



**INNOVATE** 08.09  
**IMPACT** *FOR* 2022

**BARCO CAPITAL MARKETS DAY**

# PRELIMINARY NOTES

## Safe harbor statement

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**BARCO CAPITAL MARKETS DAY**

**KEY NOTE**

**An Steegen  
Charles Beauduin  
Ann Desender**

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## AGENDA



# 1 How we look @ Barco

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



# 2 Corporate strategy

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



# 3 Technology strategy

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



# 4 Financials

- Target 2025
- Capital allocation



# 5 Concluding

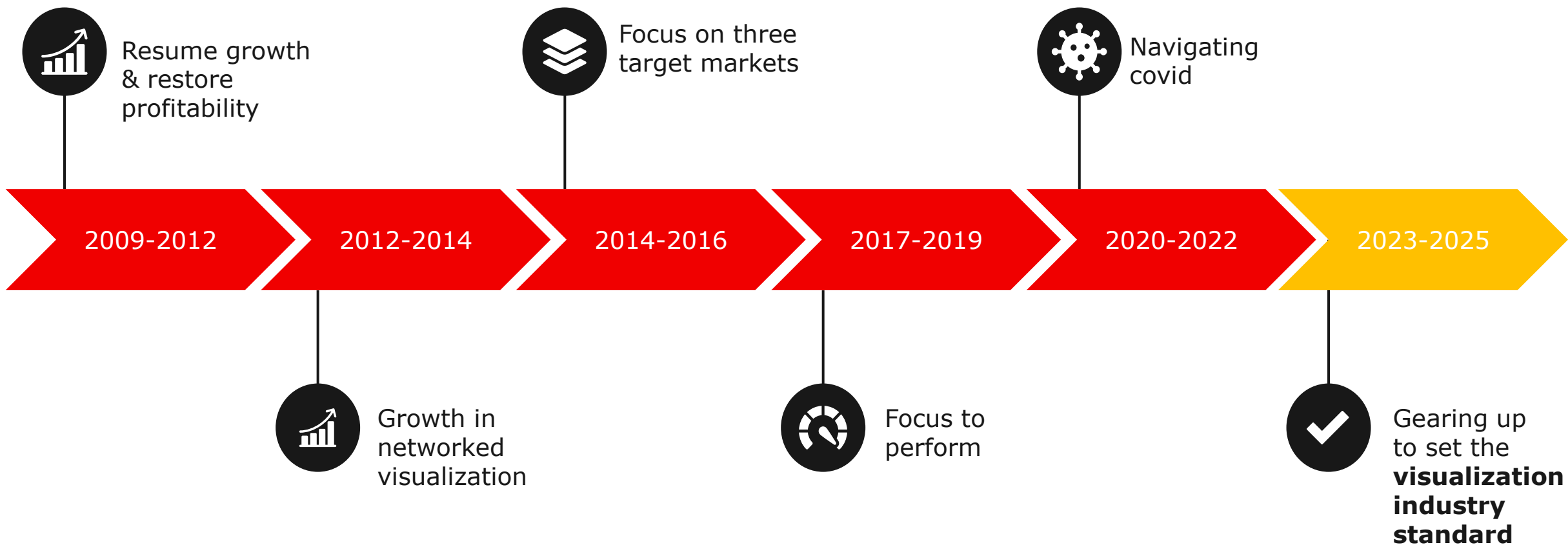
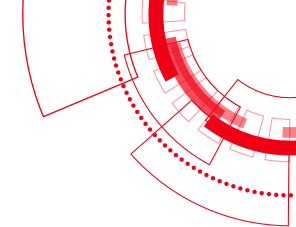




## INTRODUCTION

How do we look at Barco?

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



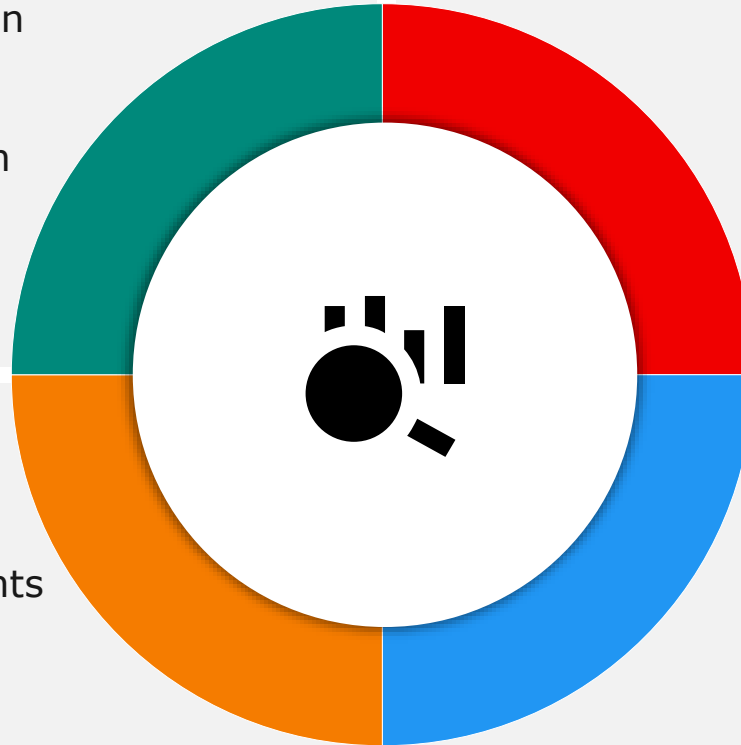


# HOW DO WE LOOK AT BARCO



## Strengths

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



## Weakness

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



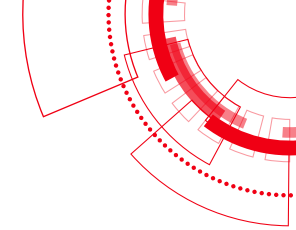
## Opportunities

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

## Threats

- Complacency
- Speed of development
- Technology disruptions



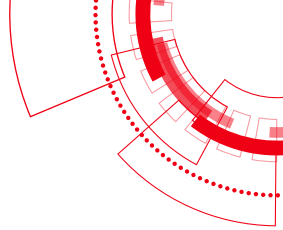


a **“One Barco”**  
company defined  
around our **“Image  
processing”** capability,

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

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





## We master the visual chain



### ACQUIRE/ CAPTURE

Dermicus  
Skin Imaging Camera



### OPTIMIZE/ MANIPULATE

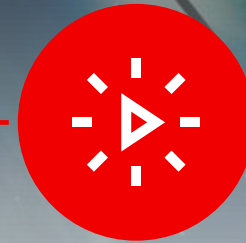
Light Steering



### DISTRIBUTE/ TRANSMIT

Nexxis coding & decoding

ClickShare

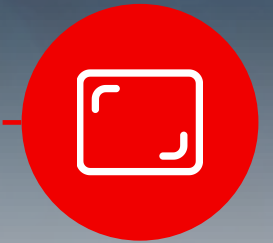


### PROCESS/ RENDER

Media servers

Switchers

Controllers



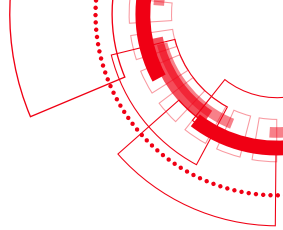
### VISUALIZE/ DISPLAY

Displays

Projectors

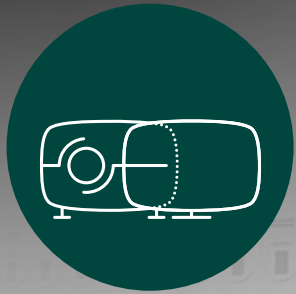
Videowalls

Key examples



... based on these competences

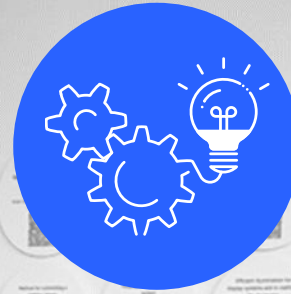
Patent Wall



**ADVANCED DISPLAY  
& PROJECTION**



**COMPUTATIONAL  
OPTICS**



**IMAGE PROCESSING  
& INSIGHTS**



**CONNECTIVITY, DATA  
ANALYTICS & AI**





## INTRODUCTION

5 themes that will **shape Barco's future**





Visual information  
anywhere anytime

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Premium

---

More pixels & higher resolution

---

Higher brightness

---

New experiences

**VISUALIZATION IS EVERYWHERE**





Bring Your Own Device

Increased mobility & usage of mobile devices


Security

Cloud & connectivity

Managing critical infrastructure and operations

# ALL THINGS HYBRID





Customer intimacy is a  
driver for growth

---

Focus on remote  
connectivity

---

Lifecycle opportunity

---

New business models

**CUSTOMER IS KING**





**BIG DATA, COMPUTING POWER  
& MICRO ELECTRONICS**

Need for insights,  
efficiency & speed

---

Automated medicine

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3D imaging

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Light Steering





Power efficiency

Impact beyond box-ticking

Climate change is for real

Sustainable employability,  
embracing diversity

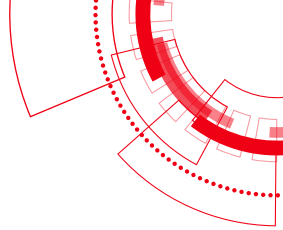
**THE NEED FOR REAL SUSTAINABLE OUTCOMES**



# CORPORATE STRATEGY



# STRATEGIC LEVERS



**level I**  
**Capture**  
**profitable/**  
**efficient growth**

**level II**  
**Innovate**  
**for impact**

# STRATEGIC LEVERS

## level I Capture profitable/ efficient growth

**Simplify** organizational structure, enabling **strong entrepreneurial dynamics**

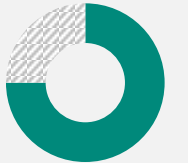
Increase organizational **efficiency**; a more agile and customer focused organization

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**





## STRATEGIC LEVERS

**level 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



# STRATEGIC LEVERS

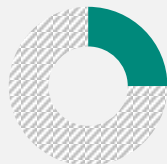
## level II Innovate for impact

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





# STRATEGIC LEVERS

## level 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

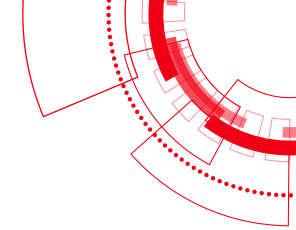


# OUR MARKETS TODAY

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



# OUR MARKETS TOMORROW



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

↗ ↗ Double digit growth

↗ Single digit growth

= Flat

**TRAINING**



**DEVELOPMENT**

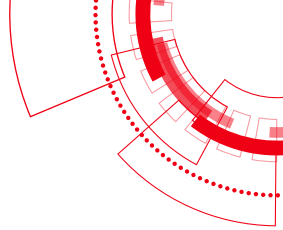


**SKILLS**



# **INNOVATION STRATEGY**



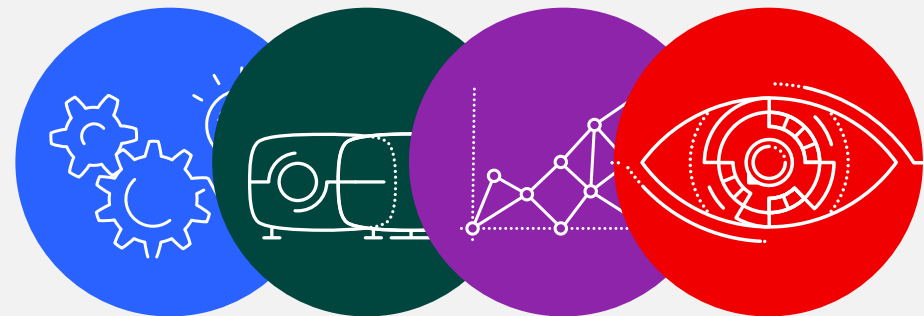


**A multiyear journey,**

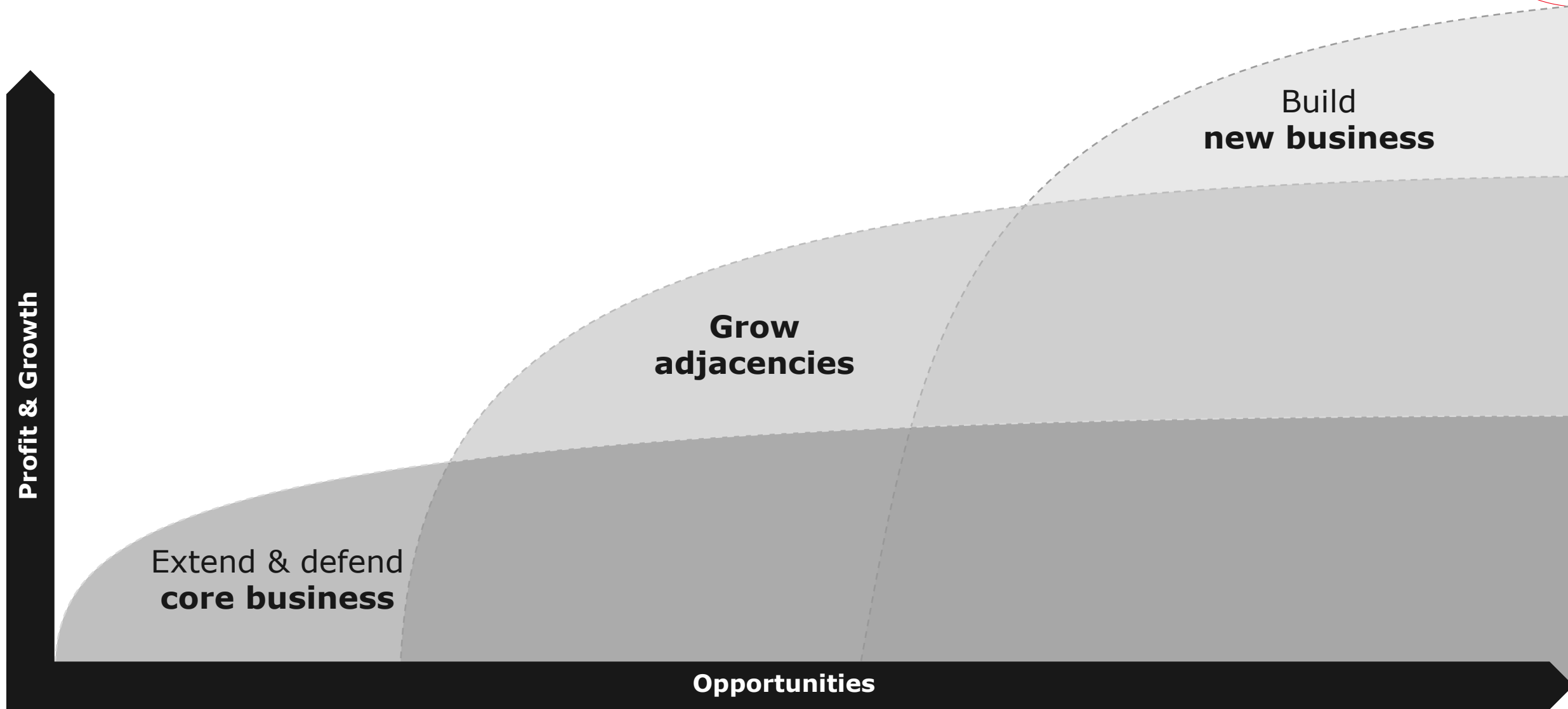
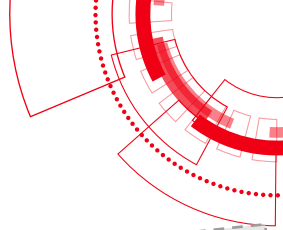
**balancing the focus** on the core business expanding into adjacencies and new domains



