

## FIRST HALF RESULTS

### 1H20 topline reflects economic slowdown; cost containment measures mitigated impact on profitability

**Kortrijk, Belgium, 16 July 2020, 07:30 am** – Today Barco (Euronext: BAR; Reuters: BARbt.BR; Bloomberg: BAR BB) announced results for the six month period ended 30 June 2020.<sup>1</sup>

#### First half 2020 financial highlights

- Incoming orders at 398.7 million euro (-25%)
- Orderbook at 317.2 million euro, in line with year-end 2019
- Sales at 407.2 million euro (-18%)
- EBITDA of 40.7 million euro (-26.9 million euro) or 10% of sales (-3.6 ppts)
- Net income at 10.4 million euro (-32.7 million euro), including 8.1 million euro restructuring charges and impairments

#### Executive summary

##### Group topline - evolution month-by-month shows signs of recovery as of June

Barco's first half sales and incoming orders were significantly below last year due to the impact of covid-19 on business activities in both the Entertainment and the Enterprise divisions. This was partially offset by continued high-single digit growth in the Healthcare division. The economic impacts related to covid-19 became apparent in the latter half of March, were most severe in April and May and lessened over the month of June as government lock-down restrictions began to be lifted across our geographic markets.

##### Division topline performance – varied impact and recovery dynamics as of June

The Entertainment division experienced a push-out of cinema replacement cycle projects as a result of the pandemic; within Venues and Hospitality the demand for event projectors saw a significant drop, while Simulation remained stable and ProAV (fixed installs) showed signs of recovery on a region by region basis as countries emerged from lock-downs as of May.

Enterprise reported weaker results for the first semester in both the Corporate and Control Rooms segments. Following a promising launch of ClickShare Conference in late January, Corporate saw demand weaken significantly in April and May as companies around the world complied with lock-down requirements. As a result of early back-to-office activity in June, business began to gradually pick up towards the end of the second quarter.

The Control Rooms segment reported softer results for the first semester mainly due to project delays, although it demonstrated signs of improvement in the latter half of the semester, resulting in a better second quarter relative to the first quarter.

The Healthcare division continued to deliver solid topline growth fueled by sustained demand in diagnostic imaging. Surgical reported low single digit growth as hospitals postponed elective surgeries during the first half.

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<sup>1</sup> Please refer to our [Half-Year Report](#) for the auditor's review report  
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## **Protecting profitability with impactful cost containment actions**

In response to the decline of revenues and to mitigate the adverse impacts of the pandemic on profitability, Barco managed to reduce indirect costs by 15% versus last year through a broad cost containment program.

Gross profit margin was 1.1 percentage points lower year-over-year reflecting higher transportation costs and mix effects.

EBITDA margin for the first half was 10% of sales, 3.6 percentage points below last year.

## **Navigating the crisis and leveraging our resilient platform**

The company responded well to the challenges associated with covid-19 and leveraged its organizational effectiveness and agility to move forward:

- Barco pro-actively leveraged lessons learned in China in January, protecting its employees' safety and well-being: Hygiene protocols were implemented in accordance with public health guidelines, production configurations were adjusted, and remote working protocols were implemented.
- The company took early cost containment actions particularly in discretionary spending, aligned the activity levels with market realities and pushed out selected R&D projects, while protecting strategic investment priorities.
- As part of a product-cost improvement opportunity, the company will begin outsourcing the UniSee LCM<sup>2</sup> component production in the second half of the year and therefore is closing its Taiwan factory.
- While the company's end-to-end supply chain continued to operate without major disruptions, working capital peaked at the end of the second quarter, mainly due to high incoming goods inventories and lower accounts payables, primarily in Entertainment and Enterprise.
- The company leveraged the heightened need for remote collaboration solutions to push digital connectivity solutions such as ClickShare Conference and weConnect in Enterprise and Synergi and remote Diagnostic displays in Healthcare while using the slowdown in demand to accelerate training programs with partners and resellers.

## **Quote of the CEO, Jan De Witte**

"Covid-19's impact on financial results for the first half of the year played out largely as anticipated - albeit with a slightly weaker Q2-topline - with significantly weaker end-market demand in Cinema, Events and Enterprise and continued healthy demand in Healthcare. June showed the first signs of recovery in Enterprise, which we are now further fostering."

