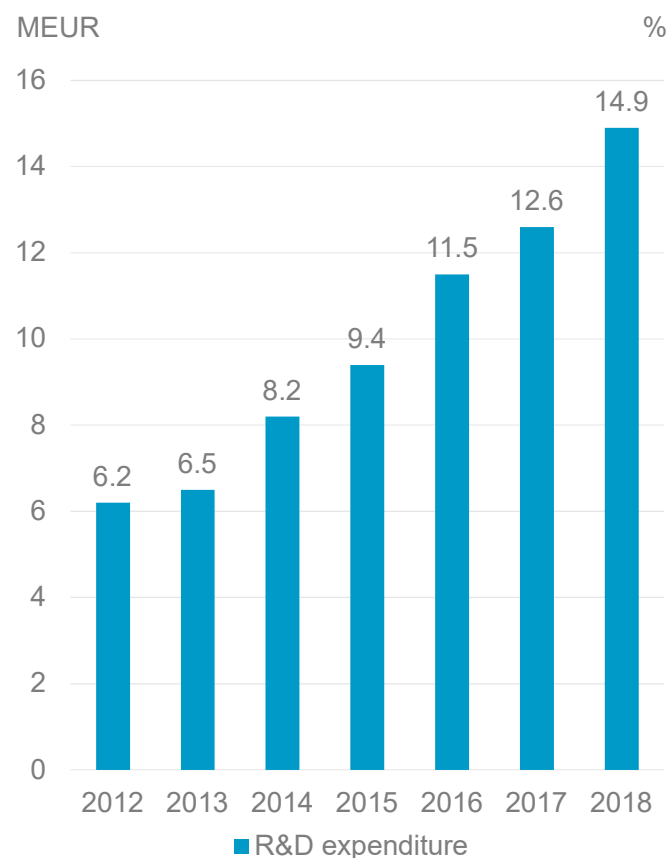
# Growth Through Product Leadership

- Discovering customers' needs
- Achieving #1 position in selected markets
- Continuously creating winning products



# Five-Year Development: R&D Expenditure Has Doubled, Average Net Sales Growth 10% and EBIT% Exceeding 20%

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\* Excl. EUR 4.3 million impairment charge related to goodwill and intangible assets from the acquisition of Veriteq Instruments Inc. in 2010.

# Growth Through Product Leadership

## Discovering Customers' Needs

### Growth Markets



Liquid  
Measurements



Life  
Science



Power



RunWays

### Flagship Markets



High-end Humidity

High-end CO<sub>2</sub>

## Achieving #1 Position in Selected Markets

Application Expertise

Superior Channel

Geographical Reach

## Continuously Creating Winning Products

Instruments

Systems

Services

Measurement technologies for  
gas and liquid

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# R&D Generating New Solutions

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# Vaisala Launched Groundbreaking Solution for the Biogas Industry to Get More Value from Waste

- Vaisala introduced the world's first 3-in-1 instrument for measuring biogas quality in January 2019
- Vaisala MGP261 measures methane, carbon dioxide and humidity directly in the gas pipe
- Customers include biogas plants using waste from agriculture, industries and municipalities, and landfill gas plants
- Vaisala MGP261 helps the customers improve methane and minimize water concentration to maximize the heat and electricity generation of the biogas plant
- Highest market potential is in Europe



# Vaisala's Wireless Continuous Monitoring System is Generating Great Interest in the Market



- The first shipments of the wireless viewLinc System took place in 2018
- The system has been installed for variety of customers. Among them are world leading pharmaceutical companies in Europe and in the USA
- Wireless viewLinc system received a Global Innovation Award in 2019 in Beijing
- viewLinc's ease-of-use, reliability, accuracy and possibilities for expansion to fit any customer need is a winning combination in the market

# The Deliveries of HPP272 for Measuring Hydrogen Peroxide Vapor Continue Healthy

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- The first HPP272 shipments commenced in 2017
- The product family optimized to the ecological bio-decontamination processes broadened in 2018
- High interest in the market due to superior measurement repeatability, stability and accuracy
- Sales, especially to isolator manufacturers, has taken a swift start





# Accelerating Power Business Ramp-Up

## Vaisala focus:

- Aligning value proposition with decision makers
- Strengthening sales and marketing capabilities through partnerships, dedicated sales teams and account management
- Developing new value creating product features
- Increasing production capability in factory



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# Growth Through Acquisitions

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# Vaisala Entered Liquid Measurements Market by Acquiring Finnish K-Patents

- Vaisala acquired Finnish K-Patent Group, a pioneer in in-line liquid measurements in December 2018
- Acquisition strengthens Vaisala's position as the global leader in environmental and industrial measurements
- Synergy benefits from strengthened regional presence, Vaisala Production System and systematic R&D management
- Highest market potential in Food & Beverage, Pulp & Paper and Chemical industry
- Differentiation through high quality, reliability and expertise in demanding environments
- Growth focus in strengthening position in existing and new markets





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# Observations for a Better World

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