



#### PRELIMINARY NOTES

#### Safe harbor statement

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INNOVATE FOR IMPACT



# **KEY NOTE**

An Steegen Charles Beauduin Ann Desender

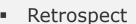


### **AGENDA**









- SWOT
- Our vision
- Themes that will shape Barco's future



# **Corporate strategy**

- Why, How & What
- Strategic roadmap
- Markets & positioning



**Technology strategy** 

- Innovate for Impact
- Building on our competences
- Balancing the focus; managing the innovation funnel



4 Financials

- Target 2025
- Capital allocation

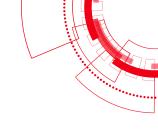


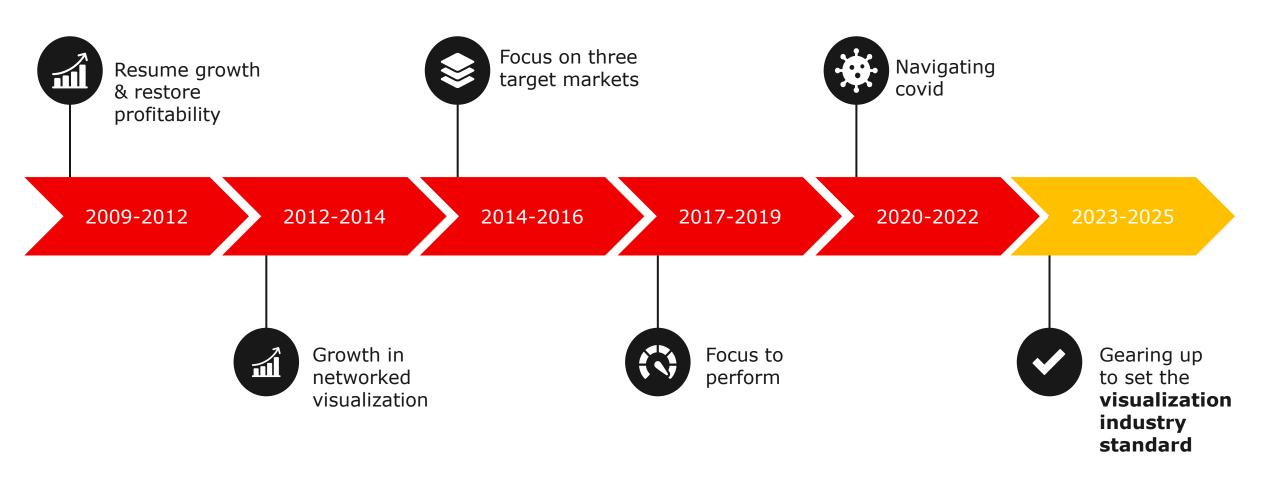
Concluding





# POST-COVID, BARCO IS STEPPING UP FOR THE NEXT EPISODE







### **HOW DO WE LOOK AT BARCO**



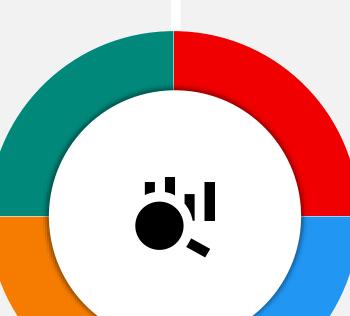


# **Strengths**

- Strong expertise around visualization
- Our solutions are mission critical
- Leadership positions in markets with healthy fundamentals
- Committed seasoned team

# **Opportunities**

- Expand into adjacent & new segments
- China
- Setting industry standard
- Value chain position



## Weakness

- X
- Need more innovation & entrepreneurship
- Unfocused factories
- Over last 10+ years no topline growth & low profitability

# **Threats**



- Complacency
- Speed of development
- Technology disruptions



### **OUR VISION**







# We master the 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



# **BARCO'S VISION & MISSION | WHAT**



# ... based on these competences

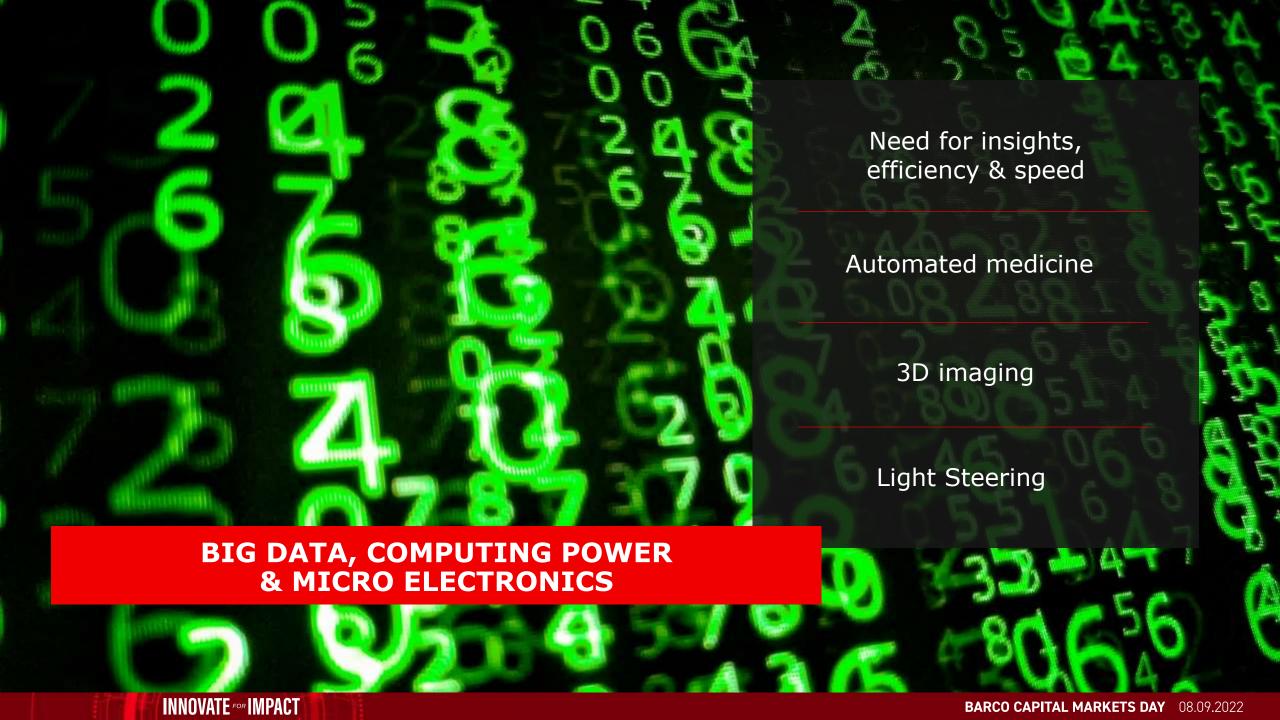






















INNOVATE FOR IMPACT



lever I
Capture
profitable/
efficient growth

Simplify organizational structure, enabling strong entrepreneurial dynamics

Increase organizational **efficiency**; a more agile and customer focused organization

Increase end-to-end responsibility and accountability

Organizational redesign to **enhance customer intimacy** 



Organizational efficiency with enhanced end-to-end accountability & entrepreneurship



Commercial and operational effectiveness through **digital transformation** 







lever I
Capture
profitable/
efficient growth

Seizing the **China opportunity** with stronger local presence

Addressable market opportunities are much larger than assumed so far

**Expand China footprint** and tap into local supply chain, focus on local footprint (Suzhou, Wuxi, ...)



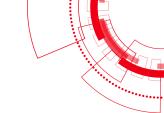
Define and implement a "China win" strategy accross Barco's markets



Develop new vertical market segments and expand in Healthcare, Control Rooms and Immersive Experience







lever II
Innovate
for impact

Drive for **operational excellence** 

Investing in **increased manufacturing footprint** 

Strengthen position in the upstream value chain

**Focused factories** 



**Strengthen downstream value chain** through OPEX business models and channel management



Strengthen supply chain, reducing component dependency through redesign and bringing critical components in-house







lever II
Innovate
for impact

**Rebalance** R&D investment portfolio; making choices

**Design for manufacturing** and extensive automation

**Rebalancing R&D vs maintenance** 



**Develop adjacencies and new solutions** based on core technologies



**Enhance ROI in innovation** 

combining entrepreneurship and financial discipline





# **OUR MARKETS TODAY**

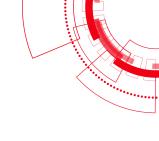
|                                     | Market Position                      | Innovation  | Installed Base                                      |
|-------------------------------------|--------------------------------------|---|---|
| Cinema                              | Leader & Innovator                   | Innovator in light engine & light                         | 100k digital projectors                             |
| Immersive<br>Experience             | Global top 3<br>in high end          | Laser light engine  | 10k UDX   |
| Meeting &<br>Learning<br>Experience | Innovator<br>& leader<br>in agnostic | Innovator in wireless presentation ; virtual conferencing | 1m meeting rooms                                    |
| Large Video<br>Walls                | Top 3 in control rooms               | UniSee ; TruePix  | 15k control rooms                                   |
| Diagnostic<br>Imaging               | Leader & Innovator                   | Radiology flagships ;<br>Digital pathology                | 350k diagnostic displays<br>(7-year installed base) |
| Surgical & Modality                 | Leader & Innovator                   | 1 <sup>st</sup> digital operating room solution           | 7k operating rooms                                  |





# **OUR MARKETS TOMORROW**

|                               | Yearly market growth 2022-'25 vs '21 | Market<br>drivers  | Market share growth (in ppt) |
|-------------------------------|--------------------------------------|--|------------------------------|
| Cinema                        | 7                                    | New technology ; new builds in developing regions                | 7                            |
| Immersive<br>Experience       | 7                                    | Events to grow;<br>digital experiences;<br>consolidating markets | 7                            |
| Meeting & Learning Experience | 7 7                                  | Hybrid conferencing becoming the norm                            |                              |
| Large Video<br>Walls          | 7                                    | More control, monitoring, incident mgmt, critical infrastructure | 7                            |
| Diagnostic<br>Imaging         | 7                                    | China, adjacencies   |                              |
| Surgical &<br>Modality        | 7 7                                  | Digitization of operating rooms                                  | 7                            |



