

Buy EUR 164.00 (EUR 170.00) Price EUR 114.60 Upside 43.1 %	Value Indicators: EUR DCF: 163.71 FCF-Value Potential 23e: 67.41	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: 1,139.4 No. of shares (m): 9.9 EV: 1,127.3 Freefloat MC: 444.4 Ø Trad. Vol. (30d): 688.89 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: 8.5 x Equity Ratio: 65 %

Sales expected to almost double within the next five years

in EUR m	Q4/21p	Q4/21e	Q4/20	yoy	2021p	2021e	2020	yoy
Sales	50.1	56.0	41.3	21.5%	214.7	220.6	170.5	25.9%
EBITDA	7.4	12.5	6.3	16.6%	44.5	49.6	34.6	28.8%
margin	14.7%	22.2%	15.3%		20.7%	22.5%	20.3%	
EBT	3.5	8.0	2.3	53.2%	28.0	32.5	20.4	37.2%
margin	6.9%	14.2%	5.5%		13.1%	14.7%	12.0%	
Order entries	84.9	83.2	53.3	59.3%	322.5	320.8	181.6	77.6%
Book-to-bill	1.7	1.5	1.3		1.5	1.5	1.1	

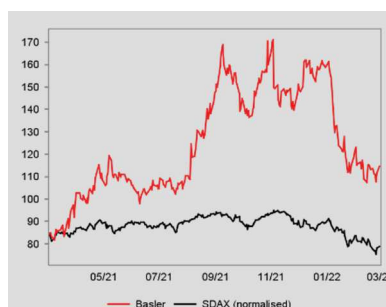
- Demand remained high in Q4 with an order intake of EUR 84.9m (+59% yoy)
- Q4 sales growth of 21.5% was more severely limited by bottlenecks than we were anticipating
- High procurement costs were not fully passed on to customers, resulting in a qoq EBT-margin decline

Basler published preliminary results that were below our estimates but fully in line with the guidance. Sales of EUR 214.7m (+26% yoy) reached the midpoint of the EUR 210-220m target range (WRe EUR 220.6m). The EBT margin increased from 12% to 13% (WRe 14.7%) and was within the guidance range of 13-15%. Despite the high demand, as reflected in the record-high order intake of EUR 322.5m (+78% yoy) and an order backlog of EUR 140.9m, top-line growth in the last quarter was limited by bottlenecks and the cyber-attack in November last year.

We expect the strained supply situation to ease in the second half of the year and growth to accelerate from quarter to quarter over the course of this year. The higher procurement costs resulting from the shortages were not fully passed on to customers. After an extraordinarily high EBIT margin of 18.0% in H1 2021, it declined to 7.6% in Q3 and even further to 6.9% in Q4. We expect profitability to recover over the course of the year, with a return to a double-digit margin in Q2. Guidance for 2022 will be published with the full-year figures on 30.03.2022.

Considering the high demand and strong order backlog, Basler should be able to reach its 2023 target of more than EUR 250m in sales as early as this year. Against this background, Basler has given a new mid-term outlook and is aiming for a top line of EUR 400m by 2025 (CAGR 20-25 13.3%) at an average EBT margin over the cycle of 12% and a cash conversion rate (FCF/EAT) of approx. 70% (excl. M&A effects). Economies of scale, which would allow for a higher level of profitability, will be used to accelerate revenue growth and achieve long-term average annual growth of 15%. Given the high demand, significant cross-selling potential and strong prospects in fields such as medical and life science, logistics and traffic, we consider this goal conservative. We have adjusted our estimates and lowered our target price slightly to EUR 164. However, with the strong order backlog and the attractive short and mid-term prospects, we expect the stock to recover quickly from the setback driven by the generally weak sentiment towards tech stocks and consider the current share an attractive investment opportunity. Our Buy recommendation is confirmed.

