

Buy EUR 28.00 (EUR 33.00) Price EUR 8.95 Upside 212.8 %	Value Indicators: EUR DCF: 28.01 FCF-Value Potential 25e: 15.93	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: 271.9 No. of shares (m): 30.4 EV: 333.0 Freefloat MC: 103.3 Ø Trad. Vol. (30d): 330.89 th	Shareholders: Freefloat 38.00 % Norbert Basler 53.00 % Treasury shares 5.00 % Dr. Ley (CEO) 4.00 % Invesco 6.00 %	Key Figures (WRe): 2023e Beta: 1.2 Price / Book: 2.2 x Equity Ratio: 48 % Net Fin. Debt / EBITDA: 9.6 x Net Debt / EBITDA: 9.9 x

Guidance adjusted to lower end of target as market softness continues

Stated Figures Q3/2023: FY End: 31.12. in EUR m									
	Q3 23	Q3 23e	Q3 22	yoy	9M 23	9M 23e	9M 22	yoy	
Sales	41.5	46.2	74.4	-44 %	157.5	162.3	205.2	-23 %	
EBT	-16.3	-16.9	9.5	n.a.	-16.1	-16.7	24.3	n.a.	
Margin	-39.3 %	-36.6 %	12.8 %		-10.2 %	-10.3 %	11.8 %		
EPS	-0.52	-0.53	0.26	n.a.	-0.58	-0.59	0.64	n.a.	

Comment on Figures:

- Decline in sales due to inflated customer inventory and continued market softness, especially in Asia and North America
- Low capacity utilization and high-priced material bought during the shortages burdened gross profits
- EBIT includes restructuring one-offs of EUR 10.3m

Basler published Q3 figures und adjusted the full-year guidance towards the lower end of the target. Sales of EUR 41.5m were below our estimate of EUR 46.2m, but EBT was better than expected at EUR -16.1m (WRe EUR -16.7m). The demand-lull continued, driven by inflated inventories at Basler's customers, built up during the shortages, and overcapacity in consumer electronics, logistics and lab automation after increased demand during the pandemic. This was also reflected in order intake, which declined compared to last year from EUR 50.4m to EUR 34.3m and even fell below the Q2 level (EUR 39.9m).

Although visibility of a recovery in underlying market demand remains low, some temporary impediments are easing. Order cancellations declined significantly to only EUR 0.9m after EUR 23.1m in H1. Lead times have also normalized from several months during the shortages to weeks. Approx. 70% of current order backlog of EUR 40.5m is scheduled for delivery in Q4, providing solid visibility for the FY targets. The inventory at Basler's customers should have mostly returned to normal levels by the end of the year.

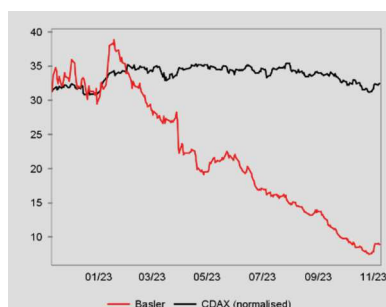
EBT was burdened by low capacity utilization and high-priced material bought during the shortages. In addition, one-off costs of EUR 10.3m from the restructuring programme (EUR 5.7m personnel reduction, EUR 3.9m write-offs on capitalized R&D and EUR 0.7m write-downs on inventories) were included in the figure. As scheduled, the bulk of the measures were implemented in Q3 and should show first positive cost effects in Q4.

We have adjusted our estimates to better reflect the limited visibility of a short-term recovery in underlying market demand. However, with the restructuring measures and the planned headcount reduction of 200 FTEs, we expect Basler to return to its mid-term EBT-margin target of 12% by 2025 despite the lower sales volume. Based on our estimates, Basler is currently priced at a PE 2025e of 11.0x, which appears attractive considering the company's strong track record and market position. We have reduced our target but confirm our Buy recommendation.

