

A photograph of a modern, curved glass building at dusk. The building has a distinctive, wavy facade and is illuminated from within, with its lights reflecting in a large pool of water in the foreground. The sky is a deep blue, and the overall scene is serene and architectural.

Trading update 3Q23 Analyst & Investor call

An Steegen, Charles Beauduin & Ann Desender – October 18th 2023

BARCO

Preliminary notes

Safe harbor statement

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Glossary

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

Executive summary | Trading update 3Q23



Orders 239.9 million euro, -1% yoy, YTD +4%

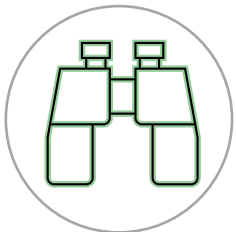
Growth for Enterprise and Entertainment, decline for Healthcare. China remains weak. Orderbook @ 523.4 million euro, +3% vs end of June 2023; book-to-bill > 1



Sales 229.6 million euro, -12% yoy (-9% ex FX), YTD +2%

Sales solid for Entertainment against a strong 3Q22

Lower sales in Healthcare and Enterprise, due to a softer demand in Americas and the slow recovery in China after the pandemic



Outlook 2023

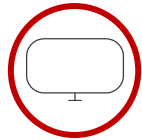
Sales for 2023 expected to be in line with 2022

At this topline, EBITDA margin expected to be around 14% for the full year 2023

Key messages from co-CEOs An Steegen and Charles Beauduin

- ***Headwinds** of the second quarter **intensified** in 3Q23*
 - *The expected recovery in **China** from the pandemic has not materialized*
 - ***Healthcare and Enterprise** see softer demand due to weakening macro-economic conditions*
 - *The **Entertainment** market continues to build on strong momentum from last year*
-
- *The fundamentals of our **key markets remain intact***
 - *Focused on winning **market share, cost containment** and further **margin improvements***
 - *Executing on our strategic initiatives: roadmap of **new product introductions** and operational efficiencies through **focused factories***

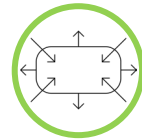
3Q23 orders and sales by division



Healthcare

m€	3Q23	3Q22	Change
Orders	52.9	70.1	-25%
Sales	61.3	83.4	-27%

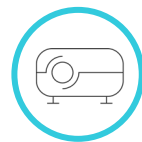
- **No recovery in China** yet and impact felt of anti-bribery policies
- Diagnostic Imaging sales impacted by distribution drawing down **inventories** and a **supply constraint** for an updated display platform
- Orders and sales affected by timing difference between phasing out and phasing in of modality projects; **pipeline of new contracts** in place



Enterprise

m€	3Q23	3Q22	Change
Orders	77.2	68.8	+12%
Sales	64.6	74.0	-13%

- Despite weak overall market, **ClickShare is gaining market share** in the **agnostic** segment, leveraging its scale for firmware updates
- **Execution of strategic review** of Large Videowalls includes withdrawal from a number of smaller markets; orderbook has significantly **strengthened**



Entertainment

m€	3Q23	3Q22	Change
Orders	109.8	103.0	+7%
Sales	103.7	104.8	-1%

- Strong momentum in cinema; continued **lamp-to-laser replacements**
- Delivery on Cinema-as-a-Service leads to more **recurring revenue**
- Immersive experience has **healthy market conditions** in all segments despite **slow recovery in China**



Healthcare



Diagnostic Imaging

- Market in **North America remains strong** due to hospital consolidation and emerging digital pathology market; **China challenged** by macro-economic situation
- Suzhou factory and R&D focuses on **value- and volume products** for the global market
- **New product introductions** allow for market share gains: new flagship for mammography and expanded radiology home reading portfolio
- **Innovations:** 3D and AI supported diagnostic features to be launched in the course of 2024
- Scaling up in adjacent **pathology market**, with dedicated displays and AI software solutions



