



## Quarterly Report Q3, 2018

November 5, 2018

Hardy Mehl | CFO

# Agenda

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## **1. Executive Summary**

2. Financials

3. Share

4. Outlook

# Executive Summary

## Highlights First 9 Months, 2018

### Development along the forecast in a cooling-off market environment

- Market order intake down by -8% and billings down -3% (source: VDMA, YTD-September 2018); market development in Q3 even slightly weaker than expected.
- Significant weaker demand in the electronics industry compared to 2017
- Other verticals continue to grow and have compensated for the dip in electronics industry
- Basler: Billings -4%; bookings -11% (extraordinary effects of 2017 need to be considered)

### Operational excellence, high profitability and inorganic growth

- Basler finalized all investments in capacity increase until end of Q2 and is well prepared for further growth in 2019 and beyond
- High gross margins and economies of scale (OPEX) resulted in high profitability for the first 9 months; however, Q3 had weak revenues and significantly lower profitability close to the long-term steering point of ~12% EBT margin.
- Employee recruiting program accelerated in Q3 and will continue in Q4
- Two M&A transactions announced in July 2018

# Executive Summary

Two M&A Transactions in July 2018



## Business of China Distributor

- ~20 years distribution for Basler
- ~100 employees
- ~1000 customers
- Planned to be effective and consolidated from Jan 2019 onwards



## Manufacturer of Image Processing Cards

- 20 years in business
- ~50 employees
- ~10 million Euro sales (2018e)
- Located in Mannheim
- Immediate effect

# Executive Summary

## Highlights First 9 Months 2018

### Main new product introductions

- New Basler ace cameras with CMOS sensors
- Launch of new Basler ace MED product line
- Introduction of new embedded vision interface: "BCON for Mipi"
- Release of Software Development Kit (SDK) pylon
- VISION in Stuttgart will take place from November 6-8<sup>th</sup>, 2018 with several news regarding further developments and upcoming new products from Basler



