



6-Months Report 2023

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Agenda

1. Executive Summary

2. Financials

3. Share

4. Outlook

Executive Summary

Market Environment

Market Situation

- Chip supply mostly back to normal with extended inventories in the supply chain
- Significant regional differences:
 - Difficult market conditions in **China** after zero Covid policy. Rebound still muted other than for solar and EV battery equipment. Demand from consumer electronics and laboratory automation still weak.
 - **Asia Pacific** extremely weak due to ongoing slow demand from semicon and consumer electronics.
 - **North America** further weakening due to growing inventory levels and ongoing soft demand from semicon, electronics and logistics.
 - **Europe** had strong demand in HY1 but starting to slow. German vision component industry billings +1 % and bookings -13 %*. German Manufacturing PMI**@ 38.8

Executive Summary

Basler Performance

Basler Performance

- Bookings down -41 %, billings down -11 %
- Strong regional differences: EMEA billings up +35 %; however high exposure to weak verticals and regions
- Ongoing cancellations in Asia, especially in China
- Pre-tax earnings margin 0.2 %
- Successful Go-Live of SAP S/4Hana and hypercare phase successfully finished
- Management initiated restructuring program during Q2 in addition to Q1 savings program in order to react to the ongoing weak demand

Executive Summary

Rational Restructuring Program – Why?

Why

- Weak market outlook for the remainder of the year in China, APAC and Americas
- Europe has just entered into the downturn and will therefore most likely be weak in 2024
- Continuation of China's economic and geopolitical uncertainties
- Strong organizational growth from ~800 (2020) to ~1140 FTE (2022)
- Cost inflation for material, opex and personnel costs
- Organization was sized for ~280M€ sales. Under current outlook this level will not be reached before 2025.



Mismatch of organizational size and mid-term market outlook

Executive Summary

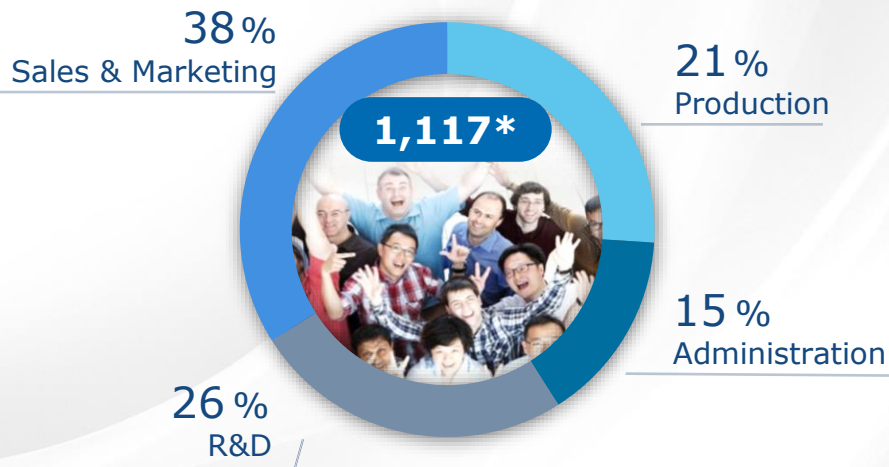
Rational Restructuring Program – How?

How

- Keep tight management with regard to opex and capex as long as the markets stay weak
- Change from temporary measures to structural measures with regard to personnel costs
 - Reduction of ~200 FTE in HY2
 - Focus Germany and China
 - Mainly in Admin, Marketing, Operations, R&D
- Changes implemented in HY2, strongest impact on P&L in Q3
- Goal: Fresh Start into 2024

Executive Summary

The Team



- HY1-2023 R&D investments € 20.4 mill.
- R&D quota up to 17.6 % from sales due to significant increase of R&D staff combined with low revenue level in HY1

Executive Summary

New Product Launches (1/2)