"During this extraordinary time, our priority has been on supporting our employees, customers, and partners, and on ensuring business continuity," said Jan De Witte, CEO of Barco. "The agility that has been built in our organization enabled us to respond in a timely manner and adjust activity and cost levels to the significant decline in sales, protecting gross profit margin and mitigating impact on indirect expenses, while sharpening the commercial focus on new remote collaboration solutions."

"While we reported a very weak second quarter, I'm pleased by the dedication and fortitude demonstrated by the team. With its end market demand fundamentals intact but delayed, solid orderbook, strong balance sheet and resilient business model, I am confident that Barco is capable of absorbing the business uncertainties ahead and remains well positioned for future profitable growth as economic activity gradually resumes."

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<sup>2</sup> LCM: Liquid Crystal Module  
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## Outlook 2020 – current

*The following statements are forward looking and actual results may differ materially.*

### 2020: No formal outlook but sharing segment insights

Management withdrew its full year 2020 outlook when it issued its 1Q trading update and since the pace of recovery in our markets -and in particular the shape of recovery and risk and impact of repeat lock-downs- remains uncertain it is not able to reinstate guidance for 2020 at this time.

Management expects that the second quarter will be the weakest quarter of the year and expects steady quarter-over-quarter improvement during the second half of the year albeit with different dynamics across the portfolio:

- The Cinema and Events (Venues and Hospitality) segments expect quarter 3 performance in pace with quarter 2 followed by a modest improvement quarter-over-quarter in the fourth quarter.
- ProAV (Venues & Hospitality) segment and Enterprise are expected to show a steady recovery quarter-over-quarter in the third and fourth quarter.
- Healthcare expects turnover in the second half of the year to exceed the first half.

### Preparing 2021

Based on management's current assessment of the quarterly progression for 2020, the company is planning to develop a 2021 budget with a cost base no higher than 2019 group level.

## Part I - Consolidated results for 1H20

## Order intake &amp; Orderbook

Orderbook

Orderbook at the end of the semester was 317.2 million euro, compared to 322.3 million euro at the end of last year and 344.2 million euro at the end of the first half a year ago, reflecting decreases mainly in the Entertainment and Enterprise division.

<i>(in millions of euros)</i>	<b>30 Jun 2020</b>	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>	<b>31 Dec 2018</b>
Orderbook	317.2	322.3	344.2	303.2

Order intake

Order intake was 398.7 million euro, a decrease of 25.3% compared to last year's first half, driven by significant declines in Cinema and Events in Entertainment, and in ClickShare and Control Rooms in Enterprise which were partially offset by increases in Healthcare. Orders were down in all regions by more than 20% resulting in a geographic breakdown of order intake that was essentially unchanged from last year's first semester.

<i>(in millions of euros)</i>	<b>1H20</b>	<b>2H19</b>	<b>1H19</b>	<b>2H18</b>
Order Intake	398.7	568.3	533.8	507.2

Order intake by division

<i>(in millions of euros)</i>	<b>1H20</b>	<b>1H19</b>	<b>Change</b>
Entertainment	141.3	231.3	-39%
Enterprise	114.5	174.8	-34%
Healthcare	142.9	127.7	+12%
<b>Group</b>	<b>398.7</b>	<b>533.8</b>	<b>-25%</b>
<i>Order Intake at constant currencies</i>			-26%

Order intake per region

<i>(in millions of euros)</i>	<b>1H20</b>	<b>% of total</b>	<b>1H19</b>	<b>% of total</b>	<b>Change (in nominal value)</b>
The Americas	159.2	40%	212.9	40%	-25%
EMEA	146.4	37%	191.3	36%	-23%
APAC	93.2	23%	129.6	24%	-28%

## Sales

First semester reported sales were 407.2 million euro, a decrease of 18% compared to 1H19, reflecting steep declines in the Entertainment and Enterprise divisions mainly in April and May, partially offset by solid growth in Healthcare. Entertainment sales grew in the first quarter but fell in the second quarter while Enterprise saw declines in both quarters.

From a regional perspective, all regions registered sales declines.

