


Outlook for 2025 below our estimates

Vaisala's Q4 results aligned with the preliminary figures the company disclosed in January. The outlook for 2025E is slightly weaker than our estimates especially in terms of net sales.

- **Q4 group result:** Vaisala's Q4 figures were in line with the preliminary figures given out in January as net sales came in at EUR 167.5m and EBIT was at EUR 28.0m. The profitability improved drastically y/y due to the rapid growth in net sales and the company's successful cost management.
- **Industrial measurements (IM):** Orders received increased by 6% y/y while order book grew 5% to EUR 37.0m. Net sales were at EUR 64.6m, growing strongly at 12% y/y. Net sales increased in industrial instruments, life science, as well as in power and energy markets segments. Net sales decreased somewhat in liquid measurements segment. IM gross margin was at 61.6% (60.7%) and EBIT at EUR 13.7m with a margin of 21.2% (Q4/23 EUR 8.7m, 15.1%).
- **Weather and Environment (W&E):** Orders received decreased by 7% y/y while order book was up by 30% y/y. W&E's net sales increased by 15% to EUR 103.0m. Net sales grew across the W&E yet growth in subscription sales was the strongest with growth of 30% y/y. Net sales grew strongly in aviation and renewable energy market segments and were at previous year's levels in meteorology. Net sales decreased slightly in the road segment. Gross margin improved to 53.1% (Q4/23 50.3%). EBIT was at EUR 14.2m (Q4/23 EUR 7.5m) with a margin of 13.8% (8.3%).
- **Outlook 2025:** Net sales EUR 590–620m and EBITA EUR 90–105m.
- We currently estimate net sales of EUR 638m and EBITA of EUR 105m for 2025E. Hence, the guidance suggests some downward pressure on our estimates, particularly concerning net sales.
- **Dividend:** Vaisala's BoD proposes a DPS of EUR 0.85, lower than our ambitious estimates of EUR 0.98 per share, yet in line with the company's dividend policy.

Rating

 Accumulate

	Q4'24	Actual	Evli	Consensus*	Q4'23
Net sales		167.5	167.9	168.0	147.4
W&E		103.0	103.2	83.5	89.8
IM		64.6	64.7	58.5	57.6
EBIT reported		28.0	28.1	27.8	16.3
EBIT-margin		16.7%	16.7%	16.5%	11.0%
EPS reported		0.59	0.61	0.60	0.36

* Consensus estimate from Factset

Share price, EUR (Last trading day's closing price)	54.50
Target price, EUR	56.0
Latest change in recommendation	04-Feb-25
Latest report on company	04-Feb-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	1 978
Free float, %	
Exchange rate	
Reuters code	VAIAS.HE
Bloomberg code	VAIAS FH
Average daily volume, EURm	
Next interim report	18-Feb-24
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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
2022	514.1	62.5	12.2%	-12.3	1.25	31.6	2.8	23.1	-0.9%	0.72
2023	540.4	66.6	12.3%	68.4	1.35	29.4	2.6	21.2	4.8%	0.75
2024E	565.0	83.0	14.7%	-20.5	1.77	30.7	3.5	24.1	-1.0%	0.98
2025E	638.2	92.5	14.5%	67.3	1.93	28.2	3.1	21.3	3.4%	1.06
2026E	678.0	111.5	16.4%	82.4	2.38	22.9	2.8	17.3	4.2%	1.31
Market cap, EURm		1 978	Gearing 2024E, %			7.1 %	CAGR EPS 2023-26, %			20.8 %
Net debt 2024E, EURm		22	Price/book 2024E			6.5	CAGR Sales 2023-26, %			7.9 %
Enterprise value, EURm		1 999	Dividend yield 2024E, %			1.8 %	ROE 2024E, %			22.5 %
Total assets 2024E, EURm		536	Tax rate 2024E, %			21.3 %	ROCE 2024E, %			22.0 %
Goodwill 2024E, EURm		86	Equity ratio 2024E, %			56.9 %	PEG, P/E 24/CAGR			2.4

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

Important Disclosures

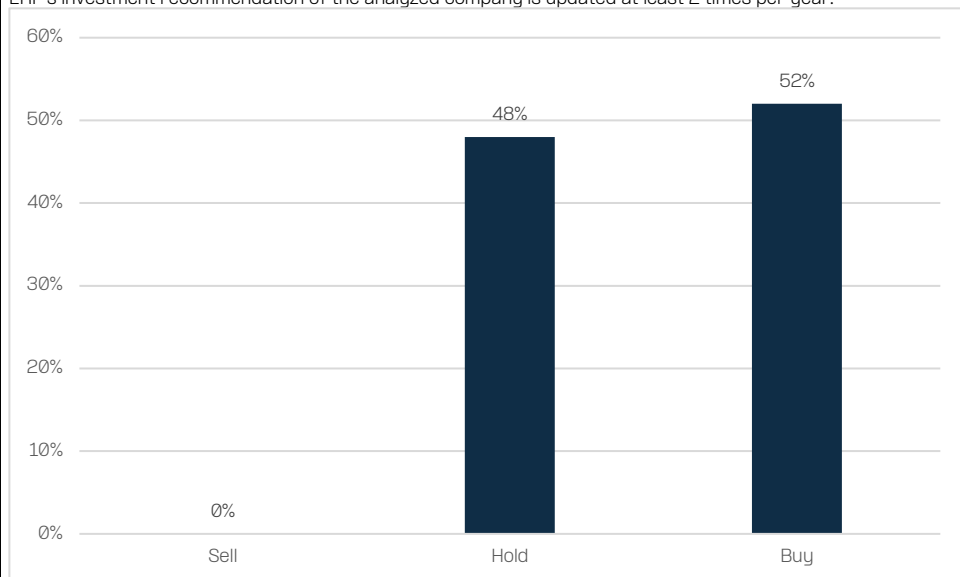
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Investment recommendations are defined as follows:

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

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

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