



First Half Year Report, 2018

August 13, 2018

Dietmar Ley | CEO

Agenda

1. Executive Summary

2. Financials

3. Share

4. Outlook

Executive Summary

Highlights First Half Year 2018

Strong growth in a cooling-off market environment

- Market order intake down by -14% and billings down -2% (source: VDMA, YTD-June 2018); healthy market conditions but less dynamic than same period last year
- Significant weaker demand in the electronics industry (smart phone sector) compared to HY1/2017
- Other verticals continue to grow
- Basler: Billings up +6%; bookings -21% (extraordinary effects of Q1/2017 need to be considered)

Operational excellence and high profitability

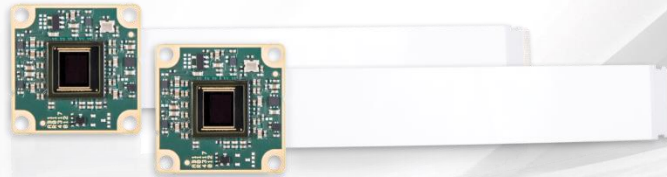
- Basler finalized all investments in capacity increase and is well prepared for 2018/2019
- High gross margins and economies of scale (OPEX) resulted in very high profitability
- High cash conversion rate of approximately ~70% (FCF/EAT)
- Employee recruiting program slower than planned

Executive Summary

Highlights First Six Months 2018

Main new product introductions

- New Basler ace cameras with CMOS sensors
- Launch of new Basler ace MED product line
- Introduction of new embedded vision interface: "BCON for Mipi"



Executive Summary

Two M&A Transactions in July 2018



China Distribution

- ~20 years distribution for Basler
- ~100 employees
- ~1000 customers
- Planned to be effective Jan 2019



Manufacturer of Image Processing Cards

- 20 years in business
- ~50 employees
- ~10 million Euro sales (2018e)
- Located in Mannheim
- Immediate effect

