

Final Results 2014



Hardy Mehl (CFO/COO)
March 24th, 2015

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
- 396 employees*
- Revenue € 79 million (2014)
- Headquarters in Ahrensburg, Germany



*FTEs as of December 31, 2014

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



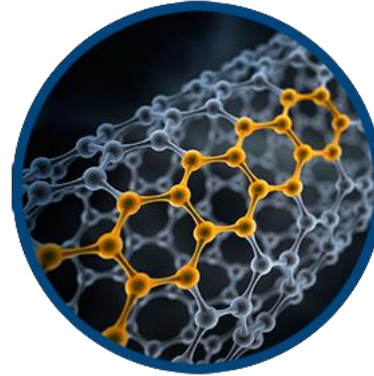
FACTORY

Sales: 60–70 %
CAGR: +



ITS

Sales: 10-15%
CAGR: ++



Medical

Sales: 10-15%
CAGR: ++

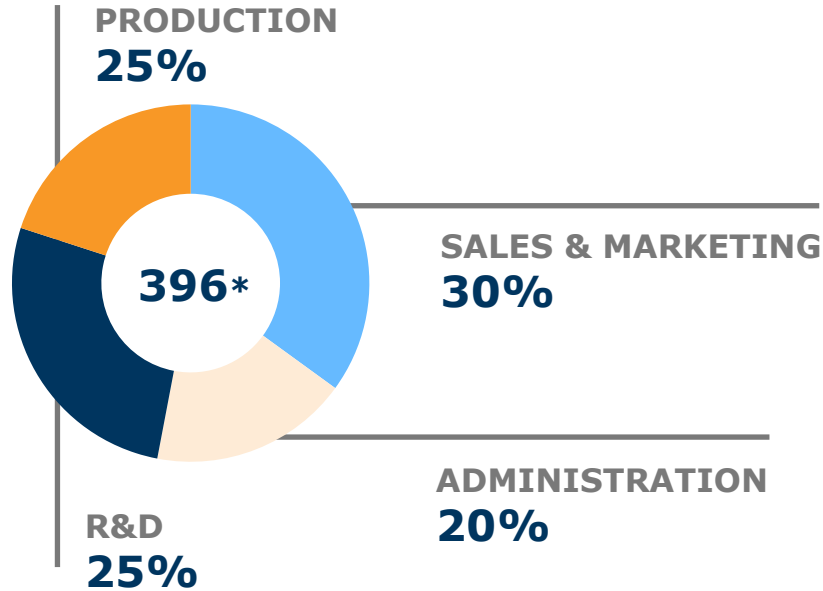


Misc. & New Business

Sales: 5–10 %
CAGR: +++

Company Profile

Our Employees



*396 fulltime equivalent jobs as of December 31, 2014

Company Profile

Experienced Management-Team



Dr. Dietmar Ley
(Chief Executive Officer)

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



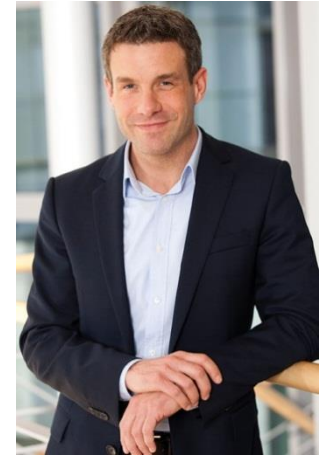
Arndt Bake
(Chief Marketing Officer)

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



John P. Jennings
(Chief Commercial Officer)

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

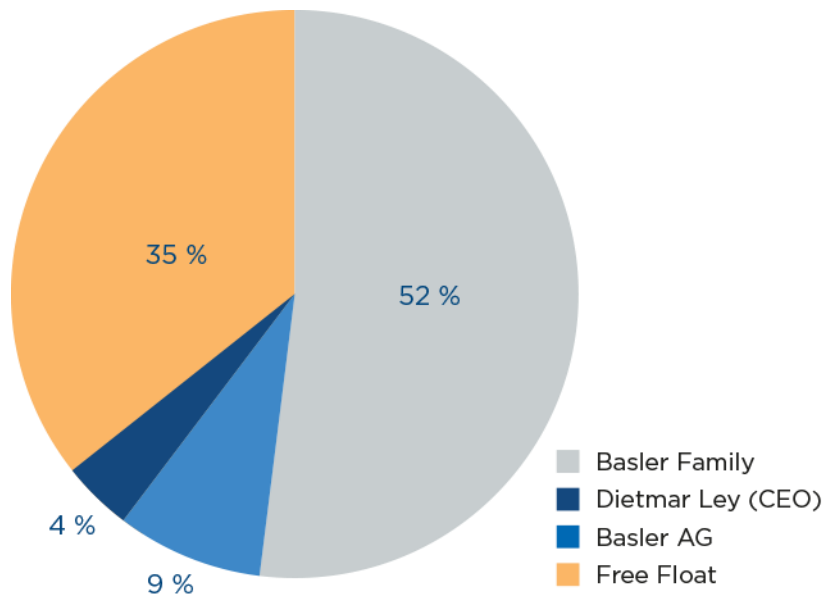


Hardy Mehl
(Chief Financial Officer,
Chief Operations Officer)

