

Vaisala Corporation Interim Report

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Vaisala Corporation Interim Report January–March 2021

Strong start for the year. Vaisala raises lower limit of its 2021 business outlook.

First quarter 2021 highlights

- Orders received EUR 106.1 (89.7) million, increase 18%
- Order book at the end of the period EUR 155.4 (141.6) million, increase 10%
- Net sales EUR 92.0 (87.2) million, increase 5%
- Operating result (EBIT) EUR 8.1 (5.2) million, 8.8 (6.0) % of net sales
- Earnings per share EUR 0.17 (0.11)
- Cash flow from operating activities EUR 18.2 (5.3) million

Market development and business outlook for 2021

COVID-19 pandemic will continue to cause significant uncertainty in 2021. Still, the global economy is expected to continue to recover in 2021.

Market for high-end industrial instruments is expected to recover after weak 2020. Life science and power industry market is expected to continue to grow. Liquid measurements market is expected to start to recover.

Meteorology market in developed countries is expected to remain stable, while in developing countries demand is expected to continue to suffer due to lack of funding and delayed decision making. Aviation market declined significantly in 2020 as a result of the global pandemic, and market outlook remains weak, although some recovery is expected. Ground transportation market is expected to be stable. Renewable energy market is expected to continue to grow.

Strong start for the year brings more confidence for the whole year despite continued uncertainties. Therefore, Vaisala raises lower limit of its business outlook for 2021. Vaisala now estimates that its full-year 2021 net sales will be in the range of EUR 380–400 million and its operating result (EBIT) will be in the range of EUR 35–45 million.

Earlier Vaisala estimated that its full-year 2021 net sales would be in the range of EUR 370–400 million and its operating result (EBIT) would be in the range of EUR 30–45 million.

Key figures				
MEUR	1-3/ 2021	1-3/ 2020	Change	1-12/ 2020
Orders received	106.1	89.7	18%	382.8
Order book	155.4	141.6	10%	137.8
Net sales	92.0	87.2	5%	379.5
Gross profit	50.4	49.2	2%	212.9
Gross margin, %	54.8	56.4		56.1
Operating expenses	42.4	44.0	-4%	169.2
Operating result	8.1	5.2		44.8
Operating result, %	8.8	6.0		11.8
Result before taxes	7.9	5.0		41.3
Result for the period	6.3	4.0		32.8
Earnings per share	0.17	0.11	51%	0.91
Return on equity, %	12.7	8.1		16.3
Capital expenditure	4.5	7.8	-42%	31.0
Depreciation, amortization and impairment	5.3	4.9	7%	21.1
Cash flow from operating activities	18.2	5.3	247%	41.0
Cash and cash equivalents	53.9	52.9	2%	45.4
Interest-bearing liabilities	51.7	52.0	-0%	57.0
Gearing, %	-1.2	-0.5		5.7

Vaisala's President and CEO Kai Öistämö

“Vaisala had a strong start for 2021. Market environment in many segments was more positive than expected. This led into significant increase in demand in Industrial Measurements business area. Also, Weather and Environment business area experienced strong increase in demand. As a result, Vaisala had 18% increase in orders received year-on-year. In Industrial Measurements business area, orders received was strong in all market segments. Relative growth was strongest in power industry applications. Economic recovery in China was playing a big role in growth of business area's order intake. In Weather and Environment business area, orders received increased in renewable energy and ground transportation market segments. Weakness in aviation market continued, and orders received in this segment decreased compared to previous year.

First quarter net sales increased by 5%. Net sales grew mostly in life science, industrial instruments, renewable energy, and ground transportation market segments. Net sales in Industrial Measurements business area grew by 12% and were about flat in Weather and Environment business area following continued decline in aviation market. Operating expenses decreased due to more efficient ways of working triggered by the COVID-19 pandemic. Operating result improved and margin increased to 8.8%.

