

Vaisala Corporation Financial Statement Release January–December 2022

Strong net sales growth continued through Q4, full-year EBIT progressed towards long-term target

Fourth quarter 2022 highlights

- Orders received EUR 139.6 (119.0) million, increase 17%
- Order book at the end of the period EUR 181.5 (160.0) million, increase 13%
- Net sales EUR 141.6 (125.0) million, increase 13%
- Operating result (EBIT) EUR 12.6 (11.9) million, 8.9 (9.5) % of net sales
- Earnings per share EUR 0.25 (0.21)
- Cash flow from operating activities EUR 22.7 (31.0) million

January–December 2022 highlights

- Orders received EUR 533.7 (455.2) million, increase 17%
- Net sales EUR 514.2 (437.9) million, increase 17%
- Operating result (EBIT) EUR 62.5 (50.1) million, 12.2 (11.5) % of net sales
- Earnings per share EUR 1.24 (1.08)
- Cash flow from operating activities EUR 29.8 (80.0) million
- Vaisala acquired US-based AerisWeather for a purchase price of EUR 23 million
- The Board proposes a dividend of EUR 0.72 (0.68) per share

Market development and business outlook for 2023

Markets for high-end industrial instruments, life science, power and energy, and liquid measurements are expected to grow.

Markets for renewable energy as well as roads and automotive are expected to grow. Market for aviation is expected to be stable or to grow. Market for meteorology is expected to be stable.

The war in Ukraine and sanctions against Russia are not expected to have direct material impact on Vaisala's operations, financial position or cash flow. The uncertainty in the business environment is high due to weak economic outlook and high inflation and continuing COVID-19 pandemic especially in China. The availability of components is expected to normalize during the first half of 2023.

Vaisala estimates that its full-year 2023 net sales will be in the range of EUR 530–570 million and its operating result (EBIT) will be in the range of EUR 70–85 million.

Key figures

MEUR	10-12/ 2022	10-12/ 2021	Change	1-12/ 2022	1-12/ 2021	Change
Orders received	139.6	119.0	17%	533.7	455.2	17%
Order book	181.5	160.0	13%	181.5	160.0	13%
Net sales	141.6	125.0	13%	514.2	437.9	17%
Gross profit	75.7	66.6	14%	282.0	241.8	17%
Gross margin, %	53.5	53.3		54.8	55.2	
Operating expenses	63.1	53.8	17%	219.7	186.5	18%
Operating result	12.6	11.9		62.5	50.1	
Operating result, %	8.9	9.5		12.2	11.5	
Result before taxes	12.1	11.5		59.6	48.3	
Result for the period	9.0	7.8		45.0	39.5	
Earnings per share	0.25	0.21	15%	1.24	1.08	15%
Return on equity, %				18.7	18.1	
Research and development costs	17.4	15.6	12%	62.4	55.3	13%
Capital expenditure	4.1	5.3	-23%	13.7	19.2	-29%
Depreciation, amortization and impairment	6.3	5.6	12%	23.6	21.6	9%
Cash flow from operating activities	22.7	31.0	-27%	29.8	80.0	-63%
Cash and cash equivalents				55.5	77.9	-29%
Interest-bearing liabilities				63.4	50.2	27%
Gearing, %				3.2	-12.0	

Vaisala's President and CEO Kai Öistämö

“2022 was a year of record growth for Vaisala. I am particularly happy that we succeeded well in meeting our customers' needs in all markets despite challenging market environment and shortage of components.

Solid performance during the fourth quarter sealed the year. Growth of orders received continued strong in both business areas, and especially in Weather and Environment business area. From market segments meteorology, aviation and industrial instruments had the strongest demand. Strong net sales growth continued in industrial instruments, life science, power industry, and aviation market segments. Additional costs related to component spot purchases and planned increases in operating expenses, especially investments into new ERP system, continued to burden our operating result, which was 8.9% of net sales.

In 2022, our order intake growth was excellent 17% compared to previous year and growth of net sales were equally strong. Orders received and net sales were very strong in both business areas and most of the market segments. Our order book remained above EUR 180 million for the third consecutive quarter, which was a good start for the new year. We maintained our gross margin close to previous year's level with pricing actions and economies of scale generated by volume growth, although additional costs related to spot purchases of components burdened the margin by 2.7 percentage points. Operating result margin of 12.2% was a step towards our long-term target.

Our strategy focuses on driving sustainable growth and global leadership by managing three types of businesses: flagship, growth, and emerging businesses. In 2022, Industrial Measurements business area exceeded expectations both in flagship and growth businesses. Growth of net sales in industrial instruments was excellent through-out the year. Industrial instruments contributed significantly to business area's

operating result even after additional costs related to component spot purchases. Net sales in life science, power industry, and liquid measurements market segments grew very strongly compared to previous year. In Weather and Environment business area, flagship business' net sales grew in line with expectations, although new large infrastructure projects did not materialize. In addition, profitability improvement was delayed due to additional costs from component spot purchases. Growth business exceeded clearly its net sales growth target and succeeded especially in renewable energy market segment. Volume growth also led to improved profitability. Emerging business reached expected strong double-digit growth and the business improved its gross margin significantly. Acquisition of AerisWeather and its successful integration also contributed well to achieving these results. We continued targeted investments to ensure growth in the coming years.

Big thanks to all Vaisala employees for their contribution for the excellent performance in 2022. It is a pleasure to work with multi-talented and committed people in business that truly matters.

The uncertainty in the business environment is high. The availability of components is expected to normalize during the first half of 2023. We estimate that our full-year 2023 net sales will be in the range of EUR 530–570 million and operating result (EBIT) to be in the range of EUR 70–85 million.”

Financial review Q4 2022

Orders received and order book

MEUR	10-12/ 2022	10-12/ 2021	Change	FX*	1-12/ 2021
Orders received	139.6	119.0	17%	13%	455.2
Order book, end of period	181.5	160.0	13%		160.0

* Change with comparable exchange rates

Fourth quarter 2022 orders received increased by 17% compared to previous year and totaled EUR 139.6 (119.0) million. Orders received grew in both business areas. Orders received grew strongly in meteorology, aviation, and industrial instruments market segments.

At the end of December 2022, order book amounted EUR 181.5 (160.0) million and increased by 13% compared to previous year. Order book increased in both business areas. EUR 142.9 (125.3) million of the order book is scheduled to be delivered in 2023.

