

Buy (Hold) EUR 170.00 (EUR 115.00) Price EUR 150.00 Upside 13.3 %	Value Indicators: EUR DCF: 171.13 FCF-Value Potential 23e: 64.19	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: 1,491.3 No. of shares (m): 9.9 EV: 1,484.5 Freefloat MC: 581.6 Ø Trad. Vol. (30d): 896.82 th	Shareholders: Freefloat 39.0 % Norbert Basler 52.0 % Treasury shares 5.0 % Dr. Ley (CEO) 4.0 %	Key Figures (WRe): 2021e Beta: 1.1 Price / Book: 11.2 x Equity Ratio: 67 %

Figures temporarily burdened by bottlenecks, while demand increases further

Stated Figures Q3/2021:									
FY End: 31.12. in EUR m	Q3 21	Q3 21e	Q3 20	yoy	9M 21	9M 21e	9M 20	yoy	
Sales	49.3	53.7	40.3	22 %	164.6	168.9	129.2	27 %	
EBT	3.8	6.5	5.3	-29 %	24.5	27.3	18.1	35 %	
Margin	7.6 %	12.2 %	13.2 %		14.9 %	16.2 %	14.0 %		
EPS	0.29	0.40	0.40	-28 %	1.87	1.97	1.37	36 %	

Comment on Figures:

- Although order intake increased by 137%, supply bottlenecks burdened sales growth and profitability
- Sales grew by 22% yoy, but was down 19% qoq despite growing demand
- COGS increased as a result of high spot market prices, leading to a decline in EBT

In the third quarter, Basler's order momentum increased after an already extraordinary H1, while supply constraints on growth and profitability became more severe. Order intake, which had already increased by 65% in the first six months, gained further momentum in Q3 with a yoy growth of 137%. After nine months, order intake of EUR 238m was 85% above the previous year's figure. While this was in part driven by customers placing their orders early because of increased lead times, demand remained high across all regions and industries.

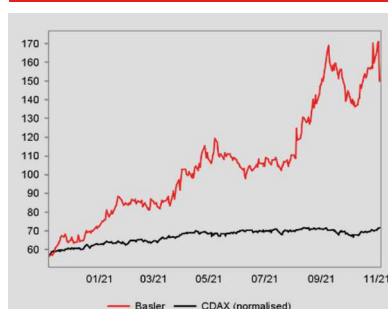
However, as a result of the supply shortages, the strong order momentum could not be translated into sales growth. Revenues grew by 23% to EUR 49.4m, below our estimate (EUR 53.7m) and Q2 (EUR 60.2m). With increased COGS due to the shortages, the gross margin of 49.1% declined compared to both Q3 20 (51.4%) and Q2 21 (54.3%). In combination with lower economies of scale, the EBT margin declined to 7.6% (Q3 20 13.2%, Q2 21 17.8%). Against this background, Basler has narrowed its target ranges for the full year and now forecasts EUR 210-220m in sales at an EBT margin of 13-15% (old: sales EUR 205-225m, EBT margin 13.0-15.5%). We have adjusted our estimates accordingly.

Despite the temporary obstacles caused by the shortages, we have become more optimistic for the medium term. Demand should remain high in 2022 and result in a notable catch-up effect as soon as the bottleneck constraints loosen. Moreover, with its transformation to a full-range supplier, Basler offers bundles built around the pylon SDK, which should increase the average unit price significantly. With the pre-configured bundles, Basler's customers should be able to shorten time-to-market and reduce development costs. By 2025, we estimate that 40% of the cameras will be sold in a bundle compared to approx. 15% today, which should result in an ASP CAGR 20-25e of 11%. We expect that the significant growth potential from this strategy will also be reflected in the new mid-term target, which we expect in the near future. We have increased our estimates for 2022 and beyond as well as our target price. After yesterday's setback, we upgrade our recommendation to Buy.

