

## Trading update 1Q24

### Slow first quarter, expecting to resume growth in the second half

Kortrijk, Belgium, 23 April 2024, 7:30 am – Today Barco (Euronext: BAR; Reuters: BARBt.BR; Bloomberg: BAR BB) announced the results for the 1<sup>st</sup> quarter ended 31 March 2024.

#### First quarter 2024 highlights

- **Orders for 1Q24 of 220.1 million euro**, 23% lower vs 1Q23
- **Order book per 31 March 2024 at 524.8 million euro**, growing 6% versus 31 December 2023 and 1% lower than end of March 2023
- **1Q24 sales of 195.9 million euro**, 21% lower vs 1Q23 (19% at constant currencies)
- Barco advanced its focused factories strategy, ready to **start the production in the new Entertainment factory in Wuxi**, China, in the second quarter.
- Although the second quarter will not show growth, **management confirms the full year guidance**, assuming markets do not further deteriorate.

#### Executive summary 1Q24

##### Group topline

(in millions of euro)	1Q24	1Q23	Change 1Q24 vs 1Q23
Orders	220.1	286.6	-23%
Sales	195.9	247.0	-21%

##### Quarter-by-quarter overview



Orders and sales for the first quarter of 2024 decreased compared to a strong first quarter in 2023, reflecting inventory destocking by our customers, mainly in Meeting Experience and Healthcare, and softer demand in the Entertainment markets.

Orders were down 23% year-over-year with each division reporting lower orders. EMEA reported the largest decline, driven by Meeting Experience due to inventory destocking by major customers, and by softer demand in Entertainment, partly linked to a weak movie slate in Cinema. In Americas double digit order growth in Enterprise stood in contrast with a reduction in orders in Entertainment, where we saw lower order intake for Cinema-as-a-Service compared to last year. In APAC, orders were essentially flat for Enterprise, but were lower for Healthcare and Entertainment. With a positive book-to-bill ratio, the orderbook for the Group strengthened to 524.8 million euro.

Sales declined 21% versus the same quarter last year, led by EMEA. In Americas, sales declined primarily in Entertainment, while Diagnostic Imaging and Control Rooms grew. In EMEA the sales decline was driven by customers working off above average inventory levels in Meeting Experience and Healthcare and by soft demand in Entertainment, both in Cinema and Immersive Experience. APAC was also impacted by the inventory correction in Healthcare and by soft demand in Immersive Experience.

### Quote of the CEO's, An Steegen & Charles Beauduin

"The first quarter of 2024 was marked by an anticipated inventory destocking by our customers in Meeting Experience and Healthcare, which is expected to be largely completed by mid-year. In Entertainment, demand was hampered by the aftermath of the strikes in the North-American film industry, and customers delaying orders in anticipation of our new product launches. Barco has a broad funnel of new product introductions in all its divisions, which form a solid foundation for resumption of our growth from the second semester. We continue to invest in our innovation pipeline of breakthrough visualization technologies in preparation for more new product introductions in 2025. We also continue to strengthen our competitive cost position through our focused factories strategy, including the opening of the new Entertainment plant in China, which is due to start commercial production in the second quarter."

### Outlook 2024

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

In 2024, there is continued macro-economic and market condition uncertainty, which is reducing our visibility. We assume a return to normalized customer inventory levels, and we are on track with the planned new product launches over the course of the year.

Management expects topline for the full year to be in line with 2023, with year-over-year growth resuming in the second half of the year. From 2025, we expect topline growth on a full year basis.

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

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## Divisional breakdown

### Healthcare

(in millions of euro)	1Q24	1Q23	Change 1Q24 vs 1Q23
Orders	59.1	69.5	-15%
Sales	64.9	73.9	-12%



