

Excellent fourth quarter and full year net sales and operating result

Financial Statement Release 2019

President and CEO Kjell Forsén

February 12, 2020

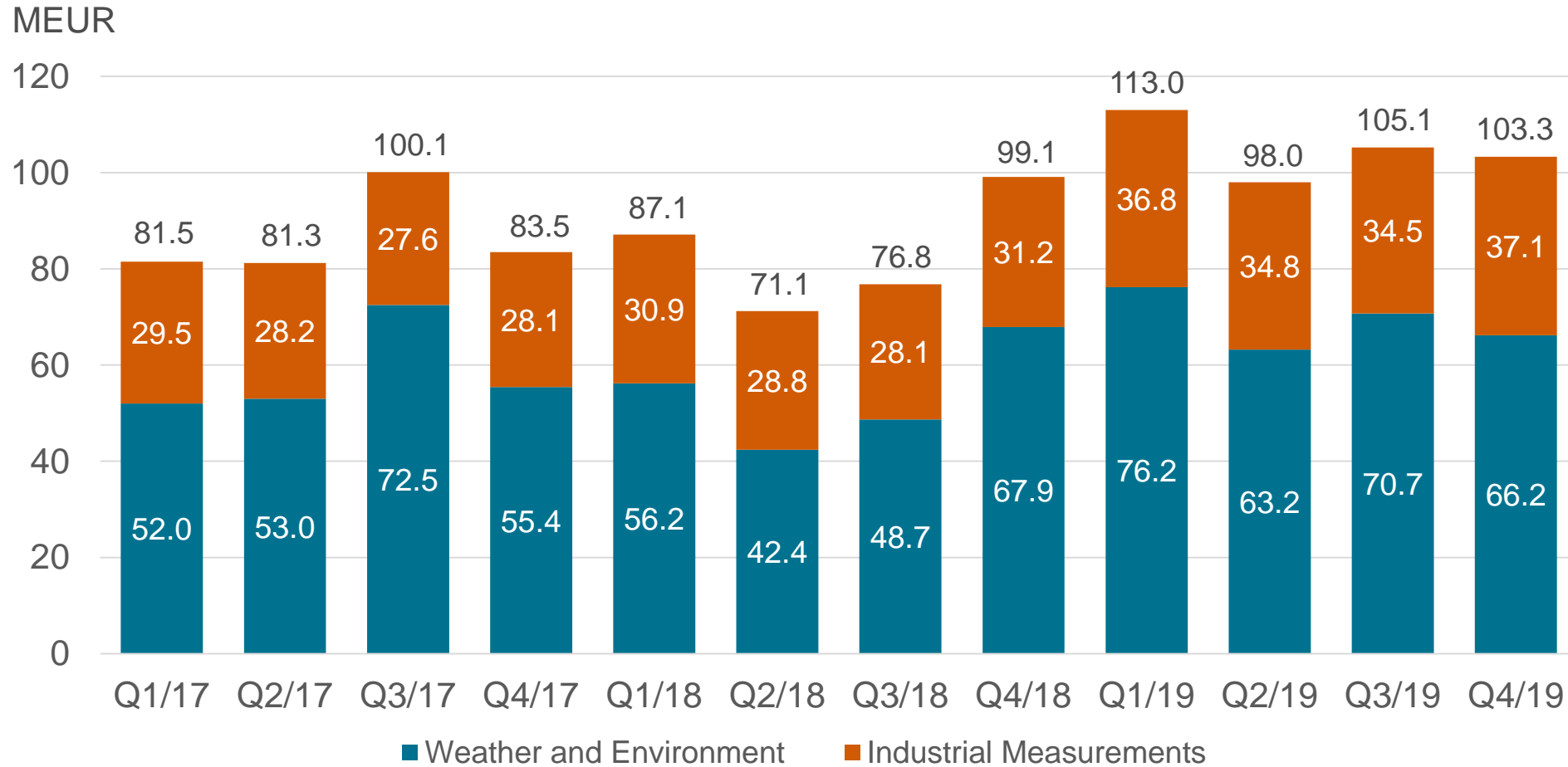
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Fourth quarter 2019 highlights

- Orders received EUR 103.3 (99.1) million, +4%
- Order book EUR 139.0 (120.6) million, +15%
- Net sales EUR 118.1 (108.3) million, +9%
- Gross margin 56.0 (54.3) %
- Operating result EUR 17.7 (13.9) million, 15.0 (12.9) % of net sales
- Earnings per share EUR 0.41 (0.32)
- Cash flow from operating activities EUR 23.1 (29.4) million



