October–December 2016 highlights

- Orders received EUR 93.0 (88.4) million, +5%
- Order book EUR 118.0 (129.2) million, -9%
- Net sales EUR 93.0 (101.1) million, -8%
- Gross margin 52.1% (54.1%)
- Operating result EUR 14.6 (19.1) million
- Earnings per share EUR 0.79 (0.98)
- Cash flow from operating activities EUR 24.7 (29.0) million, -15%

Vaisala quarterly orders received all time high, Q4 increase 5%

- Orders received EUR 93.0 (88.4) million, +5%
  - The increase came from Americas and APAC
- Weather Business Area
  - EUR 66.5 (64.3) million, +3%
  - The increase came from Meteorology Infrastructure business unit
  - USD 18 million contract to Bahamas
- Controlled Environment Business Area
  - EUR 26.5 (24.0) million, +10%
  - The increase came from APAC and Americas
Vaisala order book decreased 9%

- Order book EUR 118.0 (129.2) million, -9%
  - The order book decreased in all geographical areas
  - EUR 79.3 million of the order book is scheduled to be delivered in 2017
- Weather Business Area
  - EUR 109.4 (122.2) million, -11%
    - excludes EUR 20 million order from Vietnam
- Controlled Environment Business Area
  - EUR 8.6 (7.0) million, +23%

Vaisala net sales declined 8%

- % of net sales Q4/2016
  - 62% (63%)
  - 26% (23%)
  - 12% (14%)

- Products: 58.0, 63.6, 52.3, 45.6, 38.2, 10.9
- Projects: 23.7, 21.1, 18.6, 19.7, 9.5, 9.9
- Services: 11.3, 11.4, 11.3, 11.7, 17.0, 11.1

- MEUR: Q1/15, Q2/15, Q3/15, Q4/15, Q1/16, Q2/16, Q3/16, Q4/16
Americas Q4 net sales accounted for half of Vaisala net sales

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q4/2016</th>
<th>Q4/2015</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>24.3</td>
<td>33.8</td>
<td>-28</td>
</tr>
<tr>
<td>Americas</td>
<td>46.1</td>
<td>42.3</td>
<td>9</td>
</tr>
<tr>
<td>APAC</td>
<td>22.6</td>
<td>25.0</td>
<td>-10</td>
</tr>
<tr>
<td>Total</td>
<td>93.0</td>
<td>101.1</td>
<td>-8</td>
</tr>
</tbody>
</table>

% of net sales in Q4/2016

- EMEA: 24% (25%)
- Americas: 26% (33%)
- APAC: 50% (42%)

Weather Q4 project deliveries on previous year’s level

% of net sales in Q4/2016

- Products: 36% (30%)
- Projects: 13% (16%)
- Services: 51% (54%)

MEUR

Q1/15: 18.9  Q2/15: 24.6  Q3/15: 31.4  Q4/15: 41.3  Q1/16: 25.8  Q2/16: 25.0  Q3/16: 30.4  Q4/16: 34.3

Products  Projects  Services
Controlled Environment Q4 net sales increased 8%

- % of net sales in Q4/2016
  - Products: 91%
  - Services: 9%

Vaisala Q4 operating result reflects low net sales in Weather

<table>
<thead>
<tr>
<th></th>
<th>Q4/2016</th>
<th>Q4/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, EUR million</td>
<td>93.0</td>
<td>101.1</td>
</tr>
<tr>
<td>Gross margin, %</td>
<td>52.1</td>
<td>54.1</td>
</tr>
<tr>
<td>Operating expenses, EUR million</td>
<td>34.2</td>
<td>35.7</td>
</tr>
<tr>
<td>Operating result, EUR million</td>
<td>14.6</td>
<td>19.1</td>
</tr>
<tr>
<td>Operating result, %</td>
<td>15.7</td>
<td>18.9</td>
</tr>
</tbody>
</table>
Weather operating result reflects low net sales

