

<p>Buy</p> <p>EUR 25.00</p>	<p>Value Indicators: EUR</p> <p>DCF: 25.23</p> <p>FCF-Value Potential 26e: 14.24</p>	<p>Warburg ESG Risk Score: 2.8</p> <p>ESG Score (MSCI based): 4.0</p> <p>Balance Sheet Score: 2.8</p> <p>Market Liquidity Score: 1.5</p>	<p>Description:</p> <p>B2B digital cameras for applications such as factory, medical, traffic or retail.</p>
	<p>Market Snapshot: EUR m</p> <p>Market cap: 357.8</p> <p>No. of shares (m): 30.7</p> <p>EV: 401.9</p> <p>Freefloat MC: 146.7</p> <p>Ø Trad. Vol. (30d): 200.45 th</p>	<p>Shareholders:</p> <p>Freefloat: 41.00 %</p> <p>Norbert Basler: 53.00 %</p> <p>Dr. Ley (CEO): 4.00 %</p> <p>Treasury shares: 2.00 %</p> <p>Union Investment: 5.00 %</p>	<p>Key Figures (WRe): 2024e</p> <p>Beta: 1.2</p> <p>Price / Book: 2.4 x</p> <p>Equity Ratio: 56 %</p> <p>Net Fin. Debt / EBITDA: 1.8 x</p> <p>Net Debt / EBITDA: 1.8 x</p>
<p>Price: EUR 11.64</p> <p>Upside: 114.8 %</p>			

Order momentum remains low but still slowly recovering

<p>Stated Figures Q1/2024:</p>								<p>Comment on Figures:</p> <ul style="list-style-type: none"> Sales decline driven by ongoing demand lull in Asia and the US as well as increased customer inventories in the aftermath of the shortages Gross margin stable yoy despite low capacity utilisation, negative FX effects and aggressive pricing by Chinese competitors Despite successful cost cutting, sales remained below break-even level, resulting in a negative EBT of EUR -3.6m 							
FY End: 31.12. in EUR m	Q1 24	Q1 24e	Q1 23	yoy	24e	23	yoy								
Sales	43.5	42.3	56.3	-23 %	211.9	203.1	4 %								
EBT	-3.6	-2.7	-1.6	n.a.	5.3	-20.2	n.a.								
Margin	-8.4 %	-6.5 %	-2.8 %		2.5 %	-9.9 %									
EPS	-0.13	-0.07	-0.07	n.a.	0.12	-0.45	n.a.								

Basler has published its figures for the first quarter, which were roughly in line with our expectations. Sales declined by 23% to EUR 43.5m (WRe EUR 42.3m). This was mainly driven by the continued weak demand from Asia and the US as well as increased customer inventories in the aftermath of the shortages. In addition, Q1 23 benefited from an inflated order backlog due to high demand during the chip shortage.

Despite the low sales volume, higher material costs due to components purchased during the shortage, negative currency effects and aggressive pricing by Chinese competitors, the gross margin recovered to 44.6% (Q1 23 44.6%) after 39.3% in Q3 and 38.2% in Q4. This is still notably below Basler's historical gross margin, which has been above 50% in most years, but as overpriced components leave the company's inventory and capacity utilisation improves, the gross margin should continue to recover throughout the year.

Thanks to the successful implementation of last year's cost-cutting programme, the quarterly break-even threshold was reduced to approx. EUR 50m and opex in Q1 declined by 14% yoy. However, with sales still below break-even, EBT was negative at EUR -3.6m (WRe EUR -2.7m). Despite the weaker Q1 compared to last year, free cash flow improved from EUR -7.7m last year to EUR -3.4m due to a slower increase in working capital and lower capitalised R&D.

Order intake remained low at EUR 44.0m (-19% yoy). However, the slow recovery of order momentum after the low point in Q3 continued with an order intake (adjusted for cancellations) of EUR 34.3m and EUR 38.6m in Q4. Moreover, the book-to-bill ratio was above one for the first time in six quarters. We expect this trend to continue in Q2, which should allow the company to come close to its break-even in Q2. By the end of the second quarter, customer inventories should have returned to normal levels, which we see as an important prerequisite for the expected recovery in H2.

However, the visibility for a recovery in H2 and a notable acceleration in the order momentum remains low. Against this background, Basler confirms its FY outlook of EUR 190-210m in sales and an EBT margin between 0% and 5%. We remain confident that Basler will reach the upper end of its targets. We maintain our estimates and our price target and confirm our Buy recommendation for Basler.

