

Annual Report 2023



March 28, 2024

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Agenda

1. Executive Summary

2. Financials

3. Share

4. Outlook



2023 - A challenging year

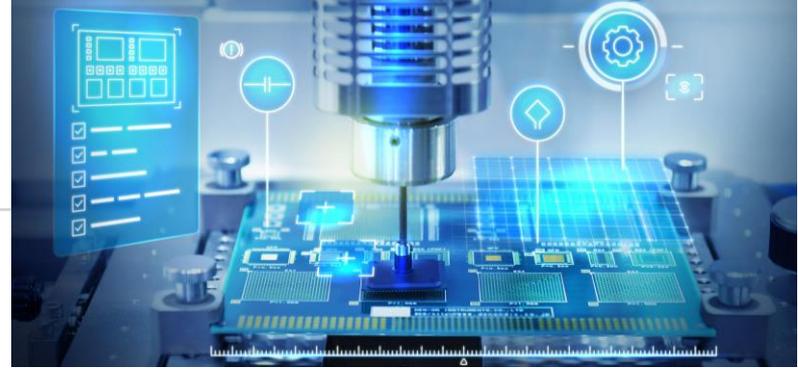
Difficult market conditions in North America and Asia. Post Corona effect in Consumer Electronics, Laboratory Automation and Logistics.

Downcycle amplified by high inventories at customers due to exaggerated ordering behavior during chip-shortage in 2021/2022.

High amount of cancellations mostly from China in HY1

German industry for vision components billings -14 % and bookings -21 %*

*Source: VDMA Jan. - Dec. 2023; nominal values



Basler Situation

- ▶ Bookings down -33 %, billings down -25 %
- ▶ Weak gross margin of 42.2 % due to low production utilization, consequential effects of supply crisis and price pressure/currency effects in China
- ▶ Unexpected strong slowdown hit Basler during organizational expansion and forced company into restructuring
- ▶ Pre-tax loss of -8.0 million € before and -20.2 million € after restructuring
- ▶ Restructuring program successfully implemented. Break-even point reduced to ~200 million € for 2024



Environmental Policy

Basler's climate and environmental policy defines the following targets:

- ▶ net zero emissions in Scopes 1 and 2 by the end of 2030
- ▶ a significant reduction of Scope 3 emissions in relation to sales

Ratings 2022 vs. 2023:

