

## Excellent start for the year 2022

Vaisala's Q1 result topped our expectations clearly. Both BUs saw double-digit growth and solid order intake indicates the growth to continue.

- Group results:** Orders received were EUR 125m (18% y/y) and the order book totaled EUR 168.5m (8% y/y). Net sales grew by 29% y/y to EUR 118.8m (108.6m/104.5m Evli/cons.), driven by both BUs. Growth scaled nicely, and EBIT amounted to EUR 17.5m (9.6m/10.1m Evli/cons.), implying a 14.8% margin.
- Industrial Measurements (IM):** Orders received increased by 19% to EUR 54.7m while the order book stood at EUR 35.1m (41% y/y). Order intake was strong in industrial instruments and life science. IM saw a 34% y/y growth, with net sales totaling EUR 53.1m (Evli: 49.1m). The topline growth was driven by all IM's segments. Operating profit was EUR 14.6m, 27.5% of net sales. Increased fixed costs affected EBIT negatively.
- Weather & Environment (W&E):** Orders received increased by 17% y/y to EUR 70.3m. The order book was strong and grew by 2% y/y to EUR 133.4m. Order intake grew in renewable energy and aviation while ground transportation and meteorology decreased y/y. W&E delivered very strong growth of 26% y/y in Q1, net sales totaling EUR 65.7m, beating our estimates (Evli: 59.5m). Supported by ~50% gross margin EBIT amounted to EUR 2.9m, implying a 4.4% margin.
- 2022 guidance unchanged:** Net sales between EUR 465–495m and EBIT between EUR 55–70m.
- Market outlook:** Markets for high-end industrial instruments, life science, power industry, and liquid measurements are expected to continue to grow while meteorology and ground transportation are expected to be stable. Aviation market is expected to recover towards pre-pandemic level. Renewable energy market is expected to continue to grow.

**Rating** 🟡 HOLD

Q1 '22	Actual	Evli	Consensus*	Q1'21
Net sales	118.8	108.6	104.5	92.0
IM	53.1	49.1	-	39.7
W&E	65.7	59.5	-	52.2
EBIT	17.5	9.6	10.1	8.1
EBIT-margin	14.8%	8.8%	9.6%	8.8%
EPS	0.38	0.20	0.21	0.17

*\*Consensus estimate from FactSet (4 analysts)*
**Share price, EUR** (Last trading day's closing price) 41.60
**Target price, EUR** 41.0

 Latest change in recommendation 30-Apr-21

 Latest report on company 26-Apr-22

 Research paid by issuer: YES

 No. of shares outstanding, '000's 36,101

 No. of shares fully diluted, '000's 36,101

 Market cap, EURm 1,502

 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 29-Apr-22

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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
2020	379.5	44.8	11.8%	5.6	0.91	44.2	3.9	32.7	0.4	0.61
2021	437.9	50.1	11.4%	58.4	1.08	49.4	4.3	37.9	3.0	0.68
2022E	482.9	59.9	12.4%	40.3	1.28	32.4	3.0	24.4	2.7	0.70
2023E	515.9	71.0	13.8%	45.7	1.54	27.0	2.8	20.3	3.0	0.89
2024E	547.2	77.5	14.2%	52.0	1.70	24.5	2.6	18.3	3.5	0.97
Market cap, EURm		1,502	BV per share 2022E, EUR			-18.2	CAGR EPS 2021-24, %			16.2
Net debt 2022E, EURm		-46	Price/book 2022E			6.0	CAGR sales 2021-24, %			7.7
Enterprise value, EURm		1,460	Dividend yield 2022E, %			1.7	ROE 2022E, %			19.2
Total assets 2022E, EURm		434	Tax rate 2022E, %			20.0	ROCE 2022E, %			21.0
Goodwill 2022E, EURm		29	Equity ratio 2022E, %			58.1	PEG, P/E 22/CAGR			3.0

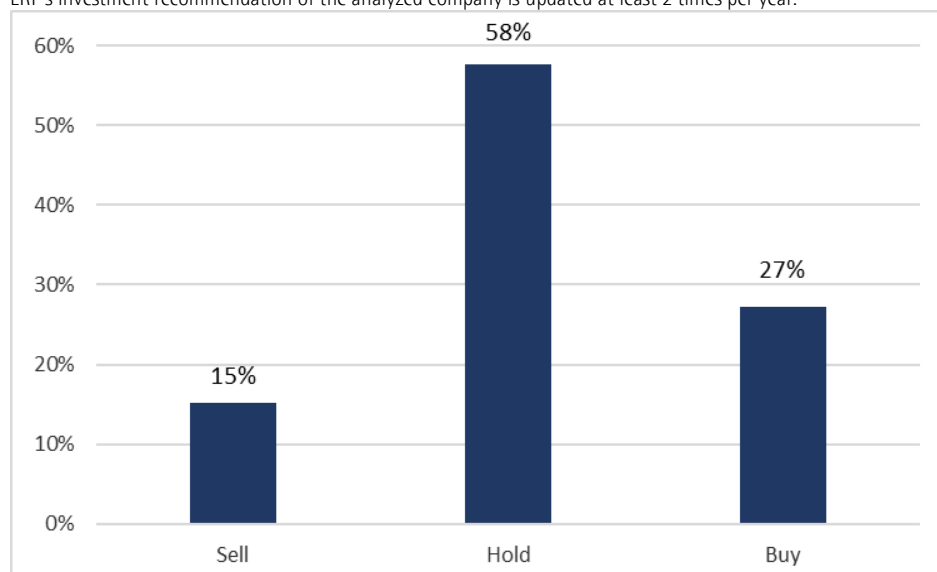
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Investment recommendations are defined as follows:

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

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

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