... while expanding our **4 competence domains**

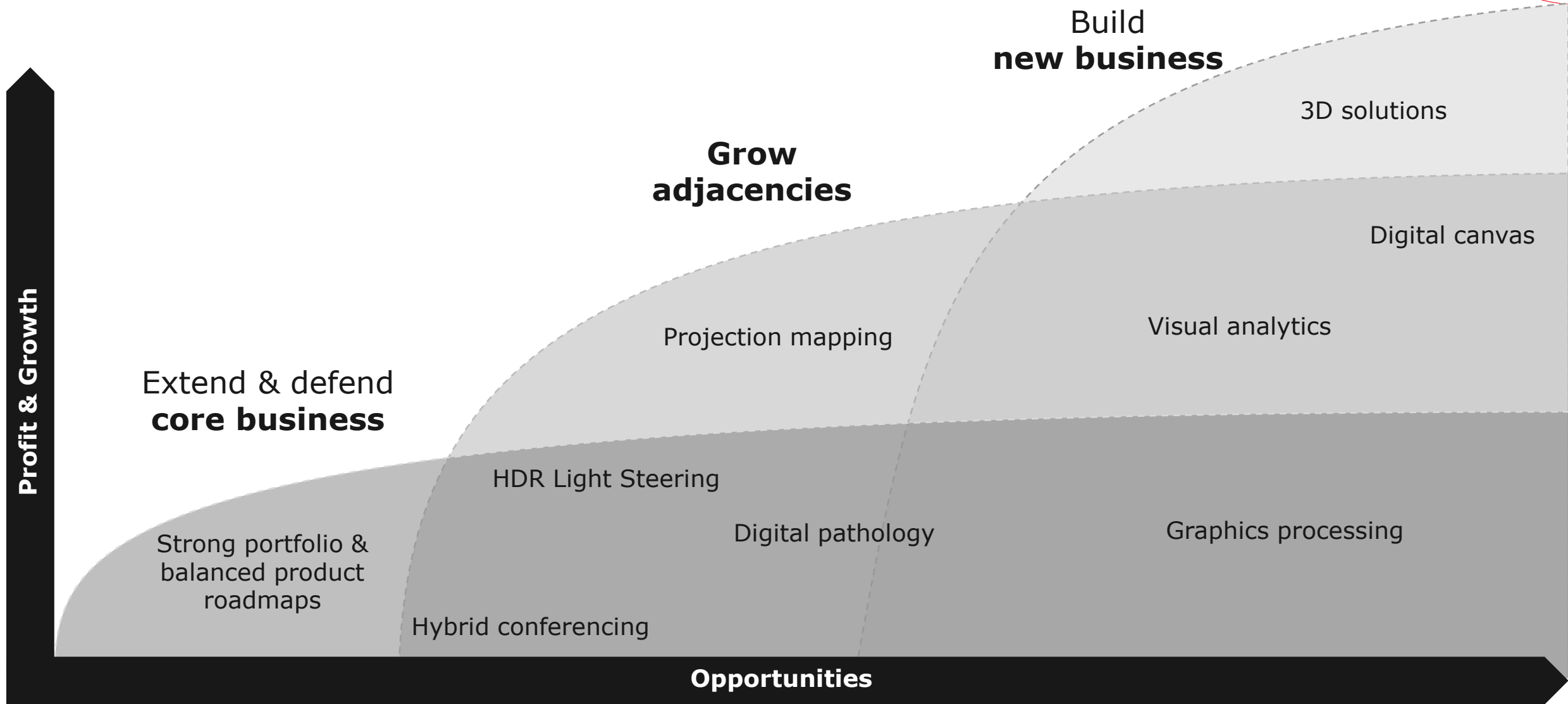


# BALANCED FOCUS ON THE CORE BUSINESS EXPANDING INTO ADJACENCIES AND NEW DOMAINS





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



# MANAGING THE INNOVATION FUNNEL



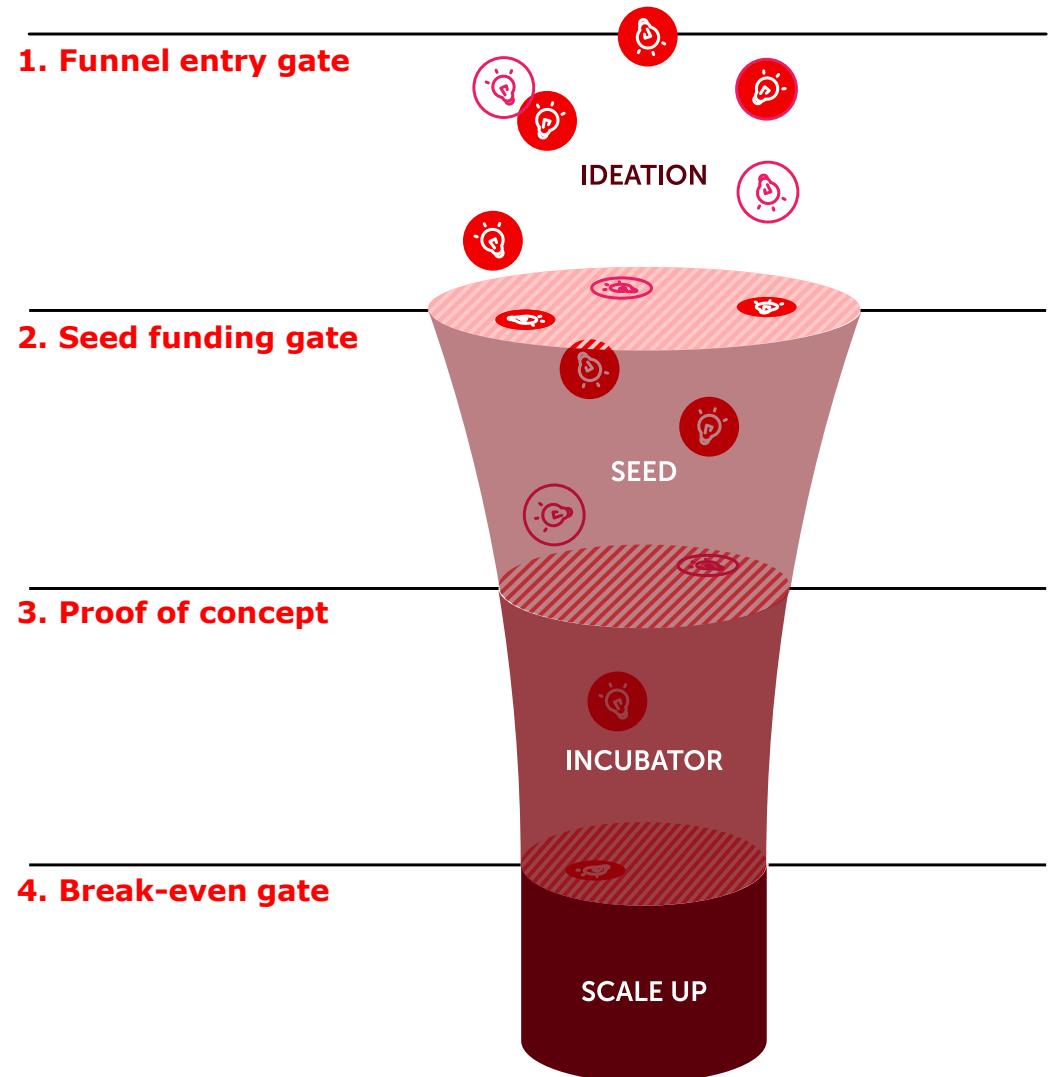
Balancing **start-up dynamics**  
with **fast-fail** principles



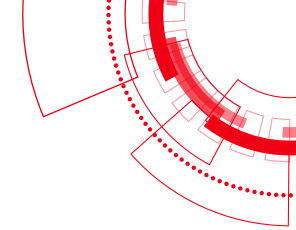
With focus on **early customer involvement**



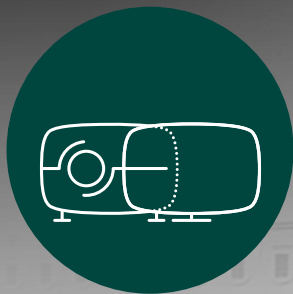
**Governance:**  
disciplined management  
with dedicated budget



# EXPANDING ON OUR COMPETENCES



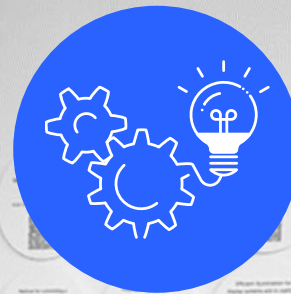
## Patent Wall



**ADVANCED DISPLAY  
& PROJECTION**



**COMPUTATIONAL  
OPTICS**



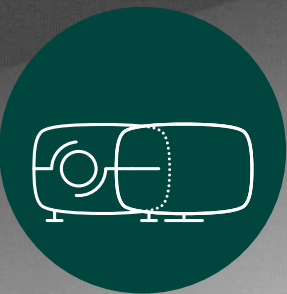
**IMAGE PROCESSING  
& INSIGHTS**



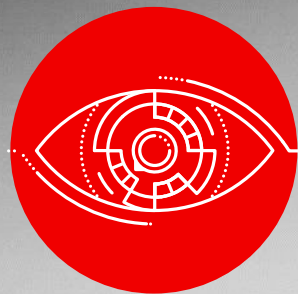
**CONNECTIVITY, DATA  
ANALYTICS & AI**



# COMPETENCE DEVELOPMENT

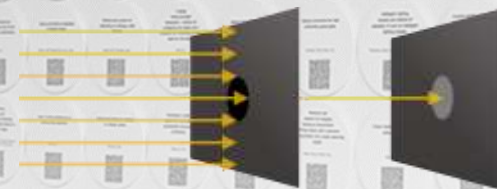


## ADVANCED DISPLAY & PROJECTION

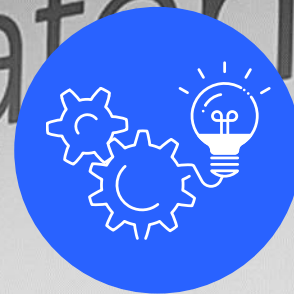


## COMPUTATIONAL OPTICS

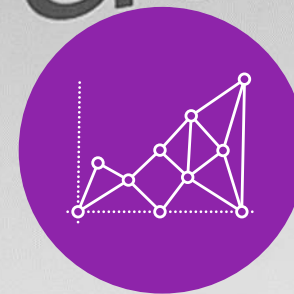
Conventional (dim, low contrast)



Light Steering (bright, HDR)



## IMAGE PROCESSING



## CONNECTIVITY, DATA ANALYTICS & AI





# FINANCIALS

# SHORT TERM | UPDATE ON 2022 OUTLOOK

**1****Further grow topline****2****and drive  
profit expansion****3****while improving  
working capital**

## ***Assuming***



*economic conditions do not further deteriorate*



*orders to sales conversion accelerates  
as supply chain improves*

## ***management expects***



*sales for the year 2022  
approximately 25% above 2021*



*EBITDA margin between 10 to 12%*



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



Grow the topline in line or better than the market



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



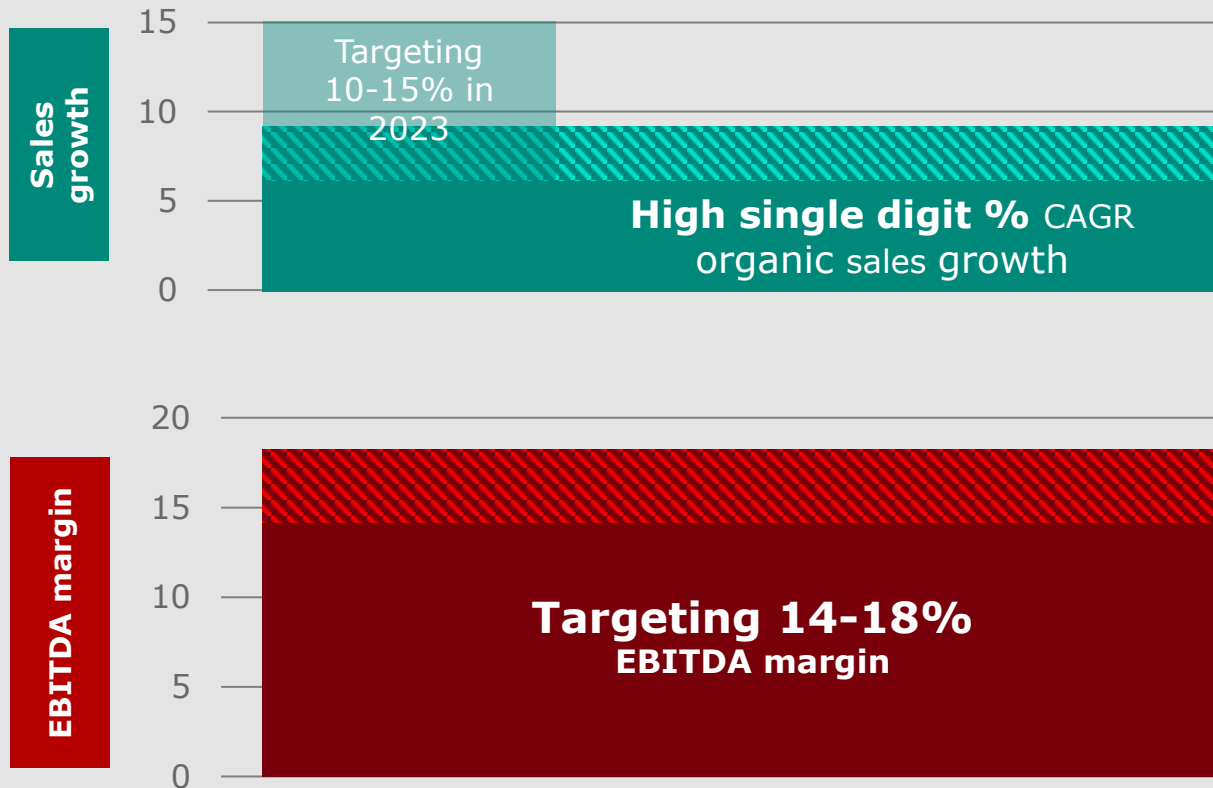
- **CAPEX** increase with footprint investments
- Drive **working capital performance** to pre-covid-levels with main focus on inventory management

## MAIN GUIDING PRINCIPLES

# MID & LONG TERM VALUE CREATION

## RESULTING IN

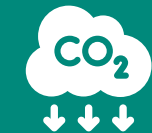
### Financial Ambitions 2023-2025



### Non-Financial 2025



**70+% ECO-labelled revenues**



**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

**Expected cash  
allocation**

2023 → 2025



**Growth**

Capex / SaaS  
Technology  
Strategic  
alliances/M&A



**Share-  
holder**

Consistent dividend  
growth policy



**Cash**

Flexibility on cash





## CONCLUDING

Focus on **next level performance**

# 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

## ACCELERATE ON 2 LEVERS

## 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%



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## **UPDATE DIVISIONS**

**Entertainment**  
**Enterprise**  
**Healthcare**

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# ENTERTAINMENT

**Gerwin Damberg**  
**Erdem Soyal**

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## AGENDA



# 1 Intro division

- Quick Facts
- Retrospect 2019-2022



# 2 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



# 3 Conclusion

# QUICK FACTS

**39%**  
Entertainment



**50%**  
Cinema



**50%**  
Immersive Experience

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



Based on 2021 sales breakdown

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

Strong fundamentals

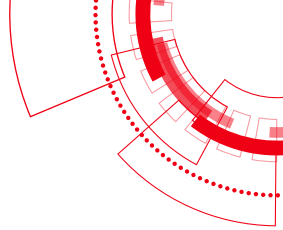
- In **Cinema**, Barco has a strong portfolio and is well positioned to continue to lead the cinema market across the expansion/upgrade trends and beyond
- In **Immersive Experience**, market is driven by **strong innovation** both on technology and content and Barco has significantly strengthened its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

Ready to launch **HDR Light Steering**



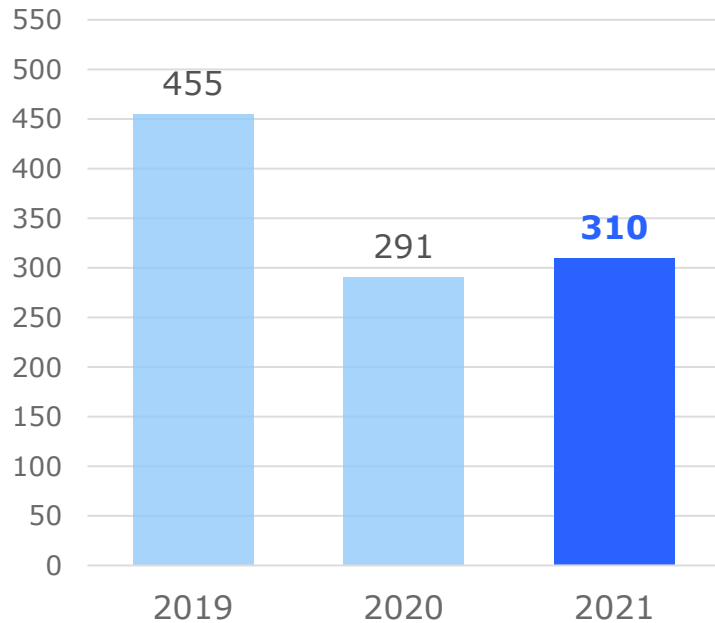


# RETROSPECT | 2019-2021



## SALES

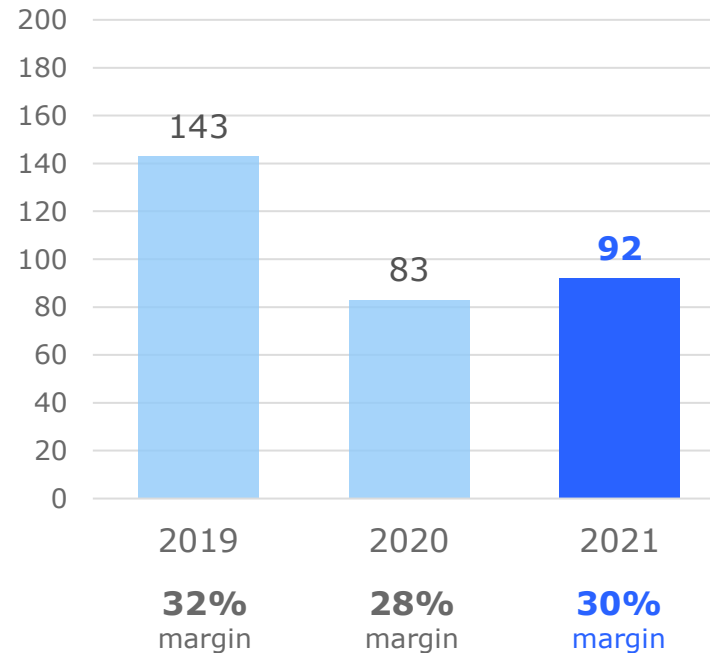
(in million euro)



