

Excellent third quarter in orders, net sales and EBIT

Interim Report January–September 2019

President and CEO Kjell Forsén

October 24, 2019

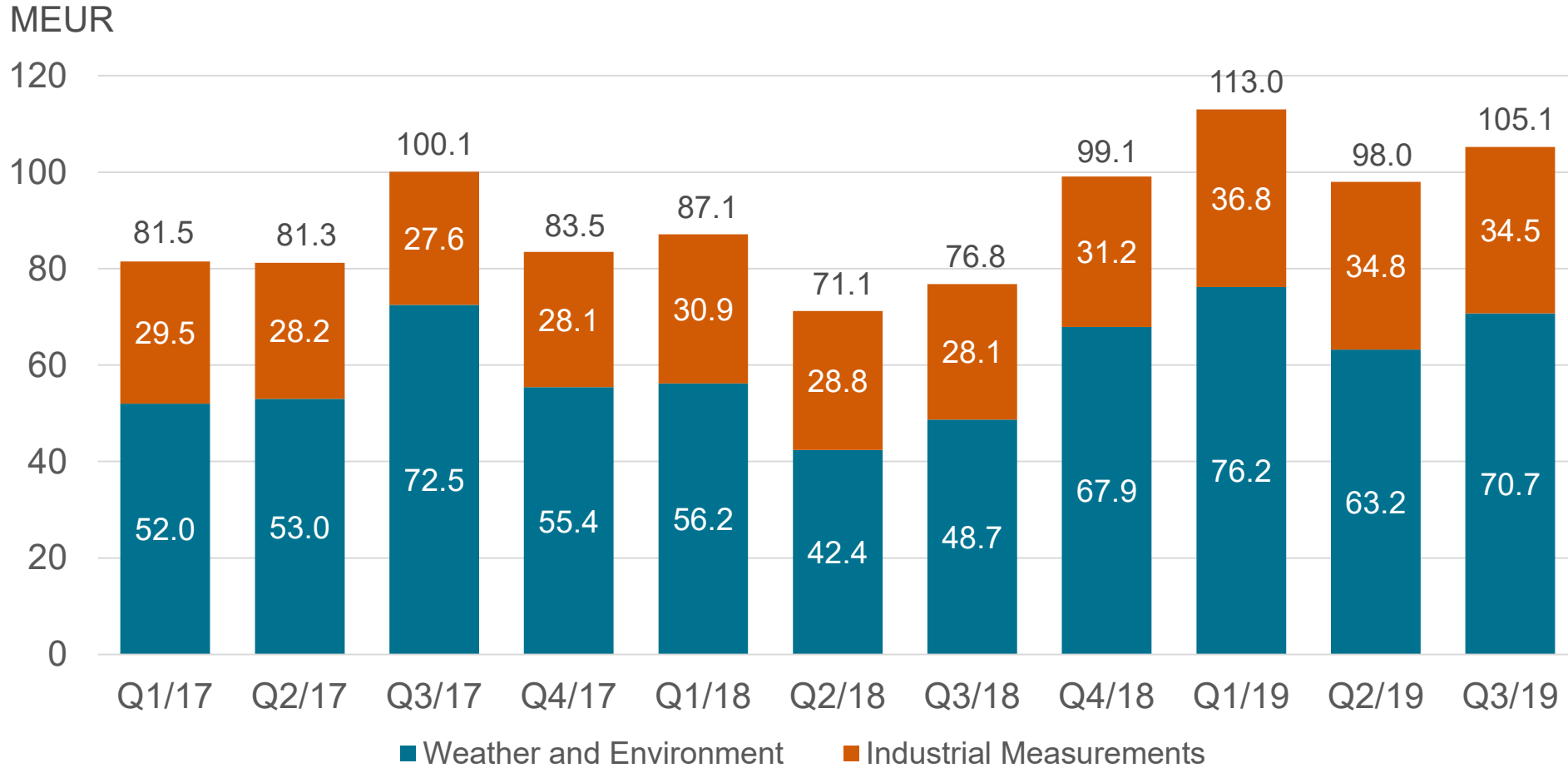
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Third quarter 2019 highlights

