

Hold EUR 115.00 (EUR 76.00) Price EUR 112.00 Upside 2.7 %	Value Indicators: EUR DCF: 114.98 FCF-Value Potential 23e: 65.97	Warburg ESG Risk Score: 2.7 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 1.0	Description: B2B digital cameras for applications such as factory, medical, traffic or retail.
	Market Snapshot: EUR m Market cap: 1,113.5 No. of shares (m): 9.9 EV: 1,103.0 Freefloat MC: 434.3 Ø Trad. Vol. (30d): 435.02 th	Shareholders: Freefloat 39.0 % Norbert Basler 52.0 % Treasury shares 5.0 % Dr. Ley (CEO) 4.0 %	Key Figures (WRe): 2021e Beta: 1.1 Price / Book: 8.3 x Equity Ratio: 75 %

Estimates and target price increased after strong Q1

Stated Figures Q1/2021:							
FY End: 31.12. in EUR m	Q1 21	Q1 21e	Q1 20	yoy	21e	20	yoy
Sales	54.6	54.6	43.7	25 %	224.8	170.5	32 %
EBIT	10.1	10.0	6.4	57 %	35.7	20.1	78 %
Margin	18.4 %	18.2 %	14.7 %		15.9 %	11.8 %	
EBT	9.9	9.9	6.3	59 %	34.9	20.4	71 %
Margin	18.2 %	18.1 %	14.3 %		15.5 %	12.0 %	

Comment on Figures:

- Significant top-line growth should have been driven by demand from the semi- and electronics industry in response to the current chip shortage
- Profitability improved significantly as a result of higher revenues
- We also expect a strong gross margin driven by a favourable product mix and a low share of revenues from less profitable large orders

Basler has reported strong figures for the first quarter and increased the outlook for the full year. Sales grew by 25% to EUR 54.6m and the order intake increased by 27% to EUR 67.3m. This was mainly driven by high investment in the semi- and electronics industry in response to the current chip shortage. The EBT margin increased from 14.3% to 18.2% as a result of a gross margin improvement of 2.2pp. Against this background, Basler increased its sales guidance from EUR 190-210m to EUR 205-225m and the EBT margin target from 12-14% to 13-15.5%. We have increased our short-term and mid-term estimates significantly and expect the higher growth to be driven by:

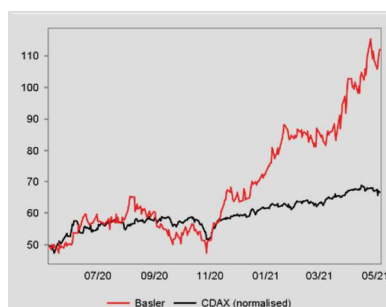
- Chip shortage:** While the semi capex cycle usually consists of one to two years of growth followed by a downturn of roughly the same duration, the current chip shortage and the increasing demand from the automotive industry should lead to a longer period of growth. The industry association, SEMI, forecasts that semi capex will increase by 15.5% this year and 12% next year.
- Factory automation recovery:** Demand from general industry has been rather low for two years now and we expect some recovery once the pandemic has ended starting in H2.
- Cross-selling:** Basler has expanded its portfolio to become a full-range supplier, offering cables, lenses, lighting and frame grabber in addition to the camera. In a next step, Basler will bundle those products to solutions and gain a larger share of its customers' wallet.

After the strong Q1 figures, we have revised our model and increased our target price significantly to EUR 115. The higher valuation, however, seems to be already reflected in the current share price. Thus, we confirm our Hold recommendation.

Changes in Estimates:						
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -
Sales	202.3	11.1 %	228.1	12.8 %	n.a.	n.m.
EBIT	27.7	29.1 %	33.7	19.1 %	n.a.	n.m.
EBT	26.9	29.9 %	32.9	19.6 %	n.a.	n.m.
EPS	1.96	30.1 %	2.37	19.8 %	n.a.	n.m.