Changes in Estimates:						
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -
Sales	224.8	-1.9 %	257.3	7.7 %	292.4	8.7 %
EBT	34.9	-7.1 %	39.4	4.9 %	44.2	9.5 %
EPS	2.55	-7.1 %	2.84	4.6 %	3.18	9.7 %

Comment on Changes:

- 2021 estimates reduced to reflect supply chain risks
- For 2022 and beyond, we have increased our forecast to reflect the high demand as well as the sales potential from pre-configured bundles



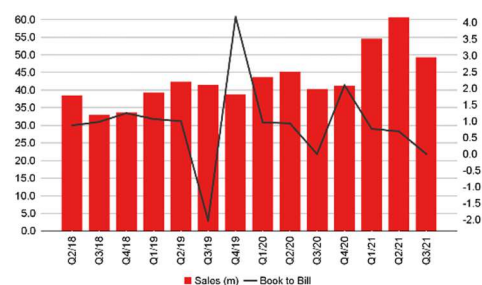
Rel. Performance vs CDAX:

1 month:	1.6 %
6 months:	31.2 %
Year to date:	94.3 %
Trailing 12 months:	137.9 %

Company events:

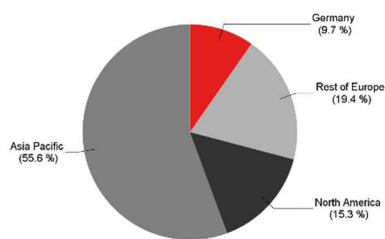
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	23.1 %	150.2	150.0	162.0	170.5	220.6	277.1	317.9
Change Sales yoy		54.0 %	-0.1 %	8.0 %	5.2 %	29.4 %	25.6 %	14.8 %
Gross profit margin		49.6 %	53.3 %	50.9 %	52.0 %	52.1 %	51.8 %	51.5 %
EBITDA	24.5 %	39.7	36.0	30.0	34.6	49.6	59.1	66.7
Margin		26.4 %	24.0 %	18.5 %	20.3 %	22.5 %	21.3 %	21.0 %
EBIT	34.9 %	30.5	24.8	17.0	20.1	33.2	42.1	49.2
Margin		20.3 %	16.6 %	10.5 %	11.8 %	15.1 %	15.2 %	15.5 %
Net income	32.1 %	21.6	17.0	12.9	15.1	23.7	29.7	34.9
EPS	32.2 %	2.25	1.76	1.29	1.51	2.37	2.97	3.49
DPS	21.8 %	0.67	0.53	0.26	0.58	0.71	0.89	1.05
Dividend Yield		1.6 %	0.9 %	0.6 %	1.1 %	0.5 %	0.6 %	0.7 %
FCFPS		2.46	0.93	-0.97	1.38	1.23	1.50	2.09
FCF / Market cap		5.8 %	1.6 %	-2.1 %	2.6 %	0.8 %	1.0 %	1.4 %
EV / Sales		2.7 x	3.8 x	3.0 x	3.2 x	6.8 x	5.4 x	4.6 x
EV / EBITDA		10.2 x	15.7 x	16.1 x	15.6 x	30.1 x	25.1 x	22.1 x
EV / EBIT		13.2 x	22.8 x	28.4 x	26.9 x	45.0 x	35.3 x	29.9 x
P / E		18.8 x	32.7 x	36.4 x	35.8 x	63.3 x	50.5 x	43.0 x
P / E adj.		18.8 x	32.7 x	36.4 x	37.0 x	63.3 x	50.5 x	43.0 x
FCF Potential Yield		7.2 %	4.1 %	2.3 %	4.8 %	2.3 %	2.7 %	3.0 %
ROE		37.4 %	24.1 %	14.4 %	13.9 %	19.1 %	20.6 %	20.6 %
ROCE (NOPAT)		38.4 %	23.8 %	12.7 %	12.8 %	20.2 %	22.6 %	23.8 %
Guidance:	2021 sales EUR 210-220m, EBT margin 13-15%							

