

Interim Report January–March 2017

Vaisala Corporation
April 25, 2017

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January–March 2017

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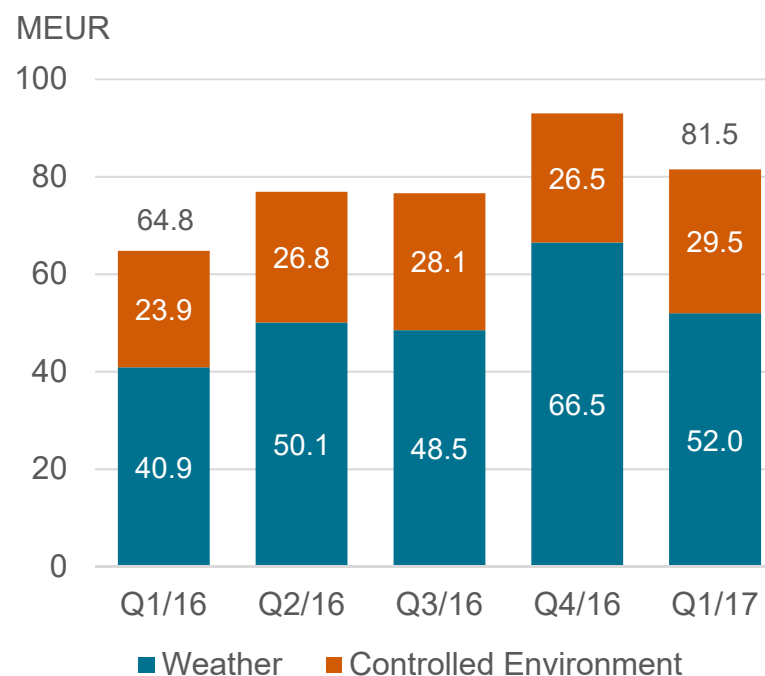
January–March 2017 highlights

- Orders received EUR 81.5 (64.8) million, +26%
- Order book EUR 130.3 (121.9) million, +7%
- Net sales EUR 68.4 (68.7) million, flat
- Gross margin 51.4% (51.0%)
- Operating result EUR 2.6 (-1.0) million
- Earnings per share EUR 0.09 (-0.12)
- Cash flow from operating activities EUR 2.9 (-0.6) million
- Cash and cash equivalents EUR 72.9 (57.0) million, +28%



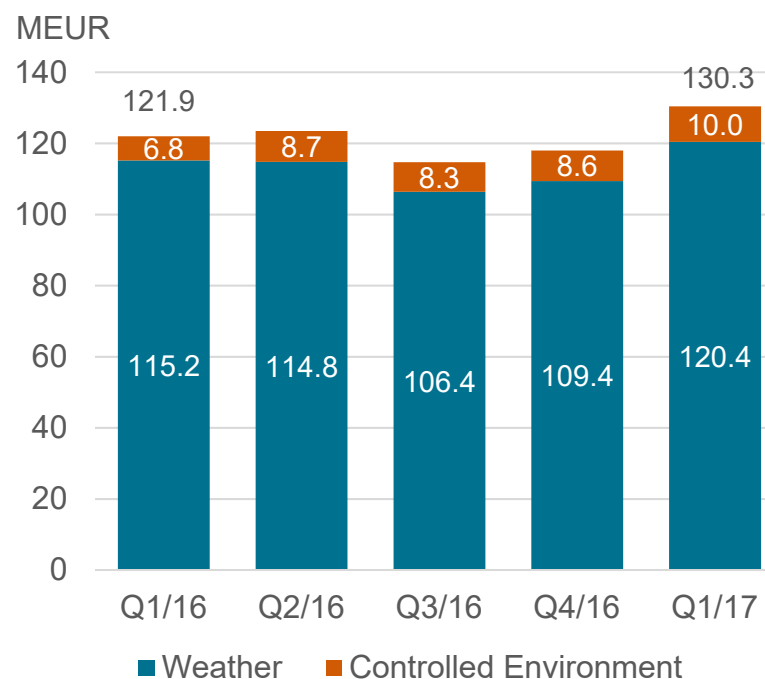
Vaisala Q1 orders received increased 26%, all time high Q1

