

## Measuring some turbulence ahead

Vaisala reports its Q1 figures on 24<sup>th</sup> of April. The escalating trade war increases uncertainty in the short-term. While direct impacts seem relatively limited, indirect effects are likely to hit, with the scale still unclear. The Q1 should remain unaffected while we focus on the comments regarding the outlook.

### Escalating trade war increases uncertainty

Vaisala is a global company with customers in more than 150 countries with net sales split relatively evenly across the globe. Approximately 35% of the company's net sales came from the region Americas. Vaisala doesn't disclose the numbers, yet we presume that most net sales in the Americas region originates from the US. The company has approximately 16% of its workforce in the Americas region and a production facility in Boulder, Colorado. While the Boulder facility produces products for the local market, Vaisala also imports from Europe. We have understood that majority of the competitors in the US are also European. In addition, local competitors are likely to suffer from tariffs on component purchases from Asia. While we see the direct effects rather limited, we see the biggest effect coming from likely slowing of demand especially in the short-term as investments are largely paused due to the prevailing uncertainty. In Europe, the increase in defense spending should be positive as Vaisala delivers weather intelligence solutions also for the defense industry.

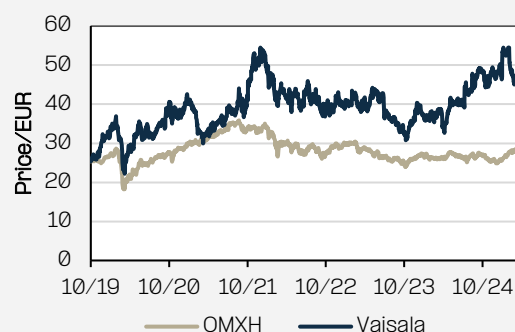
### Scaling back estimates for the rest of the year

Vaisala's Q1 last year was heavily affected by the industrial actions in Finland and simultaneous ramp-up of the new ERP system. On the back of this development, we expect Q1/25 y/y net sales growth of 19% driven by both IM and W&E. We forecast margins to increase as the company's profitability traditionally scales well with volumes especially for IM. While Q1 should be positive compared to last year, we have revised our estimates downwards for the rest of the year driven by the ongoing uncertainty. Vaisala's current guidance estimates 2025 net sales to be in the range of EUR 590–620m and EBITA in the range of EUR 90–105m. The current guidance doesn't consider the effects of tariffs. We now estimate net sales of EUR 607m (prev. EUR 615m) and EBITA of EUR 95m (prev. EUR 100m) for 2025E.

### BUY (prev. ACCUMULATE) with a TP of EUR 52 (prev. EUR 55)

Based on our updated estimates for 2025–2026E, Vaisala is trading at an EV/EBITA of 17–14x and an adj. P/E of 21–18x. We remain positive on the investment case, as the underlying long-term favorable trends persist. Additionally, Vaisala has shown resiliency in the recent history amid market shocks. Considering this, we see the valuation multiples as being on the lower side on an absolute basis.

## Rating ++ Buy



Share price, EUR (Last trading day's closing price) **44.25**  
Target price, EUR 52.0

Latest change in recommendation 16-Apr-25

Latest report on company 16-Apr-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 1 606

Free float, %

Exchange rate

Reuters code VAIAS.HE

Bloomberg code VAIAS FH

Average daily volume, EURm

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	605.8	84.9	14.0%	72.3	1.81	24.5	2.6	18.9	4.5%	0.95
2026E	652.8	103.4	15.8%	77.1	2.22	19.9	2.4	15.1	4.8%	1.15
2027E	688.7	113.6	16.5%	92.9	2.46	18.0	2.2	13.3	5.8%	1.23
Market cap, EURm	1 606		Gearing 2025E, %		-0.2 %		CAGR EPS 2024–27, %		11.8 %	
Net debt 2025E, EURm	-1		Price/book 2025E		4.7		CAGR Sales 2024–27, %		6.9 %	
Enterprise value, EURm	1 605		Dividend yield 2025E, %		2.2 %		ROE 2025E, %		20.1 %	
Total assets 2025E, EURm	598		Tax rate 2025E, %		21.0 %		ROCE 2025E, %		19.4 %	
Goodwill 2025E, EURm	98		Equity ratio 2025E, %		57.4 %		PEG, P/E 25/CAGR		1.9	

