



Annual Report 2022

March 30, 2023

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Agenda

1. Executive Summary

2. Financials

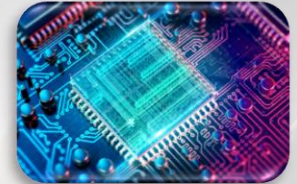
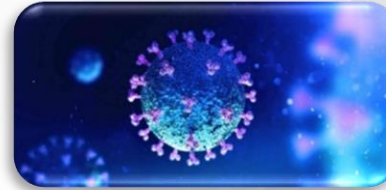
3. Share

4. Outlook

Executive Summary

Great results in a challenging year

- Zero Covid policy in China
- Chip crisis
- Recovery from cyber attack in Nov 2021
- 3 M&A transactions (South Korea, Italy) and JV in France
- From SAP R3 to S4 Hana, Go-Live Jan 2, 2023
- HQ building expansion - completion new building



SAP S/4 HANA

DATVISION

iovis (주)이오비스텍



HQ Building Expansion

Completion New Building



Executive Summary

Market Environment

Market Highlights

- German industry for vision components billings +14 % and bookings +5 %*
- Chip supply was very instable in HY1 and slowed down sales. Supply has started to improve in HY2
- High order backlogs fueled billings growth in HY2
- Significant regional differences:
 - Difficult market conditions in China due to zero Covid policy and high competition intensity
 - Market demand significantly declined in Asia and North America in the 2nd half of the year due to weaknesses in consumer electronics and logistics
 - Robust European market
- Consolidation trend ongoing

*Source: VDMA Jan.-Dec. 2022

Executive Summary

Basler Performance

Basler Highlights

- Closing of three M&A transactions in 2022 (2x Korea, Italy) and JV in France
- Successful Go-Live of SAP S/4 Hana; challenging hypercare phase in HY1 2023
- Bookings down -23 %, record billings up +27 %
- Weak gross margin of 48.4 % due to spot buys, product/regional mix and M&A effects
- Pre-tax earnings margin of 10.4 %
- Sound order backlog of around € 100 million by e/o 2022
- Fast organizational growth, Basler exceeded 1,000 employees in HY1

Executive Summary

Environmental Policy

SUSTAINABILITY REPORT 2022

Our values and our responsibility – for today and the future



Basler's climate and environmental policy defines the following targets:

- net zero emissions in Scopes 1 and 2 by the end of 2030
- a significant reduction of Scope 3 emissions in relation to sales

Executive Summary

The Team

FTEs e/o 2021

35 % Sales & Marketing

24 % Production

908

15 % Administration

26 % R&D

FTEs e/o 2022

37 % Sales & Marketing

22 % Production

1,133

15 % Administration

26 % R&D

€ 33.5 mill. R&D investments in 2022
12.3 % from sales

Executive Summary

New Product Launches (1/2)



Expansion of the **ace2** product line by new CMOS sensors and new features



Expansion of the **boost** camera line by new high resolution and faster image sensors with fitting framegrabber technology



Development and qualification of complementary accessory products, especially in the field of **cables, lenses, interface cards** and **lighting**. Various customer-specific product innovations

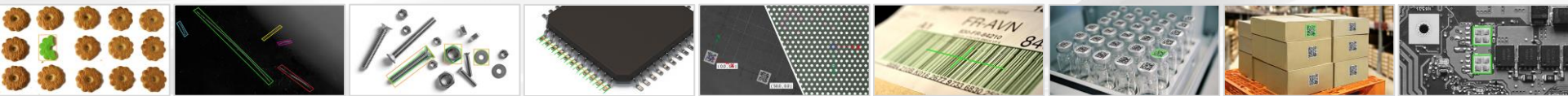
Executive Summary

New Product Launches (2/2)

As easy as connecting the dots.
pylon vTools - Image Processing, Simplified.



Introduction of **pylon 7** - for the first time Basler offers among numerous other options image processing algorithms and gradually expands the pylon Software Development Kit to the center of its offering.

