

Strong orders received and good net sales growth

Interim Report January–March 2019

President and CEO Kjell Forsén

April 24, 2019

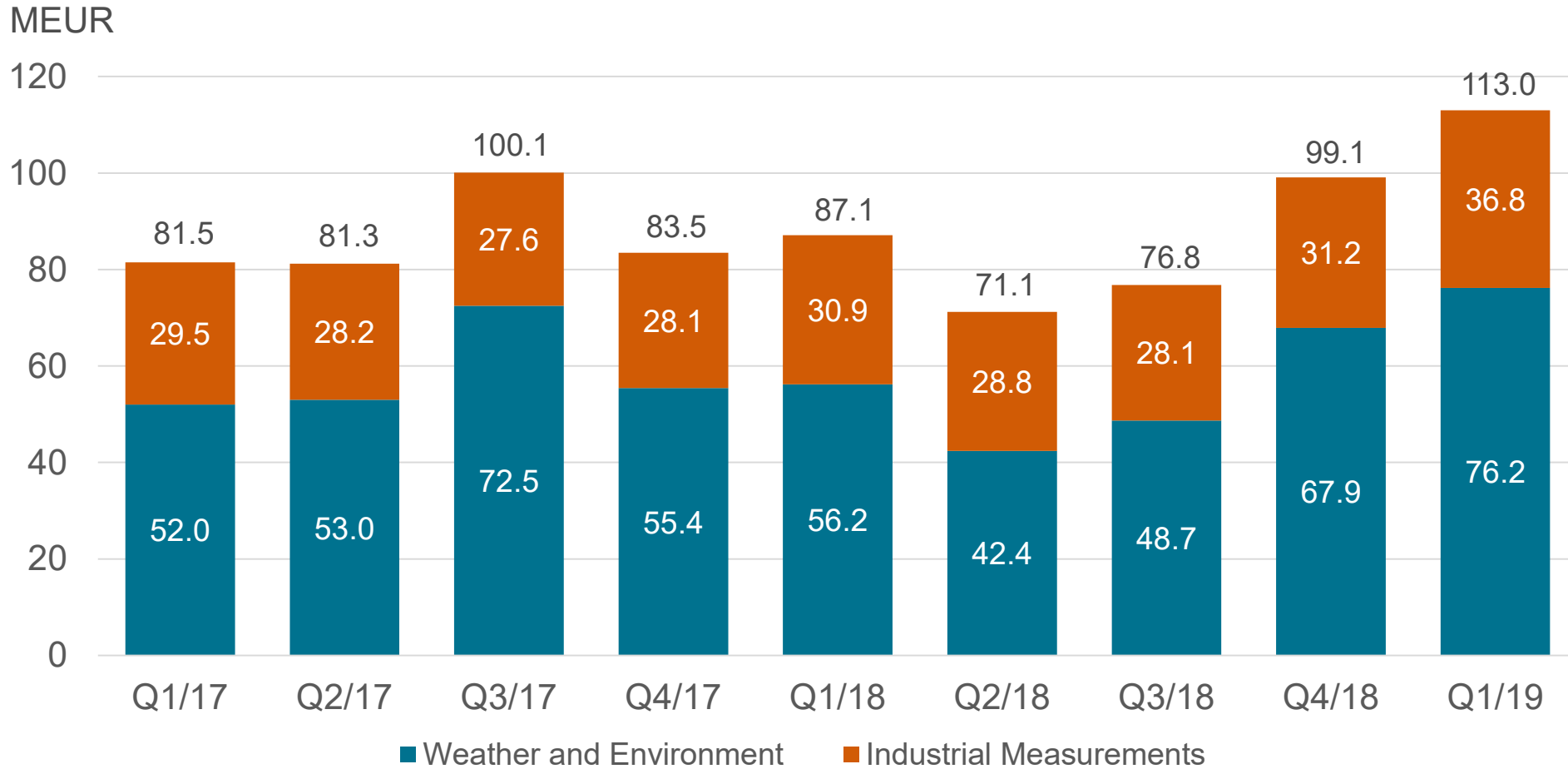
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First quarter 2019 highlights

- Orders received EUR 113.0 (87.1) million, +30%
- Order book EUR 150.9 (133.4) million, +13%
- Net sales EUR 84.2 (76.4) million, +10%
- Gross margin 53.2 (51.3) %
- Operating result EUR -0.0 (5.7) million, -0.0 (7.5) % of net sales
- Earnings per share EUR 0.01 (0.10)
- Cash flow from operating activities EUR 7.8 (-5.4) million



