Strong demand and delivery performance continued

Half Year Financial Report
January–June 2022
Kai Öistämö, President and CEO
**Strong demand and delivery performance continued in Q2**

- Net sales growth continued strong in Industrial Measurements business
- Gross margin remained at 55.3%
- Operating result fell short from previous year
  - Investments in renewal of IT-systems, sales and marketing as well as R&D
- Order book at record of EUR 183 million

<table>
<thead>
<tr>
<th>Orders received</th>
<th>Net sales</th>
</tr>
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<tbody>
<tr>
<td>131.9 (120.1) MEUR</td>
<td>120.5 (109.5) MEUR</td>
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<td>+10%</td>
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Highlights of Q2/2022: expanding the product offering and getting recognized for continuous sustainability work

**New weather radar launch**
New C-band weather radar for high-performance weather surveillance and smart early-warning decisions

**Recognition for sustainability work**
Vaisala received the Carnegie Sustainability Award 2022. Also, an excellent ESG Risk Rating by Sustainalytics

**Acknowledgement in a design competition**
An honorary award for the upcoming Indigo handheld instrument in the Fennia Prize 2022
Q2/2022 orders received grew by 10%

- Increase in orders received was very strong in Industrial Measurements business area and at previous year’s level in Weather and Environment business area.
- Orders increased strongly in industrial instruments, life science, ground transportation, and aviation market segments.
Q2/2022 order book reached new record level

- Increase in industrial instruments and life science market segments in Industrial Measurements
- Increase in ground transportation, aviation and renewable energy market segments in Weather and Environment
Q2/2022 net sales grew by 10%

- Very strong growth in Industrial Measurement business area
- Weather and Environment business area at previous year’s level
- Net sales grew strongly in industrial instruments, life science, and aviation market segments

Increase 5% in constant currencies
Q2/2022 gross margin remained at 55.3% but operating result decreased Y/Y

- Gross margin remained at 55.3% despite a three percentage point negative impact of component spot purchases
- Negative impact offset by higher share of more profitable product business and pricing
- Operating expenses increased
  - IT system renewal and investments in sales and marketing as well as in R&D
Excellent performance continued

- Orders received increased strongly in industrial instruments, life science and power industry market segments
- Order book EUR 37.2 (26.0) million, +43%
Net sales growth of 24% increased operating result

- Net sales growth strong in industrial instruments, life science, and power industry market segments
- Gross margin decreased slightly to 63.2 (63.7) %
- Additional material costs related to component spot purchases had a three percentage point negative impact on gross margin
- Operating result EUR 11.5 (10.5) million, 21.0 (23.7) % of net sales
Order book all-time high

- Orders received increased strongly in ground transportation and aviation market segments
- Order book EUR 145.6 (139.4) million
Net sales at previous year’s level

- Net sales grew in aviation market segment
- Gross margin decreased to 48.8 (49.6) %
  - Additional material costs related to component spot purchases had a three percentage point negative impact on gross margin
- Operating result EUR -1.1 (1.0) million, -1.6 (1.5) % of net sales

Decrease 3% in constant currencies
### H1/2022 gross margin and operating profit margin improved Y/Y

<table>
<thead>
<tr>
<th>MEUR</th>
<th>H1/2022</th>
<th>H1/2021</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>239.3 MEUR</td>
<td>201.5 MEUR</td>
<td>437.9 MEUR</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>-106.0 MEUR</td>
<td>-90.5 MEUR</td>
<td>-196.0 MEUR</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td><strong>133.4 MEUR</strong></td>
<td><strong>110.9 MEUR</strong></td>
<td><strong>241.8 MEUR</strong></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-105.7 MEUR</td>
<td>-89.8 MEUR</td>
<td>-186.5 MEUR</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>0.2 MEUR</td>
<td>-2.1 MEUR</td>
<td>-5.2 MEUR</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td><strong>27.9 MEUR</strong></td>
<td><strong>19.0 MEUR</strong></td>
<td><strong>50.1 MEUR</strong></td>
</tr>
<tr>
<td>Share of result in associated company</td>
<td>- MEUR</td>
<td>- MEUR</td>
<td>0.2 MEUR</td>
</tr>
<tr>
<td>Financial income and expenses</td>
<td>-1.2 MEUR</td>
<td>-1.0 MEUR</td>
<td>-2.1 MEUR</td>
</tr>
<tr>
<td><strong>Result before taxes</strong></td>
<td><strong>26.7 MEUR</strong></td>
<td><strong>18.0 MEUR</strong></td>
<td><strong>48.3 MEUR</strong></td>
</tr>
<tr>
<td>Income taxes</td>
<td>-6.6 MEUR</td>
<td>-2.3 MEUR</td>
<td>-8.9 MEUR</td>
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<tr>
<td><strong>Result for the period</strong></td>
<td><strong>20.0 MEUR</strong></td>
<td><strong>15.7 MEUR</strong></td>
<td><strong>39.5 MEUR</strong></td>
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- H1/2022 net sales growth 19%
- Growth in constant currencies 14%
- Gross margin improved from previous year to 55.7 (55.1) %
- Additional material costs related to component spot purchases had almost two percentage point negative impact on gross margin
- Operating result margin increased to 11.7 (9.5) % following growth in net sales and improvement in gross margin
- EPS 0.55 (0.43) EUR
H1/2022 cash flow from operating activities decreased due to increase in net working capital

Result for the period
Non-cash expenses
Change in working capital
Financial items
Income taxes
Investing activities
Financing activities
Change in cash

Cash and cash equivalents:
- End Q2/2022: 48.4 MEUR
- End Q4/2021: 77.9 MEUR
- End Q2/2021: 52.3 MEUR

Net working capital increased due to increase in inventories and decrease in liabilities
## Strong financial position

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<th>H1/2022</th>
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<tr>
<td>Equity per share</td>
<td>6.26</td>
<td>5.51</td>
<td>6.36</td>
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<td>Return on equity %</td>
<td>17.5</td>
<td>15.5</td>
<td>18.1</td>
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<td>Solvency ratio %</td>
<td>55.3</td>
<td>54.3</td>
<td>57.2</td>
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<td>Capital expenditure</td>
<td>6.3</td>
<td>9.3</td>
<td>19.2</td>
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<td>Cash and cash equivalents</td>
<td>48.4</td>
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<td>Interest-bearing liabilities</td>
<td>74.5</td>
<td>66.1</td>
<td>50.2</td>
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<td>Gearing %</td>
<td>11.5</td>
<td>6.9</td>
<td>-12.0</td>
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Market development and business outlook
Market development

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

**Recovery**
Aviation

**Stable**
Meteorology
Ground transportation
Business outlook for 2022 unchanged

Net sales
Vaisala estimates that its full-year 2022 net sales will be in the range of EUR 465–495 million

Operating result (EBIT)
Vaisala estimates that its full-year 2022 operating result (EBIT) will be in the range of EUR 55–70 million
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