

Financial Results Q1 2014



Dietmar Ley (CEO), Hardy Mehl (CFO/COO)

Disclaimer

This document includes forward looking statements on Basler AG, its subsidiaries and associates, and on the economic und political conditions that may influence the business performance of Basler AG.

All these statements are based on assumptions made by the Executive Board using information available to it at the time.

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

The Executive Management Board therefore cannot assume any liability for the statements made.

Agenda

- **Company Profile**
- Growth Strategy
- Review & Financials
- Outlook



Company Profile

Who We Are

- A public listed family business
- The most trusted name in industrial cameras
- Founded in 1988
- 2013 revenue € 65.1 million
- 340 employees
- Headquarters in Ahrensburg, Germany



Company Profile

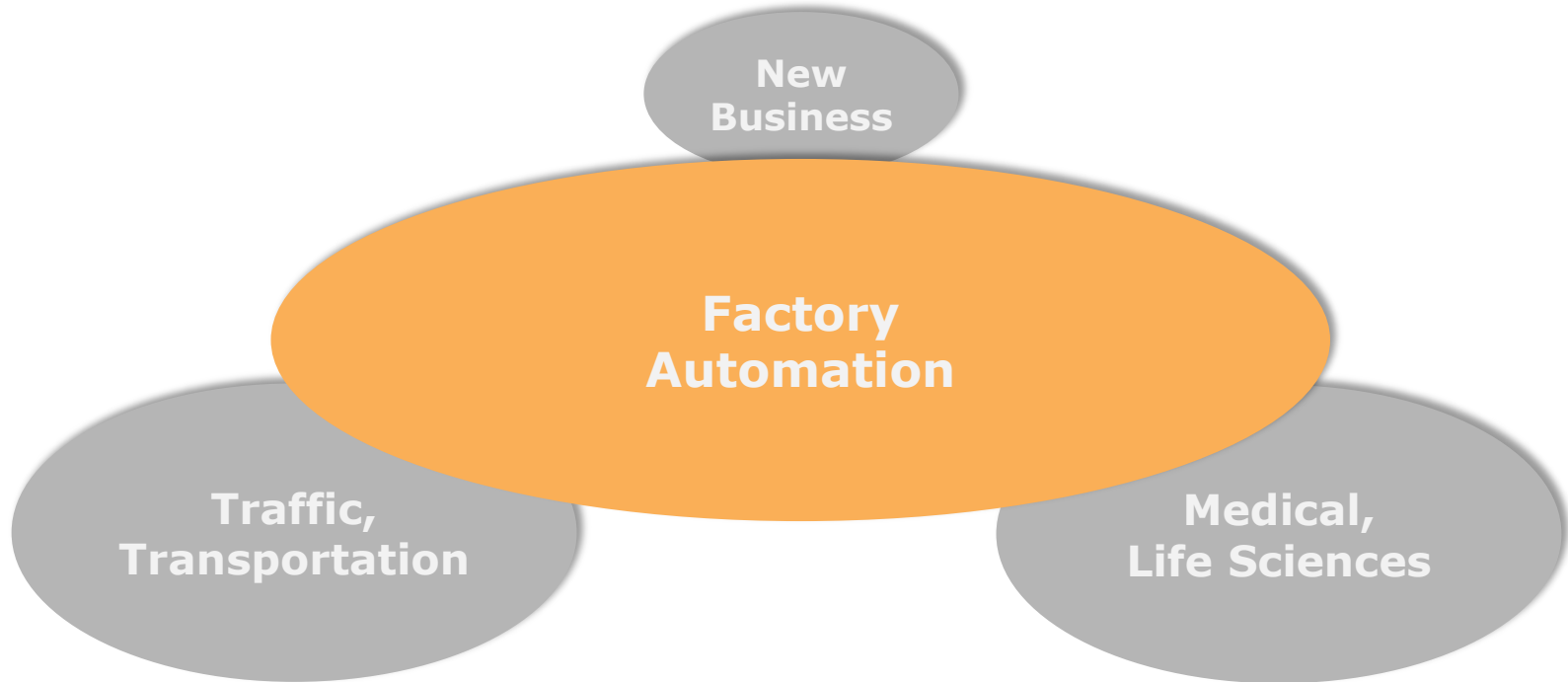
What We Make

- Cameras, made for
 - professional users (e.g. OEMs)
 - usage in investment goods (i.e. integration into machines)
 - automated imaging applications (e.g. quality inspection, license plate reading, blood analysis, face recognition)
 - 8 - 10 year product life cycle