Financial performance

MEUR	10-12/ 2022	10-12/ 2021	Change	FX**	1-12/ 2021
Net sales	141.6	125.0	13%	8%	437.9
Products	102.4	93.2	10%		320.3
Projects	20.3	17.1	19%		63.6
Services	18.3	14.0	31%		51.8
Lease income	0.6	0.7	-19%		2.1
Gross margin, %	53.5	53.3			55.2
Operating result	12.6	11.9			50.1
% of net sales	8.9	9.5			11.5
R&D costs	17.4	15.6	12%		55.3
Amortization*	2.1	1.8			7.6

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Fourth quarter 2022 net sales increased by 13% compared to previous year and were EUR 141.6 (125.0) million. In constant currencies, net sales increased by 8%. Net sales grew in both business areas. Net sales increased strongly in industrial instruments, life science, power industry, and aviation market segments.

Gross margin was at previous year's level 53.5 (53.3) %. Additional costs related to component spot purchases had a 3.0 (2.9) percentage point negative impact on gross margin.

Fourth quarter 2022 operating result increased compared to previous year following growth in net sales and was EUR 12.6 (11.9) million, 8.9 (9.5) % of net sales. Operating expenses increased due to IT system renewal and investments in sales and marketing as well as in R&D.

Fourth quarter 2022 financial income and expenses were EUR -0.6 (-0.6) million. This was mainly a result of valuation of USD denominated receivables, USD currency hedging and interest expenses. Income taxes were EUR 3.2 (3.7) million and effective tax rate for the whole year was 24.4 (18.4) %. Due to high amount of expected utilization of tax losses carried forward, effective tax rate in comparison period was exceptionally low. Result before taxes was EUR 12.1 (11.5) million and result for the period EUR 9.0 (7.8) million. Earnings per share was EUR 0.25 (0.21).

Financial review January–December 2022

Orders received and order book

MEUR	1-12/ 2022	1-12/ 2021	Change	FX*
Orders received	533.7	455.2	17%	12%
Order book, end of period	181.5	160.0	13%	

* Change with comparable exchange rates

January–December 2022 orders received increased by 17% compared to previous year and totaled EUR 533.7 (455.2) million. Growth of orders received was very strong in both business areas and orders received grew in all market segments. Growth was strongest in industrial instruments, life science, power industry, renewable energy, and aviation market segments.

Financial performance

MEUR	1-12/ 2022	1-12/ 2021	Change	FX**
Net sales	514.2	437.9	17%	12%
Products	375.5	320.3	17%	
Projects	73.5	63.6	16%	
Services	63.5	51.8	22%	
Lease income	1.7	2.1	-19%	
Gross margin, %	54.8	55.2		
Operating result	62.5	50.1		
% of net sales	12.2	11.5		
R&D costs	62.4	55.3	13%	
Amortization*	8.2	7.6		

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

January–December 2022 net sales increased by 17% compared to previous year and were EUR 514.2 (437.9) million. In constant currencies, net sales increased by 12%. Operations outside Finland accounted for 98 (98) % of net sales. Net sales grew in both business areas and in all market segments. Net sales increased strongly in industrial instruments, life science, aviation, renewable energy, and meteorology market segments.

Gross margin was close to previous year's level 54.8 (55.2) %. Additional costs related to component spot purchases had a 2.7 (1.1) percentage point negative impact on gross margin. This was offset by pricing and economies of scale generated by volume increase.

January–December 2022 operating result increased compared to previous year following growth in net sales and was EUR 62.5 (50.1) million, 12.2 (11.5) % of net sales. Operating expenses increased due to IT system renewal and investments in sales and marketing as well as in R&D.

January–December 2022 financial income and expenses were EUR -3.1 (-2.1) million. This was mainly a result of valuation of USD denominated receivables, USD currency hedging and interest expenses. Income taxes increased to EUR 14.5 (8.9) million and effective tax rate was 24.4 (18.4) %. Due to high amount of expected utilization of tax losses carried forward, effective tax rate in comparison period was exceptionally low. Result before taxes was EUR 59.6 (48.3) million and result for the period EUR 45.0 (39.5) million. Earnings per share was EUR 1.24 (1.08).

Statement of financial position, cash flow and financing

Vaisala's financial position remained strong during January–December 2022. At the end of December, statement of financial position totaled EUR 439.2 (408.0) million. Cash and cash equivalents totaled EUR 55.5 (77.9) million. In January 2022, Vaisala acquired Whether or Knot, LLC (dba AerisWeather), which increased net assets by EUR 23.1 million. Dividend payment, decided by the Annual General Meeting on March 29, 2022, totaled EUR 24.6 million.

In January–December 2022, cash flow from operating activities decreased to EUR 29.8 (80.0) million. Net result increased cash flow, whereas increase in net working capital had a negative impact on cash flow.

On December 31, 2022, Vaisala had interest-bearing borrowings totaling EUR 52.5 (40.1) million. EUR 40.0 million of the interest-bearing borrowings related to a term loan, which has a financial covenant (gearing) tested semi-annually. On December 31, 2022, Vaisala was in compliance with the covenant. For short term liquidity purposes, Vaisala had drawn financing from the domestic commercial paper markets totaling EUR 12.5 (0.0) million on December 31, 2022. Vaisala has also a EUR 50 million committed revolving credit facility, which was undrawn on December 31, 2022, as year before. In addition, interest-bearing lease liabilities totaled EUR 10.9 (10.1) million.

Capital expenditure and acquisitions

In January–December 2022, capital expenditure in intangible assets and property, plant and equipment totaled EUR 13.7 (19.2) million. Capital expenditure was mainly related to investments in machinery and equipment to develop and maintain Vaisala's production, R&D, and service operations as well as facilities.

Depreciation, amortization, and impairment were EUR 23.6 (21.6) million. This included EUR 8.2 (7.6) million of amortization of identified intangible assets related to the acquired businesses.

In January 2022, Vaisala acquired US-based Whether or Knot, LLC (dba AerisWeather), a subscription-based software company providing weather and environmental information. The purchase price (cash and debt free) was USD 26 million (EUR 23 million), and it was paid with cash. This acquisition supports execution of Vaisala's Weather and Environment business area's strategy to drive growth in Data as a Service and Software as a Service recurring revenue businesses. The acquisition was closed during the first quarter and following this acquisition, 17 professionals, located in the US, transferred to Vaisala. Vaisala has reported AerisWeather's results as part of Weather and Environment business area's financial results as from February 2022.

Personnel

The average number of personnel employed during January–December 2022 was 2,141 (1,967). At the end of December 2022, the number of employees was 2,235 (1,979). 77 (77) % of employees were located in EMEA, 16 (15) % in Americas and 8 (8) % in APAC. 66 (66) % of employees were based in Finland.