We proceeded well in our strategy execution. We continued to renew our product portfolio in both business areas and transformation of digital services business progressed as planned. Industrial Measurements business area's flagship markets, high-end humidity and high-end carbon dioxide, responded well to increased demand. Within the growth businesses, continuous monitoring systems and power industry applications grew strongly. Decrease in net sales for liquid measurements solutions reflected low order intake during the past quarters. Weather and Environment business area's project deliveries proceeded well despite

delays in some project implementations caused by the COVID-19 pandemic. Net sales in renewable energy market segment grew strongly compared to previous year.

Strong start for the year brings more confidence for the whole year despite continued uncertainties. As a result, we are raising lower limit of our business outlook. We now estimate that full-year 2021 net sales will be in the range of EUR 380–400 million and operating result (EBIT) in the range of EUR 35–45 million.

Financial review Q1 2021

Orders received and order book

MEUR	1-3/ 2021	1-3/ 2020	Change	FX*	1-12/ 2020
Orders received	106.1	89.7	18%	23%	382.8
Order book, end of period	155.4	141.6	10%		137.8

* Change with comparable exchange rates

First quarter 2021 orders received were strong with 18% increase compared to previous year and totaled EUR 106.1 (89.7) million. Orders received increased mostly in renewable energy, ground transportation, and industrial instruments market segments. On the other hand, weakness in aviation market segment continued. Orders received increased in both business areas.

At the end of March 2021, order book amounted to EUR 155.4 (141.6) million and increased by 10% compared to previous year. Order book increased in both business areas. EUR 110.1 (93.9) million of the order book is scheduled to be delivered in 2021. EUR 13 million weather infrastructure project order with the National Meteorology Agency in Ethiopia, announced in October 2019, is not included in order book.

Financial performance

MEUR	1-3/ 2021	1-3/ 2020	Change	FX**	1-12/ 2020
Net sales	92.0	87.2	5%	9%	379.5
Products	66.0	58.9	12%		267.3
Projects	13.1	14.6	-10%		59.3
Services	12.6	13.7	-8%		52.9
Lease income	0.2	-			-
Gross margin, %	54.8	56.4			56.1
Operating expenses	42.4	44.0	-4%		169.2
R&D expenditure	13.2	13.9	-5%		53.2
Amortization*	1.9	1.7			7.5
Operating result	8.1	5.2			44.8
% of net sales	8.8	6.0			11.8

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

First quarter 2021 operating result increased from previous year to EUR 8.1 (5.2) million, 8.8 (6.0) % of net sales following growth in net sales and lower operating expenses.

Net sales increased by 5% compared to previous year and were EUR 92.0 (87.2) million. In constant currencies, net sales increased by 9%. Net sales increased mostly in life science, industrial instruments, renewable energy, and ground transportation market segments. Net sales grew in Industrial Measurements business area and were about flat in Weather and Environment business area. In the comparison period, services net sales included discontinued assessment services provided for renewable energy customers and lease income.

Gross margin decreased to 54.8 (56.4) % mainly due to product mix and appreciated Euro. Operating expenses decreased compared to previous year due to more efficient ways of working triggered by the COVID-19 pandemic. Comparison period included EUR 1.1. million credit loss allowance related to one project.

First quarter 2021 financial income and expenses were EUR -0.2 (-0.2) million. Result before taxes was EUR 7.9 (5.0) million and result for the period EUR 6.3 (4.0) million. Earnings per share was EUR 0.17 (0.11).

Statement of financial position, cash flow and financing

Vaisala's financial position remained strong during January–March 2021. Cash and cash equivalents increased to EUR 53.9 (Dec 31, 2020: 45.4) million at the end of March including EUR 5 million repayment of revolving credit facility. At the end of March, statement of financial position totaled EUR 364.4 (Dec 31, 2020: 351.8) million. Dividend liability, decided by the Annual General Meeting on March 30, 2021, amounted to EUR 22 million.

In January–March 2021, cash flow from operating activities increased to EUR 18.2 (5.3) million mainly as a result of improved net result as well as increase in liabilities.

On March 31, 2021, Vaisala had interest-bearing loans from financial institutions totaling EUR 40.1 (Dec 31, 2020: 45.2) million, of which EUR 40.0 million related to term loan. In addition, interest-bearing lease liabilities totaled EUR 11.6 (Dec 31, 2020: 11.9) million.

