

Against a tough benchmark

Vaisala reports Q2 figures on 25th of July. The company faces strong comparison figures, particularly within its W&E business. Furthermore, uncertainty surrounding its US operations remains elevated.

Uncertainty remains

The uncertainties regarding tariffs have not diminished during the months following the escalation as the trade talks are still underway. Vaisala's Americas business grew over 60% y/y in Q1 ahead of the escalation of the trade war. According to our talks with the management, the performance was only marginally influenced by front-loaded demand ahead of the tariffs. In addition to the trade war, the policy changes in the US create additional uncertainty especially for W&E. Vaisala's traditional growth market within the W&E segment—renewable energy—is encountering headwinds, and the outlook has been revised downward as the market is now expected to contract in 2025. While we expect that this is mostly related to slower wind investment globally, the policy changes in the US likely partly explain the weakening demand picture. In addition, the cuts on public spending in the US overall have had negative effect on W&E as the client base is predominantly public.

Some topline headwinds yet mix continues to improve

We have made slight estimate revisions ahead of the Q2 print. We continue to model growth for IM in Q2 as we expect continued momentum in power, life science and industrial instruments markets. For W&E, we have revised our net sales estimate downwards and now forecast sales decline for the quarter as the segment faces tough comparison figures in addition to headwinds related to renewable energy and the trade war. In addition, we model some additional headwind from FX on a group level, as USD has continued to weaken. Profitability is expected to remain supported by a favorable sales mix, as we model both organic and inorganic growth in subscription sales. Our estimates for FY stay relatively unchanged as we estimate net sales of EUR 598m and EBITA of EUR 97m for the full year.

ACCUMULATE (prev. BUY) with a TP of EUR 54 (EUR 52)

We raise our TP to EUR 54 (prev. EUR 52) mainly on higher peer multiples. Vaisala is currently priced at EV/EBITA of 19–16x based on our estimates for 2025–2026E. Given the more neutral valuation, we revise our rating to ACCUMULATE (prev. BUY).

Rating

+ Accumulate


Share price, EUR (Last trading day's closing price) **50.40**
 Target price, EUR 54.0

Latest change in recommendation 22–Jul–25

Latest report on company 22–Jul–25

Research paid by issuer: YES

No. of shares outstanding, '000's 36 285

No. of shares fully diluted, '000's 36 285

Market cap, EURm 1 829

Free float, % 65.0 %

Exchange rate

Reuters code VAIAS.HE

Bloomberg code VAIAS FH

Average daily volume, EUR

Next interim report 25–Jul–25

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+ BUY **+** ACCUMULATE **-** REDUCE **-** SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	540.4	66.6	12.3%	68.4	1.35	29.4	2.6	21.2	4.8%	0.75
2024	564.6	82.9	14.7%	-48.3	1.76	27.5	3.2	21.7	-2.8%	0.85
2025E	598.1	86.6	14.5%	74.7	1.79	28.1	3.1	21.1	4.1%	0.95
2026E	645.4	102.4	15.9%	76.2	2.20	22.9	2.8	17.4	4.2%	1.15
2027E	680.9	112.4	16.5%	91.9	2.43	20.8	2.5	15.4	5.0%	1.21
Market cap, EURm	1 829		Gearing 2025E, %		-0.9 %		CAGR EPS 2024–27, %		11.4 %	
Net debt 2025E, EURm	-3		Price/book 2025		5.3		CAGR Sales 2024–27, %		6.4 %	
Enterprise value, EURm	1 825		Dividend yield 2025E, %		1.9 %		ROE 2025E, %		20.0 %	
Total assets 2025E, EURm	592		Tax rate 2025E, %		21.0 %		ROCE 2025E, %		19.9 %	
Goodwill 2025E, EURm	98		Equity ratio 2025E, %		57.9 %		PEG, P/E 25/CAGR		2.2	

All the important disclosures can be found on the last pages of this report.