### Sales

<i>(in millions of euros)</i>	<b>1H20</b>	<b>2H19</b>	<b>1H19</b>	<b>2H18</b>
Sales	407.2	586.1	496.4	530.4

### Sales by division<sup>3</sup>

<i>(in millions of euros)</i>	<b>1H20</b>	<b>1H19</b>	<b>Change</b>
Entertainment	156.2	194.5	-20%
Enterprise	112.9	173.9	-35%
Healthcare	138.2	128.0	+8%
<b>Group</b>	<b>407.2</b>	<b>496.4</b>	<b>-18%</b>

*Sales at constant currencies*

-19%

### Sales by region

<i>(in millions of euros)</i>	<b>1H20</b>	<b>% of total</b>	<b>1H19</b>	<b>% of total</b>	<b>Change</b> <i>(in nominal value)</i>
The Americas	171.5	42%	198.1	40%	-13%
EMEA	147.6	36%	188.9	38%	-22%
APAC	88.2	22%	109.4	22%	-19%

<sup>3</sup> The projection activity related to virtual reality solutions has been transferred from the Enterprise division to the Entertainment division to further optimize the development and commercialization. With a sales contribution of less than 4 million euro per quarter, this transfer is not considered material, and therefore the 2019 financials are not restated.

**Profitability**Gross profit

Gross profit margin was maintained at a stable level at 39.4%, with the decrease limited to 1.1 percentage points compared to last year and reflecting unfavorable mix effects and higher transportation costs offset by lower manufacturing costs.

Gross profit was 160.5 million euro, compared to 201.2 million euro a year ago.

Indirect expenses

Total indirect expenses decreased 15% to 131.5 million euro, or 32.3% of sales, from 154.4 million euro, or 31.1% of sales, for the first half of 2019. The decrease includes deliberate cost containment actions taken in all indirect expense categories.

- R&D expenses of 49.9 million euro declined 12% from 56.8 million euro last year, reflecting choices in project priorities, while as a percent of sales R&D expenses were 12.3% compared to 11.4% for the same period last year.
- Sales & marketing expenses were 58.8 million euro down from 69.7 million euro for the first half of 2019. As a percent of sales, sales & marketing expenses were 14.4% compared to 14.0% in 1H19.
- General & administration expenses were 22.9 million euro compared to 28.0 million euro last year, and year-over-year flat as a percentage of sales at 5.6%.

Other operating results were at 8.6 million euro negative compared to 1.5 million euro positive for first half 2019, mainly driven by higher provisions for bad debt and weaker performance from BarcoCFG.

EBITDA & EBIT

EBITDA was 40.7 million euro compared to 67.6 million euro for the prior year first semester, a decrease of 26.9 million euro.

EBITDA margin was 10.0%, down 3.6 percentage points compared to the first semester of last year.

By division, sales, EBITDA and EBITDA margin was as follows:

<b>1H20</b> (in millions of euros)	<b>Sales</b>	<b>EBITDA</b>	<b>EBITDA %</b>
Entertainment	156.2	4.9	3.1%
Enterprise	112.9	13.7	12.1%
Healthcare	138.2	22.1	16.0%
<b>Group</b>	<b>407.2</b>	<b>40.7</b>	<b>10.0%</b>

EBITDA by division 1H20 versus 1H19 is as follows:

<i>(in millions of euros)</i>	<b>1H20</b>	<b>1H19</b>	<b>Change</b>
Entertainment	4.9	15.5	-69%
Enterprise	13.7	35.5	-61%
Healthcare	22.1	16.6	+33%
<b>Group</b>	<b>40.7</b>	<b>67.6</b>	<b>-40%</b>

Weaker sales and negative operating leverage drove down EBITDA in absolute value by 40%, reflecting sizeable declines for both Entertainment and Enterprise which were partially offset by a solid increase for Healthcare.

Adjusted EBIT<sup>4</sup> was 20.4 million euro or 5.0% of sales compared to 48.2 million euro or 9.7% of sales, last year.

Barco also recorded impairment and restructuring charges of 8.1 million euro, mainly non-cash, as a result of its decision to start outsourcing the UniSee LCM component as of the second half the year and the announcement of the closing of its Taiwan factory. The pay-back of this product cost-improvement action is expected to be less than eighteen months.

### Income taxes

In the first half of 2020 taxes were 2.2 million euro for an effective tax rate of 17.0%, compared to 8.6 million euro in the first half of 2019, at the same tax rate.

### Net income

Net income attributable to equity holders was 10.4 million euro, or 2.6% of sales compared to 43.1 million euro, or 8.7% of sales for the first semester of 2019.

