

Buy EUR 170.00 (EUR 164.00) Price EUR 103.00 Upside 65.0 %	Value Indicators: EUR DCF: 170.32 FCF-Value Potential 24e: 65.29	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: 1,024.0 No. of shares (m): 9.9 EV: 1,038.5 Freefloat MC: 399.4 Ø Trad. Vol. (30d): 725.15 th	Shareholders: Freefloat 39.0 % Norbert Basler 52.0 % Treasury shares 5.0 % Dr. Ley (CEO) 4.0 %	Key Figures (WRe): 2022e Beta: 1.1 Price / Book: 7.0 x Equity Ratio: 64 % Net Fin. Debt / EBITDA: 0.2 x Net Debt / EBITDA: 0.3 x

Cautious outlook as bottlenecks still obstruct visibility

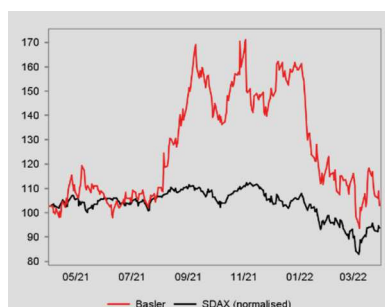
Stated Figures Q4/2021:					Comment on Figures:				
FY End: 31.12. in EUR m	Q4 21	Q4 21e	Q4 20	yoy	21	21e	20	yoy	
Sales	50.2	50.1	41.3	22 %	214.7	214.7	170.5	26 %	■ Demand remained high in Q4 with order intake of EUR 84.9m (+59% yoy, book-to-bill 1.7)
EBT	3.4	3.5	2.3	51 %	28.0	28.0	20.4	37 %	■ Q4 sales growth of 21.5% was more severely limited by bottlenecks
Margin	6.8 %	6.9 %	5.5 %		13.0 %	13.1 %	12.0 %		■ High procurement costs were not fully passed on to customers, resulting in an EBT-margin decline from 18.0% in H1 to 7.2% in H2
EPS	0.21	0.22	0.14	50 %	2.08	2.08	1.51	38 %	

Basler published the full-year report for 2021, which was in line with the preliminary results, and provided an outlook for the current year. Sales grew by 26% to EUR 214.7m and reached the midpoint of the EUR 210-220m guidance. The EBT margin increased from 12.0% to 13.0% and came in at the lower end of the 13-15% target range. Despite the high demand, as reflected in the record-high order intake of EUR 322.5m (+78% yoy), top-line growth in the last quarter was limited by bottlenecks and the cyber-attack in November last year.

As shortage-related price hikes were not passed on, the EBT margin dropped notably from 18.0% in H1 to 7.2% in H2. Although prices have now been adjusted, a significant part of the EUR 140.9m (2020 EUR 32.4m) order backlog is still subject to the former pricing model, which will impact profitability in the first half. Basler is thus expecting sales of EUR 235-265m and an EBT margin of 9-12% in 2022, which we consider too conservative even taking the aforementioned factors into account. The acquisitions of DATVISION and IOVIS should add ca. EUR 15m to the group top line, which implies organic growth of only 2% at the lower end. With record order intake and the continuation of high demand, the upper end of the spectrum, which implies organic growth of 15%, should be well within reach if the bottlenecks ease in H2. Thus, we maintain our estimate of EUR 270.5m for the full year. Regarding profitability, we have increased the material costs in our forecast to reflect unfavourable pricing of the backlog, but expect a recovery of the gross margin in H2 and estimate an EBT margin of 12.4% for the full year.

Despite temporary pricing effects, Basler continues to gain market share and harbours significant cross-selling potential in its transformation to a full-range supplier. Thus, we expect the company to reach its mid-term sales target of EUR 400m by 2025 and consider the current share price an attractive investment opportunity. We increase our target price slightly, due to a roll-over effect and confirm our Buy recommendation.

Changes in Estimates:					Comment on Changes:				
FY End: 31.12. in EUR m	2022e (old)	+ / -	2023e (old)	+ / -	2024e (old)	+ / -			
Sales	270.5	0.0 %	313.4	0.0 %	n.a.	n.m.	■ Material cost estimate increased to reflect the unfavourable pricing of the record high order backlog		
EBT	37.1	-9.5 %	43.8	-1.1 %	n.a.	n.m.	■ 2022 EBT margin reduced from 13.7% to 12.4%		
EPS	2.67	-9.0 %	3.15	-0.6 %	n.a.	n.m.			

