

# Annual Report 2023



March 28, 2024

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# Disclaimer

This document includes forward looking statements on Basler AG, its subsidiaries and associates („Group“), and on the economic, political and/or legal conditions that may influence the business performance of Basler AG. These forward looking statements include, without limitation, statements relating to the Group's business prospects, future developments, trends and conditions in the industry and geographical markets in which the Group operates, its strategies, plans, objectives and goals, its ability to control costs, statements relating to prices, volumes, operations, margins, overall market trends, risk management and exchange rates.

All these statements are based on views and assumptions made by the Management Board using information available to it at the time. These forward looking statements are, by their nature, subject to significant known and unknown risks and uncertainties.

Should these views or assumptions prove to be wholly or partly incorrect, or should further risks arise, actual business performance may differ from that expected.

Neither the Group nor the Management Board therefore can assume any liability for the statements made. Subject to legal requirements, the Group does not intend to update or otherwise revise such forward looking statements, whether as a result of new information, future events or otherwise.

# Agenda

## 1. Executive Summary

## 2. Financials

## 3. Share

## 4. Outlook



# 2023 - A challenging year

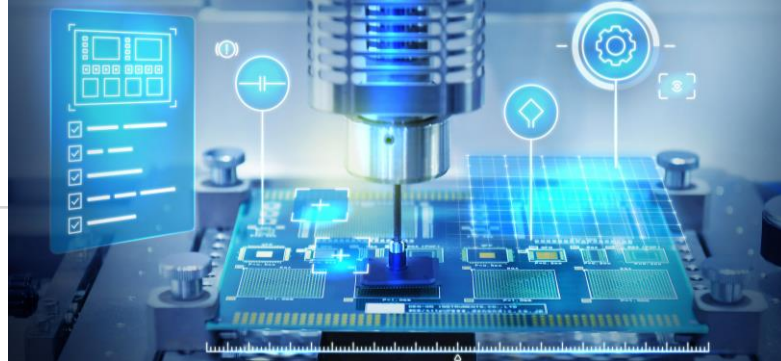
Difficult market conditions in North America and Asia. Post Corona effect in Consumer Electronics, Laboratory Automation and Logistics.