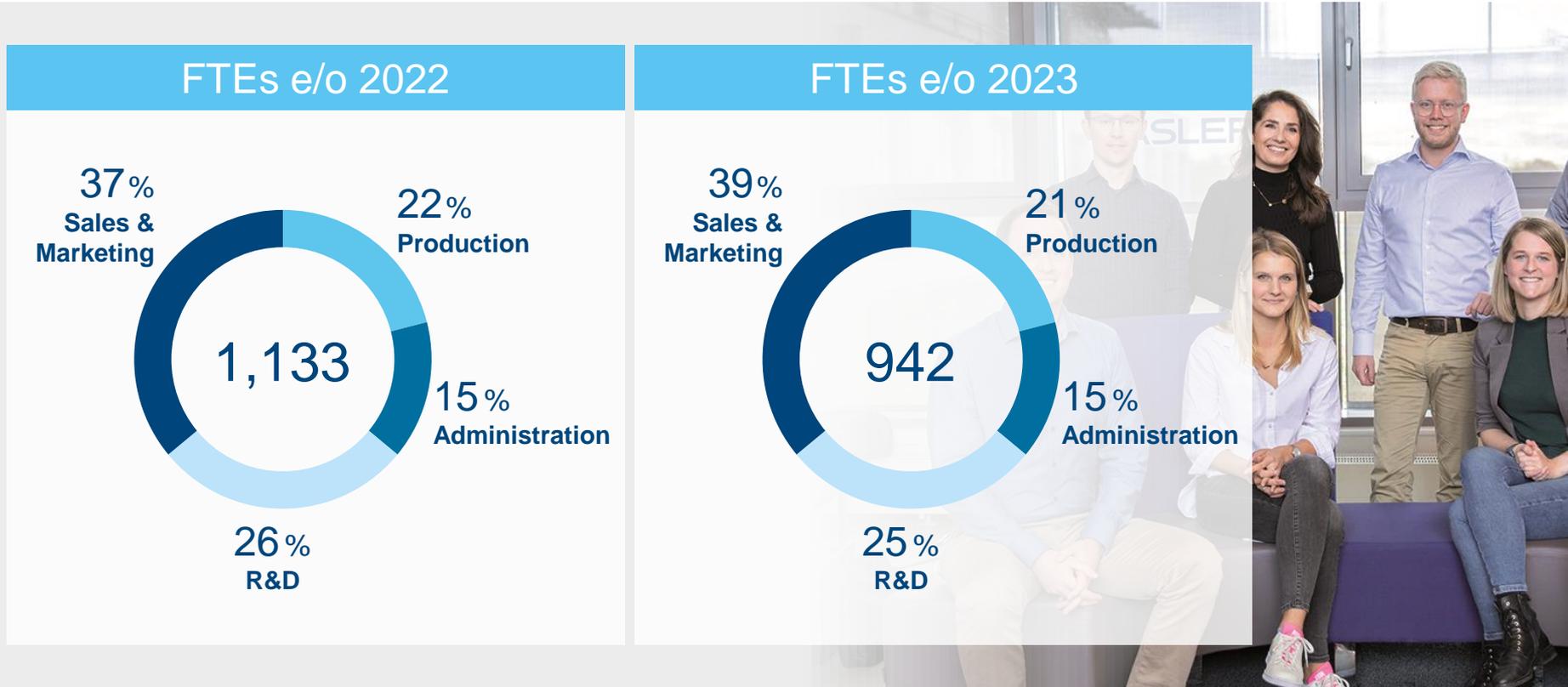
- ▶ **ISS ESG Corporate Rating Report** from **D** to **C**
- ▶ **MSCI ESG Report** from **BBB** to **A**
- ▶ **Sustainalytics** unchanged on “**Low Risk**”
- ▶ **Ecovadis 2023**: Silver medal, amongst top 15 % rated companies

SUSTAINABILITY REPORT 2023

Our values and our responsibility – for today and the future



The Team

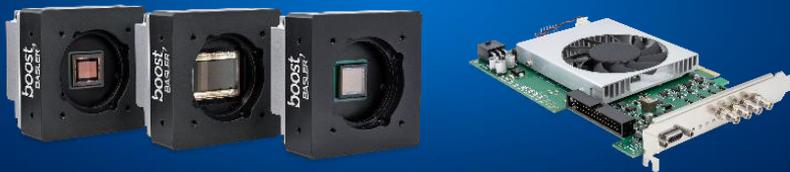


New Product Launches (1/2)

Expansion of the **ace2** product line by new CMOS sensors and new features



Addition of the **boost** camera line by new high resolution and faster image sensors with fitting **framegrabber** technology



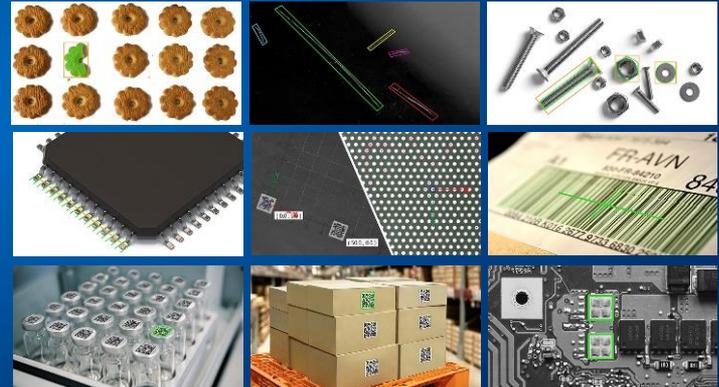
Development and qualification of complementary accessory products, especially in the field of **cables, lenses, interface cards** and **lighting**. Various customer-specific product innovations.