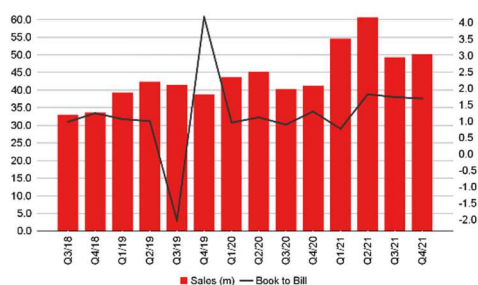


Rel. Performance vs SDAX:	
1 month:	-10.8 %
6 months:	-16.9 %
Year to date:	-23.8 %
Trailing 12 months:	12.0 %

Company events:	
04.05.22	Q1
23.05.22	AGM
03.08.22	Q2
08.11.22	Q3

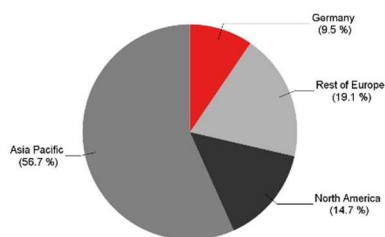
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	19.5 %	150.0	162.0	170.5	214.7	270.5	313.4	366.2
Change Sales yoy		-0.1 %	8.0 %	5.2 %	26.0 %	26.0 %	15.9 %	16.8 %
Gross profit margin		53.3 %	50.9 %	52.0 %	52.4 %	51.2 %	51.5 %	51.3 %
EBITDA	16.5 %	36.0	30.0	34.6	44.5	51.6	62.0	70.5
Margin		24.0 %	18.5 %	20.3 %	20.7 %	19.1 %	19.8 %	19.2 %
EBIT	22.8 %	24.8	17.0	20.1	28.4	34.4	44.1	52.6
Margin		16.6 %	10.5 %	11.8 %	13.2 %	12.7 %	14.1 %	14.4 %
EBT		24.5	16.9	20.4	28.0	33.6	43.3	51.8
Margin		16.3 %	10.4 %	12.0 %	13.0 %	12.4 %	13.8 %	14.1 %
Net income	21.5 %	17.0	12.9	15.1	20.8	24.2	31.2	37.3
EPS	21.6 %	1.76	1.29	1.51	2.08	2.43	3.13	3.74
DPS	21.9 %	0.53	0.26	0.58	0.62	0.73	0.94	1.12
Dividend Yield		0.9 %	0.6 %	1.1 %	0.5 %	0.7 %	0.9 %	1.1 %
FCFPS		0.93	-0.97	1.38	0.96	1.68	2.07	2.20
FCF / Market cap		1.6 %	-2.1 %	2.6 %	0.8 %	1.6 %	2.0 %	2.1 %
EV / Sales		3.8 x	3.0 x	3.2 x	5.5 x	3.9 x	3.3 x	2.8 x
EV / EBITDA		15.7 x	16.1 x	15.6 x	26.6 x	20.2 x	16.7 x	14.5 x
EV / EBIT		22.8 x	28.4 x	26.9 x	41.7 x	30.4 x	23.4 x	19.4 x
P / E		32.7 x	36.4 x	35.8 x	57.0 x	42.4 x	32.9 x	27.5 x
FCF Potential Yield		4.1 %	2.3 %	4.0 %	2.5 %	3.3 %	3.9 %	4.4 %
ROE		24.1 %	14.4 %	13.9 %	17.0 %	17.6 %	19.7 %	20.3 %
ROCE (NOPAT)		23.8 %	12.7 %	12.8 %	17.3 %	17.0 %	19.0 %	21.0 %
Guidance:	2021 sales EUR 235-265m, EBT margin 9-12%							

Sales development in EUR m



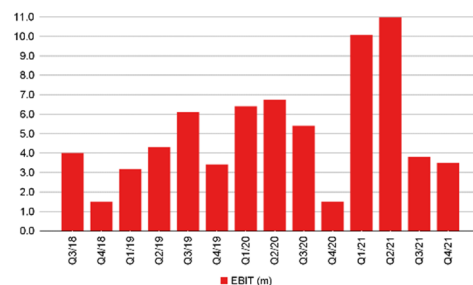
Source: Basler

Sales by regions 2021; in %



Source: Basler

EBIT development in EUR m



Source: Basler

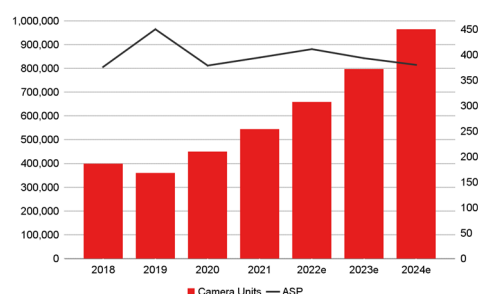
Company Background

- 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

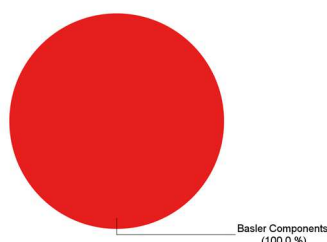
- In terms of units Basler is the world's largest developer and manufacturer of digital cameras in a fragmented, but consolidating, market for digital cameras for B2B-applications.
- High level of vision technology expertise: Basler has one of the largest developer pools in the sector and differentiates 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



