

Buy EUR 41.00 Price EUR 28.60 Upside 43.4 %	Value Indicators: EUR DCF: 41.37 FCF-Value Potential 24e: 19.05 Peer group: 0.00	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: 854.1 No. of shares (m): 29.9 EV: 868.6 Freefloat MC: 324.6 Ø Trad. Vol. (30d): 310.92 th	Shareholders: Freefloat 38.00 % Norbert Basler 53.00 % Treasury shares 5.00 % Dr. Ley (CEO) 4.00 % Invesco 6.00 %	Key Figures (WRe): 2022e Beta: 1.1 Price / Book: 6.1 x Equity Ratio: 57 % Net Fin. Debt / EBITDA: 0.9 x Net Debt / EBITDA: 0.9 x

Slowdown in order momentum in Q4

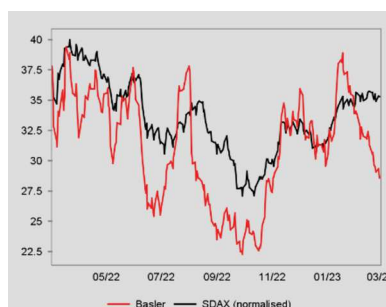
in EUR m	Q4/22p	Q4/22e	Q4/21	yoy	2022p	2022e	2021	yoy
Sales	67.0	65.3	50.2	33.6%	272.2	270.5	214.7	26.8%
EBT margin	4.0	9.3	3.4	17.8%	28.3	33.6	28.0	1.3%
	6.0%	14.3%	6.8%		10.4%	12.4%	13.0%	
Order entries	38.7	47.3	84.9	-54.4%	248.4	257.0	322.5	-23.0%
Book-to-bill	0.6	0.7	1.7		0.9	0.9	1.5	

Basler has published preliminary figures for 2022. Sales grew by 27% to EUR 272.2m, in line with our expectation (WRe EUR 270.5m) and at the upper end of the guided range (EUR 262-270m). The EBT margin of 10.4%, however, was at lower end of the 10-12% target range and below our estimate (WRe 12.4%). In December, the company completed its S/4HANA project and updated from SAP-R3 to SAP-S4, which impeded production in the last two weeks of the year. As a result, the revenue share of the recently acquired distributor increased and burdened the gross margin.

Order intake declined notably by 23% to EUR 248.4m. With an order backlog of EUR 102.5m (2021 EUR 140.9m), Basler still has solid visibility for Q1. However, we are not expecting the order momentum from the semi and electronics industry to accelerate notably in H1 and should lag behind the strong demand we saw in the first half of last year (order intake H1 21 EUR 159.3m). Against this background, we expect a weaker Q2 compared to last year and a cautious outlook for the current year, which will be published with the final figures on 30 March.

We have adjusted our estimates for last year in accordance with the preliminary figures and slightly reduced our forecast. However, the decline in order momentum should be temporary and the pace should accelerate again in H2. The strategic shift to a full-range supplier should allow Basler to benefit from cross-selling and to continue its outperformance of the industrial imaging market. Thus, the current slowdown in the semi cycle should restrain Basler's ability to reach its 2025 sales target of EUR 400m. We confirm our target price and our Buy recommendation for Basler.

Changes in Estimates:						Comment on Changes:	
FY End: 31.12. in EUR m	2022e (old)	+ / -	2023e (old)	+ / -	2024e (old)	+ / -	
Sales	270.5	0.6 %	294.4	-5.5 %	349.8	-1.8 %	■ 2022 estimates adjusted in accordance with the preliminary figures
EBT	33.6	-15.7 %	33.0	-6.3 %	46.4	-4.6 %	■ Sales forecast reduced to reflect a slowdown in order intake, especially in H1 2023
EPS	0.81	-11.1 %	0.80	-6.3 %	1.12	-4.5 %	■ Margins reduced due to effects of scale

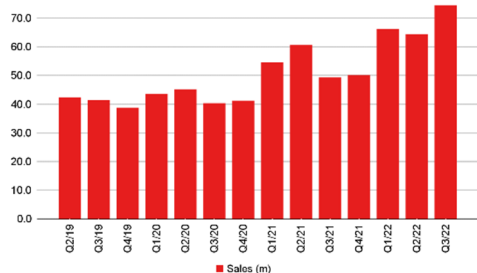


Rel. Performance vs SDAX:	
1 month:	-17.4 %
6 months:	6.2 %
Year to date:	-15.4 %
Trailing 12 months:	-20.0 %