Comment on Changes:

- 2021 estimates increased in accordance with the updated guidance
- Higher growth forecast for 2022 driven by anticipation of higher demand from the semi and electronics industry and ongoing recovery in the factory automation business
- Beyond 2022 we expect Basler to increase its share of customer-wallet



Rel. Performance vs CDAX:

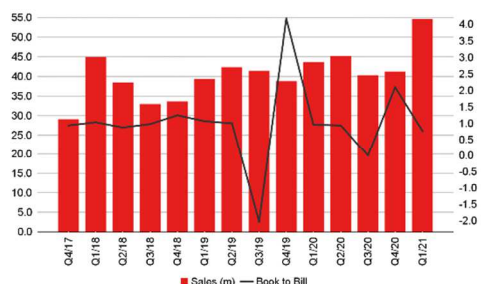
1 month:	13.1 %
6 months:	78.2 %
Year to date:	47.4 %
Trailing 12 months:	90.5 %

Company events:

19.05.21	AGM
05.08.21	Q2
04.11.21	Q3

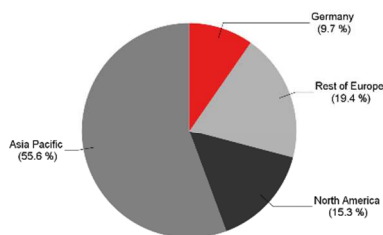
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	19.7 %	150.2	150.0	162.0	170.5	224.8	257.3	292.4
Change Sales yoy		54.0 %	-0.1 %	8.0 %	5.2 %	31.9 %	14.5 %	13.6 %
Gross profit margin		49.6 %	53.3 %	50.9 %	52.0 %	52.4 %	50.6 %	49.8 %
EBITDA	23.7 %	39.7	36.0	30.0	34.6	54.9	60.2	65.5
Margin		26.4 %	24.0 %	18.5 %	20.3 %	24.4 %	23.4 %	22.4 %
EBIT	30.9 %	30.5	24.8	17.0	20.1	35.7	40.2	45.0
Margin		20.3 %	16.6 %	10.5 %	11.8 %	15.9 %	15.6 %	15.4 %
Net income	28.2 %	21.6	17.0	12.9	15.1	25.5	28.4	31.8
EPS	28.2 %	2.25	1.76	1.29	1.51	2.55	2.84	3.18
DPS	18.0 %	0.67	0.53	0.26	0.58	0.77	0.85	0.95
Dividend Yield		1.6 %	0.9 %	0.6 %	1.1 %	0.7 %	0.8 %	0.9 %
FCFPS		2.46	0.93	-0.97	1.38	1.60	2.11	2.13
FCF / Market cap		5.8 %	1.6 %	-2.1 %	2.6 %	1.4 %	1.9 %	1.9 %
EV / Sales		2.7 x	3.8 x	3.0 x	3.2 x	4.9 x	4.3 x	3.7 x
EV / EBITDA		10.2 x	15.7 x	16.1 x	15.6 x	20.2 x	18.2 x	16.5 x
EV / EBIT		13.2 x	22.8 x	28.4 x	26.9 x	31.1 x	27.3 x	24.1 x
P / E		18.8 x	32.7 x	36.4 x	35.8 x	43.9 x	39.4 x	35.2 x
P / E adj.		18.8 x	32.7 x	36.4 x	37.0 x	43.9 x	39.4 x	35.2 x
FCF Potential Yield		7.2 %	4.1 %	2.3 %	4.8 %	3.5 %	3.8 %	4.1 %
ROE		37.4 %	24.1 %	14.4 %	13.9 %	20.4 %	19.5 %	19.0 %
ROCE (NOPAT)		38.4 %	23.8 %	12.7 %	12.8 %	21.9 %	22.5 %	23.5 %
Guidance:	2021 sales EUR 190-210m, EBT margin 12-14%							

Sales development
in EUR m



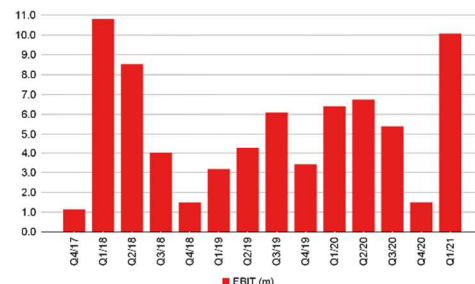
Source: Basler

Sales by regions
2020; in %



Source: Basler

EBIT development
in EUR m



Source: Basler

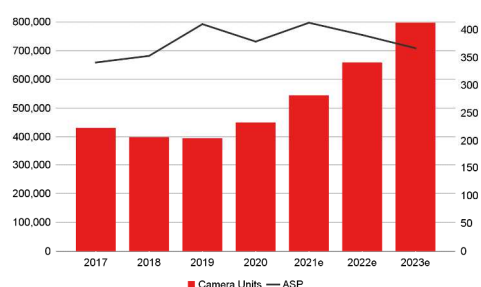
Company Background

- Basler is a provider of digital cameras for production, medical applications, traffic control or retail.
- Basler focuses on the mainstream and entry-level market segments.
- Customers are mainly OEMs. The customer base is well diversified and no single customer accounts for more than 10% of revenue. More than 60% of revenues are direct sales.