Changes in Estimates: FY End: 31.12. in EUR m						
	2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -
Sales	214.3	-5.6 %	242.5	-7.3 %	316.4	-9.0 %
EBT	-18.2	n.m.	12.1	-12.1 %	37.2	-6.9 %
EPS	-0.64	n.m.	0.29	-13.8 %	0.88	-6.8 %

Comment on Changes:

- Reduction in growth forecast to reflect the limited visibility of a recovery in underlying market demand
- Lower margin expected in 2024 - underutilization of production capacity
- In 2025, sales growth and the cost reduction from the restructuring programme should result in higher profitability

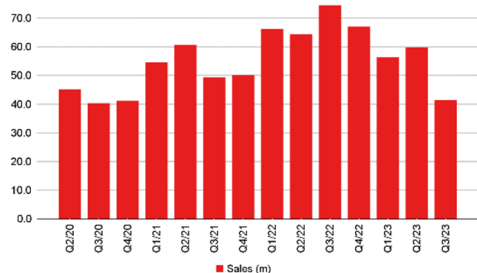


Rel. Performance vs CDAX:	
1 month:	-0.2 %
6 months:	-51.8 %
Year to date:	-74.8 %
Trailing 12 months:	-78.1 %

Company events:

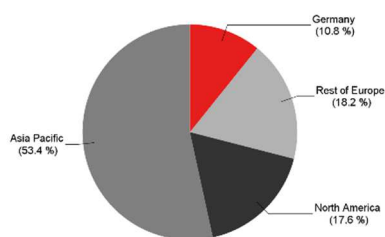
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	1.9 %	162.0	170.5	214.7	272.2	202.3	224.7	287.8
Change Sales yoy		8.0 %	5.2 %	26.0 %	26.8 %	-25.7 %	11.1 %	28.1 %
Gross profit margin		50.9 %	52.0 %	52.4 %	48.9 %	44.3 %	48.8 %	51.6 %
EBITDA	10.5 %	30.0	34.6	44.5	45.8	6.2	35.7	61.7
Margin		18.5 %	20.3 %	20.7 %	16.8 %	3.0 %	15.9 %	21.4 %
EBIT	8.0 %	17.0	20.1	28.4	28.9	-17.4	12.4	36.4
Margin		10.5 %	11.8 %	13.2 %	10.6 %	-8.6 %	5.5 %	12.6 %
EBT		16.9	20.4	28.0	28.3	-19.0	10.7	34.6
Margin		10.4 %	12.0 %	13.0 %	10.4 %	-9.4 %	4.7 %	12.0 %
Net income	5.3 %	12.9	15.1	20.8	21.4	-20.2	7.7	24.9
EPS	4.9 %	0.43	0.50	0.69	0.71	-0.67	0.25	0.82
DPS	17.9 %	0.09	0.19	0.21	0.14	0.00	0.06	0.23
Dividend Yield		0.6 %	1.1 %	0.5 %	0.4 %	n.a.	0.7 %	2.6 %
FCFPS		-0.32	0.46	0.32	-0.59	-0.27	0.79	0.74
FCF / Market cap		-2.1 %	2.6 %	0.8 %	-1.8 %	-3.0 %	8.8 %	8.2 %
EV / Sales		3.0 x	3.2 x	5.5 x	3.7 x	1.6 x	1.4 x	1.0 x
EV / EBITDA		16.1 x	15.6 x	26.5 x	22.3 x	54.0 x	8.7 x	4.8 x
EV / EBIT		28.4 x	26.9 x	41.7 x	35.2 x	n.a.	25.2 x	8.1 x
P / E		36.4 x	36.1 x	57.2 x	45.6 x	n.a.	35.8 x	10.9 x
FCF Potential Yield		4.3 %	4.6 %	2.5 %	3.1 %	-0.3 %	8.3 %	14.7 %
ROE		14.4 %	13.9 %	17.0 %	15.8 %	-15.2 %	6.0 %	18.1 %
ROCE (NOPAT)		12.7 %	12.8 %	17.3 %	13.5 %	n.a.	5.0 %	15.5 %
Guidance:		Sales EUR 200-205m, EBT EUR -18m to -20m						