Agenda

1. Executive Summary

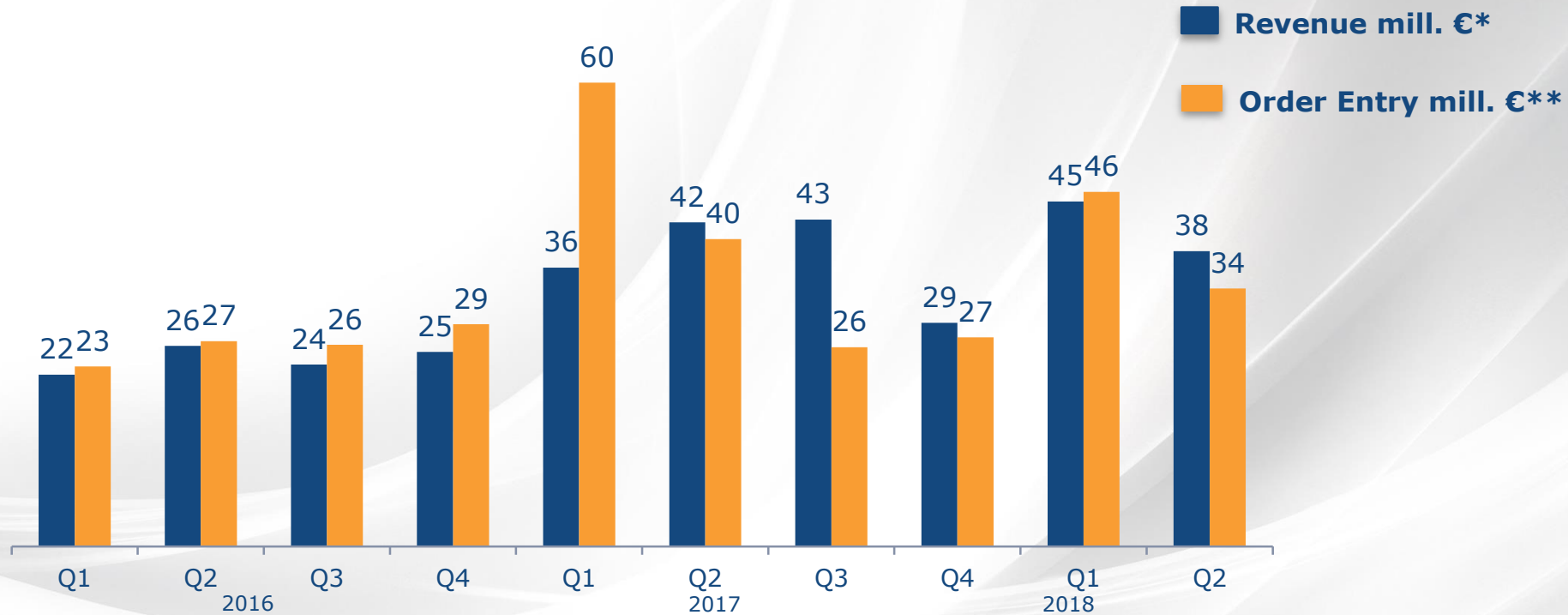
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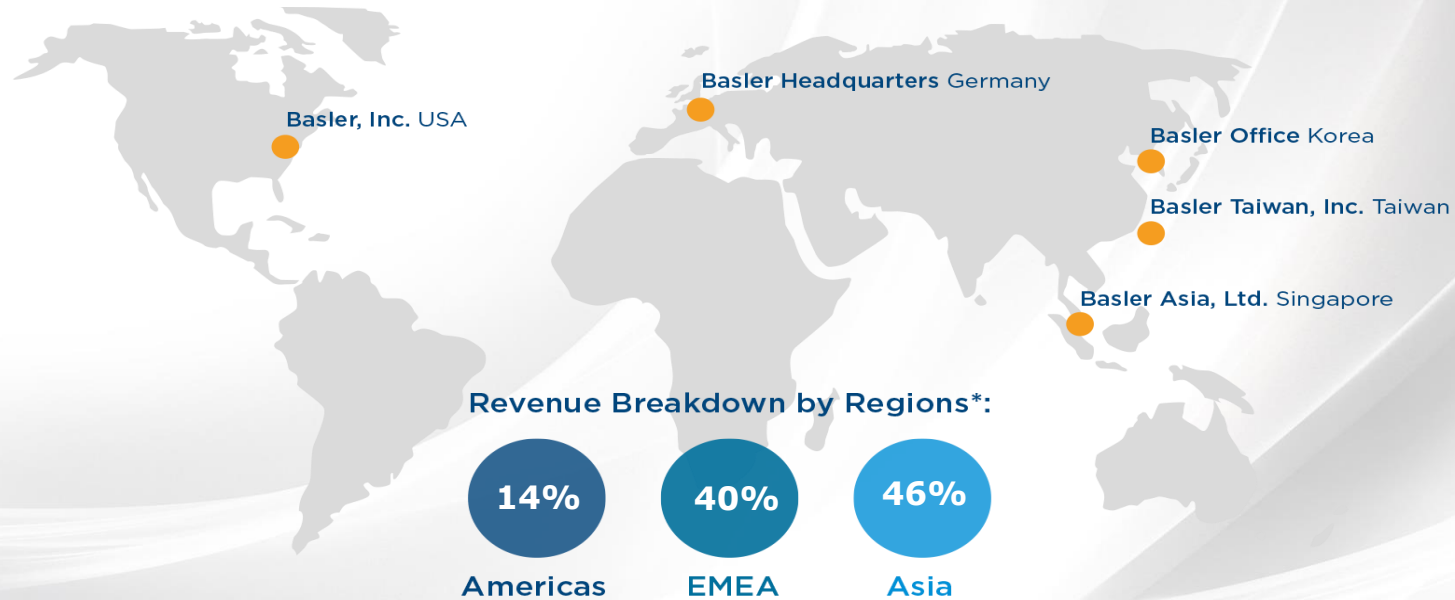
Financials