- Orders received EUR 105.1 (76.8) million, +37%
- Order book EUR 154.4 (119.2) million, +29%
- Net sales EUR 105.2 (84.1) million, +25%
- Gross margin 55.3 (55.9) %
- Operating result EUR 16.3 (14.5) million, 15.5 (17.3) % of net sales
- Earnings per share EUR 0.37 (0.30)
- Cash flow from operating activities EUR 16.1 (10.6) million



Vaisala Q3 orders received increased 37%

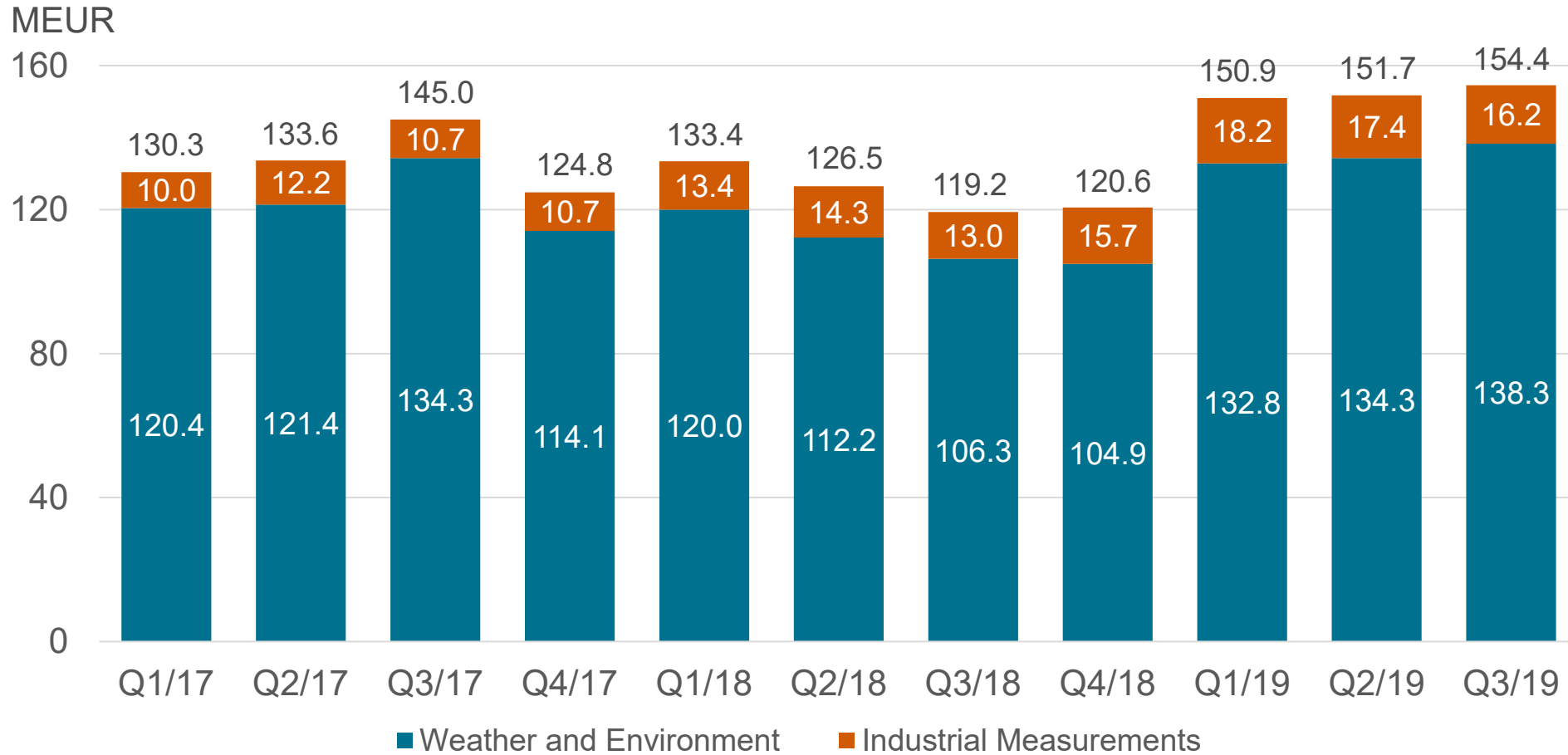


+35%
with comparable
rates

+20%
organic growth*

* Without currency impact and acquisitions

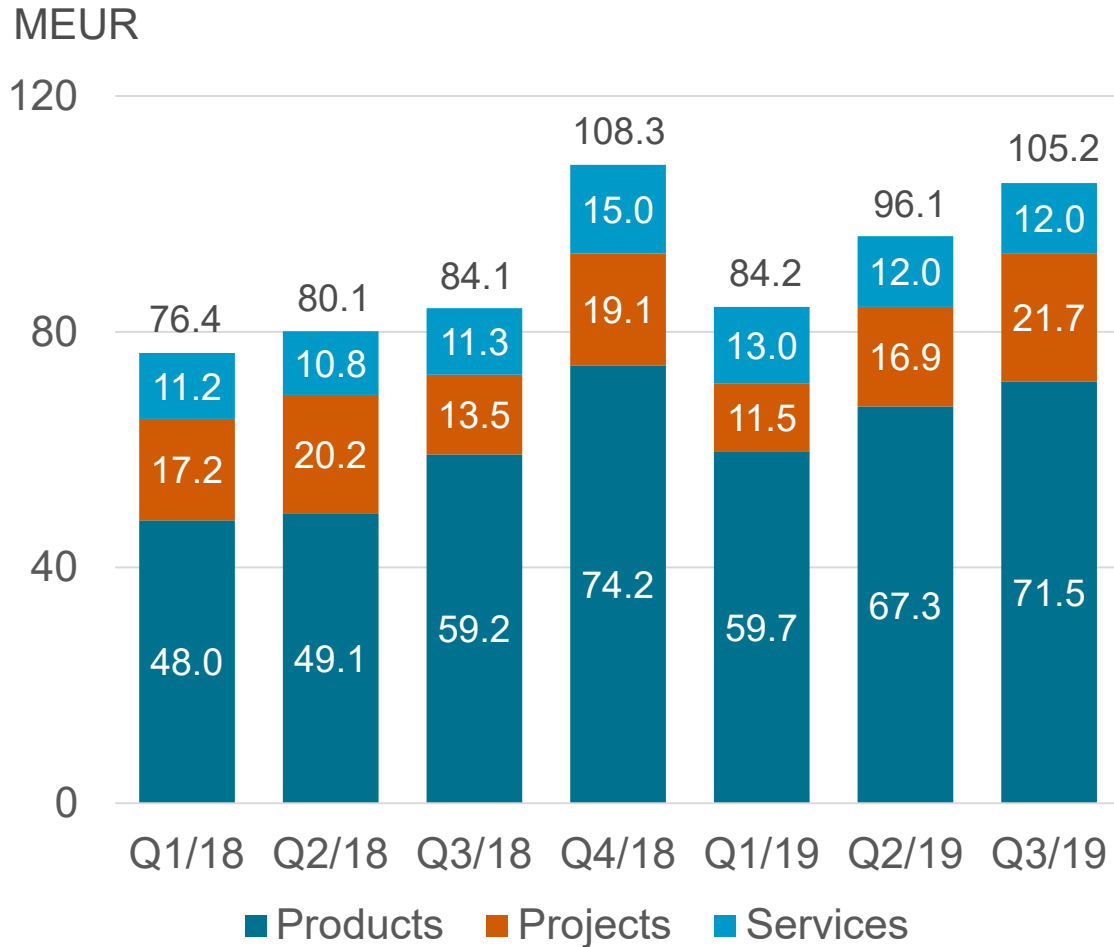
Vaisala order book improving



+29%
Y/Y

