

## IM to deliver earnings growth

Vaisala reports Q4 results on Feb 12. We believe Vaisala's FY'25 EBITA improved only slightly y/y, while FY'26 should see a gain of some EUR 10m driven by strong IM growth.

### W8E growth prospects have mostly faded for now

Vaisala's FY'25 is to mark another year of mid single-digit growth with the distinction that from here on IM is to contribute growth while W8E might remain broadly flat after growing at a CAGR of 10% over the past four years or so; the renewable energy market drove volumes for the segment, but right now its outlook is challenging due to weak offshore wind project demand while the Chinese wind and solar markets don't seem to be that relevant. We estimate W8E Q4 revenue to have declined by some 6% y/y, while IM has grown 5%, so that Vaisala's top line is down 1%. We expect Q4 EBITA to have decreased almost EUR 6m y/y to EUR 24.6m as W8E had a very strong comparison period.

### IM, as well as Xweather, still has the growth drivers

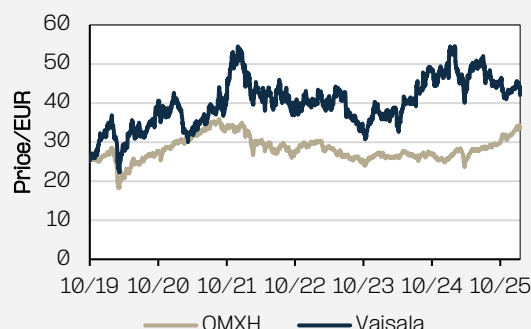
The renewable energy market is now a short-term headwind for W8E so that it's hard to see growth within projects and products (30% of which through projects) sales, although Vaisala aims to grow W8E services by offering more remote monitoring diagnostics and preventive maintenance. Meanwhile Xweather should continue its double-digit growth as the business looks to upsell to the existing accounts while also adding new ones; the focus has previously been on the US and Europe, but now also some Asian accounts are targeted. The growth of W8E services and Xweather might soften the blow coming from the weak renewable energy market, but Vaisala's growth prospects now rest on IM for the next year or two. The segment grew at a double-digit rate over the past year, and similar trends should continue in FY'26 as outlook remains strong within key application areas including data centers, power and biotech.

### Modest multiples considering growth and margin expansion

IM likewise has potential to increase its service revenue (sensor calibration), but its EBITA gains are driven by scale benefits when volume growth continues, while W8E is to focus more on cost control and efficiency (including pruning of offering). For FY'26 we expect growth to continue at around 6–7%; W8E EBITA might remain flat or decline a bit, but for IM we estimate 24% EBITA margin. On this basis Vaisala is valued below 16x EV/EBIT on our FY'26 estimates, or 20% below peer multiples. We retain our EUR 50.0 TP; our new rating is BUY (ACCUMULATE).

### Rating

++ Buy



Share price, EUR (Last trading day's closing price) **42.80**  
Target price, EUR 50.0

Latest change in recommendation 03-Feb-26

Latest report on company 24-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 1 554

Free float, % 65.0 %

Exchange rate –

Reuters code VAIAS.HE

Bloomberg code VAIAS FH

Average daily volume, EURm 0.5

Next interim report 12-Feb-26

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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	599.8	82.7	13.8%	55.8	1.61	26.5	2.6	19.0	3.6%	0.86
2026E	638.7	97.5	15.3%	75.4	2.08	20.6	2.4	15.6	4.9%	0.95
2027E	679.5	113.4	16.7%	93.2	2.45	17.5	2.2	12.9	6.0%	1.00

Market cap, EURm	1 554	Gearing 2025E, %	4.7 %	CAGR EPS 2024–27, %	11.7 %
Net debt 2025E, EURm	16	Price/book 2025E	4.6	CAGR Sales 2024–27, %	6.4 %
Enterprise value, EURm	1 570	Dividend yield 2025E, %	2.0 %	ROE 2025E, %	18.2 %
Total assets 2025E, EURm	605	Tax rate 2025E, %	22.4 %	ROCE 2025E, %	18.7 %
Goodwill 2025E, EURm	100	Equity ratio 2025E, %	55.6 %	PEG, P/E 25/CAGR	1.3