New Product Launches (2/2)

Introduction of **pylon 7** - for the first time Basler offers among numerous other options image processing algorithms and gradually expands the pylon Software Development Kit to the center of its offering.

As easy as connecting the dots.
pylon vTools - Image Processing, Simplified.



New Website supporting Full-Line Provider Positioning

BASLER



Software



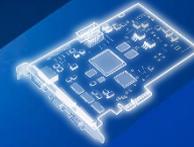
Cameras



Lenses



Illumination



Acquisition cards



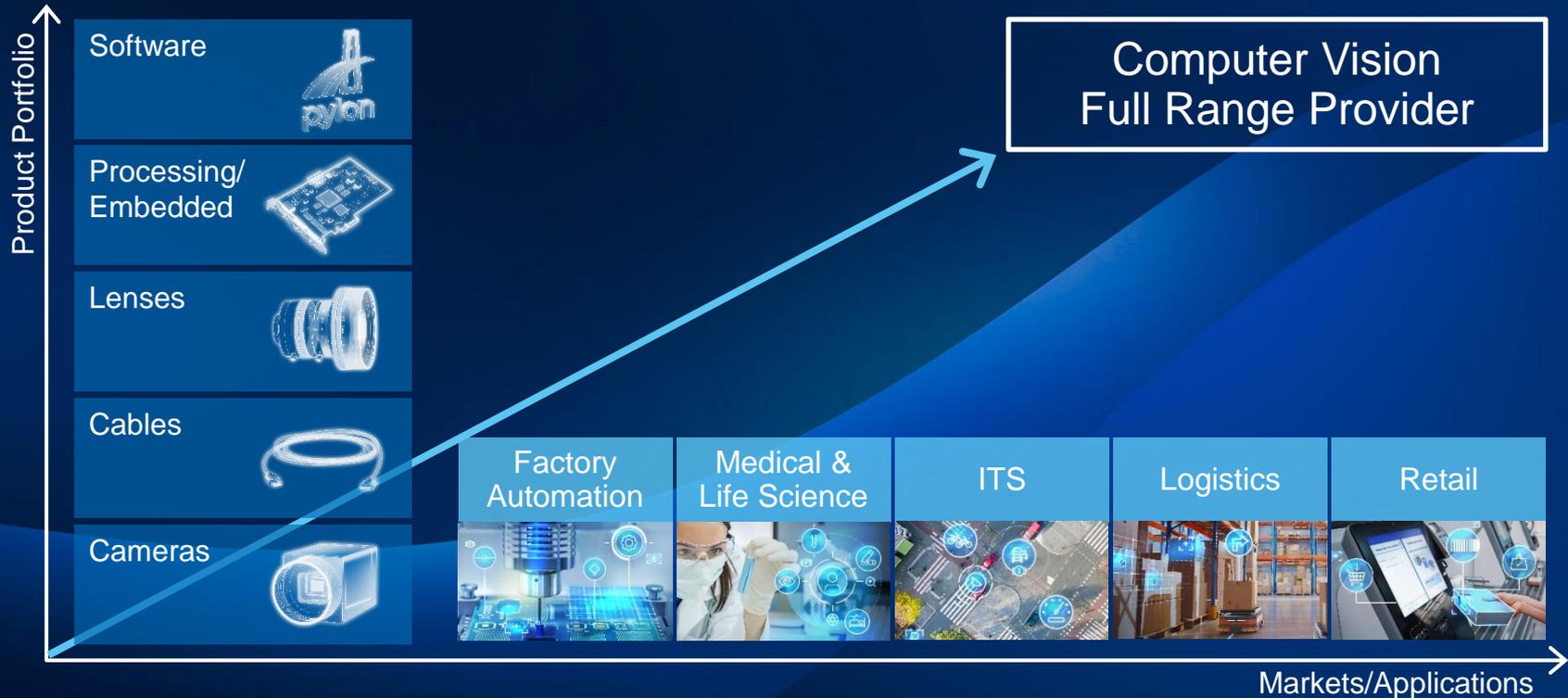