Downturn 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

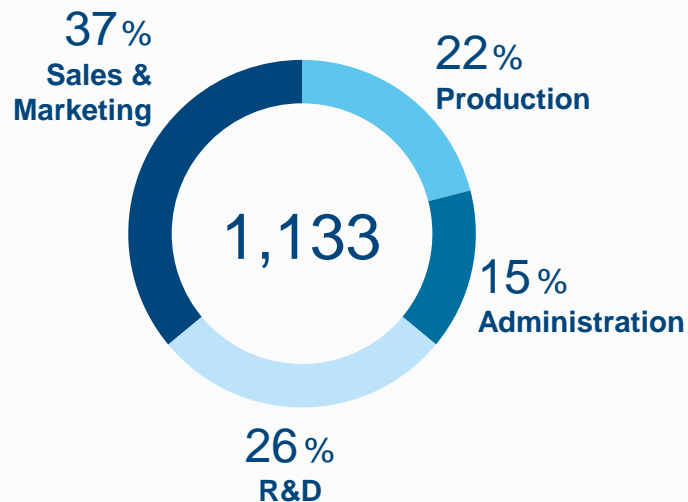
## SUSTAINABILITY REPORT 2023

Our values and our responsibility – for today and the future

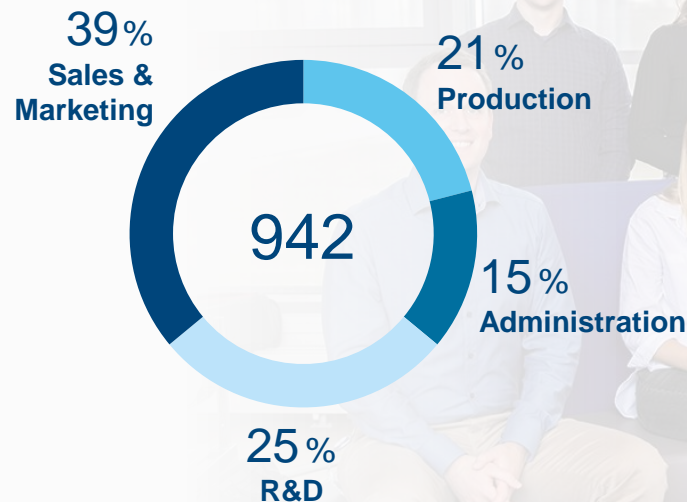


# The Team

FTEs e/o 2022



FTEs e/o 2023

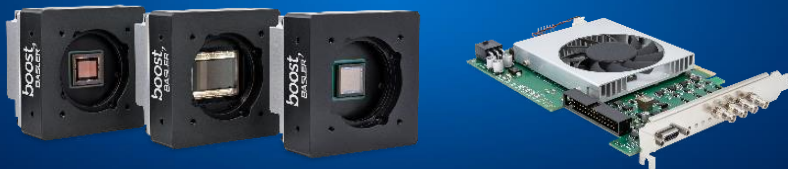


# New Product Launches (1/2)

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



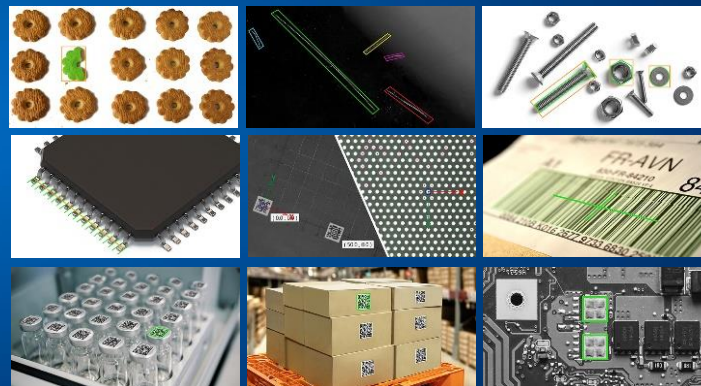
Development and qualification of complementary accessory products, especially in the field of **cables**, **lenses**, **interface cards** and **lighting**. Various customer-specific product innovations.