Vaisala Q1 orders received increased 30%

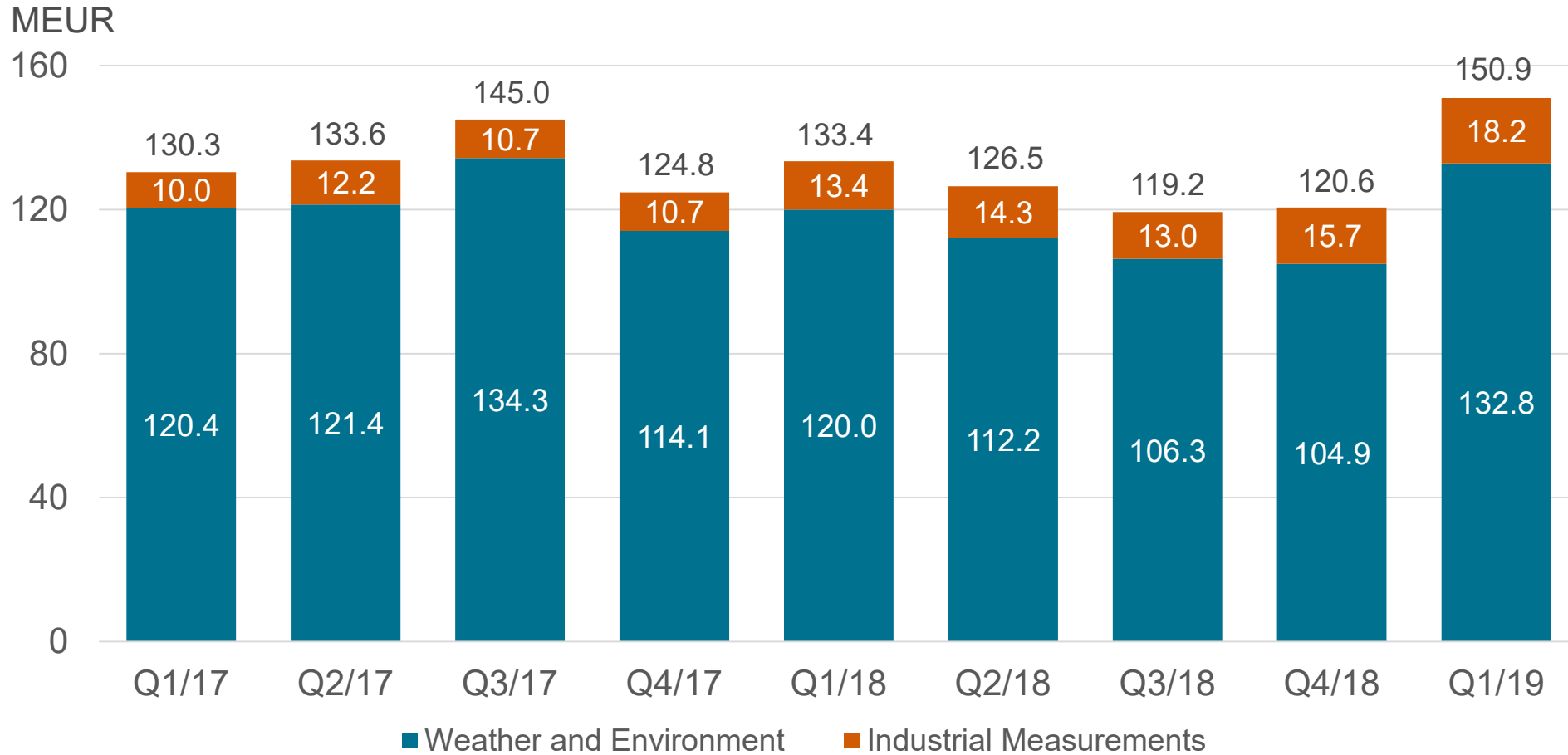


+27%
with comparable
rates

+15%
organic growth*

* Without currency impact and acquisitions

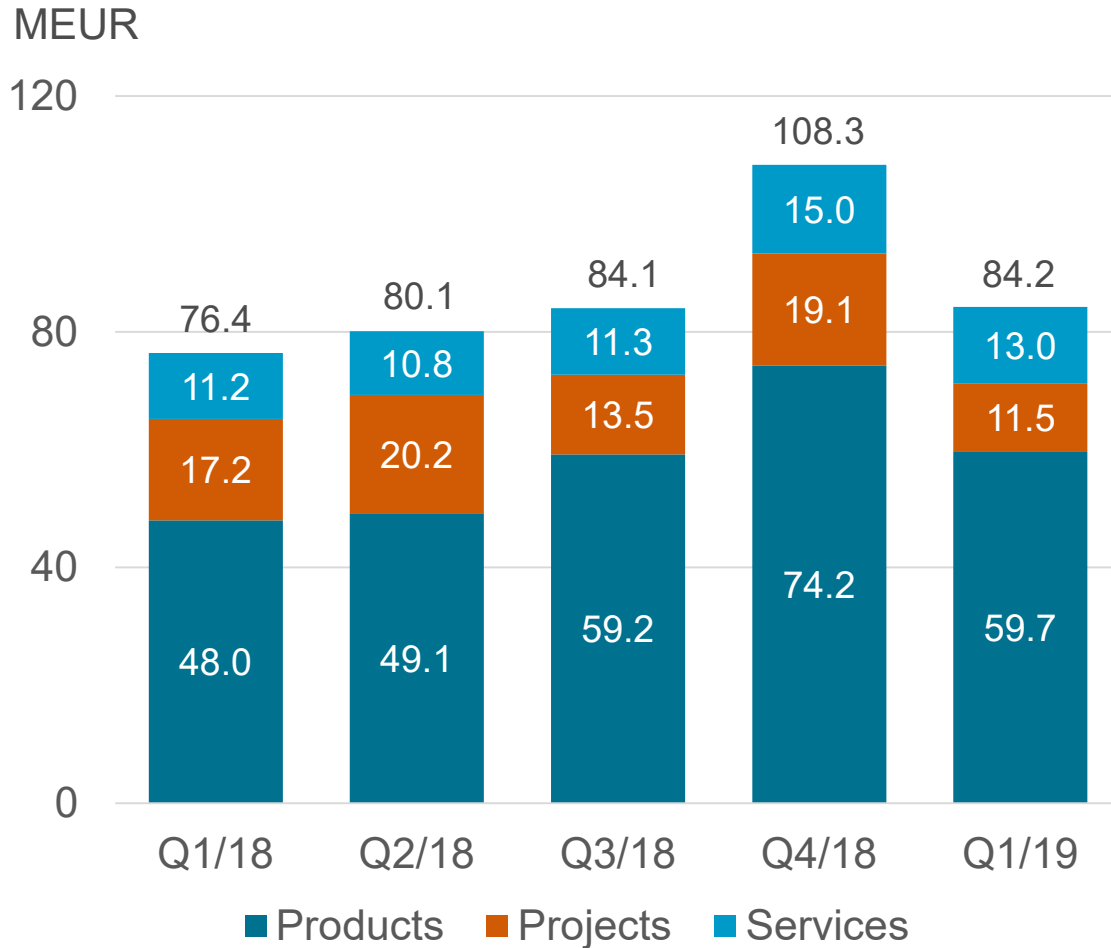
Vaisala order book improving



+13%