# Agenda

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1. Executive Summary

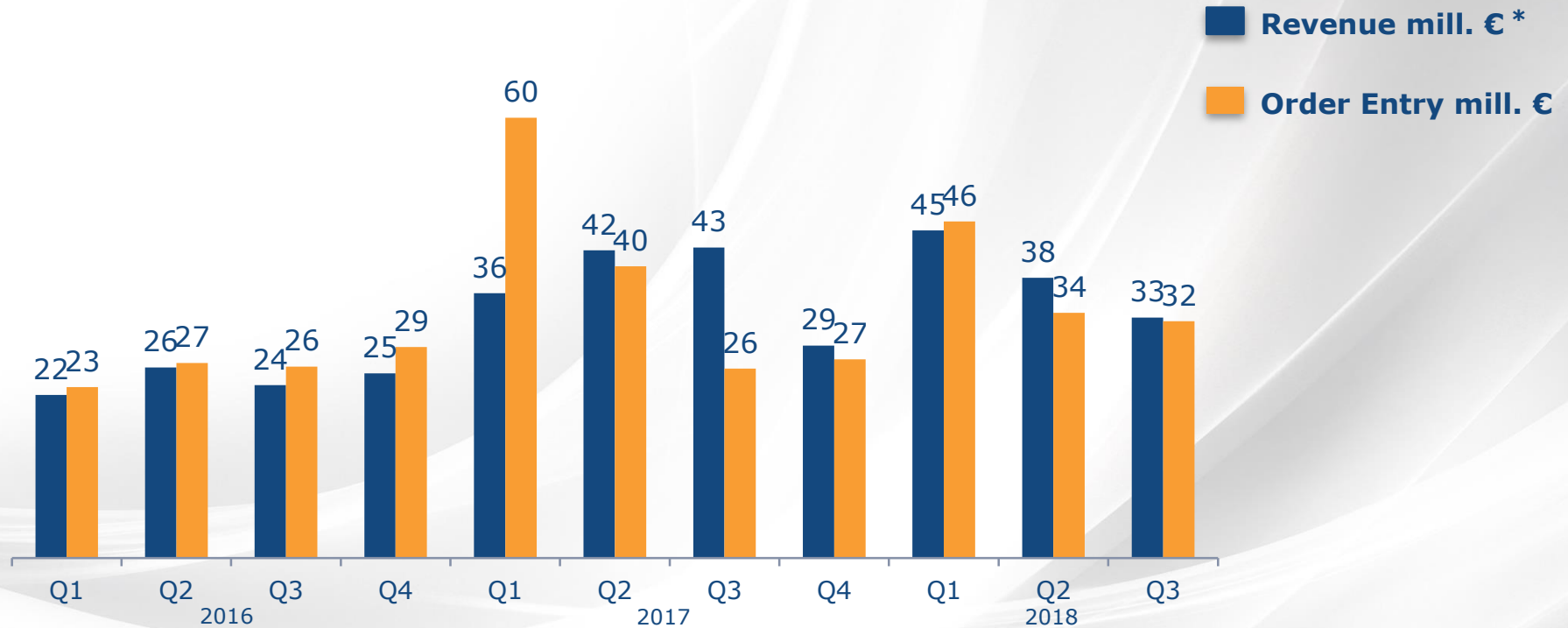
**2. Financials**

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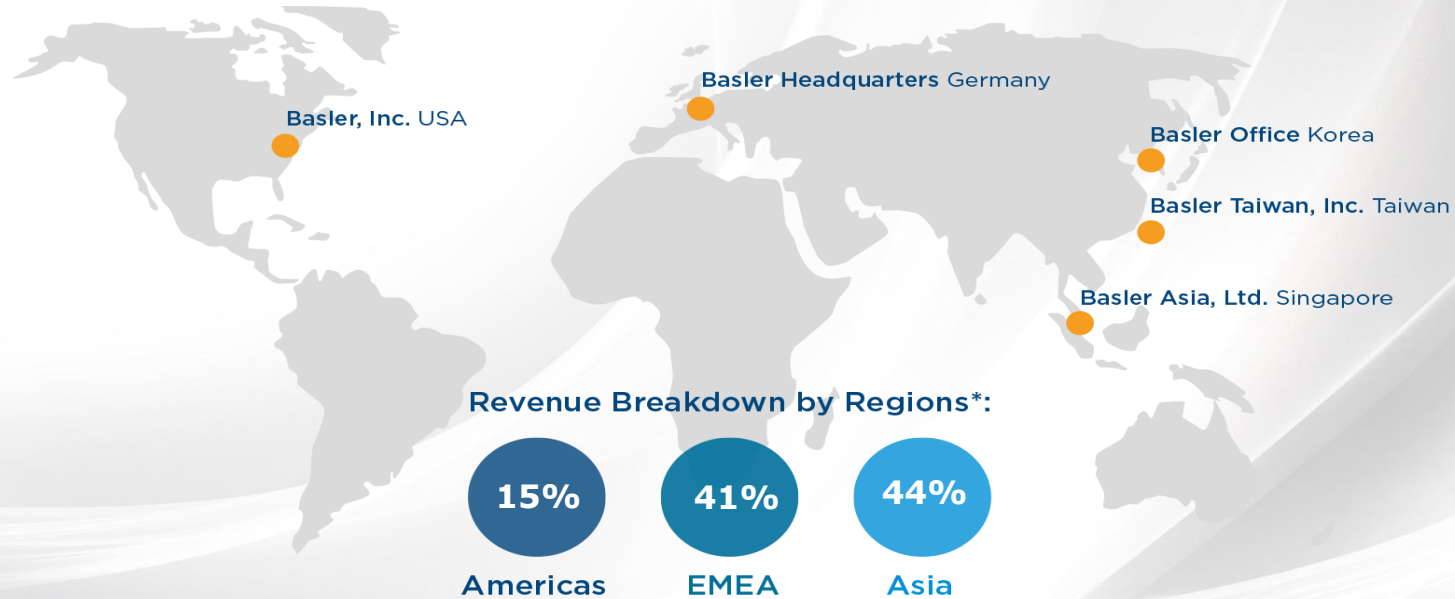
# Financials

