



Uncertain market environment affected growth of orders received in Q2

Half Year Financial Report January–June 2023
Kai Öistämö, President and CEO

VAISALA

Uncertain market environment affected growth of orders received in Q2

- Growth in orders received and net sales driven by Weather and Environment business area
- Order book EUR 167 million
- Operating result increased Y/Y
- Outlook revised July 17

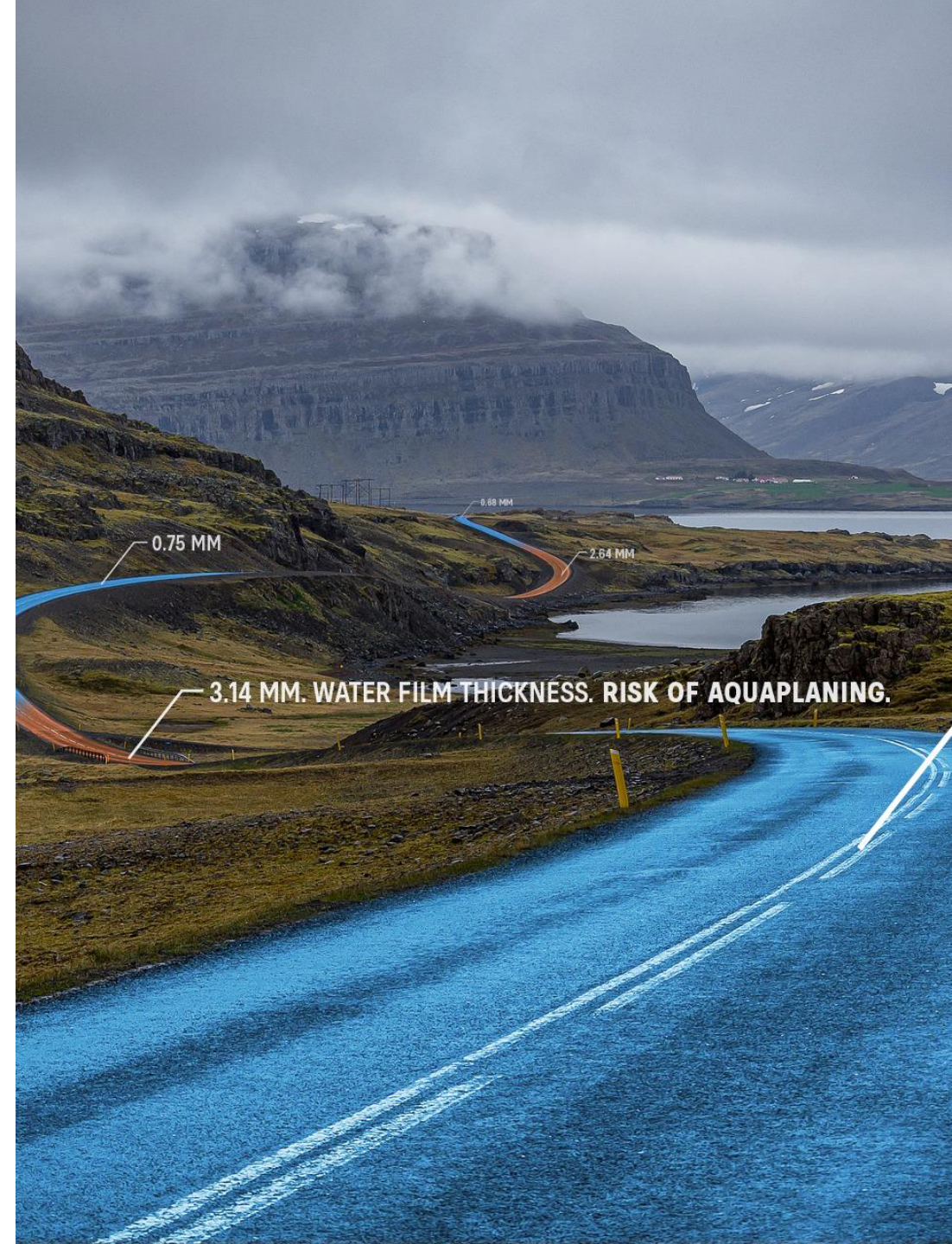
Net sales

130.8 (120.5) MEUR
+9%

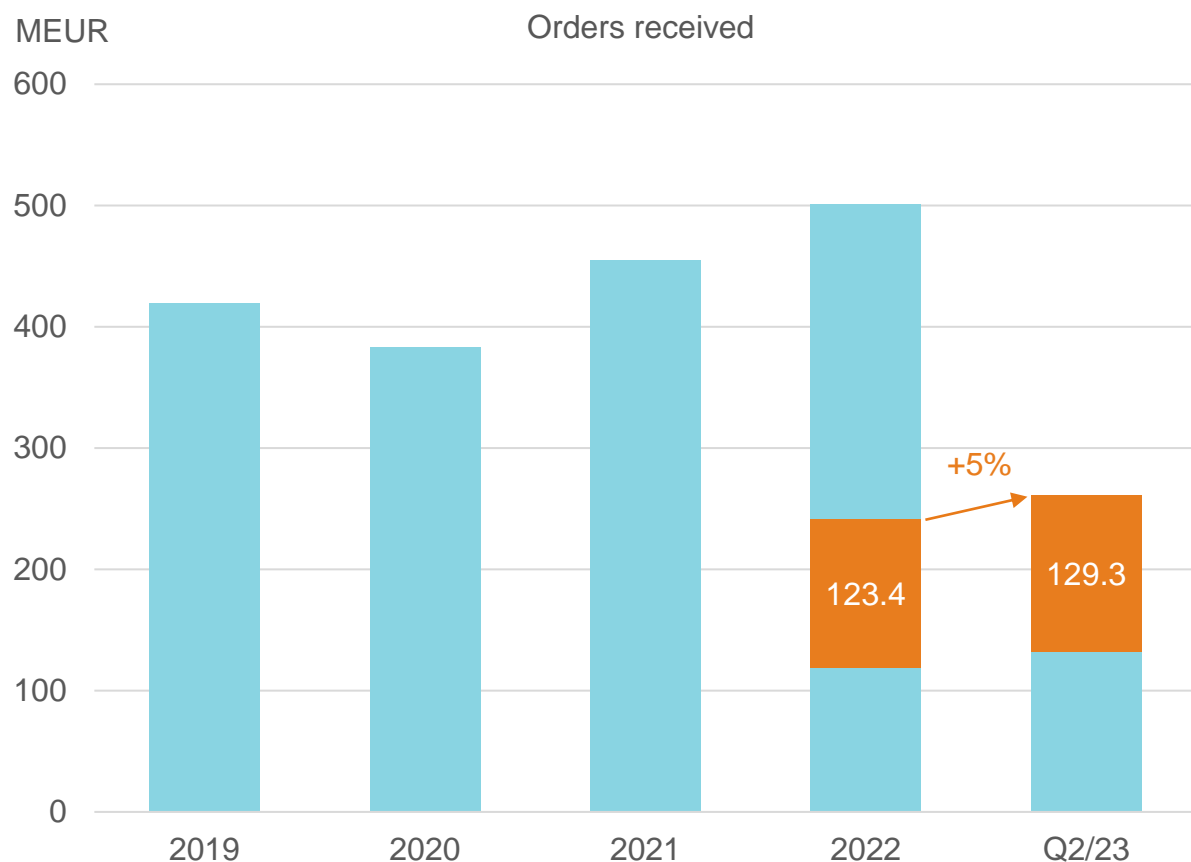
EBIT

11.9 (10.3) MEUR

Subscription sales excluded from orders received and order book as of the beginning of 2023



