

## Vaisala Corporation Interim Report January–March 2022

Excellent start for the year

### First quarter 2022 highlights

- Orders received EUR 125.0 (106.1) million, increase 18%
- Order book at the end of the period EUR 168.5 (155.4) million, increase 8%
- Net sales EUR 118.8 (92.0) million, increase 29%
- Operating result (EBIT) EUR 17.5 (8.1) million, 14.8 (8.8) % of net sales
- Earnings per share EUR 0.38 (0.17)
- Cash flow from operating activities EUR 9.6 (18.2) million
- Vaisala acquired US-based AerisWeather for a purchase price of EUR 23 million

### Market development and business outlook for 2022

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

Markets for meteorology and ground transportation are expected to be stable. Aviation market is expected to recover towards pre-pandemic level. Renewable energy market is expected to continue to grow.

The war in Ukraine and sanctions against Russia are not expected to have direct material impact on Vaisala, however, they are affecting economic environment and have increased uncertainty to economic development. In addition, the pandemic situation especially in China and related shut down measures further increase economic uncertainty. Visibility to component availability remains weak and component supply constraints are expected to continue throughout 2022. Additional material costs related to spot purchases are expected to remain at high level during 2022.

Vaisala continues to estimate that its full-year 2022 net sales will be in the range of EUR 465–495 million and its operating result (EBIT) will be in the range of EUR 55–70 million.

| <b>Key figures</b>                        |                 |                 |               |                  |
|---|-----------------|-----------------|---------------|------------------|
| <b>MEUR</b>                               | <b>1-3/2022</b> | <b>1-3/2021</b> | <b>Change</b> | <b>1-12/2021</b> |
| Orders received                           | 125.0           | 106.1           | 18%           | 455.2            |
| Order book                                | 168.5           | 155.4           | 8%            | 160.0            |
| Net sales                                 | 118.8           | 92.0            | 29%           | 437.9            |
| Gross profit                              | 66.8            | 50.4            | 33%           | 241.8            |
| Gross margin, %                           | 56.2            | 54.8            |               | 55.2             |
| Operating expenses                        | 49.4            | 42.4            | 16%           | 186.5            |
| Operating result                          | 17.5            | 8.1             |               | 50.1             |
| Operating result, %                       | 14.8            | 8.8             |               | 11.5             |
| Result before taxes                       | 17.4            | 7.9             |               | 48.3             |
| Result for the period                     | 13.8            | 6.3             |               | 39.5             |
| Earnings per share                        | 0.38            | 0.17            | 118%          | 1.08             |
| Return on equity, %                       | 24.8            | 12.7            |               | 18.1             |
| Research and development costs            | 14.6            | 13.2            | 11%           | 55.3             |
| Capital expenditure                       | 3.5             | 4.5             | -22%          | 19.2             |
| Depreciation, amortization and impairment | 5.6             | 5.3             | 7%            | 21.6             |
| Cash flow from operating activities       | 9.6             | 18.2            | -47%          | 80.0             |
| Cash and cash equivalents                 | 70.5            | 53.9            | 31%           | 77.9             |
| Interest-bearing liabilities              | 59.7            | 51.7            | 15%           | 50.2             |
| Gearing, %                                | -5.0            | -1.2            |               | -12.0            |

## Vaisala's President and CEO Kai Öistämö

“Vaisala had an excellent start for the year 2022. The war in Ukraine and sanctions against Russia had no material impact on our performance, despite our decision to suspend all business with Russian and Belarussian customers. Strong demand that we enjoyed throughout 2021 continued during the first quarter. Our net sales grew by outstanding 29% and our order book reached all-time high EUR 169 million at the end of the quarter, which is 8% more than a year ago.

Our order intake grew in both business areas and in most of the market segments. Growth of orders received continued very strong in renewable energy market segment and aviation market segment took a big step in recovery towards pre-pandemic level. Strong development continued also in industrial instruments and life science market segments.

Industrial Measurements business area recorded 34% net sales growth and growth was strong in all market segments. Also, Weather and Environment business area's 26% net sales growth is much higher than we have used to see. Net sales in renewable energy and meteorology markets segments grew strongly, and well in ground transportation. Despite strong order intake, net sales in aviation market segment were still somewhat lagging.

Our operating result more than doubled from previous year to EUR 17.5 million following net sales growth and gross margin improvement. During the first quarter, we committed to component spot purchases with EUR 6 million. Impact on gross margin was minor in the first quarter.

According to our updated strategy, we are managing three types of businesses: flagships, growth businesses, and emerging opportunities. As our first quarter excellent operating result margin of 14.8% showed,

profitability was well managed across businesses while our net sales grew strongly. Growth businesses, like renewable energy and life science, reached strong growth and emerging opportunities are looking very promising. In Weather and Environment business area, acquisition of AerisWeather is driving development of our Data as a Service and Software as a Service businesses. Also, our recognitions in sustainability front continued. I am extremely proud of Vaisala being listed in the top 5 of the Financial Times' European Climate Leaders 2022.