Competitive Quality

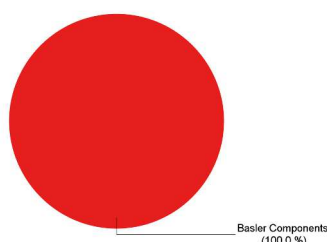
- In terms of units Basler is the world's largest developer and manufacturer of digital cameras in a fragmented, but consolidating, market for digital cameras for B2B-applications.
- High level of vision technology expertise: Basler has one of the largest developer pools in the sector and differentiates itself with camera software competence, which accounts for more than 50% of the value creation.
- State-of-the-art product portfolio: Basler is among the first movers in digital cameras based on GigE Vision and the USB3 Vision standard. It is also an early adopter of new sensor technology.
- High service and consulting quality through direct sales and Basler's network of specialised distributors.
- Basler is present in the most important markets for vision technology in South East Asia, Europe and the US.

Camera Units



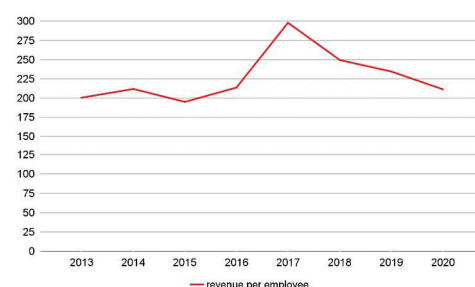
Source: Basler

Sales by segments
2020; in %



Source: Basler

Revenue per employee
in EUR k



Source: Basler

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	224.8	257.3	292.4	330.1	378.6	432.6	492.5	558.5	631.2	710.9	798.0	892.8	998.8	2.0 %
Sales change	31.9 %	14.5 %	13.6 %	12.9 %	14.7 %	14.3 %	13.8 %	13.4 %	13.0 %	12.6 %	12.2 %	11.9 %	11.9 %	
EBIT	35.7	40.2	45.0	50.2	54.9	62.7	71.4	81.0	91.5	103.1	115.7	129.4	144.8	14.5 %
EBIT-margin	15.9 %	15.6 %	15.4 %	15.2 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	14.5 %	
Tax rate (EBT)	27.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %
NOPAT	26.1	28.9	32.4	36.1	39.5	45.2	51.4	58.3	65.9	74.2	83.3	93.2	104.3	
Depreciation	19.3	20.0	20.5	19.1	22.0	25.1	28.6	32.4	36.6	41.2	46.3	51.8	57.9	5.8 %
in % of Sales	8.6 %	7.8 %	7.0 %	5.8 %	5.8 %	5.8 %	5.8 %	5.8 %	5.8 %	5.8 %	5.8 %	5.8 %	5.8 %	
Changes in provisions	0.8	0.0	0.0	1.1	0.4	0.5	0.5	0.6	0.7	0.7	0.8	0.9	1.0	0.0
Change in Liquidity from														
- Working Capital	9.9	4.9	6.0	5.9	7.7	8.5	9.9	10.9	12.0	13.1	14.4	15.6	17.5	17.5
- Capex	21.5	23.1	25.8	19.8	22.5	25.4	28.7	32.2	36.0	40.2	44.6	49.4	57.9	
Capex in % of Sales	9.6 %	9.0 %	8.8 %	6.0 %	5.9 %	5.9 %	5.8 %	5.8 %	5.7 %	5.6 %	5.6 %	5.5 %	5.8 %	5.8 %
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	14.8	20.9	21.1	30.6	31.7	36.8	42.0	48.2	55.2	62.9	71.4	80.8	87.7	100
PV of FCF	14.2	18.7	17.6	23.9	23.1	24.9	26.6	28.4	30.4	32.3	34.2	36.1	36.6	798
share of PVs	4.41 %			25.89 %										69.69 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	10.00 %	Financial Strength	1.10
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	1.30
Risk free rate	1.50 %	Transparency	1.00
		Others	1.00
WACC	7.20 %	Beta	1.14

Valuation (m)

Present values 2033e	347		
Terminal Value	798		
Financial liabilities	45		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	45	No. of shares (m)	9.9
Equity Value	1,143	Value per share (EUR)	114.98