Sales development in EUR m



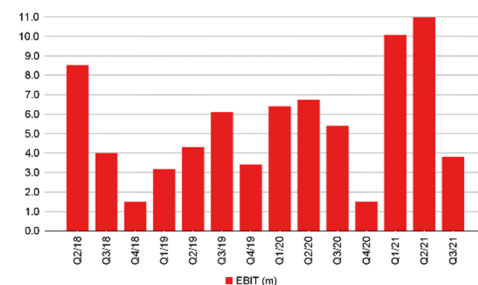
Source: Basler

Sales by regions 2020; in %



Source: Basler

EBIT development in EUR m



Source: Basler

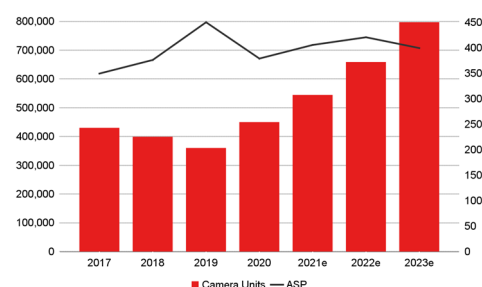
Company Background

- 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

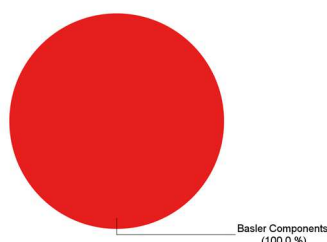
- In terms of units Basler is the world's largest developer and manufacturer of digital cameras in a fragmented, but consolidating, market for digital cameras for B2B-applications.
- High level of vision technology expertise: Basler has one of the largest developer pools in the sector and differentiates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



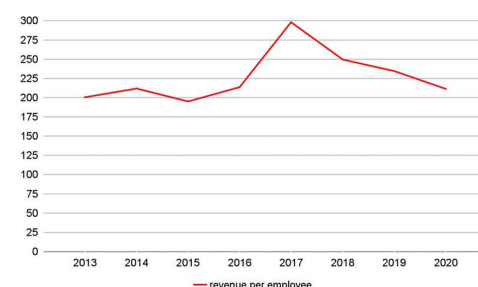
Source: Basler

Sales by segments 2020; in %



Source: Basler

Revenue per employee in EUR k



Source: Basler

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	220.6	277.1	317.9	373.1	435.4	505.9	585.4	674.6	774.3	885.4	1,008.5	1,144.6	1,299.0	2.5 %
Sales change	29.4 %	25.6 %	14.8 %	17.4 %	16.7 %	16.2 %	15.7 %	15.2 %	14.8 %	14.3 %	13.9 %	13.5 %	13.5 %	
EBIT	33.2	42.1	49.2	57.1	67.9	78.4	90.2	103.2	117.7	133.7	151.3	171.7	194.8	15.1 %
EBIT-margin	15.1 %	15.2 %	15.5 %	15.3 %	15.6 %	15.5 %	15.4 %	15.3 %	15.2 %	15.1 %	15.0 %	15.0 %	15.0 %	
Tax rate (EBT)	27.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	24.2
NOPAT	24.2	30.3	35.4	41.1	48.9	56.5	64.9	74.3	84.7	96.3	108.9	123.6	140.3	
Depreciation	16.4	17.0	17.5	22.0	25.7	29.8	34.5	39.8	45.7	52.2	59.5	67.5	76.6	7.4 %
in % of Sales	7.4 %	6.1 %	5.5 %	5.9 %	5.9 %	5.9 %	5.9 %	5.9 %	5.9 %	5.9 %	5.9 %	5.9 %	5.9 %	
Changes in provisions	0.8	0.0	0.0	1.5	0.6	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.4	9.1
Change in Liquidity from														
- Working Capital	9.1	9.1	6.9	8.8	10.0	11.2	13.1	14.7	16.5	18.3	20.3	22.4	25.5	21.3
- Capex	21.3	23.4	25.4	26.1	30.2	34.7	39.8	45.4	51.5	58.3	65.8	73.9	76.6	
Capex in % of Sales	9.7 %	8.5 %	8.0 %	7.0 %	6.9 %	6.9 %	6.8 %	6.7 %	6.7 %	6.6 %	6.5 %	6.5 %	5.9 %	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	11.1	14.8	20.6	29.6	35.0	41.0	47.3	54.8	63.3	72.8	83.4	96.0	116.2	11.2
PV of FCF	11.2	13.9	18.1	24.2	26.7	29.2	31.4	34.0	36.6	39.3	42.0	45.1	50.9	
share of PVs	2.53 %			21.10 %										76.37 %

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	1.40
Risk free rate	1.50 %	Transparency	1.00
		Others	0.90
WACC	7.17 %	Beta	1.08

Valuation (m)

Present values 2033e	402		
Terminal Value	1,300		
Financial liabilities	45		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	45	No. of shares (m)	9.9
Equity Value	1,701	Value per share (EUR)	171.13