Sales development in EUR m



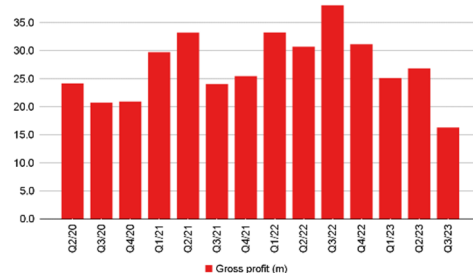
Source: Basler

Sales by regions 2022; in %



Source: Basler

Gross profit development in EUR m



Source: Basler

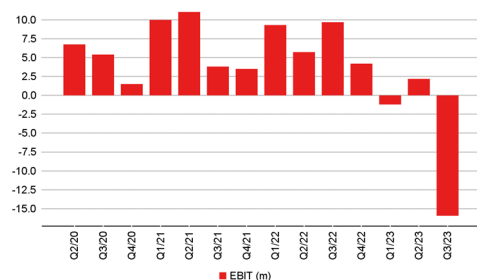
Company Background

- 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

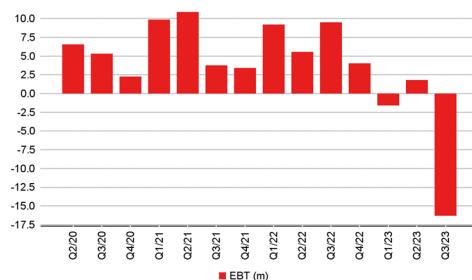
- In terms of units Basler is the world's largest developer and manufacturer of digital cameras in a fragmented, but consolidating, market for digital cameras for B2B-applications.
- High level of vision technology expertise: Basler has one of the largest developer pools in the sector and differentiates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



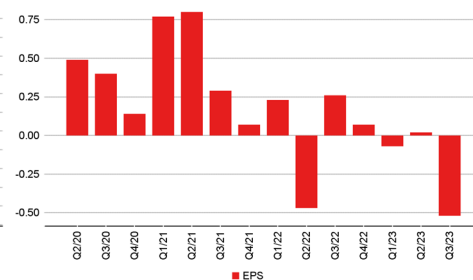
Source: Basler

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
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	202.3	224.7	287.8	334.7	387.9	448.0	515.7	591.7	676.6	771.4	876.7	993.4	1,125.6	2.5 %
Sales change	-25.7 %	11.1 %	28.1 %	16.3 %	15.9 %	15.5 %	15.1 %	14.7 %	14.4 %	14.0 %	13.7 %	13.3 %	13.3 %	
EBIT	-17.4	12.4	36.4	42.2	48.5	56.0	64.5	74.0	84.6	96.4	112.2	124.2	140.7	2.5 %
EBIT-margin	-8.6 %	5.5 %	12.6 %	12.6 %	12.5 %	12.5 %	12.5 %	12.5 %	12.5 %	12.5 %	12.8 %	12.5 %	12.5 %	
Tax rate (EBT)	-6.3 %	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	-18.5	8.9	26.2	30.4	34.9	40.3	46.4	53.2	60.9	69.4	80.8	89.4	101.3	
Depreciation	23.6	23.3	25.3	22.8	25.2	29.1	33.5	38.5	44.0	50.1	57.0	64.6	73.2	2.5 %
in % of Sales	11.7 %	10.4 %	8.8 %	6.8 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
Changes in provisions	0.0	0.0	0.0	0.3	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.8	0.9	2.5 %
Change in Liquidity from														
- Working Capital	-10.5	-13.1	1.5	7.6	8.4	10.2	11.5	12.9	14.4	16.1	17.9	19.8	22.5	2.5 %
- Capex	16.1	20.5	26.9	23.4	26.8	30.5	34.0	38.5	44.0	50.1	57.0	64.6	73.2	
Capex in % of Sales	8.0 %	9.1 %	9.3 %	7.0 %	6.9 %	6.8 %	6.6 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	2.5 %
- Other	-17.6	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)	17.0	24.7	23.1	22.4	25.3	29.2	34.9	40.9	47.0	54.0	63.6	70.4	79.7	99
PV of FCF	17.1	22.8	19.7	17.6	18.3	19.4	21.3	23.0	24.4	25.8	28.0	28.5	29.8	611
share of PVs	6.57 %			26.04 %										67.39 %

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 2035e	296		
Terminal Value	611		
Financial liabilities	79		
Pension liabilities	2		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	26	No. of shares (m)	30.4
Equity Value	851	Value per share (EUR)	28.01