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

Company Profile

Basler Share



*as of December 31, 2014

Agenda

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What Drives Us

Our Vision

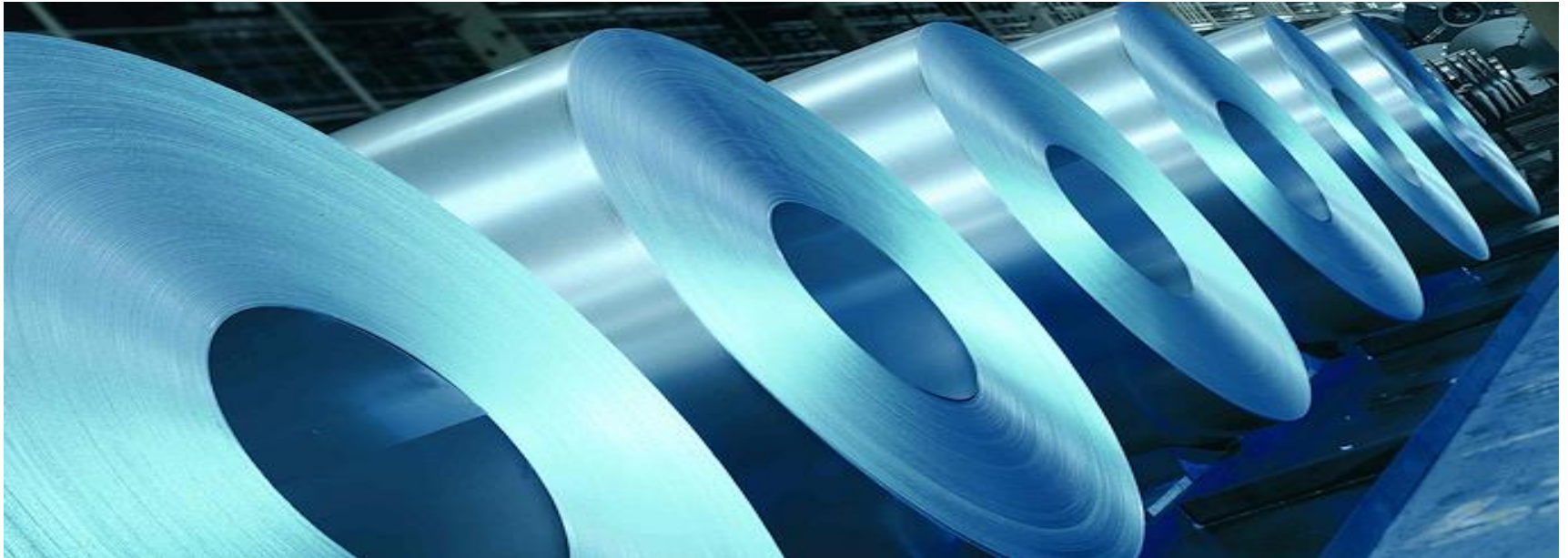


Advances
in technology will improve
the quality
of our lives

We give
technology
the power
of sight

Vision & Mission

We Are Helping to Inspect Steel, Paper and Plastic



Vision & Mission

We Are Helping To Make American School Buses Safer



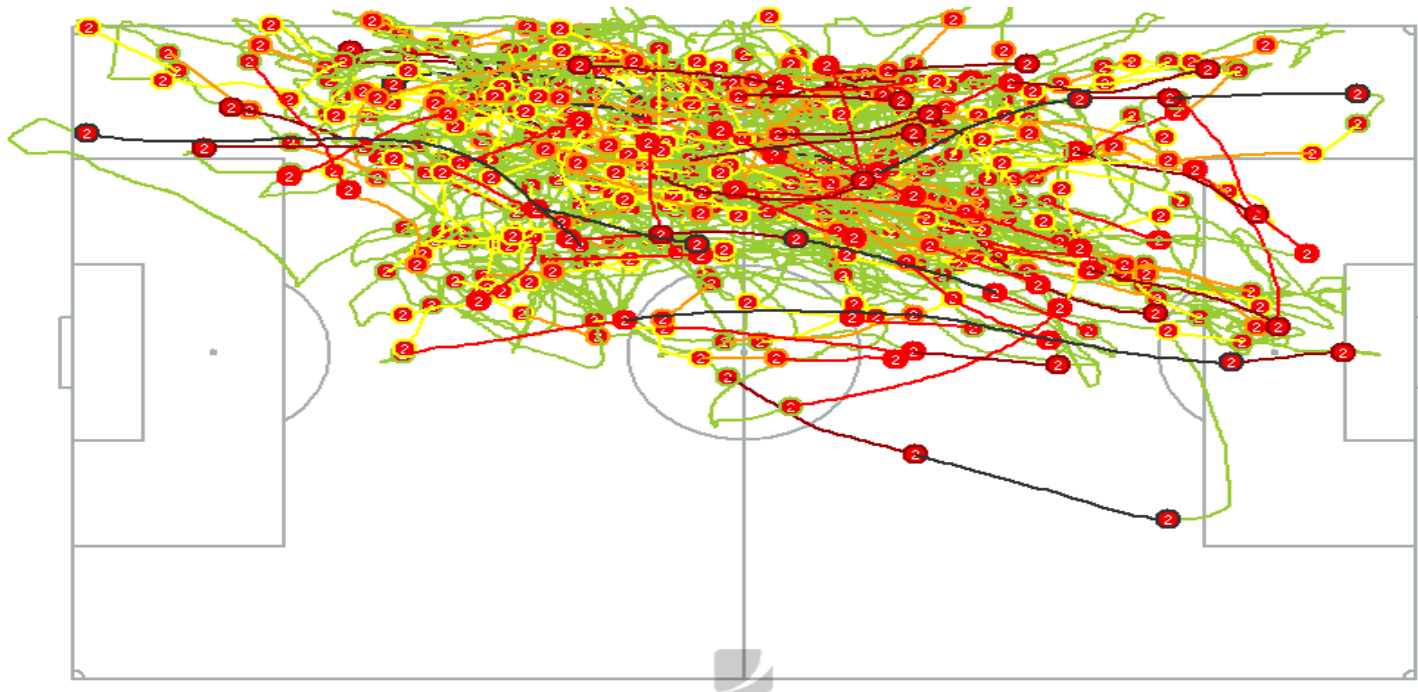