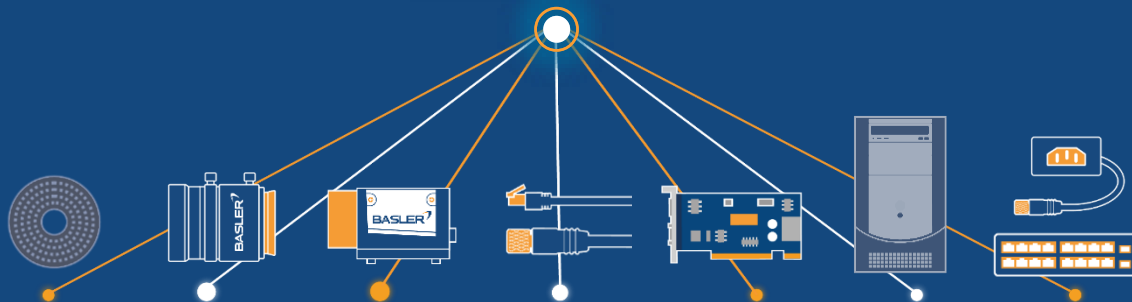


Executive Summary

Full-Line Provider

BASLER

pylon

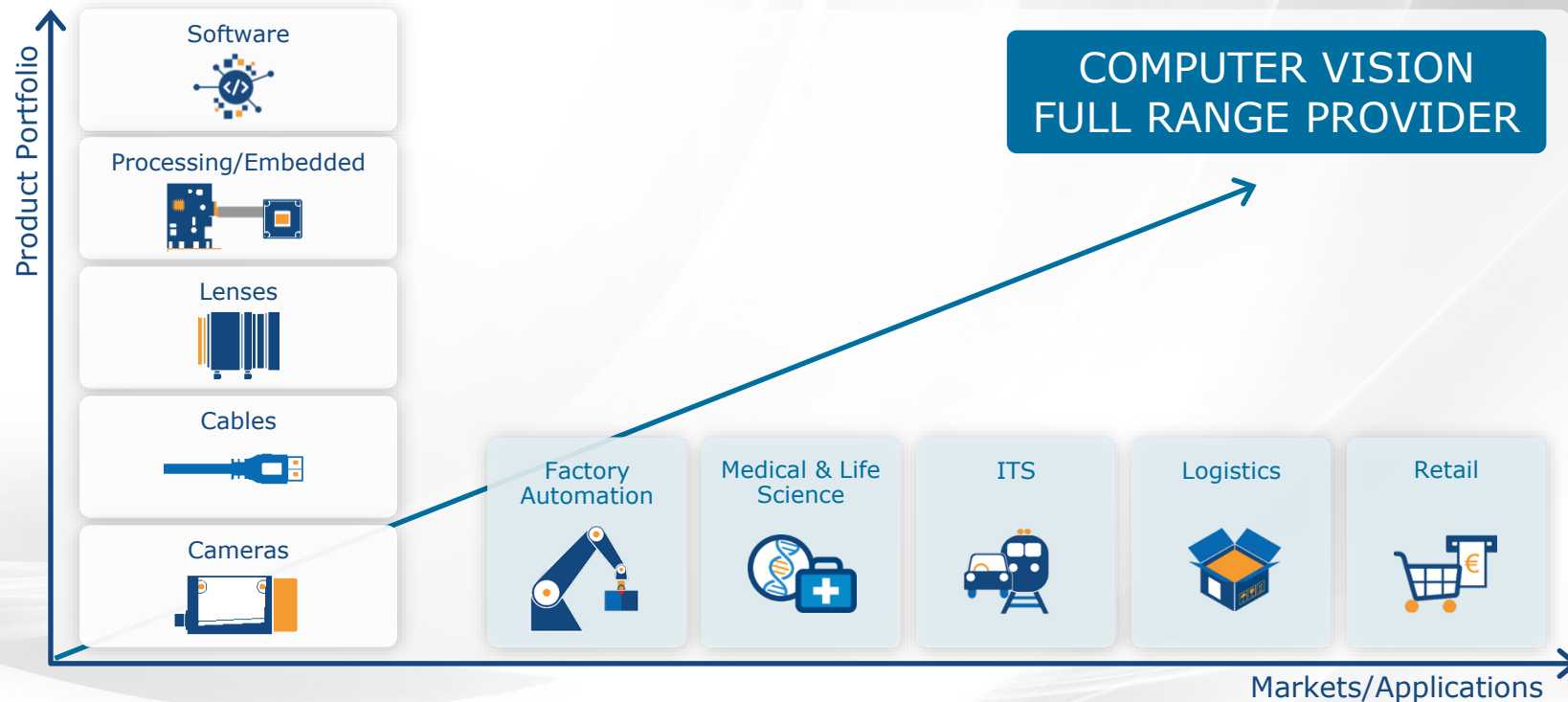


+ CUSTOMIZED
SOLUTIONS



Executive Summary

From Camera Manufacturer to Full Range Provider



Agenda

1. Executive Summary

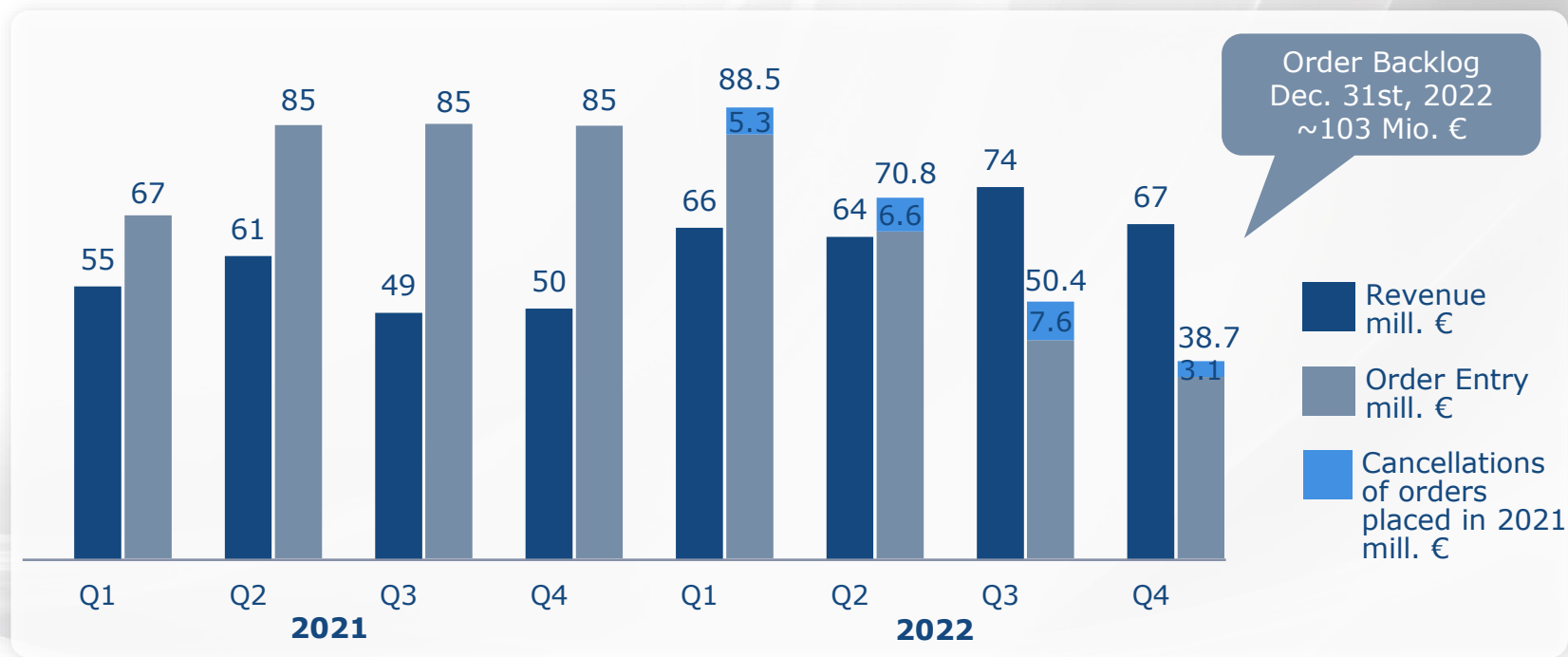
2. Financials

3. Share

4. Outlook

Financials

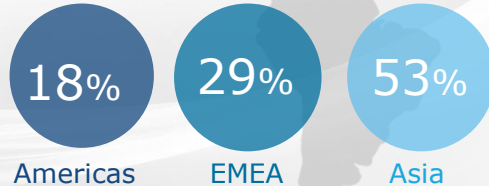
Development of Bookings and Billings



Financials

Revenue Split by Regions

Total € 272.2 million



Strong business in Korea
Weaker market in China

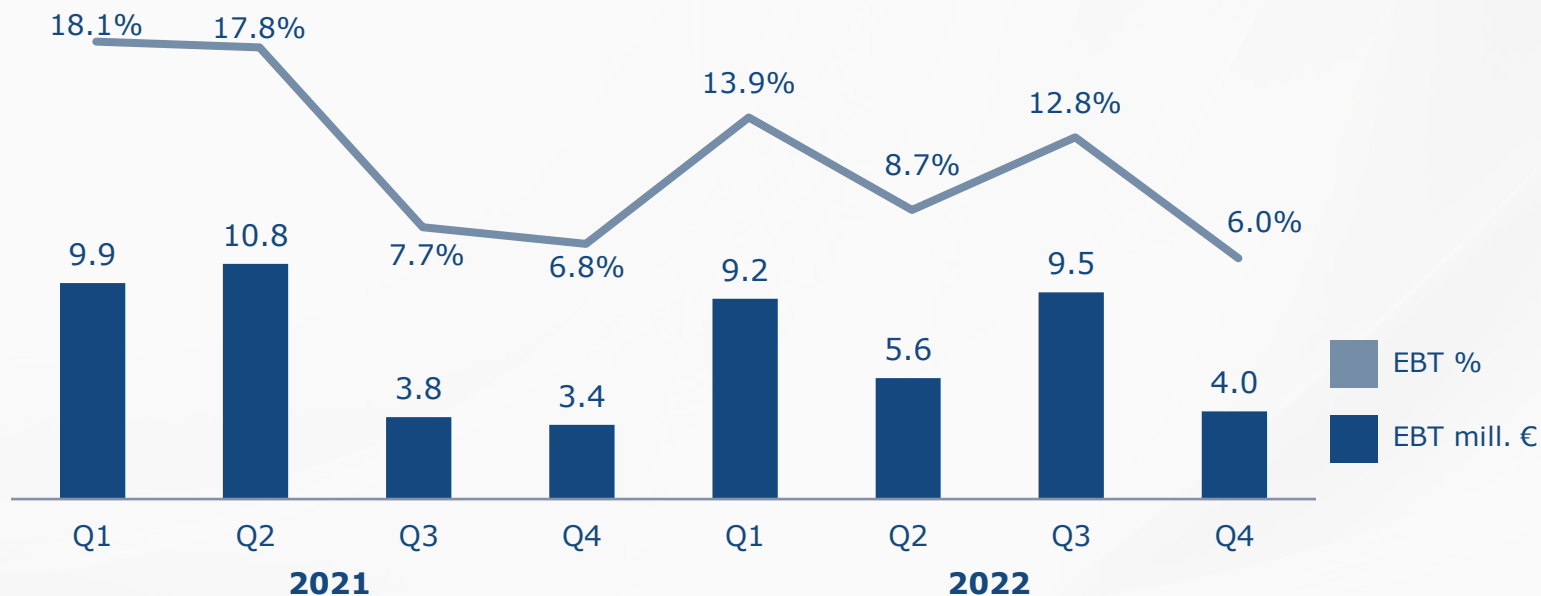
Financials

Development of Gross Profit and Margin



