

Solid performance despite uncertainty

Vaisala's 2024 ended on a strong note as was expected after January's positive profit warning. We continue to see many tailwinds for the company in 2025E, yet uncertainties remain.

Strong Q4 highlights the company's operating leverage

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. Profitability improved significantly year-on-year, driven by strong net sales growth and effective cost management. Both IM and W&E grew profitably as IM grew 12% y/y W&E grew 15% y/y while IM EBITA % improved to 21.6% (Q4/23: 15.8%) and W&E to 15.8% (10.0%). The fourth quarter is a good example of the company's operating leverage as its profitability scales well with increased volumes. Alongside robust financial performance, Vaisala's orders remained at a very high level. Orders received decreased by just 2% to EUR 144.5m (Q4/23 EUR 147.1m), even though the comparison period included a EUR 20m order in Kuwait.

Should continue to grow profitably in 2025E

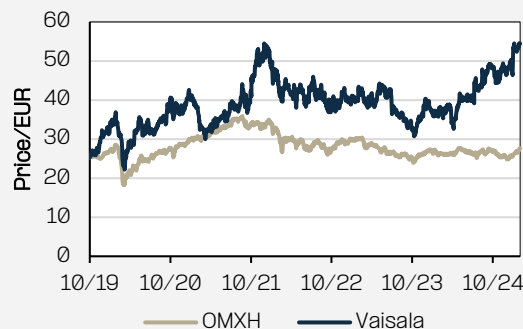
Vaisala estimates that its FY 2025 net sales will be in the range of EUR 590–620m and its EBITA will be in the range of EUR 90–105m. We have revised our estimates slightly downwards based on the new guidance. We now model net sales of EUR 615.1m (prev. EUR 638.2m) and EBITA of EUR 99.5m (prev. EUR 105.3m). We continue to see many tailwinds for the company for 2025E as the backlog remains strong, demand in some of the Industrial Measurements markets is starting to pick-up and W&E should continue to grow partly aided by the acquisitions. While there are many positives, there are also some potential headwinds for 2025E, mainly coming from external sources. The company's Finnish operations will be affected by strikes in Q1/25. While negative, we do not model such effect on figures as we saw in Q1/24. Alongside strikes, tariffs on European imports in the United States could further negatively impact both of the company's business areas, resulting in loss of net sales and/or margin pressure. While we have not currently factored any significant impact from potential tariffs into our models, we recognize it as a potential downside risk.

Long-term potential beats the short-term uncertainty

Our valuation of Vaisala is based on the company's peer group, historical valuation levels, and the fair value determined through our DCF model. Vaisala is priced at adj. EV/EBIT of 20–17x based on our estimates for 2025–2026E. Following minor estimate cuts, we adjust our TP to EUR 55.0 (prev. EUR 56.0) while we maintain our rating at ACCUMULATE.

Rating

Accumulate



Share price, EUR (Last trading day's closing price) **53.90**
Target price, EUR 55.0

Latest change in recommendation 04-Feb-25

Latest report on company 18-Feb-259-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 1 956

Free float, %

Exchange rate

Reuters code VAIAS.HE

Bloomberg code VAIAS FH

Average daily volume, EUR

Next interim report 24-Apr-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	615.1	89.5	14.6%	69.6	1.88	28.7	3.2	21.9	3.6%	0.95
2026E	660.5	105.9	16.0%	75.6	2.25	23.9	2.9	18.1	3.9%	1.15
2027E	696.8	115.0	16.5%	90.7	2.47	21.8	2.7	16.2	4.6%	1.24
Market cap, EURm		1 956	Gearing 2025E, %	0.6 %	CAGR EPS 2024–27, %	12.1 %				
Net debt 2025E, EURm		2	Price/book 2025	5.7	CAGR Sales 2024–27, %	7.3 %				
Enterprise value, EURm		1 958	Dividend yield 2025E, %	1.8 %	ROE 2025E, %	20.9 %				
Total assets 2025E, EURm		607	Tax rate 2025E, %	21.0 %	ROCE 2025E, %	20.3 %				
Goodwill 2025E, EURm		98	Equity ratio 2025E, %	57.0 %	PEG, P/E 25/CAGR	2.5				