Number of employees by region

	Dec 31, 2022	Dec 31, 2021	Change
Americas	350	292	58
APAC	173	156	20
EMEA (excluding Finland)	237	228	9
Finland	1,475	1,303	172
Total	2,235	1,979	256

Number of employees by function

	Dec 31, 2022	Dec 31, 2021	Change
Sales and marketing	431	368	63
R&D	637	573	64
Operations	567	491	76
Services	350	331	19
Administration	250	216	34
Total	2,235	1,979	256

Increase in number of employees reflects business growth and investments in product and technology development. Acquisition of AerisWeather added 17 professionals in Americas organization.

In January–December 2022, personnel expenses totaled EUR 190.4 (174.3) million.

Share-based incentive plans

The share issue without payment approved by Vaisala's Annual General Meeting on April 10, 2018, doubled the total number of series K and A shares. All share related figures have been adjusted to reflect the increased number of shares.

Share-based incentive plans are targeted to the Group key employees. The performance criterion for 2018 performance share plan was based on the group's profitability in respective calendar year. From 2019 onwards the performance criteria of the performance share plans are based on the development of the total shareholder return (TSR) and the group's profitability during the three-year plan period. Matching share plan consists of matching periods as decided by the Board of Directors and the participants are given an opportunity to receive matching shares for the predetermined personal investment in Vaisala's series A shares. Restricted share plan consists of vesting periods as decided by the Board of Directors and the participants are given an opportunity to receive a pre-determined number of restricted shares. The rewards are paid partly in Vaisala's series A shares and partly in cash. The cash portion covers taxes and tax-related costs arising from the reward to a key employee. No reward is paid if a key employee's employment or service ends before the reward payment date. From the plan 2019–2021 onwards, Vaisala's Board of Directors requires that the President and CEO and each member of the Leadership Team retains their ownership of shares received under this plan until the value of their ownership in Vaisala corresponds to at least their annual gross base salary.

On February 7, 2018, the Board of Directors resolved a performance share-based incentive plan 2018. On March 10, 2021, the reward corresponding to 166,200 series A shares, 55% of the maximum, was paid to 27 key employees. On June 28, 2019, the reward corresponding to 923 series A shares was paid to a key employee. On March 10, 2021, the reward corresponding to 8,000 series A shares was paid to Kai Öistämö, President and CEO. Closing price of Vaisala's series A share was EUR 22.10 on the grant date of the incentive plan. A total expense of this plan of EUR 3.8 million was recorded for 2018–2021.

On February 12, 2019, the Board of Directors resolved a performance share-based incentive plan 2019–2021. On March 3, 2022, the reward corresponding to 251,900 series A shares, 100% of the maximum, was paid to 42 key employees. Of these shares, 2,000 were conveyed to the President and CEO Kai Öistämö. In addition, on March 3, 2022, a total of 1,218 series A shares were conveyed without consideration to an employee participating in the performance share-based incentive plans 2020–2022 and 2021–2023. Closing price of Vaisala's series A share was EUR 19.06 on the grant date of the incentive plan. On March 10, 2021, the reward corresponding to 23,040 series A shares was paid to former President and CEO, Kjell Forsén.

On February 12, 2020, the Board of Directors resolved for a performance share-based incentive plan 2020–2022 for approximately 45 key employees. The reward will be paid in spring 2023. The maximum amount of this plan originally corresponded to 240,000 series A shares. The expenses of this plan are accrued from May 2020 to March 2023. Closing price of Vaisala's series A share was EUR 28.65 on the grant date of the incentive plan. On March 10, 2021, the reward corresponding to 5,529 series A shares was paid to former President and CEO, Kjell Forsén.

On December 17, 2020, the Board of Directors resolved for a performance share-based incentive plan 2021–2023 for approximately 40 key employees. The reward will be paid in spring 2024. The maximum amount of this plan originally corresponded to 180,000 series A shares. The expenses of this plan are accrued from April 2021 to March 2024. Closing price of Vaisala's series A share was EUR 32.10 on the grant date of the incentive plan.

On February 17, 2022, the Board of Directors resolved for three share-based incentive plans.

Performance share-based incentive plan was resolved for the period 2022–2024 for approximately 40 key employees. The reward will be paid in spring 2025. The maximum amount of this plan originally corresponded to 161,000 series A shares. The expenses of this plan are accrued from May 2022 to March 2025. Closing price of Vaisala's series A share was EUR 41.45 on the grant date of the incentive plan.

Matching share-based incentive plan was resolved for the period 2022–2026 and shares are earned in matching periods lasting for 12 to 36 months. Restricted share-based incentive plan was resolved for the period 2022–2026 and shares are earned in vesting periods lasting for 12 to 36 months. The maximum amount of matching and restricted share-based incentive plans originally corresponded to 100,000 series A shares. The expenses of the matching share plan are accrued from May 2022 to March 2025. The expenses of the restricted share plan are accrued depending on the timing and length of the vesting period(s).

In 2022, expenses related to share-based incentive plans totaled EUR 4.0 (5.0) million.

Q4 and January–December 2022 review by business area

Industrial Measurements business area

MEUR	10-12/ 2022	10-12/ 2021	Change	FX**	1-12/ 2022	1-12/ 2021	Change	FX**
Orders received	64.4	58.2	11%	6%	234.2	194.4	20%	14%
Order book, end of period	41.8	32.9	27%		41.8	32.9	27%	
Net sales	60.2	50.1	20%	14%	225.6	181.0	25%	17%
Products	55.7	46.2	20%		208.1	165.9	25%	
Services	4.5	3.9	17%		17.5	15.1	16%	
Gross margin, %	59.7	59.9			61.9	62.8		
Operating result	10.8	9.8			51.5	43.9		
of net sales, %	17.9	19.6			22.8	24.3		
R&D costs	6.6	6.0	11%		25.3	21.1	20%	
Amortization*	0.4	0.4			1.7	1.7		

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Q4 2022 review

Industrial Measurements business area's fourth quarter 2022 orders received increased by 11% compared to previous year totaling EUR 64.4 (58.2) million. Orders received grew in industrial instruments, life science and liquid measurements market segments, whereas orders received in power industry market segment decreased. Growth of orders received was very strong in industrial instruments market segment.

At the end of December 2022, Industrial Measurements business area's order book amounted to EUR 41.8 (32.9) million and increased by 27% compared to previous year. EUR 39.0 (30.7) million of the order book is scheduled to be delivered in 2023. Order book increased in industrial instruments, life science and power industry market segments, and was at previous year's level in liquid measurements market segment.