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	Beta	WACC	-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 %	21.32	21.78	22.28	22.81	23.37	23.98	24.64	1.36	9.6 %	19.47	20.58	21.69	22.81	23.92	25.03	26.14
1.26	9.1 %	23.40	23.95	24.55	25.20	25.89	26.65	27.46	1.26	9.1 %	21.55	22.77	23.98	25.20	26.41	27.63	28.84
1.21	8.8 %	24.55	25.17	25.83	26.55	27.32	28.16	29.08	1.21	8.8 %	22.73	24.00	25.27	26.55	27.82	29.09	30.36
1.16	8.6 %	25.80	26.48	27.22	28.01	28.88	29.82	30.85	1.16	8.6 %	24.01	25.34	26.68	28.01	29.35	30.68	32.02
1.11	8.3 %	27.15	27.91	28.72	29.61	30.58	31.64	32.80	1.11	8.3 %	25.40	26.81	28.21	29.61	31.02	32.42	33.82
1.06	8.1 %	28.62	29.46	30.37	31.37	32.45	33.65	34.97	1.06	8.1 %	26.93	28.41	29.89	31.37	32.84	34.32	35.80
0.96	7.6 %	31.95	33.01	34.16	35.42	36.82	38.37	40.09	0.96	7.6 %	30.47	32.12	33.77	35.42	37.07	38.72	40.37

- 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	2019	2020	2021	2022	2023e	2024e	2025e	
Net Income before minorities	12.9	15.1	20.8	21.4	-20.2	7.7	24.9	
+ Depreciation + Amortisation	12.9	14.5	16.2	16.8	23.6	23.3	25.3	
- Net Interest Income	-0.1	0.4	-0.4	-0.6	-1.6	-1.7	-1.8	
- Maintenance Capex	5.0	4.4	7.5	7.5	6.1	6.7	8.6	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	20.9	24.9	29.8	31.3	-1.1	25.9	43.4	
FCF Potential Yield (on market EV)	4.3 %	4.6 %	2.5 %	3.1 %	-0.3 %	8.3 %	14.7 %	
WACC	8.57 %	8.57 %	8.57 %	8.57 %	8.57 %	8.57 %	8.57 %	
= Enterprise Value (EV)	482.9	540.1	1,181.7	1,019.3	333.0	311.9	294.3	
= Fair Enterprise Value	244.2	290.7	347.9	365.0	n.a.	302.6	506.3	
- Net Debt (Cash)	50.4	50.4	50.4	50.4	59.2	38.1	20.5	
- Pension Liabilities	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
- 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	191.8	238.3	295.6	312.6	n.a.	262.6	483.9	
Number of shares, average	29.8	30.0	29.9	29.9	30.1	30.4	30.4	
= Fair value per share (EUR)	6.43	7.94	9.88	10.46	n.a.	8.64	15.93	
premium (-) / discount (+) in %						-3.4 %	78.0 %	
Sensitivity Fair value per Share (EUR)								
WACC	11.57 %	4.23	5.36	6.76	7.18	n.a.	6.06	11.61
	10.57 %	4.79	6.03	7.56	8.02	n.a.	6.76	12.78
	9.57 %	5.47	6.84	8.53	9.04	n.a.	7.60	14.19
	8.57 %	6.43	7.94	9.88	10.46	n.a.	8.64	15.93
	7.57 %	7.38	9.11	11.24	11.88	n.a.	9.96	18.13
	6.57 %	8.76	10.76	13.22	13.95	n.a.	11.68	21.01
	5.57 %	10.64	13.00	15.90	16.77	n.a.	14.01	24.91

■ 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	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	4.5 x	4.7 x	9.2 x	6.8 x	2.2 x	2.1 x	1.8 x
Book value per share ex intangibles	1.32	1.62	2.09	1.57	1.03	1.12	1.60
EV / Sales	3.0 x	3.2 x	5.5 x	3.7 x	1.6 x	1.4 x	1.0 x
EV / EBITDA	16.1 x	15.6 x	26.5 x	22.3 x	54.0 x	8.7 x	4.8 x
EV / EBIT	28.4 x	26.9 x	41.7 x	35.2 x	n.a.	25.2 x	8.1 x
EV / EBIT adj.*	28.4 x	26.9 x	41.7 x	35.2 x	n.a.	25.2 x	8.1 x
P / FCF	n.a.	39.2 x	122.9 x	n.a.	n.a.	11.3 x	12.2 x
P / E	36.4 x	36.1 x	57.2 x	45.6 x	n.a.	35.8 x	10.9 x
P / E adj.*	36.4 x	36.8 x	57.2 x	45.6 x	n.a.	35.8 x	10.9 x
Dividend Yield	0.6 %	1.1 %	0.5 %	0.4 %	n.a.	0.7 %	2.6 %
FCF Potential Yield (on market EV)	4.3 %	4.6 %	2.5 %	3.1 %	-0.3 %	8.3 %	14.7 %
*Adjustments made for: -							