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

Table 1: Peer group

Company name	MCAP MEUR	EV/EBITDA		EV/EBIT		P/E		EV/Sales	
		25	26	25	26	25	26	25	26
Hexagon	30989	15.6x	14.4x	20.4x	18.7x	24.3x	21.7x	5.8x	5.3x
Keysight Tech	30313	21.3x	19.1x	23.0x	20.6x	25.8x	22.4x	5.9x	5.5x
Trimble	17449	20.0x	18.1x	21.4x	19.3x	25.7x	22.4x	5.5x	4.9x
Spectris	3587	9.3x	8.6x	11.4x	10.2x	17.5x	15.1x	2.4x	2.3x
Itron	4179	14.4x	12.5x	17.7x	14.7x	19.6x	16.7x	1.8x	1.5x
FARO Technologies	514	13.9x		19.3x		28.3x			
Oxford Instruments	1420	11.8x	10.8x	13.9x	12.7x	18.1x	16.5x	2.1x	1.9x
Sensirion Holding	1103	23.2x	17.8x	44.1x	29.1x	53.3x	34.8x	3.1x	2.8x
Halma	13585	21.8x	20.2x	24.4x	22.5x	30.9x	28.5x	5.0x	4.6x
Peer Group Average	14505	16.8x	15.2x	21.7x	18.5x	27.0x	22.3x	4.0x	3.6x
Peer Group Median	10814	15.6x	16.1x	20.4x	19.0x	25.7x	22.0x	4.1x	3.7x
Vaisala (Evli est.)	1956	16.9x	14.9x	19.7x	17.2x	26.2x	22.3x	3.2x	2.9x
<i>Vaisala prem./disc. to peer median</i>		8%	-8%	-3%	-10%	2%	1%	-21%	-21%

Source FactSet, Evli Research

Table 2: Estimate summary

ESTIMATES	2 023	Q1'24	Q2'24	Q3'24	Q4'24	2 024	Q1'25E	Q2'25E	Q3'25E	Q4'25E	2025E	2026E
Net sales	540.4	112.1	148.4	136.6	167.5	564.6	135.8	160.0	145.6	173.7	615.1	660.5
Weather & Environment	313.0	64.1	91.9	79.2	103.0	338.2	75.5	101.3	85.5	107.3	369.5	393.3
Industrial Measurements	227.3	48.0	56.5	57.4	64.6	226.5	60.3	58.7	60.1	66.5	245.6	267.2
<i>Net sales growth</i>	5.1%	-14.9%	13.5%	4.8%	13.6%	4.5%	21.1%	7.8%	6.6%	3.7%	8.9%	7.4%
Weather & Environment	8.5%	-6.8%	17.8%	3.6%	14.6%	8.0%	17.7%	10.3%	7.9%	4.2%	9.3%	6.4%
Industrial Measurements	0.8%	-23.8%	7.0%	6.4%	12.1%	-0.4%	25.6%	3.9%	4.7%	3.0%	8.4%	8.8%
Reported EBIT	66.6	7.1	23.7	24.1	28.0	82.9	13.8	22.4	26.6	26.8	89.5	105.9
<i>Reported EBIT margin</i>	12.3%	6.4%	16.0%	17.6%	16.7%	14.7%	10.1%	14.0%	18.3%	15.4%	14.6%	16.0%
Adj. EBIT	74.7	8.8	25.4	25.8	30.3	90.3	16.3	24.9	29.1	29.3	99.5	112.4
Weather & Environment	27.5	2.1	12.7	10.3	16.3	41.4	4.5	13.3	12.2	16.0	46.1	50.8
Industrial Measurements	46.8	6.7	12.5	15.7	14.0	48.8	11.7	11.6	16.9	13.3	53.6	61.6
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>Adj. EBIT margin</i>	13.8%	7.8%	17.1%	18.9%	18.1%	16.0%	12.0%	15.5%	20.0%	16.9%	16.2%	17.0%
Weather & Environment	8.8%	3.3%	13.8%	13.0%	15.8%	12.2%	6.0%	13.1%	14.3%	14.9%	12.5%	12.9%
Industrial Measurements	20.6%	13.9%	22.1%	27.4%	21.6%	21.6%	19.4%	19.7%	28.1%	20.1%	21.8%	23.1%