Development of Booking and Billings



Financials

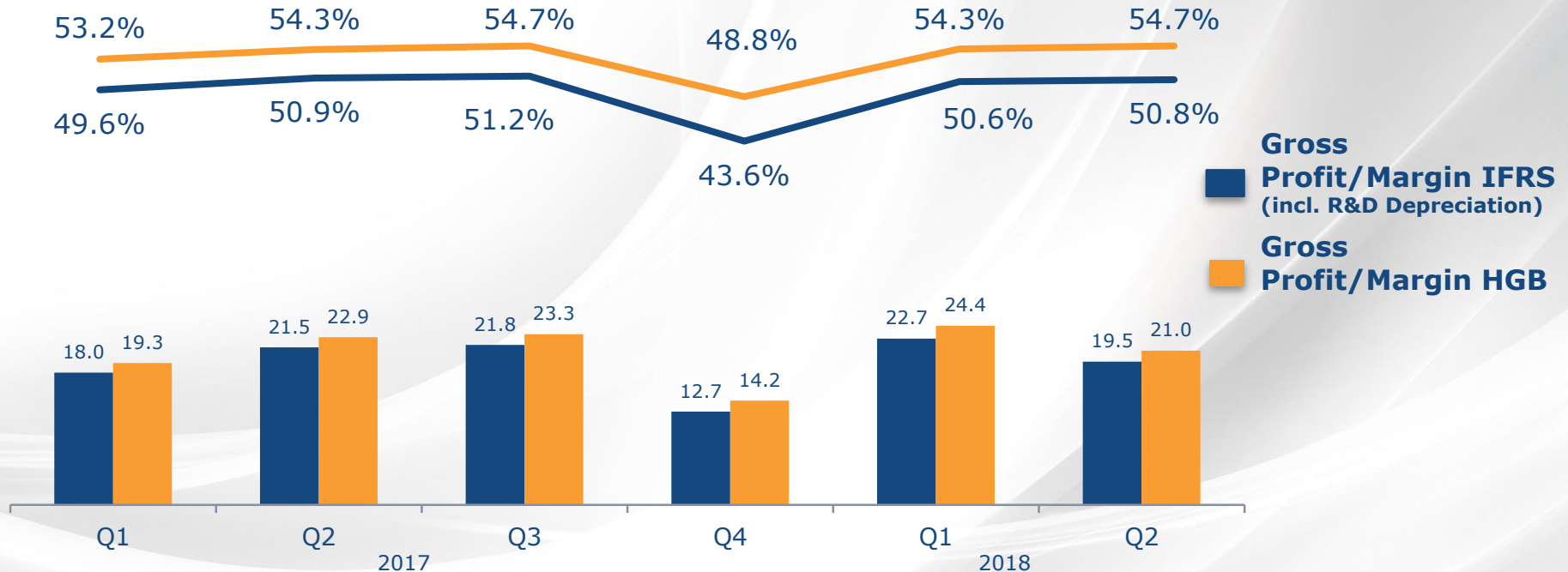
Revenue Split by Regions



*as of June 30, 2018

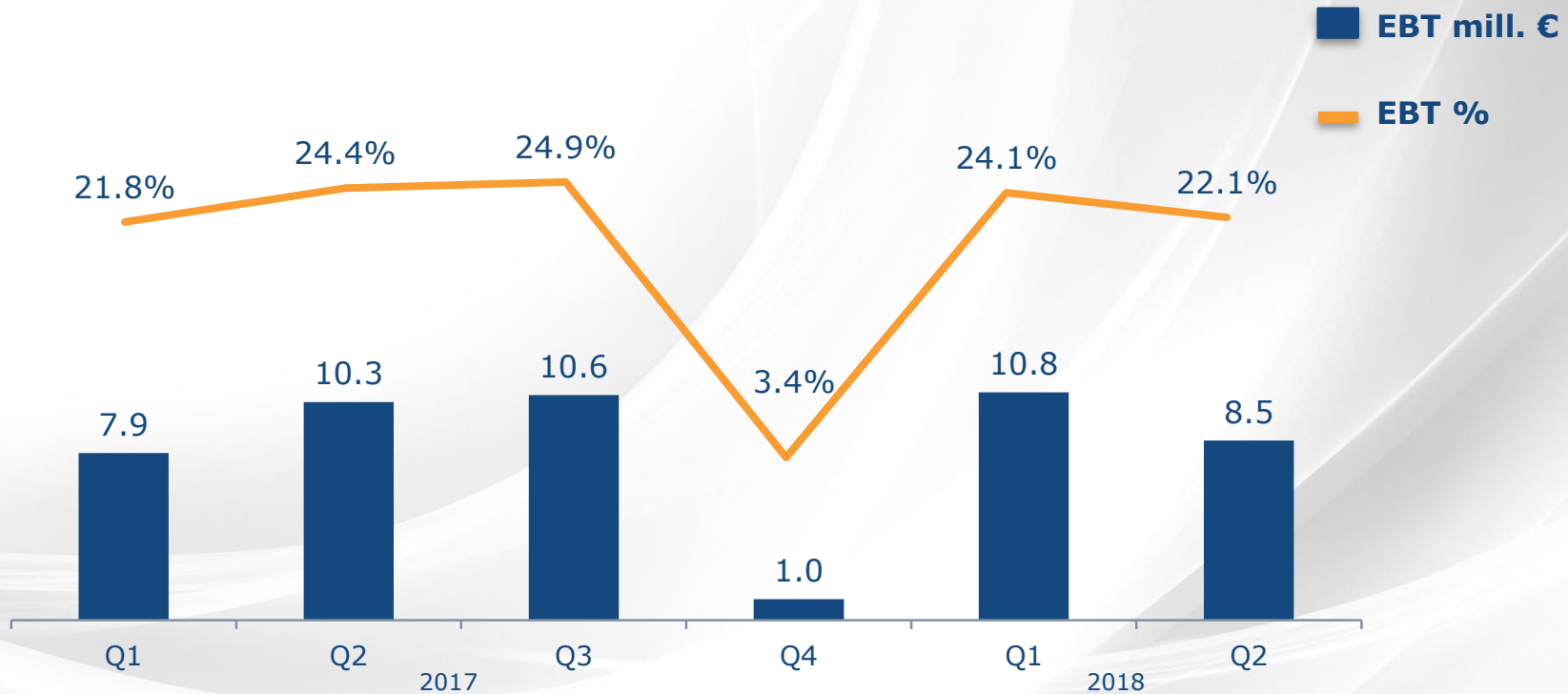
Financials

Development of Gross Profit and Margin



Financials

EBT Development by Quarter



Financials