Vision & Mission

We Are Helping To Make Tunnels Safer



Vision & Mission

We Are Helping to Analyze Sports Events



Vision & Mission

We Are Helping To Develop Better Eye-Care



Vision & Mission

We Are Helping To Make Trains Safer



Where We Are Going

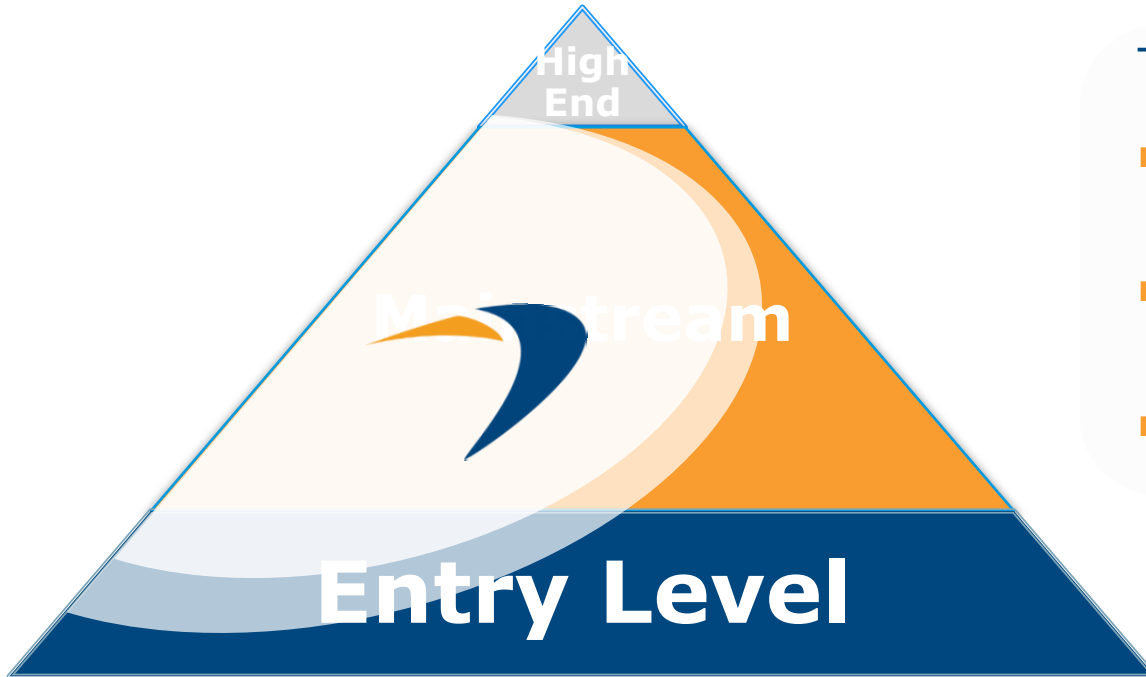
Strategic Goals*



*Mid-term goals, 2019

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?



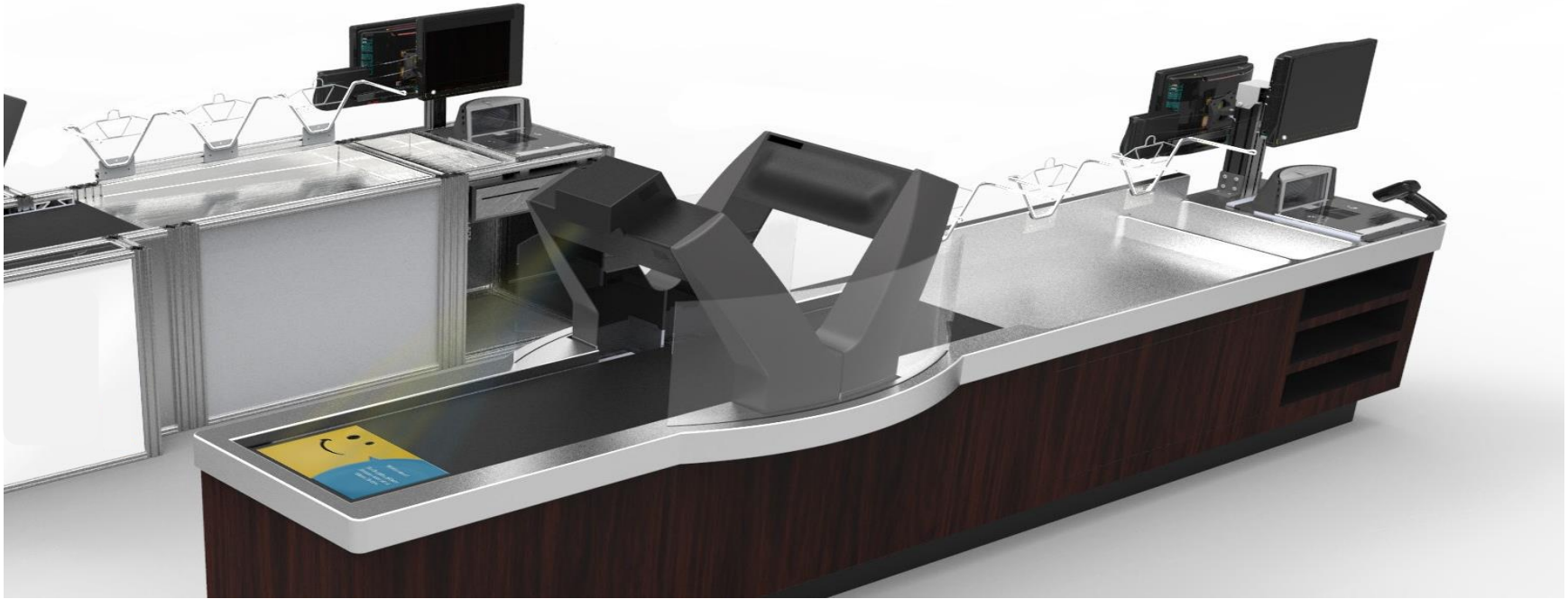
How We'll Get There

Our Cameras Helping To Make Kiosks Easier To Use?



