



IR PACK

February 2024



Preliminary notes

The statutory auditor has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated accounts, and that the accounting data reported in the press release is consistent, in all material respects, with the draft accounts from which it has been derived.

Safe harbor statement

This deliverable may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Barco is providing the information as of this date and does not undertake any obligation to update any forward-looking statements contained in this deliverable in light of new information, future events or otherwise.

Barco disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other deliverable issued by Barco.

Glossary

All definitions for alternative performance measures (APM's) are available in the glossary of the annual report and on the investor portal (<https://www.barco.com/en/about/investors>)

Introduction to Barco

Unforgettable
moments to amaze
and entertain






Breathtaking experiences
to rock and shock



Making **hybrid** meeting seamless

BARCO

A futuristic control room with a curved desk and multiple large monitors displaying data. The room is dimly lit with blue ambient lighting. In the background, several operators are seated at the desk, working on their computers. The ceiling is dark with a large, bright, curved light fixture. The overall atmosphere is high-tech and professional.

The bigger picture to
stay in control

BARCO



A life-saving
perspective





We are **mission critical**
to our customers

BARCO

Niche markets with mission-critical demands



- **Healthcare**

We help medical professionals enable better health outcomes and work more efficiently in an increasingly complex healthcare enterprise



- **Enterprise**

We help professionals in control rooms, classrooms and meeting rooms connect data and images for more informed decisions and smarter collaboration



- **Entertainment**

We help roadies, artists, and creatives offer stunning visual experiences in cities, at events, in cinemas or museums

Leader in advanced visualization and collaboration

Visioneering in healthy markets with a clear purpose

Healthcare



"Diagnose better & save lives"

Enterprise



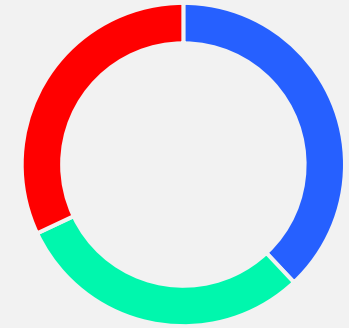
"Stay in control"
"Better meetings, better business"

Entertainment



"Compelling experiences"