- Orders received EUR 81.5 (64.8) million, +26%
 - The increase came from all geographical areas
- Weather Business Area
 - EUR 52.0 (40.9) million, +27%
 - The increase came from Americas, Europe and China
- Controlled Environment Business Area
 - EUR 29.5 (23.9) million, +23%
 - The increase came from all regions, strongest in Americas and APAC



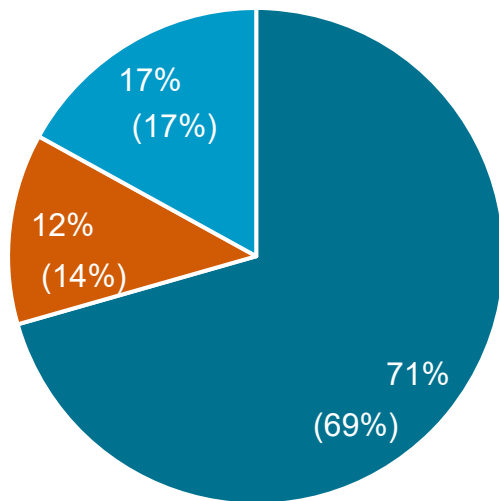
Vaisala order book increased 7%

- Order book EUR 130.3 (121.9) million, +7%
 - The order book increased in EMEA and Americas
 - EUR 89.3 (83.6) million of the order book is scheduled to be delivered in 2017
- Weather Business Area
 - EUR 120.4 (115.2) million, +5%
- Controlled Environment Business Area
 - EUR 10.0 (6.8) million, +47%
 - Half of the increase came from service business and calibration contracts for multiple years



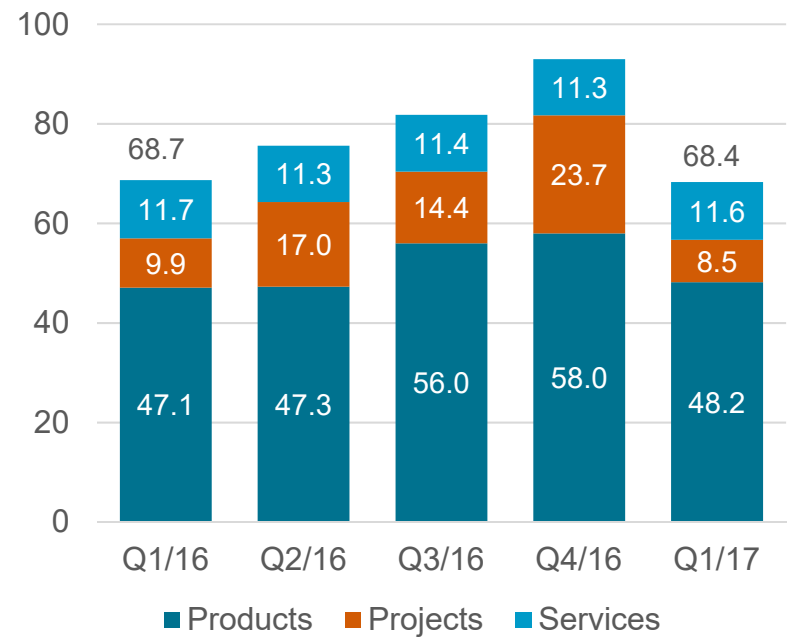
Vaisala Q1 net sales were flat

% of net sales Q1/2017



■ Products ■ Projects ■ Services

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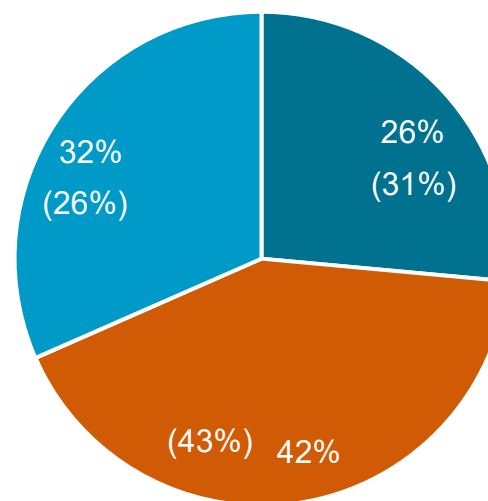


