

Ends the year on a high note

Vaisala's Q4 turned out to be very strong as the operating result was higher than the company previously estimated for both W&E and IM due to higher than estimated sales in both and successful group-wide cost control. We see multiple positive drivers for the company also going forward and expect a leap in the profitable growth journey in 2025.

Robust performance across the line

Vaisala unaudited preliminary operating result for FY 2024 was EUR 83m and net sales were EUR 565m. Previously, the company estimated EBIT to be in the range of EUR 68–78m and net sales in the range of EUR 540–570m. According to the preliminary figures, the company's net sales grew some 14% y/y in the quarter. Both segments grew at considerably faster rate and with higher profitability than we had expected as we previously forecasted net sales of EUR 554m and EBIT of EUR 72m. The recovery in the industrial measurements market has clearly continued at a faster pace than we previously expected during Q4. W&E has also developed well with some additional boost from the acquisitions.

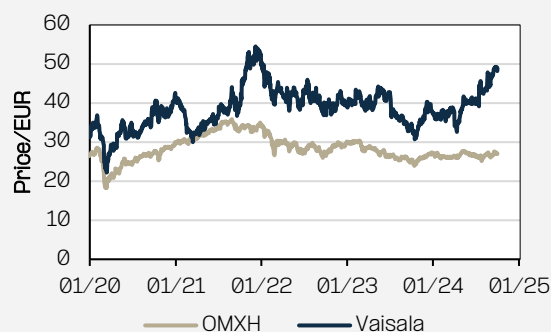
Multiple positive drivers for both IM & W&E going forward

We see that Vaisala is in a great spot to take the next leap in its profitable growth journey during 2025E. We have also increased our estimates for the coming years. We now model stronger growth in 2025 for IM as the demand is clearly picking up after many quarters of slower growth. While we model both higher growth and profitability for IM, we see also improvement for W&E going forward. Key drivers for W&E include improving profitability in its legacy business, rising renewable product sales, and expansion in SaaS/DaaS, helped by the recent acquisitions, with a goal to achieve profitability in the current strategy period. We expect that these drivers will improve the segments EBITA-margin already in 2025E (reported EBIT will be negatively affected by increased PPA amortization). We now forecast group level net sales of EUR 638m with EBITA of EUR 105m leading to margin of 16.5% for 2025E.

BUY (prev. HOLD) with a TP of EUR 56 (EUR 49)

Vaisala trades at 17–15x adj. EV/EBIT and 22–20x adj. P/E based on our estimates for 2025–2026E. After significant positive estimate adjustments, we increase our TP to EUR 56, new target implies adj. EV/EBIT of 19–17x on our estimates for 2025–2026E, which we see as a fairly neutral level compared to the company's historical valuation multiples and the peer group. Our DCF points towards fair value of EUR 56 per share.

Rating ++ Buy



Share price, EUR (Last trading day's closing price)	50.40
Target price, EUR	56.0
Latest change in recommendation	17-Jan-25
Latest report on company	17-Jan-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	1 829
Free float, %	
Exchange rate	
Reuters code	VAIAS.HE
Bloomberg code	VAIAS FH
Average daily volume, EURm	
Next interim report	18-Feb-24
Web site	vaisala.com/en/investors
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++ BUY ◻ HOLD ◻ 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	28.4	3.3	22.3	-1.1%	0.98
2025E	638.2	92.5	14.5%	67.3	1.93	26.1	2.8	19.7	3.7%	1.06
2026E	671.7	107.6	16.0%	85.4	2.29	22.0	2.6	16.5	4.7%	1.26

Market cap, EURm	1 829	Gearing 2024E, %	7.1%	CAGR EPS 2023–26, %	19.3%
Net debt 2024E, EURm	22	Price/book 2024E	6.0	CAGR Sales 2023–26, %	7.5%
Enterprise value, EURm	1 850	Dividend yield 2024E, %	1.9%	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	2.2

