

Financial Results Q3 2014



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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
- ~ € 77 million revenue (2014e)
- 385 employees*
- Headquarters in Ahrensburg, Germany



*FTEs as of September 30, 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



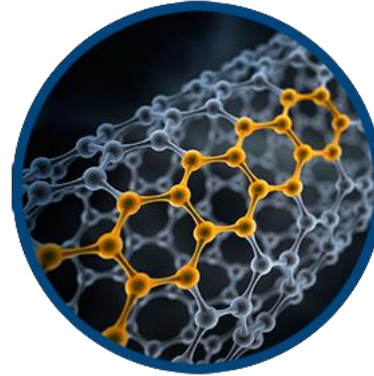
FACTORY

Sales: 60–70 %
CAGR: +



ITS

Sales: 10-15%
CAGR: ++



Medical

Sales: 10-15%
CAGR: ++

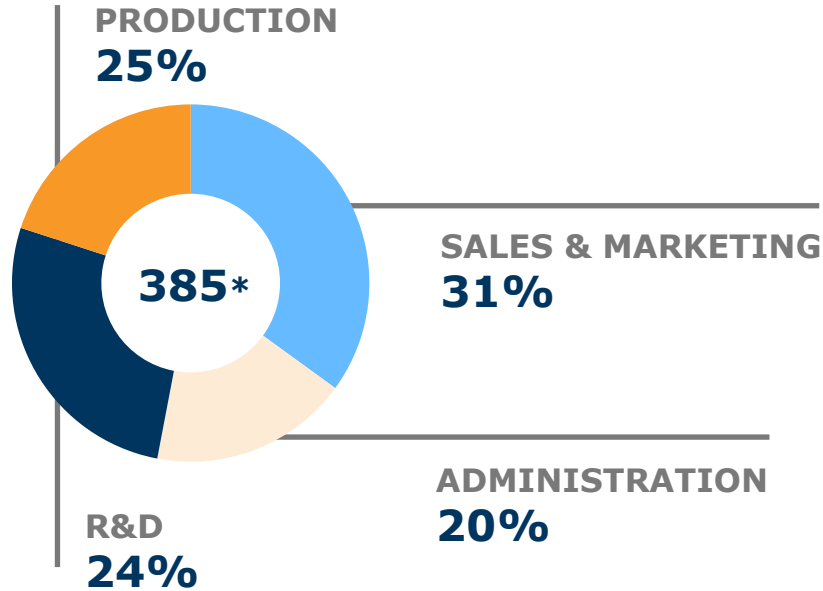


Misc. & New Business

Sales: 5–10 %
CAGR: +++

Company Profile

Our Employees

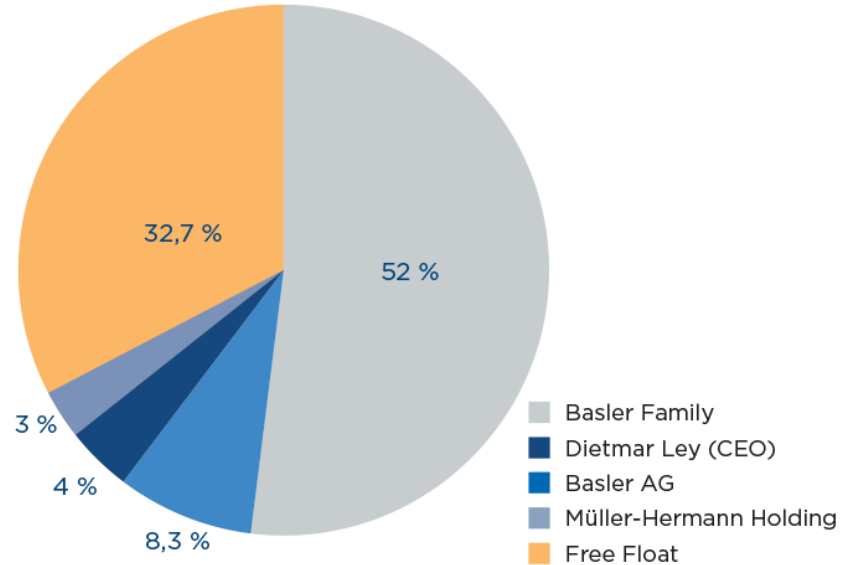