Changes in Estimates:						Comment on Changes:	
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	
Sales	220.6	-2.7 %	277.1	-2.4 %	317.9	-1.4 %	■ 2021 figures adjusted in accordance with the preliminary figures
EBT	32.5	-13.7 %	41.3	-10.1 %	48.4	-9.5 %	■ Profitability estimates reduced to reflect higher procurement costs
EPS	2.37	-12.2 %	2.97	-10.1 %	3.49	-9.7 %	

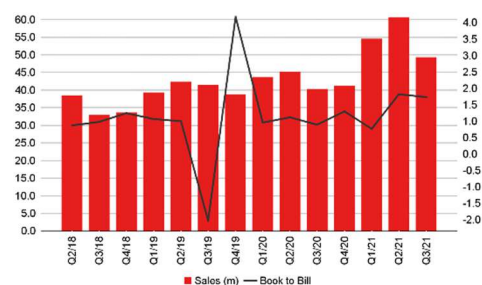


Rel. Performance vs SDAX:	
1 month:	0.1 %
6 months:	-7.0 %
Year to date:	-15.9 %
Trailing 12 months:	41.9 %

Company events:	
30.03.22	FY 2021
04.05.22	Q1
23.05.22	AGM
03.08.22	Q2

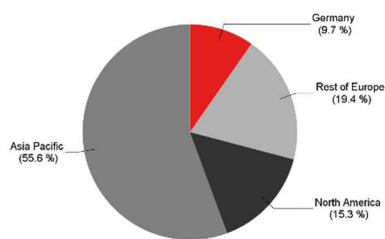
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	22.5 %	150.2	150.0	162.0	170.5	214.7	270.5	313.4
Change Sales yoy		54.0 %	-0.1 %	8.0 %	5.2 %	25.9 %	26.0 %	15.9 %
Gross profit margin		49.6 %	53.3 %	50.9 %	52.0 %	51.9 %	51.5 %	51.5 %
EBITDA	21.7 %	39.7	36.0	30.0	34.6	44.5	55.1	62.3
Margin		26.4 %	24.0 %	18.5 %	20.3 %	20.7 %	20.4 %	19.9 %
EBIT	30.5 %	30.5	24.8	17.0	20.1	28.3	37.9	44.6
Margin		20.3 %	16.6 %	10.5 %	11.8 %	13.2 %	14.0 %	14.2 %
Net income	27.8 %	21.6	17.0	12.9	15.1	20.8	26.7	31.5
EPS	27.8 %	2.25	1.76	1.29	1.51	2.08	2.67	3.15
DPS	17.7 %	0.67	0.53	0.26	0.58	0.62	0.80	0.95
Dividend Yield		1.6 %	0.9 %	0.6 %	1.1 %	0.5 %	0.7 %	0.8 %
FCFPS		2.46	0.93	-0.97	1.38	1.00	1.43	2.09
FCF / Market cap		5.8 %	1.6 %	-2.1 %	2.6 %	0.9 %	1.2 %	1.8 %
EV / Sales		2.7 x	3.8 x	3.0 x	3.2 x	5.3 x	4.2 x	3.6 x
EV / EBITDA		10.2 x	15.7 x	16.1 x	15.6 x	25.6 x	20.6 x	18.0 x
EV / EBIT		13.2 x	22.8 x	28.4 x	26.9 x	40.3 x	29.9 x	25.1 x
P / E		18.8 x	32.7 x	36.4 x	35.8 x	55.1 x	42.9 x	36.4 x
P / E adj.		18.8 x	32.7 x	36.4 x	37.0 x	55.1 x	42.9 x	36.4 x
FCF Potential Yield		7.2 %	4.1 %	2.3 %	4.8 %	3.0 %	3.6 %	4.1 %
ROE		37.4 %	24.1 %	14.4 %	13.9 %	16.7 %	18.4 %	18.9 %
ROCE (NOPAT)		38.4 %	23.8 %	12.7 %	12.8 %	17.3 %	20.0 %	21.6 %
Guidance:	2021 sales EUR 210-220m, EBT margin 13-15%							