Sales per division



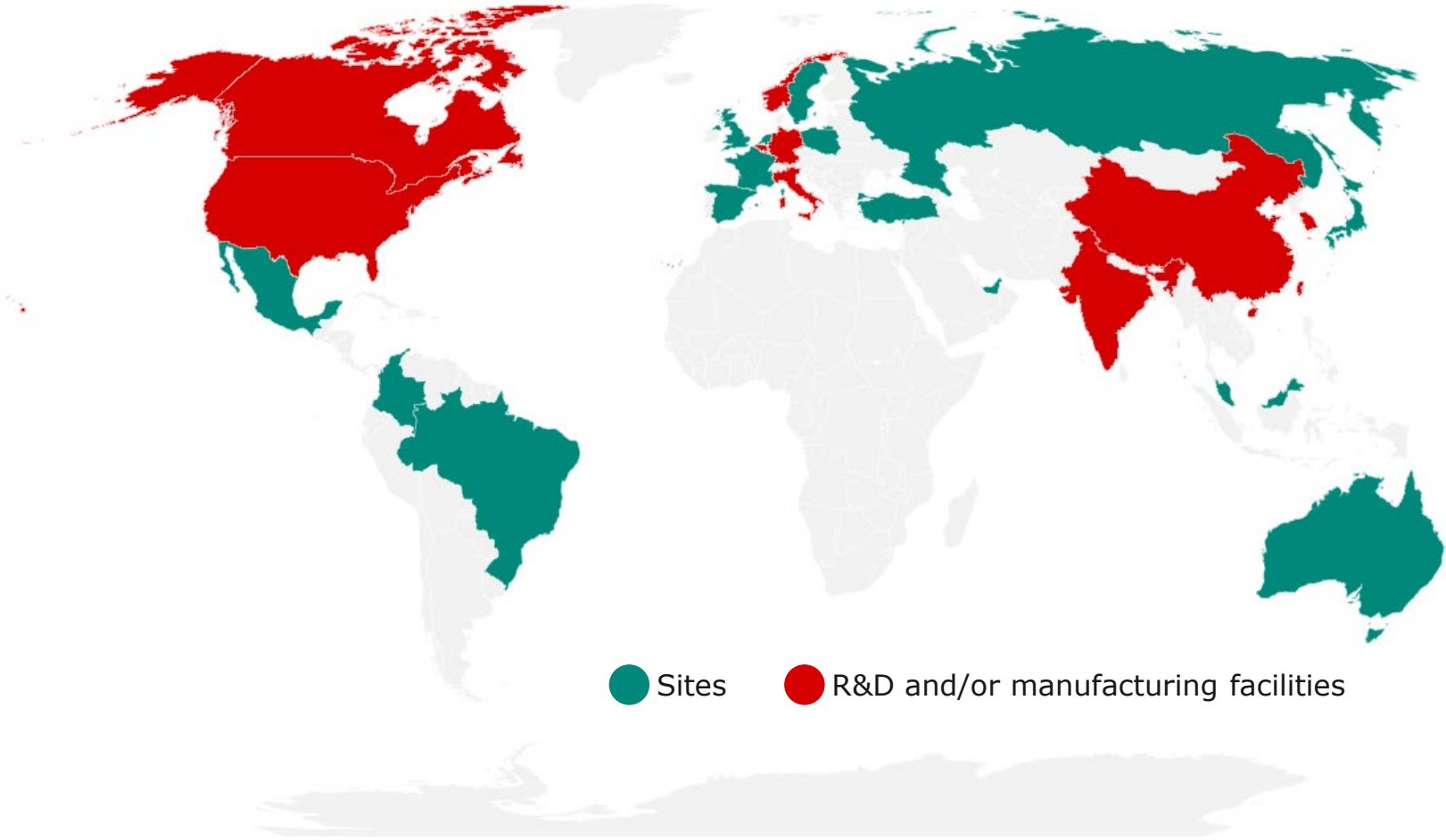
27% Healthcare

29% Enterprise

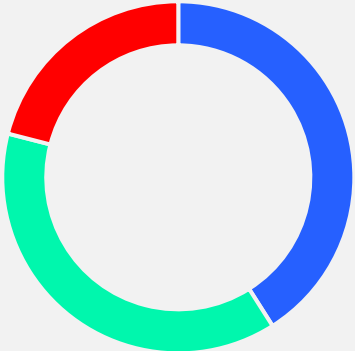
44% Entertainment

Present around the world

30+ countries



Geographical sales breakdown



40% The Americas

40% EMEA

20% Asia-Pacific



Based on 2023 sales breakdown

Operations footprint

Focused factories

Kortrijk, BE

Entertainment & Simulation projectors, Healthcare monitors and networking solutions

Saronno, IT

High diversity Modality and Surgical solutions

Noida, IN

Focused factory for Rear Projection Cubes

WuXi Campus, CN

Entertainment projectors and subassemblies (for the Barco/CFG JV) and videowall LCD solutions on – operational since end 2023.

Suzhou, CN

Focused factory for high volume Healthcare monitors

Barco Vision

a **“One Barco”** company defined around our **“image processing”** capability,

developing and providing solutions that **set the industry standard,** and **make a visible impact**

leading to **commanding market shares** in healthy markets

A trusted partner



90
years of growth



70%
of Fortune 500 companies



3.300+
employees at the heart

NPS - Net Promotor Score


48

(Q4 2023)




900+
patents


Focus on the customer, with end-to-end solutions



- **Hardware**
Displays, video walls, laser projectors, image processors...



- **Software**
Warping, blending, medical imaging, control software, hybrid meeting, collaboration, simulation, simplifying workflows



- **Services**
From onboarding and training to proactive analytics and fleet optimization