Y/Y

+30 MEUR
Q/Q

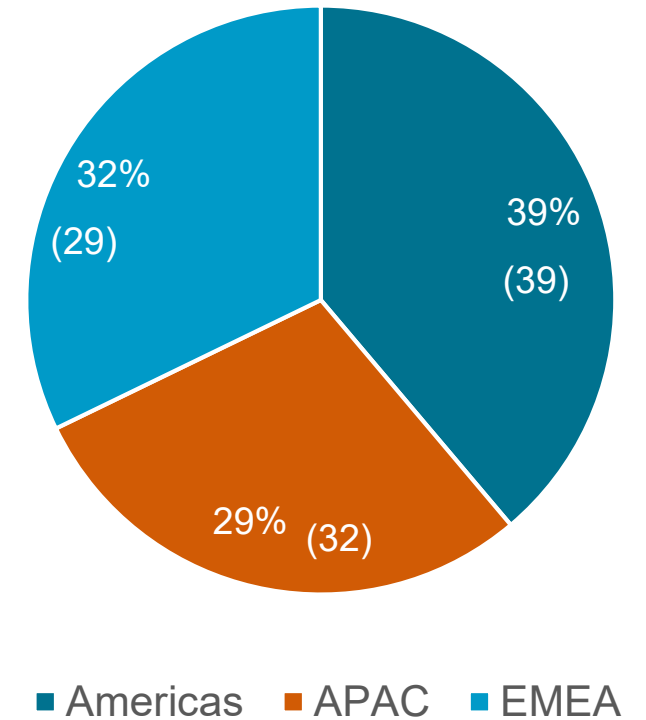
Vaisala Q1 net sales increased 10%



+8%
with comparable
rates

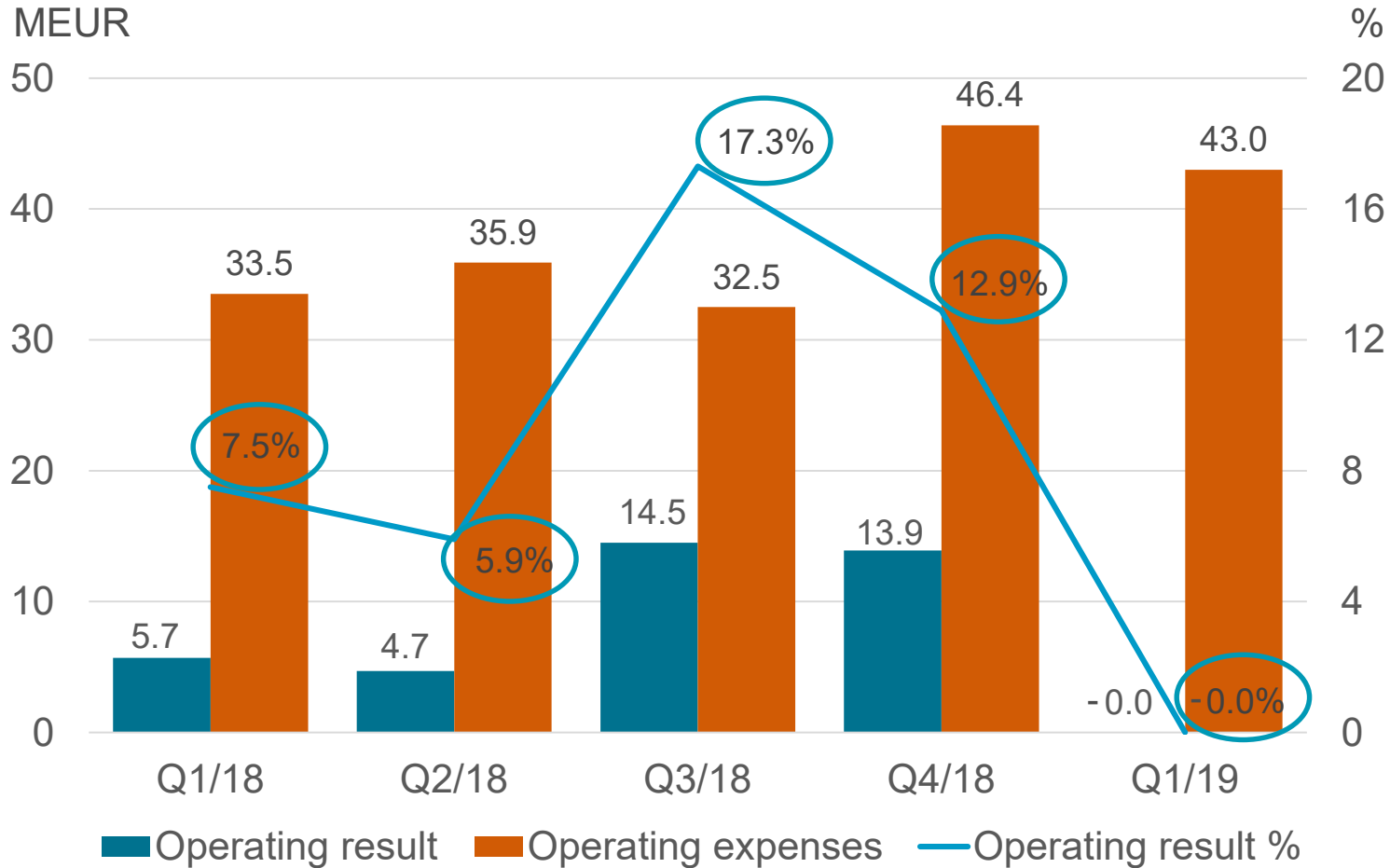
-4%
organic growth*

Net sales by geographical area



* Without currency impact and acquisitions