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.34	8.2 %	85.83	87.82	89.97	92.29	94.80	97.54	100.52	1.34	8.2 %	81.54	85.12	88.70	92.29	95.87	99.45	103.04
1.24	7.7 %	94.56	97.02	99.69	102.59	105.75	109.22	113.04	1.24	7.7 %	90.68	94.65	98.62	102.59	106.55	110.52	114.49
1.19	7.5 %	99.50	102.24	105.23	108.48	112.06	115.99	120.34	1.19	7.5 %	95.92	100.11	104.30	108.48	112.67	116.86	121.05
1.14	7.2 %	104.87	107.95	111.30	114.98	119.03	123.51	128.49	1.14	7.2 %	101.69	106.12	110.55	114.98	119.41	123.84	128.27
1.09	7.0 %	110.75	114.20	117.99	122.16	126.78	131.91	137.65	1.09	7.0 %	108.07	112.77	117.47	122.16	126.86	131.55	136.25
1.04	6.7 %	117.20	121.10	125.39	130.14	135.43	141.34	148.00	1.04	6.7 %	115.16	120.16	125.15	130.14	135.14	140.13	145.12
0.94	6.2 %	132.15	137.19	142.80	149.07	156.14	164.16	173.34	0.94	6.2 %	131.99	137.68	143.38	149.07	154.77	160.46	166.16

- Financial liabilities are also related to the lease of the company building.
- The beta takes into consideration the low liquidity of the share.
- The structural growth of the vision technology market forms the basis of Basler's revenue increases.

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2017	2018	2019	2020	2021e	2022e	2023e	
Net Income before minorities	21.6	17.0	12.9	15.1	25.5	28.4	31.8	
+ Depreciation + Amortisation	9.2	11.1	12.9	14.5	19.3	20.0	20.5	
- Net Interest Income	-0.7	-0.3	-0.1	0.4	-0.8	-0.8	-0.8	
- Maintenance Capex	2.8	2.9	5.0	0.0	6.7	7.7	8.8	
+ Other	0.3	-2.1	-10.0	-3.3	0.3	0.3	0.3	
= Free Cash Flow Potential	29.0	23.4	10.9	26.0	39.1	41.7	44.7	
FCF Potential Yield (on market EV)	7.2 %	4.1 %	2.3 %	4.8 %	3.5 %	3.8 %	4.1 %	
WACC	7.20 %	7.20 %	7.20 %	7.20 %	7.20 %	7.20 %	7.20 %	
= Enterprise Value (EV)	402.6	564.9	482.6	539.5	1,109.5	1,096.5	1,084.2	
= Fair Enterprise Value	402.6	325.1	151.6	360.5	542.4	579.5	620.1	
- Net Debt (Cash)	-2.8	-2.8	-2.8	-2.8	-12.4	-25.4	-37.7	
- Pension Liabilities	1.1	1.1	1.1	1.1	1.9	1.9	1.9	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	404.4	326.9	153.3	362.2	552.9	603.1	655.9	
Number of shares, average	9.6	9.6	9.9	10.0	10.0	10.0	10.0	
= Fair value per share (EUR)	42.00	33.90	15.42	36.20	55.29	60.31	65.59	
premium (-) / discount (+) in %					-50.6 %	-46.2 %	-41.4 %	
Sensitivity Fair value per Share (EUR)								
WACC	10.20 %	28.76	23.26	10.94	25.77	39.57	43.52	47.63
	9.20 %	31.87	25.77	12.11	28.55	43.76	47.99	52.41
	8.20 %	35.73	28.89	13.56	32.01	48.96	53.55	58.36
	7.20 %	40.67	32.88	15.42	36.43	55.61	60.66	65.97
	6.20 %	47.20	38.15	17.88	42.28	64.41	70.05	76.02
	5.20 %	56.24	45.45	21.28	50.37	76.58	83.06	89.94
	4.20 %	69.58	56.22	26.30	62.31	94.55	102.26	110.48

- Adjustment of the capitalised R&D impact
- The capex requirements for machinery and plant are low.