# 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



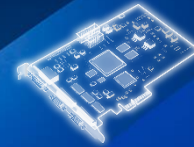
Cameras



Lenses



Illumination



Acquisition cards



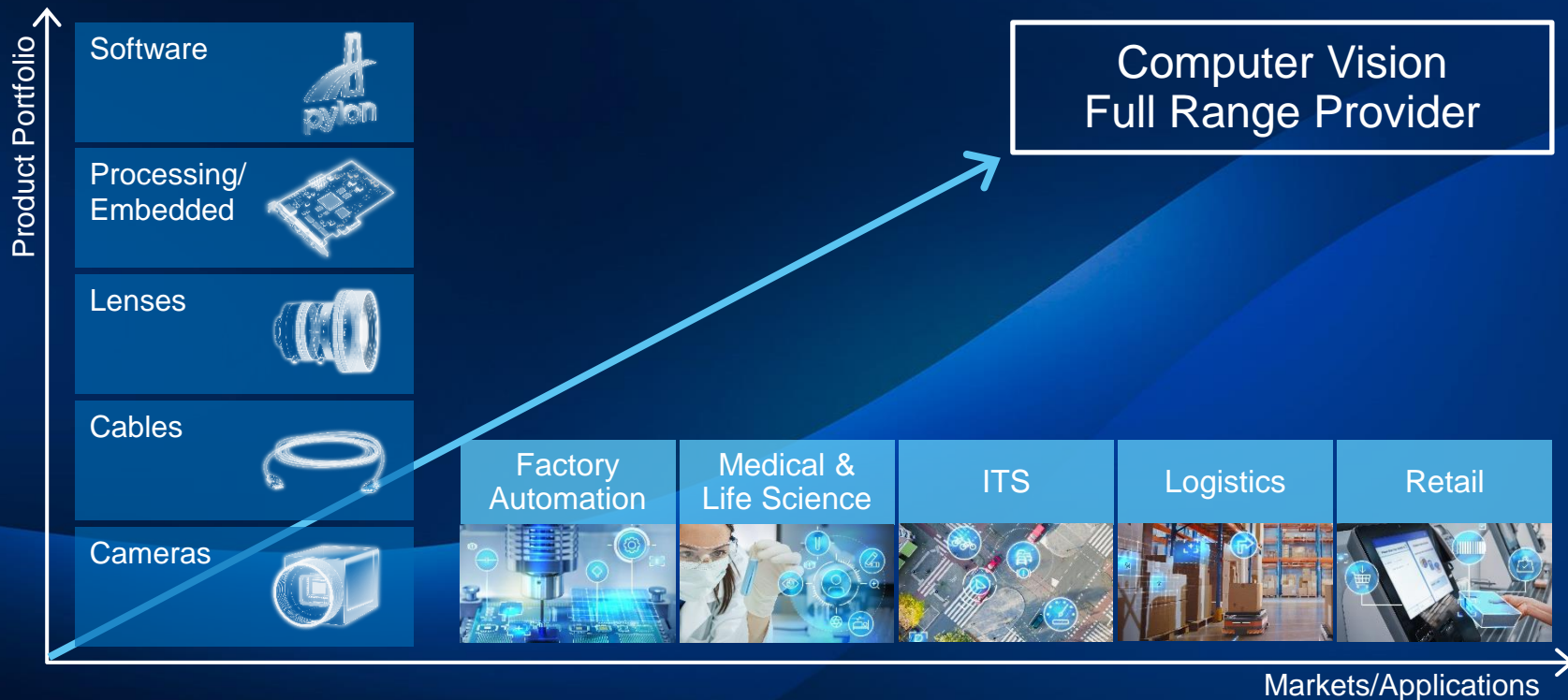
Accessories



Customized Solutions



# From Camera Manufacturer to Full Range Provider



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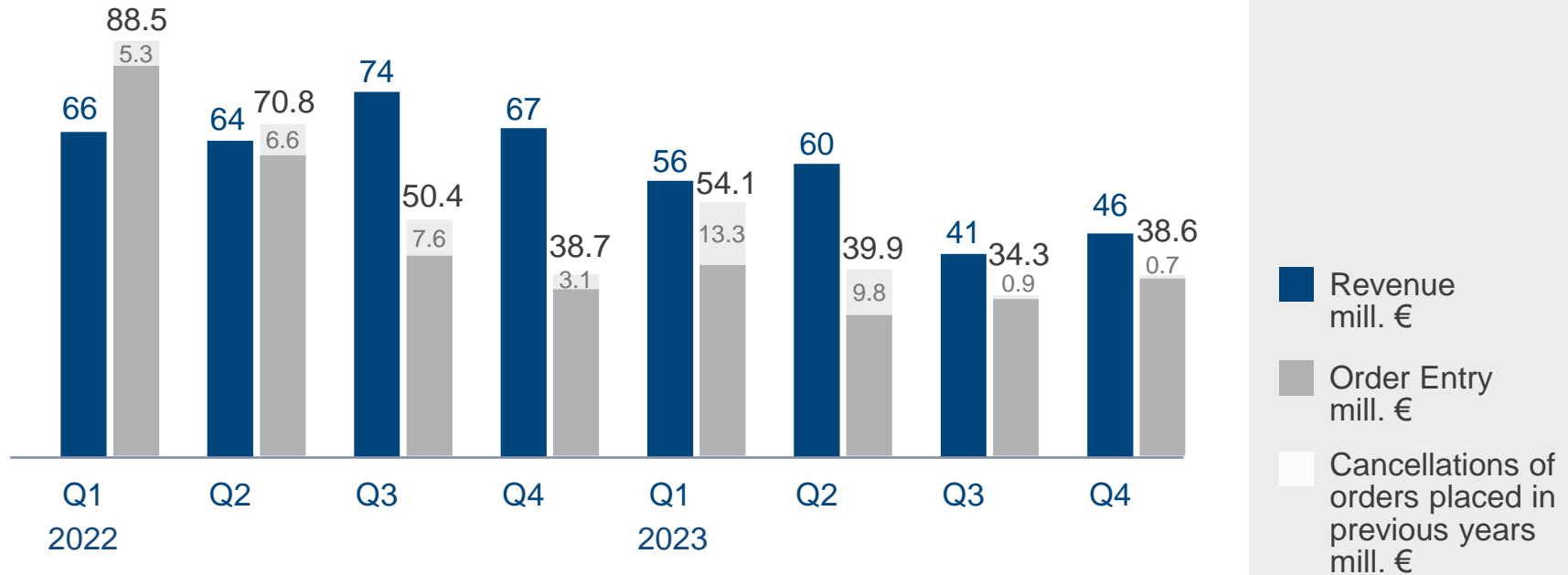
**2. Financials**