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
1.27	8.2 %	122.89	126.34	130.08	134.15	138.60	143.47	148.84	1.27	8.2 %	118.95	124.02	129.08	134.15	139.22	144.28	149.35
1.18	7.7 %	136.61	140.91	145.61	150.76	156.44	162.72	169.72	1.18	7.7 %	133.81	139.46	145.11	150.76	156.42	162.07	167.72
1.13	7.4 %	144.44	149.27	154.57	160.41	166.87	174.06	182.11	1.13	7.4 %	142.43	148.42	154.41	160.41	166.40	172.39	178.38
1.08	7.2 %	153.04	158.49	164.49	171.13	178.52	186.80	196.13	1.08	7.2 %	152.03	158.39	164.76	171.13	177.50	183.86	190.23
1.03	6.9 %	162.52	168.69	175.52	183.12	191.63	201.23	212.13	1.03	6.9 %	162.76	169.54	176.33	183.12	189.91	196.69	203.48
0.98	6.7 %	173.01	180.04	187.85	196.61	206.47	217.69	230.53	0.98	6.7 %	174.83	182.09	189.35	196.61	203.87	211.13	218.38
0.89	6.2 %	197.75	207.00	217.44	229.30	242.89	258.62	277.04	0.89	6.2 %	204.09	212.49	220.89	229.30	237.70	246.10	254.50

- 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	2017	2018	2019	2020	2021e	2022e	2023e	
Net Income before minorities	21.6	17.0	12.9	15.1	23.7	29.7	34.9	
+ Depreciation + Amortisation	9.2	11.1	12.9	14.5	16.4	17.0	17.5	
- Net Interest Income	-0.7	-0.3	-0.1	0.4	-0.8	-0.8	-0.8	
- Maintenance Capex	2.8	2.9	5.0	0.0	6.6	8.3	9.5	
+ Other	0.3	-2.1	-10.0	-3.3	0.3	0.3	0.3	
= Free Cash Flow Potential	29.0	23.4	10.9	26.0	34.5	39.5	43.9	
FCF Potential Yield (on market EV)	7.2 %	4.1 %	2.3 %	4.8 %	2.3 %	2.7 %	3.0 %	
WACC	7.17 %	7.17 %	7.17 %	7.17 %	7.17 %	7.17 %	7.17 %	
= Enterprise Value (EV)	402.6	564.9	482.6	539.5	1,493.1	1,485.7	1,474.3	
= Fair Enterprise Value	404.3	326.5	152.2	362.0	481.4	551.1	612.4	
- Net Debt (Cash)	-2.8	-2.8	-2.8	-2.8	-8.8	-16.2	-27.6	
- Pension Liabilities	1.1	1.1	1.1	1.1	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	406.0	328.2	153.9	363.7	488.3	565.4	638.2	
Number of shares, average	9.6	9.6	9.9	10.0	10.0	10.0	10.0	
= Fair value per share (EUR)	42.18	34.04	15.48	36.35	48.83	56.54	63.82	
premium (-) / discount (+) in %					-67.4 %	-62.3 %	-57.5 %	
Sensitivity Fair value per Share (EUR)								
WACC	10.17 %	28.85	23.33	10.97	25.85	34.83	40.52	46.02
	9.17 %	31.97	25.85	12.15	28.64	38.55	44.78	50.76
	8.17 %	35.86	28.99	13.61	32.13	43.19	50.09	56.65
	7.17 %	40.84	33.01	15.48	36.58	49.11	56.87	64.19
	6.17 %	47.43	38.33	17.96	42.48	56.95	65.85	74.17
	5.17 %	56.56	45.71	21.40	50.66	67.83	78.30	88.01
	4.17 %	70.08	56.62	26.49	62.76	83.92	96.72	108.48

- Adjustment of the capitalised R&D impact
- The capex requirements for machinery and plant are low.

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	6.2 x	7.4 x	4.5 x	4.7 x	11.2 x	9.6 x	8.2 x
Book value per share ex intangibles	4.22	3.57	4.10	5.00	6.20	7.74	9.55
EV / Sales	2.7 x	3.8 x	3.0 x	3.2 x	6.8 x	5.4 x	4.6 x
EV / EBITDA	10.2 x	15.7 x	16.1 x	15.6 x	30.1 x	25.1 x	22.1 x
EV / EBIT	13.2 x	22.8 x	28.4 x	26.9 x	45.0 x	35.3 x	29.9 x
EV / EBIT adj.*	13.2 x	22.8 x	28.4 x	26.9 x	45.0 x	35.3 x	29.9 x
P / FCF	17.2 x	61.9 x	n.a.	39.1 x	128.2 x	105.0 x	75.4 x
P / E	18.8 x	32.7 x	36.4 x	35.8 x	63.3 x	50.5 x	43.0 x
P / E adj.*	18.8 x	32.7 x	36.4 x	37.0 x	63.3 x	50.5 x	43.0 x
Dividend Yield	1.6 %	0.9 %	0.6 %	1.1 %	0.5 %	0.6 %	0.7 %
FCF Potential Yield (on market EV)	7.2 %	4.1 %	2.3 %	4.8 %	2.3 %	2.7 %	3.0 %
*Adjustments made for: -							