Sales development in EUR m



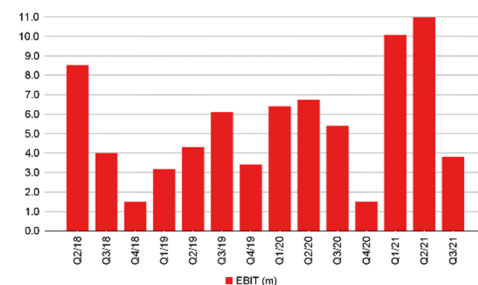
Source: Basler

Sales by regions 2020; in %



Source: Basler

EBIT development in EUR m



Source: Basler

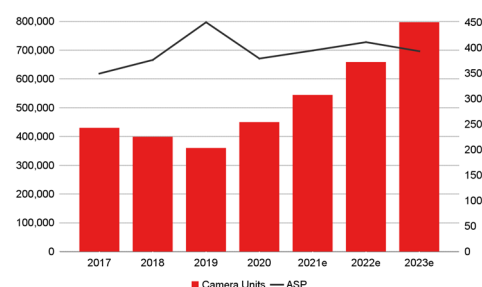
Company Background

- 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

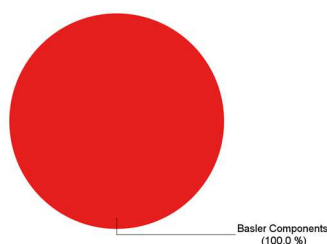
- In terms of units Basler is the world's largest developer and manufacturer of digital cameras in a fragmented, but consolidating, market for digital cameras for B2B-applications.
- High level of vision technology expertise: Basler has one of the largest developer pools in the sector and differentiates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



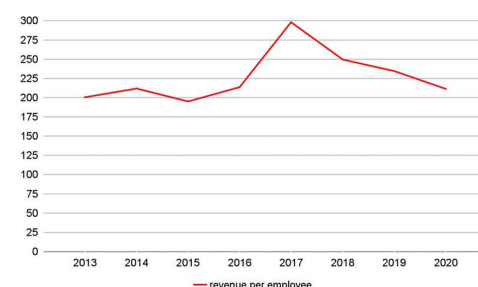
Source: Basler

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	214.7	270.5	313.4	366.2	425.4	492.5	568.2	653.4	748.9	855.6	974.5	1,106.5	1,256.3	2.5 %
Sales change	25.9 %	26.0 %	15.9 %	16.8 %	16.2 %	15.8 %	15.4 %	15.0 %	14.6 %	14.2 %	13.9 %	13.5 %	13.5 %	
EBIT	28.3	37.9	44.6	53.5	60.8	69.0	79.6	91.5	104.8	119.8	136.4	154.9	175.9	14.0 %
EBIT-margin	13.2 %	14.0 %	14.2 %	14.6 %	14.3 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	
Tax rate (EBT)	25.7 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	125
NOPAT	21.0	27.3	32.1	38.5	43.8	49.6	57.3	65.9	75.5	86.2	98.2	111.5	126.6	
Depreciation	16.2	17.2	17.7	22.0	26.4	31.0	36.4	42.5	48.7	55.6	63.3	71.9	81.7	76.47 %
in % of Sales	7.5 %	6.4 %	5.6 %	6.0 %	6.2 %	6.3 %	6.4 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
Changes in provisions	0.8	0.0	0.0	0.3	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.8	0.9	125
Change in Liquidity from														
- Working Capital	12.6	7.9	5.0	8.4	9.2	9.8	12.5	14.1	15.8	17.6	19.6	21.8	24.7	125
- Capex	21.2	22.6	24.2	25.6	29.5	33.8	38.6	43.9	49.9	56.4	63.6	71.5	75.4	
Capex in % of Sales	9.9 %	8.3 %	7.7 %	7.0 %	6.9 %	6.9 %	6.8 %	6.7 %	6.7 %	6.6 %	6.5 %	6.5 %	6.0 %	125
- 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)	4.3	14.0	20.6	26.8	31.8	37.5	43.0	50.9	59.1	68.5	79.1	91.0	109.1	125
PV of FCF	4.4	13.6	18.6	22.6	25.1	27.6	29.5	32.6	35.4	38.3	41.3	44.4	49.7	
share of PVs	2.25 %			21.28 %										76.47 %

