Analyst meeting

November 15th 2023 - Kortrijk
Agenda

1. Welcome and coffee
2. Deep-dive ClickShare with visit ClickShare Experience Centre
3. Lunch meeting with An Steegen, Charles Beauduin and Ann Desender
   • Presentation innovation and Q&A
   • Deep-dive operations and focused factories
4. Barco Labs with live demos on innovations and product launches
Meeting Experience
Stijn Henderickx and Jan van Houtte

Analyst Day – Kortrijk – November 15th 2023
Mid to long-term prospects are positive for meeting room related technology

**Reduced office space**
Declining leasing volumes and increasing vacancy rates now **hybrid work** has finally settled

**Increased focus on meeting rooms**
Collaborative work with colleagues as key driver for “return to the office” requiring higher investment in **collaboration technology** and more **flexibility**

Source: Futuresource May 2023

Source: JLL May 2023
... but with short-term market softness

**Micro economic challenges**

- Companies’ IT budgets and COVID-time investment being under additional scrutiny
- Investment cycles became longer – cost of cash
- Return to office challenges and uncertainty

**Macro economic factors**

- High inflation
- High interest rates
- Political uncertainty
In 2023 we have further expanded our lead and strengthened our position.

- Launch of CX 50 Gen 2
- Dual display
- Flexible switching
- XMS new user interface
- Investment in sales & marketing
- R&D investments at the next level
Barco is winning share in the agnostic market

“The biggest change in the market since 2021 has been the emergence of Barco as the clear global leader in Wireless Conferencing. While Barco has traditionally been strong in European markets, it has made up significant ground in the United States.”
Our perspective on the videconferencing enablement market

100 M meeting and training rooms globally
Approx. 15-20 M rooms are video enabled

Newly installed systems in 2022 excl China

Source: Wainhouse; Futuresource; Barco team analysis
Improving our position with wireless BYOM
We bring ClickShare to the next level

**Product & Technology**
- Unique innovations and new features (e.g. Meeting room equit, LTS, ...)
- Continuous improvement of customer experience (e.g. App score)
- New form factors

All based upon deep technological insights, market understanding, customer and partner feedback.

**Marketing**
- Updated differentiating brand positioning
- Increase awareness of the ClickShare offering
- Focus on IT manager

**Service**
- Direct Barco end customer support
- New in-house team as of January
Protecting and monetizing our IP with assertive follow-up in the market

Barco and Crestron announce patent license agreement regarding a set of essential ClickShare patents

Hortik, Belgium and Rockleigh, New Jersey, September 12, 2013 – Barco and Crestron Electronics, Inc., both global leaders in workplace technology, have entered into a global patent license agreement earlier this year. This enables Crestron to utilize some of Barco’s ClickShare patents for Crestron’s own collaboration solutions, including AirMedia® wireless conferencing and presentation systems. The agreement will further spur growth of solutions for the BYOM market with the development of additional presentation and conferencing solutions.

In today’s working environment, 60% of workers still face technical challenges when they’re joining a hybrid meeting. The Bring Your Own Meeting (BYOM) concept enables users to host calls from their own laptops with their preferred conferencing solution, using the audio and video equipment in the meeting room. Because of the growing interest in hybrid meetings, Barco and Crestron expect the market for wireless conferencing systems to accelerate significantly over the coming years.

Barco has been leading the BYOM market, with innovations covered by patented inventions. The company will continue to develop collaboration technologies that put the user at the heart of the experience. Moreover, the agreement between Barco and Crestron aims to further spur the growth of the BYOM market, with each company investing in technology that enables collaboration with a simple experience for employees.

“Our customers expect fully integrated solutions that make workplace collaboration simple. With this agreement we will bring robust wireless conferencing based on Barco’s ClickShare intellectual property to our popular digital workplace technologies to meet the growing demand for BYOM solutions,” said Andrew Ludue, Senior Director, Product Management at Crestron.

“Intellectual property is at the heart of technological innovation, so it must be embraced and safeguarded,” said Sjoerd Hendriks, EVP, Meeting & Learning Experiences at Barco. “This agreement between Barco and Crestron demonstrates that mutual beneficial solutions can bolster development and innovation in the market, while recognizing the value of patents and intellectual property.”

