

VAISALA

Half Year Financial Report

January–June 2024

Vaisala Corporation Half Year Financial Report January–June 2024

Strong growth in Q2 orders received and net sales, operating result doubled

Second quarter 2024 highlights

- Orders received EUR 147.2 (129.3) million, increase 14%
- Order book at the end of the period EUR 196.9 (167.4) million, increase 18%
- Net sales EUR 148.4 (130.8) million, increase 13%
- Operating result (EBIT) EUR 23.7 (11.9) million, 15.9 (9.1) % of net sales
- Earnings per share EUR 0.49 (0.22)
- Cash flow from operating activities EUR 7.7 (8.8) million

January–June 2024 highlights

- Orders received EUR 270.5 (261.3) million, increase 4%
- Net sales EUR 260.5 (262.6) million, decrease 1%
- Operating result (EBIT) EUR 30.8 (25.2) million, 11.8 (9.6) % of net sales
- Earnings per share EUR 0.64 (0.49)
- Cash flow from operating activities EUR 24.8 (35.7) million

Business outlook for 2024 – estimate ranges specified

Vaisala estimates that its full-year 2024 net sales will be in the range of EUR 540–570 million and its operating result (EBIT) will be in the range of EUR 68–78 million.

Earlier Vaisala estimated that its full-year 2024 net sales would be in the range of EUR 530–570 million and its operating result (EBIT) would be in the range of EUR 63–78 million.

Market outlook for 2024

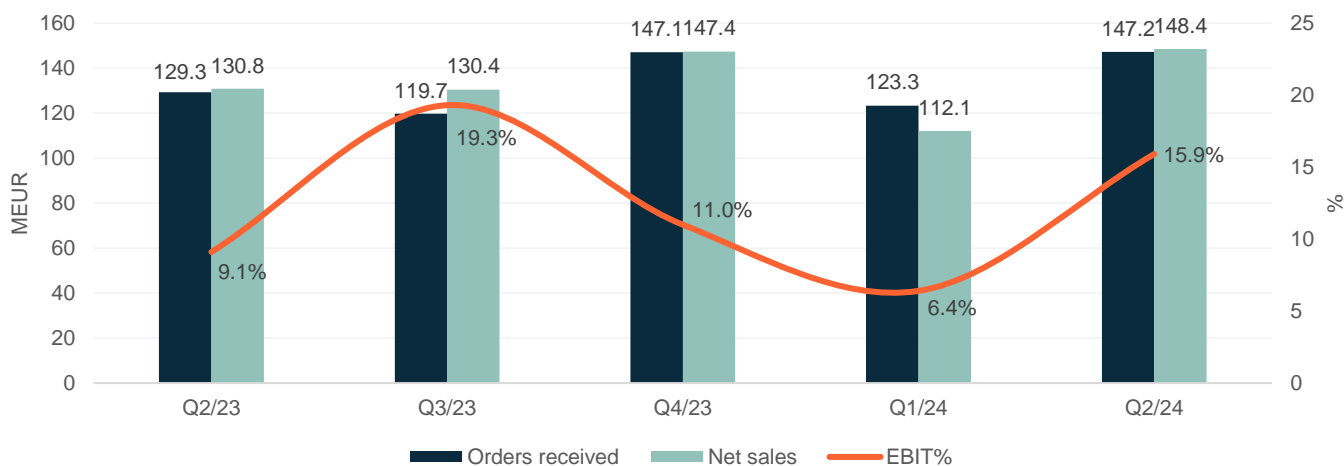
Markets for high-end industrial instruments and life science slowed down significantly during Q2/2023 and remained on a lower level for the rest of the year. Markets remained flat in H1/2024 and are expected to start improving during H2/2024. Markets for power and energy, and liquid measurements markets are expected to grow.

Markets for the more mature markets, meteorology, aviation, and roads, are expected to be stable. Market for renewable energy is expected to grow.

Key figures

MEUR	4-6/2024	4-6/2023	Change	1-6/2024	1-6/2023	Change	1-12/2023
Orders received	147.2	129.3	14%	270.5	261.3	4%	528.1
Order book	196.9	167.4	18%	196.9	167.4	18%	172.5
Net sales	148.4	130.8	13%	260.5	262.6	-1%	540.4
Gross profit	84.6	72.1	17%	145.3	146.0	0%	301.7
Gross margin, %	57.0	55.1		55.8	55.6		55.8
Operating expenses	61.2	60.4	1%	114.8	121.1	-5%	235.9
Operating result	23.7	11.9		30.8	25.2		66.6
Operating result, %	15.9	9.1		11.8	9.6		12.3
Result before taxes	23.2	10.5		29.8	22.9		63.1
Result for the period	17.9	8.0		23.1	17.6		48.9
Earnings per share	0.49	0.22	124%	0.64	0.49	31%	1.35
Return on equity, %				17.4	14.5		18.9
Research and development costs	17.9	18.1	-1%	34.3	36.0	-5%	67.7
Capital expenditure	4.9	3.6	34%	6.9	6.7	2%	13.9
Depreciation, amortization, and impairment	5.8	6.1	-4%	11.5	12.0	-4%	24.3
Cash flow from operating activities	7.7	8.8	-13%	24.8	35.7	-31%	83.8
Cash and cash equivalents				65.2	51.2	27%	90.3
Interest-bearing liabilities				45.9	62.9	-27%	62.1
Gearing, %				-7.3	4.9		-10.5

Rolling five quarter development



President and CEO Kai Öistämö

“Vaisala had a strong second quarter and both our business areas performed well after the slow start of the year. We continued executing our strategy with sustained profitability improvement in the established weather business and continued growth in subscription sales as well as in services sales. Compared to the previous year, our Q2 orders received grew by 14% and net sales by 13%. The quarter ended with a new record-high order book of EUR 197 million. Moreover, our Q2 operating result more than doubled compared to the previous year, reflecting the strong growth in net sales, improved gross margin, and successful cost consciousness.

After challenging 12 months, Industrial Measurements business area was back on growth. Q2 orders received grew by 8% and net sales by 7%. In the life science market segment, orders received were at previous year’s level, while orders in all other market segments grew. Net sales continued to grow very strongly in the power and energy market segment. We saw very strong growth also in the business area’s service sales, resulting from systematic sales efforts and growing the installed base of our equipment. The gross margin and operating result margin returned to a good level, operating result margin again exceeding 20%.

For Weather and Environment business area, Q2 was very strong in all aspects. Both orders received and net sales grew by 18%. Orders received grew especially in the aviation and meteorology market segments, and net sales grew in all market segments. Net sales growth was mainly driven by large orders received during the past quarters and high project sales during the quarter. The subscription sales business continued to grow at a very strong growth rate of 16%. The operating result more than doubled compared to previous year and was 12.2% of net sales.