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		
		24	25	26	24	25	26	24	25	26
Hexagon	25953	14.5x	13.8x	12.8x	19.5x	18.0x	16.5x	23.2x	20.7x	18.7x
Keysight Tech	27955	20.2x	19.3x	17.3x	22.4x	20.9x	18.7x	26.0x	23.4x	20.3x
Trimble	17441	18.5x	19.8x	17.9x	19.7x	21.1x	19.1x	25.9x	25.3x	22.0x
Spectris	3116	9.3x	8.1x	7.5x	12.1x	10.1x	9.0x	18.2x	15.5x	13.4x
Itron	4593	16.8x	15.5x	13.4x	20.4x	19.0x	15.8x	20.0x	21.2x	18.2x
FARO Technologies	578	13.8x	15.5x		20.1x	22.1x		36.3x	31.3x	
Oxford Instruments	1403	13.4x	11.9x	11.0x	15.5x	13.8x	12.6x	19.0x	18.1x	16.6x
Sensirion Holding	873	62.0x	18.3x	13.7x		35.0x	22.4x		41.6x	26.6x
Halma	12420	21.3x	20.4x	18.9x	24.0x	22.8x	21.0x	31.3x	28.7x	26.5x
Peer Group Average	13273	21.1x	15.8x	14.1x	19.2x	20.3x	16.9x	25.0x	25.1x	20.3x
Peer Group Median	11017	16.8x	15.5x	13.5x	19.9x	20.9x	17.6x	24.6x	23.4x	19.5x
Vaisala (Evli est.)	1829	17.3x	14.9x	13.3x	20.4x	17.2x	15.3x	25.4x	22.0x	19.9x
<i>Vaisala prem./disc. to peer median</i>		<i>3%</i>	<i>-4%</i>	<i>-2%</i>	<i>2%</i>	<i>-17%</i>	<i>-13%</i>	<i>3%</i>	<i>-6%</i>	<i>2%</i>

Source FactSet, Evli Research

ESTIMATE CHANGES

	2024E			2025E		
	Old	New	%	Old	New	%
Net sales	554.1	565.0	2%	606.8	638.2	5%
IM	224.2	226.6	1%	242.1	252.4	4%
W&E	329.9	338.4	3%	364.7	385.9	6%
EBIT	72.1	82.8	15%	84.5	92.5	9%
Adj. EBIT	78.9	90.7	15%	90.5	105.5	17%

