

Strong second quarter in orders, net sales and EBIT

Half Year Financial Report January–June 2019

President and CEO Kjell Forsén

July 19, 2019

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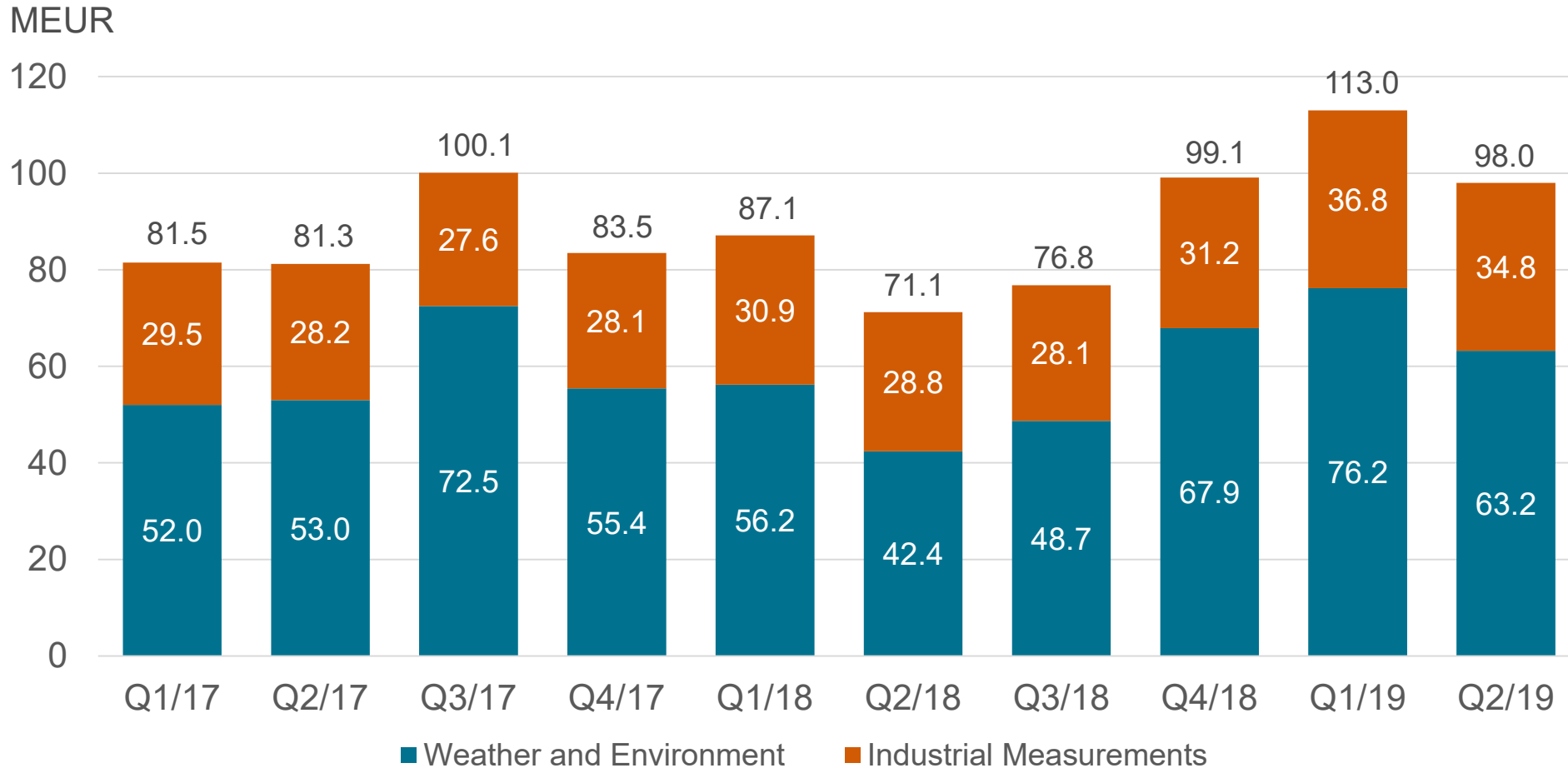


