

Vaisala Corporation Interim Report

April 28, 2020 at 2.00 p.m. (EEST)

Vaisala Corporation Interim Report January–March 2020

Net sales growth 4% and improved operating result. No major impact of coronavirus situation in Q1. Market outlook updated due to risks and uncertainty related to future development.

First quarter 2020 highlights

- Orders received EUR 89.7 (113.0) million, decrease 21%
- Order book at the end of the period EUR 141.6 (150.9) million, decrease 6%
- Net sales EUR 87.2 (84.2) million, increase 4%
- Operating result (EBIT) EUR 5.2 (-0.0) million, 6.0 (-0.0) % of net sales
- Earnings per share EUR 0.11 (0.01)
- Cash flow from operating activities EUR 5.3 (7.8) million
- Cash and cash equivalents at the end of the period EUR 52.9 (Dec 31, 2019: 56.4) million, decrease 6%

Business outlook for 2020

Vaisala reiterates the business outlook that was published on April 21, 2020.

Vaisala estimates that its full-year 2020 net sales will be in the range of EUR 370–405 million and its operating result (EBIT) will be in the range of EUR 34–46 million.

Key figures				
MEUR	1-3/ 2020	1-3/ 2019	Change	1-12/ 2019
Orders received	89.7	113.0	-21%	419.4
Order book	141.6	150.9	-6%	139.0
Net sales	87.2	84.2	4%	403.6
Gross profit	49.2	44.8	10%	221.2
Gross margin, %	56.4	53.2		54.8
Operating expenses	44.0	43.0	2%	177.3
Operating result	5.2	-0.0	15006%	41.1
Operating result, %	6.0	-0.0		10.2
Result before taxes	5.0	0.2	1953%	40.2
Result for the period	4.0	0.2	2103%	33.6
Earnings per share	0.11	0.01	2142%	0.94
Return on equity, %	8.1	0.4		17.7
Capital expenditure	7.8	4.4	76%	26.8
Depreciation, amortization and impairment	4.9	6.3	-22%	23.5
Cash flow from operating activities	5.3	7.8	-33%	40.8
Cash and cash equivalents	52.9	75.6	-30%	56.4
Interest-bearing liabilities	52.0	50.7	2%	51.5
Gearing, %	-0.5	-15.3		-2.4

Vaisala's President and CEO Kjell Forsén

“In Vaisala’s 2019 report, we identified risks related to the coronavirus outbreak in China. Since then the situation has evolved to a worldwide pandemic. Governments across the world have taken significant measures to slow down the spread of the coronavirus. These measures affect both Vaisala’s operations and customers. However, Vaisala’s delivery capability has remained on a good level throughout the first quarter despite the challenging operating environment.

Vaisala’s priority is to protect the health and safety of employees and to ensure business continuity in order to fulfill customer’s needs. We have managed to find alternative ways to deliver products, projects and services to our customers to support their operations. We have also developed innovative ways to continue product development projects, and to ensure the continuity of critical functions. I would like to thank our personnel, suppliers and partners for their commitment and flexibility in this challenging situation.

Delivery volumes in first quarter were good resulting in net sales growth in both business areas and in all regions. Net sales in EMEA region grew by 26% compared to previous year but in China net sales fell by one third from previous year due to coronavirus impact. Gross margin improved by 3 percentage points as a result of profitability improvement in Weather and Environment business area’s project business and digital services, as well as in Industrial Measurements business area’s product and service businesses. All in all, I am happy with the first quarter considering the pandemic and our normal seasonality.

Industrial Measurements business area’s flagship markets, high-end humidity and high-end carbon dioxide as well as service business generated business area’s growth during the first quarter. Deliveries for liquid measurements and continuous monitoring systems had a slow start of the year, whereas power industry applications continued high growth.

Weather and Environment business area made excellent progress in project deliveries. On-going large projects brought one fourth of business area’s project net sales during the first quarter. Growth of wind lidar business was slow partially due to issues related to coronavirus situation. Refocus and reorganization of the digital business was completed successfully last year, and profitability of this business has already improved clearly.