Order book of
acquisitions
14 MEUR

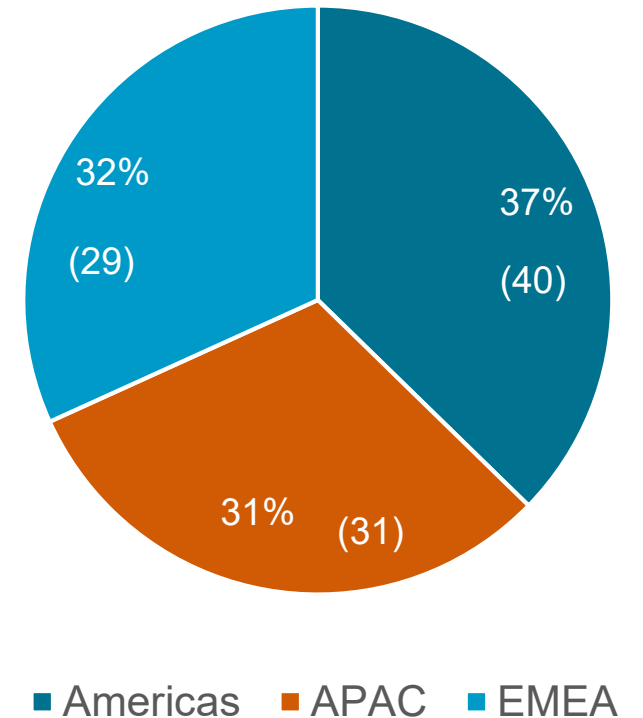
Vaisala Q3 net sales increased 25%



+23%
with comparable rates

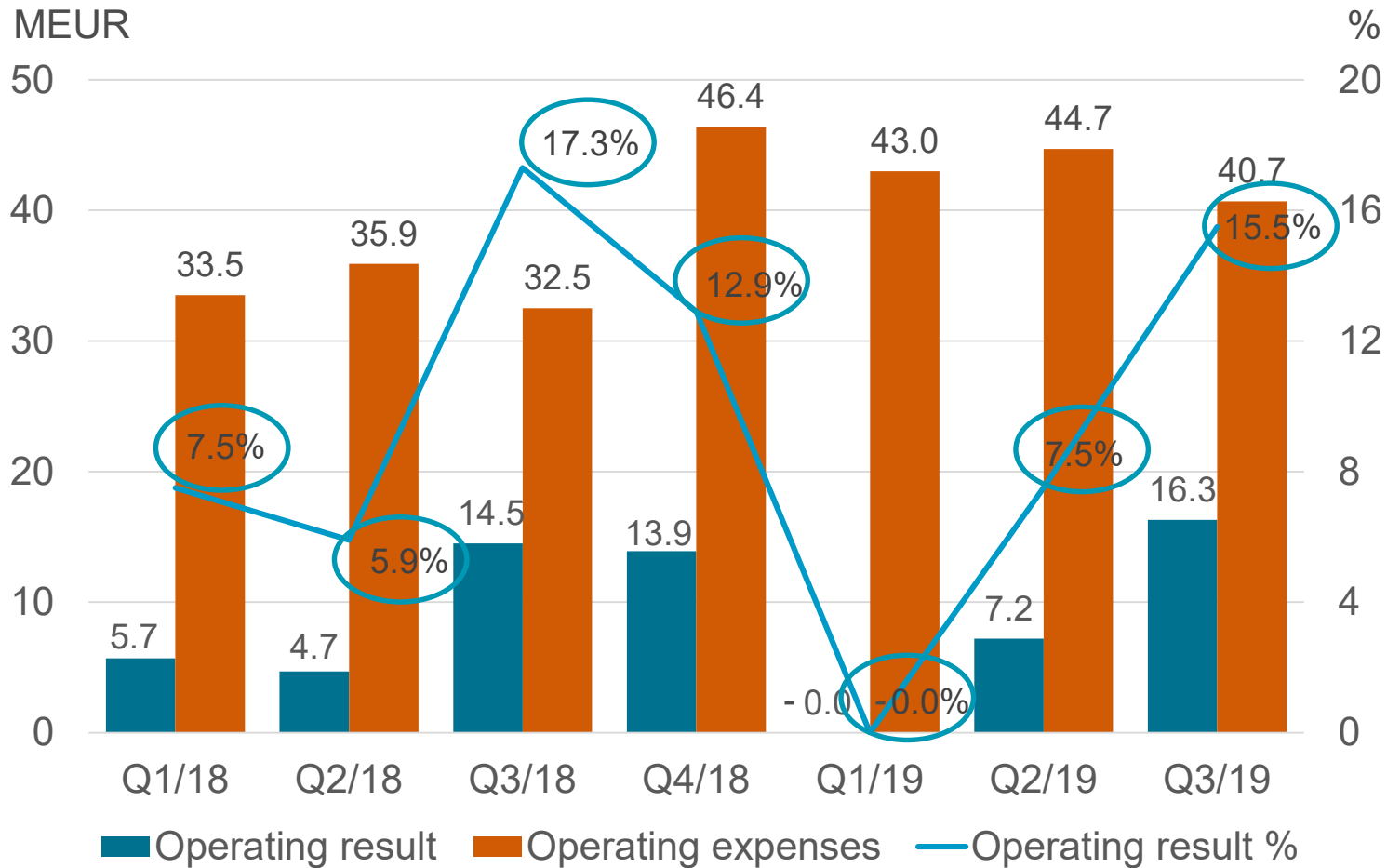
12%
organic growth*

Net sales by geographical area



* Without currency impact and acquisitions

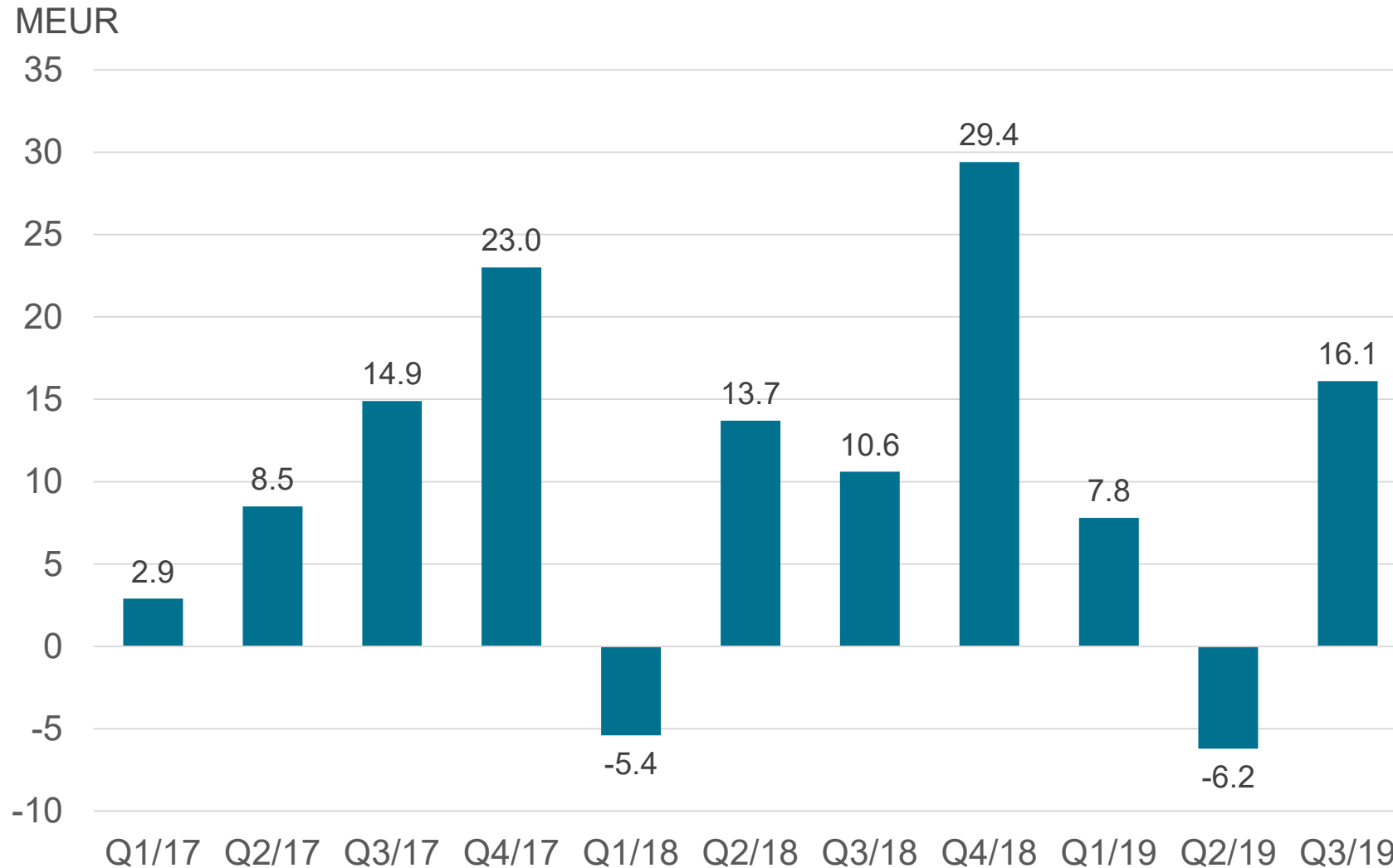
Vaisala operating result increased following net sales growth



2.0 MEUR amortization of intangible assets

1.0 MEUR refocus and reorganization expenses

Cash flow from operating activities on good level



Improvement following excellent operating result

Business Areas