Table 2: Estimate summary

ESTIMATES	2 022	Q1'23	Q2'23	Q3'23	Q4'23	2 023	Q1'24	Q2'24	Q3'24	Q4'24E	2024E	2025E	2026E
Net sales	514.1	131.8	130.8	130.4	147.4	540.4	112.1	148.4	136.6	167.9	565.0	638.2	671.7
Weather & Environment	288.6	68.8	78.0	76.4	89.8	313.0	64.1	91.9	79.2	103.2	338.4	385.9	406.7
Industrial Measurements	225.5	63.0	52.8	53.9	57.6	227.3	48.0	56.5	57.4	64.7	226.6	252.4	265.0
<i>Net sales growth</i>	<i>17.4%</i>	<i>10.9%</i>	<i>8.5%</i>	<i>-2.2%</i>	<i>4.2%</i>	<i>5.1%</i>	<i>-14.9%</i>	<i>13.5%</i>	<i>4.8%</i>	<i>13.9%</i>	<i>4.6%</i>	<i>13.0%</i>	<i>5.2%</i>
<i>Weather & Environment</i>	<i>12.3%</i>	<i>4.7%</i>	<i>18.4%</i>	<i>1.0%</i>	<i>10.5%</i>	<i>8.5%</i>	<i>-6.8%</i>	<i>17.8%</i>	<i>3.6%</i>	<i>14.9%</i>	<i>8.1%</i>	<i>14.0%</i>	<i>5.4%</i>
<i>Industrial Measurements</i>	<i>24.6%</i>	<i>18.6%</i>	<i>-3.4%</i>	<i>-6.3%</i>	<i>-4.3%</i>	<i>0.8%</i>	<i>-23.8%</i>	<i>7.0%</i>	<i>6.4%</i>	<i>12.3%</i>	<i>-0.3%</i>	<i>11.4%</i>	<i>5.0%</i>
Reported EBIT	62.5	13.3	11.9	25.2	16.1	66.7	7.1	23.7	24.1	28.1	83.0	92.5	107.6
<i>Reported EBIT margin</i>	<i>12.2%</i>	<i>10.1%</i>	<i>9.1%</i>	<i>19.3%</i>	<i>10.9%</i>	<i>12.3%</i>	<i>6.4%</i>	<i>16.0%</i>	<i>17.6%</i>	<i>16.7%</i>	<i>14.7%</i>	<i>14.5%</i>	<i>16.0%</i>
Adj. EBIT	70.6	15.4	14.0	27.3	18.0	74.9	8.8	25.4	26.2	30.5	90.9	105.5	114.1
Weather & Environment	11.1	-1.7	4.9	10.4	7.5	21.1	2.1	12.7	10.5	14.6	39.8	48.3	53.1
Industrial Measurements	51.5	15.0	6.8	14.7	8.7	45.2	6.7	12.5	15.9	15.9	51.0	57.2	61.0
Other operations	-0.1	0.0	0.2	0.1	0.1	0.4	0.0	0.2	-0.2	0.0	0.0	0.0	0.0
<i>Adj. EBIT margin</i>	<i>12.2%</i>	<i>11.7%</i>	<i>10.7%</i>	<i>21.0%</i>	<i>12.2%</i>	<i>13.9%</i>	<i>7.9%</i>	<i>17.1%</i>	<i>19.2%</i>	<i>18.2%</i>	<i>16.1%</i>	<i>16.5%</i>	<i>17.0%</i>
<i>Weather & Environment</i>	<i>3.9%</i>	<i>-2.5%</i>	<i>6.3%</i>	<i>13.7%</i>	<i>8.3%</i>	<i>6.8%</i>	<i>3.3%</i>	<i>13.8%</i>	<i>13.3%</i>	<i>14.1%</i>	<i>11.8%</i>	<i>12.5%</i>	<i>13.1%</i>
<i>Industrial Measurements</i>	<i>22.8%</i>	<i>23.8%</i>	<i>12.9%</i>	<i>27.2%</i>	<i>15.1%</i>	<i>19.9%</i>	<i>13.9%</i>	<i>22.1%</i>	<i>27.7%</i>	<i>24.6%</i>	<i>22.5%</i>	<i>22.7%</i>	<i>23.0%</i>

Source: Vaisala, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	50.40 PV of Free Cash Flow	641 Long-term growth, %	2.5 % Risk-free interest rate, %
DCF share value	56.48 PV of Horizon value	1 410 WACC, %	7.0 % Market risk premium, %
Share price potential, %	12.1 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	63.6 Marketable securities	90 Minimum WACC, %	6.5 % Equity beta coefficient
Minimum value	50.8 Debt – dividend	–92 Maximum WACC, %	7.5 % Target debt ratio, %
Horizon value, %	68.8 % Value of stock	2 049 No. of shares, Mn	36.3 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	540	565	638	672	715	751	789	820	845	870	892	914
Sales growth (%)	5.1%	4.6%	13.0%	5.2%	6.5%	5.0%	5.0%	4.0%	3.0%	3.0%	2.5%	2.5%
Operating income (EBIT)	67	83	92	108	118	124	130	135	135	139	143	146
Operating income margin %	12.3%	14.7%	14.5%	16.0%	16.5%	16.5%	16.5%	16.5%	16.0%	16.0%	16.0%	16.0%
+ Depreciation+amort.	24	24	43	26	25	23	24	25	26	26	27	
EBITDA	91	107	136	133	143	147	154	160	161	165	169	
– Paid taxes	–15	–18	–19	–23	–25	–26	–27	–28	–28	–29	–30	
– Change in NWC	11	–3	–10	–5	–6	–5	–5	–4	–3	–3	–3	
NWC / Sales, %	12.6%	12.7%	12.8%	12.9%	12.9%	12.9%	13.0%	13.0%	13.0%	13.1%	13.1%	
+ Change in other liabs	–3											
– Operative CAPEX	–10	–101	–30	–13	–3	–18	–22	–20	–20	–22	–22	
opCAPEX / Sales, %	2.9%	18.7%	5.7%	2.8%	1.3%	3.3%	3.7%	3.3%	3.2%	3.4%	3.3%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	74	–15	77	93	109	98	99	107	110	111	114	2 591
= Discounted FCF		–15	72	82	89	75	71	72	68	64	62	1 410
= DFCF min WACC		–15	72	82	91	76	73	74	71	67	65	1 653
= DFCF max WACC		–15	71	81	88	73	69	70	66	62	60	1 218

