

## Q1 below our expectations

Vaisala's Q1 net sales at 84.2 MEUR vs. 87 MEUR our expectation and 88.5 MEUR consensus. Q1 EBIT was 0.0 MEUR vs. our expectation of 2.3 MEUR. Adjusted EBIT was 3.0 MEUR vs. our 5.0 MEUR adjusted EBIT expectation.

- Group level results: Q1 net sales at 84.2 MEUR vs. 87 MEUR our expectation and 88.5 MEUR consensus. Q1 EBIT was 0.0 MEUR vs. our expectation of 2.3 MEUR. Adjusted EBIT was 3.0 MEUR vs. our 5.0 MEUR adjusted EBIT expectation.
- Gross margin was 53.2% vs. 51.3% last year
- Order received was 113 MEUR vs. 87.1 MEUR last year
- Weather & Environment (W&E) net sales was 49.6 MEUR vs. 55 MEUR our expectation. EBIT was -4.3 MEUR.
- Industrial Measurements (IM) net sales was 34.6 MEUR vs. 33 MEUR our expectation. EBIT was 4.6 MEUR
- CEO comment: "Integration of Leosphere is proceeding according to plan and integration of K-Patents has started well during the first quarter. We expect to complete these integration projects during the second half of this year."
- **Business outlook for 2019 unchanged:** 2019 net sales to be in the range of EUR 380–400 million and operating result (EBIT) to be in the range of EUR 25–35 million including EUR 10–12 million acquisition related amortization and one-off expenses related to a lease contract.

Rating	🟡 HOLD
Share price, EUR (Last trading day's closing price)	19.70
Target price, EUR	18.0
Latest change in	11-Jun-18
Latest report on company	14-Feb-19
Research paid by issuer:	YES
No. of shares outstanding, '000's	35,790
No. of shares fully diluted, '000's	35,790
Market cap, EURm	705
Free float, %	-
Exchange rate EUR/USD	-
Reuters code	VAIAS.HE
Bloomberg code	VAIAS FH
Average daily volume, EURm	-
Next interim report	19-Jul-19
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🟢 BUY 🟡 HOLD 🔴 SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	333	41	12.3%	38	0.76	29.3	2.1	15.5	17.2	1.05
2018	349	39	11.2%	38	0.83	22.2	1.8	-86.7	16.1	0.58
2019E	385	31	8.0%	31	0.69	28.6	1.7	14.9	21.8	0.60
2020E	399	46	11.6%	46	0.97	20.3	1.7	16.8	14.6	0.65
2021E	416	49	11.8%	49	1.03	19.1	1.6	15.4	13.5	0.70
Market cap, EURm		705		BV per share 2019E, EUR		5.2		CAGR EPS 2018-21, %		7.6
Net debt 2019E, EURm		-32		Price/book 2019E		3.8		CAGR sales 2018-21, %		6.0
Enterprise value, EURm		673		Dividend yield 2019E, %		3.0		ROE 2019E, %		13.3
Total assets 2019E, EURm		356		Tax rate 2019E, %		20.0		ROCE 2019E, %		13.4
Goodwill 2019E, EURm		55		Equity ratio 2019E, %		52.5		PEG, P/E 19/CAGR		1.5

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

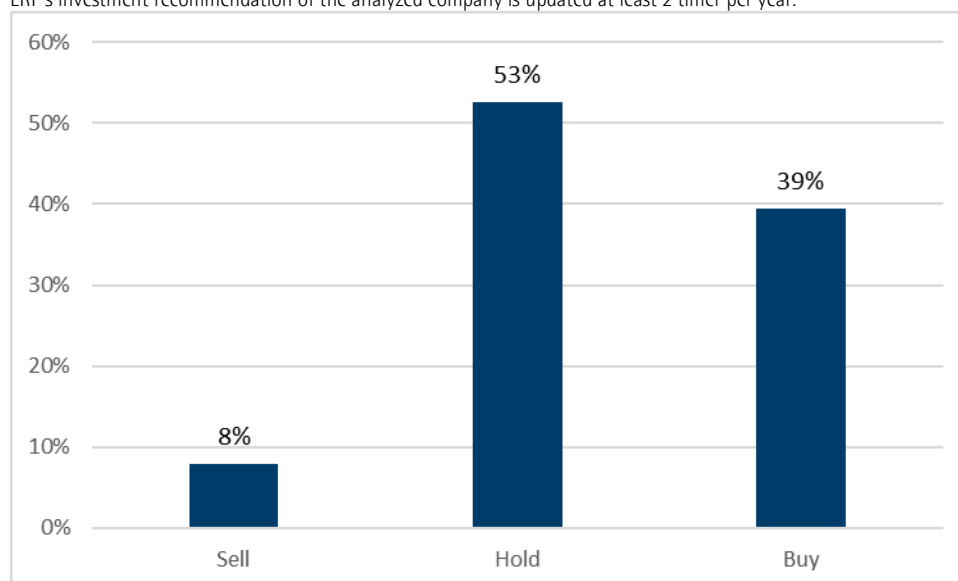
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Investment recommendations are defined as follows:

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

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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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