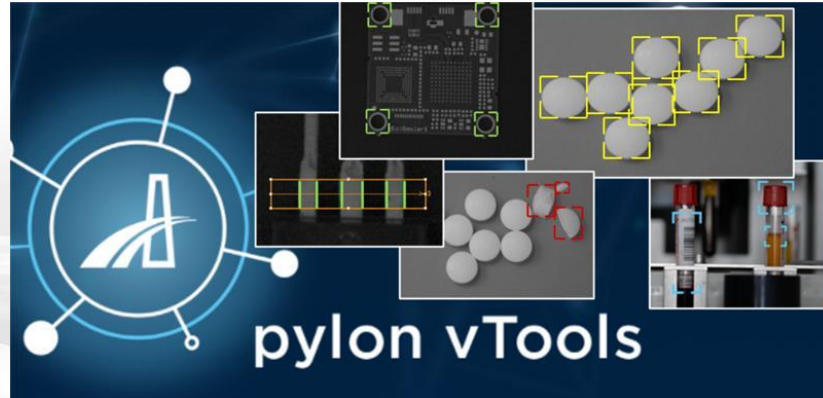
- Basler launched various mainstream **ace2 cameras** with 18-megapixel sensor
- In the area of **accessory products** Basler introduced a modular **IP67 housing** that allows all ace and ace2 camera models to be used robustly even in the harshest environmental conditions
- In the area of **embedded vision**, compatibility has been established between Basler products and NVIDIA's DeepStream SDK
- The company successfully exhibited at the trade fair **automatica 2023** in Munich



Executive Summary

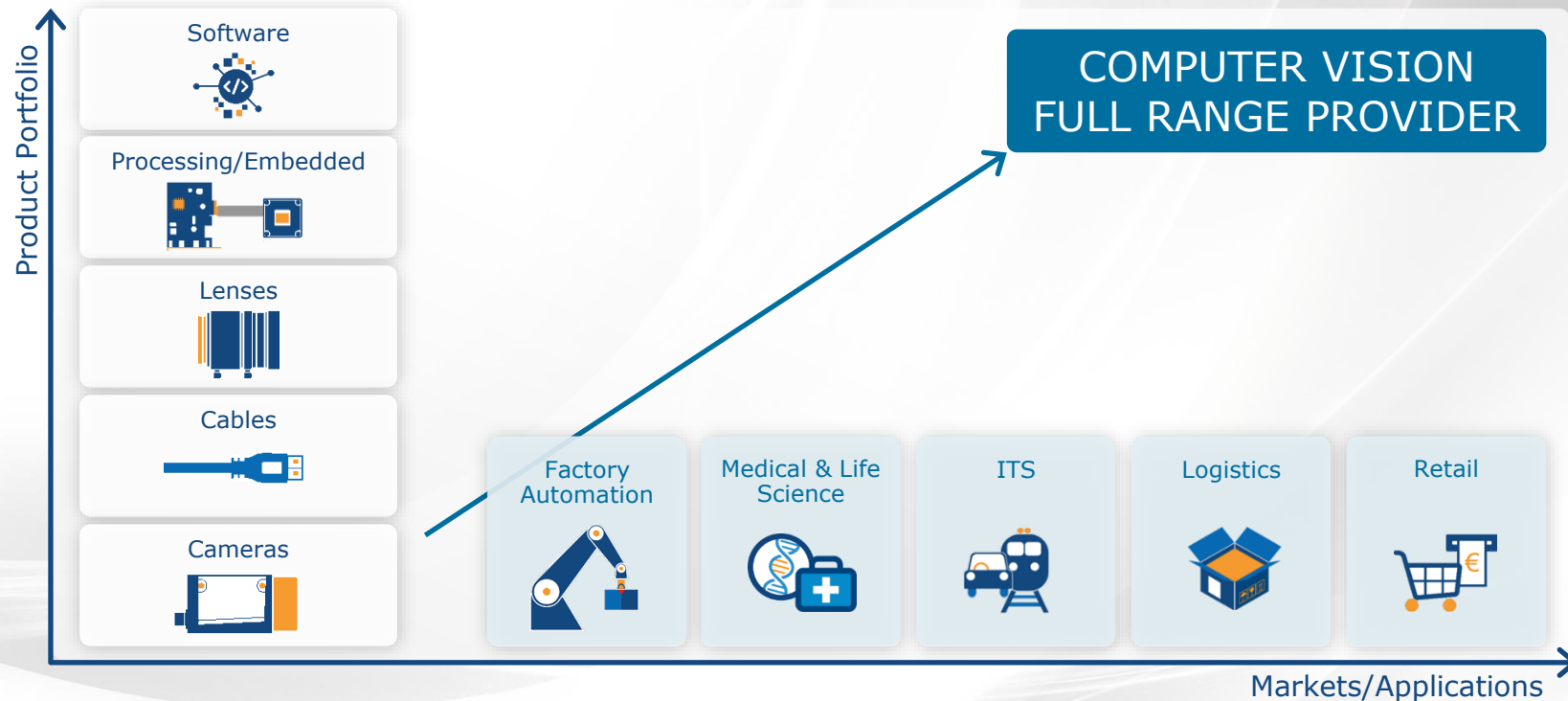
New Product Launches (2/2)