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

## Estimates and peer valuation

ESTIMATES	2 023	Q1'24	Q2'24	Q3'24	Q4'24	2 024	Q1'25	Q2'25	Q3'25	Q4'25E	2025E	2026E
Net sales	540.4	112.1	148.4	136.6	167.5	564.6	135.6	145.0	154.0	165.2	599.8	638.7
Weather & Environment	313.0	64.1	91.9	79.2	103.0	338.2	75.9	83.0	93.3	97.3	349.6	357.0
Industrial Measurements	227.3	48.0	56.5	57.4	64.6	226.5	59.7	62.0	60.7	68.0	250.3	281.7
<i>Net sales growth</i>	<i>5.1%</i>	<i>-14.9%</i>	<i>13.5%</i>	<i>4.8%</i>	<i>13.6%</i>	<i>4.5%</i>	<i>20.9%</i>	<i>-2.3%</i>	<i>12.7%</i>	<i>-1.4%</i>	<i>6.2%</i>	<i>6.5%</i>
<i>Weather &amp; Environment</i>	<i>8.5%</i>	<i>-6.8%</i>	<i>17.8%</i>	<i>3.6%</i>	<i>14.6%</i>	<i>8.0%</i>	<i>18.4%</i>	<i>-9.7%</i>	<i>17.8%</i>	<i>-5.5%</i>	<i>3.4%</i>	<i>2.1%</i>
<i>Industrial Measurements</i>	<i>0.8%</i>	<i>-23.8%</i>	<i>7.0%</i>	<i>6.4%</i>	<i>12.1%</i>	<i>-0.4%</i>	<i>24.3%</i>	<i>9.7%</i>	<i>5.7%</i>	<i>5.3%</i>	<i>10.5%</i>	<i>12.5%</i>
Reported EBIT	66.6	7.1	23.7	24.1	28.0	82.9	17.9	16.9	25.6	22.3	82.7	97.5
Reported EBIT margin	12.3%	6.4%	15.9%	17.6%	16.7%	14.7%	13.2%	11.7%	16.6%	13.5%	13.8%	15.3%
EBITA	74.7	8.8	25.4	25.8	30.3	90.3	20.5	19.6	28.0	24.6	92.7	104.0
Weather & Environment	27.5	2.1	12.7	10.3	16.3	41.4	7.6	5.9	13.7	11.1	38.2	36.1
Industrial Measurements	46.8	6.7	12.5	15.7	14.0	48.8	12.9	13.7	14.4	13.5	54.5	67.9
Other operations	0.4	0.0	0.2	-0.2	0.1	0.1	0.0	0.0	-0.1	0.0	0.0	0.0
EBITA-margin	13.8%	7.8%	17.1%	18.9%	18.1%	16.0%	15.1%	13.5%	18.2%	14.9%	15.5%	16.3%
Weather & Environment	8.8%	3.3%	13.8%	13.0%	15.8%	12.2%	9.9%	7.1%	14.6%	11.4%	10.9%	10.1%
Industrial Measurements	20.6%	13.9%	22.2%	27.4%	21.6%	21.6%	21.7%	22.1%	23.8%	19.8%	21.8%	24.1%

