

Observations for a Better World

Vaisala's Capital Markets Day, May 11, 2016

VAISALA

Vaisala is a Global Leader in Environmental and Industrial Measurement

VAISALA

Best-in-class Weather Observation Measurement

Serves weather impacted customers' with comprehensive offering

- Soundings
- Weather instruments
- Weather systems
- Weather radar
- Lightning
- Information services



Leading Industrial Measurement Solutions

Helps customers to improve operational quality and productivity, and to gain energy savings

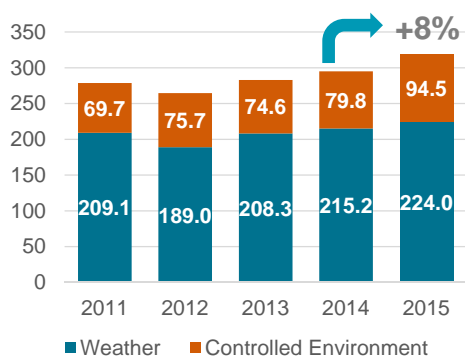
- Industrial instruments: humidity and temperature, dew point, moisture in oil, pressure, carbon dioxide
- Continuous monitoring systems
- Power transmission



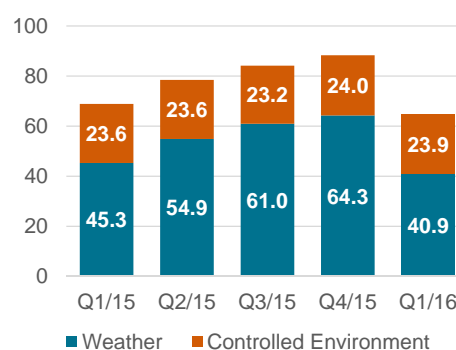
Vaisala Performed Well in 2015 Despite Challenging Market Conditions

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Strong Order Intake in 2015



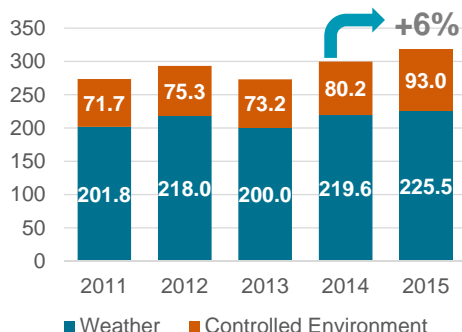
- Orders received in 2015 were 318.5 MEUR, +8%
- Growth strongest in Americas



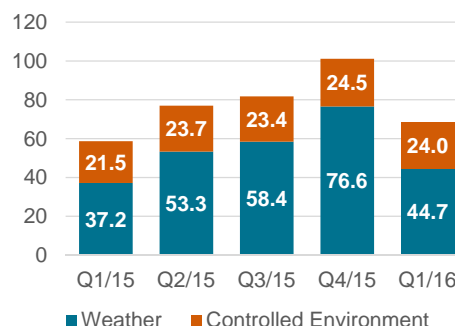
- Orders received had a slow start in Q1/2016, -6%, totaling 64.8 MEUR
- Decline was due to Weather's order intake -10%

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Net Sales Records Were Set in 2015 and Q1/16

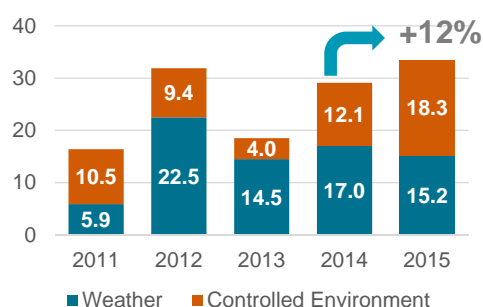


- Net sales growth was strong, +6%, totaling 318.5 MEUR
- Controlled Environment performing especially well, +16%, reaching 93.0 MEUR
- Weather Business Area +3%, reaching 225.5 MEUR

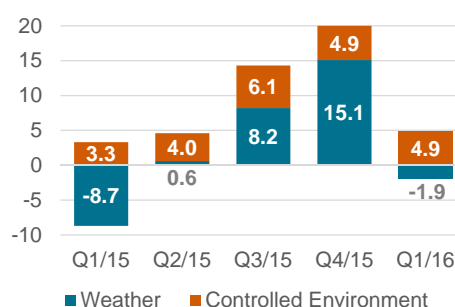


- Net sales +17%, totaling 68.7 MEUR, growth strongest in Americas
- Weather spectacular +20%, reaching 44.7 MEUR following high product deliveries
- Controlled Environment +12%, reaching 24.0 MEUR. Growth in all regions, strongest in APAC.