Vaisala operating result margin burdened by increase in operating expenses



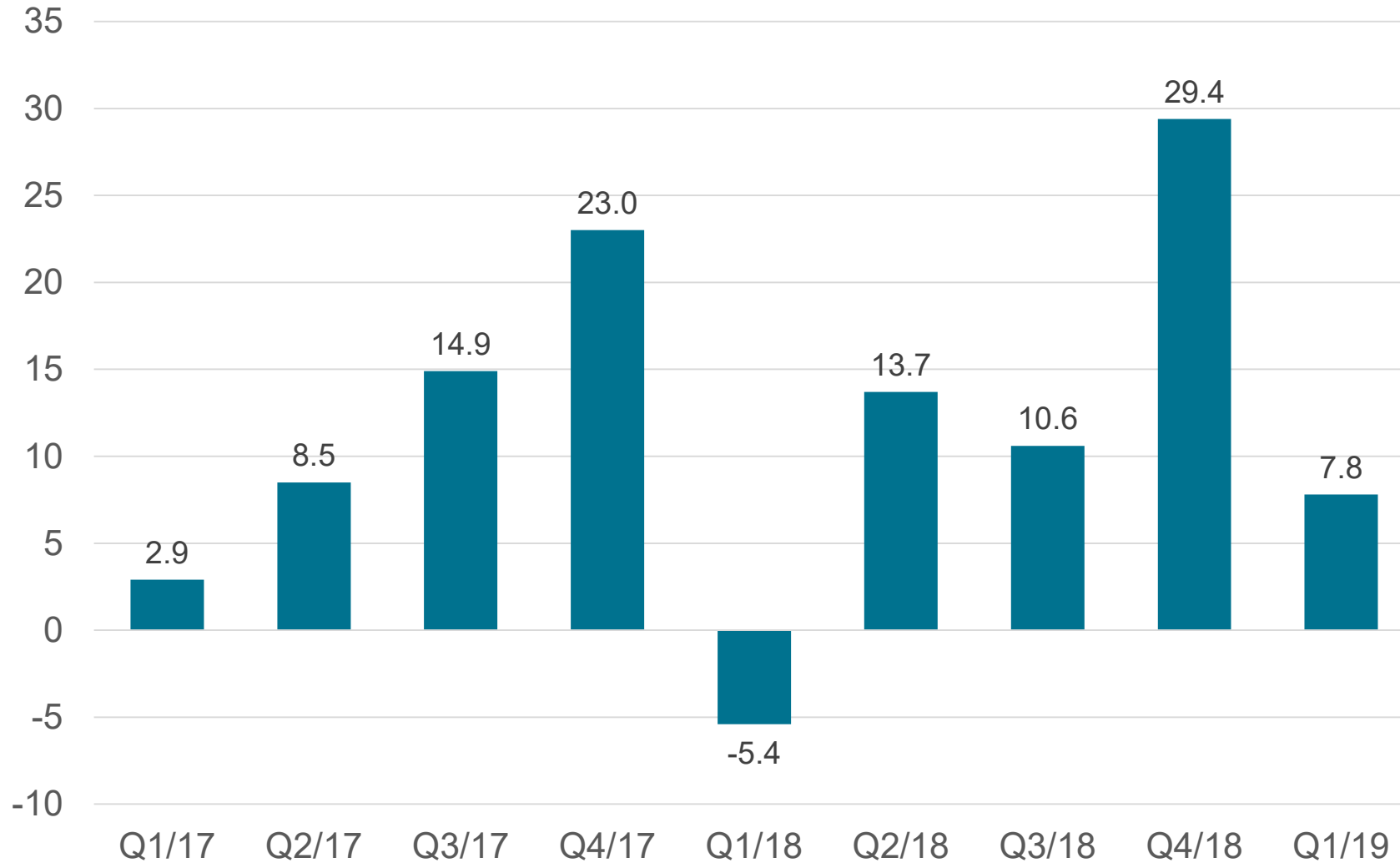
3 MEUR
amortization
of intangible
assets

Increase in
R&D
expenditure

2 MEUR
one-off cost
provision

Cash flow from operating activities increased

MEUR



4.8 MEUR
decrease in
net working
capital

Business Areas

Interim Report January–March 2019

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Weather and Environment Q1 – Strong orders received, net sales growth supported by Leosphere