The war in Ukraine and sanctions against Russia had no direct material impact on Vaisala, however, they are affecting economic environment and have increased uncertainty to economic development. In addition, the pandemic situation especially in China and related shut down measures further increase economic uncertainty. Visibility to component availability remains weak and component supply constraints are expected to continue throughout 2022. Additional material costs related to spot purchases are expected to remain at high level during 2022. Despite these headwinds, we continue to estimate that our full-year 2022 net sales will be in the range of EUR 465–495 million and operating result (EBIT) to be in the range of EUR 55–70 million.”

## Financial review Q1 2022

### Orders received and order book

| MEUR                      | 1-3/2022 | 1-3/2021 | Change | FX* | 1-12/2021 |
|---------------------------|----------|----------|--------|-----|-----------|
| Orders received           | 125.0    | 106.1    | 18%    | 14% | 455.2     |
| Order book, end of period | 168.5    | 155.4    | 8%     |     | 160.0     |

\* Change with comparable exchange rates

First quarter 2022 orders received increased by 18% compared to previous year and totaled EUR 125.0 (106.1) million. Growth of orders received was very strong in both business areas. Orders received increased strongly in renewable energy, aviation, industrial instruments, and life science market segments, whereas orders received decreased in ground transportation and power industry market segments.

At the end of March 2022, order book amounted to all-time high EUR 168.5 (155.4) million and increased by 8% compared to previous year. Order book increased in both business areas. EUR 126.8 (110.1) million of the order book is scheduled to be delivered in 2022.

### Financial performance

| MEUR             | 1-3/2022 | 1-3/2021 | Change | FX** | 1-12/2021 |
|------------------|----------|----------|--------|------|-----------|
| Net sales        | 118.8    | 92.0     | 29%    | 25%  | 437.9     |
| Products         | 88.1     | 66.0     | 33%    |      | 320.3     |
| Projects         | 15.8     | 13.1     | 21%    |      | 63.6      |
| Services         | 14.4     | 12.6     | 14%    |      | 51.8      |
| Lease income     | 0.5      | 0.2      | 123%   |      | 2.1       |
| Gross margin, %  | 56.2     | 54.8     |        |      | 55.2      |
| Operating result | 17.5     | 8.1      |        |      | 50.1      |
| % of net sales   | 14.8     | 8.8      |        |      | 11.5      |
| R&D costs        | 14.6     | 13.2     | 11%    |      | 55.3      |
| Amortization*    | 2.0      | 1.9      |        |      | 7.6       |

\* Amortization of intangible assets related to the acquired businesses

\*\* Change with comparable exchange rates

First quarter 2022 net sales increased by 29% compared to previous year and were EUR 118.8 (92.0) million. In constant currencies, net sales increased by 25%. Net sales growth was very strong in both business areas. Net sales increased strongly in renewable energy, meteorology, industrial instruments, and life science market segments.

Gross margin improved from previous year and was 56.2 (54.8) %. Additional costs related to component spot purchases had less than one percentage point negative impact on gross margin. This was more than offset by higher share of more profitable product business and economies of scale generated by volume increase.

First quarter 2022 operating result increased compared to previous year and was EUR 17.5 (8.1) million, 14.8 (8.8) % of net sales following growth in net sales and gross margin improvement. Operating expenses increased due to headcount increase, IT system renewal and investments in R&D.

First quarter 2022 financial income and expenses were EUR -0.2 (-0.2) million. Result before taxes was EUR 17.4 (7.9) million and result for the period EUR 13.8 (6.3) million. Earnings per share was EUR 0.38 (0.17).

## **Statement of financial position, cash flow and financing**

Vaisala's financial position remained strong during January–March 2022. At the end of March, statement of financial position totaled EUR 429.9 (Dec 31, 2021: 408.0) million. Net working capital increased due to increase in inventories and trade receivables. Cash and cash equivalents totaled EUR 70.5 (Dec 31, 2021: 77.9) million. In January 2022, Vaisala acquired Whether or Knot, LLC, which increased net assets by EUR 23.1 million. Dividend liability, decided by the Annual General Meeting on March 29, 2022, amounted to EUR 24.6 million.

In January–March 2022, cash flow from operating activities decreased to EUR 9.6 (18.2) million despite increased net result as a result of increase in net working capital.

On March 31, 2022, Vaisala had interest-bearing borrowings totaling EUR 59.7 (Dec 31, 2021: 50.2) million. EUR 40.0 million of the interest-bearing borrowings related to a term loan, which has a financial covenant (gearing) tested semi-annually. For short term liquidity purposes, Vaisala has a domestic commercial paper program, of which EUR 10 million was issued on March 31, 2022, and a committed revolving credit facility, which was unutilized on March 31, 2022 (Dec 31, 2021: EUR 0 million and EUR 0 million respectively). In addition, interest-bearing lease liabilities totaled EUR 9.6 (Dec 31, 2021: 10.1) million.

## **Capital expenditure and acquisitions**

In January–March 2022, capital expenditure in intangible assets and property, plant and equipment totaled EUR 3.5 (4.5) 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 5.6 (5.3) million. This included EUR 2.0 (1.9) million of amortization of identified intangible assets related to the acquired businesses.