Table 1: Estimate summary

ESTIMATES	2 023	Q1'24	Q2'24	Q3'24	Q4'24	2 024	Q1'25	Q2'25E	Q3'25E	Q4'25E	2025E	2026E
Net sales	540.4	112.1	148.4	136.6	167.5	564.6	135.6	148.9	143.4	170.3	598.1	645.4
Weather & Environment	313.0	64.1	91.9	79.2	103.0	338.2	75.9	89.9	81.5	102.3	349.5	374.9
Industrial Measurements	227.3	48.0	56.5	57.4	64.6	226.5	59.7	59.0	61.9	68.0	248.6	270.5
<i>Net sales growth</i>	<i>5.1%</i>	<i>-14.9%</i>	<i>13.5%</i>	<i>4.8%</i>	<i>13.6%</i>	<i>4.5%</i>	<i>20.9%</i>	<i>0.3%</i>	<i>4.9%</i>	<i>1.7%</i>	<i>5.9%</i>	<i>7.9%</i>
<i>Weather & Environment</i>	<i>8.5%</i>	<i>-6.8%</i>	<i>17.8%</i>	<i>3.6%</i>	<i>14.6%</i>	<i>8.0%</i>	<i>18.4%</i>	<i>-2.2%</i>	<i>2.9%</i>	<i>-0.6%</i>	<i>3.4%</i>	<i>7.3%</i>
<i>Industrial Measurements</i>	<i>0.8%</i>	<i>-23.8%</i>	<i>7.0%</i>	<i>6.4%</i>	<i>12.1%</i>	<i>-0.4%</i>	<i>24.3%</i>	<i>4.4%</i>	<i>7.8%</i>	<i>5.4%</i>	<i>9.8%</i>	<i>8.8%</i>
Reported EBIT	66.6	7.1	23.7	24.1	28.0	82.9	17.9	20.0	24.4	24.4	86.6	102.4
<i>Reported EBIT margin</i>	<i>12.3%</i>	<i>6.4%</i>	<i>16.0%</i>	<i>17.6%</i>	<i>16.7%</i>	<i>14.7%</i>	<i>13.2%</i>	<i>13.4%</i>	<i>17.0%</i>	<i>14.3%</i>	<i>14.5%</i>	<i>15.9%</i>
EBITA	74.7	8.8	25.4	25.8	30.3	90.3	20.5	22.5	27.0	26.9	96.8	108.9
Weather & Environment	27.5	2.1	12.7	10.3	16.3	41.4	7.6	9.7	10.0	13.4	40.6	46.2
Industrial Measurements	46.8	6.7	12.5	15.7	14.0	48.8	12.9	12.8	17.0	13.5	56.3	62.8
Other operations	0.4	0.0	0.2	-0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<i>EBITA-margin</i>	<i>13.8%</i>	<i>7.8%</i>	<i>17.1%</i>	<i>18.9%</i>	<i>18.1%</i>	<i>16.0%</i>	<i>15.1%</i>	<i>15.1%</i>	<i>18.8%</i>	<i>15.8%</i>	<i>16.2%</i>	<i>16.9%</i>
<i>Weather & Environment</i>	<i>8.8%</i>	<i>3.3%</i>	<i>13.8%</i>	<i>13.0%</i>	<i>15.8%</i>	<i>12.2%</i>	<i>9.9%</i>	<i>10.8%</i>	<i>12.2%</i>	<i>13.1%</i>	<i>11.6%</i>	<i>12.3%</i>
<i>Industrial Measurements</i>	<i>20.6%</i>	<i>13.9%</i>	<i>22.1%</i>	<i>27.4%</i>	<i>21.6%</i>	<i>21.6%</i>	<i>21.7%</i>	<i>21.7%</i>	<i>27.5%</i>	<i>19.8%</i>	<i>22.7%</i>	<i>23.2%</i>