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	6.2 x	7.4 x	4.5 x	4.7 x	8.3 x	7.2 x	6.2 x
Book value per share ex intangibles	4.22	3.57	4.10	5.00	6.66	8.32	10.08
EV / Sales	2.7 x	3.8 x	3.0 x	3.2 x	4.9 x	4.3 x	3.7 x
EV / EBITDA	10.2 x	15.7 x	16.1 x	15.6 x	20.2 x	18.2 x	16.5 x
EV / EBIT	13.2 x	22.8 x	28.4 x	26.9 x	31.1 x	27.3 x	24.1 x
EV / EBIT adj.*	13.2 x	22.8 x	28.4 x	26.9 x	31.1 x	27.3 x	24.1 x
P / FCF	17.2 x	61.9 x	n.a.	39.1 x	73.7 x	55.7 x	55.2 x
P / E	18.8 x	32.7 x	36.4 x	35.8 x	43.9 x	39.4 x	35.2 x
P / E adj.*	18.8 x	32.7 x	36.4 x	37.0 x	43.9 x	39.4 x	35.2 x
Dividend Yield	1.6 %	0.9 %	0.6 %	1.1 %	0.7 %	0.8 %	0.9 %
FCF Potential Yield (on market EV)	7.2 %	4.1 %	2.3 %	4.8 %	3.5 %	3.8 %	4.1 %
*Adjustments made for: -							

Company Specific Items	2017	2018	2019	2020	2021e	2022e	2023e
revenue per employee	298.02	249.59	234.34	211.23	211.23	211.23	211.23
Camera Units	431,000	399,000	395,000	450,000	544,500	658,845	797,202
Book to Bill	1.0	1.0	1.0	1.0	1.0	1.0	1.0
ASP	341	353	410	379	413	391	367

Consolidated profit and loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	150.2	150.0	162.0	170.5	224.8	257.3	292.4
Change Sales yoy	54.0 %	-0.1 %	8.0 %	5.2 %	31.9 %	14.5 %	13.6 %
COGS	75.7	70.1	79.5	81.7	107.0	127.1	146.8
Gross profit	74.5	79.9	82.4	88.7	117.8	130.2	145.6
Gross margin	49.6 %	53.3 %	50.9 %	52.0 %	52.4 %	50.6 %	49.8 %
Research and development	10.8	18.8	17.9	21.7	27.9	31.4	35.3
Sales and marketing	19.6	23.0	31.5	30.6	35.8	37.9	42.1
Administration expenses	13.1	12.7	15.8	17.4	18.2	19.9	22.1
Other operating expenses	1.2	1.4	1.0	0.2	0.9	1.4	1.6
Other operating income	0.7	0.8	0.8	1.1	0.7	0.6	0.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	39.7	36.0	30.0	34.6	54.9	60.2	65.5
Margin	26.4 %	24.0 %	18.5 %	20.3 %	24.4 %	23.4 %	22.4 %
Depreciation of fixed assets	3.6	3.2	5.0	6.3	6.0	6.2	6.2
EBITA	36.1	32.8	25.0	28.3	48.9	54.0	59.3
Amortisation of intangible assets	5.6	7.9	8.0	8.2	13.3	13.8	14.3
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	30.5	24.8	17.0	20.1	35.7	40.2	45.0
Margin	20.3 %	16.6 %	10.5 %	11.8 %	15.9 %	15.6 %	15.4 %
EBIT adj.	30.5	24.8	17.0	20.1	35.7	40.2	45.0
Interest income	0.3	0.2	1.0	1.1	0.2	0.2	0.2
Interest expenses	1.0	0.5	1.1	0.8	1.0	1.0	1.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	29.8	24.5	16.9	20.4	34.9	39.4	44.2
Margin	19.8 %	16.3 %	10.4 %	12.0 %	15.5 %	15.3 %	15.1 %
Total taxes	8.2	7.5	4.0	5.3	9.4	11.0	12.4
Net income from continuing operations	21.6	17.0	12.9	15.1	25.5	28.4	31.8
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	21.6	17.0	12.9	15.1	25.5	28.4	31.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	21.6	17.0	12.9	15.1	25.5	28.4	31.8
Margin	14.4 %	11.3 %	7.9 %	8.9 %	11.3 %	11.0 %	10.9 %
Number of shares, average	9.6	9.6	9.9	10.0	10.0	10.0	10.0
EPS	2.25	1.76	1.29	1.51	2.55	2.84	3.18
EPS adj.	2.25	1.76	1.29	1.46	2.55	2.84	3.18

*Adjustments made for:

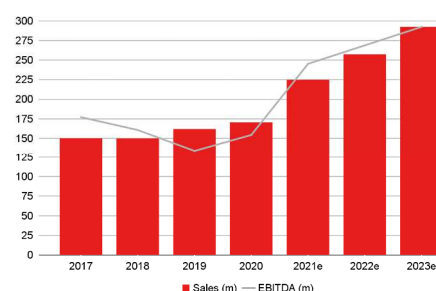
Guidance: 2021 sales EUR 190-210m, EBT margin 12-14%