First quarter orders received decreased as a result of Weather and Environment business area’s orders decreasing by 31% partially due to strong comparison period and partially due to coronavirus situation. In Industrial Measurements business area, order intake growth was good in Americas and EMEA regions. As a result of extensive restrictions imposed by governments and authorities on people and businesses, Vaisala expects delays or interruptions particularly in project and services deliveries. Vaisala estimates that the market situation will become more challenging as governments have tighter budgets. Emerging markets are particularly vulnerable and thus demand in emerging markets is expected to decrease during the pandemic. Vaisala estimates that demand for Industrial Measurements business area’s offering will not change materially. However, Vaisala estimates that business area’s net sales growth will fall short of the growth in 2019.

There is a great deal of uncertainty about the duration and the impact of the coronavirus pandemic and related economic slow-down. Also estimates of the rate of recovery vary considerably. As a result, Vaisala has prepared a number of different scenarios and assessed their impact on operations, performance and results for the rest of the year. Due to the uncertainty described above, the range for both net sales and EBIT is wide.

Vaisala estimates that its full-year 2020 net sales will be in the range of EUR 370–405 million and its operating result (EBIT) will be in the range of EUR 34–46 million.”

Financial review Q1 2020

Orders received and order book

MEUR	1-3/ 2020	1-3/ 2019	Change	FX*	2019
Orders received	89.7	113.0	-21%	-22%	419.4
Order book, end of period	141.6	150.9	-6%		139.0

* Change with comparable exchange rates

First quarter 2020 orders received were EUR 89.7 (113.0) million and decreased by 21% compared to strong comparison period and partially due to coronavirus situation. In Weather and Environment business area, orders received decreased in all regions in total by 31%. Comparison period included two large project orders totaling EUR 22 million. However, orders received increased in North America and Japan. Orders received increased by 2% in Industrial Measurements business area as a result of good growth in Americas and EMEA regions, but orders received decreased by a couple of percentages in APAC region due to coronavirus situation.

At the end of March 2020, order book amounted to EUR 141.6 (150.9) million and decreased by 6% compared to previous year. Order book decreased by 8% in Weather and Environment business area due to decline in APAC and Americas regions, while order book increased in EMEA region. EUR 13 million weather infrastructure project order with the National Meteorology Agency in Ethiopia, announced in October 2019, is not included in order book, as the order will be booked after the ratification by the Ethiopian Parliament. Order book for Industrial Measurements business area increased by 5% as a result of order book growth in Americas and APAC regions. EUR 93.9 (101.1) million of the order book is scheduled to be delivered in 2020.

Financial performance

MEUR	1-3/ 2020	1-3/ 2019	Change	FX**	2019
Net sales	87.2	84.2	4%	2%	403.6
Products	58.9	59.7	-1%		278.5
Projects	14.6	11.5	27%		73.2
Services	13.7	13.0	5%		51.9
Gross margin, %	56.4	53.2			54.8
Operating expenses	44.0	43.0	2%		177.3
R&D expenditure	13.9	13.0	7%		52.8
% of net sales	15.9	15.4			13.1
Amortization*	1.7	3.0			9.6
Operating result	5.2	-0.0			41.1
% of net sales	6.0	-0.0			10.2

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Net sales by region

MEUR	1-3/ 2020	1-3/ 2019	Change	2019
Americas	31.9	32.7	-2%	149.7
APAC	21.2	24.4	-13%	119.6
EMEA	34.1	27.1	26%	134.3
Total	87.2	84.2	4%	403.6

First quarter 2020 net sales grew by 4% compared to previous year and were EUR 87.2 (84.2) million. Foreign currency translation impact on net sales growth was EUR 1.3 million, evenly distributed between business areas. Net sales grew in both business areas. In Weather and Environment business area, net sales increased by 4% mainly as a result of the increase in project deliveries. In Industrial Measurements business area, net sales grew by 2% as a result of the increase in both service and product businesses.

First quarter 2020 gross margin improved to 56.4 (53.2) % as a result of profitability improvement in Weather and Environment business area's project business and digital services, as well as in Industrial Measurements business area's product and service businesses. Operating result increased from previous year to EUR 5.2 (-0.0) million, 6.0 (-0.0) % of net sales. Net sales growth and gross margin improvement increased operating result. Operating expenses were close to previous year's level, but lower than expected due to limitations caused by coronavirus situation. First quarter 2020 operating expenses included EUR 1.1 million credit loss allowance, based on individual assessment of receivables of a project. Amortization of intangible assets, included in operating expenses, decreased by EUR 1.3 million compared to previous year. In addition, comparison period included EUR 2 million provision for a lease contract termination.