Company Specific Items	2017	2018	2019	2020	2021e	2022e	2023e
revenue per employee	298.02	249.59	234.34	211.23	211.23	211.23	211.23
Camera Units	430,000	399,000	360,000	450,000	544,500	658,845	797,202
Book to Bill	1.0	1.0	1.0	1.0	1.0	1.0	1.0
ASP	349	376	450	379	405	421	399

Consolidated profit and loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	150.2	150.0	162.0	170.5	220.6	277.1	317.9
Change Sales yoy	54.0 %	-0.1 %	8.0 %	5.2 %	29.4 %	25.6 %	14.8 %
COGS	75.7	70.1	79.5	81.7	105.6	133.5	154.2
Gross profit	74.5	79.9	82.4	88.7	114.9	143.5	163.7
Gross margin	49.6 %	53.3 %	50.9 %	52.0 %	52.1 %	51.8 %	51.5 %
Research and development	10.8	18.8	17.9	21.7	29.4	36.2	40.7
Sales and marketing	19.6	23.0	31.5	30.6	34.5	41.5	46.2
Administration expenses	13.1	12.7	15.8	17.4	18.2	22.9	26.7
Other operating expenses	1.2	1.4	1.0	0.2	0.6	1.4	1.6
Other operating income	0.7	0.8	0.8	1.1	1.0	0.6	0.7
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	39.7	36.0	30.0	34.6	49.6	59.1	66.7
Margin	26.4 %	24.0 %	18.5 %	20.3 %	22.5 %	21.3 %	21.0 %
Depreciation of fixed assets	3.6	3.2	5.0	6.3	5.0	5.2	5.4
EBITA	36.1	32.8	25.0	28.3	44.6	53.9	61.3
Amortisation of intangible assets	5.6	7.9	8.0	8.2	11.4	11.8	12.1
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	30.5	24.8	17.0	20.1	33.2	42.1	49.2
Margin	20.3 %	16.6 %	10.5 %	11.8 %	15.1 %	15.2 %	15.5 %
EBIT adj.	30.5	24.8	17.0	20.1	33.2	42.1	49.2
Interest income	0.3	0.2	1.0	1.1	0.2	0.2	0.2
Interest expenses	1.0	0.5	1.1	0.8	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	29.8	24.5	16.9	20.4	32.5	41.3	48.4
Margin	19.8 %	16.3 %	10.4 %	12.0 %	14.7 %	14.9 %	15.2 %
Total taxes	8.2	7.5	4.0	5.3	8.8	11.6	13.6
Net income from continuing operations	21.6	17.0	12.9	15.1	23.7	29.7	34.9
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	21.6	17.0	12.9	15.1	23.7	29.7	34.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	21.6	17.0	12.9	15.1	23.7	29.7	34.9
Margin	14.4 %	11.3 %	7.9 %	8.9 %	10.7 %	10.7 %	11.0 %
Number of shares, average	9.6	9.6	9.9	10.0	10.0	10.0	10.0
EPS	2.25	1.76	1.29	1.51	2.37	2.97	3.49
EPS adj.	2.25	1.76	1.29	1.46	2.37	2.97	3.49

*Adjustments made for:

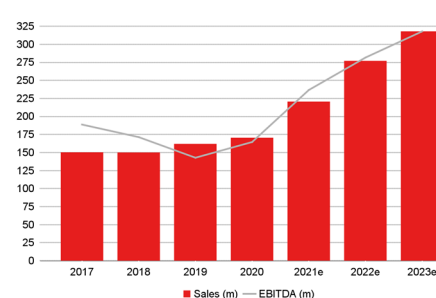
Guidance: 2021 sales EUR 210-220m, EBT margin 13-15%