3. Share

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# Development of Bookings and Billings



## Revenue Split by Regions



## Development of Gross Profit and Margin

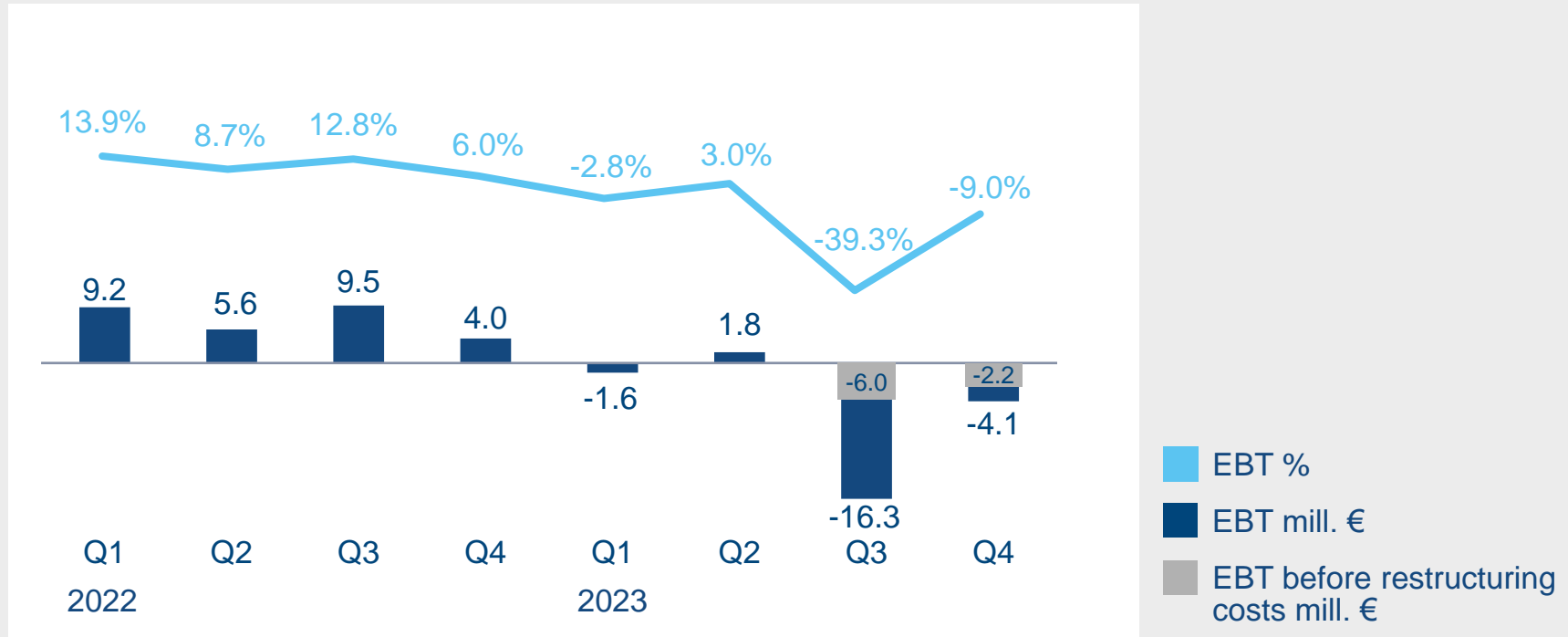


### Blend of negative effects:

- ▶ 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

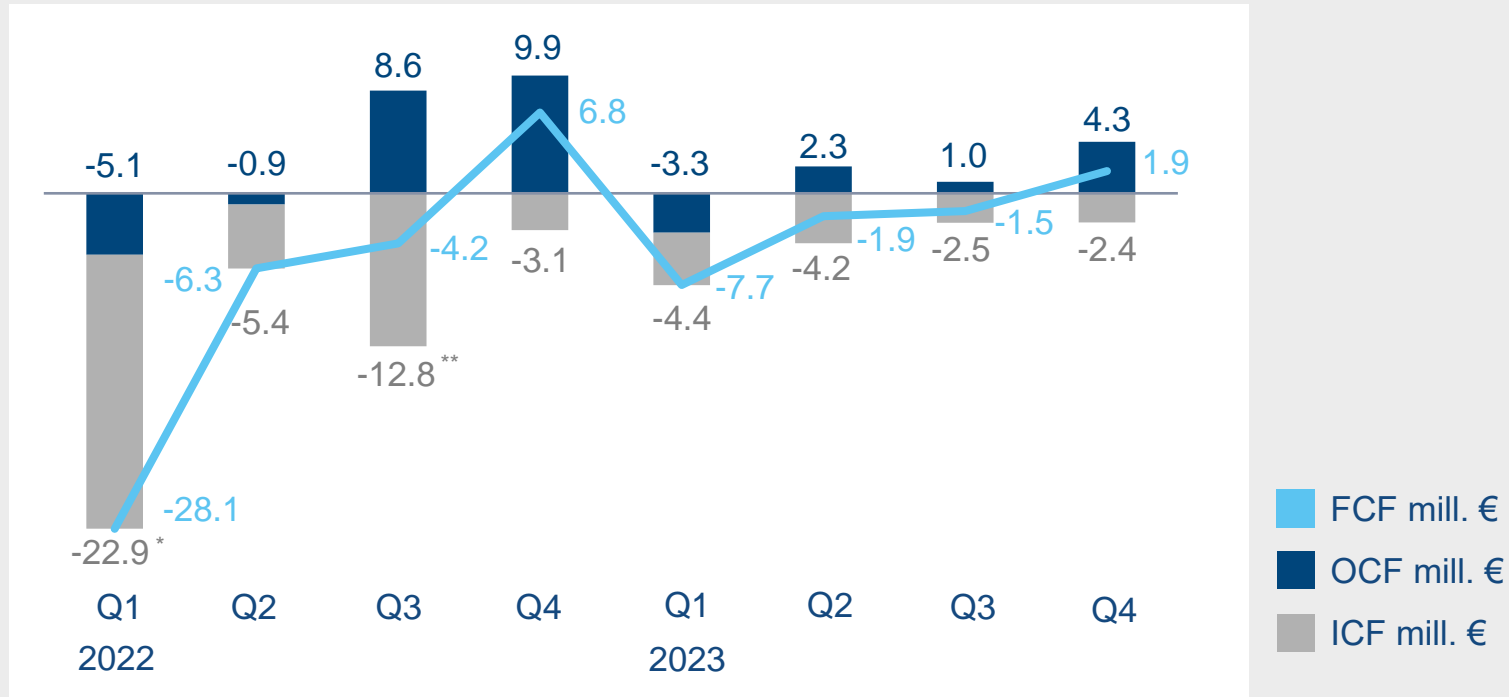


## P&L KPIs 2023 versus 2022 (in mill. €)

	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	+/-
<b>Cash, b.o. period</b>	<b>28.7</b>	<b>54.8</b>	<b>-48 %</b>
Cashflow from Operations	4.2	12.4	-66 %
Cashflow from Investments	-13.4	-44.2	-70 %