First quarter 2020 financial income and expenses were EUR -0.2 (0.3) million. Result before taxes was EUR 5.0 (0.2) million and result for the period EUR 4.0 (0.2) million. Earnings per share was EUR 0.11 (0.01).

Statement of financial position, cash flow and financing

Vaisala's financial position remained strong during January–March 2020. Cash and cash equivalents decreased to EUR 52.9 (Dec 31, 2019: 56.4) million at the end of March. In comparison period, trade and other payables included dividend liability of EUR 20.8 million. At the end of March, statement of financial position totaled EUR 359.0 (Dec 31, 2019: 361.5) million.

In January–March 2020, cash flow from operating activities decreased to EUR 5.3 (7.8) million mainly due to change in short-term liabilities.

On March 31, 2020, Vaisala had interest-bearing loans from financial institutions totaling EUR 40.2 (Dec 31, 2019: 40.2) million, of which EUR 40.0 million related to utilized revolving credit facility. In addition, interest-bearing lease liabilities totaled EUR 11.8 (Dec 31, 2019: 11.3) million.

Capital expenditure and acquisitions

In January–March 2020, capital expenditure in intangible assets and property, plant and equipment totaled EUR 7.8 (4.4) million. Capital expenditure was mainly related to building projects in Vantaa, Finland and Louisville, Colorado US, as well as to investments in machinery and equipment to develop and maintain Vaisala's production and service operations. On March 31, 2020, commitments related to Vantaa and Louisville building projects totaled EUR 7 (Dec 31, 2019: 9) million.

Depreciation, amortization and impairment were EUR 4.9 (6.3) million. This included EUR 1.7 (3.0) million of amortization of identified intangible assets related to the acquired businesses.

Personnel

The average number of personnel employed during January–March 2020 was 1,860 (1,794). At the end of March 2020, the number of employees was 1,877 (Dec 31, 2019: 1,837). 75 (73) % of employees were located in EMEA, 16 (19) % in Americas and 9 (9) % in APAC. 62 (60) % of employees were based in Finland.

Q1 2020 review by business area

Weather and Environment business area

MEUR	1-3/ 2020	1-3/ 2019	Change	FX**	2019
Orders received	52.2	76.2	-31%	-32%	276.2
Order book, end of period	122.5	132.8	-8%		122.3
Net sales	51.8	49.6	4%	3%	261.3
Products	27.1	28.3	-4%		149.0
Projects	14.6	11.5	27%		73.2
Services	10.1	9.9	2%		39.1
Gross margin, %	50.0	46.1			49.9
Operating expenses	28.2	27.2	4%		113.0
R&D expenditure	8.8	8.5	4%		34.0
of net sales, %	17.0	17.1			13.0
Amortization*	1.3	1.6			6.9
Operating result	-2.4	-4.3			17.7
of net sales, %	-4.6	-8.7			6.8

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Q1 2020 review

Weather and Environment business area's first quarter 2020 orders received were EUR 52.2 (76.2) million and decreased in all regions in total by 31% compared to strong previous year and partially due to coronavirus situation. Comparison period included two larger project orders, EUR 15 million order for airports in Argentina and EUR 7 million order for a new road weather station network in Sweden. However, orders received increased in North America and Japan.

At the end of March 2020, Weather and Environment business area's order book amounted to EUR 122.5 (132.8) million and decreased by 8% compared to previous year. Order book decreased in APAC and Americas regions, while order book increased in EMEA region as a result of a good order intake for more than a year. EUR 13 million weather infrastructure project order with the National Meteorology Agency in Ethiopia, announced in October 2019, is not included in order book, as the order will be booked after the ratification by the Ethiopian Parliament. EUR 76.8 (84.6) million of the order book is scheduled to be delivered in 2020.