Company Profile

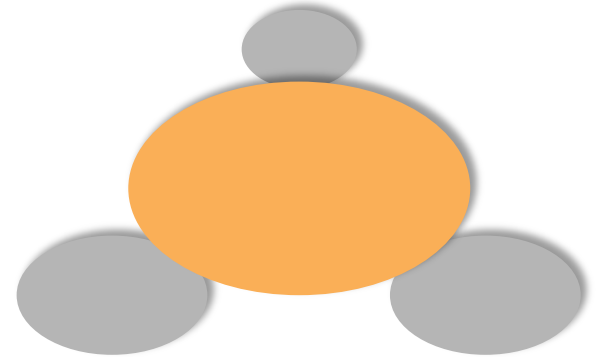
Which Markets We Serve



Company Profile

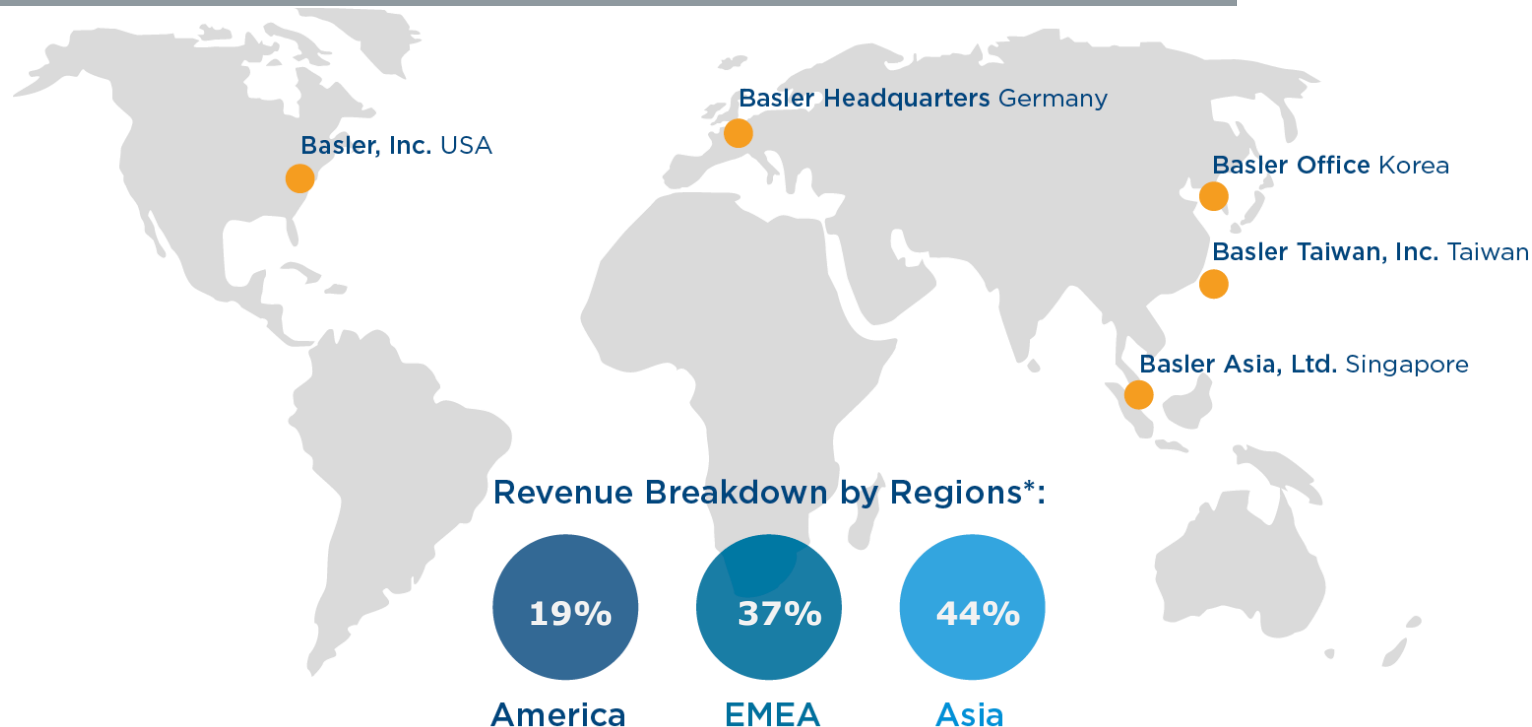
Which Markets We Serve

- Factory Automation,
Medical & Life Sciences,
Traffic & Transportation
 - Professional Camera Market ~ € 750 mill.
 - CAGR 8 – 10 %
- New Business
 - Professional Camera Market ~ € 100 mill.
 - CAGR > 20 %



Company Profile

