

2023 Integrated annual report



Visioneering a bright tomorrow

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All definitions for alternative performance measures (APM's) as used in this report are available in the [glossary](#) as available on Barco's investor portal and in Annex of the Annual Report

This financial report in pdf format is only a supplementary document. The official ESEF (European Single Electronic Format) version prevails.



This is the core section of Barco’s 2023 integrated annual report. Other sections are available via the download center at ir.barco.com/2023.

CORE

MORE

- [Governance & risk report](#)
- [Report on planet - people - communities](#)
- [Financial report](#)

ANNEX

- [Integrated Data Pack](#)
- [Glossary](#)
- [GRI Content index](#)
- [Assurance report](#)

Visioneering a bright tomorrow #wearevisioneers

'Visioneering a bright tomorrow', the new Barco purpose that we launched in 2023, highlights our belief that truly great engineering starts with a clear vision – **a vision of a better, smarter, healthier world**. We are constantly thinking about how we can help and transform the quality of life of our customers, our employees and the world around us – not only today, but also in the next 10 or even 20 years.

The concept of **integrated reporting** aligns perfectly with that vision. Year after year, we try to share more transparent results and honest insights on how we **create long-term value** for the entire Barco ecosystem. This year's integrated report, for example, includes a new series of interviews with visioneers to underscore how our vision adds to Barco's long-term value. In addition, we openly draw up the balance of 5 years' intensive sustainability efforts, sharing the successes as well as challenges we met underway.

By telling our story, openly and transparently, to our investors, employees and all other stakeholders, we can win their trust, which we need to achieve our 'visioneering a brighter tomorrow' mission.



Interview with our CEOs

"In 2023, we made significant progress in implementing our strategy and I'm sure that Barco will capitalize on these efforts. Of course, doing business is not a short-term game," says Charles Beauduin when reflecting on 2023. An Steegen confirms: "The market circumstances were harsher than we had envisioned. Still, our pace of innovation is accelerating, and we are active in the right markets to drive growth in the coming years."

Looking back: 2023 successes and setbacks

Shall we start with the good news? Are the transformation efforts that you initiated paying off?

An Steegen: 2023 was, in fact, a very good year for some of our business units. Our entertainment business, especially **cinema, flourished** and that's impressive, taking into account the weaker Chinese market. We also won significant market share in meeting rooms.

Charles Beauduin: The transformation that we kicked off to become a truly focused and lean organization is still underway. We **kept simplifying** our organization in 2023, consolidating even more functions in the business units to boost efficiency and accountability. The decision to re-acquire 100% of the shares in Cinionic fits that strategy too. In 2023, we truly started **benefiting from our reorganization**.



Furthermore, we have continued to progress on our focused factories strategy. The new healthcare factory in Suzhou is up and running, and the construction of the projection factory in Wuxi is close to completion, without delays. And there is more to come in our European plants as well: we plan to relocate the factory in Saronno, Italy, to a greenfield location nearby, and to ramp up investments for production and logistics in Belgium.

Still, achieving the growth that you had envisioned for 2023 was more difficult than expected?

An: There's no denying that. At the end of 2022, we saw clear tokens of market confidence. In the first quarter of 2023, sales indeed went up significantly, but then growth halted, mainly as the Chinese economy did not follow the expected recovery path after the pandemic. On top of that, to address supply chain shortages, customers had stored more stock in 2022 than we'd anticipated.

So, does Barco's resolute China strategy still hold strong?

Charles: We were indeed wrong about the timing of China's economic recovery. Its weak rebound came as a surprise, not only to us but also to the global financial markets. Even the Chinese government had overlooked the severe impact of the 3-year covid restrictions. The debt and faltering real estate greatly affected investments, not in the least in our markets, for example, in shopping centers, cinemas, events, theme parks and even hospitals. Yet, we still **believe in the strengths and potential** of this vast economy.

In 2022, An said that accelerating innovation is Barco's biggest growth opportunity. Have you taken strides forward in that field?

An: A clear focus on innovation is the only way for a tech company like Barco to differentiate itself, so we're working hard to instill more innovation capabilities. And we did manage to strengthen these, in the past year. The first results have been launched in 2023 and there's a **pool of new product**

introductions in the pipeline for 2024 and beyond. Moreover, I also see a clear transition towards **adding more software to our stack**. ClickShare is a great example. Our Large Video Walls team is fully shifting their focus to software. In every other division, software becomes increasingly important too.

Buckling up for 2024

So, 2024 promises a large portfolio of new products and solutions?

An: Absolutely. We plan to keep our **R&D spending** at about **12% of sales**, and we'll be introducing new solutions throughout the year, both renewals of established products and revolutionary new solutions, including products to win adjacent markets. By the time this report gets published, we'll have revealed some of this excitement already. The revolutionary HDR Lightsteering technology for cinemas is a great example of the landmark innovations we have in the pipeline. We've showcased it to professionals on several occasions in 2023 and directors and studios are really amazed.

As for geographies, China remains a target market?

Charles: Like I said, we'll stick to our China strategy. China is still a big economy that is leading the way in many tech fields, like robotics. They have great engineers and there is a true entrepreneurial spirit. I'm proud that Barco is active there with a very local strategy, not just with manufacturing facilities, but equally with sales and R&D.

Still, more than China, we want to increase our **focus on the wider Asian market**, which is a clear growth area. Asian cultures love imaging, even more than the Western world. As a visualization champion, our market potential is huge there. Meanwhile, the Americas and EMEA remain our largest playing fields, where we have a long track record and leading positions in many of the end markets we serve.

A clear focus on innovation is the only way for a tech company like Barco to differentiate itself. We did manage to strengthen our innovation capabilities in 2023.

An Steegen



The bigger picture

What do you consider Barco's biggest opportunities going forward?

Charles: Meeting the need for ever-better quality solutions. The bar is continually raised in every aspect. Just look at a movie from 2013. After only 10 years, the image quality feels pretty poor, right? More than constantly improving the brightness, contrast and colors, quality is also increasingly about infusing intelligence in our solutions. And it covers sustainability too.

An: The changing paradigms of visualization will lead to an exciting future. Screens used to be static and one-directional, but today you start seeing bi-directional interactivity with screens reacting on your touch or eye movements. In the long run we can expect truly ubiquitous visualization: it will become a symbiotic lifelike experience, where visuals merge seamlessly with the real world. Software will take an ever-increasing role: AI is one of the key trends that inspires our innovation roadmap, as is 'big data'. The world needs smart visualization solutions to extract meaningful insights from the abundance of available data.

As the world braces itself for the ESG challenge, is Barco well prepared to meet ever-more stringent regulations?

An: We've been a market frontrunner, calculating our carbon footprint and the footprint of our products for years. In 2016, we set 2023 as a target year for several emission reduction ambitions and I'm happy to see that we achieved, and even exceeded, all of these. Both our operations and our products are ever more energy-efficient and we pay attention to product packaging, circularity, and modularity too. With the ClickShare CX-50 2nd generation, we even launched one of

the first carbon-neutral wireless conferencing solutions in 2023. We have a great team that works hard to make sure that we continually push the envelope. The double materiality exercise that we are finishing will help take our sustainability efforts to the next level.

In conclusion, how does the future for Barco look like?

Charles: We keep moving forward on the path that we're paving. Barco is developing value over the long term. We're convinced that we're doing that well: we have the team and the technology and our visualization business provides solutions to meet many different needs, from hybrid meeting rooms and entertainment to ever-smarter healthcare.

Continued support

On a sidenote, Charles refers to the health issues that kept him away from the office for several months in 2023: "If there's one thing that I'm particularly proud of when looking back at the past year, it's that Barco stayed on track in the execution of our strategy, in spite of my absence. I'm incredibly thankful for all the support received both then and now that I'm back in business."

That counts for everyone at Barco. Many thanks to the Barco team, partners, investors, and of course our customers, who all help us visioneer a bright tomorrow.

Asian cultures love imaging, even more than the Western world does. As a visualization champion, our market potential is huge there.

Charles Beauduin



A word from our chairman Frank Donck

Barco remained resilient amidst global challenges in 2023. Guided by the vision and leadership of co-CEOs An Steegen and Charles Beauduin, our journey through the past year reveals both significant progress on the execution of our strategy and also unforeseen market circumstances, notably in the Chinese market. The transformative initiatives undertaken in 2023, with focused factories and a simplified organization, strengthen our agility and efficiency. I would like to thank the entire Barco team for their contribution.

Looking ahead to 2024, our dedication to innovation remains unwavering. With a robust portfolio of new products and solutions in the pipeline, we will expand in existing markets and venture into new ones, positioning ourselves for future growth.

In this annual report, we invite you to explore Barco's journey – a journey marked by innovation and a collective commitment to shaping the future of visual experiences and setting the standard in the markets we serve. As we navigate the business landscape and uncertainties of the market conditions in 2024, Barco stands prepared for another transformative chapter.

Looking ahead to 2024, our
dedication to innovation
remains unwavering.

Frank Donck





The future of Barco: 3 'burning questions' every stakeholder is asking

1. How is Barco's innovation pipeline looking?

Barco is **investing in Research & Development** and fueling its innovation pipeline more than ever, monitored by an agile governance. R&D is concentrated in the business units, close to the customer. In addition, Barco Labs focuses on fundamental research and breakthrough innovation ideas. This approach pays off: 2024 and 2025 will bring a **high number of new product introductions** from all business units, with an ever-growing importance of (embedded) software.

» [Read more](#)

2. Has the global supply chain normalized?

In 2023, **the supply of raw materials** for the production of our products normalized, with little or no shortages. In addition, the costs of energy and logistics dropped. **Inventories**, however, were **higher than usual** in many parts of the supply chain. In anticipation of potential shortages in the aftermath of the pandemic, many customers and channel partners had increased their inventory of finished products. That **stock takes time to shrink**, which impacted demand over the course of 2023 in many of our markets. For some markets, this will continue into 2024.

» [Read more](#)

3. How is the situation in China?

China remains an important global market but had difficulties to recover from the covid-19 pandemic in 2023. This has dampened demand significantly. In the Healthcare markets, this slowdown was exacerbated by government's anti-bribery programs. Barco explicitly decided to strengthen its foothold in China, by implementing its **focused factories strategy**. We opened the Healthcare plant in Suzhou and finished construction of the Entertainment plant in Wuxi. These state-of-the-art and highly automated facilities put us in pole position to serve the local Chinese and also the global markets, as they reopen.

» [Read more](#)

Key figures

Ecoscore

65%

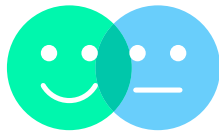


% revenues from products with [Barco ECO label](#)

Customer NPS

(Net Promoter Score)

48



Barco's standard customer experience metric, measured bi-annually (upper quartile industry performance)

Employees

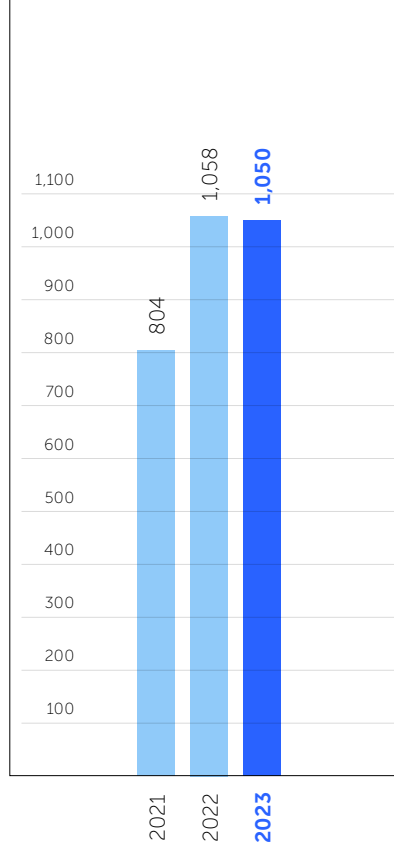
Reported in heads, excluding temporary workforce



(Database Corporate Associates per 31/12/2023)

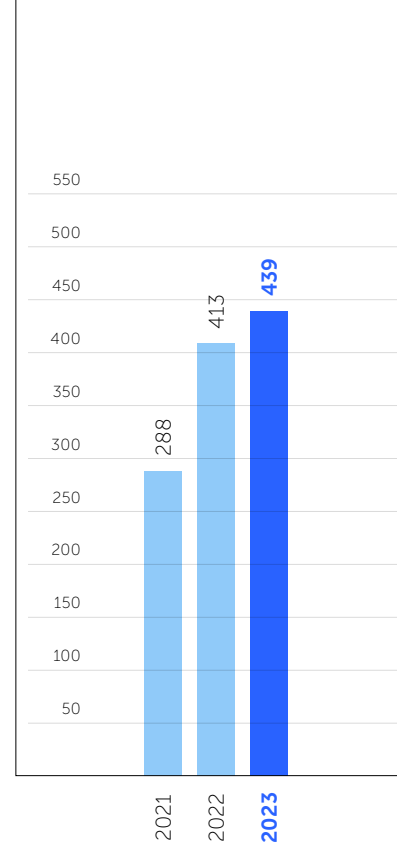
Sales

In millions of euro



Gross profit

In millions of euro

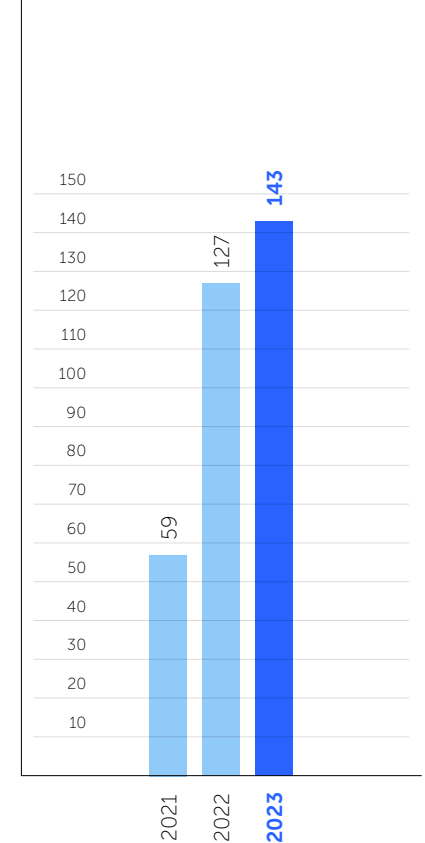


Gross profit margin

35.7%
39.0%
41.8%

EBITDA

in millions of euro



EBITDA margin

7.3%
12.0%
13.6%

Highlights



JANUARY

More sustainable meetings thanks to first CO₂-neutral ClickShare: meet CX-50 2nd gen

The CX-50 2nd gen is clear proof of our leadership in the collaboration and conferencing market: fully CO₂-neutral, it makes hybrid meetings more sustainable than ever.

» [Read more](#)

FEBRUARY

Milestone EU MDR certificate & CE mark for our medical display portfolio

Another first: Barco becomes one of the first diagnostic display manufacturers to achieve compliance with the new European legislation for its full medical product line.

» [Read more](#)



MARCH

Simpler control room workflows and top-notch security with new CTRL software platform

More software in our portfolio? Absolutely! The brand-new CTRL platform helps operators to securely connect to their sources, from anywhere, and interact with the content.

» [Read more](#)

MARCH

Can 5G connectivity help solve the challenge of staff shortage in ORs?

We joined mobile provider Orange to investigate how 5G mobile connectivity can facilitate remote knowledge sharing in surgical environments.

» [Read more](#)



MAY

Philips Supplier Award for Sustainability honors our environmental efforts

Philips applauded our strategic approach towards sustainability since 2015, as well as our proactivity in the submission of sustainability documentation.

» [Read more](#)

JUNE

New Nio displays redefine the standard of diagnostic imaging

Simplicity, functionality, a sleek design and an A++ ecoscore: the 2 new Nio diagnostic displays are sure to remain the most up-to-date diagnostic equipment for years to come.

» [Read more](#)



JUNE

Small in size, great in imaging and energy efficiency: the new G50 laser projector

With its unparalleled size, weight, and energy efficiency (18 Lm/W), the newest member in the G-series delivers exceptional performance – at an affordable price.

[» Read more](#)

SEPTEMBER

Redefining the home theater experience with the Nerthus projection platform

High-end home theaters all want Barco. Our flagship Series 4 Nerthus projector brings astounding contrast, lumens and colors to ensure a truly immersive viewing experience.

[» Read more](#)



OCTOBER

More realism in training? The new F400-4K simulation projector checks all boxes

Designed specifically for the highly demanding training and simulation applications, the new F400-4K ensures power, speed and precision.

[» Read more](#)

OCTOBER

Barco UniSee II elevates your vision - again!

Barco UniSee II takes the viewing experience to a new level, again. Crisp colors, deep blacks, and very high contrast are the main traits of this newcomer - while the ergonomic aspects are further refined.

[» Read more](#)



NOVEMBER

See through breast density with new AI-powered DL Precise™

The DL Precise™ workflow tool helps radiologists with lesion segmentation, measurement, and visualization, even in dense breast tissues – ensuring better cancer diagnosis.

[» Read more](#)

NOVEMBER

Strengthening our commitment to cinema: Cinionic becomes Barco

By re-acquiring 100% of Cinionic's shares, we'll be able to operate in the cinema market with even greater operational efficiency and agility.

[» Read more](#)

Our company



COKE Report

Barco

Integrated report 2023

Introduction to Barco

About Barco

Barco. Visioneering a bright tomorrow.

Barco is a global company with headquarters in Kortrijk (Belgium). Our **visualization and collaboration technology** helps professionals accelerate innovation in the healthcare, enterprise and entertainment markets. We count over 3,300 visioneers, whose passion for technology is captured in over 900 unique patents. Our company is listed on the Brussels Stock Exchange.

Our purpose: visioneering a bright tomorrow

At Barco, we believe truly great engineering starts with a clear vision. A vision of a **better, smarter, healthier world**.

With technology, we accelerate the brightest minds in entertainment, enterprises and healthcare to create a bright tomorrow.

To touch people's hearts and minds. To work better together.
To transform the quality of life.

» [Read how we visioneer a bright tomorrow](#)



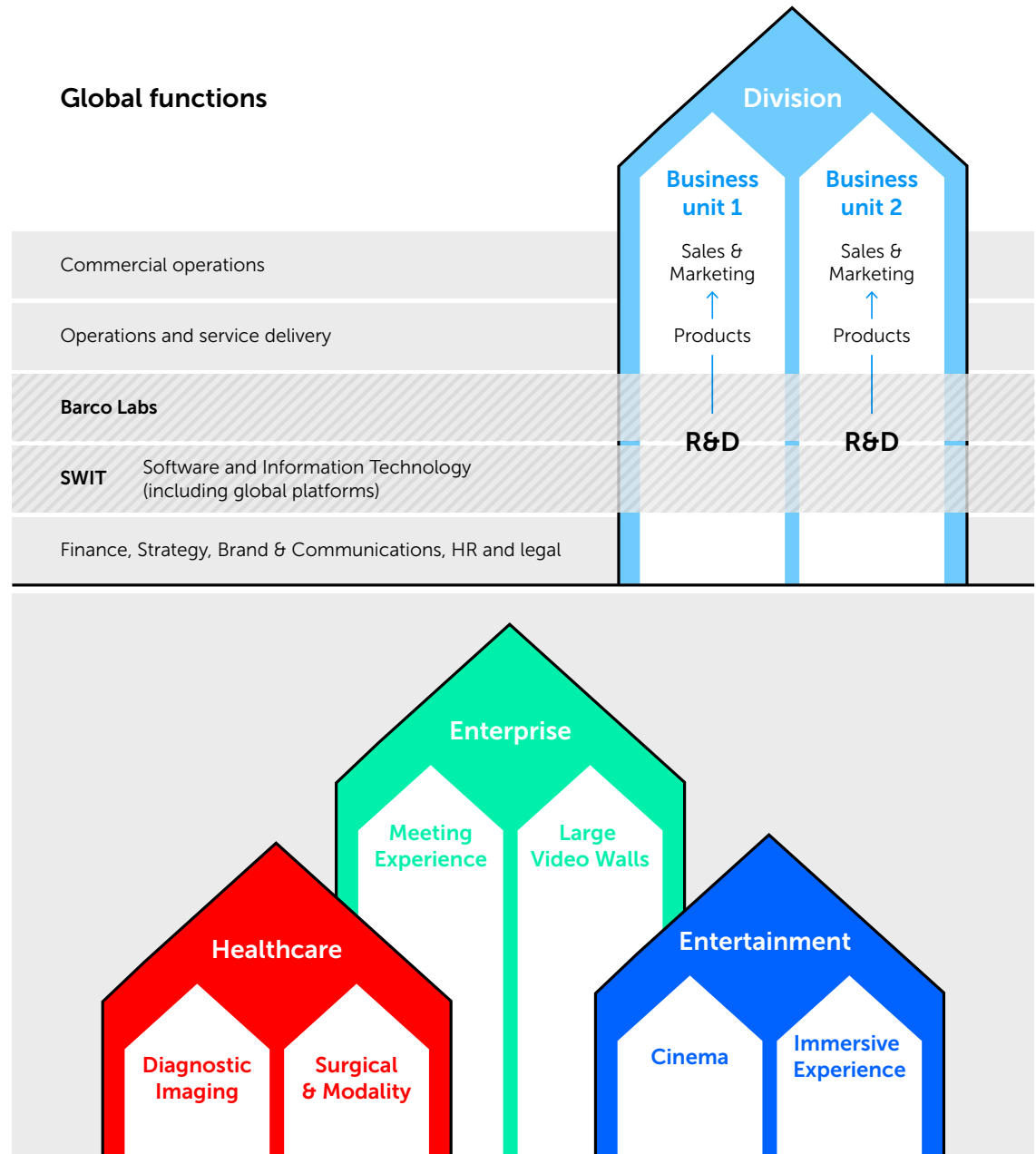
Our organization

A focused organizational structure

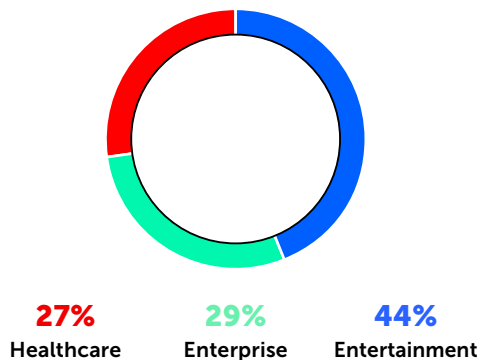
Since 2022, Barco has had a focused organizational structure, with **six global business** units. Every business unit handles marketing and communications, sales, product management and R&D, while more general functions (services, sales support, operations, digitization, finance, HR, legal and Barco Labs) are managed on a global level. In 2023, we further finetuned the organizational structure, in line with this vision.

We kept simplifying our organization in 2023, consolidating even more functions in the business units to boost efficiency and accountability.

Charles Beauduin
CEO

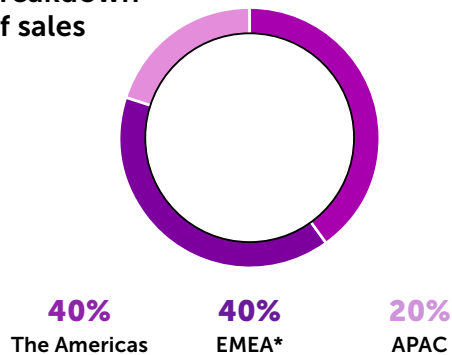


Sales per division*



* Breakdown based on sales 2023

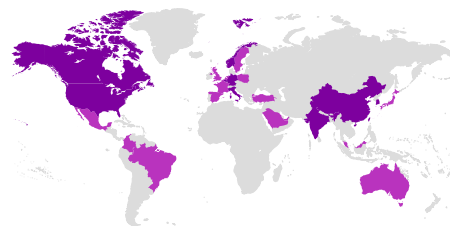
Geographical breakdown of sales



* EMEA: Europe & Middle East & Africa

Geographical footprint

Barco has sites in nearly 30 countries and R&D and/or manufacturing facilities in 10 countries.



Americas

- Brazil
- **Canada**
- Colombia
- Mexico
- **United States**

Asia-Pacific

- Australia
- **China**
- Hong Kong
- **India**
- Japan
- Malaysia
- Singapore
- **South Korea**
- **Taiwan**

Europe, Middle East & Africa

- **Belgium**
- France
- **Germany**
- **Italy**
- The Netherlands
- **Norway**
- Poland
- Spain
- Saudi Arabia
- Sweden
- Turkey
- United Arab Emirates
- United Kingdom

- Sites
- R&D and/or manufacturing facilities

The people of Barco

Our people are the driving force for our success. A team of over 3,300 employees, located around the globe, all join forces to visioneer a bright tomorrow.

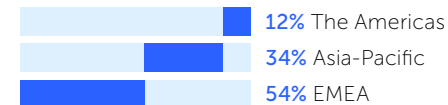
Number of employees



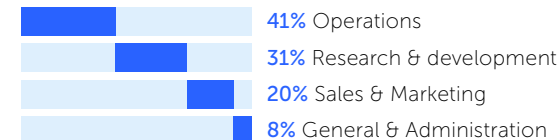
Gender



Geographical



Per functional group



Figures reported are in heads (not FTE). For definitions on indicators: see glossary. We refer to [note 4 in the financial chapter](#) for more information on the headcount evolution.