Company events:	
30.03.23	FY 2022
04.05.23	Q1
26.05.23	AGM
10.08.23	Q2

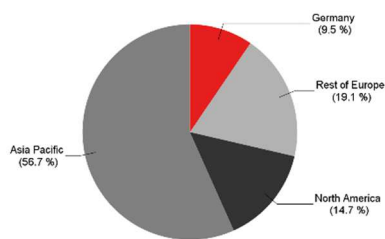
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	17.0 %	150.0	162.0	170.5	214.7	272.2	278.1	343.6
Change Sales yoy		-0.1 %	8.0 %	5.2 %	26.0 %	26.8 %	2.2 %	23.6 %
Gross profit margin		53.3 %	50.9 %	52.0 %	52.4 %	48.2 %	51.8 %	51.9 %
EBITDA	15.4 %	36.0	30.0	34.6	44.5	45.8	51.9	68.4
Margin		24.0 %	18.5 %	20.3 %	20.7 %	16.8 %	18.6 %	19.9 %
EBIT	16.7 %	24.8	17.0	20.1	28.4	28.8	31.8	45.1
Margin		16.6 %	10.5 %	11.8 %	13.2 %	10.6 %	11.4 %	13.1 %
EBT		24.5	16.9	20.4	28.0	28.3	31.0	44.3
Margin		16.3 %	10.4 %	12.0 %	13.0 %	10.4 %	11.1 %	12.9 %
Net income	15.4 %	17.0	12.9	15.1	20.8	21.4	22.3	31.9
EPS	15.7 %	0.59	0.43	0.50	0.69	0.72	0.75	1.07
DPS	-19.7 %	0.53	0.26	0.58	0.62	0.22	0.23	0.32
Dividend Yield		2.8 %	1.7 %	3.2 %	1.6 %	0.8 %	0.8 %	1.1 %
FCFPS		0.31	-0.32	0.46	0.32	-0.39	1.21	0.82
FCF / Market cap		1.6 %	-2.1 %	2.6 %	0.8 %	-1.4 %	4.2 %	8.6 %
EV / Sales		3.8 x	3.0 x	3.2 x	5.5 x	3.3 x	3.1 x	0.8 x
EV / EBITDA		15.7 x	16.1 x	15.6 x	26.5 x	19.6 x	16.8 x	4.2 x
EV / EBIT		22.8 x	28.4 x	26.9 x	41.7 x	31.1 x	27.4 x	6.3 x
P / E		32.6 x	36.4 x	36.1 x	57.2 x	39.7 x	38.1 x	26.7 x
FCF Potential Yield		4.5 %	4.3 %	4.6 %	2.5 %	3.4 %	4.0 %	16.1 %
ROE		24.1 %	14.4 %	13.9 %	17.0 %	15.9 %	15.0 %	19.0 %
ROCE (NOPAT)		23.8 %	12.7 %	12.8 %	17.3 %	13.9 %	12.9 %	18.7 %
Guidance:		Sales EUR 262-270m, EBT margin 10-12%						