Second quarter 2019 highlights

- Orders received EUR 98.0 (71.1) million, +38%
- Order book EUR 151.7 (126.5) million, +20%
- Net sales EUR 96.1 (80.1) million, +20%
- Gross margin 54.2 (50.1) %
- Operating result EUR 7.2 (4.7) million, 7.5 (5.9) % of net sales
- Earnings per share EUR 0.14 (0.11)
- Cash flow from operating activities EUR -6.2 (13.7) million



Vaisala Q2 orders received increased 38%

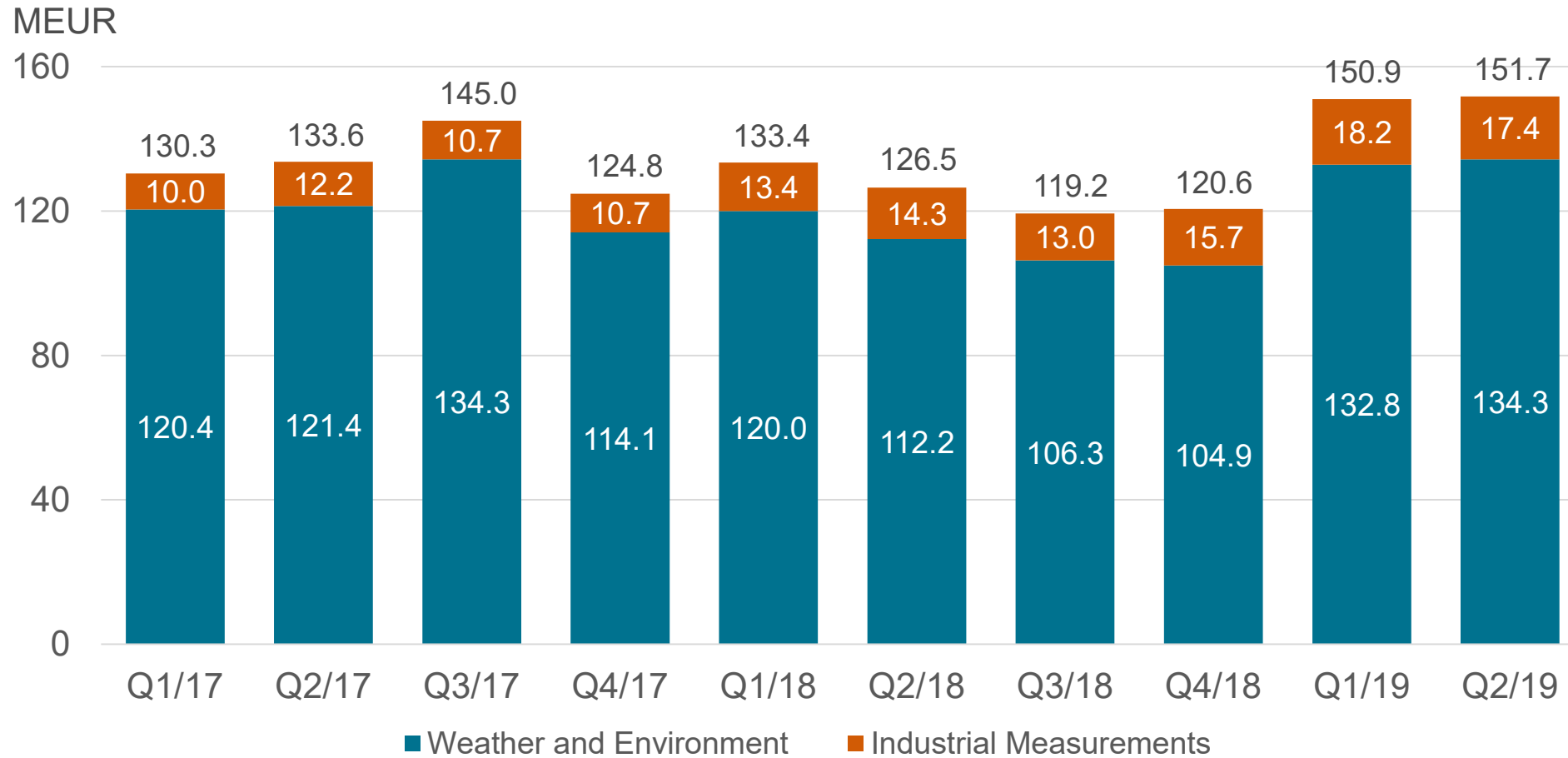


+34%
with comparable
rates

+18%
organic growth*