Net earnings per ordinary share (EPS) for the first semester were 0.12 euro compared to 0.49 euro, the year before.<sup>5</sup>

<sup>4</sup> Adjusted EBIT is EBIT excluding restructuring charges and impairments, see Glossary Annual and Half year report,

<sup>5</sup> Earnings per share recalculated following to the 7:1 share split, see press release, <https://www.barco.com/en/News/Press-releases/Barco-Stock-split.aspx>

**Cash Flow & Balance Sheet**Free Cash Flow

Free cash flow for the first half of 2020 was 50.9 million euro negative compared to 41.6 million euro positive for the first half of 2019.

Net operating free cash flow was 41.7 million euro negative, from 55.2 million euro positive a year ago mainly due to lower EBITDA and working capital increases.

<i>(in millions of euro)</i>	<b>1H20</b>	<b>1H19</b>	<b>1H18</b>
<b>Gross operating free cash flow</b>	<b>36.4</b>	<b>57.4</b>	<b>48.3</b>
<i>Changes in trade receivables</i>	38.4	14.7	3.0
<i>Changes in inventory</i>	-56.9	-33.1	-15.3
<i>Changes in trade payables</i>	-32.6	10.4	-5.6
<i>Other Changes in net working capital</i>	-26.9	5.7	-17.0
<b>Change in net working capital</b>	<b>-78.1</b>	<b>-2.3</b>	<b>-34.9</b>
<b>Net operating free cash flow</b>	<b>-41.7</b>	<b>55.2</b>	<b>13.4</b>
<i>Interest Income/expense</i>	0.8	2.3	2.3
<i>Income Taxes</i>	-3.7	-5.3	-6.8
<b>Free cash flow from operating activities</b>	<b>-44.6</b>	<b>52.2</b>	<b>8.9</b>
<i>Purchase of tangible and intangible FA</i>	-6.3	-12.0	-13.9
<i>Proceeds on disposal of tang and intang FA</i>	0.0	1.4	1.0
<b>Free cash flow from investing activities</b>	<b>-6.3</b>	<b>-10.6</b>	<b>-12.9</b>
<b>FREE CASH FLOW</b>	<b>-50.9</b>	<b>41.6</b>	<b>-4.0</b>



Working capital

Net working capital peaked at the end of the second quarter at 10.9% of sales compared to 1.6% of sales a year ago.

The increase in working capital is mainly due to higher levels of incoming goods in inventory, following the February-April supply chain disruptions, and with the adjusted purchasing approach in the second quarter not yet translated in lower total inventory balances while trade payables did decrease.

The increase in DSO is mainly related to more flexibility towards partners and customers in Entertainment and Enterprise.

<i>(in millions of euro)</i>	<b>1H20</b>	<b>FY19</b>	<b>1H19</b>
Trade Receivables	156.7	195.4	147.9
<b>DSO</b>	<b>82</b>	<b>55</b>	<b>52</b>
Inventory	223.3	169.0	168.8
<b>Inventory turns</b>	<b>2.2</b>	<b>3.2</b>	<b>3.0</b>
Trade Payables	-96.3	-128.9	-115.0
<b>DPO</b>	<b>59</b>	<b>71</b>	<b>67</b>
<i>Other Working Capital</i>	<i>-175.6</i>	<i>-205.2</i>	<i>-184.8</i>
<b>TOTAL WORKING CAPITAL</b>	<b>108.0</b>	<b>30.2</b>	<b>16.8</b>

Capital expenditure

Capital expenditure was 6.3 million euro compared to 12.0 million euro a year ago.

In the context of the pandemic, the company deliberately adjusted the level of expenditure by focusing on selected projects.

Return on Capital Employed

ROCE for 1H20 was 16% compared to 23% for 1H19.

Net financial cash position

The net financial cash position was 223.2 million euro compared to 304.7 million euro as of 30 June 2019 and 329.4 as of 31 December 2019.

This decrease of 106 million euro versus the year end reflects the negative free cash flow, dividends paid out and follow-on investment in Barco's position in Unilumin (LED Manufacturer).<sup>6</sup>

The directly available net cash position amounted to 154.9 million euro compared to 253.4 million euro at the end of last year.