Capital expenditure

In January–March 2021, capital expenditure in intangible assets and property, plant and equipment totaled EUR 4.5 (7.8) million. Capital expenditure was mainly related to investments in machinery and equipment to develop and maintain Vaisala's production and service operations.

Depreciation, amortization, and impairment were EUR 5.3 (4.9) million. This included EUR 1.9 (1.7) million of amortization of identified intangible assets related to the acquired businesses.

Personnel

The average number of personnel employed during January–March 2021 was 1,929 (1,879). At the end of March 2021, the number of employees was 1,933 (Dec 31, 2020: 1,939). 77 (77) % of employees were located in EMEA, 15 (14) % in Americas and 9 (9) % in APAC. 65 (65) % of employees were based in Finland.

Q1 2021 review by business area

Industrial Measurements business area

MEUR	1-3/ 2021	1-3/ 2020	Change	FX**	1-12/ 2020
Orders received	45.9	37.5	22%	29%	146.0
Order book, end of period	24.9	19.1	30%		18.0
Net sales	39.7	35.4	12%	17%	143.9
Products	36.1	31.8	13%		129.9
Services	3.6	3.6	1%		14.1
Gross margin, %	63.5	65.8			64.4
Operating expenses	15.8	15.7	0%		61.5
R&D expenditure	4.8	5.1	-6%		19.2
Amortization*	0.4	0.4			1.7
Operating result	9.4	7.6			31.6
of net sales, %	23.8	21.4			21.9

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Q1 2021 review

Industrial Measurements business area's first quarter 2021 orders received increased by 22% compared to previous year totaling to EUR 45.9 (37.5) million. Increase in orders received was strong in all market segments. Relative growth was strongest in power industry applications, although its share of orders received was still below 10%.

At the end of March 2021, Industrial Measurements business area's order book amounted to EUR 24.9 (19.1) million and increased by 30% compared to previous year. EUR 23.0 (17.1) million of the order book is scheduled to be delivered in 2021. Order book increased in all market segments.

Industrial Measurements business area's first quarter 2021 operating result increased compared to previous year and totaled EUR 9.4 (7.6) million, 23.8 (21.4) % of net sales. Net sales growth increased operating result.

First quarter 2021 net sales were EUR 39.7 (35.4) million and increased by 12% compared to previous year. In constant currencies, net sales increased by 17%. Net sales growth was strong in life science and in power industry market segments and good in industrial instruments. Net sales for liquid measurements declined following weak order intake in the second half of 2020.

Gross margin decreased to 63.5 (65.8) % mainly due to product mix and appreciated Euro. Operating expenses were at previous years' level.

Weather and Environment business area

MEUR	1-3/ 2021	1-3/ 2020	Change	FX**	1-12/ 2020
Orders received	60.3	52.2	15%	18%	236.9
Order book, end of period	130.5	122.5	6%		119.8
Net sales	52.2	51.8	1%	4%	235.5
Products	29.9	27.1	11%		137.4
Projects	13.1	14.6	-10%		59.3
Services	9.0	10.1	-11%		38.8
Lease income	0.2	-			-
Gross margin, %	48.1	50.0			51.0
Operating expenses	26.1	28.2	-8%		106.3
R&D expenditure	8.4	8.8	-5%		34.1
Amortization*	1.5	1.3			5.8
Operating result	-0.9	-2.4			14.6
of net sales, %	-1.7	-4.6			6.2

* Amortization of intangible assets related to the acquired businesses

** Change with comparable exchange rates

Q1 2021 review

Weather and Environment business area's first quarter 2021 orders received increased by 15% compared to previous year and totaled EUR 60.3 (52.2) million. Orders received increased in renewable energy and ground transportation market segments, whereas orders received in meteorology market segment were at previous year's level. Aviation market improvement has stalled, and orders received in this segment decreased compared to previous year.