Leadership

More than protecting and supervising our company, our leadership team and Board of Directors also ensure that Barco is able to create value for society at large.

While the Board of Directors sets, steers and monitors our strategic direction, our Core Leadership Team ('CLT') is responsible for implementing our group strategy and policies and achieving our objectives and results. In this way, all governance bodies contribute to value creation at Barco.



Frank Donck
Chairman



An Steegen
CEO



Charles Beauduin
CEO



Directors with
5 years of seniority



Ashok K. Jain



Hilde Laga



Female members of
the Board



Lieve Creten



James Sassoon



Independent
directors

Board of Directors

The composition of the Board of Directors meets the gender diversity requirements. All directors hold or have held senior positions in leading international companies in organizations. In 2023, Lord Sassoon joined the Board of Directors.

Our Core Leadership Team

The CLT, which operates under the chairmanship of the CEOs, comprises key officers from various functions, businesses and regions.

Three new CLT members came on board (Mr. Philippe Verlinde, Mr. Dirk Feyants and Mr. Ta Loong Gan) while Mr. Tom Sys, former CDIO, moved to Large Video Walls.



An Steegen
CEO



Charles Beauduin
CEO



Wim Buyens
Cinionic



Gerwin Damberg
Cinema & Acting CTO



Ann Desender
Chief Financial Officer



Dirk Feyants
Diagnostic Imaging



Johan Fornier
Surgical & Modality



Stijn Henderickx
Meeting & Learning
Experience



Anthony Huyghebaert
Chief HR Officer



Rob Jonckheere
Global Operations



Ta Loong Gan
Immersive Experience



Tom Sys
Large Video Wall
Experience



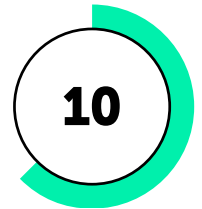
Kurt Verheggen
General Counsel



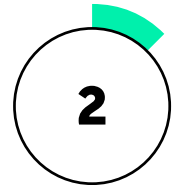
Philippe Verlinde
Chief Digital &
Information Officer



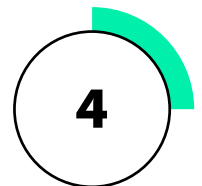
Kenneth Wang
MD Barco China



CLT members with
5 years of seniority



Female CLT
members



Non-Belgian
CLT members

Culture & ethics

Every organization has a culture; implicit or explicit. It is its personality – a set of unwritten rules on how an organization behaves. And it reveals itself in many different forms. Our corporate culture defines the cultural traits that we must embrace to continue leading in our dynamic markets.

Barco culture: how we live our DNA

Corporate culture is everywhere. It comes alive in how we act towards our customers and how we talk and listen to them. It becomes visible in the way we design our processes: have we designed them from our perspective or from the perspectives of those who are affected by them? It guides us in creating teams, but also in how we treat each other as team members. Culture even comes alive in our decision of how to greet each other in the morning. And above all, it defines how we execute our strategy. Culture is how we live our DNA.

» [Learn more about our corporate culture](#)

The importance of ethics and compliance

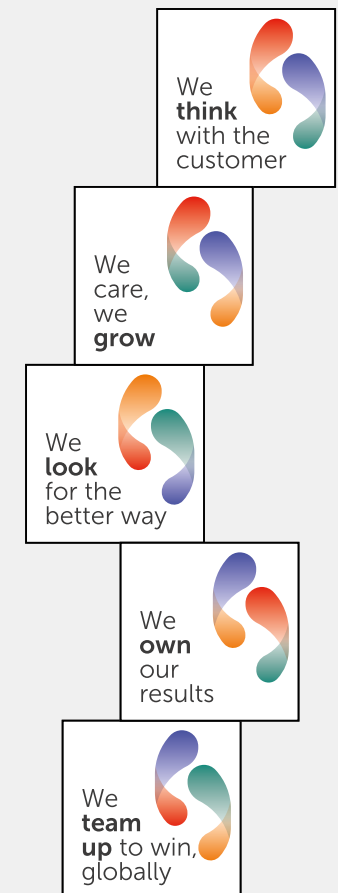
Barco's reputation and continued success depend on the conduct of its employees as well as its business partners. That's why we put great emphasis on ethics and compliance: we continuously invest in building a company culture in which ethical conduct and compliance with our policies and the applicable regulations are at the core of how we do business.

We look for the better way

In 2023, we took a deep dive into the value of innovation and continuous improvement, amongst others via workshops to enhance the skills of our employees. In addition, we looked at simplifying our cultural value set – highlighting our value 'we look for the better way' in everything we do.

» [Learn more in the 'people' chapter of our PPC report](#)

The 5 building blocks that summarize the Barco culture



Planet, people and communities

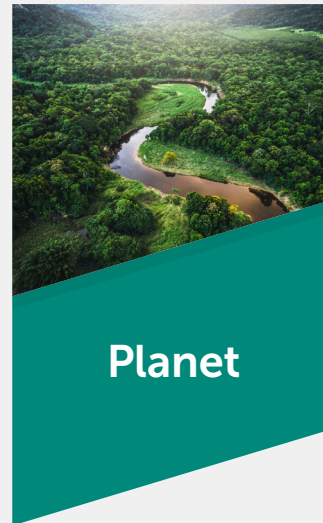
At Barco, we firmly believe that sustainable business is good business – and vice versa. To that end, we are committed to taking ownership of a sustainable future. Our sustainability strategy ('Go for Sustainable Impact') has been an integral part of our corporate strategy for several years now and we are constantly accelerating our efforts.

More than safeguarding the future of our planet, sustainability at Barco also incorporates responsibility to our employees and to the communities in which we operate. For each of our three sustainability pillars – **Planet**, **People**, and **Communities** – we defined an overall ambition statement as well as medium- and short-term targets that guide and motivate us to infuse sustainability across the organization.

The steps we've taken in recent years are a solid foundation. By continuing on this path, we aim to enhance our positive impact and deliver a really bright tomorrow for our ecosystem and the world at large.

Dries Vanneste
Sustainability Manager

Our ambitions and targets are linked to the sustainability areas that matter most to our stakeholders and where we can achieve the greatest impact: [our material topics](#).



We will lower the **environmental footprint** of our customers and further reduce our own footprint.

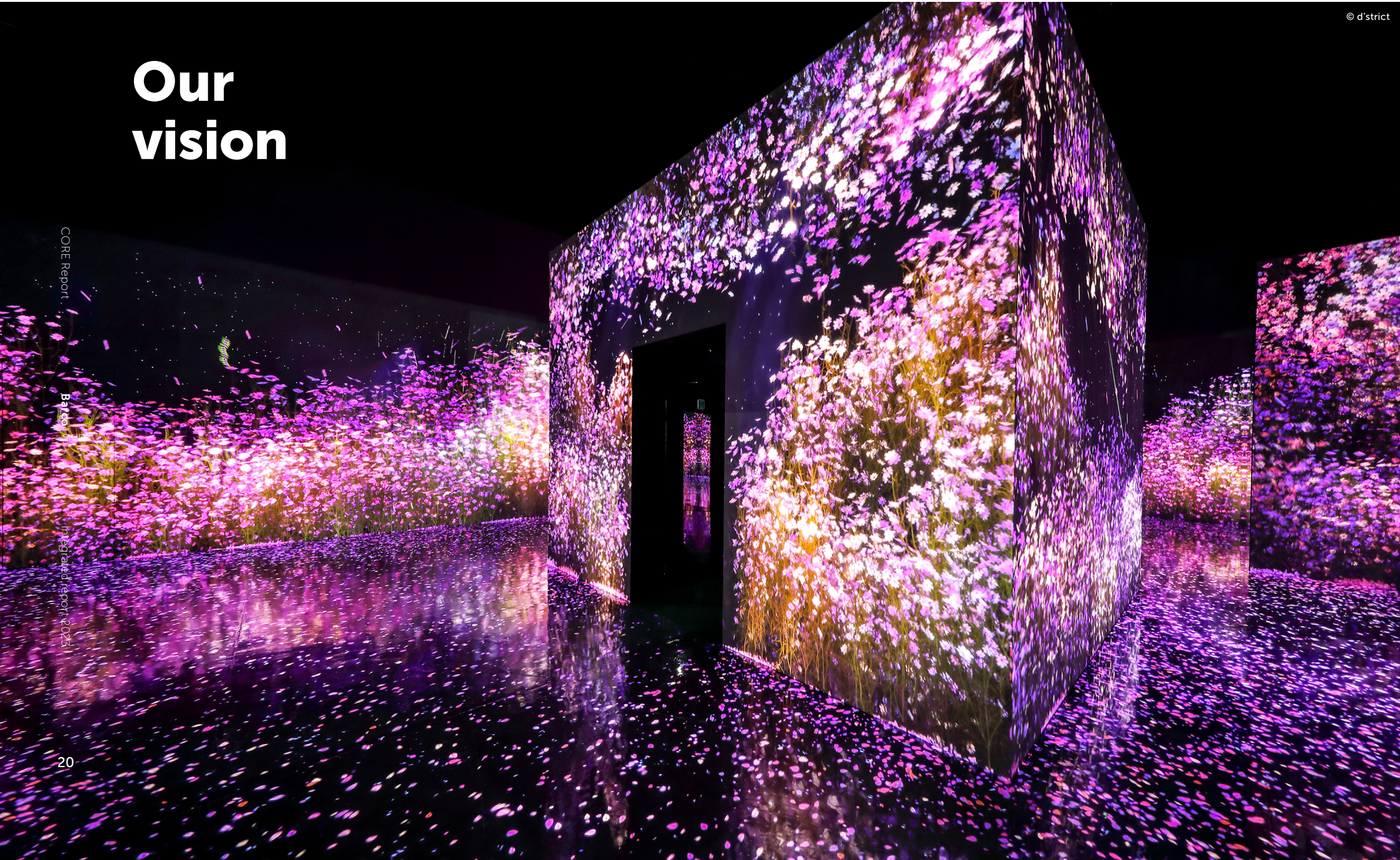


We invest in **sustainable employability** by creating the right conditions for our employees to have an engaging, enriching and healthy career at Barco. We do this by encouraging our people to learn and develop themselves and by ensuring a healthy working environment – both physically and mentally. We engage in building an inclusive workplace that embraces the diversity of our people as this boosts our innovation capacity.



We play an **active role in the communities** we operate in by upholding the highest ethical and quality standards and expecting the same from our business partners. We always aim to deliver added value to our customers through our solutions, services and capabilities. In addition, we help ensure more people can participate in and benefit from Barco's innovation.

Our vision



Visioneering a bright tomorrow

Barco's 'Visioneering a bright tomorrow' purpose, sprouts from many in-depth discussions with our broad ecosystem. From employees, our management, and business partners right through to customers: we consulted them all, in efforts to shape our purpose, gauge what purpose best reflects Barco, and then finetune it.

There was wide consensus that 'visioneering a bright tomorrow' perfectly fits Barco's mission and future. While we've always been innovators, the new, explicit visioneering purpose urges us to go even further in thinking out of the box – in the field of visualization technology, but equally in our processes, HR policies and approach to topics like sustainability.

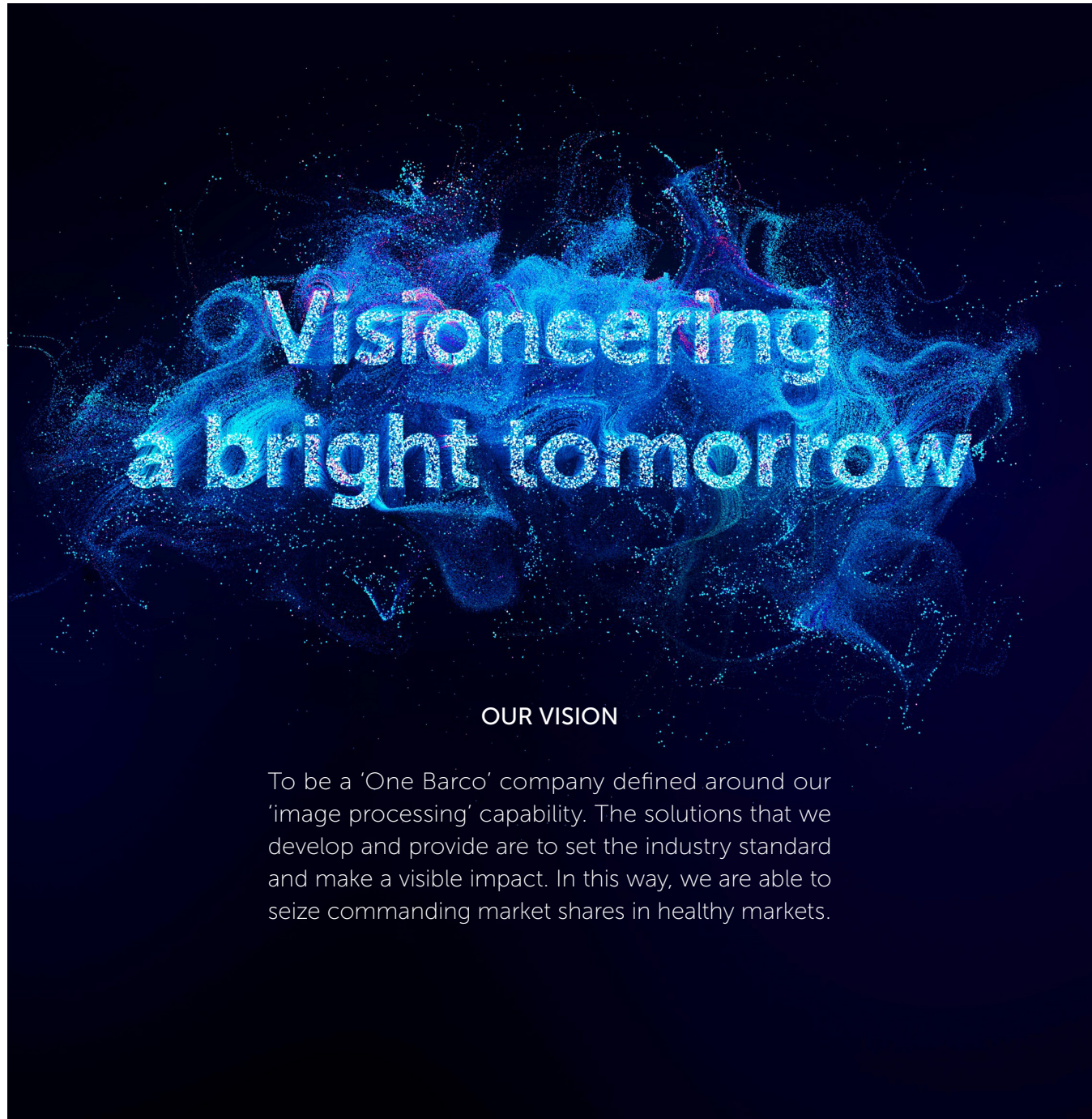
We talked to eight Barco visioneers about how we are all working towards that bright tomorrow.

Visioneering – a fusion of 'vision' and 'engineering' – refers to our engineering roots and our expertise in visualization.

But it also reflects how we innovate: always looking for the better way. 'A bright tomorrow', for its part, refers to our markets, teams and communities.

Eva Careel

Brand and content manager



OUR VISION

To be a 'One Barco' company defined around our 'image processing' capability. The solutions that we develop and provide are to set the industry standard and make a visible impact. In this way, we are able to seize commanding market shares in healthy markets.

The future of visualization

Gesture-controlled interfaces, multi-touch screens, interactive digital signage, holographic displays, and even AI: is the future shown in sci-fi movies like Star Wars, Star Trek, and The Matrix really where visualization is headed? And what's Barco's role in that future? We asked Peru Dharani, our Senior VP Research, and Design and Innovation Engineer Guillaume Segart.

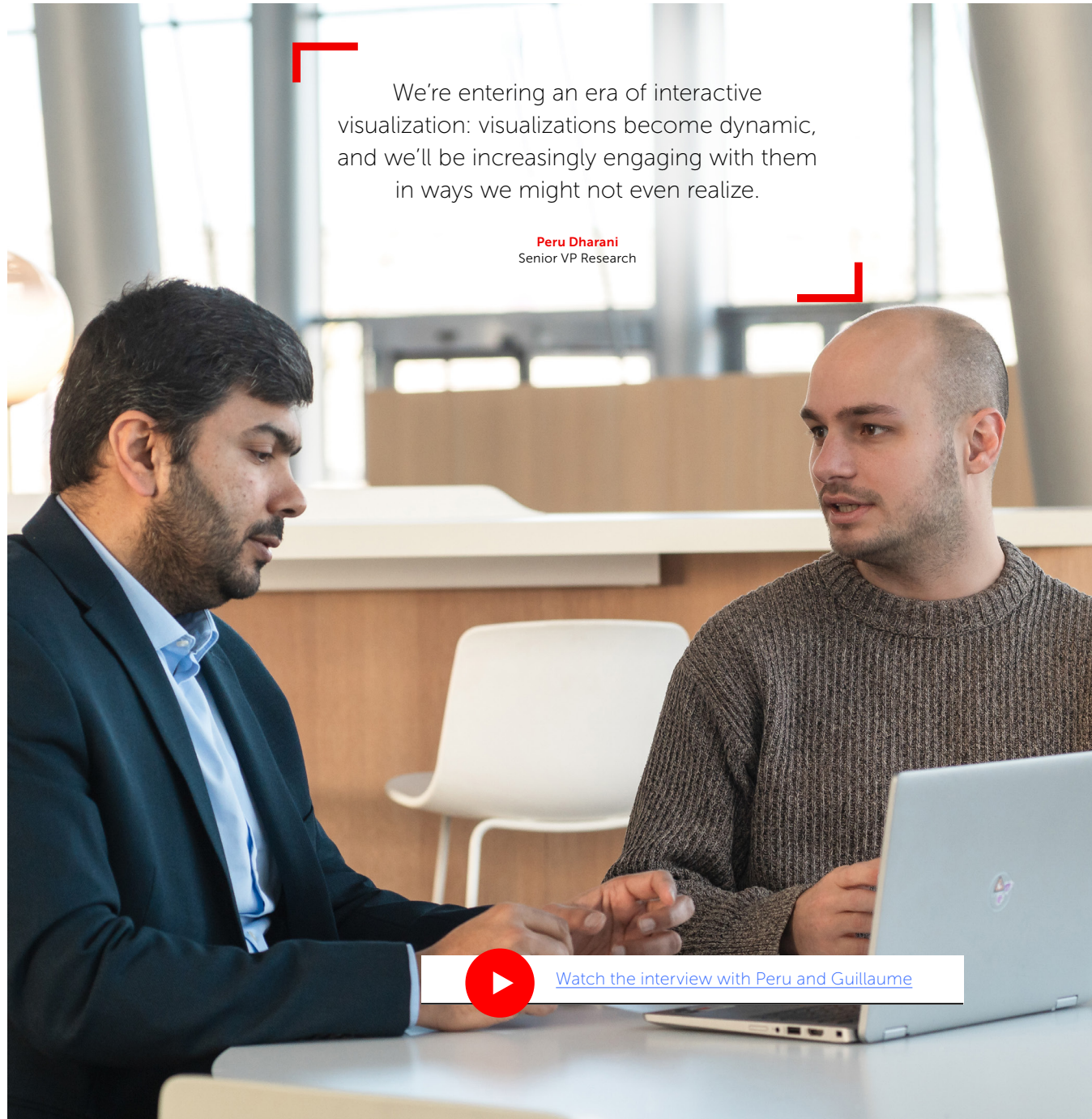
In every chat we have with Peru, he keeps repeating it: "These are hugely exciting times to be active in technology and visualization." As the head of BarcoLabs, Peru works closely with a growing group of visioneers, like Guillaume to develop breakthrough solutions. Not technology for the sake of it, but solutions that add value to our customers' lives.

How does the future of visualization look like?

When looking back on 90 years of Barco visualization, we see a blizzard of new technologies. "Still, the concept of visualization has remained almost untouched," says Peru. "We keep using projectors and screens to display static information. That is about to change, as we're entering an interactive era: visualizations are becoming dynamic."

We're entering an era of interactive visualization: visualizations become dynamic, and we'll be increasingly engaging with them in ways we might not even realize.

Peru Dharani
Senior VP Research



[Watch the interview with Peru and Guillaume](#)

What does that mean for Barco?

Peru: "We're looking into the possibilities of **transparent displays**, for example. They're the perfect canvas to bring augmented reality images that connect people, beyond the individual AR experiences that exist today. In a next step, we'll want to move to **ubiquitous visualization** that **crops up anywhere, merging seamlessly** with the real world. Humans will engage with it in ways we might not even realize."

What will be the key advancements in the near future?

The volume of data created, captured, copied, and consumed has been soaring exponentially over the past few years. By 2025, worldwide data will grow to 175 zettabytes (= over a trillion gigabytes), BI platform Statistica predicts. A massive amount of computing power, smart visualization solutions, and intelligent software are needed to collect, store, process, distribute, and retrieve this data.

But that's not all. The main question is: **how can we make optimal use of that data?** "If you can't distill insights from data, it's just an avalanche of bits and bytes," says Peru. Barco to the rescue: we have the expertise needed to develop the technology platform that visualizes that data and translates it into knowledge.

Can image quality keep improving?

"At Barco, we keep pushing the boundaries to **make images as true-to-life as possible**," Guillaume states. "We've been setting the standard for decades in markets like healthcare and simulation, but equally in events and cinemas. Our expertise in image processing, projection, and optics puts us in pole position in this era where image quality rules."

As there is no limit to the need for better image quality, Barco increasingly takes into account new parameters to keep exceeding expectations. Color accuracy, noise behavior, and even perception models all help us predict how an image will be interpreted by the human eye – and how its quality will be perceived.

We've been setting the standard for decades. Our expertise in image processing, projection, and optics keeps putting us in pole position in this era where image quality rules

Guillaume Segaert
Design & innovation engineer

How is Barco surfing on the AI wave?

There is no future outlook without mentioning AI, these days. Peru believes that we can't imagine where AI will bring us: "Over 100 years ago, Edison came up with the light bulb. At that time, no one had a clue how much that would change our lives, while today we just take it for granted. With AI, we are in that light bulb moment."

As the world **increasingly embraces AI**, so does Barco. More than building these capabilities into our solutions, we're also working on the high-performance GPUs necessary for managing the massive datasets inherent in AI algorithms.

Can we make visualization solutions truly sustainable?

The increasingly pressing quest for sustainability has been on Barco's roadmap for years and we keep sharpening our focus in that field. More than boosting the sustainability of our own operations and that of our solutions, some Barco products – e.g. ClickShare – are also **part of the sustainability solution**.

Guillaume: "Here too, innovation plays a key role. For now, we're providing increasingly modular, energy-efficient, and circular solutions. In the future we could come up with more disruptive ways. If we were successful in replacing hundreds of projectors in an immersive space with one single unit, that would have a hugely positive impact throughout the value chain."

A bright tomorrow: sustainable visualization

From Europe to the US and China: countries worldwide are urging accelerated actions to cut CO₂ emissions and drive sustainability. At Barco, we set ambitious targets, report openly about our sustainability results, and team up with our broader ecosystem to deliver impact.