Weather and Environment business area's first quarter 2020 net sales grew by 4% compared to previous year as result of strong 27% increase in project deliveries and were EUR 51.8 (49.6) million. Product deliveries decreased by 4%. Net sales grew in EMEA region as a result of increase in both project and product deliveries and decreased in Americas and APAC regions. Gross margin improved to 50.0 (46.1) % as a result of profitability improvements in project business and digital services. Despite decrease in product deliveries, gross margin of products was stable.

Weather and Environment business area's first quarter 2020 operating result improved compared to previous year and totaled EUR -2.4 (-4.3) million, -4.6 (-8.7) % of net sales. Net sales growth and gross margin improvement increased operating result. Operating expenses were at previous year's level but lower than

expected due to limitations caused by coronavirus situation. First quarter 2020 operating expenses included EUR 1.1 million credit loss allowance, based on individual assessment of receivables of a project.

Industrial Measurements business area

MEUR	1-3/ 2020	1-3/ 2019	Change	FX**	2019
Orders received	37.5	36.8	2%	0%	143.2
Order book, end of period	19.1	18.2	5%		16.8
Net sales	35.4	34.6	2%	1%	142.3
Products	31.8	31.5	1%		129.5
Services	3.6	3.1	15%		12.8
Gross margin, %	65.8	63.3			63.9
Operating expenses	15.7	15.4	2%		63.4
R&D expenditure	5.1	4.5	13%		18.8
of net sales, %	14.3	13.0			13.2
Amortization*	0.4	1.4			2.8
Operating result	7.6	4.6			26.1
of net sales, %	21.4	13.3			18.4

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Q1 2020 review

Industrial Measurements business area's first quarter 2020 orders received increased by 2% compared to previous year and totaled EUR 37.5 (36.8) million. Orders received increased in Americas and EMEA regions but decreased in APAC region, while China was flat.

At the end of March 2020, Industrial Measurements business area's order book amounted to EUR 19.1 (18.2) million and increased by 5% compared to previous year. Order book increased in Americas and APAC regions but decreased slightly in EMEA region. EUR 17.1 (16.5) million of the order book is scheduled to be delivered in 2020.

Industrial Measurements business area's first quarter 2020 net sales grew by 2% compared to previous year as a result of the increase in both service and product businesses and were EUR 35.4 (34.6) million. Net sales grew in all regions. Growth was weakest in APAC region as net sales in China decreased. Gross margin improved to 65.8 (63.3) % as a result of net sales growth and improved profitability in product and service businesses.

Industrial Measurements business area's first quarter 2020 operating result improved from previous year and totaled EUR 7.6 (4.6) million, 21.4 (13.3) % of net sales. Net sales growth and gross margin improvement increased operating result. Operating expenses were almost at previous year's level, but lower than expected due to limitations caused by coronavirus situation. Amortization of intangible assets, included in operating expenses, decreased by EUR 1.0 million compared to previous year and improved operating result. Comparison period included EUR 2 million provision for a lease contract termination.

Vaisala Corporation's Annual General Meeting 2020

On March 25, 2020, Vaisala's Board of Directors decided to postpone Annual General Meeting due to coronavirus situation. Vaisala will convene the Annual General Meeting at a later stage.

Shares and shareholders

Share capital and shares

Vaisala's share capital totaled EUR 7,660,808 on March 31, 2020. Vaisala has 36,436,728 shares, of which 6,751,398 are series K shares and 29,685,330 series A shares. 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 81.5% of the total number of shares and 18.0% of the total votes. The series K shares represented 18.5% of the total number of shares and 82.0% of the total votes.

Trading and share price development

In January–March 2020, a total of 1,700,160 series A shares with a value totaling EUR 51.7 million were traded on the Nasdaq Helsinki Ltd. The closing price of the series A share on the Nasdaq Helsinki stock exchange was EUR 27.10. Shares registered a high of EUR 37.50 and a low of EUR 21.65. Volume-weighted average share price was EUR 30.40.

The market value of series A shares on March 31, 2020 was EUR 792.6 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 March, the total market value of all the series A and series K shares together was EUR 975.6 million, excluding company's treasury shares.