Surgical & Modality

- **Higher inventory levels at customers** continue to temper demand in 2023, mainly in Americas. **China remains weak** due to macro-economic situation and anti-bribery policies
- **Solid funnel of new contracts and prospects** in 2024 for the coming years to replace large modality contract that ended in December 2022
- New Suzhou factory in full operation and allows for **cost-competitive offering in modality**
- Continued investment in state-of-the-art display technology, including **3D and smart displays**
- **Expansion of Nexxis portfolio** to address mid-segment

Enterprise



Meeting Experience

- Overall **market growth is tempered** by weak macro-economic conditions
- Large companies are **rethinking office space** and meeting room requirements
- ClickShare is gaining **market share in the agnostic space**, where scale is essential to keep firmware up to date with all new peripherals
- ClickShare **product portfolio** extensions for mid-end market



Large Videowalls

- **Low visibility on timing of project roll-outs** impacted by macro-economic conditions and higher interest rates
- Roll-out of new **Barco CTRL** software platform for control rooms and **Unisee 2.0 LCD wall** well received
- **Scalability of Barco CTRL** platform supports entry in the remote and mid-end control room markets.
- More **feature releases in 2024 on Barco CTRL** will provide a solid basis for growth
- Execution of **strategic review** on track with continued investment in software capabilities

Entertainment



Cinema

- Continued **lamp-to-laser renewal wave** with a healthy order book and capture rate at 60%; so far only 25-30% of the global market has converted to laser
- New **product introductions**, including new media server
- Commercial launch of **Light Steering** to fuel further growth in 2024
- We're delivering on **Cinema-as-a-Service**, with recurring revenue increasing in 2023 and 2024



Immersive Experience

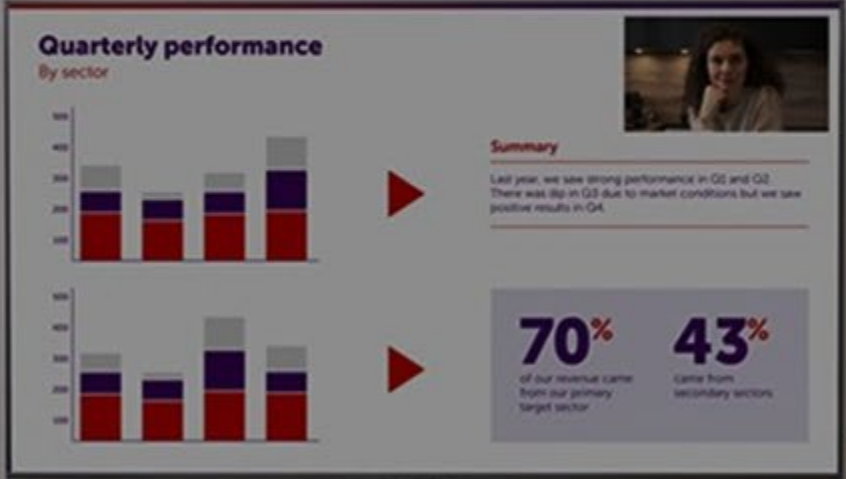
- **Healthy market conditions** in live events, themed entertainment and simulation
- **China remains weak.** We are further investing in the mid-segment products, ready when market resumes
- New platforms for **flagship high-end projectors and for mid-end projection** market (including China) to be launched in 2024
- Construction of **WuXi factory** for projection is on track and will create competitive momentum in the **mid-end projection** market (Themed Entertainment)
- New product introductions in **image processing**, including a new flagship switcher and an AV-over-IP software-based switcher

Outlook 2023 and beyond

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

Given the difficult market conditions, management expects sales for FY23 to be in line with last year. At this topline level, management expects an EBITDA margin around 14% for the full year 2023.

The 2024 topline growth will depend on the evolution of general market conditions. However, management reconfirms its long-term guidance to return to high single digit sales growth. Management reconfirms its guidance for an EBITDA margin between 14% and 18% for 2024 and subsequent years.



Q&A

Stay tuned

Financial calendar 2024

Thursday 8 February

Announcement full year 2023 and 2H23 results

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



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