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	29.3 %	36.7 %	40.4 %	40.3 %	37.0 %	36.6 %	36.0 %
Operating Leverage	2.8 x	140.8 x	-3.9 x	3.4 x	2.2 x	1.0 x	1.1 x
EBITDA / Interest expenses	40.5 x	78.2 x	28.3 x	45.0 x	52.2 x	59.1 x	66.7 x
Tax rate (EBT)	27.4 %	30.6 %	23.9 %	26.0 %	27.0 %	28.0 %	28.0 %
Dividend Payout Ratio	30.0 %	30.0 %	20.1 %	38.4 %	30.0 %	30.0 %	30.0 %
Sales per Employee	298,018	249,589	189,872	199,835	242,373	288,594	331,166

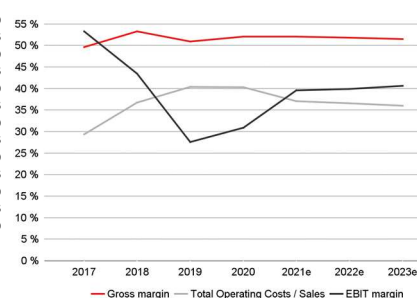
Sales, EBITDA

in EUR m

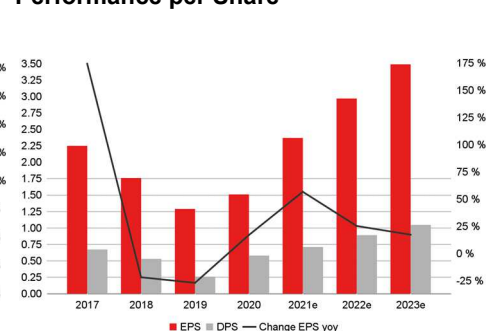


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

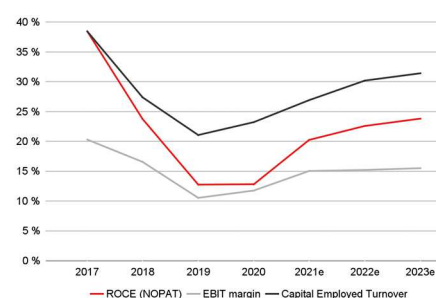
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	24.6	40.8	62.0	64.8	71.4	78.6	86.5
thereof other intangible assets	1.5	6.5	16.8	31.0	33.1	35.3	37.6
thereof Goodwill	3.1	12.7	27.5	27.5	27.5	27.5	27.5
Property, plant and equipment	21.3	22.5	30.6	29.3	27.6	26.8	26.8
Financial assets	1.7	1.7	4.6	2.2	2.2	2.2	2.2
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	47.5	65.1	97.2	96.3	101.2	107.6	115.5
Inventories	20.8	21.0	20.9	20.0	31.5	39.0	44.8
Accounts receivable	11.1	18.2	19.4	19.5	17.5	22.8	26.1
Liquid assets	36.0	31.8	35.2	47.9	43.0	50.4	61.9
Other short-term assets	2.2	2.8	8.5	6.5	6.5	6.5	6.5
Current assets	70.2	73.9	84.0	93.8	98.5	118.7	139.2
Total Assets	117.7	139.0	181.2	190.1	199.7	226.3	254.8
Liabilities and shareholders' equity							
Subscribed capital	3.2	3.2	10.0	10.0	10.0	10.0	10.0
Capital reserve	3.1	5.3	22.4	22.6	22.6	22.6	22.6
Retained earnings	59.0	66.5	74.8	87.1	110.8	140.5	175.4
Other equity components	0.3	0.5	-4.2	-4.8	-10.0	-17.1	-26.0
Shareholders' equity	65.6	75.5	103.0	114.9	133.4	156.0	182.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	65.6	75.5	103.0	114.9	133.4	156.0	182.0
Provisions	7.2	8.3	8.2	9.4	10.8	11.1	11.4
thereof provisions for pensions and similar obligations	1.4	1.2	0.9	1.1	1.9	1.9	1.9
Financial liabilities (total)	29.3	39.8	50.0	45.1	34.2	34.2	34.2
Short-term financial liabilities	0.0	1.8	5.3	4.1	4.1	4.1	4.1
Accounts payable	10.1	7.4	10.6	11.1	11.5	15.2	17.4
Other liabilities	5.5	7.9	9.4	9.7	9.7	9.7	9.7
Liabilities	52.1	63.4	78.2	75.2	66.3	70.2	72.8
Total liabilities and shareholders' equity	117.7	139.0	181.2	190.1	199.7	226.3	254.8