- Release of **pylon 7.3**, Basler's own software development kit
- Added image processing tools (vTools) and support for the latest MacOS versions.



Executive Summary

From Camera Manufacturer to Full Range Provider



Agenda

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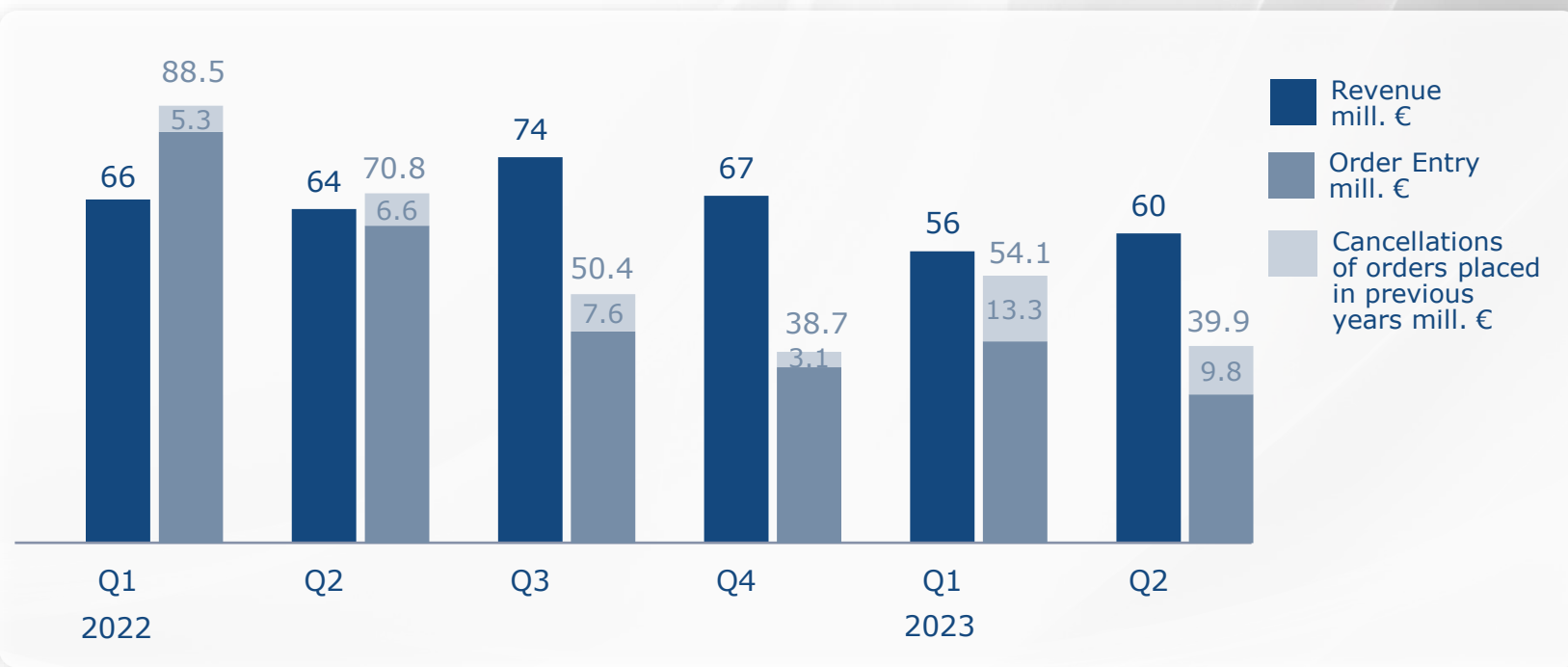
2. Financials

