

FULL YEAR RESULTS

Sales for the year of € 770 million, EBITDA margin of 7% ;
Encouraging improvements in Q4 across all divisions

Kortrijk, Belgium, 26 January 2021, 7:30am – Today Barco (Euronext: BAR; Reuters: BARbt.BR; Bloomberg: BAR BB) announced results for the six- and twelve-month periods ended 31 December 2020.

Financial highlights fiscal year 2020 and 4Q20¹

- **Orders FY20 of € 746.0 million**, -32.3% versus FY19
- **Sales FY20 at € 770.1 million**, -28.9% versus FY19
- **Year-end orderbook at € 281.5 million** down 13% versus FY19

- **FY20 EBITDA of € 53.6 million** versus € 153 million in 2019
- **FY20 EBITDA margin at 7.0%** of sales versus 14.1% in 2019
- **FY20 Adjusted EBIT of € 10.2 million**, resulting in full year **net loss of € -4.4 million**, after € 14.5 million restructuring and impairment charges

- **Orders 4Q20 versus 3Q20**, increased by **+20.3%**
- **Sales 4Q20 versus 3Q20** increased by **+16.7%**

Executive summary

Group topline

Sales for the year were 770 million euro, down 29%, reflecting the covid pandemic impacts on our end-markets across all regions.

4Q versus 3Q comparison

Q4 improved over Q3 including a +20% quarter-over-quarter recovery in order intake and +17% uptake in sales. All divisions contributed to this progress:

- Entertainment booked a clear uptake in sales in Q4 fueled by projects pick-up for the ProAV and Cinema activities, led by China.
- Enterprise continued its gradual recovery with increases in both the Corporate activity, particularly in the EMEA region, and the Control Rooms activity notably in the EMEA and US-markets.
- Healthcare rebounded after order push outs in the third quarter with both the diagnostic and the surgical activities delivering gains.

¹ All definitions for alternative performance measures (APM's) are available in the glossary as available on Barco's investor portal (www.barco.com/en/about-barco/investors)

Profitability & free cash flow

Gross profit margin for the year declined 3 percentage points to 37% mainly due to unfavorable product mix. As operating expenses for 2020 were managed down to 20% below 2019, while sustaining investments in priority projects, EBITDA amounted to 54 million euro for a 7% EBITDA margin.

Over the second half the company continued to execute on its plan to reset indirect costs for 2021 to levels below 2019, resulting in a full year restructuring and impairment charge of 15 million euro.

Free cash flow for 2020 was -36 million euro, reflecting lower EBITDA, cash-outlays associated with the restructuring actions and higher working capital compared to 2019. Working capital improved in second half versus first half, with a second half free cash flow of +15 million euro.

Staying the strategic course

Despite the covid impact, Barco continued to invest in strategic and commercial initiatives, including next generation technologies, channel expansion and building out its China presence. This positions the company to strengthen its leadership when markets recover.

Additionally, for 2020, Barco delivered on its sustainability targets: the operations carbon footprint as well as the product energy footprint were reduced by more than the stated goals of -20% and -25% versus the 2015 baseline, and multiple new products with the Barco Ecolabel rating were launched in each division.

Quote of the CEO, Jan De Witte

Barco is in a strong position to capture the growth in our markets
when recovery sets in

"2020 was an off-year with unprecedented challenges for Barco, though it has also proven to be a year where the agility and flexibility of our organization and our culture ensured business resilience. These enabled us to sustain customer focus while continuing investments in our strategic priorities.

While the first half of 2021 still presents uncertainties with regards to the shape and pace of market recoveries, we are starting the year with a balance sheet and a reset cost structure which gives us optionality to navigate the risks and opportunities ahead.

As a result, we are in a strong position to capture the growth in our markets when the recovery sets in, to get back on the path towards our long-term financial objectives." said Jan De Witte, CEO

Outlook 1H21

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

Management expects business conditions to be defined by the pandemic for at least the first half of the year and therefore does not have visibility to offer quantitative guidance for 2021 at this time.

If we assume a recovery for Entertainment only to start in the second half, a steady dynamic in Healthcare and a stronger back-to-office activity leading to improved demand for ClickShare as of the second quarter, then topline for the first semester will move toward the first half of last year.

Under this assumption, and given the reset of Barco's cost structure, management expects a mid-plus single digit EBITDA margin for the first half of 2021.

Dividend

Barco's board of directors will propose to the General Assembly to distribute a gross dividend of 0.378 euro per share. Barco's shareholders will be offered the choice between payment in cash or dividend in shares, enabling Barco's shareholders to reinvest in the company.

Chairman of the board, Mr. Charles Beauduin and director, Mr. Frank Donck, have confirmed the intent of respectively Titan Baratto NV and 3D NV, to opt for the stock dividend.

Part 1: Update 4Q20

Although the fourth quarter results were significantly below last year, we saw recovery in both orders and sales on a quarter-over-quarter basis.

