

Outlook for 2019 disappoints

Vaisala had previously announced preliminary Q4 results, so the focus was on dividend proposal and outlook. The outlook guides for clearly lower EBIT than what we or consensus were expecting.

- Dividend proposal is 0.58 (0.55 Evli / 0.58 consensus)
- Business outlook for 2019: Vaisala estimates its full-year 2019 net sales to be in the range of EUR 380–400 million and its 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.
- Our estimates for 2019E are net sales of EUR 387m (382m cons.) and EBIT of EUR 45m (46m cons.)

Rating	 HOLD
Share price, EUR (Last trading day's closing price)	18.90
Target price, EUR	19.0
Latest change in	11-Jun-18
Latest report on company	15-Jan-19
Research paid by issuer:	YES
No. of shares outstanding, '000's	36,437
No. of shares fully diluted, '000's	36,437
Market cap, EURm	680
Free float, %	-
Exchange rate EUR/USD	-
Reuters code	VAIAS.HE
Bloomberg code	VAIAS FH
Average daily volume, EURm	0.0
Next interim report	24-Apr-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	0.77	23.9	1.8	18.5	16.2	0.55
2019E	387	45	11.5%	45	0.91	20.5	1.7	15.3	14.6	0.60
2020E	400	50	12.6%	50	1.04	18.0	1.6	11.7	12.9	0.65
2021E	417	54	12.9%	54	1.11	16.8	1.5	11.4	11.8	0.70

Market cap, EURm	680	BV per share 2019E, EUR	5.2	CAGR EPS 2018-21, %	12.8
Net debt 2019E, EURm	-25	Price/book 2019E	3.6	CAGR sales 2018-21, %	6.2
Enterprise value, EURm	654	Dividend yield 2019E, %	3.2	ROE 2019E, %	18.1
Total assets 2019E, EURm	351	Tax rate 2019E, %	26.0	ROCE 2019E, %	19.1
Goodwill 2019E, EURm	16	Equity ratio 2019E, %	53.9	PEG, P/E 19/CAGR	1.8

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

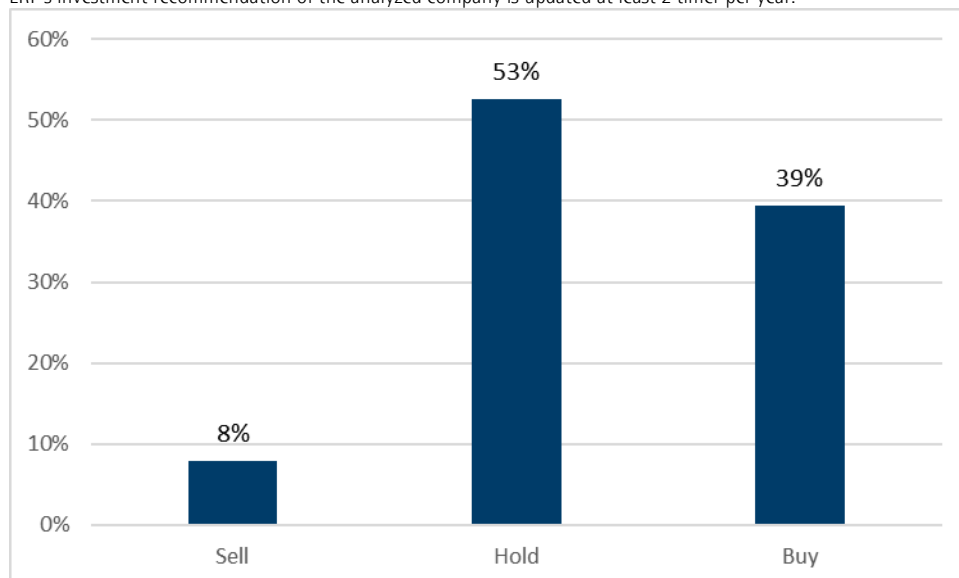
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Investment recommendations are defined as follows:

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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February 12, 2019



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