## Development of Booking and Billings



# Financials

## Revenue Split by Regions

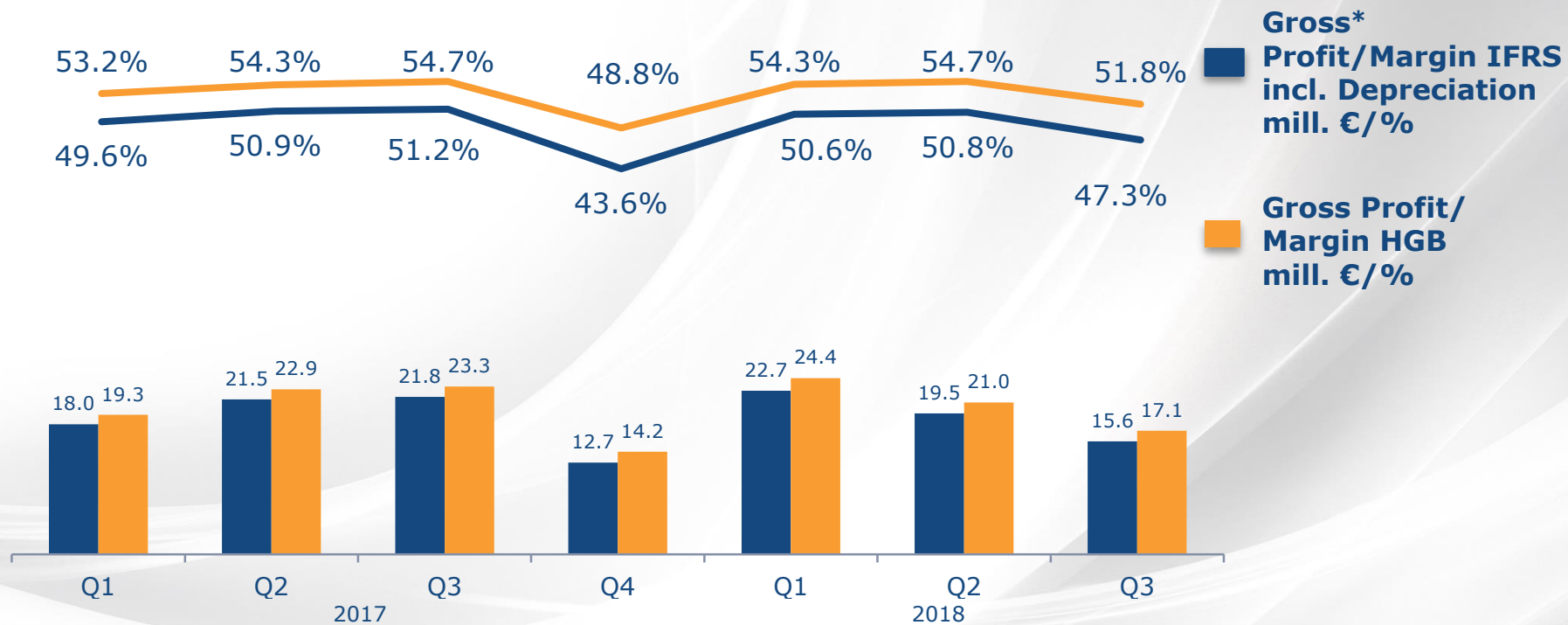


\*as of September 30, 2018 incl. Silicon Software



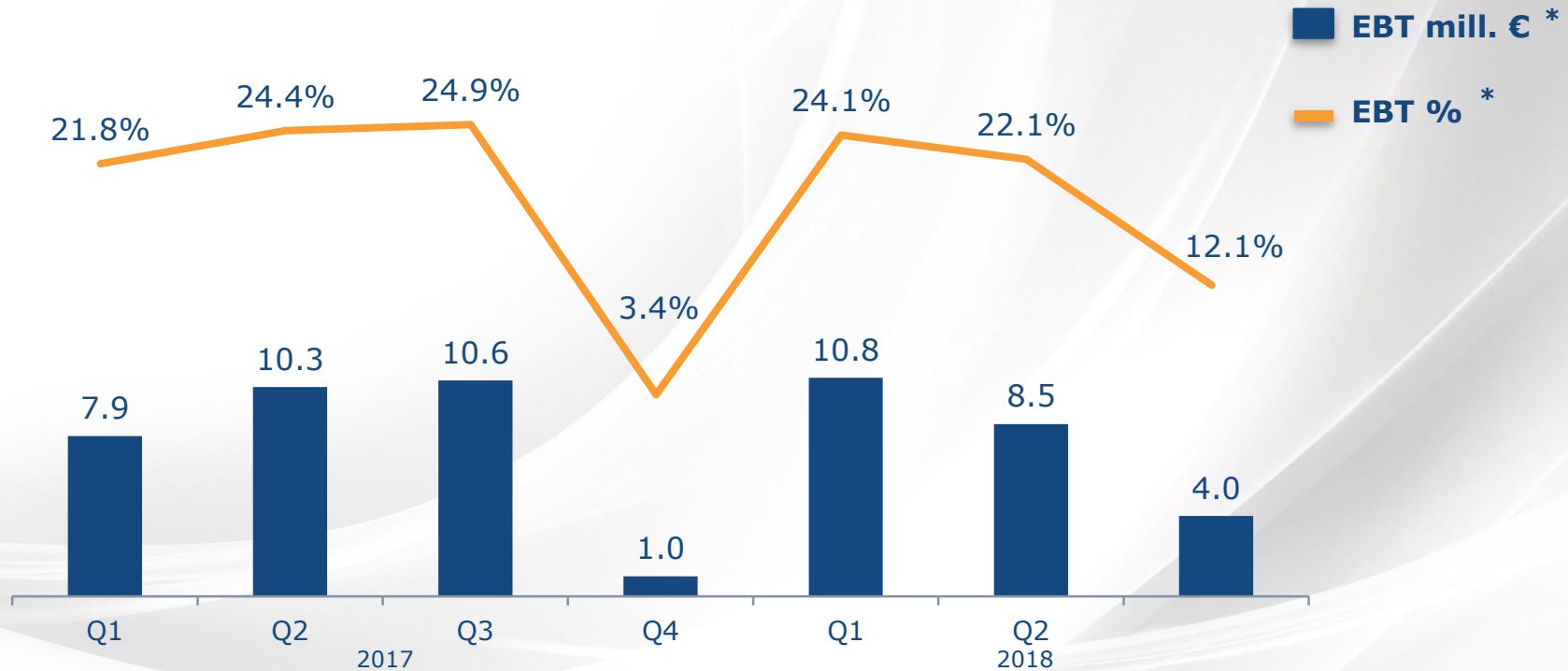
# Financials

## Development of Gross Profit and Margin



# Financials

## EBT Development by Quarter



# Financials

## Profit & Loss KPIs Year-on-Year

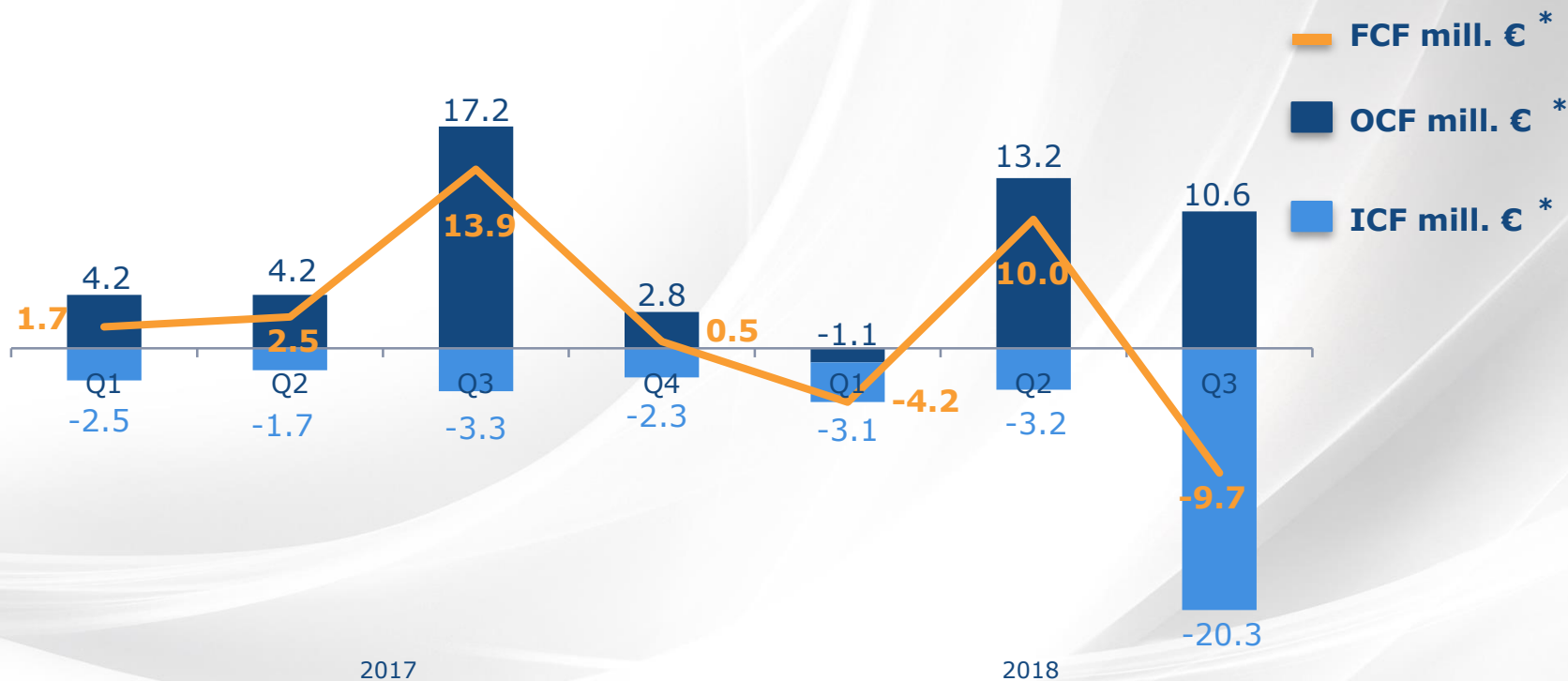
	9 Months 2017	9 Months 2018	+/-
<b>Order Entry</b>	126.4	<b>112.2</b>	<b>-11 %</b>