Accessories



Customized Solutions



From Camera Manufacturer to Full Range Provider



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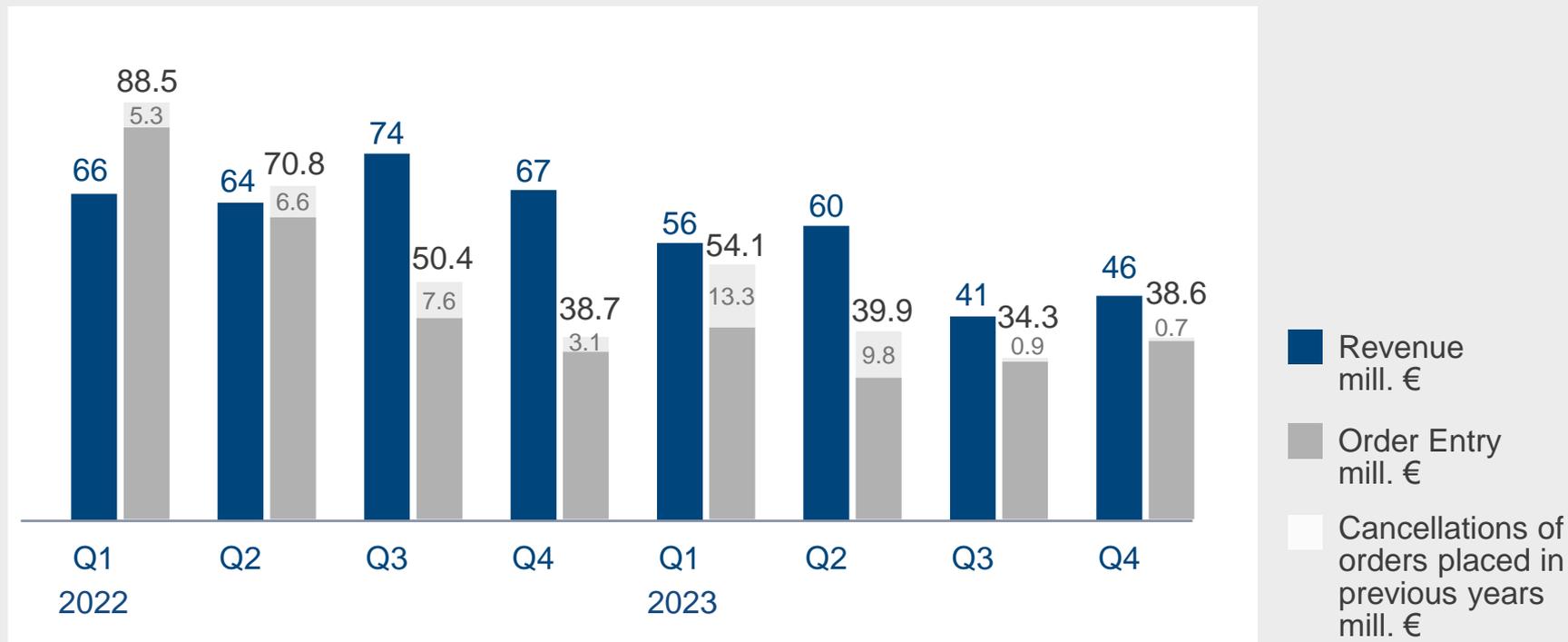
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Development of Bookings and Billings



Revenue Split by Regions



Development of Gross Profit and Margin



Blend of negative effects:

- ▶ spot-buys legacy
- ▶ currency effects (RMB, Yen)
- ▶ Price pressure in China
- ▶ Lower economies of scale (HY2)
- ▶ Statistical range reduction in Q4