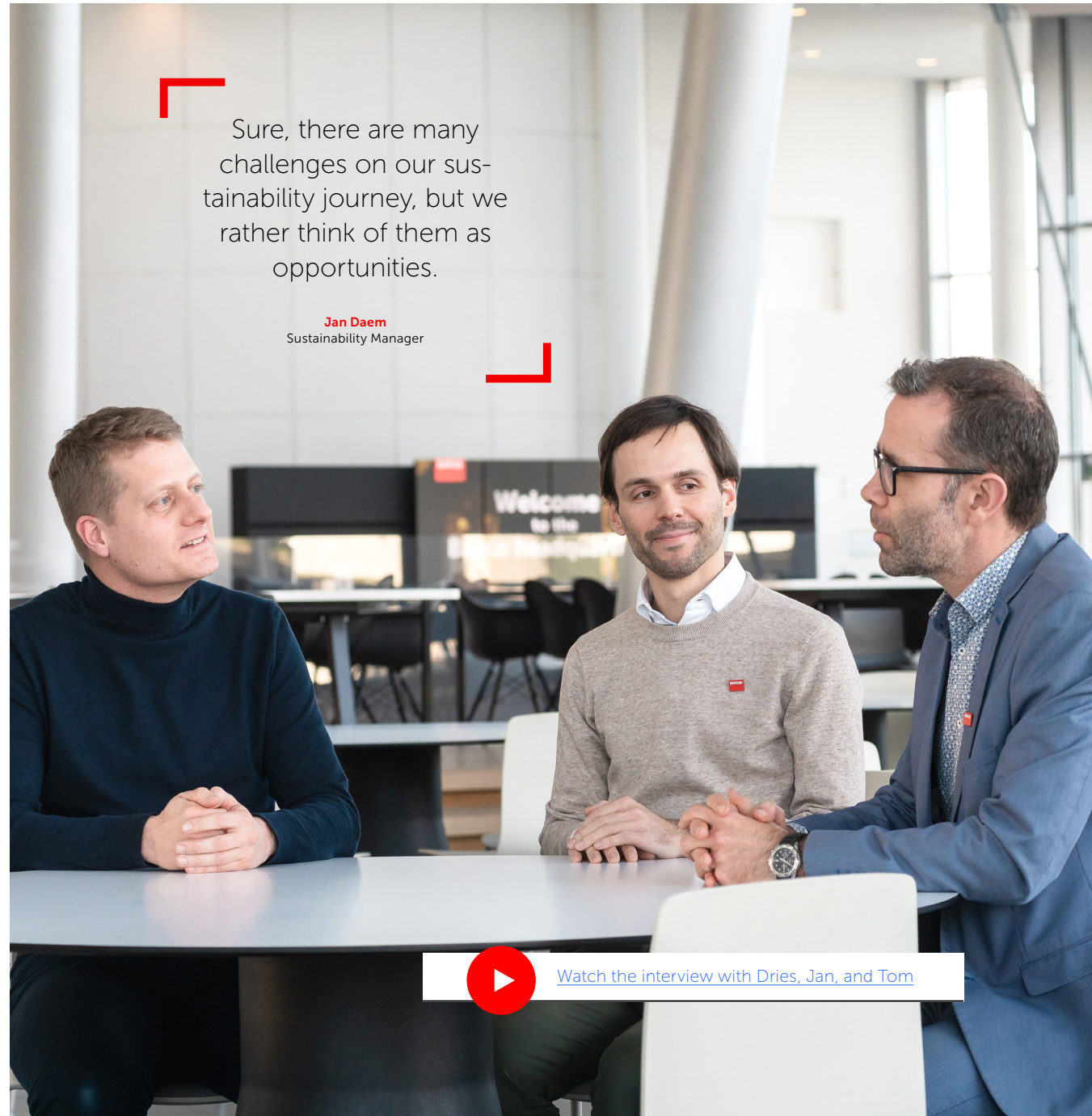
"Businesses are rethinking their position in the new sustainability playing field. And sure, there are many challenges along the way, but we rather think of them as opportunities," says Dries Vanneste, our new sustainability manager. Dries collaborates closely with experts like Jan Daem, Environmental Compliance officer, and Tom Bert, VP Product, cinema, to move the needle on sustainability.

Product sustainability is a transition. It's a step-by-step incremental improvement that we must realize.

Jan Daem
Product Compliance Officer

Sure, there are many challenges on our sustainability journey, but we rather think of them as opportunities.

Jan Daem
Sustainability Manager



[Watch the interview with Dries, Jan, and Tom](#)

4 key insights distilled from the roundtable discussion on sustainable visualization:

1. Product sustainability is work in progress

As a manufacturer of high-end visualization solutions, Barco has been putting product sustainability high on the agenda for years. To measure the environmental footprint of our products, we developed the [ecoscore tool](#), which considers energy consumption, material use, packaging, and logistics, as well as the product's end of life.

"Our **ecoscore tool** is really unique," explains Jan, "at it takes into account the full lifecycle of our products and is fully embedded in new product design. In this way, we help our customers make sustainable choices." In 2023, 65% of our revenue came from products with the Barco ECO label. "We work hard to keep improving that number. Product sustainability is work in progress."

2. Don't think product but ecosystem sustainability

Tom highlights that products are just part of the puzzle: "Visualization products have long been standalone solutions. Today they're networked and software-enabled systems that interact with their environment. And yet we still see how most products are managed separately.

In the future, however, I expect **more integration and automation**, allowing the visualization system to smartly manage power in rooms and even buildings. That will be a true driver for sustainability."

3. Sustainability is a joint effort

To accelerate sustainability in the AV industry, Barco actively participates in [external initiatives that promote sustainability](#), such as the Science Based Targets initiative. We also play an active role in industry organizations like AVIXA, where we aim to create a common platform to define requirements and set objective measurement criteria.

"Partnerships across the value chain will become increasingly important to advance sustainability efforts and targets in the future," says Dries. More than that, customers and end-users increasingly request our help to measure their sustainability performance and communicate about their efforts.

4. Make sure to include social and governance

While sustainability is often linked to environmental initiatives, it includes social and governance topics as well. Dries: "Barco also has a **clear social pillar**, where we focus on topics such as [diversity and inclusion](#) and talent and career development.

In addition, we notice a clear tendency towards social due diligence across the business chain of activities, which is why we developed a supplier sustainability program. Social and governance topics are just as important to ensure the bright tomorrow that we at Barco are visioning."

Towards a circular business model

Jan expects the drive towards sustainability to impact business models. He anticipates more circular business models, where manufacturers rent or lease their product to the customer rather than selling it. In this

way, companies like Barco will be able to recover or recycle the resources used in their products in order to shrink the environmental footprint and trim waste."



Our visioneers: building a culture of diversity and inclusion – step by step

Barco has a strong set of cultural values. But how do we ensure that they remain relevant and authentic? To leverage our strength as a global and diverse organization, we must continue building a culture of diversity and inclusivity. Alexis Capili, Global HR business partner, and Lien Meuleman, Global HR director talent, leadership and organizational development explain what that means.

To start with: what constitutes a company culture? For Alexis and Lien, this goes beyond a winning corporate strategy: a corporate **culture is shaped by everyday interactions and decisions**. "For example, can you just walk into the CEO's office and say 'hi An, I have a suggestion?'" Lien explains. "It's these little things that have a big impact."

Achieving a cohesive culture also requires collective effort. "It's as important as strategy, but maybe even more difficult to control, as you cannot impose a culture. Of course, real success happens when strategy and culture are aligned and move in the same direction."



We need to look in the mirror and keep ourselves in check if we want to keep evolving along with the world around us.

Alexis Capili
Global HR business partner



[Watch the roundtable talk with Alexis and Lien](#)

If you want to serve global markets, you need to reflect that diversity internally as well.

Lien Meuleman
Global HR director talent, leadership and organizational development

Always evolving and rejuvenating

For Barco, maintaining the authenticity and relevance of cultural values is vital. "We want to keep evolving along with the world around us," says Alexis. "To do so, it's important that we continuously look in the mirror and keep ourselves in check."

In that spirit, Barco initiated a culture rejuvenation project in 2022. "The aim is really to **simplify and clarify Barco's values and behaviors**. To do this, we have to balance top-down and bottom-up approaches, and engage colleagues from all Barco regions, cultures, and seniority levels to ensure we have a common story."

Diversity and inclusion to foster innovation

When we talk about remaining relevant, you automatically end up talking about diversity and inclusion. Being a diverse and inclusive company has always been important for Barco, but today even more so. And that has everything to do with our renewed focus on innovation.

Lien: "You need an open mind and different perspectives to ensure innovation. Embracing diverse horizons enhances decision-making. In 2022, we moved to a new organizational setup, with end-to-end business units. Suddenly, we became even more globally connected. If you want to serve global markets, you need to **reflect that diversity** internally as well."

Management enablement

But how do you strengthen diversity and inclusivity in an organization like Barco? One thing is certain: it doesn't happen overnight. "In 2023, we initiated a three-year plan that includes a series of well-defined initiatives to inject diverse and inclusive thinking," explains Lien. "In addition, we defined two very important enablers: growing **awareness and 'management enablement'**."

To foster the latter, our HR team sets up inclusive leadership training sessions around topics like unconscious bias and microaggressions. "It helps managers and other colleagues to practice what they preach. We plan to cascade these trainings throughout the full organization in the future."

It's the little things!

Alexis and Lien acknowledge that small initiatives are often the most impactful: they resonate most with employees. "That means **recognizing and rewarding behaviors** that are in line with where we want to go as a company, plus, at the same time, enabling each other to speak up when we witness behaviors that are wrong."

"We're committed to ensuring that every Barco employee experiences an inclusive environment where they can speak up and have impact. That's why we continue to collect human stories within the organization and showcase them for others to nurture learning and change," Alexis concludes. "There's still a way to go, but we'll get there together, step by step."

How digital transformation leverages a bright tomorrow

Advanced digitization is the way to go for companies that want to keep up with rapidly changing markets and customer needs. At Barco, we kicked off our digital transformation a while ago. Are we at cruising speed yet? We asked Philippe Verlinde, Chief Digital and Transformation Officer, and Sales Processes and Tools Manager Annelies Traen.

"On a scale of one to ten, I'd say we score 7", says Philippe when we ask him to assess Barco's digital transformation. "We have our foundation in place, but there's still a lot to do. Increasing user adoption is definitely a challenge." Annelies, for her part, praises the progress we're making: "We're definitely moving in the right direction. Appointing change ambassadors, for example, was a smart step to take."

Digital transformation is about driving internal efficiency, improving the customer experience, and enabling new business models.

Philippe Verlinde
Chief Digital and Transformation Officer



[Watch the interview with Philippe and Annelies](#)

The 3 levels – and drivers – of digital transformation

Digital transformation is a broad topic. Philippe and Annelies narrow the scope to three levels:

1. Boost internal efficiency.

Digital transformation improves the way of working, freeing up time for employees to focus on things that create true **long-term value**, like innovation, says Philippe: "Look at approval flows, for instance. Instead of waiting for each other's approval, with digitization, several people are invited to approve a document or a process at the same time. That helps to speed things up."

As digital transformation drives efficiency, it also helps **cut costs**, "which, of course, is often a key driver to boost digital transformation," Philippe admits.

2. Enhance the customer experience.

Digitization means you can offer customer self-service capabilities via a user-friendly portal, empowering customers to track orders and create quotes themselves. Or you can capture customer data to get insights in customers' behavior and needs, leading to personalized customer experiences.

"Improving **the quality of products** is an important driver for digital transformation," Annelies adds. Here too, data helps to get insights – as a starting point for improvements.

3. Enable new business models

Digitizing our processes will also change the way we do business. "New business models could help us win in new markets," says Philippe. He does, however, admit that Barco is still at the beginning of the learning curve in that area.

Digital transformation at Barco

Barco kickstarted its own digital transformation about six years ago. "It began with **product platforms**," Philippe explains. "As customers were asked to register themselves when they started using our solutions, we could structure customer data. Three years ago, we started linking our IT systems to our product software – an essential new step to improve the customer experience."

"The way we implemented Salesforce is a nice example of what digital transformation can do," Annelies continues. "Barco always develops a **minimum viable product** and then collects feedback from key users as early in the design or implementation process as possible. That helps us to focus on what users really want and need. So, when we introduced Salesforce, we gathered feedback after a couple of months, enabling us to adapt wherever necessary."

Security by design

What about the **cybersecurity** risks that come with digitizing and connecting systems? Philippe: "Cybersecurity isn't something you think of at the end of a digitization project. We take it into account from the very beginning. We call that **'security by design'**. The more systems you connect, the more assessments are needed from various angles: from testing your individual products to assessing the cloud you're using. That's why we perform penetration tests in most of our projects."

3 trends in digital transformation

Just like Barco, a lot of companies are in the middle of a digital transformation right now. "Digitization is a train in motion you want to be on as a company," says Annelies. In the coming months and years, Annelies and Philippe will help Barco to constantly raise the bar in digitization, taking into account these 3 main trends:

- **Cloud-first:** We're not only connecting products to the cloud, but IT systems as well. That comes with a lot of advantages, but with some concerns too – increasing cybersecurity complexity, for instance.
- **The growing importance of data.** At Barco, we have access to more user data than ever before. That helps us to become a real data-driven company.
- **AI and machine learning.** AI helps us automate processes, for instance. We're still exploring how we can make maximum use of AI and machine learning in our current landscape, but it's clear that both will be crucial in moving our business forward.

How we create value

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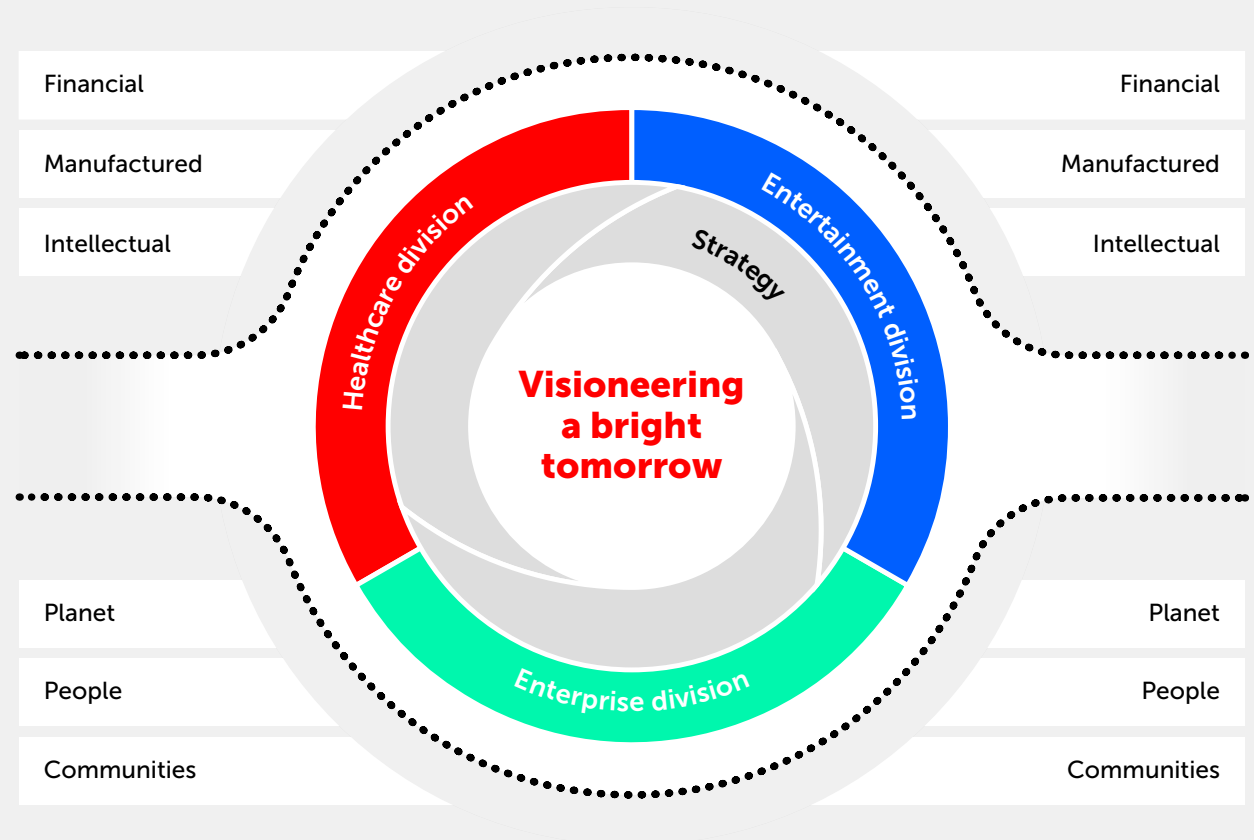
Value creation model

Barco's 'Visioneering a bright tomorrow' purpose highlights our belief that truly great engineering starts with a clear vision – a vision of a better, smarter, healthier world.

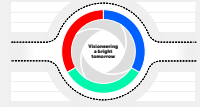
In other words: at Barco, we are constantly thinking about how we can create value for all our stakeholders in the short, medium and long term. Our value creation model visualizes our approach. It articulates the mission of our company and links it to our strategy and the markets we cover. The horizontal layers represent the six capitals in which we group the respective KPIs.*

» [Check the full Value creation model on our website](#)

» [Check the Integrated Data Pack for a full set of KPIs \(financial and non-financial\) with the respective performance over the last 3 years](#)



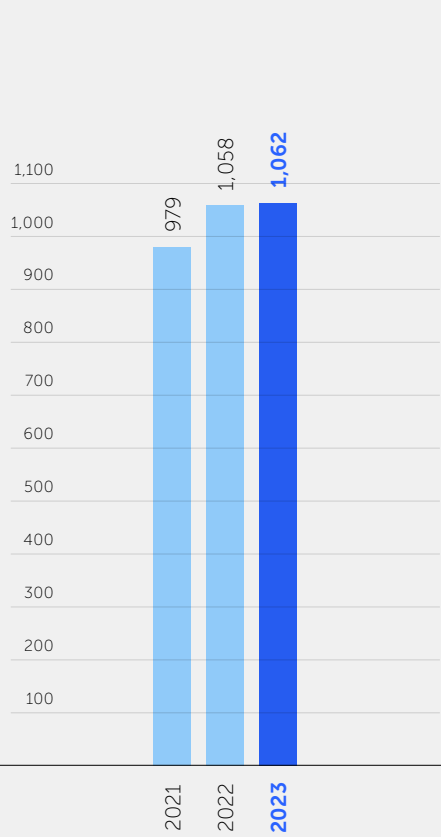
* Together these 6 capitals represent stores of value that are the basis of an organization's value creation. See background paper of International Integrated Reporting Council (IIRC). The capitals and underlying KPIs remained the same in the annual report of 2023 compared to 2022 and aligned with the recommendations of IIRC. Only the KPIs with 'materiality' and 'value driver' properties for Barco were selected for reporting in the value creation model.



Financial

Orders

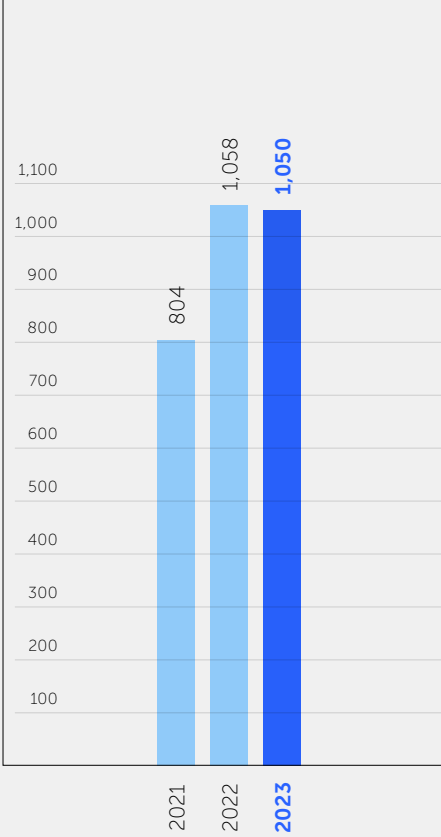
(in millions of euro)



% growth
+31%
+8%
+0%

Sales

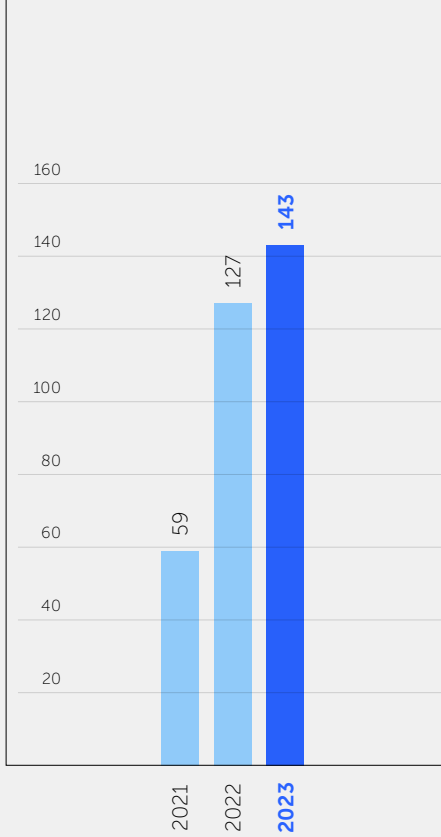
(in millions of euro)



% growth
+4%
+32%
-1%

EBITDA

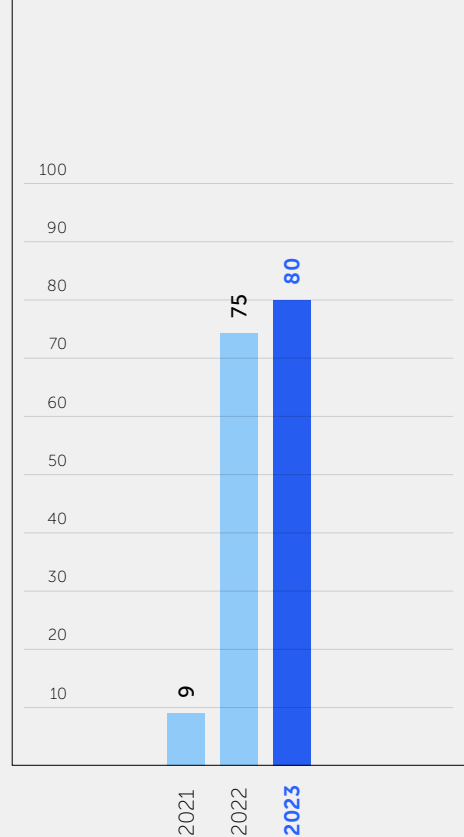
(in millions of euro)

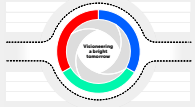


EBITDA margin
7.3%
12.0%
13.6%

Net earnings

(in millions of euro)

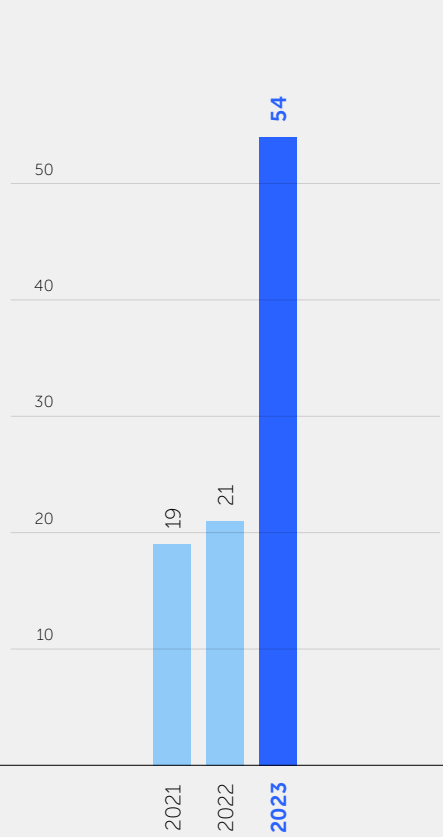




Manufactured

Capex

(millions of euro)

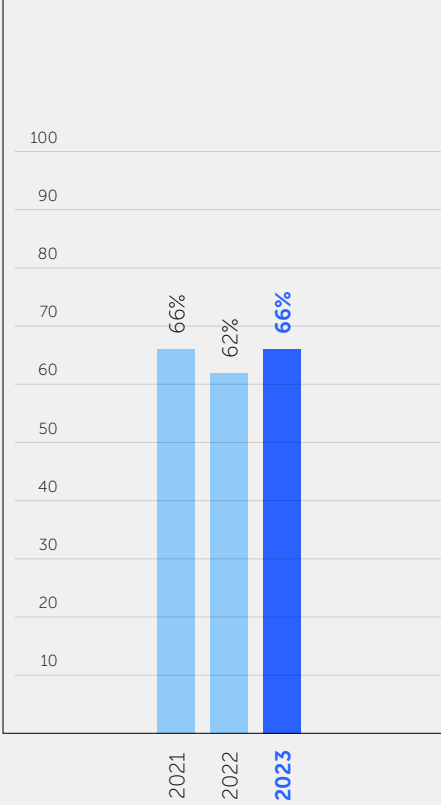


2%
2%
5%

% of sales

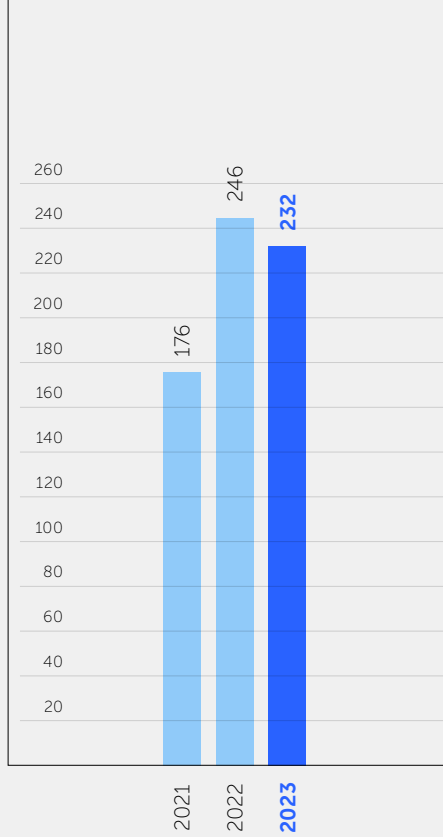
Product revenues inhouse manufactured

(over hardware revenues)



Inventory value

(millions of euro)