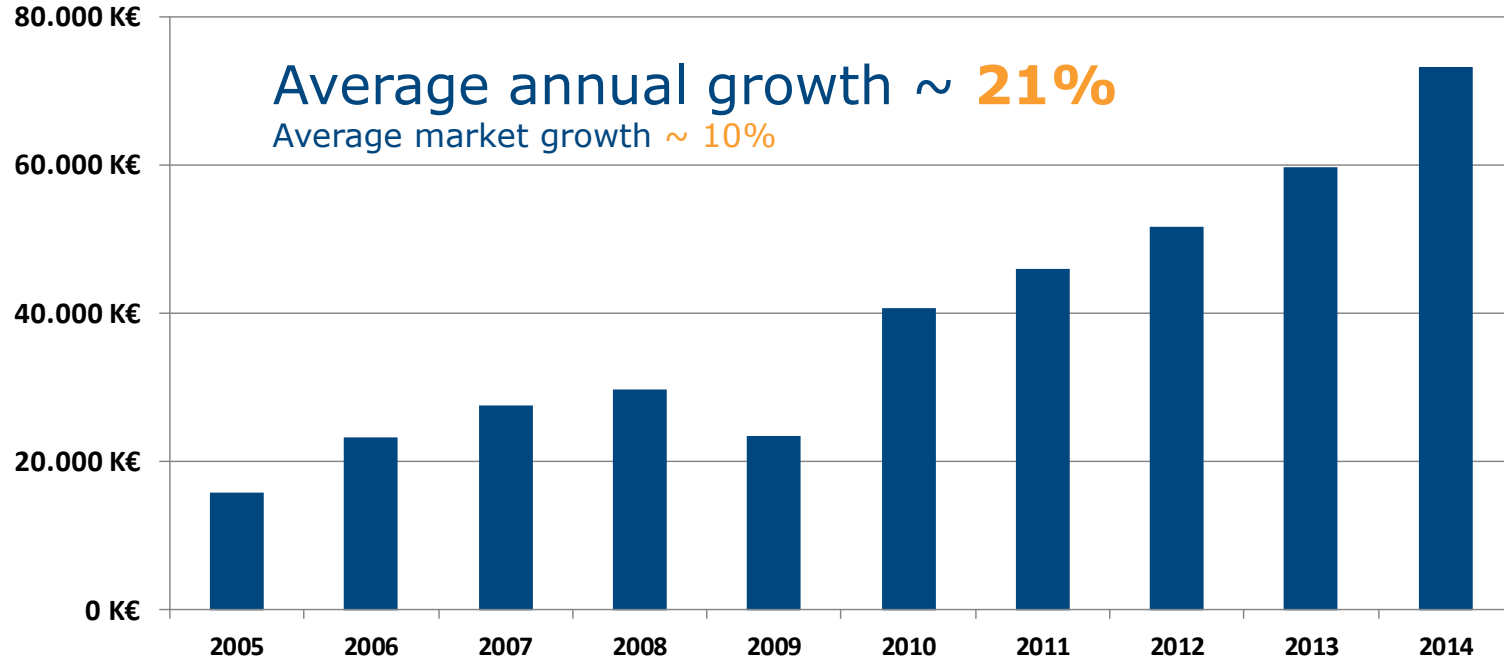
How We'll Get There

Our Cameras Helping To Automate Self-Checkout Systems?



How We Measure Up

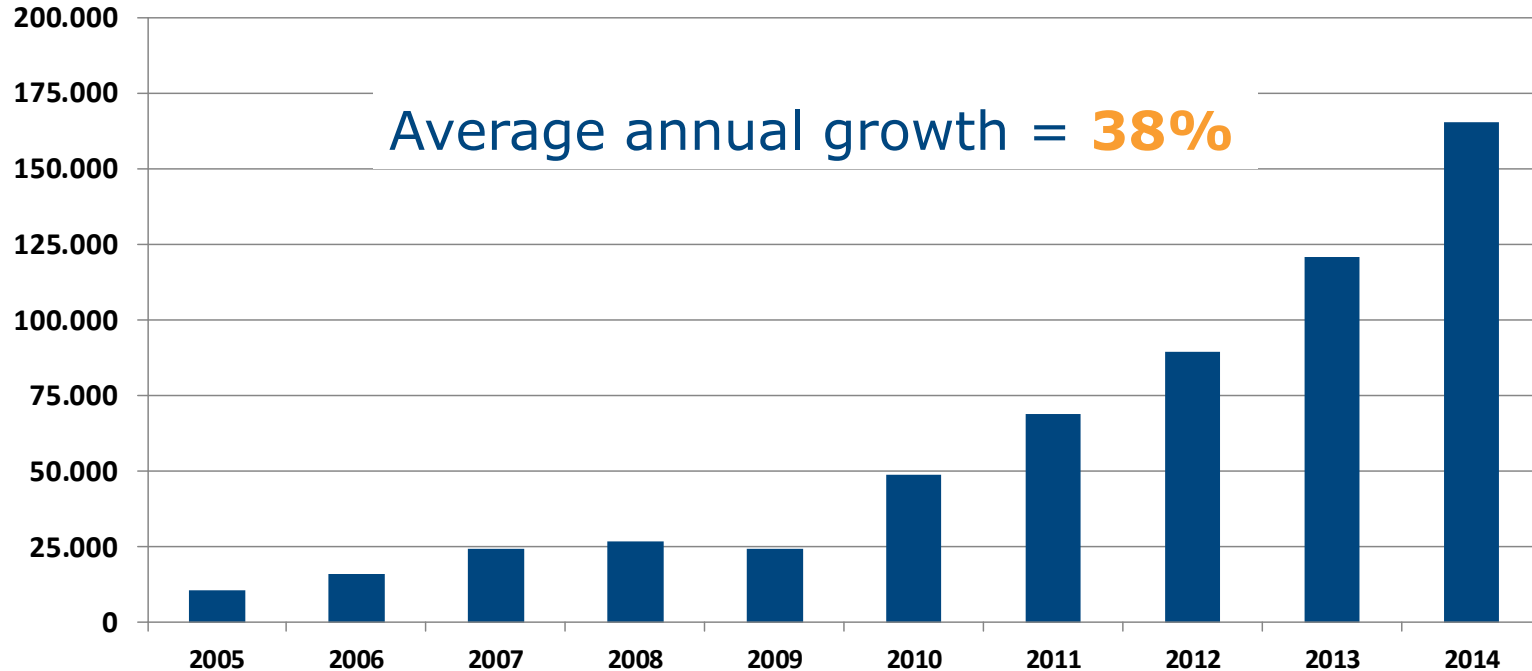
Basler Growth Story – Camera Revenue



* Numbers in million €

How We Measure Up

Basler Growth Story – Sold Camera Units



* Numbers in k Production Units

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Review 2014

Highlights FY 2014 (1/2)