Financials

Development of EBT and EBT-Margin



Financials

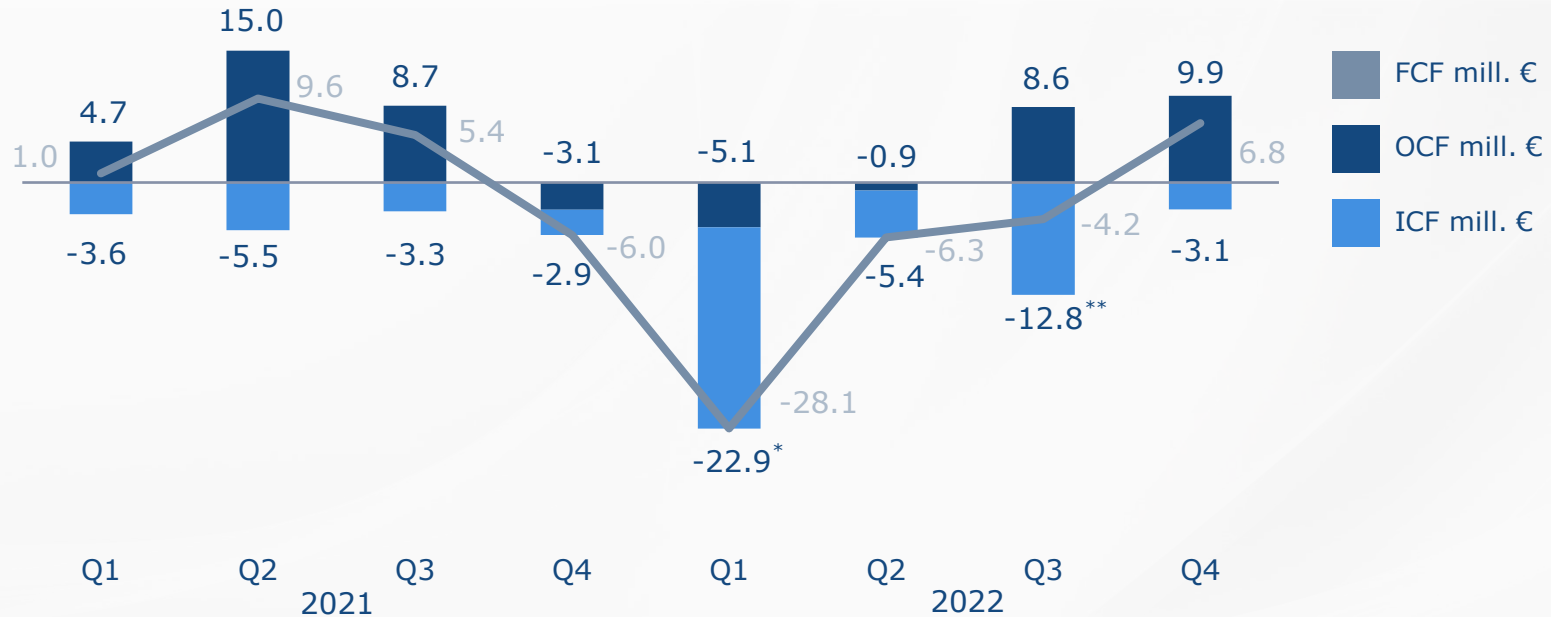
P&L KPIs 2022 versus 2021 (in € mill.)

	2022	2021	+/-
Order Entry	248.4	322.5	-23 %
Sales	272.2	214.7	+27 %
Gross Profit	131.8	112.6	+17 %
Gross Profit Margin	48.4 %	52.4 %	-4.0 Pp.
EBITDA	45.8	44.5	+3 %
EBIT	28.9	28.4	+2 %
EBT	28.3	28.0	+1 %
EBT-Margin	10.4 %	13.0 %	-2.6 Pp.
Net Income	21.4	20.8	+3 %
EPS*	0.71	0.69	+2 %

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

Financials

Development of Free Cashflow



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