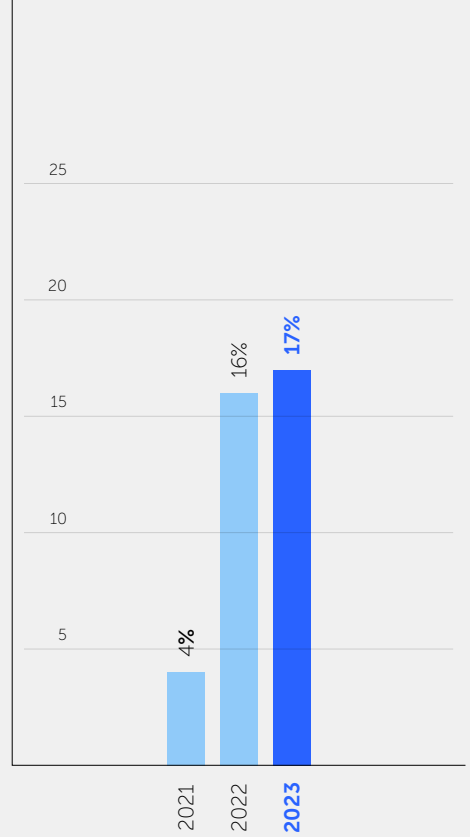


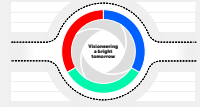
2.4
2.1
2.1

Inventory turns

ROCE

(%)

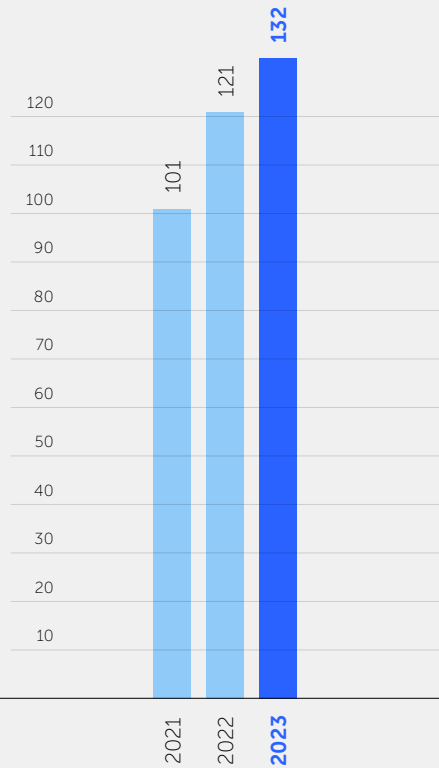




Intellectual

R&D spend

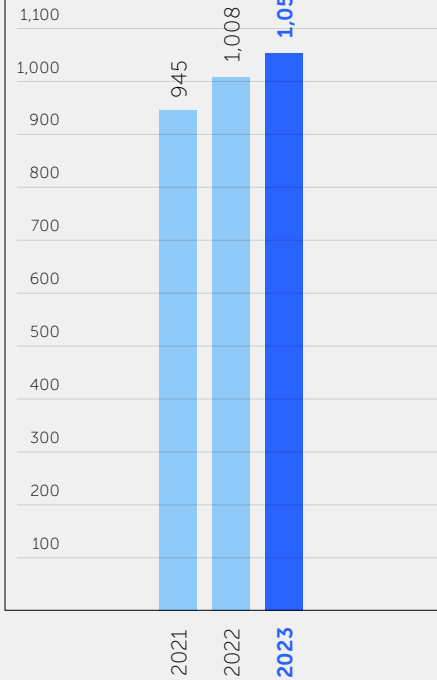
(in millions of euro)



13%
11%
13%

% of sales

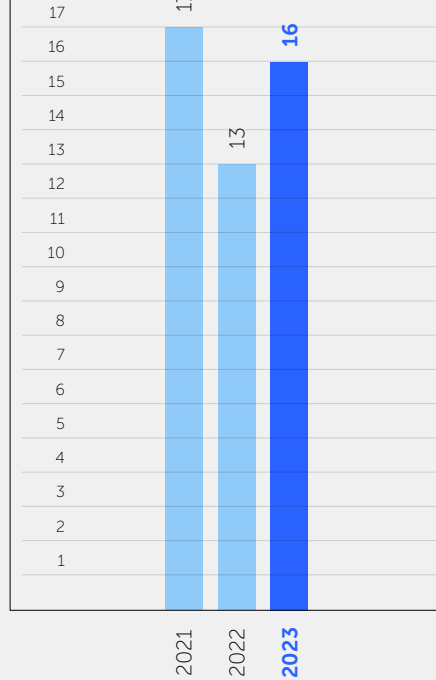
Employees in R&D



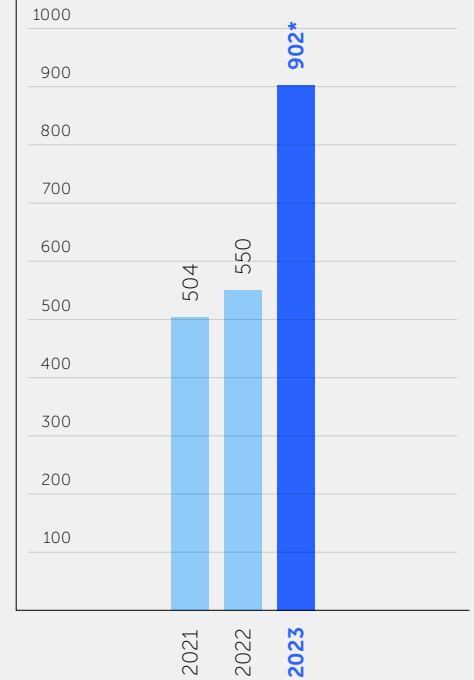
30%
31%
31%

% of total employees

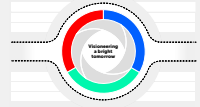
of new patent filings



of patents at year-end



* Change in scope of measurement methodology – see [Glossary](#)

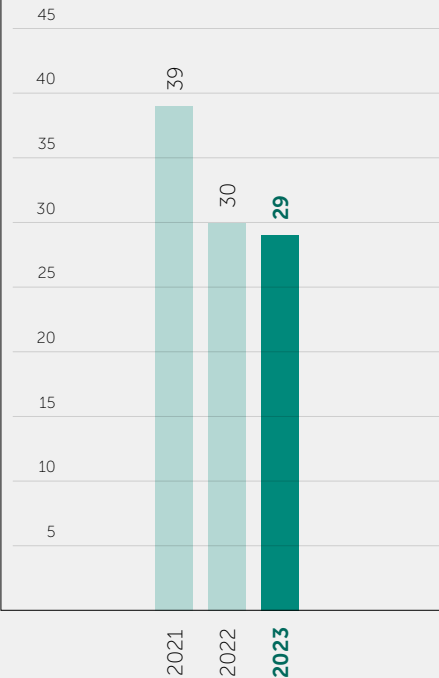


Planet

Energy consumption in own operations

(MWh/mio € revenues)

TARGET 2023: 38



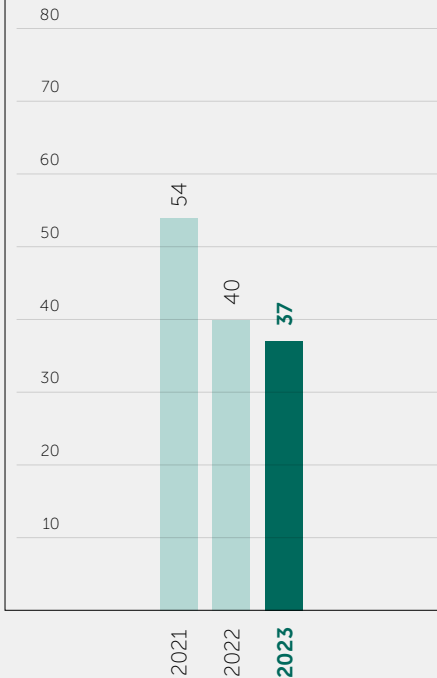
52%
57%
61%

% renewable

Greenhouse gas emissions from own operations

(tonnes CO₂e/mio € revenues)

TARGET 2023: 52



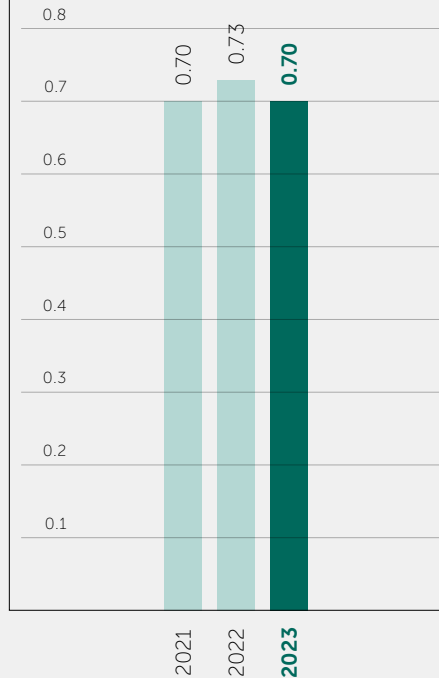
-33%
-51%
-54%

% reduction vs 2015

Energy footprint of sold products

(relative reduction vs base year 2015)

TARGET 2023: -25%

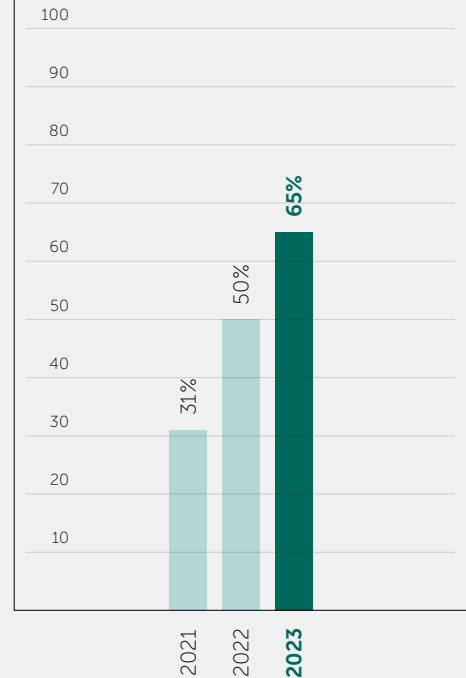


-30%
-27%
-30%

% reduction vs 2015

% of revenues* from products with ECO label

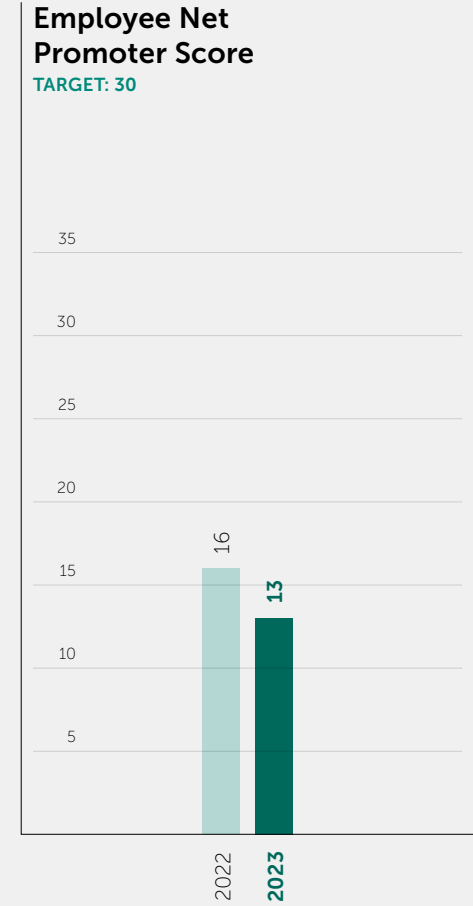
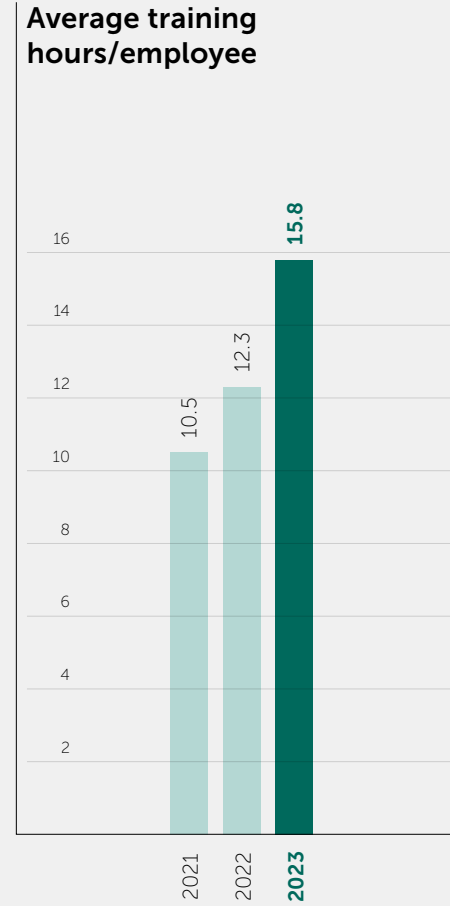
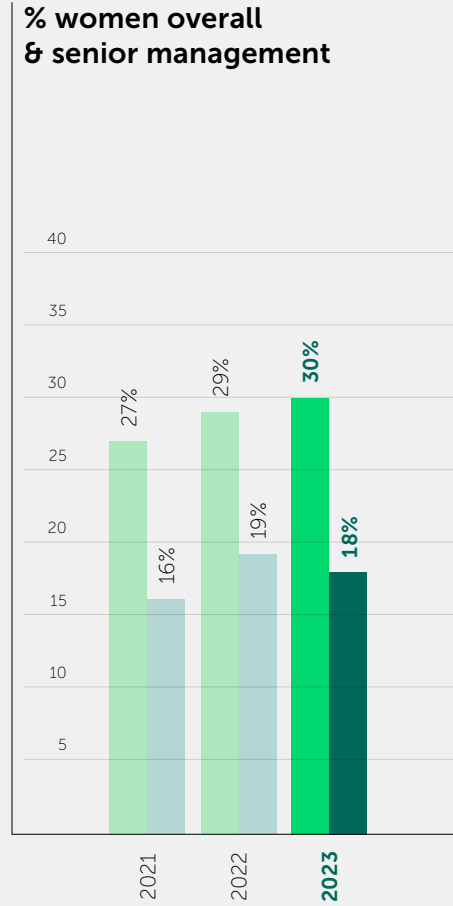
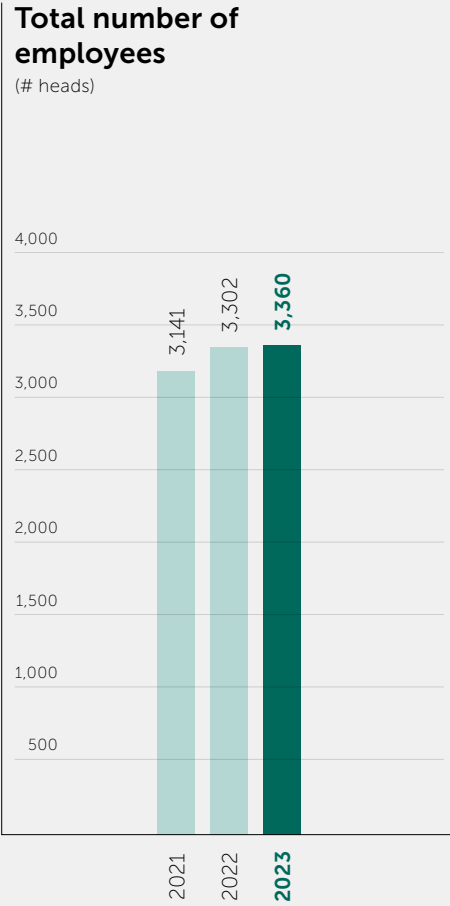
TARGET 2023: 70%



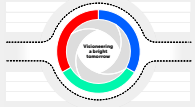
* Product and project revenues as reported in [Note 3 of the financial chapter](#) of our integrated report



People



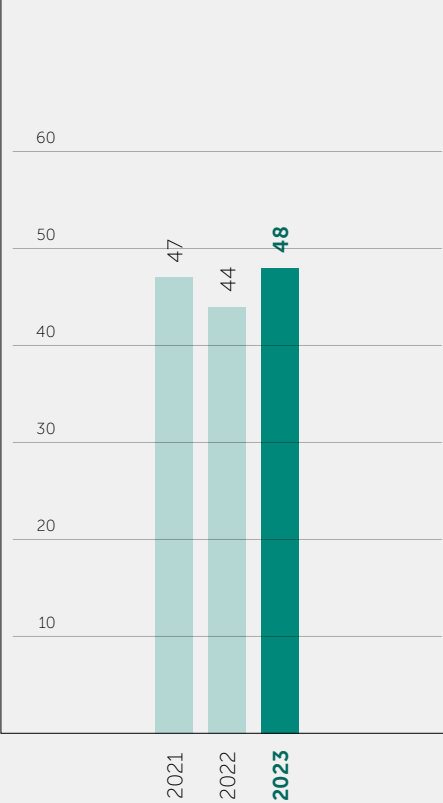
■ overall
■ senior management



Communities

Customer Net Promoter Score

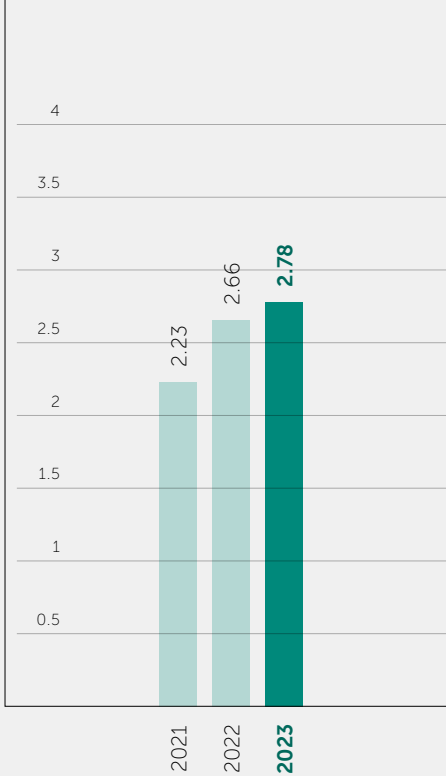
(Relationship NPS)



Average cybersecurity maturity score

(NIST CSF)

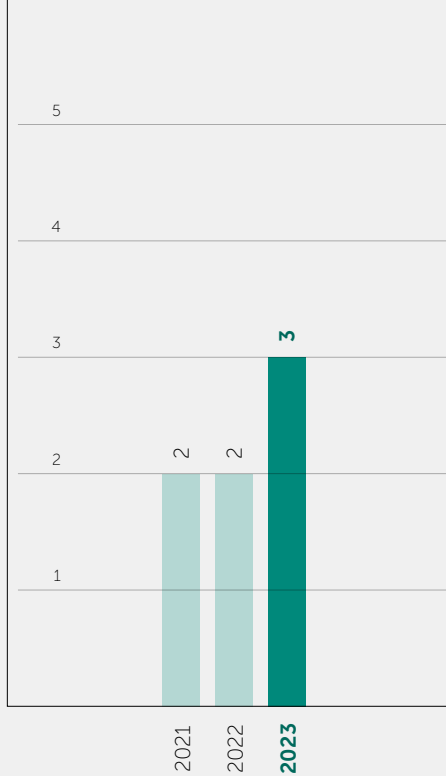
TARGET 2025: 3.4



ISO 27001 certification (security)

(# of product lines in scope)

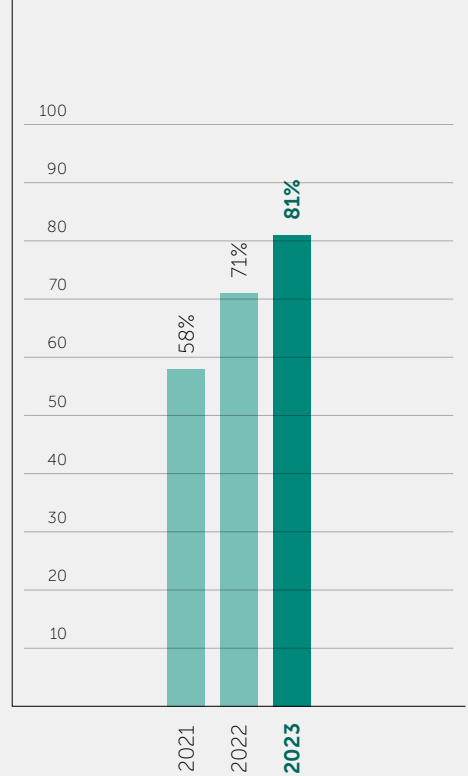
TARGET: + 1 YEARLY



Suppliers scored on sustainability performance

(% of production spend)

TARGET 2023: 70%



Shaping our strategy

Navigating today's rapidly changing world

At Barco, our strategy acts as a guiding light: it determines our future path, defining how we play to win in our markets. As today's markets are disruptive and volatile and technology changes at cruising speed, we constantly refine our corporate strategy, look at it through different lenses and incorporate evolutions and trends – while, of course, sticking to our strategic principle of 'setting the industry standard in visualization'.

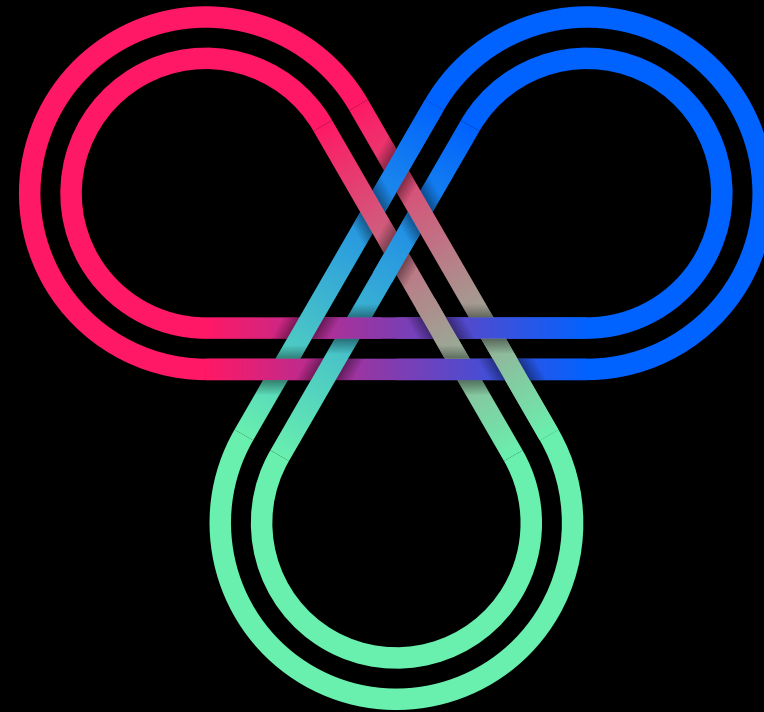
Our three-levered strategy helps us remain relevant in today's rapidly changing world.

Three strategic levers

The Barco strategy comprises three levers: **capture profitable and efficient growth**, **innovate for impact** and **go for sustainable impact**. These are the priorities we want to focus on to remain relevant and flourish in the short-, mid- and long-term. They help us prioritize our business activities.

Capture profitable and efficient growth

Innovate for impact



Go for sustainable impact



Lever 1: Capture profitable and efficient growth

Barco has been a global technology leader for decades. We are active in markets with solid foundations, where we offer mission-critical solutions. In order to optimally **seize all the market opportunities ahead** and further strengthen our leading role in our markets, we are exploiting our strengths to the fullest.

To achieve that aim, we set a number of short- and mid-term strategic objectives:

- further finetune our organization into 6 business units (BUs) in order to step up accountability, entrepreneurship, and customer intimacy;
- increase operational effectiveness through digital transformation and standardization;
- grasp our market potential by broadening our geographic coverage with a focus on China and by developing adjacent markets

Assessment

Overall, we score between 2 and 3 out of 4 on the focus areas that support the 'Capture profitable and efficient growth' lever. We further simplified our organization to boost effectiveness and took key steps in our digital transformation. While the markets in China were soft, we strengthened our manufacturing footprint, preparing our two new production plants there to deliver as soon as the recovery takes off. When it comes to 'developing new market segments', several initiatives have been taken and new products launched, with plenty of potential remaining.

Focus areas	Status	Proof points in 2023
Organizational redesign to enhance customer intimacy, end-to-end accountability and entrepreneurship		<ul style="list-style-type: none"> • Finetuning simplified organization by embedding marketing in business units • Business unit teams are now fully integrated with sales, marketing, product development and R&D focused, dedicated to end-markets and in close contact with the customer • Cinionic's activities fully acquired by Barco and integrated into the Cinema business unit, leveraging efficiencies • Best performing high-tech company in the Randstad Employer Brand Research
Commercial and operational effectiveness through digital transformation		<ul style="list-style-type: none"> • One platform strategy with further integration of ERP and major IT applications • Automation and integration of the HR and IT services and communication via the Barco Assist and BarcoHub platforms • Expansion of customer relationship management system with enhanced customer and partner portals
Seize the China opportunity with stronger local presence		<ul style="list-style-type: none"> • Ramp-up of the Healthcare production plant in Suzhou; transfer of products from European factories nearly completed • Construction of the new Entertainment plant in Wuxi on track, with focus on further automation in manufacturing and logistics
Develop new market segments and expand in healthcare, control rooms, and immersive experience		<ul style="list-style-type: none"> • Software enablement of Immersive Experience via launch of new Pulse Mobile App and extended features in the Insights Management Suite • Steady expansion in the simulation markets, including new product introductions with F-400 range • AI-powered diagnostic displays with DL Precise in the Intuitive Workflow Tools • G-50 set to revolutionize the themed entertainment markets

Related to these material topics:

Customer engagement // Product quality, safety & security // Information security & data protection // Financial resilience // Sustained profitable growth // Product stewardship



Lever 2: Innovate for impact

To retain its position as a technology leader, Barco is accelerating its innovation and technology capabilities. While innovating, we always keep in mind that innovation at Barco should **deliver impact**, i.e. add value for all our stakeholders, including the broader communities in which we operate.