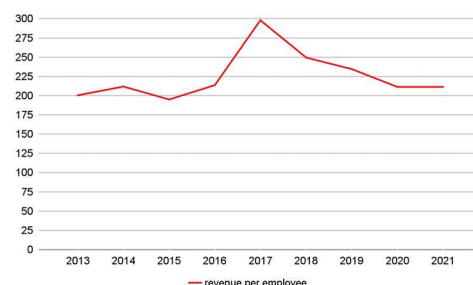
Source: Basler

Sales by segments 2021; in %



Source: Basler

Revenue per employee in EUR k



Source: Basler

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	
Sales	270.5	313.4	366.2	425.4	492.5	568.2	653.4	748.9	855.6	974.5	1,106.5	1,252.6	1,418.0	2.5 %
Sales change	26.0 %	15.9 %	16.8 %	16.2 %	15.8 %	15.4 %	15.0 %	14.6 %	14.2 %	13.9 %	13.5 %	13.2 %	13.2 %	
EBIT	34.4	44.1	52.6	60.8	69.9	79.6	91.5	104.8	119.8	136.4	154.9	175.4	198.5	14.0 %
EBIT-margin	12.7 %	14.1 %	14.4 %	14.3 %	14.2 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	
Tax rate (EBT)	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 %	14.0 %
NOPAT	24.8	31.8	37.8	43.8	50.4	57.3	65.9	75.5	86.2	98.2	111.5	126.3	142.9	
Depreciation	17.2	17.9	17.9	25.5	30.5	35.8	41.8	48.7	55.6	63.3	71.9	81.4	92.2	6.5 %
in % of Sales	6.4 %	5.7 %	4.9 %	6.0 %	6.2 %	6.3 %	6.4 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
Changes in provisions	0.3	0.0	0.0	0.3	0.3	0.4	0.4	0.5	0.6	0.6	0.7	0.8	0.9	0.0 %
Change in Liquidity from														
- Working Capital	-2.7	5.0	9.0	9.4	10.4	11.0	14.1	15.8	17.6	19.6	21.8	24.1	27.3	27.3
- Capex	22.6	24.2	25.0	29.8	34.1	39.0	44.4	50.4	57.0	64.2	72.2	80.9	85.1	
Capex in % of Sales	8.3 %	7.7 %	6.8 %	7.0 %	6.9 %	6.9 %	6.8 %	6.7 %	6.7 %	6.6 %	6.5 %	6.5 %	6.0 %	6.0 %
- Other	23.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-0.6	19.5	20.8	29.4	36.7	43.5	49.7	58.5	67.8	78.3	90.2	103.4	123.6	141
PV of FCF	-0.6	17.4	17.3	22.9	26.7	29.5	31.5	34.7	37.5	40.5	43.5	46.6	52.0	1,298
share of PVs	2.01 %			21.53 %										76.46 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	5.00 %	Financial Strength	0.90
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.20
Market return	7.00 %	Cyclicality	1.30
Risk free rate	1.50 %	Transparency	1.00
		Others	0.90
WACC	7.07 %	Beta	1.06

Valuation (m)

Present values 2034e	400		
Terminal Value	1,298		
Financial liabilities	54		
Pension liabilities	2		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	52	No. of shares (m)	9.9
Equity Value	1,693	Value per share (EUR)	170.32