In June, our new Chief Digital and Information Officer Girish Agarwal joined the company. Girish brings strong expertise in advanced AI, IT, and digitalization, which are key areas for our future success. He succeeds Olli Nastamo, who retires after a long and successful career. I want to thank Olli for his contributions and warmly welcome Girish to our team.



Looking forward, our view on the full year 2024 remains unchanged, but after H1 solid performance, we have narrowed our estimate ranges for the full-year net sales and operating result. We anticipate that the business environment remains uncertain, and we need to continue to pace our investments accordingly. However, we continue to anticipate that our performance in the second half of the year will be stronger than in the first half. We now estimate that our full-year 2024 net sales will be in the range of EUR 540–570 million and operating result (EBIT) in the range of EUR 68–78 million.”

Financial review Q2/2024

Orders received and order book

MEUR	4-6/2024	4-6/2023	Change	FX*	1-12/2023
Orders received	147.2	129.3	14%	14%	528.1
Order book, end of period	196.9	167.4	18%		172.5

* Change with comparable exchange rates

Second quarter 2024 orders received increased by 14% compared to previous year and totaled EUR 147.2 (129.3) million. Orders received increased in both business areas, very strongly in Weather and Environment business area. EUR 25 million award for a project of 18 weather radars to Spain announced in May 2024 will be included in orders received after the contract has been finalized.

At the end of June 2024, order book was all-time high and amounted to EUR 196.9 (Dec 31, 2023: 172.5) million and increased by 14% compared to end of 2023. Order book increased in both business areas. EUR 122.9 (Dec 31, 2023: 127.7) million of the order book is scheduled to be delivered in 2024.

Financial performance

MEUR	4-6/2024	4-6/2023	Change	FX**	1-12/2023
Net sales	148.4	130.8	13%	12%	540.4
Product sales	104.2	97.0	7%		397.7
Project sales	22.6	17.2	31%		69.5
Service sales	12.5	8.9	40%		38.9
Subscription sales	8.6	7.4	16%		32.5
Lease income	0.5	0.3	67%		1.8
Gross margin, %	57.0	55.1			55.8
Operating result	23.7	11.9			66.6
% of net sales	15.9	9.1			12.3
R&D costs	17.9	18.1	-1%		67.7
Amortization*	1.7	2.1			8.1

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Second quarter 2024 net sales increased by 13% compared to previous year and were EUR 148.4 (130.8) million. In constant currencies, net sales increased by 12%. Net sales increased in both business areas, very strongly in Weather and Environment business area. Net sales increased very strongly in aviation, roads, as well as in power and energy market segment. Net sales growth was driven by large orders received during the past quarters.

Gross margin improved to 57.0 (55.1) % mainly following economies of scale generated by volume increase.

Second quarter 2024 operating result almost doubled compared to previous year following net sales growth and improved gross margin and was EUR 23.7 (11.9) million, 15.9 (9.1) % of net sales. Operating expenses increased only slightly due to cost control initiatives.

Second quarter 2024 financial income and expenses were EUR -0.5 (-1.4) million. This was mainly a result of valuation of foreign currency denominated items and currency hedging. Income taxes were EUR 5.2 (2.5) million and estimated effective tax rate for the entire year was 22.5 (23.3) %. Result before taxes was EUR 23.2 (10.5) million and result for the period EUR 17.9 (8.0) million. Earnings per share was EUR 0.49 (0.22).

Financial review January–June 2024

Orders received and order book

MEUR	1-6/2024	1-6/2023	Change	FX*	1-12/2023
Orders received	270.5	261.3	4%	4%	528.1
Order book, end of period	196.9	167.4	18%		172.5

* Change with comparable exchange rates

January–June 2024 orders received increased by 4% compared to previous year and totaled EUR 270.5 (261.3) million. Orders received grew in Weather and Environment business area and decreased in Industrial Measurements business area. Orders received grew very strongly in aviation, meteorology, as well as in power and energy market segments.

Financial performance

MEUR	1-6/2024	1-6/2023	Change	FX**	1-12/2023
Net sales	260.5	262.6	-1%	-1%	540.4
Product sales	184.0	196.1	-6%		397.7
Project sales	34.4	32.0	7%		69.5
Service sales	23.4	18.2	29%		38.9
Subscription sales	18.0	15.6	15%		32.5
Lease income	0.7	0.7	0%		1.8
Gross margin, %	55.8	55.6			55.8
Operating result	30.8	25.2			66.6
% of net sales	11.8	9.6			12.3
R&D costs	34.3	36.0	-5%		67.7
Amortization*	3.4	4.1			8.1

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

January–June 2024 net sales were flat compared to previous year and were EUR 260.5 (262.6) million. In constant currencies, net sales decreased by 1%. Net sales grew in Weather and Environment business area and decreased in Industrial Measurements business area. In the first quarter, net sales were affected negatively by combined impact of the industrial actions in Finland and ramp-up of the new ERP (Enterprise Resource Planning) system. During the second quarter, similar disturbances were not present anymore.

Gross margin was at previous years level 55.8 (55.6) %.

January–June 2024 operating result increased from previous year following decrease in operating expenses and totaled EUR 30.8 (25.2) million, 11.8 (9.6) % of net sales. R&D costs decreased as a result of scrutinizing use of external and internal R&D resources.

January–June 2024 financial income and expenses were EUR -0.9 (-2.2) million. This was mainly a result of valuation of foreign currency denominated items and currency hedging. Income taxes were EUR 6.7 (5.3) million and estimated effective tax rate was 22.5 (23.3) %. Result before taxes was EUR 29.8 (22.9) million and result for the period EUR 23.1 (17.6) million. Earnings per share was EUR 0.64 (0.49).

Statement of financial position and cash flow

Vaisala's financial position remained strong during January–June 2024. At the end of June, statement of financial position totaled EUR 433.0 (Dec 31, 2023: 442.8) million. Net debt amounted to EUR -19.3 (-28.2) million. Cash and cash equivalents totaled EUR 65.2 (90.3) million. Dividend payment, decided by the Annual General Meeting on March 26, 2024, totaled EUR 27.2 million. On June 30, 2024, Vaisala had interest-bearing borrowings totaling EUR 35.0 (Dec 31, 2023: 50.0) million, which related to an unsecured term loan due in 2026. On April 5, 2024, Vaisala made a voluntary prepayment of EUR 15.0 million regarding EUR 50.0

million unsecured term loan initially signed on March 31, 2023. The loan has a financial covenant (gearing) tested semi-annually. On June 30, 2024, Vaisala was in compliance with the covenant. Vaisala had not issued any domestic commercial papers on June 30, 2024, as at the end of 2023. Vaisala has also a EUR 50 million committed revolving credit facility, which was undrawn on June 30, 2024, as at the end of 2023. In addition, interest-bearing lease liabilities totaled EUR 10.9 (Dec 31, 2023: 12.1) million.