* Without currency impact and acquisitions

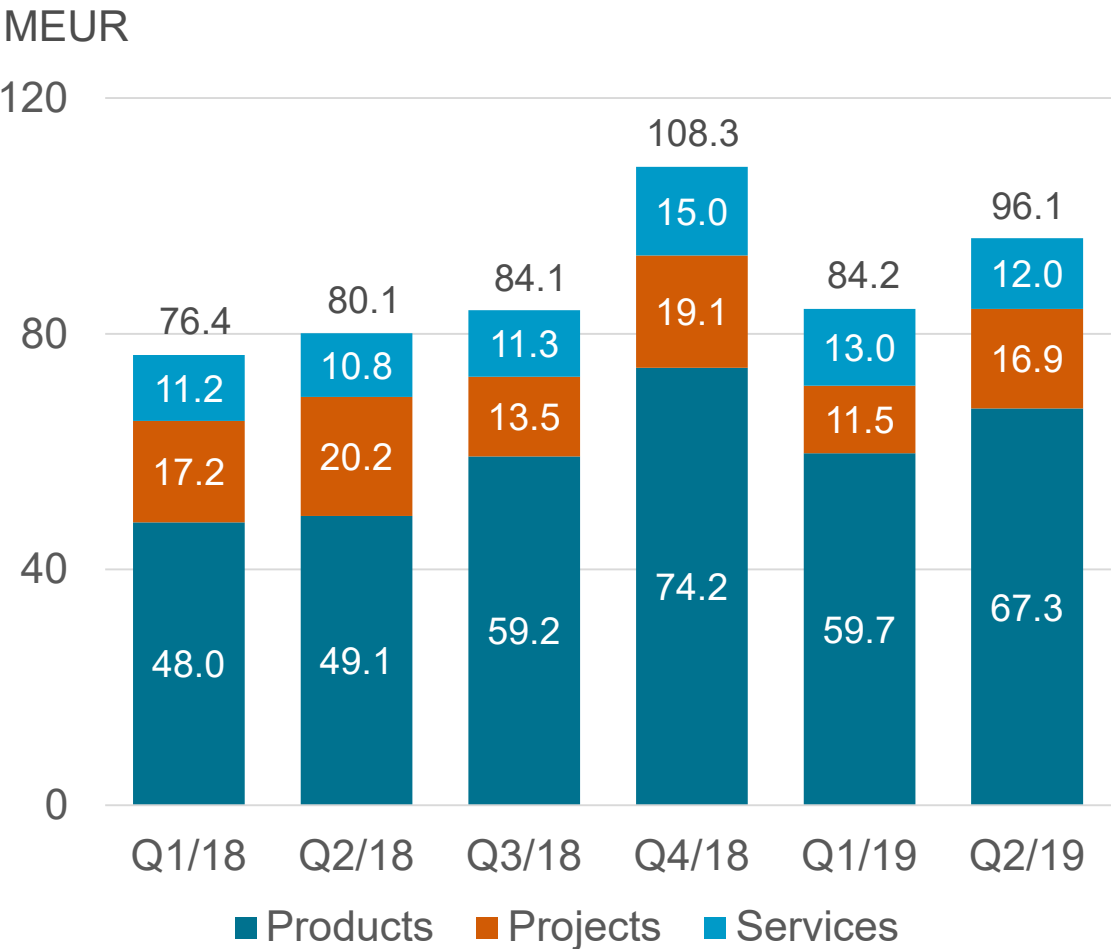
Vaisala order book improving



+20%
Y/Y

Order book of
acquisitions
11 MEUR

Vaisala Q2 net sales increased 20%

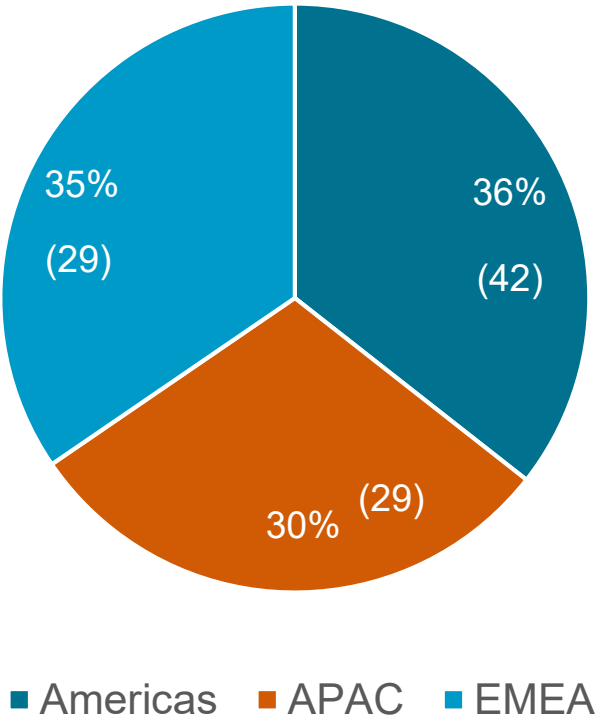