Q2/2023 orders received grew by 5%

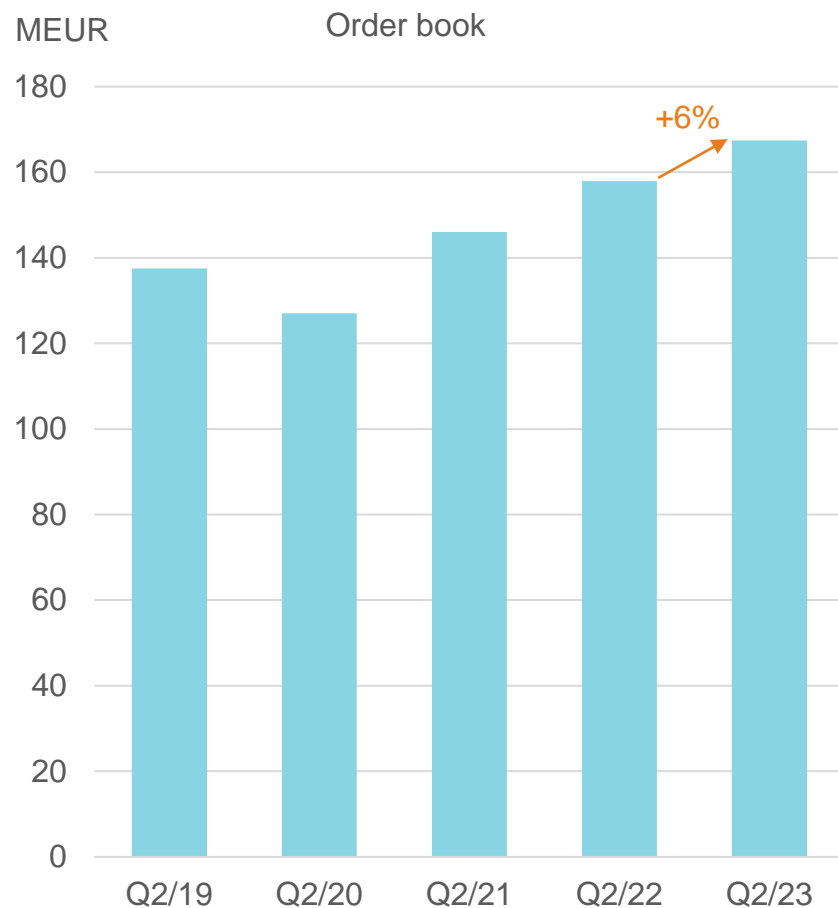


Growth 7% in constant currencies

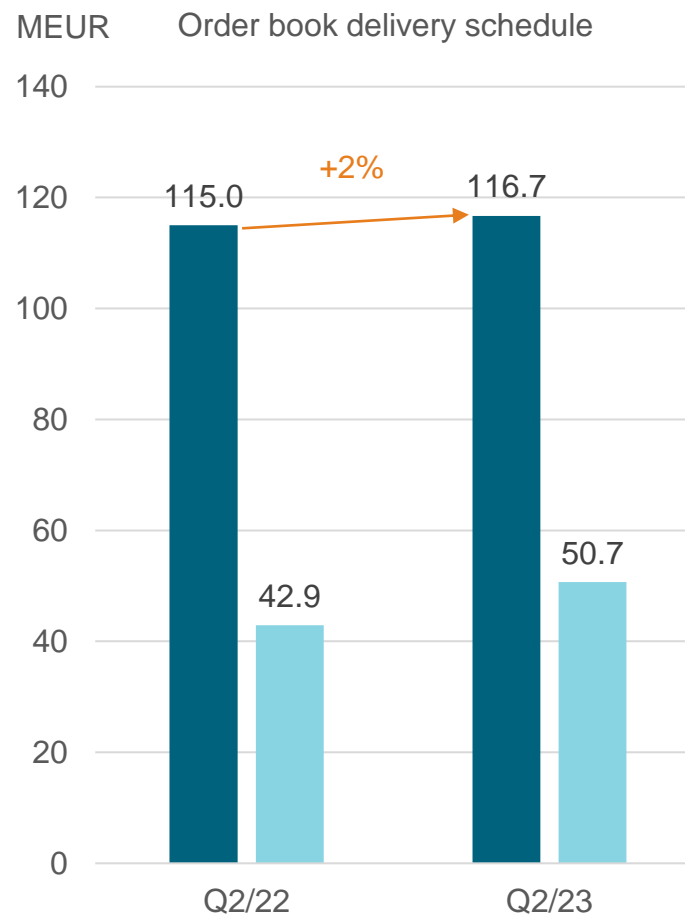
2019-2021 include subscription sales

- Orders received grew in Weather and Environment business area but decreased in Industrial Measurements business area
- Orders increased very strongly in roads and automotive, renewable energy as well as in power and energy market segments