In an environment marked by continued and additional lockdowns across all regions, Enterprise and Healthcare showed high single digit growth compared to the third quarter, while the Entertainment results reflected a solid pick-up, fuelled by ProAV and Cinema projects across regions.

Order intake & order book

Order intake year-over-year

<i>(in millions of euro)</i>	4Q20	4Q19	Change 4Q20 vs 4Q19
Order Intake	189.7	292.7	-35.2%

Order intake quarter-over-quarter

<i>(in millions of euro)</i>	4Q20	3Q20	2Q20	Change 4Q20 vs 3Q20
Order Intake	189.7	157.6	145.0	+20.3%

Order book

<i>(in millions of euro)</i>	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019
Order book	281.5	299.1	317.2	341.8	322.3	359.1

Sales

Sales year-over-year

<i>(in millions of euro)</i>	4Q20	4Q19	Change 4Q20 vs 4Q19
Sales	195.4	319.2	-38.8%

Sales by division year-over-year

<i>(in millions of euro)</i>	4Q20	4Q19	Change
Entertainment	77.3	140.4	-44.9%
Enterprise	53.9	107.1	-49.7%
Healthcare	64.3	71.7	-10.3%
Group	195.4	319.2	-38.8%

Sales by division quarter-over-quarter

<i>(in millions of euro)</i>	4Q20	3Q20	2Q20	Change 4Q20 vs 3Q20
Entertainment	77.3	58.0	56.5	+33.2%
Enterprise	53.9	50.0	45.6	+7.6%
Healthcare	64.3	59.3	69.4	+8.3%
Group	195.4	167.4	171.5	+16.7%

Part 2: consolidated results for the fiscal year 2020

Order intake & order book

Order intake

Order intake was 746.0 million euro, a decrease of 32% compared to last year reflecting material impact of the pandemic in Entertainment as well as in Enterprise, mainly in the Americas and EMEA region. Order intake for Healthcare was flat year-over-year.

<i>(in millions of euro)</i>	FY20	FY19	Change
Order intake	746.0	1,102.2	-32.3%
<i>Order intake at constant currencies</i>			-31.8%

Order book

Order book at year end was 281.5 million euro, compared to 322.2 at FY19 year-end, a decrease of 12.7% mainly driven by order book decreases in the Entertainment division.

<i>(in millions of euro)</i>	31 Dec 2020	31 Dec 2019	Change
Order book	281.5	322.3	-12.7%

Order intake by division

<i>(in millions of euro)</i>	FY20	FY19	Change
Entertainment	268.7	491.0	-45%
Enterprise	215.2	350.9	-39%
Healthcare	262.1	260.2	+1%
Group	746.0	1,102.2	-32%

Order intake breakdown by region

	FY20	FY19	Change (in nominal value)
The Americas	39%	41%	-37%
EMEA	35%	36%	-33%
APAC	26%	23%	-23%
Global	100%	100%	-32%

Sales

Full year sales decreased 29% driven by the Entertainment and Enterprise divisions. Healthcare was slightly down mainly as a result of a soft 3rd quarter.

After decreasing 18% in the first semester, sales fell 38% in comparison with a strong 2H19, as a result of the global spreading and deepening of the pandemic.

Sales declined in all regions.

Sales

<i>(in millions of euro)</i>	FY20	FY19	Change
Sales	770.1	1,082.6	-28.9%
<i>Sales at constant currencies</i>			-28.4%

Sales by division

<i>(in millions of euro)</i>	FY20	FY19	Change
Entertainment	291.4	455.1	-36%
Enterprise	216.8	358.7	-39%
Healthcare	261.9	268.8	-3%
Group	770.1	1,082.6	-29%

Sales by region

	FY20	FY19	Change (in nominal value)
The Americas	39%	39%	-30%
EMEA	36%	37%	-30%
APAC	25%	24%	-24%
Global	100%	100%	-29%

Profitability

Gross profit

After 5 years of continued profit improvement, gross profit dropped with 34% to 283.8 million on a sales decline of 29% reflecting adverse impacts of the pandemic. Gross profit margin declined 2.8 percentage points to 36.9% from 39.7% last year reflecting mainly unfavorable product mix, a spike in logistics cost and indirect overhead weighing on lower volumes.

Indirect expenses & other operating results

Total indirect expenses decreased 17% to 265.3 million euro compared to 319.5 million euro a year earlier. The Entertainment and the Enterprise divisions accounted for most of the variance.

As a percentage of sales, indirect expenses were 34.5% of sales compared to 29.5% for 2019.

- Research & Development expenses decreased to 102.6 million euro compared to 119.4 million euro last year, reflecting a more selective approach. As percentage of sales, R&D expenses were 13.3% compared to 11.0% a year earlier.
- Sales & Marketing expenses decreased to 112.3 million euro compared to 142.5 million euro for 2019, in part reflecting the impact of the covid-19 pandemic on the company's sales and part reflecting actions taken to align spending to revenue generation. As a percent of sales, Sales & Marketing expenses were 14.6% of sales compared to 13.2% in 2019.
- General & Administration expenses amounted to 50.4 million euro compared to 57.6 million euro last year and were 6.5% as a percentage of sales compared to 5.3% in 2019.

