Trading update 3Q24

Gradual recovery while rolling out new products

Kortrijk, Belgium, 17 October 2024, 7:30 am – Today Barco (Euronext: BAR; Reuters: BARBt.BR; Bloomberg: BAR BB) announced results for the 3rd quarter ending 30 September 2024.

Third quarter 2024 highlights

- **Gradual recovery**, led by the Healthcare division and the Americas region, while market conditions in EMEA remain challenging
- **Topline gap versus last year narrowing**, with orders and sales in 3Q24 at -3% yoy
- **Solid order book at end of 3Q24 of 531.4 million euro**, 7% higher than at the start of the year and flat versus June 2024
- **Rolling out new products** across all divisions
- **Outlook** for 2H24 sales around the level of last year, at a full year EBITDA margin of 11-13%

Executive summary 3Q24

Group topline

(in millions of euro)	**3Q24**	**2Q24**	**1Q24**	**4Q23**	**3Q23**	***Change 3Q24 vs 3Q23***
Orders	232.5	243.2	220.1	280.7	239.9	*-3%*
Sales	223.0	238.6	195.9	299.6	229.6	*-3%*

Quarter-by-quarter overview

Order intake in the third quarter amounted to 232.5 million euro, 3% lower than in the same quarter last year, reflecting growth for Healthcare offset by declines in Entertainment and Enterprise. Demand was strongest in the Americas, with notably higher order intake in Healthcare after excess customer inventory had been consumed by mid-year. Order intake in EMEA and APAC declined versus last year. The orderbook stood at 531.4 million euro, about the same level as mid-year. The book-to-bill ratio for the third quarter was above 1.

Sales for the third quarter were 223.0 million euro, 3% lower year-over-year. Growth in both the Americas and APAC was offset by lower sales in EMEA. Healthcare sales grew on an uptake of Diagnostic Imaging in its important American market. In Enterprise, Control Rooms grew in all regions on a strong orderbook, offset by a mid-single digit decline for Meeting Experience, with lower sales in EMEA and APAC, and growth in the Americas. In Entertainment, Immersive Experience sales declined, partially driven by delayed customer orders in anticipation of new product launches. Cinema's sales were about flat with the year before.

Barco progressed well with a wide range of new product introductions. In Healthcare, a portfolio of home reading radiology displays was introduced at the start of the third quarter, followed by the introduction of the flagship Coronis OneLook mammography display at the start of the fourth quarter. In Enterprise, Barco CTRL delivered a major software release in July, adding new important user features. In Entertainment, the mid-segment projector I600 is lightening up immersive venues since the end of the second quarter and launches of the flagship QDX projector and Encore 3 image processing software are planned for later in the year. Finally, HDR Lightsteering hit the big screen with the start of a pilot program in major US exhibition centers.

Quote of the CEO, An Steegen

"In the third quarter of 2024, we saw a gradual recovery, with differences in results by region and division. Our Healthcare business was a bright spot, with sales growing and a strong pick-up in orders following the normalization of customer inventory levels. Barco had another good quarter in the Americas, bringing the topline year-to-date in this region above last year's. The EMEA markets continue to experience challenging market conditions across all divisions.

As we advance through the year, we continue executing our strategy at full force. Our focus for the second semester is on the many planned new products introductions, in addition to cost containment actions and cash flow management."

Outlook 2024 and beyond

The following statements are forward looking on a like-for-like basis and actual results may differ materially.

While we see a gradual recovery, market conditions in EMEA continue to be challenging. Management expects a topline in the second half around the level of last year. From 2025, we expect topline growth on a full year basis.

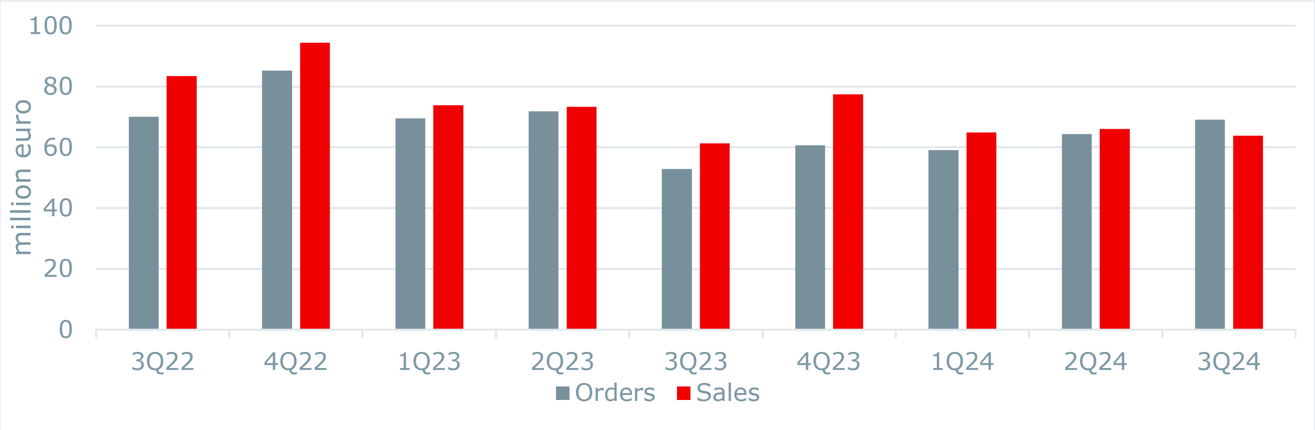
Management confirms its expectation of an EBITDA margin of 11-13% for the full year 2024.