Double digit growth

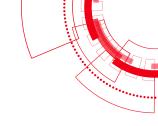
Single digit growth

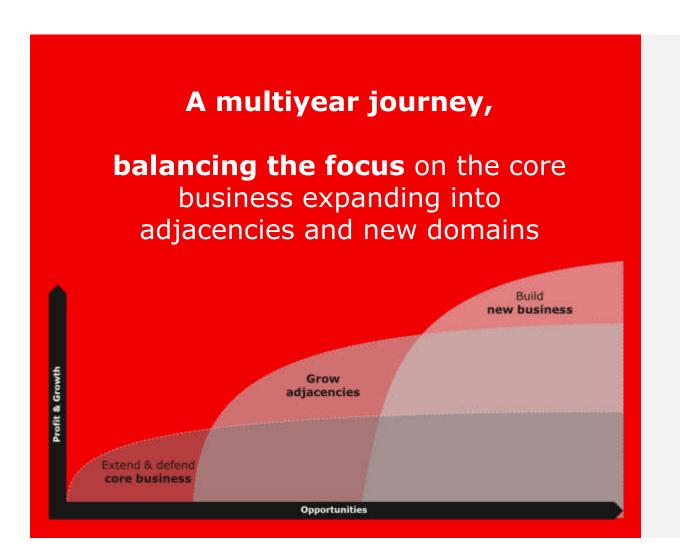
Flat



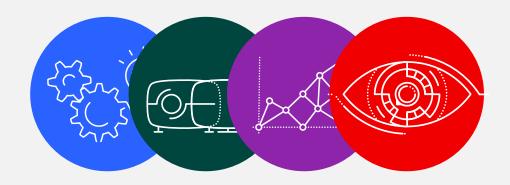


### **INNOVATE FOR IMPACT**





... while expanding our 4 competence domains



# BALANCED FOCUS ON THE CORE BUSINESS EXPANDING INTO ADJACENCIES AND NEW DOMAINS

Build new business

**Grow adjacencies** 

Extend & defend core business

**Opportunities** 

# BALANCED FOCUS ON THE CORE BUSINESS EXPANDING INTO ADJACENCIES AND NEW DOMAINS

Build new business

3D solutions

**Grow** adjacencies

Digital canvas

Projection mapping

Visual analytics

Extend & defend core business

HDR Light Steering

Strong portfolio & balanced product roadmaps

Digital pathology

Graphics processing

Hybrid conferencing

**Opportunities** 



### MANAGING THE INNOVATION FUNNEL



Balancing **start-up dynamics** with **fast-fail** principles

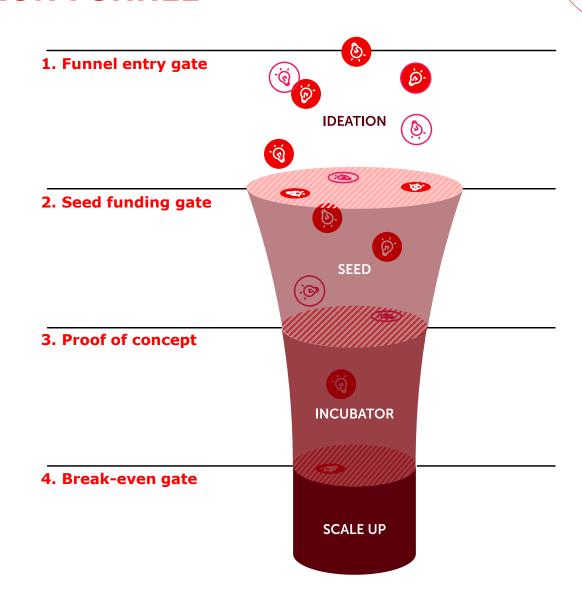


With focus on early customer involvement



**Governance:** 

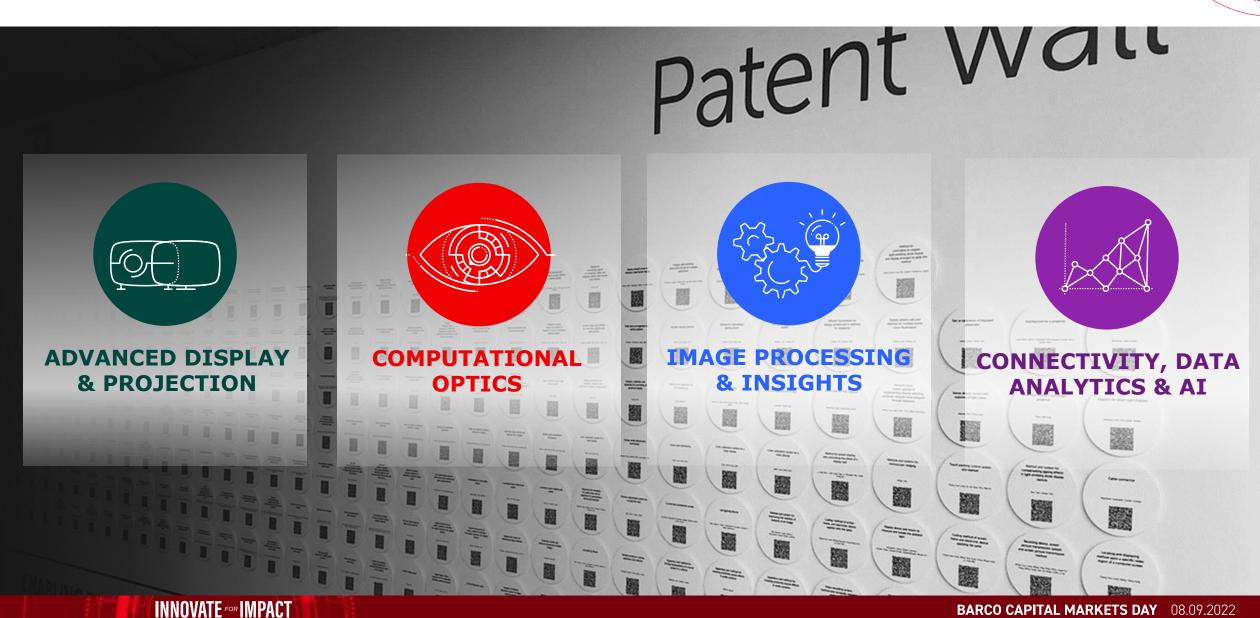
disciplined management with dedicated budget





### **EXPANDING ON OUR COMPETENCES**

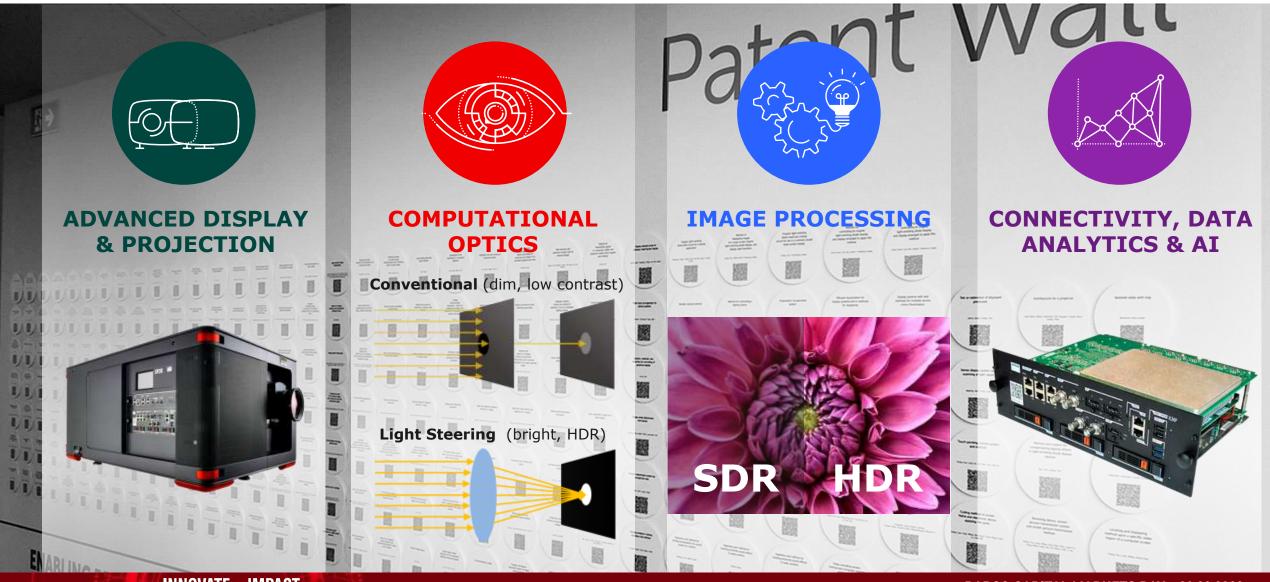






# **COMPETENCE DEVELOPMENT**









# **SHORT TERM | UPDATE ON 2022 OUTLOOK**



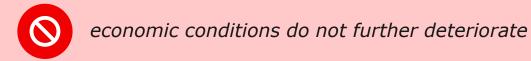


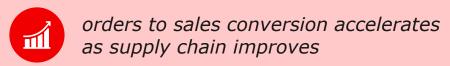
**Further grow topline** 

and drive profit expansion

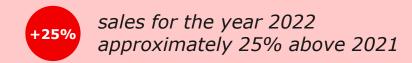
while improving working capital

### **Assuming**





#### management expects







# MID & LONG TERM VALUE CREATION | MAINTAIN OUR PERFORMANCE FOCUS





**Grow the topline in line or better than the market** 

# MAIN GUIDING PRINCIPLES



- **OPEX** to remain below 30% of sales... and growing slower than sales
- **R&D investment level** at 10-11%



- CAPEX increase with footprint investments
- Drive working capital performance to pre-covid-levels with main focus on inventory management



### **MID & LONG TERM VALUE CREATION**

#### **RESULTING IN**

#### **Financial Ambitions 2023-2025**





### **Non-Financial 2025**





SBTi: Reduce carbon emissions by 45% vs 2015



# MID & LONG TERM VALUE CREATION | CAPITAL ALLOCATION AND INORGANIC OPPORTUNITIES

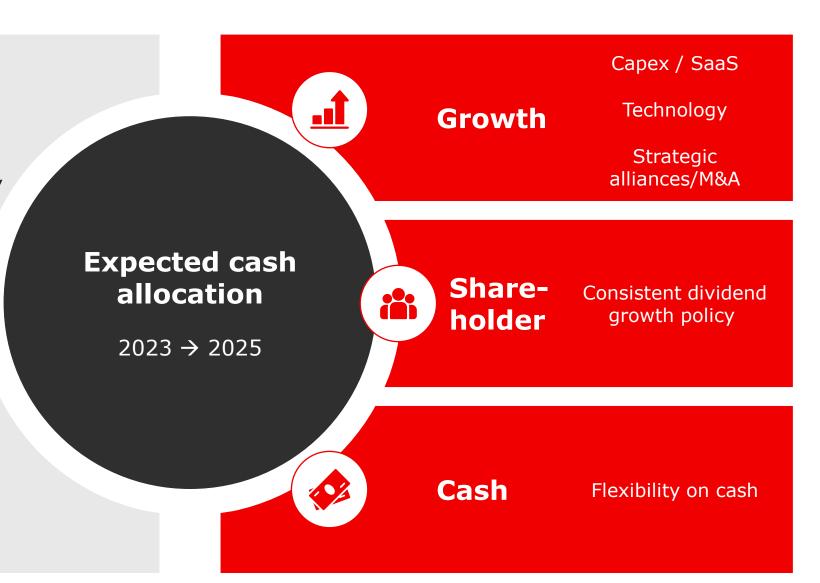
# **~€ 200m** (EOY22) Directly available cash

- In line with EOY21, FCF minus dividend, +25% stake Cinionic, ...
- Excluding cash JV Cinionic

~€ 350m (2023-′25)

Free cash flow

- Post tax
- Working capital @ 6% of sales





#### **WE BRING BARCO TO** A NEXT PERFORMANCE LEVEL

#### **Capture profitable/** efficient growth

- A leaner & more focused organization
- Market growth opportunities accross all our segments, with strong leadership positions
- Expand geographically, with a focus on China



#### **Innovate for impact**

- Drive more speed and impact from our innovation process
- And leverage this capability to set the standard accross markets

#### **AMBITIOUS FINANCIAL TARGETS**



Long-term high single digit sales growth



EBITDA in the range of 14-18%



## **UPDATE DIVISIONS**

Entertainment Enterprise Healthcare





#### **AGENDA**





## Intro division

- Quick Facts
- Retrospect 2019-2022



## **Business Units**

#### **BU Cinema**

- Highlights & Milestones
- Market opportunity & Industry trends
- Addressable market & Competitive landscape
- Value proposition
- Go-to-market
- Strategic roadmap
- Conclusion

**BU Immersive Experience** 



Conclusion



#### **QUICK FACTS**



39% Entertainment



50% Cinema

**50%** 

**Immersive Experience** 



All entertainment markets are recovering well and getting "back in business" after covid

#### Strong fundamentals

- In **Cinema**, Barco has a strong portfolio and is well positioned to continue to lead the cinema market across the expansion/upgrade trends and beyond
- In **Immersive Experience**, market is driven by **strong innovation** both on technology and content and Barco has significantly strengthened its position and value proposition to grasp the growth opportunities

Ready to launch HDR Light Steering

25%
ECO score
% revenues from products
with Barco ECO label







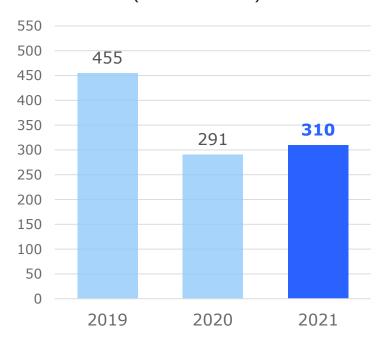
Based on 2021 sales breakdown



#### **RETROSPECT | 2019-2021**

#### **SALES**

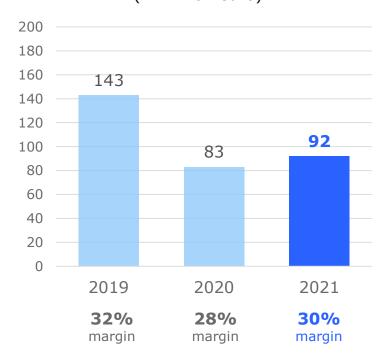
(in million euro)



Strong '19, followed by a 36% decline in '20 (covid pandemic) with impact in both segments; first recovery in '21, led by China

#### **GROSS PROFIT**

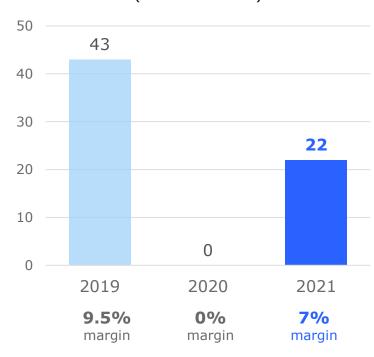
(in million euro)



Gross profit performance impacted by topline pressure; 1<sup>st</sup> improvement in '21 driven by price increases offset in part by higher component and freight costs

