Strong demand and excellent performance continued during third quarter

Interim Report January–September 2021
Kai Öistämö, President and CEO
Strong demand and excellent performance continued

- Order growth strong in both business areas
- Strong profitability despite component availability restrictions
- Business outlook for 2021 net sales and operating result raised

Orders received
109.9 (85.3) MEUR
+29%

Net sales
111.5 (94.0) MEUR
+19%
Highlights of Q3/2021: sustainability recognitions and raised growth ambition

**Strong performance across segments**

Highlights include industrial instruments, life science, aviation, and renewable energy.

**Component situation managed well**

Solutions found to most availability issues, shortage expected to continue Q4/21 and H1/22.

**Most responsible Finnish stock listed company**

In top of Sustainalytics ESG scoring and ranked most responsible among private investors.

**New strategy and long-term targets**

Updated strategy drives higher growth and increased profitability targets.
Observations for a better world

VAISALA

We provide the world’s most reliable measurements where it truly matters.

We actively seek sustainable growth by solving business-critical challenges, aiming to be #1 in selected markets.

SUCCESS DRIVERS

Product and technology leadership from sensors to digital solutions

Scalability in high-mix, low-volume businesses

Deep customer understanding and application knowhow

Engaged and talented people

VALUES

Customer focus | Innovation & renewal | Strong together | Integrity
Q3/2021 orders received increased by 29% Y/Y

- Increase in both business areas
- Increase in industrial instruments, life science, aviation and renewable energy market segments

Increase 28% in constant currencies
Q3/2021 order book increased by 22% Y/Y

- Increase in all market segments in Industrial Measurements
- Increase in renewable energy and meteorology market segments in Weather and Environment
- Order book with delivery this year increased by 20% Y/Y
Q3/2021 net sales grew by 19% Y/Y

- Growth in both business areas
- Growth in industrial instruments, life science, renewable energy and aviation market segments

Increase 18% in constant currencies
Excellent performance continued

- Orders received increased in all market segments
- Strong demand for industrial instruments and life science continued
- Good progress in power and liquid measurements

Increase 27% in constant currencies

Orders received

<table>
<thead>
<tr>
<th>Year</th>
<th>Orders received</th>
<th>MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>100</td>
<td>80</td>
</tr>
<tr>
<td>2017</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>2018</td>
<td>140</td>
<td>120</td>
</tr>
<tr>
<td>2019</td>
<td>160</td>
<td>140</td>
</tr>
<tr>
<td>2020</td>
<td>180</td>
<td>160</td>
</tr>
<tr>
<td>Q3/21</td>
<td>200</td>
<td>180</td>
</tr>
</tbody>
</table>

Increase +28%
Net sales growth of 35% increased operating result

- Operating result EUR 14.2 (8.6) million, 30.2 (24.7) % of net sales
- Operating result included additional material costs from spot purchases
- Net sales growth strong in industrial instruments and life science market segments and good in power industry market segment
- R&D expenditure 10.6% of net sales
Strong order intake

- Orders received increased strongly in aviation and renewable energy market segments
- Strong increase in project orders

Increase 29% in constant currencies
Operating result burdened by exceptional costs

- Operating result EUR 5.3 (11.1) million, 8.2 (18.7) % of net sales
- Operating result included EUR 2.3 million exceptional costs
- Net sales grew in renewable energy and aviation market segments
- Project business net sales increased
- R&D expenditure 11.7% of net sales
1-9/2021 financials
1-9/2021 operating result 12.2% of net sales

### MEUR

<table>
<thead>
<tr>
<th></th>
<th>1-9/2021</th>
<th>1-9/2020</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>312.9</td>
<td>272.6</td>
<td>379.5</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-137.6</td>
<td>-119.4</td>
<td>-166.6</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>175.3</td>
<td>153.2</td>
<td>212.9</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-132.7</td>
<td>-121.3</td>
<td>-169.2</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>-4.3</td>
<td>0.6</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>38.3</td>
<td>32.6</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>-1.5</td>
<td>-2.4</td>
<td>-3.6</td>
</tr>
<tr>
<td><strong>Result before taxes</strong></td>
<td>36.8</td>
<td>30.1</td>
<td>41.3</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-5.1</td>
<td>-5.8</td>
<td>-8.5</td>
</tr>
<tr>
<td><strong>Result for the period</strong></td>
<td>31.7</td>
<td>24.3</td>
<td>32.8</td>
</tr>
</tbody>
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- 1-9/2021 net sales growth 15%
- Growth in constant currencies 17%
- Operating result increased following growth in net sales
- Operating result included EUR 5.8 million exceptional costs
- Gross margin at previous year’s level 56.0 (56.2) %
- EPS 0.87 (0.68) EUR
1-9/2021 cash flow from operating activities 48.9 MEUR

Cash flow improvement driven by:
- Higher result for the period
- Positive impact of net working capital
- Lower capex level

Cash and cash equivalents:
- End Q3/2021: 51.9 MEUR
- End Q4/2020: 45.4 MEUR
- End Q3/2020: 39.1 MEUR
## Strong financial position

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<thead>
<tr>
<th>MEUR</th>
<th>1-9/2021</th>
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<th>2020</th>
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<tbody>
<tr>
<td>Equity per share</td>
<td>6.04</td>
<td>5.47</td>
<td>5.70</td>
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<tr>
<td>Return on equity %</td>
<td>19.9</td>
<td>16.4</td>
<td>16.3</td>
</tr>
<tr>
<td>Solvency ratio %</td>
<td>58.2</td>
<td>56.3</td>
<td>59.0</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>13.9</td>
<td>24.0</td>
<td>31.0</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>51.9</td>
<td>39.1</td>
<td>45.4</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>50.7</td>
<td>67.7</td>
<td>57.0</td>
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<tr>
<td>Gearing %</td>
<td>-0.6</td>
<td>14.5</td>
<td>5.7</td>
</tr>
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Market development and business outlook
Market development

Global economy is expected to continue to recover, however, component shortage is expected to continue during the fourth quarter and the first half of next year.

**Growth**
High-end industrial instruments
Life science
Power industry
Renewable energy

**Recovery**
Liquid measurements
Meteorology, developing countries
Aviation

**Stable**
Meteorology, developed countries
Ground transportation
Business outlook for 2021
Raised October 19, 2021

Net sales
Vaisala estimates that its full-year 2021 net sales will be in the range of EUR 425–440 million

Operating result (EBIT)
Vaisala estimates that its full-year 2021 operating result (EBIT) will be in the range of EUR 48–58 million
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