Source: Evli Research

VAISALA PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		25	26	27	25	26	27	25	26	27
AMETEK	43341	21.3x	21.3x	19.9x	25.9x	25.6x	23.8x	30.4x	27.9x	25.9x
Amphenol	148247	25.4x	19.9x	17.6x	29.2x	22.7x	19.9x	43.1x	32.9x	28.1x
Emerson Electric	69400	16.8x	17.2x	16.0x	18.5x	18.9x	17.5x	24.0x	22.1x	20.1x
ESCO Technologies	4963	19.2x	18.7x		22.5x	22.8x		35.4x	28.6x	
Halma	15336	23.0x	20.7x	19.1x	25.7x	22.9x	21.2x	32.7x	29.3x	26.8x
Hexagon	25669	16.7x	14.4x	13.1x	21.8x	19.3x	17.6x	23.5x	22.5x	19.8x
Honeywell International	121422	16.1x	16.8x	15.6x	17.3x	18.2x	16.8x	23.3x	21.7x	19.8x
Itron	3815	11.9x	12.0x	10.6x	13.9x	13.9x	11.9x	14.4x	16.6x	14.8x
Keysight Tech	31189	23.1x	21.6x	19.4x	25.3x	23.7x	21.3x	29.6x	26.1x	23.1x
MKS	13292	15.9x	19.2x	17.2x	18.2x	21.8x	19.4x	30.0x	25.9x	21.9x
Oxford Instruments	1603	13.7x	15.5x	14.0x	15.9x	18.0x	16.4x	25.0x	22.8x	20.3x
Sensirion Holding	954	15.5x	13.0x	11.2x	24.3x	20.1x	18.9x	40.8x	25.5x	23.4x
Trimble	13519	19.4x	15.7x	14.2x	20.6x	16.4x	15.1x	21.9x	19.6x	17.0x
Veralto	20659	18.9x	17.3x	16.2x	19.5x	17.8x	16.5x	25.8x	23.6x	21.7x
Peer Group Average	36672	18.3x	17.4x	15.7x	21.3x	20.1x	18.2x	28.6x	24.7x	21.7x
Peer Group Median	17997	17.8x	17.3x	16.0x	21.2x	19.7x	17.6x	27.7x	24.6x	21.7x
Vaisala (Evli est.)	1554	14.3x	12.5x	10.7x	19.0x	15.7x	13.0x	26.5x	20.6x	17.5x
Vaisala prem./disc. to peer median		-20%	-27%	-33%	-10%	-21%	-26%	-4%	-16%	-19%