Fourth quarter 2022 net sales were EUR 60.2 (50.1) million and increased by 20% compared to previous year. In constant currencies, net sales increased by 14%. Net sales grew in all market segments and was very strong in industrial instruments, life science, and power industry market segments.

Gross margin was at previous year's level 59.7 (59.9) %. Additional costs related to component spot purchases had a 4.3 (4.5) percentage point negative impact on gross margin.

Industrial Measurements business area's fourth quarter 2022 operating result increased from previous year following growth in net sales and totaled EUR 10.8 (9.8) million, 17.9 (19.6) % of net sales. Operating expenses increased due to IT system renewal and investments in sales and marketing as well as in R&D.

January–December 2022 review

Industrial Measurements business area's January–December 2022 orders received increased by 20% compared to previous year totaling EUR 234.2 (194.4) million. Orders received increased in all market

segments and growth was very strong in industrial instruments, life science, and power industry markets segments.

January–December 2022 net sales were EUR 225.6 (181.0) million and increased by 25% compared to previous year. In constant currencies, net sales increased by 17%. Net sales growth was very strong in all market segments.

Gross margin decreased compared to previous year's level and was 61.9 (62.8) %. Additional costs related to component spot purchases had a 3.6 (1.8) percentage point negative impact on gross margin. This was offset by pricing, product mix, and economies of scale generated by volume increase.

Industrial Measurements business area's January–December 2022 operating result increased compared to previous year following strong growth in net sales and totaled EUR 51.5 (43.9) million, 22.8 (24.3) % of net sales. Operating expenses increased due to IT system renewal and investments in sales and marketing as well as in R&D.

Weather and Environment business area

MEUR	10-12/ 2022	10-12/ 2021	Change	FX**	1-12/ 2022	1-12/ 2021	Change	FX**
Orders received	75.2	60.8	24%	19%	299.5	260.8	15%	11%
Order book, end of period	139.6	127.1	10%		139.6	127.1	10%	
Net sales	81.3	74.9	9%	4%	288.6	256.9	12%	8%
Products	46.7	47.0	-1%		167.4	154.4	8%	
Projects	20.3	17.1	19%		73.5	63.6	16%	
Services	13.7	10.1	36%		46.0	36.7	25%	
Lease income	0.6	0.7	-19%		1.7	2.1	-19%	
Gross margin, %	49.0	48.9			49.3	49.9		
Operating result	1.8	2.3			11.1	7.6		
of net sales, %	2.2	3.1			3.8	3.0		
R&D costs	10.8	9.6	12%		37.2	34.2	9%	
Amortization*	1.7	1.4			6.6	5.9		

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Q4 2022 review

Weather and Environment business area's fourth quarter 2022 orders received increased by 24% compared to previous year and totaled EUR 75.2 (60.8) million. Orders received grew in meteorology, aviation, and ground transportation market segments, whereas orders received in renewable energy market segment decreased. Growth of orders received was very strong in meteorology market segment, partly due to low comparison period, and strong in aviation market segment.

At the end of December 2022, Weather and Environment business area's order book amounted to EUR 139.6 (127.1) million and increased by 10% compared to previous year. EUR 103.9 (94.6) million of the order book is scheduled to be delivered in 2023. Order book increased in renewable energy and ground transportation market segments, and was at previous year's level in aviation and meteorology.

Fourth quarter 2022 net sales were EUR 81.3 (74.9) million and increased by 9% compared to previous year. In constant currencies, net sales increased by 4%. Net sales growth was very strong in aviation market segment. Net sales grew in meteorology market segment and were flat in ground transportation market segment. Net sales decreased in renewable energy market segment.

Gross margin was at previous year's level 49.0 (48.9) %. Additional costs related to component spot purchases had a 2.0 (1.9) percentage point negative impact on gross margin.

Weather and Environment business area's fourth quarter 2022 operating result decreased compared to previous year and totaled EUR 1.8 (2.3) million, 2.2 (3.1) % of net sales. Operating expenses increased due to IT system renewal and investments in sales and marketing as well as in R&D.

January–December 2022 review

Weather and Environment business area's January–December 2022 orders received increased by 15% compared to previous year and totaled EUR 299.5 (260.8) million. Orders received increased in all market segments, and growth was very strong in renewable energy and aviation.

January–December 2022 net sales were EUR 288.6 (256.9) million and increased by 12% compared to previous year. In constant currencies, net sales increased by 8%. Net sales grew in all market segments, and growth was strong in aviation and renewable energy.

Gross margin was at previous year's level 49.3 (49.9) %. Additional costs related to component spot purchases had a 1.9 (0.7) percentage point negative impact on gross margin. This was offset by improved gross margin of product business, higher share of more profitable digital services, and economies of scale generated by volume increase.

Weather and Environment business area's January–December 2022 operating result increased compared to previous year following growth in net sales and totaled EUR 11.1 (7.6) million, 3.8 (3.0) % of net sales. Operating expenses increased due to IT system renewal and investments in sales and marketing as well as in R&D.

Strategy and its implementation in 2022

Vaisala's strategy for 2022–2024 focuses on driving sustainable growth and global leadership in weather, environmental, and industrial measurements by managing three types of businesses: flagship, growth, and emerging businesses. Through its products and technologies, Vaisala enables business-critical decisions and operations for its customers. Thereby, the company strongly contributes to solving global challenges related to climate change, resource efficiency, and well-being and health.

Industrial Measurements business area drives profitable growth through product leadership strategy. Goal is to exceed Vaisala's average growth target. In 2022, Industrial Measurements business area exceeded expectations both in flagship and growth businesses. Growth of net sales in industrial instruments was excellent through-out the year. Industrial instruments contributed significantly to business area's operating result even after additional costs related to component spot purchases. Net sales in life science, power industry, and liquid measurements market segments grew very strongly compared to previous year. Regional expansion continued in APAC with establishment of Korean subsidiary.

At the beginning of 2022, Industrial Measurements business area launched TMI100 immersion temperature transmitter on the market, which is designed for measuring the temperature of cooling/heating water in HVAC automation systems, especially in data centers. Accurate and stable measuring devices enable efficient control of the data center's cooling system, while keeping the temperature and relative humidity at the right levels in an energy-efficient manner.

Industrial Measurements business area continued development of Indigo500 software by announcing new features, e.g. analog input, which enables third-party sensors to be connected as part of the measurement solution, as well as more comprehensive and clearer data logging. Indigo500 brings unprecedented possibilities to traditional industrial measurement, enabling the utilization of several simultaneously monitored variables in an easy way.