Treasury shares

In March 2020, a total of 118,950 of treasury shares were conveyed without consideration to the 33 key employees participating in the Share-based incentive plan 2017 under the terms and conditions of the plan. This directed share issue was based on an authorization given by the Annual General Meeting held on March 26, 2019.

Following this directed share issue, the number of series A treasury shares is 437,039, which represents 1.5% of series A shares and 1.2% of total shares.

Shareholders

At the end of March 2020, Vaisala had 10,146 (9,365) registered shareholders. Ownership outside of Finland and nominee registrations represented 17.5 (15.3) % of the company's shares. Households owned 40.8 (41.3) %, private companies 13.2 (13.5) %, financial and insurance institutions 13.9 (14.3) %, non-profit organizations 10.9 (11.1) % and public sector organizations 3.7 (4.6) % 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

Coronavirus pandemic affects people and operations worldwide. Pandemic's impact on Vaisala's business is depending on the duration and severity of this exceptional situation. Vaisala's delivery capability may deteriorate due to disruptions in suppliers' operations, absence of own production employees or disruptions

in incoming and/or outgoing logistics. Demand may fluctuate materially by country or customer segment and customers' recovery from the exceptional situation varies a lot. Effects of the pandemic on customers' cash flow can be significant and lead to credit losses. Exceptional situation may also cause delays or interruptions in any Vaisala's functions, e.g. in R&D.

Uncertainties in international trade policies, political situation and governmental customers' budgetary constraints or changes in their sourcing criteria may reduce or delay demand for Vaisala's products and services.

Increasing competition or customers' preference for local manufacturing may reduce demand for Vaisala's products and services. Prolonged ramp-up, market acceptance, sales channel development, or regulatory certification of new products and services may postpone realization of Vaisala's growth and profitability plans. Customers' budgetary constraints, complex decision-making processes, changes in scope, and financing arrangements may postpone closing of infrastructure contracts in Weather and Environment business area.

Long interruption in production or disruption in suppliers' and subcontractors' delivery capability or product quality may impact significantly Vaisala's net sales and profitability. Cyber risk and downtime of IT systems may impact operations and delivery of digital solutions.

Vaisala's capability to successfully complete investments, acquisitions, divestments and restructurings on a timely basis and to achieve related financial and operational targets includes uncertainties and risks, which may negatively impact net sales and profitability.

Further information about risk management and risks are available on Annual Report and on the company website at vaisala.com/investors.

Market outlook for 2020

Market outlook is affected by the coronavirus pandemic and related economic slow-down.

Climate change and severe weather events drive need for continued replacement and enhancement of weather observation and forecasting capabilities. Due to coronavirus pandemic, decisions on larger meteorology infrastructure projects may be postponed. In developed countries market will likely remain more stable while in developing countries the negative impact of coronavirus pandemic will be more significant.

In transportation, market situation is exceptionally variable. In aviation, market for weather observation systems is expected to suffer due to the steep decline in air traffic and consequent fall in aviation revenues. Ground transportation and road surface state modelling market is expected to be stable.

The renewable energy market is generally expected to continue to grow, but short-term investments in wind and solar energy capacity may suffer from increased uncertainty and financing constraints.

The restrictions imposed by governments and authorities on people and businesses as well as travel, will cause globally delays or interruptions in project and service deliveries.

In industrial measurements, increasing focus on energy and operations efficiency as well as increasing regulations and requirements for high-quality and security drive the need for high-end industrial instruments and systems. Industrial instruments and liquid measurements markets are expected to grow despite

coronavirus pandemic. Continuous monitoring systems and power industry markets' growth is expected to continue to exceed growth of industrial instruments. However, growth of delivery volumes is estimated to fall short of 2019 due to limitations caused by coronavirus situation.

Business outlook for 2020

Vaisala estimates that its full-year 2020 net sales will be in the range of EUR 370–405 million and its operating result (EBIT) will be in the range of EUR 34–46 million.

Financial calendar 2020

Half Year Financial Report 2020, July 21, 2020

Interim Report January–September 2020, October 27, 2020

Vantaa, April 28, 2020

Vaisala Corporation
Board of Directors

The forward-looking statements in this release 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 and changes in accounting policies

This Interim 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 2019. All figures in this Interim Report are group figures. All presented figures have been rounded and consequently the sum of individual figures may deviate from the sum presented. This Interim Report is unaudited.