- Exceeded record results of 2013 by far and accelerated company growth
- Grew more than twice as fast as the German image processing components industry
- Self financed growth with a significant positive free cash flow

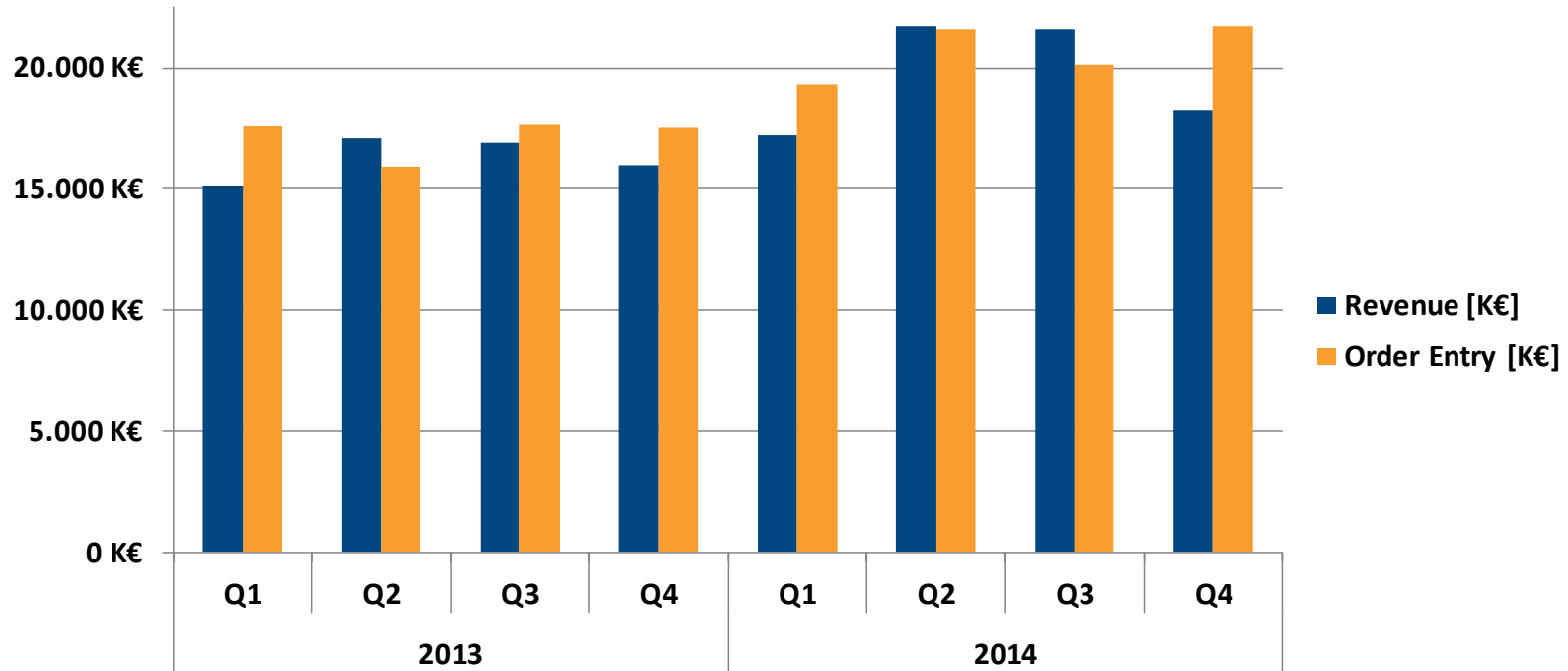
Review 2014

Highlights FY 2014 (2/2)

- Further penetrated mainstream and entry level markets with existing and new product launches such as Basler dart or Basler ace with CMOS sensors
- Introduced Basler lens products
- Opened a new production facility in Singapore for local demands
- Hired 52 new employees with a fluctuation rate of less than one percent