- Orders received increased by 36%
 - Increase with comparable FX rates 34%
 - Orders for large projects picked up
- Order book increased by EUR 28 million during Q1
 - EUR 84.6 (85.1) million scheduled to be delivered in 2019
- Net sales increased 3%
 - Increase with comparable FX rates 1%
- Operating result burdened by increase in operating expenses
 - R&D expenditure increased according to plan to EUR 8.5 (7.0) million
 - EUR 1.6 million of amortization of intangible assets related to acquired businesses

Organic growth of orders received 20%*

Organic growth of net sales -9%*

MEUR	Q1/19	Q1/18	Change
Orders received	76.2	56.2	+36%
Order book	132.8	120.0	+11%
Net sales	49.6	48.1	+3%
Products	28.3	22.7	25%
Projects	11.5	17.2	-33%
Services	9.9	8.3	19%
Gross margin	46.1%	45.3 %	
Operating expenses	27.2	21.8	+25%
Operating result	-4.3	0.0	
Operating result margin	-8.7%	0.0%	

* Without currency impact and acquisitions

Industrial Measurements Q1 – Record high net sales

- Orders received increased by 19%
 - Increase with comparable FX rates 16%
- Order book increased by EUR 2.5 million during Q1
 - EUR 16.5 (12.0) million scheduled to be delivered in 2019
- Net sales increased 23%
 - Increase with comparable FX rates 19%
- Operating result decreased due to increase in operating expenses
 - R&D expenditure increased according to plan to EUR 4.5 (3.6) million
 - EUR 1.4 million of amortization of intangible assets related to acquired business
 - EUR 2.0 million one-off cost provision

Organic growth of orders received 6%

Organic growth of net sales 6%

MEUR	Q1/19	Q1/18	Change
Orders received	36.8	30.9	+19%
Order book	18.2	13.4	+36%
Net sales	34.6	28.2	+23%
Products	31.5	25.3	24%
Services	3.1	2.9	7%
Gross margin	63.3%	61.8%	
Operating expenses	15.4	11.5	+34%
Operating result	4.6	5.9	
Operating result margin	13.3%	21.1%	

* Without currency impact and acquisitions

Key Financials, Market Outlook and Business Outlook

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Key financials

		Q1/2019	Q1/2018	Change	2018
Orders received	MEUR	113.0	87.1	30%	334.2
Order book	MEUR	150.9	133.4	13%	120.6
Net sales	MEUR	84.2	76.4	10%	348.8
Gross margin	%	53.2	51.3		53.1
Operating expenses	MEUR	43.0	33.5	28%	148.3
Operating result	MEUR	-0.0	5.7	-101%	38.9
Operating result margin	%	-0.0	7.5		11.1
Result before taxes	MEUR	0.2	4.5	-95%	37.5
Result for the period	MEUR	0.2	3.5	-95%	29.5
Earnings per share	EUR	0.01	0.10	-95%	0.82
Return on equity	%	0.4	7.4		16.0
Capital expenditure	MEUR	4.4	2.2	99%	14.5
Depreciation, amortization and impairment	MEUR	6.3	2.2	190%	12.1
Cash flow from operating activities	MEUR	7.8	-5.4	244%	48.3
Cash and cash equivalents	MEUR	75.6	83.5	-10%	72.7
Interest-bearing liabilities	MEUR	50.7	0.0		40.5
Gearing	%	-15.3	-43.8		-17.6