At the end of March 2021, Weather and Environment business area's order book amounted to EUR 130.5 (122.5) million and increased by 6% compared to previous year. EUR 87.1 (76.8) million of the order book is scheduled to be delivered in 2021. Order book increased in renewable energy, ground transportation, and meteorology market segments. Order book in aviation market segment decreased. EUR 13 million weather infrastructure project order with the National Meteorology Agency in Ethiopia, announced in October 2019, is not included in order book.

Weather and Environment business area's first quarter 2021 operating result increased compared to previous year as a result of lower operating expenses and totaled EUR -0.9 (-2.4) million, -1.7 (-4.6) % of net sales.

First quarter 2021 net sales were EUR 52.2 (51.8) million and increased by 1% compared to previous year. In constant currencies, net sales increased by 4%. Net sales grew in renewable energy, ground transportation, and meteorology market segments, and decreased in aviation market segment. In the comparison period, services net sales included discontinued assessment services provided for renewable energy customers and lease income.

Gross margin decreased to 48.1 (50.0) % mainly due to product mix and appreciated Euro. Operating expenses decreased compared to previous year due to more efficient ways of working triggered by the COVID-19 pandemic.

Impact of the COVID-19 pandemic

The global economic downturn caused by the COVID-19 pandemic impacted especially aviation market segment and emerging markets. Weather and Environment business area missed larger project orders due to uncertainty and customers' prolonged decision making. Orders received decreased in aviation market segment. There were delays in some project deliveries due to travel restrictions related to the COVID-19 pandemic. Economic recovery especially in China impacted positively in Industrial Measurements business area's first-quarter orders received and net sales. However, it is difficult to estimate impact of the pandemic on financial results.

Vaisala's production and logistics have been running smoothly as a result of successful mitigation activities. Vaisala has closely cooperated with its strategic suppliers to ensure availability of components. Inventory levels for most critical components were on normal level at the end of March 2021. Field service capabilities have been limited due to travel restrictions and lockdowns and thus limited access to customer sites.

Despite the COVID-19 pandemic, Vaisala has uninterruptedly carried on R&D projects as well as core process and system development to ensure progress of strategic projects according to plans.

Vaisala's financial position and cash flow remained strong. Gearing was -1.2% at the end of March 2021. No material changes were identified in customers' payment behavior and credit loss allowance did not materially change during the first quarter.

Changes in Management Group

On January 7, 2021, Olli Nastamo (b. 1956) was appointed Executive Vice President, Operational Excellence. Olli Nastamo started in his position on March 1, 2021. He is a member of the Vaisala Management Group and reports to President and CEO Kai Öistämö.

Annual General Meeting 2021

Vaisala Corporation's Annual General Meeting was held on March 30, 2021. 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, 2020.

Dividend

The Annual General Meeting decided a dividend of EUR 0.61 per share. The record date for the dividend payment was April 1, 2021, and the payment date was April 12, 2021.

Board of Directors

The Annual General Meeting confirmed that the number of Board members is eight. Petri Castrén, Antti Jääskeläinen, Petra Lundström, Jukka Rinnevaara, Kaarina Ståhlberg, Tuomas Syrjänen, Raimo Voipio and Ville Voipio will continue as members of the Board of Directors.

The Annual General Meeting confirmed that that the annual remuneration payable to the Chairman 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 Chairman of the Audit Committee would be EUR 1,500 per attended meeting and EUR 1,000 for each member of the Audit Committee and Chairman and each member of the Remuneration and HR Committee and any other

committee established by the Board of Directors for a term until the close of the Annual General Meeting in 2022. The meeting fees are paid in cash. Possible travel expenses are proposed to be reimbursed according to the travel policy of the company.

Auditor

The Annual General Meeting re-elected Deloitte Oy as the auditor of the company and APA Reeta Virolainen will act as the auditor with the principal responsibility. The Auditors are 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 500,000 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 30, 2022.

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 835,794 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 30, 2022. The authorization for the company's incentive program shall however be valid until March 30, 2025.

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 Chairman of the Board of Directors and Raimo Voipio as the Vice Chairman.