Vaisala Q4 orders received increased by 4%

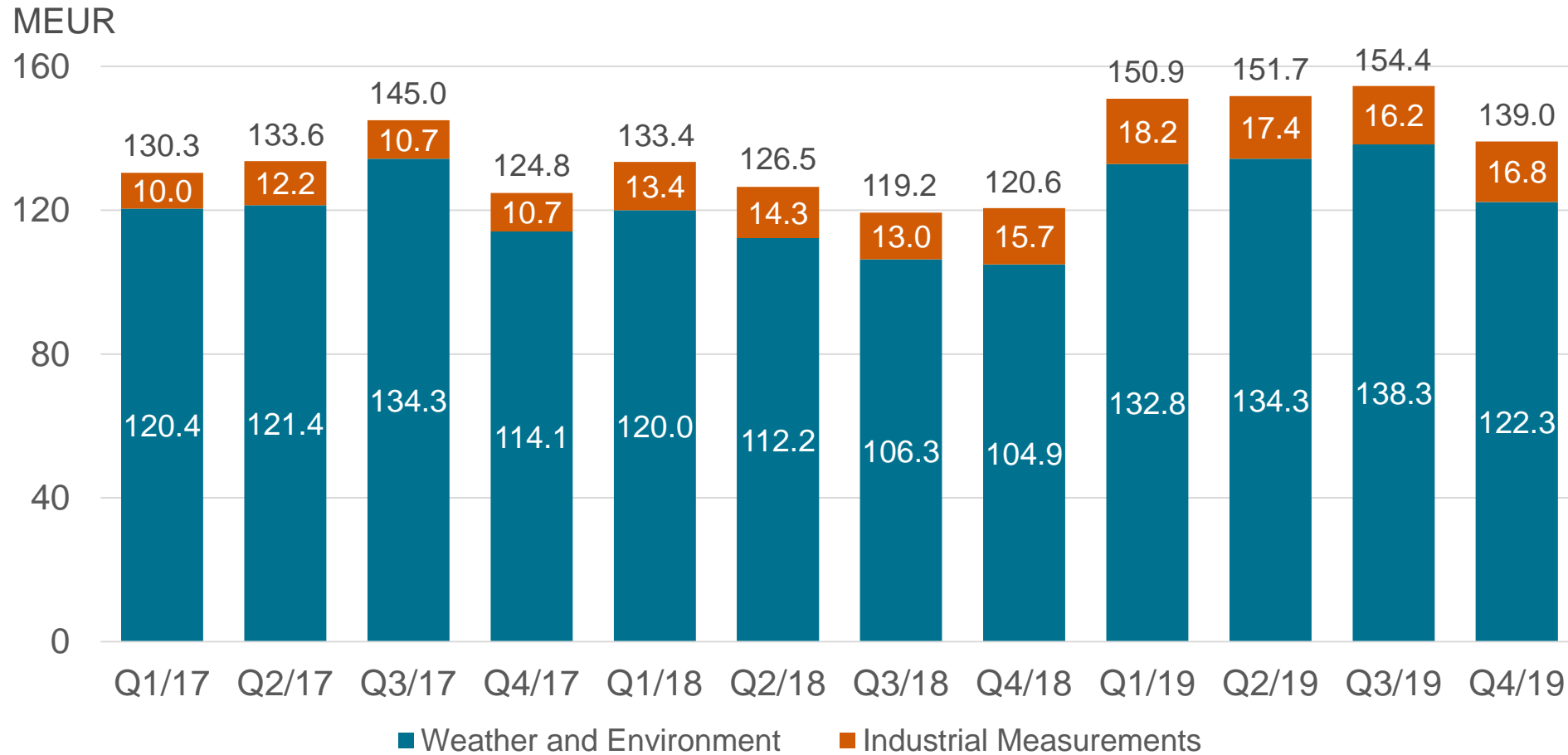


+2%
with comparable
rates

-3%
organic growth*

* Without currency impact and acquisitions

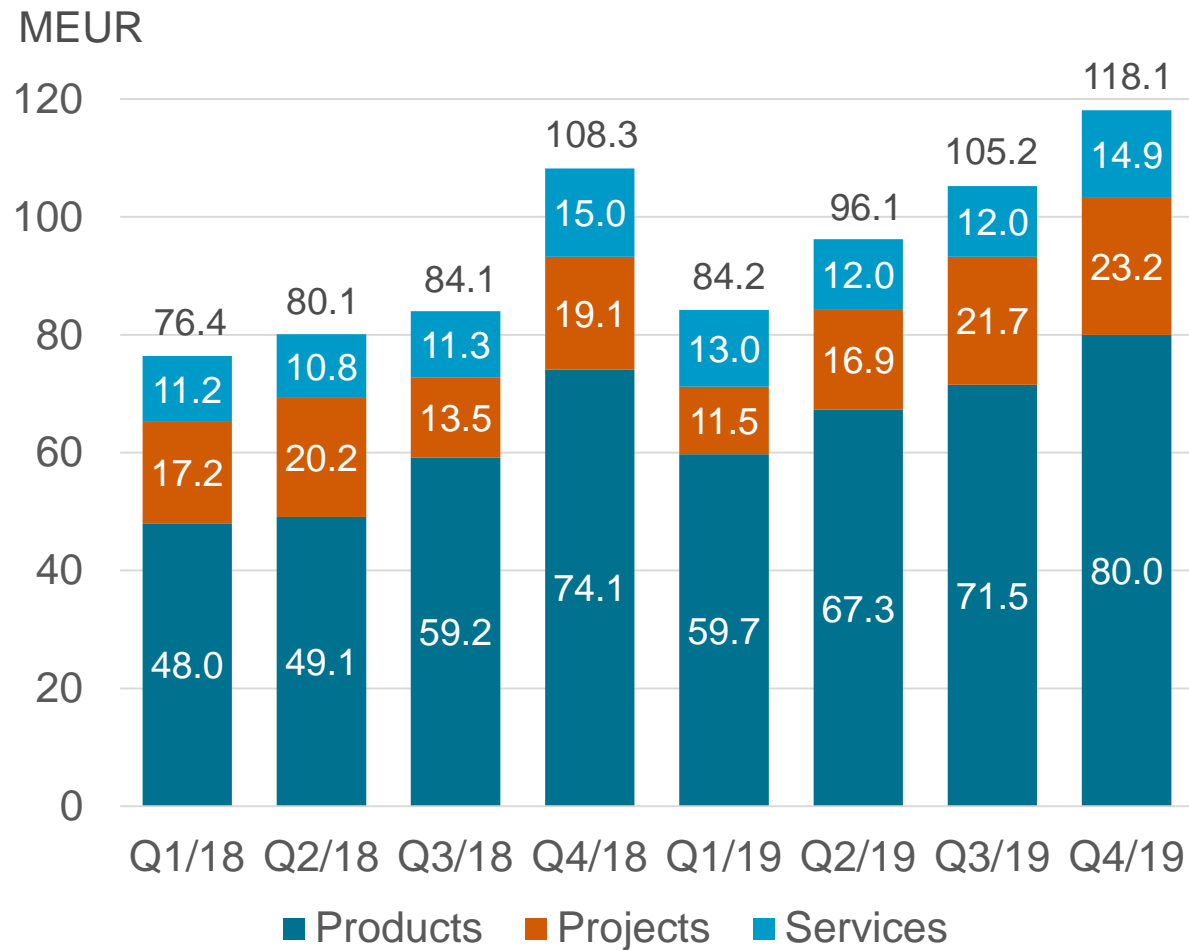
Vaisala order book reflects high deliveries in Q4