Interim Report January–September 2019

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Weather and Environment Q3 – excellent growth in orders received and net sales

- Orders received increased by 45%
 - Increase with comparable FX rates 43%
 - Growth generated by medium-sized orders and strongest in meteorology, transportation and renewable energy customer segments
- Order book increased by 30% Y/Y
 - EUR 62.4 (50.3) million scheduled to be delivered in 2019
- Net sales increased by 27%
 - Increase with comparable FX rates 25%
- Operating result improved following net sales growth
 - EUR 1.6 million of amortization of intangible assets related to acquired businesses
 - R&D expenditure 11.4 (12.4) % of net sales

Organic growth of orders received 27%*

Organic growth of net sales 14%*

| MEUR | Q3/19 | Q3/18 | Change |
|-------------------------|-------|-------|--------|
| Orders received | 70.7 | 48.7 | 45% |
| Order book | 138.3 | 106.3 | 30% |
| Net sales | 69.1 | 54.6 | 27% |
| Products | 38.6 | 32.5 | 19% |
| Projects | 21.7 | 13.5 | 60% |
| Services | 8.9 | 8.5 | 4% |
| Gross margin | 51.0% | 52.2% | |
| Operating expenses | 26.0 | 21.0 | 24% |
| Operating result | 9.3 | 7.5 | |
| Operating result margin | 13.5% | 13.7% | |

* Without currency impact and acquisitions

Industrial Measurements Q3 – highest ever quarterly net sales

- Orders received increased by 23%
 - Increase with comparable FX rates 19%
- Order book increased by 25%
 - EUR 12.4 (9.2) million scheduled to be delivered in 2019
- Net sales increased by 22%
 - Increase with comparable FX rates 19%
- Operating result increased following net sales growth and improved gross margin
 - EUR 0.4 million of amortization of intangible assets related to acquired business
 - R&D expenditure 11.6 (11.0) % of net sales