Barco nv | Beneluxpark 21 | B-8500 Kortrijk | Belgium
Registered office: President Kennedypark 35 | B-8500 Kortrijk | Belgium
VAT BE 0473.191.041 | RPR Gent, Section Kortrijk
www.barco.com

Divisional breakdown

Healthcare

(in millions of euro)	**3Q24**	**2Q24**	**1Q24**	**4Q23**	**3Q23**	***Change 3Q24 vs 3Q23***
Orders	69.1	64.4	59.1	60.7	52.9	*+31%*
Sales	63.8	66.0	64.9	77.4	61.3	*+4%*



Order intake and sales increased for Healthcare versus the same quarter last year, resulting in a year-to-date order intake in line with last year. Orders grew 31%, primarily in the Americas, where market conditions were very healthy, and this also resulted in sales growth for the region.

Diagnostic Imaging orders were about flat versus last year, but they grew in the Americas, which is the most important end market for the premium display portfolio of this business unit. Sales grew double-digit, led by the Americas, while in EMEA the market conditions were softer with delays in large tenders. The successful launch of the Coronis OneLook mammography display was a major milestone, with first shipments since beginning of October.

Surgical and Modality saw a steep increase in order intake, with a number of large orders in the Americas from existing and new frame contracts, indicating that customer inventory levels have returned to normal levels. These orders will be gradually converted to sales starting in the fourth quarter.

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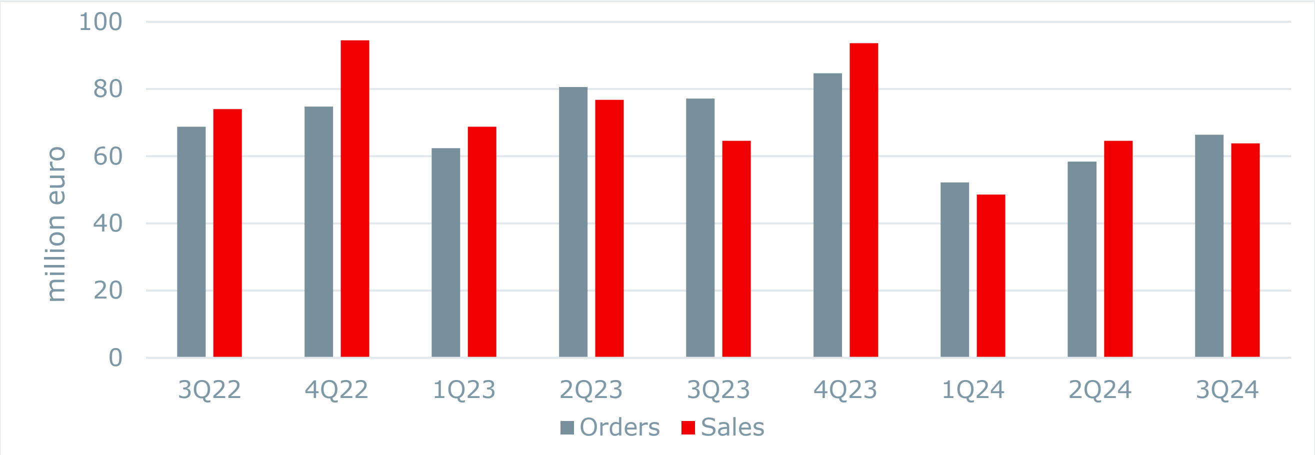
Enterprise

(in millions of euro)	**3Q24**	**2Q24**	**1Q24**	**4Q23**	**3Q23**	***Change 3Q24 vs 3Q23***
Orders	66.4	58.4	52.2	84.7	77.2	*-14%*
Sales	63.8	64.6	48.6	93.6	64.6	*-1%*



The Enterprise Division has steadily recovered throughout the year with orders increasing quarter over quarter. Sales for the division were essentially flat versus the prior year, with growth in Americas and a decline in EMEA.

For Meeting Experience, the inventory correction at channel partners which took place in the first semester of the year is behind us, and channel inventories have returned to normal levels. Sales have improved quarter-over-quarter this year, and along with the uptake in volumes, the gross margin in the third quarter was similar to last year. The sell-out of ClickShare from channel partners to end customers is gradually improving. After several quarters of decline, sell-out for the third quarter was in line with last year, with growth in the Americas.

Control Rooms continued on its journey featuring Barco CTRL as the main platform for future development. This software platform was enhanced with a major update in July, adding new important features. Orders declined during the quarter against a strong 3Q23 which included an unusually large order in the Americas. Sales increased mid-single digit versus last year, with growth in all regions, reflecting a solid conversion of the orderbook.