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	1.30
Risk free rate	1.50 %	Transparency	1.00
		Others	0.90
WACC	7.07 %	Beta	1.06

Valuation (m)

Present values 2033e	383		
Terminal Value	1,246		
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	1,628	Value per share (EUR)	163.71

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
1.25	8.1 %	117.40	120.75	124.39	128.36	132.70	137.47	142.74	1.25	8.1 %	112.81	117.99	123.18	128.36	133.54	138.73	143.91
1.16	7.6 %	130.42	134.61	139.19	144.22	149.77	155.93	162.81	1.16	7.6 %	126.87	132.65	138.44	144.22	150.00	155.78	161.56
1.11	7.3 %	137.86	142.56	147.73	153.44	159.76	166.82	174.75	1.11	7.3 %	135.05	141.18	147.31	153.44	159.56	165.69	171.82
1.06	7.1 %	146.04	151.35	157.21	163.71	170.96	179.10	188.31	1.06	7.1 %	144.16	150.68	157.19	163.71	170.22	176.73	183.25
1.01	6.8 %	155.06	161.08	167.76	175.21	183.58	193.04	203.83	1.01	6.8 %	154.37	161.32	168.26	175.21	182.16	189.10	196.05
0.96	6.6 %	165.07	171.93	179.59	188.18	197.90	208.98	221.73	0.96	6.6 %	165.88	173.31	180.75	188.18	195.61	203.04	210.48
0.87	6.1 %	188.71	197.79	208.05	219.74	233.20	248.86	267.29	0.87	6.1 %	193.90	202.51	211.13	219.74	228.36	236.97	245.59

- 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	20.8	26.7	31.5	
+ Depreciation + Amortisation	9.2	11.1	12.9	14.5	16.2	17.2	17.7	
- Net Interest Income	-0.7	-0.3	-0.1	0.4	-0.3	-0.8	-0.8	
- Maintenance Capex	2.8	2.9	5.0	0.0	3.2	4.1	4.7	
+ 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	34.4	41.0	45.6	
FCF Potential Yield (on market EV)	7.2 %	4.1 %	2.3 %	4.8 %	3.0 %	3.6 %	4.1 %	
WACC	7.07 %	7.07 %	7.07 %	7.07 %	7.07 %	7.07 %	7.07 %	
= Enterprise Value (EV)	402.6	564.9	482.6	539.5	1,141.4	1,133.9	1,121.5	
= Fair Enterprise Value	410.3	331.3	154.5	367.3	486.6	579.6	645.7	
- Net Debt (Cash)	-2.8	-2.8	-2.8	-2.8	-6.5	-14.0	-26.4	
- 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	412.0	333.0	156.2	369.1	491.2	591.7	670.2	
Number of shares, average	9.6	9.6	9.9	10.0	10.0	10.0	10.0	
= Fair value per share (EUR)	42.80	34.54	15.71	36.89	49.12	59.17	67.02	
premium (-) / discount (+) in %					-57.1 %	-48.4 %	-41.5 %	
Sensitivity Fair value per Share (EUR)								
WACC	10.07 %	29.14	23.57	11.08	26.11	34.82	42.15	48.06
	9.07 %	32.34	26.15	12.28	28.97	38.61	46.66	53.09
	8.07 %	36.33	29.37	13.78	32.54	43.34	52.29	59.36
	7.07 %	42.80	34.54	15.71	36.89	49.12	59.17	67.02
	6.07 %	48.24	38.99	18.27	43.21	57.47	69.12	78.11
	5.07 %	57.73	46.65	21.84	51.70	68.72	82.52	93.04
	4.07 %	71.87	58.07	27.17	64.37	85.50	102.50	115.30