In January 2022, Vaisala announced acquisition of US-based Whether or Knot, LLC (dba AeriWeather), 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 AeriWeather's results as part of Weather and Environment business area's financial results as of February 2022.

## **Personnel**

The average number of personnel employed during January–March 2022 was 2,021 (1,929). At the end of March 2022, the number of employees was 2,037 (Dec 31, 2021: 1,979). 76 (77) % of employees were located in EMEA, 16 (15) % in Americas and 8 (8) % in APAC. 65 (66) % of employees were based in Finland.

## Q1 2022 review by business area

### Industrial Measurements business area

| MEUR                      | 1-3/2022 | 1-3/2021 | Change | FX** | 1-12/2021 |
|---------------------------|----------|----------|--------|------|-----------|
| Orders received           | 54.7     | 45.9     | 19%    | 14%  | 194.4     |
| Order book, end of period | 35.1     | 24.9     | 41%    |      | 32.9      |
| Net sales                 | 53.1     | 39.7     | 34%    | 27%  | 181.0     |
| Products                  | 49.0     | 36.1     | 36%    |      | 165.9     |
| Services                  | 4.1      | 3.6      | 13%    |      | 15.1      |
| Gross margin, %           | 64.3     | 63.5     |        |      | 62.8      |
| Operating result          | 14.6     | 9.4      |        |      | 43.9      |
| of net sales, %           | 27.5     | 23.8     |        |      | 24.3      |
| R&D costs                 | 5.8      | 4.8      | 22%    |      | 21.1      |
| Amortization*             | 0.4      | 0.4      |        |      | 1.7       |

\* Amortization of intangible assets related to the acquired businesses

\*\* Change with comparable exchange rates

### Q1 2022 review

Industrial Measurements business area's first quarter 2022 orders received increased by 19% compared to previous year totaling EUR 54.7 (45.9) million. Orders received increased strongly in industrial instruments and life science markets segments, whereas orders received for liquid measurements were at previous year's level. Orders received for power industry market segment decreased compared to previous year.

At the end of March 2022, Industrial Measurements business area's order book amounted to EUR 35.1 (24.9) million and increased by 41% compared to previous year. EUR 32.3 (23.0) million of the order book is scheduled to be delivered in 2022. Order book increased in industrial instruments and life science market segments.

First quarter 2022 net sales were EUR 53.1 (39.7) million and increased by 34% compared to previous year. In constant currencies, net sales increased by 27%. Net sales growth was strong in industrial instruments, life science, liquid measurements, and power industry market segments.

Gross margin increased compared to previous year and was 64.3 (63.5) %. Additional costs related to component spot purchases had less than one percentage point negative impact on gross margin. This was more than offset by economies of scale generated by volume increase.

Industrial Measurements business area's first quarter 2022 operating result increased compared to previous year and totaled EUR 14.6 (9.4) million, 27.5 (23.8) % of net sales following growth in net sales and gross margin improvement. Operating expenses increased due to headcount increase, IT system renewal and investments in R&D.

**Weather and Environment business area**

| MEUR                      | 1-3/2022 | 1-3/2021 | Change | FX** | 1-12/2021 |
|---------------------------|----------|----------|--------|------|-----------|
| Orders received           | 70.3     | 60.3     | 17%    | 13%  | 260.8     |
| Order book, end of period | 133.4    | 130.5    | 2%     |      | 127.1     |
| Net sales                 | 65.7     | 52.2     | 26%    | 23%  | 256.9     |
| Products                  | 39.1     | 29.9     | 31%    |      | 154.4     |
| Projects                  | 15.8     | 13.1     | 21%    |      | 63.6      |
| Services                  | 10.3     | 9.0      | 15%    |      | 36.7      |
| Lease income              | 0.5      | 0.2      | 123%   |      | 2.1       |
| Gross margin, %           | 49.7     | 48.1     |        |      | 49.9      |
| Operating result          | 2.9      | -0.9     |        |      | 7.6       |
| of net sales, %           | 4.4      | -1.7     |        |      | 3.0       |
| R&D costs                 | 8.8      | 8.4      | 4%     |      | 34.2      |
| Amortization*             | 1.6      | 1.5      |        |      | 5.9       |

\* Amortization of intangible assets related to the acquired businesses

\*\* Change with comparable exchange rates

**Q1 2022 review**

Weather and Environment business area's first quarter 2022 orders received increased by 17% compared to previous year and totaled EUR 70.3 (60.3) million. Orders received increased strongly in renewable energy and aviation market segments, whereas orders received for ground transportation and meteorology market segments decreased from comparison period.

At the end of March 2022, Weather and Environment business area's order book amounted to EUR 133.4 (130.5) million and increased by 2% compared to previous year. EUR 94.5 (87.1) million of the order book is scheduled to be delivered in 2022. Order book grew in aviation and renewable energy market segments, whereas order book in meteorology and ground transportation market segments decreased.

First quarter 2022 net sales were EUR 65.7 (52.2) million and increased by 26% compared to previous year. In constant currencies, net sales increased by 23%. Net sales grew strongly in renewable energy and meteorology market segments, and well in ground transportation market segment. Net sales decreased somewhat in aviation market segment.