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.25	8.1 %	120.71	124.17	127.92	132.01	136.49	141.40	146.83	1.25	8.1 %	115.88	121.26	126.64	132.01	137.39	142.77	148.14
1.16	7.6 %	134.88	139.22	143.96	149.18	154.93	161.32	168.44	1.16	7.6 %	131.10	137.13	143.15	149.18	155.20	161.23	167.25
1.11	7.3 %	142.99	147.87	153.24	159.17	165.75	173.09	181.33	1.11	7.3 %	139.96	146.37	152.77	159.17	165.58	171.98	178.38
1.06	7.1 %	151.91	157.44	163.54	170.32	177.87	186.36	195.96	1.06	7.1 %	149.85	156.67	163.49	170.32	177.14	183.96	190.79
1.01	6.8 %	161.76	168.05	175.03	182.81	191.55	201.44	212.71	1.01	6.8 %	160.93	168.22	175.52	182.81	190.11	197.40	204.69
0.96	6.6 %	172.70	179.88	187.90	196.91	207.09	218.70	232.06	0.96	6.6 %	173.44	181.26	189.08	196.91	204.73	212.56	220.38
0.87	6.1 %	198.57	208.13	218.94	231.26	245.44	261.93	281.35	0.87	6.1 %	203.92	213.04	222.15	231.26	240.38	249.49	258.60

- 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	2018	2019	2020	2021	2022e	2023e	2024e	
Net Income before minorities	17.0	12.9	15.1	20.8	24.2	31.2	37.3	
+ Depreciation + Amortisation	11.1	12.9	14.5	16.2	17.2	17.9	17.9	
- Net Interest Income	-0.3	-0.1	0.4	-0.4	-0.8	-0.8	-0.8	
- Maintenance Capex	2.9	5.0	4.4	7.5	8.1	9.4	11.0	
+ Other	-2.1	-10.0	-3.3	0.3	0.3	0.3	0.3	
= Free Cash Flow Potential	23.4	10.9	21.6	30.1	34.4	40.8	45.3	
FCF Potential Yield (on market EV)	4.1 %	2.3 %	4.0 %	2.5 %	3.3 %	3.9 %	4.4 %	
WACC	7.07 %	7.07 %	7.07 %	7.07 %	7.07 %	7.07 %	7.07 %	
= Enterprise Value (EV)	564.9	482.6	539.5	1,183.5	1,044.4	1,032.6	1,021.5	
= Fair Enterprise Value	331.3	154.5	305.6	426.0	486.4	577.0	640.6	
- Net Debt (Cash)	-0.4	-0.4	-0.4	-0.4	12.5	0.7	-10.4	
- Pension Liabilities	1.6	1.6	1.6	1.6	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	330.1	153.3	304.4	424.7	472.0	574.4	649.1	
Number of shares, average	9.6	9.9	10.0	10.0	10.0	10.0	10.0	
= Fair value per share (EUR)	34.24	15.42	30.42	42.60	47.34	57.61	65.10	
premium (-) / discount (+) in %					-54.0 %	-44.1 %	-36.8 %	
Sensitivity Fair value per Share (EUR)								
WACC	10.07 %	23.27	10.79	21.46	29.96	32.90	40.48	46.09
	9.07 %	25.85	11.99	23.84	33.27	36.69	44.98	51.08
	8.07 %	29.07	13.49	26.81	37.41	41.41	50.58	57.30
	7.07 %	34.24	15.42	30.42	42.60	47.34	57.61	65.10
	6.07 %	38.70	17.98	35.68	49.78	55.54	67.34	75.91
	5.07 %	46.35	21.55	42.75	59.63	66.78	80.67	90.71
	4.07 %	57.78	26.87	53.28	74.31	83.56	100.57	112.80

- Adjustment of the capitalised R&D impact
- The capex requirements for machinery and plant are low.
- Payment for the acquisitions of DATVISION and IOVIS are accounted for in the "others" line

Valuation	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	7.4 x	4.5 x	4.7 x	9.2 x	7.0 x	6.1 x	5.2 x
Book value per share ex intangibles	3.57	4.10	5.00	6.28	5.64	7.21	9.24
EV / Sales	3.8 x	3.0 x	3.2 x	5.5 x	3.9 x	3.3 x	2.8 x
EV / EBITDA	15.7 x	16.1 x	15.6 x	26.6 x	20.2 x	16.7 x	14.5 x
EV / EBIT	22.8 x	28.4 x	26.9 x	41.7 x	30.4 x	23.4 x	19.4 x
EV / EBIT adj.*	22.8 x	28.4 x	26.9 x	41.7 x	30.4 x	23.4 x	19.4 x
P / FCF	61.9 x	n.a.	39.1 x	123.1 x	61.2 x	49.8 x	46.8 x
P / E	32.7 x	36.4 x	35.8 x	57.0 x	42.4 x	32.9 x	27.5 x
P / E adj.*	32.7 x	36.4 x	37.0 x	57.0 x	42.4 x	32.9 x	27.5 x
Dividend Yield	0.9 %	0.6 %	1.1 %	0.5 %	0.7 %	0.9 %	1.1 %
FCF Potential Yield (on market EV)	4.1 %	2.3 %	4.0 %	2.5 %	3.3 %	3.9 %	4.4 %
*Adjustments made for: -							