<table>
<thead>
<tr>
<th></th>
<th>Q4/2016</th>
<th>Q4/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, EUR million</td>
<td>66.7</td>
<td>76.6</td>
</tr>
<tr>
<td>Gross margin, %</td>
<td>48.0</td>
<td>51.9</td>
</tr>
<tr>
<td>Operating expenses, EUR million</td>
<td>22.5</td>
<td>24.7</td>
</tr>
<tr>
<td>Operating result, EUR million</td>
<td>9.5</td>
<td>15.1</td>
</tr>
<tr>
<td>Operating result, %</td>
<td>14.2</td>
<td>19.7</td>
</tr>
</tbody>
</table>

Controlled Environment Q4 operating result flat due to investments in growth

<table>
<thead>
<tr>
<th></th>
<th>Q4/2016</th>
<th>Q4/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, EUR million</td>
<td>26.4</td>
<td>24.5</td>
</tr>
<tr>
<td>Gross margin, %</td>
<td>62.2</td>
<td>62.5</td>
</tr>
<tr>
<td>Operating expenses, EUR million</td>
<td>11.5</td>
<td>10.5</td>
</tr>
<tr>
<td>Operating result, EUR million</td>
<td>4.9</td>
<td>4.9</td>
</tr>
<tr>
<td>Operating result, %</td>
<td>18.5</td>
<td>19.9</td>
</tr>
</tbody>
</table>
January–December 2016 highlights

- Orders received EUR 311.3 (320.0) million, -3%
- Net sales EUR 319.1 (318.5) million, flat
- Gross margin 51.6% (51.1%)
- Operating result EUR 22.3 (29.6) million
- Operating result excluding write-down EUR 32.8 (29.6) million or 10.3 % (9.3%) of net sales
- Cash flow from operating activities EUR 41.8 (38.8) million, +8%
- Cash and cash equivalents EUR 72.4 (59.2) million, +22%
- Earnings per share EUR 1.05 (1.52)
- Board of Directors’ dividend proposal EUR 1.00 per share
Vaisala orders received decreased 3%

- Orders received EUR 311.3 (320.0) million, -3%
  - The decrease came from EMEA and Americas
- Weather Business Area
  - EUR 206.0 (225.6) million, -9%
  - The decrease came from Transportation and Meteorology Infrastructure business units
  - USD 18 million contract to Bahamas
- Controlled Environment Business Area
  - EUR 105.3 (94.4) million, +11%
  - The increase came from all regions, strongest in APAC and Americas

Vaisala 2016 net sales flat, product sales increased 4%

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2016</th>
<th>2015</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>208.5</td>
<td>199.7</td>
<td>4</td>
</tr>
<tr>
<td>Projects</td>
<td>65.0</td>
<td>71.0</td>
<td>-8</td>
</tr>
<tr>
<td>Services</td>
<td>45.6</td>
<td>47.8</td>
<td>-5</td>
</tr>
<tr>
<td>Net sales, total</td>
<td>319.1</td>
<td>318.5</td>
<td>0</td>
</tr>
<tr>
<td>At comparable</td>
<td>318.8</td>
<td>318.5</td>
<td>0</td>
</tr>
</tbody>
</table>

% of net sales in 2016

- Products: 65% (63%)
- Projects: 21% (22%)
- Services: 14% (15%)
Vaisala net sales increased in Americas and APAC

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2016</th>
<th>2015</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>92.0</td>
<td>105.1</td>
<td>-12</td>
</tr>
<tr>
<td>Americas</td>
<td>140.9</td>
<td>132.0</td>
<td>7</td>
</tr>
<tr>
<td>APAC</td>
<td>86.2</td>
<td>81.3</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>319.1</td>
<td>318.5</td>
<td>0</td>
</tr>
</tbody>
</table>

% of net sales in 2016:
- EMEA: 27% (26%)
- Americas: 29% (33%)
- APAC: 44% (41%)