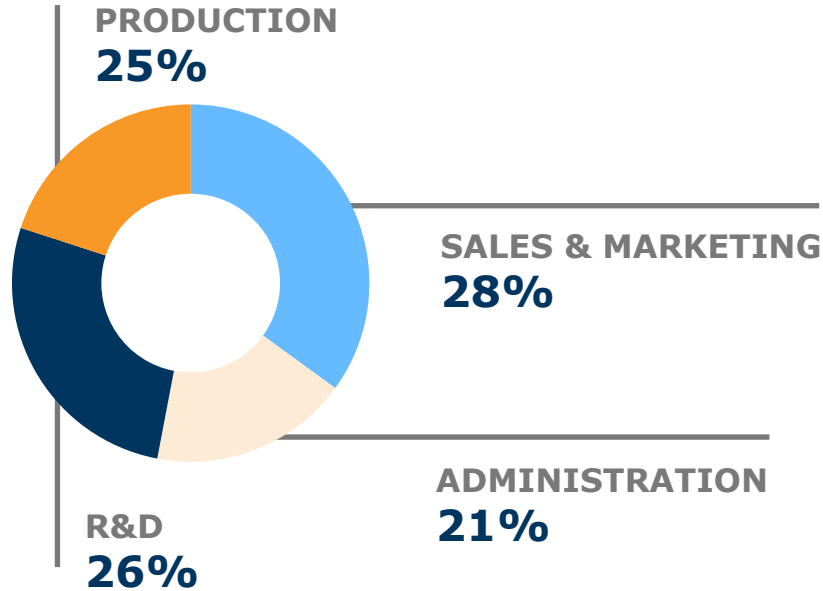
Where We Are



*as of March 31, 2014

Company Profile

What We Are Made Of



*351 fulltime equivalent jobs as of March 31th, 2014

Company Profile

Experienced Management-Team



Dr. Dietmar Ley
(Chief Executive Officer)

- Joined Basler in 1993
- Responsible for Product Development & HR



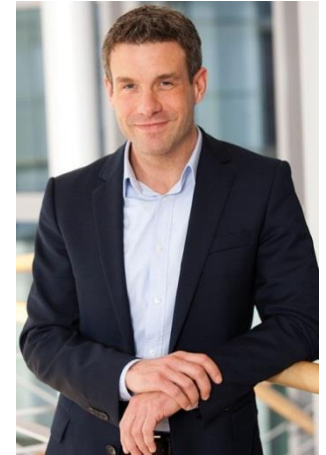
Arndt Bake
(Chief Marketing Officer)