Market Outlook 2019

Weather and Environment

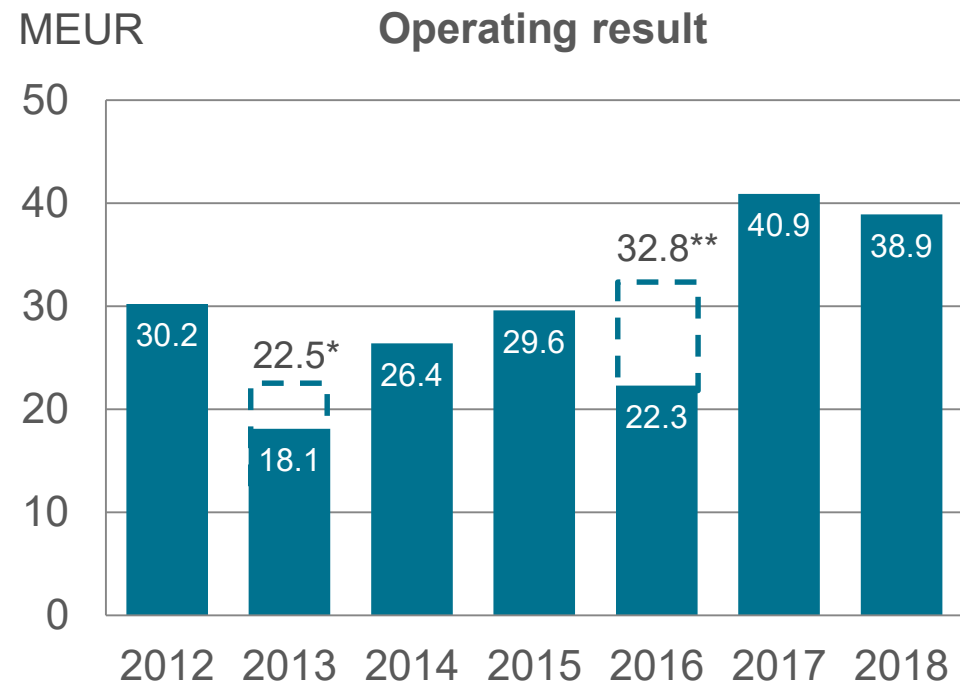
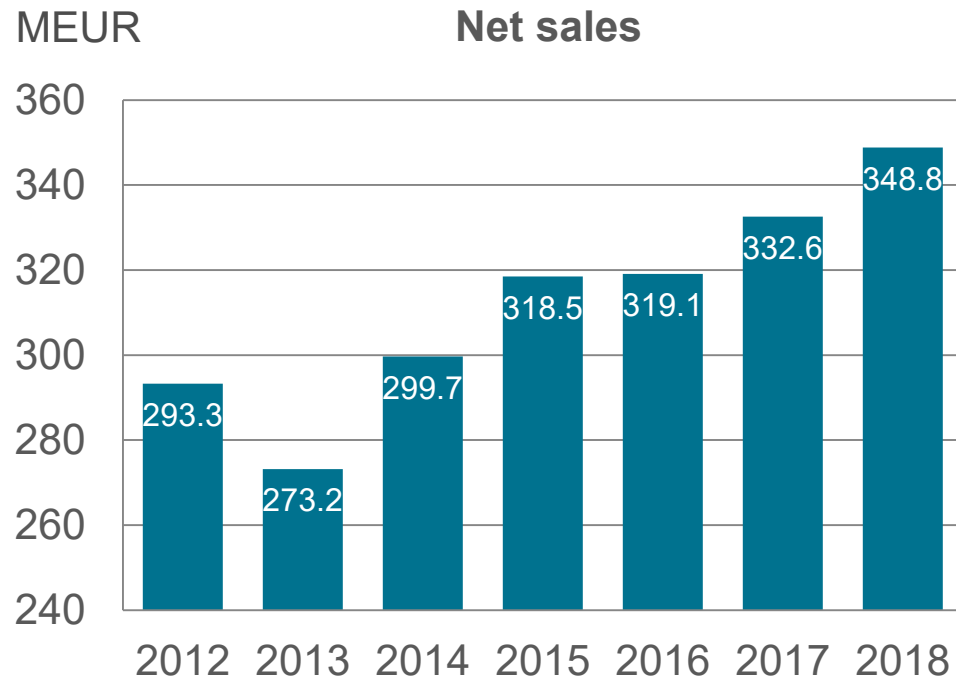
- Market for traditional weather observation solutions is expected to be flat.
- Demand is expected to improve in Europe and moderately in China and Americas. In Asia-Pacific, Middle East and Africa region demand is expected to decline moderately.
- Demand for digital solutions is expected to improve moderately compared to previous year.

Industrial Measurements

- Market for industrial measurement solutions is expected to continue to grow in all regions.
- Demand for continuous monitoring systems is expected to develop positively.
- Liquid measurements, a new market entry for Vaisala, is expected to develop positively.
- Vaisala continues channel development and market entry with power transmission products, which has turned out to be challenging even though market is expected to develop positively.

Business Outlook 2019

- Vaisala estimates its full-year 2019 net sales to be in the range of EUR 380–400 million and its operating result (EBIT) to be in the range of EUR 25–35 million including EUR 10–12 million acquisition related amortization and one-off expenses related to a lease contract.



* Excl. EUR 4.3 million impairment charge related to goodwill and intangible assets from the acquisition of Veriteq Instruments Inc. in 2010.

** 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

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