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

VAISALA PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBITA			P/E		
		25	26	27	25	26	27	25	26	27
Hexagon	21905	11.9x	10.9x	10.2x	14.8x	13.3x	12.2x	18.4x	16.4x	14.8x
Keysight Tech	20883	15.9x	14.2x		17.1x			19.1x	16.9x	
Trimble	12930	16.0x	14.5x	13.4x	17.2x	15.6x		20.7x	18.1x	16.0x
Spectris	2392	8.8x	8.1x	7.6x	10.8x	9.5x	8.8x	12.2x	10.6x	9.7x
Itron	4106	14.7x	13.0x	10.8x	15.9x	13.4x	10.6x	19.0x	17.0x	14.6x
FARO Technologies	429	10.6x	9.3x					21.4x	18.0x	
Oxford Instruments	1107	9.5x	8.7x		11.0x	10.0x		14.4x	13.1x	
Sensirion Holding	1033	16.5x	14.4x	12.2x	25.5x	20.2x	17.1x	31.6x	26.8x	23.1x
Halma	11811	19.5x	18.2x	16.5x	21.4x	20.1x		27.3x	25.2x	22.9x
Peer Group Average	9320	13.7x	12.4x	11.8x	16.7x	14.6x	12.2x	20.5x	18.0x	16.8x
Peer Group Median	4106	14.7x	13.0x	11.5x	16.5x	13.4x	11.4x	19.1x	17.0x	15.4x
Vaisala (Evl est.)	<b>1606</b>	<b>14.4x</b>	<b>12.4x</b>	<b>11.1x</b>	<b>16.9x</b>	<b>14.2x</b>	<b>12.6x</b>	<b>21.3x</b>	<b>18.5x</b>	<b>16.9x</b>

Vaisala prem./disc. to peer median

-2 %

-5 %

-4 %

3 %

6 %

11 %

11 %

9 %

10 %

Source FactSet, Evli Research

## ESTIMATE CHANGES

	2025E			2026E		
	Old	New	%	Old	New	%
<b>Net sales</b>	<b>615.1</b>	<b>605.8</b>	<b>-2%</b>	<b>660.5</b>	<b>652.8</b>	<b>-1%</b>
IM	245.6	242.4	-1%	267.2	263.8	-1%
W&E	369.5	363.3	-2%	393.3	389.0	-1%
<b>EBIT</b>	<b>89.5</b>	<b>84.9</b>	<b>-5%</b>	<b>105.9</b>	<b>103.4</b>	<b>-2%</b>
<b>EBITA</b>	<b>99.5</b>	<b>94.9</b>	<b>-5%</b>	<b>112.4</b>	<b>109.9</b>	<b>-2%</b>
IM	53.6	52.0	-3%	61.6	60.1	-2%
W&E	46.1	43.0	-7%	50.8	49.9	-2%

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	44.25 PV of Free Cash Flow	717 Long-term growth, %	2.5 % Risk-free interest rate, %	2.25 %
DCF share value	54.72 PV of Horizon value	1 340 WACC, %	7.0 % Market risk premium, %	5.8 %
Share price potential, %	23.7 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	2.8 %
Maximum value	61.7 Marketable securities	89 Minimum WACC, %	6.5 % Equity beta coefficient	0.80
Minimum value	49.1 Debt – dividend	–160 Maximum WACC, %	7.5 % Target debt ratio, %	20 %
Horizon value, %	65.1 % Value of stock	1 986 No. of shares, Mn	36.3 Effective tax rate, %	25 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	565	606	653	689	723	759	790	813	838	859	880	902
Sales growth (%)	4.5%	7.3%	7.8%	5.5%	5.0%	5.0%	4.0%	3.0%	3.0%	2.5%	2.5%	2.5%
Operating income (EBIT)	83	85	103	114	119	125	130	130	134	137	141	144
Operating income margin %	14.7%	14.0%	15.8%	16.5%	16.5%	16.5%	16.5%	16.0%	16.0%	16.0%	16.0%	16.0%
+ Depreciation+amort.	24	26	24	23	22	21	20	19	19	18	17	
EBITDA	107	111	128	136	141	146	150	149	153	155	157	
– Paid taxes	–20	–18	–22	–24	–25	–26	–27	–27	–28	–29	–30	
– Change in NWC	–1	–6	–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%	13.0%	13.1%	13.1%	
+ Change in other liabs	5											
– Operative CAPEX	–119	–9	–12	–10	–10	–10	–10	–9	–10	–9	–10	
opCAPEX / Sales, %	23.4%	2.2%	3.2%	2.0%	2.1%	1.8%	1.7%	1.5%	1.5%	1.4%	1.4%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–29	78	88	97	101	105	108	108	111	114	115	2 591
= Discounted FCFF		74	78	81	78	76	74	69	66	63	59	1 340
= DFCF min WACC		75	79	82	80	78	76	71	68	66	62	1 576
= DFCF max WACC		74	77	80	77	75	72	67	63	60	57	1 153