#### **EBITDA**

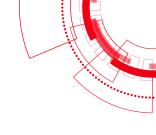
(in million euro)



Breakeven result in '20 on decline in gross profit & negative operating leverage; tight indirect expense control resulting in significant improvement in EBITDA in '21



#### **2 BUSINESS UNITS**









#### **CINEMA | HIGHLIGHTS**





Barco is **market leader** with 50+ % market share



Installed base of more than **100.000 projectors** worldwide



Industry's **most complete range** of laser-based solutions and media servers



Strong market position in **all regions**, marketed through dedicated commercial organizations CFGBarco (China) and Cinionic (rest of world)



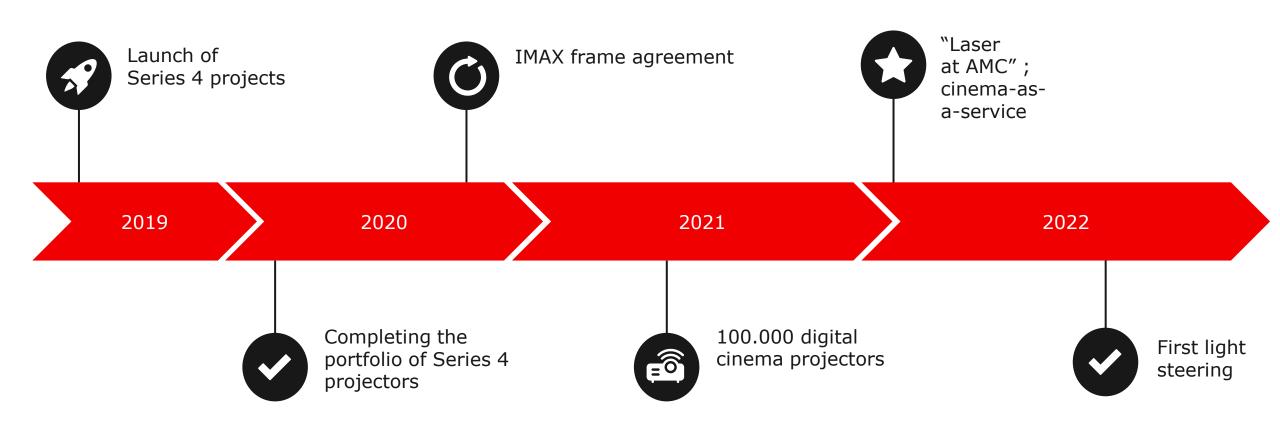
Cinema market recovery and laser renewal drive sales growth for the next years

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#### **RETROSPECT | HIGHLIGHTS & MILESTONES 2019-2022**

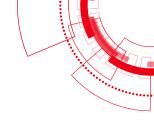


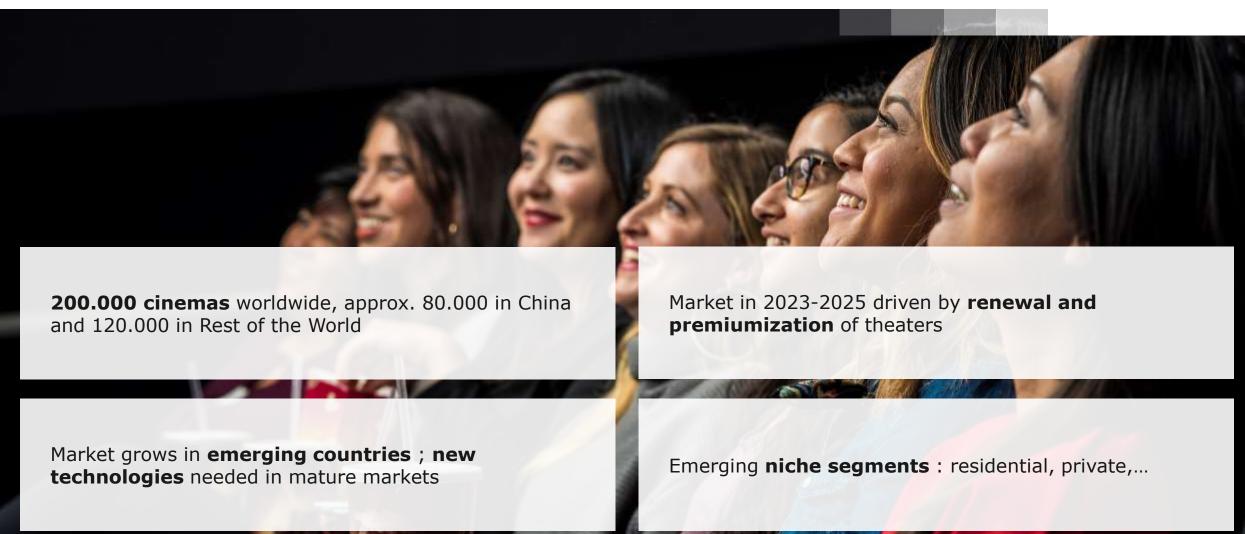


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#### **MARKET OPPORTUNITY**

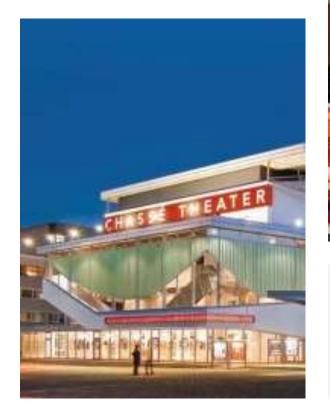






#### **INDUSTRY TRENDS**

Cinema comes backbox office in 2023 to further narrow gap vs 2019 levels



Further premiumization of the cinema experience (HDR and more)

Studios support theatrical release window





Continuous **pull for innovation** from creatives
and exhibitors



#### **ADDRESSED MARKET & MARKET SHARE**



Addressed market **2021** 

€ 280 m+

Market Share Barco **2021** ("capture rate")

55%

TAM CAGR evolution **2022-2025** 

+

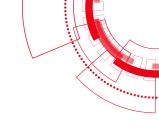
Market Share evolution (ppt) **2022-2025** 

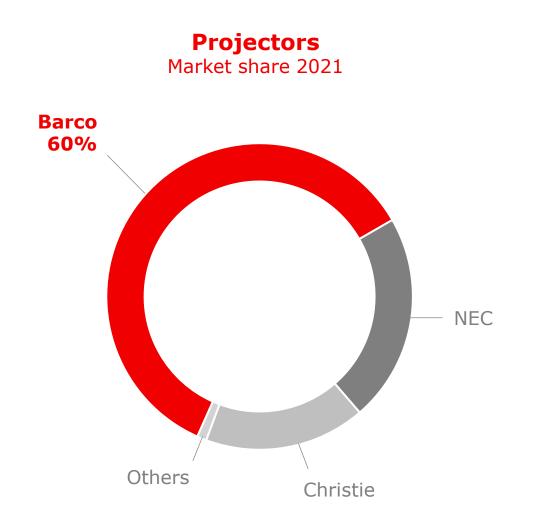
Expected organic TAM evolution

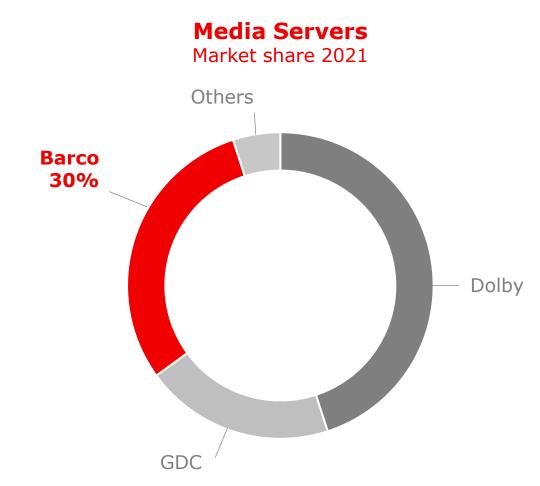
+/- single digit % evolution ; ++: double digit % evolution



#### **COMPETITIVE LANDSCAPE**

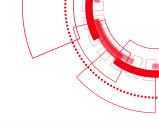




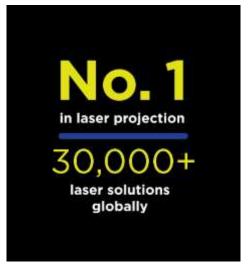




#### **VALUE PROPOSITION | USP & CUSTOMER VALUE**









Most complete projector and server portfolio: matching small-to-large and low end-to-premium

Most complete **partner network** and (technical+financial) services offering

**Technology innovator** (laser, 4K, LS) set up for TCO-reduction, ease-of-mind and differentiating experiences



#### **BARCO IN CINEMA | GO TO MARKET STRATEGY**



Dedicated **exclusive partners** 





BARCO

Worldwide network of certified technicians and integrators

Worldwide **direct contracts** with major exhibitors



Renewed focus on **creative community**:
Hollywood presence /studios relationships, software packages for content creation...



#### **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**



Well-positioned to lead **renewal and upgrade to laser** with Series 4 projectors

Further expand Nr. 1 technology position in Premium Large Format

Grow in **private, residential and independent cinema** with compact models

Number 1
position
&
grow market
share
throughout
the digital
projector
upgrade



#### **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**



lever I

Capture the growth
(short & mid-term)

lever II

Innovate for impact
(mid- to long term)

Launch HDR / Light Steering and lead the industry adoption

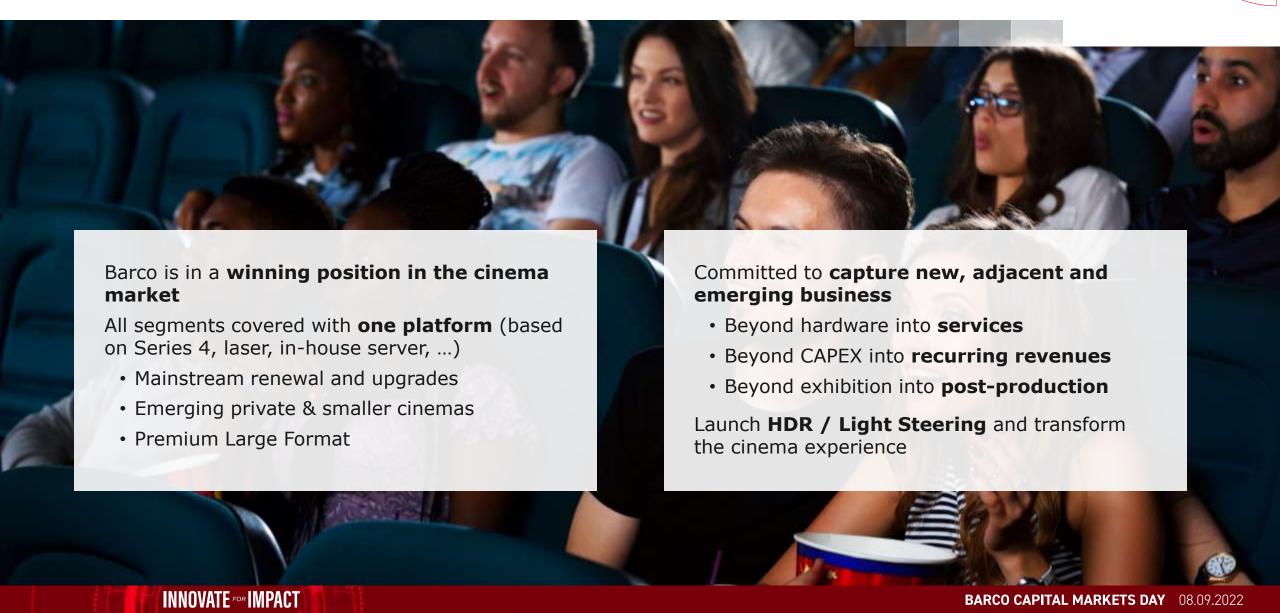
Anchoring recurring, software and services revenue to our portfolio

Leveraging the installed base to tap into **non-exhibition adjacencies**: (post)production, delivery, services ...