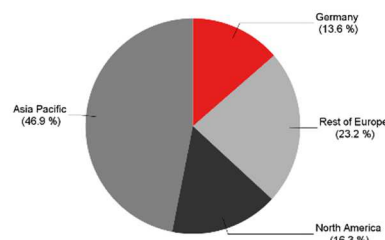
	FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
	Sales	12.9 %	170.5	214.7	272.2	203.1	211.9	254.1	292.0
Change Sales yoy			5.2 %	26.0 %	26.8 %	-25.4 %	4.3 %	19.9 %	14.9 %
Gross profit margin			52.0 %	52.4 %	48.4 %	42.2 %	48.8 %	49.5 %	50.2 %
EBITDA	221.6 %		34.6	44.5	45.8	1.7	24.2	44.5	56.5
Margin			20.3 %	20.7 %	16.8 %	0.8 %	11.4 %	17.5 %	19.3 %
EBIT			20.1	28.4	28.9	-21.9	7.0	26.1	36.8
Margin			11.8 %	13.2 %	10.6 %	-10.8 %	3.3 %	10.3 %	12.6 %
EBT			20.4	28.0	28.3	-20.2	5.3	24.4	35.0
Margin			12.0 %	13.0 %	10.4 %	-9.9 %	2.5 %	9.6 %	12.0 %
Net income			15.1	20.8	21.4	-13.8	3.8	17.6	25.0
EPS			0.50	0.69	0.71	-0.45	0.12	0.57	0.81
DPS			0.19	0.21	0.14	0.00	0.00	0.25	0.30
Dividend Yield			1.1 %	0.5 %	0.4 %	n.a.	n.a.	2.1 %	2.6 %
FCFPS			0.46	0.32	-0.59	-0.31	0.53	0.55	0.57
FCF / Market cap			2.6 %	0.8 %	-1.8 %	-1.6 %	4.6 %	4.7 %	4.9 %
EV / Sales			3.2 x	5.5 x	3.7 x	3.1 x	1.9 x	1.5 x	1.3 x
EV / EBITDA			15.6 x	26.5 x	22.3 x	370.5 x	16.6 x	8.7 x	6.7 x
EV / EBIT			26.9 x	41.7 x	35.2 x	n.a.	57.4 x	14.8 x	10.3 x
P / E			36.1 x	57.2 x	45.6 x	n.a.	97.0 x	20.4 x	14.4 x
FCF Potential Yield			4.6 %	2.5 %	3.1 %	0.5 %	4.3 %	8.1 %	10.4 %
ROE			13.9 %	17.0 %	15.8 %	-9.8 %	2.7 %	10.9 %	13.3 %
ROCE (NOPAT)			12.8 %	17.3 %	13.5 %	n.a.	2.6 %	9.5 %	12.3 %
Guidance:	2023: Sales EUR 190-210m, EBT margin 0-5%								

Sales development
in EUR m



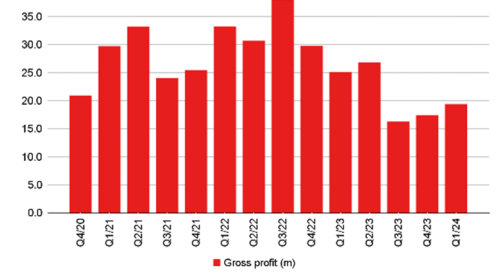
Source: Basler

Sales by regions
2023; in %



Source: Basler

Gross profit development
in EUR m



Source: Basler

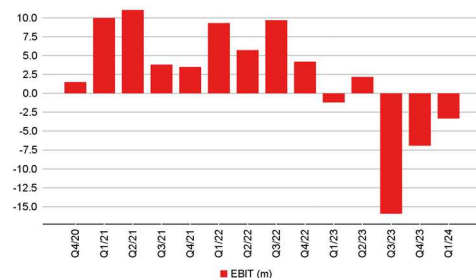
Company Background

- Basler is a full-line supplier of camera solutions 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. Almost 80% of revenues are direct sales.