Weather 2016 net sales decreased 4%

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2016</th>
<th>2015</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>115.5</td>
<td>116.2</td>
<td>-1</td>
</tr>
<tr>
<td>Projects</td>
<td>65.0</td>
<td>71.0</td>
<td>-8</td>
</tr>
<tr>
<td>Services</td>
<td>34.9</td>
<td>38.3</td>
<td>-9</td>
</tr>
<tr>
<td>Net sales, total</td>
<td>215.4</td>
<td>225.5</td>
<td>-4</td>
</tr>
<tr>
<td>At comparable exchange rates</td>
<td>215.8</td>
<td>225.5</td>
<td>-4</td>
</tr>
</tbody>
</table>

% of net sales in 2016:
- Products: 16% (17%)
- Projects: 30% (31%)
- Services: 54% (52%)
Controlled Environment 2016 net sales increased 11%

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2016</th>
<th>2015</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>93.0</td>
<td>83.5</td>
<td>11</td>
</tr>
<tr>
<td>Services</td>
<td>10.7</td>
<td>9.5</td>
<td>12</td>
</tr>
<tr>
<td>Net sales, total</td>
<td>103.7</td>
<td>93.0</td>
<td>11</td>
</tr>
<tr>
<td>At comparable exchange rates</td>
<td>102.9</td>
<td>93.0</td>
<td>11</td>
</tr>
</tbody>
</table>

% of net sales in 2016

- 90% (Products)
- 10% (Services)

Operating result impacted negatively by write-down of intangible assets

- Operating result excluding write-down of intangible assets EUR 32.8 (29.6) million or 10.3% (9.3%) of net sales
  - Weather EUR 13.9 (15.2) million or 6.5% (6.8%) of net sales excluding EUR 10.5 million write-down of intangible assets
  - Controlled Environment EUR 21.6 (18.3) million or 20.8% (19.7%) of net sales
- Operating expenses EUR 141.5 (131.9) million
  - Weather EUR 98.4 (91.9) million
    - Operating expenses decreased by EUR 4 million excluding write-down
  - Controlled Environment EUR 41.5 (37.9) million
Transportation business reshaped

- Vaisala divested partly its Transportation business in the U.S.
- Reduction of 64 employees of which 11 were offered a new job in Vaisala
- Restructuring expenses recognized EUR 2.1 million
- Already realized cost savings EUR 2.4 million (estimated annual savings EUR 6 million, expected to contribute fully to 2017 profitability)
- Recognized profit of the divestment EUR 1.0 million

Investment in R&D enable world-class products

- In 2016, R&D expenses EUR 38.0 (36.1) million or 11.9% (11.3%) of net sales
- Weather 12.3% (11.8%) of net sales
- Controlled Environment 11.1% (10.1%) of net sales in line with continued investment in new product development
Cash flow from operations increased in 2016

- Cash flow from operations increased to EUR 41.8 (38.8) million as a result of better working capital development and increased EBITDA
- Cash and cash equivalents EUR 72.4 (59.2) million
- Dividend paid EUR 17.1 million
- Purchases of treasury shares EUR 5.3 million
- Capital expenditure EUR 7.7 (8.3) million
- Depreciation, amortization and write-downs EUR 24.1 (15.1) million

Market and Business Outlook
Market Outlook 2017

- Latest forecasts for global economy development refer to moderate outlook. Increase in commodity prices, especially in crude oil, is expected to improve outlook of several emerging economies. Vaisala is expecting stable market in 2017 both for weather observation and industrial measurement.
- Weather observation market outlook is overall stable. Market outlook for renewable energy solutions is overall positive, even though growth of renewable power capacity has decelerated.
- Market outlook for industrial measurement solutions is stable globally, and Vaisala is expecting increase in annual deliveries. Life science market growth is expected to continue, as a result of tightening requirements for monitoring and reporting of environmental conditions. Utility companies are increasingly adopting transformer online condition monitoring, what is expected to accelerate demand for power transmission solutions.

Business Outlook 2017

- Vaisala estimates its full year 2017 net sales to be in the range of EUR 310–340 million and its operating result (EBIT) to be in the range of EUR 32–42 million.
Questions Welcome!

Observations for a Better World