<sup>6</sup> See press release September 2019: <https://www.barco.com/en/news/press-releases/barco-engages-in-a-strategic-partnership-with-unilumin-to-strengthen-its-position-in-the-growing-led.aspx>

## Part II – Divisional results for 1H20

## Entertainment division

<i>(in millions of euros)</i>	<b>1H20</b>	<b>1H19</b>	<b>Change vs 1H19</b>
Order intake	141.3	231.3	-39%
Sales	156.2	194.5	-20%
EBITDA	4.9	15.5	-68%
EBITDA margin	3.1%	8.0%	

Entertainment was severely hit by contractions in business activity in all regions related to the pandemic.

Within Cinema, the primary cause of weakness was material push-outs of cinema replacement projects, a sub-segment that is expected to remain soft during the third quarter.

In addition, many newbuild cinema projects in emerging regions were put on hold during the second quarter though some resumption of activity is expected in the third quarter. Service revenues fell during the second quarter and are expected to rebound in the third quarter as cinemas reopen.

Although many contracts have been pushed out during this challenging time, no contract has been cancelled. During the first half, and with one of its competitors exiting the cinema market, the division strengthened its market share and technology leadership position, expanded its footprint, continued to promote its laser retrofit-solutions and secured new contracts that address both the replacement wave and new build opportunities.

The Cinema segment in the first half amounted to approximately 50% of the divisional orders and sales, down from 56% a year ago.

The topline for the Venue & Hospitality segment was weak driven by stalled demand in the events business beginning mid-March.

Barco strengthened commercial focus to the ProAv (fixed install) subsegment and after experiencing deployment delays in the second quarter business began to show signs of recovery as regions emerged from lock-downs. Despite market headwinds, interest in the new compact laser based UDM-projector for V&H as well as in the expanded display portfolio with LED-solutions was healthy. The Simulation subsegment was more resilient throughout the first semester and strengthened its market position with some contract wins with reference customers.

While gross profit margin for the division remained stable, EBITDA was substantially lower than 1H19 reflecting strong negative operating leverage on fixed costs as a result of weak sales in both segments in the first semester.

**Enterprise division**

<i>(in millions of euros)</i>	<b>1H20</b>	<b>1H19</b>	<b>1H18</b>	<b>Change vs 1H19</b>
Order intake	114.5	174.8	158.9	-34%
Sales	112.9	173.9	149.3	-35%
EBITDA	13.7	35.5	20.3	-61%
EBITDA margin	12.1%	20.4%	13.6%	

The Enterprise division saw a 30% decrease in orders and sales driven by declines across all regions and in both segments for the first and second quarter.

The Corporate segment accounted for 57% of the Enterprise's sales for the first half of the year, in line with the previous year's breakdown.

ClickShare Conference was launched in January and the segment focused on seeding the market with the new solution during the first semester. Channels and first-time users are responding positively, reflecting demand for hybrid meeting room equipment, which enables remote and in-office collaboration. This is expected to further increase as the pandemic accelerated videoconferencing and hybrid meeting room activity.

Demand for the ClickShare portfolio was severely dampened in April and May, as nearly all end-customers were under lock-down. As offices re-opened and corporations started to bring people back into offices in certain geographies, the segment started to see a resumption of funnel building, orders and sales for both ClickShare Present and ClickShare Conference in the second half of June.

During the first half of 2020, ClickShare sustained its market leadership and has now been installed in almost 800,000 meeting rooms up from 720,000 at the end of last year.

The first half was soft for Control Rooms with declines in both orders and sales in all regions mainly due to push-outs and installation delays amid the lock-downs, although the second quarter was stronger than the first quarter. Despite the demand constraints, the segment strengthened its market position, gaining traction with its differentiating triple-play display strategy (rear-projection, LCD and LED) and making progress in maturing and commercializing its software and networking solution portfolio.

During the lock-downs, the need for remote learning for education and corporate learning became widespread. The division accelerated commercial efforts around its virtual classroom growth initiative and saw sales and marketing investments yield a promising funnel and a steadily growing number of distinguished references in different regions.

The division produced a 12.1% EBITDA margin, an 8.3 percentage point decrease driven by negative leverage in both divisional segments and accelerated sales & marketing investments in the virtual classroom growth initiative.