More diversified portfolio to cover all market segments in both projectors and servers

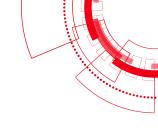


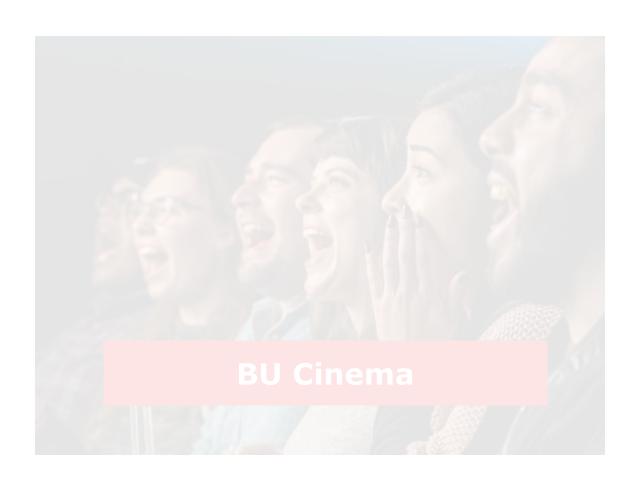
#### **CONCLUSION**





#### **2 BUSINESS UNITS**









#### **IMMERSIVE EXPERIENCE | HIGHLIGHTS**





**Long-lasting market position** and strong reputation for product quality, reliability & brand



**Clear product roadmaps** to maintain market leadership and to improve experiences



Market covers **3 main segments:** 

- Themed Entertainment
- Rental and Staging
- Simulation & Virtual Experience



**Global Business Unit set up** enables hardware + software + services deals



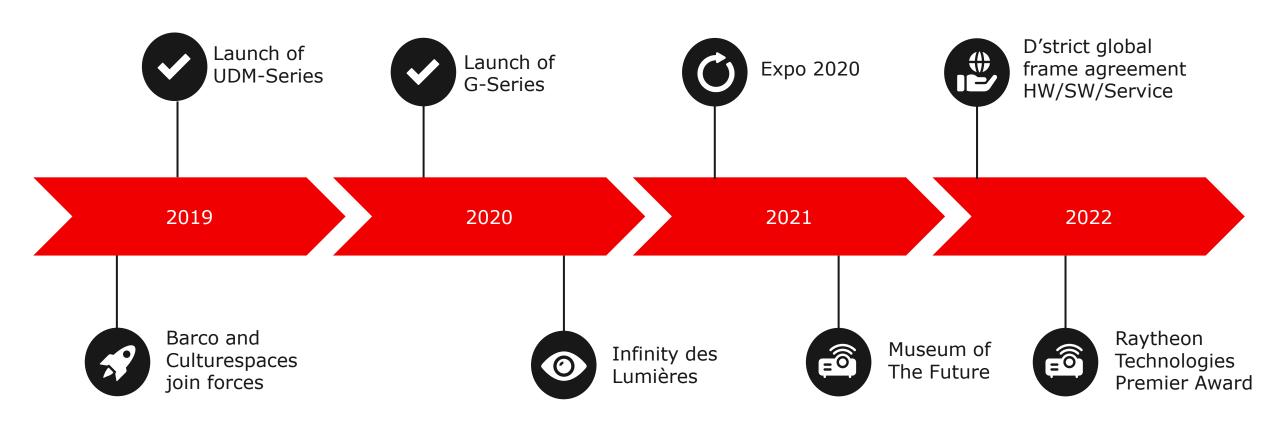
Themed Entertainment, Staging/Rental and Simulation markets **recovering well from Covid,** and expected back to normal in 2023

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#### **RETROSPECT | HIGHLIGHTS & MILESTONES 2019-2022**





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#### **INDUSTRY TRENDS**

"Wowing audiences" with quest for higher brightness and resolutions in projection; storytelling





**Digital art** experiences on the rise

**Technology in fast evolution:** solid state & AV-over-IP





#### **ADDRESSED MARKET & MARKET SHARE**



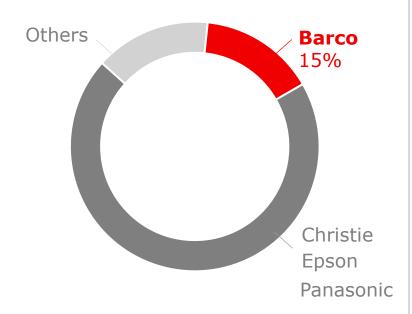


#### **COMPETITIVE LANDSCAPE IS DIVERSE & FRAGMENTED**



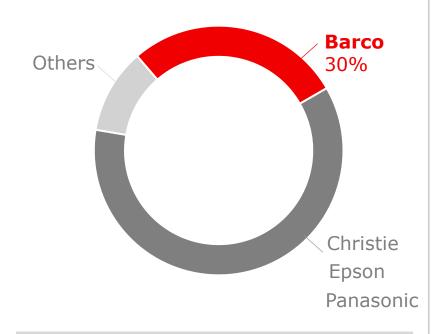
#### **Themed Entertainment**

Market share 2021



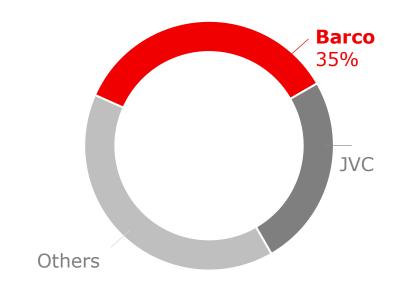
- Strong in (immersive) museum segment
- Making inroads in other segments





 Strong in high-end rental Image Processing and high brightness rental projection

## Simulation/Virtual Experience Market share 2021



• Nr.1 in simulation applications for training



#### **VALUE PROPOSITION | USP & CUSTOMER VALUE**



## Leading technology designed for todays and tomorrow's immersive experiences

- Complete product line
- Based on the latest technology
- Delivers content as intended

# Presentation switching Prosentation switching Prosen

## **Built into the most trusted solutions for any application**

- · Peace of mind solutions
- With long-lasting performance
- Designed for your business



# Consistently delivered by our global team of visualization experts

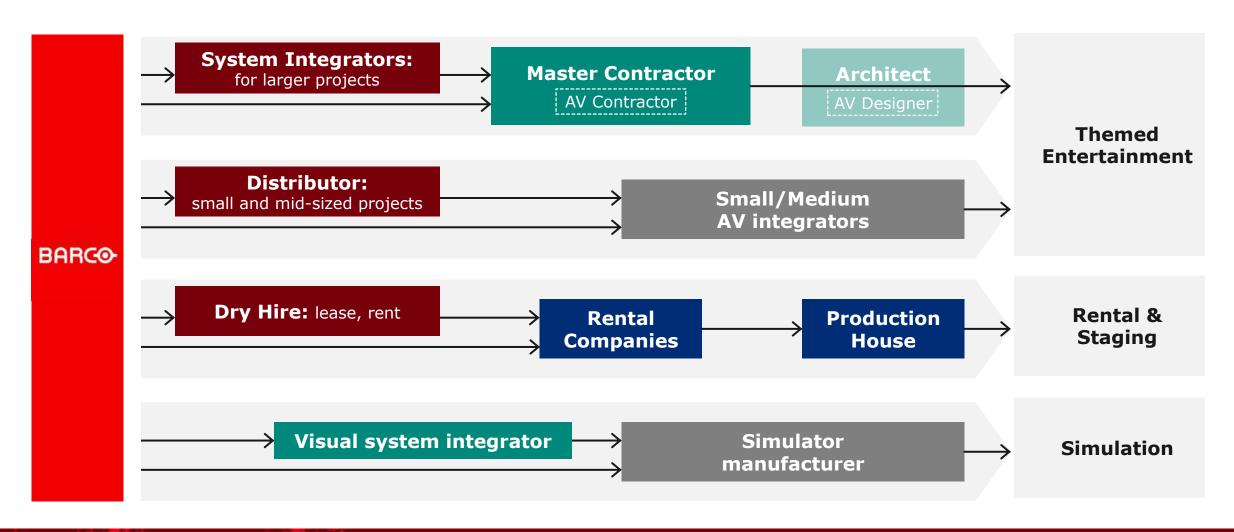
- Global presence and expertise
- Customer-centric and consistent
- Customized system design capability





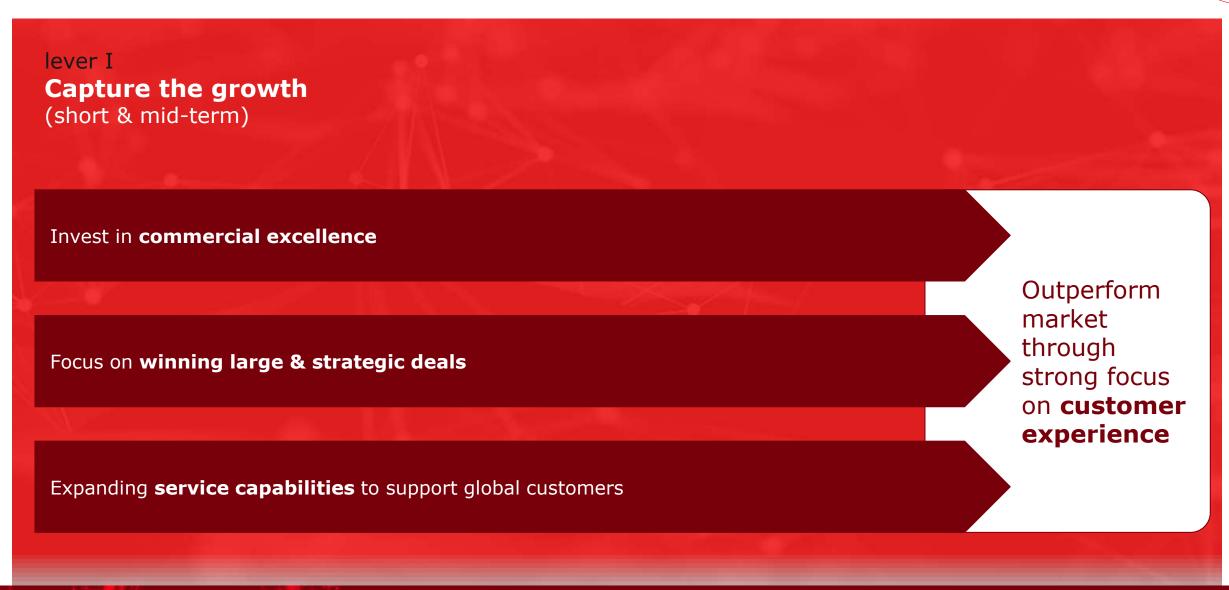
#### **CLEARLY DEFINED ROUTE TO MARKET PER SEGMENT**

## End customers





#### **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**





#### **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**



lever I

Capture the growth
(short & mid-term)

lever II

Innovate for impact
(mid- to long term)

#### **Accelerate innovation:**

- Next generation Image Processing and Projection platforms
- Offer more hardware/software/service solutions

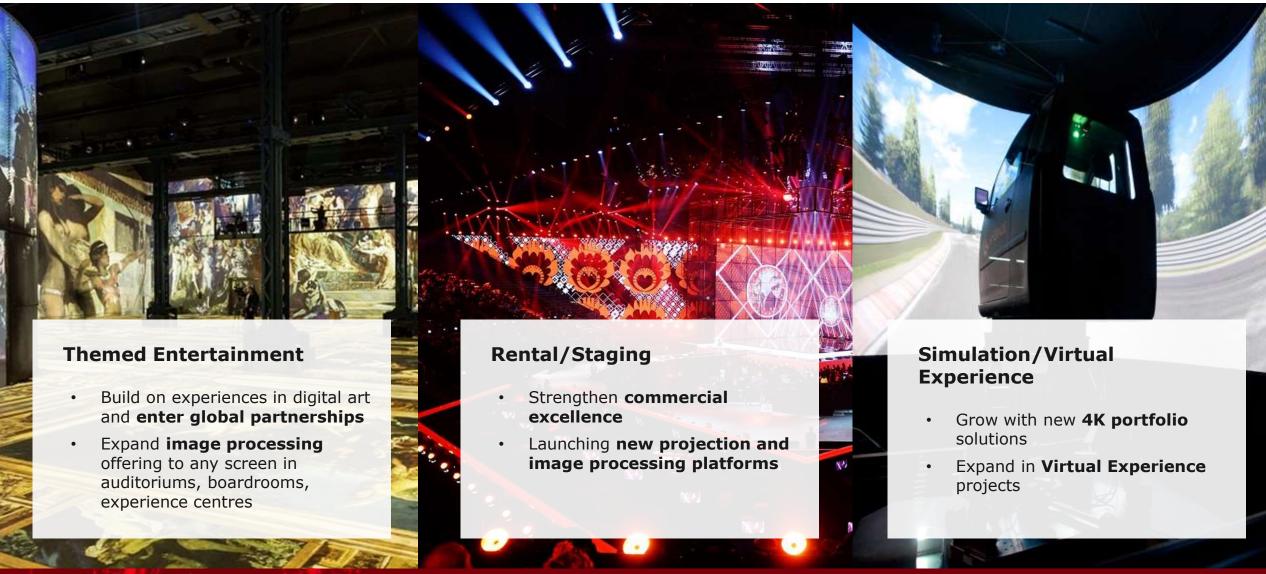
Invest and expand in **mid-segment** with cost-efficient projectors