Innovating for impact is about more than mere technology innovation. It includes:

- enhancing and extending our product portfolio
- increasing the efficiency of our operations with focused factories and a stronger supply chain
- constantly looking for new ways to raise the sustainability performance of our products, operations and customers.
- creating new business models to strengthen our downstream value chain.

Assessment

Overall, we score between 2 and 3 out of 4 on the focus areas that support the 'Innovate for Impact' lever. We made substantial progress with the focused factories strategy, driving efficiency and resilience in the supply and production chain. The innovation process and governance were further strengthened and accelerated: R&D is now close to the customer in the business units, while the overarching R&D team focuses on long-term innovation projects. Several new product introductions are in the pipeline for launch in 2024.

» [Read more on our innovation strategy in the chapter Innovation and Technology of this CORE report.](#)

Related to these material topics:

Product quality, safety & security // Innovation management // Product stewardship

Focus areas	Status	Proof points in 2023
Focused factories		<ul style="list-style-type: none"> • Roll-out of focused factories, with dedicated factories per market • Suzhou Healthcare plant fully operational, construction of Wuxi plant nearly completed, ready for product transfers in 2024 • Further investments in Saronno (Italy) and Kortrijk (Belgium) plants in preparation
Strengthen downstream value chain through OPEX business models and channel management		<ul style="list-style-type: none"> • Delivery of multi-year Cinema-as-a-Service contracts is on track, increasing recurring service revenue for Entertainment • Establishing new AV partnerships with new and extended distribution agreements
Strengthen supply chain, reducing component dependency through redesign and bringing critical components in-house		<ul style="list-style-type: none"> • Reduction of dependency on critical components (semi-conductor and other) through new product introductions and product redesigns that allow for more flexibility to change components during the product's lifecycle • Insourcing production of critical subassemblies
Rebalance R&D investment portfolio		<ul style="list-style-type: none"> • 12.6% of revenue is spent on R&D, with more focus on breakthrough innovations • Strengthened patent management with 16 new patent filings and holding 902 patents at year-end 2023 (change in scope of measurement methodology versus previous year – see Glossary) • Licensing of patents with external partners creates additional revenue models
Develop adjacencies and new solutions based on core technologies		<ul style="list-style-type: none"> • Launch of Barco CTRL for control rooms, with market-leading 'Security by design' • HDR Lightsteering, for the next-gen laser cinema projector piloted and showcased to industry professionals and cinema community • Redefining the standard for Diagnostic Imaging, with a new series of Nio displays • Broadening Cinema with the flagship Nerthus platform for high-end home theaters
Enhance ROI in innovation combining entrepreneurship and financial discipline		<ul style="list-style-type: none"> • R&D management consolidated in the business units, close to the customer • Barco Labs overlooks overarching R&D projects and themes • Strengthened innovation governance, led by CEO An Steegen, with frequent innovation boards and fast-fail principles



Lever 3: Go for sustainable impact

Barco has been and remains a sustainability frontrunner in the tech industry. When first deciding how to execute our strategy, we chose to operate with respect for the planet, our people and the local communities. Year after year, that commitment has become more deeply embedded in our corporate DNA.

To retain our leadership position, we keep

- refining and strengthening our sustainability governance and organization
- reinforcing our sustainability strategy
- improving the sustainability performance of our operations and our products

Assessment

Overall, we score 3 out of 4 in the field of 'Go for Sustainable Impact'. Barco is well positioned among the top-performing companies in its industry in the field of sustainability. This is consistently recognized by external rating agencies. In 2023, we kept strengthening our governance and organization and reinforcing our sustainability strategy. Improving our sustainability performance remains an ongoing commitment in everything we do at Barco.

Focus areas	Status	Proof points in 2023
Strengthen governance and organization		<ul style="list-style-type: none"> • Strong ESG governance, under the leadership of CEO An Steegen as chair of the executive sustainability steerco, with workstream leads for all highly material topics
Reinforce our sustainability strategy		<ul style="list-style-type: none"> • ClickShare Conference CX-50 2nd generation is one of the first carbon-neutral wireless conferencing solutions on the market • Barco's wind turbine project gets permit, in last straight line for realization (pending on further appeal) • Further electrification of the company car fleet (+50% of fleet) and doubling the number of charging points at HQ (206) • Continued shift from air to sea transport (47% of the total transported distance)
Improve our sustainability performance in the fields of planet, people and communities		<ul style="list-style-type: none"> • Important progress against our main sustainability targets in 2023: <ul style="list-style-type: none"> - Greenhouse Gas emissions from own operations at -54% versus 2015 - 65% of total revenues and 90% of new product introductions are ecolabeled • Acknowledgements for increased transparency and improved performance: <ul style="list-style-type: none"> - Barco included in the BEL ESG Stock Market Index and recognized for its sustainability-driven business - ESG ratings and external evaluations consistently scoring in top 20% among Electronics Industry Sector peers - Philips Supplier Award for Sustainability honors Barco's sustainability efforts - Barco honored at NAB Show Excellence in Sustainability Awards

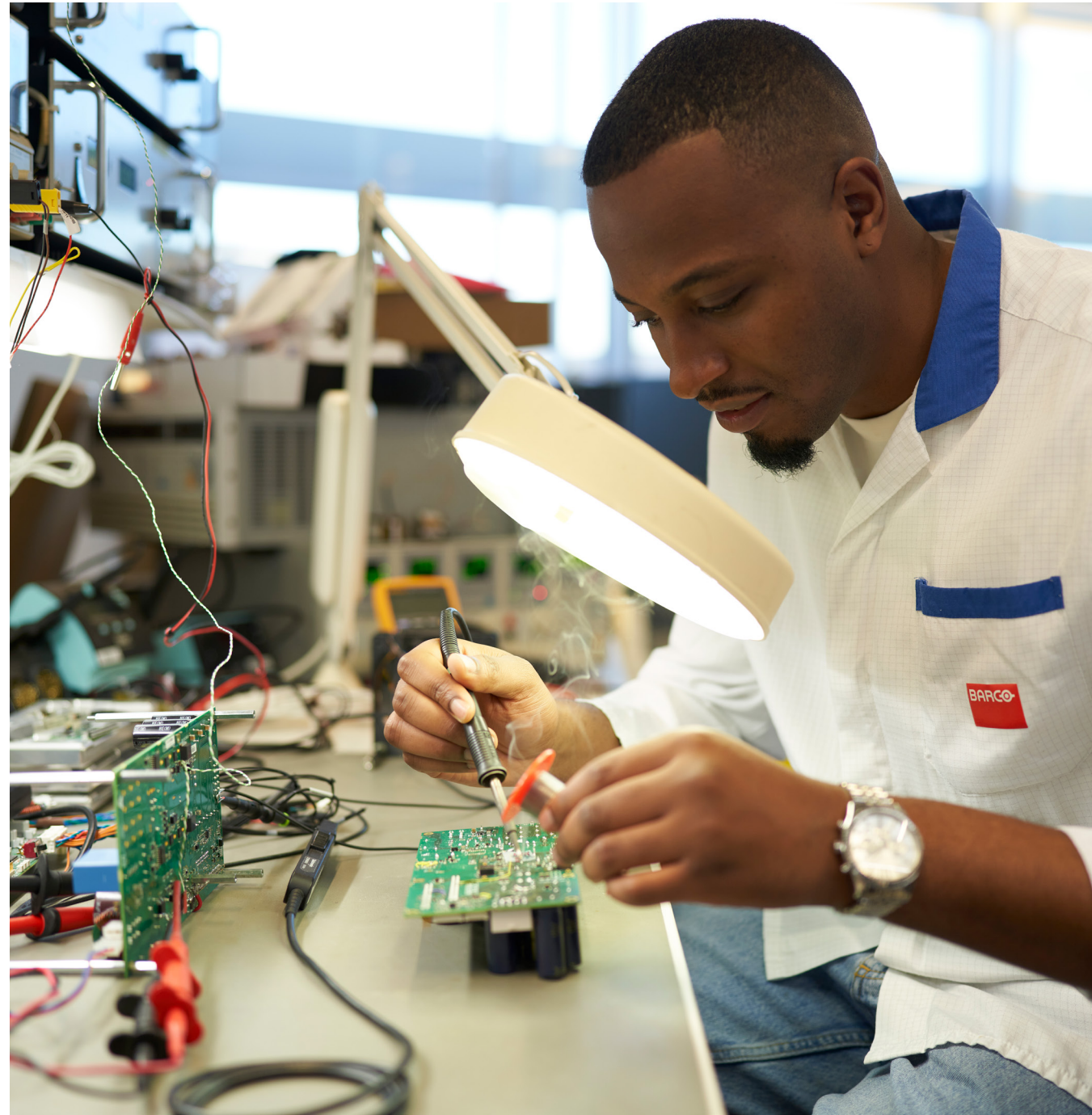
Related to these material topics:

Sustained profitable growth // Financial resilience

Shaping our strategy

Change is the only constant in today's world. From the pandemic, economic instability and geo-political tensions to the accelerating climate crisis: they all impact our business at Barco. So, no matter how hard we believe in our company strategy, we understand the need for agility and resilience.

To ensure that our strategy remains **anchored in the realities of our business** and the rapidly changing world around us, we constantly question, fine-tune and even reimagine it. In the boardroom as well as in our business units, we all monitor relevant market trends, keep track of evolutions in the material topics and closely follow up on the risks that could affect our business.



Materiality

Continuous monitoring of material issues is critical to staying on top of emerging risks and opportunities. In 2020, Barco launched its first materiality assessment to understand what topics matter most to its businesses and stakeholders. We kept focusing our attention on the topics that our stakeholders defined as 'material' in that assessment until the end of 2023 – when we conducted a double materiality assessment.

Linking our materiality matrix to the UN SDGs


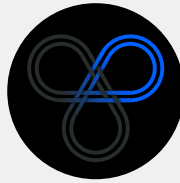








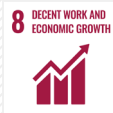


In the table, we link the highly material topics to the six UN SDGs that best fit our materiality matrix and our own corporate strategy.

Stepping up our sustainability efforts: double materiality

In 2023, we conducted a **double materiality assessment** in line with the upcoming Corporate Sustainability Reporting Directive (CSRD). Based on input from internal as well as external strategic stakeholders, we identified and prioritized

- the potential and actual **positive or negative impacts of Barco** on people and the environment (inside out).
- the risks and opportunities that have or may have **financial effects on Barco** (outside-in).

The first results of this double materiality assessment are shared in our report on People, Planet and Communities. They will be further translated into Barco's value creation model (6 capitals) and help us shape the agenda and targets for our revamped sustainability strategy which we'll reveal in the 2024 integrated report.

	 Capture profitable and efficient growth	 Innovate for impact	 Go for sustainable impact
MATERIAL TOPICS	<ol style="list-style-type: none"> 1. Customer experience 2. Product quality, safety & security 3. Sustainable Product Lifecycle Management 	<ol style="list-style-type: none"> 1. Innovation, technologies & product portfolio 2. Sustainable Product Lifecycle Management 3. Product quality, safety & security 	<ol style="list-style-type: none"> 1. Talent & career Development 2. Diversity & Inclusion 3. Climate change & energy 4. Sustainable Product Lifecycle management 5. Circular Economy & waste
UN SDGs	   		    

- » [Read all about our materiality assessment, the UN SDGs and our stakeholder engagement on our corporate website](#)
- » [Explore our approach and the results of our double materiality assessment](#)

Risks

Within the context of its business operations, Barco is exposed to a wide variety of risks that can affect its ability to achieve its objectives and to execute its strategy successfully. To anticipate, identify, prioritize, manage and monitor the risks that impact its organization, we put a sound risk management and control system into place, which is actively supported by the Board of directors.




Risk management process

Risk management is firmly embedded into our processes, at all levels. For every key management, assurance and supporting process, Barco has a systematic risk management approach that consists of five steps: identification, analysis, evaluation, response and monitoring.

2023: main risks

Every year in the fourth quarter, Barco performs a company-wide risk assessment and compliance gap analysis. In 2023, the risk universe was revised and split into 4 domains: Corporate risks and Environment, Social and Governance (ESG).

» [Read more on Barco's risk management](#)

	Risk	Trend	Strategic lever
1	Innovation, new technologies & product portfolio	 1 » 1	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
2	Customer experience	 New: 2	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
3	Product quality & safety	 4 » 3	<ul style="list-style-type: none"> Innovate for impact Capture profitable and efficient growth
4	Talent & career development	 3 » 4	<ul style="list-style-type: none"> Capture profitable and efficient growth Go for sustainable impact
5	Macroeconomic & geopolitics risk	 5 » 5	<ul style="list-style-type: none"> Capture profitable and efficient growth
6	Responsible & resilient supply chains	 2 » 6	<ul style="list-style-type: none"> Capture profitable and efficient growth Go for sustainable impact

Innovation and technology



Visioneering a bright tomorrow

Innovation has always been the lifeblood of Barco. Ever since our company was founded back in 1934, we have been pioneers. While displays and visualization hardware were our initial focus, we now innovate in the entire visual chain, from acquisition through to the display of images, adding all the capabilities that help bring the image to the screen.

Of course, innovation is an ongoing journey. In order to keep up with – or rather anticipate – the rapidly evolving market and technology trends we consistently invest more than 11% of our turnover in R&D. In recent years, we have been strengthening and **streamlining our innovation approach**, and accelerating our innovation efforts, with more focus on breakthrough, disruptive solutions – primarily for our core and adjacent markets, but also in entirely new domains.

Still, no matter how passionate we are about technology and innovation, we never lose sight of our purpose to visioneer a bright tomorrow. To make sure that every Barco solution adds value for our customers and society as a whole, our innovation roadmap is enriched with feedback from our ecosystem and market trends. **5 clear foundation pillars** guide us in each and every technology and innovation effort.



The Barco quality label

Important to note: our innovative and entrepreneurial drive never compromises Barco's legacy of excellence. We retain a disciplined approach to innovation, with a dedicated budget, and exceptional product performance. Quality, security, stewardship, and sustainability are woven into the DNA of our solution design processes.

Our new **focused factories** approach keep us on track in delivering all these exceptional qualities, while maximizing efficiency. After all, visioneering a bright tomorrow means not only innovation, but also ensuring that Barco stands strong economically for the long haul.

Our innovation approach

Successful innovation creates both value for the customer and true business benefit. To ensure that our ideas are tightly connected to our strategy and purpose, and can be turned into revenue growth potential, we adopt a disciplined approach to innovation:

- Balancing **start-up dynamics** with **fast-fail principles**
- Focus on **early customer involvement**
- Governance: **disciplined management** with dedicated budget

Doing disruptive things always involves having a leap of faith in key moments, that is the essence of true innovation.

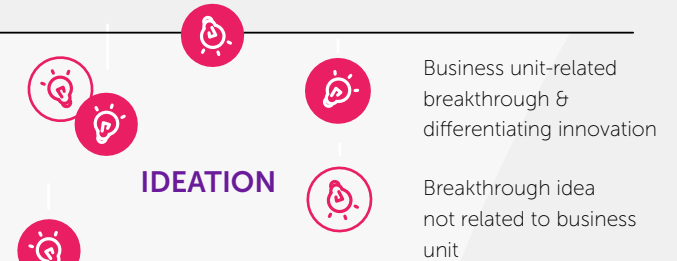
Peru Dharani
Senior VP Research

Doubling down on patent management

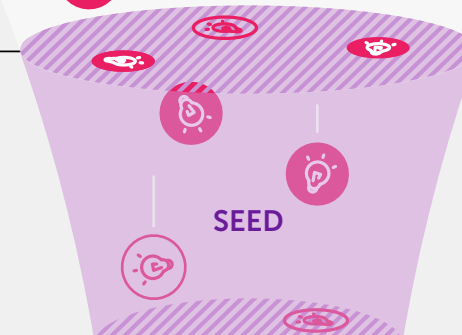
Over the past few years, Barco has been strengthening its IP management and refocusing its strategy. We educated employees on the importance of IP and the R&D teams fully incorporated IP in their innovation processes. Patentability is checked early on in the new product development cycle, more patents are filed, and professional IP infringement checks are introduced.

Our innovation process

1. FUNNEL ENTRY GATE



2. SEED FUNDING GATE



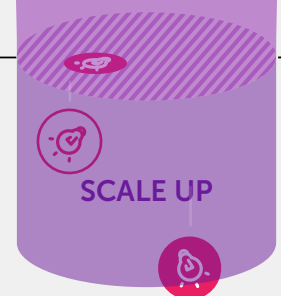
3. PROOF OF CONCEPT

Idea is feasible with a promising business case.



4. BREAK-EVEN GATE

Proof of concept becomes a viable product/solution



5 foundation pillars in our innovation roadmap

Innovation doesn't happen in a vacuum. The first step is understanding the world around you, both at your customers and beyond. At Barco, we continuously scan the horizon for changes in markets and technologies. These 5 technology themes inspire and impact our innovation roadmap.

TREND #1

The changing paradigm of visualization

For decades, visualization has been static and one-directional, with viewers controlling the screen content. That is now changing: we are transitioning to a dynamic, bi-directional era, as viewers and screens start interacting with one another. On a further horizon, we expect visualization to become a symbiotic experience. Any surface will have the potential to turn into an evasive and ubiquitous display, extending the user interface beyond the physical boundaries of the devices we know today, and thus **fusing digital and physical worlds**.

» [Barco product in the pipe: 3D visualization in healthcare](#)



TREND #2**The data explosion**

In its 90-year history, Barco has experienced the shift from analog, digital, and connected data to AI and deep tech. Each step generated even more data. Now that the **amount of digital data is exploding**, are we lost in a digital avalanche? While data is one of the most critical assets for organizations, they are struggling to collect and store data, and turn it in into actionable knowledge. A smart visualization platform is the most powerful way to deal with exponential data and make it meaningful.

» [Discover how Barco CTRL software gives full control over information flows](#)



Data: an invaluable tool to deliver stellar products and services

Experience, expertise and a relentless drive for innovation have helped Barco consolidate its role as a technology leader for decades. Yet, we're increasingly playing an extra trump card: data. Mathieu Dobbeleir and Jan van Houtte, heads of the Large Video Walls and the ClickShare product teams, respectively, explain.

Collecting vast data from diverse sources

Jan: "The ClickShare base units and user laptops increasingly connect to networks. This way, we can gather data that sheds a light on product usage and user behavior."

In addition, the team gains insights from the registration of ClickShare devices and star ratings – in a GDPR-compliant way, of course. Jan: "Thanks to the registration process, we get a view on the lifecycle of our presentation and conferencing systems. These insights and the feedback from the star ratings from ClickShare users help us analyze the performance of our products, improve it and set the right development priorities."

Useful registration procedure

While Mathieu's team has less access to data from their control room solutions, as these are not cloud-based, they also gather insights from the registration procedure: "Moreover, our

customers can view technical information like fan speeds, the temperature of critical components, CPU loads and/or error messages which they can use to prevent failures and enhance their uptime."

The data-driven approach helps us optimize our products and services to meet our customers needs.

Jan van Houtte
Head of Product for ClickShare

Products and services that meet real needs

To aggregate all that data and act on it, the engineering teams use a dedicated product management tool. The tool centralizes structured as well as unstructured data, from a multitude of sources, including customer feedback or emails from the sales reps. Based on that data, it helps them organize product ideas, take product design decisions, like choosing what features or improvements to prioritize, build roadmaps, track progress and more.

"The data-driven approach is a win-win," Jan concludes.

TREND #3**Real-time compute and AI**

As advanced applications, demanding content (3D, 8K, HDR, ...), and AI all require ever more real-time computational power, the world needs new platforms capable of processing and visualizing the vast data volumes accurately and with minimal delay. Barco prioritizes image processing, working on image inputs in real time to elevate their quality to HDR standards. By combining **Graphics Processing Units (GPUs)** and **Central Processing Units (CPUs)** our advanced platforms **support massive workloads** – from performing complex calculations to rendering high-res images and animations efficiently.

» [Read how AI technology helps radiologists visualize dense breast tissue](#)



How we're enriching Diagnostic Imaging with AI

AI-driven solutions took center stage at the 2023 RSNA radiology trade show. At the Barco booth, we revealed our recent partnership with US-based DeepLook Medical, which offers a robust AI tool to help clinicians better evaluate dense breasts. Inge Haesaerts, VP Product & Solutions Diagnostic Imaging, explains.

Unique AI-based visualization

DL Precise™, the flagship product of DeepLook Medical, is an AI-based visualization tool based on a shape recognition algorithm. "The software is able to 'see through' dense breast tissue," says Inge. "That makes it unique. In traditional mammograms, both dense breast tissue and cancer show up as white, making it hard for radiologists to detect cancer in women with dense breasts."

How does it work?

Inge explains how DL Precise™ exactly works: "Radiologists can choose an area of interest on the image, click and delve deeper to see more detail. The tool will then segment those regions, augment them with a colored density map and calculate the morphology of the suspicious areas. Since cancerous masses have a higher density than dense breast tissue, they will show up as a different color on the image, making them easily identifiable."

Supporting decision-making

The tool perfectly fits Barco's Diagnostic Imaging portfolio of displays and workflow tools. Inge: "Just like SpotView enhances the luminance and contrast in images, DL Precise™ visualizes hidden data in dense breast tissue. In this way, it assists radiologists as they make patient management decisions. While AI-driven solutions from our partners help in the interpretation of exams, visualization remains our core business."

DL Precise™ helps radiologists to deliver better patient outcomes, while it eases their workflows too. That makes it a perfect add-on to our Diagnostic Imaging offering.

Inge Haesaerts
VP Product & Solutions Diagnostic Imaging

Plug-in application

Barco offers DL Precise™ as a plug-in application that is available in a licensing model. It can be easily installed on radiologists' workstations, leveraging our QAWeb Enterprise platform. Patented, it is currently FDA-cleared and available in the US, yet Inge is looking forward to certification in other regions.

TREND #4**Raising the bar on image quality**

Enhancing image quality remains key in every Barco business unit. While we've been delivering clear, bright images in healthcare, enterprises, and entertainment for ages, the quest to **constantly raise the bar** continues. More than traditional parameters like contrast, color accuracy, and brightness, we also consider noise behavior and perception models to understand how people perceive our images. Based on these insights we keep improving the image quality of our solutions and develop new services.

» [How our digital pathology displays ensure ultimate slide to eye confidence](#)



HDR Lightsteering: "This is the new cinema"

When it comes to raising the bar on image quality, our cinema business unit sure knows the ropes. The team is about to launch the HDR Lightsteering technology that's been turning heads at film festivals and showcases throughout 2022 and 2023. Anders Ballestad, Innovation Strategy Director for Cinema, reveals the secrets to the exceptional realism the revolutionizing technology brings.

Rethinking cinema projection

Anders founded MTT Innovation in 2012, together with Gerwin Damberg, our EVP Cinema. That's where they invented the groundbreaking HDR Lightsteering technology.

"While conventional projectors create images by blocking the source light, HDR Lightsteering redistributes the source light and redirects it to the appropriate areas of the content," he explains. "In this way, it utilizes 100% of the light. This leads to 6 times brighter highlights than currently possible and much deeper black levels, creating sharper, more realistic images than 3D."

The global cinema community unanimously agrees: exhibitors, directors and creatives who have seen HDR Lightsteering at work are in awe and admit they'd never seen this image quality on a large screen before.

Target: every cinema around the globe

Barco will launch HDR Lightsteering worldwide in 2024, targeting premium cinema screens first. Anders: "The technology fits within the trend of premium cinema but could be applied to every movie theater," he says. By collaborating closely with studios and creatives, Anders wants to showcase the technology's immersive storytelling potential and help them understand how it will change content production for the better. "This will benefit exhibitors, studios and moviegoers alike."

Eventually HDR Lightsteering will be applicable in every movie theater. The future of cinema is HDR.

Anders Ballestad
Innovation Strategy Director, Cinema

This amplifies the emotions

Tom Bert, VP Product Cinema, echoes the sentiment in a recent post on LinkedIn: "When a movie director says 'this amplifies the emotions in my movie', there is no better way to complement our HDR Lightsteering technology."

TREND #5
Sustainability and impact

Barco takes sustainability into account in the earliest phases of its innovation and design processes. Before our R&D teams conceptualize a prototype, they estimate the impact of the materials, its energy consumption, packaging, shipping, etc., so that they can still adjust the design if needed. More than reducing our negative impact, sustainability is also **part of our value proposition**. Laser projectors, for example, consume 50% less energy than classic lamp-based projectors. ClickShare, for its part, facilitates hybrid meetings, which reduces the need for business travel.

» [A sustainable cinema laser projector? Look no further!](#)



Innovating our manufacturing capabilities

In 2022, Barco initiated its ambitious focused factories program, investing 80+ million euro between 2023 and 2026 in its manufacturing capabilities. Impressive progress was made in 2023 and that's just the beginning.