Table 2: Peer group

VAISALA PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBITA			P/E		
		25	26	27	25	26	27	25	26	27
Hexagon	24668	14.3x	12.9x	11.9x	18.1x	16.1x	14.8x	22.5x	20.0x	18.2x
Keysight Tech	23983	18.6x	16.8x		20.1x			22.8x	20.2x	
Trimble	16609	21.7x	19.8x	19.2x	23.3x	21.3x		28.1x	24.7x	21.4x
Spectris	4545	16.6x	14.7x	13.4x	20.0x	17.7x	17.1x	25.3x	21.3x	19.5x
Itron	5325	19.3x	17.1x	14.1x	21.3x	17.1x	13.7x	25.0x	23.0x	20.2x
FARO Technologies	726	16.3x	14.8x					31.2x	26.9x	
Oxford Instruments	1329	11.7x	11.0x	10.2x	13.5x	12.5x	11.6x	18.1x	16.7x	15.4x
Sensirion Holding	1406	22.6x	18.8x	16.3x				39.2x	32.0x	27.7x
Halma	14116	22.8x	21.4x	20.1x	25.3x	23.8x	22.5x	32.7x	30.2x	28.1x
Peer Group Average	10606	18.2x	16.4x	15.0x	20.2x	18.1x	16.0x	27.2x	23.9x	21.5x
Peer Group Median	5325	18.6x	16.8x	14.1x	20.1x	17.4x	14.8x	25.3x	23.0x	20.2x
Vaisala (Evli est.)	1829	16.1x	14.3x	12.8x	18.9x	16.4x	14.7x	24.3x	21.2x	19.4x
<i>Vaisala prem./disc. to peer median</i>		-14 %	-15 %	-9 %	-6 %	-6 %	-1 %	-4 %	-8 %	-4 %
<i>Source FactSet, Evli Research</i>										

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	50.40 PV of Free Cash Flow	727 Long-term growth, %	2.5 % Risk-free interest rate, %
DCF share value	55.24 PV of Horizon value	1 349 WACC, %	7.0 % Market risk premium, %
Share price potential, %	9.6 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	62.2 Marketable securities	89 Minimum WACC, %	6.5 % Equity beta coefficient
Minimum value	49.7 Debt – dividend	–160 Maximum WACC, %	7.5 % Target debt ratio, %
Horizon value, %	65.0 % Value of stock	2 004 No. of shares, Mn	36.3 Effective tax rate, %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	565	598	645	681	715	751	781	804	828	849	870	892
Sales growth (%)	4.5%	5.9%	7.9%	5.5%	5.0%	5.0%	4.0%	3.0%	3.0%	2.5%	2.5%	2.5%
Operating income (EBIT)	83	87	102	112	118	124	129	129	133	136	139	143
Operating income margin %	14.7%	14.5%	15.9%	16.5%	16.5%	16.5%	16.5%	16.0%	16.0%	16.0%	16.0%	16.0%
+ Depreciation+amort.	24	27	24	23	22	21	20	19	18	17	16	
EBITDA	107	114	127	135	140	145	149	147	151	153	156	
– Paid taxes	–20	–18	–22	–24	–25	–26	–27	–27	–28	–29	–29	
– Change in NWC	–1	–5	–7	–5	–5	–5	–4	–3	–4	–3	–3	
NWC / Sales, %	12.3%	12.4%	12.6%	12.7%	12.8%	12.9%	12.9%	13.0%	13.0%	13.1%	13.1%	
+ Change in other liabs	5											
– Operative CAPEX	–119	–8	–12	–11	–11	–10	–10	–10	–10	–9	–10	
opCAPEX / Sales, %	23.4%	2.1%	3.3%	2.1%	2.1%	1.9%	1.7%	1.6%	1.5%	1.4%	1.4%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–29	82	87	96	100	104	107	107	109	112	113	2 562
= Discounted FCFF		80	78	81	79	77	74	69	66	63	60	1 349
= DFCF min WACC		80	79	82	80	78	76	71	68	66	62	1 585
= DFCF max WACC		79	78	80	78	75	72	67	64	61	57	1 162

Sensitivity analysis, EUR

		Terminal WACC				
		5.03 %	6.03 %	7.03 %	8.03 %	9.03 %
Terminal EBIT–%	14.00 %	87.26	63.09	49.52	40.82	34.75
	15.00 %	93.37	67.09	52.38	42.97	36.42
	16.00 %	99.48	71.10	55.24	45.11	38.08
	17.00 %	105.59	75.10	58.09	47.25	39.74
	18.00 %	111.70	79.11	60.95	49.40	41.41