Barco is expanding in the entire visual chain



ACQUIRE/ CAPTURE

Dermicus
Skin Imaging Camera



OPTIMIZE/ MANIPULATE

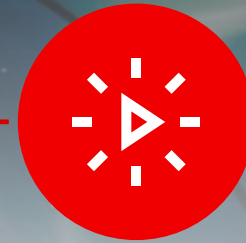
Light Steering



DISTRIBUTE/ TRANSMIT

Nexxis coding & decoding

ClickShare

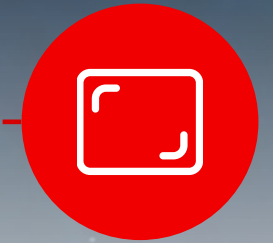


PROCESS/ RENDER

Media servers

Switchers

Controllers



VISUALIZE/ DISPLAY

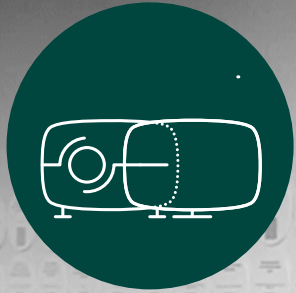
Displays

Projectors

Videowalls

... based on these competences

Patent Wall



**ADVANCED DISPLAY
& PROJECTION**



**COMPUTATIONAL
OPTICS**



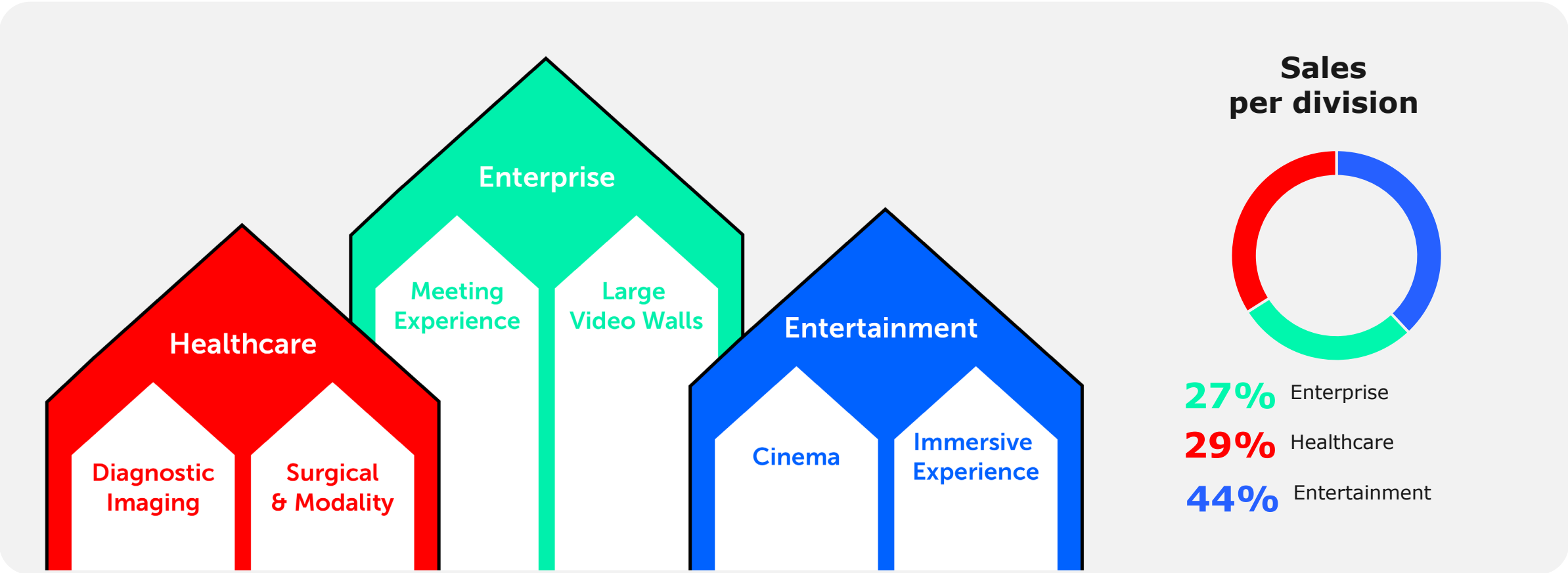
**IMAGE PROCESSING
& INSIGHTS**



**CONNECTIVITY, DATA
ANALYTICS & AI**

Barco's divisions

Our business is centered around 3 core markets



Healthcare

Healthcare
27%
of Group revenue



50%
Diagnostic Imaging
50%
Surgical & Modality



54%
ECO score
% revenues from products
with Barco ECO label



More than 25 years of experience. Recognized **market and technology leader**, with 800k+ units installed base

Trusted brand, providing worldclass top-quality healthcare solutions for high-value hospital departments, focusing on clinical outcomes

Diagnostic Imaging is leader in radiology and mammography displays and extending in adjacencies dentistry, pathology, veterinary...

Surgical & Modality has a strong position in digital operating rooms (Nexxis) and built-in screens in large medical installations



Enterprise

Enterprise
29%
of Group Revenue



60%
Meeting Experience
40%
Control Rooms



92%
ECO score
% revenues from products
with Barco ECO label



Tapping into healthy markets with **strong value propositions**

Technology and market leader with **ClickShare** in agnostic **wireless presentation and conferencing**

Transforming from hardware-focussed proposition into **software solution leadership in control rooms**

Barco CTRL control room platform to simplify **workflows, deployment and serviceability**



Entertainment

44%
Entertainment



54%
Cinema

46%
Immersive Experience




54%
ECO score
% revenues from products
with Barco ECO label



In **Cinema**, Barco has a strong all-laser portfolio and is well-positioned to continue to lead the cinema market with its superior laser technology and software and service offering. Ready to launch the next generation of projection: **HDR Light Steering**.

In **Immersive Experience**, Barco offers a broad portfolio of projectors for the live events, fixed installation and simulation markets. The market is driven by **strong innovation** both on technology and content and Barco has a leading value proposition with a broad portfolio of projectors and image processing software.





Strategy

for sustainable profitable growth

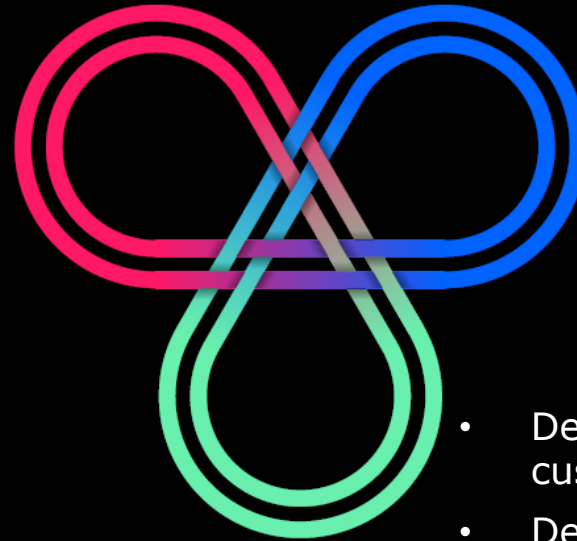
Barco's strategy for sustainable profitable growth

**Capture
profitable
and efficient
growth**

- A leaner & more focused organization
- Market growth across all segments, seeking strong leadership positions
- Expand geographically, focus on China

**Innovate
for
impact**

- Drive more speed and impact from our innovation process to set industry standards
- Focused factories



**Go for
sustainable
impact**

- Decrease footprint of our operations and our customers
- Design and act towards sustainable outcomes for our planet, people and communities

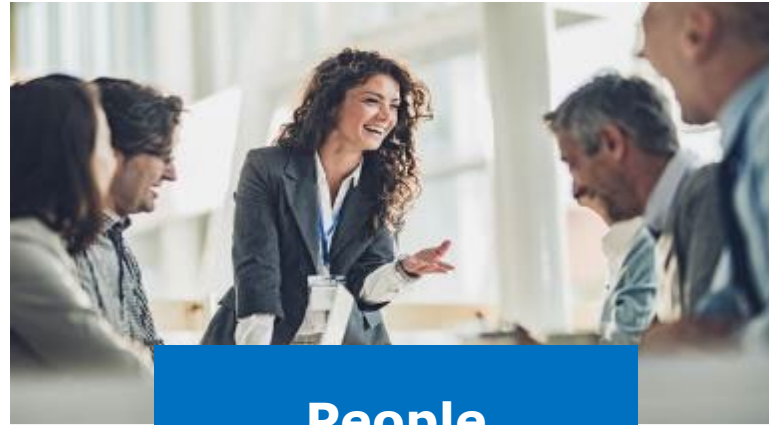
Sustainability is essential in Barco's strategy

Guided by the UN sustainability goals



Planet

We will lower our **environmental footprint** and that of our customers



People

We will invest in **sustainable employability**










Communities

We play an active role in the communities we operate in by upholding the **highest ethical and quality standards** and expecting the same from our **business partners**