*385 fulltime equivalent jobs as of September 30, 2014

Company Profile

Basler Share

■ Shareholder Structure



*as of September 30, 2014



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What Drives Us

Our Vision

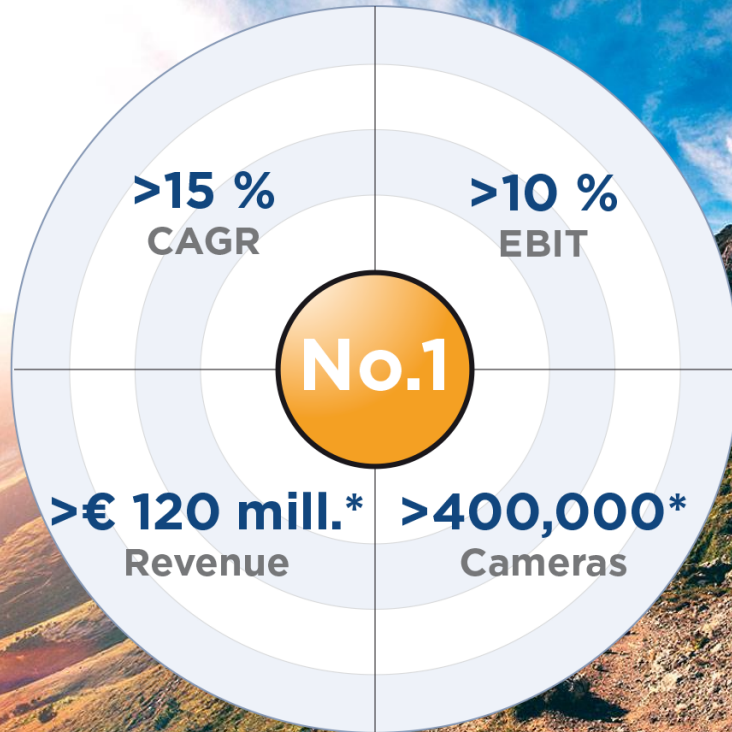


Advances
in technology will improve
the quality
of our lives

We give
technology
the power
of sight

Where We Are Going

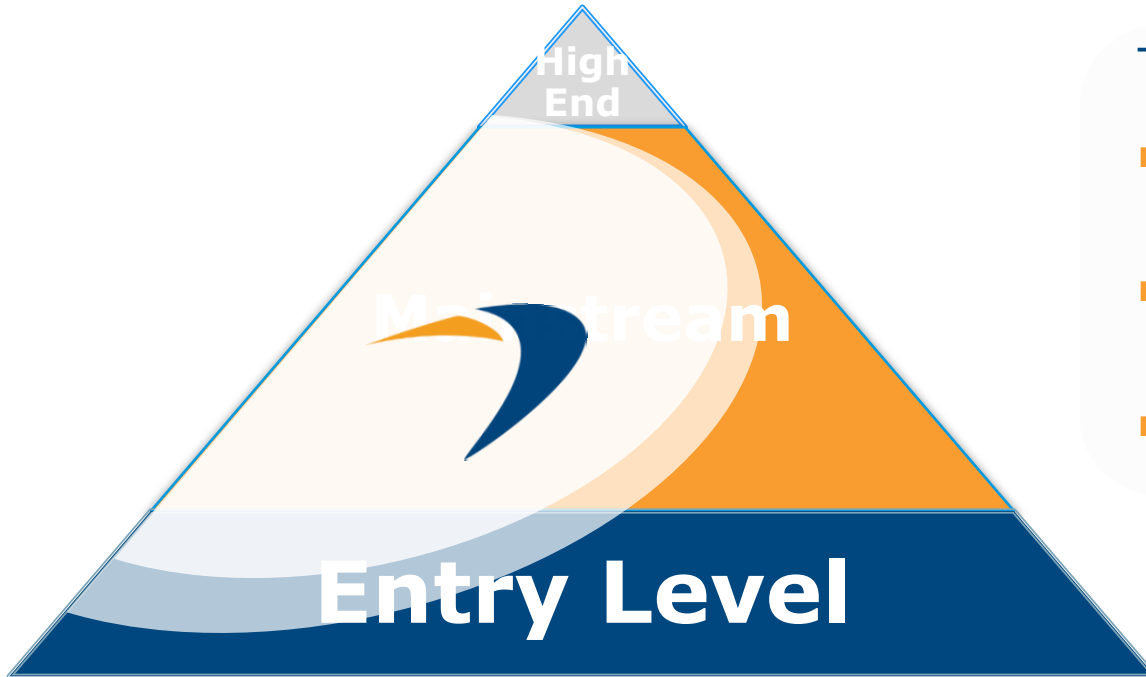
Strategic Goals*



*Mid-term goals, 2018

How We'll Get There

Strategy, Market Position

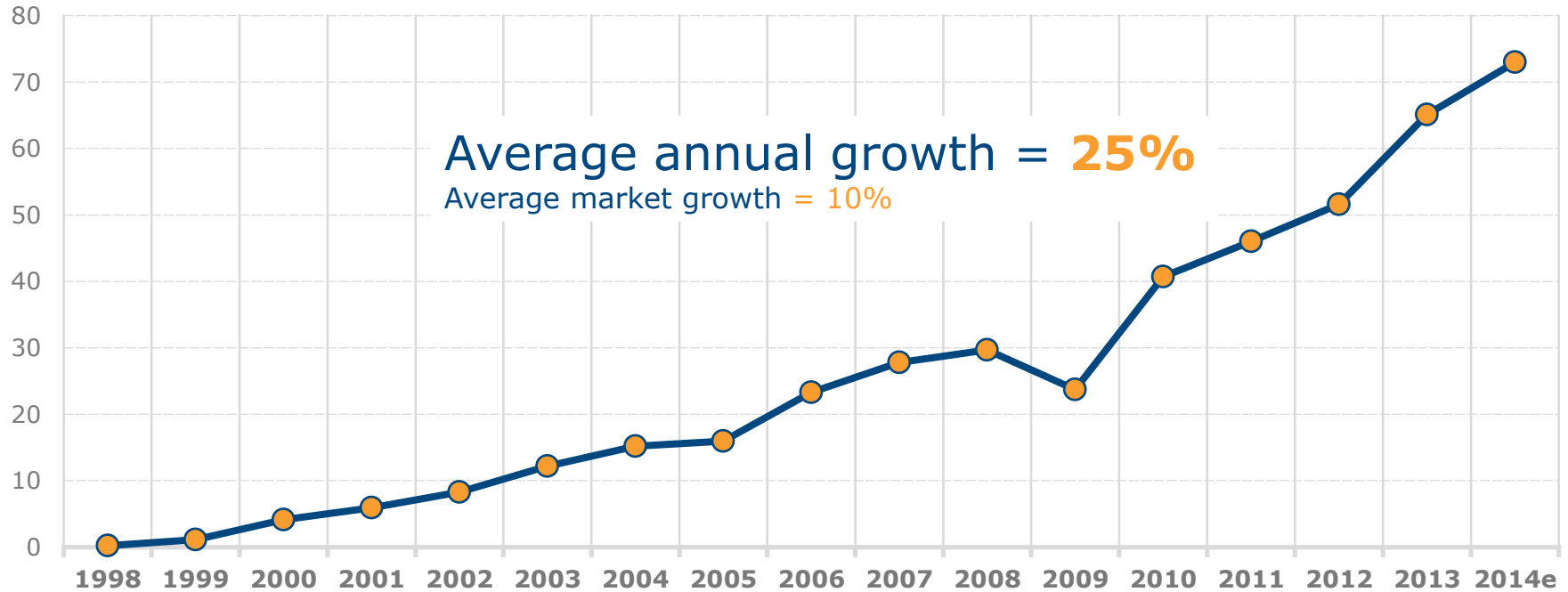


Tomorrow

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

