

Industrial Measurements leads the way

Vaisala's Q2 fell short of our estimates due to weaker than expected performance in W&E. Although W&E faces headwinds from various sources, IM momentum continues.

W&E headwinds proved to be firmer than we expected

The Industrial Measurements sales topped our estimates in Q2 as strong performance continued across all the geographical markets and market segments. While IM continued to perform, sales in Weather and Environment declined 10% y/y while we had expected decline of 2%. Product sales fell 25% (Evli est. -20%) as renewable energy market remained weak. Additionally, although subscription sales growth remained strong, organic growth was slightly below our expectations. Given the softer volumes and suboptimal sales mix (higher project sales, lower renewable product sales), the W&E profitability fell short of our forecasts. The renewable energy market is expected to remain weak through 2025. Wind farm investments have slowed in Europe and Asia, and in the US, the market is largely at a standstill due to policy changes. In addition to headwind from the renewable energy market, meteorology and aviation markets are slowing down with orders decreasing in both, mainly due to industrial cyclicalities and public spending cuts in the United States.

Expecting similar development in the second half

With the weaker market in renewable energy, the company expects the business area's net sales to trail 2024 by some EUR 15m on a full-year basis. Vaisala also specified its outlook and now estimates net sales in the range of EUR 590–605m (prev. EUR 590–620m) and EBITA of EUR 90–100m (EUR 90–105m). Our estimates for H2 remain relatively unchanged. We expect continued headwind for W&E product sales driven by weakness especially in renewable energy market yet also in aviation and meteorology. On the other hand, subscription sales growth will continue to be driven by both organic and inorganic growth. While subscription growth provides some support, we estimate the negative sales mix trend to continue. Although gross margin pressure is expected, the company should be able to protect margins by some self-help during the second half in W&E. After the Q2 actual figures and slight estimate revisions, we model net sales of EUR 591 (prev. EUR 598m) and EBITA of EUR 93m (EUR 97m) for the FY 2025.

ACCUMULATE with a TP of EUR 50 (prev. EUR 54)

Vaisala is priced at 18–16x EV/EBITA on our updated estimates for 25–26E. We revise our TP back to EUR 50 (prev. EUR 54). Our target price values Vaisala at 18x EV/EBITA on our 25–26E estimates which we see as a neutral level for the company.

Rating

+ Accumulate


Share price, EUR (Last trading day's closing price) **47.00**
Target price, EUR 50.0

Latest change in recommendation 22-Jul-25

Latest report on company 28-Jul-25

Research paid by issuer: YES

No. of shares outstanding, '000's 36 319

No. of shares fully diluted, '000's 36 319

Market cap, EURm 1 707

Free float, % 65.0 %

Exchange rate 0.0

Reuters code VAIAS.HE

Bloomberg code VAIAS FH

Average daily volume, EUR

Next interim report 23-Oct-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	590.9	82.3	13.9%	60.5	1.64	28.6	2.9	20.9	3.5%	0.90
2026E	637.7	95.9	15.0%	71.1	2.05	23.0	2.6	17.5	4.2%	0.95
2027E	672.8	104.3	15.5%	87.9	2.25	20.9	2.4	15.6	5.1%	1.00
Market cap, EURm	1 707		Gearing 2025E, %		3.3 %		CAGR EPS 2024–27, %		8.6 %	
Net debt 2025E, EURm	11		Price/book 2025		5.1		CAGR Sales 2024–27, %		6.0 %	
Enterprise value, EURm	1 718		Dividend yield 2025E, %		1.9 %		ROE 2025E, %		18.5 %	
Total assets 2025E, EURm	599		Tax rate 2025E, %		21.7 %		ROCE 2025E, %		18.7 %	
Goodwill 2025E, EURm	100		Equity ratio 2025E, %		56.4 %		PEG, P/E 25/CAGR		2.0	

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

IM beat our estimates
while W&E fell short

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 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 (Evli est. EUR 59.0m). Strong performance in the Americas region 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% (Evli est. EUR 12.8m, Q2/24 EUR 12.5m). Weather and Environment orders received decreased by 32% y/y while order book was up by 3% y/y. Orders received declined in renewable energy, aviation and meteorology while grew strongly in roads. W&E's net sales decreased by 10% to EUR 83.0m. Subscription sales increased by 53% year-on-year, below our expected growth of 61.5%, as organic growth was softer than anticipated at 11%. Product sales decreased 25%, while we had estimated decrease of 20%, mainly due to weaker sales in the 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%) against the strong benchmark figure. EBITA was at EUR 5.9m (Evli est. EUR 9.7m, Q2/24 EUR 12.7m) with a margin of 7.1% (13.8%). While we had expected a headwind for W&E related to the renewable energy market and reductions in public sector spending in the US, the effect was stronger than we had estimated. Vaisala now also anticipates that meteorology and aviation segments will decline compared to the exceptionally high levels of the past two years.