Innovation is an essential part of Crestron DNA. In particular to ClickShare, Barco has obtained more than 50 patents in major jurisdictions like EU, US and China. The patents cover a broad range of innovative wireless presentation and conferencing features, underlying ClickShare’s simplicity and ease of use. Barco continues to closely monitor the wireless presentation and conferencing market. The company has built a strong track record in enforcing its intellectual property rights against companies copying ClickShare’s unique features.
Moving outside wireless BYOM
Extending our role within the video conferencing enablement market and growing along two axes.
Strong confidence in the future

1. Improving our position within wireless BYOM

2. Moving outside wireless BYOM
Thank you!
Innovate for impact
Overarching technology themes behind Barco’s innovation strategy

An Steegen

November 15th 2023 - Kortrijk
Technology themes that connect and inspire us

- Changing paradigms of visualization
- Dealing with exponential data
- Real-time compute and AI
- Raising the bar on image quality
- Sustainability & impact
1. Changing paradigms of visualization
From passive to ubiquitous visualization

**Static Era**
“Passive visualization”

**Interactive Era**
“Dynamic visualization”

**Ubiquitous Era**
“Seamless visualization”

One-directional visualization
Visualization acts as the peripheral only

Bi-directional visual experience
The user, the content & the visualization device all interact with each other dynamically

Symbiotic lifelike experience
Visuals merge seamlessly with the real world.
Any content, anywhere
From passive to ubiquitous visualization

**Static Era**
“Passive visualization”

**Interactive Era**
“Dynamic visualization”

**Ubiquitous Era**
“Seamless visualization”

Today

One-directional visualization

Bi-directional visual experience

Symbiotic lifelike experience
2. Dealing with exponential data
Data is growing exponentially

The best way to obtain insights is through smart visualization

Visualization is not an interface anymore but becomes THE platform for meaningful insights
Data-driven Barco innovations

Barco CTRL

Barco Nexxis
3. Real-time compute and AI
GPUs satisfy the needs of both advanced AI algorithms & real-time compute requirements of our applications

- GPU&CPU based platforms along with game engines (like Unreal) are starting to gain significant momentum in the AV industry

- Connectivity, Compute & Image processing are all converging to such new platforms

- At the same time, AI models for future workflows need the accelerated compute that GPUs can provide
Light Steering
4. Raising the bar on image quality
The pursuit of high image quality remains key

Accurate diagnoses on Barco medical displays

Improved image performance on Barco video walls

Lightsteering for the ultimate cinema experience
5. Sustainability and impact
Innovation with the planet in mind

Energy performance
We design with a strong focus on energy efficiency

Use of materials
We choose recycled and durable materials

Packaging & logistics
• We use light packaging that can be fully recycled and re-used
• We maximize the use of sea shipment to limit our end-to-end logistic footprint

Lifecycle
We improve material efficiency and reduce the impact at end of life
Sustainable innovations

G50
- Highest Lm/W in the market
- Long-lasting laser phosphor light

CX-50
- Carbon neutral
- Ecological packaging
- Designed for recycling

OverView MVL
- Limited power consumption
- Long lifetime
- Ability to upcycle
How does Barco execute on these technology themes?
Centralized Barco Labs at the core of disruptive innovation

<table>
<thead>
<tr>
<th>Global functions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial operations</strong></td>
</tr>
<tr>
<td><strong>Operations and service delivery</strong></td>
</tr>
<tr>
<td><strong>Barco Labs</strong></td>
</tr>
<tr>
<td><strong>SWIT</strong></td>
</tr>
<tr>
<td><strong>Finance, Strategy, Global Marketing, HR and legal</strong></td>
</tr>
</tbody>
</table>

![Diagram showing different divisions and business units with R&D connections](image)
• Barco Labs works in tandem with all BU stakeholders in this internal corporate venturing framework to bring new disruptive ideas to market.

• New disruptive ideas can be presented to the innovation board run by the Co-CEOs & CTO throughout the year.

• Seed & Growth funding is provided during the funding rounds to selected proposals.

• Successful projects are then transitioned to Business Units.
In summary

a “One Barco” company with “image processing” at the core
cocreating solutions that set the standard
together with our partners and customers
Manufacturing strategy
Transitioning to Focused Factories

Analyst Day - November 2023 – Rob Jonckheere
Global Operations – overview
While building and ramping up new factories, overall supply is secured in a challenging market with high customer inventories

- Implementation of our **focused factories** is full execution
- **Healthcare transfer** to Suzhou and Saronno on track and Suzhou operating at high **productivity**
- Further investments in **vertical integration & automation** as well as **insourcing of Image Processing Devices** in Kortrijk
- Component **shortages disappeared** and **logistic costs normalized** (still higher than 2019)
- Sales linearity is lower than usual with **higher inventories** (internal and at customers)
Manufacturing footprint
Wuxi factory operational in 2024 – transfers to Suzhou complete by mid 2024

Kortrijk, BE
Entertainment & Simulation projector factory
Mirror factory for Wuxi

Saronno, IT
High diversity Healthcare factory
Mirror factory for Suzhou

WuXi, CN
Entertainment projector factory (under construction) – operational end 2023