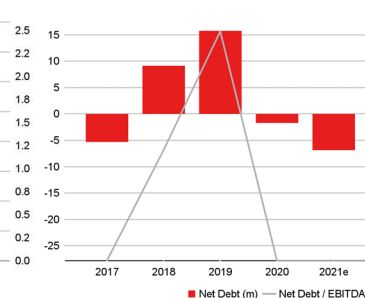
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	3.5 x	2.8 x	2.7 x	3.0 x	3.4 x	3.8 x	4.0 x
Capital Employed Turnover	2.5 x	1.8 x	1.4 x	1.5 x	1.7 x	2.0 x	2.0 x
ROA	45.5 %	26.1 %	13.2 %	15.7 %	23.4 %	27.6 %	30.2 %
Return on Capital							
ROCE (NOPAT)	38.4 %	23.8 %	12.7 %	12.8 %	20.2 %	22.6 %	23.8 %
ROE	37.4 %	24.1 %	14.4 %	13.9 %	19.1 %	20.6 %	20.6 %
Adj. ROE	37.4 %	24.1 %	14.4 %	13.4 %	19.1 %	20.6 %	20.6 %
Balance sheet quality							
Net Debt	-5.3	9.1	15.7	-1.7	-6.9	-14.3	-25.7
Net Financial Debt	-6.7	8.0	14.9	-2.8	-8.8	-16.2	-27.6
Net Gearing	-8.1 %	12.1 %	15.3 %	-1.5 %	-5.2 %	-9.1 %	-14.1 %
Net Fin. Debt / EBITDA	n.a.	22.2 %	49.6 %	n.a.	n.a.	n.a.	n.a.
Book Value / Share	6.8	7.8	10.3	11.5	13.3	15.6	18.2
Book value per share ex intangibles	4.2	3.6	4.1	5.0	6.2	7.7	9.5

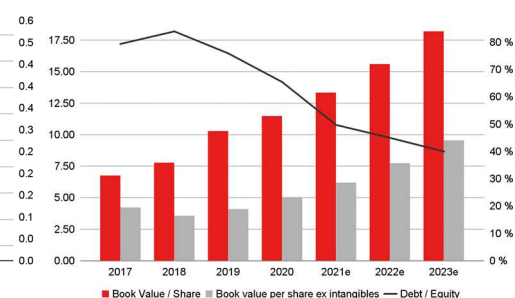
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

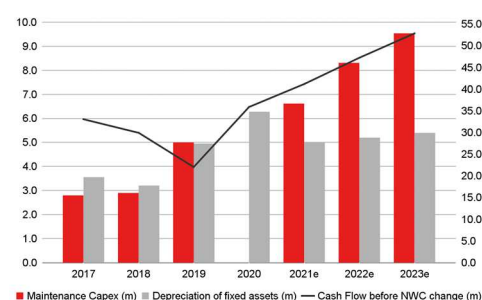
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	21.6	17.0	12.9	15.1	23.7	29.7	34.9
Depreciation of fixed assets	3.6	3.2	5.0	6.3	5.0	5.2	5.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	5.6	7.9	8.0	8.2	11.4	11.8	12.1
Increase/decrease in long-term provisions	0.0	0.0	-0.1	1.1	0.8	0.0	0.0
Other non-cash income and expenses	2.3	1.7	-3.7	5.1	0.3	0.5	0.5
Cash Flow before NWC change	33.1	29.9	22.1	35.9	41.2	47.2	52.9
Increase / decrease in inventory	-5.8	2.2	0.1	0.9	-11.5	-7.5	-5.8
Increase / decrease in accounts receivable	-0.5	-6.4	-1.1	-0.1	2.0	-5.3	-3.3
Increase / decrease in accounts payable	5.3	-4.5	3.2	0.5	0.4	3.7	2.2
Increase / decrease in other working capital positions	-0.3	5.8	0.5	0.1	1.4	0.3	0.3
Increase / decrease in working capital (total)	-1.3	-2.9	2.7	1.5	-7.6	-8.8	-6.6
Net cash provided by operating activities [1]	31.8	27.0	24.7	37.3	33.6	38.4	46.3
Investments in intangible assets	-4.0	-13.6	-29.3	-20.6	-18.0	-19.0	-20.0
Investments in property, plant and equipment	-4.1	-4.5	-5.1	-2.7	-3.3	-4.4	-5.4
Payments for acquisitions	-1.9	-7.7	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.1	0.1	0.2	0.1	0.1	0.1
Net cash provided by investing activities [2]	-9.8	-25.7	-34.2	-23.3	-21.2	-23.3	-25.3
Change in financial liabilities	-1.3	4.8	-1.8	2.3	-10.8	0.0	0.0
Dividends paid	-2.4	-6.5	-5.1	-2.6	-5.8	-7.1	-8.9
Purchase of own shares	-0.7	-3.3	20.8	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	-0.2	0.0	0.0	0.0
Other	-1.1	-0.5	-1.0	-0.8	-0.6	-0.6	-0.6
Net cash provided by financing activities [3]	-5.4	-5.5	13.0	-1.3	-17.2	-7.7	-9.5
Change in liquid funds [1]+[2]+[3]	16.6	-4.2	3.5	12.7	-4.9	7.4	11.5
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	36.0	31.8	35.3	47.9	43.0	50.4	61.9