P&L KPIs HY1/2018 vs HY1/2017 (in € mill.)

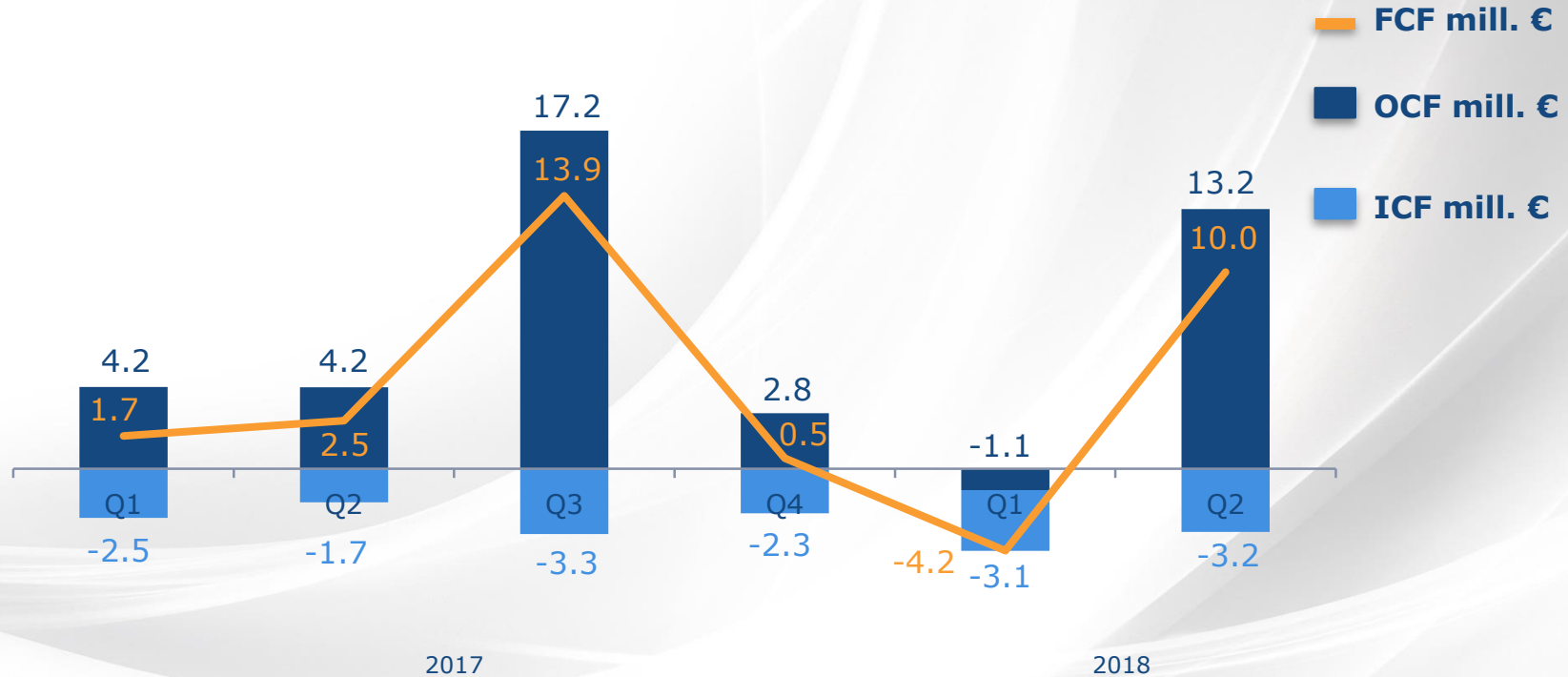
	HY1/2017	HY1/2018	+/-
Order Entry	100.4	79.8	-21 %
Sales	78.5	83.4	+6 %
Gross Profit	50.3 %	50.6 %	0 Pp.
EBITDA	23.0	24.4	+6 %
EBIT	18.5	19.3	+4 %
EBT	18.2	19.2	+5 %
Net Income	13.0	14.6	+12 %
EPS*	4.03	4.53	+12 %