In January–June 2024, cash flow from operating activities decreased to EUR 24.8 (35.7) million despite increased net result. This was mainly a result of increase in net working capital.

Capital expenditure

In January–June 2024, capital expenditure in intangible assets and property, plant, and equipment totaled EUR 6.9 (6.7) million. Capital expenditure was mainly related to investments in machinery and equipment to develop and maintain Vaisala's production, R&D, and service operations as well as facilities.

Depreciation, amortization, and impairment were EUR 11.5 (12.0) million. This included EUR 3.4 (4.1) million of amortization of identified intangible assets related to the acquired businesses.

Personnel

The average number of personnel employed during January–June 2024 was 2,339 (2,314). At the end of June 2024, the number of employees was 2,412 (Dec 31, 2023: 2,314) including summer trainees. 77 (77) % of employees were located in EMEA, 15 (16) % in Americas and 7 (7) % in APAC. 66 (66) % of employees were based in Finland.

Q2 and January–June 2024 review by business area

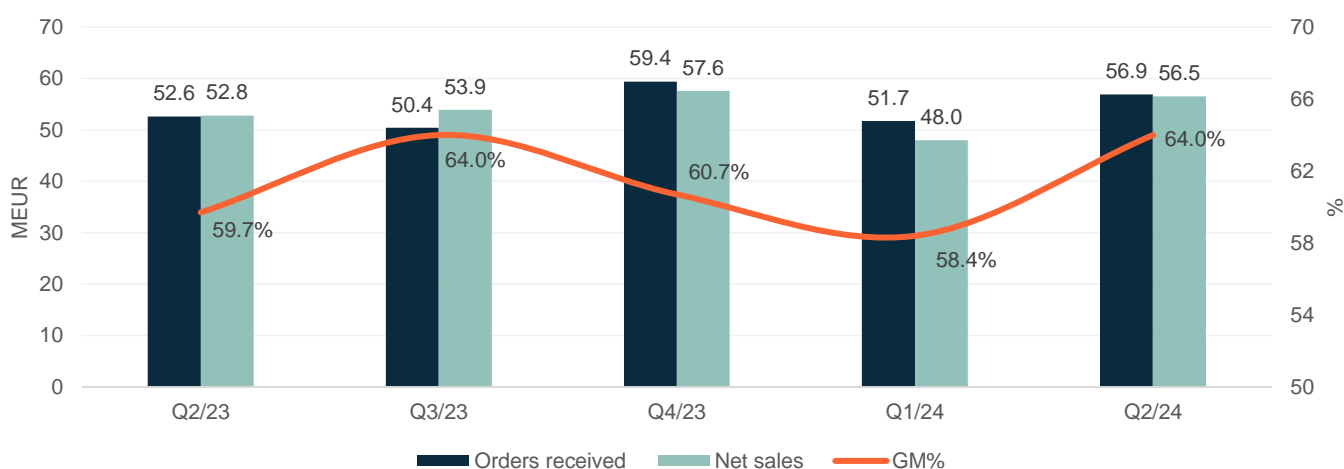
Industrial Measurements business area

MEUR	4-6/ 2024	4-6/ 2023	Change	FX**	1-6/ 2024	1-6/ 2023	Change	FX**	1-12/ 2023
Orders received	56.9	52.6	8%	8%	108.6	112.6	-4%	-2%	222.4
Order book, end of period	36.3	37.2	-2%		36.3	37.2	-2%		35.2
Net sales	56.5	52.8	7%	7%	104.5	115.8	-10%	-10%	227.3
Product sales	49.5	47.9	3%		91.2	106.1	-14%		207.4
Service sales	7.0	4.9	43%		13.3	9.7	36%		19.9
Gross margin, %	64.0	59.7			61.4	61.3			61.8
Operating result	12.3	6.8			18.8	21.8			45.2
of net sales, %	21.7	12.9			18.0	18.8			19.9
R&D costs	6.8	6.9	-2%		13.4	14.0	-5%		25.9
Amortization*	0.2	0.4			0.5	0.8			1.7

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Rolling five quarter development



Q2/2024 review

Industrial Measurements business area's second quarter 2024 orders received increased by 8% compared to previous year totaling EUR 56.9 (52.6) million. Orders received increased strongly in industrial instruments as well as in power and energy market segments, and somewhat liquid measurements market segment. Orders received for life science market segment were at previous year's level.

At the end of June 2024, Industrial Measurements business area's order book amounted to EUR 36.3 (Dec 31, 2023: 35.2) million and increased somewhat compared to end of 2023. EUR 31.0 (Dec 31, 2023: 31.6) million of the order book is scheduled to be delivered in 2024. Order book increased in life science, industrial instrument, as well as in power and energy market segments, and decreased somewhat in liquid measurements market segment.

Second quarter 2024 net sales were EUR 56.5 (52.8) million and increased by 7% compared to previous year. In constant currencies, net sales increased by 7%. Net sales increased in power and energy as well as in life science market segments, very

strongly in power and energy. Orders for industrial instruments and liquid measurements market segments were at previous year's level. Very strong growth of service sales was a result of previous years' sales levels and followed growth of installed base.

Gross margin improved compared to previous year and was 64.0 (59.7) % mainly following economies of scale generated by volume increase and favorable sales mix.

Industrial Measurements business area's second quarter 2024 operating result increased compared to previous year following net sales growth and improvement in gross margin and totaled EUR 12.3 (6.8) million, 21.7 (12.9) % of net sales.

January–June 2024 review

Industrial Measurements business area's January–June 2024 orders received decreased by 4% compared to previous year and totaled EUR 108.6 (112.6) million. Orders received decreased strongly in life science and liquid measurements market segments, somewhat in industrial instruments market segment, and increased very strongly in power and energy market segment.

January–June 2024 net sales decreased by 10% compared to previous year and totaled EUR 104.5 (115.8) million. In constant currencies, net sales decreased by 10% compared to previous year. Net sales decreased very strongly in life science market segment, and strongly in industrial measurements and liquid measurements market segments. Net sales grew very strongly in power and energy market segment. Very strong growth of service sales was a result of previous years' sales levels and followed growth of installed base.