Expecting similar
development for H2

The company specified its outlook for FY in connection with the Q2 report. For the outlook, the company expects net sales to be in the range of EUR 590–605m and EBITA in the range of EUR 90–100m. Previously the company expected net sales of EUR 590–620m and EBITA of EUR 90–105m. Vaisala expects full-year sales in the renewable energy business to decrease by some EUR 15m compared to 2024. We estimate continued products sales decline for W&E during H2 yet note that the y/y effect should be milder compared to Q2 as the segment faced tough comparison figures. Vaisala started to see some weakening in the market during the second half of last year while the first half was still normal for renewable energy. According to comments by the company's management, the renewable market is not expected to recover during 2025. While the market development is negative, we assume that the company has retained its competitive positioning and has not lost market share. Vaisala now expects also the meteorology and aviation markets to decline in 2025. According to our understanding, this is mostly related to normal industry dynamics while there were additional headwinds from for example public spending cuts in the United States. While we expect W&E product sales headwinds to persist in H2, we forecast continued strong growth in subscriptions and some operational self-help to lessen the negative impact from suboptimal sales mix. For Industrial Measurements, we model continued growth in H2 as the market outlook remains on the growth side across industrial, life science and power market segments. With the expected continued good development and the strong first half, we expect EBITA margin to climb to 22.7% for the FY in the IM segment. For the whole group, we estimate FX headwind through the second half as according to the consensus estimates by Factset, EUR is expected to be some 7–8% stronger compared against both USD and CNY. Following the release of Q2/25 actual results and subsequent estimate adjustments, our updated forecast for FY 2025E indicate net sales of EUR 591 and EBITA of EUR 93, both positioned at the lower end of the updated guidance ranges. We note that the current guidance is relatively narrow especially for the topline, leaving little margin for error.

Table 1: Estimate summary

ESTIMATES	2 023	Q1'24	Q2'24	Q3'24	Q4'24	2 024	Q1'25	Q2'25	Q3'25E	Q4'25E	2025E	2026E
Net sales	540.4	112.1	148.4	136.6	167.5	564.6	135.6	145.0	142.5	167.8	590.9	637.7
Weather & Environment	313.0	64.1	91.9	79.2	103.0	338.2	75.9	83.0	80.7	99.8	339.3	364.0
Industrial Measurements	227.3	48.0	56.5	57.4	64.6	226.5	59.7	62.0	61.9	68.0	251.6	273.8
<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>-2.3%</i>	<i>4.4%</i>	<i>0.2%</i>	<i>4.7%</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>-9.7%</i>	<i>1.9%</i>	<i>-3.1%</i>	<i>0.4%</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>9.7%</i>	<i>7.8%</i>	<i>5.4%</i>	<i>11.1%</i>	<i>8.8%</i>
Reported EBIT	66.6	7.1	23.7	24.1	28.0	82.9	17.9	16.9	23.9	23.6	82.3	95.9
Reported EBIT margin	12.3%	6.4%	15.9%	17.6%	16.7%	14.7%	13.2%	11.7%	16.7%	14.1%	13.9%	15.0%
EBITA	74.7	8.8	25.4	25.8	30.3	90.3	20.5	19.6	26.5	26.3	92.9	102.4
Weather & Environment	27.5	2.1	12.7	10.3	16.3	41.4	7.6	5.9	9.5	12.8	35.7	39.9
Industrial Measurements	46.8	6.7	12.5	15.7	14.0	48.8	12.9	13.7	17.0	13.5	57.2	62.5
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>13.5%</i>	<i>18.6%</i>	<i>15.7%</i>	<i>15.7%</i>	<i>16.0%</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>7.1%</i>	<i>11.8%</i>	<i>12.8%</i>	<i>10.5%</i>	<i>11.0%</i>
<i>Industrial Measurements</i>	<i>20.6%</i>	<i>13.9%</i>	<i>22.2%</i>	<i>27.4%</i>	<i>21.6%</i>	<i>21.6%</i>	<i>21.7%</i>	<i>22.1%</i>	<i>27.5%</i>	<i>19.8%</i>	<i>22.7%</i>	<i>22.8%</i>

Source: Vaisala, Evli Research estimates

ACCUMULATE with a TP
of EUR 50.0

After the revisions to our estimates, we lower our TP back to EUR 50 while maintaining recommendation at ACCUMULATE. Our valuation of Vaisala is based on Vaisala's peer group, historical valuation levels, and the fair value determined through our DCF model. Vaisala is currently priced at 18–16x EV/EBITA and 24–21x adj. P/E based on our estimates for 2025–2026E. Our target implies EV/EBITA of 18x on our estimates for 2025–2026E, which we find more of a neutral level given the company's performance and return figures. Our DCF points towards a fair value of EUR 54 per share.