* EPS in €



Financial

Free Cashflow Development by Quarter



Financials

Cashflow HY1/2018 versus HY1/2017 (in € mill.)

	HY1/2017	HY1/2018
Cash, b.o. period	19.4	36.0
Cashflow from Operations	11.4	12.2
Cashflow from Investments	-7.3	-6.3
Free Cashflow	4.1	5.9
Cashflow from Financing	-2.6	-5.6
Cash, e.o. period	20.9	36.3



Financials

Net Cash (in € mill.)

	Dec. 31st, 2017	June 30th, 2018	+/-
Liabilities to banks	-11.0	-13.3	+21 %
Cash & Cash equivalents	36.0	36.3	+1 %
Operative Net Cash	25.0	23.0	-8 %



Financials

New Hires and Distribution by Function



*570 fulltime equivalent jobs e/o HY1/2018

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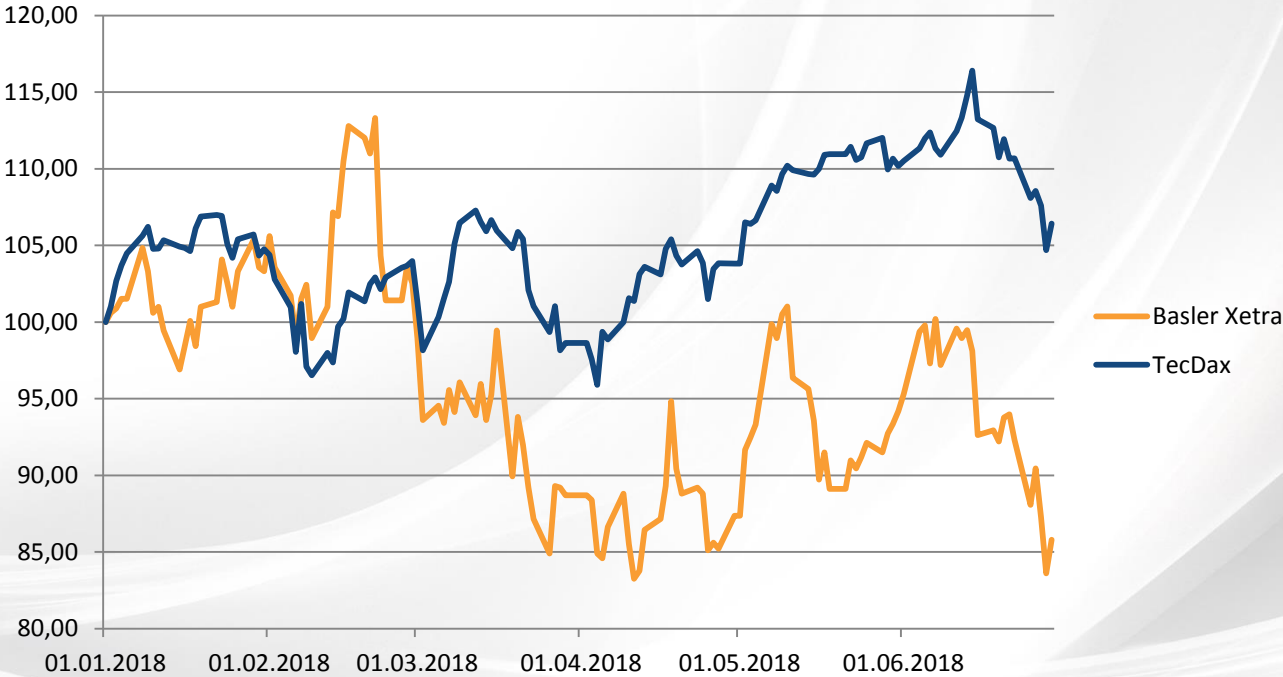
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Share