<b>Free Cashflow</b>	<b>-9.2</b>	<b>-31.8</b>	<b>-71 %</b>
Cashflow from Financing	12.7	5.7	>+100 %
<b>Cash, e.o. period</b>	<b>32.2</b>	<b>28.7</b>	<b>+12 %</b>
<b>Net Cash</b>	<b>2023</b>	<b>2022</b>	<b>+/-</b>
<b>Liabilites to banks</b>	<b>-61.1</b>	<b>-55.7</b>	<b>+10 %</b>
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 %
<b>Long-term assets</b>	<b>136.7</b>	<b>130.9</b>	<b>+4 %</b>
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 %
<b>Short-term assets</b>	<b>119.0</b>	<b>134.6</b>	<b>-4 %</b>
<b>Total assets</b>	<b>255.7</b>	<b>265.5</b>	<b>-4 %</b>

## 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	+/-
<b>Equity</b>	<b>139.2</b>	<b>141.5</b>	<b>-2 %</b>
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 %
<b>Long-term liabilities</b>	<b>76.3</b>	<b>78.1</b>	<b>-2 %</b>
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 %
<b>Short-term financial debts</b>	<b>40.2</b>	<b>45.9</b>	<b>-12 %</b>
<b>Total liabilities</b>	<b>255.7</b>	<b>265.5</b>	<b>-4 %</b>

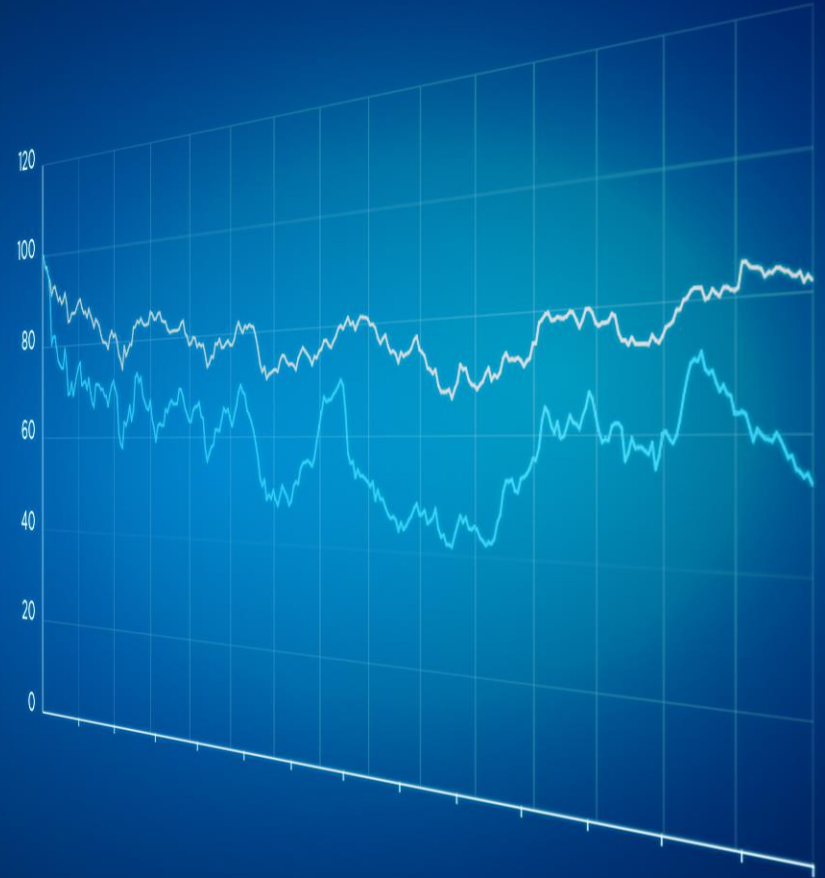
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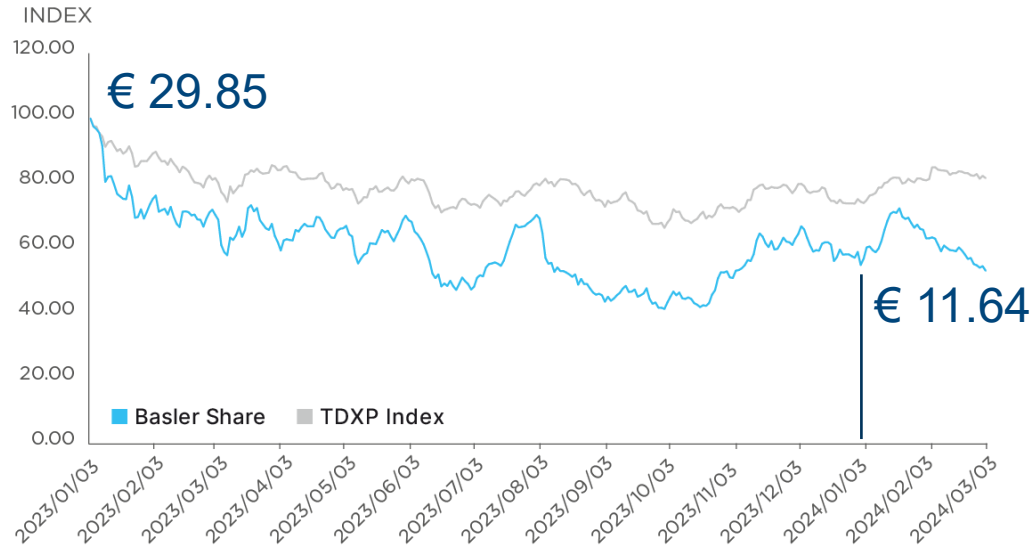
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**3. Share**