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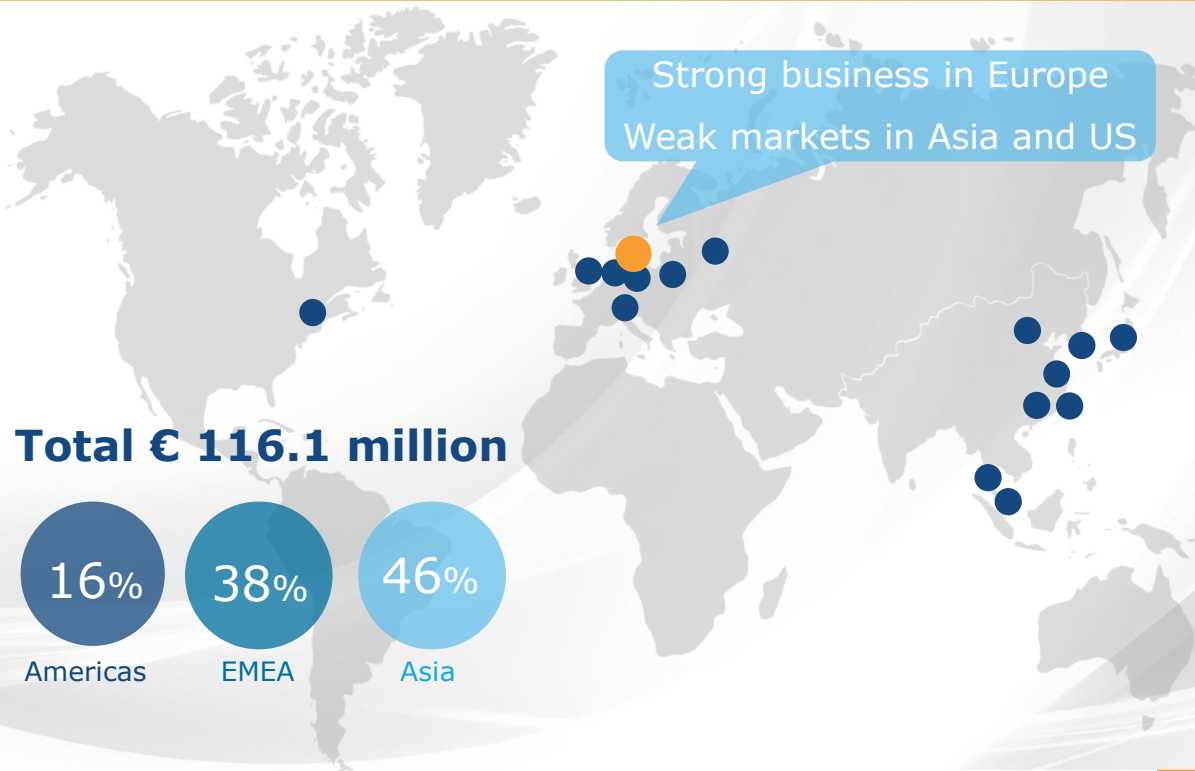
Financials