Gross margin was at previous year's level 61.4 (61.3) %.

Industrial Measurements business area's January–June 2024 operating result decreased compared to previous year following decrease in net sales and totaled EUR 18.8 (21.8) million, 18.0 (18.8) % of net sales. Operating expenses decreased somewhat compared to previous year.

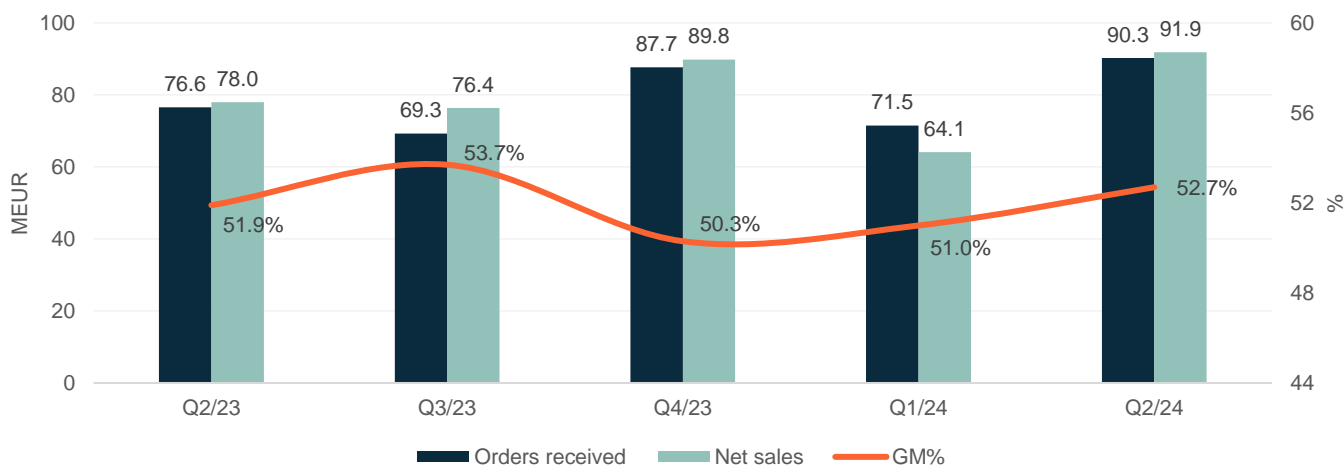
Weather and Environment business area

MEUR	4-6/ 2024	4-6/ 2023	Change	FX**	1-6/ 2024	1-6/ 2023	Change	FX**	1-12/ 2023
Orders received	90.3	76.6	18%	19%	161.9	148.7	9%	9%	305.8
Order book, end of period	160.6	130.2	23%		160.6	130.2	23%		137.3
Net sales	91.9	78.0	18%	16%	156.0	146.8	6%	6%	313.1
Product sales	54.7	49.1	12%		92.8	90.0	3%		190.3
Project sales	22.6	17.2	31%		34.4	32.0	7%		69.5
Service sales	5.5	4.0	37%		10.1	8.5	19%		19.0
Subscription sales	8.6	7.4	16%		18.0	15.6	15%		32.5
Lease income	0.5	0.3	67%		0.7	0.7	0%		1.8
Gross margin, %	52.7	51.9			52.0	51.1			51.5
Operating result	11.2	4.9			11.8	3.2			21.1
of net sales, %	12.2	6.3			7.6	2.2			6.7
R&D costs	11.1	11.2	-1%		20.9	22.0	-5%		41.8
Amortization*	1.5	1.7			2.9	3.3			6.4

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Rolling five quarter development



Q2/2024 review

Weather and Environment business area's second quarter 2024 orders received increased by 18% compared to previous year and totaled EUR 90.3 (76.6) million. Orders received increased very strongly in aviation and meteorology market segments and decreased very strongly in roads market segment and strongly in renewable energy market segment. EUR 25 million award for a project of 18 weather radars to Spain announced in May 2024 will be included in orders received after the contract has been finalized.

At the end of June 2024, Weather and Environment business area's order book amounted to EUR 160.6 (Dec 31, 2023: 137.3) million and increased by 17% compared to end of 2023. EUR 92.0 (Dec 31, 2023: 96.1) million of the order book is scheduled to be delivered in 2024. Order book increased very strongly in meteorology market segment and decreased in all other market segments.

Second quarter 2024 net sales grew by 18% compared to previous year and totaled EUR 91.9 (78.0) million. In constant currencies, net sales increased by 16%. Net sales grew in all market segments, very strongly in aviation and roads market segments.

Gross margin improved to 52.7 (51.9) % following economies of scale generated by volume increase.

Weather and Environment business area's second quarter 2024 operating result more than doubled compared to previous year following net sales growth and improved gross margin and totaled EUR 11.2 (4.9) million, 12.2 (6.3) % of net sales. Operating expenses increased somewhat compared to previous year.

January–June 2024 review

Weather and Environment business area's January–June 2024 orders received increased by 9% compared to previous year and totaled EUR 161.9 (148.7) million. Orders received grew very strongly in meteorology market segment and strongly in aviation market segment. Orders received decreased very strongly in roads market segment and somewhat in renewable energy market segment.

January–June 2024 net sales increased by 6% compared to previous year and were EUR 156.0 (146.8) million. In constant currencies, net sales increased by 6%. Net sales grew strongly in aviation market segment and somewhat in renewable energy and roads market segments. Net sales declined somewhat in meteorology market segment.

Gross margin improved to 52.0 (51.1) % following economies of scale generated by volume increase.

Weather and Environment business area's January–June 2024 operating result more than tripled compared to previous year following growth in net sales and improved gross margin and totaled EUR 11.8 (3.2) million, 7.6 (2.2) % of net sales. Operating expenses decreased somewhat compared to previous year.

Sustainability

Vaisala's journey of increasing climate action and reducing emissions continues as the Science Based Targets initiative (SBTi) approved Vaisala's near-term science-based emission reduction targets in April 2024. According to the targets, Vaisala commits to reduce more than 50% of its direct greenhouse gas emissions (scope 1) and purchased-energy emissions (scope 2) from 2021 level by 2030. Moreover, Vaisala commits to reduce more than 50% of its other indirect emissions (scope 3) in relation to gross profit within the same timeframe.

In March 2024, as part of Vaisala's sustainability work and the new purpose, *Taking every measure for the planet*, the company's existing term loan and revolving credit facility were amended as sustainability linked facilities.