Sustainability ratings

Barco scores consistently well above average in ESG ratings

	Ranking	2023	2022	2021
	Top 14% of Electronic Equipment, Instruments & Components industry	AA	A	A
	Top 12% the Electronics Equipment subindustry	11.2 (low risk)	13.0 (low risk)	13.2 (low risk)
	Top 20% of the Electronic Devices & Appliances Industry	C+ (Prime)	C+ (Prime)	C+ (Prime)
	Top 12% in Technology-Hardware sector	55/100 (Robust)	55/100 (Robust)	55/100 (Robust)
	Top 20% of Electronic Equipment, Instruments & Components industry	48	48	45
	/	B	B	B
	Top 13% of respondents	Gold	Silver	Gold

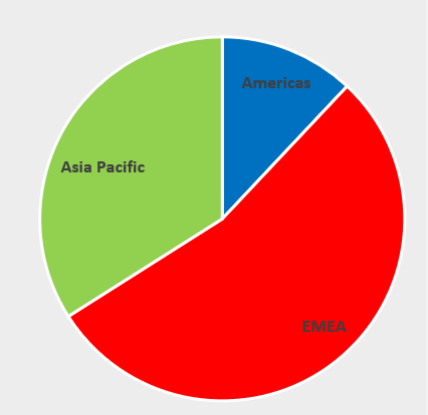


Supported by our cohesive culture



Represented by a diverse and international team

representation by region

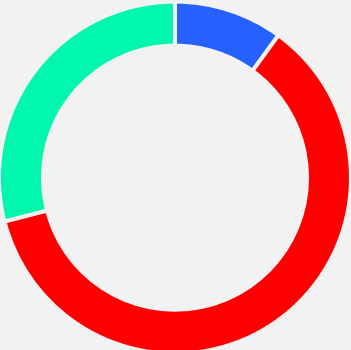


representation by nationality



50 nationalities employed in our company

representation by age

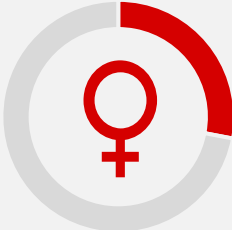


11% < 30year

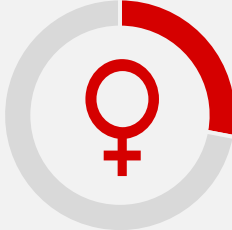
60% 30y-50y

29% > 50y

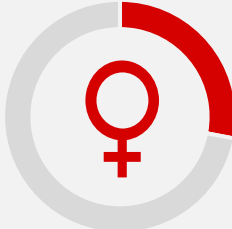
representation by gender



30%
employees



18%
senior management



43%
board directors



Financial results

Executive summary | Group results 2023



Sales at € 1,050m, in line with last year

Double digit growth in Entertainment; Healthcare lagging
Book-to-bill remains >1 resulting in a solid year-end orderbook of € 495m
65% revenue from eco-labelled products



EBITDA margin up 1.6ppts to 13.6%; 14.6% in 2H23

Record high gross profit margin from a favorable product mix,
focused actions and eased supply chain;
OPEX controlled, with continued investments across businesses



Net income € 80m; Free cash flow at € 38m

Net after € 11m restructuring cost
Step up in capex, executing on our strategy; inventory reduction ongoing
Net cash of € 241m

Financial Highlights

Step up in EBITDA margin to 13.6% through better product mix and cost measures

ORDERS	€ 1,061.6m	vs. 2022 ▲ +0.3%
SALES	€ 1,050.1m	▼ -0.8%
Gross profit	% Sales 41.8%	▲ +2.8ppts
EBITDA	% Sales 13.6%	▲ +1.6ppts
	In euro € 142.5m	▲ +13%
Free Cash Flow	€ 38m	▲ +24.9m
Net Income	€ 80.2m	▲ +4.9m
EPS	€ 0.89 / Share	▲ +6%

- **Orders and sales in line with last year**
 - Sales +4% in EMEA, -4% in the Americas and APAC
 - Orderbook @ € 494.8m, ~ vs year-end '22
- **EBITDA at 13.6%**, ↑ 1.6ppts yoy (€ +16m)
 - Important uptake in gross profit margin, record-high at 41.8%
 - OPEX controlled, inflation impact largely offset with cost efficiencies
 - Major EBITDA step up in Entertainment
- **Free cash flow € 38m**, ↑ € 25m
 - Step-up in capex (€ 54.4m): Cinema-as-a-service & new factories
 - Impact from lower trade payables and high receivables
- **Net income € 80.2m**, + € 4.9m yoy
 - Net after € 10.8m restructuring and impairment cost

Dynamic through the year

Step up in gross profit and EBITDA margin in 2H23 with better mix and cost measures