■ Products ■ Projects ■ Services

Americas and APAC were bigger than EMEA in Q1 net sales

EUR million	Q1/2017	Q1/2016	Change %
EMEA	18.1	21.6	-16
Americas	28.7	29.5	-3
APAC	21.6	17.6	23
Total	68.4	68.7	0

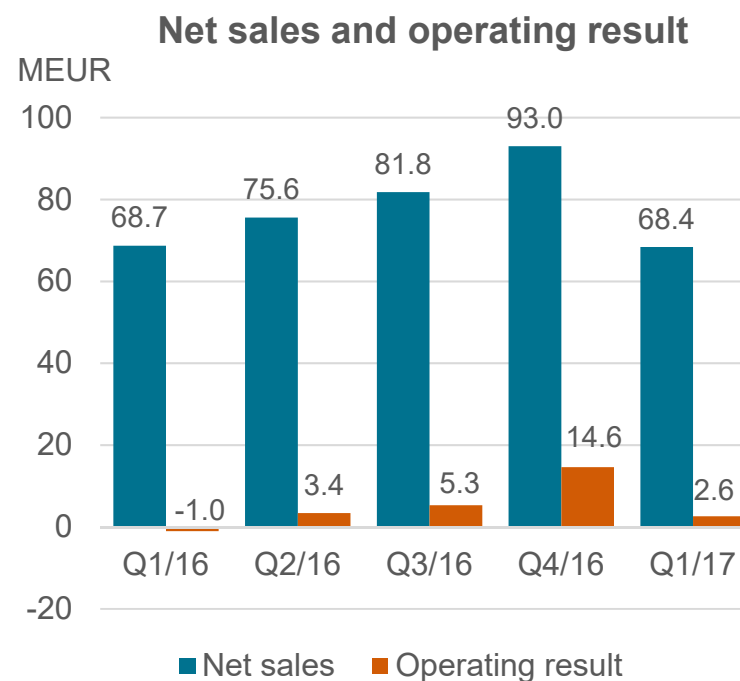
% of net sales in Q1/2017



■ EMEA ■ Americas ■ APAC

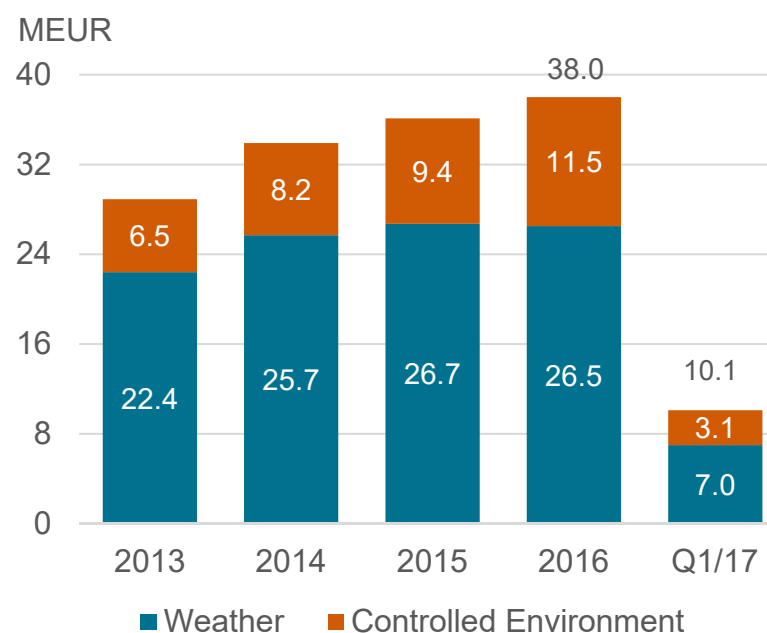
Vaisala Q1 operating result improved despite flat net sales