## Sensitivity analysis, EUR

		Terminal WACC				
		5.03 %	6.03 %	7.03 %	8.03 %	9.03 %
Terminal EBIT–%	14.00 %	86.97	62.68	49.05	40.30	34.20
	15.00 %	93.07	66.67	51.89	42.42	35.84
	16.00 %	99.17	70.65	54.72	44.55	37.49
	17.00 %	105.27	74.64	57.56	46.67	39.13
	18.00 %	111.37	78.63	60.40	48.80	40.78

## 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	133.5	155.4	145.0	171.8	605.8	652.8	688.7
EBITDA	12.8	29.4	29.9	34.5	106.5	18.3	28.5	32.1	32.4	111.3	127.7	136.4
EBITDA margin (%)	11.4%	19.8%	21.9%	20.6%	18.9%	13.7%	18.3%	22.2%	18.9%	18.4%	19.6%	19.8%
EBIT	7.1	23.7	24.1	28.0	82.9	11.7	21.9	25.5	25.8	84.9	103.4	113.6
EBIT margin (%)	6.4%	16.0%	17.6%	16.7%	14.7%	8.8%	14.1%	17.6%	15.0%	14.0%	15.8%	16.5%
Net financial items	-0.5	-0.6	0.3	-1.4	-2.1	-0.5	-0.5	-0.5	-0.5	-2.0	-1.5	-0.8
Pre-tax profit	6.6	23.2	24.4	26.6	80.8	11.2	21.4	25.0	25.3	82.9	101.9	112.8
Tax	-1.5	-5.2	-5.2	-5.2	-17.0	-2.4	-4.5	-5.3	-5.3	-17.4	-21.4	-23.7
Tax rate (%)	21.8%	22.6%	21.3%	19.4%	21.1%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Net profit	5.2	17.9	19.2	21.4	63.7	8.9	16.9	19.8	20.0	65.5	80.5	89.1
EPS	0.14	0.49	0.53	0.59	1.76	0.24	0.46	0.55	0.55	1.81	2.22	2.46
EPS adj. (diluted)	0.14	0.49	0.53	0.59	1.76	0.24	0.46	0.55	0.55	1.81	2.22	2.46
Dividend per share					0.85					0.95	1.15	1.23
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	74.5	98.1	85.1	105.7	363.3	389.0	410.4
Industrial Measurements	48.0	56.5	57.4	64.6	226.5	59.1	57.3	59.9	66.1	242.4	263.8	278.3
Total	112.1	148.4	136.6	167.5	564.6	133.5	155.4	145.0	171.8	605.8	652.8	688.7
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%	16.2%	6.7%	7.4%	2.7%	7.5%	7.1%	5.5%
Industrial Measurements	-23.8%	7.0%	6.4%	12.1%	-0.4%	23.0%	1.5%	4.4%	2.4%	7.1%	8.8%	5.5%
Total	-15.0%	13.5%	4.8%	13.6%	4.5%	19.1%	4.7%	6.2%	2.6%	7.3%	7.8%	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	1.0	10.4	9.5	12.9	33.8	44.4	67.7
Industrial Measurements	6.5	12.3	15.5	13.7	47.9	10.7	11.5	16.0	12.9	51.1	59.1	45.9
Other	0.0	0.2	-0.2	0.1	0.1							
Total	7.1	23.7	24.1	28.0	82.9	11.7	21.9	25.5	25.8	84.9	103.4	113.6
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%	1.3%	10.6%	11.2%	12.2%	9.3%	11.4%	16.5%
Industrial Measurements	13.5%	21.8%	27.0%	21.2%	21.2%	18.2%	20.0%	26.7%	19.5%	21.1%	22.4%	16.5%
Other	100.0%	100.0%	-100.0%	100.0%	100.0%							
Total	6.4%	16.0%	17.6%	16.7%	14.7%	8.8%	14.1%	17.6%	15.0%	14.0%	15.8%	16.5%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	379.5	437.9	514.1	540.4	564.6	605.8	652.8	688.7
<i>Sales growth (%)</i>	-6.0%	15.4%	17.4%	5.1%	4.5%	7.3%	7.8%	5.5%
EBITDA	65.9	71.7	85.4	90.8	106.5	111.3	127.7	136.4
<i>EBITDA margin (%)</i>	17.4%	16.4%	16.6%	16.8%	18.9%	18.4%	19.6%	19.8%
Depreciation	-21.1	-21.6	-22.9	-24.2	-23.6	-26.4	-24.2	-22.8
Goodwill amortization / writedown								
EBIT	44.8	50.1	62.5	66.6	82.9	84.9	103.4	113.6
<i>EBIT margin (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	14.0%	15.8%	16.5%
Reported EBIT	44.8	50.1	62.5	66.6	82.9	84.9	103.4	113.6
<i>EBIT margin (reported) (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	14.0%	15.8%	16.5%
Net financials	-3.4	-2.1	-2.9	-3.4	-2.1	-2.0	-1.5	-0.8
Pre-tax profit	41.4	48.1	59.6	63.2	80.8	82.9	101.9	112.8
Taxes	-8.5	-8.8	-14.5	-14.3	-17.0	-17.4	-21.4	-23.7
Minority shares		-0.3						
Net profit	32.9	39.0	45.1	48.9	63.7	65.5	80.5	89.1
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	86	96	99	98	109	106	106	104
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	62	67	71
Receivables	93	107	131	113	148	159	171	181
Liquid funds	45	78	56	90	89	95	103	119
Total assets	352	408	440	443	589	598	619	639
Liabilities								
Shareholders' equity	205	230	251	268	309	343	389	437
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	73	33	
Non-interest bearing current liabilities	76	116	111	97	124	133	143	151
Other interest-free debt	8	7	7	10	21	21	21	21
Total liabilities	352	408	440	443	589	598	619	639
CASH FLOW, EURm								
+ EBITDA	66	72	85	91	107	111	128	136
- Net financial items	-3	-2	-3	-3	-2	-2	-2	-1
- Taxes	-8	-9	-15	-14	-20	-17	-21	-24
- Increase in Net Working Capital	-8	17	-38	11	-1	-6	-7	-5
+/- Other	-6	3	0					
= Cash flow from operations	41	80	30	84	84	86	98	107
- Capex	-35	-22	-19	-16	-132	-14	-21	-14
- Acquisitions			-23					
+ Divestments								
= Free cash flow	6	58	-12	68	-48	72	77	93
+/- New issues/buybacks	-4	8	0	-6	4			
- Paid dividend	22	25	26	27	31	34	42	45
+/- Other	9	-12	15	-2	70	-35	-35	-35
Change in cash	-11	33	-22	35	-2	6	7	16