Industrial Measurements business area completed the certification work for the HMT370EX humidity and temperature transmitter intended for hazardous areas up to zone 0 and 20 by adding national approvals to Canada (CSA) and Great Britain (UKEX). In addition, the business area launched the T-only version for customers who only need temperature measurement.

Moreover, Industrial Measurements business area further developed the user experience of the OPT100 multi-gas analyzer by introducing new features for data transmission of measurements, as well as by adding an alternative power supply to the device.

Weather and Environment business area's strategy is to secure leadership in flagship markets, to expand in growth and emerging markets to become market leader in selected markets, and to grow recurring revenue. In 2022, Weather and Environment business area's flagship business' net sales grew in line with expectations, although it was lacking orders for new large weather infrastructure projects. In addition, profitability improvement was delayed due to additional costs from component spot purchases. Growth business exceeded clearly its net sales growth target and succeeded especially in renewable energy market segment. Volume growth also led to improved profitability. Emerging business reached expected strong double-digit growth and the business improved its gross margin significantly. Acquisition of AerisWeather had an important role in achieving these results.

Weather and Environment business area launched C-band weather radar with solid-state power amplifier technology to enable weather detection across large areas with unprecedented longevity. Combined with Vaisala's industry-leading data processing, the new SSPA C-band weather radar excels at delivering high-resolution weather information that differentiates between snow, hail, sleet, graupel, and rain. When paired with the Vaisala X-band radar, which provides unparalleled short-range coverage, decision-makers receive the most comprehensive intelligence in the industry.

Weather and Environment business area also launched WindCube Scan with new features including a more robust exterior, new scanning head, and enhanced laser design to allow for an operationally consistent range of up to 10 kilometers and more. The new solution has numerous benefits including enhanced atmospheric measurements used in meteorological forecasting, windshear assessment to mitigate wind hazards for airports, and simplicity, flexibility, and data accuracy at any stage of a wind energy project including off-shore wind.

Weather and Environment business area renamed its weather and environmental data offering to Vaisala Xweather. Xweather is a suite of data and solution services offered as subscriptions providing real-time and hyperlocal weather and environmental data. As part of the Xweather service suite, Weather and Environment business area launched several new solutions:

- Wx Horizon with Vaisala Cast Sensors. These solutions deliver hyperlocal road weather forecasts that are automatically enhanced using local observation.
- MapsGL, which visualizes global weather and geospatial data as never before with new, enhanced and customizable mapping features.
- Hyperlocal air quality forecast, which connects to local air quality observations, for proactive air quality management in cities.

Vaisala Operations manufacturers products for both business areas and develops operational excellence in high mix low volume supply chain through Vaisala Production System. Strategic programs are enabling Vaisala's growth, early involvement to product creation, as well as deploying automation through data-focused smart factory. In 2022, Operations maintained high on-time delivery despite challenging component availability situation. Capacity expansion focused on high-volume products and sensor factory. Operations participated in multiple product development projects together with business areas in order to ensure good producibility and timely production ramp-up.

Vaisala's process development focused on customer facing processes and ERP (Enterprise Resource Planning). Implementation of CPQ (Configure, Price and Quote) was finalized in both business areas. Development of new ERP solution as well as data and analytics solutions progressed well and the go-live is expected within a year.

Long-term financial targets

Vaisala's long-term target is to achieve an average annual net sales growth of 7% and an operating result margin (EBIT) of 15% during the strategy period.

Vaisala does not consider the long-term financial targets as market guidance for any given year.

Changes in Leadership Team

On November 3, 2022, Vaisala appointed Heli Lindfors as Chief Financial Officer and a member of the Vaisala Leadership team as Kaarina Muurinen will be retiring. Lindfors will start in her position latest May 1, 2023, and report to President and CEO Kai Öistämö.

Science-Based Targets initiative

In March 2022, Vaisala announced commitment to set a near-term science-based target aligned with the requirements of the Science-Based Targets initiative (SBTi). The more detailed target and methods to achieve it will be set based on calculations in 2022, after which the target is sent for validation to SBTi in 2023.

Annual General Meeting 2022

Vaisala Corporation's Annual General Meeting was held on March 29, 2022. The meeting approved the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial period January 1–December 31, 2021.

Dividend

The Annual General Meeting decided a dividend of EUR 0.68 per share. The record date for the dividend payment was March 31, 2022, and the payment date was April 11, 2022.

Board of Directors

The Annual General Meeting confirmed that the number of Board members is eight. Petri Castrén, Antti Jääskeläinen, Petra Lundström, Jukka Rinnevaara, Kaarina Ståhlberg, Tuomas Syrjänen, Raimo Voipio and Ville Voipio will continue as members of the Board of Directors.

The Annual General Meeting confirmed that the annual remuneration payable to the Chair of the Board of Directors is EUR 55,000 and each Board member EUR 40,000 per year. Approximately 40% of the annual remuneration will be paid in Vaisala Corporation's series A shares acquired from the market and the rest in cash. In addition, the Annual General Meeting confirmed that the meeting fee for the Chair of the Audit Committee will be EUR 1,500 per attended meeting and EUR 1,000 for each member of the Audit Committee and Chair and each member of the People and Sustainability Committee and any other committee established by the Board of Directors for a term until the close of the Annual General Meeting in 2023. The meeting fees are paid in cash. Possible travel expenses are reimbursed according to the travel policy of the company.

Auditor

The Annual General Meeting re-elected Deloitte Oy as the auditor of the company and APA Reeta Virolainen will act as the auditor with the principal responsibility. The Auditors are reimbursed according to invoice presented to the company.

Authorization for the directed repurchase of own series A shares

The Annual General Meeting authorized the Board of Directors to resolve on the directed repurchase of a maximum of 800,000 of the company's own series A shares in one or more instalments by using company's unrestricted equity. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than September 29, 2023.

Authorization on the issuance of the company's own series A shares

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of a maximum of 1,008,487 company's own series A shares. The issuance of own shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization entitles the issuance of treasury series A shares as a directed issue without payment as part of the company's share-based incentive plans. The subscription price of the shares can instead of cash also be paid in full or in part as contribution in kind. The authorization is valid until September 29, 2023. The authorization for the company's incentive program shall however be valid until March 29, 2026.

The organizing meeting of the Board of Directors

At its organizing meeting held after the Annual General Meeting, the Board elected Ville Voipio as the Chair of the Board of Directors and Raimo Voipio as the Vice Chair.