Sales development
in EUR m



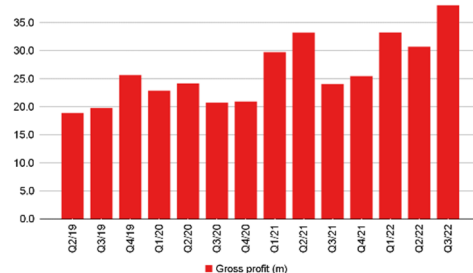
Source: Basler

Sales by regions
2021; in %



Source: Basler

Gross profit development
in EUR m



Source: Basler

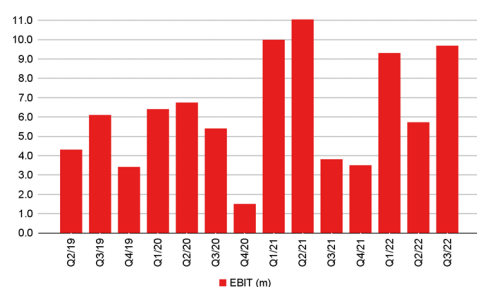
Company Background

- 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

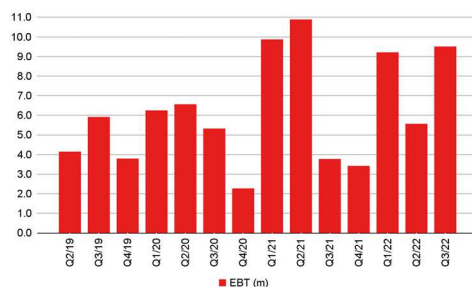
- In terms of units Basler is the world's largest developer and manufacturer of digital cameras in a fragmented, but consolidating, market for digital cameras for B2B-applications.
- High level of vision technology expertise: Basler has one of the largest developer pools in the sector and differentiates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



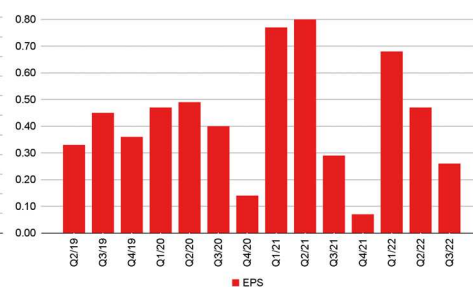
Source: Basler

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
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	
Sales	272.2	278.1	343.6	400.3	464.9	538.3	621.3	715.1	820.7	939.2	1,071.8	1,219.8	1,388.3	2.5 %
Sales change	26.8 %	2.2 %	23.6 %	16.5 %	16.1 %	15.8 %	15.4 %	15.1 %	14.8 %	14.4 %	14.1 %	13.8 %	13.8 %	
EBIT	28.8	31.8	45.1	52.8	61.8	72.1	83.3	95.1	108.3	123.0	139.3	158.6	180.5	2.5 %
EBIT-margin	10.6 %	11.4 %	13.1 %	13.2 %	13.3 %	13.4 %	13.4 %	13.3 %	13.2 %	13.1 %	13.0 %	13.0 %	13.0 %	
Tax rate (EBT)	24.4 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	2.5 %
NOPAT	21.8	22.9	32.5	38.0	44.5	51.9	59.9	68.5	78.0	88.6	100.3	114.2	129.9	
Depreciation	17.0	20.1	23.3	26.0	30.2	35.0	40.4	46.5	53.3	61.0	69.7	79.3	90.2	2.5 %
in % of Sales	6.2 %	7.2 %	6.8 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
Changes in provisions	0.3	0.0	0.0	0.3	0.4	0.4	0.5	0.5	0.6	0.7	0.7	0.8	0.9	2.5 %
Change in Liquidity from														
- Working Capital	21.3	-17.2	3.5	8.8	11.0	12.5	14.1	15.9	17.9	20.1	22.5	25.2	28.6	2.5 %
- Capex	23.1	24.2	27.9	31.2	36.7	42.3	47.3	52.8	58.8	65.3	72.3	79.8	90.2	
Capex in % of Sales	8.5 %	8.7 %	8.1 %	7.8 %	7.9 %	7.9 %	7.6 %	7.4 %	7.2 %	6.9 %	6.7 %	6.5 %	6.5 %	2.5 %
- Other	23.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-28.3	34.9	23.4	23.3	27.4	32.6	39.4	46.7	55.2	64.9	75.9	89.4	102.2	127
PV of FCF	-28.9	33.0	20.4	18.8	20.5	22.6	25.2	27.7	30.3	32.9	35.7	38.8	41.1	922
share of PVs	1.98 %			23.67 %										74.35 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	8.00 %	Financial Strength	0.90
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	0.90
WACC	8.06 %	Beta	1.06

Valuation (m)

Present values 2034e	318		
Terminal Value	922		
Financial liabilities	54		
Pension liabilities	2		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	52	No. of shares (m)	29.9
Equity Value	1,236	Value per share (EUR)	41.37