	Q1/2017	Q1/2016
Orders received, EUR million	81.5	64.8
Net sales, EUR million	68.4	68.7
Gross margin, %	51.4	51.0
Operating expenses, EUR million	32.8	33.1
Operating result, EUR million	2.6	-1.0
Operating result, %	3.7	-1.5



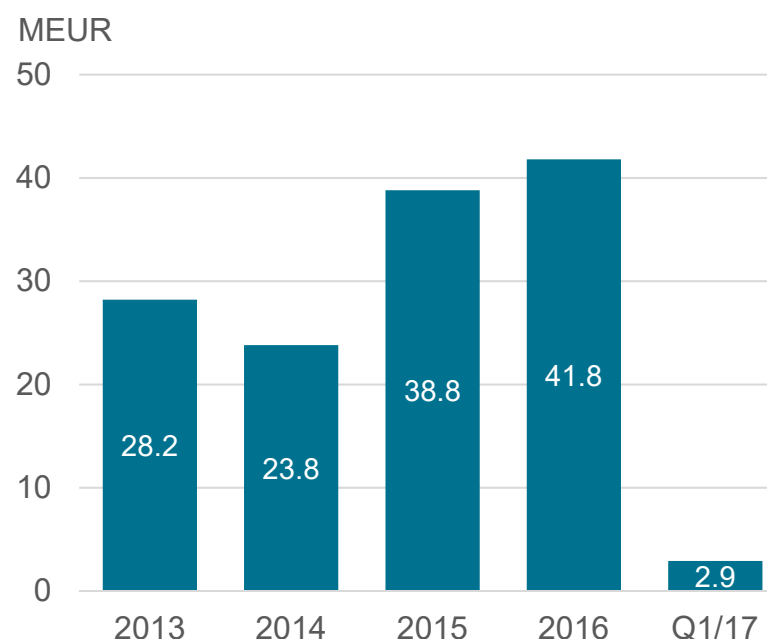
Strong investment in R&D continued

- R&D expenses EUR 10.1 (9.5) million or 14.7% (13.9%) of net sales
 - Weather 17.4% (15.1%) of net sales
 - Controlled Environment 10.9% (11.6%) of net sales



Cash flow from operations increased y-o-y

- Cash flow from operations increased to EUR 2.9 (-0.6) million as a result of increased EBITDA
- Cash and cash equivalents EUR 72.9 (57.0) million, increase 28%
- Purchases of treasury shares EUR 0.8 million
- Capital expenditure EUR 1.8 (1.1) million
- Depreciation, amortization and write-downs EUR 2.9 (3.7) million