Source: Vaisala, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	53.90 PV of Free Cash Flow	708 Long-term growth, %	2.5 % Risk-free interest rate, %
DCF share value	55.37 PV of Horizon value	1 341 WACC, %	7.0 % Market risk premium, %
Share price potential, %	2.7 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	62.4 Marketable securities	89 Minimum WACC, %	6.5 % Equity beta coefficient
Minimum value	49.7 Debt – dividend	-130 Maximum WACC, %	7.5 % Target debt ratio, %
Horizon value, %	65.5 % Value of stock	2 009 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	615	661	697	732	768	799	823	848	869	891	913
Sales growth (%)	4.5%	8.9%	7.4%	5.5%	5.0%	5.0%	4.0%	3.0%	3.0%	2.5%	2.5%	2.5%
Operating income (EBIT)	83	90	106	115	121	127	132	132	136	139	142	146
Operating income margin %	14.7%	14.6%	16.0%	16.5%	16.5%	16.5%	16.5%	16.0%	16.0%	16.0%	16.0%	16.0%
+ Depreciation+amort.	24	26	23	23	23	23	22	21	21	20	19	
EBITDA	107	116	129	138	144	149	153	152	156	159	161	
- Paid taxes	-20	-19	-22	-24	-25	-27	-28	-28	-28	-29	-30	
- Change in NWC	-1	-7	-7	-5	-5	-5	-4	-3	-4	-3	-3	
NWC / Sales, %	12.3%	12.5%	12.6%	12.7%	12.8%	12.9%	13.0%	13.0%	13.1%	13.1%	13.1%	
+ Change in other liabs	5											
- Operative CAPEX	-119	-13	-13	-13	-15	-12	-12	-12	-13	-12	-12	
opCAPEX / Sales, %	23.4%	2.9%	3.4%	2.4%	2.7%	2.1%	1.9%	1.8%	1.8%	1.6%	1.6%	
- Acquisitions												
+ Divestments												
- Other items												
= FCFF	-29	77	87	95	98	105	110	109	112	115	116	2 623
= Discounted FCFF		72	76	78	75	76	73	69	65	63	59	1 341
= DFCF min WACC		73	77	79	77	78	76	71	68	66	62	1 579
= DFCF max WACC		72	76	77	74	74	72	66	63	60	57	1 154

Sensitivity analysis, EUR

	Terminal WACC				
	5.03 %	6.03 %	7.03 %	8.03 %	9.03 %
Terminal EBIT-%					
14.00 %	87.90	63.42	49.69	40.87	34.72
15.00 %	94.03	67.42	52.53	43.00	36.37
16.00 %	100.16	71.42	55.37	45.12	38.01
17.00 %	106.28	75.42	58.21	47.24	39.65
18.00 %	112.41	79.42	61.05	49.36	41.29

