

Very strong performance

Vaisala delivered very strong figures for Q2/24 as our estimates were topped on both net sales and EBIT. With the strong performance, the lower ranges of the guidance were increased for both net sales and EBIT.

- Q2 group result:** Orders increased 14% y/y while the order book stood at EUR 196.9m, growing 18% compared to last year. Group net sales increased by 13% to EUR 148.4m, topping our estimate of EUR 134.4m by a wide margin. Gross margin was on a strong level at 57.0% (55.1% Q2/23). EBIT amounted to EUR 23.7m (15.4/15.4m Evli/cons.), reflecting a margin of 15.9% (9.1%). The strong margin was driven by improved gross margin and continued successful cost consciousness.
- Industrial measurements (IM):** Orders increased by 8% y/y while order book declined to EUR 36.3m (-2%). Net sales were at EUR 56.5m, growing 7% y/y. Net sales increased in power and energy as well as in life science market segments and very strongly in power and energy. Service sales grew 43% y/y driven by growth in installed base from last year. IM gross margin jumped to 64.0% (59.7%) and EBIT to EUR 12.3m with a margin of 21.7% (Q2/23 EUR 6.8m, 12.9%).
- Weather and Environment (W&E):** Orders received increased by 18% (FX 19%) y/y while order book was up by 23% y/y. W&E's net sales increased by 18% (FX 16%) to EUR 91.9m. Service and project sales grew strongly in the quarter. Net sales grew in all market segments, very strongly in aviation and roads market segments. Gross margin improved to 52.7% (Q2/23 51.9%).
- Outlook 2024 (estimate ranges specified):** New: Net sales EUR 540-570m and EBIT EUR 68-78m. Previously: Net sales EUR 530-570m and EBIT EUR 63-78m. Our current estimate: Net sales EUR 546m and EBIT at EUR 70m, both at the lower range of the updated guidance.

Rating				🟡 HOLD
Q2'24	Actual	Evli	Consensus*	Q2'23
Net sales	148.4	134.4	133.9	130.8
W&E	91.9	81.1	81.8	78.0
IM	56.5	53.3	52.2	52.8
EBIT reported	23.7	15.4	15.4	11.9
EBIT-margin	15.9%	11.5%	11.5%	9.1%
EPS reported	0.49	0.31	0.32	0.22
<i>* Consensus estimate from Factset (2-4 analysts)</i>				
Share price, EUR (Last trading day's closing price)				39.15
Target price, EUR				42.0
Latest change in recommendation				23-Jul-24
Latest report on company				
Research paid by issuer:				YES
No. of shares outstanding, '000's				36,287
No. of shares fully diluted, '000's				36,287
Market cap, EURm				1,421
Free float, %				0.0
Exchange rate EUR/USD				0.000
Reuters code				VAIAS.HE
Bloomberg code				VAIAS FH
Average daily volume, EURm				0.0
Next interim report				25-Jul-24
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🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT 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	4.7	0.75
2024E	545.8	70.4	12.9%	48.6	1.48	26.5	2.5	19.5	3.4	0.81
2025E	576.5	78.2	13.6%	47.5	1.66	23.6	2.4	17.3	3.3	0.91
2026E	599.1	86.7	14.5%	59.5	1.87	20.9	2.2	15.3	4.2	1.03

Market cap, EURm	1,421	BV per share 2024E, EUR	-16.1	CAGR EPS 2023-26, %	11.5
Net debt 2024E, EURm	-47	Price/book 2024E	4.8	CAGR sales 2023-26, %	3.5
Enterprise value, EURm	1,373	Dividend yield 2024E, %	2.1	ROE 2024E, %	19.1
Total assets 2024E, EURm	464	Tax rate 2024E, %	20.2	ROCE 2024E, %	20.6
Goodwill 2024E, EURm	49	Equity ratio 2024E, %	63.4	PEG, P/E 24/CAGR	2.7

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

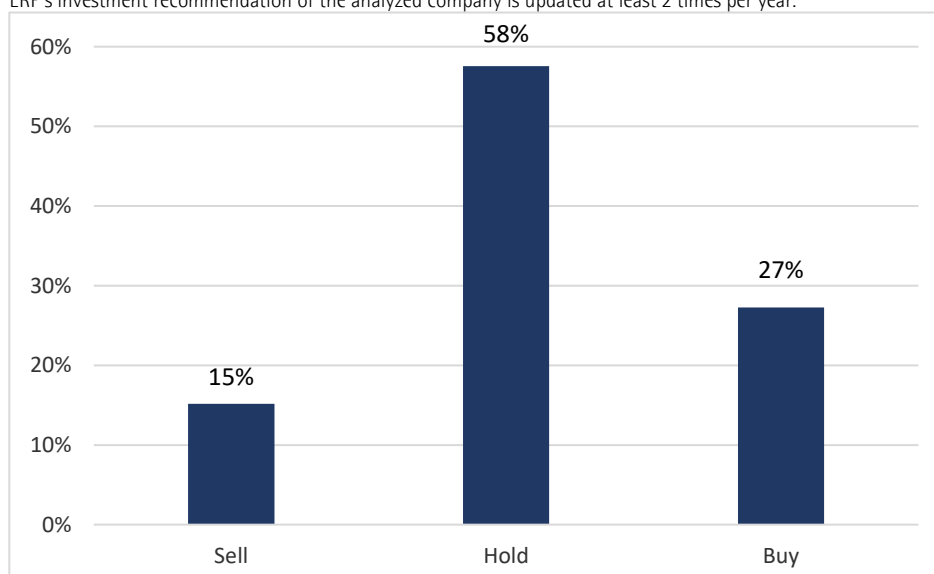
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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