Consolidated profit and loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	162.0	170.5	214.7	272.2	202.3	224.7	287.8
Change Sales yoy	8.0 %	5.2 %	26.0 %	26.8 %	-25.7 %	11.1 %	28.1 %
COGS	79.5	81.7	102.2	139.0	112.7	115.0	139.3
Gross profit	82.4	88.7	112.5	133.2	89.6	109.7	148.5
<i>Gross margin</i>	<i>50.9 %</i>	<i>52.0 %</i>	<i>52.4 %</i>	<i>48.9 %</i>	<i>44.3 %</i>	<i>48.8 %</i>	<i>51.6 %</i>
Research and development	17.9	21.7	29.9	31.4	40.9	36.2	40.4
Sales and marketing	31.5	30.6	34.9	47.9	40.3	37.1	43.7
Administration expenses	15.8	17.4	20.4	26.7	27.5	24.9	28.5
Other operating expenses	1.0	0.2	0.3	0.5	0.3	0.5	0.7
Other operating income	0.8	1.1	1.3	2.3	1.9	1.4	1.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	30.0	34.6	44.5	45.8	6.2	35.7	61.7
<i>Margin</i>	<i>18.5 %</i>	<i>20.3 %</i>	<i>20.7 %</i>	<i>16.8 %</i>	<i>3.0 %</i>	<i>15.9 %</i>	<i>21.4 %</i>
Depreciation of fixed assets	5.0	6.3	6.3	5.5	8.5	7.2	7.8
EBITA	25.0	28.3	38.2	40.2	-2.3	28.5	53.9
Amortisation of intangible assets	8.0	8.2	9.8	11.3	15.1	16.1	17.5
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	17.0	20.1	28.4	28.9	-17.4	12.4	36.4
<i>Margin</i>	<i>10.5 %</i>	<i>11.8 %</i>	<i>13.2 %</i>	<i>10.6 %</i>	<i>-8.6 %</i>	<i>5.5 %</i>	<i>12.6 %</i>
EBIT adj.	17.0	20.1	28.4	28.9	-17.4	12.4	36.4
Interest income	1.0	1.1	0.2	0.3	0.2	0.2	0.2
Interest expenses	1.1	0.8	0.6	1.0	1.8	1.9	2.0
Other financial income (loss)	0.0	0.0	0.0	0.2	0.0	0.0	0.0
EBT	16.9	20.4	28.0	28.3	-19.0	10.7	34.6
<i>Margin</i>	<i>10.4 %</i>	<i>12.0 %</i>	<i>13.0 %</i>	<i>10.4 %</i>	<i>-9.4 %</i>	<i>4.7 %</i>	<i>12.0 %</i>
Total taxes	4.0	5.3	7.2	7.0	1.2	3.0	9.7
Net income from continuing operations	12.9	15.1	20.8	21.4	-20.2	7.7	24.9
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	12.9	15.1	20.8	21.4	-20.2	7.7	24.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	12.9	15.1	20.8	21.4	-20.2	7.7	24.9
<i>Margin</i>	<i>7.9 %</i>	<i>8.9 %</i>	<i>9.7 %</i>	<i>7.8 %</i>	<i>-10.0 %</i>	<i>3.4 %</i>	<i>8.7 %</i>
Number of shares, average	29.8	30.0	29.9	29.9	30.1	30.4	30.4
EPS	0.43	0.50	0.69	0.71	-0.67	0.25	0.82
EPS adj.	0.43	0.49	0.69	0.71	-0.67	0.25	0.82

*Adjustments made for:

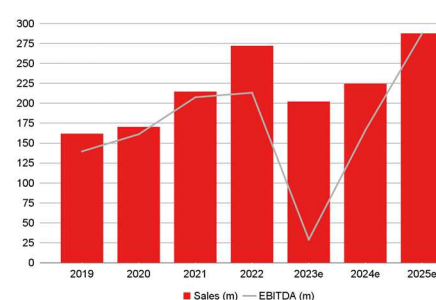
Guidance: Sales EUR 200-205m, EBT EUR -18m to -20m

Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	40.4 %	40.3 %	39.2 %	38.3 %	52.9 %	43.3 %	39.0 %
Operating Leverage	-3.9 x	3.4 x	1.6 x	0.1 x	n.a.	n.a.	6.9 x
EBITDA / Interest expenses	28.3 x	45.0 x	75.4 x	43.8 x	3.4 x	18.8 x	30.9 x
Tax rate (EBT)	23.9 %	26.0 %	25.8 %	24.6 %	-6.3 %	28.0 %	28.0 %
Dividend Payout Ratio	20.1 %	38.4 %	29.8 %	19.6 %	0.0 %	23.8 %	28.0 %
Sales per Employee	200,944	210,964	248,528	240,462	217,060	200,267	248,532

Sales, EBITDA

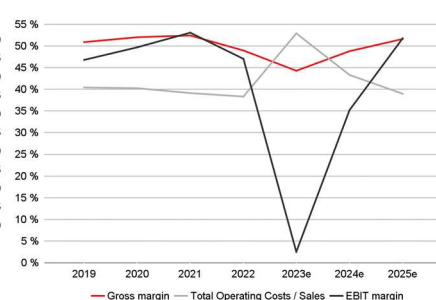
in EUR m



Source: Warburg Research

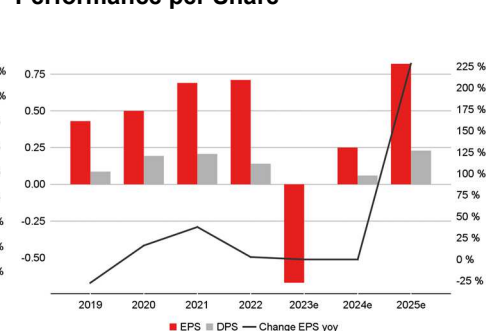
Operating Performance

in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

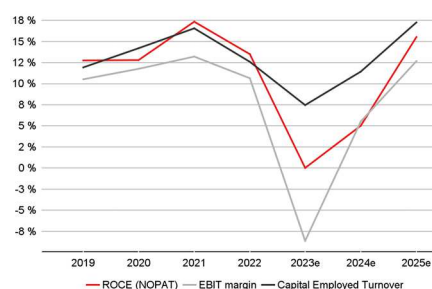
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	62.0	64.8	66.0	94.5	93.9	94.3	98.5
thereof other intangible assets	3.0	3.7	6.5	13.8	13.5	14.9	17.0
thereof Goodwill	27.5	27.5	27.5	46.1	46.1	46.1	46.1
Property, plant and equipment	30.6	29.3	28.7	29.4	32.9	27.8	23.1
Financial assets	4.6	2.2	0.0	1.4	1.4	1.4	1.4
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	97.2	96.3	94.7	125.3	128.3	123.5	123.1
Inventories	20.9	20.0	37.1	50.3	45.0	36.2	37.4
Accounts receivable	19.4	19.5	33.3	41.2	31.0	27.7	31.5
Liquid assets	35.2	47.9	54.8	28.7	36.7	57.9	75.5
Other short-term assets	8.5	6.5	7.3	20.0	20.0	20.0	20.0
Current assets	84.0	93.8	132.5	140.2	132.7	141.7	164.4
Total Assets	181.2	190.1	227.3	265.5	261.0	265.3	287.5
Liabilities and shareholders' equity							
Subscribed capital	10.0	10.0	10.0	29.8	30.7	30.7	30.7
Capital reserve	22.4	22.6	26.8	7.2	10.7	10.7	10.7
Retained earnings	74.8	87.1	94.2	107.2	87.0	94.6	119.5
Other equity components	-4.2	-4.8	-2.4	-2.8	-3.2	-7.6	-13.8
Shareholders' equity	103.0	114.9	128.7	141.5	125.2	128.4	147.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	103.0	114.9	128.7	141.5	125.2	128.4	147.1
Provisions	8.2	9.4	16.0	14.6	14.6	14.6	14.6
thereof provisions for pensions and similar obligations	0.9	1.1	1.6	2.0	2.0	2.0	2.0
Financial liabilities (total)	50.0	45.1	54.4	79.1	95.9	95.9	95.9
Short-term financial liabilities	5.3	4.1	4.1	4.0	6.0	6.0	6.0
Accounts payable	10.6	11.1	18.8	19.4	14.4	15.4	18.9
Other liabilities	9.4	9.7	9.4	10.9	10.9	10.9	10.9
Liabilities	78.2	75.2	98.6	124.0	135.9	136.9	140.4
Total liabilities and shareholders' equity	181.2	190.1	227.3	265.5	261.0	265.3	287.5