VAISALA PEER GROUP	Sales 24	Sales gr.			EBIT-%			Div. yield		
		25	26	27	25	26	27	25	26	27
AMETEK	5622	9.9%	7.8%	5.7%	26.2 %	26.7 %	27.2 %	0.6 %	0.6 %	0.6 %
Amphenol	11578	67.0%	36.2%	12.2%	26.2 %	26.4 %	26.9 %	0.5 %	0.7 %	0.7 %
Emerson Electric	19860	-20.7%	2.5%	5.0%	25.9 %	26.3 %	27.1 %	1.5 %	1.5 %	1.6 %
ESCO Technologies	828	19.1%	11.9%		20.2 %	20.3 %				
Halma	2164	32.7%	10.4%	8.0%	22.1 %	22.2 %	22.2 %	0.7 %	0.8 %	0.8 %
Hexagon	5161	5.2%	1.3%	5.7%	26.7 %	27.7 %	28.8 %	1.4 %	1.5 %	1.7 %
Honeywell International	32417	-3.2%	6.0%	5.6%	22.7 %	23.4 %	24.0 %	2.0 %	2.0 %	2.1 %
Itron	1694	17.0%	3.6%	7.0%	13.1 %	13.5 %	14.7 %	0.0 %	0.0 %	0.0 %
Keysight Tech	5231	-9.4%	10.9%	6.2%	25.9 %	25.9 %	27.1 %	0.0 %	0.0 %	0.0 %
MKS	3345	-1.5%	9.0%	8.8%	20.6 %	21.3 %	22.0 %	0.4 %	0.4 %	0.4 %
Oxford Instruments	519	-1.2%	-0.5%	5.5%	16.8 %	18.0 %	18.8 %	0.9 %	1.0 %	1.1 %
Sensirion Holding	328	11.0%	6.4%	6.4%	11.0 %	11.3 %	11.3 %	0.0 %	0.0 %	0.0 %
Trimble	3428	-12.5%	7.6%	8.7%	27.3 %	27.7 %	27.6 %			
Veralto			5.9%	5.4%	24.1 %	24.7 %	25.2 %	0.4 %	0.4 %	0.4 %
Peer Group Average	7090	8.7%	8.5%	6.9%	22.1 %	22.5 %	23.3 %	0.7 %	0.7 %	0.8 %
Peer Group Median	3428	5.2%	7.0%	6.2%	23.4 %	24.0 %	25.2 %	0.5 %	0.6 %	0.7 %
Vaisala (Evli est.)	565	6.2%	6.5%	6.4%	13.8 %	15.3 %	16.7 %	2.0 %	2.2 %	2.3 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	42.80 PV of Free Cash Flow	766 Long-term growth, %	2.5 % Risk-free interest rate, %
DCF share value	57.87 PV of Horizon value	1 408 WACC, %	7.0 % Market risk premium, %
Share price potential, %	35.2 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	65.0 Marketable securities	89 Minimum WACC, %	6.5 % Equity beta coefficient
Minimum value	52.2 Debt – dividend	–160 Maximum WACC, %	7.5 % Target debt ratio, %
Horizon value, %	64.8 % Value of stock	2 102 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	600	639	679	720	755	786	809	834	854	876	898
Sales growth (%)	4.5%	6.2%	6.5%	6.4%	5.9%	5.0%	4.0%	3.0%	3.0%	2.5%	2.5%	2.5%
Operating income (EBIT)	83	83	98	113	132	136	137	129	133	137	140	144
Operating income margin %	14.7%	13.8%	15.3%	16.7%	18.3%	18.0%	17.5%	16.0%	16.0%	16.0%	16.0%	16.0%
+ Depreciation+amort.	24	27	26	24	23	22	21	19	19	18	17	
EBITDA	107	110	123	137	155	158	158	149	152	154	157	
– Paid taxes	–20	–18	–20	–24	–28	–29	–29	–27	–28	–29	–29	
– Change in NWC	–1	–5	–6	–6	–6	–5	–4	–3	–4	–3	–3	
NWC / Sales, %	12.3%	12.4%	12.6%	12.7%	12.8%	12.9%	12.9%	13.0%	13.0%	13.1%	13.1%	
+ Change in other liabs	5											
– Operative CAPEX	–119	–21	–11	–10	–11	–10	–9	–8	–8	–9	–10	
opCAPEX / Sales, %	23.4%	4.2%	3.2%	2.0%	2.1%	1.8%	1.7%	1.4%	1.3%	1.4%	1.4%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–29	66	86	98	111	114	115	110	112	113	114	2 579
= Discounted FCFF		66	81	86	91	88	83	73	70	66	62	1 408
= DFCF min WACC		66	81	86	92	89	85	76	72	69	65	1 650
= DFCF max WACC		66	80	85	90	86	81	71	68	64	60	1 216

## Sensitivity analysis, EUR

		Terminal WACC				
		5.03 %	6.03 %	7.03 %	8.03 %	9.03 %
Terminal EBIT–%	14.00 %	90.38	65.74	51.91	43.04	36.84
	15.00 %	96.68	69.90	54.89	45.28	38.60
	16.00 %	102.99	74.05	57.87	47.53	40.35
	17.00 %	109.30	78.21	60.85	49.78	42.10
	18.00 %	115.61	82.36	63.83	52.02	43.85