Competitive Quality

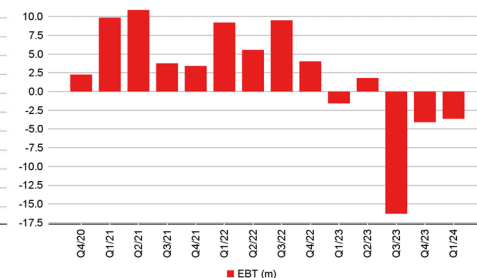
- In terms of units Basler is the world's largest developer and manufacturer of digital cameras in a fragmented, but consolidating, market for digital cameras for B2B-applications.
- High level of vision technology expertise: Basler has one of the largest developer pools in the sector and differentiates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

EBIT development
in EUR m



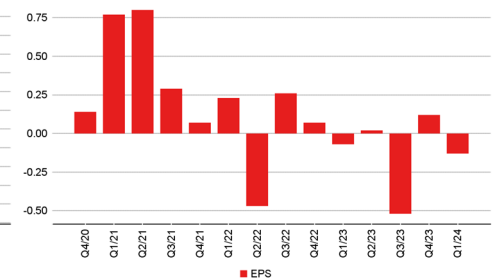
Source: Basler

EBT development
in EUR m



Source: Basler

EPS development
in EUR



Source: Basler

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	211.9	254.1	292.0	335.8	385.4	441.4	504.7	576.0	656.1	746.0	846.7	959.2	1,086.7	
Sales change	4.3 %	19.9 %	14.9 %	15.0 %	14.8 %	14.6 %	14.3 %	14.1 %	13.9 %	13.7 %	13.5 %	13.3 %	13.3 %	2.5 %
EBIT	7.0	26.1	36.8	42.6	48.2	55.2	63.1	72.0	82.0	93.2	108.4	119.9	135.8	
EBIT-margin	3.3 %	10.3 %	12.6 %	12.7 %	12.5 %	12.5 %	12.5 %	12.5 %	12.5 %	12.5 %	12.8 %	12.5 %	12.5 %	
Tax rate (EBT)	28.0 %	28.0 %	28.5 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	5.0	18.8	26.3	30.7	34.7	39.7	45.4	51.8	59.0	67.1	78.0	86.3	97.8	
Depreciation	17.2	18.4	19.7	26.9	28.9	30.9	32.8	37.4	42.6	48.5	55.0	62.3	70.6	
in % of Sales	8.1 %	7.2 %	6.7 %	8.0 %	7.5 %	7.0 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
Changes in provisions	0.0	0.0	0.0	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.6	
Change in Liquidity from														
- Working Capital	-11.0	-0.3	4.9	7.3	7.8	9.5	10.8	12.1	13.6	15.3	17.1	19.1	21.7	
- Capex	15.7	19.5	22.2	23.2	26.2	29.6	32.8	37.4	42.6	48.5	55.0	62.3	70.6	
Capex in % of Sales	7.4 %	7.7 %	7.6 %	6.9 %	6.8 %	6.7 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
- 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)	17.6	18.0	18.9	27.2	29.8	31.8	35.0	40.1	45.8	52.3	61.4	67.7	76.7	96
PV of FCF	16.7	15.8	15.3	20.3	20.5	20.1	20.4	21.5	22.6	23.8	25.7	26.1	27.3	561
share of PVs	5.72 %			27.26 %										67.02 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	8.00 %	Financial Strength	1.20
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.20
Market return	8.25 %	Cyclicality	1.30
Risk free rate	2.75 %	Transparency	1.00
		Others	1.10
WACC	8.57 %	Beta	1.16

Valuation (m)

Present values 2036e	276		
Terminal Value	561		
Financial liabilities	89		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	29	No. of shares (m)	30.7
Equity Value	775	Value per share (EUR)	25.23

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.36	9.6 %	19.03	19.45	19.89	20.37	20.88	21.43	22.03	1.36	9.6 %	17.36	18.36	19.37	20.37	21.37	22.38	23.38
1.26	9.1 %	20.97	21.48	22.02	22.60	23.23	23.91	24.65	1.26	9.1 %	19.30	20.40	21.50	22.60	23.70	24.80	25.90
1.21	8.8 %	22.05	22.61	23.21	23.86	24.56	25.32	26.15	1.21	8.8 %	20.40	21.55	22.71	23.86	25.01	26.17	27.32
1.16	8.6 %	23.22	23.84	24.51	25.23	26.01	26.87	27.80	1.16	8.6 %	21.59	22.80	24.02	25.23	26.44	27.65	28.87
1.11	8.3 %	24.49	25.17	25.92	26.72	27.60	28.57	29.62	1.11	8.3 %	22.89	24.17	25.45	26.72	28.00	29.28	30.55
1.06	8.1 %	25.86	26.63	27.46	28.36	29.35	30.44	31.64	1.06	8.1 %	24.32	25.67	27.02	28.36	29.71	31.06	32.40
0.96	7.6 %	28.99	29.95	31.00	32.15	33.43	34.84	36.42	0.96	7.6 %	27.63	29.14	30.65	32.15	33.66	35.17	36.68