The first step in the focused factories strategy involved **centralizing our healthcare manufacturing and repair activities** in Suzhou (China) and Saronno (Italy). Rob Jonckheere, VP Operations, explains: "The transition was smooth, most activities have been transferred and by April 2024, Healthcare production and repair in Kortrijk will cease. In addition, we insourced the manufacturing of our Image Processing devices and we now also manufacture Xcite, our creative screen solutions, on the Kortrijk campus. In the meantime, our new, highly automated Wuxi factory is almost ready for the production of projectors."

Move beyond basic assembly

More than relocating and insourcing manufacturing activities, Barco also aims to **automate** its manufacturing, test and alignment processes as well as the intra logistics processes to boost quality, efficiency and value. "In Suzhou, a fully automated glass-bonding line for Healthcare will be ready by Q2 2024," Rob explains. "In Wuxi, we will implement fully automated workcells which are connected to an automated warehouse via Automated Mobile Robots and Automated Guided Vehicles. Last but not least, our Kortrijk production unit now boasts automated laser driver assembly cells. These ensure the accuracy and quality that manual processes simply cannot guarantee for certain components."

As a next step, Rob and his team will focus on the European manufacturing plants: "We are planning a new manufacturing site for Healthcare in Saronno and want to integrate all Kuurne activities onto the Kortrijk campus."

The increased insourcing and automation ensure efficiency as well as consistent quality. Moreover, complex components can simply not be made manually.

Rob Jonckheere
EVP Global Operations

And that's just the beginning

The first positive outcomes? Automation allows us to build high-precision laser assemblies. By insourcing activities, we managed to reduce supply chain risks, improve the manufacturing efficiency and focus on value creation. In addition, component shortages declined while logistic costs normalized. In the future, we anticipate further benefits from the value engineering efforts.

On a sidenote, Rob stresses that every factory in China has a mirror factory outside China to make sure Barco can address specific customer requests and potential geopolitical challenges – while still benefitting from the focused factories setup.

And what about the people? All the changes were supported by a people track to **minimize the impact on the employees**. Rob emphasizes: "Adapting to change is never easy. That's why we communicated openly about our plans and provided support and training to help everyone in transitioning to a new role."

A quick recap: 5 benefits of focused factories

What?

While conventional plants often mix many manufacturing processes and even serve different business lines, a focused factory **manufactures a limited set of products, for a particular business unit**.

5 benefits

Focused factories help us to:

1. simplify the Barco organization and production processes
2. speed up decision making and efficiency
3. improve product quality
4. enable product and process innovation
5. move up within the value chain and limit our supply chain risks.

All-in-all, the implementation of the focused factory strategy will increase our competitiveness and reduce the supply chain risks.

Rob Jonckheere
EVP Global Operations

Our markets



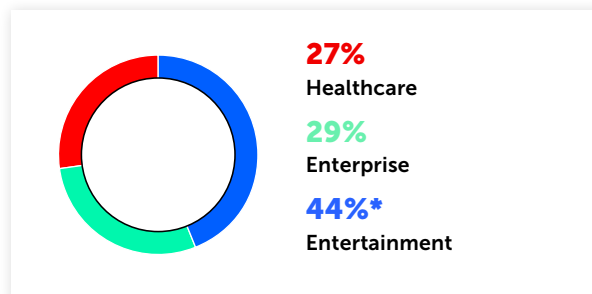
Three healthy markets, three divisions

At Barco, we envision a bright tomorrow in many different ways, amongst others via our market-leading technology. Centered around top-notch imaging capabilities, our technology helps our customers to make a visible impact, creating experiences, generating insights and ensuring connectedness in three healthy markets: Healthcare, Entertainment and Enterprise.

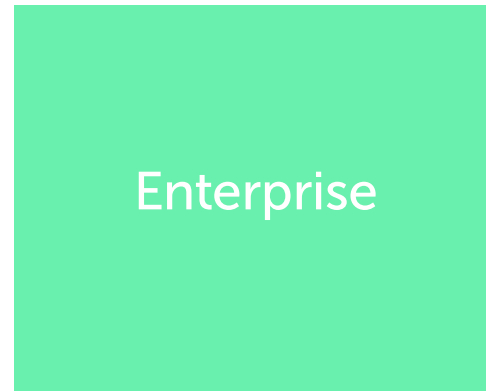
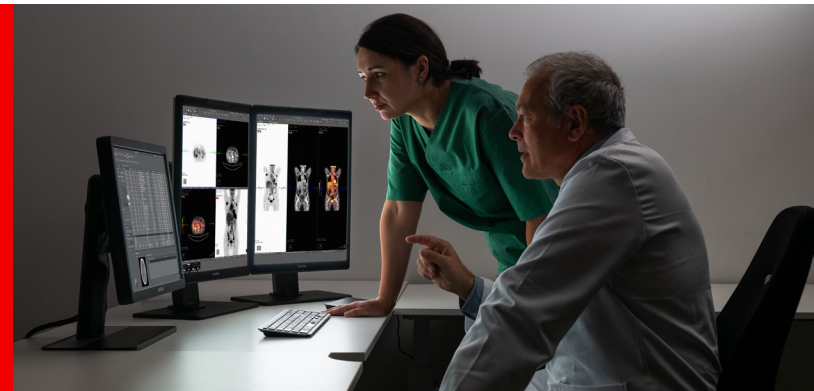
Our presence in these three markets goes back many years and our deep-rooted expertise and experience puts us in pole position in all three markets. We work hard to keep consolidating that leadership position, by offering innovative, high-quality and increasingly truly sustainable solutions that create value and meet – or rather: exceed – the expectations of our customers and end-users.

Three divisions, six business units

We serve our markets through three divisions, which are split into two business units each. Each business unit is fully empowered to execute strategic priorities.



* Breakdown based on sales 2023



Customer engagement

Across markets, divisions and business units, whether in Belgium, the US or China: Barco always goes the extra mile to meet its customers' requirements. And yet, we realize that customer demands are changing and that it is more important than ever to engage with our customers, exchange ideas with them and put them at the very heart of what we do.

Taking customer satisfaction to new heights

The key to delivering an outstanding customer experience is understanding the customer. The more 'connected' we are to our customers' lives and ecosystems, the better we know what they want and need. That's why all Barco employees seize every opportunity to intensify their connections with our clients, share insights and discuss trends – in order to keep driving customer satisfaction to new heights.



Net Promoter Score (NPS) 2023

Customer insights with impact

Customer insights are not just about collecting feedback but also about actively responding to customers, implementing meaningful changes, and integrating customer insights into our daily operations. In 2023, we focused on 'Driving transformation for the customer'. By incorporating new outside-in-listening perspectives in different stages of the customer journey, we get a real-time, 360° view of customer experience levels, making it easy to link feedback to the right owners, initiate prompt actions, and pinpoint areas for improvement.

Highest customer recommendation score ever

In 2023, Barco achieved its highest full-year Net Promoter Score (NPS) ever. Enhanced after-sales support and an improved supply chain contributed to this success. More than that, our customers praise Barco's service and product quality and applaud our employees for their friendly and helpful approach and their skilled professionalism.



Healthcare

Enabling better healthcare outcomes for more people

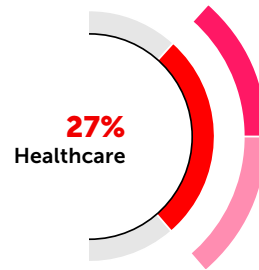
Barco connects healthcare professionals at almost every patient touchpoint. From the imaging room to radiology, during specialist consultations and in the surgical suite: our solutions and services help medical professionals to enable better health outcomes and work more efficiently in an increasingly complex healthcare environment.

The Healthcare division comprises two business units: **Diagnostic Imaging** and **Surgical & Modality**.



Barco Healthcare: quick facts

- +30 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**
- Focused on **clinical outcomes**, beyond product features and specs
- Large installed base: **800k+ installations** since start



50%
Diagnostic Imaging

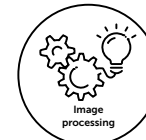
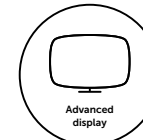


Image processing



Advanced display

50%
Surgical & Modality

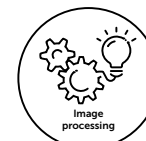
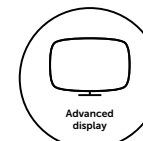


Image processing



Advanced display

Healthcare division - Diagnostic Imaging

“Thrilled about the opportunities ahead.”

Dirk Feyants came to the helm of the Diagnostic Imaging business unit in mid-2023. While business was more challenging in 2023 than in record year 2022, Dirk and his team are thrilled with the opportunities ahead.

Fully aligned with market trends

“The challenges we faced in 2023 were temporary setbacks,” Dirk asserts, emphasizing the focus on the future. “The future is exciting, as our solutions fully cater to current market demands:

1. **Pathology becomes digital** – and we have all it takes to gain a substantial market share in this emerging market: Barco was the first to offer a regulatory-cleared pathology display and we have strong partnerships in the market.

2. With **home reading on the rise**, many radiologists choose high-quality diagnostic displays that combine image quality, performance, and security with collaboration capabilities.

We have some exciting innovations that are ready for launch in 2024. Combining these with our existing offering and our expertise, we are more than ready to address new trends in the healthcare market.



Dirk Feyants
EVP Diagnostic Imaging

3. **Our population ages**, while the number of radiologists declines. To relieve pressure on radiologists, hospitals purchase diagnostic display solutions that boost productivity and optimize workflows.

4. The **hospital market is consolidating**. As large hospital groups seek to reap economies of scale, they require standardized tools, high-quality medical equipment with a low total cost of ownership, and top-notch support services.

5. **Healthcare quality standards** have become paramount, across the globe. In line with this trend, we expect demand for our high-quality solutions and quality assurance tools to grow further.

“The new solutions that we have in the pipeline for 2024 will meet all the above needs and we are exploring many more possibilities to innovate in the healthcare field, like 3D holography. 2024 will be a big year,” Dirk concludes. In 2024, Dirk concludes, “Combining these with our existing offering and our expertise, we are more than ready to address new trends in the healthcare market.”

Diagnostic Imaging offers an extensive line-up of high-precision medical display systems for disciplines including radiology, mammography, dentistry, pathology, and clinical review imaging, plus a full suite of support services.



Boosting productivity and quality with AI

AI is quickly conquering the healthcare sector. More than driving the efficiency the sector needs, it helps improve health outcomes too. The DL Precise™ tool that we added to our workflow tools in 2023 is a perfect example. “To strengthen our offering, we are building an AI ecosystem,” says Dirk, “with existing OEMs and partners as well as small, innovative new players in the field.”

» [Read more](#)

Healthcare division - Surgical & Modality

“The pace of digital transformation is startling – and we’re ready”

Our Surgical & Modality team has been riding the wave of digital operating rooms for several years now. EVP Johan Fornier is happy to see how the rate of adoption is accelerating. “The pace of digital transformation in healthcare is startling and will only get faster. That’s great news for our business.”

“Admitted, sales in 2023 were lower than the year before, when they reached a record-high level. Yet, the decline was driven by one-off events, partly due to outstanding inventories, which caused delays for new platforms,” Johan begins. Just like the Diagnostic Imaging business unit, Johan and his team fully focus on the opportunities ahead.

Wanted: enhanced visualization and connectivity

He explains: “Digital operating rooms increasingly complement high-quality imaging technology and software with **complex new technologies**, like surgical navigation and robotic surgery. Achieving that high level of digitization and integration requires enhanced visualization and connectivity, which is what we deliver.”

In addition, the Surgical team is getting ready for the AI explosion, he continues: “By giving real-time guidance to surgeons, AI will boost productivity and healthcare quality. While adoption is still in its early stages, we expect that to change soon. So, we’re preparing our Nexxis portfolio **for the coming wave of AI applications.**”



To achieve the high level of digitization and integration required in digital operating rooms, enhanced visualization and connectivity is a must. That is exactly what we deliver.



Johan Fornier
EVP Surgical & Modality



Last but not least, **remote surgical collaboration** holds big potential: “Surgeons appreciate the ability to consult peers, train their students, or showcase their procedures during live surgery. With NexxisLive, we cater to that trend.”

Step-up in sustainability

Johan also highlights his team’s progress in the field of **sustainability**: “While it’s a challenge to reconcile exceptional image quality and protection with sustainability, we’ve taken great steps forwards. The Philips supplier award that we received in 2023 was a real boost for the team.”

Surgical & Modality brings together two activities with great synergistic potential, as they target the same end-customers (often operating rooms) and, thus, require the same go-to-market strategy. More than surgical displays, the offering of this business unit includes our digital operating room portfolio (based on video-over-IP-technology), as well as custom medical displays for modality imaging, plus a full suite of support services.



Robotic surgery, with the help of Barco technology

Surgeons welcome robots in the operating room, as they enable greater visualization, precision, and comfort, while offering better health outcomes for patients. “Technologies like surgical robotics, navigation, and AI are shifting the video ecosystem in operating rooms, from content generation to output. Based on our expertise, we can help drive innovation in the field,” says Johan.

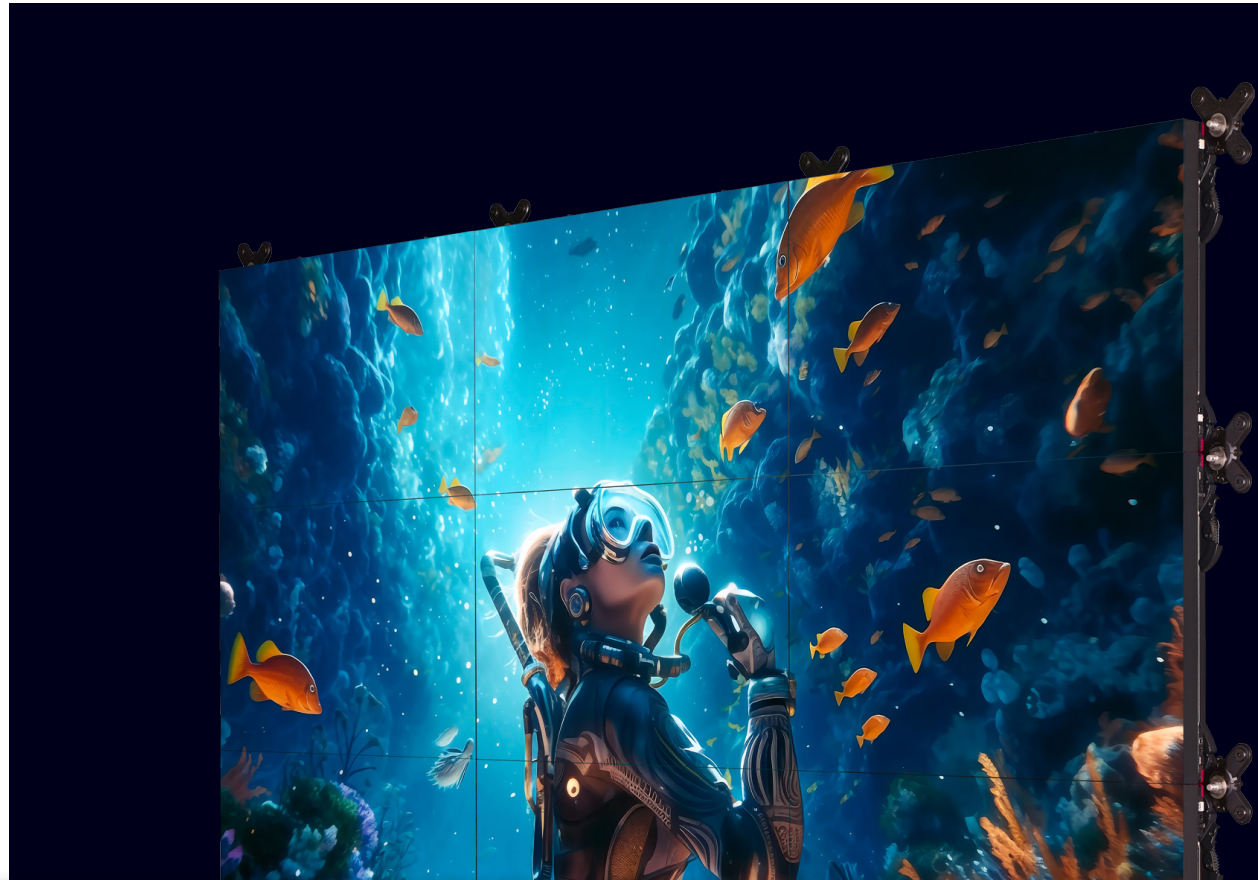
» [Read our news series on robotic surgery](#)

Enterprise

Engaging you to unleash the power of knowledge and emotions

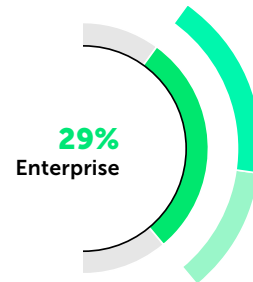
Every Barco enterprise solution is designed to help people collaborate better by ensuring engaging experiences. From boardrooms and workplaces to control rooms and classrooms: all our solutions help people unleash the power of knowledge, insights and emotions – for brighter ideas, stronger collaboration and, ultimately, better results.

The Enterprise division comprises two business units: **Meeting Experience** and **Large Video Walls**.

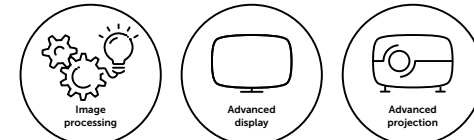


Barco Enterprise: quick facts

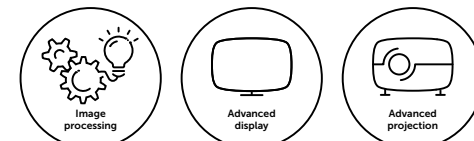
- **Market and technology leader** in wireless presentation and conferencing
- **Long-standing reputation** in control rooms, with increased focus on software and workflow solutions
- **Wide portfolio**, for every meeting and control room
- Large installed base: **1.2 mio ClickShare meeting room installations, 15k+ control rooms**



60% Meeting Experience



40% Large Video Walls



Enterprise division - Meeting Experience

“Our one objective: to connect people and technology in the best possible way”

At the time you’re reading this annual report, the Meeting Experience (MX) business unit has already launched its first newcomer of 2024: the ClickShare Bar. And that’s just the beginning, says EVP Stijn Henderickx. “ClickShare is an amazing solution that we’ll keep building on to truly connect people and technology.”

2023 was the year when companies realized employees wouldn’t return to the office full time. “Of course, that impacted our results,” Stijn admits. “Still, ClickShare’s market share rose and it has a great future ahead. As companies are transforming their workplace, we can help them offer outstanding hybrid meeting experiences.”

Versatility, flexibility and security

“Clickshare strengthened its position as a leader in wireless collaboration and is the most versatile solution in the Bring Your Own Device market,” says Stijn. “It enables meeting participants from in- and outside the company to use their own device and connect with utmost flexibility and security.

Thinking out of the box

While focusing on expanding ClickShare’s success, Stijn and his team also **think beyond wireless presentation and conferencing**: “Our purpose and objective go beyond the ClickShare product range. We want to connect people and technology in the best possible way. So, we’re thinking out of the box, exploring any solution that ensures an exceptional meeting room experience. The market applauds that strategy and we’re proud of our first achievements in that field. The [ClickShare Conference CX-50 2nd generation](#), for example,

We keep updating our ClickShare solutions, but we also look beyond wireless presentation and conferencing. We’re thinking out of the box, exploring any solutions that connects people and technology in the best possible way.



Stijn Henderickx
EVP Meeting Experience

allows automatic switching from the fixed room solution to other devices in seconds. The new [ClickShare video bar](#) integrates audio and video capabilities into one powerful device. And that’s only the beginning. What we’re doing here is cutting-edge innovation, with a supermotivated team. It’s great to see that paying off.

The **Meeting Experience** business unit has been playing a game-changing role in the development of today’s connected office and meeting room environment. The ClickShare wireless presentation and conferencing tool contributes to meeting equity among all participants of hybrid meetings – and the team is committed to keep developing innovative solutions to connect people and technology.



Leading the way towards a green future

When it comes to sustainability, the MX team absolutely walks the talk. ClickShare CX-50 2nd generation is one of the first carbon-neutral wireless conferencing solutions on the market: Barco has significantly reduced the CO₂ emissions throughout the product lifecycle – energy use, use of material, packaging & logistics, and end of life – and the remaining amount of CO₂ is offset to guarantee a real climate action.

» [Read more](#)

Enterprise division - Large Video Walls

“Shifting our focus to software to shape the control room of the future”

Barco has been sharpening its software capabilities for several years now. 2023 was a milestone year in that respect for the Large Video Walls business unit. They announced a whole new business strategy, transforming their business to focus on operator workflow solutions. EVP Tom Sys explains.

“As our business unit been struggling to ensure sustainable profitability for several years, we did a strategic review in 2023,” says Tom. “As a result, we decided to concentrate on the control room market, leveraging our expertise and 30 years’ experience. In addition, we found that improving the operator workflow is key to meet the changing market dynamics. So, software-based solutions will become increasingly important in our portfolio.”

Focus on control rooms and operator workflow solutions

2023 was a year of transformation that ran along three axes:

1. **Focus on control rooms**, with a portfolio that meets market needs and boosts profitability in targeted verticals.
2. **Rebalancing the R&D investments** towards software and workflow solutions, while still optimizing and updating the rear-projection, LCD, and LED display portfolios.
3. **Future-proofing our organization** by aligning it with integrated sales and marketing activities and a service model that focuses on software and workflows.

Barco CTRL: the golden entry ticket

“The [CTRL software platform](#) that we launched in 2023 is a game changer in the control room market,” Tom continues. “It simplifies workflows, deployment and serviceability and ensures a secure connection to any source, from any location. The first feedback is absolutely positive, which energizes the team. A transformation is never easy: it requires a new mindset, skills, and capabilities. I’m very proud that we pulled it off. Looking forward, we will build on Barco CTRL to further enhance operator workflows in a growing partner ecosystem.”

The positive feedback on Barco CTRL testifies to our dedication and confirms that we’ve taken the right path. We’re ready to explore many more opportunities to improve operator workflows.



Tom Sys
EVP Large Video Walls

Large Video Walls offers a package of solutions to help control room operators view better, share faster, and resolve quicker – and make well-informed decisions: video walls, video wall controllers, control room software, and a full suite of support services. Software takes an ever increasing role in our offering.



What does an operator-centric solution look like?

In 2023, Barco asked over 1,000 control room professionals worldwide about their working conditions and needs, and summarized the findings in ‘Barco’s Global Room Report’. The report shows that operators

1. struggle to manage the **overload of data** from multiple sources;
2. are **concerned about cybersecurity**;
3. are looking for ways to **collaborate remotely** and share data anywhere, anytime.

These insights were used as a starting point for the new operator workflow offerings.

» [Dive into the findings](#)

Entertainment

No Barco, no show

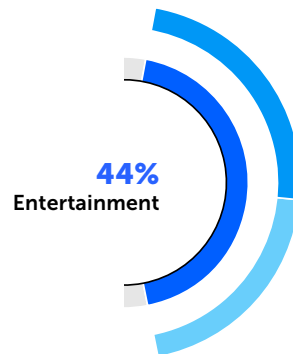
At Barco Entertainment we bring experiences to life. Because we believe in the power of images to amplify great ideas. For everyone and anywhere on this planet. This belief drives our passion every day to continuously design the highest performing, most innovative, most reliable immersive experience and cinema solutions. Enabling our partners and customers to create and deliver their visual miracles. To everyone. Everywhere. All the time.

The Entertainment division comprises two business units: **Cinema** and **Immersive Experience**.

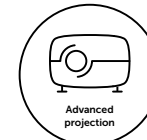
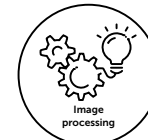


Barco Entertainment: quick facts

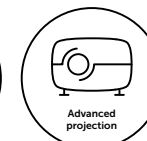
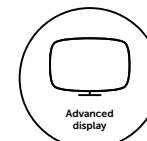
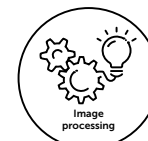
- Industry's **most complete range** of laser-based projection and image processing solutions
- Long-lasting market position, **recognized market and technology leader**
- Strong reputation for product quality, reliability and brand
- Large installed base: **100k+ cinema projectors** and **10k+ high-end entertainment projectors**



54%
Cinema



46%
Immersive Experience



Entertainment division - Cinema

“Cinema is alive, kicking and evolving and Barco is driving this change”

“Since the inception of cinema in 1895, every few years, critics have proclaimed the medium to be dying. They’ve always been wrong,” says EVP Gerwin Damberg. “2023 again provided proof that cinema is alive and kicking. Of course, it is evolving and Barco is driving this change.” Gerwin explains how the market bounced back after three tough years and how his team plans to further strengthen Barco’s foothold.

A simpler organization, shorter decision lines, and tighter bonds with the cinema community: Barco worked hard to get the Cinema business back in shape after the pandemic. With success: 2023 witnessed significant top- and bottom-line growth, and an improved worldwide box office (excluding China).

Retrofit, new solutions and financing

Gerwin hopes that the momentum will continue: “As the box office grows, exhibitors look for new ways to enhance the moviegoing experience. We help with **retrofit laser projectors** or **new laser solutions**. Plus, customers increasingly rely on our **Cinema-as-a-Service program**, whereby we offer full-service financing solutions. This business model has become both popular and profitable.”