Preparation of Interim 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 Interim report, actual results may differ from those estimates.

The reporting of cash flows from operating activities in the consolidated cash flow statement has been changed from the direct method to the indirect method as of January 1, 2020. The comparative information has been reported accordingly.

Weather and Environment business area's renewable energy digital solutions business is no longer meeting the criteria of non-current assets held for sale and classification of those assets as non-current assets held for sale was ceased accordingly as of September 30, 2019.

New and amended IFRS standards effective for the year 2020

The following new or revised IFRSs have been adopted from January 1, 2020:

- Amendments to IFRS 3 Definition of a business
- Amendments to IAS 1 and IAS 8 Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

The adoption of the amendment to IFRS 3 may have an impact on the group's consolidated financial statements in future periods should such transactions arise. The adoption of the amendments to IAS 1 and IAS 8 as well as to IFRS 9, IAS 39 and IFRS 7 is not expected to have a material impact on the financial statements of the group in future periods.

Consolidated statement of income			
EUR million	1-3/ 2020	1-3/ 2019	1-12/ 2019
Net sales	87.2	84.2	403.6
Cost of goods sold	-38.0	-39.4	-182.4
Gross profit	49.2	44.8	221.2
Sales, marketing and administrative costs	-30.1	-30.0	-124.5
Research and development costs	-13.9	-13.0	-52.8
Other operating income and expenses	0.0	-1.8	-2.7
Operating result	5.2	-0.0	41.1
Share of result in associated company	-	-	0.1
Financial income and expenses	-0.2	0.3	-1.1
Result before taxes	5.0	0.2	40.2
Income taxes	-0.9	-0.1	-6.6
Result for the period	4.0	0.2	33.6
Attributable to			
Owners of the parent company	4.1	0.2	33.5
Non-controlling interests	-0.1	-	0.1
Result for the period	4.0	0.2	33.6
Earnings per share for result attributable to the equity holders of the parent company			
Earnings per share, EUR	0.11	0.01	0.94
Diluted earnings per share, EUR	0.11	0.01	0.93

Consolidated statement of comprehensive income			
EUR million	1-3/ 2020	1-3/ 2019	1-12/ 2019
Items that will not be reclassified to profit or loss (net of taxes)			
Actuarial profit (loss) on post-employment benefits	0.0	0.0	0.2
Total	0.0	0.0	0.2
Items that may be reclassified subsequently to profit or loss			
Translation differences	0.3	0.7	0.5
Total	0.3	0.7	0.5
Total other comprehensive income	0.3	0.7	0.7
Comprehensive income for the period	4.4	0.9	34.3
Attributable to			
Owners of the parent company	4.4	0.9	34.2
Non-controlling interests	-0.1	-	0.1
Comprehensive income for the period	4.4	0.9	34.3

Consolidated statement of financial position

EUR million

Assets	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Non-current assets			
Intangible assets	71.3	71.2	72.7
Property, plant and equipment	69.6	48.5	63.4
Right-of-use assets	12.8	11.2	12.3
Investments in shares	0.1	0.1	0.1
Investment in associated company	1.1	1.0	1.1
Non-current receivables	1.0	1.0	0.9
Deferred tax assets	9.7	10.1	9.8
Total non-current assets	165.6	143.2	160.3
Current assets			
Inventories	44.4	35.8	39.6
Trade and other receivables	68.4	62.9	77.3
Contract assets	23.1	19.1	25.0
Income tax receivables	4.6	2.7	2.8
Cash and cash equivalents	52.9	75.6	56.4
Total current assets	193.4	196.1	201.1
Assets classified as held for sale	-	3.1	-
Total assets	359.0	342.4	361.5