Become
unrivalled
leader in highend Projection,
Image
Processing and
Simulation



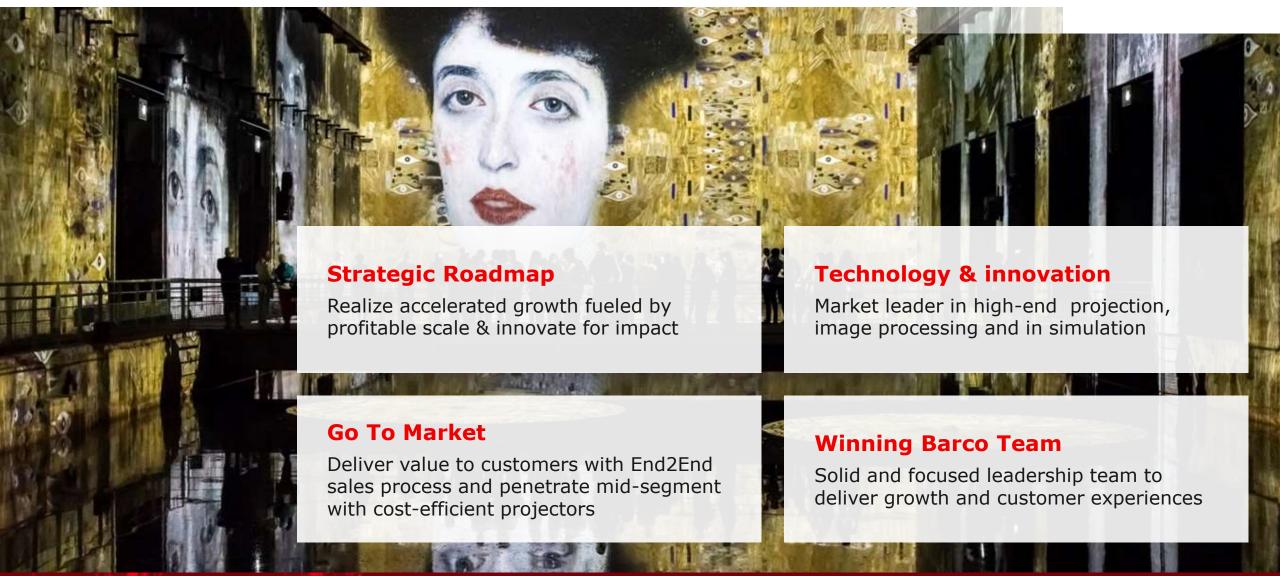
#### **STRATEGIC PRIORITIES**







#### CONCLUSION



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## **ENTERPRISE**

Stijn Henderickx Chris Sluys



#### **AGENDA**





## Intro division



- Retrospect 2019-2022
- Industry trends



## **Business Units**

#### **BU Meeting & Learning Experience**

- Highlights & Milestones
- Market opportunity & Industry trends
- Addressable market & Competitive landscape
- Value proposition
- Go-to-market
- Strategic roadmap

**BU Large Video Wall Experience** 



Conclusion



#### **QUICK FACTS**



29% Enterprise



**52%**Meeting Experience

48%

Large Video Wall Experience



52%
ECO score
% revenues from products
with Barco ECO label



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

#### **Strong fundamentals**

- Technology and market leader in agnostic wireless presentation and conferencing
- Expanding from hardware proposition into solution leadership in control rooms

Extending reach into market of **teaching and learning (weConnect)** 





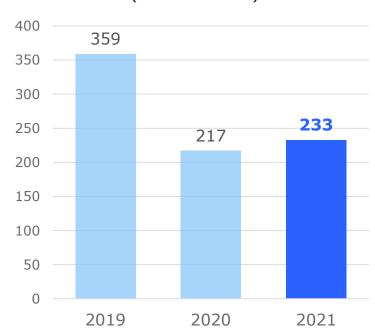
Based on 2021 sales breakdown



#### **RETROSPECT | 2019-2021**

#### **SALES**

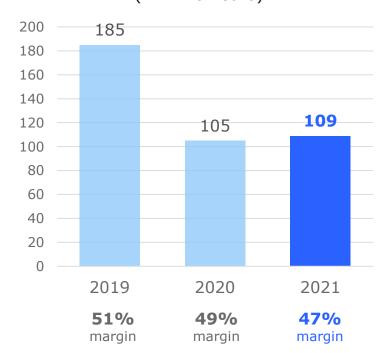
(in million euro)



40% drop in '20 with slow recovery pace in '21, driven by limited back-to-office; main impact for ClickShare down to  $\sim$ 50% of divisional sales (from 60%)

#### **GROSS PROFIT**

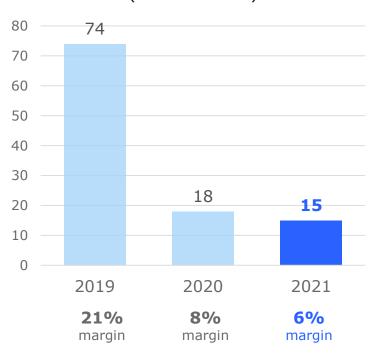
(in million euro)



Unfavorable product mix effects and higher component and logistics costs affecting gross profit margin

#### **EBITDA**

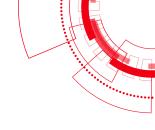
(in million euro)



Strong decline of EBITDA due to negative operational leverage in combination with higher indirect expenses reflecting selective investments in R&D and sales & marketing



#### **2 BUSINESS UNITS**







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## MEETING AND LEARNING EXPERIENCE | HIGHLIGHTS





**1 million** meeting rooms equipped Meeting and class rooms: huge potential still to be unlocked



> **50** patents, **9** last **18** months (US, CAN, EU, China)

Defensible IP



**60% of ClickShare volume for Conference** 

Successful introduction of new product category



2 categories - 5 models

Offering a solution for every meeting room



**55+ awards, 20 since 2020** Award-winning product design

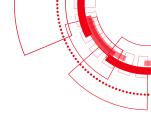


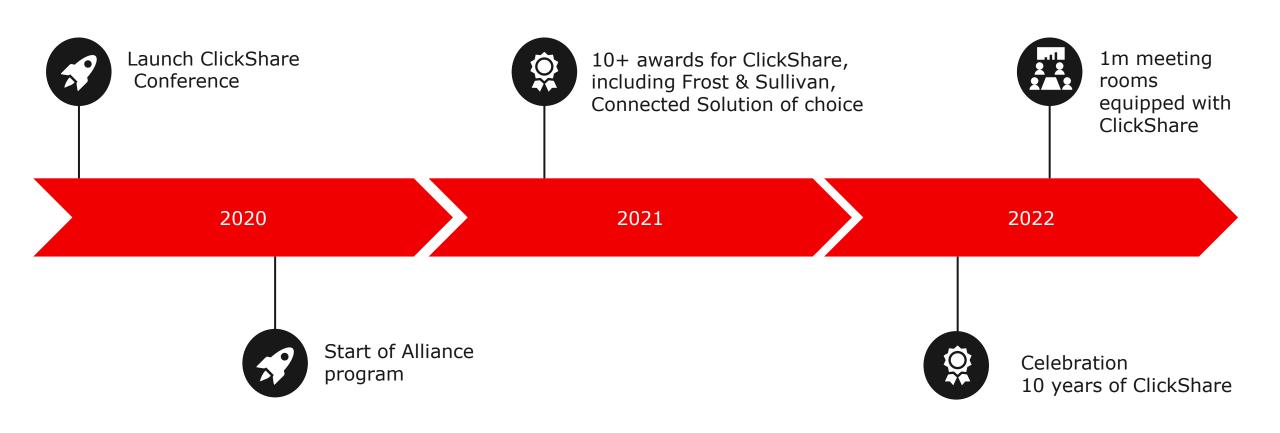
**50%+ growth rate** of **weConnect**Leading virtual & hybrid classroom

solution at top-end business schools



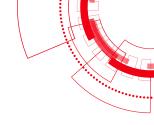
## **RETROSPECT | HIGHLIGHTS & MILESTONES 2020-2022**

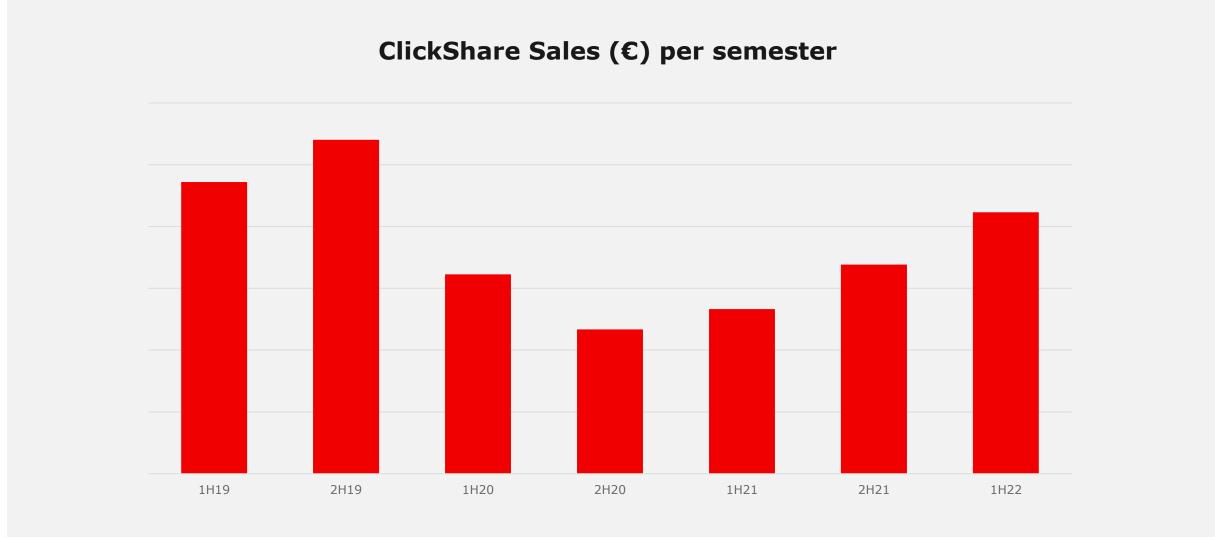














## **INDUSTRY TRENDS**



Increased adoption of **hybrid working** 



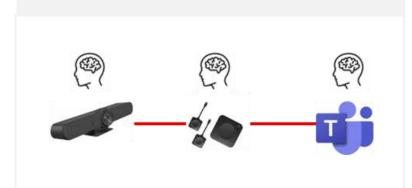
The quest for **meeting equity** 



New **workflows** supporting hybrid working



**Intelligence** in every step of the chain



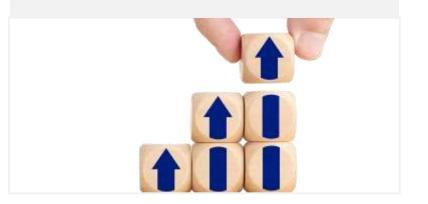
Changed **eco-system** with strong competition & consolidation



zoom logitech

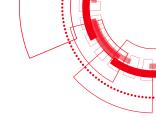


High overall market growth





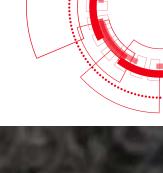
## **BU MEETING EXPERIENCE | STRATEGIC ROADMAP**







#### **ADDRESSED MARKET & MARKET SHARE**



Addressed market

€ 300 M

Wireless conferencing

Wireless presentation

Market Share
Barco 2021

40%

**TAM** 2022

++

++

++

TAM CAGR evolution 2022-2025

++

++

~

Market Share

evolution 2022-2025

~

Expected organic TAM evolution, excluding growth initiatives, potentially impacting the TAM +/- single digit % evolution; ++: double digit % evolution



## THE MEETING ROOM TECH MARKET



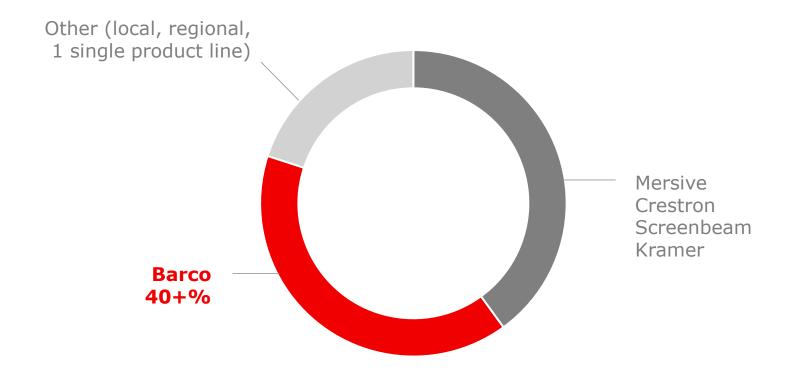
|            | Proprietary systems                          | Agnostic systems          |                                  |
|------------|--|---------------------------|----------------------------------|
|            | Room systems                                 | Wireless                  | Wired                            |
| present    |  | Current ClickShare Market |                                  |
|            |  | WPS systems               |                                  |
| conference | Traditional VC Systems<br>(e.g. Cisco)       | WCF systems               | AV peripherals                   |
|            | Teams/Zoom Room systems                      |                           | Collaboration bars<br>(USB mode) |
|            | All in One bars<br>(with Teams/Zoom App)     |                           | Collaboration displays           |
|            | All-in-one displays<br>(with Teams/Zoom App) |                           |                                  |