- 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	8.5 x	7.4 x	6.4 x
Book value per share ex intangibles	4.22	3.57	4.10	5.00	6.31	7.71	9.34
EV / Sales	2.7 x	3.8 x	3.0 x	3.2 x	5.3 x	4.2 x	3.6 x
EV / EBITDA	10.2 x	15.7 x	16.1 x	15.6 x	25.6 x	20.6 x	18.0 x
EV / EBIT	13.2 x	22.8 x	28.4 x	26.9 x	40.3 x	29.9 x	25.1 x
EV / EBIT adj.*	13.2 x	22.8 x	28.4 x	26.9 x	40.3 x	29.9 x	25.1 x
P / FCF	17.2 x	61.9 x	n.a.	39.1 x	120.4 x	84.4 x	57.7 x
P / E	18.8 x	32.7 x	36.4 x	35.8 x	55.1 x	42.9 x	36.4 x
P / E adj.*	18.8 x	32.7 x	36.4 x	37.0 x	55.1 x	42.9 x	36.4 x
Dividend Yield	1.6 %	0.9 %	0.6 %	1.1 %	0.5 %	0.7 %	0.8 %
FCF Potential Yield (on market EV)	7.2 %	4.1 %	2.3 %	4.8 %	3.0 %	3.6 %	4.1 %
*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	1.1	1.5	1.0	1.0
ASP	349	376	450	379	394	411	393

Consolidated profit and loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	150.2	150.0	162.0	170.5	214.7	270.5	313.4
Change Sales yoy	54.0 %	-0.1 %	8.0 %	5.2 %	25.9 %	26.0 %	15.9 %
COGS	75.7	70.1	79.5	81.7	103.3	131.2	152.0
Gross profit	74.5	79.9	82.4	88.7	111.4	139.3	161.4
Gross margin	49.6 %	53.3 %	50.9 %	52.0 %	51.9 %	51.5 %	51.5 %
Research and development	10.8	18.8	17.9	21.7	29.4	36.3	41.5
Sales and marketing	19.6	23.0	31.5	30.6	34.5	43.2	50.8
Administration expenses	13.1	12.7	15.8	17.4	19.6	21.8	24.6
Other operating expenses	1.2	1.4	1.0	0.2	0.6	1.0	1.2
Other operating income	0.7	0.8	0.8	1.1	1.0	0.9	1.3
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	44.5	55.1	62.3
Margin	26.4 %	24.0 %	18.5 %	20.3 %	20.7 %	20.4 %	19.9 %
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	39.5	49.9	56.9
Amortisation of intangible assets	5.6	7.9	8.0	8.2	11.2	12.0	12.3
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	28.3	37.9	44.6
Margin	20.3 %	16.6 %	10.5 %	11.8 %	13.2 %	14.0 %	14.2 %
EBIT adj.	30.5	24.8	17.0	20.1	28.3	37.9	44.6
Interest income	0.3	0.2	1.0	1.1	0.3	0.2	0.2
Interest expenses	1.0	0.5	1.1	0.8	0.6	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	28.0	37.1	43.8
Margin	19.8 %	16.3 %	10.4 %	12.0 %	13.1 %	13.7 %	14.0 %
Total taxes	8.2	7.5	4.0	5.3	7.2	10.4	12.3
Net income from continuing operations	21.6	17.0	12.9	15.1	20.8	26.7	31.5
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	20.8	26.7	31.5
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	20.8	26.7	31.5
Margin	14.4 %	11.3 %	7.9 %	8.9 %	9.7 %	9.9 %	10.1 %
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	2.08	2.67	3.15
EPS adj.	2.25	1.76	1.29	1.46	2.08	2.67	3.15

*Adjustments made for:

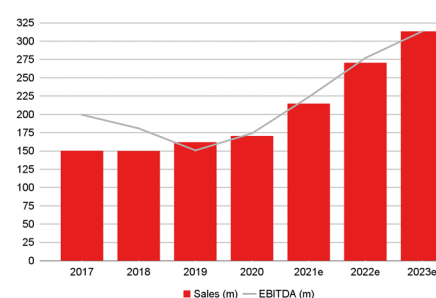
Guidance: 2021 sales EUR 210-220m, EBT margin 13-15%