■ Gross Margin %
■ Gross Profit mill. €

Development of EBT and EBT-Margin



P&L KPIs 2023 versus 2022 (in mill. €)

	2023	2022	+/-
Order Entry	166.9	248.4	-33 %
Sales	203.1	272.2	-25 %
Gross Profit	85.7	131.8	-35 %
Gross Profit Margin	42.2 %	48.4 %	-6.2 Pp.
EBITDA	1.7	45.8	-96 %
EBITDA before restructuring expenses	8.5	-	-
EBIT	-21.9	28.9	-
EBT	-20.2	28.3	-
EBT before restructuring expenses	-8.0	-	-
EBT-Margin	-9.9 %	10.4 %	-20.3 Pp.
Net Income	-13.8	21.4	-
EPS*	-0.45	0.71	-

*All numbers other than EPS in € mill., EPS in €

Development of Free Cashflow (in mill. €)



* extraordinary M&A investment (DATVISION and IOVIS, Korea) ** extraordinary M&A investment (Basler Italy and Basler France)

Liquidity and Cashflow 2023 vs. 2022 (in mill. €)

Cashflow	2023	2022	+/-
Cash, b.o. period	28.7	54.8	-48 %
Cashflow from Operations	4.2	12.4	-66 %
Cashflow from Investments	-13.4	-44.2	-70 %
Free Cashflow	-9.2	-31.8	-71 %
Cashflow from Financing	12.7	5.7	>+100 %
Cash, e.o. period	32.2	28.7	+12 %
Net Cash	2023	2022	+/-
Liabilites to banks	-61.1	-55.7	+10 %
Cash and Cash equivalents	32.2	28.7	+12 %
Net Debts (w/o leasing)	-28.9	-27.0	+7 %

Balance Sheet Assets on Dec. 31st, 2023 (in mill. €)

	2023	2022	+/-
Intangible assets	44.3	48.4	-8 %
Goodwill	45.8	46.1	-1 %
Fixed assets	14.6	16.8	-13 %
Building and land in finance lease	22.3	12.6	+77 %
Other	9.7	7.0	+39 %
Long-term assets	136.7	130.9	+4 %
Inventories	44.0	50.3	-13 %
Receivables from deliveries and service	27.4	41.2	-34 %
Other short-term assets	15.4	14.4	+7 %
Cash in bank	32.2	28.7	+12 %
Short-term assets	119.0	134.6	-4 %
Total assets	255.7	265.5	-4 %

Driver Asset Increase

- ▶ Building & infrastructure (S4/Hana)
- ▶ Still high inventories due to Chip Crisis and low business

Balance Sheet Liabilities on Dec. 31st, 2023 (in mill. €)

	2023	2022	+/-
Equity	139.2	141.5	-2 %
Long-term liabilities to banks	51.3	51.7	-1 %
Other financial liabilities	0.5	3.5	-86 %
Liabilities from finance lease	19.9	10.1	+97 %
Other long-term liabilities	4.6	12.8	-64 %
Long-term liabilities	76.3	78.1	-2 %
Other financial liabilities	9.7	4.0	>+100 %
Short-term accrual liabilities	7.2	10.7	-33 %
Short-term other liabilities	22.6	29.2	-23 %
Current tax liabilities	0.7	2.0	-65 %
Short-term financial debts	40.2	45.9	-12 %
Total liabilities	255.7	265.5	-4 %