Sensitivity analysis, EUR

		Terminal WACC				
		5.03 %	6.03 %	7.03 %	8.03 %	9.03 %
Terminal EBIT–%	14.00 %	88.88	64.24	50.42	41.57	35.40
	15.00 %	95.29	68.46	53.45	43.85	37.18
	16.00 %	101.71	72.69	56.48	46.13	38.96
	17.00 %	108.13	76.91	59.50	48.41	40.74
	18.00 %	114.55	81.14	62.53	50.70	42.51

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	131.8	130.8	130.4	147.4	540.4	112.1	148.4	136.6	167.9	565.0	638.2	671.7
EBITDA	19.1	18.0	31.4	22.2	90.8	12.8	29.4	30.3	34.6	107.1	136.0	133.3
<i>EBITDA margin (%)</i>	<i>14.5%</i>	<i>13.8%</i>	<i>24.1%</i>	<i>15.1%</i>	<i>16.8%</i>	<i>11.4%</i>	<i>19.8%</i>	<i>22.2%</i>	<i>20.6%</i>	<i>19.0%</i>	<i>21.3%</i>	<i>19.8%</i>
EBIT	13.3	11.9	25.2	16.1	66.6	7.1	23.7	24.1	28.1	83.0	92.5	107.6
<i>EBIT margin (%)</i>	<i>10.1%</i>	<i>9.1%</i>	<i>19.4%</i>	<i>11.0%</i>	<i>12.3%</i>	<i>6.4%</i>	<i>16.0%</i>	<i>17.6%</i>	<i>16.7%</i>	<i>14.7%</i>	<i>14.5%</i>	<i>16.0%</i>
Net financial items	-0.8	-1.4	-1.0	-0.2	-3.4	-0.5	-0.6	0.3	-0.5	-1.2	-3.7	-2.3
Pre-tax profit	12.5	10.5	24.2	15.9	63.2	6.6	23.2	24.4	27.6	81.8	88.8	105.3
Tax	-2.9	-2.5	-5.7	-3.2	-14.3	-1.5	-5.2	-5.2	-5.5	-17.4	-18.6	-22.1
<i>Tax rate (%)</i>	<i>23.2%</i>	<i>23.7%</i>	<i>23.5%</i>	<i>20.4%</i>	<i>22.7%</i>	<i>21.8%</i>	<i>22.6%</i>	<i>21.3%</i>	<i>20.0%</i>	<i>21.3%</i>	<i>21.0%</i>	<i>21.0%</i>
Net profit	9.6	8.0	18.5	12.7	48.9	5.2	17.9	19.2	22.1	64.4	70.1	83.2
EPS	0.26	0.22	0.51	0.35	1.35	0.14	0.49	0.53	0.61	1.77	1.93	2.29
EPS adj. (diluted)	0.26	0.22	0.51	0.35	1.35	0.14	0.49	0.53	0.61	1.77	1.93	2.29
Dividend per share					0.75					0.98	1.06	1.26
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Weather and Environment	68.8	78.0	76.4	89.8	313.0	64.1	91.9	79.2	103.2	338.4	385.9	406.7
Industrial Measurements	63.0	52.8	53.9	57.6	227.3	48.0	56.5	57.4	64.7	226.6	252.4	265.0
Total	131.8	130.8	130.4	147.4	540.4	112.1	148.4	136.6	167.9	565.0	638.2	671.7
SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Weather and Environment	4.7%	18.4%	1.0%	10.5%	8.5%	-6.8%	17.8%	3.6%	14.9%	8.1%	14.0%	5.4%
Industrial Measurements	18.6%	-3.4%	-6.3%	-4.3%	0.8%	-23.8%	7.0%	6.4%	12.3%	-0.3%	11.4%	5.0%
Total	10.9%	8.5%	-2.2%	4.2%	5.1%	-15.0%	13.5%	4.8%	13.9%	4.6%	13.0%	5.2%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Weather and Environment	-1.7	4.9	10.4	7.4	21.1	0.6	11.2	8.8	12.4	33.0	36.3	47.6
Industrial Measurements	15.0	6.8	14.7	8.7	45.2	6.5	12.3	15.5	15.7	50.0	56.2	60.0
Other		0.2	0.1	0.1	0.4	0.0	0.2	-0.2		0.0		
Total	13.3	11.9	25.2	16.1	66.6	7.1	23.7	24.1	28.1	83.0	92.5	107.6
EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Weather and Environment	-2.5%	6.3%	13.7%	8.3%	6.7%	1.0%	12.2%	11.1%	12.0%	9.8%	9.4%	11.7%
Industrial Measurements	23.8%	12.9%	27.2%	15.1%	19.9%	13.5%	21.8%	27.0%	24.3%	22.1%	22.3%	22.6%
Other		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-100.0%		100.0%		
Total	10.1%	9.1%	19.4%	11.0%	12.3%	6.4%	16.0%	17.6%	16.7%	14.7%	14.5%	16.0%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	403.6	379.5	437.9	514.1	540.4	565.0	638.2	671.7
<i>Sales growth (%)</i>	15.7%	-6.0%	15.4%	17.4%	5.1%	4.6%	13.0%	5.2%
EBITDA	64.7	65.9	71.7	85.4	90.8	107.1	136.0	133.3
<i>EBITDA margin (%)</i>	16.0%	17.4%	16.4%	16.6%	16.8%	19.0%	21.3%	19.8%
Depreciation	-23.6	-21.1	-21.6	-22.9	-24.2	-24.1	-43.5	-25.7
EBITA	41.1	44.8	50.1	62.5	66.6	83.0	92.5	107.6
Goodwill amortization / writedown								
EBIT	41.1	44.8	50.1	62.5	66.6	83.0	92.5	107.6
<i>EBIT margin (%)</i>	10.2%	11.8%	11.5%	12.2%	12.3%	14.7%	14.5%	16.0%
Reported EBIT	41.1	44.8	50.1	62.5	66.6	83.0	92.5	107.6
<i>EBIT margin (reported) (%)</i>	10.2%	11.8%	11.5%	12.2%	12.3%	14.7%	14.5%	16.0%
Net financials	-1.0	-3.4	-2.1	-2.9	-3.4	-1.2	-3.7	-2.3
Pre-tax profit	40.1	41.4	48.1	59.6	63.2	81.8	88.8	105.3
Taxes	-6.6	-8.5	-8.8	-14.5	-14.3	-17.4	-18.6	-22.1
Minority shares			-0.3					
Net profit	33.5	32.9	39.0	45.1	48.9	64.4	70.1	83.2
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	108	120	125	121	114	155	146	139
Goodwill	30	30	29	49	46	86	86	86
Right of use assets	12	13	11	12	13	14	15	16
Inventory	40	45	50	62	59	61	69	73
Receivables	105	93	107	131	113	118	133	140
Liquid funds	56	45	78	56	90	94	107	112
Total assets	361	352	408	440	443	536	565	574
Liabilities								
Shareholders' equity	198	205	230	251	268	305	340	384
Minority interest		0	1					
Convertibles								
Lease liabilities	11	9	8	11	12	14	15	16
Deferred taxes	8	8	7	4	3	3	3	3
Interest bearing debt	40	45	40	53	52	103	81	39
Non-interest bearing current liabilities	94	76	116	111	97	102	115	121
Other interest-free debt	7	8	7	7	10	10	10	10
Total liabilities	361	352	408	440	443	536	565	574
CASH FLOW, EURm								
+ EBITDA	65	66	72	85	91	107	136	133
- Net financial items	-1	-3	-2	-3	-3	-1	-4	-2
- Taxes	-9	-8	-9	-15	-14	-17	-19	-22
- Increase in Net Working Capital	-16	-8	17	-38	11	-3	-10	-5
+/- Other	2	-6	3	0				
= Cash flow from operations	41	41	80	30	84	85	104	104
- Capex	-38	-35	-22	-19	-16	-106	-36	-19
- Acquisitions				-23				
+ Divestments								
= Free cash flow	3	6	58	-12	68	-21	67	85
+/- New issues/buybacks	3	-4	8	0	-6			
- Paid dividend	22	22	25	26	27	35	39	46
+/- Other	-1	9	-12	15	-2	52	-20	-41
Change in cash	-16	-11	33	-22	35	4	12	6