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	29.3 %	36.7 %	40.4 %	40.3 %	38.7 %	37.5 %	37.3 %
Operating Leverage	2.8 x	140.8 x	-3.9 x	3.4 x	1.6 x	1.3 x	1.1 x
EBITDA / Interest expenses	40.5 x	78.2 x	28.3 x	45.0 x	74.2 x	55.1 x	62.3 x
Tax rate (EBT)	27.4 %	30.6 %	23.9 %	26.0 %	25.7 %	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	235,907	281,802	326,483

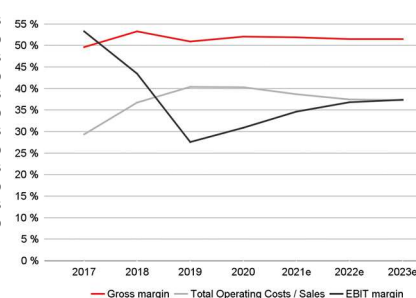
Sales, EBITDA

in EUR m

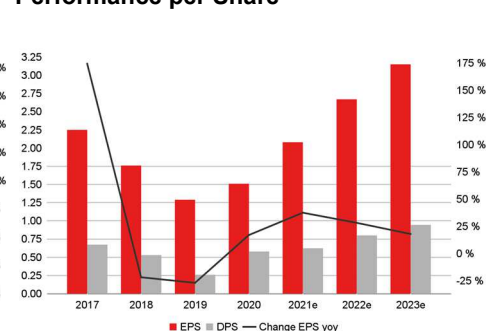


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

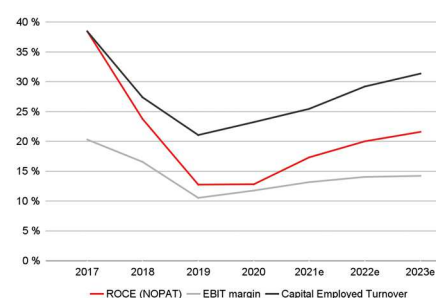
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	24.6	40.8	62.0	64.8	71.6	78.1	85.3
thereof other intangible assets	1.3	6.5	3.0	3.7	5.9	8.0	10.2
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	27.5	26.4	25.7
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	101.3	106.7	113.2
Inventories	20.8	21.0	20.9	20.0	32.0	35.6	40.2
Accounts receivable	11.1	18.2	19.4	19.5	25.9	31.1	34.3
Liquid assets	36.0	31.8	35.2	47.9	40.7	48.2	60.6
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	105.1	121.4	141.6
Total Assets	117.7	139.0	181.2	190.1	206.4	228.1	254.7
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	107.9	134.6	166.2
Other equity components	0.3	0.5	-4.2	-4.8	-5.8	-12.0	-20.0
Shareholders' equity	65.6	75.5	103.0	114.9	134.7	155.2	178.7
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	134.7	155.2	178.7
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	15.9	17.8	20.6
Other liabilities	5.5	7.9	9.4	9.7	10.7	9.7	9.7
Liabilities	52.1	63.4	78.2	75.2	71.7	72.8	76.0
Total liabilities and shareholders' equity	117.7	139.0	181.2	190.1	206.4	228.1	254.7