- Joined Basler in 2001
- Responsible for Marketing & New Business



John P. Jennings
(Chief Commercial Officer)

- Joined Basler in 1998
- Responsible for Product Distribution & Subsidiaries



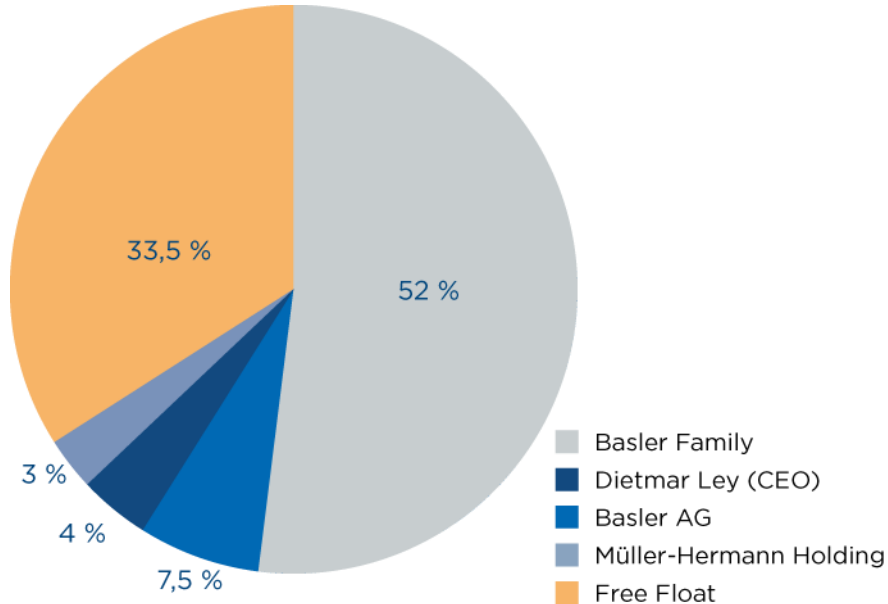
Hardy Mehl
(Chief Financial Officer,
Chief Operations Officer)