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	1 454	1 924	1 437	1 439	1 829	1 829	1 829
Net debt (excl. convertibles)	9	-30	8	-26	22	-10	-57
Enterprise value	1 466	1 899	1 445	1 413	1 850	1 819	1 772
Sales	380	438	514	540	565	638	672
EBITDA	66	72	85	91	107	136	133
EBIT	45	50	63	67	83	92	108
Pre-tax	41	48	60	63	82	89	105
Earnings	33	39	45	49	64	70	83
Equity book value (excl. minorities)	205	230	251	268	305	340	384
Valuation multiple							
EV/Sales	3.9	4.3	2.8	2.6	3.3	2.8	2.6
EV/EBITDA	22.2	26.5	16.9	15.6	17.3	13.4	13.3
EV/EBITA	32.7	37.9	23.1	21.2	22.3	19.7	16.5
EV/EBIT	32.7	37.9	23.1	21.2	22.3	19.7	16.5
EV/OCF	35.8	23.7	48.5	16.8	21.7	17.6	17.0
EV/FCF	115.8	30.3	-308.4	19.2	-126.9	23.7	19.0
P/FCFR	259.7	33.0	-116.8	21.0	-89.0	27.2	21.4
P/E	44.2	49.4	31.6	29.4	28.4	26.1	22.0
P/BV	7.1	8.4	5.7	5.4	6.0	5.4	4.8
Target EV/EBITDA					19.2	14.9	14.8
Target EV/EBIT					24.7	21.9	18.4
Target EV/FCFF					-100.0	30.1	23.1
Target P/BV					6.7	6.0	5.3
Target P/E, diluted	32.5	34.1	31.2	30.1	31.6	29.0	24.4
Per share measures							
Number of shares (million)	36.00	36.10	36.02	36.25	36.28	36.28	36.28
Number of shares (diluted, million)	36.00	36.10	36.02	36.25	36.28	36.28	36.28
EPS	0.91	1.08	1.25	1.35	1.77	1.93	2.29
Operating cash flow per share	1.14	2.22	0.83	2.32	2.35	2.85	2.87
Free cash flow per share	0.16	1.62	-0.34	1.89	-0.57	1.85	2.35
Book value per share	5.69	6.36	6.96	7.39	8.41	9.36	10.59
Dividend per share	0.61	0.68	0.72	0.75	0.98	1.06	1.26
Dividend payout ratio, %	66.8%	63.0%	57.5%	55.6%	55.0%	55.0%	55.0%
Dividend yield, %	1.5%	1.3%	1.8%	1.9%	1.9%	2.1%	2.5%
FCF yield, %	0.4%	3.0%	-0.9%	4.8%	-1.1%	3.7%	4.7%
Efficiency measures							
ROE	16.3%	17.9%	18.8%	18.9%	22.5%	21.8%	23.0%
ROCE	17.7%	18.6%	21.2%	20.7%	22.0%	21.6%	24.6%
Financial ratios							
Inventories as % of sales	11.7%	11.4%	12.0%	10.9%	10.9%	10.9%	10.9%
Receivables as % of sales	24.4%	24.4%	25.5%	20.8%	20.8%	20.8%	20.8%
Non-int. bearing liabilities as % of sales	20.1%	26.6%	21.6%	18.0%	18.0%	18.0%	18.0%
NWC/sales, %	15.2%	8.6%	15.4%	12.6%	12.7%	12.8%	12.9%
Operative CAPEX/Sales, %	9.3%	4.9%	3.7%	2.9%	18.7%	5.7%	2.8%
CAPEX/sales (incl. acquisitions), %	9.3%	4.9%	-0.8%	2.9%	18.7%	5.7%	2.8%
FCFF/EBITDA	0.2	0.9	-0.1	0.8	-0.1	0.6	0.7
Net Debt/EBITDA, book-weighted	0.1	-0.4	0.1	-0.3	0.2	-0.1	-0.4
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Equity ratio, book-weighted	0.6	0.6	0.6	0.6	0.6	0.6	0.7
Gearing, %	4.4%	-13.1%	3.2%	-9.7%	7.1%	-3.0%	-14.8%