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	112.1	148.4	136.6	167.5	564.6	135.6	148.9	143.4	170.3	598.1	645.4	680.9
EBITDA	12.8	29.4	29.9	34.5	106.5	24.9	26.6	31.1	31.0	113.5	126.8	135.3
<i>EBITDA margin (%)</i>	<i>11.4%</i>	<i>19.8%</i>	<i>21.9%</i>	<i>20.6%</i>	<i>18.9%</i>	<i>18.4%</i>	<i>17.9%</i>	<i>21.7%</i>	<i>18.2%</i>	<i>19.0%</i>	<i>19.7%</i>	<i>19.9%</i>
EBIT	7.1	23.7	24.1	28.0	82.9	17.9	20.0	24.4	24.4	86.6	102.4	112.4
<i>EBIT margin (%)</i>	<i>6.4%</i>	<i>16.0%</i>	<i>17.6%</i>	<i>16.7%</i>	<i>14.7%</i>	<i>13.2%</i>	<i>13.4%</i>	<i>17.1%</i>	<i>14.3%</i>	<i>14.5%</i>	<i>15.9%</i>	<i>16.5%</i>
Net financial items	-0.5	-0.6	0.3	-1.4	-2.1	-2.7	-0.5	-0.5	-0.5	-4.2	-1.5	-0.8
Pre-tax profit	6.6	23.2	24.4	26.6	80.8	15.2	19.5	23.9	23.9	82.4	101.0	111.5
Tax	-1.5	-5.2	-5.2	-5.2	-17.0	-3.2	-4.1	-5.0	-5.0	-17.3	-21.2	-23.4
<i>Tax rate (%)</i>	<i>21.8%</i>	<i>22.6%</i>	<i>21.3%</i>	<i>19.4%</i>	<i>21.1%</i>	<i>21.1%</i>	<i>21.0%</i>	<i>21.0%</i>	<i>21.0%</i>	<i>21.0%</i>	<i>21.0%</i>	<i>21.0%</i>
Net profit	5.2	17.9	19.2	21.4	63.7	12.0	15.4	18.9	18.8	65.1	79.8	88.1
EPS	0.14	0.49	0.53	0.59	1.76	0.33	0.42	0.52	0.52	1.79	2.20	2.43
EPS adj. (diluted)	0.14	0.49	0.53	0.59	1.76	0.33	0.42	0.52	0.52	1.79	2.20	2.43
Dividend per share					0.85					0.95	1.15	1.21
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	64.1	91.9	79.2	103.0	338.2	75.9	89.9	81.5	102.3	349.5	374.9	395.6
Industrial Measurements	48.0	56.5	57.4	64.6	226.5	59.7	59.0	61.9	68.0	248.6	270.5	285.4
Total	112.1	148.4	136.6	167.5	564.6	135.6	148.9	143.4	170.3	598.1	645.4	680.9
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	-6.8%	17.8%	3.6%	14.6%	8.0%	18.4%	-2.2%	2.9%	-0.6%	3.4%	7.3%	5.5%
Industrial Measurements	-23.8%	7.0%	6.4%	12.1%	-0.4%	24.3%	4.4%	7.8%	5.4%	9.8%	8.8%	5.5%
Total	-15.0%	13.5%	4.8%	13.6%	4.5%	21.0%	0.3%	4.9%	1.7%	5.9%	7.9%	5.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	0.6	11.2	8.8	14.2	34.8	5.2	7.3	7.6	11.1	31.3	40.7	65.3
Industrial Measurements	6.5	12.3	15.5	13.7	47.9	12.7	12.6	16.8	13.3	55.4	61.8	47.1
Other	0.0	0.2	-0.2	0.1	0.1	-0.1				-0.1		
Total	7.1	23.7	24.1	28.0	82.9	17.9	20.0	24.4	24.4	86.6	102.4	112.4
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	1.0%	12.2%	11.1%	13.8%	10.3%	6.9%	8.2%	9.4%	10.8%	8.9%	10.9%	16.5%
Industrial Measurements	13.5%	21.8%	27.0%	21.2%	21.2%	21.3%	21.4%	27.2%	19.5%	22.3%	22.8%	16.5%