How We Measure Up

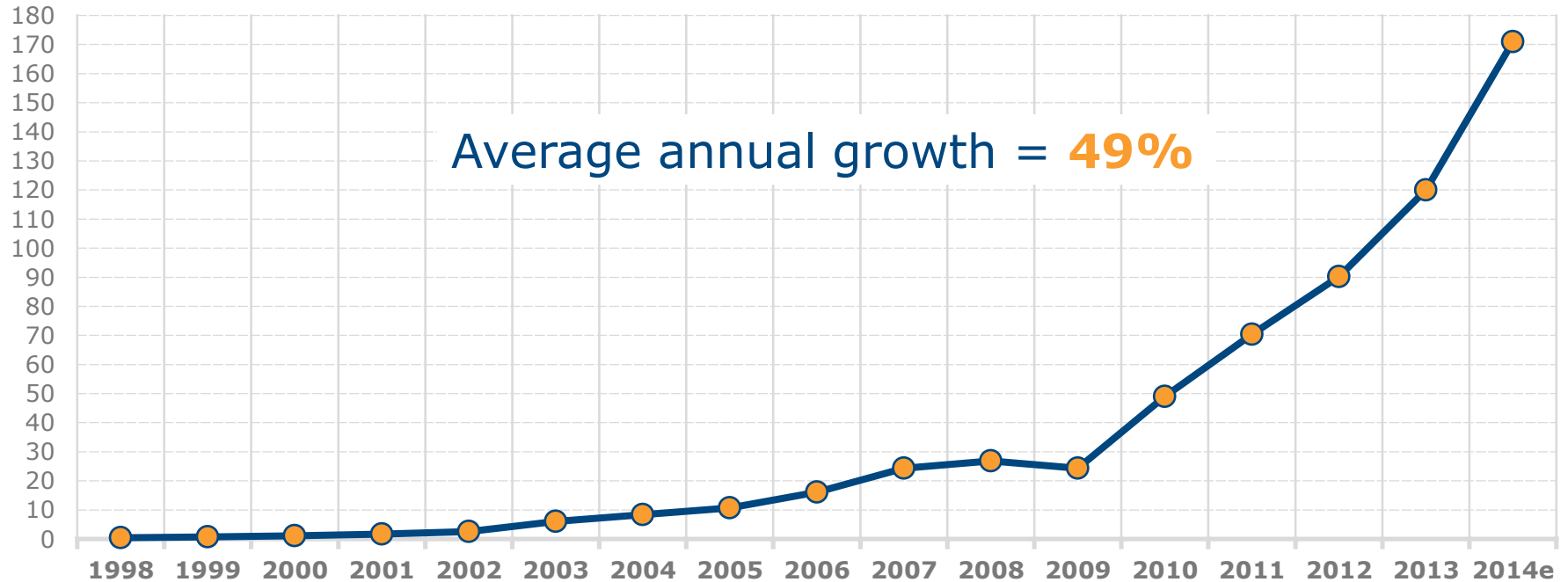
Basler Growth Story – Camera Revenue



* Numbers in million €

How We Measure Up

Basler Growth Story – Camera Unit Output



* Numbers in k Production Units

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Business Review

Market Situation & Growth Drivers in Q3 2014

- Bookings and billings significantly above market*
- High profit growth due to economies of scale
- Gigabit Ethernet cameras foster revenue growth
- Asia continues to be the fastest growing region
- Bookings of USB3 cameras continuously increase
- Significant expansion of organization