Basler Share versus TecDax



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Outlook

Business Outlook

Based on the positive first six months, we...

- expect bookings and billings to decline in the 2nd half of the year due to seasonal effects
- will continue to grow and adjust the organization, thus increase OPEX over the course of the year
- estimate ~5 mill. € additional revenue from Silicon Software acquisition
- anticipate a lower profitability margin in the second half of the year

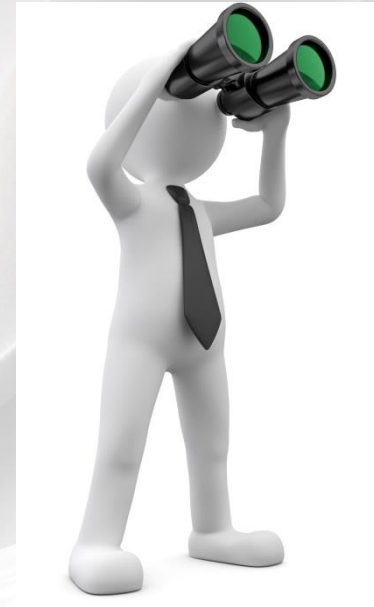


Outlook

2018 Guidance

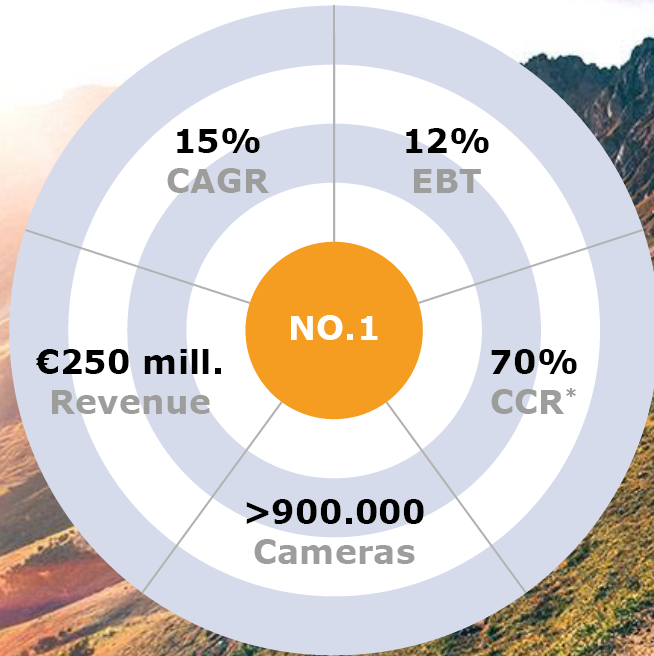
We confirm our guidance from February 23rd, 2018

- Revenue 145 - 160 mill. €
- EBT-Margin 13 – 15 %



2022 Outlook

Financial Mid-term Plan



* Cash Conversion Rate FCF/EAT
** Mid-term goals, 2022

Disclaimer

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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.

Questions & Answers



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