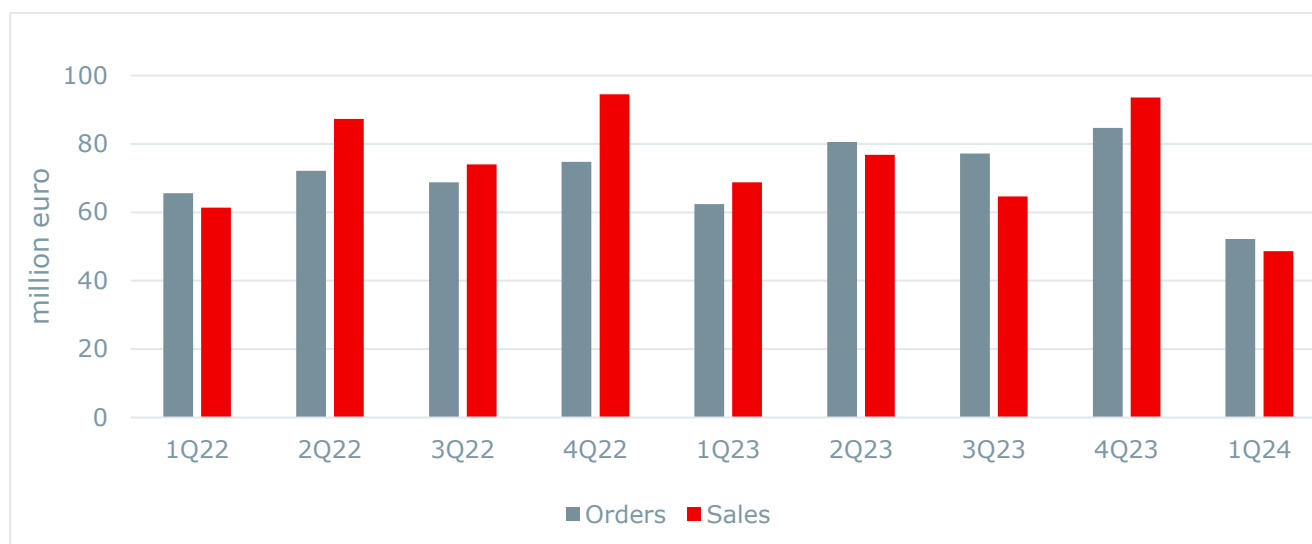
Sales and order intake for Healthcare were down 12% and 15% respectively, versus the same quarter last year.

Diagnostic Imaging had one of its strongest first quarters over the past years. Regionally, sales grew most in the Americas region, which had a strong performance in both radiology and mammography. We also see the emergence of new disciplines such as teleradiology and digital pathology. Demand in APAC was somewhat softer, mainly in China, which is still contending with above average customer inventories. The anti-bribery actions in the Chinese healthcare sector, which started during the second half 2023, are gradually becoming the “new normal” compliance process, comparable with other countries, which will be beneficial for Barco in the future. Diagnostic Imaging launched “DL Precise” for breast imaging, the first AI commercial application on our AI ecosystem platform. More important new product introductions are expected, such as home reading radiology displays in the second quarter, and the new flagship display for mammography in the second half of the year.

In Surgical and Modality elevated customer inventories continue to impede the implementation of confirmed contracts for new platforms. Management expects inventory digestion to be largely completed toward the second half of the year. The book-to-bill ratio was above one, with an important uptake of orders in the Americas. The portfolio and product mix are shifting towards software and embedded software.

## Enterprise

(in millions of euro)	1Q24	1Q23	Change 1Q24 vs 1Q23
Orders	52.2	62.4	-16%
Sales	48.6	68.8	-29%



Enterprise orders were 16% lower than last year, while sales were 29% lower year-over-year. While Meeting Experience’s topline was impacted by customers destocking inventories, Control Rooms<sup>1</sup> posted growth, despite the discontinuation of activities in certain geographies to create focus and improve profitability.

Meeting Experience took in strong orders and sales in the last quarter of 2023, driven by channel partners anticipating changes in the terms of Barco’s partner programs. As a result, inventories at several channel partners, primarily in EMEA, were higher than normal for the first quarter. Management expects the digestion of this inventory to continue into the second quarter of 2024. Meanwhile, the sell-through of ClickShare from distributors to resellers and end-customers declined by a mid-single-digit figure year-over-year, consistent with the overall performance of the meeting room market, which remained soft. Hence ClickShare maintained its market share. First orders have been received for the ClickShare Bar, contributing to the positive book-to-bill for the quarter.

Control Rooms sales grew year-over-year in all regions, delivering on the high orderbook that was built up in 2023 and some projects that had been delayed. The orderbook remains high and the order intake contained a growing number of orders for the new Barco CTRL software platform, which is targeted at specific industry verticals, and is reflecting our increased focus on software and services.