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	29.3 %	36.7 %	40.4 %	40.3 %	36.5 %	35.0 %	34.4 %
Operating Leverage	2.8 x	140.8 x	-3.9 x	3.4 x	2.4 x	0.9 x	0.9 x
EBITDA / Interest expenses	40.5 x	78.2 x	28.3 x	45.0 x	57.8 x	60.2 x	65.5 x
Tax rate (EBT)	27.4 %	30.6 %	23.9 %	26.0 %	27.0 %	28.0 %	28.0 %
Dividend Payout Ratio	30.0 %	30.0 %	20.1 %	38.4 %	30.0 %	30.0 %	30.0 %
Sales per Employee	298,018	249,589	189,872	199,835	247,033	268,021	304,583

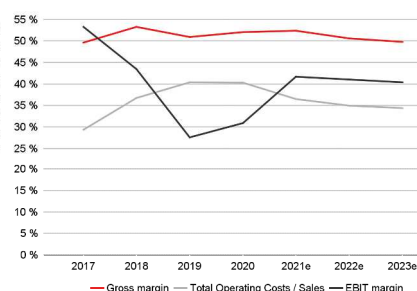
Sales, EBITDA

in EUR m

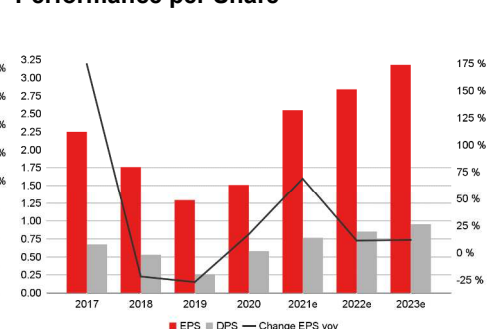


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

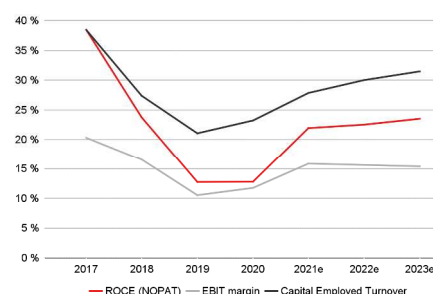
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	24.6	40.8	62.0	64.8	68.6	72.8	78.5
thereof other intangible assets	1.5	6.5	16.8	31.0	33.1	35.4	38.1
thereof Goodwill	3.1	12.7	27.5	27.5	27.5	27.5	27.5
Property, plant and equipment	21.3	22.5	30.6	29.3	27.8	26.7	26.4
Financial assets	1.7	1.7	4.6	2.2	2.2	2.2	2.2
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	47.5	65.1	97.2	96.3	98.5	101.7	107.0
Inventories	20.8	21.0	20.9	20.0	32.1	36.2	41.2
Accounts receivable	11.1	18.2	19.4	19.5	17.9	21.1	24.0
Liquid assets	36.0	31.8	35.2	47.9	25.6	38.5	50.8
Other short-term assets	2.2	2.8	8.5	6.5	6.5	6.5	6.5
Current assets	70.2	73.9	84.0	93.8	82.0	102.3	122.5
Total Assets	117.7	139.0	181.2	190.1	180.6	204.0	229.5
Liabilities and shareholders' equity							
Subscribed capital	3.2	3.2	10.0	10.0	10.0	10.0	10.0
Capital reserve	3.1	5.3	22.4	22.6	22.6	22.6	22.6
Retained earnings	59.0	66.5	74.8	87.1	112.6	141.0	172.8
Other equity components	0.3	0.5	-4.2	-4.8	-10.0	-17.6	-26.2
Shareholders' equity	65.6	75.5	103.0	114.9	135.2	155.9	179.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	65.6	75.5	103.0	114.9	135.2	155.9	179.2
Provisions	7.2	8.3	8.2	9.4	10.8	11.1	11.4
thereof provisions for pensions and similar obligations	1.4	1.2	0.9	1.1	1.9	1.9	1.9
Financial liabilities (total)	29.3	39.8	50.0	45.1	13.1	13.1	13.1
Short-term financial liabilities	0.0	1.8	5.3	4.1	4.1	4.1	4.1
Accounts payable	10.1	7.4	10.6	11.1	11.7	14.1	16.0
Other liabilities	5.5	7.9	9.4	9.7	9.7	9.7	9.7
Liabilities	52.1	63.4	78.2	75.2	45.3	48.0	50.2
Total liabilities and shareholders' equity	117.7	139.0	181.2	190.1	180.6	204.0	229.5