ChangPing, CN
Entertainment projectors and subassemblies (for the Barco/CFG JV)

Noida, IN
Focused factory for Rear Projection Cubes and LCD solutions

Suzhou, CN
High volume Healthcare factory
Investing in focused factories

Recap CMD’22:
Barco is investing € ~100m over 2023-2025 to enhance its manufacturing capabilities

Current view on manufacturing CAPEX
- 2023 so far spent: 20M EUR
- Total forecast 2023->2025: ~80 M EUR

- Manufacturing footprint
  - Focused factories to tailor and accelerate business unit specific solutions
- Manufacturing operations
  - Deepening value chain position from assembly to manufacturing (automated manufacturing & integrated automated warehouses)
- Service operations
  - Driving Operational Excellence, 24/7 support and service digitization (and advanced service business models)
Focused factories – Suzhou Healthcare
Suzhou factory meeting the targets in terms of output, cost and quality

Transition plan from Kortrijk and Saronno largely on track
- All products transitioned by end of 2023, Kortrijk to stop Healthcare production by end Q1 2024

Local sourcing
- Full focus on localization leading to component savings of 15-20%

Process & Product Quality
- Drive Productivity (OEE=Quality*Performance*Availability as quality standard)
- Targeting 80% OEE

Automation and vertical integration
- Expanding the manufacturing lines to their maximum capacity
- Glass bonding line to be installed by end Q4 2023
Focused factories – Saronno Healthcare

Moving to and integrated and automated warehouse next to enhanced production capabilities

• Goal
  • Integrate the Milan sales office, the external warehouse and tailor the dimensions to the needs of a mirror fab/R&D site
  • Planning to start building by mid 2024 and move in by Q1 2026

• Status
  • Plans submitted to local authorities
  • Land registration Q1 2024 and build permit targeted Q2 2024
Focused factories – Wuxi Projection
Largely automated plant with integrated warehouse ready for Mid-Segment launch May 2024

• **Building of Wuxi site on track** with only a few weeks delay given heavy rain during summer period

• **ASRS** (Automated Storage & Retrieval System) **installed**, ready for test runs

• Plan to **automate manufacturing** of the **projector line** and **subassemblies** (lens holder, laser plate). Automated cooling assembly will be transferred from Changping.
Focused factories – Kortrijk Projection
Planning to revamp the Kortrijk factory and integrate the Kuurne warehouse by end 2027

- **Healthcare transition** to Suzhou and Saronno **on track**
  - All **product** and **repair** activities to be **transferred by end 2023**.

- **Insourcing of (sub)assemblies**
  - **Image Processing insourced** with realized savings of 10-15%
  - **Transfer Xcite** on track and to be **finalized by end 2023**
  - Planning to **insource video controllers by mid 2024**

- **Automation** plans and a new **Manufacturing Execution System (MES)** being **studied** to support an efficient production flow

- ‘**New’ Kortrijk factory** and integration of the Kuurne **warehouse** are in **concept phase**
Value creation in Manufacturing & Services

Transitioning from assembly to manufacturing supported by automation

**Value Creation in manufacturing**

Move from Assembly to **Manufacturing**

Insource and drive **late point configuration** and **value engineering**

Enable **new features** and ensure **consistent quality** through increased **automation**

**Value Creation in service**

Globally connect the regional NOCs with **24/7 helpdesk, ‘follow the sun’**

Enable **‘same day delivery’** based on spare parts in worldwide hubs

**Enhance responsiveness** by deploying regional repair centres
Suzhou Healthcare – insourcing

Fully automated bonding line supported by Automatic Optical Inspection of glass, LCD and assembly

• Investment allowing automatic optical bonding up till 33”
• Installation planned in November, first bonding planned in January 2024
Wuxi Projection – automation
Automations in warehousing, lens holders & laser plates and mid-segment projection

Automated Storage and Retrieval System with automated material flow within the factory and Software Warehouse Management System connected to the Barco systems

Automated work cells for lens holder and laser plate manufacturing and testing

Dedicated assembly line to support mid-segment projection
Kortrijk Projection – automation

Investing in automated manufacturing of laser banks and laser drivers

- Fully automated line for Laser Drivers and Laser Banks
- In production since 2023
Conclusion

• Our **focused factories strategy** is in full execution with new ‘highly automated and integrated’ sites being built and transfer of products ongoing. Local component sourcing and efficient production are key.

• Our plan to **move from pure ‘low added value’ assembly to manufacturing** is gradually being implemented.

• **Automation and subassembly insourcing** will support Barco in driving quality, costs and will enable new features
Visioneering a bright tomorrow