Q2/2023 order book EUR 167 million



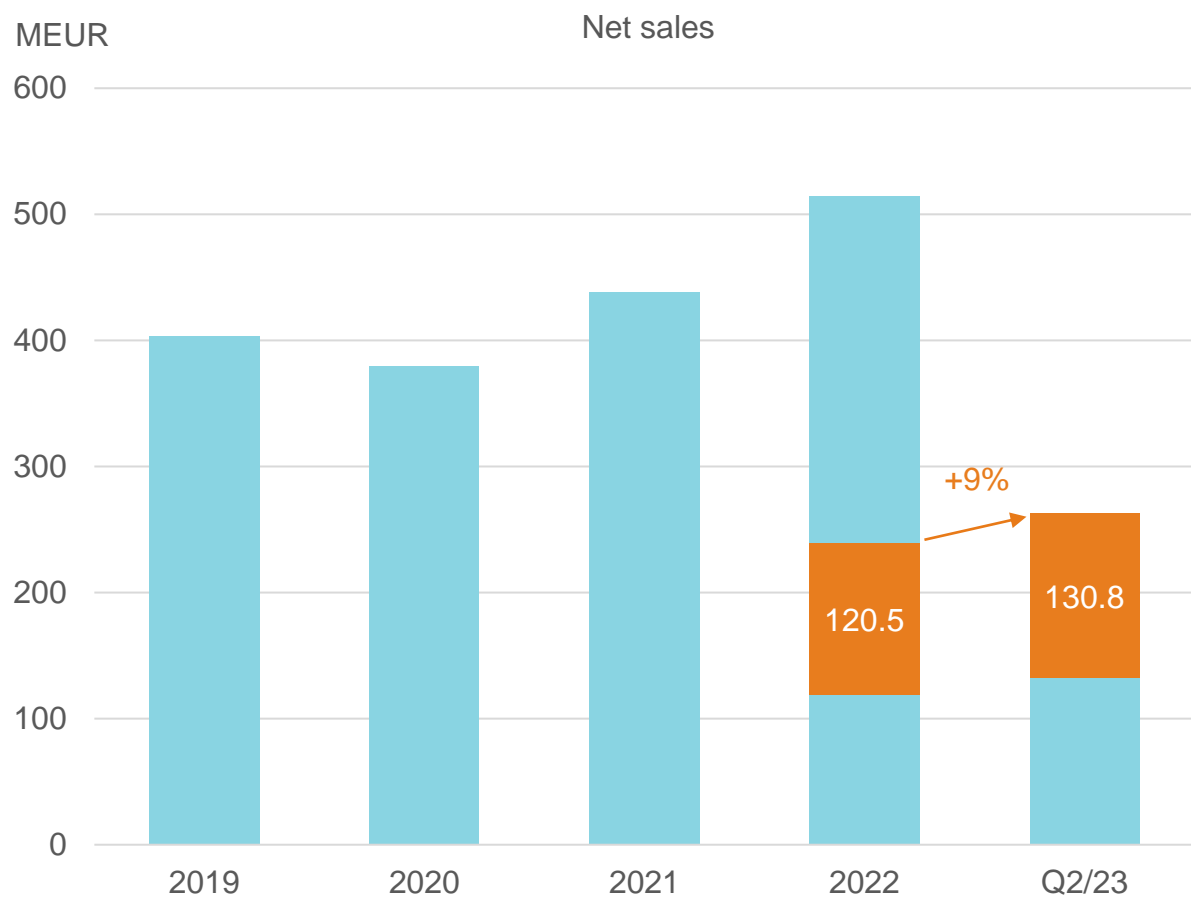
2019-2021 include subscription sales



■ Delivery this year ■ Delivery next year and after

- Order book flat Y/Y in Industrial Measurements business area
- Increase in road and automotive, meteorology, and renewable energy market segments in Weather and Environment business area

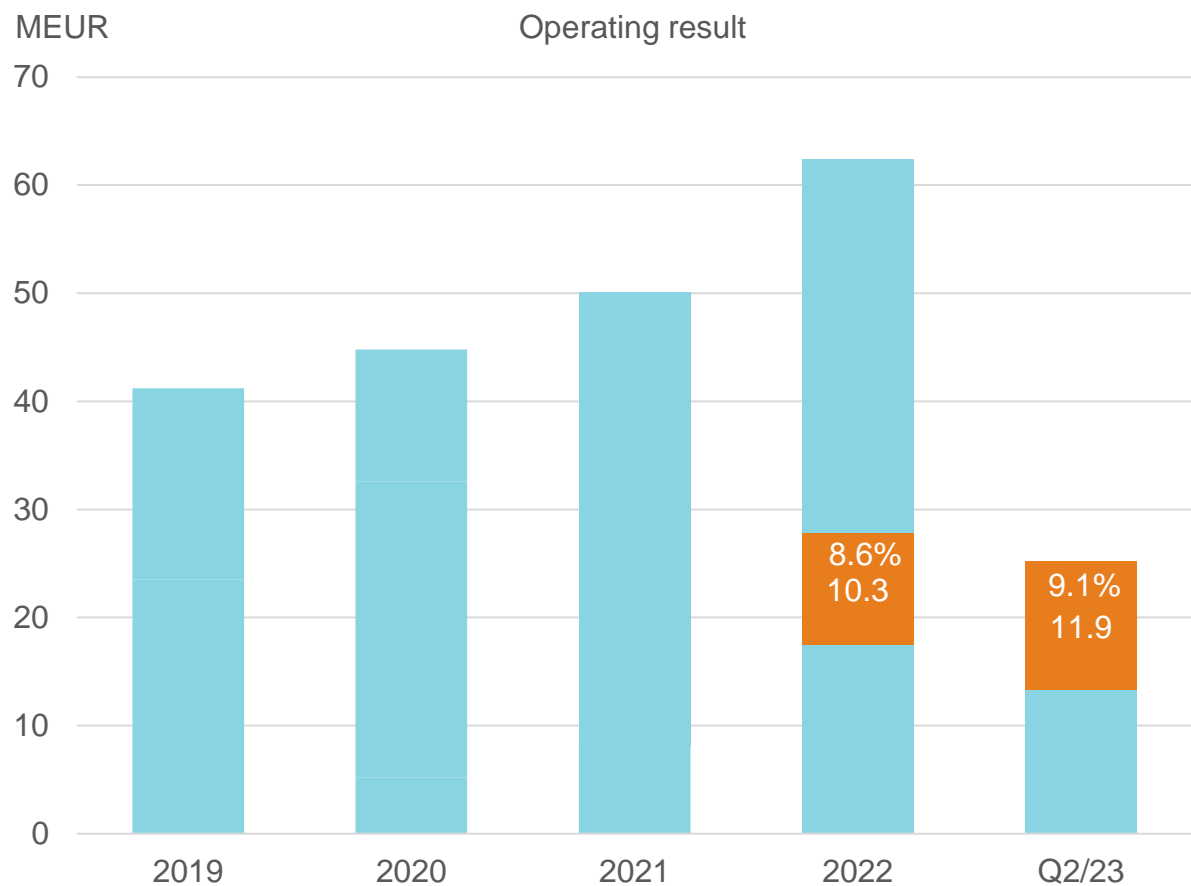
Q2/2023 net sales grew by 9%



Growth 11% in constant currencies

- Net sales grew in Weather and Environment business area but decreased in Industrial Measurements business area
- Net sales growth very strong in renewable energy as well as in roads and automotive market segments