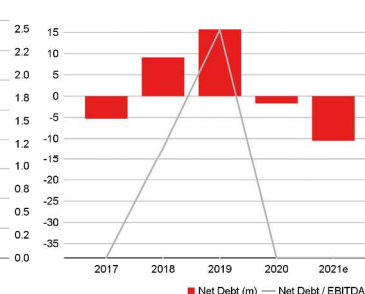
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	3.5 x	2.8 x	2.7 x	3.0 x	3.4 x	3.7 x	3.9 x
Capital Employed Turnover	2.5 x	1.8 x	1.4 x	1.5 x	1.8 x	1.9 x	2.0 x
ROA	45.5 %	26.1 %	13.2 %	15.7 %	25.9 %	27.9 %	29.7 %
Return on Capital							
ROCE (NOPAT)	38.4 %	23.8 %	12.7 %	12.8 %	21.9 %	22.5 %	23.5 %
ROE	37.4 %	24.1 %	14.4 %	13.9 %	20.4 %	19.5 %	19.0 %
Adj. ROE	37.4 %	24.1 %	14.4 %	13.4 %	20.4 %	19.5 %	19.0 %
Balance sheet quality							
Net Debt	-5.3	9.1	15.7	-1.7	-10.5	-23.5	-35.8
Net Financial Debt	-6.7	8.0	14.9	-2.8	-12.4	-25.4	-37.7
Net Gearing	-8.1 %	12.1 %	15.3 %	-1.5 %	-7.8 %	-15.1 %	-20.0 %
Net Fin. Debt / EBITDA	n.a.	22.2 %	49.6 %	n.a.	n.a.	n.a.	n.a.
Book Value / Share	6.8	7.8	10.3	11.5	13.5	15.6	17.9
Book value per share ex intangibles	4.2	3.6	4.1	5.0	6.7	8.3	10.1

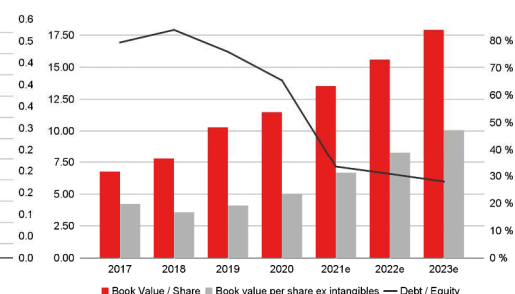
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

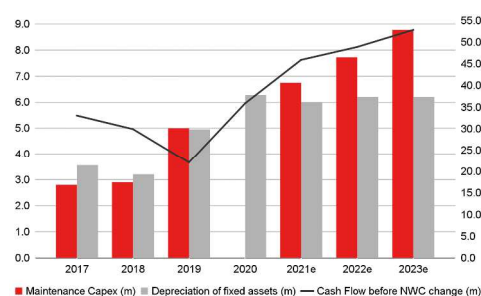
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	21.6	17.0	12.9	15.1	25.5	28.4	31.8
Depreciation of fixed assets	3.6	3.2	5.0	6.3	6.0	6.2	6.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	5.6	7.9	8.0	8.2	13.3	13.8	14.3
Increase/decrease in long-term provisions	0.0	0.0	-0.1	1.1	0.8	0.0	0.0
Other non-cash income and expenses	2.3	1.7	-3.7	5.1	0.3	0.5	0.5
Cash Flow before NWC change	33.1	29.9	22.1	35.9	45.9	48.9	52.8
Increase / decrease in inventory	-5.8	2.2	0.1	0.9	-12.1	-4.1	-5.0
Increase / decrease in accounts receivable	-0.5	-6.4	-1.1	-0.1	1.6	-3.2	-2.9
Increase / decrease in accounts payable	5.3	-4.5	3.2	0.5	0.6	2.4	1.9
Increase / decrease in other working capital positions	-0.3	5.8	0.5	0.1	1.4	0.3	0.3
Increase / decrease in working capital (total)	-1.3	-2.9	2.7	1.5	-8.4	-4.6	-5.7
Net cash provided by operating activities [1]	31.8	27.0	24.7	37.3	37.5	44.3	47.2
Investments in intangible assets	-4.0	-13.6	-29.3	-20.6	-17.0	-18.0	-20.0
Investments in property, plant and equipment	-4.1	-4.5	-5.1	-2.7	-4.5	-5.1	-5.8
Payments for acquisitions	-1.9	-7.7	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.1	0.1	0.2	0.1	0.1	0.1
Net cash provided by investing activities [2]	-9.8	-25.7	-34.2	-23.3	-21.4	-23.0	-25.7
Change in financial liabilities	-1.3	4.8	-1.8	2.3	-32.0	0.0	0.0
Dividends paid	-2.4	-6.5	-5.1	-2.6	-5.8	-7.7	-8.5
Purchase of own shares	-0.7	-3.3	20.8	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	-0.2	0.0	0.0	0.0
Other	-1.1	-0.5	-1.0	-0.8	-0.6	-0.6	-0.6
Net cash provided by financing activities [3]	-5.4	-5.5	13.0	-1.3	-38.4	-8.3	-9.1
Change in liquid funds [1]+[2]+[3]	16.6	-4.2	3.5	12.7	-22.3	13.0	12.3
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	36.0	31.8	35.3	47.9	25.6	38.5	50.8