+15%
Y/Y

Excluding
Ethiopia project
order

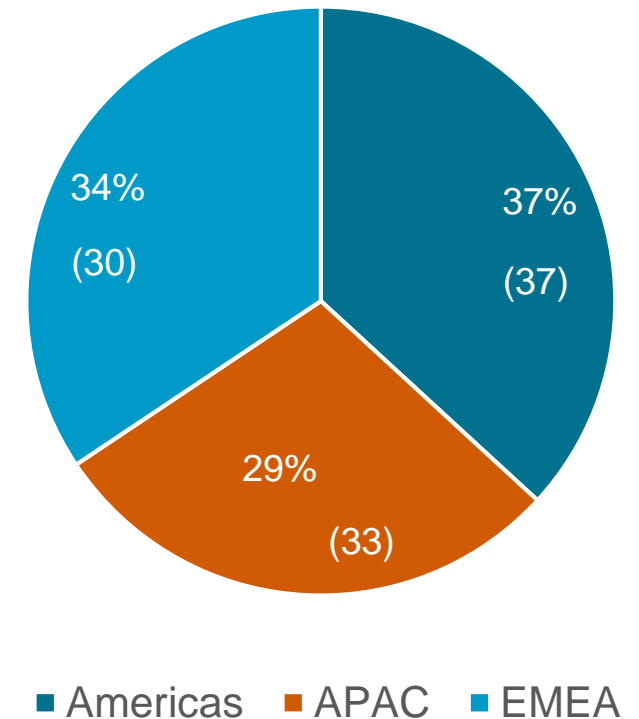
Vaisala Q4 net sales increased by 9%



+7%
with comparable
rates

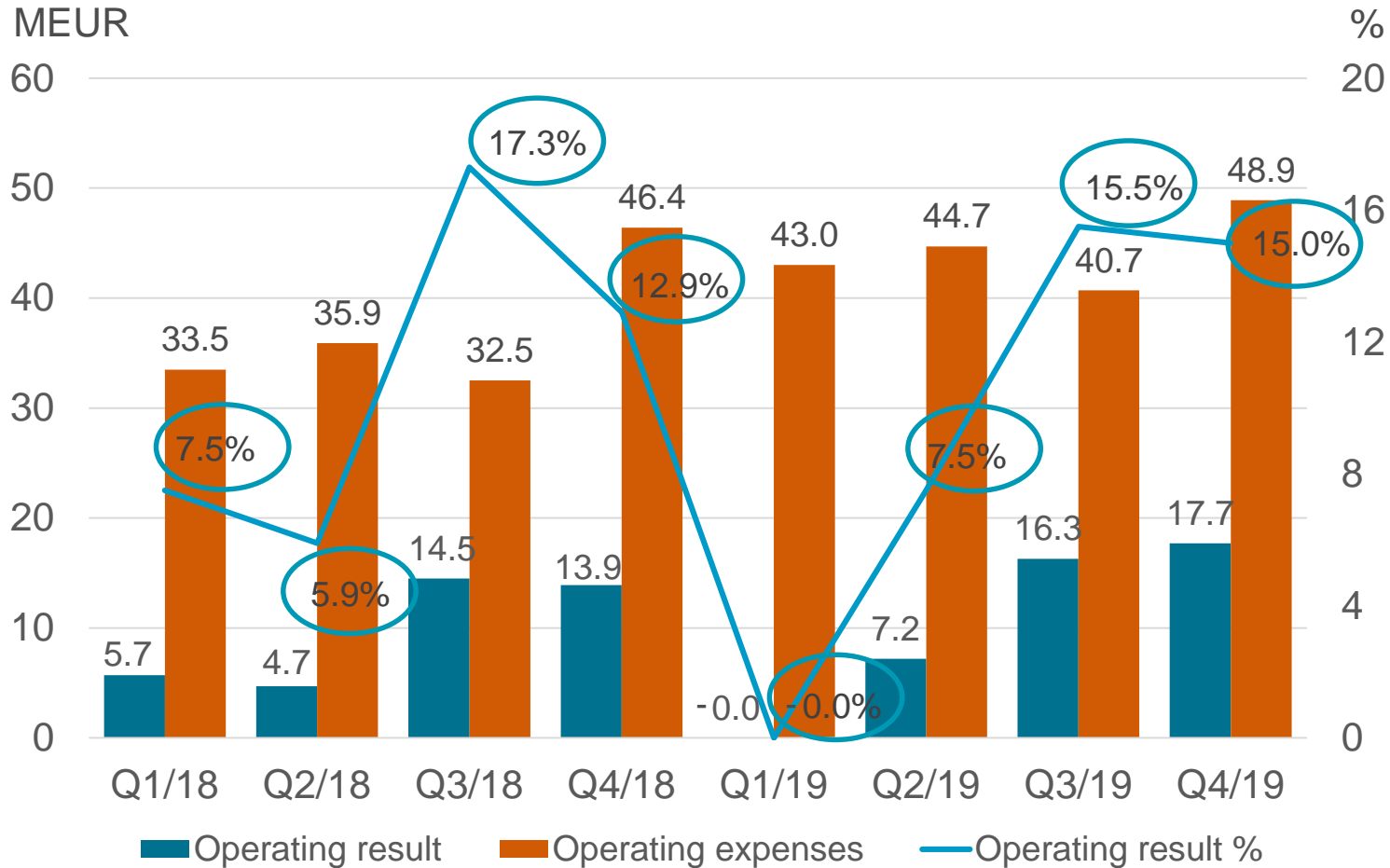
2%
organic growth*

Net sales by geographical area



* Without currency impact and acquisitions

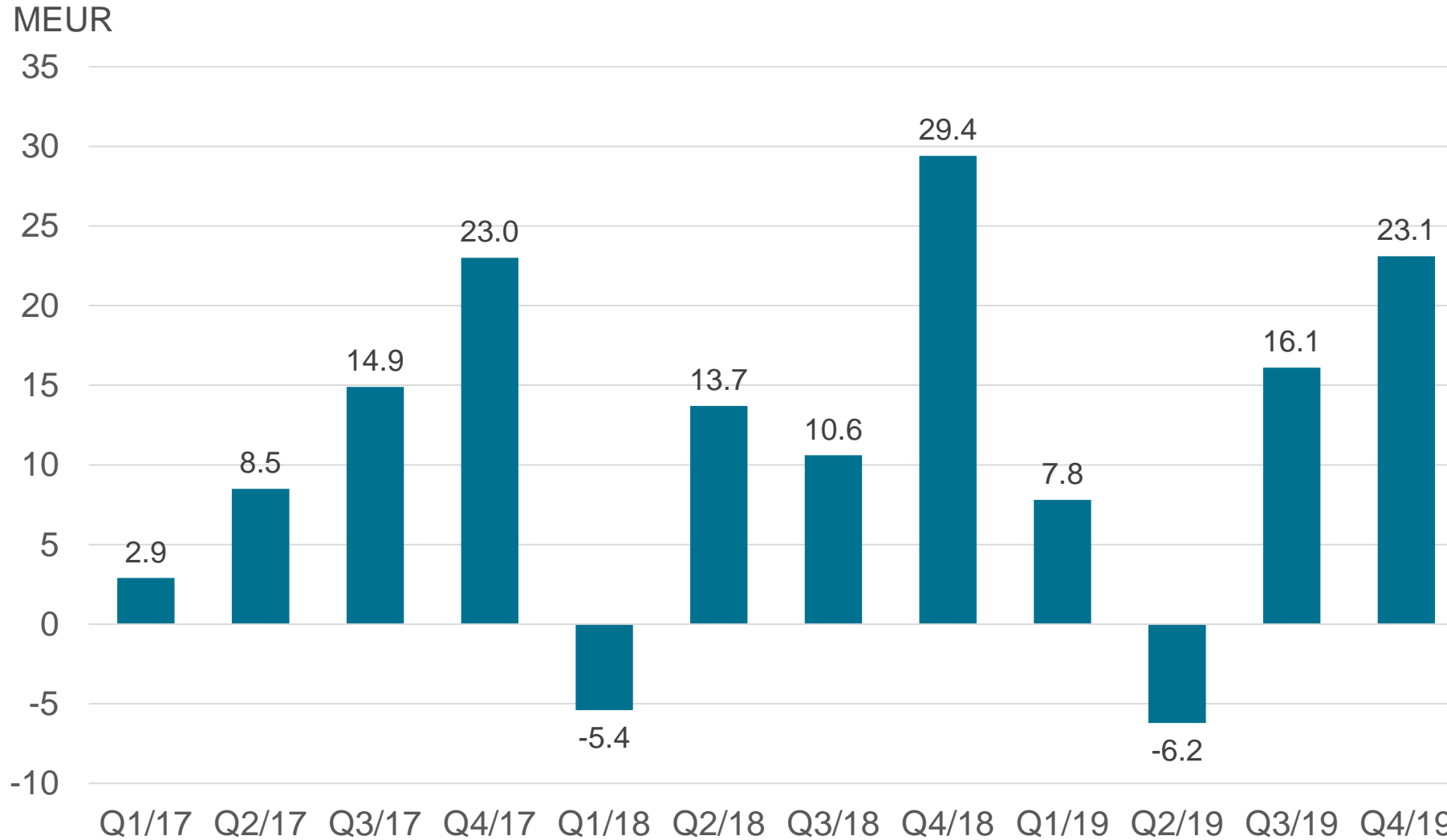
Vaisala Q4 operating result increased following net sales growth and gross margin improvement



2.4 MEUR amortization of intangible assets

Gross margin improved by 2 pp.

Cash flow from operating activities on good level



Strong Q4 cash flow following excellent operating result



Business Areas

Financial Statement Release 2019

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Weather and Environment Q4 – net sales grew by 5%

- Orders received decreased by 3%
 - Decrease with comparable FX rates 4%
 - 15% increase in Europe
- Order book increased by 17% Y/Y
 - EUR 86.6 (76.8) million scheduled to be delivered in 2020
- Net sales increased by 5%
 - Increase with comparable FX rates 4%
- Operating result improved following net sales growth and gross margin improvement
 - EUR 1.9 (3.3) million of amortization of intangible assets related to acquired businesses
 - R&D expenditure 10.3 (12.1) % of net sales

Organic growth of orders received -8%*

Organic growth of net sales 1%*

MEUR	Q4/19	Q4/18	Change
Orders received	66.2	67.9	-3%
Order book	122.3	104.9	17%
Net sales	81.9	77.6	5%
Products	47.0	46.4	1%
Projects	23.2	19.1	21%
Services	11.7	12.1	-4%
Gross margin %	52.7	51.1	
Operating expenses	31.1	30.7	1%
Operating result	12.1	10.5	
Operating result %	14.7	13.5	

* Without currency impact and acquisitions

Industrial Measurements Q4 – strong quarter for orders received and net sales

- Orders received increased by 19%
 - Increase with comparable FX rates 16%
- Order book increased by 7%
 - EUR 14.8 (14.3) million scheduled to be delivered in 2020
- Net sales increased by 18%
 - Increase with comparable FX rates 15%
- Operating result was at previous year's level
 - Operating expenses increased in all cost categories partly due to the acquired business
 - EUR 0.4 (0.0) million of amortization of intangible assets related to acquired business
 - R&D expenditure 14.2 (12.7) % of net sales