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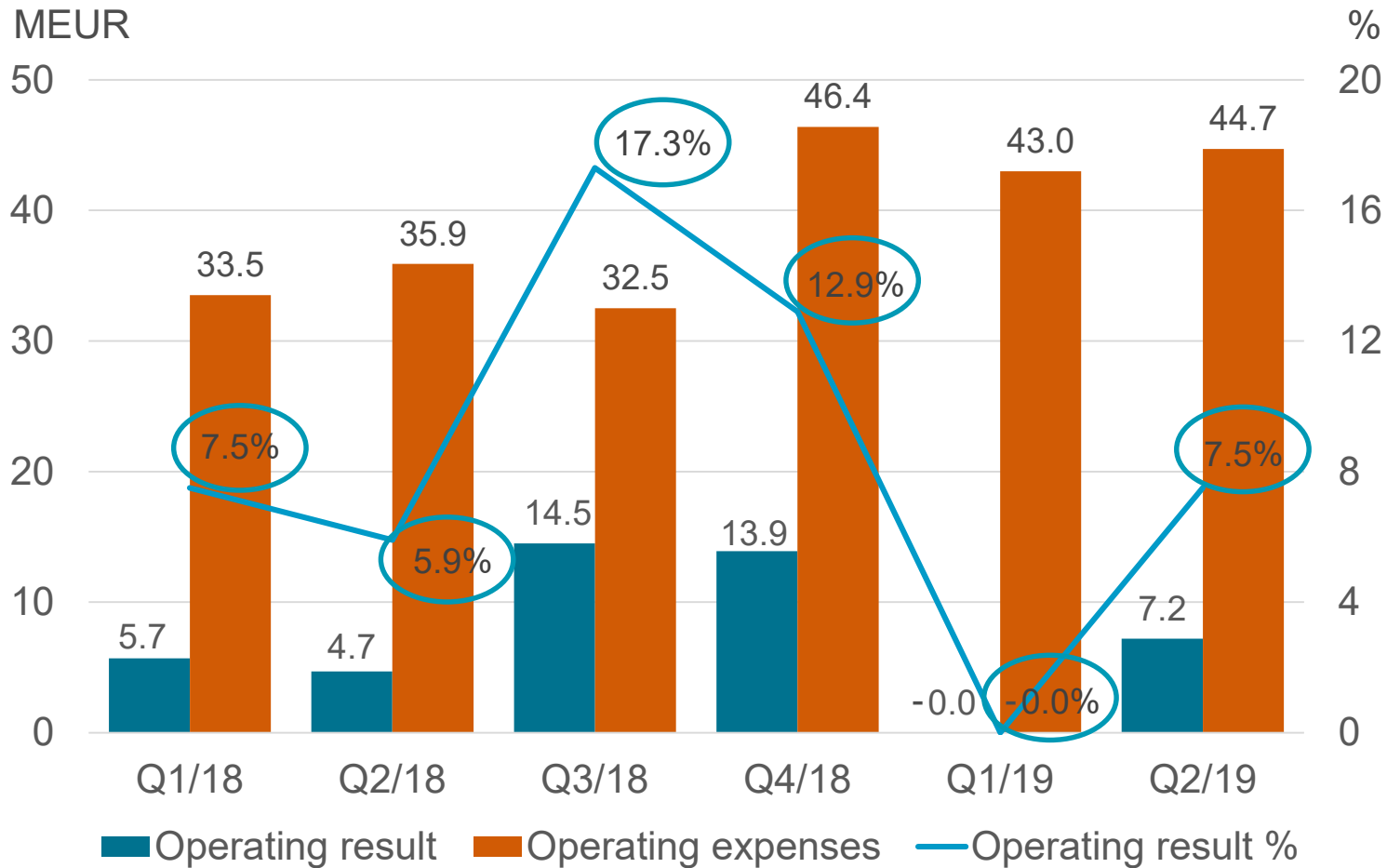
+17%
with comparable
rates

5%
organic growth*

Net sales by geographical area



Vaisala operating result increased following net sales growth and improved gross margin