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

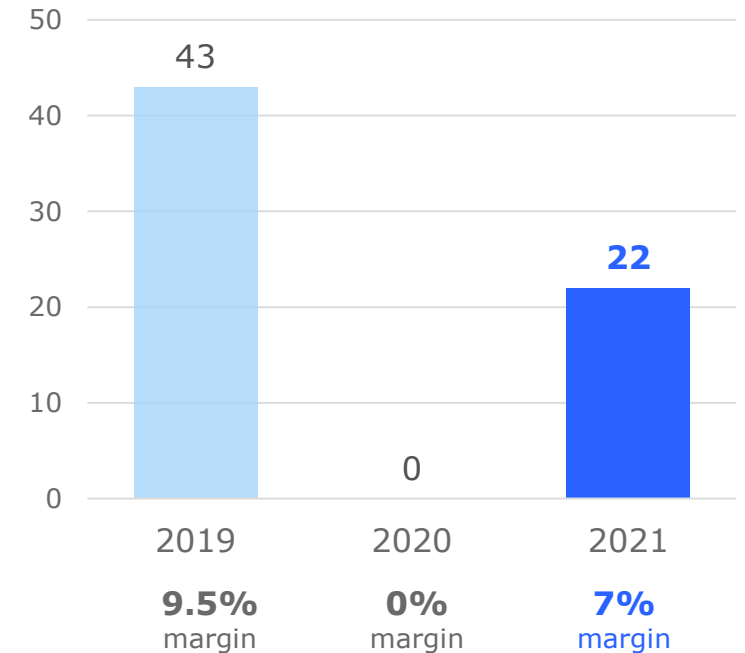
(in million euro)



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

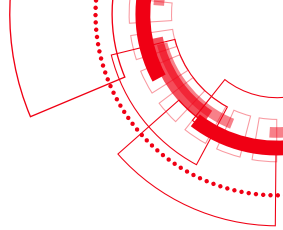
## EBITDA

(in million euro)

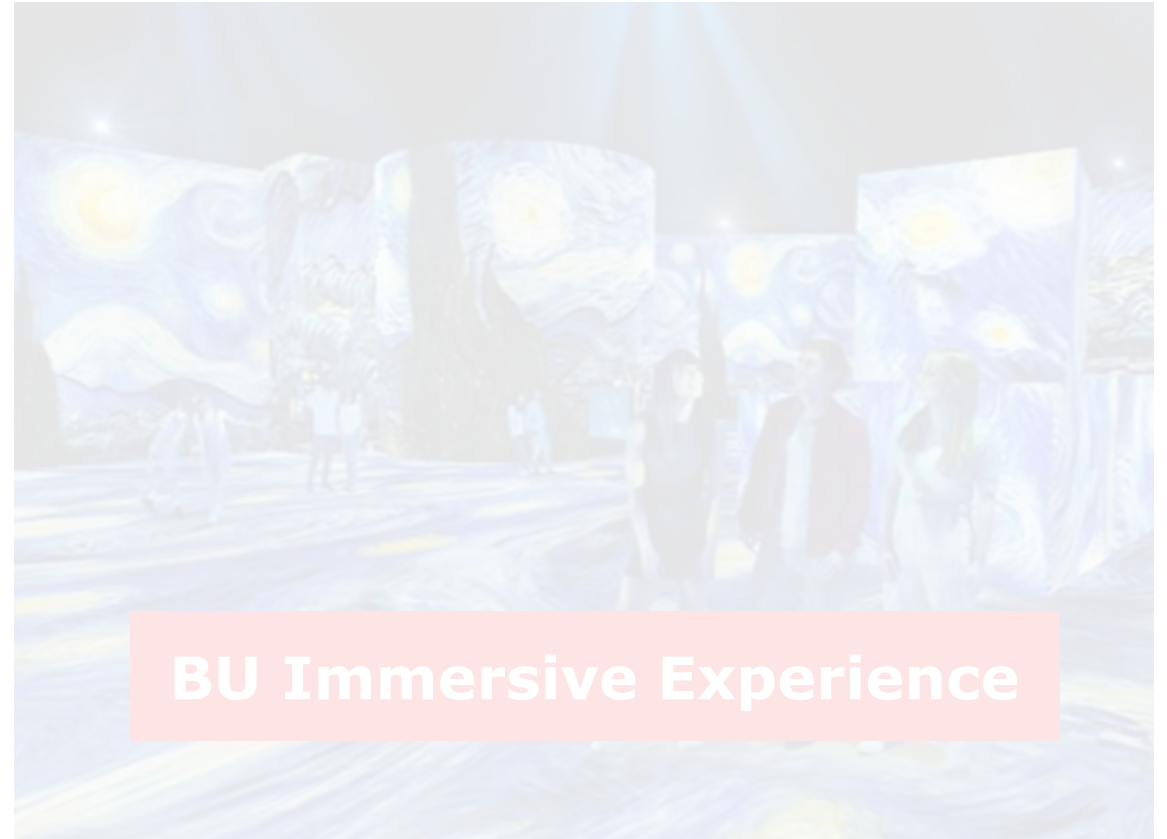


Breakeven result in '20 on decline in gross profit & negative operating leverage ; tight indirect expense control resulting in significant improvement in EBITDA in '21

## 2 BUSINESS UNITS



**BU Cinema**



**BU Immersive Experience**

# 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



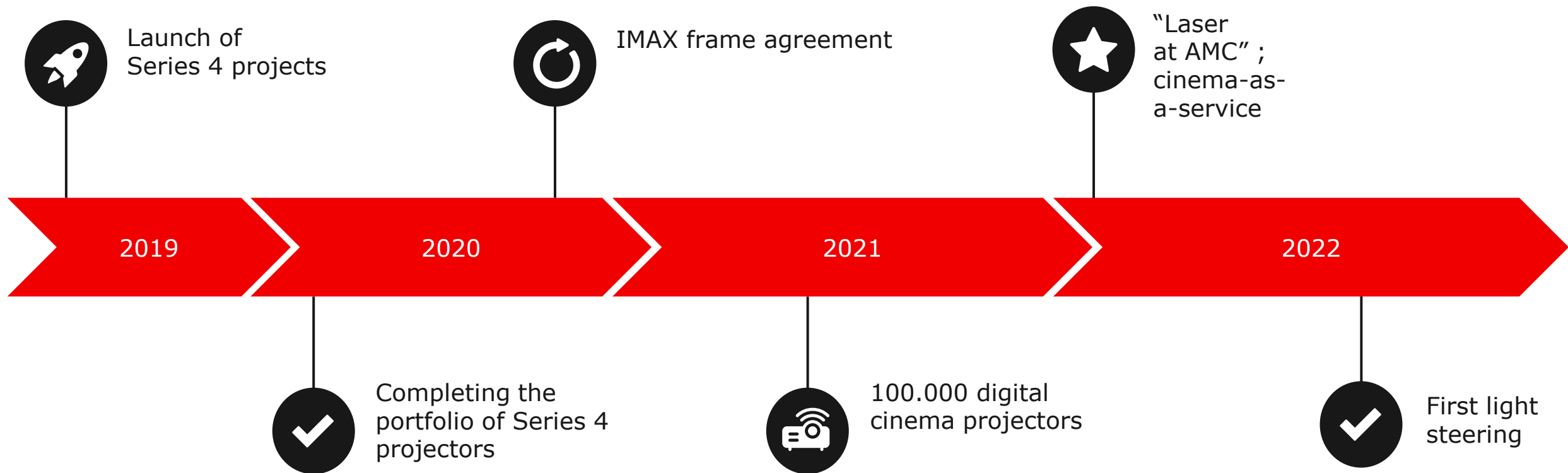
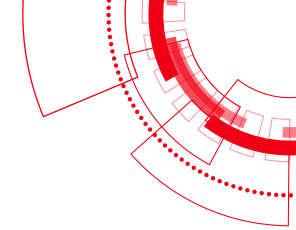
Strong market position in **all regions**, marketed through dedicated commercial organizations CFGBarco (China) and Cinionic (rest of world)



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



# RETROSPECT | HIGHLIGHTS & MILESTONES 2019-2022



# MARKET OPPORTUNITY

**200.000 cinemas** worldwide, approx. 80.000 in China and 120.000 in Rest of the World

Market in 2023-2025 driven by **renewal and premiumization** of theaters

Market grows in **emerging countries** ; **new technologies** needed in mature markets

Emerging **niche segments** : residential, private,...

# INDUSTRY TRENDS

**Cinema comes back**—  
box office in 2023 to  
further narrow gap vs  
2019 levels



**Further premiumization**  
of the cinema experience  
(HDR and more)

Studios support  
**theatrical release**  
window

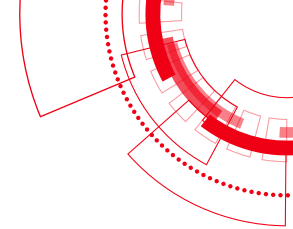


Continuous **pull for**  
**innovation** from creatives  
and exhibitors





## ADDRESSED MARKET &amp; MARKET SHARE



Addressed  
market **2021**

**€ 280 m+**

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

**55%**

TAM CAGR  
evolution  
**2022-2025**

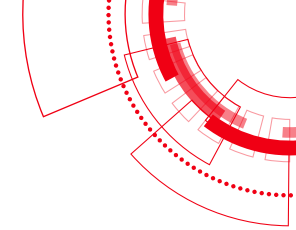
**+**

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

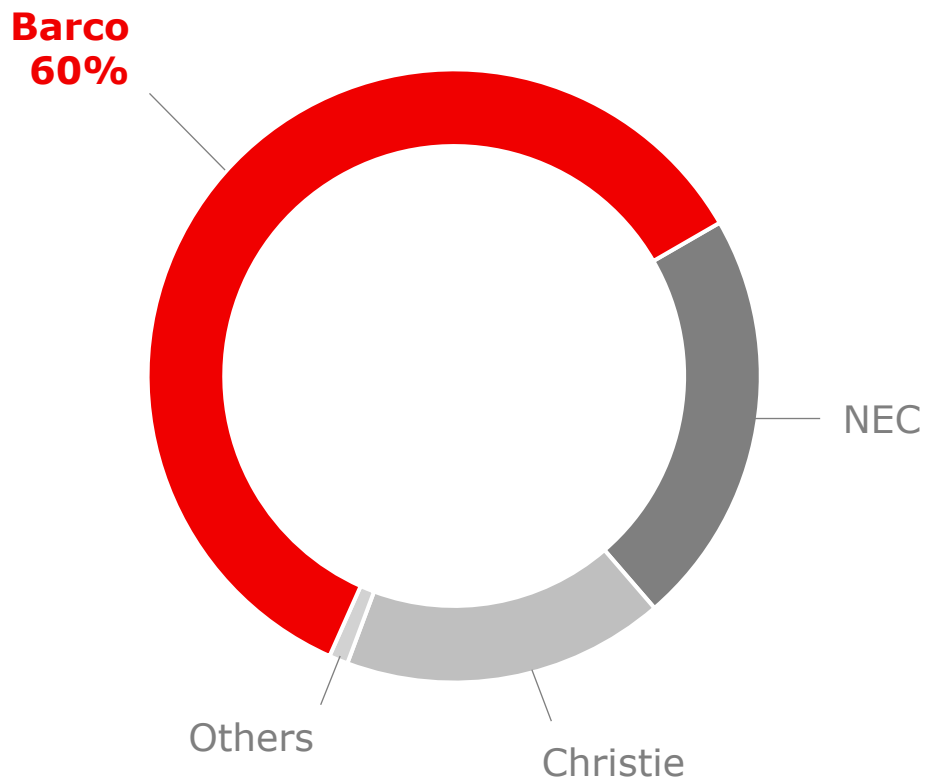
**+**

Expected organic TAM evolution  
+/- single digit % evolution ; ++: double digit % evolution

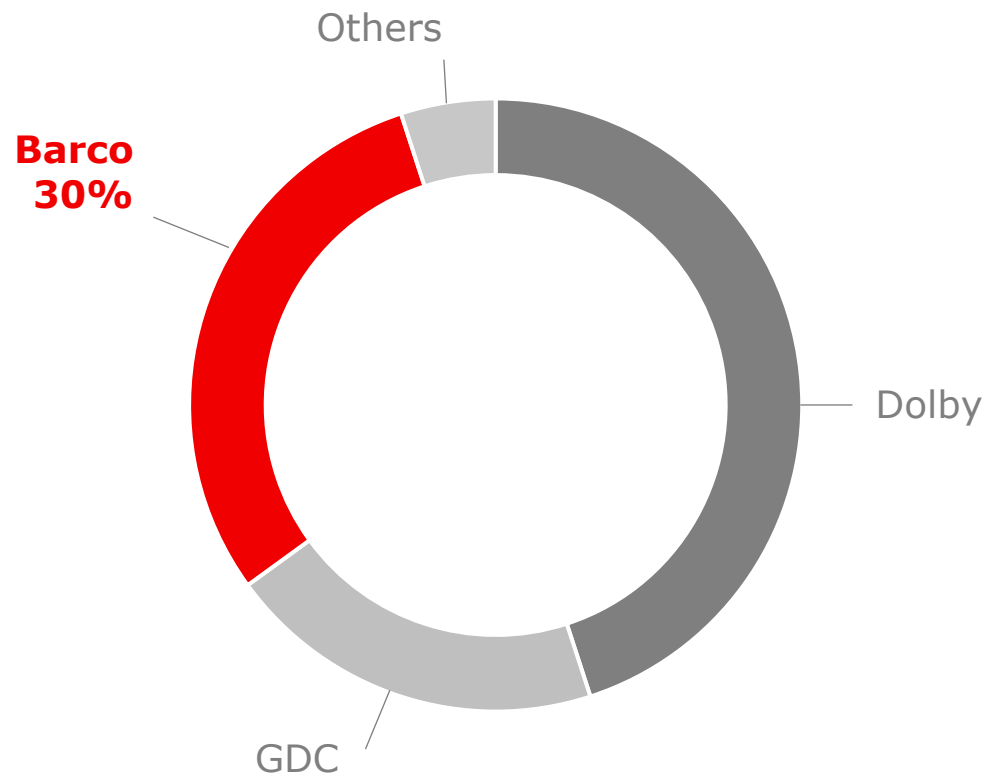
# COMPETITIVE LANDSCAPE



**Projectors**  
Market share 2021



**Media Servers**  
Market share 2021



# VALUE PROPOSITION | USP & CUSTOMER VALUE



**No. 1**  
in laser projection  
**30,000+**  
laser solutions  
globally

**1st LASER**  
projector in  
market  
in 2014

**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

BARCO

Dedicated  
**exclusive partners**



NORDISK FILM



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

lever I

## Capture the growth

(short & mid-term)

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

Barco is in a **winning position in the cinema market**

All segments covered with **one platform** (based on Series 4, laser, in-house server, ...)