Kaarina Ståhlberg was elected as the Chairman and Petri Castrén, Antti Jääskeläinen and Raimo Voipio as members of the Audit Committee. Ville Voipio was elected as the Chairman and Petra Lundström, Jukka Rinnevaara and Tuomas Syrjänen as members of the Remuneration and HR Committee. The Chairman and all members of the Audit Committee as well as the Remuneration and HR 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 March 31, 2021. Vaisala has 36,436,728 shares, of which 6,731,092 are series K shares and 29,705,636 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 18.1% of the total votes. The series K shares represented 18.5% of the total number of shares and 81.9% of the total votes.

Trading and share price development

In January–March 2021, a total of 852,404 series A shares with a value totaling EUR 29.5 million were traded on the Nasdaq Helsinki Ltd. The closing price of the series A share on the Nasdaq Helsinki stock exchange was

EUR 31.85. Shares registered a high of EUR 43.15 and a low of EUR 30.00. Volume-weighted average share price was EUR 34.53.

The market value of series A shares on March 31, 2021 was EUR 935.4 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 1,149.8 million, excluding company's treasury shares.

Treasury shares

In March 2021, a total of 87,100 of treasury shares were conveyed without consideration to the 28 key employees who participated in the Share-based incentive plan 2018 under the terms and conditions of the plan. Of these shares, 4,000 were conveyed to the President and CEO Kai Öistämö and 13,850 to the previous President and CEO Kjell Forsén. In addition, 11,520 shares were conveyed to Kjell Forsén related to the Share-based incentive plan 2019–2021 and 2,764 shares related to the Share-based incentive plan 2020–2022 under the terms and conditions of the plans. This directed share issue was based on an authorization given by the Annual General Meeting held on June 3, 2020.

Following this directed share issue, the number of series A treasury shares on March 31, 2021 was 335,655, which represents 1.1% of series A shares and 0.9% of total shares.

Shareholders

At the end of March 2021, Vaisala had 11,349 (10,146) registered shareholders. Ownership outside of Finland and nominee registrations represented 19.1 (17.5) % of the company's shares. Households owned 40.6 (40.8) %, private companies 13.1 (13.2) %, financial and insurance institutions 13.2 (13.9) %, non-profit organizations 10.7 (10.9) % and public sector organizations 3.4 (3.7) % 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

COVID-19 pandemic's impact on Vaisala's business is depending on the duration and severity of this exceptional situation. Prevailing component shortage may cause delays or interruptions in deliveries. 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 market 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 Vaisala's operations, e.g. in project deliveries and R&D.

Uncertainties in international trade policies or political situation may reduce or delay demand for Vaisala's products and services. Customers' preference for local manufacturing may reduce demand for Vaisala's products and services.

Obstacles related to market acceptance, sales channel development, or regulatory certification of new products and services may postpone realization of Vaisala's growth and profitability targets. 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. Cyber risk and downtime of IT systems may impact operations and delivery of digital solutions.

Measures taken to mitigate impacts of the COVID-19 pandemic*Employees*

Ensuring employees' wellbeing and their health and safety has been the most important focus area during the COVID-19 pandemic. To enforce containment actions and safe work environment for production workers, access to factories has been limited. Remote working practices were introduced in all offices and office environments have been adapted to meet local recommendations and regulations.

Customers

Effective delivery of products and services has been crucial while customer organizations have dealt with staff shortages, closures of offices and factories and health protection measures. Remote customer meetings, electronic signatures, re-routing of shipments, remote acceptance testing and cooperation with local field service companies and their remote support are examples of measures, which have been taken to fulfill customer expectations.

Supplier relationships and cooperation

Vaisala has numerous suppliers, technology providers and outsourcing partners. Strategic suppliers, which are critical to ongoing business operations, have been assessed for their business continuity and information reliability. Purchase orders, delivery schedules and changes in lead times have been assessed to ensure timely receipt of components. Inventory levels for most critical components were temporarily increased by two-three months availability.