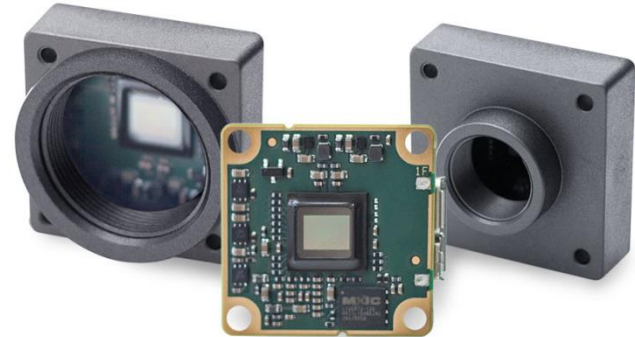


*VDMA predicts appr. 10 % market growth for 2014

Business Review

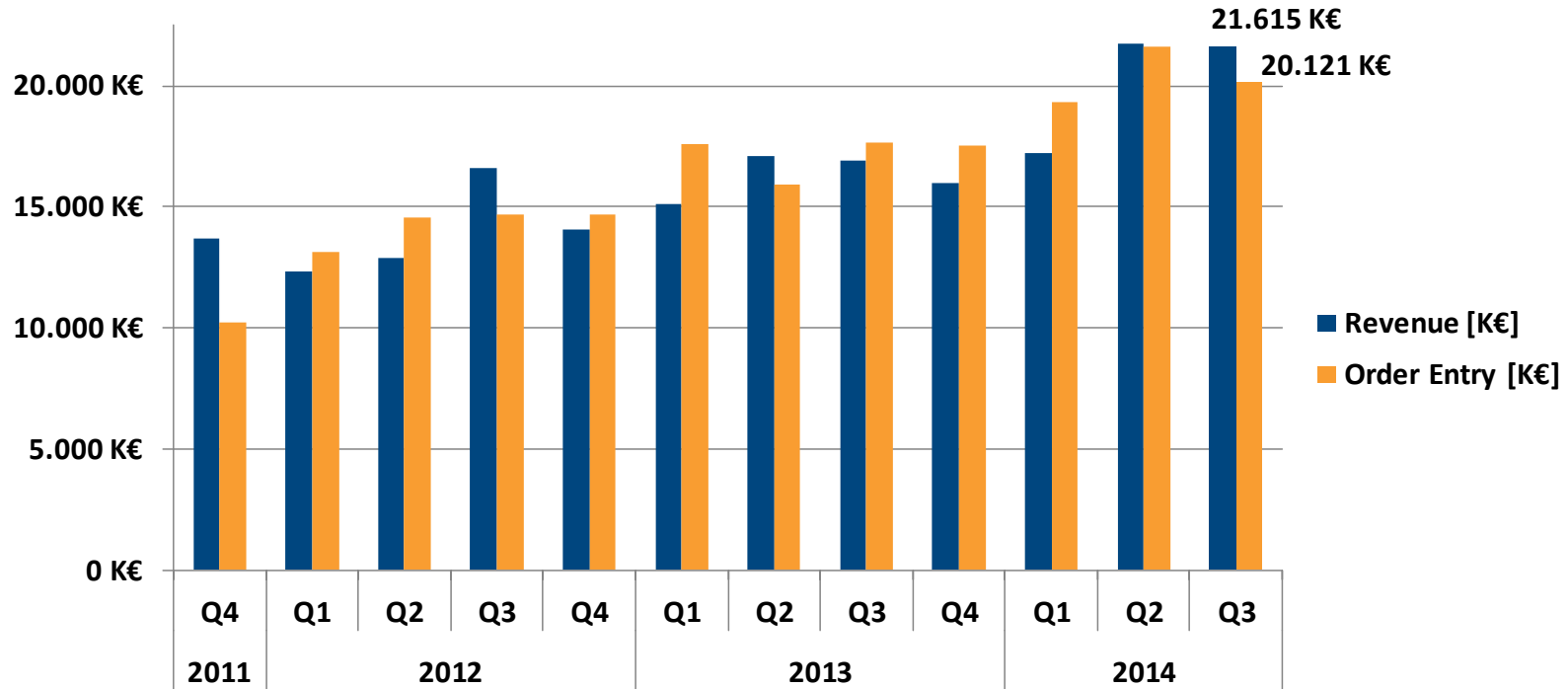
Highlights in Q3 2014

- First cameras made in Singapore sold to Asian market
- Launch of further ace models with high resolution CMOS sensors
- Introduction of new entry level product line: Basler *dart*
- Announcement of Basler lenses