Company Specific Items	2018	2019	2020	2021	2022e	2023e	2024e
revenue per employee	249.59	234.34	211.23	211.23	211.23	211.23	211.23
Camera Units	399,000	360,000	450,000	544,500	658,845	797,202	964,615
Book to Bill	1.0	1.0	1.1	1.5	1.0	1.0	1.0
ASP	376	450	379	394	411	393	380

Consolidated profit and loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	150.0	162.0	170.5	214.7	270.5	313.4	366.2
Change Sales yoy	-0.1 %	8.0 %	5.2 %	26.0 %	26.0 %	15.9 %	16.8 %
COGS	70.1	79.5	81.7	102.2	132.0	152.0	178.3
Gross profit	79.9	82.4	88.7	112.5	138.5	161.4	187.9
Gross margin	53.3 %	50.9 %	52.0 %	52.4 %	51.2 %	51.5 %	51.3 %
Research and development	18.8	17.9	21.7	29.9	36.7	41.6	47.9
Sales and marketing	23.0	31.5	30.6	34.9	44.1	50.8	60.1
Administration expenses	12.7	15.8	17.4	20.4	23.2	24.7	26.9
Other operating expenses	1.4	1.0	0.2	0.3	1.0	1.2	1.4
Other operating income	0.8	0.8	1.1	1.3	0.9	1.0	1.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	36.0	30.0	34.6	44.5	51.6	62.0	70.5
Margin	24.0 %	18.5 %	20.3 %	20.7 %	19.1 %	19.8 %	19.2 %
Depreciation of fixed assets	3.2	5.0	6.3	6.3	5.2	5.6	5.0
EBITA	32.8	25.0	28.3	38.2	46.4	56.4	65.5
Amortisation of intangible assets	7.9	8.0	8.2	9.8	12.0	12.3	12.9
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	24.8	17.0	20.1	28.4	34.4	44.1	52.6
Margin	16.6 %	10.5 %	11.8 %	13.2 %	12.7 %	14.1 %	14.4 %
EBIT adj.	24.8	17.0	20.1	28.4	34.4	44.1	52.6
Interest income	0.2	1.0	1.1	0.2	0.2	0.2	0.2
Interest expenses	0.5	1.1	0.8	0.6	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	24.5	16.9	20.4	28.0	33.6	43.3	51.8
Margin	16.3 %	10.4 %	12.0 %	13.0 %	12.4 %	13.8 %	14.1 %
Total taxes	7.5	4.0	5.3	7.2	9.4	12.1	14.5
Net income from continuing operations	17.0	12.9	15.1	20.8	24.2	31.2	37.3
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	17.0	12.9	15.1	20.8	24.2	31.2	37.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	17.0	12.9	15.1	20.8	24.2	31.2	37.3
Margin	11.3 %	7.9 %	8.9 %	9.7 %	8.9 %	9.9 %	10.2 %
Number of shares, average	9.6	9.9	10.0	10.0	10.0	10.0	10.0
EPS	1.76	1.29	1.51	2.08	2.43	3.13	3.74
EPS adj.	1.76	1.29	1.46	2.08	2.43	3.13	3.74

*Adjustments made for:

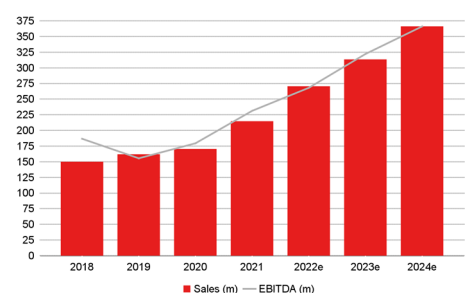
Guidance: 2021 sales EUR 235-265m, EBT margin 9-12%

Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	36.7 %	40.4 %	40.3 %	39.2 %	38.5 %	37.4 %	36.9 %
Operating Leverage	140.8 x	-3.9 x	3.4 x	1.6 x	0.8 x	1.8 x	1.1 x
EBITDA / Interest expenses	78.2 x	28.3 x	45.0 x	75.4 x	51.6 x	62.0 x	70.5 x
Tax rate (EBT)	30.6 %	23.9 %	26.0 %	25.8 %	28.0 %	28.0 %	28.0 %
Dividend Payout Ratio	30.0 %	20.1 %	38.4 %	29.8 %	30.0 %	30.0 %	30.0 %
Sales per Employee	249,589	200,944	210,964	248,528	281,802	326,483	381,458