Communications

Vaisala has communicated regularly with multiple stakeholders: employees, customers, suppliers, and authorities. Objective has been to ensure clear and transparent communication how Vaisala manages possible impacts of the COVID-19 pandemic, and to ensure continuity of core operations, including support and services for customers without endangering employees, customers, and other stakeholders. Digital marketing efforts have been intensified to compensate for absence of conventional marketing events.

Liquidity

Vaisala's financial position and liquidity have been assessed on regular basis.

Scenario planning

Vaisala has done scenario planning and contingency planning in order to make sound decisions in a highly volatile operating environment. Vaisala has identified risks related to delivery capability and demand outlook as well as diverse challenges emerging in the operating environment. Scenario plans and related assumptions have been continuously updated and followed up.

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

Financial calendar 2021

Half Year Financial Report 2021, July 23, 2021

Interim Report January–September 2021, October 28, 2021

Vantaa, April 28, 2021

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 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 2020. 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.

Lessor accounting

In 2021, Vaisala amends the accounting principles on leases presented in its annual financial statements to include accounting by a lessor due to the increase of lease arrangements, where Vaisala is acting as a lessor.

In Vaisala, all lease agreements are classified as operating leases as those do not transfer substantially all the risks and rewards incidental to ownership of the underlying assets. Lease payments are recognized on straight-line basis as lease income. Lease income is presented as part of net sales and disclosed in the notes. Leased assets are included in property, plant and equipment and depreciated according to the depreciation policy for similar assets. Vaisala recognizes costs incurred in earning the lease income as an expense in the cost of goods sold. Leased assets are tested for impairment in accordance with IAS 36 Impairment of assets.

New and amended IFRS standards effective for the year 2021

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 have been adopted from January 1, 2021. The adoption of the amendments 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/ 2021	1-3/ 2020	1-12/ 2020
Net sales	92.0	87.2	379.5
Cost of goods sold	-41.6	-38.0	-166.6
Gross profit	50.4	49.2	212.9
Sales, marketing, and administrative costs	-29.2	-30.1	-116.0
Research and development costs	-13.2	-13.9	-53.2
Other operating income and expenses	0.1	0.0	1.1
Operating result	8.1	5.2	44.8
Share of result in associated company	-	-	0.2
Financial income and expenses	-0.2	-0.2	-3.6
Result before taxes	7.9	5.0	41.3
Income taxes	-1.6	-0.9	-8.5
Result for the period	6.3	4.0	32.8
Attributable to			
Owners of the parent company	6.2	4.1	32.8
Non-controlling interests	0.1	-0.1	0.0
Result for the period	6.3	4.0	32.8
Earnings per share for result attributable to the equity holders of the parent company			
Earnings per share, EUR	0.17	0.11	0.91
Diluted earnings per share, EUR	0.17	0.11	0.91

Consolidated statement of comprehensive income			
EUR million	1-3/ 2021	1-3/ 2020	1-12/ 2020
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
Total	0.0	0.0	0.0
Items that may be reclassified subsequently to profit or loss			
Translation differences	2.2	0.3	-4.0
Total	2.2	0.3	-4.0
Total other comprehensive income	2.2	0.3	-4.0
Comprehensive income for the period	8.4	4.4	28.9
Attributable to			
Owners of the parent company	8.4	4.4	28.8
Non-controlling interests	0.1	-0.1	0.0
Comprehensive income for the period	8.4	4.4	28.9

Consolidated statement of financial position

EUR million

Assets	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Non-current assets			
Intangible assets	62.2	71.3	63.6
Property, plant, and equipment	87.9	69.6	83.9
Right-of-use assets	12.4	12.8	12.5
Investments in shares	0.1	0.1	0.1
Investment in associated company	1.1	1.1	1.1
Non-current receivables	1.0	1.0	0.9
Deferred tax assets	6.8	9.7	7.3
Total non-current assets	171.5	165.6	169.5
Current assets			
Inventories	46.3	44.4	44.5
Trade and other receivables	65.3	68.4	64.0
Contract assets and other accrued revenue	22.9	23.1	24.2
Income tax receivables	4.4	4.6	4.3
Cash and cash equivalents	53.9	52.9	45.4
Total current assets	192.9	193.4	182.4
Total assets	364.4	359.0	351.8