Other	100.0%	100.0%	-100.0%	100.0%	100.0%	-100.0%				-100.0%		
Total	6.4%	16.0%	17.6%	16.7%	14.7%	13.2%	13.4%	17.1%	14.3%	14.5%	15.9%	16.5%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	379.5	437.9	514.1	540.4	564.6	598.1	645.4	680.9
<i>Sales growth (%)</i>	-6.0%	15.4%	17.4%	5.1%	4.5%	5.9%	7.9%	5.5%
EBITDA	65.9	71.7	85.4	90.8	106.5	113.5	126.8	135.3
<i>EBITDA margin (%)</i>	17.4%	16.4%	16.6%	16.8%	18.9%	19.0%	19.7%	19.9%
Depreciation	-21.1	-21.6	-22.9	-24.2	-23.6	-26.9	-24.4	-22.9
EBITA	44.8	50.1	62.5	66.6	82.9	86.6	102.4	112.4
Goodwill amortization / writedown								
EBIT	44.8	50.1	62.5	66.6	82.9	86.6	102.4	112.4
<i>EBIT margin (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	14.5%	15.9%	16.5%
Reported EBIT	44.8	50.1	62.5	66.6	82.9	86.6	102.4	112.4
<i>EBIT margin (reported) (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	14.5%	15.9%	16.5%
Net financials	-3.4	-2.1	-2.9	-3.4	-2.1	-4.2	-1.5	-0.8
Pre-tax profit	41.4	48.1	59.6	63.2	80.8	82.4	101.0	111.5
Taxes	-8.5	-8.8	-14.5	-14.3	-17.0	-17.3	-21.2	-23.4
Minority shares		-0.3						
Net profit	32.9	39.0	45.1	48.9	63.7	65.1	79.8	88.1
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	86	96	99	98	109	105	105	103
Goodwill	30	29	49	46	98	98	98	98
Right of use assets	13	11	12	13	21	21	26	24
Inventory	45	50	62	59	58	61	66	70
Receivables	93	107	131	113	148	157	170	179
Liquid funds	45	78	56	90	89	94	102	119
Total assets	352	408	440	443	589	592	614	635
Liabilities								
Shareholders' equity	205	230	251	268	309	343	388	434
Minority interest	0	1						
Convertibles								
Lease liabilities	9	8	11	12	25	21	26	24
Deferred taxes	8	7	4	3	5	5	5	5
Interest bearing debt	45	40	53	52	105	70	31	
Non-interest bearing current liabilities	76	116	111	97	124	131	142	150
Other interest-free debt	8	7	7	10	21	21	21	21
Total liabilities	352	408	440	443	589	592	614	635
CASH FLOW, EURm								
+ EBITDA	66	72	85	91	107	114	127	135
- Net financial items	-3	-2	-3	-3	-2	-4	-1	-1
- Taxes	-8	-9	-15	-14	-20	-17	-21	-23
- Increase in Net Working Capital	-8	17	-38	11	-1	-5	-7	-5
+/- Other	-6	3	0					
= Cash flow from operations	41	80	30	84	84	87	97	106
- Capex	-35	-22	-19	-16	-132	-12	-21	-14
- Acquisitions			-23					
+ Divestments								
= Free cash flow	6	58	-12	68	-48	75	76	92
+/- New issues/buybacks	-4	8	0	-6	4			
- Paid dividend	22	25	26	27	31	34	42	44
+/- Other	9	-12	15	-2	70	-39	-34	-33
Change in cash	-11	33	-22	35	-2	5	7	17