Kaarina Ståhlberg was elected as the Chair and Petri Castrén, Antti Jääskeläinen and Raimo Voipio as members of the Audit Committee. Ville Voipio was elected as the Chair and Petra Lundström, Jukka Rinnevaara and Tuomas Syrjänen as members of the People and Sustainability Committee. The Chair and all members of the Audit Committee as well as the People and Sustainability Committee are independent both of the company and of significant shareholders.

Shares and shareholders

Share capital and shares

Vaisala's share capital totaled EUR 7,660,808 on December 31, 2022. Vaisala has 36,436,728 shares, of which 6,731,092 are series K shares and 29,705,636 series A shares. The series K shares and series A shares are differentiated by the fact that each series K share entitles its owner to 20 votes at a General Meeting of Shareholders while each series A share entitles its owner to 1 vote. The series A shares represented 81.5% of the total number of shares and 18.1% of the total votes. The series K shares represented 18.5% of the total number of shares and 81.9% of the total votes.

Trading and share price development

In January–December 2022, a total of 2,384,806 series A shares with a value totaling EUR 102.5 million were traded on the Nasdaq Helsinki Ltd. During the year, the share price decreased by 26% while OMXHCAPPI index decreased by 16%. The closing price of the series A share on the Nasdaq Helsinki stock exchange was EUR 39.45. Shares registered a high of EUR 54.40 and a low of EUR 36.15. Volume-weighted average share price was EUR 43.03.

The market value of series A shares on December 31, 2022, was EUR 1,163.7 million, excluding company's treasury shares. Valuing the series K shares – which are not traded on the stock market – at the rate of the series A share's closing price on the last trading day of December, the total market value of all the series A and series K shares together was EUR 1,429.2 million, excluding company's treasury shares.

Treasury shares

In March 2022, a total of 125,950 of Vaisala's treasury shares were conveyed without consideration to the 42 key employees participating in Share-based incentive plan 2019–2021 under the terms and conditions of the plan. Of these shares, 2,000 were conveyed to the President and CEO Kai Öistämö. In addition, a total of 1,218 of Vaisala's treasury shares were conveyed without consideration to an employee participating in the Share-based incentive plans 2020–2022 and 2021–2023 under the terms and conditions of the plans. This

directed share issue was based on an authorization given by the Annual General Meeting held on March 30, 2021.

Following this directed share issue, the number of series A treasury shares on December 31, 2022, was 208,487, which represents 0.7% of series A shares and 0.6% of total shares.

Shareholders

At the end of December 2022, Vaisala had 13,794 (12,658) registered shareholders. Ownership outside of Finland and nominee registrations represented 21.3 (20.2) % of the company's shares. Households owned 40.3 (40.1) %, private companies 12.9 (13.2) %, financial and insurance institutions 11.7 (12.6) %, non-profit organizations 10.1 (10.6) % and public sector organizations 3.8 (3.4) % of the shares.

Shareholding by the Board of Directors and the Leadership Team

On December 31, 2022, the Board of Directors held and controlled 992,647 (989,565) series A shares. These shares accounted for 3.3 (3.3) % of series A shares and 2.7 (2.7) % of total shares. The number of series K shares held and controlled by the Board was 524,008 (551,008). Total votes attached to the series A and K shares held and controlled by the Board were 11,427,807 (12,009,725), which accounted for 7.0 (7.3) % of the total votes of all shares.

On December 31, 2022, Kai Öistämö, the President and CEO, held and controlled 6,000 (4,000) series A shares but no series K shares. Other Leadership Team members held and controlled 166,768 (118,018) series A shares but no series K shares.

More information about Vaisala's shares and shareholders are presented on the company's website at vaisala.com/investors.

Near-term risks and uncertainties

The war in Ukraine will affect economic situation especially in Europe and increase risk of achieving Vaisala's financial targets. COVID-19 pandemic's impact on Vaisala's business is depending on development of possible new virus variants and regional outbreaks such as in China.

Vaisala's delivery capability may deteriorate due to disruptions in suppliers' operations, Vaisala's production or project delivery operation, or disruptions in incoming and/or outgoing logistics. Industrial actions in Finland may cause disruptions in Vaisala's operations and deteriorate Vaisala's delivery capability. Component shortage may cause delays or interruptions in deliveries or generate additional material costs. Cyber risk and downtime of IT systems may impact operations and delivery capability.

New and changing regulations impacting product acceptance, operation's capability to meet changing compliance requirements, and changes in international trade policies may cause delays or interruptions in supply chain. Customers' preference for local manufacturing may reduce demand for Vaisala's products and services. Customers' budgetary constraints, complex decision-making processes, and missing financing solutions may postpone closing of infrastructure contracts in Weather and Environment business area.

Further information about risk management and risks are available on Annual Report's Corporate Governance/Risk management section and on the company's website at vaisala.com.

Board of Directors' proposal for dividend

The parent company's distributable earnings amount to EUR 167,443,963.45 of which the result for the period is EUR 26,965,941.48.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.72 per share be paid out of distributable earnings totaling EUR 26.1 million and the rest to be carried forward in the shareholders' equity. No dividend will be paid for treasury shares held by the company.

There have been no significant changes in the company's financial position since the close of the financial period. According to the Board of Directors, the proposed dividend distribution does not endanger the company's financial standing.

Annual General Meeting 2023

Vaisala Corporation's Annual General Meeting will be held on Tuesday March 28, 2023, at 2:00 p.m. Finnish time at Vaisala Corporation's head office, Vanha Nurmijärventie 21, 01670 Vantaa, Finland. The reception of persons who have registered for the meeting will commence at 1:00 p.m. Shareholders can follow the meeting via live webcast at Vaisala website vaisala.com/agm. Shareholders following the webcast are not deemed to attend the Annual General Meeting so they cannot ask questions or vote online during the webcast. A shareholder, who wants to participate in the General Meeting, shall register for the meeting no later than on March 23, 2023, at 4.00 p.m. by giving prior notice of participation. Such notice can be given on the company's website at vaisala.com/agm or by email to agm@vaisala.com.

Financial calendar 2023

Annual Report 2022, week 9

Interim Report January–March 2023, May 5, 2023

Half Year Financial Report 2023, July 28, 2023

Interim Report January–September 2023, October 27, 2023

Vantaa, February 15, 2023

Vaisala Corporation
Board of Directors

The forward-looking statements in this release are based on the current expectations, known factors, decisions and plans of Vaisala's management. Although the management believes that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that these expectations would prove to be correct. Therefore, the results could differ materially from those implied in the forward-looking statements, due to for example changes in the economic, market and competitive environments, regulatory or other government-related changes, or shifts in exchange rates.