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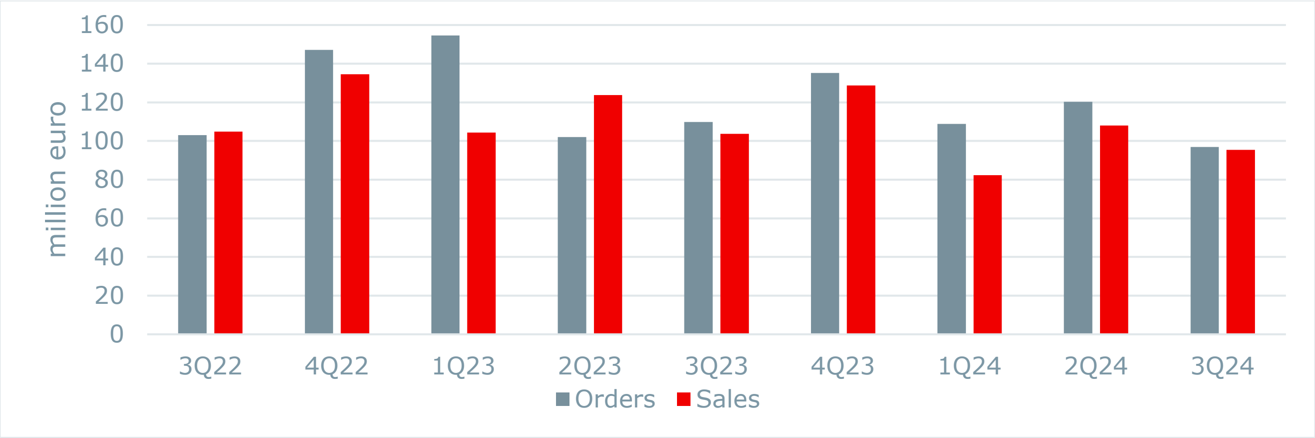
Entertainment

(in millions of euro)	3Q24	2Q24	1Q24	4Q23	3Q23	*Change 3Q24 vs 3Q23*
Orders	96.9	120.3	108.8	135.2	109.8	*-12%*
Sales	95.4	108.0	82.4	128.7	103.7	*-8%*



In the Entertainment division, orders declined 12% year-over-year led by the Americas compared to a strong 3Q23. Sales for the division were down 8%, with growth in the Americas offsetting a decline in EMEA.

The Cinema orderbook grew year-over-year, while sales were essentially flat year over year. Cinema also continued its projector deliveries on Cinema-as-a-Service contracts, for which recurring revenues are recorded monthly over the lifetime of the contracts. From 2H24, we see the quality of the movie slate improving, which is triggering a greater and tangible interest among cinema exhibitors for laser projector replacement programs.

Immersive Experience registered a similar order intake to the previous year. A significant part of the order intake was for new products that are planned to be launched later in the year. Sales declined in all regions, partially driven by customers anticipating the new products, notably the upcoming flagship 3-DLP projector QDX and Encore 3 image processing software.

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Order intake & order book

Order intake year-over-year

(in millions of euro)	3Q24	3Q23	*Change 3Q24 vs 3Q23*
Order Intake	232.5	239.9	*-3%*

Order intake quarter-over-quarter

(in millions of euro)	3Q24	2Q24	1Q24	4Q23	3Q23
Order Intake	232.5	243.2	220.1	280.7	239.9

Order book

(in millions of euro)	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
Order book	531.4	533.3	524.8	494.8	523.4	505.8

Sales

Sales year-over-year

(in millions of euro)	3Q24	3Q23	*Change 3Q24 vs 3Q23*
Sales	223.0	229.6	*-3%*
Excluding currency effect			*-2%*

Sales by division year-over-year

(in millions of euro)	3Q24	3Q23	*Change 3Q24 vs 3Q23*
Healthcare	63.8	61.3	*+4%*
Enterprise	63.8	64.6	*-1%*
Entertainment	95.4	103.7	*-8%*
Group	**223.0**	**229.6**	***-3%***

Sales by division quarter-over-quarter

(in millions of euro)	3Q24	2Q24	1Q24	4Q23	3Q23
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Enterprise	63.8	64.6	48.6	93.6	64.6
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Additional information

The information given in this press release has not been reviewed by the statutory auditor.

Request more information

Willem Fransoo, Director Investor Relations
+32 56 26 23 22 or willem.fransoo@barco.com

Financial calendar 2025

Tuesday 11 February 2025	Announcement full year 2024 and 2H24 results

More information? Please visit our dedicated webpage https://www.barco.com/investors

Disclaimer

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About Barco

Barco, headquartered in Kortrijk (Belgium), is a global company leading in visualization, networking, and collaboration technology. Its innovative solutions drive advancements in the healthcare, enterprise, and entertainment markets. At the heart of Barco's success are over 3,000 dedicated 'visioneers', each passionately contributing to driving change through technology.

Listed on Euronext (BAR), Reuters (BARBt.BR), and Bloomberg (BAR BB), Barco realized sales of 1,050 million euro in 2023.
For further insights, please visit www.barco.com or connect on X, LinkedIn, YouTube, Instagram, and Facebook.

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