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	112.1	148.4	136.6	167.5	564.6	135.8	160.0	145.6	173.7	615.1	660.5	696.8
EBITDA	12.8	29.4	29.9	34.5	106.5	20.4	29.0	33.2	33.4	115.9	128.7	138.1
<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>15.0%</i>	<i>18.1%</i>	<i>22.8%</i>	<i>19.2%</i>	<i>18.9%</i>	<i>19.5%</i>	<i>19.8%</i>
EBIT	7.1	23.7	24.1	28.0	82.9	13.8	22.4	26.6	26.8	89.5	105.9	115.0
<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>10.1%</i>	<i>14.0%</i>	<i>18.3%</i>	<i>15.4%</i>	<i>14.6%</i>	<i>16.0%</i>	<i>16.5%</i>
Net financial items	-0.5	-0.6	0.3	-1.4	-2.1	-0.8	-0.8	-0.8	-0.8	-3.2	-2.5	-1.3
Pre-tax profit	6.6	23.2	24.4	26.6	80.8	13.0	21.6	25.8	26.0	86.3	103.4	113.6
Tax	-1.5	-5.2	-5.2	-5.2	-17.0	-2.7	-4.5	-5.4	-5.5	-18.1	-21.7	-23.9
<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>21.0%</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	10.2	17.0	20.4	20.6	68.2	81.7	89.8
EPS	0.14	0.49	0.53	0.59	1.76	0.28	0.47	0.56	0.57	1.88	2.25	2.47
EPS adj. (diluted)	0.14	0.49	0.53	0.59	1.76	0.28	0.47	0.56	0.57	1.88	2.25	2.47
Dividend per share					0.85					0.95	1.15	1.24
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	64.1	91.9	79.2	103.0	338.2	75.5	101.3	85.5	107.3	369.5	393.3	414.9
Industrial Measurements	48.0	56.5	57.4	64.6	226.5	60.3	58.7	60.1	66.5	245.6	267.2	281.9
Total	112.1	148.4	136.6	167.5	564.6	135.8	160.0	145.6	173.7	615.1	660.5	696.8
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	-6.8%	17.8%	3.6%	14.6%	8.0%	17.7%	10.3%	7.9%	4.2%	9.3%	6.4%	5.5%
Industrial Measurements	-23.8%	7.0%	6.4%	12.1%	-0.4%	25.6%	3.9%	4.7%	3.0%	8.4%	8.8%	5.5%
Total	-15.0%	13.5%	4.8%	13.6%	4.5%	21.1%	7.8%	6.6%	3.7%	8.9%	7.4%	5.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	0.6	11.2	8.8	14.2	34.8	2.2	11.0	9.9	13.7	36.9	45.3	68.5
Industrial Measurements	6.5	12.3	15.5	13.7	47.9	11.5	11.4	16.7	13.1	52.7	60.6	46.5
Other	0.0	0.2	-0.2	0.1	0.1							
Total	7.1	23.7	24.1	28.0	82.9	13.8	22.4	26.6	26.8	89.5	105.9	115.0
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Weather and Environment	1.0%	12.2%	11.1%	13.8%	10.3%	3.0%	10.9%	11.6%	12.8%	10.0%	11.5%	16.5%
Industrial Measurements	13.5%	21.8%	27.0%	21.2%	21.2%	19.1%	19.4%	27.7%	19.8%	21.5%	22.7%	16.5%
Other	100.0%	100.0%	-100.0%	100.0%	100.0%							
Total	6.4%	16.0%	17.6%	16.7%	14.7%	10.1%	14.0%	18.3%	15.4%	14.6%	16.0%	16.5%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	379.5	437.9	514.1	540.4	564.6	615.1	660.5	696.8
<i>Sales growth (%)</i>	-6.0%	15.4%	17.4%	5.1%	4.5%	8.9%	7.4%	5.5%
EBITDA	65.9	71.7	85.4	90.8	106.5	115.9	128.7	138.1
<i>EBITDA margin (%)</i>	17.4%	16.4%	16.6%	16.8%	18.9%	18.9%	19.5%	19.8%
Depreciation	-21.1	-21.6	-22.9	-24.2	-23.6	-26.4	-22.8	-23.1
EBITA	44.8	50.1	62.5	66.6	82.9	89.5	105.9	115.0
Goodwill amortization / writedown								
EBIT	44.8	50.1	62.5	66.6	82.9	89.5	105.9	115.0
<i>EBIT margin (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	14.6%	16.0%	16.5%
Reported EBIT	44.8	50.1	62.5	66.6	82.9	89.5	105.9	115.0
<i>EBIT margin (reported) (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	14.6%	16.0%	16.5%
Net financials	-3.4	-2.1	-2.9	-3.4	-2.1	-3.2	-2.5	-1.3
Pre-tax profit	41.4	48.1	59.6	63.2	80.8	86.3	103.4	113.6
Taxes	-8.5	-8.8	-14.5	-14.3	-17.0	-18.1	-21.7	-23.9
Minority shares		-0.3						
Net profit	32.9	39.0	45.1	48.9	63.7	68.2	81.7	89.8
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	120	125	121	114	162	154	148	144
Goodwill	30	29	49	46	98	98	98	98
Right of use assets	13	11	12	13	21	22	26	24
Inventory	45	50	62	59	58	63	68	71
Receivables	93	107	131	113	148	162	173	183
Liquid funds	45	78	56	90	89	97	104	112
Total assets	352	408	440	443	589	607	630	646
Liabilities								
Shareholders' equity	205	230	251	268	309	346	393	441
Minority interest	0	1						
Convertibles								
Lease liabilities	9	8	11	12	25	22	26	24
Deferred taxes	8	7	4	3	5	5	5	5
Interest bearing debt	45	40	53	52	105	77	38	
Non-interest bearing current liabilities	76	116	111	97	124	135	145	153
Other interest-free debt	8	7	7	10	21	21	21	21
Total liabilities	352	408	440	443	589	607	630	646
CASH FLOW, EURm								
+ EBITDA	66	72	85	91	107	116	129	138
- Net financial items	-3	-2	-3	-3	-2	-3	-2	-1
- Taxes	-8	-9	-15	-14	-20	-18	-22	-24
- Increase in Net Working Capital	-8	17	-38	11	-1	-7	-7	-5
+/- Other	-6	3	0					
= Cash flow from operations	41	80	30	84	84	87	98	108
- Capex	-35	-22	-19	-16	-132	-18	-22	-17
- Acquisitions			-23					
+ Divestments								
= Free cash flow	6	58	-12	68	-48	70	76	91
+/- New issues/buybacks	-4	8	0	-6	4			
- Paid dividend	22	25	26	27	31	34	42	45
+/- Other	9	-12	15	-2	70	-31	-34	-40
Change in cash	-11	33	-22	35	-2	8	7	9