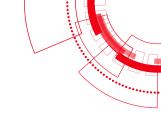
#### **Market share or ranking**



\*TAM defined as "agnostic conferencing solutions"



#### **VALUE PROPOSITION | USP & CUSTOMER VALUE**



#### ClickShare: Key offering for meeting rooms with clear USPs

- Superior user experience
  - Walk in and connect wireless
  - Agnostic: any platform, any device, any peripheral
  - Collaboration features via app
- Enterprise grade
  - Secure & reliable
  - Flexible network set-up
  - Future proof



#### ClickShare Wireless Presentation

- content sharing
- from the laptop to the room display

#### ClickShare Wireless Conferencing

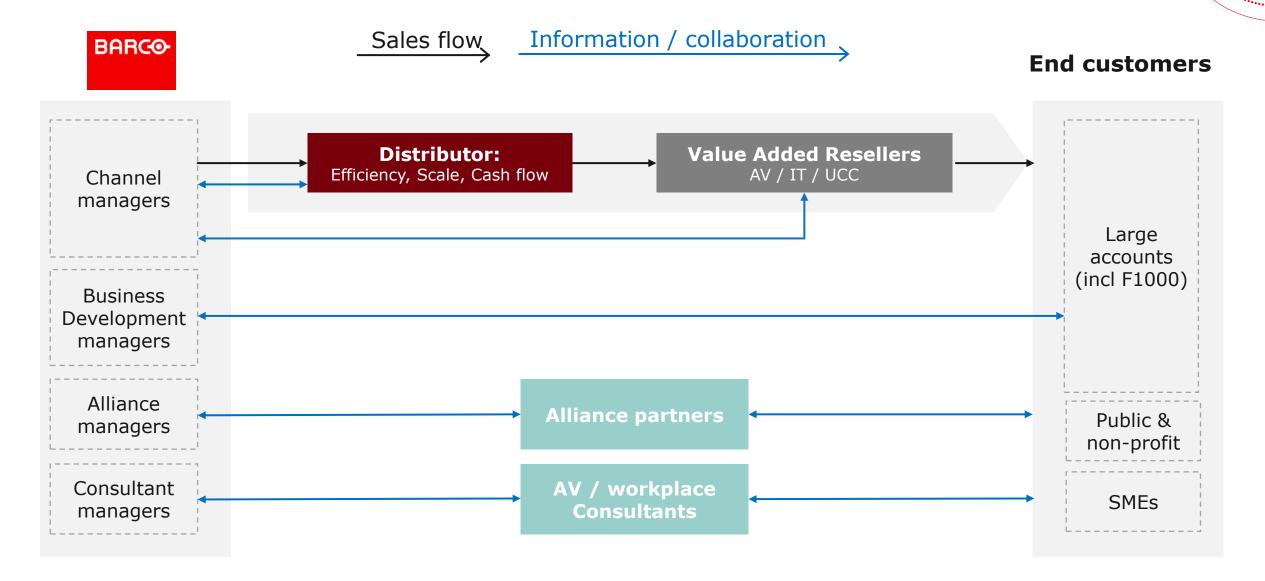
- management of videocalls
- from the laptop
- automatic connection with all available AV room equipment

#### Barco is a **key player in Corporate Workplace eco-system**

- Largest alliance program: 50+ peripheral vendors & 300+ peripheral systems
- Large install base, including tens of thousands of companies addressing the lion's share of Fortune 1000, as well as public sector including schools



## **GO TO MARKET | PUSH & PULL STRATEGY**







#### **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**



lever I

**Capture the growth** 

(short & mid-term)

**STRENGTHEN** go-to-market with step-up focus in Americas and APAC & targeting mid-sized and small companies and government entities

**SHARPEN** communication on ClickShare's value proposition to all key stakeholders

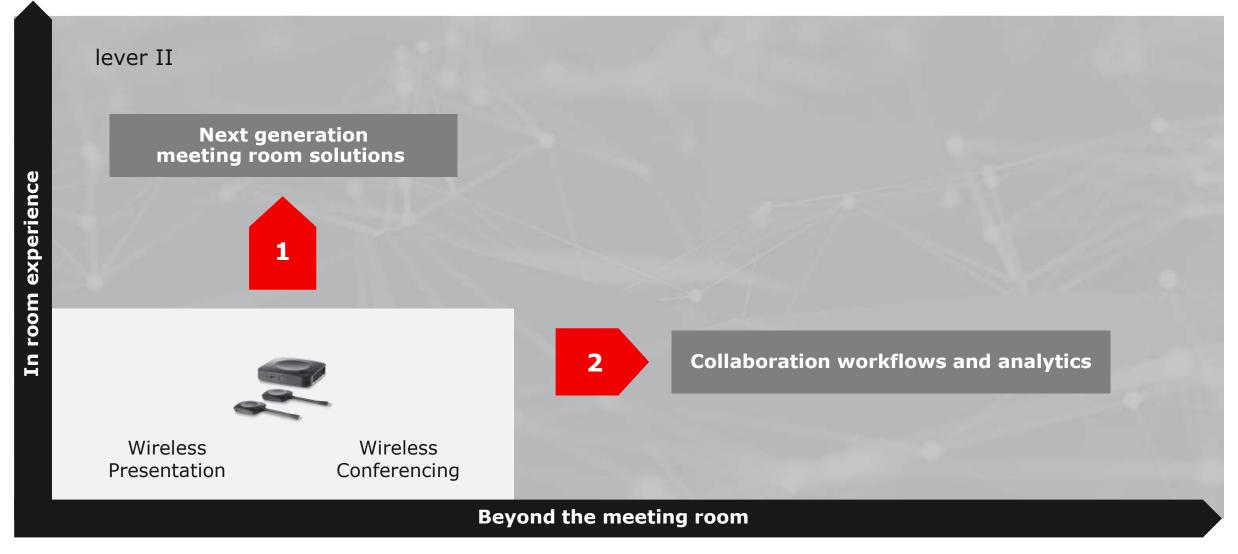
**ENRICH** proposition by continuous software feature releases focused on user experience

Maximize
sales growth
of ClickShare's
current form
factor and
strengthen
leadership
position











#### **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**



# lever I Capture the growth (short & mid-term)

# lever II Innovate for impact (mid- to long term)

#### **ELEVATE** conferencing experience

- Build next generation of innovative meeting room solutions
- Leverage eco-system and collaborate with leading technology companies

**EXPAND** beyond meeting room and **ENTER** collaboration workflows and analytics

- Leverage ClickShare as connected intelligent hub
- Enable new applications & workflow solutions: digital signage, facility & behavioral applications,...

The **user experience** is the
North Star in our
innovation activities

Leverage user experience focus to **move beyond** Wireless Conferencing and Presentation



#### CONCLUSION





Fast changing workplace context, high growth, short innovation cycles and market share play



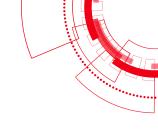
- Several key levers to accelerate growth in coming years
- Continued focus to keep ClickShare state of the art

Barco well positioned to **expand beyond** wireless presentation and conferencing:

- Explore innovative meeting room solutions with eco-system partners
- Move beyond meeting room by entering collaboration workflows and analytics
- Extending market reach for weConnect



#### **2 BUSINESS UNITS**









#### LARGE VIDEO WALL EXPERIENCE | HIGHLIGHTS





Fully **integrated solution play** enabling control room operators to

"view better - share faster - resolve quicker"
Extensive service offerings



**Triple play video wall technology** position with rear projection cubes, LCD and LED matching the needs for control room, workplace & broadcast



Enabling the shift from asset sales to dynamic and interactive control room solution offering



**40+ strategic partnerships** with industry leaders: Honeywell, Emerson, Milestone, Genetec, ...



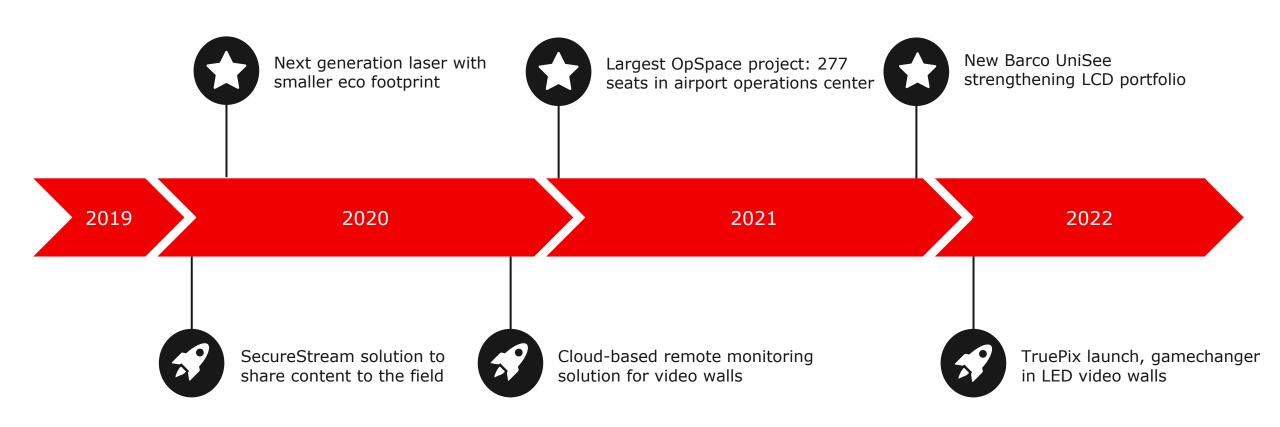
Evolve to standardized product solutions for clearly defined verticals

Reconnect with profitable growth



## **RETROSPECT | HIGHLIGHTS & MILESTONES 2019-2022**







#### **INDUSTRY TRENDS**



Increased risks and uncertainty to manage (cyber)security,

geopolitics, ...



Far more information to analyse and manage with higher expectations for operational efficiency

Need for visualization for better **insights** 



More focus on "greener" solutions



Ever increasing need for **collaborative** decision-making





#### **ADDRESSED MARKET & MARKET SHARE**





#### SHIFTING TECHNOLOGY LANDSCAPE

#### **BEYOND VIDEOWALL TECHNOLOGIES TOWARDS INTEGRATED SOLUTIONS**





LCD



**LED** 



- Big display competitors move towards opportunistic 'ecosystem' solution play
- Traditional control room competitors offering partial solutions with controllers (& networked distribution)
- Lack of standardization allowing scattered landscape of dedicated controller/SW players and DIY SIs



#### **VALUE PROPOSITION | USP & CUSTOMER VALUE**





**Differentiated video wall** portfolio focused on smart engineering, image quality and reliability

Ability to offer the right technology choice (RPC, LCD, LED) matching different customer needs



Compelling controller and workflow proposition, bringing a **fully integrated solution** to allow operators to stay on top of what's critical to their enterprise