## INTERIM FIGURES

<b>EVLI ESTIMATES, EURm</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Net sales	112.1	148.4	136.6	167.5	564.6	135.6	145.0	154.0	165.2	599.8	638.7	679.5
EBITDA	12.8	29.4	29.9	34.5	106.5	24.9	23.7	32.7	28.7	110.0	123.2	137.4
<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>18.4%</i>	<i>16.4%</i>	<i>21.2%</i>	<i>17.4%</i>	<i>18.3%</i>	<i>19.3%</i>	<i>20.2%</i>
EBIT	7.1	23.7	24.1	28.0	82.9	17.9	16.9	25.6	22.3	82.7	97.5	113.4
<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>13.2%</i>	<i>11.7%</i>	<i>16.6%</i>	<i>13.5%</i>	<i>13.8%</i>	<i>15.3%</i>	<i>16.7%</i>
Net financial items	-0.5	-0.6	0.4	-1.5	-2.1	-2.7	-2.5	-1.5	-0.5	-7.2	-1.8	-1.0
Pre-tax profit	6.6	23.2	24.5	26.5	80.8	15.2	14.4	24.1	21.8	75.5	95.7	112.4
Tax	-1.5	-5.2	-5.3	-5.0	-17.0	-3.2	-3.6	-5.5	-4.6	-16.9	-20.1	-23.6
<i>Tax rate (%)</i>	<i>21.8%</i>	<i>22.6%</i>	<i>21.7%</i>	<i>19.0%</i>	<i>21.1%</i>	<i>21.1%</i>	<i>25.0%</i>	<i>22.8%</i>	<i>21.0%</i>	<i>22.4%</i>	<i>21.0%</i>	<i>21.0%</i>
Net profit	5.2	17.9	19.2	21.4	63.7	12.0	10.8	18.6	17.2	58.6	75.6	88.8
EPS	0.14	0.49	0.53	0.59	1.76	0.33	0.30	0.51	0.47	1.61	2.08	2.45
EPS adj. (diluted)	0.14	0.49	0.53	0.59	1.76	0.33	0.30	0.51	0.47	1.61	2.08	2.45
Dividend per share					0.85					0.86	0.95	1.00
<b>SALES, EURm</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Weather and Environment	64.1	91.9	79.2	103.0	338.2	75.9	83.0	93.4	97.3	349.6	357.0	376.7
Industrial Measurements	48.0	56.5	57.4	64.6	226.5	59.7	62.0	60.6	68.0	250.3	281.7	302.8
Total	112.1	148.4	136.6	167.5	564.6	135.6	145.0	154.0	165.2	599.8	638.7	679.5
<b>SALES GROWTH, Y/Y %</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Weather and Environment	-6.8%	17.8%	3.6%	14.6%	8.0%	18.4%	-9.7%	17.9%	-5.5%	3.4%	2.1%	5.5%
Industrial Measurements	-23.8%	7.0%	6.4%	12.1%	-0.4%	24.3%	9.7%	5.6%	5.3%	10.5%	12.6%	7.5%
Total	-15.0%	13.5%	4.8%	13.6%	4.5%	21.0%	-2.3%	12.8%	-1.4%	6.2%	6.5%	6.4%
<b>EBIT, EURm</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Weather and Environment	0.6	11.2	8.8	14.2	34.8	5.2	3.4	11.6	9.0	29.3	30.6	37.7
Industrial Measurements	6.5	12.3	15.5	13.7	47.9	12.7	13.5	14.1	13.3	53.6	66.9	75.7
Other	0.0	0.2	-0.2	0.1	0.1	-0.1		-0.1		-0.2		
Total	7.1	23.7	24.1	28.0	82.9	17.9	16.9	25.6	22.3	82.7	97.5	113.4
<b>EBIT margin %</b>	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Weather and Environment	1.0%	12.2%	11.1%	13.8%	10.3%	6.9%	4.2%	12.5%	9.3%	8.4%	8.6%	10.0%
Industrial Measurements	13.5%	21.8%	27.0%	21.2%	21.2%	21.3%	21.7%	23.2%	19.5%	21.4%	23.8%	25.0%
Other	100.0%	100.0%	-100.0%	100.0%	100.0%	-100.0%		-100.0%		-100.0%		
Total	6.4%	16.0%	17.6%	16.7%	14.7%	13.2%	11.7%	16.6%	13.5%	13.8%	15.3%	16.7%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	379.5	437.9	514.1	540.4	564.6	599.8	638.7	679.5
<i>Sales growth (%)</i>	-6.0%	15.4%	17.4%	5.1%	4.5%	6.2%	6.5%	6.4%
EBITDA	65.9	71.7	85.4	90.8	106.5	110.0	123.2	137.4
<i>EBITDA margin (%)</i>	17.4%	16.4%	16.6%	16.8%	18.9%	18.3%	19.3%	20.2%
Depreciation	-21.1	-21.6	-22.9	-24.2	-23.6	-27.3	-25.7	-24.1
EBITA	44.8	50.1	62.5	66.6	82.9	82.7	97.5	113.4
Goodwill amortization / writedown								
EBIT	44.8	50.1	62.5	66.6	82.9	82.7	97.5	113.4
<i>EBIT margin (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	13.8%	15.3%	16.7%
Reported EBIT	44.8	50.1	62.5	66.6	82.9	82.7	97.5	113.4
<i>EBIT margin (reported) (%)</i>	11.8%	11.5%	12.2%	12.3%	14.7%	13.8%	15.3%	16.7%
Net financials	-3.4	-2.1	-2.9	-3.4	-2.1	-7.2	-1.8	-1.0
Pre-tax profit	41.4	48.1	59.6	63.2	80.8	75.5	95.7	112.4
Taxes	-8.5	-8.8	-14.5	-14.3	-17.0	-16.9	-20.1	-23.6
Minority shares		-0.3						
Net profit	32.9	39.0	45.1	48.9	63.7	58.6	75.6	88.8
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	86	96	99	98	109	117	115	112
Goodwill	30	29	49	46	100	100	100	100
Right of use assets	13	11	12	13	21	21	26	24
Inventory	45	50	62	59	58	61	65	70
Receivables	93	107	131	113	148	158	168	178
Liquid funds	45	78	56	90	89	94	100	111
Total assets	352	408	440	443	589	605	620	635
Liabilities								
Shareholders' equity	205	230	251	268	309	336	381	435
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	89	47	
Non-interest bearing current liabilities	76	116	111	97	124	132	140	149
Other interest-free debt	8	7	7	10	21	21	21	21
Total liabilities	352	408	440	443	589	605	620	635
CASH FLOW, EURm								
+ EBITDA	66	72	85	91	107	110	123	137
- Net financial items	-3	-2	-3	-3	-2	-7	-2	-1
- Taxes	-8	-9	-15	-14	-20	-17	-20	-24
- Increase in Net Working Capital	-8	17	-38	11	-1	-5	-6	-6
+/- Other	-6	3	0					
= Cash flow from operations	41	80	30	84	84	81	96	107
- Capex	-35	-22	-19	-16	-132	-25	-20	-14
- Acquisitions			-23					
+ Divestments								
= Free cash flow	6	58	-12	68	-48	56	75	93
+/- New issues/buybacks	-4	8	0	-6	4			
- Paid dividend	22	25	26	27	31	31	35	36
+/- Other	9	-12	15	-2	70	-19	-38	-48
Change in cash	-11	33	-22	35	-2	6	6	10