- Mainstream renewal and upgrades
- Emerging private & smaller cinemas
- Premium Large Format

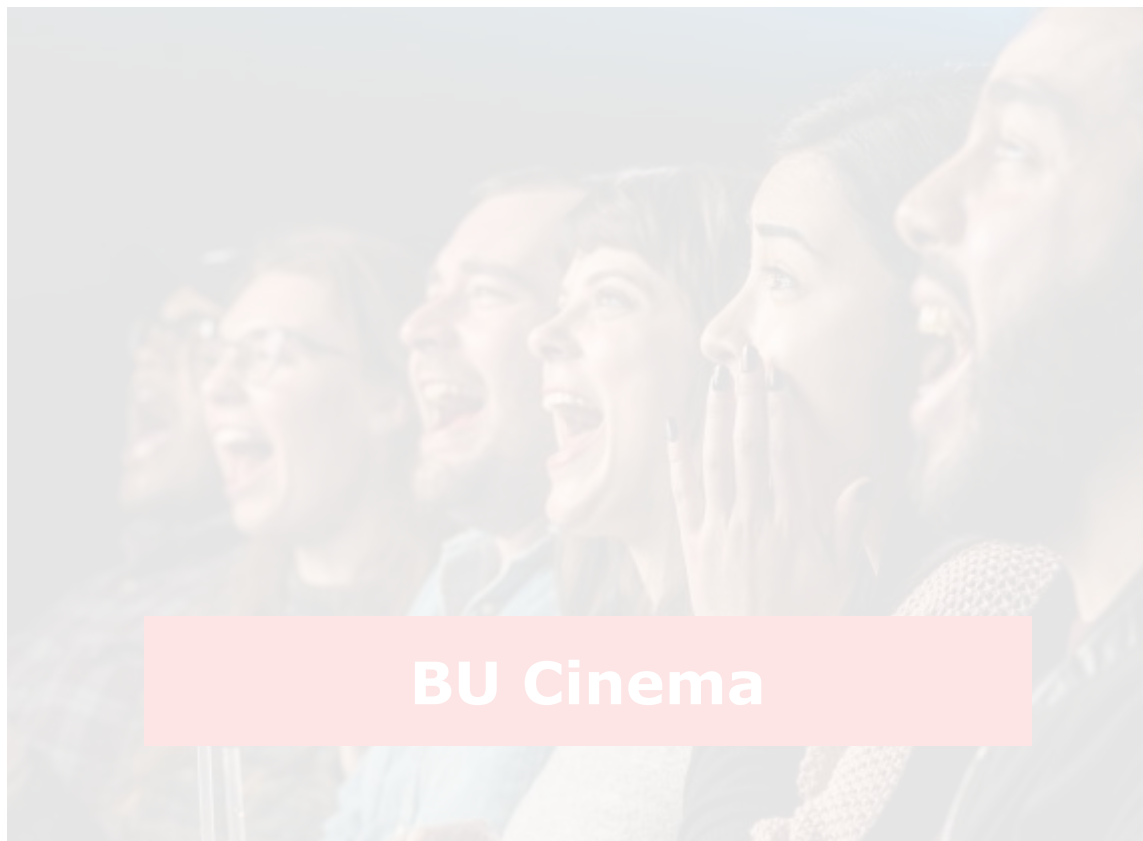
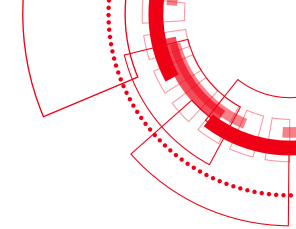
Committed to **capture new, adjacent and emerging business**

- Beyond hardware into **services**
- Beyond CAPEX into **recurring revenues**
- Beyond exhibition into **post-production**

Launch **HDR / Light Steering** and transform the cinema experience



## 2 BUSINESS UNITS



**BU Cinema**



**BU Immersive Experience**

# 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

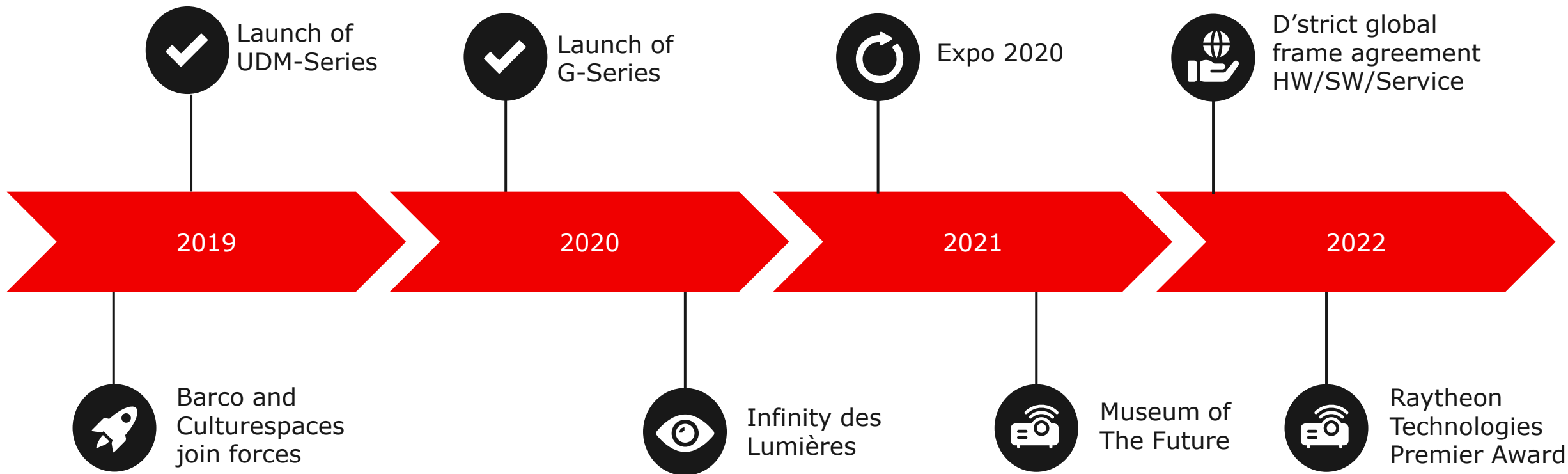


**Global Business Unit set up** enables hardware + software + services deals



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

# RETROSPECT | HIGHLIGHTS & MILESTONES 2019-2022





# INDUSTRY TRENDS

“**Wowing audiences**” with quest for higher brightness and resolutions in projection; storytelling



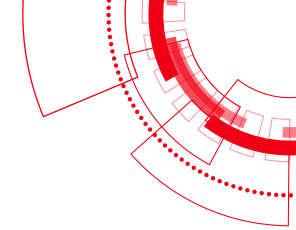
**Digital art**  
experiences on the rise

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





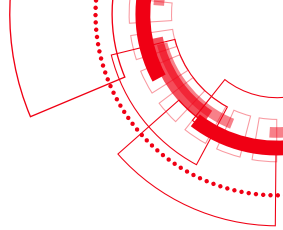
# ADDRESSED MARKET & MARKET SHARE



Addressed market <b>2021</b>	Market Share Barco <b>2021</b>	TAM CAGR evolution <b>2022-2025</b>	Market Share evolution (ppt) <b>2022-2025</b>
<b>€ 500m</b>		+	+
Themed entertainment	~15%	+	+
Rental & Staging	~30%	+	+
Simulation/VX	~35%	+	++

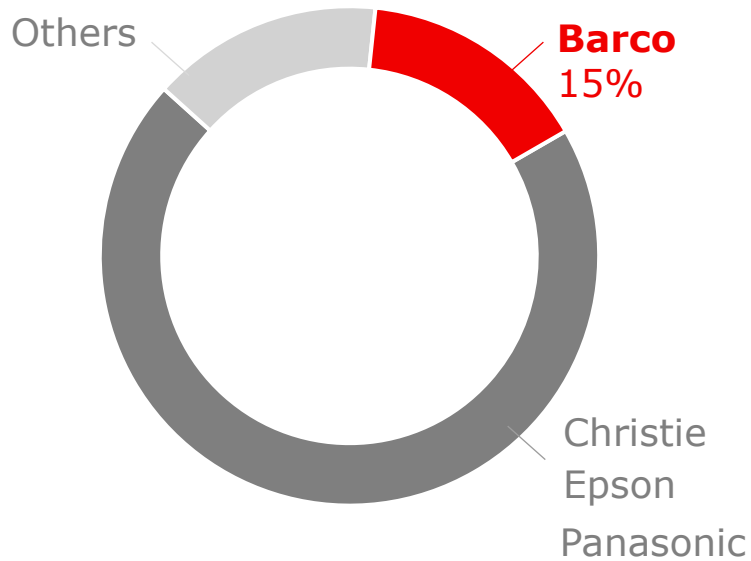
Expected organic TAM evolution  
+/- single digit % evolution ; ++: double digit % evolution

# COMPETITIVE LANDSCAPE IS DIVERSE & FRAGMENTED



## Themed Entertainment

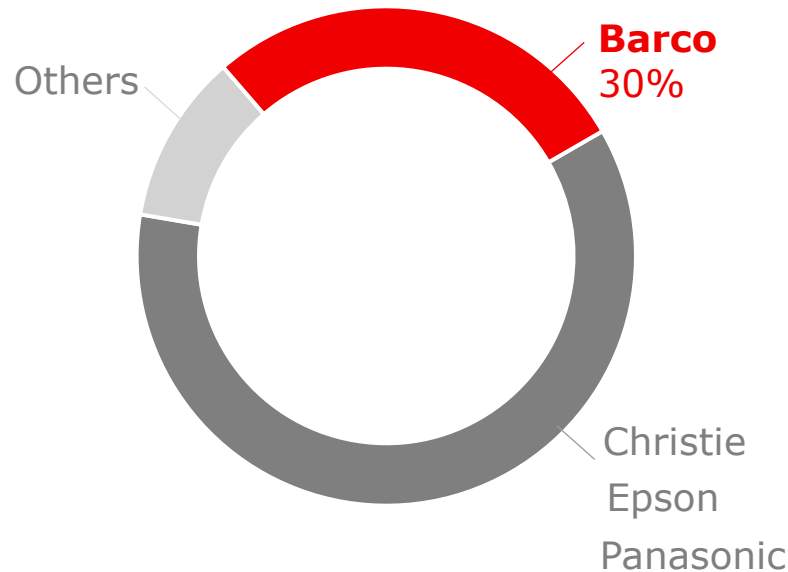
Market share 2021



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

## Rental & Staging

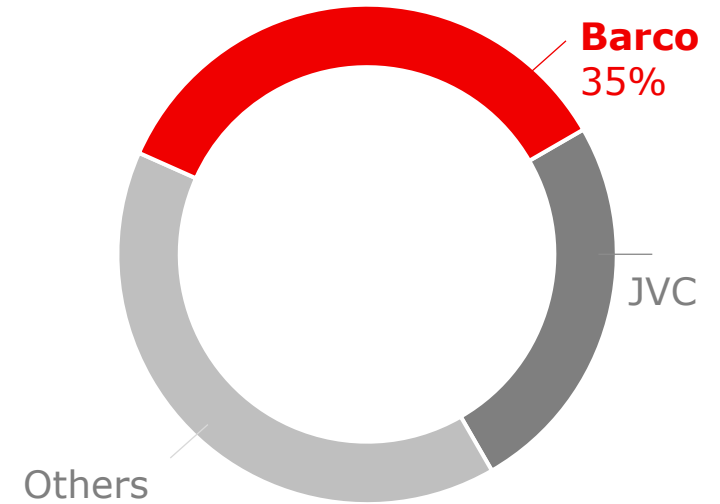
Market share 2021



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

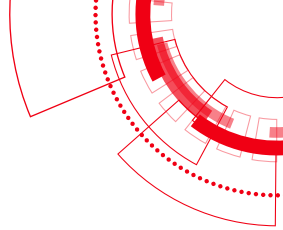
## Simulation/Virtual Experience

Market share 2021



- Nr.1 in simulation applications for training

# VALUE PROPOSITION | USP & CUSTOMER VALUE



**Leading technology designed for today's and tomorrow's immersive experiences**

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

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

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

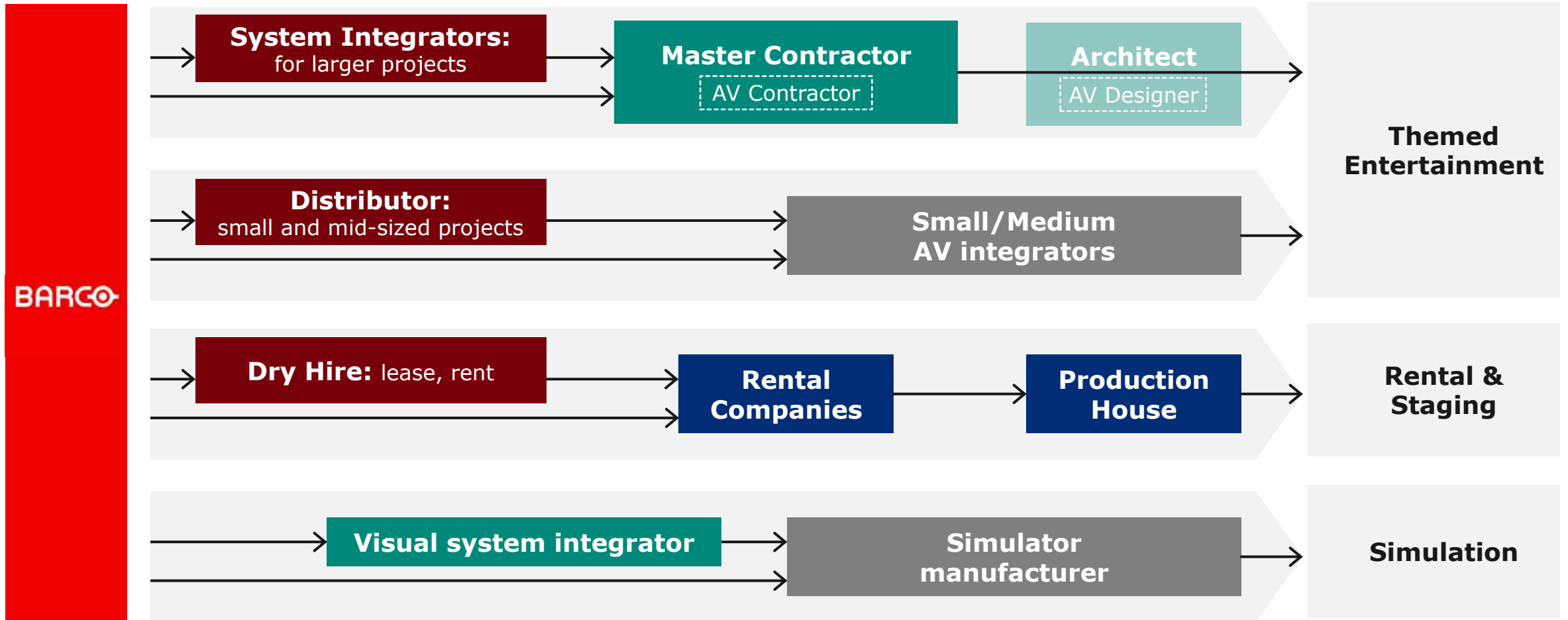
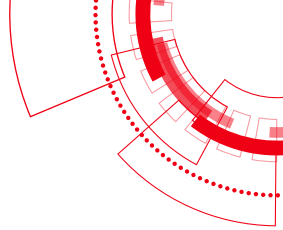
**Consistently delivered by our global team of visualization experts**

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





# CLEARLY DEFINED ROUTE TO MARKET PER SEGMENT





# STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS

lever I

## Capture the growth

(short & mid-term)

Invest in **commercial excellence**

Focus on **winning large & strategic deals**

Expanding **service capabilities** to support global customers

Outperform market through strong focus on **customer experience**

# 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 **high-end Projection, Image Processing and Simulation**

# STRATEGIC PRIORITIES

## Themed Entertainment

- Build on experiences in digital art and **enter global partnerships**
- Expand **image processing** offering to any screen in auditoriums, boardrooms, experience centres

## Rental/Staging

- Strengthen **commercial excellence**
- Launching **new projection and image processing platforms**

## Simulation/Virtual Experience

- Grow with new **4K portfolio** solutions
- Expand in **Virtual Experience** projects



# CONCLUSION

## Strategic Roadmap

Realize accelerated growth fueled by profitable scale & innovate for impact

## Technology & innovation

Market leader in high-end projection, image processing and in simulation

## Go To Market

Deliver value to customers with End2End sales process and penetrate mid-segment with cost-efficient projectors

## Winning Barco Team

Solid and focused leadership team to deliver growth and customer experiences





**ENTERPRISE**

**Stijn Henderickx**  
**Chris Sluys**

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## AGENDA



# 1 Intro division

- Quick Facts
- Retrospect 2019-2022
- Industry trends



# 2 Business Units

## BU Meeting & Learning Experience

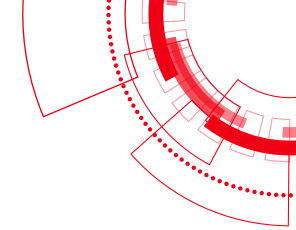
- Highlights & Milestones
- Market opportunity & Industry trends
- Addressable market & Competitive landscape
- Value proposition
- Go-to-market
- Strategic roadmap