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	1 924	1 437	1 439	1 756	1 956	1 956	1 956
Net debt (excl. convertibles)	-30	8	-26	41	2	-39	-88
Enterprise value	1 899	1 445	1 413	1 797	1 958	1 917	1 868
Sales	438	514	540	565	615	661	697
EBITDA	72	85	91	107	116	129	138
EBIT	50	63	67	83	90	106	115
Pre-tax	48	60	63	81	86	103	114
Earnings	39	45	49	64	68	82	90
Equity book value (excl. minorities)	230	251	268	309	346	393	441
Valuation multiple							
EV/Sales	4.3	2.8	2.6	3.2	3.2	2.9	2.7
EV/EBITDA	26.5	16.9	15.6	16.9	16.9	14.9	13.5
EV/EBITA	37.9	23.1	21.2	21.7	21.9	18.1	16.2
EV/EBIT	37.9	23.1	21.2	21.7	21.9	18.1	16.2
EV/OCF	23.7	48.5	16.8	21.5	22.4	19.6	17.4
EV/FCF	30.3	-308.4	19.2	-61.8	25.6	22.1	19.6
P/FCFR	33.0	-116.8	21.0	-36.4	28.1	25.9	21.6
P/E	49.4	31.6	29.4	27.5	28.7	23.9	21.8
P/BV	8.4	5.7	5.4	5.7	5.7	5.0	4.4
Target EV/EBITDA					17.2	15.2	13.8
Target EV/EBIT					22.3	18.5	16.6
Target EV/FCFF					28.7	25.9	21.0
Target P/BV					5.8	5.1	4.5
Target P/E, diluted	34.1	31.2	30.1	31.6	29.3	24.4	22.2
Per share measures							
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	1.88	2.25	2.47
Operating cash flow per share	2.22	0.83	2.32	2.31	2.41	2.70	2.97
Free cash flow per share	1.62	-0.34	1.89	-1.33	1.92	2.08	2.50
Book value per share	6.36	6.96	7.39	8.50	9.53	10.84	12.16
Dividend per share	0.68	0.72	0.75	0.85	0.95	1.15	1.24
Dividend payout ratio, %	63.0%	57.5%	55.6%	48.4%	50.5%	51.1%	50.0%
Dividend yield, %	1.3%	1.8%	1.9%	1.6%	1.8%	2.1%	2.3%
FCF yield, %	3.0%	-0.9%	4.8%	-2.8%	3.6%	3.9%	4.6%
Efficiency measures							
ROE	17.9%	18.8%	18.9%	22.1%	20.8%	22.1%	21.5%
ROCE	18.6%	21.2%	20.7%	21.5%	20.3%	23.5%	24.9%
Financial ratios							
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%	12.5%	12.6%	12.7%
Operative CAPEX/Sales, %	4.9%	3.7%	2.9%	23.4%	2.9%	3.4%	2.4%
CAPEX/sales (incl. acquisitions), %	4.9%	-0.8%	2.9%	23.4%	2.9%	3.4%	2.4%
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	-0.3	-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%	0.6%	-9.9%	-20.0%