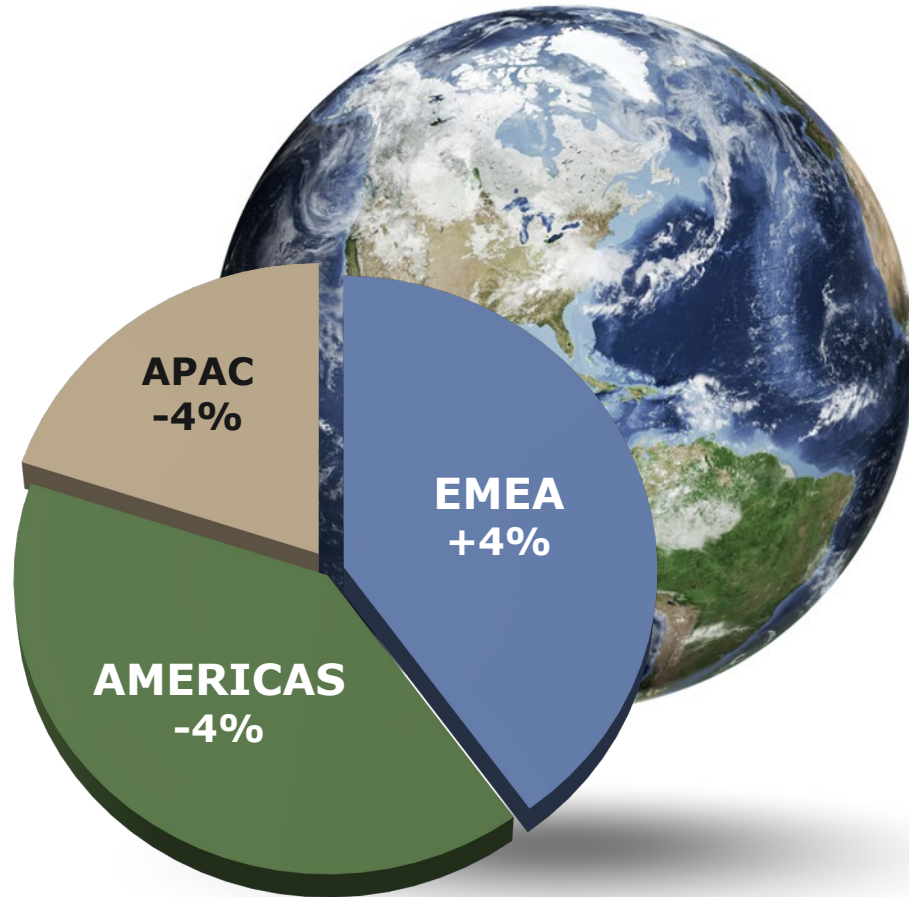
(in millions of euro)	1H23	2H23	FY23	Δ FY22
Orders	541.1	520.6	1,061.6	0%
Sales	520.9	529.2	1,050.1	-1%
Gross Profit	213.0	225.5	438.5	25.8
% Sales <i>Change (ppts)</i>	40.9%	42.6%	41.8%	2.8
OPEX	(149.0)	(148.7)	(297.7)	4.6%
EBITDA	65.0	77.5	142.5	16.0
% Sales <i>Change (ppts)</i>	12.5%	14.6%	13.6%	1.6

- **Steady improvement in gross profit margins** throughout the year with better mix and continued improvement actions
- **OPEX controlled, with 2H23 ~ 1H23**
- **EBITDA** up from 12.5% in 1H23 to 14.6% in 2H23, with important uptake in Enterprise



Sales by division and regions

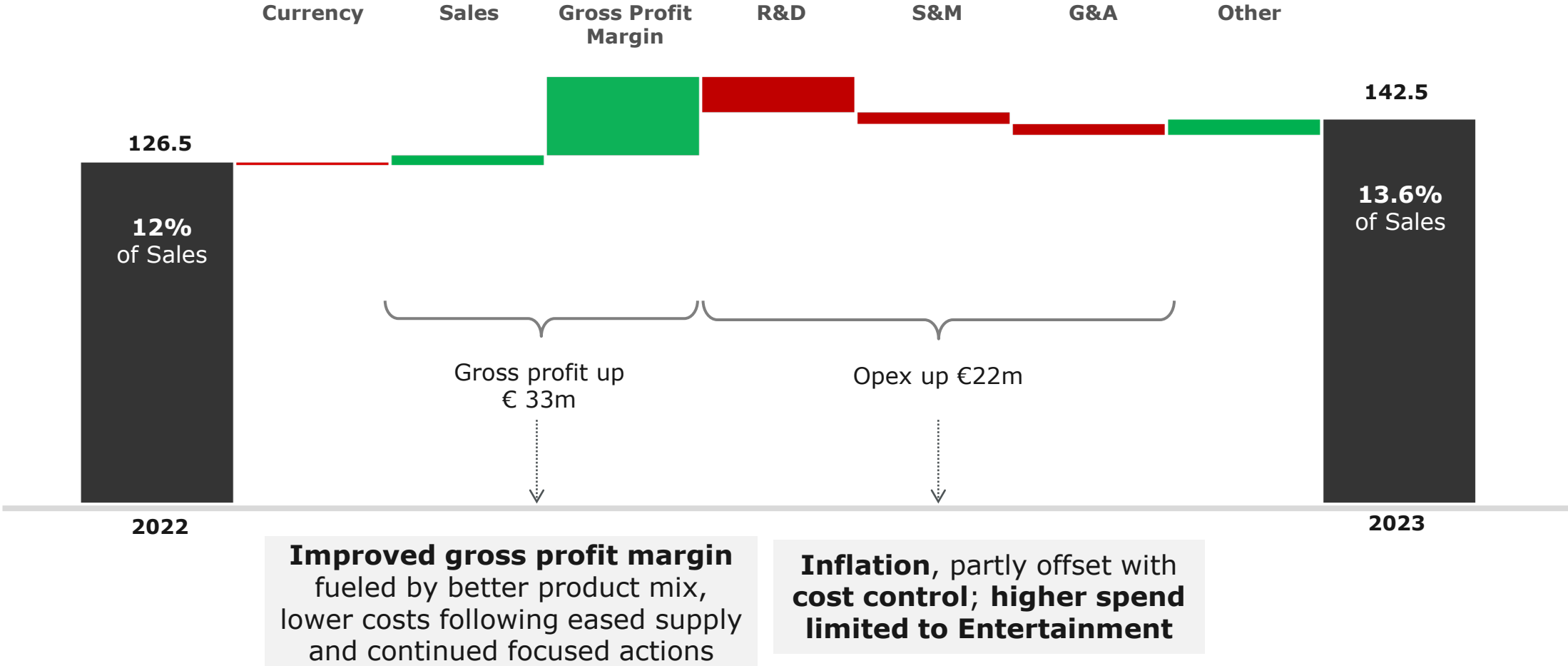
Sales in line with last year with growth in Entertainment and EMEA