Organic growth of orders received 9%*

Organic growth of net sales 9%*

| MEUR | Q3/19 | Q3/18 | Change |
|-------------------------|-------|-------|--------|
| Orders received | 34.5 | 28.1 | 23% |
| Order book | 16.2 | 13.0 | 25% |
| Net sales | 36.1 | 29.5 | 22% |
| Products | 32.9 | 26.7 | 23% |
| Services | 3.2 | 2.8 | 13% |
| Gross margin | 63.6% | 63.0% | |
| Operating expenses | 14.4 | 10.9 | 33% |
| Operating result | 8.5 | 7.7 | |
| Operating result margin | 23.6% | 26.1% | |

* Without currency impact and acquisitions

Key Financials, Market Outlook and Business Outlook

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Key financials

| MEUR | Q3/2019 | Q3/2018 | Change | 1-9/2019 | 1-9/2018 | Change | 2018 |
|---|---------|---------|--------|----------|----------|--------|-------|
| Orders received | 105.1 | 76.8 | 37% | 316.1 | 235.0 | 34% | 334.2 |
| Order book | 154.4 | 119.2 | 29% | 154.4 | 119.2 | 29% | 120.6 |
| Net sales | 105.2 | 84.1 | 25% | 285.5 | 240.5 | 19% | 348.8 |
| Gross margin, % | 55.3 | 55.9 | | 54.3 | 52.5 | | 53.1 |
| Operating expenses | 40.7 | 32.5 | 25% | 128.4 | 101.9 | 26% | 148.3 |
| Operating result | 16.3 | 14.5 | 12% | 23.5 | 24.9 | -6% | 38.9 |
| Operating result margin, % | 15.5 | 17.3 | | 8.2 | 10.4 | | 11.1 |
| Result before taxes | 16.9 | 14.0 | 21% | 23.7 | 23.5 | 1% | 37.5 |
| Result for the period | 13.3 | 10.7 | 24% | 18.6 | 18.1 | 3% | 29.5 |
| Earnings per share, EUR | 0.37 | 0.30 | 24% | 0.52 | 0.51 | 3% | 0.82 |
| Return on equity, % | | | | 13.6 | 13.6 | | 16.0 |
| Capital expenditure | 6.1 | 4.5 | 36% | 16.3 | 10.3 | 58% | 14.5 |
| Depreciation, amortization and impairment | 5.4 | 2.2 | 149% | 17.5 | 6.5 | 172% | 12.1 |
| Cash flow from operating activities | 16.1 | 10.6 | 51% | 17.8 | 18.9 | -6% | 48.3 |
| Cash and cash equivalents | | | | 52.6 | 62.6 | -16% | 72.7 |
| Interest-bearing liabilities | | | | 50.4 | 0.0 | | 40.5 |
| Gearing, % | | | | -1.2 | -36.8 | | -17.6 |

