

Softer than we expected

W&E headwinds had a greater impact than we anticipated in Q2, resulting in net sales coming in slightly below our estimate at EUR 145.0m (Evli est. EUR 148.9m). Lower volumes led to decreased profitability compared to the strong Q2 last year, with EBITA at EUR 19.6m (Evli est. EUR 22.5m).

- **Q2 group result:** Vaisala's Q2 net sales were a touch weaker than we expected at EUR 145.0m (Evli est. EUR 148.9m). With the weaker volumes, the company's operational leverage worked against it and EBITA fell to EUR 19.6m (Evli est. EUR 22.5m) with a margin of 13.5%.
- **Industrial measurements (IM):** Orders received increased by 10% y/y while order book fell 2% to EUR 35.7m. Net sales were at EUR 62.0m, up 10% y/y. Strong performance in Americas continued while sales grew in all market segments, with very strong growth in life science and power. IM gross margin was at 62.8% (64.0%) and EBITA at EUR 13.7m with a margin of 22.1% (Q2/24 EUR 12.5m, 22.2%).
- **Weather and Environment (W&E):** Orders received decreased by 32% y/y while order book was up by 3% y/y. W&E's net sales decreased by 10% to EUR 83.0m. Subscription sales grew 53% y/y, while we had expected growth of 61.5% as organic growth was softer than expected at 11%. Product sales decreased 25%, while we had estimated decrease of 20%, mainly due to weaker sales in Renewable Energy market segment. In addition, sales fell strongly in the aviation and roads market segments. Gross margin fell to 48.3% (Q2/24 52.7%). EBITA was at EUR 5.9m (Q2/24 EUR 12.7m) with a margin of 7.1% (13.8%).
- While we had expected headwind for W&E related to renewable energy market and reductions in public sector spending in the US, the effect was stronger than we had estimated. The company expects full-year sales in the renewable energy business to decrease by about EUR 15m compared to 2024.
- **Outlook 2025 (specified):** Net sales EUR 590–605m and EBITA EUR 90–100m. Previously the company expected net sales of EUR 590–620m and EBITA of EUR 90–105m.
- At first glance, the specified outlook does not prompt significant estimate revisions for H2 as we were already below the previous outlook middle point for both net sales and EBITA prior to the release.

Rating

+ Accumulate

	Q2'25	Actual	Evli	Consensus*	Q2'24
Net sales		145.0	148.9	151.8	148.4
W&E		83.0	89.9	74.6	91.9
IM		62.0	59.0	59.0	56.5
EBITA		19.6	22.5	22.5	25.4
EBITA–margin		13.5%	15.1%	14.8%	17.1%
EPS reported		0.30	0.42	0.43	0.49

* Consensus estimate from Factset

Share price, EUR (Last trading day's closing price) **49.75**
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 1 805

Free float, % 65.0 %

Exchange rate 0.0

Reuters code VAIAS.HE

Bloomberg code VAIAS FH

Average daily volume, EURm 0.0

Next interim report 25–Jul–25

Web site vaisala.com/en/investors

Analyst Atte Jortikka

E–mail atte.jortikka@evli.com

Telephone +358 400 543 725

+ 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	27.7	3.0	20.8	4.1%	0.95
2026E	645.4	102.4	15.9%	76.2	2.20	22.6	2.7	17.2	4.2%	1.15
2027E	680.9	112.4	16.5%	91.9	2.43	20.5	2.5	15.2	5.1%	1.21
Market cap, EURm	1 805		Gearing 2025E, %		–0.9 %		CAGR EPS 2024–27, %		11.4 %	
Net debt 2025E, EURm	–3		Price/book 2025E		5.3		CAGR Sales 2024–27, %		6.4 %	
Enterprise value, EURm	1 802		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.

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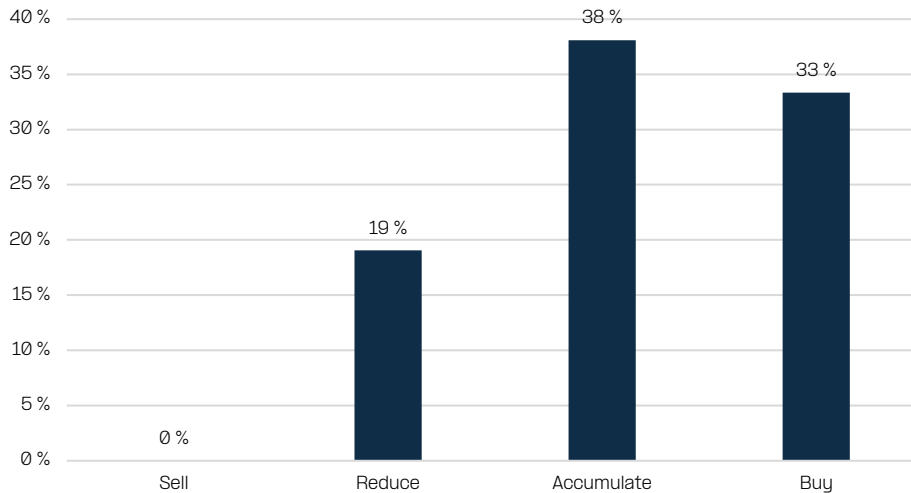
Investment recommendations are defined as follows:

Target price compared to share price
 < -10 %
 -10 - 0 %
 0 - (+10) %
 > 10 %

Recommendation
 SELL
 REDUCE
 ACCUMULATE
 BUY

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

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Contact information**SALES, TRADING AND RESEARCH****Equity Sales & Trading**

Joachim Dannberg (head)	+358 9 4766 9123
Aleksi Jalava	+358 9 4766 9123
Pasi Väisänen	+358 9 4766 9123

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------

Equity Research

Jerker Salokivi (head)	+358 9 4766 9149
Joonas Ilvonen	+358 44 430 9071
Atte Jortikka	+358 40 054 3725
Atte Pitkärä	+358 44 047 6597

EVLI

EVLI PLC

Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

EVLI PLC,**STOCKHOLMSFILIAL**

Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000