- **Entertainment** (+15.3% yoy): sales growth in all regions
- **Healthcare** (-16.3%): growing in EMEA, decline in Americas
- **Enterprise** (-4.2%): holding up in both EMEA and Americas despite challenging market situation; ClickShare winning market share
- APAC excl China up for all divisions

EBITDA growing to € 142.5m, 13.6% of sales

Enhanced profitability through better product mix and cost control



Net income @ € 80m, + 7% yoy

Higher EBITDA, partially offset by restructuring costs

(in millions of euro)

	2023	2022	Δ
EBITDA	142.5	126.5	16.0
% Sales <i>Change (ppts)</i>	13.6%	12.0%	1.6
Depreciations & amortizations	(40.4)	(36.3)	(4.1)
Restructuring	(10.8)	(2.5)	(8.3)
EBIT	91.3	87.6	3.7
Interest and taxes	(12.6)	(15.1)	2.5
Share in the result of joint ventures & associates	2.5	3.3	(0.8)
Non-controlling interest	(1.1)	(0.7)	(0.4)
Net income	80.2	75.2	4.9
% Sales <i>Change (ppts)</i>	7.6%	7.1%	0.5
Earnings per share	0.89	0.84	0.05

- **Higher depreciations** from Cinema-as-a-service
- **Restructuring of €10.8m**, including € 9.5m lay-off costs (diverse organizational efficiencies) and € 1.3m impairments
- **Effective tax rate** constant @ 18%

Free cash flow and balance sheet

Uptake in net operating cash flow; inventories to further reduce; CAPEX doubled

- **2023 Free Cash Flow at € 38m**
 - **Net operating cash flow at € 101m**, up ~ € 69m yoy
 - **Working capital still high** at 16.6% of sales (18.2% at 1H23), due to inventories
 - Higher trade receivables linked to year-end sales peak
 - Lower trade payables linked to lowered component purchases
 - DSO @ 63 days / DPO @ 51 days
 - Inventories down €10m yoy
 - Inventory turns @ 2.1, similar as YE22
 - **Capex** growing to € 54m, executing on our strategy, with investments in new factories and Cinema-as-a-service
- **Net cash @ € 241m**, down € 23m versus YE22, net after € 40m dividend and € 8m share buy back

Continued progress on our non-financial metrics

Up 3 pts vs '22

Lower carbon emission driven by **modal shift from air to sea**, exceeding target reduction of 35% versus 2015

54%

Reduction on carbon emissions own operations

Up 15 pts vs '22

More eco-labeled revenues with **step-up in Healthcare**, landing near target of 70%

Further growth fueled by **new product introductions** (90% are eco-labeled)

65%

Revenues from eco-labelled products

Scoring +4 vs '22

Improved **after-sales service** due to eased supply chain and process improvements and automations

Barco **brand & product quality** stand out as core strengths

48

Customer Net Promotor Score

Divisional Update FY23



Healthcare

Topline impacted by high channel inventories

Gross profit margins fueled by software-driven product mix

Diagnostic Imaging

- **Market dynamics remain healthy**, although topline is comparing against high comparison base in 2022
- **EMEA** delivering solid growth, driven by radiology and pathology
- Ramp-up of **new Suzhou factory** being completed, yielding into gross profit improvements
- **Embedded software** gains importance in the portfolio, including **AI-driven support** for diagnosis
- Important new product introductions in 2024, including new **flagship mammography**, and solutions for **home-reading**

Surgical & Modality

- Solid funnel of **confirmed modality contracts**, to replace large modality contract that ended in December 2022; delays in sales conversion due to high customer inventories
- Digital solutions for **operating rooms (Nexxis)** gain share in the product mix, fueled by a step-up in EMEA
- Soft demand in China (government spending and anti-bribery actions); ramp up of Suzhou factory and R&D allow for **cost-competitive expansion** in modality when demand picks up
- Continued investment in **software-enabled visualization** technology, including 3D displays

(in millions of euro)		Healthcare	
		2023	Δ 2022
Orders		254.9	-20.3%
Sales		285.9	-16.3%
Gross Profit		102.9	(13.4)
% Sales	Change (ppts)	36.0%	2.0
EBITDA		27.8	(10.6)
% Sales	Change (ppts)	9.7%	-1.5

Enterprise

Gaining market share in agnostic hybrid conferencing
Large Video Walls shifting focus to software; EBITDA turnaround in 2H23

Meeting Experience

- **Sales in line with last year**, in challenging market conditions where companies are rethinking office space and meeting room requirements
- ClickShare is gaining **market share in the agnostic space**, driven by market-leading compatibility with room peripherals
- Expanding **product portfolio**, including the **ClickShare Bar**, a compact all-in-one solution for small and mid-size meetings rooms
- **R&D focus on extensions** within the video conferencing enablement market

Large Video Walls

- **Orders growing in all regions**, sales conversion picking up towards end of the year
- **EBITDA positive in 2H23**, close to break-even for the full year
- Hardware portfolio for **video walls fully up to date**, including new UniSee II LCD solution
- New strategy being rolled-out with focus on **scalable software solutions for controls rooms** in dedicated industry verticals
- Ramp-up of new **Barco CTRL** platform, with incremental feature releases in 2024

(in millions of euro)		Enterprise	
		2023	Δ 2022
Orders		304.9	8.4%
Sales		303.8	-4.3%
Gross Profit		162.9	(9.5)
% Sales	Change (ppts)	53.6%	-0.7
EBITDA		56.9	(3.8)
% Sales	Change (ppts)	18.7%	-0.4

Entertainment

Strong growth in Cinema, driven by laser replacements
Healthy markets in Immersive Experience, new products in the pipeline