## BU Large Video Wall Experience



# 3 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**

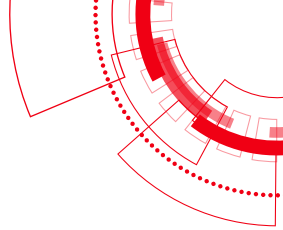
### Strong fundamentals

- 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)**

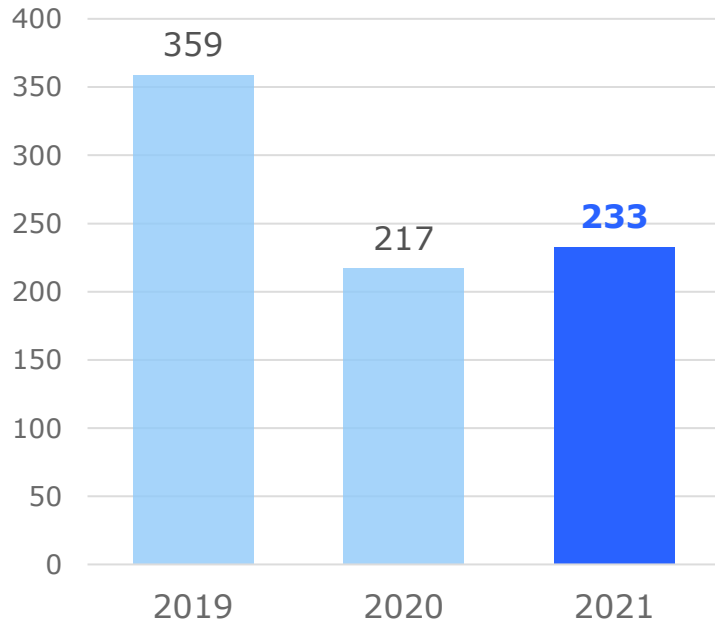


# RETROSPECT | 2019-2021



## SALES

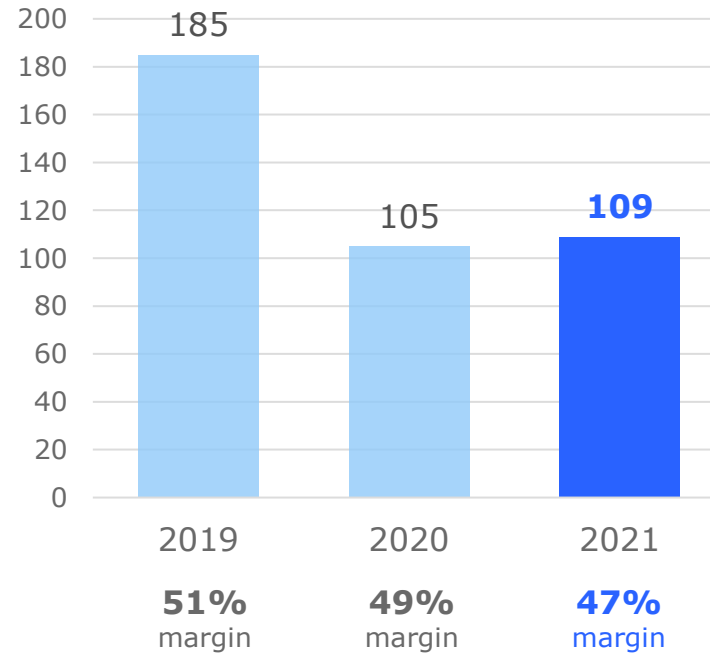
(in million euro)



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

## GROSS PROFIT

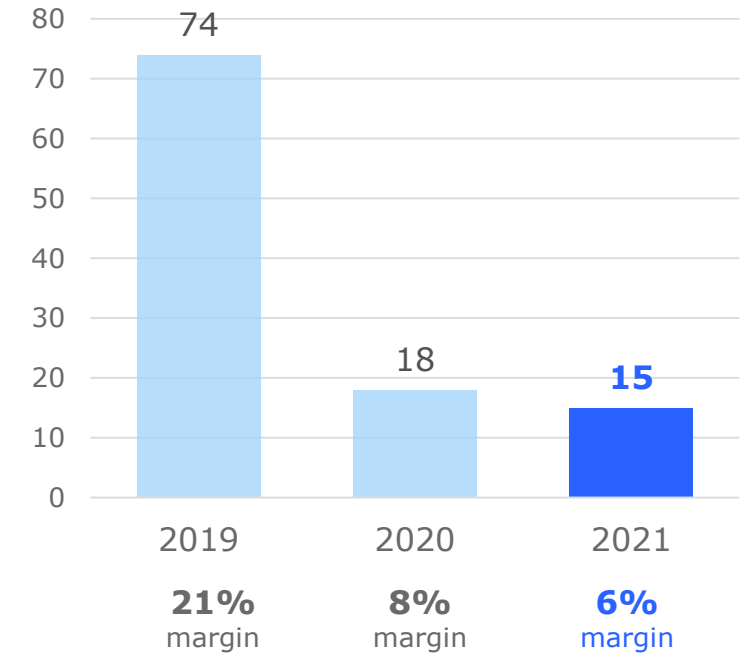
(in million euro)



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

## EBITDA

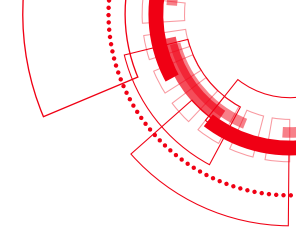
(in million euro)



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



**BU Meeting & Learning Experience**



**BU Large Video Wall Experience**

# 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



Launch ClickShare Conference

2020



Start of Alliance program



10+ awards for ClickShare, including Frost & Sullivan, Connected Solution of choice

2021

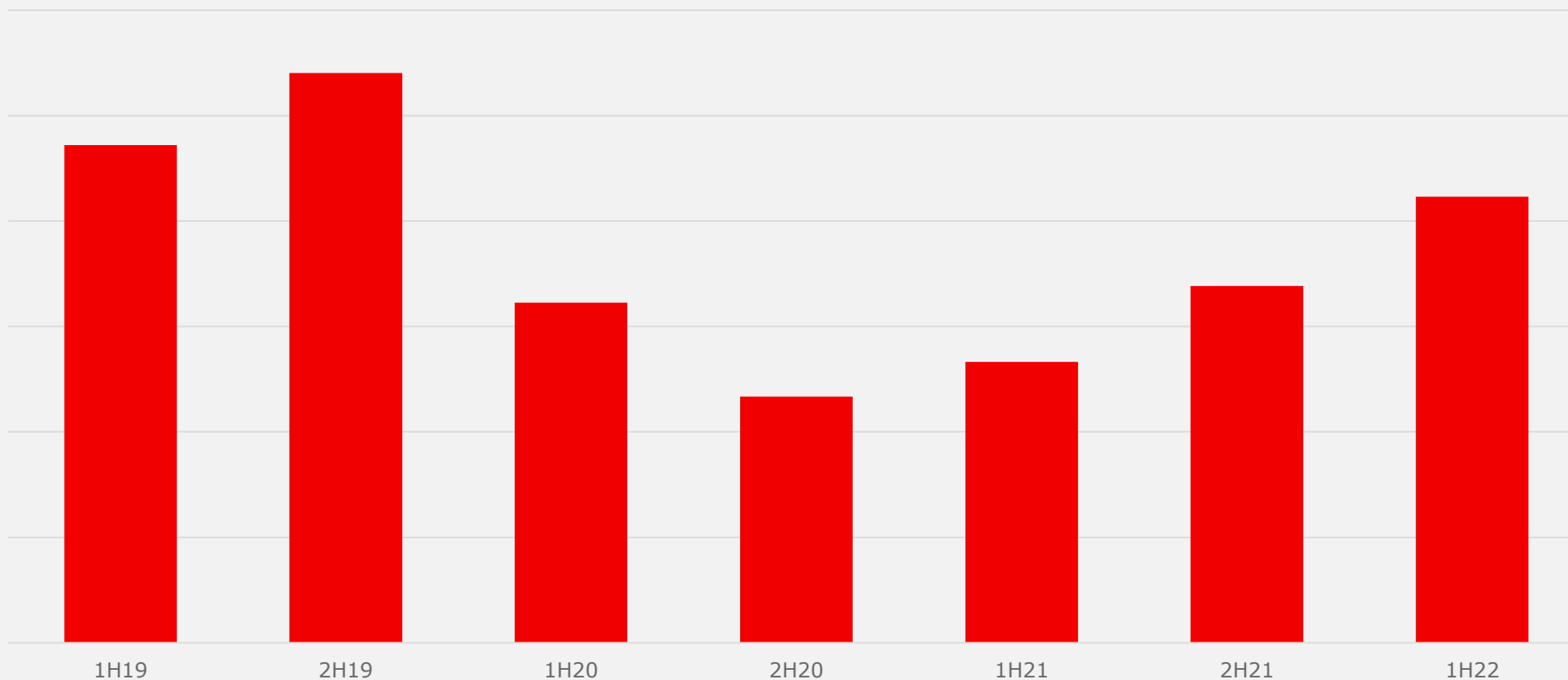


1m meeting rooms equipped with ClickShare

2022



Celebration 10 years of ClickShare

**CLICKSHARE | WHERE ARE WE TODAY?****ClickShare Sales (€) per semester**



# INDUSTRY TRENDS

Increased adoption of **hybrid working**



The quest for **meeting equity**



New **workflows** supporting hybrid working



**Intelligence** in every step of the chain



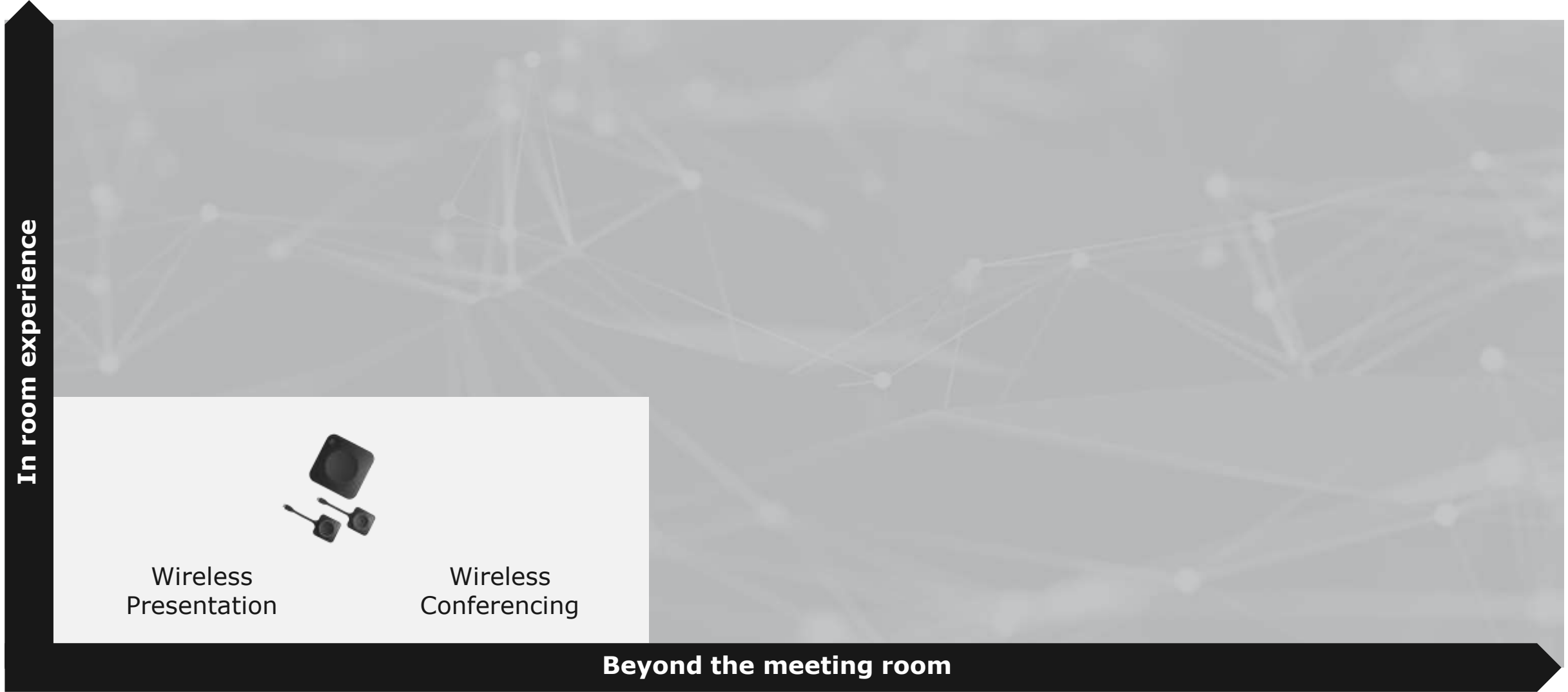
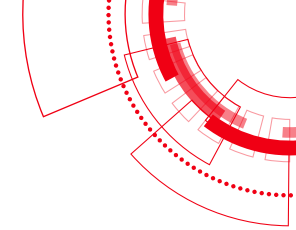
Changed **eco-system** with strong competition & consolidation



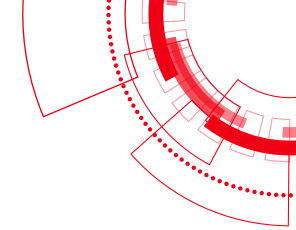
High overall **market growth**



# BU MEETING EXPERIENCE | STRATEGIC ROADMAP



# ADDRESSED MARKET & MARKET SHARE



Addressed market  
2021

**€ 300 M**

Wireless conferencing

Wireless presentation

Market Share  
Barco 2021

**40%**

TAM  
2022

**++**

++

++

TAM CAGR  
evolution 2022-2025

**++**

++

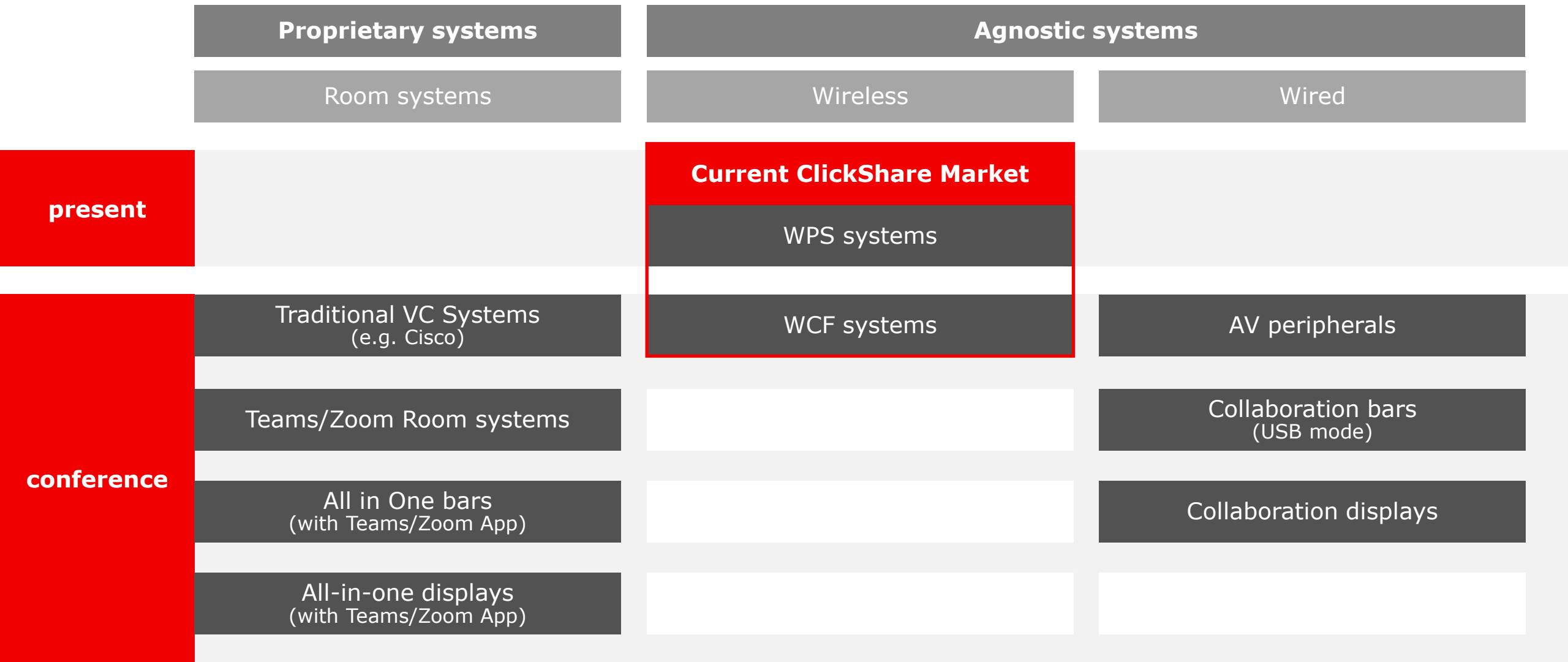
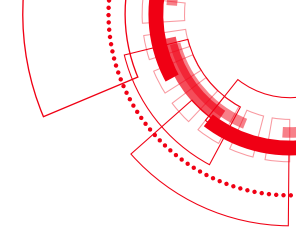
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Market Share  
evolution 2022-2025