**Dedicated software** and a range of **professional services** to support mission critical environments (24/7)

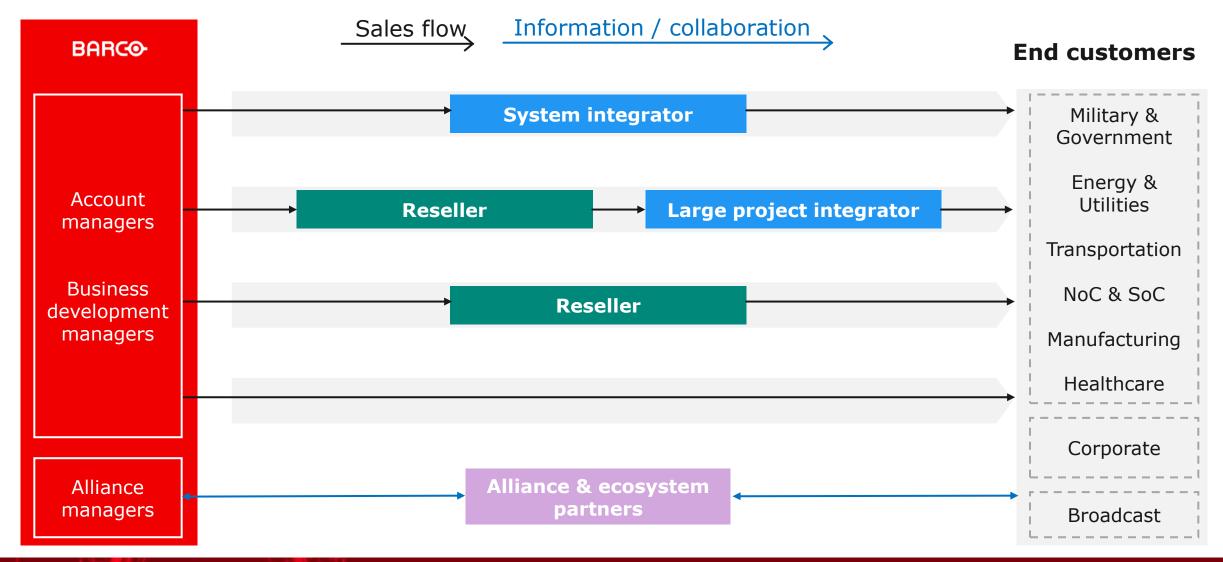


**Long standing reputation** in the control room market with large and global installed base (15k control rooms)



## ROUTE TO MARKET VARIABILITY WARRANTS A STRONG FOCUS ON OUR END-CUSTOMERS







## **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**



lever I

## **Capture the growth**

(short & mid-term)

**Capture share** from market consolidation

Strengthen sales teams to **increase coverage**, intensifying partner and LSI management

Drive security roadmap and country of origin-compliant solutions to **unlock government and defense** (focus on USA)

Leverage installed base for renewal opportunities

Aim for leadership position in Control Rooms



#### **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**



lever I

Capture the growth
(short & mid-term)

lever II

Innovate for impact
(mid- to long term)

Advanced integrated video wall & operator desk solution, enabling expansion to mid-end and share increase (Launch 2023)

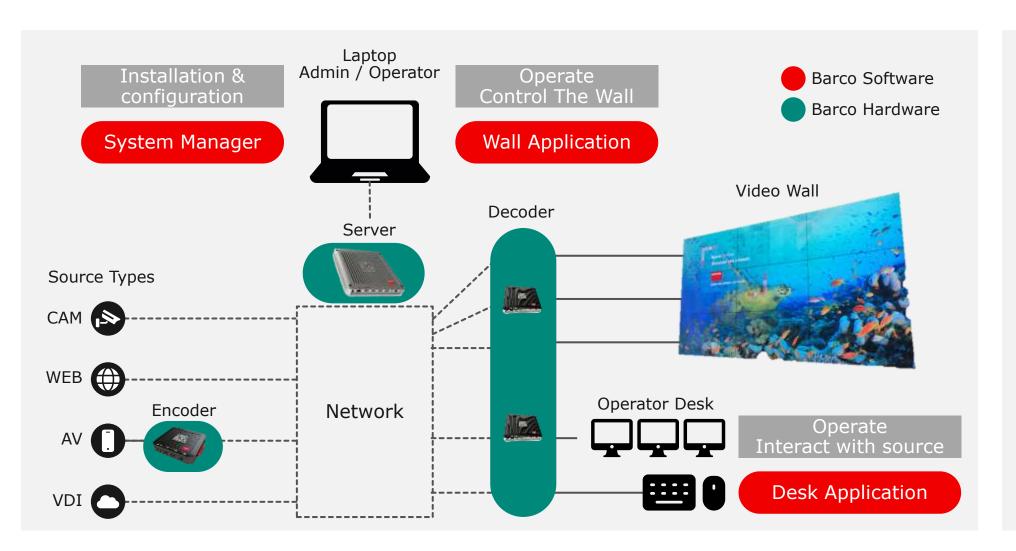
Deepen **reach in specific verticals** by widening application focus

Fix margin with 'deeper' solutions



## **BARCO XSPACE** | ONE PLATFORM TO SERVE TWO USE CASES

#### **WALL & DESK**



#### Comprehensive

Covering wall and desk

#### **Flexible**

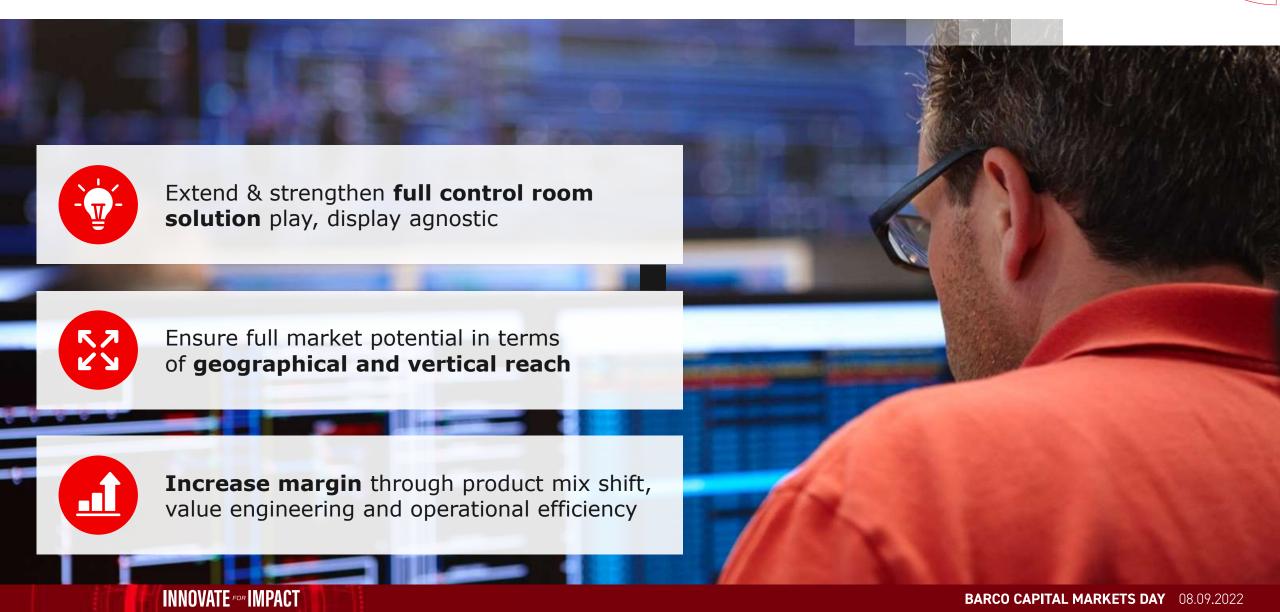
Interchangeable components and software licenses

#### **Scalable**

Grow as you go



#### **CONCLUSION**







## **HEALTHCARE**

Johan Fornier Geert Carrein



#### **AGENDA**





## Intro division



- Retrospect 2019-2022
- Industry trends



## **Business Units**

#### **BU Diagnostics**

- Market opportunity
- TAM; subsegments;
- Market share & competitive landscape
- Value proposition & unique selling proposition
- Go-to-market & business model
- Strategic roadmap

**BU Surgical** 



Conclusion



#### **QUICK FACTS**



33% Healthcare



50%
Diagnostic Imaging

**50%** 

**Surgical & Modality** 

20%
ECO score
% revenues from products
with Barco ECO label



+25 years of experience, recognized market and technology leader

**Trusted brand**, providing solutions and services that healthcare professionals can rely on with **top notch product quality**, world class healthcare solutions for high-value hospital departments, including radiology and surgery

Focused on **clinical outcomes** (not product features and specs)

Large installed base: **800k+ installations** 



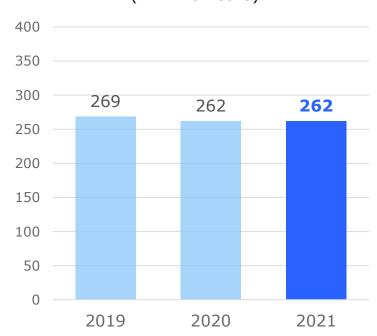




## **RETROSPECT** | 2019-2021

#### **SALES**

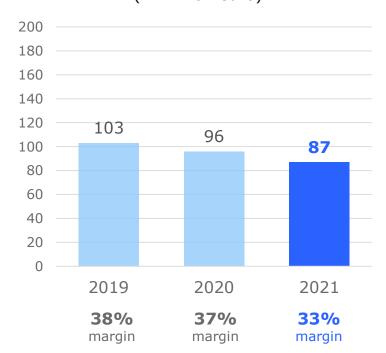
(in million euro)



Resilient topline performance through covid in a context where hospitals re-oriented or postponed investments

#### **GROSS PROFIT**

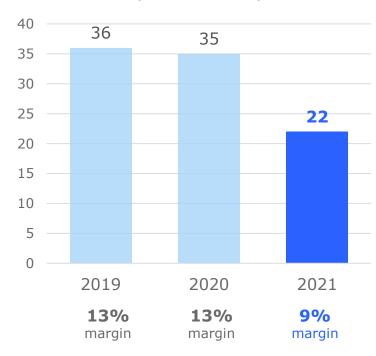
(in million euro)



Gross profit margin down mainly on higher component & logistics costs while effect of price increases towards end-customers is lagging

#### **EBITDA**

(in million euro)



EBITDA down mainly driven by lower gross profit margin in combination with continued investments in R&D and sales



#### **HEALTHCARE | HIGHLIGHTS**



#### **Diagnostics**





- 25+ years in medical business
- Trusted brand and high customer loyalty



- **#1 supplier** of diagnostic displays
  - Mammography
  - Diagnostic
  - Clinical review



Leading digital operating room solution



**Embedded** in many healthcare solutions



**Broad partnership base** with international
PACS vendors & IT
resellers and distributors



7k Nexxis operating rooms



- Strong regional presence in Europe, US and Japan
- Large installed base

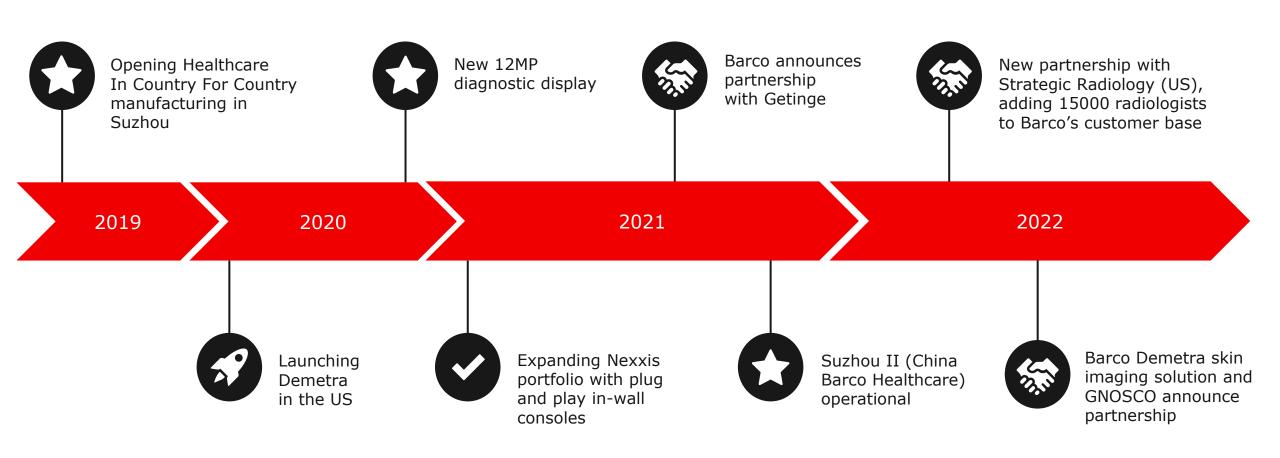


**Teaming up** with majority of endoscopy vendors



#### **RETROSPECT | HIGHLIGHTS & MILESTONES 2019-2022**

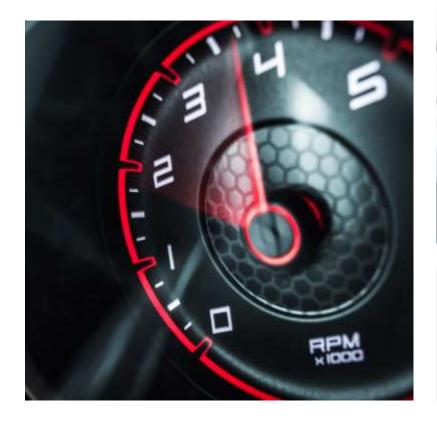


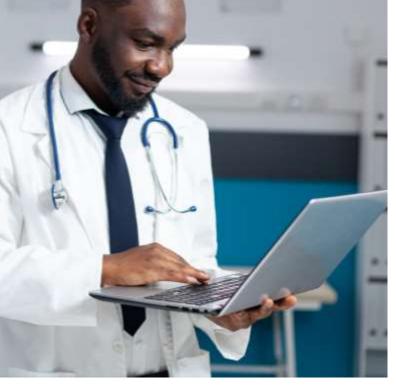




## **INDUSTRY TRENDS**

Increased need for **efficiency**, **smarter**, **safer**, **faster**...





