

Q4 result small beat, 2020 outlook signals 0–5% growth and 9–12% EBIT margins

Vaisala's Q4 net sales grew 9% to 118.1 MEUR vs. 118 MEUR our expectation and 116 MEUR consensus. Q4 reported EBIT was 17.7 MEUR vs. our expectation of 16 MEUR (16 MEUR consensus). Dividend proposal is 0.61(0.60 Evli, 0.60 consensus).

- Group level results: Q4 net sales grew 9% to 118.1 MEUR vs. 118 MEUR our expectation and 116 MEUR consensus. Q4 EBIT was 17.7 MEUR vs. our expectation of 16 MEUR (cons. 16 MEUR). EPS was 0.41 (0.35 Evli, 0.34 consensus).
- Dividend proposal is 0.61(0.60 Evli, 0.60 consensus).
- Gross margin was 56.0 % vs. 54.3 % last year
- Orders received was 103.3 MEUR vs. 99.1 MEUR last year. Orders received increased by 4% and growth without currency impact and acquisitions was -3%.
- Weather & Environment (W&E) net sales grew 5% (1% excl. FX and M&A) to 81.9 MEUR vs. 80.0 MEUR our expectation. EBIT was 12.1 MEUR (10 MEUR Evli). Order intake growth was -3% in Weather and Environment, -8% growth excl. FX and M&A.
- Industrial Measurements (IM) net sales grew 18% (5% excl. FX and M&A) to 36.3 MEUR vs. 38.0 MEUR our expectation. EBIT was 5.5 MEUR (7.6 MEUR Evli). Industrial Measurements order intake grew by 19%, 8% excl. FX and M&A.
- **Business outlook for 2020:** Vaisala estimates its full-year 2020 net sales to be in the range of EUR 400–425 million and its operating result (EBIT) to be in the range of EUR 38–48 million.

Rating	🟡 HOLD
Share price, EUR (Last trading day's closing price)	36.90
Target price, EUR	29.5
Latest change in recommendation	11-Jun-18
Latest report on company	12-Dec-19
Research paid by issuer:	YES
No. of shares outstanding, '000's	35,881
No. of shares fully diluted, '000's	35,881
Market cap, EURm	1,324
Free float, %	
Exchange rate EUR/USD	
Reuters code	VAIAS.HE
Bloomberg code	VAIAS FH
Average daily volume, EURm	
Next interim report	28-Apr-20
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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
2017	332.6	40.8	12.3%	39.1	0.76	29.3	2.1	17.2	4.9	1.05
2018	348.8	39.0	11.2%	-17.7	0.83	22.2	1.8	16.4	-2.7	0.58
2019E	403.5	39.6	9.8%	18.2	0.87	42.6	3.2	33.0	1.4	0.60
2020E	425.8	44.5	10.5%	28.8	0.99	37.2	3.1	29.2	2.2	0.65
2021E	447.1	49.0	11.0%	38.1	1.09	33.8	2.9	26.2	2.9	0.70
Market cap, EURm		1,324	BV per share 2019E, EUR		-9.1	CAGR EPS 2018-21, %		9.7		
Net debt 2019E, EURm		-18	Price/book 2019E		6.9	CAGR sales 2018-21, %		8.6		
Enterprise value, EURm		1,306	Dividend yield 2019E, %		1.6	ROE 2019E, %		16.5		
Total assets 2019E, EURm		385	Tax rate 2019E, %		20.8	ROCE 2019E, %		16.0		
Goodwill 2019E, EURm		55	Equity ratio 2019E, %		50.2	PEG, P/E 19/CAGR		4.1		

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

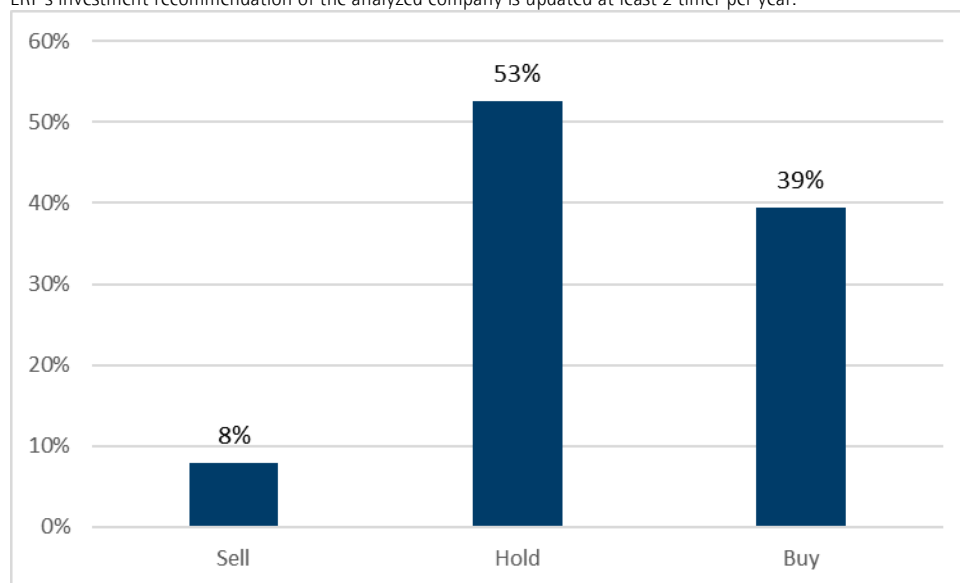
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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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