Q2/2023 operating result increased Y/Y



- Gross margin was at previous year's level 55.1 (55.3) %
 - Component spot purchases had a 0.8 (2.8) percentage point negative impact
 - Operating expenses increased
 - Investments in sales and marketing as well as in R&D
 - IT system renewal investment continued



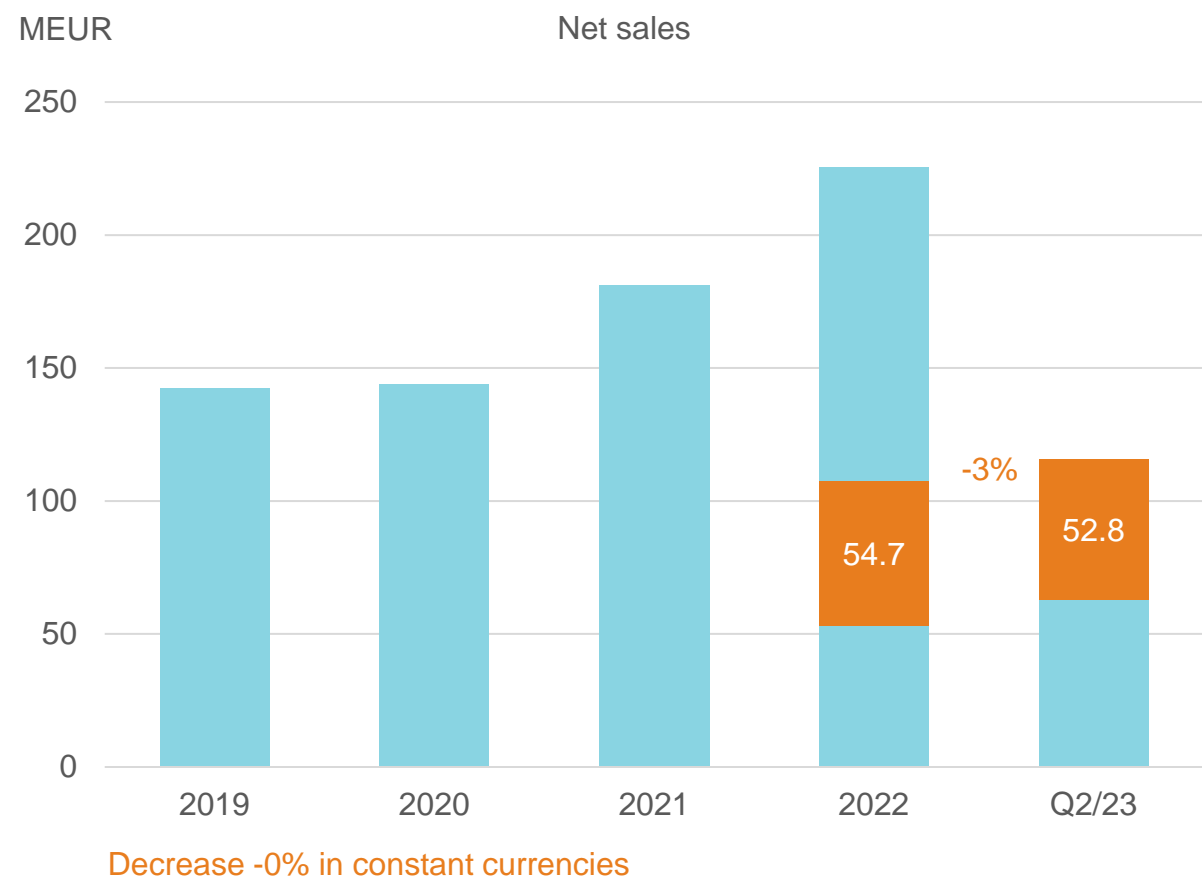
Q2/23 orders received decrease by 6% Y/Y

- Orders received decreased in industrial instruments and life science market segments
- Order book flat EUR 37.2 (37.2) million