- Financial liabilities are also related to the lease of the company building.
- The beta takes into consideration Basler's strong track record, the high equity ratio and the cyclicality
- The structural growth of the vision technology market forms the basis of Basler's revenue increases.
- Cash inflow from treasury share sales are accounted for in the "others" line

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	2020	2021	2022	2023	2024e	2025e	2026e	
Net Income before minorities	15.1	20.8	21.4	-13.8	3.8	17.6	25.0	
+ Depreciation + Amortisation	14.5	16.2	16.8	23.6	17.2	18.4	19.7	
- Net Interest Income	0.4	-0.4	-0.6	1.7	-1.7	-1.7	-1.8	
- Maintenance Capex	4.4	7.5	7.5	5.1	5.5	6.3	7.2	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	24.9	29.8	31.3	3.0	17.2	31.4	39.3	
FCF Potential Yield (on market EV)	4.6 %	2.5 %	3.1 %	0.5 %	4.3 %	8.1 %	10.4 %	
WACC	8.57 %	8.57 %	8.57 %	8.57 %	8.57 %	8.57 %	8.57 %	
= Enterprise Value (EV)	540.1	1,181.7	1,019.3	629.1	401.9	387.2	379.2	
= Fair Enterprise Value	290.7	347.9	365.0	35.0	200.8	366.3	459.0	
- Net Debt (Cash)	57.2	57.2	57.2	57.2	42.8	28.0	20.1	
- Pension Liabilities	1.3	1.3	1.3	1.3	1.3	1.3	1.3	
- 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	232.2	289.4	306.5	n.a.	156.6	336.9	437.6	
Number of shares, average	30.0	29.9	29.9	30.3	30.7	30.7	30.7	
= Fair value per share (EUR)	7.73	9.68	10.26	n.a.	5.10	10.96	14.24	
premium (-) / discount (+) in %					-56.2 %	-5.8 %	22.3 %	
Sensitivity Fair value per Share (EUR)								
	11.57 %	5.10	6.48	6.89	n.a.	3.40	7.87	10.36
	10.57 %	5.76	7.27	7.72	n.a.	3.86	8.71	11.41
	9.57 %	6.56	8.23	8.73	n.a.	4.41	9.72	12.68
WACC	8.57 %	7.73	9.68	10.26	n.a.	5.10	10.96	14.24
	7.57 %	8.80	10.91	11.54	n.a.	5.96	12.54	16.21
	6.57 %	10.43	12.86	13.59	n.a.	7.08	14.59	18.78
	5.57 %	12.65	15.52	16.37	n.a.	8.61	17.38	22.28

- Assumptions on the beta and the wacc are consistent with indicators used in our DCF model
- The capex requirements for machinery and plant are low.

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	4.7 x	9.2 x	6.8 x	4.1 x	2.4 x	2.1 x	1.8 x
Book value per share ex intangibles	1.62	2.09	1.57	1.60	1.51	1.81	2.06
EV / Sales	3.2 x	5.5 x	3.7 x	3.1 x	1.9 x	1.5 x	1.3 x
EV / EBITDA	15.6 x	26.5 x	22.3 x	370.5 x	16.6 x	8.7 x	6.7 x
EV / EBIT	26.9 x	41.7 x	35.2 x	n.a.	57.4 x	14.8 x	10.3 x
EV / EBIT adj.*	26.9 x	41.7 x	35.2 x	n.a.	57.4 x	14.8 x	10.3 x
P / FCF	39.2 x	122.9 x	n.a.	n.a.	21.9 x	21.3 x	20.3 x
P / E	36.1 x	57.2 x	45.6 x	n.a.	97.0 x	20.4 x	14.4 x
P / E adj.*	36.8 x	57.2 x	45.6 x	n.a.	97.0 x	20.4 x	14.4 x
Dividend Yield	1.1 %	0.5 %	0.4 %	n.a.	n.a.	2.1 %	2.6 %
FCF Potential Yield (on market EV)	4.6 %	2.5 %	3.1 %	0.5 %	4.3 %	8.1 %	10.4 %