**Healthcare division**

<i>(in millions of euros)</i>	<b>1H20</b>	<b>1H19</b>	<b>1H18</b>	<b>Change vs 1H19</b>
Order intake	142.9	127.7	132.1	+12%
Sales	138.2	128.0	119.8	+8%
EBITDA	22.1	16.6	13.9	+33%
EBITDA margin	16.0%	13.0%	11.6%	

The Healthcare division posted solid growth in orders and sales across all segments.

On the strength of a combination of operating leverage on higher sales and strict discipline on operating expenses, the division improved its EBITDA margin from 13% to 16%.

The Diagnostic segment delivered strong growth in sales, driven by intensified demand for both remote radiology solutions amid the covid-19 crisis and modality solutions. Surgical recorded solid order growth as more strategic partners commit to Barco's digital operating room solution. Sales grew at a more modest rate in the first half as the covid-19 crisis caused elective surgeries to be postponed and deployments to slow down. The division saw continued increase in China as a result of the "In China for China" strategy, with local product development and local production.

After pilot runs in Europe, the Demetra platform, a skin cancer diagnostic-solution, was granted FDA clearance in the USA. The commercial launch for the United States, however, was pushed out from March to the second half of the year due to covid-19. The launch of Barco's Synergi platform, a multi-disciplinary clinical collaboration solution, in test-markets resulted in the first set of projects.

## Conference call

Barco will host a conference call with investors and analysts on 16 July 2020 at 9:00 a.m. CET (3:00 am EST), to discuss the results of the first half 2020. Jan De Witte, CEO, Ann Desender, CFO and Carl Vanden Bussche, IRO, will host the call.

An audio cast of this conference call will be available on the company's website [www.barco.com](http://www.barco.com) by 12:30 p.m. Brussels time (6:30 a.m. EST).

## Additional information

### Note on covid-19 impact

The covid-19 pandemic is impactful in many ways. Barco believes that the current context calls for an even more clear and transparent reporting on items which are affected by the current crisis.<sup>7</sup> Reference is therefore made to a more in-depth risk disclosure and specific section in the half year report.

Since March the company has been and will continue updating its stakeholders via different channels on the effects and measures implemented on covid-19, including conference calls with the investment community and communication through the "covid-19 stay informed" portal <https://www.barco.com/en/page/covid19>.

### Financial Calendar

Trading update 3Q20

Wednesday 21 October 2020

Announcement of results Full year 2020 and 2H20

Thursday 11 February 2021

### **Disclaimer:**

*This press release may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Barco is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release in light of new information, future events or otherwise. Barco disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other press release issued by Barco.*

### **About Barco**

*Barco designs technology to enable bright outcomes around the world. Seeing beyond the image, we develop visualization and collaboration solutions to help you work together, share insights, and wow audiences. Our focus is on three core markets: Enterprise (from meeting, classroom and control rooms to corporate spaces), Healthcare (from the radiology department to the operating room), and Entertainment (from movie theaters to live events and attractions). In 2019, we realized sales of 1.083 billion euro. We have a global team of 3,600 employees, whose passion for technology is captured in 400 granted patents. For more information, visit us on [www.barco.com](http://www.barco.com), follow us on [Twitter](#) (@Barco), [LinkedIn](#) (Barco), [YouTube](#) (BarcoTV), or like us on [Facebook](#) (Barco).*

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<sup>7</sup> Also aligned with the guidelines from ESMA 32-63-972 on the implications of the covid-19 outbreak on the half year results  
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## ANNEX I