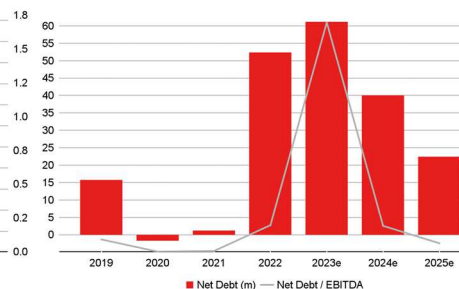
Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	2.7 x	3.0 x	2.7 x	2.7 x	2.1 x	2.9 x	3.9 x
Capital Employed Turnover	1.4 x	1.5 x	1.7 x	1.4 x	1.1 x	1.3 x	1.7 x
ROA	13.2 %	15.7 %	21.9 %	17.0 %	-15.8 %	6.2 %	20.2 %
Return on Capital							
ROCE (NOPAT)	12.7 %	12.8 %	17.3 %	13.5 %	n.a.	5.0 %	15.5 %
ROE	14.4 %	13.9 %	17.0 %	15.8 %	-15.2 %	6.0 %	18.1 %
Adj. ROE	14.4 %	13.4 %	17.0 %	15.8 %	-15.2 %	6.0 %	18.1 %
Balance sheet quality							
Net Debt	15.7	-1.7	1.2	52.4	61.2	40.0	22.4
Net Financial Debt	14.9	-2.8	-0.4	50.4	59.2	38.1	20.5
Net Gearing	15.3 %	-1.5 %	0.9 %	37.0 %	48.9 %	31.2 %	15.2 %
Net Fin. Debt / EBITDA	49.6 %	n.a.	n.a.	110.2 %	959.7 %	106.8 %	33.2 %
Book Value / Share	3.3	3.7	4.3	4.7	4.1	4.2	4.8
Book value per share ex intangibles	1.3	1.6	2.1	1.6	1.0	1.1	1.6

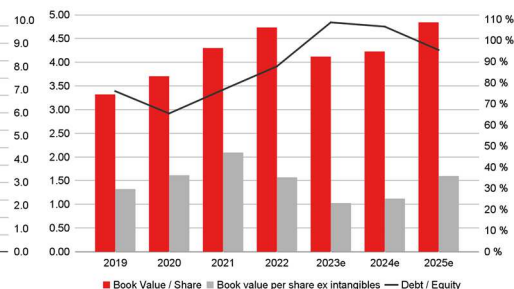
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

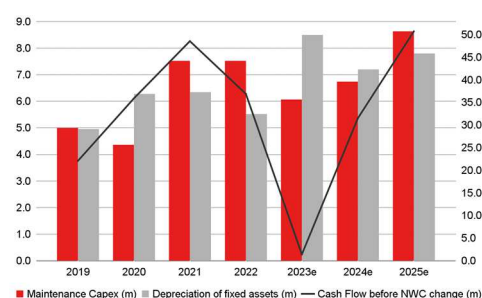
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	12.9	15.1	20.8	21.4	-20.2	7.7	24.9
Depreciation of fixed assets	5.0	6.3	6.3	5.5	8.5	7.2	7.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	8.0	8.2	9.8	11.3	15.1	16.1	17.5
Increase/decrease in long-term provisions	-0.1	1.1	6.6	-1.3	0.0	0.0	0.0
Other non-cash income and expenses	-3.7	5.1	5.1	0.0	-2.0	0.5	0.5
Cash Flow before NWC change	22.1	35.9	48.6	36.9	1.4	31.5	50.7
Increase / decrease in inventory	0.1	0.9	-17.1	-13.2	5.3	8.8	-1.2
Increase / decrease in accounts receivable	-1.1	-0.1	-13.8	-7.9	10.2	3.3	-3.8
Increase / decrease in accounts payable	3.2	0.5	7.8	0.6	-5.0	1.0	3.5
Increase / decrease in other working capital positions	0.5	0.1	-0.1	-4.0	-4.0	0.0	0.0
Increase / decrease in working capital (total)	2.7	1.5	-23.2	-24.5	6.5	13.1	-1.5
Net cash provided by operating activities [1]	24.7	37.3	25.3	12.4	7.9	44.6	49.2
Investments in intangible assets	-29.3	-20.6	-11.8	-20.8	-14.5	-16.5	-21.7
Investments in property, plant and equipment	-5.1	-2.7	-3.9	-8.6	-1.6	-4.0	-5.2
Payments for acquisitions	0.0	0.0	0.0	-14.5	-1.0	-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	0.2	0.4	0.3	0.1	0.1	0.1
Net cash provided by investing activities [2]	-34.2	-23.3	-15.3	-44.2	-17.0	-21.4	-27.8
Change in financial liabilities	-1.8	2.3	10.4	18.0	6.8	0.0	0.0
Dividends paid	-5.1	-2.6	-5.8	-6.2	-4.2	0.0	-1.8
Purchase of own shares	20.8	-0.2	-3.9	-2.7	17.6	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-1.0	-0.8	0.1	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	13.0	-1.3	-3.1	5.7	17.2	-2.0	-3.8
Change in liquid funds [1]+[2]+[3]	3.5	12.7	7.0	-26.1	8.0	21.1	17.6
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	35.3	47.9	54.8	28.7	36.7	57.9	75.5

Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	-9.6	13.8	9.6	-17.6	-8.2	24.0	22.3
Free Cash Flow / Sales	-5.9 %	8.1 %	4.5 %	-6.5 %	-4.1 %	10.7 %	7.8 %
Free Cash Flow Potential	20.9	24.9	29.8	31.3	-1.1	25.9	43.4
Free Cash Flow / Net Profit	-74.6 %	91.6 %	46.3 %	-82.3 %	40.8 %	313.2 %	89.6 %
Interest Received / Avg. Cash	2.9 %	2.7 %	0.4 %	0.7 %	0.6 %	0.4 %	0.3 %
Interest Paid / Avg. Debt	2.4 %	1.6 %	1.2 %	1.6 %	2.1 %	2.0 %	2.1 %
Management of Funds							
Investment ratio	21.2 %	13.7 %	7.3 %	10.8 %	8.0 %	9.1 %	9.3 %
Maint. Capex / Sales	3.1 %	2.6 %	3.5 %	2.8 %	3.0 %	3.0 %	3.0 %
Capex / Dep	265.4 %	160.6 %	97.2 %	174.8 %	68.3 %	88.2 %	106.2 %
Avg. Working Capital / Sales	19.0 %	17.1 %	18.6 %	22.7 %	33.0 %	24.5 %	17.1 %
Trade Debtors / Trade Creditors	183.1 %	175.9 %	176.9 %	212.1 %	215.3 %	179.9 %	166.7 %
Inventory Turnover	3.8 x	4.1 x	2.8 x	2.8 x	2.5 x	3.2 x	3.7 x
Receivables collection period (days)	44	42	57	55	56	45	40
Payables payment period (days)	49	49	67	51	47	49	50
Cash conversion cycle (Days)	91	82	122	136	155	111	88

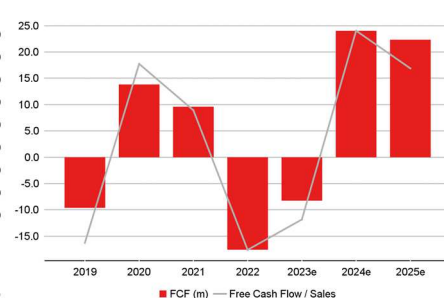
CAPEX and Cash Flow

in EUR m



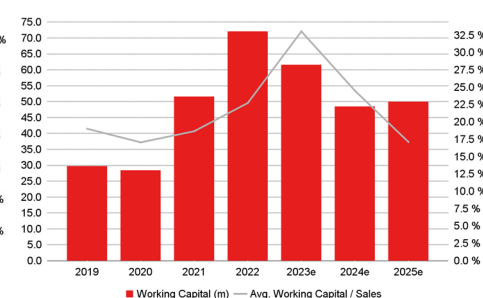
Source: Warburg Research

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, 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	156	73
Hold	45	21
Sell	6	3
Rating suspended	6	3
Total	213	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	83
Hold	7	13
Sell	0	0
Rating suspended	2	4
Total	53	100

PRICE AND RATING HISTORY BASLER AS OF 09.11.2023



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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