Organic growth of orders received 8%*

Organic growth of net sales 5%*

MEUR	Q4/19	Q4/18	Change
Orders received	37.1	31.2	19%
Order book	16.8	15.7	7%
Net sales	36.3	30.7	18%
Products	33.0	27.8	19%
Services	3.2	2.9	12%
Gross margin %	63.8	62.5	
Operating expenses	17.7	13.6	30%
Operating result	5.5	5.6	
Operating result %	15.1	18.1	

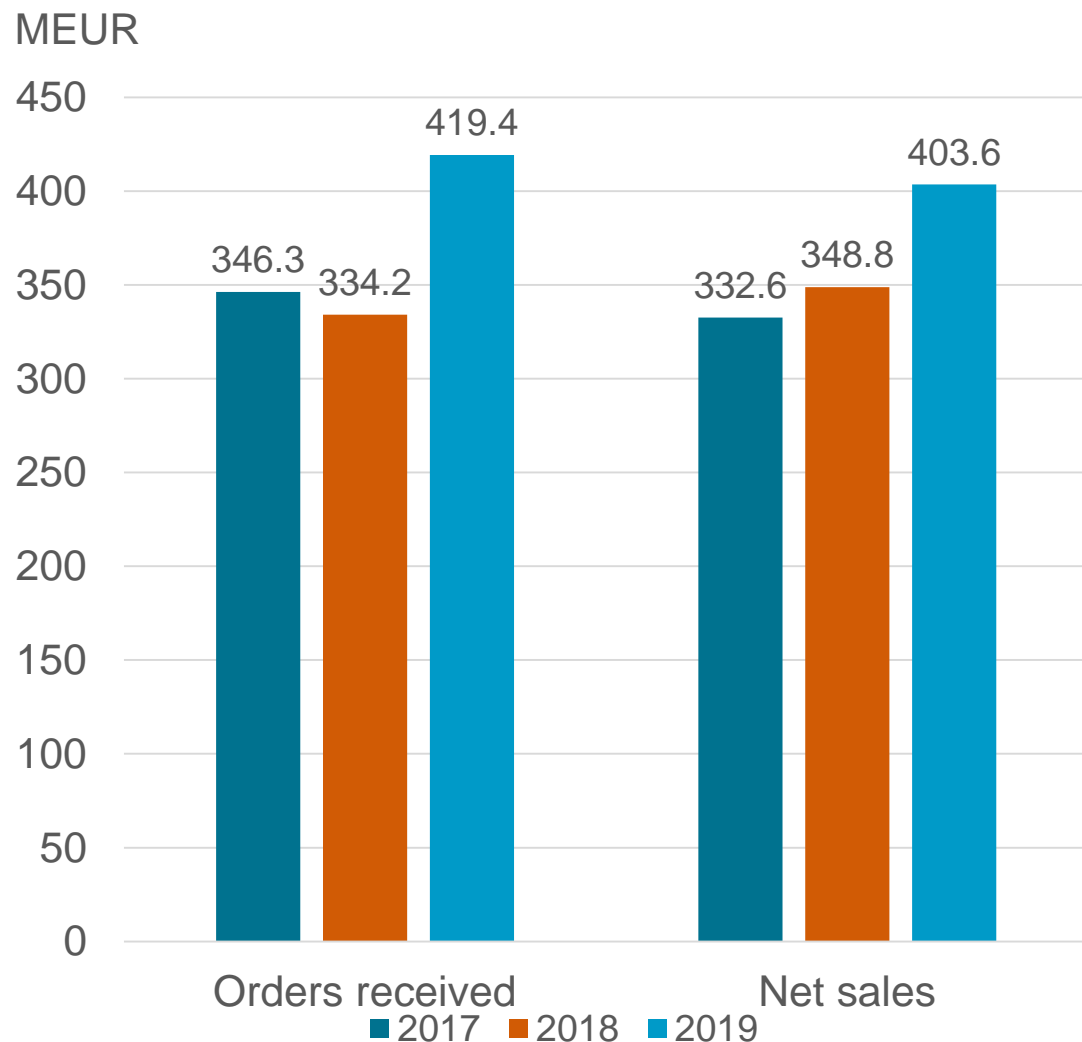
* Without currency impact and acquisitions

A person in a grey sweater is holding a smartphone over a desk. On the desk, there is a laptop, a white coffee cup, and several business reports. One report is titled 'Summary Report' and features a bar chart with multiple colored bars. Another report shows a pie chart. The scene is lit with warm, indoor lighting. A large blue diagonal overlay covers the left side of the image.