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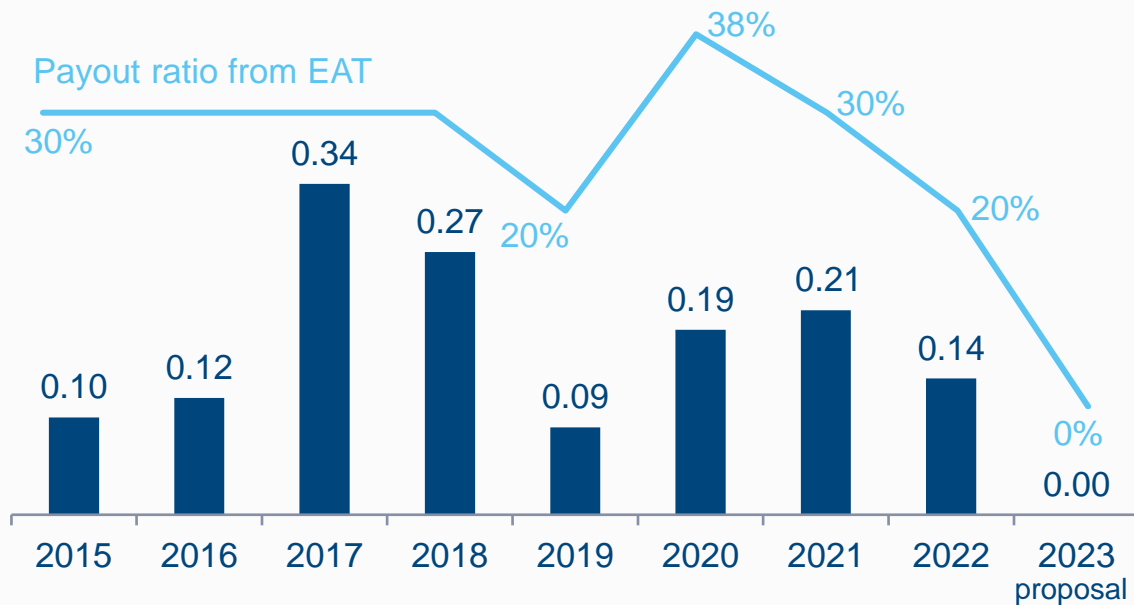


# Basler Share vs. TecDax



# Dividend Proposal for FY 2023

Dividend per share in € (adjusted to 31.5 million shares)