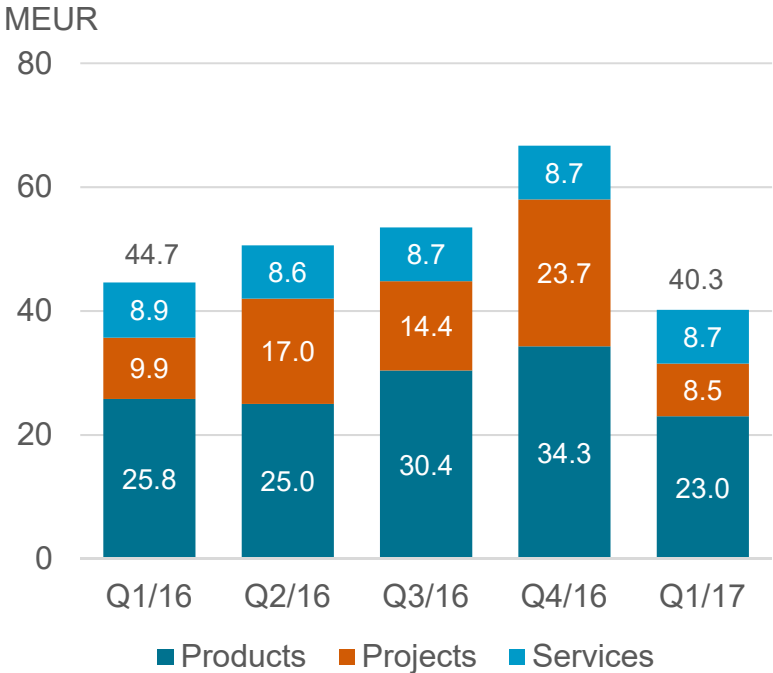
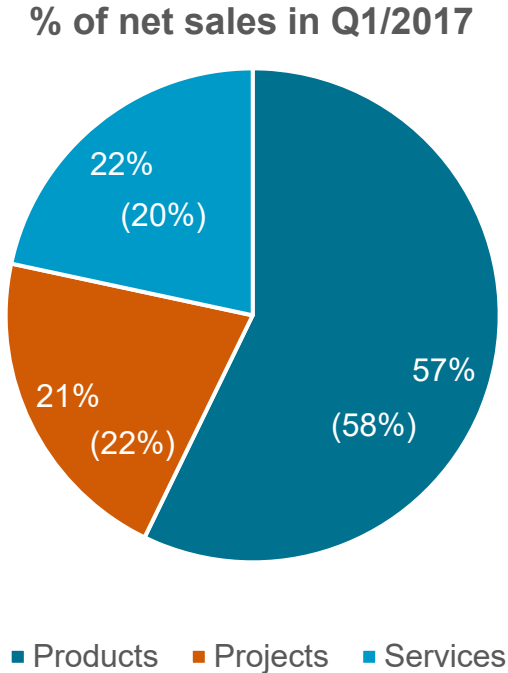
The background of the top section is a teal color with abstract, wavy patterns that resemble water ripples or light refraction. The patterns are more pronounced on the right side, where they form a circular, grid-like structure.

Weather

A horizontal bar with a gradient from dark brown on the left to a lighter, golden-brown on the right.

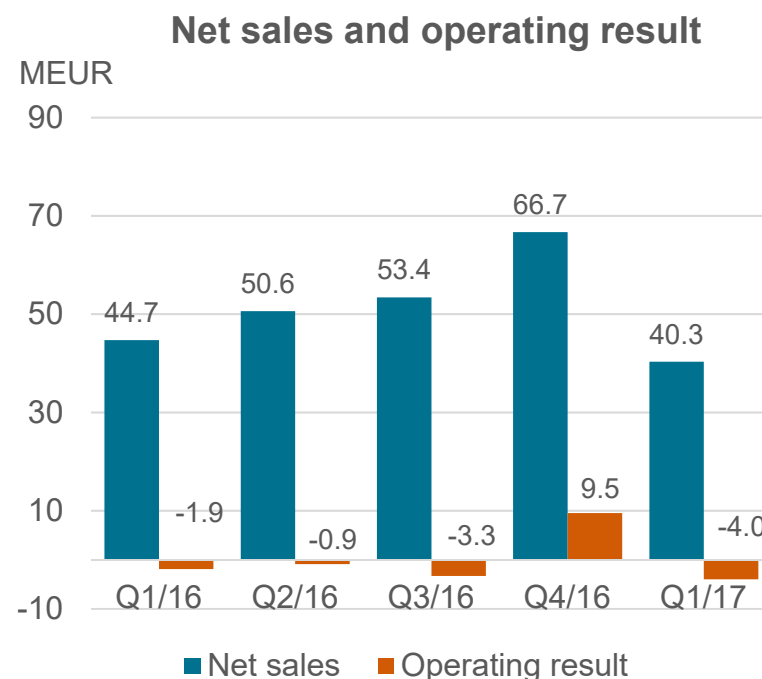
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Weather Q1 sales mix unchanged



Weather operating result reflects low net sales

	Q1/2017	Q1/2016
Orders received, EUR million	52.0	40.9
Net sales, EUR million	40.3	44.7
Gross margin, %	43.8	45.8
Operating expenses, EUR million	21.7	22.4
Operating result, EUR million	-4.0	-1.9
Operating result, %	-10.0	-4.2