Full year 2019

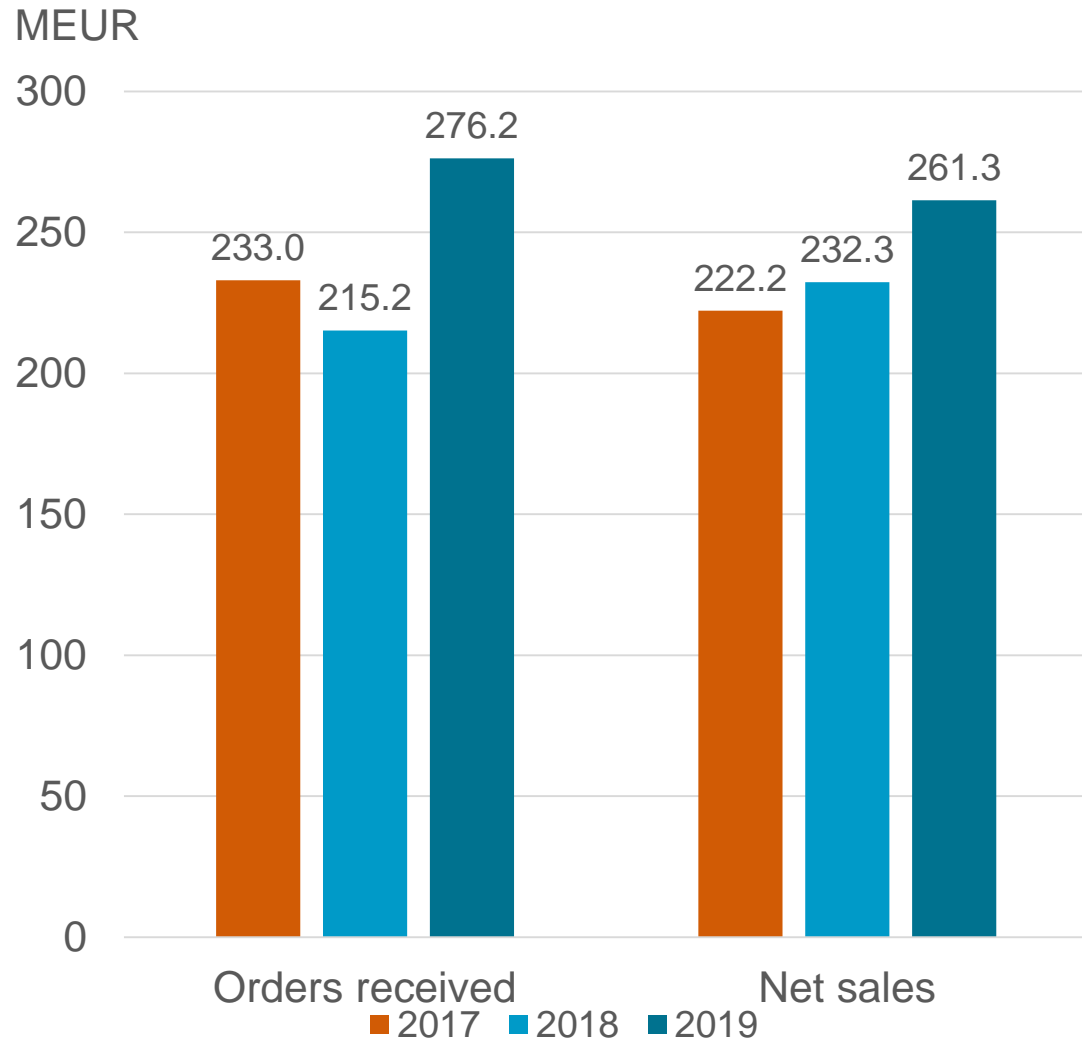
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Vaisala 2019 – excellent performance



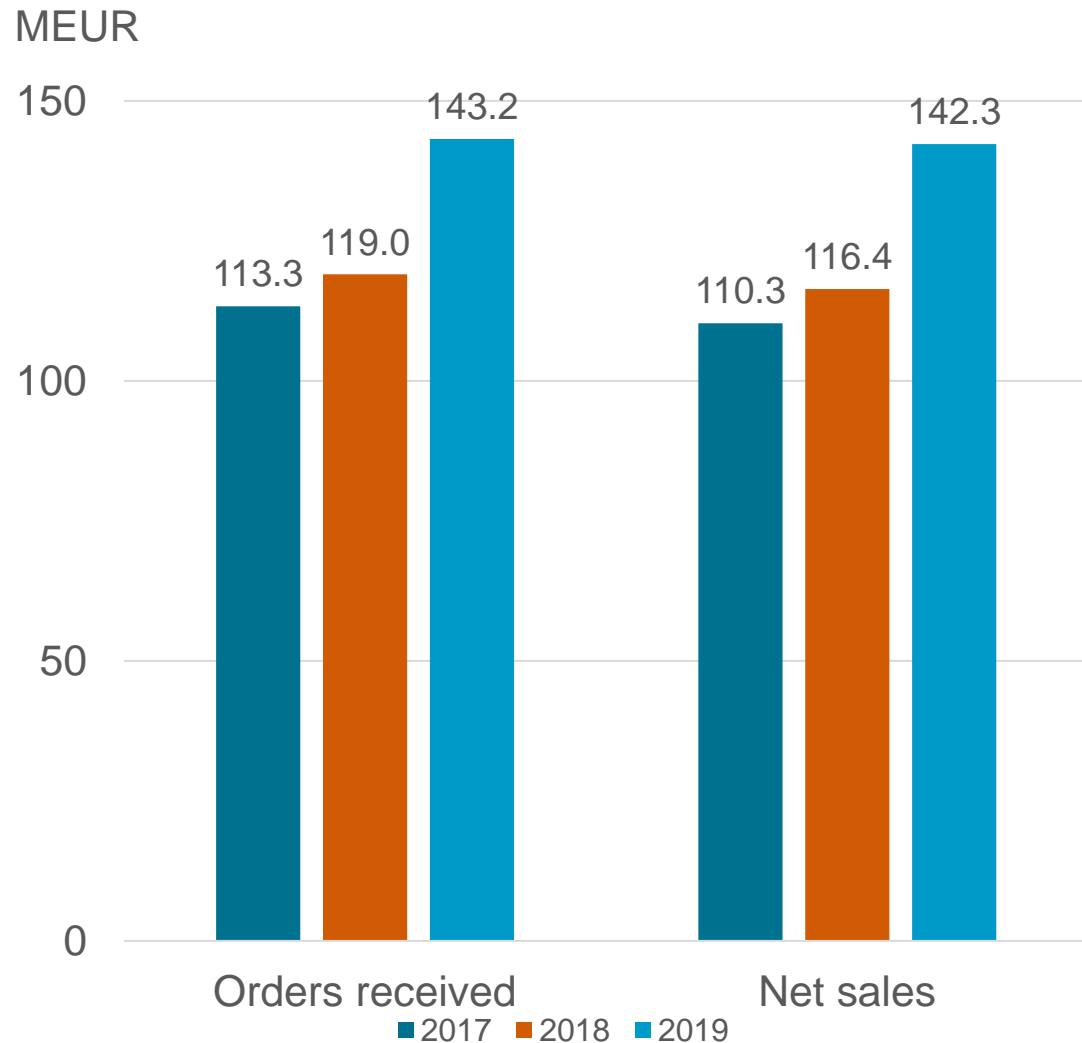
MEUR	2019	2018	2017
Orders received	419.4	334.2	346.3
Order book	139.0	120.6	124.8
Net sales	403.6	348.8	332.6
Gross margin %	54.8	53.1	52.3
Operating expenses	177.3	148.3	133.3
Operating result	41.1	38.9	40.9
Operating result %	10.2	11.1	12.3
Result for the period	33.6	29.5	27.2
Earnings per share	0.94	0.82	0.76
Capital expenditure	26.8	14.5	8.5
Cash flow from operating activities	40.8	48.3	49.2