<b>Sales</b>	121.1	<b>116.4</b>	<b>-4 %</b>
<b>Gross Profit</b>	50.6 %	<b>49.7 %</b>	<b>-1 Pp.</b>
<b>EBITDA</b>	36.0	<b>31.0</b>	<b>-14 %</b>
<b>EBIT</b>	29.3	<b>23.3</b>	<b>-20 %</b>
<b>EBT</b>	28.8	<b>23.2</b>	<b>-19 %</b>
<b>Net Income</b>	20.4	<b>17.3</b>	<b>-15 %</b>
<b>EPS*</b>	6.37	<b>5.37</b>	<b>-16 %</b>

\* EPS in €



# Financials

## Free Cashflow Development by Quarter



# Financials

## Cash Year-on-Year

	9 Months 2017	9 Months 2018
Cash, b.o. period	19.9	37.6
Cashflow from Operations	28.7	22.9
Cashflow from Investments incl. acquisition of Silicon Software GmbH	-10.6	-26.7
Free Cashflow	18.1	-3.8
Cashflow from Financing	-3.2	-3.9
Cash, e.o. period	34.8	29.9



# Financials

Net Cash (in € mill.)

	<b>Dec. 31st, 2017</b>	<b>Sept. 30th, 2018</b>	<b>+/-</b>
Liabilities to banks	<b>-11.0</b>	<b>-14.2</b>	<b>+29 %</b>
Cash & Cash equivalents	<b>36.0</b>	<b>29.9</b>	<b>-17 %</b>
<b>Operative Net Cash</b>	<b>25.0</b>	<b>15.7</b>	<b>-37 %</b>