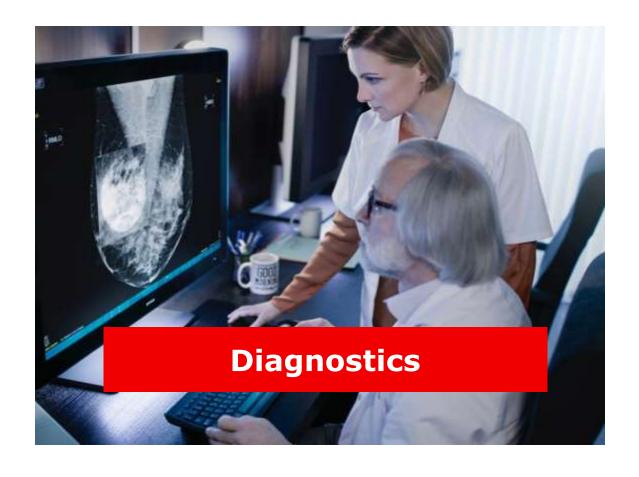
**Digitization** of workflows, with more integration

**High resolution** images, 4K





## 2 BUSINESS UNITS | BUT DIFFERENT MARKET DYNAMICS...







#### **MARKET TRENDS**



Healthcare investments moving back to **pre-covid levels** 

System vendors leaving the hardware business, opening up opportunities to rechannel

**Home reading market** for mammo emerging, additional opportunity to differentiate with QAWeb Enterprise

**Public tenders in China** for local manufactured & cost competitive products

**Growth opportunity in Asia** 

QAWeb On Prem is now an enabler to gain market share

New adjacencies emerging:

digital pathology (FDA cleared), dental



#### **ADDRESSED MARKET & MARKET SHARE**



Addressed Market 2021

€ 330 m

Market Share Barco 2021\*

4

Mammography 55%

Radiology 40%

Clinical 20%

Pathology new market

TAM CAGR evolution 2022-2025

40%

Mammography +

Radiology +

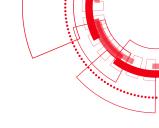
Clinical +

Pathology +

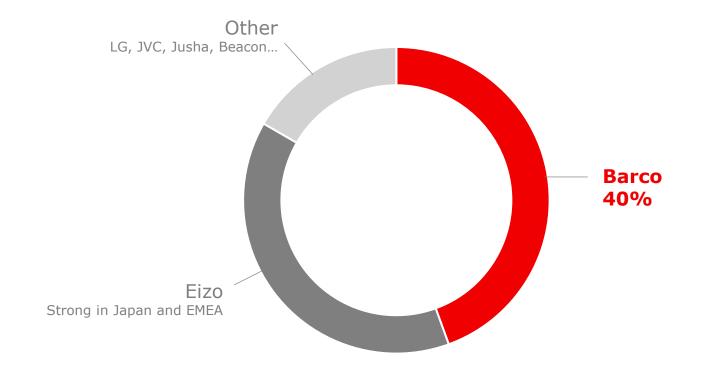
Expected organic TAM evolution, excluding growth initiatives, potentially impacting the TAM +/- single digit % evolution ; ++: double digit % evolution







## **Diagnostic Displays Market share 2021**





#### **VALUE PROPOSITION | USP & CUSTOMER VALUE**





#1 position in Diagnostic Imaging



Best-in-class compliance solution in the market, strong position in large hospital chains – Unique QAWeb capabilities



**30 years track record** with large installed base; strong leader in EMEA and US









Shift to Value added resellers, leading to value chain margin opportunity

**Go To Market partners – share of DI revenue** 



**BARCO** 

Value added resellers ----

#### **End user segments**

- Hospital Radiology & Other
- Independent Imaging Centers
- Teleradiology



## STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS

lever I

Capture the growth
(short & mid-term)

**Unlock the China opportunity** with Suzhou factory and R&D

Take advantage of **regulatory position** in pathology

Grasping emerging opportunity for mammography home reading

Drive growth with **QAWeb** 

Grab growth opportunities in new adjacencies and regions



#### **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**



lever I

Capture the growth
(short & mid-term)

lever II
Innovate for impact
(mid- to long term)

Strengthen product portfolio with **new flagship developments**Addressing new trends - **Cloud based imaging**, **AI algorithms**, **3D display technology**New propositions for **value chain beyond display hardware** 

**Business model innovation Display as a Service** (DaaS) model for selected markets

Build undisputable technology leadership



#### **CONCLUSION**

#### **Strategy**

- Innovation to strengthen indisputable technology leadership
- Capture growth potential in APAC
- Leverage value-added resellers to grow market share

#### **Technology & innovation**

Enhance the **value of the display** for the user

#### **Operations**

- Improve **design** for manufacturing
- Leverage **China** ecosystem to drive down costs





### 2 BUSINESS UNITS | BUT DIFFERENT MARKET DYNAMICS...







#### **LONG TERM INDUSTRY TRENDS**



#### From **open surgery**

#### To minimally invasive surgery

#### **Drives the need for displays**



High patient impact

big incision scars infection long recovery re-admission high cost



Minimum patient impact

small incisions
less scars
less infection
shorter recovery
less re-admission
lower cost

#### **Operating room integration**

#### **Drives the need for Nexxis**



Integrating, connecting all video, audio solutions into a single digital platform

Connecting to hospital information, patient data, ...



#### MARKET OPPORTUNITY & VALUE PROPOSITION



## Market opportunity

- 200k operating rooms in the world and counting
- IP-centric integration becomes the **standard**
- Increasing investment in **4K devices**, 8K on the horizon

#### Displays

- 4K is the standard
- Strong growth in surgical robotics and image guided therapy

#### **Nexxis**

- **Increasing complexity** of operating room integration
- IP-centric integration continues winning adoption
- Rising demand for digital recording of operating room procedures

## Barco value proposition

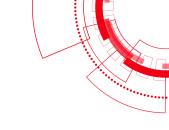
 Barco leads the transition to IP-centric integration, with more than 7k Nexxis installed

- Display is the central hub of the operating room
- Displays with Nexxis built-in
- Remote collaboration

- Best-in-class IP-centric integration solution
- Clinical and workflow application



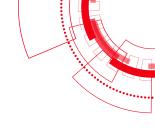
#### **ADDRESSED MARKET & MARKET SHARE**



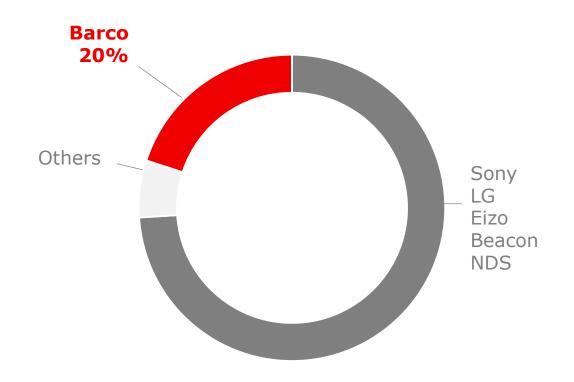








#### Market share 2021

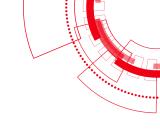


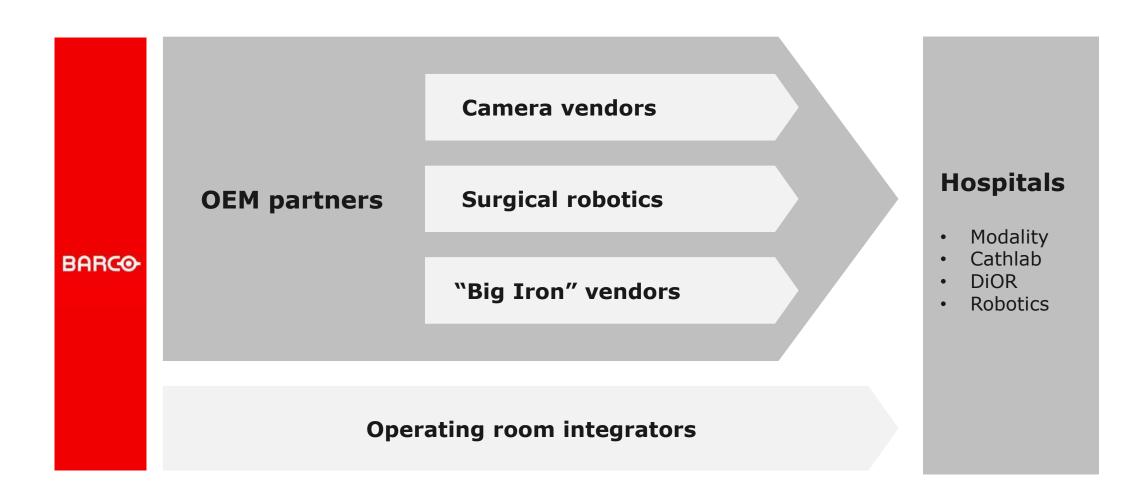
#### **Barco position**

- Nr. 2 in displays, nr. 1 in integrated operating rooms
- Differentiating on clinical value and integrated solutions



# **GO-TO-MARKET** | KEY GO-TO-MARKET VIA OEM, COMPLEMENTED WITH INTEGRATORS









lever I

Capture the growth
(short & mid-term)

Partnership approach: New strategic partners and growing share with OEMs

Business expansion in **China** 

**Drive service revenues** (maintenance contracts, SAAS)

Strong commercial focus

Increase market share for displays AND Nexxis



#### **STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS**



lever II

Innovate for impact
(mid- to long term)

#### **Nexxis**

- Nexxis premium AND mid-segment offering
- Focus on clinical and workflow value

#### **Display portfolio**

- Add value by integrating more functionalities
- New technology trends OLED, HDR, 3D, 8K

Increase differentiation and gross margin

Focused factories in Suzhou (scale) and Saronno (specialty) with localized supply and vertical integration capabilities



#### **CONCLUSION**



Focus **on market share expansion** with solid **partnership** approach

Adding **differentiation** power on portfolio expansion

**Strengthening margin profile** fueled by a more focused business unit approach, dedicated factories, localized supply chain, and more vertical integration





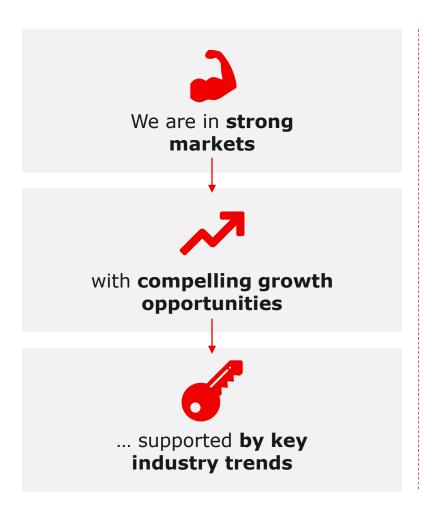
### **CLOSING NOTE**

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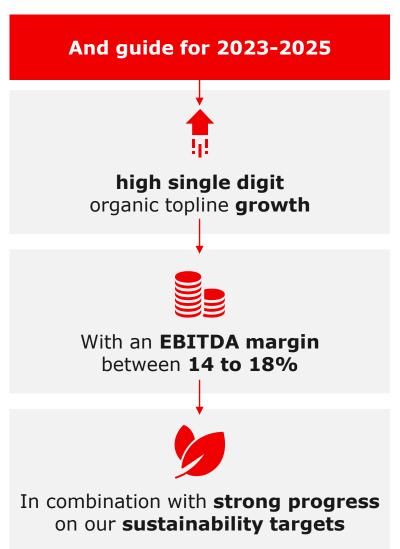


#### **TAKE-AWAYS**









## WE BRING BARCO TO A NEXT PERFORMANCE LEVEL

## Capture profitable/ efficient growth

- A leaner & more focused organization
- Market growth opportunities accross all our segments, with strong leadership positions
- Expand geographically, with a focus on China



#### **Innovate for impact**

- Drive more speed and impact from our innovation process
- And leverage this capability to set the standard accross markets

#### **AMBITIOUS FINANCIAL TARGETS**



Long-term high single digit sales growth



EBITDA in the range of 14-18%