Financial information and changes in accounting policies

This Financial Statement Release has been prepared in accordance with IAS 34 Interim Financial Reporting, following the same accounting policies and principles as in the annual financial statements for 2022. All figures in this Financial Statement Release are group figures. All presented figures have been rounded and consequently the sum of individual figures may deviate from the sum presented. The figures in this Financial Statement Release are based on Vaisala's audited 2022 financial statements.

Preparation of Financial Statement Release in accordance with IFRS requires Vaisala's management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and the recognition of income and expenses in statement of income. Although estimates are based on management's best knowledge at the date of Financial Statement Release, actual results may differ from those estimates.

New and amended IFRS standards effective for the year 2022

Amendments to IFRS 3, IAS 16, IAS 37 and IFRS 9 have been adopted from January 1, 2022. The adoption of the amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

Application of new and revised IFRSs in issue but not yet effective

At the date of authorization of these financial statements, the group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and had not yet in some cases been adopted by the EU (marked with *):

- IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current*
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to IAS 8 Definition of Accounting Estimates
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback*

The management expects that the adoption of the standards will have no material impact on the financial statements of the group in future periods. Amendments to IAS 12 Income Taxes will be applied retrospectively.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences and an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

Vaisala will apply the amendment in accordance with transition rule with the effect of initial application recognized as of January 1, 2022. Based on the preliminary assessment, on December 31, 2022, the group recognizes deferred tax assets related to right-of-use assets amounting to EUR 2 million and deferred tax liability related to lease liabilities amounting to EUR 2 million.

Consolidated statement of income				
EUR million	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Net sales	141.6	125.0	514.2	437.9
Cost of goods sold	-65.8	-58.4	-232.2	-196.0
Gross profit	75.7	66.6	282.0	241.8
Sales, marketing and administrative costs	-45.7	-38.2	-157.3	-131.2
Research and development costs	-17.4	-15.6	-62.4	-55.3
Other operating income and expenses	0.0	-0.9	0.3	-5.2
Operating result	12.6	11.9	62.5	50.1
Share of result in associated company	0.2	0.2	0.2	0.2
Financial income and expenses	-0.6	-0.6	-3.1	-2.1
Result before taxes	12.1	11.5	59.6	48.3
Income taxes	-3.2	-3.7	-14.5	-8.9
Result for the period	9.0	7.8	45.0	39.5
Attributable to				
Owners of the parent company	9.0	7.7	45.0	39.0
Non-controlling interests	0.0	0.0	0.0	0.5
Result for the period	9.0	7.8	45.0	39.5
Earnings per share for result attributable to the equity holders of the parent company				
Earnings per share, EUR	0.25	0.21	1.24	1.08
Diluted earnings per share, EUR	0.25	0.21	1.24	1.07

Consolidated statement of comprehensive income				
EUR million	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Items that will not be reclassified to profit or loss (net of taxes)				
Actuarial profit (loss) on post-employment benefits	-0.2	-0.1	-0.2	-0.1
Total	-0.2	-0.1	-0.2	-0.1
Items that may be reclassified subsequently to profit or loss				
Translation differences	-7.8	1.5	2.4	4.5
Total	-7.8	1.5	2.4	4.5
Total other comprehensive income	-8.0	1.3	2.2	4.3
Comprehensive income for the period	1.0	9.1	47.3	43.8
Attributable to				
Owners of the parent company	1.0	9.1	47.3	43.4
Non-controlling interests	0.0	0.0	0.0	0.5
Comprehensive income for the period	1.0	9.1	47.3	43.8

Consolidated statement of financial position

EUR million

Assets	Dec 31, 2022	Dec 31, 2021
Non-current assets		
Intangible assets	71.3	56.9
Property, plant and equipment	96.0	94.1
Right-of-use assets	11.9	11.1
Investments in shares	0.1	0.1
Investment in associated company	1.4	1.3
Non-current receivables	1.0	0.9
Deferred tax assets	9.5	9.2
Total non-current assets	191.1	173.5
Current assets		
Inventories	61.6	49.9
Trade and other receivables	101.7	73.5
Contract assets and other accrued revenue	26.2	28.1
Income tax receivables	3.1	5.1
Cash and cash equivalents	55.5	77.9
Total current assets	248.1	234.5
Total assets	439.2	408.0

	Dec 31, 2022	Dec 31, 2021
Equity and liabilities		
Equity		
Share capital	7.7	7.7
Other reserves	3.5	7.0
Translation differences	4.1	1.7
Treasury shares	-3.3	-4.6
Retained earnings	238.7	218.0
Total equity attributable to owners of parent company	250.7	229.6
Non-controlling interests	0.0	0.7
Total equity	250.7	230.3
Non-current liabilities		
Interest-bearing borrowings	0.0	40.0
Interest-bearing lease liabilities	8.3	7.7
Post-employment benefits	2.7	2.7
Deferred tax liabilities	4.3	6.7
Provisions	0.3	0.3
Other non-current liabilities	2.1	1.3
Total non-current liabilities	17.6	58.6
Current liabilities		
Interest-bearing borrowings	*52.5	0.1
Interest-bearing lease liabilities	2.7	2.4
Trade and other payables	74.0	83.9
Contract liabilities and other deferred revenue	37.1	29.0
Income tax liabilities	1.8	1.8
Provisions	2.8	2.0
Total current liabilities	170.8	119.1
Total liabilities	188.5	177.7
Total equity and liabilities	439.2	408.0

* Term loan, EUR 40 million, has been classified from non-current to current liabilities as the loan matures on May 25, 2023. Loan has a financial covenant (gearing) and on December 31, 2022, Vaisala was in compliance with the covenant.