Gross margin increased to 49.7 (48.1) %. Additional costs related to component spot purchases had less than one percentage point negative impact on gross margin. This was more than offset by economies of scale generated by volume increase.

Weather and Environment business area's first quarter 2022 operating result increased compared to previous year and totaled EUR 2.9 (-0.9) million, 4.4 (-1.7) % of net sales following growth in net sales and gross margin improvement. Operating expenses increased due to headcount increase, IT system renewal and investments in R&D.

## 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). Vaisala's commitment includes decreasing emissions by 2030. 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 March 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–March 2022, a total of 1,016,895 series A shares with a value totaling EUR 47.0 million were traded on the Nasdaq Helsinki Ltd. The closing price of the series A share on the Nasdaq Helsinki stock exchange was EUR 43.15. Shares registered a high of EUR 54.40 and a low of EUR 38.35. Volume-weighted average share price was EUR 46.19.

The market value of series A shares on March 31, 2022, was EUR 1,272.8 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 March, the total market value of all the series A and series K shares together was EUR 1,563.2 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 the 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 March 31, 2022, was 208,487, which represents 0.7% of series A shares and 0.6% of total shares.

## Shareholders

At the end of March 2022, Vaisala had 13,194 (11,349) registered shareholders. Ownership outside of Finland and nominee registrations represented 20.7 (19.1) % of the company's shares. Households owned 40.4 (40.6) %, private companies 12.8 (13.1) %, financial and insurance institutions 12.2 (13.2) %, non-profit organizations 10.5 (10.7) % and public sector organizations 3.4 (3.4) % of the shares.

More information about Vaisala's shares and shareholders are presented on the company's website at [vaisala.com/investors](https://vaisala.com/investors).

## Near-term risks and uncertainties

COVID-19 pandemic's impact on Vaisala's business is depending on regional implications and shut down measures especially in China as well as development of possible new virus variants. Component shortage may cause delays or interruptions in deliveries or generate additional material costs. Vaisala's delivery capability may deteriorate due to disruptions in suppliers' operations, Vaisala's production or project delivery organization, or disruptions in incoming and/or outgoing logistics. Demand may fluctuate materially by country or market segment.

The war in Ukraine will affect economic situation especially in Europe and increase risk of achieving Vaisala's financial targets. 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. Cyber risk and downtime of IT systems may impact operations and delivery capability.

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](https://vaisala.com).

## Financial calendar 2022

Half Year Financial Report 2022, July 22, 2022

Interim Report January–September 2022, October 28, 2022

Vantaa, April 28, 2022

Vaisala Corporation  
Board of Directors

The forward-looking statements in this report 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 Interim Report 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 2021. All figures in this Interim Report are group figures. All presented figures have been rounded and consequently the sum of individual figures may deviate from the sum presented. This Interim Report is unaudited.

Preparation of Interim Report 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 Interim Report, 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.

| <b>Consolidated statement of income</b>   |             |             |              |
|---|-------------|-------------|--------------|
| EUR million   | 1-3/2022    | 1-3/2021    | 1-12/2021    |
| Net sales   | 118.8       | 92.0        | 437.9        |
| Cost of goods sold  | -52.0       | -41.6       | -196.0       |
| <b>Gross profit</b>   | <b>66.8</b> | <b>50.4</b> | <b>241.8</b> |
| Sales, marketing and administrative costs   | -34.8       | -29.2       | -131.2       |
| Research and development costs  | -14.6       | -13.2       | -55.3        |
| Other operating income and expenses   | 0.2         | 0.1         | -5.2         |
| <b>Operating result</b>   | <b>17.5</b> | <b>8.1</b>  | <b>50.1</b>  |
| Share of result in associated company   | -           | -           | 0.2          |
| Financial income and expenses   | -0.2        | -0.2        | -2.1         |
| <b>Result before taxes</b>  | <b>17.4</b> | <b>7.9</b>  | <b>48.3</b>  |
| Income taxes  | -3.6        | -1.6        | -8.9         |
| <b>Result for the period</b>  | <b>13.8</b> | <b>6.3</b>  | <b>39.5</b>  |
| <b>Attributable to</b>  |             |             |              |
| Owners of the parent company  | 13.6        | 6.2         | 39.0         |
| Non-controlling interests   | 0.2         | 0.1         | 0.5          |
| <b>Result for the period</b>  | <b>13.8</b> | <b>6.3</b>  | <b>39.5</b>  |
| <b>Earnings per share for result attributable to the equity holders of the parent company</b> |             |             |              |
| Earnings per share, EUR   | 0.38        | 0.17        | 1.08         |
| Diluted earnings per share, EUR   | 0.37        | 0.17        | 1.07         |