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
1.26	9.1 %	30.86	31.61	32.41	33.27	34.20	35.21	36.30	1.26	9.1 %	28.66	30.20	31.73	33.27	34.81	36.35	37.89
1.16	8.6 %	34.01	34.92	35.90	36.97	38.12	39.38	40.75	1.16	8.6 %	31.90	33.59	35.28	36.97	38.66	40.35	42.04
1.11	8.3 %	35.78	36.79	37.88	39.07	40.36	41.78	43.33	1.11	8.3 %	33.74	35.52	37.29	39.07	40.85	42.62	44.40
1.06	8.1 %	37.70	38.83	40.04	41.37	42.83	44.42	46.18	1.06	8.1 %	35.76	37.63	39.50	41.37	43.24	45.12	46.99
1.01	7.8 %	39.80	41.05	42.41	43.91	45.55	47.36	49.37	1.01	7.8 %	37.98	39.95	41.93	43.91	45.88	47.86	49.83
0.96	7.6 %	42.08	43.48	45.02	46.70	48.56	50.63	52.93	0.96	7.6 %	40.43	42.52	44.61	46.70	48.79	50.88	52.97
0.86	7.1 %	47.34	49.12	51.08	53.26	55.70	58.43	61.52	0.86	7.1 %	46.19	48.55	50.90	53.26	55.62	57.98	60.34

- 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.
- Payment for the acquisitions of DATVISION and IOVIS 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	2018	2019	2020	2021	2022e	2023e	2024e	
Net Income before minorities	17.0	12.9	15.1	20.8	21.4	22.3	31.9	
+ Depreciation + Amortisation	11.1	12.9	14.5	16.2	17.0	20.1	23.3	
- Net Interest Income	-0.3	-0.1	0.4	-0.4	-0.5	-0.8	-0.8	
- Maintenance Capex	2.9	5.0	4.4	7.5	8.2	8.3	10.3	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	25.6	20.9	24.9	29.8	30.8	34.8	45.7	
FCF Potential Yield (on market EV)	4.5 %	4.3 %	4.6 %	2.5 %	3.4 %	4.0 %	16.1 %	
WACC	8.06 %	8.06 %	8.06 %	8.06 %	8.06 %	8.06 %	8.06 %	
= Enterprise Value (EV)	564.9	482.9	540.1	1,181.7	896.7	868.6	284.1	
= Fair Enterprise Value	317.1	259.5	308.9	369.8	381.5	432.2	567.0	
- Net Debt (Cash)	-0.4	-0.4	-0.4	-0.4	40.7	12.5	-3.8	
- Pension Liabilities	1.6	1.6	1.6	1.6	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	315.8	258.3	307.7	368.6	338.9	417.8	568.9	
Number of shares, average	28.9	29.8	30.0	29.9	29.9	29.9	29.9	
= Fair value per share (EUR)	10.92	8.66	10.25	12.32	11.35	13.99	19.05	
premium (-) / discount (+) in %					-60.3 %	-51.1 %	-33.4 %	
Sensitivity Fair value per Share (EUR)								
WACC	11.06 %	7.70	6.29	7.50	8.98	7.88	10.06	13.90
	10.06 %	8.47	6.92	8.25	9.88	8.81	11.11	15.28
	9.06 %	9.40	7.69	9.16	10.97	9.94	12.39	16.95
	8.06 %	10.92	8.66	10.25	12.32	11.35	13.99	19.05
	7.06 %	12.08	9.88	11.77	14.09	13.16	16.04	21.74
	6.06 %	14.08	11.51	13.72	16.43	15.56	18.76	25.31
	5.06 %	16.87	13.80	16.43	19.68	18.92	22.57	30.30

- 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	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	7.4 x	4.5 x	4.7 x	9.2 x	6.1 x	5.5 x	1.6 x
Book value per share ex intangibles	1.19	1.32	1.62	2.09	1.73	2.03	7.92
EV / Sales	3.8 x	3.0 x	3.2 x	5.5 x	3.3 x	3.1 x	0.8 x
EV / EBITDA	15.7 x	16.1 x	15.6 x	26.5 x	19.6 x	16.8 x	4.2 x
EV / EBIT	22.8 x	28.4 x	26.9 x	41.7 x	31.1 x	27.4 x	6.3 x
EV / EBIT adj.*	22.8 x	28.4 x	26.9 x	41.7 x	31.1 x	27.4 x	6.3 x
P / FCF	61.9 x	n.a.	39.2 x	122.9 x	n.a.	23.7 x	34.7 x
P / E	32.6 x	36.4 x	36.1 x	57.2 x	39.7 x	38.1 x	26.7 x
P / E adj.*	32.6 x	36.4 x	36.8 x	57.2 x	39.7 x	38.1 x	26.7 x
Dividend Yield	2.8 %	1.7 %	3.2 %	1.6 %	0.8 %	0.8 %	1.1 %
FCF Potential Yield (on market EV)	4.5 %	4.3 %	4.6 %	2.5 %	3.4 %	4.0 %	16.1 %
*Adjustments made for: -							