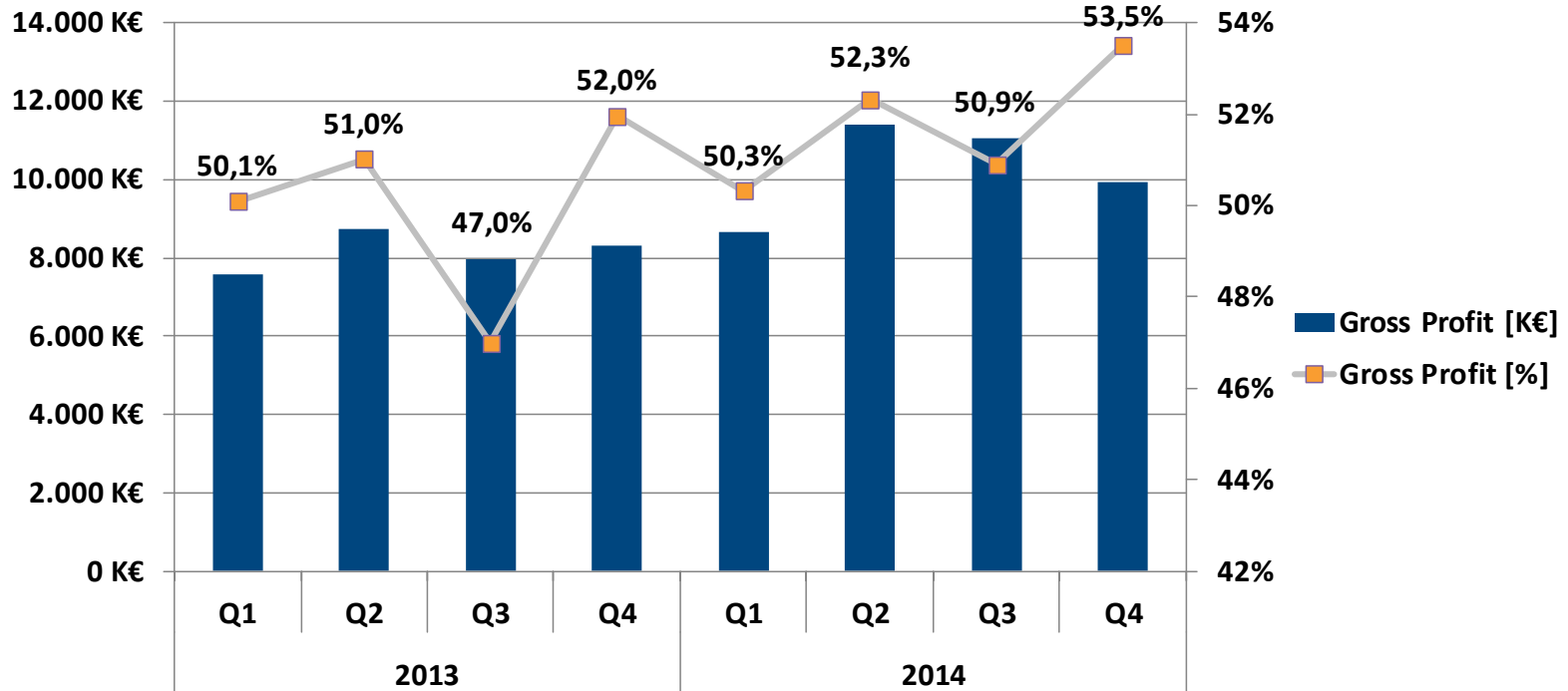
Revenue & Order Entry

Last 8 Quarters



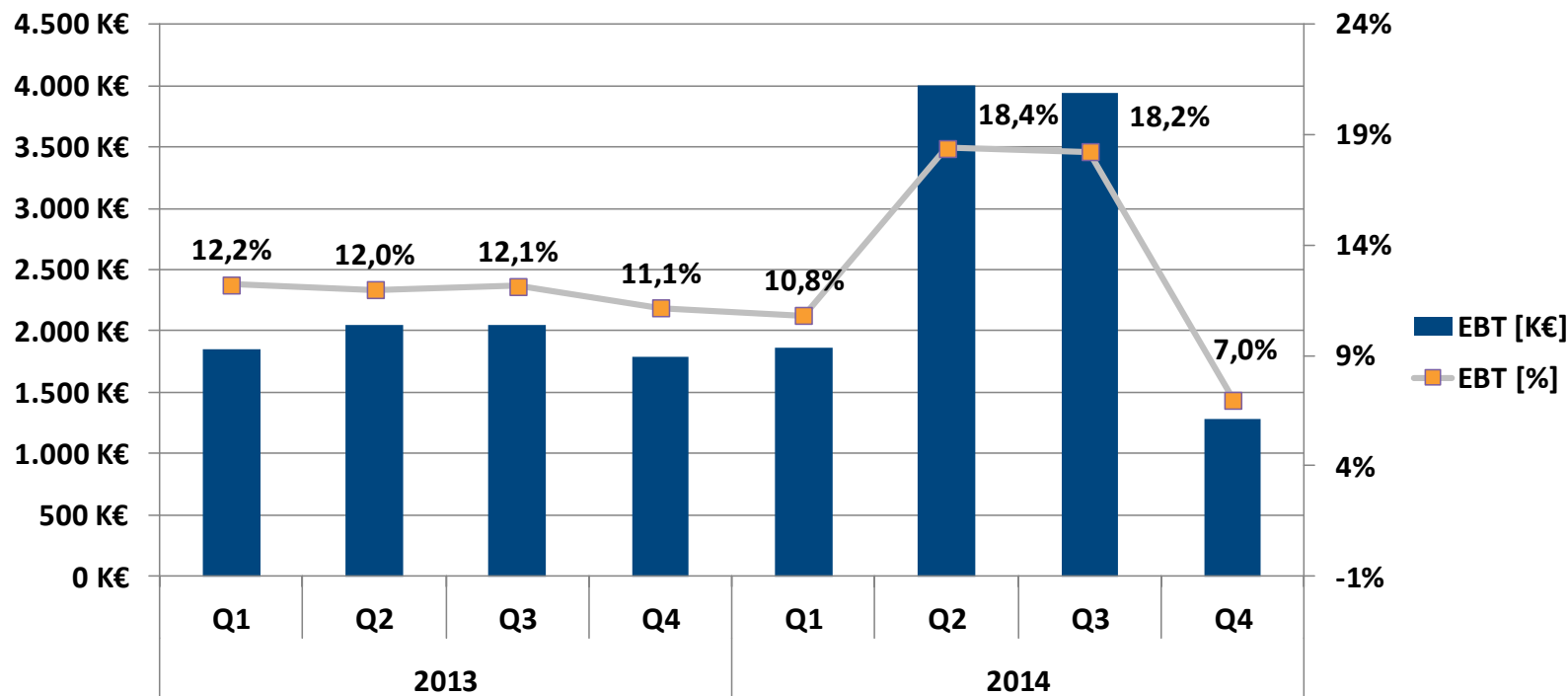
Gross Profit

Absolute and by Percentage



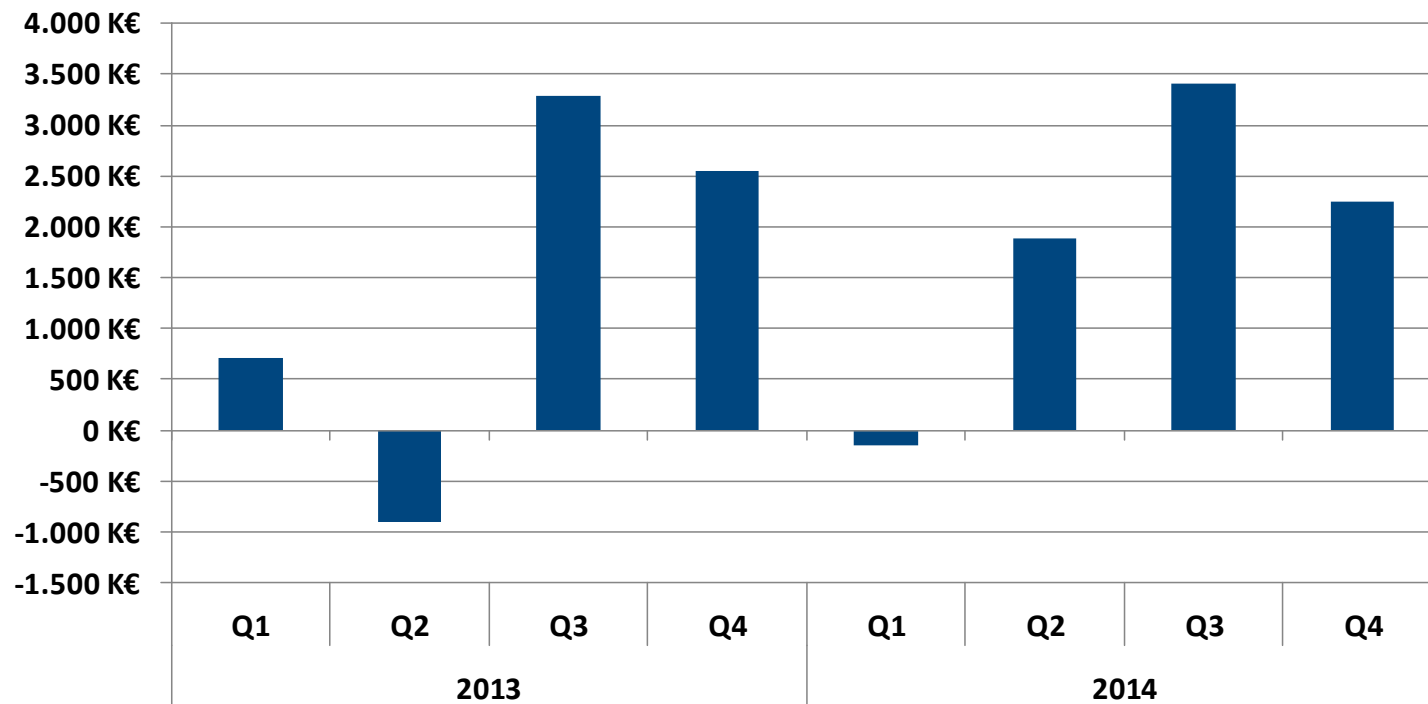
Earnings Before Tax

Absolute and by Percentage



Free Cashflow

By Quarters



Results FY 2014

Profit & Loss

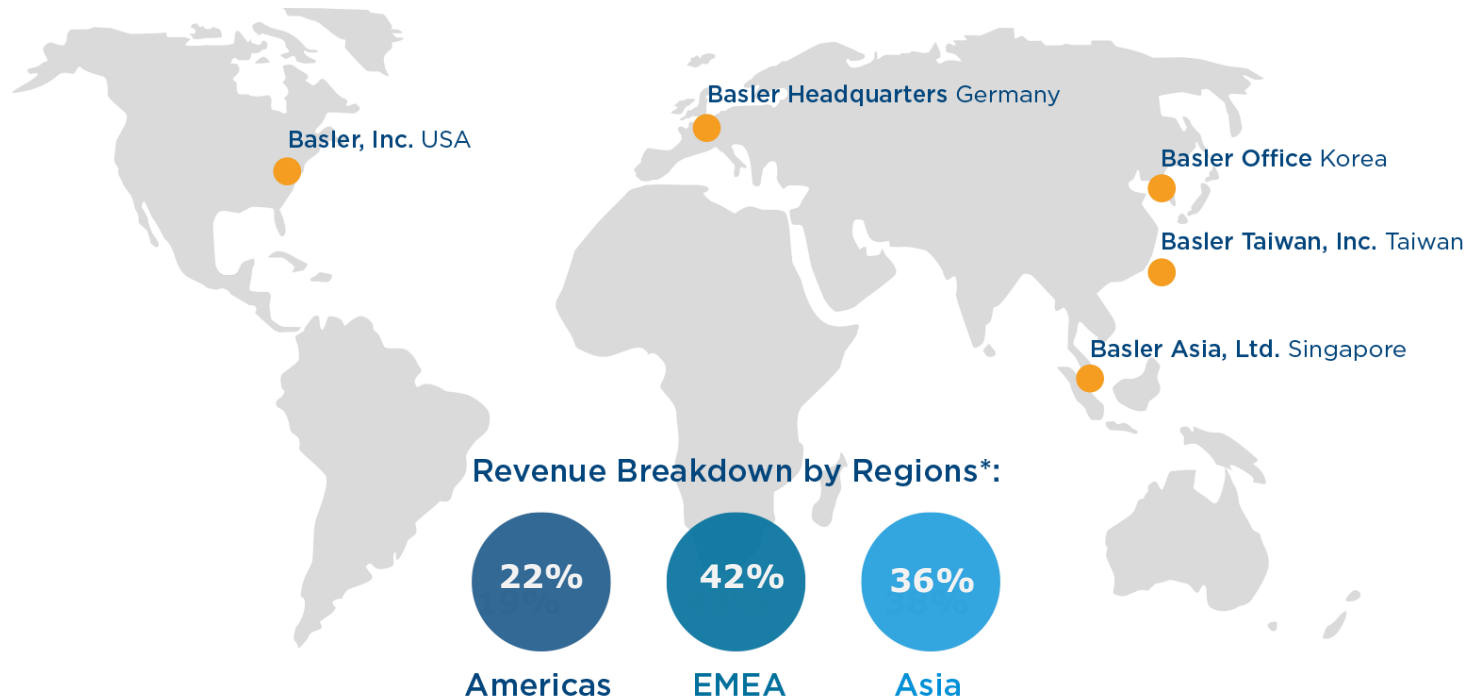
	FY 2013	FY 2014	+/-
Order Entry	68.6	82.7	+21%
Sales	65.1	79.2	+22%
Gross Profit	32.5	41.0	+26%
EBIT	8.5	12.5	+47%
EBT	7.8	11.1	+42%
Net Income	5.6	8.2	+46%
EPS*	1.70	2.54	+49%



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

Results FY 2014

Regional Revenue Breakdown



*as of December 31, 2014

Results FY 2014

Cashflow

	FY 2013	FY 2014	+/-
Cash, b.o. period	8.2	9.7	+18%
Cashflow from Operations	12.1	16.0	+32%
Cashflow from Investments	-6.5	-8.6	-32%
Free Cashflow	5.6	7.4	+32%
Cashflow from Financing	-4.2	-4.2	n.a.
Cash, e.o. period	9.7	12.8	+32%



*All numbers in € mill.