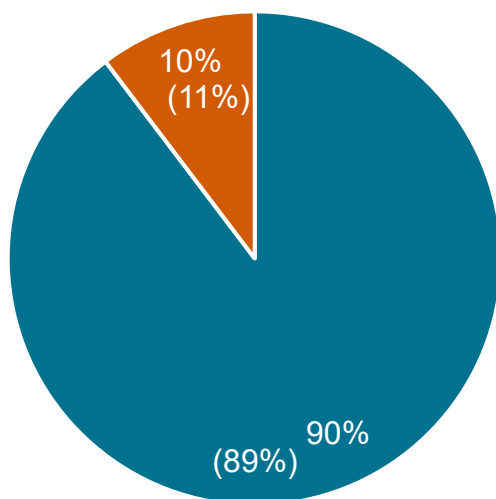


Controlled Environment

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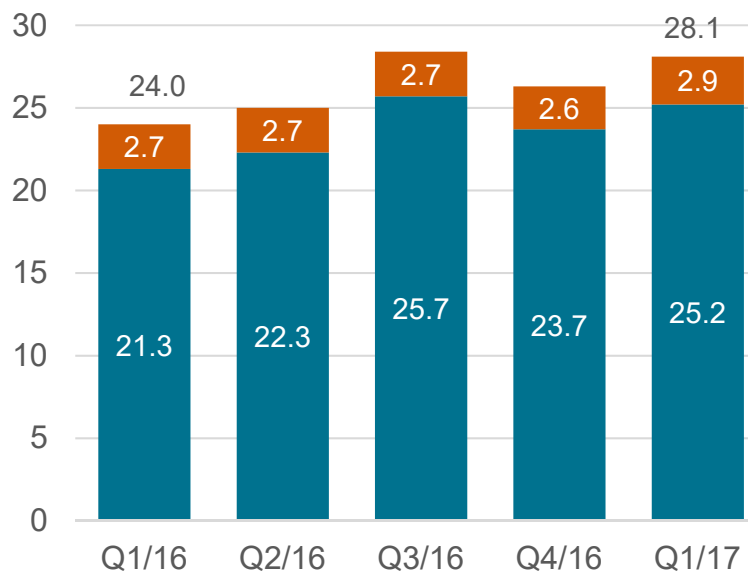
Controlled Environment Q1 net sales increased 17%

% of net sales in Q1/2017



■ Products ■ Services

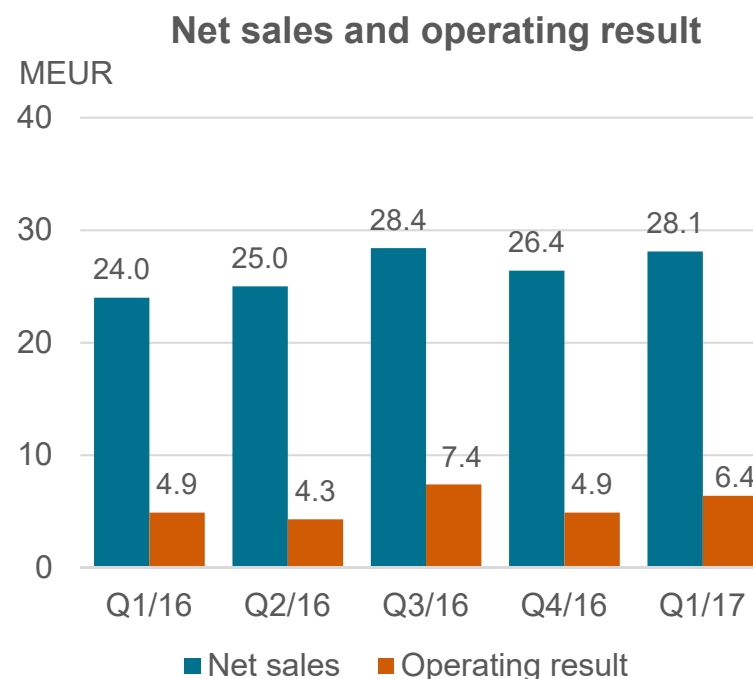
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■ Products ■ Services