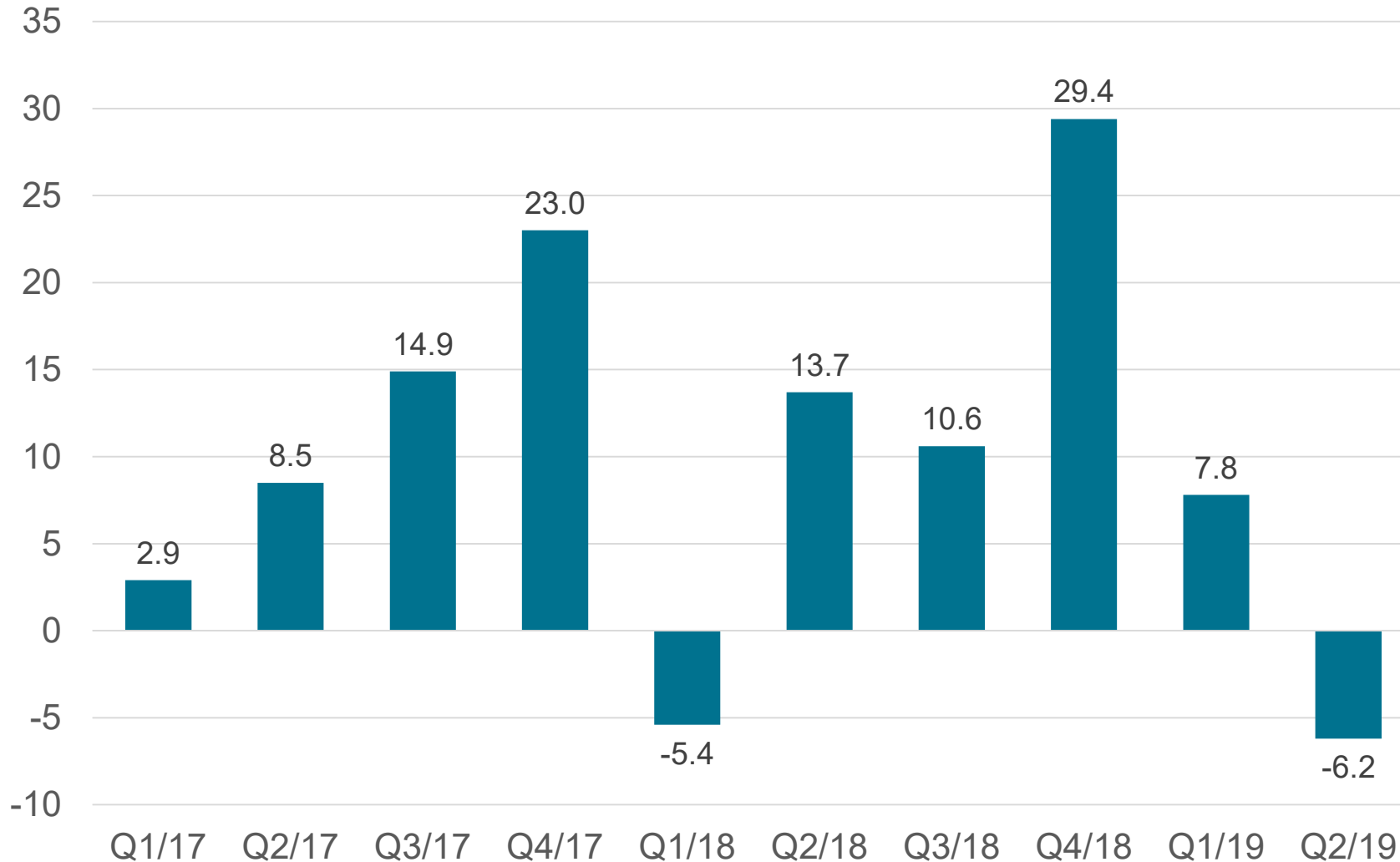


2.2 MEUR
amortization
of intangible
assets

0.9 MEUR
provision for
product line
termination

Cash flow from operating activities negative

MEUR



Receivables increased following net sales growth

Business Areas

Half Year Financial Report January–June 2019

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Weather and Environment Q2 – strong orders received and net sales

- Orders received increased by 49%
 - Increase with comparable FX rates 46%
 - Growth generated by medium-sized orders
- Order book increased by 20% Y/Y
 - EUR 78.6 (68.3) million scheduled to be delivered in 2019
- Net sales increased by 17%
 - Increase with comparable FX rates 15%
- Operating result improved following net sales growth and improved gross margin
 - EUR 1.6 million of amortization of intangible assets related to acquired businesses
 - R&D expenditure 15.2 (14.0) % of net sales

Organic growth of orders received 26%*

Organic growth of net sales 1%*

Gross margin improved by 4 percentage points

MEUR	Q2/19	Q2/18	Change
Orders received	63.2	42.4	49%
Order book	134.3	112.2	20%
Net sales	60.7	52.0	17%
Products	35.1	23.8	47%
Projects	16.9	20.2	-16%
Services	8.7	8.0	8%
Gross margin	47.9%	44.1%	
Operating expenses	28.7	23.3	23%
Operating result	0.6	-0.3	
Operating result margin	1.0%	-0.6%	