Financial Ratios

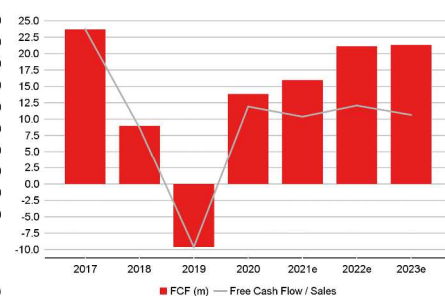
	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	23.7	9.0	-9.6	13.8	16.0	21.1	21.3
Free Cash Flow / Sales	15.8 %	6.0 %	-5.9 %	8.1 %	7.1 %	8.2 %	7.3 %
Free Cash Flow Potential	29.0	23.4	10.9	26.0	39.1	41.7	44.7
Free Cash Flow / Net Profit	109.5 %	52.7 %	-74.6 %	91.6 %	62.6 %	74.4 %	66.9 %
Interest Received / Avg. Cash	1.0 %	0.5 %	2.9 %	2.7 %	0.5 %	0.6 %	0.4 %
Interest Paid / Avg. Debt	3.7 %	1.3 %	2.4 %	1.6 %	3.3 %	7.6 %	7.6 %
Management of Funds							
Investment ratio	5.4 %	12.0 %	21.2 %	13.7 %	9.6 %	9.0 %	8.8 %
Maint. Capex / Sales	1.9 %	1.9 %	3.1 %	0.0 %	3.0 %	3.0 %	3.0 %
Capex / Dep	88.3 %	161.8 %	265.4 %	160.6 %	111.7 %	115.7 %	126.1 %
Avg. Working Capital / Sales	13.5 %	17.9 %	19.0 %	17.1 %	14.8 %	15.8 %	15.8 %
Trade Debtors / Trade Creditors	109.5 %	246.9 %	183.1 %	175.9 %	153.0 %	149.6 %	150.0 %
Inventory Turnover	3.6 x	3.3 x	3.8 x	4.1 x	3.3 x	3.5 x	3.6 x
Receivables collection period (days)	27	44	44	42	29	30	30
Payables payment period (days)	49	39	49	49	40	40	40
Cash conversion cycle (Days)	79	115	91	82	99	93	93

CAPEX and Cash Flow

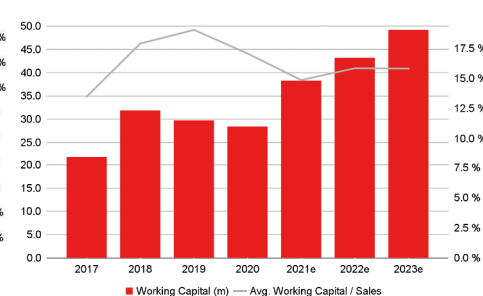
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Basler	3, 5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005102008.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	144	69
Hold	56	27
Sell	5	2
Rating suspended	5	2
Total	210	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	40	83
Hold	5	10
Sell	0	0
Rating suspended	3	6
Total	48	100

PRICE AND RATING HISTORY BASLER AS OF 07.05.2021



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemeyer +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +49 40 309537-240
Telco, Media, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Mustafa Hidir +49 40 309537-230
Automobiles, Car Suppliers mhidir@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate sstippig@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Klaus Schilling +49 40 3282-2664
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Alexander Eschweiler +49 40 3282-2669
Germany, Luxembourg aeschweiler@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Christopher Seedorf +49 69 5050-7414
Switzerland cseedorf@mmwarburg.com

Sophie Hauer +49 69 5050-7417
Roadshow/Marketing shauer@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Marcel Magiera +49 40 3282-2662
Sales Trading mmagiera@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

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Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com