Weather and Environment 2019 – excellent sales performance



MEUR	2019	2018	2017
Orders received	276.2	215.2	233.0
Order book	122.3	104.9	114.1
Net sales	261.3	232.3	222.2
Products	149.0	125.4	112.0
Projects	73.2	70.0	76.4
Services	39.1	36.9	33.8
Gross margin %	49.9	48.6	47.3
Operating expenses	113.0	96.7	87.3
Operating result	17.7	17.7	18.2
Operating result %	6.8	7.6	8.2

Industrial Measurements 2019 – excellent financial performance

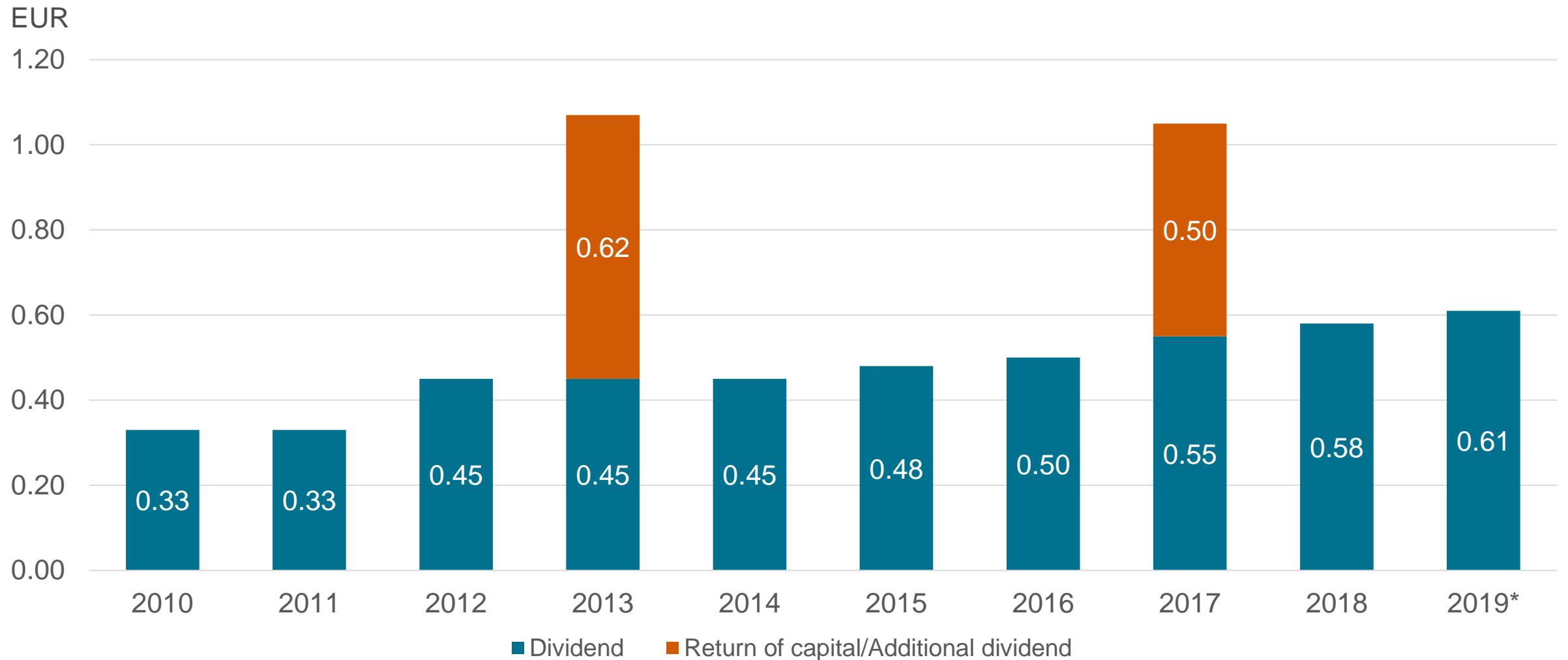


MEUR	2019	2018	2017
Orders received	143.2	119.0	113.3
Order book	16.8	15.7	10.7
Net sales	142.3	116.4	110.3
Products	129.5	105.1	98.7
Services	12.8	11.4	11.6
Gross margin %	63.9	62.1	62.4
Operating expenses	63.4	48.5	46.0
Operating result	26.1	23.9	22.8
Operating result %	18.4	20.5	20.7

Vaisala has strong financial position

MEUR	2019	2018	2017
Equity per share	5.52	5.11	5.20
Return on equity %	17.7	16.0	15.0
Solvency ratio %	55.7	55.6	68.9
Capital expenditure	26.8	14.5	8.5
Cash and cash equivalents	56.4	72.7	91.3
Interest-bearing liabilities	51.5	40.5	-
Gearing %	-2.4	-17.6	-49.2

Dividend development 2010–2019



* Boards' proposal

All dividends have been adjusted to reflect increased number of shares after the share issue without payment in April 2018.