* Without currency impact and acquisitions

Industrial Measurements Q2 – strong quarter in all key figures

- Orders received increased by 21%
 - Increase with comparable FX rates 17%
- Order book increased by 22%
 - EUR 15.3 (12.0) million scheduled to be delivered in 2019
- Net sales increased by 26%
 - Increase with comparable FX rates 22%
- Operating result increased following net sales growth and improved gross margin
 - EUR 0.6 million of amortization of intangible assets related to acquired business
 - R&D expenditure 14.1 (14.9) % of net sales

Organic growth of orders received 5%*

Organic growth of net sales 12%*

Gross margin improved by 4 percentage points

MEUR	Q2/19	Q2/18	Change
Orders received	34.8	28.8	21%
Order book	17.4	14.3	22%
Net sales	35.4	28.1	26%
Products	32.1	25.3	27%
Services	3.3	2.8	19%
Gross margin	64.9%	61.3%	
Operating expenses	16.0	12.5	27%
Operating result	7.5	4.7	
Operating result margin	21.2%	16.7%	

* Without currency impact and acquisitions

Key Financials, Market Outlook and Business Outlook

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Key financials

MEUR	Q2/2019	Q2/2018	Change	1-6/2019	1-6/2018	Change	2018
Orders received	98.0	71.1	38%	211.0	158.3	33%	334.2
Order book	151.7	126.5	20%	151.7	126.5	20%	120.6
Net sales	96.1	80.1	20%	180.3	156.4	15%	348.8
Gross margin, %	54.2	50.1		53.7	50.7		53.1
Operating expenses	44.7	35.9	25%	87.7	69.3	26%	148.3
Operating result	7.2	4.7	53%	7.2	10.4	-31%	38.9
Operating result margin, %	7.5	5.9		4.0	6.7		11.1
Result before taxes	6.5	5.0	30%	6.7	9.5	-29%	37.5
Result for the period	5.1	3.9	32%	5.3	7.3	-28%	29.5
Earnings per share, EUR	0.14	0.11	32%	0.15	0.21	-28%	0.82
Return on equity, %				6.0	8.5		16.0
Capital expenditure	5.7	3.6	60%	10.1	5.8	75%	14.5
Depreciation, amortization and impairment	5.8	2.1	177%	12.1	4.3	184%	12.1
Cash flow from operating activities	-6.2	13.7	-145%	1.7	8.3	-79%	48.3
Cash and cash equivalents				42.2	56.7	-26%	72.7
Interest-bearing liabilities				50.7	0.0		40.5
Gearing, %				5.1	-35.7		-17.6