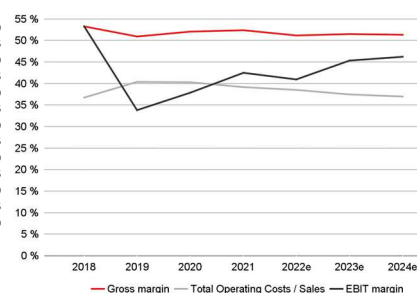
Sales, EBITDA

in EUR m

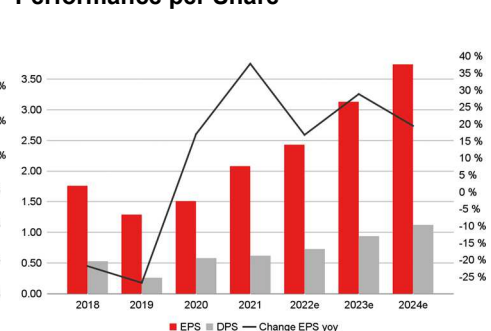


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

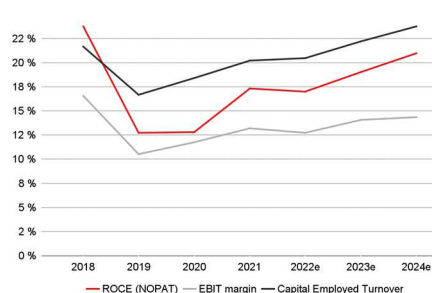
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	40.8	62.0	64.8	66.0	90.5	97.7	104.3
thereof other intangible assets	6.5	3.0	3.7	6.5	8.6	10.8	12.8
thereof Goodwill	12.7	27.5	27.5	27.5	45.5	45.5	45.5
Property, plant and equipment	22.5	30.6	29.3	28.7	32.6	31.7	32.2
Financial assets	1.7	4.6	2.2	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	65.1	97.2	96.3	94.7	123.1	129.4	136.5
Inventories	21.0	20.9	20.0	37.1	35.6	40.2	46.9
Accounts receivable	18.2	19.4	19.5	33.3	31.1	34.3	40.1
Liquid assets	31.8	35.2	47.9	54.8	32.6	44.5	55.5
Other short-term assets	2.8	8.5	6.5	7.3	7.3	7.3	7.3
Current assets	73.9	84.0	93.8	132.5	106.6	126.2	149.8
Total Assets	139.0	181.2	190.1	227.3	229.7	255.6	286.3
Liabilities and shareholders' equity							
Subscribed capital	3.2	10.0	10.0	10.0	10.0	10.0	10.0
Capital reserve	5.3	22.4	22.6	26.8	26.8	26.8	26.8
Retained earnings	66.5	74.8	87.1	94.2	118.4	149.6	186.9
Other equity components	0.5	-4.2	-4.8	-2.4	-8.3	-16.5	-26.9
Shareholders' equity	75.5	103.0	114.9	128.7	147.0	169.9	196.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	75.5	103.0	114.9	128.7	147.0	169.9	196.7
Provisions	8.3	8.2	9.4	16.0	10.4	10.6	10.9
thereof provisions for pensions and similar obligations	1.2	0.9	1.1	1.6	1.9	1.9	1.9
Financial liabilities (total)	39.8	50.0	45.1	54.4	45.1	45.1	45.1
Short-term financial liabilities	1.8	5.3	4.1	4.1	4.1	4.1	4.1
Accounts payable	7.4	10.6	11.1	18.8	17.8	20.6	24.1
Other liabilities	7.9	9.4	9.7	9.4	9.4	9.4	9.4
Liabilities	63.4	78.2	75.2	98.6	82.7	85.8	89.5
Total liabilities and shareholders' equity	139.0	181.2	190.1	227.3	229.7	255.6	286.3