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	27100	15.9x	14.4x	13.3x	20.2x	17.8x	16.2x	24.8x	22.1x	19.9x
Keysight Tech	24421	19.0x	17.1x		20.6x			23.3x	20.7x	
Trimble	17337	22.7x	20.7x	20.0x	24.3x	22.2x		29.4x	25.9x	22.5x
Spectris	4523	16.7x	14.8x	13.4x	20.0x	17.7x	17.2x	25.3x	21.4x	19.5x
Itron	5284	19.2x	17.0x	14.0x	21.2x	17.0x	13.7x	24.9x	22.9x	20.1x
FARO Technologies	724	16.3x	14.8x					31.2x	26.9x	
Oxford Instruments	1265	11.3x	10.6x	9.8x	12.9x	12.0x	11.2x	17.4x	16.0x	14.8x
Sensirion Holding	1375	22.1x	18.4x	16.0x				38.4x	31.4x	27.1x
Halma	14003	22.9x	21.5x	20.3x	25.2x	23.8x	22.5x	32.7x	30.2x	28.0x
Peer Group Average	10676	18.4x	16.6x	15.2x	20.6x	18.4x	16.2x	27.5x	24.2x	21.7x
Peer Group Median	5284	19.0x	17.0x	14.0x	20.6x	17.8x	16.2x	25.3x	22.9x	20.1x
Vaisala (Evli est.)	1707	15.7x	14.0x	12.7x	18.5x	16.4x	14.8x	24.3x	21.1x	19.6x
<i>Vaisala prem./disc. to peer median</i>		<i>-18 %</i>	<i>-17 %</i>	<i>-9 %</i>	<i>-10 %</i>	<i>-8 %</i>	<i>-9 %</i>	<i>-4 %</i>	<i>-8 %</i>	<i>-2 %</i>

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	47.00 PV of Free Cash Flow	704 Long-term growth, %	2.5 % Risk-free interest rate, %
DCF share value	54.15 PV of Horizon value	1 333 WACC, %	7.0 % Market risk premium, %
Share price potential, %	15.2 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	61.0 Marketable securities	89 Minimum WACC, %	6.5 % Equity beta coefficient
Minimum value	48.6 Debt – dividend	–160 Maximum WACC, %	7.5 % Target debt ratio, %
Horizon value, %	65.4 % Value of stock	1 966 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	591	638	673	706	742	771	795	818	839	860	881
Sales growth (%)	4.5%	4.7%	7.9%	5.5%	5.0%	5.0%	4.0%	3.0%	3.0%	2.5%	2.5%	2.5%
Operating income (EBIT)	83	82	96	104	113	122	127	127	131	134	138	141
Operating income margin %	14.7%	13.9%	15.0%	15.5%	16.0%	16.5%	16.5%	16.0%	16.0%	16.0%	16.0%	16.0%
+ Depreciation+amort.	24	27	25	24	23	21	20	19	18	17	16	
EBITDA	107	110	121	128	136	144	147	146	149	151	154	
– Paid taxes	–20	–18	–20	–22	–24	–26	–27	–27	–27	–28	–29	
– Change in NWC	–1	–4	–7	–5	–5	–5	–4	–3	–3	–3	–3	
NWC / Sales, %	12.3%	12.4%	12.6%	12.7%	12.8%	12.8%	12.9%	13.0%	13.0%	13.0%	13.1%	
+ Change in other liabs	5											
– Operative CAPEX	–119	–19	–13	–9	–10	–9	–9	–8	–8	–9	–10	
opCAPEX / Sales, %	23.4%	3.9%	3.4%	1.9%	2.0%	1.8%	1.6%	1.4%	1.3%	1.4%	1.4%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–29	69	82	92	98	104	107	108	110	111	112	2 530
= Discounted FCFF		67	74	78	77	77	74	70	66	63	59	1 333
= DFCF min WACC		67	75	79	79	78	76	72	69	65	62	1 567
= DFCF max WACC		67	74	77	76	75	72	68	64	60	56	1 149