## FINANCIAL TABLES

<b><u>Income Statement</u></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>1<sup>st</sup> half</b>	<b>1<sup>st</sup> half</b>	<b>1<sup>st</sup> half</b>
<i>(in thousands of euros)</i>			
Sales	407,220	496,440	498,103
Cost of goods sold	-246,687	-295,203	-305,083
<b>Gross profit</b>	<b>160,534</b>	<b>201,237</b>	<b>193,019</b>
Research and development expenses	-49,884	-56,761	-56,451
Sales and marketing expenses	-58,787	-69,677	-74,151
General and administration expenses	-22,867	-28,004	-27,481
Other operating income (expense) - net	-8,603	1,451	-26
<b>Adjusted EBIT</b>	<b>20,392</b>	<b>48,246</b>	<b>34,910</b>
Restructuring and impairments	-8,071	-	-
<b>EBIT</b>	<b>12,321</b>	<b>48,246</b>	<b>34,910</b>
Interest income	2,153	3,495	3,430
Interest expense	-1,395	-1,172	-1,124
<b>Income before taxes</b>	<b>13,080</b>	<b>50,568</b>	<b>37,215</b>
Income taxes	-2,224	-8,597	-6,699
<b>Result after taxes</b>	<b>10,856</b>	<b>41,972</b>	<b>30,517</b>
Share in the result of joint ventures and associates	-437	112	-861
<b>Net income</b>	<b>10,419</b>	<b>42,083</b>	<b>29,656</b>
<b>Net income attributable to non-controlling interest</b>	<b>22</b>	<b>-970</b>	<b>2,387</b>
<b>Net income attributable to the equity holder of the parent</b>	<b>10,397</b>	<b>43,053</b>	<b>27,269</b>
Earnings per share (in euro) <sup>8</sup>	0.12	0.49	0.31
Diluted earnings per share (in euro)	0.12	0.49	0.31

<sup>8</sup> Earnings per share recalculated following to the 7:1 share split, see press release, <https://www.barco.com/en/News/Press-releases/Barco-Stock-split.aspx>

<u>Selected Financial Ratios</u>	2020 1 <sup>st</sup> half	2019 1 <sup>st</sup> half	2018 1 <sup>st</sup> half
EBITDA	40,686	67,586	51,495
EBITDA on sales	10.0%	13.6%	10.3%
Adjusted EBIT on sales	5.0%	9.7%	7.0%
EBIT on sales	3.0%	9.7%	7.0%
Total debt to equity	7.1%	9.7%	6.0%
<b><u>Balance sheet</u></b>	<b>30 June 2020</b>	<b>31 Dec 2019</b>	
<i>(in thousands of euro)</i>			
<b>ASSETS</b>			
Goodwill	105,612	105,612	
Other intangible assets	37,751	44,469	
Land and buildings	78,204	83,665	
Other tangible assets	44,008	51,804	
Investments	58,192	43,288	
Deferred tax assets	61,401	60,116	
Other non-current assets	5,737	4,018	
<b>Non-current assets</b>	<b>390,904</b>	<b>392,972</b>	
Inventory	223,251	168,983	
Trade debtors	156,662	195,358	
Other amounts receivable	13,199	25,669	
Short term investments	6,299	24,748	
Cash and cash equivalents	264,263	357,035	
Prepaid expenses and accrued income	11,286	9,409	
<b>Current assets</b>	<b>674,960</b>	<b>781,203</b>	
<b>Total Assets</b>	<b>1,065,864</b>	<b>1,174,176</b>	
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equityholders of the parent	668,612	700,060	
Non-controlling interest	40,705	40,590	
<b>Equity</b>	<b>709,317</b>	<b>740,650</b>	
Long-term debts	36,766	40,225	
Deferred tax liabilities	7,004	7,575	
Other long-term liabilities	46,807	27,031	
Long-term provisions	39,738	42,428	
<b>Non-current liabilities</b>	<b>130,315</b>	<b>117,260</b>	
Current portion of long-term debts	10,021	12,469	
Short-term debts	572	0	
Trade payables	96,316	128,914	
Advances received from customers	47,657	69,515	
Tax payables	8,501	9,893	
Employee benefit liabilities	34,834	54,652	
Other current liabilities	6,233	13,268	
Accrued charges and deferred income	10,845	8,795	
Short-term provisions	11,253	18,759	
<b>Current liabilities</b>	<b>226,232</b>	<b>316,266</b>	
<b>Total Equity and Liabilities</b>	<b>1,065,864</b>	<b>1,174,176</b>	