Development of Bookings and Billings



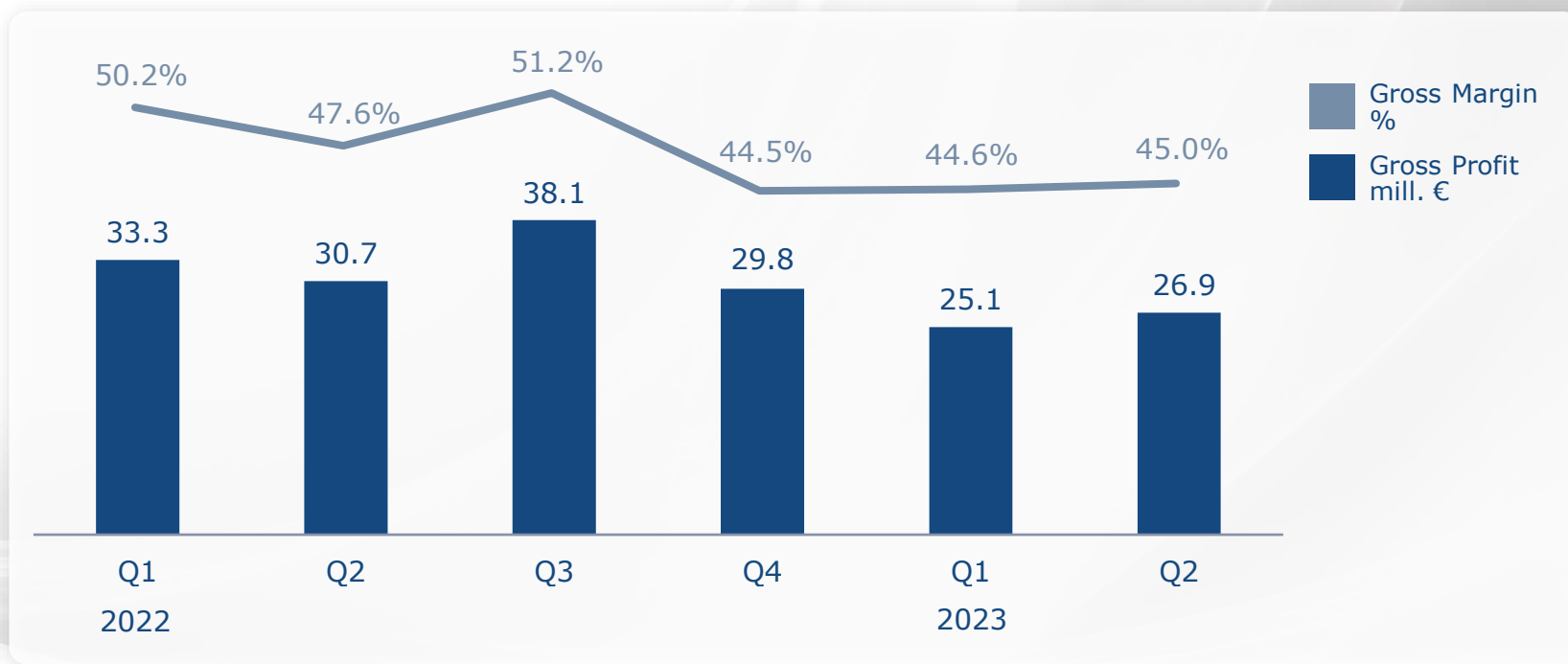
Financials

Revenue Split by Regions HY1-2023



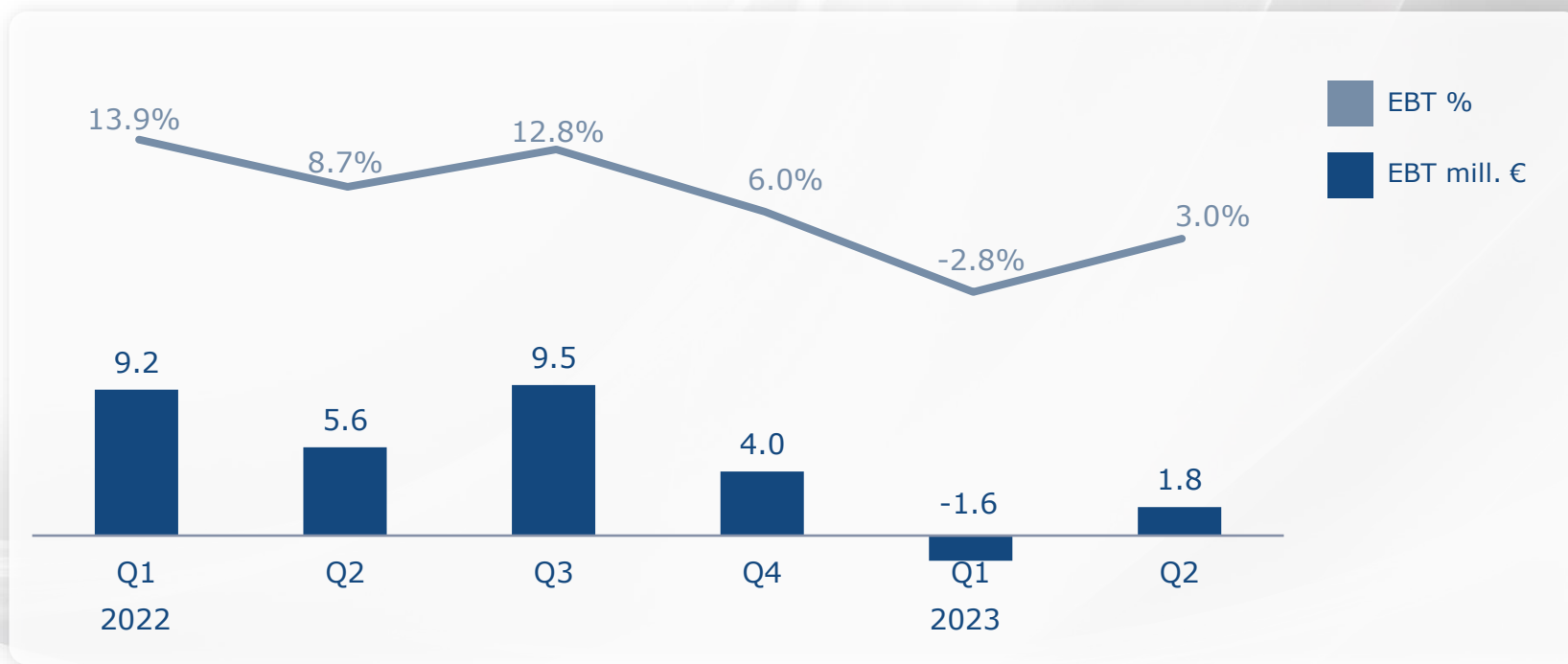
Financials

Development of Gross Profit and Margin



Financials

Development of EBT and EBT-Margin



Financials

P&L KPIs (in € mill.)

	HY1-2023	HY1-2022	+/-
Order Entry	94.0	159.3	-41 %
Sales	116.1	130.8	-11 %
Gross Profit	52.0	63.9	-19 %
Gross Profit Margin	44.8 %	48.9 %	-4.1 Pp.
EBITDA	10.7	23.0	-53 %
EBIT	1.0	15.0	-93 %
EBT	0.2	14.8	-99 %
EBT-Margin	0.2 %	11.3 %	-11.1 Pp.
Net Income	-1.7	11.5	>-100 %
EPS*	-0.06	1.15	>-100 %