Consolidated profit and loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	150.0	162.0	170.5	214.7	272.2	278.1	343.6
Change Sales yoy	-0.1 %	8.0 %	5.2 %	26.0 %	26.8 %	2.2 %	23.6 %
COGS	70.1	79.5	81.7	102.2	140.9	134.0	165.3
Gross profit	79.9	82.4	88.7	112.5	131.3	144.1	178.3
Gross margin	53.3 %	50.9 %	52.0 %	52.4 %	48.2 %	51.8 %	51.9 %
Research and development	18.8	17.9	21.7	29.9	30.7	32.9	44.7
Sales and marketing	23.0	31.5	30.6	34.9	47.6	52.6	59.1
Administration expenses	12.7	15.8	17.4	20.4	25.3	26.9	29.2
Other operating expenses	1.4	1.0	0.2	0.3	0.9	1.2	1.3
Other operating income	0.8	0.8	1.1	1.3	2.1	1.3	1.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	36.0	30.0	34.6	44.5	45.8	51.9	68.4
Margin	24.0 %	18.5 %	20.3 %	20.7 %	16.8 %	18.6 %	19.9 %
Depreciation of fixed assets	3.2	5.0	6.3	6.3	6.4	6.5	7.2
EBITA	32.8	25.0	28.3	38.2	39.4	45.4	61.2
Amortisation of intangible assets	7.9	8.0	8.2	9.8	10.6	13.6	16.1
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	24.8	17.0	20.1	28.4	28.8	31.8	45.1
Margin	16.6 %	10.5 %	11.8 %	13.2 %	10.6 %	11.4 %	13.1 %
EBIT adj.	24.8	17.0	20.1	28.4	28.8	31.8	45.1
Interest income	0.2	1.0	1.1	0.2	0.3	0.2	0.2
Interest expenses	0.5	1.1	0.8	0.6	0.8	1.0	1.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	24.5	16.9	20.4	28.0	28.3	31.0	44.3
Margin	16.3 %	10.4 %	12.0 %	13.0 %	10.4 %	11.1 %	12.9 %
Total taxes	7.5	4.0	5.3	7.2	6.9	8.7	12.4
Net income from continuing operations	17.0	12.9	15.1	20.8	21.4	22.3	31.9
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	17.0	12.9	15.1	20.8	21.4	22.3	31.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	17.0	12.9	15.1	20.8	21.4	22.3	31.9
Margin	11.3 %	7.9 %	8.9 %	9.7 %	7.9 %	8.0 %	9.3 %
Number of shares, average	28.9	29.8	30.0	29.9	29.9	29.9	29.9
EPS	0.59	0.43	0.50	0.69	0.72	0.75	1.07
EPS adj.	0.59	0.43	0.49	0.69	0.72	0.75	1.07

*Adjustments made for:

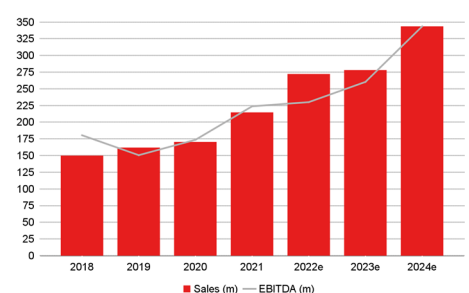
Guidance: Sales EUR 262-270m, EBT margin 10-12%

Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	36.7 %	40.4 %	40.3 %	39.2 %	37.6 %	40.4 %	38.8 %
Operating Leverage	140.8 x	-3.9 x	3.4 x	1.6 x	0.1 x	4.7 x	1.8 x
EBITDA / Interest expenses	78.2 x	28.3 x	45.0 x	75.4 x	57.3 x	51.9 x	68.4 x
Tax rate (EBT)	30.6 %	23.9 %	26.0 %	25.8 %	24.4 %	28.0 %	28.0 %
Dividend Payout Ratio	90.1 %	60.2 %	115.2 %	89.4 %	30.1 %	30.1 %	30.0 %
Sales per Employee	249,589	200,944	210,964	248,528	283,542	289,688	357,917

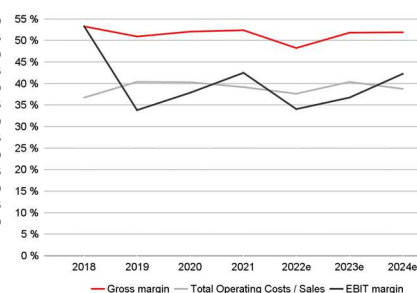
Sales, EBITDA

in EUR m

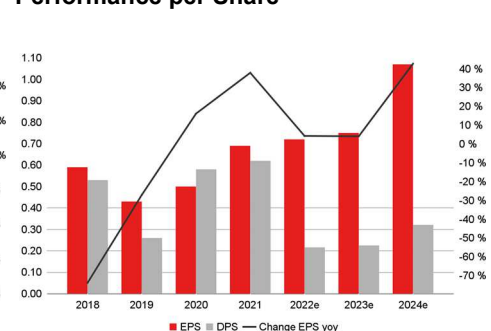


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

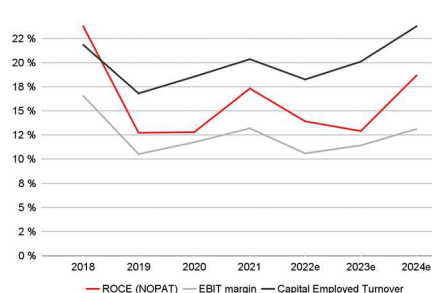
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	40.8	62.0	64.8	66.0	89.4	95.3	100.9
thereof other intangible assets	6.5	3.0	3.7	6.5	8.7	10.9	13.3
thereof Goodwill	12.7	27.5	27.5	27.5	42.9	42.9	42.9
Property, plant and equipment	22.5	30.6	29.3	28.7	31.9	30.2	29.1
Financial assets	1.7	4.6	2.2	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	65.1	97.2	96.3	94.7	121.3	125.5	130.0
Inventories	21.0	20.9	20.0	37.1	46.1	39.7	44.1
Accounts receivable	18.2	19.4	19.5	33.3	44.7	34.3	37.7
Liquid assets	31.8	35.2	47.9	54.8	27.4	55.6	72.0
Other short-term assets	2.8	8.5	6.5	7.3	7.3	7.3	7.3
Current assets	73.9	84.0	93.8	132.5	125.5	136.8	161.0
Total Assets	139.0	181.2	190.1	227.3	246.8	262.3	291.1
Liabilities and shareholders' equity							
Subscribed capital	3.2	10.0	10.0	10.0	31.5	31.5	31.5
Capital reserve	5.3	22.4	22.6	26.8	26.8	26.8	26.8
Retained earnings	66.5	74.8	87.1	94.2	115.7	137.9	169.9
Other equity components	0.5	-4.2	-4.8	-2.4	-33.0	-40.4	-48.1
Shareholders' equity	75.5	103.0	114.9	128.7	141.0	155.9	180.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	75.5	103.0	114.9	128.7	141.0	155.9	180.1
Provisions	8.3	8.2	9.4	16.0	10.4	10.6	10.9
thereof provisions for pensions and similar obligations	1.2	0.9	1.1	1.6	1.9	1.9	1.9
Financial liabilities (total)	39.8	50.0	45.1	54.4	68.1	68.1	68.1
Short-term financial liabilities	1.8	5.3	4.1	4.1	4.1	4.1	4.1
Accounts payable	7.4	10.6	11.1	18.8	17.9	18.3	22.6
Other liabilities	7.9	9.4	9.7	9.4	9.4	9.4	9.4
Liabilities	63.4	78.2	75.2	98.6	105.8	106.5	111.0
Total liabilities and shareholders' equity	139.0	181.2	190.1	227.3	246.8	262.3	291.1