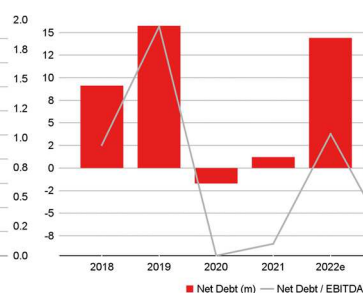
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	2.8 x	2.7 x	3.0 x	2.7 x	3.3 x	3.7 x	3.9 x
Capital Employed Turnover	1.8 x	1.4 x	1.5 x	1.7 x	1.7 x	1.8 x	1.9 x
ROA	26.1 %	13.2 %	15.7 %	21.9 %	19.7 %	24.1 %	27.3 %
Return on Capital							
ROCE (NOPAT)	23.8 %	12.7 %	12.8 %	17.3 %	17.0 %	19.0 %	21.0 %
ROE	24.1 %	14.4 %	13.9 %	17.0 %	17.6 %	19.7 %	20.3 %
Adj. ROE	24.1 %	14.4 %	13.4 %	17.0 %	17.6 %	19.7 %	20.3 %
Balance sheet quality							
Net Debt	9.1	15.7	-1.7	1.2	14.4	2.6	-8.5
Net Financial Debt	8.0	14.9	-2.8	-0.4	12.5	0.7	-10.4
Net Gearing	12.1 %	15.3 %	-1.5 %	0.9 %	9.8 %	1.5 %	-4.3 %
Net Fin. Debt / EBITDA	22.2 %	49.6 %	n.a.	n.a.	24.2 %	1.1 %	n.a.
Book Value / Share	7.8	10.3	11.5	12.9	14.7	17.0	19.7
Book value per share ex intangibles	3.6	4.1	5.0	6.3	5.6	7.2	9.2

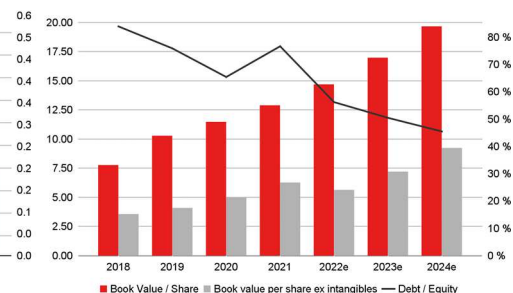
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

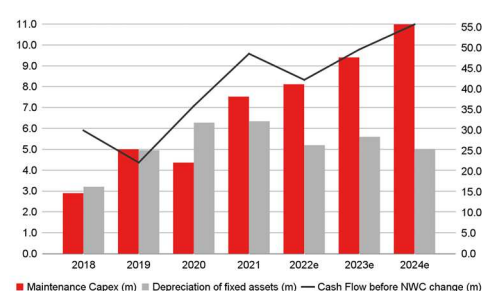
In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	17.0	12.9	15.1	20.8	24.2	31.2	37.3
Depreciation of fixed assets	3.2	5.0	6.3	6.3	5.2	5.6	5.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	7.9	8.0	8.2	9.8	12.0	12.3	12.9
Increase/decrease in long-term provisions	0.0	-0.1	1.1	6.6	0.3	0.0	0.0
Other non-cash income and expenses	1.7	-3.7	5.1	5.1	0.5	0.5	0.5
Cash Flow before NWC change	29.9	22.1	35.9	48.6	42.2	49.6	55.7
Increase / decrease in inventory	2.2	0.1	0.9	-17.1	1.5	-4.6	-6.7
Increase / decrease in accounts receivable	-6.4	-1.1	-0.1	-13.8	2.2	-3.2	-5.8
Increase / decrease in accounts payable	-4.5	3.2	0.5	7.8	-1.0	2.8	3.5
Increase / decrease in other working capital positions	5.8	0.5	0.1	-0.1	-5.6	0.2	0.3
Increase / decrease in working capital (total)	-2.9	2.7	1.5	-23.2	-2.9	-4.8	-8.7
Net cash provided by operating activities [1]	27.0	24.7	37.3	25.3	39.3	44.8	46.9
Investments in intangible assets	-13.6	-29.3	-20.6	-11.8	-18.5	-19.5	-19.5
Investments in property, plant and equipment	-4.5	-5.1	-2.7	-3.9	-4.1	-4.7	-5.5
Payments for acquisitions	-7.7	0.0	0.0	0.0	-23.0	-1.0	-1.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	0.1	0.2	0.4	0.1	0.1	0.1
Net cash provided by investing activities [2]	-25.7	-34.2	-23.3	-15.3	-45.5	-25.1	-25.9
Change in financial liabilities	4.8	-1.8	2.3	10.4	-9.3	0.0	0.0
Dividends paid	-6.5	-5.1	-2.6	-5.8	-6.2	-7.3	-9.4
Purchase of own shares	-3.3	20.8	-0.2	-3.9	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.5	-1.0	-0.8	0.1	-0.6	-0.6	-0.6
Net cash provided by financing activities [3]	-5.5	13.0	-1.3	-3.1	-16.1	-7.9	-10.0
Change in liquid funds [1]+[2]+[3]	-4.2	3.5	12.7	7.0	-22.2	11.8	11.1
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	31.8	35.3	47.9	54.8	32.6	44.5	55.5