Equity and liabilities	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Equity			
Share capital	7.7	7.7	7.7
Other reserves	3.2	4.4	7.0
Translation differences	1.6	1.4	1.3
Treasury shares	-6.3	-7.9	-7.9
Retained earnings	193.7	156.7	190.0
Total equity attributable to owners of parent company	199.9	162.3	198.0
Non-controlling interests	0.3	-	0.3
Total equity	200.1	162.3	198.3
Non-current liabilities			
Interest-bearing loans from financial institutions	-	0.1	-
Interest-bearing lease liabilities	9.1	7.0	8.3
Post-employment benefits	2.5	2.8	2.4
Deferred tax liabilities	7.7	8.8	8.1
Provisions	0.1	1.9	0.1
Other non-current liabilities	4.6	5.9	4.3
Total non-current liabilities	24.0	26.5	23.3
Current liabilities			
Interest-bearing loans from financial institutions	40.2	40.3	40.2
Interest-bearing lease liabilities	2.7	3.3	3.0
Trade and other payables	60.4	75.3	64.5
Contract liabilities	27.5	29.0	27.3
Income tax liabilities	1.6	1.4	1.7
Provisions	2.4	3.5	3.2
Total current liabilities	134.7	152.6	139.8
Liabilities directly associated with assets classified as held for sale	-	1.0	-
Total liabilities	158.7	180.2	163.1
Total equity and liabilities	359.0	342.4	361.5

Consolidated cash flow statement			
EUR million	1-3/ 2020	1-3/ 2019	1-12/ 2019
Cash flow from operating activities			
Result for the period	4.0	0.2	33.6
Depreciation, amortization and impairment	4.9	6.3	23.5
Financial income and expenses	0.2	-0.3	1.1
Gains and losses on sale of intangible assets and property, plant and equipment	0.0	0.0	-0.3
Share of result in associated company	0.0	0.0	-0.1
Income taxes	0.9	0.1	6.6
Other non-cash items	-3.3	2.0	1.6
Inventories, increase (-) / decrease (+)	-4.2	-4.0	-7.5
Non-interest-bearing receivables, increase (-) / decrease (+)	10.7	11.2	-7.8
Non-interest-bearing liabilities, increase (+) / decrease (-)	-4.3	-4.7	1.5
Changes in working capital	2.2	2.6	-13.9
Financial items paid	-0.5	-0.2	-2.3
Income taxes paid	-3.2	-2.9	-9.0
Cash flow from operating activities	5.3	7.8	40.8
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired	-	-	-7.3
Capital expenditure on intangible assets and property, plant and equipment	-7.8	-4.4	-26.8
Proceeds from sale of intangible assets and property, plant and equipment	0.0	0.1	0.5
Proceeds from sale of shares	0.1	-	-
Cash flow from investing activities	-7.7	-4.4	-33.6
Cash flow from financing activities			
Dividends paid	-	-	-20.8
Change in loan receivables	0.0	0.0	0.1
Proceeds from borrowings	-	-	80.0
Repayment of borrowings	0.0	-0.0	-80.5
Principal payments of lease liabilities	-0.9	-1.2	-4.1
Cash flow from financing activities	-0.8	-1.2	-25.4
Change in cash and cash equivalents increase (+) / decrease (-)	-3.2	2.3	-18.1
Cash and cash equivalents at the beginning of period	56.4	72.7	72.7
Change in cash and cash equivalents	-3.2	2.3	-18.1
Cash and cash equivalents classified as assets held for sale	-	-0.1	-
Transfer of cash and cash equivalents classified as assets held for sale to continuing operations	-	-	1.1
Effect from changes in exchange rates	-0.2	0.7	0.7
Cash and cash equivalents at the end of period	52.9	75.6	56.4

Consolidated statement of changes in equity

	Share capital	Other reserves	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total
EUR million								
Equity at Dec 31, 2018	7.7	6.1	0.8	-9.0	177.3	182.9		182.9
Result for the period					0.2	0.2		0.2
Other comprehensive income		0.0	0.7			0.7		0.7
Dividend distribution					-20.8	-20.8		-20.8
Share-based payments		-1.7		1.1		-0.7		-0.7
Equity at Mar 31, 2019	7.7	4.4	1.4	-7.9	156.7	162.3		162.3

	Share capital	Other reserves	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total
EUR million								
Equity at Dec 31, 2019	7.7	7.0	1.3	-7.9	190.0	198.0	0.3	198.3
Result for the period					4.1	4.1	-0.1	4.0
Other comprehensive income		0.0	0.3			0.3		0.3
Share-based payments		-4.2		1.6		-2.6		-2.6
Transfer between items		0.4			-0.4	0.0		0.0
Balance at Mar 31, 2020	7.7	3.2	1.6	-6.3	193.7	199.9	0.3	200.1