- Joined Basler in 1999
- Responsible for Finance, Admin & Operations

Company Profile

Basler Share

Shareholder Structure



*as of March 31th, 2014



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What Drives Us

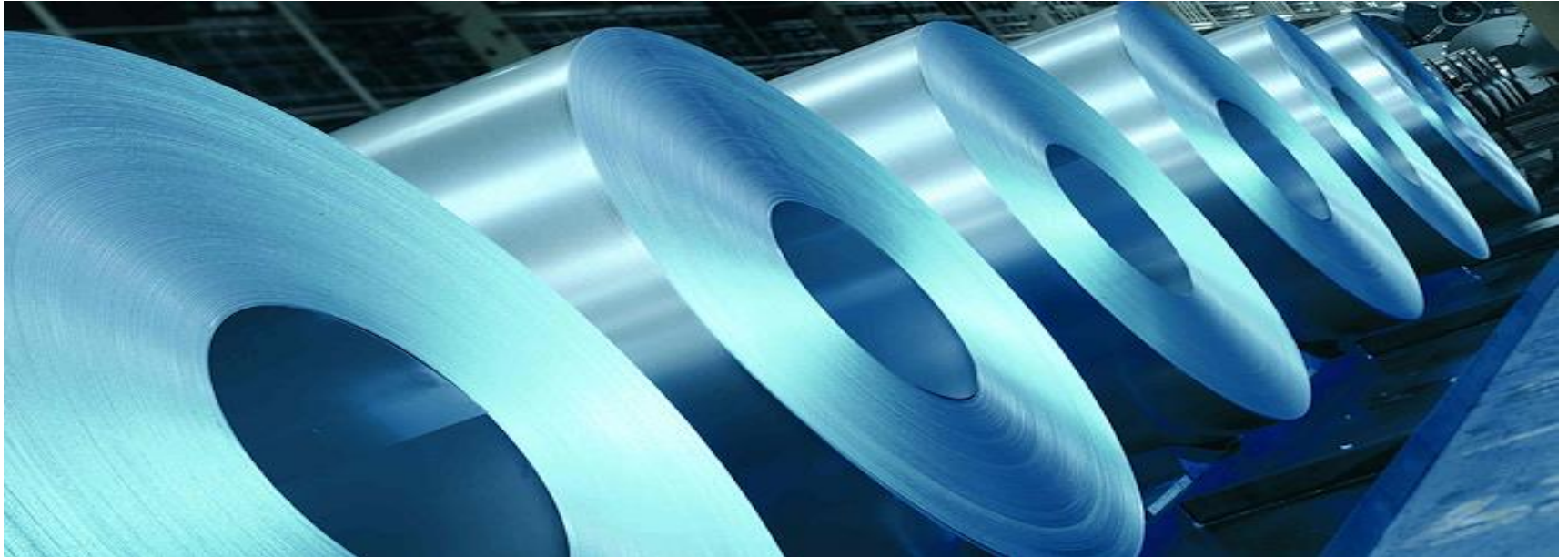
Our Vision & Mission

- Advances in technology will improve the quality of our lives
- We give technology the power of sight