Sensitivity analysis, EUR

		Terminal WACC				
		5.03 %	6.03 %	7.03 %	8.03 %	9.03 %
Terminal EBIT–%	14.00 %	85.74	61.89	48.50	39.91	33.92
	15.00 %	91.78	65.84	51.32	42.03	35.56
	16.00 %	97.82	69.80	54.15	44.15	37.21
	17.00 %	103.86	73.76	56.97	46.27	38.85
	18.00 %	109.90	77.72	59.79	48.38	40.50

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	112.1	148.4	136.6	167.5	564.6	135.6	145.0	142.5	167.8	590.9	637.7	672.8
EBITDA	12.8	29.4	29.9	34.5	106.5	24.9	23.7	30.6	30.4	109.6	121.0	128.1
<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>16.4%</i>	<i>21.5%</i>	<i>18.1%</i>	<i>18.6%</i>	<i>19.0%</i>	<i>19.0%</i>
EBIT	7.1	23.7	24.1	28.0	82.9	17.9	16.9	23.9	23.6	82.3	95.9	104.3
<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>11.7%</i>	<i>16.7%</i>	<i>14.1%</i>	<i>13.9%</i>	<i>15.0%</i>	<i>15.5%</i>
Net financial items	-0.5	-0.6	0.3	-1.4	-2.1	-2.7	-2.3	-0.5	-0.5	-6.0	-1.8	-1.0
Pre-tax profit	6.6	23.2	24.4	26.6	80.8	15.2	14.6	23.4	23.1	76.3	94.1	103.3
Tax	-1.5	-5.2	-5.2	-5.2	-17.0	-3.2	-3.6	-4.9	-4.9	-16.6	-19.8	-21.7
<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>24.6%</i>	<i>21.0%</i>	<i>21.0%</i>	<i>21.7%</i>	<i>21.0%</i>	<i>21.0%</i>
Net profit	5.2	17.9	19.2	21.4	63.7	12.0	11.0	18.5	18.3	59.7	74.3	81.6
EPS	0.14	0.49	0.53	0.59	1.76	0.33	0.30	0.51	0.50	1.64	2.05	2.25
EPS adj. (diluted)	0.14	0.49	0.53	0.59	1.76	0.33	0.30	0.51	0.50	1.64	2.05	2.25
Dividend per share					0.85					0.90	0.95	1.00
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	64.1	91.9	79.2	103.0	338.2	75.9	83.0	80.7	99.8	339.3	364.0	384.0
Industrial Measurements	48.0	56.5	57.4	64.6	226.5	59.7	62.0	61.9	68.0	251.6	273.8	288.8
Total	112.1	148.4	136.6	167.5	564.6	135.6	145.0	142.5	167.8	590.9	637.7	672.8
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	-6.8%	17.8%	3.6%	14.6%	8.0%	18.4%	-9.7%	1.9%	-3.1%	0.4%	7.3%	5.5%
Industrial Measurements	-23.8%	7.0%	6.4%	12.1%	-0.4%	24.3%	9.7%	7.8%	5.4%	11.1%	8.8%	5.5%
Total	-15.0%	13.5%	4.8%	13.6%	4.5%	21.0%	-2.3%	4.4%	0.2%	4.7%	7.9%	5.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	0.6	11.2	8.8	14.2	34.8	5.2	3.4	7.1	10.3	26.1	34.4	59.5
Industrial Measurements	6.5	12.3	15.5	13.7	47.9	12.7	13.5	16.8	13.3	56.3	61.5	44.8
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	16.9	23.9	23.6	82.3	95.9	104.3
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	1.0%	12.2%	11.1%	13.8%	10.3%	6.9%	4.2%	8.8%	10.4%	7.7%	9.5%	15.5%
Industrial Measurements	13.5%	21.8%	27.0%	21.2%	21.2%	21.3%	21.7%	27.2%	19.5%	22.4%	22.5%	15.5%
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%	11.7%	16.7%	14.1%	13.9%	15.0%	15.5%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	379.5	437.9	514.1	540.4	564.6	590.9	637.7	672.8
<i>Sales growth (%)</i>	-6.0%	15.4%	17.4%	5.1%	4.5%	4.7%	7.9%	5.5%
EBITDA	65.9	71.7	85.4	90.8	106.5	109.6	121.0	128.1
<i>EBITDA margin (%)</i>	17.4%	16.4%	16.6%	16.8%	18.9%	18.6%	19.0%	19.0%
Depreciation	-21.1	-21.6	-22.9	-24.2	-23.6	-27.3	-25.2	-23.8
EBITA	44.8	50.1	62.5	66.6	82.9	82.3	95.9	104.3
Goodwill amortization / writedown								
EBIT	44.8	50.1	62.5	66.6	82.9	82.3	95.9	104.3
<i>EBIT margin (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	13.9%	15.0%	15.5%
Reported EBIT	44.8	50.1	62.5	66.6	82.9	82.3	95.9	104.3
<i>EBIT margin (reported) (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	13.9%	15.0%	15.5%
Net financials	-3.4	-2.1	-2.9	-3.4	-2.1	-6.0	-1.8	-1.0
Pre-tax profit	41.4	48.1	59.6	63.2	80.8	76.3	94.1	103.3
Taxes	-8.5	-8.8	-14.5	-14.3	-17.0	-16.6	-19.8	-21.7
Minority shares		-0.3						
Net profit	32.9	39.0	45.1	48.9	63.7	59.7	74.3	81.6
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	86	96	99	98	109	115	115	111
Goodwill	30	29	49	46	100	100	100	100
Right of use assets	13	11	12	13	21	21	26	24
Inventory	45	50	62	59	58	60	65	69
Receivables	93	107	131	113	148	155	168	177
Liquid funds	45	78	56	90	89	93	100	106
Total assets	352	408	440	443	589	599	619	626
Liabilities								
Shareholders' equity	205	230	251	268	309	337	379	426
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	83	48	2
Non-interest bearing current liabilities	76	116	111	97	124	130	140	148
Other interest-free debt	8	7	7	10	21	21	21	21
Total liabilities	352	408	440	443	589	599	619	626
CASH FLOW, EURm								
+ EBITDA	66	72	85	91	107	110	121	128
- Net financial items	-3	-2	-3	-3	-2	-6	-2	-1
- Taxes	-8	-9	-15	-14	-20	-17	-20	-22
- Increase in Net Working Capital	-8	17	-38	11	-1	-4	-7	-5
+/- Other	-6	3	0					
= Cash flow from operations	41	80	30	84	84	83	93	100
- Capex	-35	-22	-19	-16	-132	-23	-22	-12
- Acquisitions			-23					
+ Divestments								
= Free cash flow	6	58	-12	68	-48	60	71	88
+/- New issues/buybacks	-4	8	0	-6	4			
- Paid dividend	22	25	26	27	31	33	35	36
+/- Other	9	-12	15	-2	70	-25	-31	-48
Change in cash	-11	33	-22	35	-2	4	7	6