Controlled Environment Q1 operating result % increased following net sales growth

	Q1/2017	Q1/2016
Orders received, EUR million	29.5	23.9
Net sales, EUR million	28.1	24.0
Gross margin, %	62.6	60.8
Operating expenses, EUR million	11.2	9.6
Operating result, EUR million	6.4	4.9
Operating result, %	22.7	20.6



Market and Business Outlook

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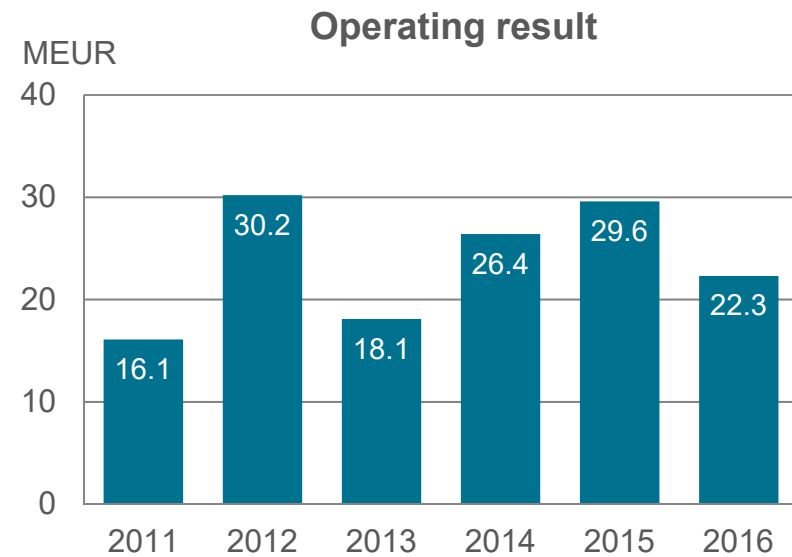
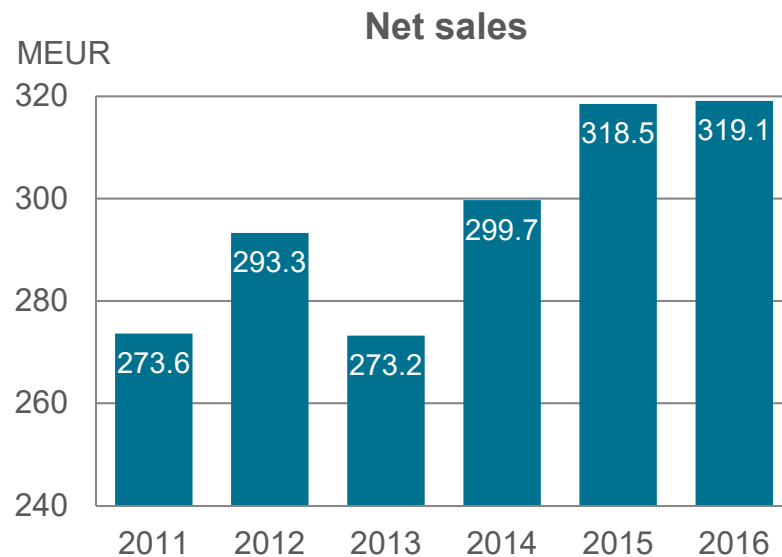
Market Outlook 2017

- Global economic growth improved in Q1 2017, and latest forecasts refer to a moderate outlook. Increase in commodity prices, especially in crude oil, is expected to improve outlook of several emerging economies. During Q1, also performance of global manufacturing industry improved, reflecting positively especially on Controlled Environment Business Area's outlook.
- Weather observation market outlook for 2017 is slightly more favorable than in 2016.
- Industrial measurement market outlook for 2017 continues to be favorable.



Business Outlook 2017 unchanged

- Vaisala estimates its full year 2017 net sales to be in the range of EUR 310–340 million and its operating result (EBIT) to be in the range of EUR 32–42 million.



Questions Welcome!

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Observations for a Better World