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	1 924	1 437	1 439	1 756	1 554	1 554	1 554
Net debt (excl. convertibles)	-30	8	-26	41	16	-28	-87
Enterprise value	1 899	1 445	1 413	1 797	1 570	1 526	1 467
Sales	438	514	540	565	600	639	679
EBITDA	72	85	91	107	110	123	137
EBIT	50	63	67	83	83	98	113
Pre-tax	48	60	63	81	76	96	112
Earnings	39	45	49	64	59	76	89
Equity book value (excl. minorities)	230	251	268	309	336	381	435

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	14.3	12.4	10.7
EV/EBITA	37.9	23.1	21.2	21.7	19.0	15.6	12.9
EV/EBIT	37.9	23.1	21.2	21.7	19.0	15.6	12.9
EV/OCF	23.7	48.5	16.8	21.5	19.4	16.0	13.7
EV/FCF	30.3	-308.4	19.2	-61.8	24.0	17.8	15.0
P/FCFR	33.0	-116.8	21.0	-36.4	27.8	20.6	16.7
P/E	49.4	31.6	29.4	27.5	26.5	20.6	17.5
P/BV	8.4	5.7	5.4	5.7	4.6	4.1	3.6
Target EV/EBITDA					16.7	14.5	12.6
Target EV/EBIT					22.1	18.3	15.2
Target EV/FCFF					32.8	23.7	18.6
Target P/BV					5.4	4.8	4.2
Target P/E, diluted	34.1	31.2	30.1	31.6	31.0	24.0	20.4