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

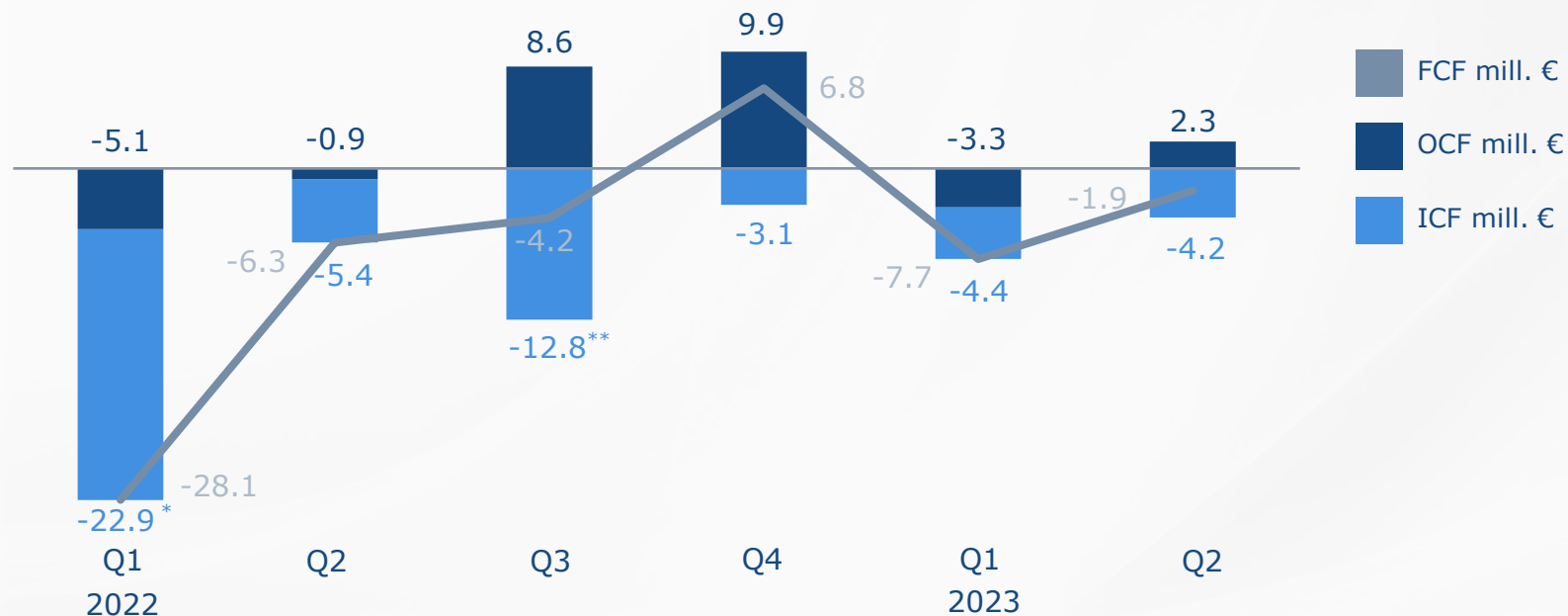
Financials

Cashflow (in € mill.)

CASHFLOW	HY1-2023	HY1-2022	+/-
Cash, b.o. period	28.7	54.8	-48 %
Cashflow from Operations	-1.0	-6.1	-83 %
Cashflow from Investments	-8.6	-28.3	-70 %
Free Cashflow	-9.6	-34.4	-72 %
Cashflow from Financing	16.3	11.6	+40 %
Cash, e.o. period	35.4	32.1	+10 %

Financials

Development of Free Cashflow



* extraordinary M&A investment (DATVISION and IOVIS, Korea)