<sup>1</sup> Following the strategic review in 2023, the business unit Large Video Walls has been renamed Control Rooms



## Entertainment

(in millions of euro)	1Q24	1Q23	Change 1Q24 vs 1Q23
Orders	108.8	154.6	-30%
Sales	82.4	104.3	-21%



The performance of the Entertainment division was impacted by economic and industry headwinds and a comparison against a strong 1Q23 when the business was still catching up from the supply chain constraints of the year before.

Cinema’s orders declined as customers’ investment appetite softened due to a delayed movie slate following the strikes in the Hollywood film industry in 2023, most notably in EMEA. In contrast, APAC delivered growth in orders, primarily in China where local content is gaining share. Last year, Cinema received exceptionally large orders under a multi-year Cinema-as-a-Service contract in the first and fourth quarters, which did not occur at the same level in the first quarter of 2024. The delivery on this frame contract continues in full swing, with further large call-off orders expected. Barco launched its HDR Lightsteering technology commercially, following the roadshows and demonstrations of the technology to selected audiences last year. Commercial pilot programs with major exhibitors are planned for the last quarter of this year.

Immersive Experience faced various headwinds. The rental market saw lower demand, as rental partners are slowing down orders, after having grown their portfolio significantly following the pandemic and the subsequent supply chain shortages. Orders and sales for fixed installations were temporarily hampered, as customers are anticipating the launch of several new products. Barco’s simulation business continued to perform strong in all regions, most pronounced in the Americas. From a regional perspective, Immersive Experience sales were more resilient in the Americas, and declined most in EMEA, mainly in Western Europe, and to a lesser extent in APAC, where the Chinese market remains slow. Management expects a gradual improvement in sales and orders across geographies over the course of 2024, fueled by several new product introductions.

## Order intake & order book

### Order intake year-over-year

<i>(in millions of euro)</i>	1Q24	1Q23	Change 1Q24 vs 1Q23
<b>Order Intake</b>	220.1	286.6	-23%

### Order intake quarter-over-quarter

<i>(in millions of euro)</i>	1Q24	4Q23	3Q23	2Q23	1Q23
<b>Order Intake</b>	220.1	280.7	239.9	254.5	286.6

### Order book

<i>(in millions of euro)</i>	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
<b>Order book</b>	524.8	494.8	523.4	505.8	530.1	496.5

## Sales

### Sales year-over-year

<i>(in millions of euro)</i>	1Q24	1Q23	Change 1Q24 vs 1Q23
<b>Sales</b>	195.9	247.0	-21%
<i>Excluding currency effect</i>			-19%

### Sales by division year-over-year

<i>(in millions of euro)</i>	1Q24	1Q23	Change 1Q24 vs 1Q23
Healthcare	64.9	73.9	-12%
Enterprise	48.6	68.8	-29%
Entertainment	82.4	104.3	-21%
<b>Group</b>	<b>195.9</b>	<b>247.0</b>	<b>-21%</b>

### Sales quarter-over-quarter

<i>(in millions of euro)</i>	1Q24	4Q23	3Q23	2Q23	1Q23
Healthcare	64.9	77.4	61.3	73.3	73.9
Enterprise	48.6	93.6	64.6	76.8	68.8
Entertainment	82.4	128.7	103.7	123.7	104.3
<b>Group</b>	<b>195.9</b>	<b>299.6</b>	<b>229.6</b>	<b>273.9</b>	<b>247.0</b>

## Additional information

*The information given in this press release has not been reviewed by the statutory auditor.*

*In the event of differences between the Dutch and French translation and the English original of this press release, the latter prevails.*

## Request more information

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### Financial calendar 2024

Thursday 25 April  
Wednesday 17 July  
Thursday 17 October

Annual general shareholders meeting  
Announcement results 1H24  
Trading update 3Q24

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

### Disclaimer

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### About Barco

*Barco, headquartered in Kortrijk (Belgium), is a global company leading in visualization, networking, and collaboration technology. Its innovative solutions drive advancements in the healthcare, enterprise, and entertainment markets. At the heart of Barco's success are over 3,000 dedicated 'visioneers', each passionately contributing to driving change through technology.*

*Listed on Euronext (BAR), Reuters (BARBt.BR), and Bloomberg (BAR BB), Barco realized sales of 1,050 million euro in 2023.*

*For further insights, please visit [www.barco.com](http://www.barco.com) or connect on [X](#), [LinkedIn](#), [YouTube](#), [Instagram](#), and [Facebook](#).*

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