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	1 924	1 437	1 439	1 756	1 606	1 606	1 606
Net debt (excl. convertibles)	-30	8	-26	41	-1	-43	-94
Enterprise value	1 899	1 445	1 413	1 797	1 605	1 562	1 511
Sales	438	514	540	565	606	653	689
EBITDA	72	85	91	107	111	128	136
EBIT	50	63	67	83	85	103	114
Pre-tax	48	60	63	81	83	102	113
Earnings	39	45	49	64	66	80	89
Equity book value (excl. minorities)	230	251	268	309	343	389	437

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	4.3	2.8	2.6	3.2	2.6	2.4	2.2
EV/EBITDA	26.5	16.9	15.6	16.9	14.4	12.2	11.1
EV/EBIT	37.9	23.1	21.2	21.7	18.9	15.1	13.3
EV/OCF	23.7	48.5	16.8	21.5	18.7	16.0	14.2
EV/FCF	30.3	-308.4	19.2	-61.8	20.5	17.8	15.6
P/FCFR	33.0	-116.8	21.0	-36.4	22.2	20.8	17.3
P/E	49.4	31.6	29.4	27.5	24.5	19.9	18.0
P/BV	8.4	5.7	5.4	5.7	4.7	4.1	3.7
Target EV/EBITDA					16.9	14.4	13.1
Target EV/EBIT					22.2	17.8	15.8
Target EV/FCFF					26.1	23.9	19.3
Target P/BV					5.5	4.8	4.3
Target P/E, diluted	34.1	31.2	30.1	31.6	28.8	23.4	21.2