Decrease 3% in constant currencies

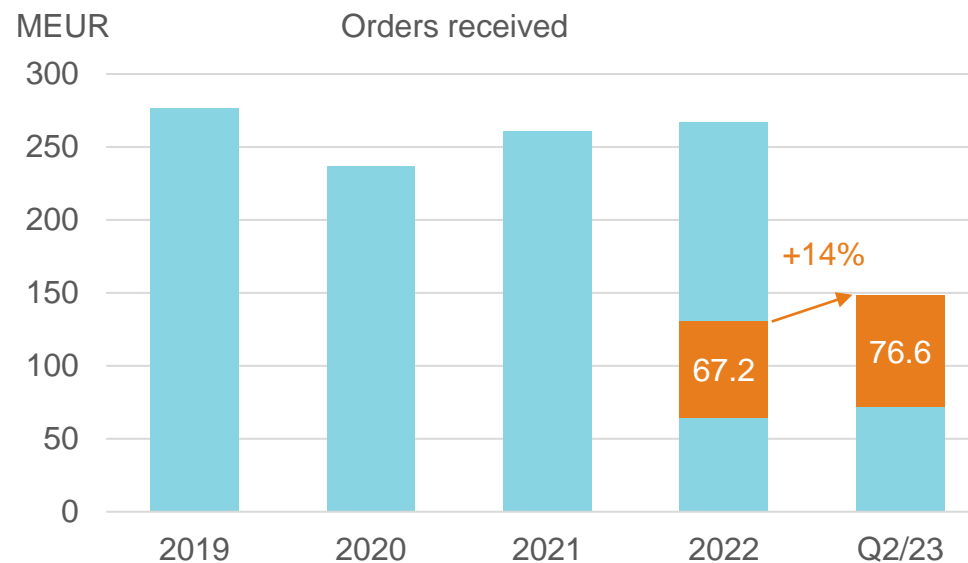
Net sales decreased by 3% Y/Y



- Net sales decreased in life science market segment
- Gross margin decreased from previous year and was 59.7 (63.2) %
 - Additional material costs related to component spot purchases had a 1.2 (2.9) percentage point negative impact
 - Price pressure and unfavorable product mix burdened gross margin
- Operating result decreased to EUR 6.8 (11.5) million, 12.9 (21.0) % of net sales

Strong growth in orders received continued

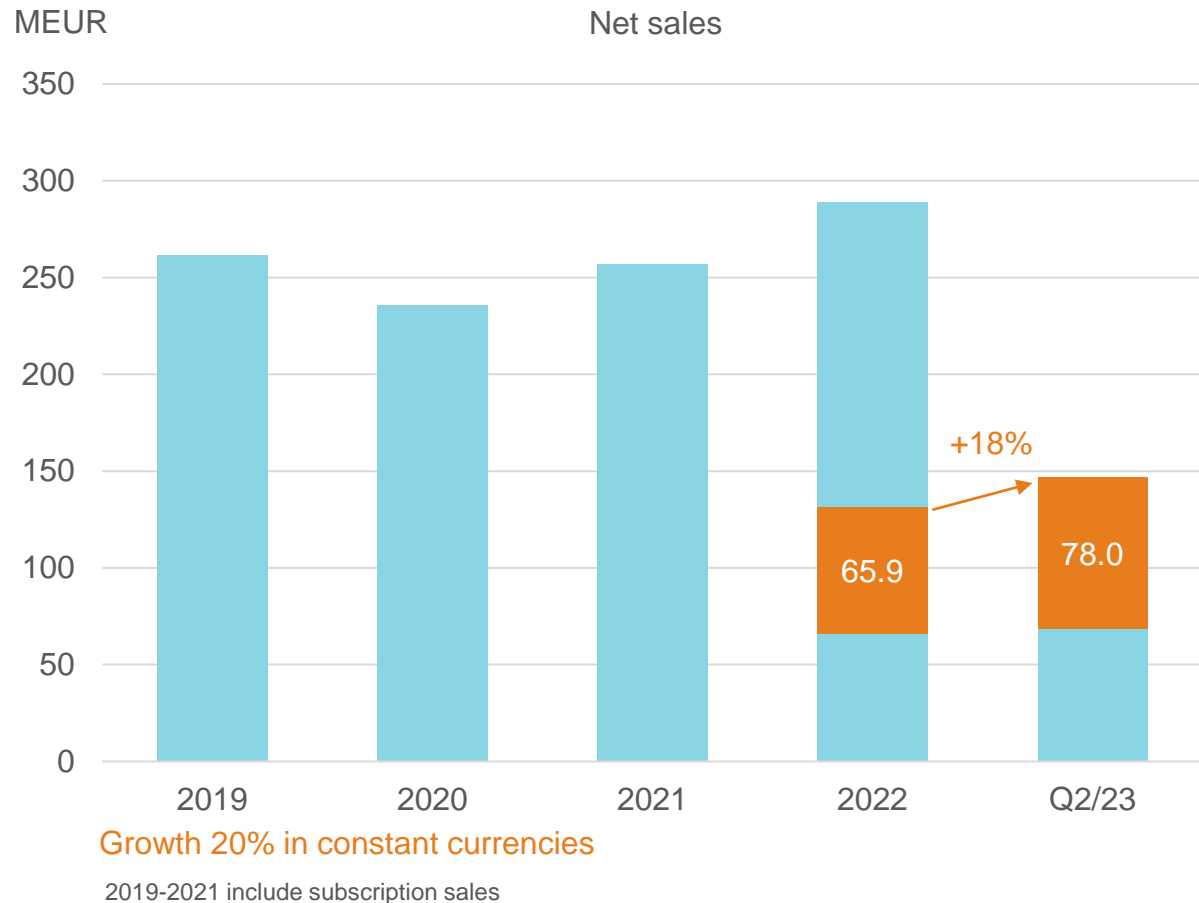
- Orders received grew very strongly in roads and automotive as well as in renewable energy market segments
- Order book EUR 130.2 (120.6) million, +8%