| <b>Consolidated statement of comprehensive income</b>                       |                 |                 |                  |
|---|-----------------|-----------------|------------------|
| <b>EUR million</b>  | <b>1-3/2022</b> | <b>1-3/2021</b> | <b>1-12/2021</b> |
| <b>Items that will not be reclassified to profit or loss (net of taxes)</b> |                 |                 |                  |
| Actuarial profit (loss) on post-employment benefits                         | 0.0             | 0.0             | -0.1             |
| <b>Total</b>  | <b>0.0</b>      | <b>0.0</b>      | <b>-0.1</b>      |
| <b>Items that may be reclassified subsequently to profit or loss</b>        |                 |                 |                  |
| Translation differences   | 1.4             | 2.2             | 4.5              |
| <b>Total</b>  | <b>1.4</b>      | <b>2.2</b>      | <b>4.5</b>       |
| <b>Total other comprehensive income</b>                                     | <b>1.4</b>      | <b>2.2</b>      | <b>4.3</b>       |
| <b>Comprehensive income for the period</b>                                  | <b>15.2</b>     | <b>8.4</b>      | <b>43.8</b>      |
| <b>Attributable to</b>  |                 |                 |                  |
| Owners of the parent company  | 15.0            | 8.4             | 43.4             |
| Non-controlling interests   | 0.2             | 0.1             | 0.5              |
| <b>Comprehensive income for the period</b>                                  | <b>15.2</b>     | <b>8.4</b>      | <b>43.8</b>      |

## Consolidated statement of financial position

EUR million

| <b>Assets</b>                             | <b>Mar 31, 2022</b> | <b>Mar 31, 2021</b> | <b>Dec 31, 2021</b> |
|---|---------------------|---------------------|---------------------|
| <b>Non-current assets</b>                 |                     |                     |                     |
| Intangible assets                         | 79.6                | 62.2                | 56.9                |
| Property, plant and equipment             | 94.7                | 87.9                | 94.1                |
| Right-of-use assets                       | 10.6                | 12.4                | 11.1                |
| Investments in shares                     | 0.1                 | 0.1                 | 0.1                 |
| Investment in associated company          | 1.3                 | 1.1                 | 1.3                 |
| Non-current receivables                   | 0.9                 | 1.0                 | 0.9                 |
| Deferred tax assets                       | 7.7                 | 6.8                 | 9.2                 |
| <b>Total non-current assets</b>           | <b>194.9</b>        | <b>171.5</b>        | <b>173.5</b>        |
| <b>Current assets</b>                     |                     |                     |                     |
| Inventories                               | 55.7                | 46.3                | 49.9                |
| Trade and other receivables               | 80.1                | 65.3                | 73.5                |
| Contract assets and other accrued revenue | 26.1                | 22.9                | 28.1                |
| Income tax receivables                    | 2.6                 | 4.4                 | 5.1                 |
| Cash and cash equivalents                 | 70.5                | 53.9                | 77.9                |
| <b>Total current assets</b>               | <b>234.9</b>        | <b>192.9</b>        | <b>234.5</b>        |
| <b>Total assets</b>                       | <b>429.9</b>        | <b>364.4</b>        | <b>408.0</b>        |

| <b>Equity and liabilities</b>                                | <b>Mar 31, 2022</b> | <b>Mar 31, 2021</b> | <b>Dec 31, 2021</b> |
|--|---------------------|---------------------|---------------------|
| <b>Equity</b>  |                     |                     |                     |
| Share capital  | 7.7                 | 7.7                 | 7.7                 |
| Other reserves   | 0.5                 | 1.9                 | 7.0                 |
| Translation differences                                      | 3.1                 | -0.6                | 1.7                 |
| Treasury shares  | -3.3                | -4.6                | -4.6                |
| Retained earnings  | 206.8               | 185.1               | 218.0               |
| <b>Total equity attributable to owners of parent company</b> | <b>214.7</b>        | <b>189.4</b>        | <b>229.6</b>        |
| <b>Non-controlling interests</b>                             | <b>0.9</b>          | <b>0.4</b>          | <b>0.7</b>          |
| <b>Total equity</b>  | <b>215.6</b>        | <b>189.8</b>        | <b>230.3</b>        |
| <b>Non-current liabilities</b>                               |                     |                     |                     |
| Interest-bearing borrowings                                  | 40.0                | 40.0                | 40.0                |
| Interest-bearing lease liabilities                           | 7.4                 | 8.9                 | 7.7                 |
| Post-employment benefits                                     | 2.5                 | 2.3                 | 2.7                 |
| Deferred tax liabilities                                     | 7.0                 | 7.4                 | 6.7                 |
| Provisions   | 0.3                 | 0.3                 | 0.3                 |
| Other non-current liabilities                                | 0.8                 | 2.8                 | 1.3                 |
| <b>Total non-current liabilities</b>                         | <b>58.0</b>         | <b>61.6</b>         | <b>58.6</b>         |
| <b>Current liabilities</b>                                   |                     |                     |                     |
| Interest-bearing borrowings                                  | 10.1                | 0.1                 | 0.1                 |
| Interest-bearing lease liabilities                           | 2.3                 | 2.7                 | 2.4                 |
| Trade and other payables                                     | 108.4               | 79.7                | 83.9                |
| Contract liabilities and other deferred revenue              | 31.8                | 27.3                | 29.0                |
| Income tax liabilities                                       | 1.3                 | 1.4                 | 1.8                 |
| Provisions   | 2.5                 | 1.7                 | 2.0                 |
| <b>Total current liabilities</b>                             | <b>156.3</b>        | <b>112.9</b>        | <b>119.1</b>        |
| <b>Total liabilities</b>                                     | <b>214.3</b>        | <b>174.5</b>        | <b>177.7</b>        |
| <b>Total equity and liabilities</b>                          | <b>429.9</b>        | <b>364.4</b>        | <b>408.0</b>        |