Financial Ratios

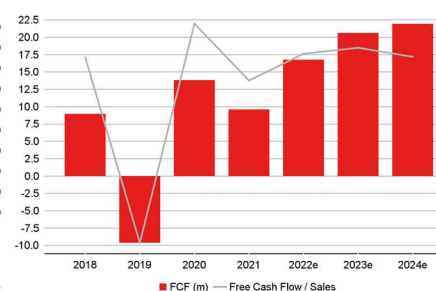
	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	9.0	-9.6	13.8	9.6	16.8	20.6	21.9
Free Cash Flow / Sales	6.0 %	-5.9 %	8.1 %	4.5 %	6.2 %	6.6 %	6.0 %
Free Cash Flow Potential	23.4	10.9	21.6	30.1	34.4	40.8	45.3
Free Cash Flow / Net Profit	52.7 %	-74.6 %	91.6 %	46.3 %	69.3 %	66.2 %	58.9 %
Interest Received / Avg. Cash	0.5 %	2.9 %	2.7 %	0.4 %	0.5 %	0.5 %	0.4 %
Interest Paid / Avg. Debt	1.3 %	2.4 %	1.6 %	1.2 %	2.0 %	2.2 %	2.2 %
Management of Funds							
Investment ratio	12.0 %	21.2 %	13.7 %	7.3 %	8.3 %	7.7 %	6.8 %
Maint. Capex / Sales	1.9 %	3.1 %	2.6 %	3.5 %	3.0 %	3.0 %	3.0 %
Capex / Dep	161.8 %	265.4 %	160.6 %	97.2 %	131.2 %	135.2 %	139.6 %
Avg. Working Capital / Sales	17.9 %	19.0 %	17.1 %	18.6 %	18.6 %	16.4 %	15.9 %
Trade Debtors / Trade Creditors	246.9 %	183.1 %	175.9 %	176.9 %	174.7 %	166.5 %	166.4 %
Inventory Turnover	3.3 x	3.8 x	4.1 x	2.8 x	3.7 x	3.8 x	3.8 x
Receivables collection period (days)	44	44	42	57	42	40	40
Payables payment period (days)	39	49	49	67	49	49	49
Cash conversion cycle (Days)	115	91	82	122	91	87	87

CAPEX and Cash Flow

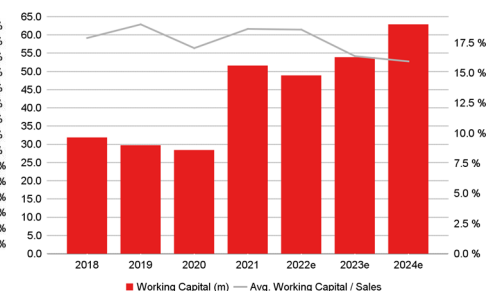
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All **data and consensus estimates** have been obtained from FactSet except where stated otherwise.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M. Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M. Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

This report has been made accessible to the company analysed.

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

INVESTMENT RECOMMENDATION

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

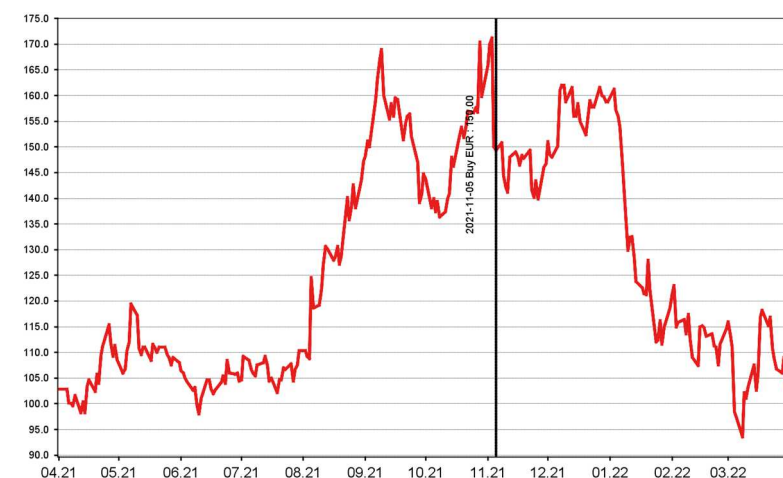
Rating	Number of stocks	% of Universe
Buy	170	80
Hold	35	17
Sell	4	2
Rating suspended	3	1
Total	212	100

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	51	86
Hold	5	8
Sell	1	2
Rating suspended	2	3
Total	59	100

PRICE AND RATING HISTORY BASLER AS OF 31.03.2022



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

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 69 5050-7400
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 40 3282-2695
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:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg RESP MMWA GO
FactSet www.factset.com

Refinitiv www.refinitiv.com
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