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	23.7	9.0	-9.6	13.8	12.3	15.0	20.9
Free Cash Flow / Sales	15.8 %	6.0 %	-5.9 %	8.1 %	5.6 %	5.4 %	6.6 %
Free Cash Flow Potential	29.0	23.4	10.9	26.0	34.5	39.5	43.9
Free Cash Flow / Net Profit	109.5 %	52.7 %	-74.6 %	91.6 %	51.8 %	50.4 %	59.9 %
Interest Received / Avg. Cash	1.0 %	0.5 %	2.9 %	2.7 %	0.4 %	0.4 %	0.4 %
Interest Paid / Avg. Debt	3.7 %	1.3 %	2.4 %	1.6 %	2.4 %	2.9 %	2.9 %
Management of Funds							
Investment ratio	5.4 %	12.0 %	21.2 %	13.7 %	9.7 %	8.5 %	8.0 %
Maint. Capex / Sales	1.9 %	1.9 %	3.1 %	0.0 %	3.0 %	3.0 %	3.0 %
Capex / Dep	88.3 %	161.8 %	265.4 %	160.6 %	129.9 %	137.8 %	145.2 %
Avg. Working Capital / Sales	13.5 %	17.9 %	19.0 %	17.1 %	14.9 %	15.2 %	15.7 %
Trade Debtors / Trade Creditors	109.5 %	246.9 %	183.1 %	175.9 %	152.2 %	150.0 %	150.0 %
Inventory Turnover	3.6 x	3.3 x	3.8 x	4.1 x	3.4 x	3.4 x	3.4 x
Receivables collection period (days)	27	44	44	42	29	30	30
Payables payment period (days)	49	39	49	49	40	42	41
Cash conversion cycle (Days)	79	115	91	82	98	95	95

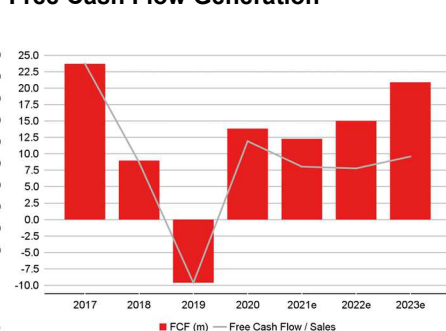
CAPEX and Cash Flow

in EUR m



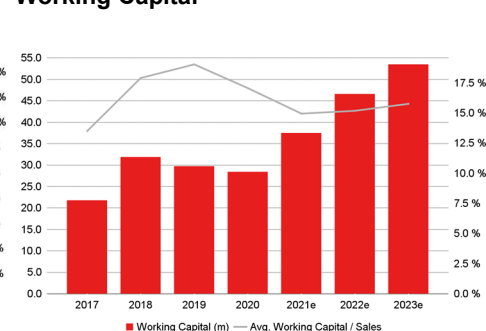
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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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

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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	148	69
Hold	59	27
Sell	6	3
Rating suspended	2	1
Total	215	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	48	81
Hold	9	15
Sell	0	0
Rating suspended	2	3
Total	59	100

PRICE AND RATING HISTORY BASLER AS OF 05.11.2021



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.

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