**Consolidated cash flow statement**

| EUR million   | 1-3/2022     | 1-3/2021    | 1-12/2021    |
|---|--------------|-------------|--------------|
| Result for the period   | 13.8         | 6.3         | 39.5         |
| Depreciation, amortization and impairment                                       | 5.6          | 5.3         | 21.6         |
| Financial income and expenses   | 0.2          | 0.2         | 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         |
| Income taxes  | 3.6          | 1.6         | 8.9          |
| Other adjustments   | -2.7         | -1.8        | 3.1          |
| Inventories, increase (-) / decrease (+)  | -6.3         | -2.9        | -6.7         |
| Non-interest-bearing receivables, increase (-) / decrease (+)                   | -3.7         | 0.6         | -11.5        |
| Non-interest-bearing liabilities, increase (+) / decrease (-)                   | 1.3          | 9.9         | 34.7         |
| Changes in working capital  | -8.8         | 7.5         | 16.6         |
| Financial items paid/received   | -0.7         | 0.8         | -0.2         |
| Income taxes paid   | -1.4         | -1.8        | -11.2        |
| <b>Cash flow from operating activities</b>                                      | <b>9.6</b>   | <b>18.2</b> | <b>80.0</b>  |
| Acquisition of subsidiaries, net of cash acquired                               | -23.1        | -           | -            |
| Capital expenditure on intangible assets and property, plant and equipment      | -3.5         | -4.5        | -19.2        |
| Proceeds from sale of intangible assets and property, plant and equipment       | 0.0          | 0.0         | 0.1          |
| <b>Cash flow from investing activities</b>                                      | <b>-26.6</b> | <b>-4.5</b> | <b>-19.1</b> |
| Dividends paid  | -            | -           | -22.0        |
| Change in loan receivables  | 0.0          | 0.0         | 0.0          |
| Proceeds from borrowings  | 10.0         | -           | 45.0         |
| Repayment of borrowings   | 0.0          | -5.1        | -49.9        |
| Principal payments of lease liabilities   | -0.7         | -0.8        | -3.1         |
| <b>Cash flow from financing activities</b>                                      | <b>9.3</b>   | <b>-5.9</b> | <b>-30.0</b> |
| <b>Change in cash and cash equivalents increase (+) / decrease (-)</b>          | <b>-7.6</b>  | <b>7.8</b>  | <b>30.8</b>  |
| Cash and cash equivalents at the beginning of period                            | 77.9         | 45.4        | 45.4         |
| Change in cash and cash equivalents   | -7.6         | 7.8         | 30.8         |
| Effect from changes in exchange rates   | 0.3          | 0.7         | 1.7          |
| <b>Cash and cash equivalents at the end of period</b>                           | <b>70.5</b>  | <b>53.9</b> | <b>77.9</b>  |

**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   |               |                |                         |                 |                   |   |                           |              |
| <b>Equity at Dec 31, 2020</b>   | <b>7.7</b>    | <b>5.6</b>     | <b>-2.8</b>             | <b>-6.3</b>     | <b>200.8</b>      | <b>205.1</b>  | <b>0.4</b>                | <b>205.5</b> |
| Result for the period   |               |                |                         |                 | 6.2               | 6.2   | 0.1                       | 6.3          |
| Other comprehensive income  |               | 0.0            | 2.1                     |                 |                   | 2.2   |                           | 2.2          |
| Dividend distribution   |               |                |                         |                 | -22.0             | -22.0   |                           | -22.0        |
| Share-based payments  |               | -3.7           |                         | 1.7             |                   | -2.1  |                           | -2.1         |
| Changes in non-controlling interest that did not result in changes in control |               |                |                         |                 | 0.2               | 0.2   | -0.2                      |              |
| <b>Equity at Mar 31, 2021</b>   | <b>7.7</b>    | <b>1.9</b>     | <b>-0.6</b>             | <b>-4.6</b>     | <b>185.1</b>      | <b>189.4</b>  | <b>0.4</b>                | <b>189.8</b> |

|                               | Share capital | Other reserves | Translation differences | Treasury shares | Retained earnings | Equity attributable to owners of the parent company | Non-controlling interests | Total        |
|-------------------------------|---------------|----------------|-------------------------|-----------------|-------------------|---|---------------------------|--------------|
| EUR million                   |               |                |                         |                 |                   |   |                           |              |
| <b>Equity at Dec 31, 2021</b> | <b>7.7</b>    | <b>7.0</b>     | <b>1.7</b>              | <b>-4.6</b>     | <b>218.0</b>      | <b>229.6</b>  | <b>0.7</b>                | <b>230.3</b> |
| Result for the period         |               |                |                         |                 | 13.6              | 13.6  | 0.2                       | 13.8         |
| Other comprehensive income    |               | 0.0            | 1.4                     |                 |                   | 1.4   |                           | 1.4          |
| Dividend distribution         |               |                |                         |                 | -24.6             | -24.6   |                           | -24.6        |
| Share-based payments          |               | -6.5           |                         | 1.4             |                   | -5.1  |                           | -5.1         |
| <b>Equity at Mar 31, 2022</b> | <b>7.7</b>    | <b>0.5</b>     | <b>3.1</b>              | <b>-3.3</b>     | <b>206.8</b>      | <b>214.7</b>  | <b>0.9</b>                | <b>215.6</b> |