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	203.546	10.4 %
Weisell-Säätiö Sr	1 652 370	89.063	4.6 %
Citibank Europe Plc	1 440 000	77.616	4.0 %
Voipio Mikko	1 268 312	68.362	3.5 %
Ilmarinen Mutual Pension Insurance Company	1 124 000	60.584	3.1 %
Finnish Academy of Science and Letters	1 098 464	59.207	3.0 %
Caspers Anja	969 496	52.256	2.7 %
Voipio Raimo Hannes	920 478	49.614	2.5 %
Ten largest	12 249 478	660.247	33.8 %
Residual	24 035 101	1295.492	66.2 %
Total	36 284 579	1955.739	100%

EARNINGS CALENDAR

April 24, 2025	Q1 report
July 25, 2025	Q2 report
October 23, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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

DEFINITIONS

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

Important Disclosures

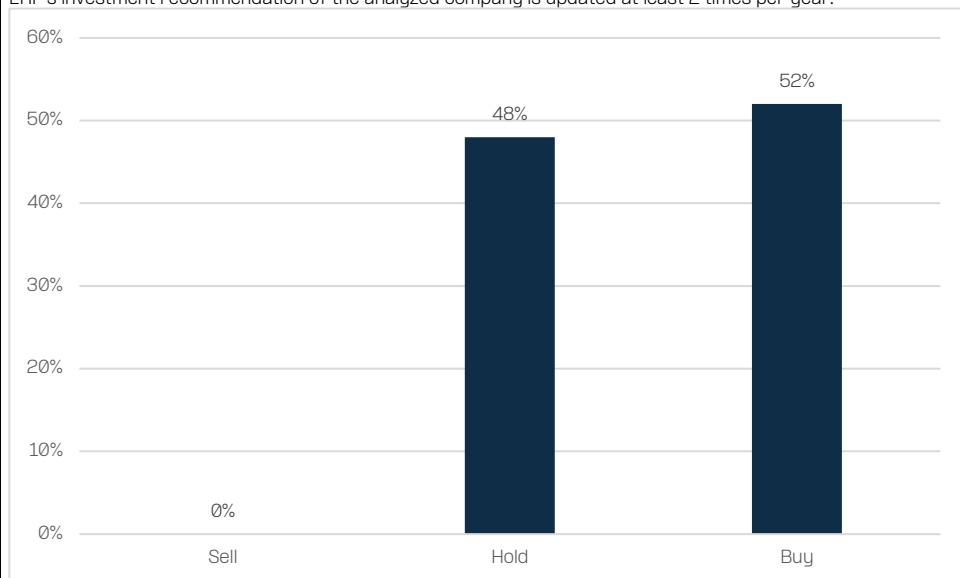
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Investment recommendations are defined as follows:

Target price compared to share price < -10 % -10 - 0 % 0 - (+10) % > 10 %	Recommendation SELL RECUDE ACCUMULATE BUY
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Name(s) of the analyst(s): Atte Jortikka

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