Market Outlook and Business Outlook

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Market Outlook 2020

Weather and Environment

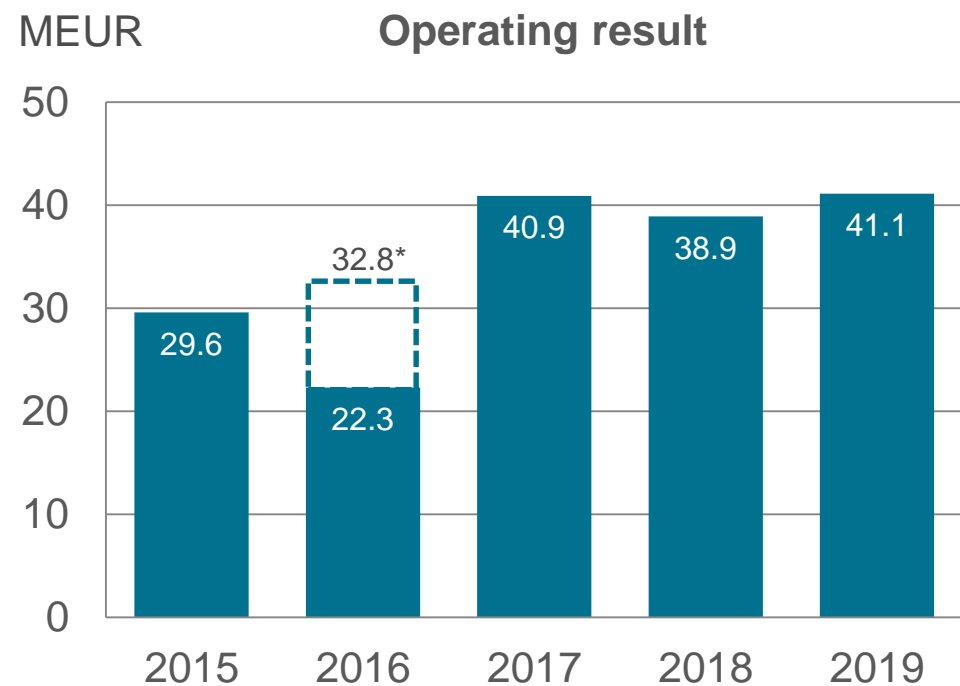
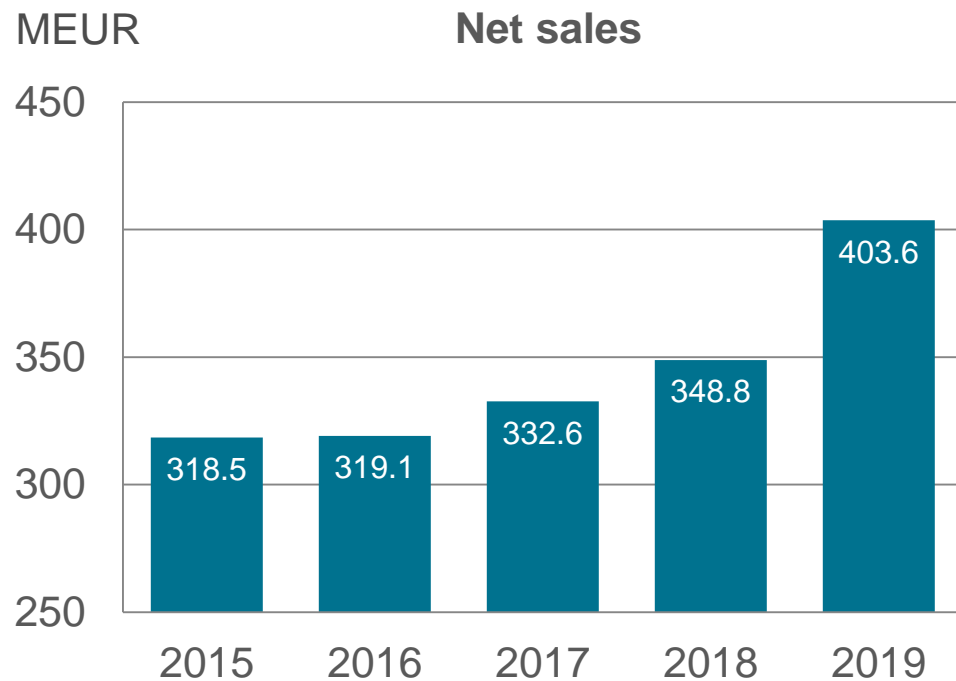
- Climate change and severe weather events drive need for continued replacement and enhancement of weather observation and forecasting capabilities. Related meteorology infrastructure market is expected to be stable or somewhat grow. Timing of projects may cause some annual volatility.
- In transportation, market for weather observation systems is expected to be stable or somewhat grow. Airports market is expected to be stable driven by replacements as well as construction of new airport capacity, especially in China. Ground transportation and road surface state modelling market is expected to grow modestly, partly driven by new applications for automotive industry and smart cities.
- Renewable energy market is expected to continue to grow and expectation for solar growth is higher than wind. Investments in new renewable energy capacity are expected to continue globally and highest investment volumes are expected in APAC.

Industrial Measurements

- In industrial measurements, increasing focus on energy and operations efficiency, longer product life cycles as well as increasing regulations and requirements for high-quality and security drive need for high-end industrial instruments and systems.
- Industrial instruments and liquid measurements markets are expected to continue to grow. Continuous monitoring systems and power industry markets' growth is expected to continue to exceed growth of industrial instruments.

Business Outlook 2020

- Vaisala estimates its full-year 2020 net sales to be in the range of EUR 400–425 million and its operating result (EBIT) to be in the range of EUR 38–48 million.



* Excl. EUR 10.5 million write down of intangible assets from the acquisitions of Second Wind Systems Inc. and 3TIER Inc. in 2013.



Questions Welcome!

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Observations for a Better World

A person with long hair, wearing a patterned jacket, is seen from behind, holding a smartphone to take a photo of a vast landscape. The landscape is filled with numerous hot air balloons of various colors and patterns, floating over a valley with rolling hills and a town in the distance. The sky is a soft, hazy blue, suggesting dawn or dusk. A large blue diagonal overlay covers the left side of the image, containing the title text.

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