Changes in Leadership Team

In February 2024, Vaisala appointed Girish Agarwal as Chief Digital and Information Officer (CDIO) and member of the Vaisala Leadership Team. He joined Vaisala in June 2024 and reports to the President and CEO Kai Öistämö. Agarwal succeeded Olli Nastamo, EVP, Operational Excellence, who will retire in August 2024.

Members of the Vaisala Leadership Team on June 30, 2024

- Kai Öistämö, President and CEO, Chair of the Leadership Team
- Girish Agarwal, Chief Digital and Information Officer
- Anne Jalkala, Chief Sustainability and Strategy Officer
- Sampsa Lahtinen, EVP, Industrial Measurements business area
- Timo Leskinen, EVP, Human Resources
- Heli Lindfors, Chief Financial Officer
- Vesa Pylvänäinen, EVP, Operations
- Jarkko Sairanen, EVP, Weather and Environment business area
- Katriina Vainio, EVP, Group General Counsel

Annual General Meeting 2024

Vaisala Corporation's Annual General Meeting was held on March 26, 2024. The meeting approved the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial period January 1–December 31, 2023.

Dividend

The Annual General Meeting decided a dividend of EUR 0.75 per share. The record date for the dividend payment was March 28, 2024, and the payment date was April 12, 2024.

Board of Directors

The Annual General Meeting confirmed that the number of Board members is nine. Petri Castrén, Antti Jääskeläinen, Jukka Rinnevaara, Kaarina Ståhlberg, Tuomas Syrjänen, Raimo Voipio and Ville Voipio will continue as members of the Board of Directors. Annica Bresky and Lotte Rosenberg were elected as new members.

The Annual General Meeting confirmed that the annual remuneration payable to the Chair of the Board of Directors is EUR 55,000 and each Board member EUR 40,000 per year. Approximately 40% of the annual remuneration will be paid in Vaisala Corporation's series A shares acquired from the market and the rest in cash. In addition, the Annual General Meeting confirmed that the meeting fee for the Chair of the Audit Committee will be EUR 1,500 per attended meeting and EUR 1,000 for each member of the Audit Committee and Chair and each member of the People and Sustainability Committee, the Nomination Committee and any other committee established by the Board of Directors for a term until the close of the Annual General Meeting in 2025. In addition, members of the Board residing outside Finland will be paid a meeting fee of EUR 1,000 per physical meeting attended. The meeting fees are paid in cash. Possible travel expenses are reimbursed according to the travel policy of the company.

Auditor

The Annual General Meeting elected PricewaterhouseCoopers Oy as the auditor of the company and APA Ylva Eriksson will act as the auditor with the principal responsibility. The Auditors are reimbursed according to invoice presented to the company.

Sustainability reporting assurer

The Annual General Meeting elected PricewaterhouseCoopers Oy as the sustainability reporting assurer of the company and Ylva Eriksson, Authorized Sustainability Auditor (KRT), as the assurer with principal authority. The assurer is reimbursed according to invoice presented to the company.

Authorization for the directed repurchase of own series A shares

The Annual General Meeting authorized the Board of Directors to resolve on the directed repurchase of a maximum of 800,000 of the company's own series A shares in one or more instalments by using company's unrestricted equity. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than September 26, 2025.

Authorization on the issuance of the company's own series A shares

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of a maximum of 936,697 company's own series A shares. The issuance of own shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization entitles the issuance of treasury series A shares as a directed issue without payment as part of the company's share-based incentive plan. The subscription price of the shares can instead of cash also be paid in full or in part as contribution in kind. The authorization is valid until September 26, 2025. The authorization for the company's incentive program shall however be valid until March 26, 2028.

The organizing meeting of the Board of Directors

At its organizing meeting held after the Annual General Meeting the Board elected Ville Voipio as the Chair of the Board of Directors and Raimo Voipio as the Vice Chair.

Kaarina Ståhlberg was elected as the Chair and Petri Castrén, Lotte Rosenberg, and Raimo Voipio as members of the Audit Committee. Antti Jääskeläinen was elected as the Chair and Annica Bresky, Jukka Rinnevaara, Tuomas Syrjänen, and Ville Voipio as members of the People and Sustainability Committee. Ville Voipio was elected as the Chair and Annica Bresky, Tuomas Syrjänen, and Raimo Voipio as members of the Nomination Committee. The Chair and all members of the Audit Committee, People and Sustainability Committee as well as Nomination Committee are independent both of the company and of significant shareholders.

Shares and shareholders

Share capital and shares

Vaisala's share capital totaled EUR 7,660,808 on June 30, 2024. Vaisala has 36,436,728 shares, of which 3,641,676 are series K shares and 32,795,052 series A shares. During the second quarter, number of series K shares decreased by 3,089,416 and number of series A shares increased by 3,089,416 as the Board of Directors decided that 3,089,416 series K shares were converted to series A shares. This conversion was registered into the Trade Register on May 10, 2024. Series A shares are listed on the Nasdaq Helsinki Ltd. The series K shares and series A shares are differentiated by the fact that each series K share entitles its owner to 20 votes at a General Meeting of Shareholders while each series A share entitles its owner to 1 vote. The series A shares represented 90.0% of the total number of shares and 31.0% of the total votes. The series K shares represented 10.0% of the total number of shares and 69.0% of the total votes.

Trading and share price development

In January–June 2024, a total of 2,870,940 series A shares with a value totaling EUR 105.7 million were traded on the Nasdaq Helsinki Ltd. The closing price of the series A share on the Nasdaq Helsinki stock exchange was EUR 40.20. Shares registered a high of EUR 41.85 and a low of EUR 32.60. Volume-weighted average share price was EUR 37.82.

The market value of series A shares on June 30, 2024, was EUR 1,312.7 million, excluding company's treasury shares. Valuing the series K shares – which are not traded on the stock market – at the rate of the series A share's closing price on the last trading day of June, the total market value of all the series A and series K shares together was EUR 1,459.1 million, excluding company's treasury shares.

Treasury shares

In May 2024, the Board of Directors decided to exercise the authorization of the 2024 Annual General Meeting to repurchase of company's own shares and to start repurchases of maximum 100,000 own series A shares. Purchased shares will be used as a reward payment for Vaisala's share-based incentive plans. The repurchases started on May 23, 2024. By the end of June 2024, Vaisala had repurchased a total of 8,332 own series A shares. The repurchases will end on September 30, 2024, at the latest.

In June 2024, a total of 1,750 of Vaisala Corporation's treasury shares were conveyed without consideration to persons participating in the Restricted Share Unit Plan 2022–2026 under the terms and conditions of the plan. The directed share issue was based on an authorization given by the Annual General Meeting held on March 26, 2024.