Equity and liabilities	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Equity			
Share capital	7.7	7.7	7.7
Other reserves	1.9	3.2	5.6
Translation differences	-0.6	1.6	-2.8
Treasury shares	-4.6	-6.3	-6.3
Retained earnings	185.1	193.7	200.8
Total equity attributable to owners of parent company	189.4	199.9	205.1
Non-controlling interests	0.4	0.3	0.4
Total equity	189.8	200.1	205.5
Non-current liabilities			
Interest-bearing loans from financial institutions	40.0	-	40.0
Interest-bearing lease liabilities	8.9	9.1	9.2
Post-employment benefits	2.3	2.5	2.3
Deferred tax liabilities	7.4	7.7	7.7
Provisions	0.3	0.1	0.1
Other non-current liabilities	2.8	4.6	2.6
Total non-current liabilities	61.6	24.0	62.0
Current liabilities			
Interest-bearing loans from financial institutions	0.1	40.2	5.2
Interest-bearing lease liabilities	2.7	2.7	2.7
Trade and other payables	79.7	60.4	52.3
Contract liabilities and other deferred revenue	27.3	27.5	20.9
Income tax liabilities	1.4	1.6	1.5
Provisions	1.7	2.4	1.7
Total current liabilities	112.9	134.7	84.3
Total liabilities	174.5	158.7	146.2
Total equity and liabilities	364.4	359.0	351.8

Consolidated cash flow statement			
EUR million	1-3/ 2021	1-3/ 2020	1-12/ 2020
Result for the period	6.3	4.0	32.8
Depreciation, amortization, and impairment	5.3	4.9	21.1
Financial income and expenses	0.2	0.2	3.6
Gains and losses on sale of intangible assets and property, plant and equipment	0.0	0.0	-0.1
Share of result in associated company	-	-	-0.2
Income taxes	1.6	0.9	8.5
Other adjustments	-1.8	-3.3	-5.6
Inventories, increase (-) / decrease (+)	-2.9	-4.2	-1.8
Non-interest-bearing receivables, increase (-) / decrease (+)	0.6	10.7	12.6
Non-interest-bearing liabilities, increase (+) / decrease (-)	9.9	-4.3	-18.4
Changes in working capital	7.5	2.2	-7.5
Financial items paid/received	0.8	-0.5	-3.5
Income taxes paid	-1.8	-3.2	-8.2
Cash flow from operating activities	18.2	5.3	41.0
Acquisition of subsidiaries, net of cash acquired	-	-	-0.2
Capital expenditure on intangible assets and property, plant, and equipment	-4.5	-7.8	-31.0
Proceeds from sale of intangible assets and property, plant, and equipment	0.0	0.0	0.1
Proceeds from sale of shares	-	0.1	0.1
Cash flow from investing activities	-4.5	-7.7	-31.0
Dividends paid	-	-	-22.0
Change in loan receivables	0.0	0.0	0.1
Proceeds from borrowings	-	-	100.1
Repayment of borrowings	-5.1	0.0	-95.0
Principal payments of lease liabilities	-0.8	-0.9	-3.3
Cash flow from financing activities	-5.9	-0.8	-20.0
Change in cash and cash equivalents increase (+) / decrease (-)	7.8	-3.2	-10.0
Cash and cash equivalents at the beginning of period	45.4	56.4	56.4
Change in cash and cash equivalents	7.8	-3.2	-10.0
Effect from changes in exchange rates	0.7	-0.2	-1.0
Cash and cash equivalents at the end of period	53.9	52.9	45.4

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, 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
Equity at Mar 31, 2020	7.7	3.2	1.6	-6.3	193.7	199.9	0.3	200.1

	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, 2020	7.7	5.6	-2.8	-6.3	200.8	205.1	0.4	205.5
Result for the period					6.2	6.2	0.1	6.3
Other comprehensive income		0.0	2.1			2.2		2.2
Dividend distribution					-22.0	-22.0		-22.0
Share-based payments		-3.7		1.7		-2.1		-2.1
Changes in non-controlling interests that did not result in changes in control					0.2	0.2	-0.2	0.0
Equity at Mar 31, 2021	7.7	1.9	-0.6	-4.6	185.1	189.4	0.4	189.8