- ▶ 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

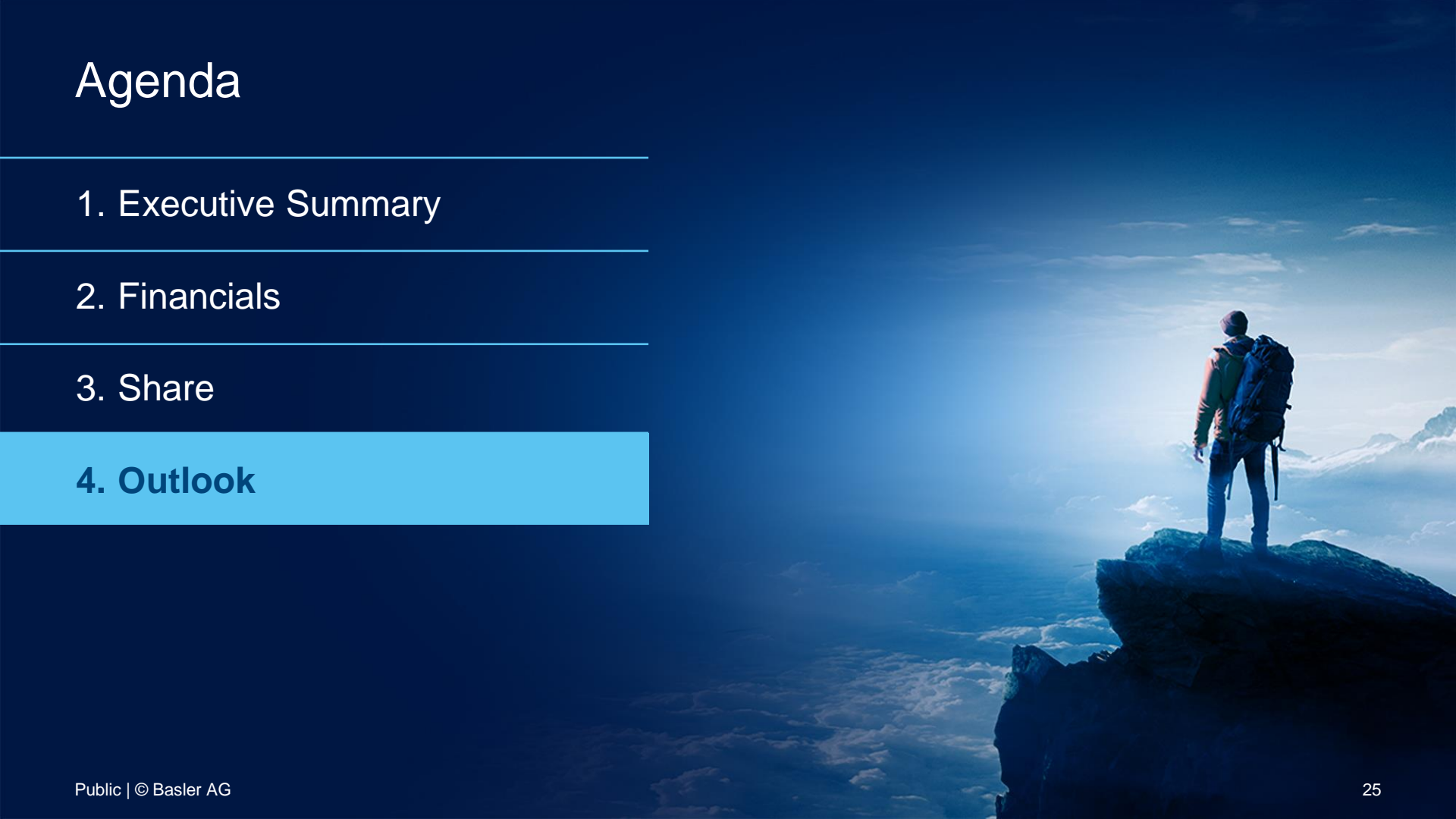
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# Assumptions 2024

## 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 1<sup>st</sup>, 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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