Cinema

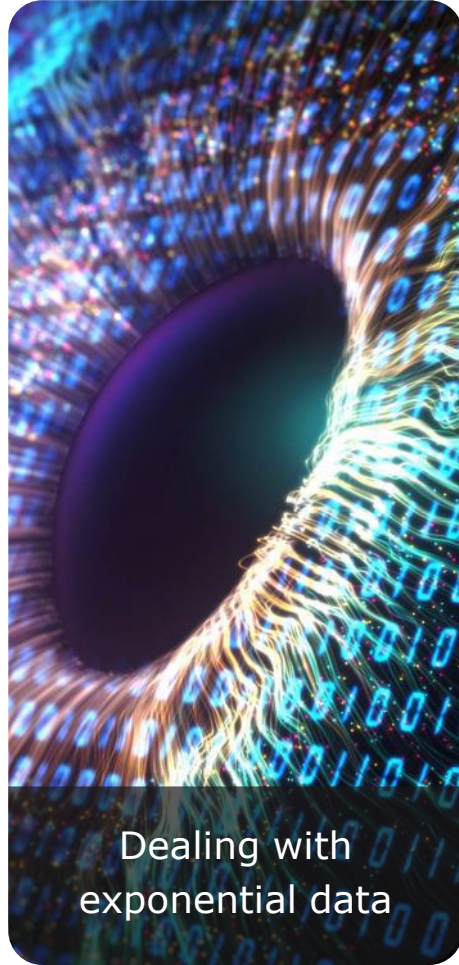
- **Double-digit growth in all regions**, despite underperformance in China
- Continued **lamp-to-laser renewal wave** with capture rate above 60%;
- Delivery of **Cinema-as-a-service** ongoing, ramping up recurring revenue (25% of sales in '23)
- **Integration of Cinionic** activities in Barco will bring operational efficiencies
- New **product introductions**, including new media server and HDR Lightsteering ready for launch in 2024

Immersive Experience

- **Double-digit sales growth in EMEA and Americas**, APAC down linked to **decline in China**
- Biggest wins for **simulation and themed entertainment**
- Growing share of (embedded) software in the portfolio, including new product introductions in **image processing**
- Construction **Wuxi factory** on track, ramping up with **mid-end projection** for themed entertainment
- Launch of new **flagship high-end projector for live events and mid-end projectors** in 2024

(in millions of euro)		Entertainment	
		2023	Δ 2022
Orders		501.8	9.7%
Sales		460.5	15.3%
Gross Profit		172.6	48.5
% Sales	Change (ppts)	37.5%	6.4
EBITDA		57.7	30.2
% Sales	Change (ppts)	12.5%	5.6

Technology themes that inspire our innovation vision



Outlook 2024



Investments in 2024 for future growth



Outlook 2024

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

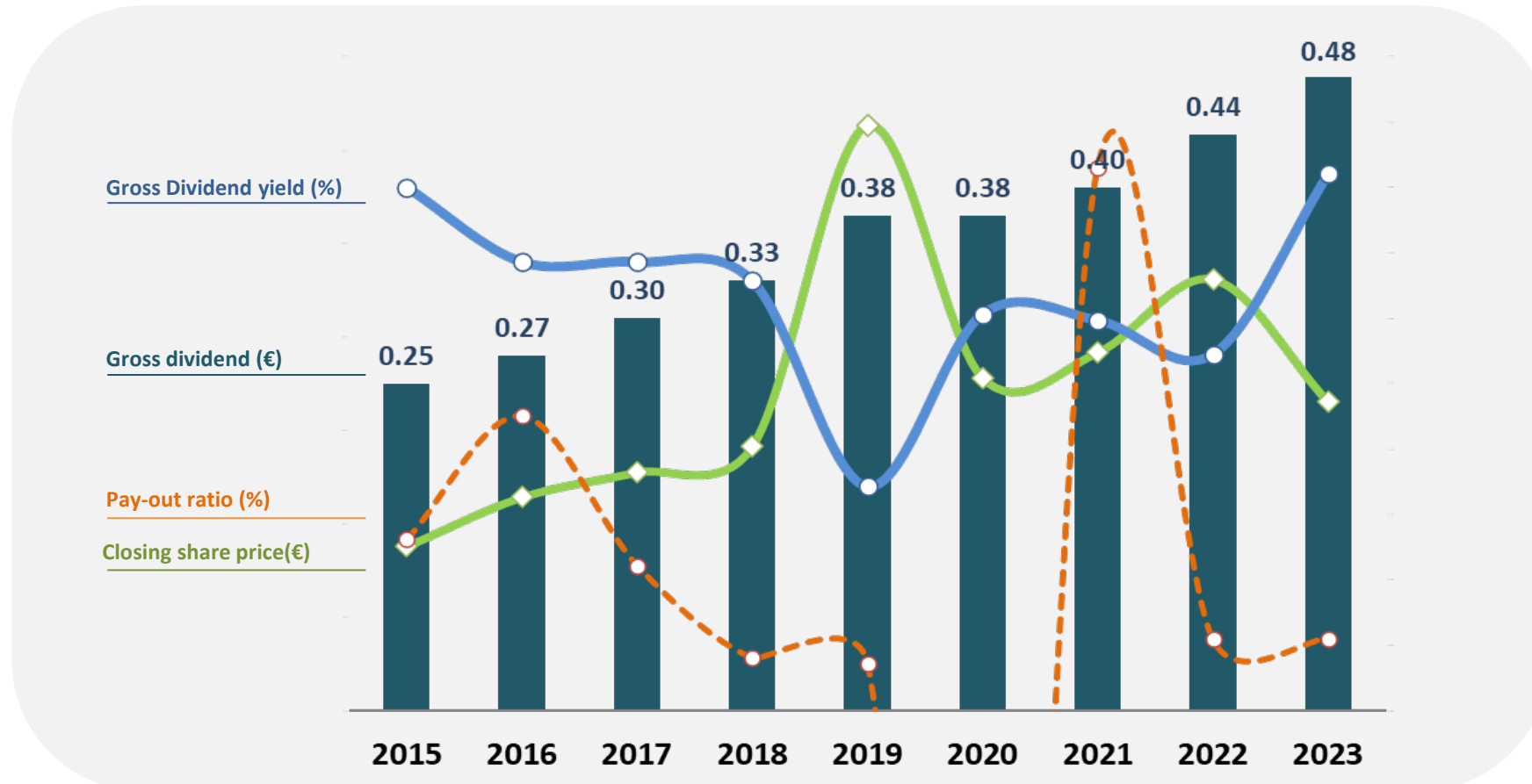
For 2024, while the macro-economic and market conditions remain uncertain, we assume a return to normalized customer inventory levels, and we plan for multiple new product launches over the course of the year.