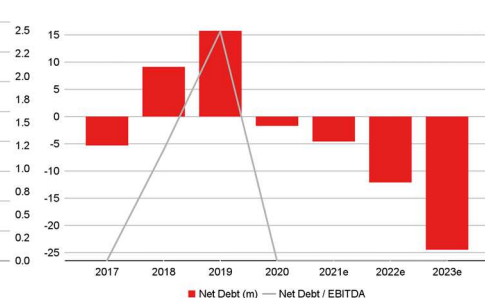
Financial Ratios

	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	3.1 x	3.6 x	3.9 x
Capital Employed Turnover	2.5 x	1.8 x	1.4 x	1.5 x	1.6 x	1.9 x	2.0 x
ROA	45.5 %	26.1 %	13.2 %	15.7 %	20.5 %	25.1 %	27.9 %
Return on Capital							
ROCE (NOPAT)	38.4 %	23.8 %	12.7 %	12.8 %	17.3 %	20.0 %	21.6 %
ROE	37.4 %	24.1 %	14.4 %	13.9 %	16.7 %	18.4 %	18.9 %
Adj. ROE	37.4 %	24.1 %	14.4 %	13.4 %	16.7 %	18.4 %	18.9 %
Balance sheet quality							
Net Debt	-5.3	9.1	15.7	-1.7	-4.6	-12.1	-24.5
Net Financial Debt	-6.7	8.0	14.9	-2.8	-6.5	-14.0	-26.4
Net Gearing	-8.1 %	12.1 %	15.3 %	-1.5 %	-3.4 %	-7.8 %	-13.7 %
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	13.5	15.5	17.9
Book value per share ex intangibles	4.2	3.6	4.1	5.0	6.3	7.7	9.3

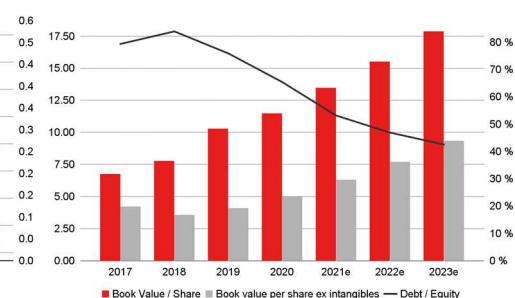
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

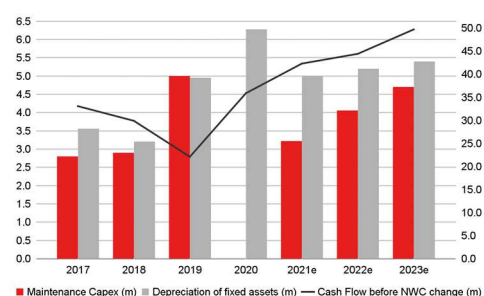
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	21.6	17.0	12.9	15.1	20.8	26.7	31.5
Depreciation of fixed assets	3.6	3.2	5.0	6.3	5.0	5.2	5.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	5.6	7.9	8.0	8.2	11.2	12.0	12.3
Increase/decrease in long-term provisions	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	4.5	0.5	0.5
Cash Flow before NWC change	33.1	29.9	22.1	35.9	42.3	44.4	49.7
Increase / decrease in inventory	-5.8	2.2	0.1	0.9	-12.0	-3.6	-4.6
Increase / decrease in accounts receivable	-0.5	-6.4	-1.1	-0.1	-6.4	-5.2	-3.2
Increase / decrease in accounts payable	5.3	-4.5	3.2	0.5	5.8	0.9	2.8
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	-11.1	-7.6	-4.7
Net cash provided by operating activities [1]	31.8	27.0	24.7	37.3	31.2	36.8	45.1
Investments in intangible assets	-4.0	-13.6	-29.3	-20.6	-18.0	-18.5	-19.5
Investments in property, plant and equipment	-4.1	-4.5	-5.1	-2.7	-3.2	-4.1	-4.7
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	-21.1	-22.5	-24.1
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	-6.2	-8.0
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	-6.8	-8.6
Change in liquid funds [1]+[2]+[3]	16.6	-4.2	3.5	12.7	-7.1	7.5	12.4
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	40.7	48.2	60.6