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	36.10	36.02	36.25	36.28	36.32	36.32	36.32
Number of shares (diluted, million)	36.10	36.02	36.25	36.28	36.32	36.32	36.32
EPS	1.08	1.25	1.35	1.76	1.61	2.08	2.45
Operating cash flow per share	2.22	0.83	2.32	2.31	2.22	2.63	2.94
Free cash flow per share	1.62	-0.34	1.89	-1.33	1.54	2.08	2.57
Book value per share	6.36	6.96	7.39	8.50	9.26	10.48	11.98
Dividend per share	0.68	0.72	0.75	0.85	0.86	0.95	1.00
Dividend payout ratio, %	63.0%	57.5%	55.6%	48.4%	53.3%	45.6%	40.9%
Dividend yield, %	1.3%	1.8%	1.9%	1.8%	2.0%	2.2%	2.3%
FCF yield, %	3.0%	-0.9%	4.8%	-2.8%	3.6%	4.9%	6.0%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	17.9%	18.8%	18.9%	22.1%	18.2%	21.1%	21.8%
ROCE	18.6%	21.2%	20.7%	21.5%	18.7%	21.7%	24.9%

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%	12.4%	12.6%	12.7%
Operative CAPEX/Sales, %	4.9%	3.7%	2.9%	23.4%	4.2%	3.2%	2.0%
CAPEX/sales (incl. acquisitions), %	4.9%	-0.8%	2.9%	23.4%	4.2%	3.2%	2.0%
FCFF/EBITDA	0.9	-0.1	0.8	-0.3	0.6	0.7	0.7
Net Debt/EBITDA, book-weighted	-0.4	0.1	-0.3	0.4	0.1	-0.2	-0.6
Debt/equity, market-weighted	0.0	0.0	0.0	0.1	0.1	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%	4.7%	-7.5%	-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	3 776 358	161.628	10.4 %
Weisell–Säätiö Sr	1 654 370	70.807	4.6 %
Citibank	1 440 000	61.632	4.0 %
Voipio Mikko	1 268 312	54.284	3.5 %
Ilmarinen Mutual Pension Insurance Company	1 169 000	50.033	3.2 %
Caspers Anja	969 496	41.494	2.7 %
Voipio Raimo	920 714	39.407	2.5 %
Voipio Tauno	837 824	35.859	2.3 %
Ten largest	12 036 074	515.144	33.1 %
Residual	24 282 636	1039.297	66.9 %
Total	36 318 710	1554.441	100%

#### EARNINGS CALENDAR

February 12, 2026	FY 2025 Results
April 24, 2026	Q1 report
July 21, 2026	Q2 report
October 27, 2026	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**

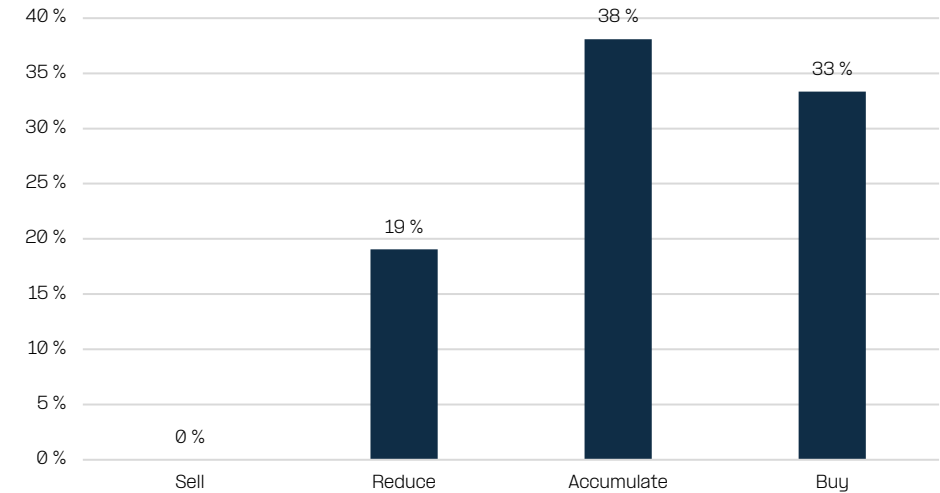
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Investment recommendations are defined as follows:

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

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

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