In March 2024, a total of 49,932 of Vaisala Corporation's treasury shares were conveyed without consideration to the 43 key employees participating in the Performance Share Plans 2021–2023, 2022–2024, and 2023–2025 under the terms and conditions of the plans. The directed share issue was based on an authorization given by the Annual General Meeting held on March 28, 2023.

The total number of series A treasury shares on June 30, 2024, was 141,532, which represents 0.43% of series A shares and 0.39% of total shares.

Shareholders

At the end of June 2024, Vaisala had 15,407 (14,101) registered shareholders. Ownership outside of Finland and nominee registrations represented 21.7 (22.6) % of the company's shares. Households owned 40.5 (40.4) %, private companies 13.9 (13.0) %, financial and insurance institutions 9.6 (10.0) %, non-profit organizations 10.0 (10.0) % and public sector organizations 4.3 (4.0) % of the shares.

More information about Vaisala's shares and shareholders are presented on the company's website at vaisala.com/investors.

Near-term risks and uncertainties

Changes in geopolitical situation, interest rates and inflationary environment may affect industrial investments and economic situation and increase risk of achieving Vaisala's financial targets.

Industrial actions in Finland may cause disruptions in Vaisala's operations and deteriorate Vaisala's delivery capability. Vaisala's delivery capability may deteriorate due to disruptions in suppliers' operations, Vaisala's production or project delivery operation, or disruptions in incoming and/or outgoing logistics. Temporary component shortage may cause delays or interruptions in deliveries or generate additional material costs. Cyber risk and long disruptions in IT systems may impact operations and delivery capability.

New and changing regulations impacting product acceptance, operation's capability to meet changing compliance requirements, and changes in international trade policies may cause delays or interruptions in supply chain. Customers' preference for local manufacturing may reduce demand for Vaisala's products and services. Customers' budgetary constraints, complex decision-making processes, and missing financing solutions may postpone closing of infrastructure contracts in Weather and Environment business area.

Further information about risk management and risks are available on Annual Report's Corporate Governance/Risk management section and on the company's website at vaisala.com.

Financial calendar 2024

Interim Report January–September 2024: October 24, 2024

Capital Markets Day: November 11, 2024

Vantaa, July 24, 2024

Vaisala Corporation
Board of Directors

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.

Financial information

This Half Year Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting, following the same accounting policies and principles as in the annual financial statements for 2023. All figures in this Half Year Financial Report are group figures. All presented figures have been rounded and consequently the sum of individual figures may deviate from the sum presented. The Half Year Financial Report is unaudited.

Preparation of Half Year Financial Report in accordance with IFRS requires Vaisala's management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and the recognition of income and expenses in statement of income. Although estimates are based on management's best knowledge at the date of the Half Year Financial Report, actual results may differ from those estimates.

Changes in accounting principles

New and amended IFRS standards effective for the year 2024

Amendment to IAS 1 (Presentation of financial statements – Classification of liabilities as current or non-current) has been adopted from January 1, 2024. The adoption of the amendment is not expected to have an impact on the consolidated financial statements in future periods except for the new requirements on notes to the financial statements. In addition, amendments to IFRS 16 (Leases – Lease liability in a sale and leaseback) as well as to IAS 7 and IFRS 7 (Supplier finance arrangements) have been adopted from January 1, 2024. The adoption of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

Change in accounting policy

As of January 1, 2024, Vaisala has amended the accounting policy related to the share-based payments and recognizes equity related bookings in retained earnings instead of former policy recognizing those in other reserves. This voluntary change in accounting principle based on market practice is applied retrospectively and retained earnings and other reserves are adjusted for the earliest prior period presented. The change in accounting policy does not have impact on consolidated statement of income or total equity.

Table below presents December 31, 2022, and 2023 quarterly comparative figures after amendments described above:

EUR million	Dec 31, 2022		Mar 31, 2023		Jun 30, 2023		Sep 30, 2023		Dec 31, 2023	
	Earlier reported	Restated	Earlier reported	Restated	Earlier reported	Restated	Earlier reported	Restated	Earlier reported	Restated
Other reserves	3.5	0.6	-0.1	0.6	0.8	0.6	0.3	0.6	2.3	0.6
Retained earnings	238.5	241.4	222.0	221.2	230.0	230.1	248.4	248.2	261.3	263.0

Consolidated statement of income

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Net sales	148.4	130.8	260.5	262.6	540.4
Cost of goods sold	-63.8	-58.7	-115.2	-116.6	-238.8
Gross profit	84.6	72.1	145.3	146.0	301.7
Sales, marketing, and administrative costs	-43.3	-42.3	-80.5	-85.1	-168.2
Research and development costs	-17.9	-18.1	-34.3	-36.0	-67.7
Other operating income and expenses	0.2	0.2	0.3	0.3	0.9
Operating result	23.7	11.9	30.8	25.2	66.6
Share of result in associated company	-	-	-	-	0.2
Financial income	1.3	1.7	2.8	5.5	8.2
Financial expenses	-1.8	-3.1	-3.8	-7.7	-11.9
Result before taxes	23.2	10.5	29.8	22.9	63.1
Income taxes	-5.2	-2.5	-6.7	-5.3	-14.2
Result for the period	17.9	8.0	23.1	17.6	48.9
Attributable to					
Owners of the parent company	17.9	8.0	23.1	17.6	48.9
Earnings per share for result attributable to the equity holders of the parent company					
Earnings per share, EUR	0.49	0.22	0.64	0.49	1.35
Diluted earnings per share, EUR	0.49	0.22	0.64	0.48	1.35

Consolidated statement of comprehensive income

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Items that will not be reclassified to profit or loss (net of taxes)					
Actuarial profit (loss) on post-employment benefits	0.0	0.0	0.0	0.0	-0.0
Total	0.0	0.0	0.0	0.0	-0.0
Items that may be reclassified subsequently to profit or loss					
Translation differences	0.6	-0.6	1.9	-2.3	-3.3
Total	0.6	-0.6	1.9	-2.3	-3.3
Total other comprehensive income	0.6	-0.6	1.9	-2.3	-3.3
Comprehensive income for the period	18.5	7.4	24.9	15.3	45.6
Attributable to					
Owners of the parent company	18.5	7.4	24.9	15.3	45.6