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	1 924	1 437	1 439	1 756	1 829	1 829	1 829
Net debt (excl. convertibles)	-30	8	-26	41	-3	-45	-95
Enterprise value	1 899	1 445	1 413	1 797	1 825	1 784	1 734
Sales	438	514	540	565	598	645	681
EBITDA	72	85	91	107	114	127	135
EBIT	50	63	67	83	87	102	112
Pre-tax	48	60	63	81	82	101	112
Earnings	39	45	49	64	65	80	88
Equity book value (excl. minorities)	230	251	268	309	343	388	434

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	4.3	2.8	2.6	3.2	3.1	2.8	2.5
EV/EBITDA	26.5	16.9	15.6	16.9	16.1	14.1	12.8
EV/EBITA	37.9	23.1	21.2	21.7	21.1	17.4	15.4
EV/EBIT	37.9	23.1	21.2	21.7	21.1	17.4	15.4
EV/OCF	23.7	48.5	16.8	21.5	21.0	18.3	16.4
EV/FCF	30.3	-308.4	19.2	-61.8	22.3	20.6	18.1
P/FCFR	33.0	-116.8	21.0	-36.4	24.5	24.0	19.9
P/E	49.4	31.6	29.4	27.5	28.1	22.9	20.8
P/BV	8.4	5.7	5.4	5.7	5.3	4.7	4.2
Target EV/EBITDA					17.2	15.1	13.8
Target EV/EBIT					22.6	18.7	16.6
Target EV/FCFF					26.2	25.1	20.3
Target P/BV					5.7	5.0	4.5
Target P/E, diluted	34.1	31.2	30.1	31.6	30.1	24.6	22.2

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	36.10	36.02	36.25	36.28	36.28	36.28	36.28
Number of shares (diluted, million)	36.10	36.02	36.25	36.28	36.28	36.28	36.28
EPS	1.08	1.25	1.35	1.76	1.79	2.20	2.43
Operating cash flow per share	2.22	0.83	2.32	2.31	2.40	2.68	2.92
Free cash flow per share	1.62	-0.34	1.89	-1.33	2.06	2.10	2.53
Book value per share	6.36	6.96	7.39	8.50	9.45	10.70	11.97
Dividend per share	0.68	0.72	0.75	0.85	0.95	1.15	1.21
Dividend payout ratio, %	63.0%	57.5%	55.6%	48.4%	53.0%	52.3%	50.0%
Dividend yield, %	1.3%	1.8%	1.9%	1.8%	1.9%	2.3%	2.4%
FCF yield, %	3.0%	-0.9%	4.8%	-2.8%	4.1%	4.2%	5.0%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	17.9%	18.8%	18.9%	22.1%	20.0%	21.8%	21.4%
ROCE	18.6%	21.2%	20.7%	21.5%	19.9%	23.3%	24.9%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	11.4%	12.0%	10.9%	10.2%	10.2%	10.2%	10.2%
Receivables as % of sales	24.4%	25.5%	20.8%	26.3%	26.3%	26.3%	26.3%
Non-int. bearing liabilities as % of sales	26.6%	21.6%	18.0%	22.0%	22.0%	22.0%	22.0%
NWC/sales, %	8.6%	15.4%	12.6%	12.3%	12.4%	12.6%	12.7%
Operative CAPEX/Sales, %	4.9%	3.7%	2.9%	23.4%	2.1%	3.3%	2.1%
CAPEX/sales (incl. acquisitions), %	4.9%	-0.8%	2.9%	23.4%	2.1%	3.3%	2.1%
FCFF/EBITDA	0.9	-0.1	0.8	-0.3	0.7	0.7	0.7
Net Debt/EBITDA, book-weighted	-0.4	0.1	-0.3	0.4	0.0	-0.4	-0.7
Debt/equity, market-weighted	0.0	0.0	0.0	0.1	0.0	0.0	
Equity ratio, book-weighted	0.6	0.6	0.6	0.5	0.6	0.6	0.7
Gearing, %	-13.1%	3.2%	-9.7%	13.2%	-0.9%	-11.6%	-21.9%

COMPANY DESCRIPTION: Vaisala develops, manufactures, and markets products, projects, and services for weather, environmental and industrial measurements. Vaisala's strategy relies on R&D and focusing on technology leadership in its selected segments. Vaisala has two segments: Weather & Environment (W&E), and Industrial Measurement (IM). The W&E customers include meteorological institutes, airports, roads and railroad, defense, and energy industry. IM serves industrial customers in life science, power transmission, and targeted industrial applications offering a broad range of measurement instruments to ensure operational quality and productivity. Headquartered in Finland, Vaisala employs over 2,000 professionals worldwide.