Vision & Mission

We Are Helping To Inspect Steel, Paper and Plastic



Vision & Mission

We Are Helping To Develop Better Eye-Care



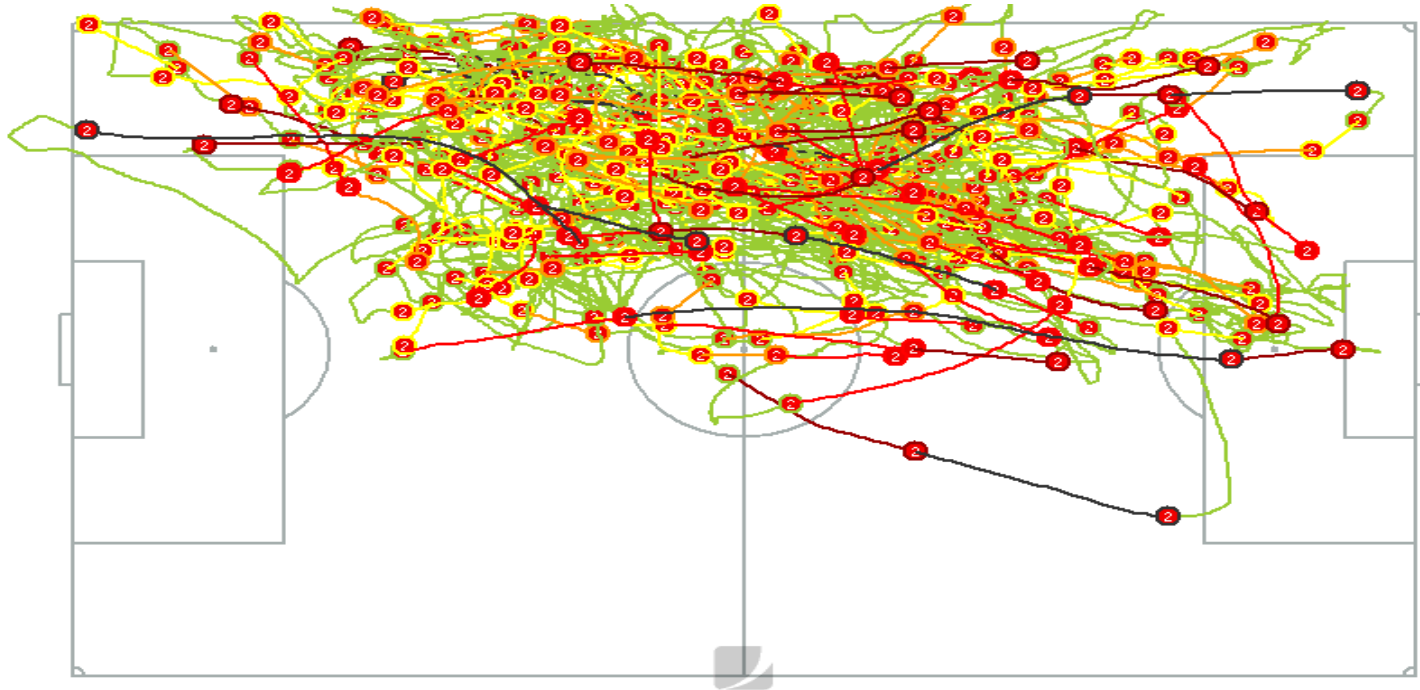
Vision & Mission

We Are Helping To Make American School Buses Safer



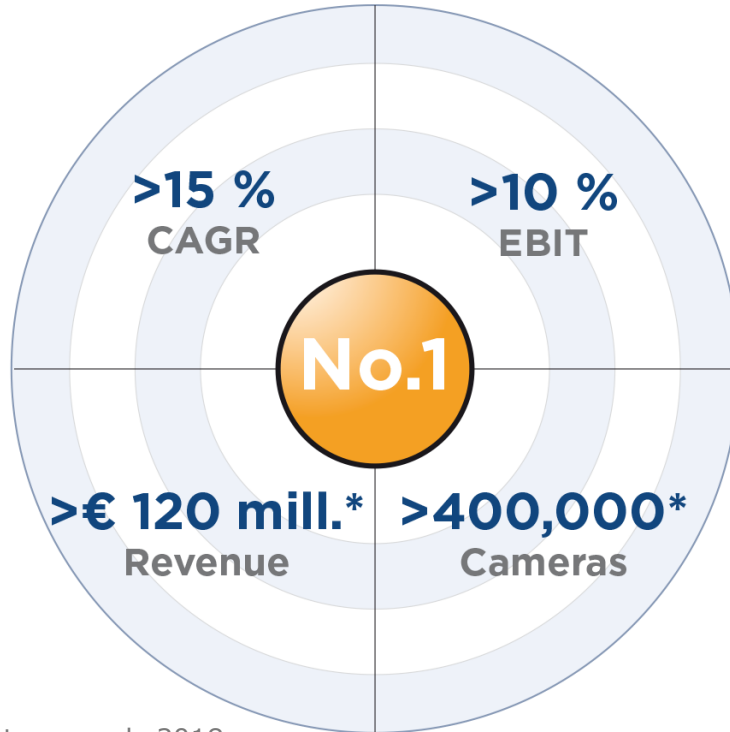
Vision & Mission

We Are Helping To Analyze Sports Events



Where We Are Going

Strategic Goals



*medium-term goals 2018

Where We Are Going

Strategic Goals

We achieve our 4YP by

- maximizing top-line growth at a healthy margin of $>10\%$ EBIT
- creating economic value with a $\sim 15\%$ ROCE (NOPAT) @ $7 - 9\%$ WACC
- generating positive free cash flows on a fiscal year base
- being focused on organic growth



How We'll Get There

Strategy

We evolve from

- being an industrial camera company
- to become a camera company (for B2B markets)