*Adjustments made for: -

Consolidated profit and loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	170.5	214.7	272.2	203.1	211.9	254.1	292.0
Change Sales yoy	5.2 %	26.0 %	26.8 %	-25.4 %	4.3 %	19.9 %	14.9 %
COGS	81.7	102.2	140.4	117.4	108.5	128.3	145.4
Gross profit	88.7	112.5	131.8	85.7	103.4	125.8	146.6
<i>Gross margin</i>	<i>52.0 %</i>	<i>52.4 %</i>	<i>48.4 %</i>	<i>42.2 %</i>	<i>48.8 %</i>	<i>49.5 %</i>	<i>50.2 %</i>
Research and development	21.7	29.9	31.4	37.2	35.9	37.4	42.1
Sales and marketing	30.6	34.9	47.9	42.9	36.8	38.1	41.9
Administration expenses	17.4	20.4	26.7	29.9	24.6	24.9	26.4
Other operating expenses	0.2	0.3	0.5	0.4	0.5	0.6	0.7
Other operating income	1.1	1.3	3.6	2.7	1.4	1.3	1.3
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	34.6	44.5	45.8	1.7	24.2	44.5	56.5
<i>Margin</i>	<i>20.3 %</i>	<i>20.7 %</i>	<i>16.8 %</i>	<i>0.8 %</i>	<i>11.4 %</i>	<i>17.5 %</i>	<i>19.3 %</i>
Depreciation of fixed assets	6.3	6.3	5.5	7.3	7.2	7.8	8.5
EBITA	28.3	38.2	40.2	-5.6	17.0	36.7	48.0
Amortisation of intangible assets	8.2	9.8	11.3	16.3	10.0	10.6	11.2
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	20.1	28.4	28.9	-21.9	7.0	26.1	36.8
<i>Margin</i>	<i>11.8 %</i>	<i>13.2 %</i>	<i>10.6 %</i>	<i>-10.8 %</i>	<i>3.3 %</i>	<i>10.3 %</i>	<i>12.6 %</i>
EBIT adj.	20.1	28.4	28.9	-9.7	7.0	26.1	36.8
Interest income	1.1	0.2	0.3	3.3	0.2	0.2	0.2
Interest expenses	0.8	0.6	1.0	1.8	1.9	1.9	2.0
Other financial income (loss)	0.0	0.0	0.2	0.2	0.0	0.0	0.0
EBT	20.4	28.0	28.3	-20.2	5.3	24.4	35.0
<i>Margin</i>	<i>12.0 %</i>	<i>13.0 %</i>	<i>10.4 %</i>	<i>-9.9 %</i>	<i>2.5 %</i>	<i>9.6 %</i>	<i>12.0 %</i>
Total taxes	5.3	7.2	7.0	-6.4	1.5	6.8	10.0
Net income from continuing operations	15.1	20.8	21.4	-13.8	3.8	17.6	25.0
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	15.1	20.8	21.4	-13.8	3.8	17.6	25.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	15.1	20.8	21.4	-13.8	3.8	17.6	25.0
<i>Margin</i>	<i>8.9 %</i>	<i>9.7 %</i>	<i>7.8 %</i>	<i>-6.8 %</i>	<i>1.8 %</i>	<i>6.9 %</i>	<i>8.6 %</i>
Number of shares, average	30.0	29.9	29.9	30.3	30.7	30.7	30.7
EPS	0.50	0.69	0.71	-0.45	0.12	0.57	0.81
EPS adj.	0.49	0.69	0.71	-0.45	0.12	0.57	0.81

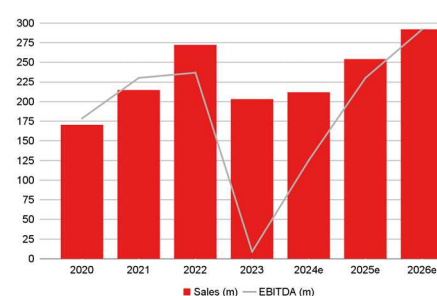
*Adjustments made for:

Guidance: 2023: Sales EUR 190-210m, EBT margin 0-5%

Financial Ratios

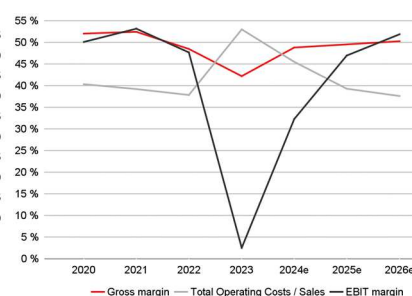
	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	40.3 %	39.2 %	37.8 %	53.0 %	45.5 %	39.2 %	37.6 %
Operating Leverage	3.4 x	1.6 x	0.1 x	n.a.	n.a.	13.7 x	2.7 x
EBITDA / Interest expenses	45.0 x	75.4 x	43.8 x	0.9 x	12.7 x	23.4 x	28.2 x
Tax rate (EBT)	26.0 %	25.8 %	24.6 %	31.6 %	28.0 %	28.0 %	28.5 %
Dividend Payout Ratio	38.4 %	29.8 %	19.6 %	0.0 %	0.0 %	43.8 %	36.9 %
Sales per Employee	210,964	248,528	242,173	182,155	188,859	219,430	252,125

Sales, EBITDA
in EUR m



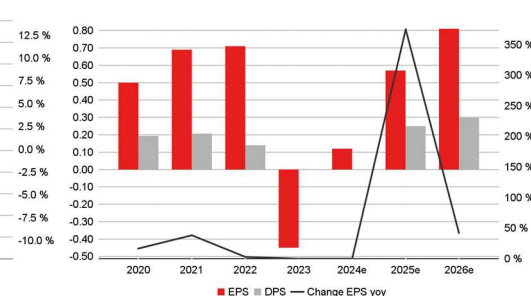
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

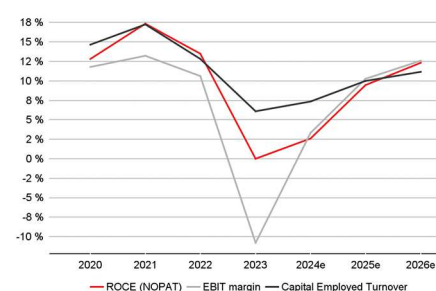
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	64.8	66.0	94.5	90.1	102.6	118.8	138.0
thereof other intangible assets	3.7	6.5	13.8	13.7	24.3	37.0	51.3
thereof Goodwill	27.5	27.5	46.1	45.8	45.8	45.8	45.8
Property, plant and equipment	29.3	28.7	29.4	36.9	30.9	25.7	20.4
Financial assets	2.2	0.0	1.4	1.8	1.8	1.8	1.8
Other long-term assets	0.0	0.0	3.8	5.5	5.5	5.5	5.5
Fixed assets	96.3	94.7	129.1	134.3	140.8	151.8	165.7
Inventories	20.0	37.1	50.3	44.0	34.2	33.0	38.4
Accounts receivable	19.5	33.3	41.2	27.4	26.1	29.2	32.0
Liquid assets	47.9	54.8	28.7	32.2	46.6	61.3	69.3
Other short-term assets	6.5	7.3	16.2	17.8	17.8	17.8	17.8
Current assets	93.8	132.5	136.4	121.5	124.6	141.3	157.5
Total Assets	190.1	227.3	265.5	255.8	265.4	293.1	323.2
Liabilities and shareholders' equity							
Subscribed capital	10.0	10.0	29.8	30.7	30.7	30.7	30.7
Capital reserve	22.6	26.8	7.2	10.7	10.7	10.7	10.7
Retained earnings	87.1	94.2	107.2	102.5	106.3	123.8	148.8
Other equity components	-4.8	-2.4	-2.8	-4.7	1.3	9.2	11.0
Shareholders' equity	114.9	128.7	141.5	139.2	149.0	174.4	201.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	114.9	128.7	141.5	139.2	149.0	174.4	201.3
Provisions	9.4	16.0	14.6	9.3	9.3	9.3	9.3
thereof provisions for pensions and similar obligations	1.1	1.6	2.0	1.3	1.3	1.3	1.3
Financial liabilities (total)	45.1	54.4	79.1	89.4	89.4	89.4	89.4
Short-term financial liabilities	4.1	4.1	4.0	9.7	9.7	9.7	9.7
Accounts payable	11.1	18.8	19.4	14.7	14.5	16.7	20.0
Other liabilities	9.7	9.4	10.9	3.2	3.2	3.2	3.2
Liabilities	75.2	98.6	124.0	116.6	116.4	118.6	121.9
Total liabilities and shareholders' equity	190.1	227.3	265.5	255.8	265.4	293.1	323.2