## Notes to the report

### Orders received by business area

| EUR million             | 1-3/2022     | 1-3/2021     | 1-12/2021    |
|-------------------------|--------------|--------------|--------------|
| Industrial Measurements | 54.7         | 45.9         | 194.4        |
| Weather and Environment | 70.3         | 60.3         | 260.8        |
| <b>Total</b>            | <b>125.0</b> | <b>106.1</b> | <b>455.2</b> |

### Order book by business area

| EUR million             | 1-3/2022     | 1-3/2021     | 1-12/2021    |
|-------------------------|--------------|--------------|--------------|
| Industrial Measurements | 35.1         | 24.9         | 32.9         |
| Weather and Environment | 133.4        | 130.5        | 127.1        |
| <b>Total</b>            | <b>168.5</b> | <b>155.4</b> | <b>160.0</b> |

### Net sales by business area

| EUR million             | 1-3/2022     | 1-3/2021    | 1-12/2021    |
|-------------------------|--------------|-------------|--------------|
| Industrial Measurements |              |             |              |
| Products                | 49.0         | 36.1        | 165.9        |
| Services                | 4.1          | 3.6         | 15.1         |
| <b>Total</b>            | <b>53.1</b>  | <b>39.7</b> | <b>181.0</b> |
| Weather and Environment |              |             |              |
| Products                | 39.1         | 29.9        | 154.4        |
| Projects                | 15.8         | 13.1        | 63.6         |
| Services                | 10.3         | 9.0         | 36.7         |
| Lease income            | 0.5          | 0.2         | 2.1          |
| <b>Total</b>            | <b>65.7</b>  | <b>52.2</b> | <b>256.9</b> |
| <b>Total net sales</b>  | <b>118.8</b> | <b>92.0</b> | <b>437.9</b> |

### Operating result by business area

| EUR million             | 1-3/2022    | 1-3/2021   | 1-12/2021   |
|-------------------------|-------------|------------|-------------|
| Industrial Measurements | 14.6        | 9.4        | 43.9        |
| Weather and Environment | 2.9         | -0.9       | 7.6         |
| Other                   | 0.1         | -0.4       | -1.4        |
| <b>Total</b>            | <b>17.5</b> | <b>8.1</b> | <b>50.1</b> |

### Net sales by region

| EUR million  | 1-3/2022     | 1-3/2021    | 1-12/2021    |
|--------------|--------------|-------------|--------------|
| Americas     | 37.4         | 32.1        | 150.2        |
| APAC         | 41.7         | 30.3        | 144.7        |
| EMEA         | 39.8         | 29.6        | 143.0        |
| <b>Total</b> | <b>118.8</b> | <b>92.0</b> | <b>437.9</b> |

| <b>Timing of revenue recognition</b>                 |              |             |              |
|--|--------------|-------------|--------------|
| EUR million  | 1-3/2022     | 1-3/2021    | 1-12/2021    |
| Performance obligations satisfied at a point in time | 95.3         | 72.2        | 346.6        |
| Performance obligations satisfied over time          | 23.0         | 19.6        | 89.2         |
| Lease income recognized on a straight-line basis     | 0.5          | 0.2         | 2.1          |
| <b>Total</b>   | <b>118.8</b> | <b>92.0</b> | <b>437.9</b> |

| <b>Personnel</b>               |          |          |           |
|--------------------------------|----------|----------|-----------|
|                                | 1-3/2022 | 1-3/2021 | 1-12/2021 |
| Average personnel              | 2,021    | 1,929    | 1,967     |
| Personnel at the end of period | 2,037    | 1,933    | 1,979     |

| <b>Derivative financial instruments</b>                    |              |              |              |
|--|--------------|--------------|--------------|
| EUR million  | Mar 31, 2022 | Mar 31, 2021 | Dec 31, 2021 |
| Nominal value of derivative financial contracts            | 38.3         | 37.8         | 35.2         |
| Fair values of derivative financial contracts, assets      | 0.2          | 0.3          | 0.0          |
| Fair values of derivative financial contracts, liabilities | 0.9          | 0.7          | 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.