Management expects **topline for the year to be in line with 2023**, with a gradual year-over-year increase as of the second quarter. From 2025, we expect to resume topline growth on a full year basis.

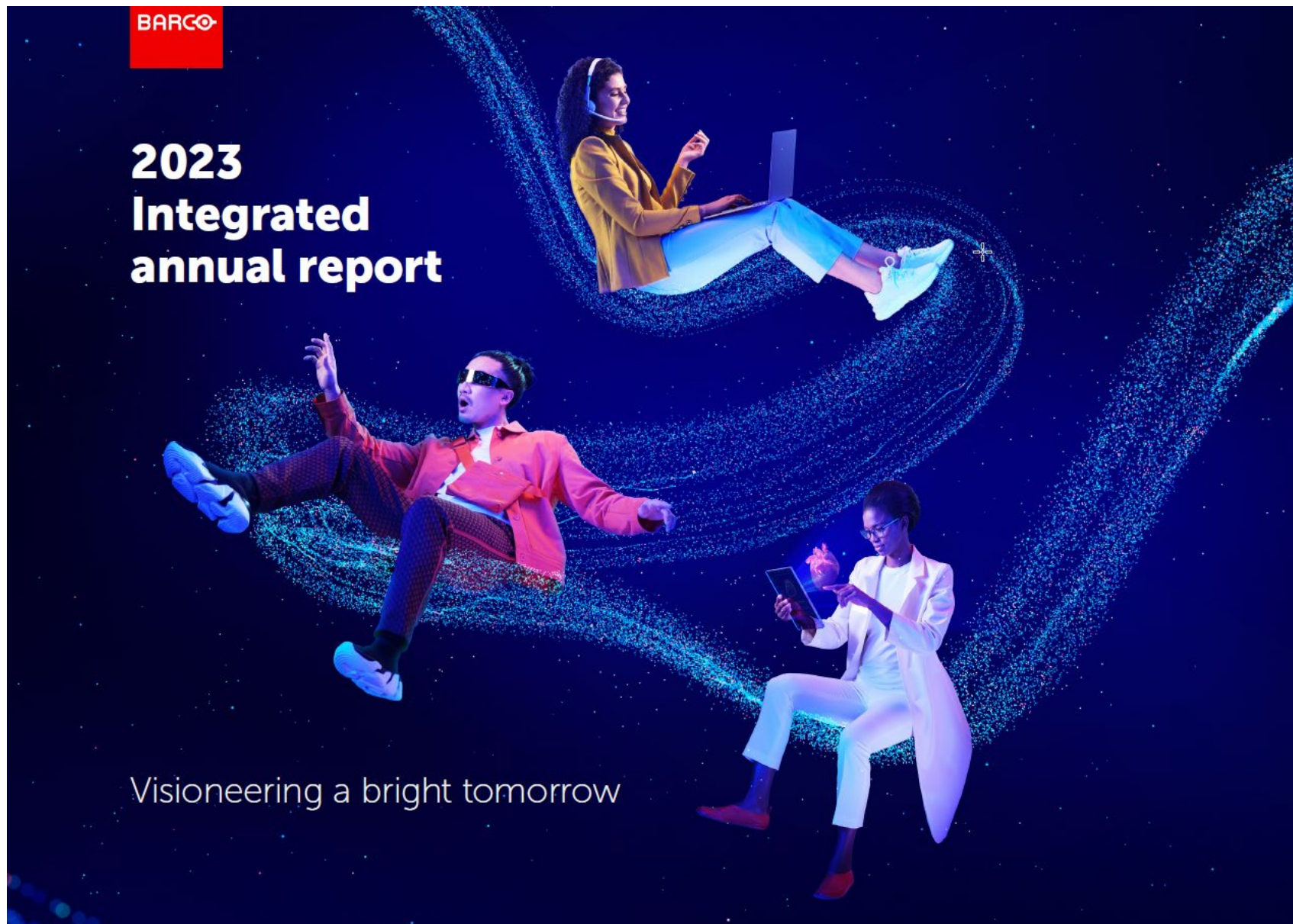
The **EBITDA margin** is expected to further improve and be **above 14% for the full year 2024**.

Sustained dividend growth

*"The Board of Directors will propose to the General Assembly to distribute a gross dividend of **0.48 euro per share**, up 0.04 euro versus last year's dividend of 0.44 euro."*



Q&A



2023 Integrated annual report

Visioneering a bright tomorrow



Stay tuned

Financial calendar 2024

Tuesday 23 April

Thursday 25 April

Wednesday 17 July

Thursday 17 October

Trading update 1Q24

Annual general shareholders meeting

Announcement results 1H24

Trading update 3Q24

More information? Please visit our webpage www.barco.com

Further questions ? www.barco.com/en/about/investors

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Visioneering a bright tomorrow



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