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. The healthy business and strong net cash position support ability to pay an increasing dividend. With the current softer market environment for some of the key IM verticals such as health care, the growth is expected to be slower while W&E's strong backlog supports the company.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Skandinaviska Enskilda Banken Ab (publ) Helsinki Branch	3 776 358	190.328	10.4 %
Finnish Academy of Science and Letters	1 647 370	83.027	4.5 %
Weisell-Säätiö Sr	1 646 162	82.967	4.5 %
Citibank Europe Plc	1 373 333	69.216	3.8 %
Voipio Mikko	1 268 312	63.923	3.5 %
Caspers Anja	969 496	48.863	2.7 %
Voipio Raimo	920 478	46.392	2.5 %
Ilmarinen Mutual Pension Insurance Company	889 275	44.819	2.5 %
Ten largest	12 490 784	629.536	34.4 %
Residual	23 793 795	1199.207	65.6 %
Total	36 284 579	1828.743	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
OFO: 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> $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

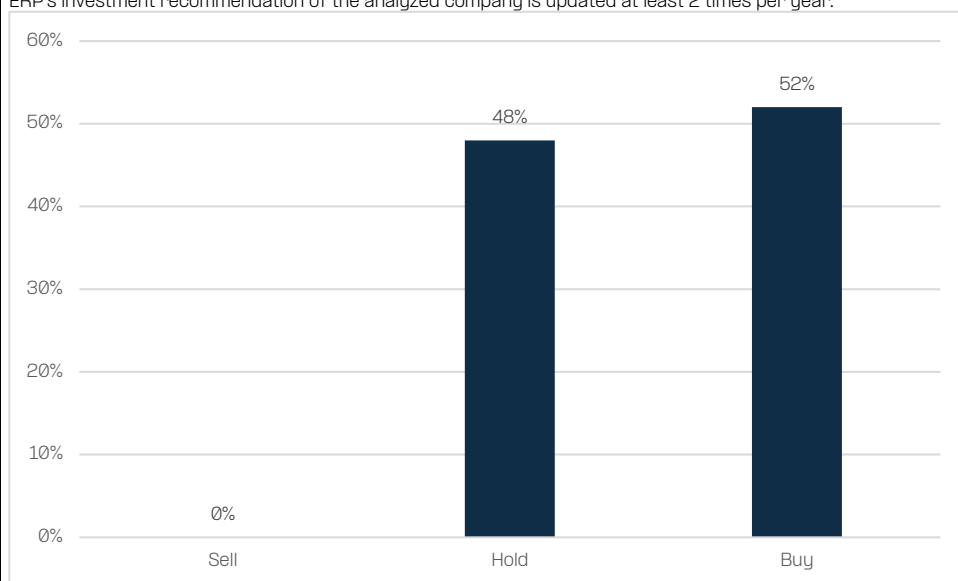
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Investment recommendations are defined as follows:

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

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

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