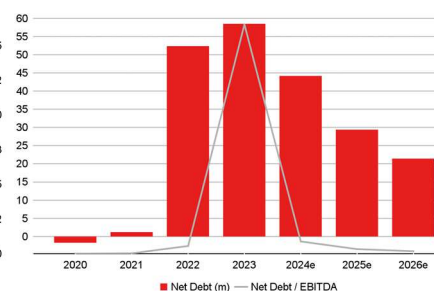
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	3.0 x	2.7 x	2.7 x	2.2 x	2.8 x	3.6 x	4.1 x
Capital Employed Turnover	1.5 x	1.7 x	1.4 x	1.0 x	1.1 x	1.2 x	1.3 x
ROA	15.7 %	21.9 %	16.5 %	-10.3 %	2.7 %	11.6 %	15.1 %
Return on Capital							
ROCE (NOPAT)	12.8 %	17.3 %	13.5 %	n.a.	2.6 %	9.5 %	12.3 %
ROE	13.9 %	17.0 %	15.8 %	-9.8 %	2.7 %	10.9 %	13.3 %
Adj. ROE	13.4 %	17.0 %	15.8 %	-9.8 %	2.7 %	10.9 %	13.3 %
Balance sheet quality							
Net Debt	-1.7	1.2	52.4	58.5	44.2	29.4	21.4
Net Financial Debt	-2.8	-0.4	50.4	57.2	42.8	28.0	20.1
Net Gearing	-1.5 %	0.9 %	37.0 %	42.0 %	29.6 %	16.8 %	10.6 %
Net Fin. Debt / EBITDA	n.a.	n.a.	110.2 %	3366.5 %	176.9 %	63.0 %	35.6 %
Book Value / Share	3.7	4.3	4.7	4.5	4.8	5.7	6.5
Book value per share ex intangibles	1.6	2.1	1.6	1.6	1.5	1.8	2.1

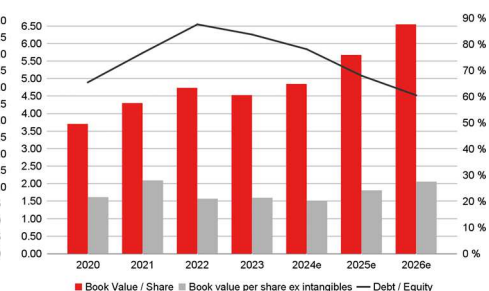
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

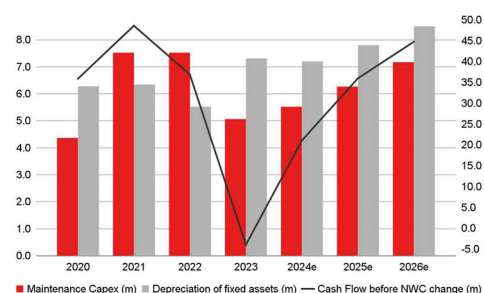
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	15.1	20.8	21.4	-13.8	3.8	17.6	25.0
Depreciation of fixed assets	6.3	6.3	5.5	7.3	7.2	7.8	8.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	8.2	9.8	11.3	16.3	10.0	10.6	11.2
Increase/decrease in long-term provisions	1.1	6.6	-1.3	-5.3	0.0	0.0	0.0
Other non-cash income and expenses	5.1	5.1	0.0	-8.4	0.0	0.0	0.0
Cash Flow before NWC change	35.9	48.6	36.9	-3.9	21.0	36.0	44.7
Increase / decrease in inventory	0.9	-17.1	-13.2	6.3	9.8	1.2	-5.4
Increase / decrease in accounts receivable	-0.1	-13.8	-7.9	13.8	1.3	-3.1	-2.8
Increase / decrease in accounts payable	0.5	7.8	0.6	-4.5	-0.2	2.2	3.3
Increase / decrease in other working capital positions	0.1	-0.1	-4.0	-7.3	0.0	0.0	0.0
Increase / decrease in working capital (total)	1.5	-23.2	-24.5	8.2	11.0	0.3	-4.9
Net cash provided by operating activities [1]	37.3	25.3	12.4	4.2	32.0	36.3	39.8
Investments in intangible assets	-20.6	-11.8	-20.8	-11.6	-12.5	-14.9	-16.9
Investments in property, plant and equipment	-2.7	-3.9	-8.6	-1.9	-3.2	-4.6	-5.3
Payments for acquisitions	0.0	0.0	-14.5	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	-0.4	0.0	0.0	0.0
Income from asset disposals	0.2	0.4	0.3	0.4	0.0	0.0	0.0
Net cash provided by investing activities [2]	-23.3	-15.3	-44.2	-13.4	-15.7	-19.5	-22.2
Change in financial liabilities	2.3	10.4	18.0	0.3	0.0	0.0	0.0
Dividends paid	-2.6	-5.8	-6.2	-4.2	0.0	0.0	-7.7
Purchase of own shares	-0.2	-3.9	-2.7	17.7	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.8	0.1	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-1.3	-3.1	5.7	12.7	-2.0	-2.0	-9.7
Change in liquid funds [1]+[2]+[3]	12.7	7.0	-26.1	3.5	14.3	14.8	8.0
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	47.9	54.8	28.7	32.2	46.6	61.3	69.3