INVESTMENT CASE: Vaisala benefits from its strong R&D based market leadership in both segments, with main profitability drivers being economies of scale and increasing share of IM sales. We also see multiple profitable growth drivers for W&E including the ongoing improvement in the legacy product and project business, increasing share of renewable product sales and growth in SaaS/DaaS business backed by recently made acquisitions and goal to turn to profit in the business during the current strategy period. The healthy business and strong balance sheet position supports the ability to pay an increasing dividend.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Skandinaviska Enskilda Banken Ab	3 776 358	190.328	10.4 %
Weisell-Säätiö Sr	1 654 370	83.380	4.6 %
Voipio Mikko	1 440 000	72.576	4.0 %
Citibank Europe Plc	1 231 315	62.058	3.4 %
Ilmarinen Mutual Pension Insurance Company	1 124 000	56.650	3.1 %
Caspers Anja	969 496	48.863	2.7 %
Voipio Raimo Hannes	920 478	46.392	2.5 %
Voipio Tauno	837 824	42.226	2.3 %
Ten largest	11 953 841	602.474	32.9 %
Residual	24 330 738	1226.269	67.1 %
Total	36 284 579	1828.743	100%

EARNINGS CALENDAR

July 25, 2025	Q2 report
October 23, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Kai Öistämö	Vanha Nurmijärventie 21, 01670 Vantaa
CFO: Heli Lindfors	Tel:
IR: Paula Liimatta	

DEFINITIONS

P/E $\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	DPS Dividend for the financial period per share
Market cap Price per share * Number of shares	OCF (Operating cash flow) EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value) Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow) Operating cash flow – Operative CAPEX – acquisitions + divestments
EV/Sales $\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, % $\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX / Sales $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT $\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital Current assets – current liabilities
Net debt Interest bearing debt – financial assets	Capital employed / Share $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets Balance sheet total	Gearing $\frac{\text{Net debt}}{\text{Equity}}$
Div yield, % $\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, % $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, % $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, % $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, % $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, % Cumulative annual growth rate = Average growth rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

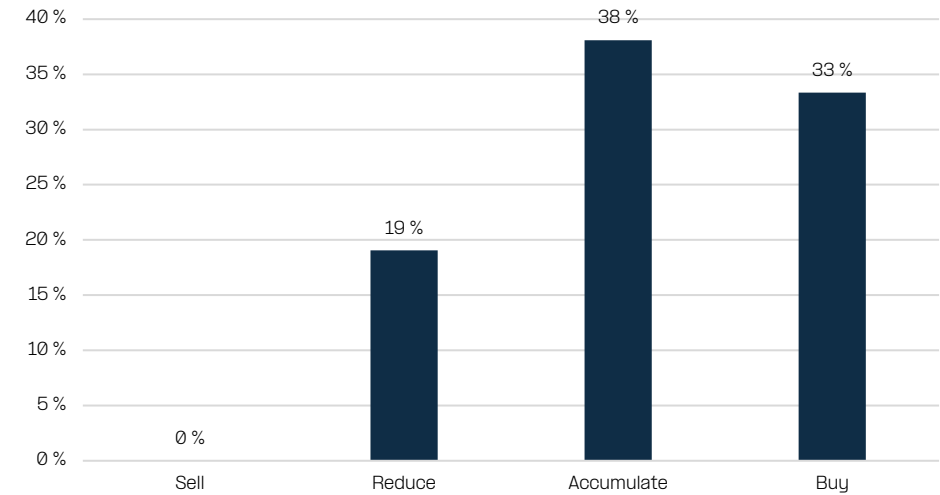
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	REDUCE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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Name(s) of the analyst(s): Atte Jortikka

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