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

Financials

Liquidity and Cashflow 2022 vs. 2021 (in € mill.)

CASHFLOW	2022	2021	+/-
Cash, b.o. period	54.8	47.9	+15 %
Cashflow from Operations	12.4	25.3	-51 %
Cashflow from Investments	-44.2	-15.3	>100 %
Free Cashflow	-31.8	10.0	>-100 %
Cashflow from Financing	5.7	-3.1	>-100 %
Cash, e.o. period	28.7	54.8	-48 %
NET CASH	2022	2021	+/-
Liabilites to banks	-55.7	-36.1	+54 %
Cashflow and Cash equivalents	28.7	54.8	-48 %
Operative Net Cash/Debts	-27.0	-18.7	>100 %

Financials

Balance Sheet Assets on Dec. 31st, 2022 (in € mill.)

	2022	2021	+/-
Intangible assets	48.4	38.6	+25 %
Goodwill	46.1	27.4	+68 %
Fixed assets	16.8	12.6	+33 %
Building and land in finance lease	12.6	10.5	+20 %
Other	7.0	2.5	+180 %
Long-term assets	130.9	91.6	+43 %
Inventories	50.3	37.1	+36 %
Receivables from deliveries and service	41.2	33.3	+24 %
Other short-term assets	14.4	9.2	+57 %
Cash in bank and cash in hand	28.7	54.8	-48 %
Short-term assets	134.6	134.4	<+1 %
Total assets	265.5	226.0	+17 %

Driver Asset Increase

- M&A investments in market access
- IT equipment (building/hybrid work) & infrastructure (S4/Hana)
- High inventories due to Chip Crisis and M&A

Financials

Balance Sheet Liabilities on Dec. 31st, 2022 (in € mill.)