Consolidated cash flow statement

EUR million	1-12/ 2022	1-12/ 2021
Result for the period	45.0	39.5
Depreciation, amortization and impairment	23.6	21.6
Financial income and expenses	3.1	2.1
Gains and losses on sale of intangible assets and property, plant and equipment	0.0	0.0
Share of result in associated company	-0.2	-0.2
Income taxes	14.5	8.9
Other adjustments	0.3	3.1
Inventories, increase (-) / decrease (+)	-11.2	-6.7
Non-interest-bearing receivables, increase (-) / decrease (+)	-26.0	-11.5
Non-interest-bearing liabilities, increase (+) / decrease (-)	-0.8	34.7
Changes in working capital	-38.0	16.6
Financial items paid/received	-4.9	-0.2
Income taxes paid	-13.6	-11.2
Cash flow from operating activities	29.8	80.0
Acquisition of subsidiaries, net of cash acquired	-23.1	-
Capital expenditure on intangible assets and property, plant and equipment	-13.7	-19.2
Proceeds from sale of intangible assets and property, plant and equipment	0.0	0.1
Cash flow from investing activities	-36.8	-19.1
Dividends paid	-24.6	-22.0
Change in loan receivables	-0.1	-0.0
Proceeds from borrowings	114.9	45.0
Repayment of borrowings	-102.4	-49.9
Principal payments of lease liabilities	-2.9	-3.1
Cash flow from financing activities	-15.1	-30.0
Change in cash and cash equivalents increase (+) / decrease (-)	-22.1	30.8
Cash and cash equivalents at the beginning of period	77.9	45.4
Change in cash and cash equivalents	-22.1	30.8
Effect from changes in exchange rates	-0.3	1.7
Cash and cash equivalents at the end of period	55.5	77.9

Consolidated statement of changes in equity

	Share capital	Other reserves	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
EUR million								
Equity at Dec 31, 2020	7.7	5.6	-2.8	-6.3	200.8	205.1	0.4	205.5
Result for the period					39.0	39.0	0.5	39.5
Other comprehensive income		0.0	4.4		-0.1	4.3		4.3
Dividend distribution					-22.0	-22.0		-22.0
Share-based payments		1.3		1.7		2.9		2.9
Transfer between items		0.0			-0.0			
Changes in non-controlling interests that did not result in changes in control					0.2	0.2	-0.2	
Equity at Dec 31, 2021	7.7	7.0	1.7	-4.6	218.0	229.6	0.7	230.3

	Share capital	Other reserves	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
EUR million								
Equity at Dec 31, 2021	7.7	7.0	1.7	-4.6	218.0	229.6	0.7	230.3
Result for the period					45.0	45.0	0.0	45.0
Other comprehensive income		-0.0	2.4		-0.2	2.2		2.2
Dividend distribution					-24.6	-24.6		-24.6
Share-based payments		-3.4		1.4		-2.1		-2.1
Changes in non-controlling interests that did not result in changes in control					0.7	0.7	-0.7	
Equity at Dec 31, 2022	7.7	3.5	4.1	-3.3	238.7	250.7	0.0	250.7

Notes to the report

Orders received by business area

EUR million	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Industrial Measurements	64.4	58.2	234.2	194.4
Weather and Environment	75.2	60.8	299.5	260.8
Total	139.6	119.0	533.7	455.2

Order book by business area

EUR million	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Industrial Measurements	41.8	32.9	41.8	32.9
Weather and Environment	139.6	127.1	139.6	127.1
Total	181.5	160.0	181.5	160.0

Net sales by business area

EUR million	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Industrial Measurements				
Products	55.7	46.2	208.1	165.9
Services	4.5	3.9	17.5	15.1
Total	60.2	50.1	225.6	181.0
Weather and Environment				
Products	46.7	47.0	167.4	154.4
Projects	20.3	17.1	73.5	63.6
Services	13.7	10.1	46.0	36.7
Lease income	0.6	0.7	1.7	2.1
Total	81.3	74.9	288.6	256.9
Total net sales	141.6	125.0	514.2	437.9

Operating result by business area

EUR million	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Industrial Measurements	10.8	9.8	51.5	43.9
Weather and Environment	1.8	2.3	11.1	7.6
Other	0.0	-0.3	-0.1	-1.4
Total	12.6	11.9	62.5	50.1

Net sales by region

EUR million	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Americas	58.4	42.5	191.2	150.2
APAC	39.7	42.1	160.3	144.7
EMEA	43.4	40.4	162.7	143.0
Total	141.6	125.0	514.2	437.9

Timing of revenue recognition				
EUR million	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Performance obligations satisfied at a point in time	111.7	100.7	408.1	346.6
Performance obligations satisfied over time	29.3	23.5	104.4	89.2
Lease income recognized on a straight-line basis	0.6	0.7	1.7	2.1
Total	141.6	125.0	514.2	437.9

Personnel				
	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Average personnel	2,221	1,974	2,141	1,967
Personnel at the end of period	2,235	1,979	2,235	1,979

Derivative financial instruments				
EUR million			Dec 31, 2022	Dec 31, 2021
Nominal value of derivative financial contracts			38.3	35.2
Fair values of derivative financial contracts, assets			1.0	0.0
Fair values of derivative financial contracts, liabilities			0.5	1.3

Derivative financial instruments consist solely of foreign exchange forward contracts, and they are measured based on price information derived from active markets and commonly used valuation methods (Fair value hierarchy 2). Derivative financial contracts are executed only with counterparties that have high credit ratings.

Share information				
EUR/thousand	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Number of shares outstanding	36,228	36,101	36,228	36,101
Number of treasury shares	208	336	208	336
Number of shares, weighted average, diluted	36,403	36,392	36,367	36,354
Number of shares, weighted average	36,228	36,101	36,207	36,082
Number of shares traded	610	828	2,385	2,939
Share price, highest	43.40	55.80	54.40	55.80
Share price, lowest	36.15	37.35	36.15	30.00

Key ratios				
EUR	10-12/ 2022	10-12/ 2021	1-12/ 2022	1-12/ 2021
Earnings per share	0.25	0.21	1.24	1.08
Diluted earnings per share	0.25	0.21	1.24	1.07
Equity per share			6.92	6.36
Return on equity, %			18.7	18.1
Cash flow from operating activities per share	0.63	0.86	0.82	2.21
Solvency ratio, %			58.2	57.2
Gearing, %			3.2	-12.0

Key exchange rates				
	Average rates		Period end rates	
	1-12/ 2022	1-12/ 2021	Dec 31, 2022	Dec 31, 2021
USD	1.0555	1.1894	1.0666	1.1326
CNY	7.0607	7.6758	7.3582	7.1947
JPY	137.28	130.00	140.66	130.38
GBP	0.8509	0.8633	0.8869	0.8403

Further information

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Vaisala Corporation

Audiocast and conference call

An audiocast and a conference call for analysts, investors and media will be held in English on February 16, 2023, starting at 3:00 p.m. (Finnish time). Numbers for conference call, during which questions may be presented, are:

Finland: +358 9 2319 5437

UK: +44 33 0551 0200

Sweden: +46 8 5052 0424

US: +1 786 697 3501

Password: Vaisala Q4

A link to the live audiocast will be available at vaisala.com/investors. A recording will be available on the website later the same day.

Distribution

Nasdaq Helsinki

Key media

vaisala.com

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