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	1 924	1 437	1 439	1 756	1 707	1 707	1 707
Net debt (excl. convertibles)	-30	8	-26	41	11	-27	-81
Enterprise value	1 899	1 445	1 413	1 797	1 718	1 680	1 626
Sales	438	514	540	565	591	638	673
EBITDA	72	85	91	107	110	121	128
EBIT	50	63	67	83	82	96	104
Pre-tax	48	60	63	81	76	94	103
Earnings	39	45	49	64	60	74	82
Equity book value (excl. minorities)	230	251	268	309	337	379	426

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	4.3	2.8	2.6	3.2	2.9	2.6	2.4
EV/EBITDA	26.5	16.9	15.6	16.9	15.7	13.9	12.7
EV/EBITA	37.9	23.1	21.2	21.7	20.9	17.5	15.6
EV/EBIT	37.9	23.1	21.2	21.7	20.9	17.5	15.6
EV/OCF	23.7	48.5	16.8	21.5	20.6	18.1	16.2
EV/FCF	30.3	-308.4	19.2	-61.8	25.0	20.6	17.7
P/FCFR	33.0	-116.8	21.0	-36.4	28.2	24.0	19.4
P/E	49.4	31.6	29.4	27.5	28.6	23.0	20.9
P/BV	8.4	5.7	5.4	5.7	5.1	4.5	4.0
Target EV/EBITDA					16.7	14.8	13.6
Target EV/EBIT					22.2	18.7	16.6
Target EV/FCFF					30.2	25.2	19.8
Target P/BV					5.4	4.8	4.3
Target P/E, diluted	34.1	31.2	30.1	31.6	30.4	24.4	22.3