	2022	2021	+/-
Equity	141.5	129.4	+9 %
Long-term liabilities to banks	51.7	32.0	+62 %
Other financial liabilities	3.5	0.5	+600 %
Liabilities from finance lease	10.1	8.4	+20 %
Other long-term liabilities	12.8	11.0	+16 %
Long-term liabilities	78.1	51.9	+51 %
Other financial liabilities	4.0	4.1	-2 %
Short-term accrual liabilities	10.7	12.1	-12 %
Short-term other liabilities	29.2	26.3	+11 %
Current tax liabilities	2.0	2.3	-13 %
Short-term financial debts	45.9	44.8	+3 %
Total liabilities	265.5	226.1	+17 %

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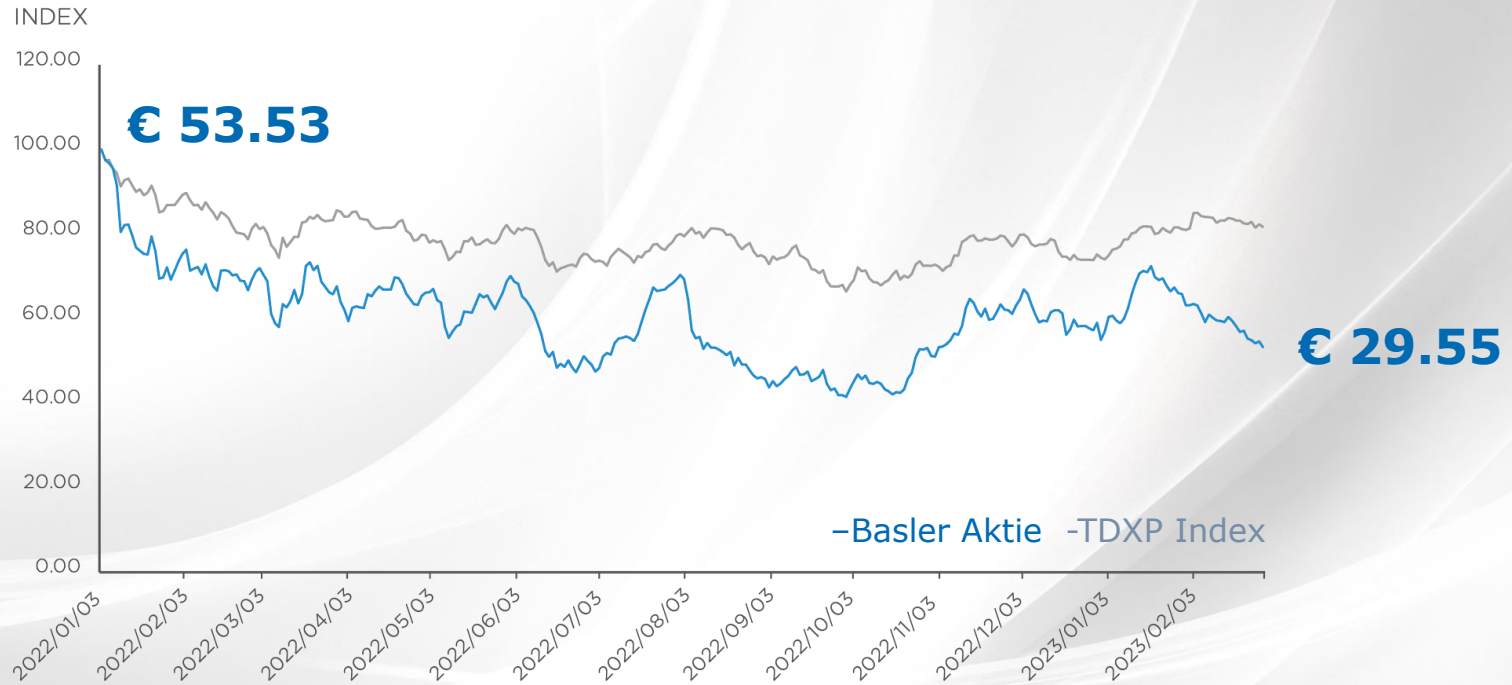
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Share