Notes to the report

Orders received by business area

EUR million	1-3/ 2020	1-3/ 2019	1-12/ 2019
Weather and Environment	52.2	76.2	276.2
Industrial Measurements	37.5	36.8	143.2
Total	89.7	113.0	419.4

Net sales by business area

EUR million	1-3/ 2020	1-3/ 2019	1-12/ 2019
Weather and Environment			
Products	27.1	28.3	149.0
Projects	14.6	11.5	73.2
Services	10.1	9.9	39.1
Total	51.8	49.6	261.3
Industrial Measurements			
Products	31.8	31.5	129.5
Services	3.6	3.1	12.8
Total	35.4	34.6	142.3
Total net sales	87.2	84.2	403.6

Operating result by business area

EUR million	1-3/ 2020	1-3/ 2019	1-12/ 2019
Weather and Environment	-2.4	-4.3	17.7
Industrial Measurements	7.6	4.6	26.1
Other	0.0	-0.3	-2.7
Total	5.2	-0.0	41.1

Net sales by region

EUR million	1-3/ 2020	1-3/ 2019	1-12/ 2019
Americas	31.9	32.7	149.7
APAC	21.2	24.4	119.6
EMEA	34.1	27.1	134.3
Total	87.2	84.2	403.6

Timing of revenue recognition

EUR million	1-3/ 2020	1-3/ 2019	1-12/ 2019
Performance obligations satisfied at a point in time	66.5	67.5	308.6
Performance obligations satisfied over time	20.8	16.7	95.0
Total	87.2	84.2	403.6

Personnel			
	1-3/ 2020	1-3/ 2019	1-12/ 2019
Average personnel	1,860	1,794	1,829
Personnel at the end of period	1,877	1,789	1,837

Derivative financial instruments			
EUR million	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Nominal value of derivative contracts	30.7	21.8	33.8
Fair values of derivative contracts, assets	0.2	-	0.3
Fair values of derivative contracts, liabilities	0.6	0.8	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 contracts are executed only with counterparties that have high credit ratings.

Share information			
EUR/thousand	1-3/ 2020	1-3/ 2019	1-12/ 2019
Number of shares outstanding	36,000	35,879	35,881
Number of treasury shares	437	558	556
Number of shares, weighted average, diluted	36,125	36,116	36,133
Number of shares, weighted average	35,917	35,816	35,864
Number of shares traded	1,700	958	3,442
Share price, highest	37.50	19.15	32.80
Share price, lowest	21.65	15.95	15.95

Key ratios			
EUR	1-3/ 2020	1-3/ 2019	1-12/ 2019
Earnings per share	0.11	0.01	0.94
Diluted earnings per share	0.11	0.01	0.93
Equity per share	5.55	4.52	5.52
Return on equity, %	8.1	0.4	17.7
Cash flow from operating activities per share	0.15	0.22	1.14
Solvency ratio, %	56.5	48.1	55.7
Gearing, %	-0.5	-15.3	-2.4

Key exchange rates					
	Average rates		Period end rates		
	1-3/ 2020	1-3/ 2019	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
USD	1.1088	1.1451	1.0956	1.1235	1.1234
CNY	7.7177	7.7357	7.7784	7.5397	7.8205
JPY	120.55	125.70	118.90	124.45	121.94
GBP	0.8486	0.8762	0.8864	0.8583	0.8508

Further information

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Vaisala Corporation

Conference call

An English-language conference call for analysts, investors and media will be held today on April 28, 2020, starting at 4:00 p.m. (Finnish time). Numbers for conference call, during which questions may be presented, are:

Finland: +358 9 8171 0310

UK: +44 33 3300 0804

Sweden: +46 8 5664 2651

US: +1 63 1913 1422

PIN: 68978569#

Audiocast

The presentation by Kjell Forsén, President and CEO, can also be followed through a live audiocast at www.vaisala.com/investors starting at 4:00 p.m. A recording will be published at the same address by 6:00 p.m.

Distribution

Nasdaq Helsinki

Key media

vaisala.com

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