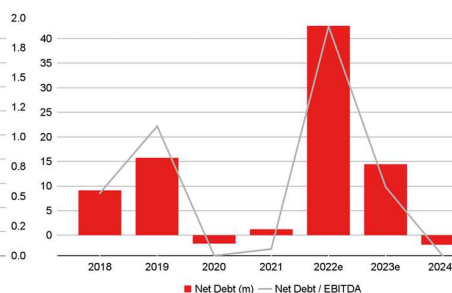
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	2.8 x	2.7 x	3.0 x	2.7 x	2.6 x	3.2 x	3.9 x
Capital Employed Turnover	1.8 x	1.4 x	1.5 x	1.7 x	1.5 x	1.6 x	1.9 x
ROA	26.1 %	13.2 %	15.7 %	21.9 %	17.7 %	17.8 %	24.5 %
Return on Capital							
ROCE (NOPAT)	23.8 %	12.7 %	12.8 %	17.3 %	13.9 %	12.9 %	18.7 %
ROE	24.1 %	14.4 %	13.9 %	17.0 %	15.9 %	15.0 %	19.0 %
Adj. ROE	24.1 %	14.4 %	13.4 %	17.0 %	15.9 %	15.0 %	19.0 %
Balance sheet quality							
Net Debt	9.1	15.7	-1.7	1.2	42.6	14.4	-1.9
Net Financial Debt	8.0	14.9	-2.8	-0.4	40.7	12.5	-3.8
Net Gearing	12.1 %	15.3 %	-1.5 %	0.9 %	30.2 %	9.3 %	-1.1 %
Net Fin. Debt / EBITDA	22.2 %	49.6 %	n.a.	n.a.	88.8 %	24.2 %	n.a.
Book Value / Share	2.6	3.3	3.7	4.3	4.7	5.2	18.0
Book value per share ex intangibles	1.2	1.3	1.6	2.1	1.7	2.0	7.9

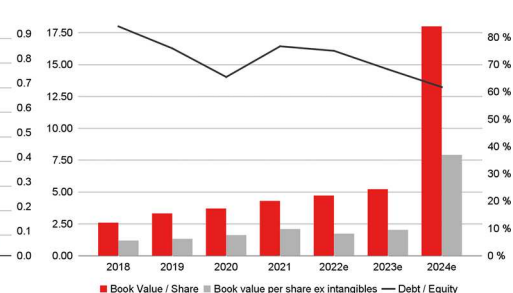
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

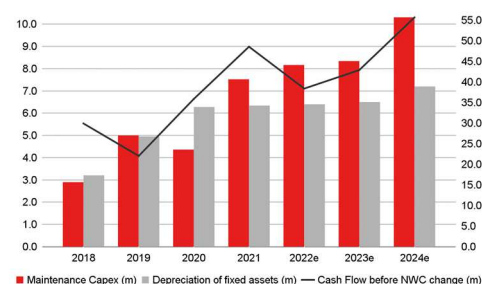
In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	17.0	12.9	15.1	20.8	21.4	22.3	31.9
Depreciation of fixed assets	3.2	5.0	6.3	6.3	6.4	6.5	7.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	7.9	8.0	8.2	9.8	10.6	13.6	16.1
Increase/decrease in long-term provisions	0.0	-0.1	1.1	6.6	0.3	0.0	0.0
Other non-cash income and expenses	1.7	-3.7	5.1	5.1	-0.3	0.5	0.5
Cash Flow before NWC change	29.9	22.1	35.9	48.6	38.4	42.9	55.7
Increase / decrease in inventory	2.2	0.1	0.9	-17.1	-9.0	6.4	-4.4
Increase / decrease in accounts receivable	-6.4	-1.1	-0.1	-13.8	-11.4	10.4	-3.4
Increase / decrease in accounts payable	-4.5	3.2	0.5	7.8	-0.9	0.4	4.3
Increase / decrease in other working capital positions	5.8	0.5	0.1	-0.1	-5.6	0.2	0.3
Increase / decrease in working capital (total)	-2.9	2.7	1.5	-23.2	-26.9	17.4	-3.2
Net cash provided by operating activities [1]	27.0	24.7	37.3	25.3	11.6	60.3	52.5
Investments in intangible assets	-13.6	-29.3	-20.6	-11.8	-18.5	-19.5	-21.7
Investments in property, plant and equipment	-4.5	-5.1	-2.7	-3.9	-4.6	-4.7	-6.2
Payments for acquisitions	-7.7	0.0	0.0	0.0	-20.5	-1.0	-1.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	0.1	0.2	0.4	0.1	0.1	0.1
Net cash provided by investing activities [2]	-25.7	-34.2	-23.3	-15.3	-43.5	-25.1	-28.8
Change in financial liabilities	4.8	-1.8	2.3	10.4	13.7	0.0	0.0
Dividends paid	-6.5	-5.1	-2.6	-5.8	-6.2	-6.5	-6.7
Purchase of own shares	-3.3	20.8	-0.2	-3.9	-2.4	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.5	-1.0	-0.8	0.1	-0.6	-0.6	-0.6
Net cash provided by financing activities [3]	-5.5	13.0	-1.3	-3.1	4.5	-7.1	-7.3
Change in liquid funds [1]+[2]+[3]	-4.2	3.5	12.7	7.0	-27.4	28.2	16.4
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	31.8	35.3	47.9	54.8	27.4	55.6	72.0

Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	9.0	-9.6	13.8	9.6	-11.6	36.1	24.6
Free Cash Flow / Sales	6.0 %	-5.9 %	8.1 %	4.5 %	-4.3 %	13.0 %	7.2 %
Free Cash Flow Potential	25.6	20.9	24.9	29.8	30.8	34.8	45.7
Free Cash Flow / Net Profit	52.7 %	-74.6 %	91.6 %	46.3 %	-54.0 %	162.0 %	77.1 %
Interest Received / Avg. Cash	0.5 %	2.9 %	2.7 %	0.4 %	0.7 %	0.5 %	0.3 %
Interest Paid / Avg. Debt	1.3 %	2.4 %	1.6 %	1.2 %	1.3 %	1.5 %	1.5 %
Management of Funds							
Investment ratio	12.0 %	21.2 %	13.7 %	7.3 %	8.5 %	8.7 %	8.1 %
Maint. Capex / Sales	1.9 %	3.1 %	2.6 %	3.5 %	3.0 %	3.0 %	3.0 %
Capex / Dep	161.8 %	265.4 %	160.6 %	97.2 %	136.0 %	120.5 %	119.7 %
Avg. Working Capital / Sales	17.9 %	19.0 %	17.1 %	18.6 %	22.9 %	23.1 %	16.7 %
Trade Debtors / Trade Creditors	246.9 %	183.1 %	175.9 %	176.9 %	249.7 %	187.4 %	166.8 %
Inventory Turnover	3.3 x	3.8 x	4.1 x	2.8 x	3.1 x	3.4 x	3.7 x
Receivables collection period (days)	44	44	42	57	60	45	40
Payables payment period (days)	39	49	49	67	46	50	50
Cash conversion cycle (Days)	115	91	82	122	133	103	88

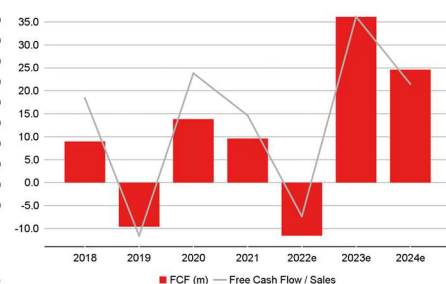
CAPEX and Cash Flow

in EUR m



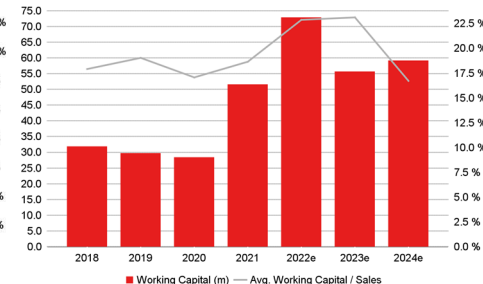
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Basler	3, 4, 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.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	162	76
Hold	43	20
Sell	6	3
Rating suspended	3	1
Total	214	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	44	86
Hold	6	12
Sell	0	0
Rating suspended	1	2
Total	51	100

PRICE AND RATING HISTORY BASLER AS OF 01.03.2023



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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