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	1.81	2.22	2.46
Operating cash flow per share	2.22	0.83	2.32	2.31	2.37	2.70	2.94
Free cash flow per share	1.62	-0.34	1.89	-1.33	1.99	2.12	2.56
Book value per share	6.36	6.96	7.39	8.50	9.46	10.73	12.03
Dividend per share	0.68	0.72	0.75	0.85	0.95	1.15	1.23
Dividend payout ratio, %	63.0%	57.5%	55.6%	48.4%	52.6%	51.8%	50.0%
Dividend yield, %	1.3%	1.8%	1.9%	1.8%	2.2%	2.6%	2.8%
FCF yield, %	3.0%	-0.9%	4.8%	-2.8%	4.5%	4.8%	5.8%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	17.9%	18.8%	18.9%	22.1%	20.1%	22.0%	21.6%
ROCE	18.6%	21.2%	20.7%	21.5%	19.4%	23.3%	25.0%

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%	12.5%	12.6%	12.7%
Operative CAPEX/Sales, %	4.9%	3.7%	2.9%	23.4%	2.2%	3.2%	2.0%
CAPEX/sales (incl. acquisitions), %	4.9%	-0.8%	2.9%	23.4%	2.2%	3.2%	2.0%
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	-0.7
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%	-0.2%	-11.1%	-21.6%

**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	167.104	10.4 %
Weisell-Säätiö Sr	1 652 370	73.117	4.6 %
Citibank Europe Plc	1 440 000	63.720	4.0 %
Voipio Mikko	1 268 312	56.123	3.5 %
Ilmarinen Mutual Pension Insurance Company	1 124 000	49.737	3.1 %
Finnish Academy of Science and Letters	1 098 464	48.607	3.0 %
Caspers Anja	969 496	42.900	2.7 %
Voipio Raimo Hannes	920 478	40.731	2.5 %
Ten largest	12 249 478	542.039	33.8 %
Residual	24 035 101	1063.553	66.2 %
Total	36 284 579	1605.593	100%

#### EARNINGS CALENDAR

April 24, 2025	Q1 report
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**

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



**Important Disclosures**

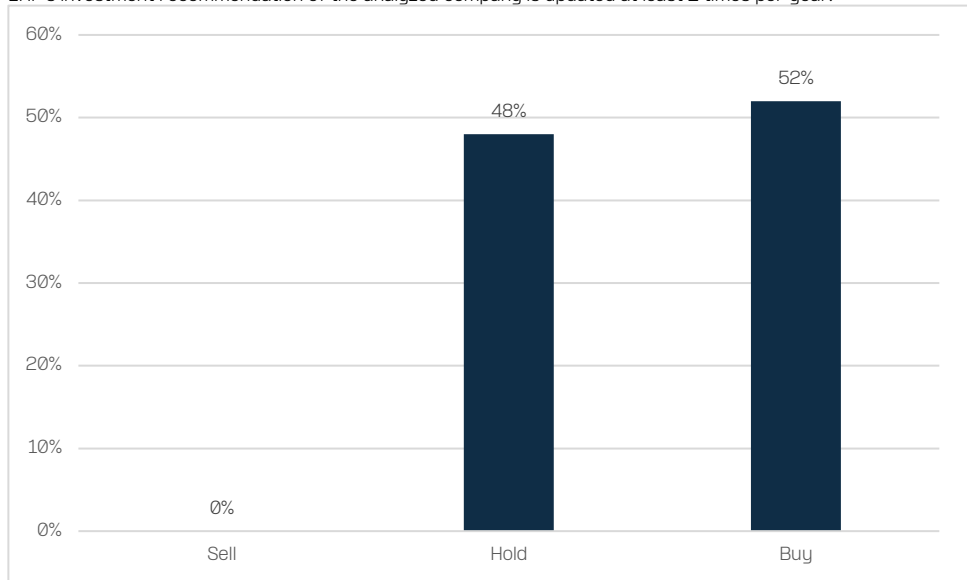
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Investment recommendations are defined as follows:

Target price compared to share price	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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