Consolidated statement of financial position

EUR million

Assets	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Non-current assets			
Intangible assets	60.0	66.7	62.5
Property, plant, and equipment	95.4	95.7	95.0
Right-of-use assets	12.0	13.9	13.1
Investments in shares	0.1	0.1	0.1
Investment in associated company	1.4	1.4	1.4
Non-current receivables	1.2	0.9	1.3
Deferred tax assets	8.6	8.1	7.8
Total non-current assets	178.7	186.8	181.1
Current assets			
Inventories	62.0	66.1	58.8
Trade and other receivables	92.1	81.4	85.5
Contract assets and other accrued revenue	32.4	26.0	24.2
Income tax receivables	2.7	4.3	2.8
Cash and cash equivalents	65.2	51.2	90.3
Total current assets	254.3	229.1	261.7
Total assets	433.0	415.9	442.8

Equity and liabilities	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Equity			
Share capital	7.7	7.7	7.7
Other reserves	0.6	0.6	0.6
Translation differences	2.7	1.9	0.8
Treasury shares	-3.7	-4.2	-4.2
Retained earnings	256.7	230.1	263.0
Total equity attributable to owners of parent company	264.0	236.0	267.9
Non-controlling interests	-	-	-
Total equity	264.0	236.0	267.9
Non-current liabilities			
Interest-bearing borrowings	35.0	50.0	50.0
Interest-bearing lease liabilities	8.3	10.1	9.3
Post-employment benefits	2.2	2.6	2.3
Deferred tax liabilities	1.9	3.8	2.9
Provisions	0.5	0.4	0.4
Other non-current liabilities	4.5	4.3	4.2
Total non-current liabilities	52.4	71.2	69.0
Current liabilities			
Interest-bearing borrowings	0.0	0.0	0.0
Interest-bearing lease liabilities	2.6	2.8	2.8
Trade and other payables	79.8	69.0	66.5
Contract liabilities and other deferred revenue	29.0	33.8	30.7
Income tax liabilities	2.6	0.4	3.3
Provisions	2.6	2.5	2.5
Total current liabilities	116.7	108.6	105.9
Total liabilities	169.0	179.9	175.0
Total equity and liabilities	433.0	415.9	442.8

Consolidated cash flow statement

EUR million	1-6/2024	1-6/2023	1-12/2023
Result for the period	23.1	17.6	48.9
Depreciation, amortization, and impairment	11.5	12.0	24.3
Financial income and expenses	1.0	2.2	3.7
Gains and losses on sale of intangible assets and property, plant, and equipment	-0.0	-0.1	-0.2
Share of result in associated company	-	-	-0.2
Income taxes	6.7	5.3	14.2
Other adjustments	-0.0	-1.8	-0.7
Inventories, increase (-) / decrease (+)	-3.5	-5.0	3.0
Non-interest-bearing receivables, increase (-) / decrease (+)	-14.7	19.7	16.2
Non-interest-bearing liabilities, increase (+) / decrease (-)	11.2	-3.7	-9.7
Changes in working capital	-7.1	11.0	9.5
Interest and other financial items received	1.2	0.7	1.7
Interest and other financial items paid	-2.5	-3.2	-4.4
Income taxes paid	-9.1	-8.1	-12.9
Cash flow from operating activities	24.8	35.7	83.8
Capital expenditure on intangible assets and property, plant, and equipment	-6.9	-6.7	-13.9
Proceeds from sale of intangible assets and property, plant, and equipment	0.2	0.1	0.3
Cash flow from investing activities	-6.7	-6.6	-13.7
Dividends paid	-27.2	-26.1	-26.1
Purchase of treasury shares	-0.3	-2.1	-2.1
Change in loan receivables	0.1	0.0	-0.3
Proceeds from borrowings	-	77.4	77.4
Repayment of borrowings	-15.0	-79.9	-79.9
Principal payments of lease liabilities	-1.4	-1.6	-3.1
Cash flow from financing activities	-43.9	-32.3	-34.1
Change in cash and cash equivalents increase (+) / decrease (-)	-25.7	-3.2	36.0
Cash and cash equivalents at the beginning of period	90.3	55.5	55.5
Change in cash and cash equivalents	-25.7	-3.2	36.0
Effect from changes in exchange rates	0.6	-1.0	-1.2
Cash and cash equivalents at the end of period	65.2	51.2	90.3

Consolidated statement of changes in equity

EUR million	Share capital	Other reserves	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
Equity at Dec 31, 2022	7.7	3.5	4.1	-3.3	238.5	250.5	0.0	250.5
Change in share-based payments		-2.9			2.9			
Equity at Jan 1, 2023	7.7	0.6	4.1	-3.3	241.4	250.5	0.0	250.5
Result for the period					17.6	17.6		17.6
Other comprehensive income		-0.0	-2.3			-2.3		-2.3
Dividend distribution					-26.1	-26.1		-26.1
Purchase of treasury shares				-2.1		-2.1		-2.1
Share-based payments				1.2	-2.7	-1.5		-1.5
Changes in non-controlling interests that did not result in changes in control					0.0	0.0	-0.0	
Equity at Jun 30, 2023	7.7	0.6	1.9	-4.2	230.1	236.0	-	236.0
Equity at Dec 31, 2023	7.7	0.6	0.8	-4.2	263.0	267.9	-	267.9
Result for the period					23.1	23.1		23.1
Other comprehensive income			1.9			1.9		1.9
Dividend distribution					-27.2	-27.2		-27.2
Purchase of treasury shares				-0.3		-0.3		-0.3
Share-based payments				0.8	-2.1	-1.3		-1.3
Equity at Jun 30, 2024	7.7	0.6	2.7	-3.7	256.7	264.0	-	264.0

Notes to the report

Reportable segments

Orders received

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Industrial Measurements	56.9	52.6	108.6	112.6	222.4
Weather and Environment	90.3	76.6	161.9	148.7	305.8
Total	147.2	129.3	270.5	261.3	528.1

Order book

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Industrial Measurements	36.3	37.2	36.3	37.2	35.2
Weather and Environment	160.6	130.2	160.6	130.2	137.3
Total	196.9	167.4	196.9	167.4	172.5

Net sales

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Industrial Measurements					
Product sales	49.5	47.9	91.2	106.1	207.4
Service sales	7.0	4.9	13.3	9.7	19.9
Total	56.5	52.8	104.5	115.8	227.3
Weather and Environment					
Product sales	54.7	49.1	92.8	90.0	190.3
Project sales	22.6	17.2	34.4	32.0	69.5
Service sales	5.5	4.0	10.1	8.5	19.0
Subscription sales	8.6	7.4	18.0	15.6	32.5
Lease income	0.5	0.3	0.7	0.7	1.8
Total	91.9	78.0	156.0	146.8	313.1
Total net sales	148.4	130.8	260.5	262.6	540.4