| <b>Share information</b>                    |          |          |           |
|---|----------|----------|-----------|
| EUR/thousand                                | 1-3/2022 | 1-3/2021 | 1-12/2021 |
| Number of shares outstanding                | 36,228   | 36,101   | 36,101    |
| Number of treasury shares                   | 208      | 336      | 336       |
| Number of shares, weighted average, diluted | 36,285   | 36,170   | 36,354    |
| Number of shares, weighted average          | 36,141   | 36,023   | 36,082    |
| Number of shares traded                     | 1,017    | 852      | 2,939     |
| Share price, highest                        | 54.40    | 43.15    | 55.80     |
| Share price, lowest                         | 38.35    | 30.00    | 30.00     |

| <b>Key ratios</b>                             |          |          |           |
|---|----------|----------|-----------|
| EUR   | 1-3/2022 | 1-3/2021 | 1-12/2021 |
| Earnings per share                            | 0.38     | 0.17     | 1.08      |
| Diluted earnings per share                    | 0.37     | 0.17     | 1.07      |
| Equity per share                              | 5.93     | 5.25     | 6.36      |
| Return on equity, %                           | 24.8     | 12.7     | 18.1      |
| Cash flow from operating activities per share | 0.27     | 0.50     | 2.21      |
| Solvency ratio, %                             | 50.9     | 52.8     | 57.2      |
| Gearing, %                                    | -5.0     | -1.2     | -12.0     |

| <b>Key exchange rates</b> |                      |                 |                         |                     |                     |
|---------------------------|----------------------|-----------------|-------------------------|---------------------|---------------------|
|                           | <b>Average rates</b> |                 | <b>Period end rates</b> |                     |                     |
|                           | <b>1-3/2022</b>      | <b>1-3/2021</b> | <b>Mar 31, 2022</b>     | <b>Mar 31, 2021</b> | <b>Dec 31, 2021</b> |
| USD                       | 1.1227               | 1.2176          | 1.1101                  | 1.1725              | 1.1326              |
| CNY                       | 7.1193               | 7.8886          | 7.0403                  | 7.6812              | 7.1947              |
| JPY                       | 129.49               | 127.46          | 135.17                  | 129.91              | 130.38              |
| GBP                       | 0.8358               | 0.8845          | 0.8460                  | 0.8521              | 0.8403              |

### **Business combinations**

On January 27, 2022, Vaisala acquired all membership units in US-based Whether or Knot, LLC (dba AerisWeather), a subscription-based software company providing weather and environmental information. The acquisition supports execution of Weather and Environment Business Area's strategy to drive growth in Data as a Service and Software as a Service recurring revenue businesses.

In 2021, AerisWeather's (unaudited) net sales were EUR 2.7 million and the statement of financial position totaled EUR 1.1 million on December 31, 2021.

Net sales of the acquired company between January 27, 2022, and March 31, 2022, were EUR 0.6 million and operating result EUR 0.1 million. If the acquisition had occurred on January 1, 2022, management estimates consolidated net sales during January–March 2022 would have been EUR 119 million and operating result EUR 18 million.

The preliminary consideration transferred (paid in cash) was EUR 23 million.

Goodwill was preliminarily recognized for EUR 18.7 million and allocated to Weather and Environment business area cash-generating unit. Goodwill of this acquisition reflects synergies that Vaisala expects to be realized especially from the following areas:

- Utilization of AerisWeather's integration platform for third-party data as part of Vaisala's enhanced forecasting and analytics business
- Large scale utilization of AerisWeather's developer tools and data sales platform as channel for Vaisala's forecasting and analytics products, and
- Vaisala's access to new markets focusing especially on software developers

The total amount of goodwill that is expected to be deductible for tax purposes is EUR 10.3 million.

Acquisition related costs are EUR 0.5 million, of which EUR 0.3 million was recognized in January–March 2022.

As the acquisition was closed during the first quarter of the year 2022, the assets acquired, liabilities assumed, and consideration transferred related to the business combination have been recognized provisionally.

The preliminary amounts of the assets acquired and liabilities recognized, and the cash flow from the acquisition were as follows:

| <b>Fair value recognized on acquisition</b>     |              |
|---|--------------|
| <b>EUR million</b>                              |              |
| Goodwill  | 18.7         |
| Technology-based intangible assets              | 3.0          |
| Customer related intangible assets              | 2.5          |
| Tangible assets                                 | 0.0          |
| Trade and other receivables                     | 0.2          |
| Cash and cash equivalents                       | 0.0          |
| <b>Total assets</b>                             | <b>24.4</b>  |
| Deferred tax liabilities                        | 0.8          |
| Trade and other payables                        | 0.1          |
| Contract liabilities and other deferred revenue | 0.4          |
| <b>Total liabilities</b>                        | <b>1.3</b>   |
| <b>Net assets</b>                               | <b>23.1</b>  |
| Purchase price paid in cash                     | -23.1        |
| Cash and cash equivalents acquired              | 0.0          |
| <b>Total net cash outflow on acquisition</b>    | <b>-23.1</b> |

#### **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 April 29, 2022, starting at 3:00 p.m. (Finnish time). Numbers for conference call, during which questions may be presented, are:

Finland: +358 9 8171 0310

UK: +44 33 3300 0804

Sweden: +46 8 5664 2651

US: +1 63 1913 1422

PIN: 52926986#

A link to the live audiocast will be available at [vaisala.com/investors](https://vaisala.com/investors). A recording will be available on the website later the same day.

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Nasdaq Helsinki

Key media

[vaisala.com](http://vaisala.com)

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