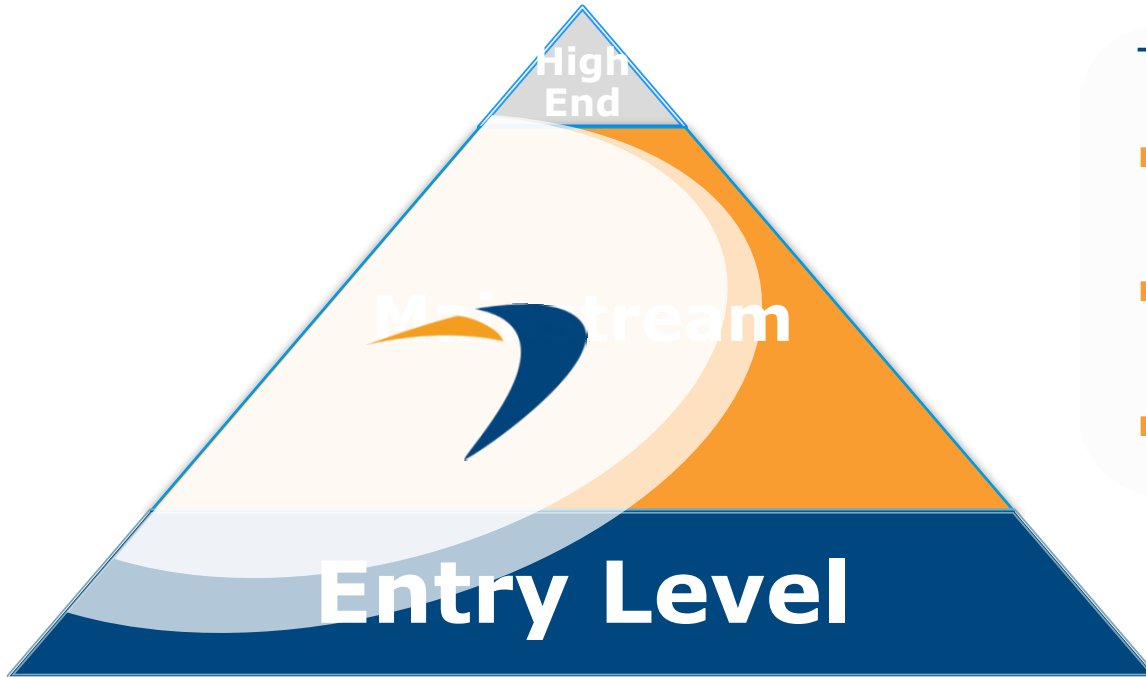
We grow by

- expanding our industrial camera business with regard to products and regions
- entering non-factory camera applications and markets



How We'll Get There

Strategy, Market Position



Tomorrow

- Maintain position in High-End
- Expand position in Mainstream
- Expand position in Entry-Level

How We'll Get There

Our Cameras Helping To Make Autonomous Construction Machines?



