

Stellar profitability

Vaisala's Q1 net sales were approximately in line with our estimates at EUR 135.6m (Evli est. EUR 133.5m), while the company's profitability beat our estimates by a wide margin as EBITA climbed to EUR 20.5m (Evli est. EUR 14.2m).

- **Q1 group result:** Vaisala's Q1 net sales came close to our estimate at EUR 135.6m (Evli est. EUR 133.5m) with growth of 21% as the company bounced back from weaker Q1/24 as was expected. On the other hand, the profitability was at significantly higher level than we expected as EBITA climbed to EUR 20.5m (Evli est. EUR 14.2m) with a margin of 15.1%.
- **Industrial measurements (IM):** Orders received increased by 17% y/y while order book grew 1% to EUR 36.8m. Net sales were at EUR 59.7m, growing strongly at 24% y/y. Net sales grew very strongly in the power and life science market segments and strongly in the industrial instruments segment. IM gross margin was very high at 64.4% (58.4%) and EBITA at EUR 12.9m with a margin of 21.7% (Q1/24 EUR 6.7m, 14.0%).
- **Weather and Environment (W&E):** Orders received decreased by 15% y/y while order book was up by 14% y/y. W&E's net sales increased by 18% to EUR 75.9m. Net sales grew especially strongly in subscription sales aided by acquisitions (+63% y/y, 12% y/y excl. inorganic growth). Net sales grew very strongly in aviation and meteorology segments and decreased very strongly in the renewable energy segment. Net sales decreased slightly in the road segment. Gross margin improved to 51.8% (Q1/24 51.0%). EBITA was at EUR 7.6m (Q1/24 EUR 2.1m) with a margin of 9.9% (3.3%).
- The development and market comments on renewable energy segment was the main negative in the report. Vaisala has been able to grow within the renewable energy vertical at rapid pace during the recent years. We expect that while the renewable energy has slowed down globally, United States has the weakest outlook with permitting practices for offshore wind projects under review.
- **Outlook 2025 (unchanged):** Net sales EUR 590–620m and EBITA EUR 90–105m. The outlook excludes potential significant changes in market conditions.

Rating

++ Buy

	Q1'25	Actual	Evli	Consensus*	Q1'24
Net sales		135.6	133.5	133.6	112.1
W&E		75.9	74.5	74.6	64.1
IM		59.7	59.1	59.0	48.0
EBIT reported		17.9	11.7	12.3	7.1
EBIT-margin		13.2%	8.8%	9.2%	6.4%
EPS reported		0.33	0.24	0.24	0.14

* Consensus estimate from Factset

44.55

Share price, EUR (Last trading day's closing price)

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 1 616

Free float, %

Exchange rate

Reuters code VAIAS.HE

Bloomberg code VAIAS FH

Average daily volume, EURm

Next interim report 24-Apr-25

Web site vaisala.com/en/investors

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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	24.7	2.7	19.0	4.5%	0.95
2026E	652.8	103.4	15.8%	77.1	2.22	20.1	2.4	15.2	4.8%	1.15
2027E	688.7	113.6	16.5%	92.9	2.46	18.1	2.2	13.4	5.7%	1.23
Market cap, EURm		1 616		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		1 616		Dividend yield 2025E, %		2.1 %		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.

Important Disclosures

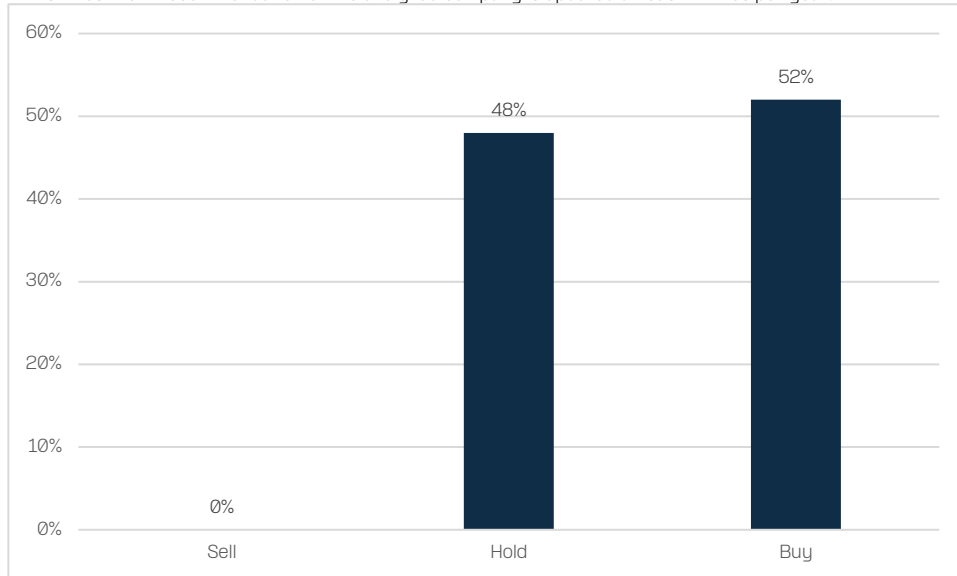
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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

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