Winning the heart of the cinema ecosystem

In the next years, the Barco Cinema team will target **adjacent markets** too. “Software-based solutions, like remote servicing or predictive maintenance, can simplify operations. We can also help in areas like distribution, post-production, and content creation.” To capture the hearts of this wider cinema ecosystem, Barco’s Hollywood presence was key in 2023, with technology showcases, trainings, etc. “There’s much enthusiasm about how we can develop the cinema of the future, together, for example with HDR Lightsteering.”

Efficiency and agility

To reap every opportunity, Barco re-integrated Cinionic in its business in early 2024. Gerwin: “The reasons to found Cinionic made perfect sense, and the team did an amazing job. Yet, the market has evolved. Joining forces will boost our agility and efficiency and bring us closer to our customers.”

Barco helps exhibitors deliver an outstanding moviegoing experience. In addition, we can simplify workflows in the booth or help producers, content creators or colorists deliver the best possible cinematic storytelling.



Gerwin Damberg
EVP Cinema

Barco **Cinema** offers the industry’s most complete range of cinema technology, including cutting-edge laser projectors, next-gen HDR projectors and media servers to enable managed services. To drive sales effectiveness and customer intimacy, Barco fully integrated Cinionic, which had been marketing Barco’s cinema solutions in its global markets outside of China, at the end of 2023.



Big names choose Barco Residential

From the world’s most famous directors and actors to big sports stars: they all choose Barco Residential’s high-end projectors for their private theaters, media rooms, and outdoor spaces. “In 2023, we built a killer team and elevated our marketing efforts to uphold our name. It’s thrilling to see how Barco is considered the best solution for these premium settings,” says Gerwin.

» [Explore Barco Residential](#)

Entertainment division - Immersive Experience

“Expanding our projection solutions to any screen”

“Projection is often conceived as a conventional business. But not at all,” Ta Loong Gan, EVP Immersive Experience begins. “The opportunities are enormous. LED, for example, can never deliver the immersive experience that projection does. And it’s far less sustainable. So, we’re on a mission to expand our high- and mid-end projection solutions to any screen, beyond our traditional rental and events markets: from opera houses, theme parks, museums, and houses of worship through to companies.”

Buckle up for 2024!

That approach led to all-time-high sales in 2023, despite China’s weak economy. Ta Loong expects further growth in 2024 – and his team has plenty of new, innovative products in the pipeline to steer the business forward. “We worked hard to update and improve our existing portfolio in the past years, but we have also prepared some exciting new soft- and hardware solutions.”

Projection, a conventional business? Not at all! The opportunities are enormous, in the most diverse markets. Just look at how D’strict uses our projectors to turn exhibitions into mind-blowing experiences.



Ta Loong Gan
EVP Immersive Experience

Sales transformation

To outperform the market, the Immersive Experience team also kicked off a sales transformation. “We’re strengthening our commercial excellence and service capabilities and reviewing our go-to-market strategy,” Ta Loong explains. “System integrators can help us reinforce our foothold in simulation, theme parks, etc. and by driving sales via key and customer accounts, we get closer to our end-users. That’s the ultimate way to understand their pain points and provide them with the best possible immersive experiences.”

Our **Immersive Experience** business unit offers solutions tailored to the specific needs of large venues, live events, projection mapping, themed entertainment (such as museums and theme parks) and simulation applications: projection, image processing and a modular support service solution.



Amazing and inspiring the audience at D’strict’s museums

Ta Loong Gan is particularly proud of the recent partnership with the Korean digital design company D’strict. D’strict appointed Barco as the sole projector supplier in the next four years for all its upcoming immersive projects.

“D’strict’s ARTE MUSEUMS that opened in Korea in 2023 are fine examples of how projection can lift the museum experience to captivate the audience,” says Ta Loong Gan.

» [Read the story](#)

Our results



Cover Report 2023

Barco

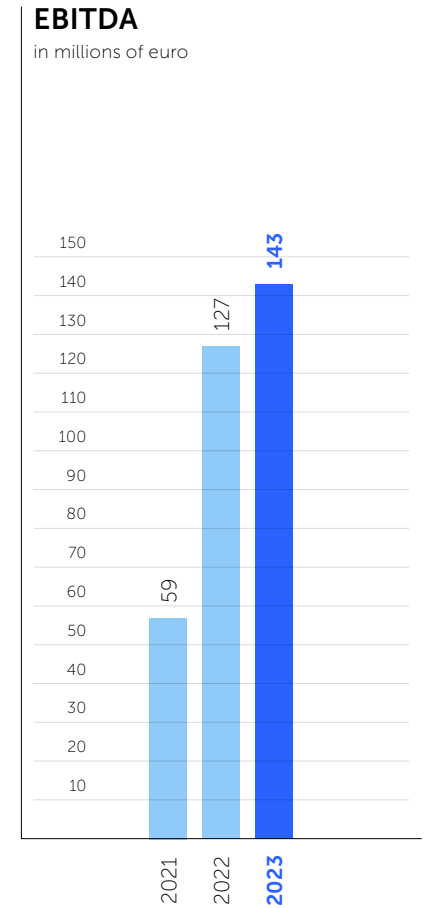
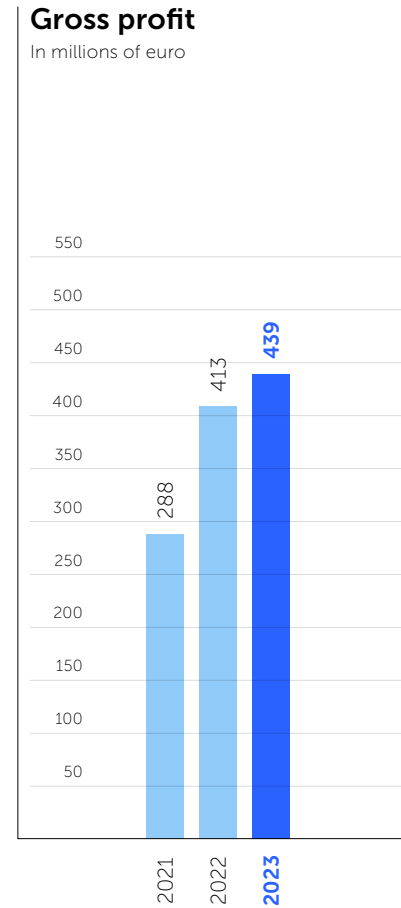
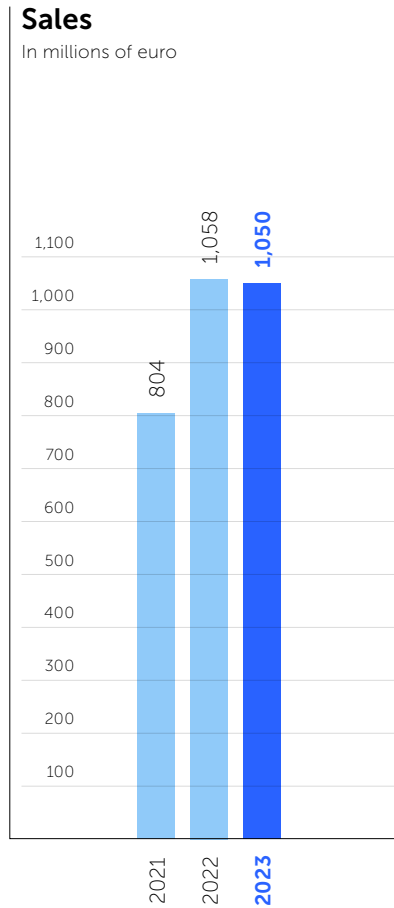
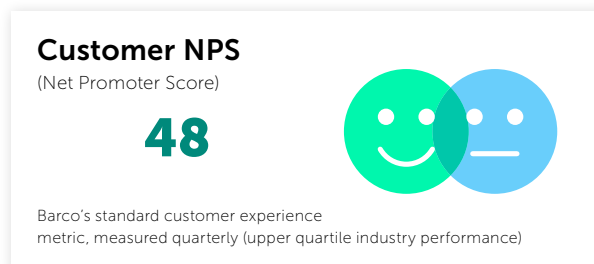
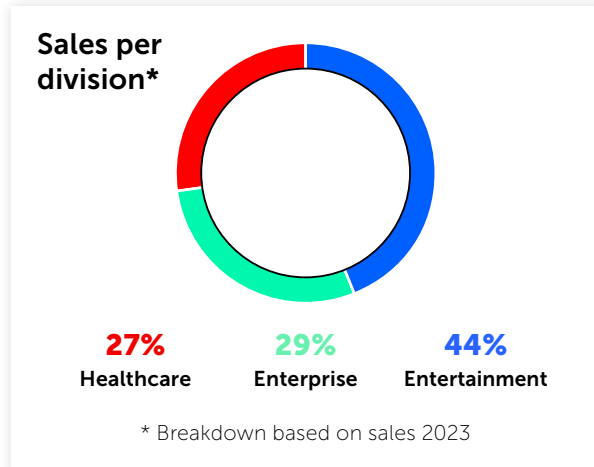
Integrated report 2023

Group results

CORE Report

Barco

Integrated report 2023



Comments on the group results

Solid profitability improvement with stable topline

Financial highlights fiscal year 2023¹

- **Orders** € 1,061.6 million, in line with 2022
- **Sales** € 1,050.1 million, -1% versus sales in 2022 (+1% at constant currencies)
- **Orderbook year-end** € 494.8 million, in line with last year
- **EBITDA** € 142.5 million versus € 126.5 million in 2022, for an EBITDA margin of 13.6%
- **Adjusted EBIT** € 102.1 million compared to € 90.1 million in 2022
- **Free cash flow** € 38.0 million versus € 13.1 million in 2022
- **Net earnings** € 80.2 million versus € 75.2 million in 2022
- Proposal to increase **gross dividend to 0.48** per share versus 0.44 euro last year

Group topline – orders and sales in line with last year

Order intake for 2023 was 1,061.6 million euro, slightly above 2022. This result was driven by Entertainment, where demand surged for laser projectors for Cinema and other applications, followed by Enterprise. Healthcare declined, mainly in the Americas.

Sales amounted to 1,050.1 million euro, in line with last year. Double-digit growth in Entertainment, mainly driven by Cinema, was offset by a small decline in Enterprise and a more pronounced decline in Healthcare. While sales grew 4% in EMEA, sales were 4% lower year-over-year in the Americas. EMEA and Americas contributed equal percentages of the topline of 2023. Within the APAC region, there was a clear contrast between lower sales in China and double-digit growth in the other countries, resulting in a net decline of 4%.

Book-to-bill remained above 1, resulting in a strong orderbook at the end of December 2023 of 494.8 million euro, with an important uptake for the Entertainment division year-over-year.

¹ All definitions for alternative performance measures (APM's) are available in the glossary as available on [Barco's investor portal](#)

Division topline – strong sales in Entertainment, Healthcare lagging

In Healthcare, orders and sales declined double-digit versus 2022. Sales for both Diagnostic Imaging and Surgical & Modality were impacted by high channel inventories. This followed a surge in customer orders at the end of 2022, in anticipation of possible component shortages. This was particularly the case in the Americas and for some customers this is continuing into the first half of 2024. Also the soft demand in APAC was hampering the topline for Healthcare, driven by higher customer inventories and anti-bribery actions from the government in China targeting healthcare businesses.

Enterprise had continued strong demand for both its Meeting Experience and Large Video Walls solutions with orders up 8% year-over-year. Sales for the division declined 4%. Meeting Experience almost equaled the strong result of last year by winning market share in a soft corporate market. The Large Video Walls orders and sales grew towards the end of the year. The business unit executed on the new strategy, with a focus on control room installations that are increasingly software-driven.

Entertainment further built on the strong momentum that began in the second half of 2022, when the supply chain constraints eased for the most part. Sales grew 15% year-over-year, with a strong contribution from Cinema. The laser cinema renewal wave is in full swing, with cinemas investing globally in superior image quality while lowering their total cost of ownership. Also Immersive Experience further grew, fueled by simulation, image processing and projectors for fixed installations, leading to record-high sales for this business unit.

Profitability & free cash flow – significant gross margin and EBITDA improvement

In 2023, the gross profit margin improved 2.8 pts year-over-year to an all-time record of 41.8% as a result of a favorable product mix with more (embedded) software in all product lines. The biggest expansion in gross profit margin was in Entertainment, where the supply chain constraints which hampered the business in 2022 were no longer present.

The EBITDA margin reached 13.6% for the full year, up 1.6 pts versus last year reflecting the strong improvement in gross profit margin combined with stringent cost control in a macro-economic environment where inflation remained higher than the historical levels over the past decades. The EBITDA margin gradually improved throughout the year from 12.5% in the first half to 14.6% in the second half.

Free cash flow for 2023 was 38.0 million euro compared to 13.1 million euro in 2022. The realized net operating cash reached 100.8 million euro versus 31.5 million euro in 2022. Executing on our strategy, capital expenditures doubled versus last year including investments in the new factories and in the Cinema-as-a-Service model. Inventory started to decrease but remains a focus area for 2024.



Expanding the margins while executing strategy

From a top-line perspective, 2023 was a challenging year. The recovery from the pandemic in China was slower than expected, and the Healthcare markets performed below expectations, partly driven by higher than normal customer inventories. On the other hand, the Entertainment division delivered very strong results, and Meeting Experience gained market share.

Meanwhile, the company took important steps on the execution of its strategy: new factories were opened, a simplified organization was established, and investments in innovation continued. Barco is capitalizing on these efforts, demonstrated by the solid gross profit and EBITDA margin improvements.

In 2024, Barco will continue to focus on innovation with its ground-breaking visualization and collaboration technologies, and the company is looking forward to numerous new product introductions.

Outlook FY24

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

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

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

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

Dividend

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

Consolidated results for the fiscal year 2023

Order intake

Order intake was 1,061.6 million euro, flat with 1,058.4 million euro a year ago. The Americas region grew, offset by a decline in APAC due to lower demand in China. All Enterprise and Entertainment business units posted growth in orders while Healthcare declined.

Order book

The order book at year-end was at 494.8 million euro, close to the level of 496.5 million euro at year-end 2022. Orderbook for Entertainment grew; Healthcare declined, while the orderbook for Enterprise was about flat with last year. The book-to-bill ratio for the full year 2023 was above 1.

Order intake

In millions of euro	FY23	FY22	FY21	Change vs FY22
Order intake	1,061.6	1,058.4	978.8	+0%

Order book

In millions of euro	31 Dec 2023	31 Dec 2022	31 Dec 2021	Change vs FY22
Order book	494.8	496.5	487.0	-0%

Order intake by division

In millions of euro	FY23	FY22	FY21	Change vs FY22
● Healthcare	254.9	319.7	329.8	-20%
● Enterprise	304.9	281.3	262.4	+8%
● Entertainment	501.8	457.4	386.6	+10%
Group	1,061.6	1,058.4	978.8	+0%

Order intake breakdown by region

In millions of euro	FY23	FY22	FY21	Change vs FY22
The Americas	46%	43%	37%	+3%
EMEA	36%	37%	37%	-1%
APAC	18%	20%	26%	-2%
Global	100%	100%	100%	

Sales

Sales for the year 2023 were 1% below 2022, with a slight headwind from the currency effect. At constant currencies, the sales were 1% higher than in 2022. The Entertainment division delivered significant growth, driven by laser cinema renewal projects. This was offset by a sharp decline in Healthcare, primarily in Surgical & Modality and a modest decline in Enterprise. Regionally, EMEA's contribution to the group topline grew, while the share of the Americas declined, mostly driven by Healthcare. Also APAC's share was smaller, driven by lower sales in China for Entertainment and Healthcare.

Sales

In millions of euro	FY23	FY22	FY21	Change vs FY22
Sales	1,050.1	1,058.3	804.3	-1%
<i>Sales at constant currencies</i>	1,067.8			+1%

Sales by division

In millions of euro	FY23	FY22	FY21	Change vs FY22
● Healthcare	285.9	341.7	261.5	-16%
● Enterprise	303.8	317.2	233.1	-4%
● Entertainment	460.5	399.3	309.7	+15%
Group	1,050.1	1,058.3	804.3	-1%

Sales by region

In millions of euro	FY23	FY22	FY21	Change vs FY22
The Americas	40%	41%	37%	-1%
EMEA	40%	38%	38%	+2%
APAC	20%	21%	25%	-1%
Global	100%	100%	100%	

Profitability

Gross profit

Gross margin amounted to 438.5 million euro, up from 412.8 million euro last year. The gross profit margin increased 2.8 percentage points to 41.8% from 39.0% last year, with the biggest increase from the Entertainment business units. This important gain in gross margin reflects both a more favorable product mix with a greater amount of (embedded) software across all product lines and the absence of the exceptionally high costs for brokerage and logistics that were experienced in 2022 due to the supply chain constraints.

Indirect expenses & other operating results

Total indirect expenses grew 5% to 338.1 million euro versus 320.9 million euro for 2022. The cost increase was driven by continued high levels of inflation that were partially offset by stringent cost control in all indirect spend categories, while further investing in visualization and collaboration technologies, product roadmap and go-to-market investments in Entertainment.

As a percentage of sales indirect expenses were 32.2% in 2023 compared to 30.3% in 2022.

- Research & Development expenses increased to 132.3 million euro compared to 120.5 million euro last year. As percentage of sales, R&D expenses were 12.6% of sales compared to 11.4% a year earlier.
- Sales & Marketing expenses increased slightly to 145.9 million euro, compared to 142.7 million euro for 2022. As a percentage of sales, Sales & Marketing expenses were 13.9% of sales compared to 13.5% in 2022.

- General & Administration expenses amounted to 59.9 million euro compared to 57.7 million euro last year and were 5.7% as a percentage of sales compared to 5.5% in 2022.

Other operating income amounted to 1.7 million euro versus 1.7 million euro operating costs in 2022.

EBITDA & adjusted EBIT

The significant increase in gross profit, which was partially offset by higher indirect expenses resulted in an EBITDA of 142.5 million euro, 13% higher than the EBITDA of 126.5 million euro for 2022. The EBITDA margin grew to 13.6% versus 12.0% in 2022.

The EBITDA margin on divisional level was as follows:

- Healthcare's EBITDA margin was 9.7% versus 11.2% a year earlier. A higher gross profit margin driven by a more favorable software-driven product mix was offset by operating leverage on a reduced topline, mainly in Surgical & Modality.
- The Enterprise EBITDA margin was 18.7%, versus the margin of 2022 of 19.1%. The EBITDA margin saw a notable uptake during the second half of the year due to higher gross profit margins in both business units, and lower indirect costs after the restructuring in Large Video Walls.
- Entertainment's EBITDA margin was 12.5% versus 6.9% in 2022, surpassing the level of 2019. Gross profit margins were up, as the division was no longer impacted by the supply chain constraints it experienced in 2022. Operating leverage on the higher topline also contributed to the EBITDA margin expansion.

In millions of euro	Sales	EBITDA	EBITDA %
● Healthcare	285.9	27.8	9.7%
● Enterprise	303.8	56.9	18.7%
● Entertainment	460.5	57.7	12.5%
Group	1,050.1	142.5	13.6%

EBITDA by division FY23 versus previous years

In millions of euro	FY23	FY22	FY21	Change vs FY22
● Healthcare	27.8	38.4	22.4	-28%
● Enterprise	56.9	60.7	14.6	-6%
● Entertainment	57.7	27.5	21.5	+110%
Group	142.5	126.5	58.5	+13%

Adjusted EBIT² was 102.1 million euro or 9.7% of sales, compared to 90.1 million euro or 8.5% of sales for 2022.

Barco booked restructuring and impairment charges totalling 10.8 million euro for the full year versus 2.5 million euro the year before, including 9.5 million euro lay-off costs and 1.3 million euro impairments on inventories. The lay-off costs were linked to the Large Video Walls restructuring, as well as several other organizational cost efficiencies. Taking these charges into account, EBIT in 2023 was 91.3 million euro compared to 87.6 million euro in 2022. A notable subsequent event is the closure of the Changping production site, announced in January 2024, whereby the activities will be moved to the new factory in Wuxi with expected lay-off costs of 1.5 million euro in 2024.

² Adjusted EBIT is EBIT excluding restructuring charges and impairments, see [Glossary](#) of the Annual Report.

Cash flow & balance sheet

Income taxes

Taxes in 2023 were 17.3 million euro for an effective tax rate of 18%, compared to 15.9 million euro in 2022 for the same effective tax rate.

Net income

Full year net income attributable to the equity holders was 80.2 million euro compared to 75.2 million euro a year ago.

Net income per ordinary share (EPS) was 0.89 euro versus 0.84 euro in 2022. Fully diluted earnings per share were 0.88 euro compared to 0.83 euro in 2022.

Free cash flow and working capital

Free cash flow for 2023 was 38.0 million euro, up from 13.1 million euro last year. The net operating cash realized reached 100.8 million euro versus 31.5 million euro in 2022. The higher gross operating free cash flow was reduced by higher trade receivables linked to high sales at the end of the year, and lower

trade payables linked to decreasing component purchases throughout the year, partially offset by decreased inventory. Capital expenditure more than doubled due to investments in the new factories and in the Cinema-as-a-Service model.

In millions of euro	FY23	FY22	FY21
Gross operating Free Cash Flow	138.3	127.0	50.5
Changes in trade receivables	-18.3	-35.6	-4.9
Changes in inventory	9.6	-70.2	4.4
Changes in trade payables	-30.3	7.4	42.8
Other Changes in net working capital	1.6	2.8	13.2
Change in net working capital	-37.5	-95.5	55.5
Net operating Free Cash Flow	100.8	31.5	106.1
Interest Income/expense	4.7	0.8	-1.1
Income Taxes	-13.3	-6.0	-8.4
Free cash flow from operating activities	92.2	26.3	96.6
Purchase of tangible and intangible FA	-54.4	-21.2	-18.8
Proceeds on disposal of tangible and intangible FA	0.2	8.0	0.2
Free cash flow from investing	-54.2	-13.2	-18.6
Free cash flow	38.0	13.1	78.0

Working capital

Net working capital amounted to 16.6% of sales, up from 14.3% of sales in 2022, and lower than net working capital of 18.3% at mid-year 2023. Higher trade receivables contributed to the increase in working capital, mainly due to strong year-end sales, for which cash will be collected in 2024. Inventory remained at a high level throughout the year but started to decrease over the course of the second half of the year. Trade payables reduced year-over-year, in line with lower component purchases towards year-end, in response to high inventories and lower topline.

Capital expenditure

Capital expenditure was 54.4 million euro, significantly higher than 21.2 million euro reported in 2022 due to investment in the manufacturing footprint and financing the Cinema-as-a-Service model.

ROCE

ROCE for the year 2023 was 17% versus 16% last year.

Cash position

The net financial cash position was 241.1 million euro at year-end, compared to 264.0 million euro end of 2022. The main elements contributing to this change were cash in from the free cash flow and the proceeds from the sale of minority investments, offset by cash out for the dividend payments and the share buyback program, and currency translation impacts.

In millions of euro	FY23	FY22	FY21
Trade Receivables	208.6	194.6	157.0
DSO	63	54	56
Inventory	231.5	245.7	175.5
Inventory turns	2.1	2.1	2.4
Trade Payables	-89.4	-121.9	-114.0
DPO	50	68	80
Other Working Capital	-176.0	-168.0	-171.7
Total working capital	174.8	150.4	46.8

Update Planet - People - Communities

Barco's sustainability program is based on 3 pillars: the planet, our people and the communities we operate in. In this chapter we offer some highlights on the progress we made in 2023 within each of these pillars. For a more comprehensive sustainability chapter please read our [Planet – People – Communities report](#).

Planet

Under the Planet pillar, Barco has set a goal of reducing its environmental footprint and that of its customers.

	FY23	FY22	FY21	Change vs FY22
Greenhouse gas emissions from own operations reduction (vs 2015)	-54%	-51%	-33%	-3 ppts
% revenues from ecolabeled products	65%	50%	31%	+15 ppts

Greenhouse Gas emissions from our own operations reduced slightly versus last year, a reduction of 54% versus the base level of 2015, and exceeding the target reduction of 35%. A modal shift from air to sea transport for Diagnostic Imaging and Immersive Experience further reduced the logistics footprint. This was partly offset by increasing business travel by employees.

To reduce the footprint of its products and to improve the eco-friendliness of its solutions portfolio, Barco has rolled out a company-wide ecolabeled scoring methodology. The target level for 2023 was set at 70% ecolabeled revenues.³ In 2023

there was a solid increase in all business units, leading to 65% of the total revenue being ecolabeled. There was an important uptake for Meeting Experience with the carbon-neutral ClickShare CX-50 2nd generation, and for Large Video Walls with the fully A-labelled LED portfolio. The higher share of ecolabeled products contributed to a significant decrease of Barco's total Greenhouse Gas emissions and that of our customers. Further progress against this target will come from new product introductions, of which more than 90% were ecolabeled in 2023.

³ For more information about Barco eco scoring methodology, see Barco's latest Annual report on [the Barco website](#).

People

Barco is committed to fostering sustainable employability by crafting an environment that cultivates engaging and fulfilling careers for our employees.