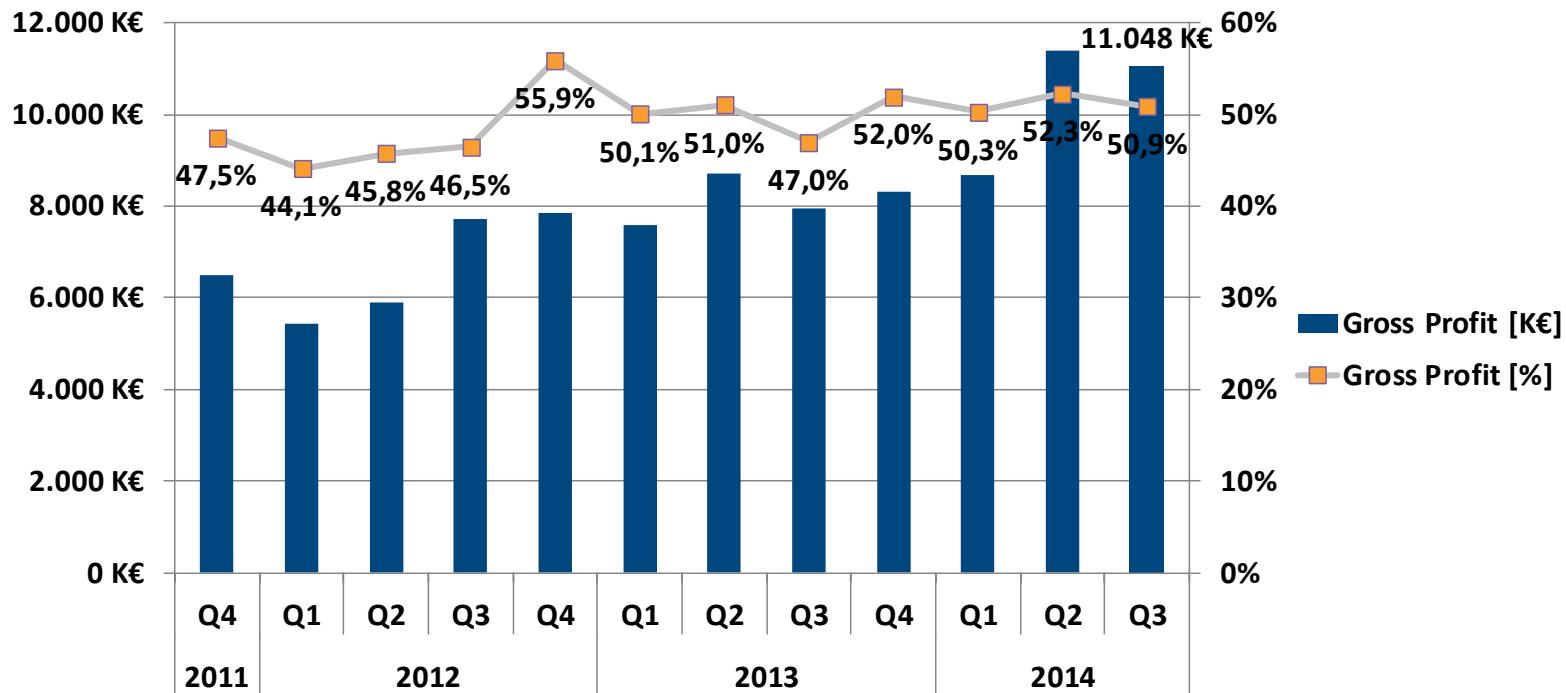
Revenue & Order Entry

Last 12 Quarters



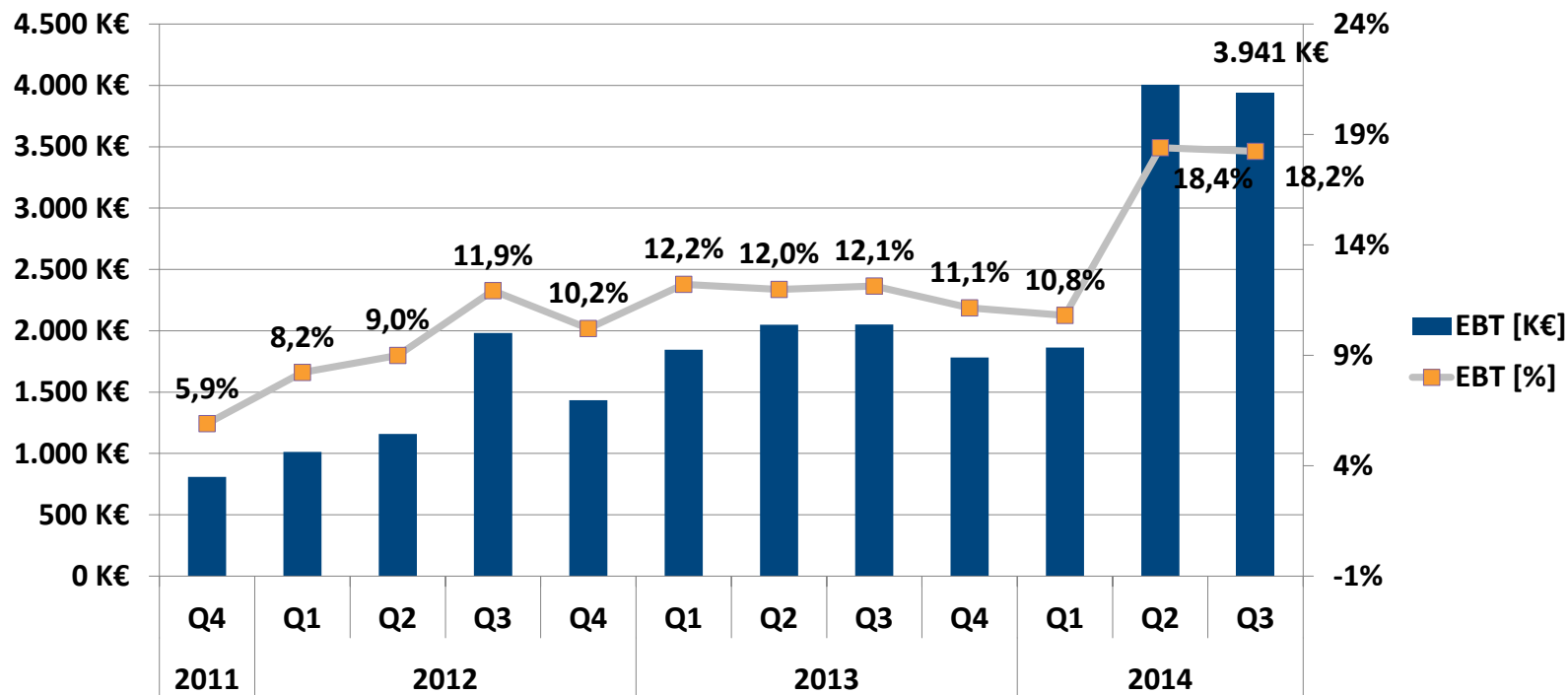
Gross Profit

Absolute and by Percentage



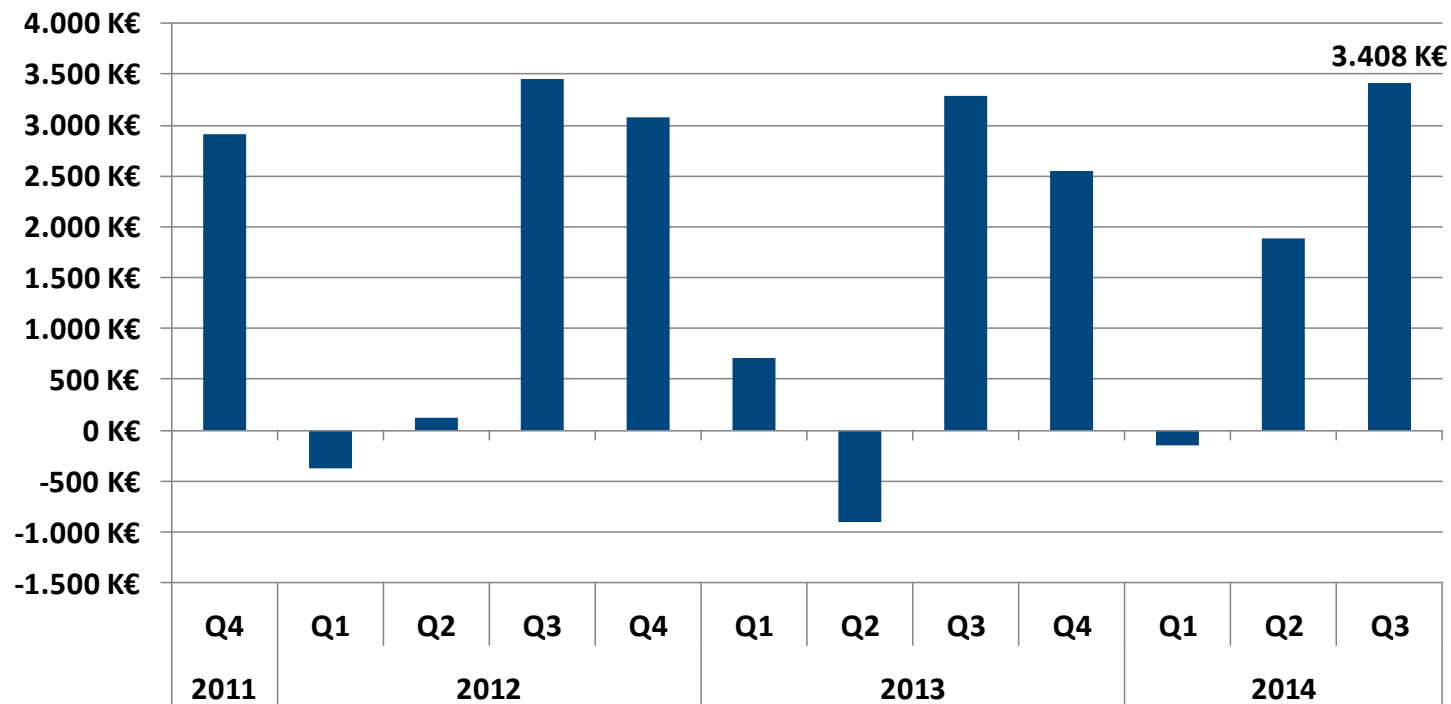
Earnings Before Tax

Absolute and by Percentage



Free Cash Flow

Last 12 Quarters



Results Q1-Q3 2014

Profit & Loss 9 Months

	9 Months 2013	9 Months 2014	+/-
Order Entry	51.1	61.0	+19%
Sales	49.1	60.7	+24%
Gross Profit	24.2	31.1	+29%
EBIT	6.5	11.0	+69%
EBT	5.9	9.8	+66%
Net Income	4.1	7.4	+80%
EPS*	1.24	2.30	+85%



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

Results Q1-Q3 2014

Cashflow

	9 Months 2013	9 Months 2014	+/-
Cash, b.o. period	8.2	9.7	+18%
Cashflow from Operations	7.3	10.7	+47%
Cashflow from Investments	-4.2	-5.6	+33%
Free Cashflow	3.1	5.1	+65%
Cashflow from Financing	-2.7	-2.5	-7%
Cash, e.o. period	8.6	12.3	+43%



*All numbers in € mill.