**~**

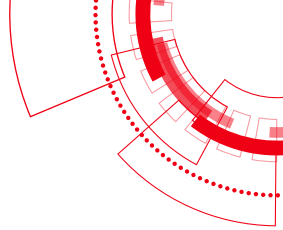
Expected organic TAM evolution, excluding growth initiatives, potentially impacting the TAM  
+/- single digit % evolution ; ++: double digit % evolution

# THE MEETING ROOM TECH MARKET





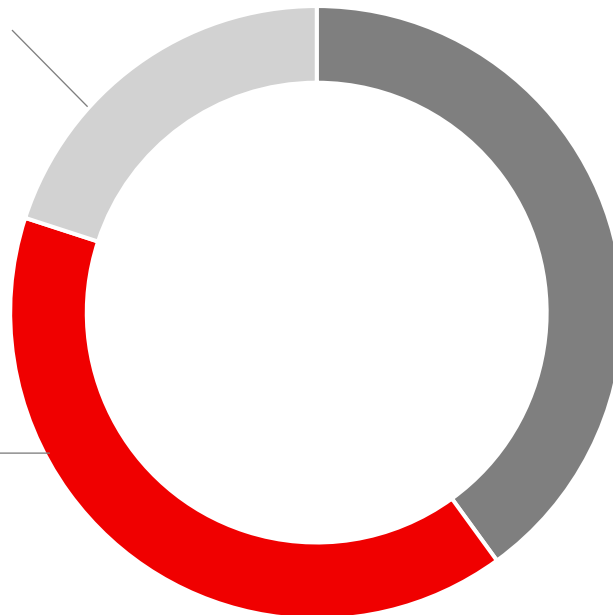
# COMPETITIVE LANDSCAPE\* REMAINS CONCENTRATED



## Market share or ranking

Other (local, regional,  
1 single product line)

**Barco**  
**40+%**



Mersive  
Crestron  
Screenbeam  
Kramer

\*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

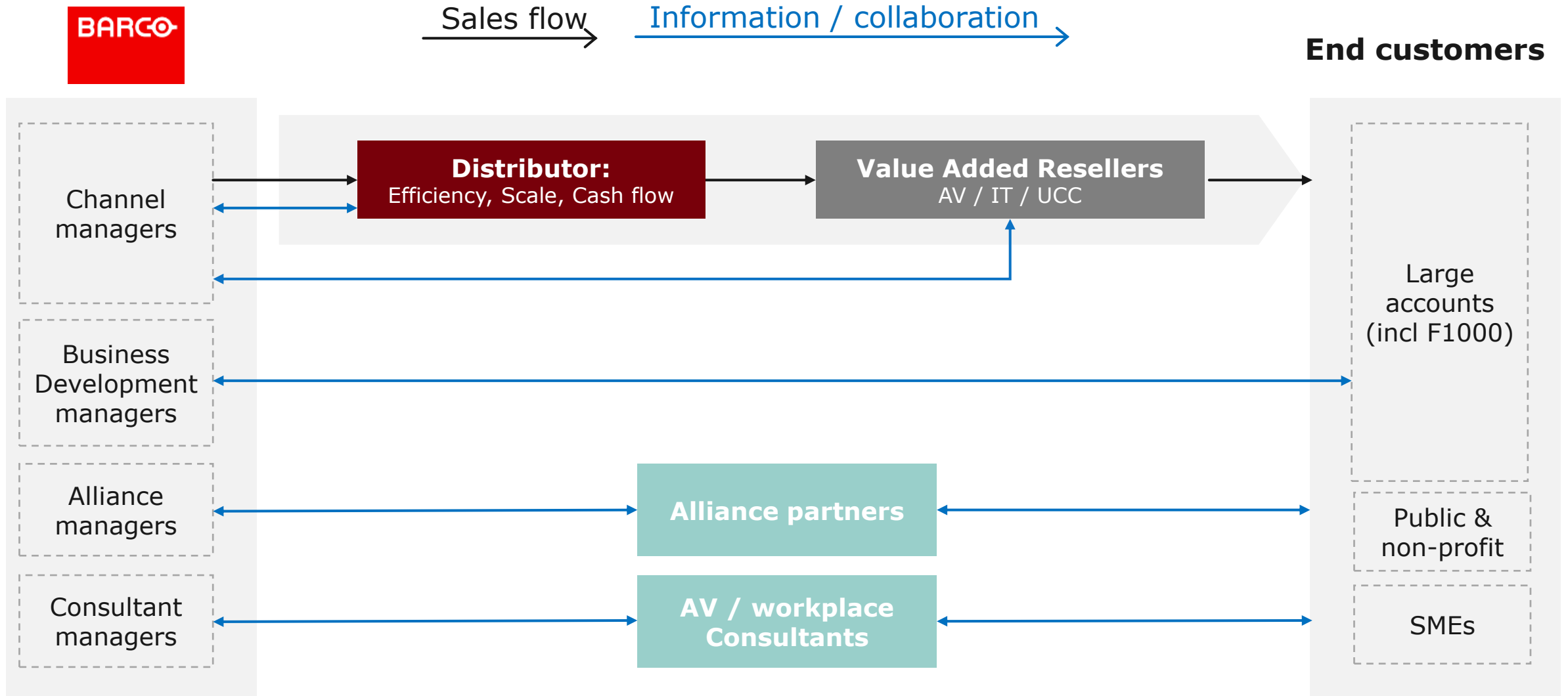
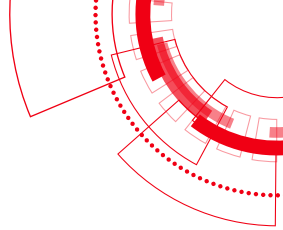
ClickShare Wireless **Conferencing**

- 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

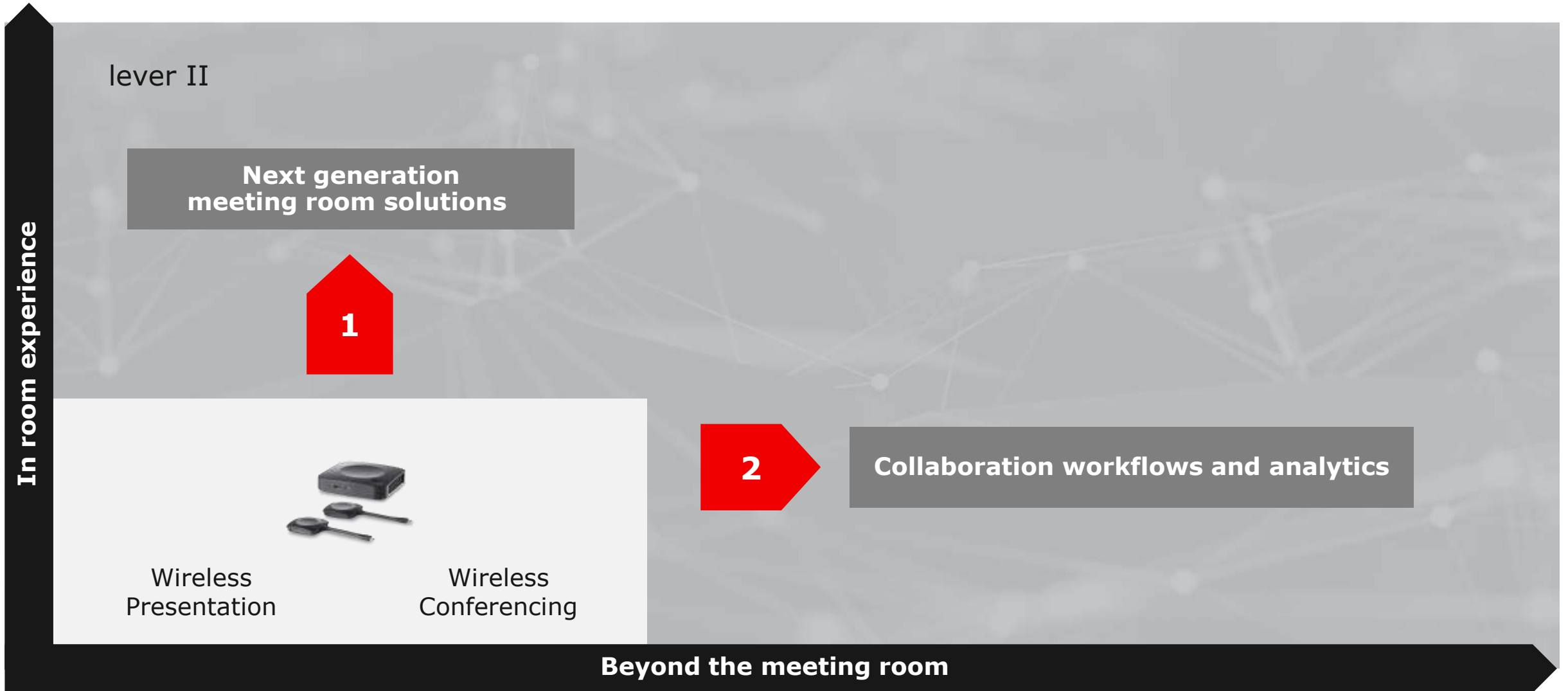
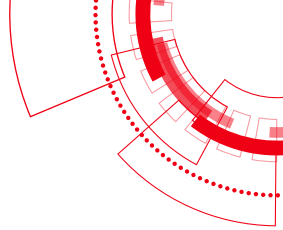
**SHARPEN** communication on ClickShare's value proposition to all key stakeholders

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

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



# BU MEETING EXPERIENCE | STRATEGIC ROADMAP



# 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



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

ClickShare is **key offering for meeting room** with clear USPs

- 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



**BU Meeting &  
Learning Experience**



**BU Large Video Wall  
Experience**



# 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**

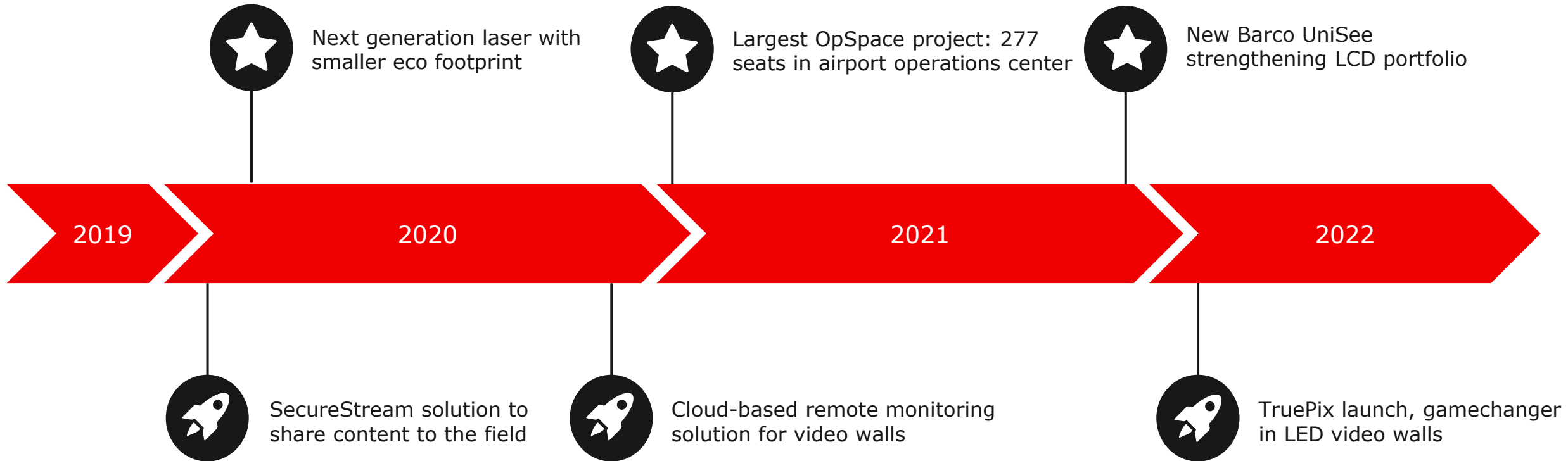
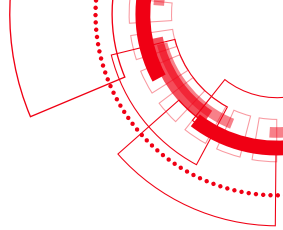


**40+ strategic partnerships** with industry leaders: Honeywell, Emerson, Milestone, Genetec, ...

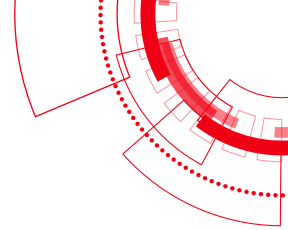


Evolve to standardized product **solutions** for **clearly defined verticals**  
**Reconnect with profitable growth**

# 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**

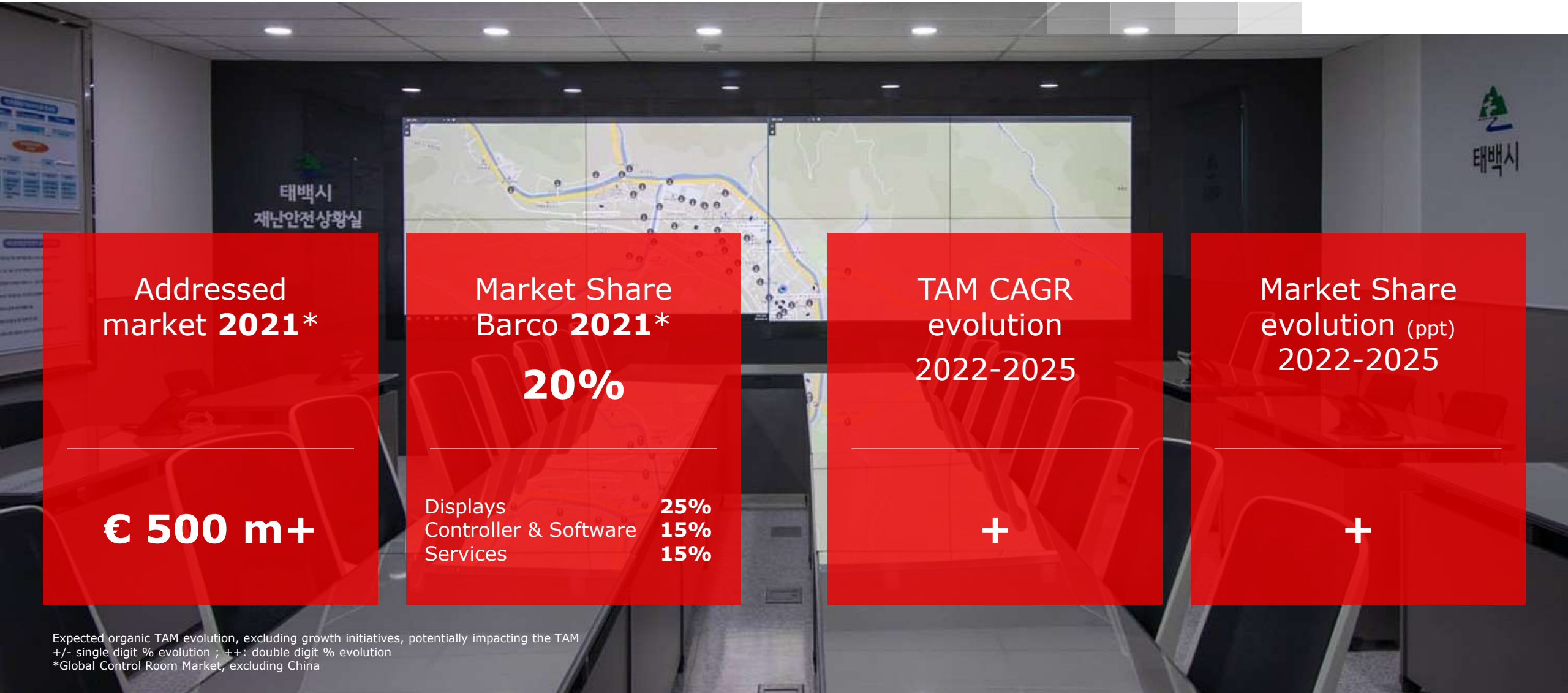
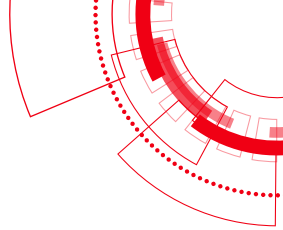