Market Outlook 2019

Weather and Environment

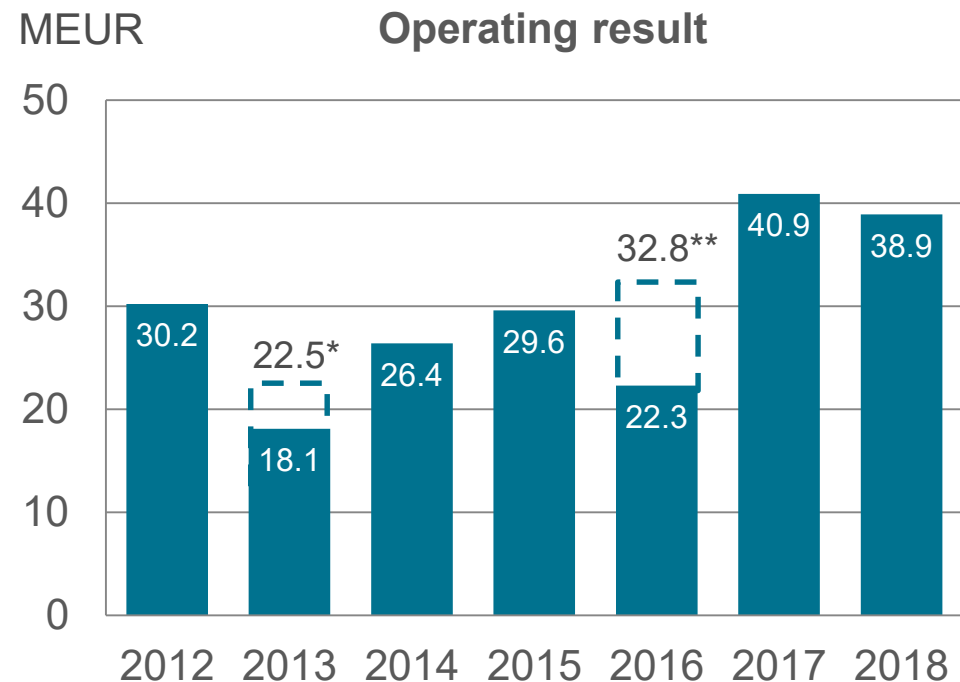
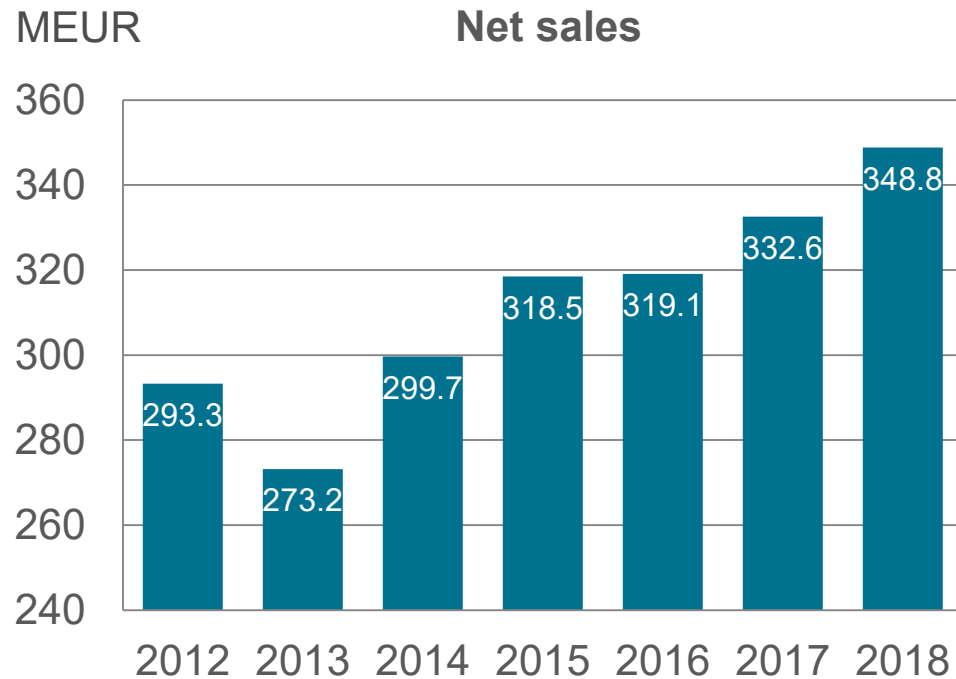
- Market for traditional weather observation solutions is expected to be flat.
- Demand is expected to improve in Europe and moderately in China and Americas. In Asia-Pacific, Middle East and Africa region demand is expected to be flat.
- Demand for digital solutions is expected to improve moderately compared to previous year.

Industrial Measurements

- Market for industrial measurement solutions is expected to continue to grow in all regions.
- Demand for continuous monitoring systems is expected to develop positively.
- Liquid measurements is expected to develop positively.
- Vaisala continues its long-term effort for channel development and market entry with power industry applications. Market is expected to develop positively.

Business Outlook 2019

- Vaisala estimates its full-year 2019 net sales to be in the range of EUR 380–400 million and its operating result (EBIT) to be in the range of EUR 25–35 million including EUR 10–12 million acquisition related amortization and one-off expenses related to a lease contract.



* Excl. EUR 4.3 million impairment charge related to 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.

Questions Welcome!

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Observations for a Better World

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