Market Outlook 2019

Weather and Environment

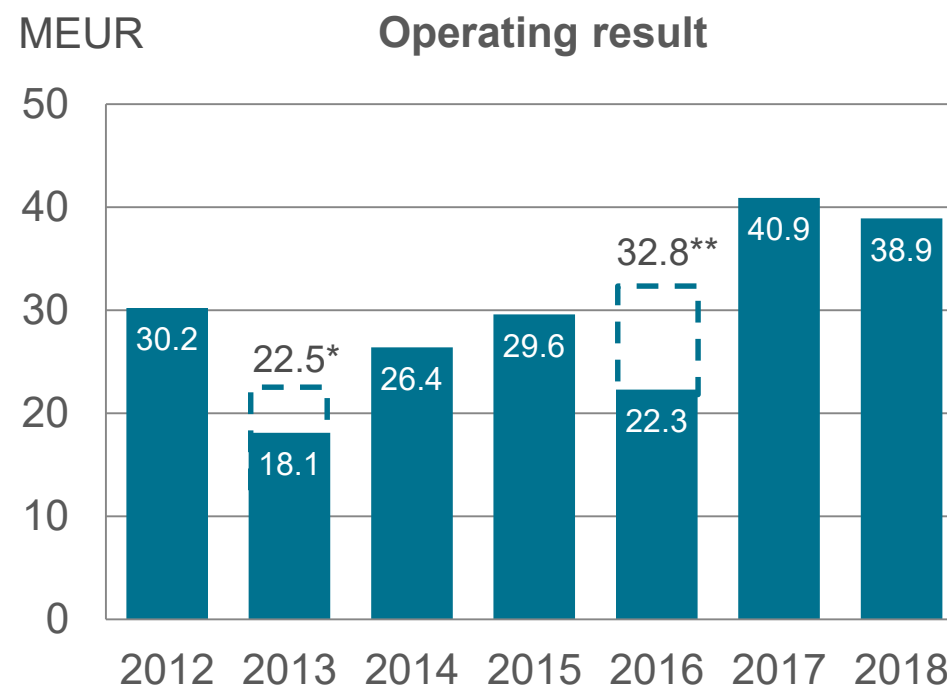
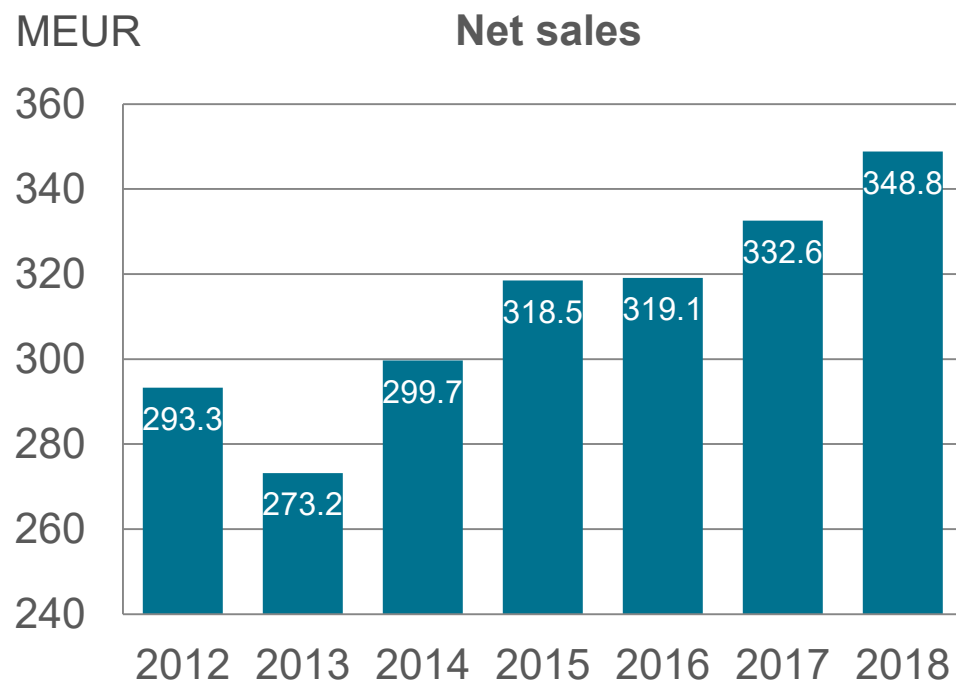
- Demand for weather observation solutions is expected to improve in all regions, moderately in Americas.
- Demand for digital solutions is expected to improve moderately.

Industrial Measurements

- Demand for industrial measurement solutions is expected to continue to grow in all regions.
- Demand for continuous monitoring systems, liquid measurements and power industry applications 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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