Better than expected results

Vaisala's Q3'25 results were clearly better than estimated in terms of both revenue and profitability, however there were still some mixed underlying developments as W&E saw continued weak orders and yet was able to post relatively strong results for the quarter. IM's Q3 earnings were a bit soft relative to estimates, but its outlook remains strong going forward.

- Vaisala Q3 revenue grew by 13% y/y to EUR 154.0m, compared to the EUR 142.5m/144.2m Evli/consensus estimates, while EBITA amounted to EUR 28.0m vs the EUR 26.5m/25.8m Evli/consensus estimates. Vaisala's EBITA margin was thus 18.2% (18.9% a year ago).
- Industrial Measurement orders received increased by 9% y/y to EUR 61.5m, whereas order book declined by 1% y/y to EUR 36.3m. IM Q3 revenue was EUR 60.7m, up by 6% y/y, compared to the EUR 61.9m/61.4m Evli/consensus estimates. IM gross margin was 61.2% (63.1% a year ago) while EBITA landed at EUR 14.4m (EUR 15.7m) vs our EUR 17.0m estimate, meaning a margin of 23.7% (27.3%).
- IM demand developed positively across all market segments, and especially in the APAC region.
- Weather and Environment orders received decreased by 39% y/y to EUR 58.0m while order book was down by 21% y/y to EUR 144.1m. W&E Q3 revenue amounted to EUR 93.3m, up by 18% y/y, vs the EUR 80.7m/82.7m Evli/consensus estimates. W&E gross margin came in at 50.0% (53.1%) and EBITA was EUR 13.7m (EUR 10.3m) vs our EUR 9.5m estimate. W&E EBITA margin was therefore 14.6% (13.0%).
- W&E was driven by large project deliveries in the meteorology market as well as subscription sales, while the weak renewable energy market continued to hurt orders received.
- Vaisala previously guided FY'25 revenue to be in the range of EUR 590–605m and EBITA of EUR 90–100m. Vaisala retains the guidance, implying respective guidance midpoints of EUR 163m revenue and EUR 27m EBITA for Q4'25.

Rating: Buy

Q3'25	Actual	Evli	Year ago	Q2'25
Revenue	154.0	142.5	136.6	145.0
W&E	93.3	80.7	79.2	83.0
IM	60.7	61.9	57.4	62.0
EBITA	28.0	26.5	25.8	19.6
EBITA-%	18.2 %	18.6 %	18.9 %	13.5 %

Share price, EUR (Last trading day's closing price)	**45.70**
Target price, EUR	50.0
Latest change in recommendation	14-Oct-25
Latest report on company	14-Oct-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	1 660
Free float, %	65.0 %
Exchange rate	-
Reuters code	VAIAS.HE
Bloomberg code	VAIAS FH
Average daily volume, EURm	0.5
Next interim report	23-Oct-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	590.9	82.3	13.9%	60.5	1.64	27.8	2.8	20.3	3.6%	0.90
2026E	637.9	100.3	15.7%	74.6	2.14	21.3	2.6	16.2	4.5%	0.95
2027E	678.5	112.4	16.6%	92.4	2.42	18.9	2.3	14.0	5.6%	1.00

Market cap, EURm	1 660	Gearing 2025E, %	3.3 %	CAGR EPS 2024-27, %	11.3 %
Net debt 2025E, EURm	11	Price/book 2025E	4.9	CAGR Sales 2024-27, %	6.3 %
Enterprise value, EURm	1 671	Dividend yield 2025E, %	2.0 %	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	1.4

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

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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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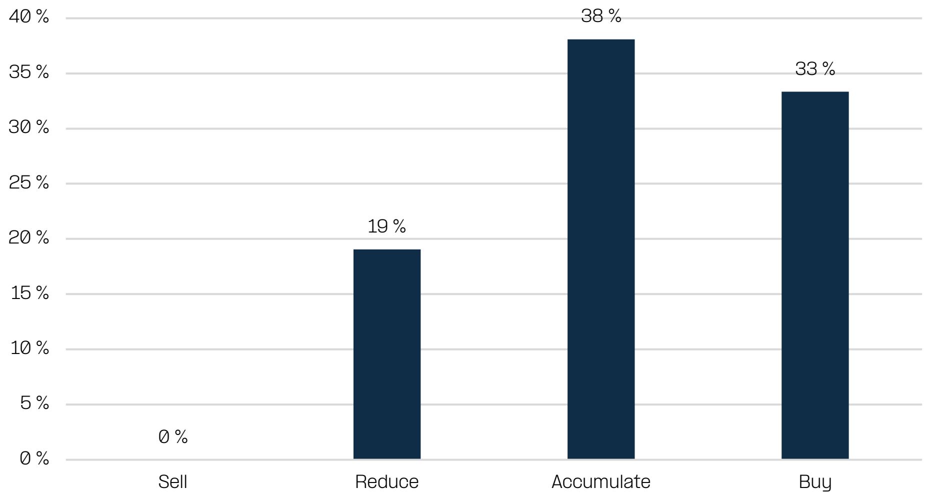

The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Joonas Ilvonen

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