# Financials

## Distribution by Function



\*649 fulltime equivalent jobs e/o Sept. 2018 incl. Silicon Software

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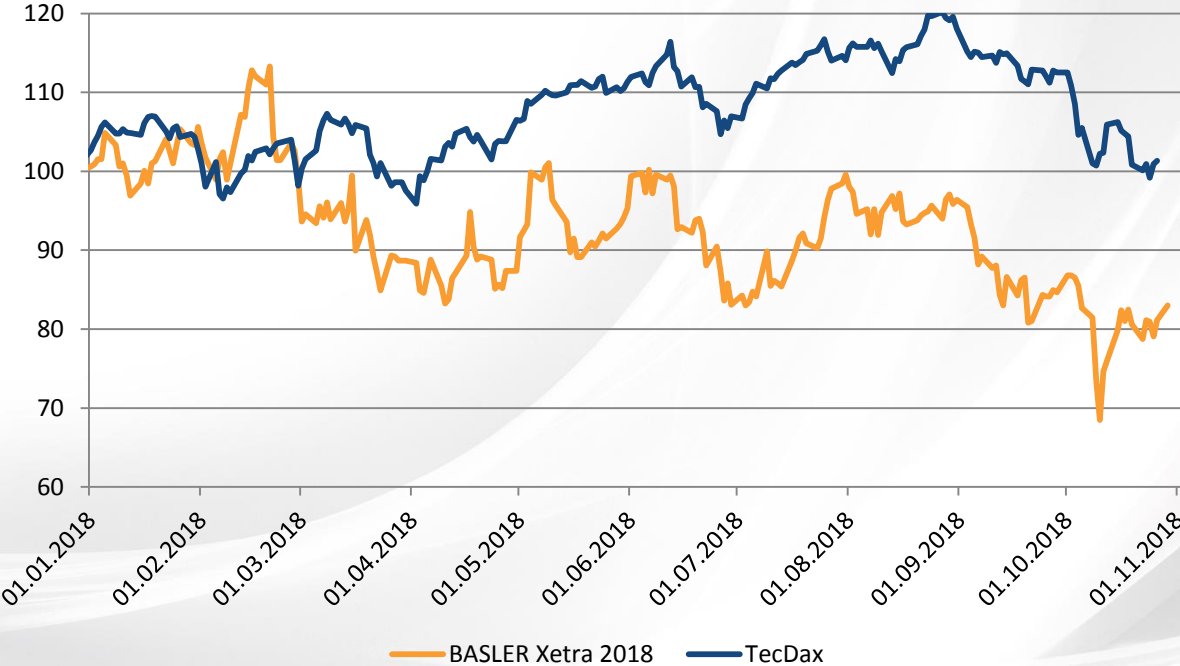
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# Share

## Basler Share versus TecDax



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# Outlook

## Business Outlook & Guidance 2018

### Based on the solid first nine months, we...

- expect bookings and billings to stabilize or slightly recover in Q4, 2018
- will continue to grow and adjust the organization and therefore increase OPEX in Q4

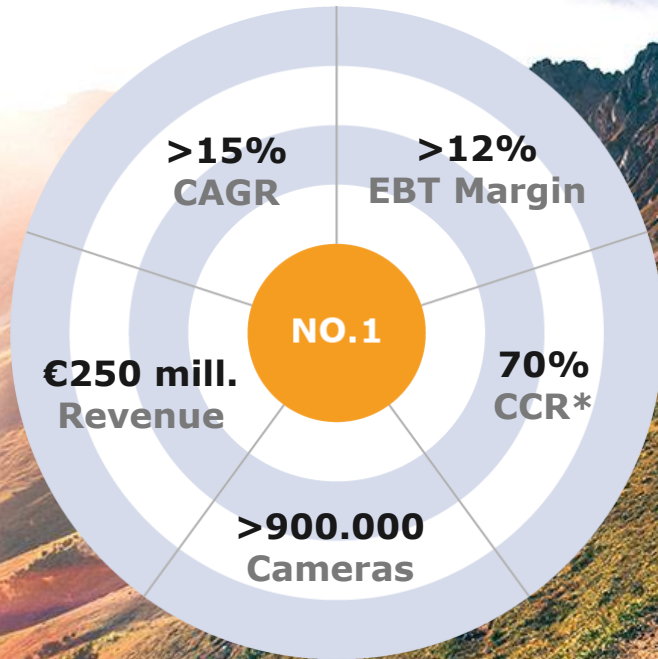
### We confirm our guidance from October 25th, 2018

- Revenue 145 - 155 mill. €
- EBT-Margin 15 – 17 %



# 2022 Outlook

## Financial Mid-term Plan



\* Cash Conversion Rate FCF/EAT  
\*\* Mid-term goals, 2022

# Disclaimer

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Should these assumptions prove to be wholly or partly incorrect, or should further risks arise, actual business performance may differ from that expected.

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# Questions & Answers



Verena Fehling

Phone +49 4102 463 101

Verena.Fehling@baslerweb.com