** extraordinary M&A investment (Basler Italy and Basler France)

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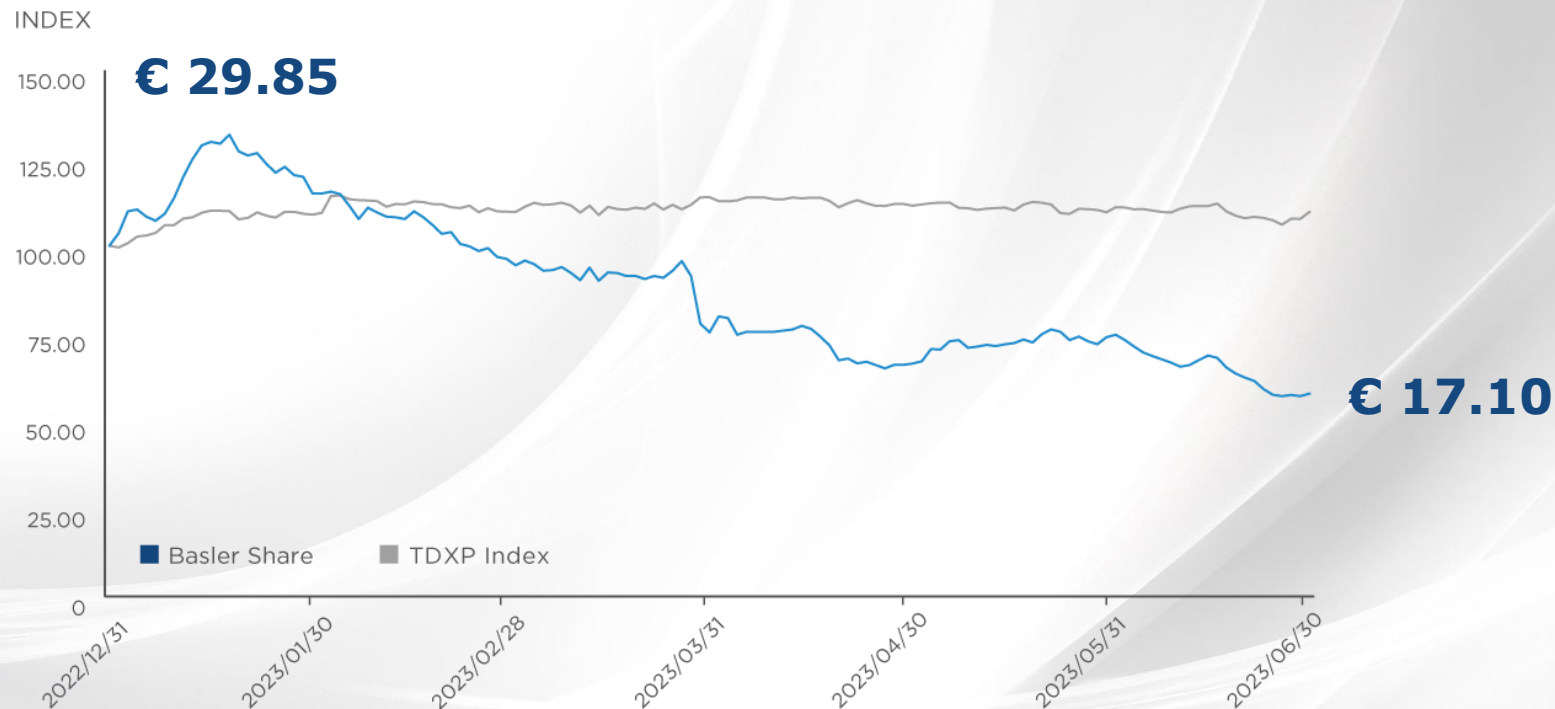
2. Financials

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Share

Basler Share vs. TecDax



Share

Basler Shareholder Structure

3 % Universal Investment

4 % Dr. Dietmar Ley (CEO)

5 % 7-Industries Holding B.V.

2 % Treasury Shares

6 % Invesco Advisers; Inc.

27 % Free Float



53%

Norbert Basler Holding GmbH

*as of June 2023

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Outlook

Assumptions HY2-2023

- Weak market conditions to continue
 - Bookings to stay on low levels, but order cancellations to phase out - recovery expected by e.o. 2023/b.o. 2024
 - Geopolitical uncertainties to remain
 - Ongoing highly competitive landscape in China
- Slight improvement of gross margin to be expected
 - Tailwind from positive pricing effects and clearance of inventories from expensive spot buys
 - Ongoing headwinds from price pressure in China
- Operational business facing high pressures on bottom line margin due to market headwinds and increasing costs (e.g. cost of living increase, inflation)
- Restructuring program creating significant one-time charges (mostly to be recognized in Q3-2023)



Outlook

Forecast 2023

Fiscal year 2023 guidance reduced as to weak HY1-2023 performance and HY2-2023 assumptions:

- **Revenue € 200 - 215 mill.**
- **Pre-tax loss € 12 - 20 mill.***

*incl. extraordinary one-time restructuring costs expected within corridor of € 11 – 13 mill.



Questions & Answers



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