**Cash flow statement***(in thousands of euros)*

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>1<sup>st</sup> half</b>	<b>1<sup>st</sup> half</b>	<b>1<sup>st</sup> half</b>
<b>Cash flow from operating activities</b>			
Adjusted EBIT	20,392	48,246	34,910
Restructuring	-3,827	-9,781	-908
Gain on sale of divestments	-	-	-745
Depreciation of tangible and intangible fixed assets	20,294	19,340	16,584
(Gain)/Loss on tangible fixed assets	18	-498	-652
Share options recognized as cost	1,454	1,073	1,025
Share in the profit/(loss) of joint ventures and associates	-437	112	-861
<b>Gross operating cash flow</b>	<b>37,894</b>	<b>58,492</b>	<b>49,354</b>
Changes in trade receivables	38,374	14,731	2,971
Changes in inventory	-56,959	-33,083	-15,302
Changes in trade payables	-32,597	10,381	-5,574
Other changes in net working capital	-26,935	5,707	-17,025
<b>Change in net working capital</b>	<b>-78,118</b>	<b>-2,265</b>	<b>-34,929</b>
<b>Net operating cash flow</b>	<b>-40,224</b>	<b>56,227</b>	<b>14,425</b>
Interest received	2,153	3,495	3,430
Interest paid	-1,395	-1,172	-1,124
Income taxes	-3,704	-5,281	-6,821
<b>Cash flow from operating activities</b>	<b>-43,170</b>	<b>53,269</b>	<b>9,908</b>
<b>Cash flow from investing activities</b>			
Purchases of tangible and intangible fixed assets	-6,283	-11,993	-13,910
Proceeds on disposals of tangible and intangible fixed assets	27	1,415	1,040
Proceeds from (+) short term investments	18,449	5,894	-
Acquisition of Group companies, net of acquired cash	-	-2,883	-4,617
Disposal of group companies, net of disposed cash	-	-	385
Other investing activities	-21,352	-11,732	867
<b>Cash flow from investing activities (including acquisitions and divestments)</b>	<b>-9,158</b>	<b>-19,300</b>	<b>-16,236</b>
<b>Cash flow from financing activities</b>			
Dividends paid	-33,354	-28,680	-25,265
Capital increase	463	350	127
Sale of own shares	2,182	5,583	5,239
Payments (-) of long-term liabilities	-5,050	-16,671	-5,021
Proceeds from (+), payments of (-) short-term liabilities	-2,245	7,420	-948
<b>Cash flow from financing activities</b>	<b>-38,004</b>	<b>-31,998</b>	<b>-25,868</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-90,332</b>	<b>1,971</b>	<b>-32,195</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>357,035</b>	<b>251,807</b>	<b>321,514</b>
<b>Cash and cash equivalents (CTA)</b>	<b>-2,440</b>	<b>2,629</b>	<b>2,583</b>
<b>Cash and cash equivalents at end of period</b>	<b>264,263</b>	<b>256,406</b>	<b>291,902</b>
Cash assets held for sale (BarcoCFG)	-	-	56,669
<b>Cash and cash equivalents at end of period excluding assets held for sale</b>	<b>264,263</b>	<b>256,406</b>	<b>235,233</b>



<b>Results per division</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<i>(in thousands of euros)</i>	<b>1<sup>st</sup> half</b>	<b>1<sup>st</sup> half</b>	<b>1<sup>st</sup> half</b>
<b>Sales</b>			
Entertainment	156,169	194,487	228,925
Enterprise	112,879	173,938	149,332
Healthcare	138,227	128,014	119,845
Intra-group eliminations	-55	0	-
<b>Group</b>	<b>407,220</b>	<b>496,440</b>	<b>498,102</b>
<b>EBITDA</b>			
Entertainment	4,888	15,502	17,375
Enterprise	13,714	35,469	20,266
Healthcare	22,084	16,615	13,854
<b>Group</b>	<b>40,686</b>	<b>67,587</b>	<b>51,495</b>

## ANNEX II

## TRADING UPDATE 2Q20

## Trading update second quarter 2020

Orderbook

<i>(in millions of euros)</i>	<b>30 Jun 2020</b>	<b>31 Mar 2020</b>	<b>31 Dec 2019</b>	<b>30 Sep 2019</b>	<b>30 Jun 2019</b>
Orderbook	317.2	341.8	322.3	359.1	344.2

Order Intake

<i>(in millions of euros)</i>	<b>2Q20</b>	<b>1Q20</b>	<b>4Q19</b>	<b>3Q19</b>	<b>2Q19</b>
Order Intake	145.0	253.7	292.7	275.6	264.9

Sales

<i>(in millions of euro)</i>	<b>2Q20</b>	<b>2Q19</b>	<b>Change</b>
Entertainment	56.5	100.4	-44%
Enterprise	45.6	87.4	-48%
Healthcare	69.4	65.8	+5%
<b>Group</b>	<b>171.5</b>	<b>253.7</b>	<b>-32%</b>