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	36.10	36.02	36.25	36.28	36.32	36.32	36.32
Number of shares (diluted, million)	36.10	36.02	36.25	36.28	36.32	36.32	36.32
EPS	1.08	1.25	1.35	1.76	1.64	2.05	2.25
Operating cash flow per share	2.22	0.83	2.32	2.31	2.29	2.55	2.76
Free cash flow per share	1.62	-0.34	1.89	-1.33	1.67	1.96	2.42
Book value per share	6.36	6.96	7.39	8.50	9.29	10.44	11.73
Dividend per share	0.68	0.72	0.75	0.85	0.90	0.95	1.00
Dividend payout ratio, %	63.0%	57.5%	55.6%	48.4%	54.7%	46.4%	44.5%
Dividend yield, %	1.3%	1.8%	1.9%	1.8%	1.9%	2.0%	2.1%
FCF yield, %	3.0%	-0.9%	4.8%	-2.8%	3.5%	4.2%	5.1%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	17.9%	18.8%	18.9%	22.1%	18.5%	20.8%	20.3%
ROCE	18.6%	21.2%	20.7%	21.5%	18.7%	21.5%	23.1%

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%	3.9%	3.4%	1.9%
CAPEX/sales (incl. acquisitions), %	4.9%	-0.8%	2.9%	23.4%	3.9%	3.4%	1.9%
FCFF/EBITDA	0.9	-0.1	0.8	-0.3	0.6	0.7	0.7
Net Debt/EBITDA, book-weighted	-0.4	0.1	-0.3	0.4	0.1	-0.2	-0.6
Debt/equity, market-weighted	0.0	0.0	0.0	0.1	0.0	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%	3.3%	-7.2%	-18.9%

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	3 776 358	177.489	10.4 %
Weisell-Säätiö Sr	1 654 370	77.755	4.6 %
Citibank	1 440 000	67.680	4.0 %
Voipio Mikko	1 268 312	59.611	3.5 %
Ilmarinen Mutual Pension Insurance Company	1 169 000	54.943	3.2 %
Caspers Anja	969 496	45.566	2.7 %
Voipio Raimo	920 714	43.274	2.5 %
Voipio Tauno	837 824	39.378	2.3 %
Ten largest	12 036 074	565.695	33.1 %
Residual	24 282 636	1141.284	66.9 %
Total	36 318 710	1706.979	100%

EARNINGS CALENDAR

October 23, 2025 Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Kai Öistämö
CFO: Heli Lindfors
IR: Paula Liimatta

Vanha Nurmijärventie 21, 01670 Vantaa
Tel:

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

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. The valuation assumptions used are sensitive to changes and can significantly affect fair values. A change of a single percentage point in any used assumption could affect fair values by more than +/-20%. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

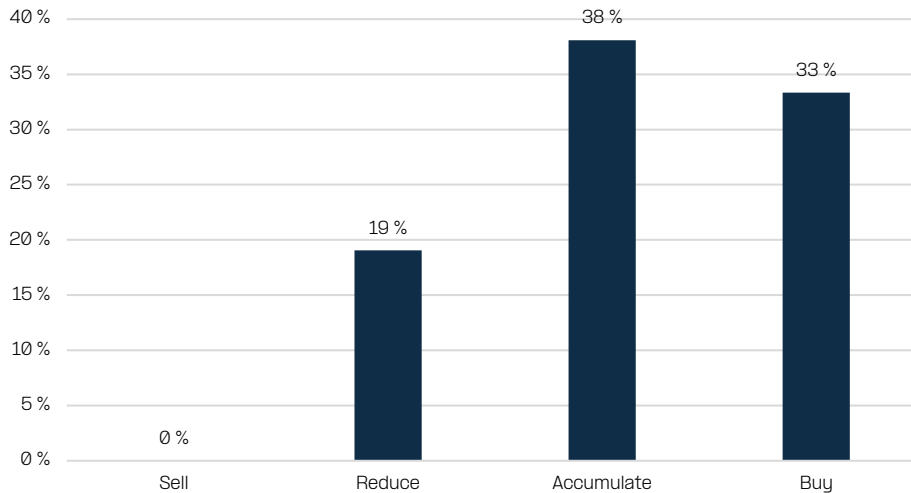
Investment recommendations are defined as follows:

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

Recommendation
 SELL
 REDUCE
 ACCUMULATE
 BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on 28.07.2025, 8:20. This report has been published on 28.07.2025, 8:50.

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

According to ERP's best knowledge, the issuer(s) of the securities does/(do) not hold in excess of 5% of the total issued share capital of the issuer(s).

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Plc is supervised by the Finnish Financial Supervision Authority.

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 Pitkälä	+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