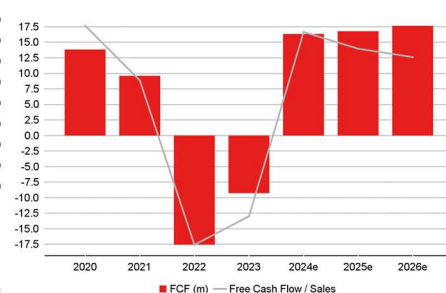
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	13.8	9.6	-17.6	-9.3	16.3	16.8	17.6
Free Cash Flow / Sales	8.1 %	4.5 %	-6.5 %	-4.6 %	7.7 %	6.6 %	6.0 %
Free Cash Flow Potential	24.9	29.8	31.3	3.0	17.2	31.4	39.3
Free Cash Flow / Net Profit	91.6 %	46.3 %	-82.3 %	67.2 %	427.6 %	95.6 %	70.6 %
Interest Received / Avg. Cash	2.7 %	0.4 %	0.7 %	10.8 %	0.5 %	0.4 %	0.3 %
Interest Paid / Avg. Debt	1.6 %	1.2 %	1.6 %	2.1 %	2.1 %	2.1 %	2.2 %
Management of Funds							
Investment ratio	13.7 %	7.3 %	10.8 %	6.6 %	7.4 %	7.7 %	7.6 %
Maint. Capex / Sales	2.6 %	3.5 %	2.8 %	2.5 %	2.6 %	2.5 %	2.5 %
Capex / Dep	160.6 %	97.2 %	174.8 %	57.2 %	91.2 %	105.8 %	112.5 %
Avg. Working Capital / Sales	17.1 %	18.6 %	22.7 %	31.7 %	24.2 %	18.0 %	16.4 %
Trade Debtors / Trade Creditors	175.9 %	176.9 %	212.1 %	186.9 %	180.0 %	174.9 %	160.0 %
Inventory Turnover	4.1 x	2.8 x	2.8 x	2.7 x	3.2 x	3.9 x	3.8 x
Receivables collection period (days)	42	57	55	49	45	42	40
Payables payment period (days)	49	67	50	46	49	48	50
Cash conversion cycle (Days)	82	122	136	141	111	88	86

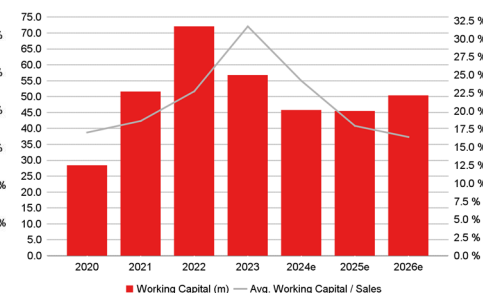
CAPEX and Cash Flow
in EUR m



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	https://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	146	71
Hold	46	22
Sell	8	4
Rating suspended	7	3
Total	207	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	46	81
Hold	8	14
Sell	0	0
Rating suspended	3	5
Total	57	100

PRICE AND RATING HISTORY BASLER AS OF 08.05.2024



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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