Financial Ratios

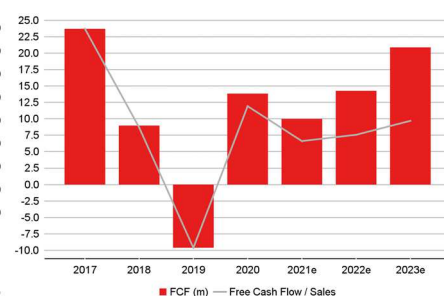
	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	23.7	9.0	-9.6	13.8	10.0	14.3	20.9
Free Cash Flow / Sales	15.8 %	6.0 %	-5.9 %	8.1 %	4.7 %	5.3 %	6.7 %
Free Cash Flow Potential	29.0	23.4	10.9	26.0	34.4	41.0	45.6
Free Cash Flow / Net Profit	109.5 %	52.7 %	-74.6 %	91.6 %	48.0 %	53.4 %	66.1 %
Interest Received / Avg. Cash	1.0 %	0.5 %	2.9 %	2.7 %	0.7 %	0.4 %	0.4 %
Interest Paid / Avg. Debt	3.7 %	1.3 %	2.4 %	1.6 %	1.5 %	2.9 %	2.9 %
Management of Funds							
Investment ratio	5.4 %	12.0 %	21.2 %	13.7 %	9.9 %	8.3 %	7.7 %
Maint. Capex / Sales	1.9 %	1.9 %	3.1 %	0.0 %	1.5 %	1.5 %	1.5 %
Capex / Dep	88.3 %	161.8 %	265.4 %	160.6 %	131.0 %	131.2 %	136.7 %
Avg. Working Capital / Sales	13.5 %	17.9 %	19.0 %	17.1 %	16.2 %	16.6 %	16.4 %
Trade Debtors / Trade Creditors	109.5 %	246.9 %	183.1 %	175.9 %	162.9 %	174.7 %	166.5 %
Inventory Turnover	3.6 x	3.3 x	3.8 x	4.1 x	3.2 x	3.7 x	3.8 x
Receivables collection period (days)	27	44	44	42	44	42	40
Payables payment period (days)	49	39	49	49	56	50	49
Cash conversion cycle (Days)	79	115	91	82	97	91	87

CAPEX and Cash Flow

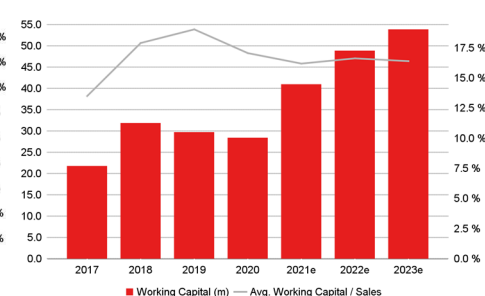
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

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.

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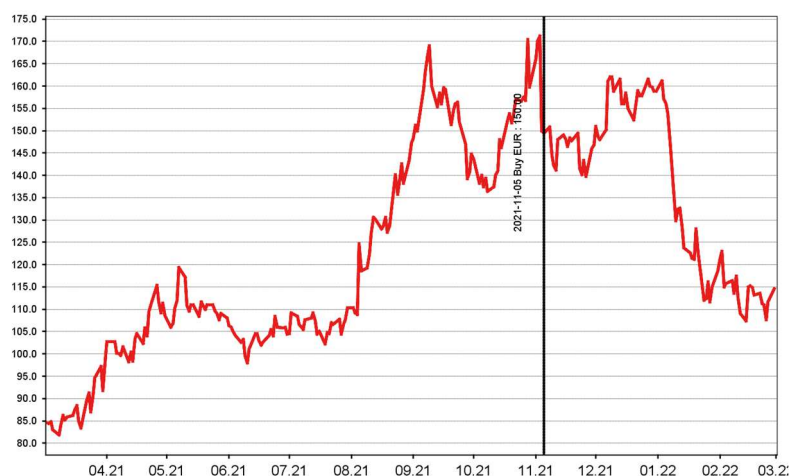
Rating	Number of stocks	% of Universe
Buy	166	78
Hold	40	19
Sell	4	2
Rating suspended	3	1
Total	213	100

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	52	88
Hold	4	7
Sell	1	2
Rating suspended	2	3
Total	59	100

PRICE AND RATING HISTORY BASLER AS OF 01.03.2022



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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