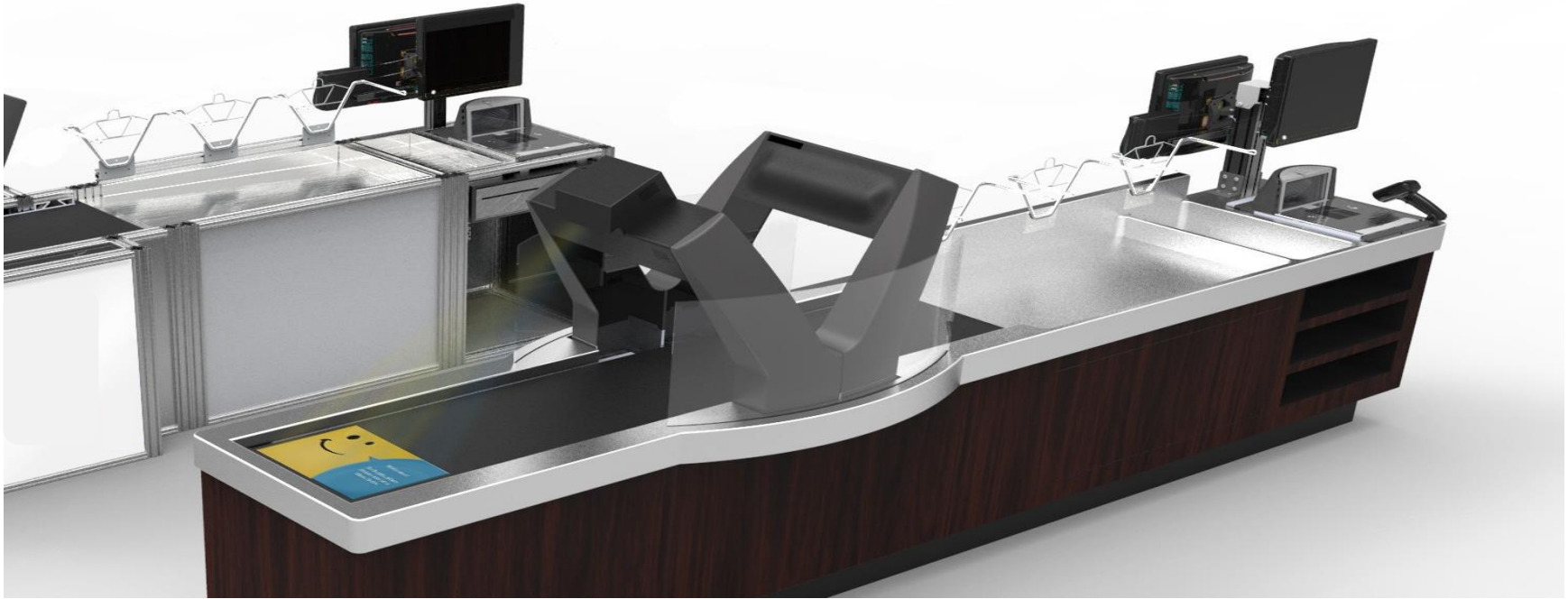
How We'll Get There

Our Cameras Helping To Make Kiosks Easier To Use?



How We'll Get There

Our Cameras Helping To Automate Self-Checkout Systems?



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Business Review

Market Situation & Growth Drivers in Q1 2014

- Bookings and billings are above general machine vision market development*
- No business impact due to Ukraine situation
- Gigabit Ethernet cameras were the main growth drivers in the product portfolio
- Asia continued to be the fastest growing region
- Bookings of recently introduced USB3 cameras continue to grow



Final Results Q1-2014

Profit & Loss

	Q1-2013	Q1-2014	+/-
Order Entry	17.6	19.3	+10 %
Sales	15.1	17.2	+14 %
Gross Profit	7.6	8.7	+14 %
EBIT	2.0	2.3	+15 %
EBT	1.8	1.9	+6 %
Net Income	1.2	1.3	+8 %
EPS*	0.35	0.39	+11 %



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

Final Results Q1-2014

Cashflow

	Q1-2013	Q1-2014	+/-
Cash, b.o. period	8.2	9.7	+18 %
Cashflow from Operations	1.9	1.6	-16 %
Cashflow from Investments	-1.2	-1.8	+50 %
Free Cashflow	0.7	-0.2	n. a.
Cashflow from Financing	-0.8	-0.9	-13 %
Cash, e.o. period	8.1	8.6	+6 %



*All numbers in € mill.

Final Results Q1-2014

Net Cash

	December 31st, 2013	March 31st, 2014	+/-
Liabilities to banks	-6.0	-5.9	-2 %
Total Debt	-6.0	-5.9	-2 %
Cash & Cash equivalents	9.7	8.6	-11 %
Operative Net Cash	3.7	2.7	-27 %



*Numbers in € mill.

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- **Outlook**



Outlook

2014 Environment

- Global macro-economic environment expected to remain mostly unchanged (if geopolitical tensions can be managed)
- Demand for investment goods expected to slightly improve
- No significant devaluation of US Dollar and Japanese Yen anticipated



Outlook

What's Important For Basler In 2014?

- Further expand market leadership in Gigabit-Ethernet camera market
- Ramp-up USB-3 product line & leverage early-mover advantage
- Gain market share in line scan camera market
- Prepare for becoming a € 100 mill.+ company in all value-generating functions



Outlook

Guidance FY-2014

- Revenue € 70 – 74 mill.
- EBT-Margin 8 – 10%
- Positive free cashflow (on fiscal year base)
- 1st year w/o new orders from former business segment Solutions



Ask Questions

Get Answers



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