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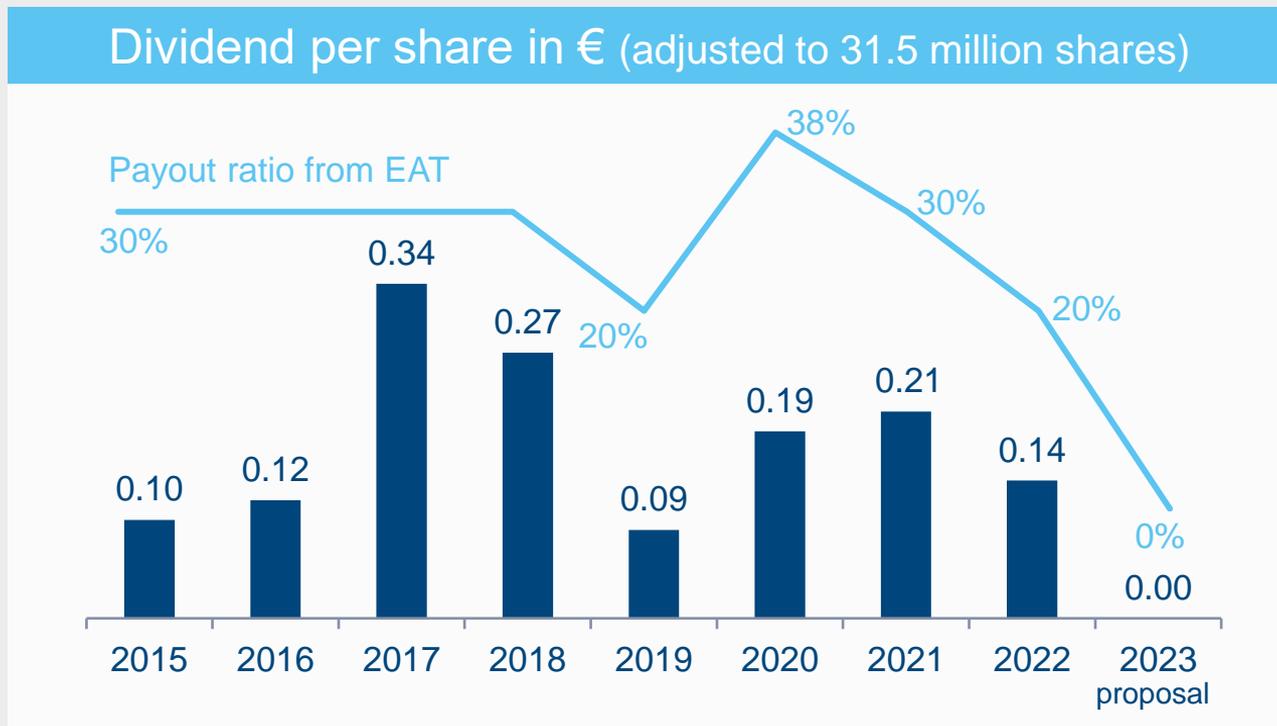
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Basler Share vs. TecDax



Dividend Proposal for FY 2023



- ▶ Number of shares: 31.5 million, Prime Standard
- ▶ Dividend policy: Approx. 30 % of net result each year, depending on business performance and planned investments in company's growth

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Assumptions 2024

For 2024, we expect:

- ▶ Stepwise recovery of markets:
 - demand is expected to rise gradually over the course of the year
 - HY1 demand still muted by excessive inventories
 - recovery in consumer electronics and logistics expected in HY2
 - geopolitical uncertainties remain
 - high competition intensity especially in China and Asia Pacific



Forecast 2024

Under these assumptions we guide for 2024:

Revenue € 190 - 210 mill.

EBT-Margin 0 – 5 %

- ▶ Q1 revenue expected to be < € 45 mill.; still below break-even point
- ▶ Q1 book-to-bill ratio expected be around 1
- ▶ Gross margin improvements already starting in Q1
- ▶ Short-time work will end April 1st, ongoing tight opex/capex management

Financial Mid-term Plan



Mid-term perspective/assumptions

- ▶ convinced that computer vision market will continue to grow with high single digit CAGR long term
- ▶ Basler's strategy addresses a wider market and offers more room for differentiation
- ▶ market recovery needs to start latest 2025
- ▶ access to China market remains

*Cash Conversation Rate FCF/EAT (excl. M&A transactions)

Questions & Answers



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