With a voluntary turnover rate that dropped significantly and additional hirings, the number of employees in 2023 grew to 3,360, a net increase of 58 employees year-over-year. Diversity & Inclusion are key elements in our recruitment process and, just like in 2022, Barco made progress on all three diversity dimensions in 2023: age, nationality, and gender.

Since 2022, Barco includes a specific standardized E-NPS (Employee Net Promotor Score) question in its annual employee survey. The E-NPS survey for 2023 resulted in a score of 13, close to the score of 2022 and sorting in the category "good engagement" (0-30) for both years. Based on the results from the employee survey, the existing action plans will be updated, and new actions will be defined for 2024. Our long-term objective remains to bring this score above 30, "great engagement".

	FY23	FY22	Change vs FY22
Number of employees at year-end (heads)	3,360	3,302	+2%
Employee Net Promotor Score (eNPS)	13	16	-3

Communities

Barco is committed to playing an active role in the communities in which it operates, and our people maintain their focus on a value-add customer experience. Besides gathering continuous feedback via multiple touchpoints during the customer journey, the company receives feedback from end-customers as well as partners twice a year using the relational Net Promotor Score (NPS) as its standard customer experience metric.

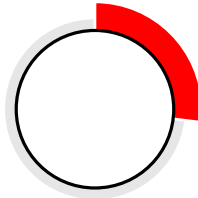
In 2023, Barco achieved an NPS score of 48, an increase of 4 points versus the previous year. As the supply chain constraints improved significantly in 2023, this has led to shorter lead times and fewer delays, and an overall better appreciation of Barco's after-sales service by our partners and customers. Also product quality stands out as a key contributor to this score. Regionally, there was progress in all regions. An NPS score above 50 is considered excellent and that is also where we want to steer the company's rating.

	FY23	FY22	FY21	Change vs 2022
Customer Net Promotor Score	48	44	47	+4

Results of the Healthcare division

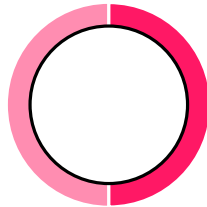
Division in the group

27%
Healthcare



Distribution based on sales

50%
Diagnostic Imaging
50%
Surgical & Modality



Ecospore

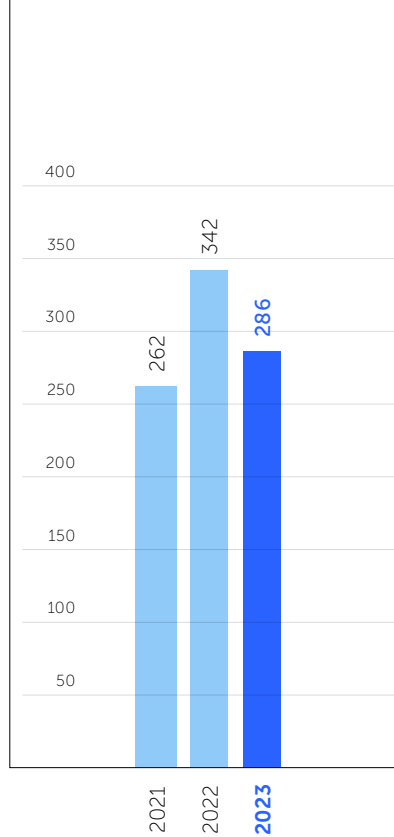
54%



% revenues from products with [Barco ECO label](#)

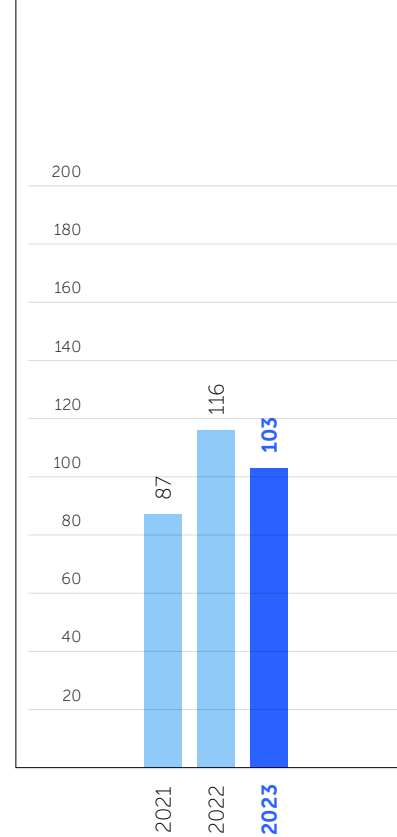
Sales

In millions of euro



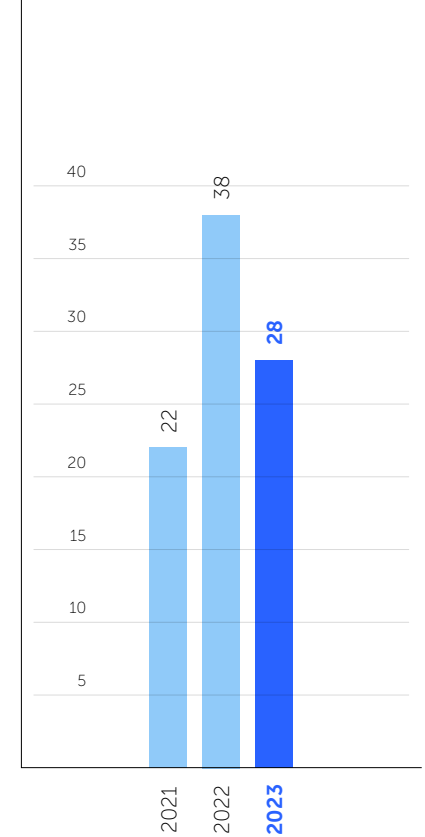
Gross profit

In millions of euro



EBITDA

in millions of euro



Gross profit margin

33.3%
34.1%
36.0%

EBITDA margin

8.6%
11.2%
9.7%

Orders and sales for Healthcare decreased 20% and 16% respectively versus last year. There were important regional differences with growth in EMEA, more than offset by double-digit decline in Americas. Diagnostic Imaging and Surgical & Modality each accounted for approximately 50% of the divisional sales, while last year the former accounted for 46% and the latter for 54%.

In the **Diagnostic Imaging segment**, market dynamics remained healthy although the topline was impacted by higher-than-normal inventories at channel partners and customers, after pent-up demand toward the end of 2022, when customers ordered more than usual in anticipation of potential component shortages. In EMEA, radiology and pathology drove growth, including important wins in the UK. Americas declined against very strong results last year, affected by high channel inventories. In APAC, China was faced with lower investments from local governments dampening demand

and anti-bribery actions targeting the healthcare markets that started in the second half of 2023 and are continuing into 2024. In contrast, the rest of the APAC region saw growth.

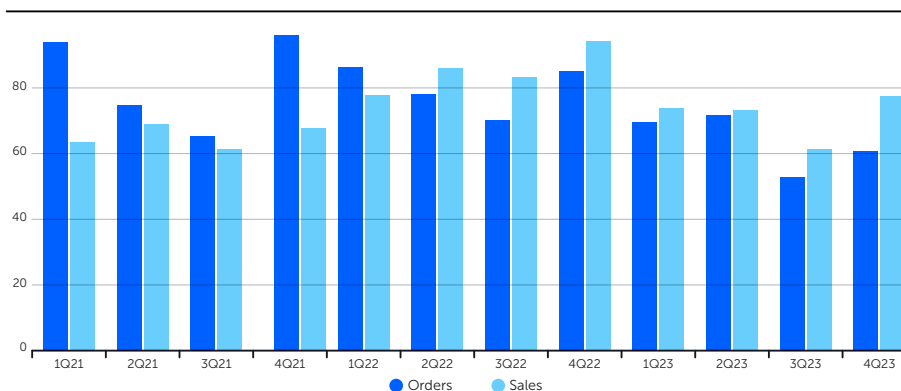
Surgical & Modality was hampered by a timing difference between the phasing-out of an unusually large contract that ended at year-end 2022, and the phasing-in of orders under confirmed new contracts for new platforms from the end of 2023 onwards. Orders for these new contracts were delayed over the course of the year, as customers were reducing inventories. This affected primarily the Americas region. EMEA grew, fuelled by good results for the Nexxis product. APAC sales declined, as China was hampered by low government investments, anti-bribery actions and high inventory levels. Overall, surgical products performed better than modality, and the share of software-related revenue increased significantly.

The gross profit margin for Healthcare increased to 36.0%, versus 34.1% one year earlier. This reflects a favorable product mix with proportionally more (embedded) software products, partially offset by temporary transfer and costs associated with ramping up the new factory. Although indirect spending increased less than the general inflation rate, operating leverage on the lower topline resulted in an EBITDA margin of 9.7%, a decline of 1.5 ppts versus last year.

Healthcare division

In millions of euro	FY23	FY22	FY21	Change vs 2022
Orders	254.9	319.7	329.8	-20%
Sales	285.9	341.7	261.5	-16%
Gross profit	102.9	116.4	87.2	-12%
Gross profit margin	36.0%	34.1%	33.3%	+2.0 ppts
EBITDA	27.8	38.4	22.4	-28%
EBITDA margin	9.7%	11.2%	8.6%	-1.5 ppts

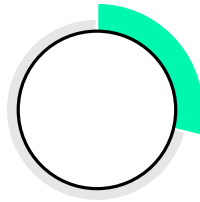
Quarter-over-quarter orders and sales 2021-2023



Results of the Enterprise division

Division in the group

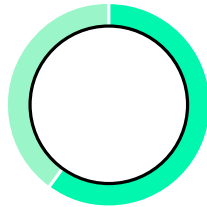
29%
Enterprise



Distribution based on sales

60%
Meeting Experience

40%
Large Video Walls



Eco score

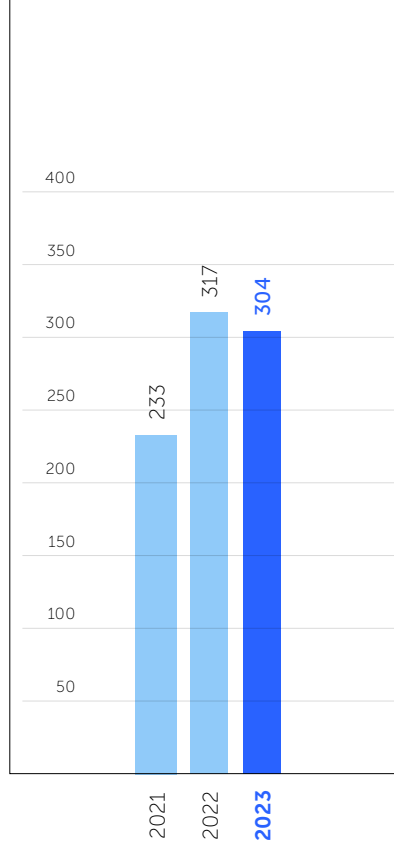
92%



% revenues from products with [Barco ECO label](#)

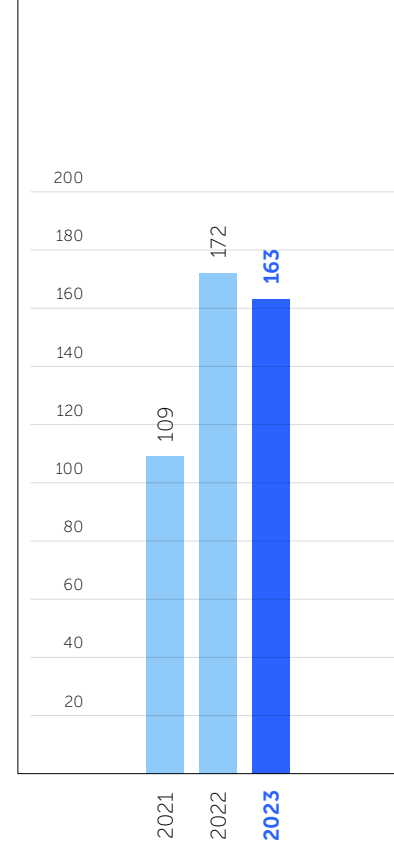
Sales

In millions of euro



Gross profit

In millions of euro

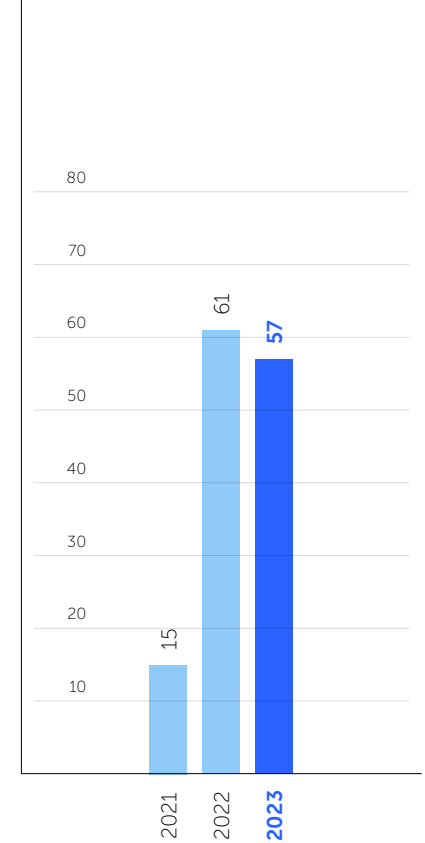


Gross profit margin

46.6%
54.3%
53.6%

EBITDA

in millions of euro



EBITDA margin

6.3%
19.1%
18.7%

In the Enterprise division, orders increased 8% year-over-year, with growth in both business units but more pronounced in Large Video Walls. Sales were slightly down versus last year in EMEA and the Americas but grew in APAC.

Meeting Experience delivered sales in line with the year before, despite difficult market conditions as of the second quarter of 2023, with companies delaying investments as they reconsidered their flexible office and meeting room requirements. In the face of these circumstances, ClickShare won market share against competitive offerings. From a regional perspective, sales in Americas declined, APAC showed substantial growth, while EMEA sales were essentially flat year-over-year. The sell-in volumes exceeded sell-out for this region, triggered by specific changes in partner programs. ClickShare has now been installed in more than 1.2 million meeting rooms globally. ClickShare Conference accounted for slightly less than 65% of ClickShare's volume for the full year, more so in value. The

installed base of ClickShare Conference approached 240,000 units since it was launched in 2020. Meeting Experience accounted for about 60% of Enterprise sales in 2023, versus 58% in 2022.

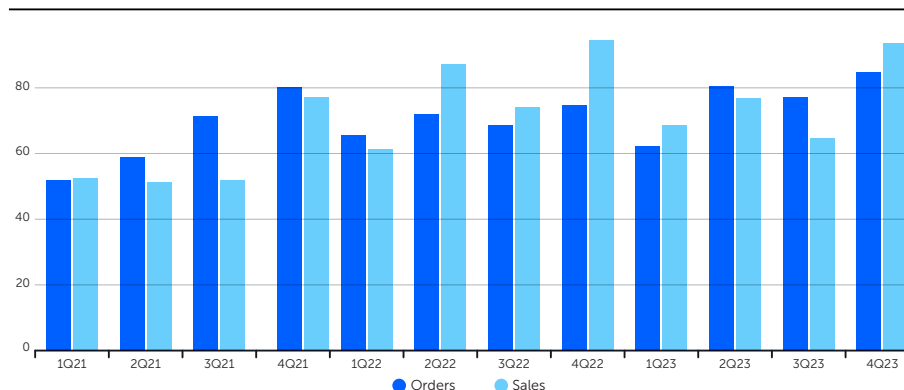
For the **Large Video Walls segment**, orders were higher in all regions, most pronounced in EMEA. Sales started soft at the beginning of the year but improved throughout the second half, and reached a quarterly record in the fourth quarter. Sales for the Barco CTRL software platform, which offers customers a scalable and integrated solution with market-leading security features, go off to a strong start after its launch in the second quarter. The hardware portfolio is fully up to date, with the UniSee II upgrade launched in the third quarter. Large Video Walls is executing on their new strategy, and the share of software in the product mix increased throughout the year, with further shift expected in the next years.

Enterprise delivered an EBITDA margin of 18.7%, essentially in line with last year, and showing a significant increase from the first to the second half of 5.8 percentage points. This was driven by an increase in the Meeting Experience margin and the cost and margin benefits of the restructuring of the Large Video Walls segment, where an EBITDA loss of the first half was followed by a positive EBITDA in the second half, leading to a result close to breakeven for the full year.

Enterprise division

In millions of euro	FY23	FY22	FY21	Change vs 2022
Orders	304.9	281.3	262.4	+8%
Sales	303.8	317.2	233.1	-4%
Gross profit	162.9	172.4	108.6	-5%
Gross profit margin	53.6%	54.3%	46.6%	-0.7 ppts
EBITDA	56.9	60.7	14.6	-6%
EBITDA margin	18.7%	19.1%	6.3%	-0.4ppts

Quarter-over-quarter orders and sales 2021-2023

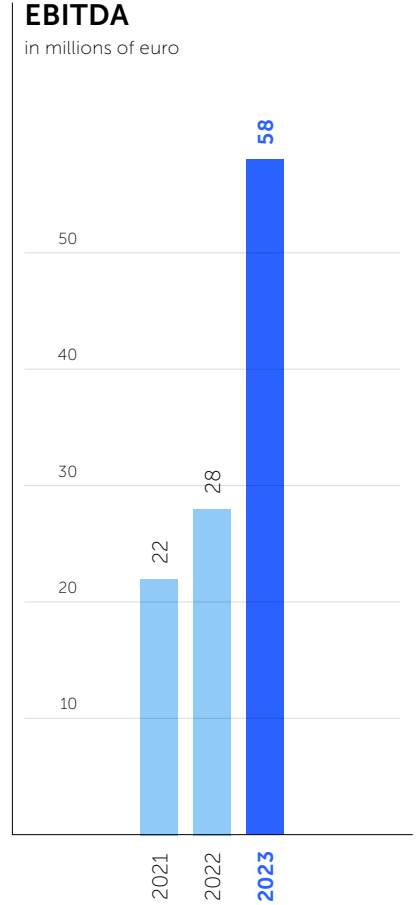
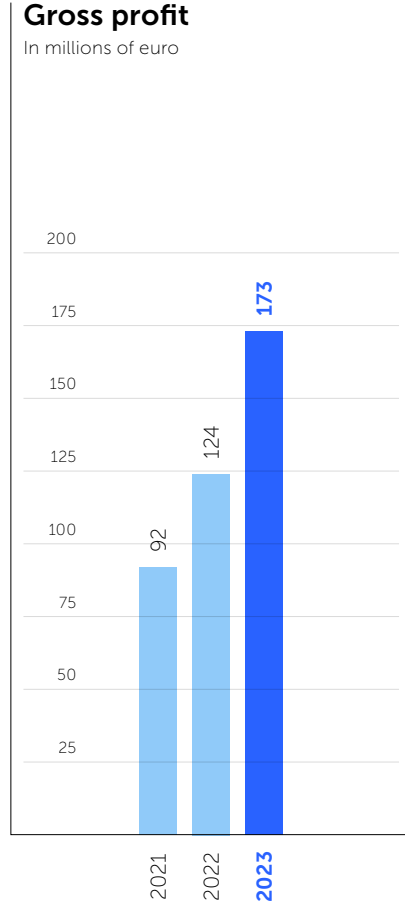
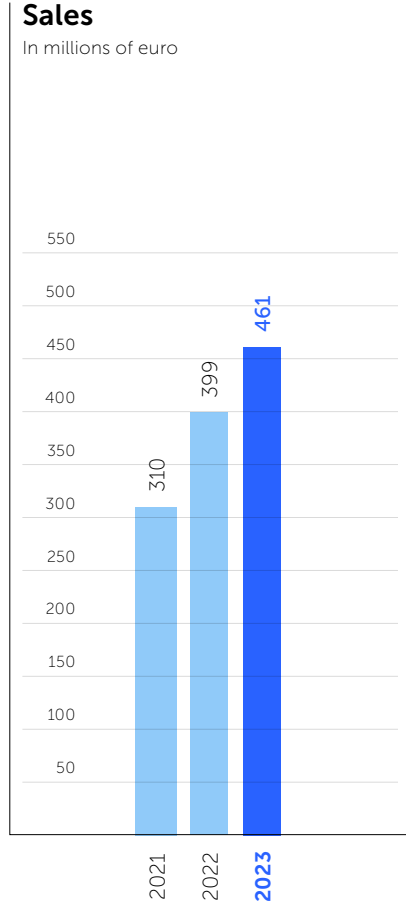
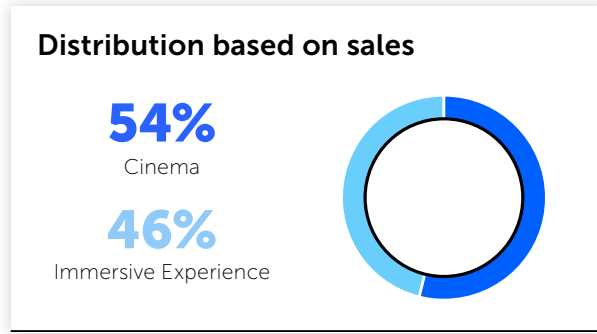
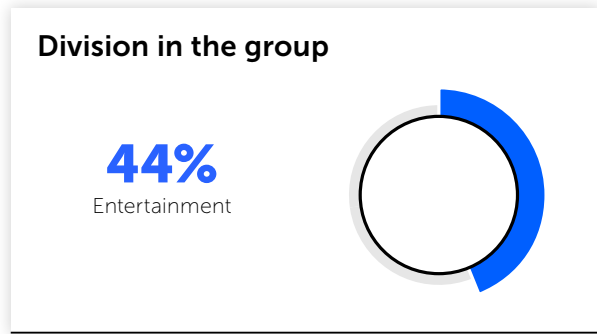


Results of the Entertainment division

CORE Report

Barco

Integrated report 2023



The Entertainment division delivered 10% growth in order intake and 15% growth in sales versus last year. Book-to-bill was positive for the 3rd year in a row, further strengthening the orderbook, especially for Cinema.

Cinema built on the strong momentum that started in the second half of 2022 with double-digit sales growth in all regions. Global demand for Cinema was driven by the ongoing renewal of aging lamp-based cinema projectors to Barco's laser technology, which offers superior image quality to viewers and a lower total cost of ownership to cinema operators. The roll-out of Cinema-as-a-Service continued in 2023, which increased the contribution of recurring revenues to the sales mix. Cinema accounted for approximately 54% of the divisional sales in 2023, compared to 48% last year. By the end of 2023, the sales and marketing activities from Cinionic were fully integrated into the Cinema business unit, providing future additional operational efficiencies.

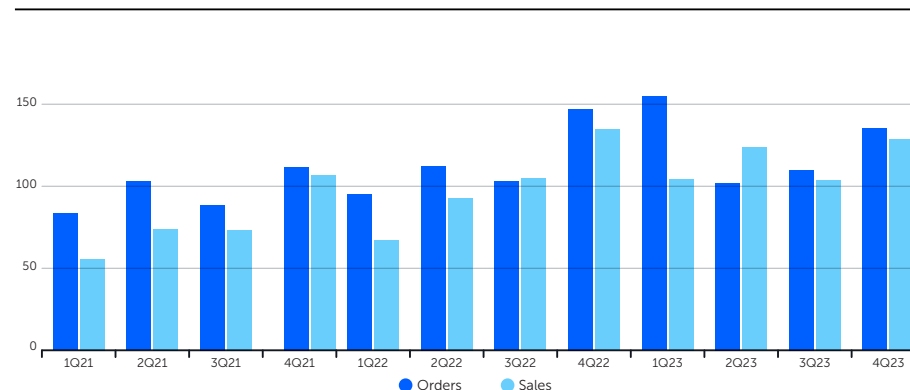
Immersive Experience delivered solid topline growth, especially in the first half of the year, leading to record sales for the second year in a row. In all regions, except APAC, sales grew solidly against a very high comparison base, with the Middle East and Southeast Asia standing out as best performing areas. China did not contribute to the growth as demand has not yet recovered from the pandemic due to a sluggish real estate market and reduced funding of entertainment projects by local governments. Simulation showed the highest growth in all regions both for flight and driving simulators, followed by image processing and projectors for fixed installations in museums, immersive art experiences, attractions, and corporate applications. Sales to the rental market for live events were softer, as some customers are anticipating the new product launches that are expected in 2024. Immersive Experience accounted for approximately 46% of the divisional sales in 2023, compared to 52% last year.

With supply chain challenges resolved and on the strength of a more favorable product mix, with more (embedded) software and services revenues, the gross profit margin for Entertainment grew to an all-time high of 37.5%, up 6.4 percentage points versus last year. Operating leverage on the double-digit topline growth resulted in an EBITDA margin for the division that jumped from 6.9% in 2022 to 12.5% in 2023.

Entertainment division

In millions of euro	FY23	FY22	FY21	Change vs FY22
Orders	501.8	457.4	386.6	+10%
Sales	460.5	399.3	309.7	+15%
Sales	172.6	124.1	91.7	+39%
Sales	37.5%	31.1%	29.6%	+6.4 ppts
EBITDA	57.7	27.5	21.5	+110%
EBITDA margin	12.5%	6.9%	6.9%	+5.6ppts

Quarter-over-quarter orders and sales 2021-2023



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