Results Q1-Q3 2014

Net Cash

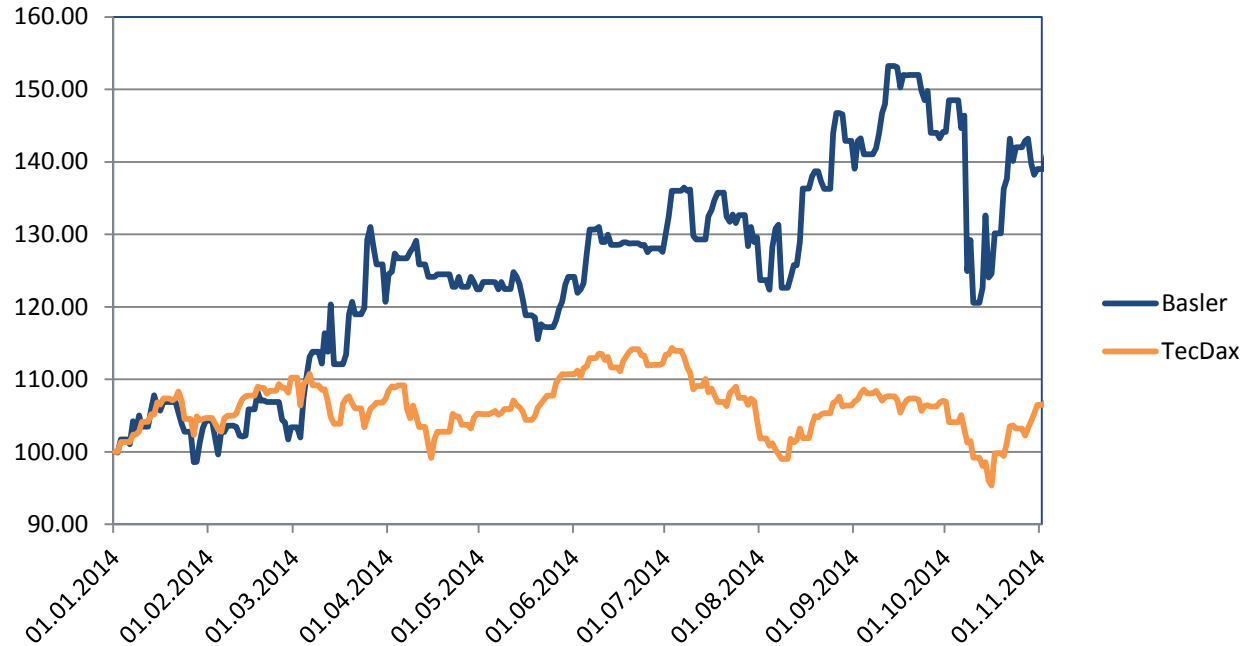
	December 31st, 2013	Sept. 30, 2014	+/-
Liabilities to banks	-6.0	-8.2	+37%
Cash & Cash equivalents	9.7	12.3	+27%
Operative Net Cash	3.7	4.1	+11%



*Numbers in € mill.

Basler Share Performance

Basler versus TecDax



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Outlook

Macro Environment

- Higher uncertainty of macro-economic development - no business impact so far
- Expected slow-down of business in Q4 due do normal seasonality
- Strong US Dollar will lead to positive margin effects
- Stable Japanese Yen anticipated



Outlook

What's Important for Basler in the Near Future

- Further expand market leadership in Gigabit-Ethernet camera market
- Ramp-up USB3 product line & leverage early-mover advantage
- Gain market share in line scan camera market
- Accelerate growth investments (personnel and capex) to better balance top line and bottom line results
- Successful launch of Basler *dart* and Basler lenses



Outlook

Guidance FY-2014

- Sales € 77 – 79 mill.
- EBT-Margin 13 – 14 %
- Strong positive free cashflow
- No new orders from Solutions business, thus slightly negative book-to-bill ratio expected.



Ask Questions

Get Answers



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