Ever increasing need for **collaborative decision-making**

More focus on **“greener”** solutions



# ADDRESSED MARKET & MARKET SHARE



Addressed market **2021\***

**€ 500 m+**

Market Share Barco **2021\***  
**20%**

Displays	<b>25%</b>
Controller & Software	<b>15%</b>
Services	<b>15%</b>

TAM CAGR evolution  
2022-2025

**+**

Market Share evolution (ppt)  
2022-2025

**+**

Expected organic TAM evolution, excluding growth initiatives, potentially impacting the TAM  
+/- single digit % evolution ; ++: double digit % evolution  
\*Global Control Room Market, excluding China



# SHIFTING TECHNOLOGY LANDSCAPE

## BEYOND VIDEOWALL TECHNOLOGIES TOWARDS INTEGRATED SOLUTIONS

**RPC**



**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

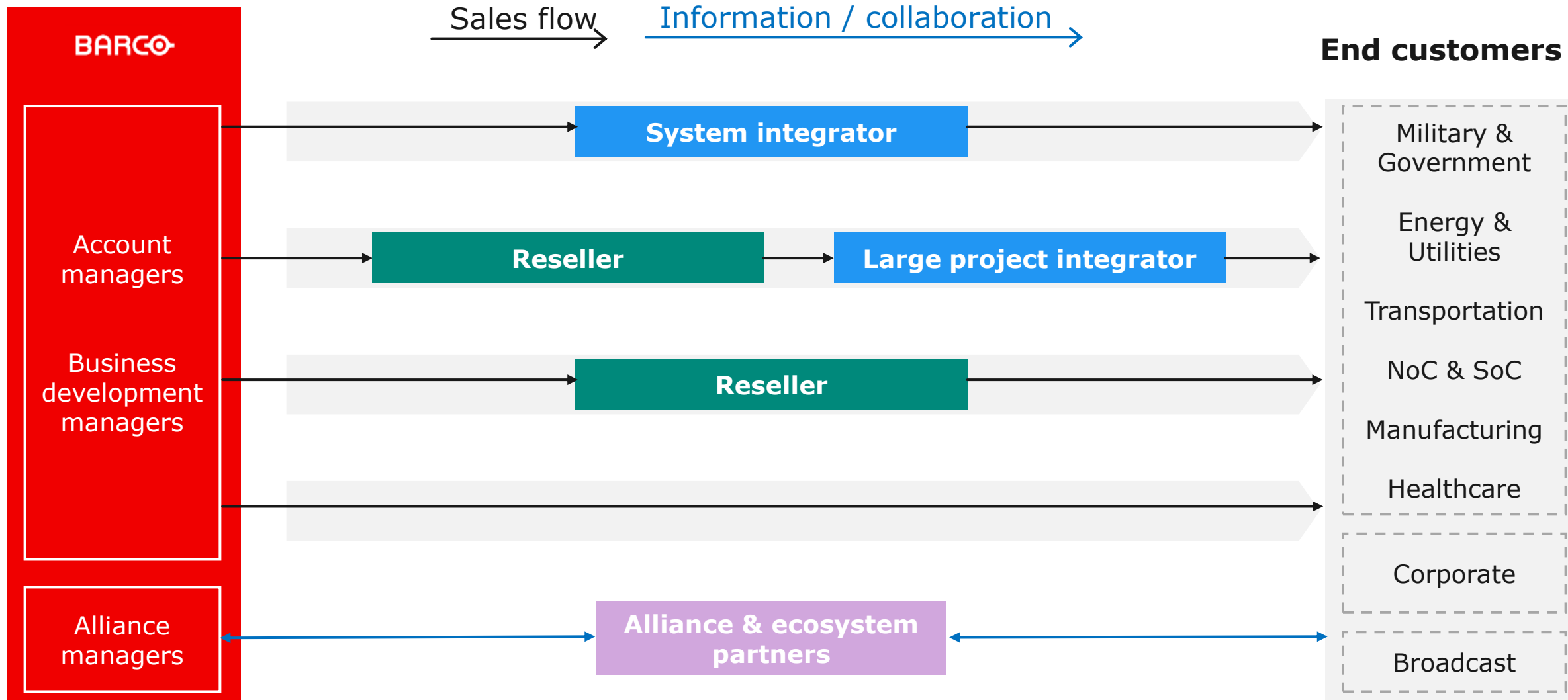
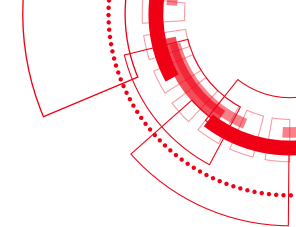


**Dedicated software** and a range of **professional services** to support mission critical environments (24/7)



**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)

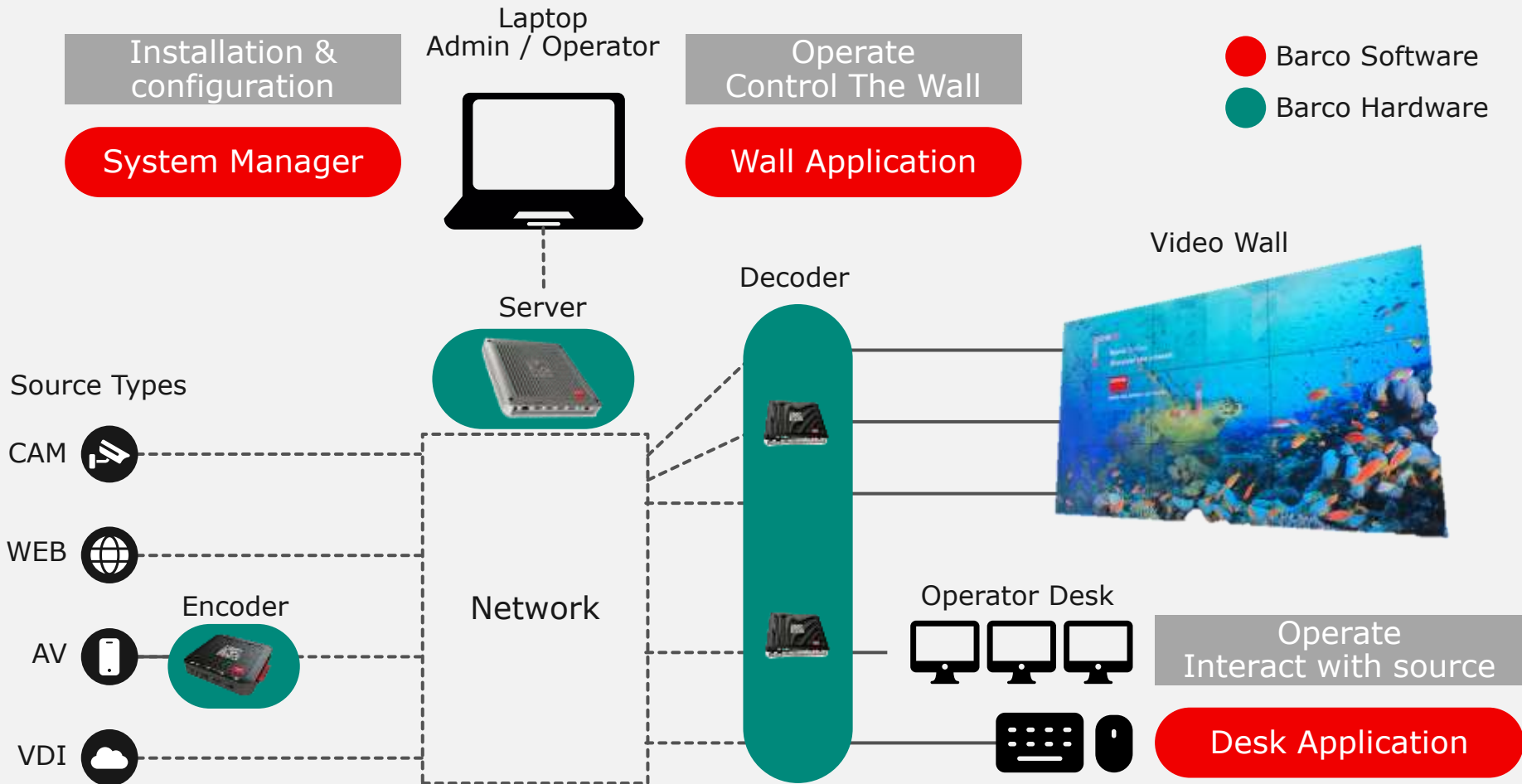
**Advanced integrated video wall & operator desk solution,**  
enabling expansion to mid-end and share increase (Launch 2023)

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



Extend & strengthen **full control room solution** play, display agnostic



Ensure full market potential in terms of **geographical and vertical reach**



**Increase margin** through product mix shift, value engineering and operational efficiency



# HEALTHCARE

**Johan Fornier**  
**Geert Carrein**



# AGENDA



## 1 Intro division

- Quick Facts
- Retrospect 2019-2022
- Industry trends



## 2 Business Units

### BU Diagnostics

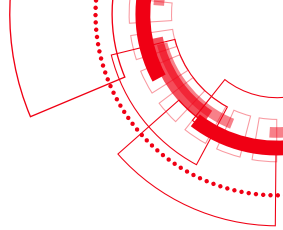
- Market opportunity
- TAM ; subsegments ;
- Market share & competitive landscape
- Value proposition & unique selling proposition
- Go-to-market & business model
- Strategic roadmap

### BU Surgical



## 3 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)

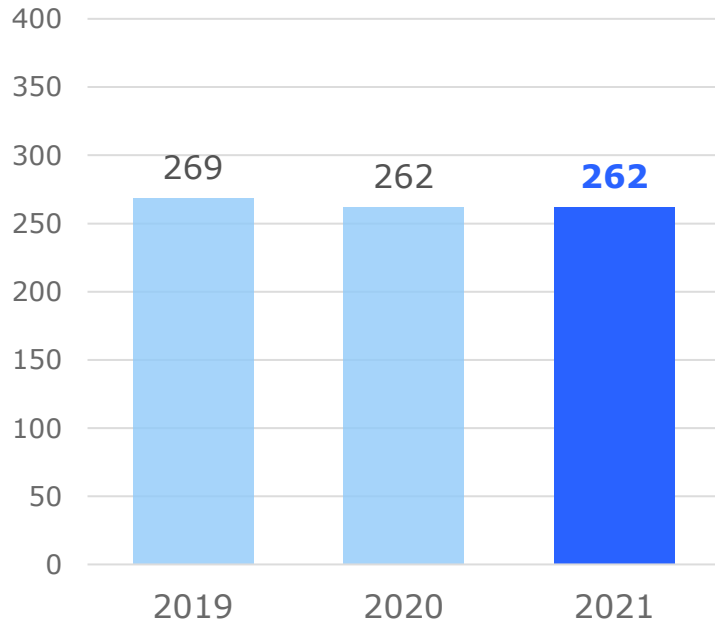
Large installed base: **800k+ installations**



# RETROSPECT | 2019-2021

## SALES

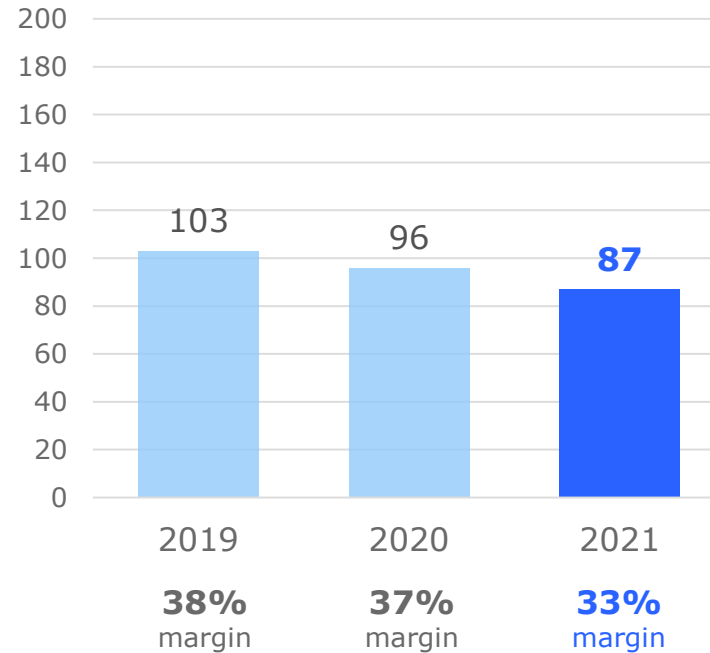
(in million euro)



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

## GROSS PROFIT

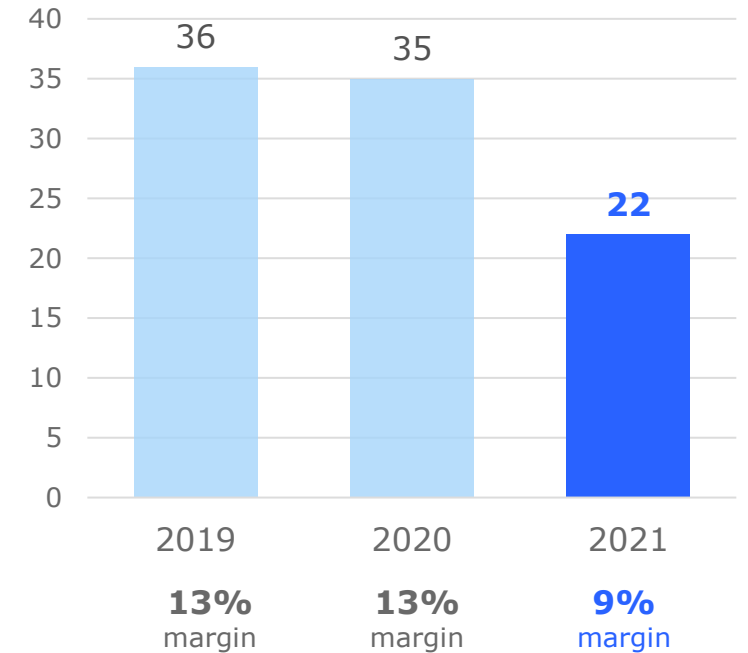
(in million euro)



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



**Embedded** in many healthcare solutions



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



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

## Surgical and Modality



**Leading digital operating room solution**



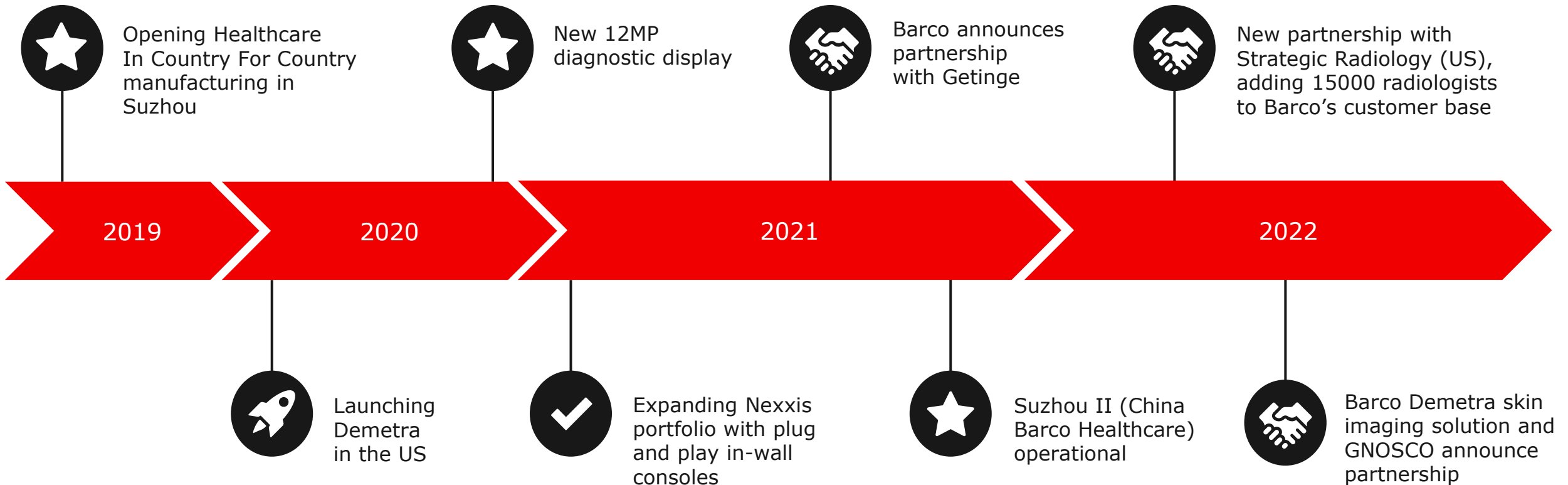
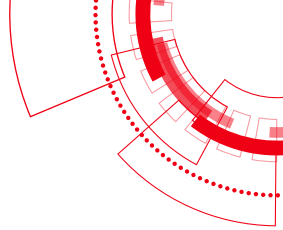
**7k Nexxis operating rooms**