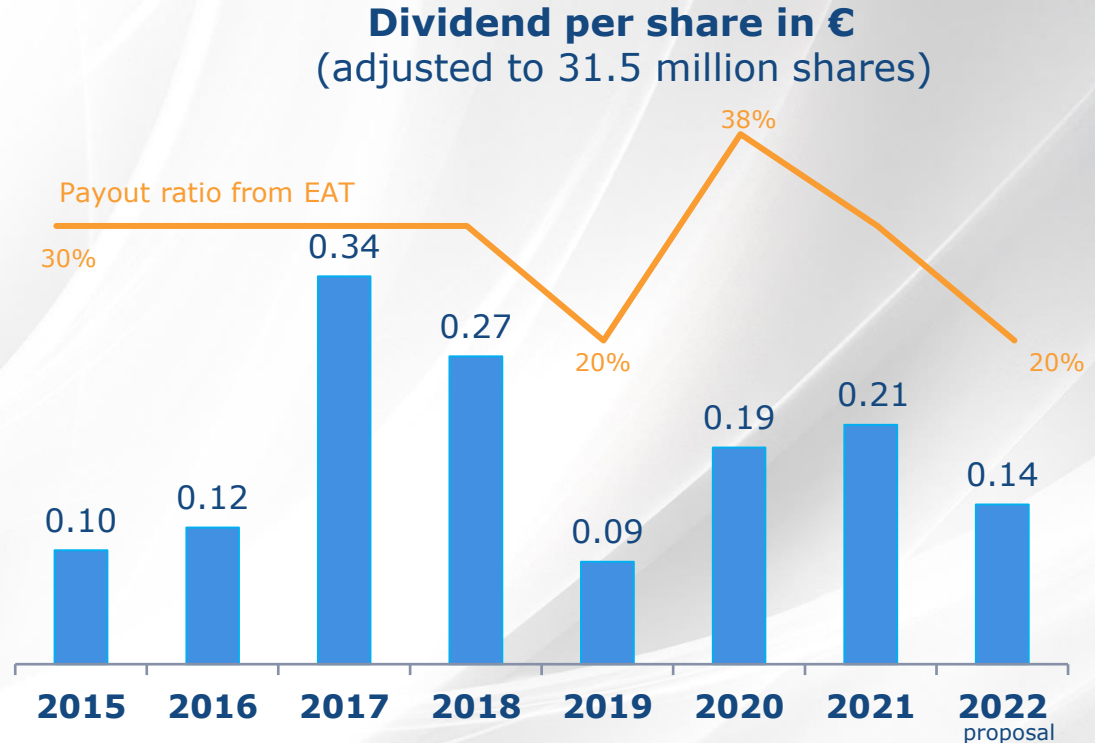
Basler Share versus TecDax



Share

Dividend Proposal for FY 2022

- Number of shares:
since July 31.5 million (10.5 million
until July 2022), Prime Standard
- Dividend proposal for 2022 of €
0.14 per share ~20%



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3. Share

4. Outlook

Outlook

Assumptions 2023

For 2023, we expect:

- Gloomy market conditions:
 - order entries to stay on a low level in HY1 but cancellations will phase out
 - recovery expected in HY2/2023
 - geopolitical uncertainties remain
 - high competition intensity in China
- Gross margins to slightly increase by positive pricing effects, clearance of inventories from expensive spot buys and less extraordinary M&A effects. Risk: Competition in China
- High pressure on profit margin due to market headwinds and increasing costs (larger organization, cost of living increase, inflation)



Outlook

Forecast 2023

Under these assumptions we guide for 2023:

- **Revenue € 235 - 265 mill.**
- **EBT-Margin 5 - 8 %**

Slow start into the year due to combination of SAP S/4Hana process issues, weak order entries and supply constraints on material for backorders



Outlook

Cost Management Program 2023

In order to keep the company above 5% pre-tax profit margin even in the lower area of the revenue corridor and keep a cash cushions for uncertainties, we

- stopped already further expansion of the organization
- will implement a cost saving program already effective b/o April
- flexibilize HR costs to manage along the order entry situation, e. g. cut variable income for management
- tighter management of working capital and cashflow
- conservative dividend proposal with 20% payout ratio



Outlook

Financial Mid-term Plan



* Cash Conversation Rate FCF/EAT (excl. M&A transactions)

Questions & Answers



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