Operating result

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Industrial Measurements	12.3	6.8	18.8	21.8	45.2
Weather and Environment	11.2	4.9	11.8	3.2	21.1
Other	0.1	0.2	0.2	0.2	0.3
Total	23.7	11.9	30.8	25.2	66.6

Geographical segments

Net sales

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Americas	50.3	47.1	85.0	92.9	200.4
APAC	48.6	37.9	85.1	82.0	160.2
EMEA	49.5	45.8	90.4	87.7	179.8
Total	148.4	130.8	260.5	262.6	540.4

Timing of revenue recognition

EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Performance obligations satisfied at a point in time	111.7	105.4	198.1	213.3	434.8
Performance obligations satisfied over time	36.2	25.1	61.7	48.6	104.0
Lease income recognized on a straight-line basis	0.5	0.3	0.7	0.7	1.7
Total net sales	148.4	130.8	260.5	262.6	540.4

Personnel

	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Average personnel	2,371	2,361	2,339	2,314	2,327
Personnel at the end of period	2,412	2,401	2,412	2,401	2,314

Derivative financial instruments

EUR million	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Nominal value of derivative financial contracts	50.2	44.7	43.7
Fair values of derivative financial contracts, assets	0.1	1.2	0.4
Fair values of derivative financial contracts, liabilities	0.7	0.1	0.4

Derivative financial instruments consist solely of foreign exchange forward contracts, and they are measured based on price information derived from active markets and commonly used valuation methods (Fair value hierarchy 2). Derivative financial contracts are executed only with counterparties that have high credit ratings.

Share information

EUR/thousand	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Number of shares outstanding	36,295	36,251	36,295	36,251	36,251
Number of treasury shares	142	186	142	186	185
Number of shares, weighted average, diluted	36,374	36,399	36,345	36,387	36,379
Number of shares, weighted average	36,300	36,250	36,284	36,267	36,259
Number of shares traded	2,252	989	2,871	1,589	3,090
Share price, highest	41.85	44.55	41.85	44.55	44.55
Share price, lowest	32.60	37.75	32.60	37.70	30.30

Key ratios

EUR	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Earnings per share	0.49	0.22	0.64	0.49	1.35
Diluted earnings per share	0.49	0.22	0.64	0.48	1.35
Equity per share			7.27	6.51	7.39
Return on equity, %			17.4	14.5	18.9
Cash flow from operating activities per share	0.21	0.24	0.68	0.99	2.31
Solvency ratio, %			61.0	57.6	61.3
Gearing, %			-7.3	4.9	-10.5

Key exchange rates

	Average rates		Period end rates		
	1-6/2024	1-6/2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
USD	1.0711	1.0776	1.0705	1.0866	1.1050
CNY	7.4537	7.4519	7.7748	7.8983	7.8509
JPY	149.04	145.08	171.94	157.16	156.33
GBP	0.8575	0.8781	0.8464	0.8583	0.8691

Calculation of key figures

Earnings/share, EUR	=	$\frac{\text{Result of the period +/- non-controlling interest}}{\text{Average number of shares outstanding}}$
Cash flow from business operations/share, EUR	=	$\frac{\text{Cash flow from business operations}}{\text{Number of shares outstanding at the end of the period}}$
Equity/share, EUR	=	$\frac{\text{Total equity attributable to owners of parent company}}{\text{Number of shares outstanding at the end of the period}}$
Dividend/share, EUR	=	$\frac{\text{Dividend}}{\text{Number of shares outstanding at the end of the period}}$
Dividend/earnings, %	=	$\frac{\text{Dividend}}{\text{Result for the period +/- non-controlling interest}} \times 100$
Effective dividend yield %	=	$\frac{\text{Dividend / share}}{\text{Closing price for the series A share at the end of the period}} \times 100$
Price/earnings (P/E)	=	$\frac{\text{Closing price for the series A share at the end of the period}}{\text{Earnings / share}}$
Market capitalization, MEUR	=	Closing price for the series A share x number of shares outstanding

Alternative performance measures

Vaisala presents in its financial reporting alternative performance measures describing businesses' financial performance and its development as well as e.g. investments and return on equity in order to complement presented information. Vaisala presents in its financial reporting the following alternative performance measures:

Net sales with comparable exchange rates, MEUR	=	Net sales converted to euros with exchange rates used during the comparison period
Gross margin, %	=	$\frac{\text{Net sales} - \text{Cost of sales}}{\text{Net sales}} \times 100$
Operating expenses, MEUR	=	Sales, marketing, and administrative costs + research and development costs
Operating result, MEUR	=	Result before income taxes, financial income, and expenses, and share of result in associated company as presented in Consolidated Statement of Income. Operating result describes profitability and development of business areas' performance.
Result before taxes, MEUR	=	Result before taxes as presented in Consolidated Statement of Income
Return on equity (ROE), %	=	$\frac{\text{Result for the period}}{\text{Total equity (average)}} \times 100$
Solvency ratio, %	=	$\frac{\text{Total equity}}{\text{Statement of financial position total} - \text{advances received}} \times 100$
Investments, MEUR	=	Gross investments in non-current intangible assets as well as property, plant, and equipment
Order book, MEUR	=	Performance obligations that were unsatisfied or partially unsatisfied and undelivered part the lease agreements at the end of the period
Net debt, MEUR	=	Interest-bearing liabilities - cash and cash equivalents
Gearing, %	=	$\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents}}{\text{Total equity}} \times 100$
Net working capital, MEUR	=	Inventories + non-interest-bearing receivables (trade receivables + contract assets and other non-interest-bearing receivables) – non-interest-bearing liabilities (trade payables + contract liabilities and other accrued revenue + other non-interest-bearing liabilities)

Further information

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Vaisala Corporation

Audiocast and teleconference

An audiocast and a conference call for analysts, investors and media will be held in English on Thursday 25, 2024, starting at 1:30 p.m. (Finnish time).

You can participate in the live audiocast via following link: <https://vaisala.videosync.fi/q2-2024/register>

Questions may be presented by participating in the teleconference. You can access the teleconference by registering on the link below. After the registration, you will receive an email with the dial-in numbers and a conference ID.

<https://palvelu.flik.fi/teleconference/?id=50048552>

A recording will be available at [Vaisala.com/investors](https://vaisala.com/investors) later the same day.

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Vaisala is a global leader in measurement instruments and intelligence for climate action. We equip our customers with devices and data to improve resource efficiency, drive energy transition, and care for the safety and well-being of people and societies worldwide. With almost 90 years of innovation and expertise, we employ a team of over 2,300 experts committed to taking every measure for the planet. Vaisala series A shares are listed on the Nasdaq Helsinki stock exchange. vaisala.com

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