Notes to the report

Orders received by business area

EUR million	1-3/ 2021	1-3/ 2020	1-12/ 2020
Industrial Measurements	45.9	37.5	146.0
Weather and Environment	60.3	52.2	236.9
Total	106.1	89.7	382.8

Net sales by business area

EUR million	1-3/ 2021	1-3/ 2020	1-12/ 2020
Industrial Measurements			
Products	36.1	31.8	129.9
Services	3.6	3.6	14.1
Total	39.7	35.4	143.9
Weather and Environment			
Products	29.9	27.1	137.4
Projects	13.1	14.6	59.3
Services	9.0	10.1	38.8
Lease income	0.2	-	-
Total	52.2	51.8	235.5
Total net sales	92.0	87.2	379.5

Operating result by business area

EUR million	1-3/ 2021	1-3/ 2020	1-12/ 2020
Industrial Measurements	9.4	7.6	31.6
Weather and Environment	-0.9	-2.4	14.6
Other	-0.4	0.0	-1.4
Total	8.1	5.2	44.8

Net sales by region

EUR million	1-3/ 2021	1-3/ 2020	1-12/ 2020
Americas	32.1	31.9	134.9
APAC	30.3	21.2	110.4
EMEA	29.6	34.1	134.2
Total	92.0	87.2	379.5

Timing of revenue recognition

EUR million	1-3/ 2021	1-3/ 2020	1-12/ 2020
Performance obligations satisfied at a point in time	72.2	66.5	295.5
Performance obligations satisfied over time	19.6	20.8	84.0
Lease income recognized on a straight-line basis	0.2	-	-
Total	92.0	87.2	379.5

Personnel			
	1-3/ 2021	1-3/ 2020	1-12/ 2020
Average personnel	1,929	1,879	1,929
Personnel at the end of period	1,933	1,896	1,939

As of January 1, 2021, number of personnel includes all employees with employment contract. Previously employees on long-term leave of absence were excluded. Comparative figures have been restated accordingly.

Derivative financial instruments			
EUR million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Nominal value of derivative contracts	37.8	30.7	31.4
Fair values of derivative contracts, assets	0.3	0.2	1.2
Fair values of derivative contracts, liabilities	0.7	0.6	0.2

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/ 2021	1-3/ 2020	1-12/ 2020
Number of shares outstanding	36,101	36,000	36,000
Number of treasury shares	336	437	437
Number of shares, weighted average, diluted	36,170	36,125	36,223
Number of shares, weighted average	36,023	35,917	35,979
Number of shares traded	852	1,700	3,852
Share price, highest	43.15	37.50	42.50
Share price, lowest	30.00	21.65	21.65

Key ratios			
EUR	1-3/ 2021	1-3/ 2020	1-12/ 2020
Earnings per share	0.17	0.11	0.91
Diluted earnings per share	0.17	0.11	0.91
Equity per share	5.25	5.55	5.70
Return on equity, %	12.7	8.1	16.3
Cash flow from operating activities per share	0.50	0.15	1.14
Solvency ratio, %	52.8	56.5	59.0
Gearing, %	-1.2	-0.5	5.7

Key exchange rates					
	Average rates		Period end rates		
	1-3/ 2021	1-3/ 2020	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
USD	1.2176	1.1088	1.1725	1.0956	1.2271
CNY	7.8886	7.7177	7.6812	7.7784	8.0225
JPY	127.46	120.55	129.91	118.90	126.49
GBP	0.8845	0.8486	0.8521	0.8864	0.8990

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 29, 2021, starting at 3:00 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: 85914644#

Audiocast

The presentation by Kai Öistämö, President and CEO, can also be followed through a live audiocast at vaisala.com/investors starting at 3:00 p.m. A recording will be published at the same address by 5:00 p.m.

Distribution

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Key media

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