EBIT Margin Improved to 9.3% in 2015

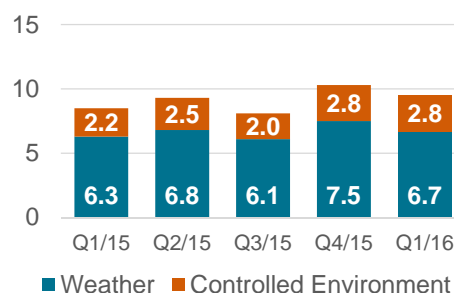
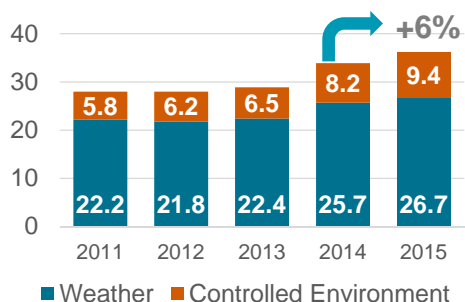


- EBIT 29.6 MEUR, +12% following net sales increase
- Includes 1.8 MEUR expenses related to the restructuring
- Weather EBIT 15.2 MEUR, -11% mainly due to lower sales volumes especially during the first half of the year
- Controlled Environment EBIT 18.3 MEUR, +51% mainly due to positive impact of USD/EUR exchange rate as well as higher sales volumes



- EBIT -1.0 MEUR, improved by 6.6 MEUR
- Includes 3.1 MEUR expenses related to the restructuring of Transportation business unit
- Weather EBIT -1.9 MEUR, improved by 6.8 MEUR mainly due to higher net sales and product profitability
- Controlled Environment EBIT 4.9 MEUR, improved by 1.6 MEUR due to higher net sales and gross margin

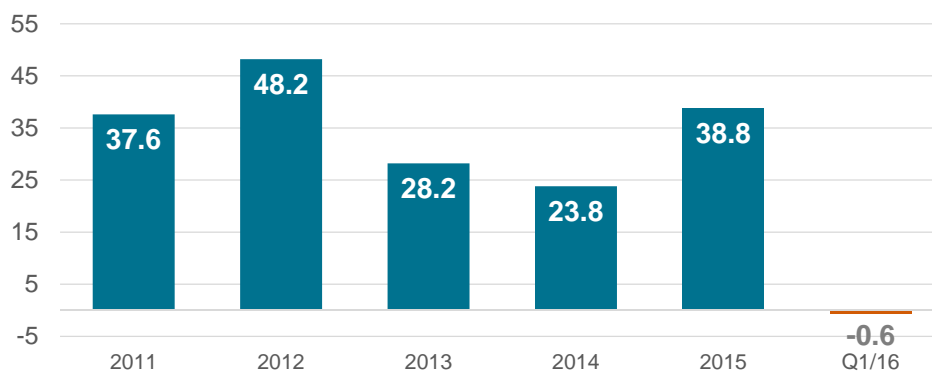
Consistent Investment in R&D Enable World Class Products



- Vaisala R&D investment 36.1 MEUR
- R&D share of net sales
 - Vaisala 11.3%
 - Weather 11.8%
 - Controlled Environment 10.1%

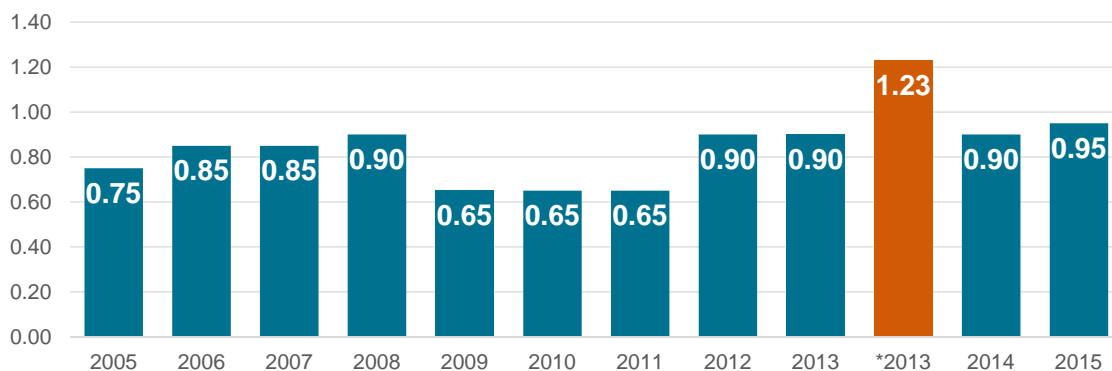
- Vaisala R&D expenses 9.5 MEUR
- Controlled Environment R&D expenses increased 0.6 MEUR

Strong Cash Flow from Operating Activities



- Cash flow improvement of 15 MEUR during 2015 as a result of profitability and working capital improvement
- Q1/16 cash flow -0.6 MEUR million despite considerable profitability improvement year-on-year, weakening mainly due to increase of trade receivables

Stable Dividend Through Out Years



* Return of capital to shareholders in 2013

Observations for a Better World

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Weather

Growth through industry leading offering and information services expansion

METEOROLOGY



ENERGY



TRANSPORTATION



Reliable environmental observations for better decision making, safety and efficiency



Values

Customer Focus Innovation and Renewal
Integrity Strong Together

Controlled Environment

Growth through product leadership



Leadership Built on

Reliability
Expertise in applications, science and technologies
Excellence in high mix – low volume businesses

Page© VaisalaMay 11, 2016Capital Markets Day 2016VAISALA

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