Results FY 2014

Net Cash

	December 31st, 2013	December 31st, 2014	+/-
Liabilities to banks	-6.0	-8.3	+38%
Cash & Cash equivalents	9.7	12.8	+32%
Operative Net Cash	3.7	4.4	+19%



*Numbers in € mill.

Results FY 2014

Balance Sheet – Assets

	2013	2014	+/-
Intangible assets	14.5	17.4	+20%
Tangible assets	4.3	5.3	+23%
Buildings and land in finance lease	16.7	16.0	-4%
Deferred tax claims	0.1	0.1	0%
Long-term assets	35.6	38.8	9%
Inventories	9.6	12.5	+30%
Receivables from deliveries and service	6.9	7.0	+1%
Other short-term assets	1.5	1.2	-20%
Cash in bank and cash in hand	9.7	12.8	+32%
Other short-term assets	27.7	33.5	+21%
Total assets	63.3	72.3	+14%



*Numbers in € mill.

Results FY 2014

Balance Sheet – Liabilities

	2013	2014	+/-
Equity	32.5	37.7	+15%
Long-term interest bearing bank liabilities	5.6	7.4	+32%
Liabilities from finance lease	12.9	11.5	-11%
Other long-term liabilities	1.7	3.4	+100%
Long-term liabilities	20.2	22.3	+10%
Current financial debt	1.5	2.3	+53%
Short-term provisions	3.2	3.9	+22%
Liabilities from finance lease	2.1	2.2	5%
Current other financial debt	3.8	4.3	+13%
Current financial debt	10.6	12.7	+20%
Total liabilities	63.3	72.3	+14%



*Numbers in € mill.

Results FY 2014

Dividend Proposal

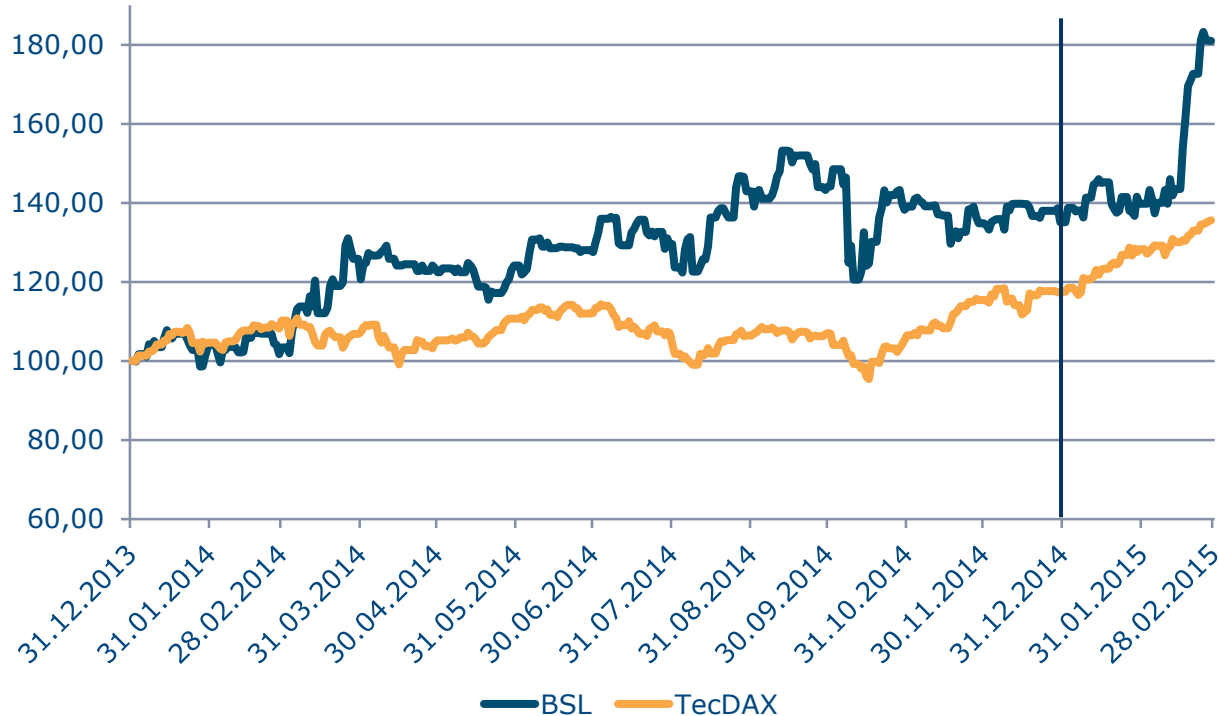
Dividend proposal for 2014: € 0.70 per share

- Base-component: € 0.20 per share
- Optional performance-component: € 0.50



Results FY 2014

Basler Share versus TecDax



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Outlook

Macro Environment

- Market is forecasted to grow with approximately 5% (Source: VDMA)
- Macro-economic uncertainties and geopolitical crises are assumed to have limited business effects
- Strong US Dollar will lead to positive margin effects, subdued by natural and financial hedge
- Stable Japanese Yen anticipated
- Strong business in Q1 expected due to a large project ordered in Q4/2014



Outlook

Mid-term Critical Success Factors

- Further expand market leadership in Gigabit-Ethernet camera market
- Ramp-up USB3 product line & leverage early-mover advantage
- Successful launch of new products: Basler *dart*, Basler *pulse*, Basler *ace* models and Basler lenses
- Leverage market opportunities by scaling up the organization efficiently (hires & capex)



Outlook

Guidance 2015

- Sales € 81 – 84 mill.
- EBT-Margin 9 – 10 %
- Positive free cashflow



Ask Questions

Get Answers



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