Strong start for the year

Q1/2021 Interim Report presentation
Kai Öistämö, President and CEO
Strong start for the year

- Market environment more favorable than expected
- Strong orders received across multiple market segments
- Business outlook lower limit raised

Orders received

106.1 (89.7) MEUR  
+18%

Net sales

92.0 (87.2) MEUR  
+5%
Innovation and sustainability at the core of Vaisala, with several highlights in Q1

Innovation and portfolio renewal
Product portfolio renewal proceeding despite COVID-19, new R&D building opened

Strong performance in life science & wind lidars
Positive impact from megatrends such as renewable energy and health and well-being

100% renewable electricity
Carbon footprint (scope 2 emissions) reduced 97% from 2014 baseline

Sensors on Perseverance at Mars
Part of first-ever meteorological observation network on another planet
Q1 orders received increased by 18% Y/Y

- Increase in both business areas
- Increase in renewable energy, ground transportation, and industrial instruments market segments
- Weakness in aviation market continued
- Increase 23% with constant currencies
Q1 order book increased by 10% Y/Y

- Increase in both business areas
- Increase in all market segments in Industrial Measurements
- Increase in renewable energy, ground transportation, and meteorology market segments but decrease in aviation in Weather and Environment
- Order book with delivery this year increased by 17% Y/Y
Q1 net sales grew by 5% Y/Y

- Growth in Industrial Measurements and about flat in Weather and Environment
- Growth in life science, industrial instruments, renewable energy, and ground transportation market segments
- Growth 9% with constant currencies
Excellent performance

- Orders received increased in all market segments
- Economic recovery in China boosted growth of orders received
- Growth of orders received 29% with constant currencies
Net sales growth of 12% increased operating result

- Operating result EUR 9.4 (7.6) million, 23.8 (21.4)% of net sales
- Net sales growth strong in life science and power industry market segments and good in industrial instruments, but net sales declined in liquid measurements
- Net sales growth 17% with constant currencies
- OPEX at previous year’s level
- R&D expenditure 12.1% of net sales
Strong growth in orders received

- Orders received increased in renewable energy and ground transportation market segments
- Meteorology market segment flat
- Weakness continued in aviation
- Growth of orders received 19% with constant currencies
Operating result increased as a result of lower operating expenses

- Operating result EUR -0.9 (-2.4) million, -1.7 (-4.6) % of net sales
- Net sales grew in renewable energy, ground transportation, and meteorology market segments, but decreased in aviation
- Net sales growth 4% with constant currencies
- OPEX lower compared to previous year due to more efficient ways of working triggered by the COVID-19 pandemic
- R&D expenditure 16.1% of net sales
Financials
Q1 operating result 8.8% of net sales

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/2021</th>
<th>Q1/2020</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>92.0</td>
<td>87.2</td>
<td>379.5</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-41.6</td>
<td>-38.0</td>
<td>-166.6</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>50.4</td>
<td>49.2</td>
<td>212.9</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-42.4</td>
<td>-44.0</td>
<td>-169.2</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>0.1</td>
<td>0.0</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>8.1</td>
<td>5.2</td>
<td>44.8</td>
</tr>
<tr>
<td>Share of result in associated company</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>-0.2</td>
<td>-0.2</td>
<td>-3.6</td>
</tr>
<tr>
<td><strong>Result before taxes</strong></td>
<td>7.9</td>
<td>5.0</td>
<td>41.3</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-1.6</td>
<td>-0.9</td>
<td>-8.5</td>
</tr>
<tr>
<td><strong>Result for the period</strong></td>
<td>6.3</td>
<td>4.0</td>
<td>32.8</td>
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- Operating result increased following growth in net sales and lower operating expenses
- Gross margin decreased to 54.8 (56.4) %
  - Product mix and appreciated Euro
- OPEX decreased
  - More efficient ways of working triggered by the COVID-19 pandemic
- Comparison period included EUR 1.1 million credit loss allowance
- EPS 0.17 (0.11) EUR
Good result and positive net working capital increased cash flow

Cash flow improvement driven by:
- Higher result for the period
- Increase of liabilities
- Normalized capex

Cash and cash equivalents:
- End Q1/2021: 53.9 MEUR
- End Q4/2020: 45.4 MEUR
- End Q1/2020: 52.9 MEUR
Market development and business outlook
Market development

COVID-19 pandemic will continue to cause significant uncertainty in 2021. Still, the global economy is expected to continue to recover in 2021.

- High-end industrial instruments
- Life science and power industry
- Renewable energy
- Meteorology, developing countries
- Aviation
Business outlook for 2021 lower limit raised

Net sales
Vaisala estimates that its full-year 2021 net sales will be in the range of EUR 380–400 million

Operating result (EBIT)
Vaisala estimates that its full-year 2021 operating result (EBIT) will be in the range of EUR 35–45 million
Strong start for the year

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