Growth 16% in constant currencies

2019-2021 include subscription sales

Net sales growth very strong 18% Y/Y



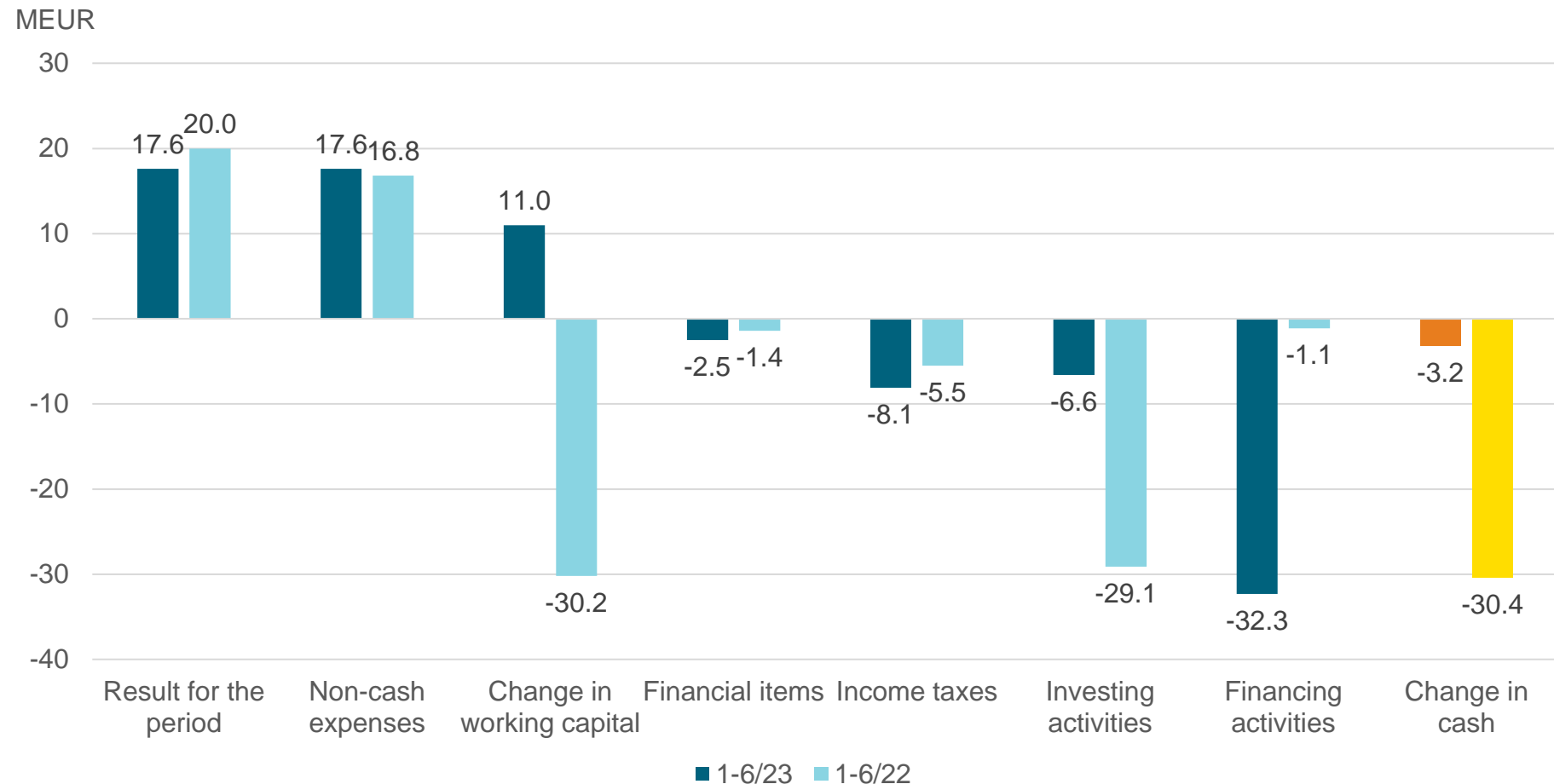
- Net sales grew in renewable energy, roads and automotive as well as in meteorology market segments
- Gross margin improved from previous year and was 51.9 (48.8) %
 - Additional material costs related to component spot purchases had a 0.5 (2.6) percentage point negative impact
 - Very strong net sales growth in product sales and subscription sales improved gross margin
- Operating result increased to EUR 4.9 (-1.1) million, 6.3 (-1.6) % of net sales



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1-6/2023 financials

1-6/2023 cash flow from operating activities increased as a result of decrease in trade receivables



Cash and cash equivalents:

- End Q2/2023: 51.2 MEUR
- End Q4/2022: 55.5 MEUR
- End Q2/2022: 48.4 MEUR

○ Net working capital decreased



Strong financial position

MEUR	1-6/2023	1-6/2022	1-12/2022
Equity per share	6.51	6.25	6.91
Return on equity %	14.5	17.5	18.7
Solvency ratio %	57.6	55.2	58.1
Capital expenditure	6.7	6.3	13.7
Cash and cash equivalents	51.2	48.4	55.5
Interest-bearing liabilities	62.9	74.5	63.4
Gearing %	4.9	11.5	3.2



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Market development and business outlook



Market development

Growth

High-end industrial instruments

Life science

Power and energy

Liquid measurements

Renewable energy

Roads and automotive

Stable

Meteorology

Aviation

Business outlook for 2023 revised on July 17

Net sales

Vaisala estimates that its full-year 2023 net sales will be in the range of **EUR 530–560 million**

Operating result (EBIT)

Vaisala estimates that its full-year 2023 operating result (EBIT) will be in the range of **EUR 65–75 million**



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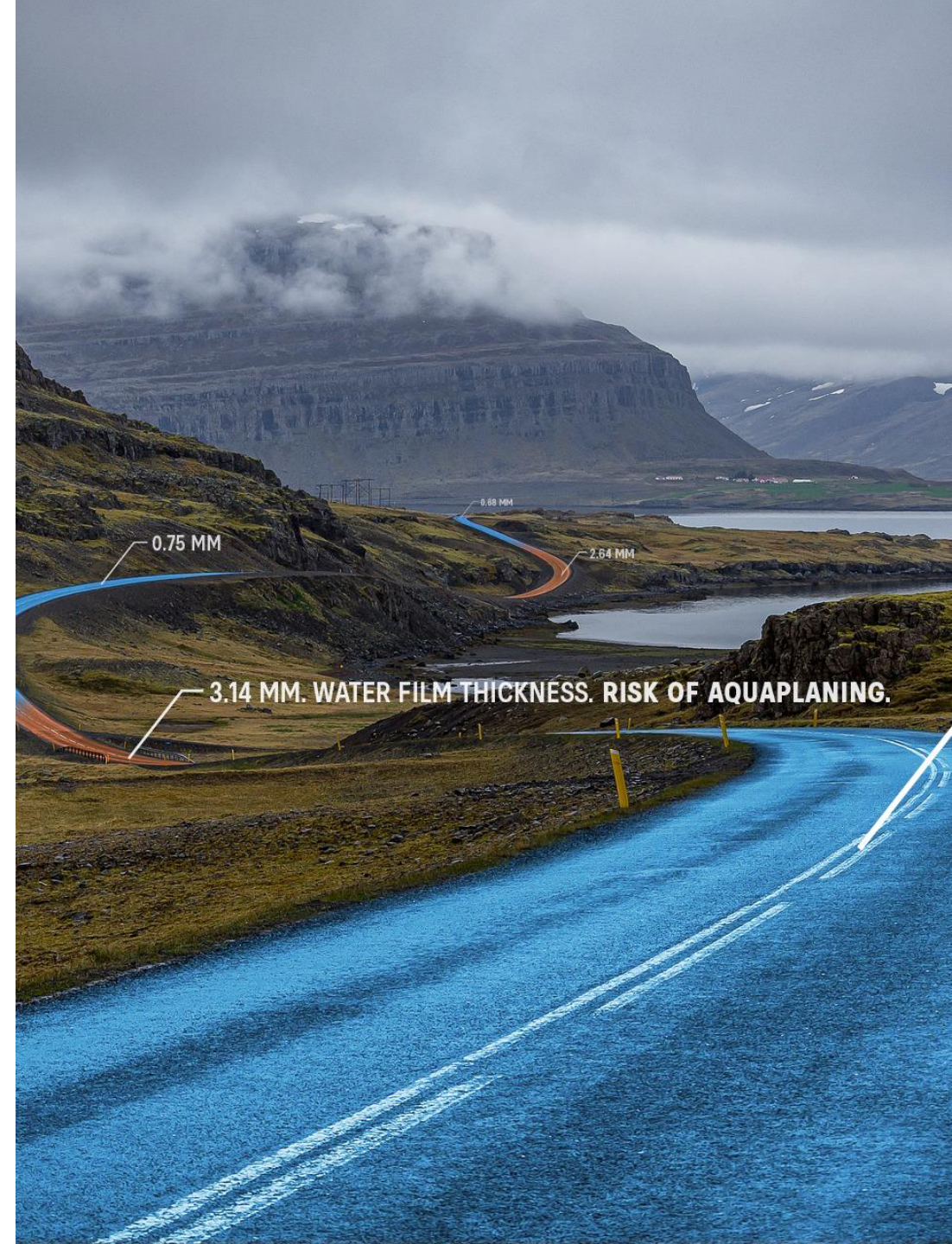
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Disclaimer

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.

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