**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

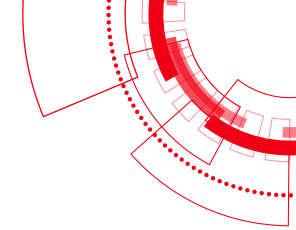
**High resolution** images, 4K



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







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

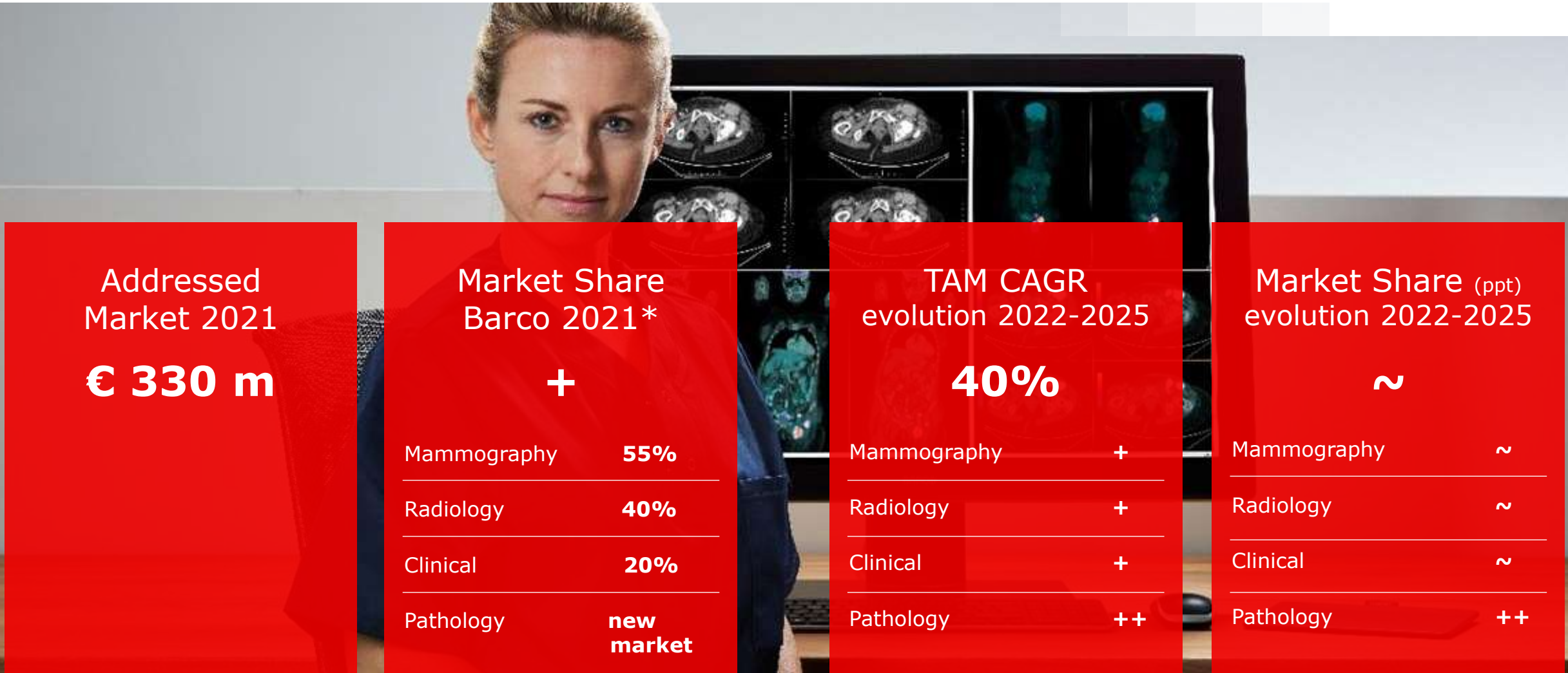
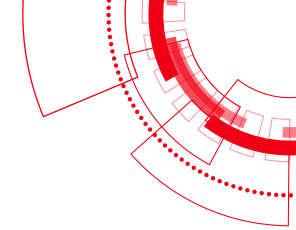
**Public tenders in China** for local manufactured & cost competitive products

**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\*

**+**

Mammography	<b>55%</b>
Radiology	<b>40%</b>
Clinical	<b>20%</b>
Pathology	<b>new market</b>

TAM CAGR  
evolution 2022-2025

**40%**

Mammography	<b>+</b>
Radiology	<b>+</b>
Clinical	<b>+</b>
Pathology	<b>++</b>

Market Share <sub>(ppt)</sub>  
evolution 2022-2025

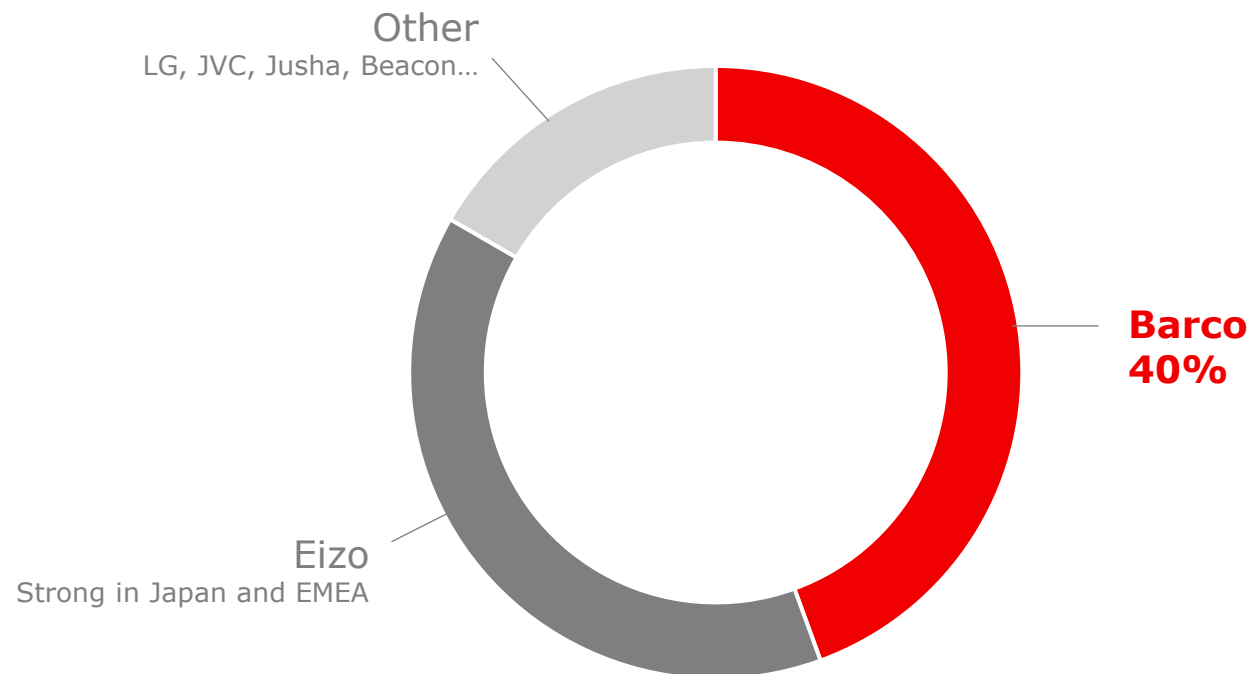
**~**

Mammography	<b>~</b>
Radiology	<b>~</b>
Clinical	<b>~</b>
Pathology	<b>++</b>

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

# COMPETITIVE LANDSCAPE

## 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



# DIAGNOSTICS | GO-TO-MARKET & KEY ENABLERS

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

Go To Market partners – share of DI revenue

End user segments

**Integrators** →



**Value added resellers** →



- Hospital Radiology & Other
- Independent Imaging Centers
- Teleradiology



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...



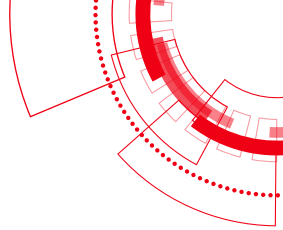
**Diagnostics**



**Surgical & Modality**



# LONG TERM INDUSTRY TRENDS



From **open surgery**

**Drives the need for displays**



High patient impact

- big incision
- scars
- infection
- long recovery
- re-admission
- high cost

To **minimally invasive surgery**



Minimum patient impact

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

**Operating room integration**

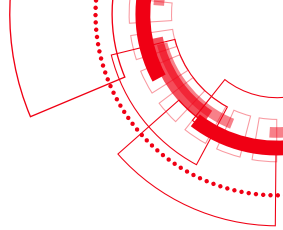
**Drives the need for Nexxis**



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

## Barco value proposition

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

## Displays

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

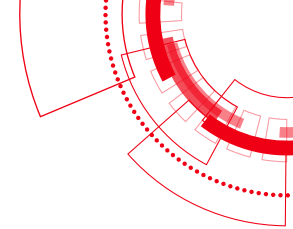
- **Display is the central hub** of the operating room
- Displays with **Nexxis built-in**
- Remote **collaboration**

## Nexxis

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

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

# ADDRESSED MARKET & MARKET SHARE



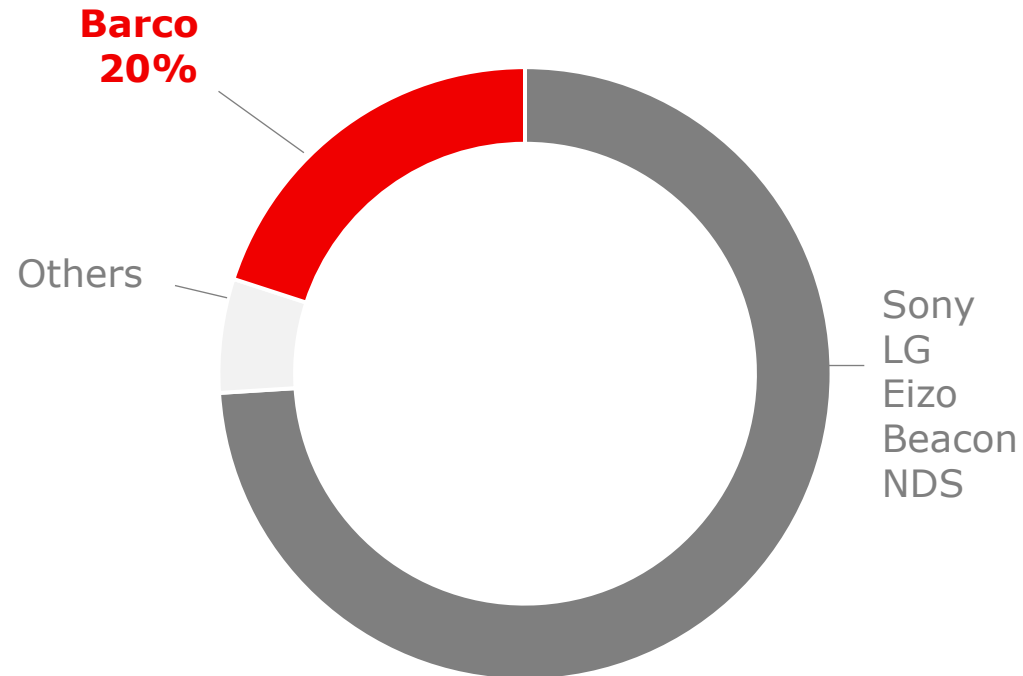
	Addressed Market 2021	Market Share Barco 2021	TAM CAGR evolution 2022-2025	Market Share evolution (ppt) 2022-2025
Displays	€ 400m	20%	+	+
Nexxis	€ 200m	20%	++	++

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



# COMPETITIVE LANDSCAPE DISPLAYS & NEXXIS

## Market share 2021

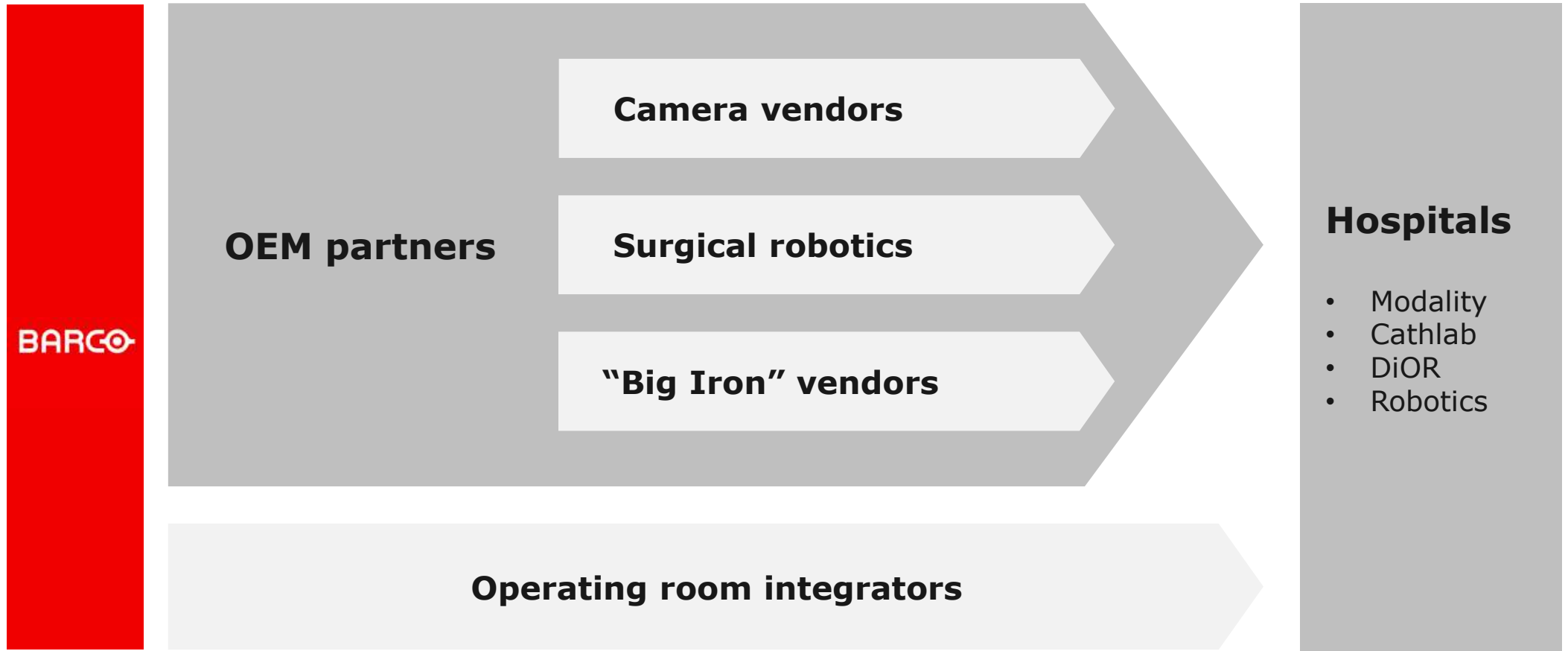


## Barco position

- 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



# STRATEGIC ROADMAP 2022-2025 | 2 MAIN LEVERS

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

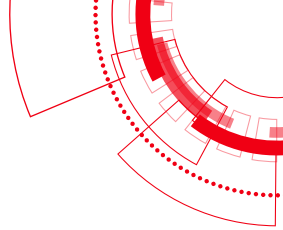
### Display portfolio

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

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

Increase  
differentiation  
and  
gross margin

# 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





**INNOVATE** 08.09  
**IMPACT** FOR 2022

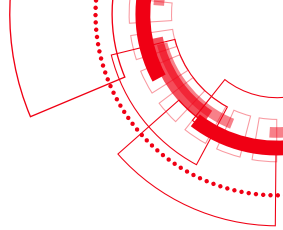
BARCO CAPITAL MARKETS DAY


## **CLOSING NOTE**

**An Steegen  
Charles Beauduin**


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# TAKE-AWAYS



  
We are in **strong markets**


  
with **compelling growth opportunities**

  
... supported **by key industry trends**


## As a result, we are well positioned

  
...to **expand markets and market share** and capture profitable growth

  
... and to **invest in innovation** with impact

  
...to set **industry standards**

## And guide for 2023-2025

  
**high single digit organic topline growth**

  
With an **EBITDA margin** between **14 to 18%**

  
In combination with **strong progress** on our **sustainability targets**

# 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

## ACCELERATE ON 2 LEVERS

## 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%



**INNOVATE** 08.09  
**IMPACT** *FOR* 2022

**BARCO CAPITAL MARKETS DAY**