Other operating results were a negative of 8.3 million euro versus a positive of 0.3 million euro in 2019 mainly driven by lower results in the joint venture BarcoCFG and by increased bad debt and other provisions.

EBITDA & adjusted EBIT

The reduction in operating expenses partially offset the decrease in gross profit and as a result EBITDA was 53.6 million euro compared to 153.0 million euro for the prior year, and EBITDA margin was 7.0% versus 14.1% for 2019.

EBITDA margin declined by approximately 10 percentage points in both Entertainment and Enterprise driven by negative operational leverage. Healthcare maintained profitability in line with 2019.

FY20 (in millions of euro)	Sales	EBITDA	EBITDA %
Entertainment	291.4	0.3	0.1%
Enterprise	216.8	18.2	8.4%
Healthcare	261.9	35.0	13.4%
Group	770.1	53.6	7.0%

EBITDA by division 2020 versus 2019 is as follows:

<i>(in millions of euro)</i>	FY20	FY19	Change
Entertainment	0.3	43.3	-99.3%
Enterprise	18.2	74.0	-75.4%
Healthcare	35.0	35.7	-1.9%
Group	53.6	153.0	-65.0%

Adjusted EBIT was 10.2 million euro or 1.3% of sales compared to 110.0 million euro, or 10.2% of sales for 2019.

As a result of cost adjustment actions in both the first half (outsourcing the UniSee LCM-component and closing the Taiwan factory) and the second half (mainly related to reorganizations in Entertainment and Enterprise), Barco booked 14.5 million euro restructuring and impairments.

As a result, EBIT was -4.3 million euro.

Income taxes

Taxes in 2020 are zero on a pre-tax negative result, compared to an effective tax rate of 18% in 2019.

Net income

Full year net income attributable to the equity holders was -4.4 million euro.

Net income per ordinary share (EPS) was -0.05 euro versus a 1.09 euro in 2019. Fully diluted earnings per share were also -0.05 euro compared to 1.07 in 2019.²

² Earnings per share, restated for the stock split as implemented on 1/07/2020.

Cash flow & Balance sheet

Free cash flow and Working capital

Free cash flow for 2020 was -36 million euro reflecting lower EBITDA, cash-outlays associated with the restructuring and working capital, while reduced compared to 1H20, still higher than end of year 2019 at approximately 10% of sales.

<i>(in millions of euro)</i>	FY20	FY19	FY18
Gross operating Free Cash Flow	43.9	139.8	120.9
<i>Changes in trade receivables</i>	41.4	-32.2	-11.2
<i>Changes in inventory</i>	-12.3	-33.0	0.3
<i>Changes in trade payables</i>	-59.9	23.4	-1.3
<i>Other Changes in net working capital</i>	-24	15.6	-12.7
Change in net working capital	-54.8	-26.1	-24.9
Net operating Free Cash Flow	-10.8	113.7	96.0
<i>Interest Income/expense</i>	-0.1	5.8	4.3
<i>Income Taxes</i>	-10.4	-13.1	-12.5
Free Cash Flow from operating activities	-21.4	106.4	87.9
<i>Purchase of tangible and intangible FA</i>	-15	-20.2	-25.6
<i>Proceeds on disposal of tangible and intangible FA</i>	0.5	2.4	0.9
Free Cash Flow from investing	-14.5	-17.8	-24.7
FREE CASH FLOW	-35.9	88.7	63.2

Working capital

Inventory + Accounts Receivables – Accounts Payables over sales was 32.6% compared to 21.7% in 2019. Net working capital was 10% of sales compared to 3% in 2019.

While year-end working capital was higher than 2019, it improved relative to 108 million euro at mid-year reflecting reduced inventory levels and reduced DSO from 82 days sales outstanding to 67 at the end of the year.

<i>(in millions of euro)</i>	FY20	FY19	FY18
Trade Receivables	146.1	195.4	161.8
DSO	67	55	52
Inventory	175.4	169.0	135.1
Inventory turns	2.3	3.2	3.8
Trade Payables	-70.3	-128.9	-105.1
DPO	53	71	59
Other Working Capital	-170.6	-205.2	-189.3
TOTAL WORKING CAPITAL	80.6	30.2	2.5

Capital expenditure

Capital expenditure was 15 million euro compared to 20.2 million euro in 2019 as the company saw the timeline of a number of investment projects or phases pushed out as a result of pandemic lock-downs and shifted priority on selected projects.

ROCE

ROCE for the year was 3% versus 25% for 2019.

Goodwill

Goodwill on group level remained at 105.6 million euro, equal to the end of 2019.

Cash position

Net financial cash position, including net cash held in Cinionic, was 193.5 million euro compared to 329.4 million euro end of 2019.

The direct available net cash position amounted to 127.7 million euro compared to 253.4 million euro last year, reflecting negative free cash flow (35.9 million euro), distributed dividends (33.4 million euro), investments (55.5 million euro) and currency impact.

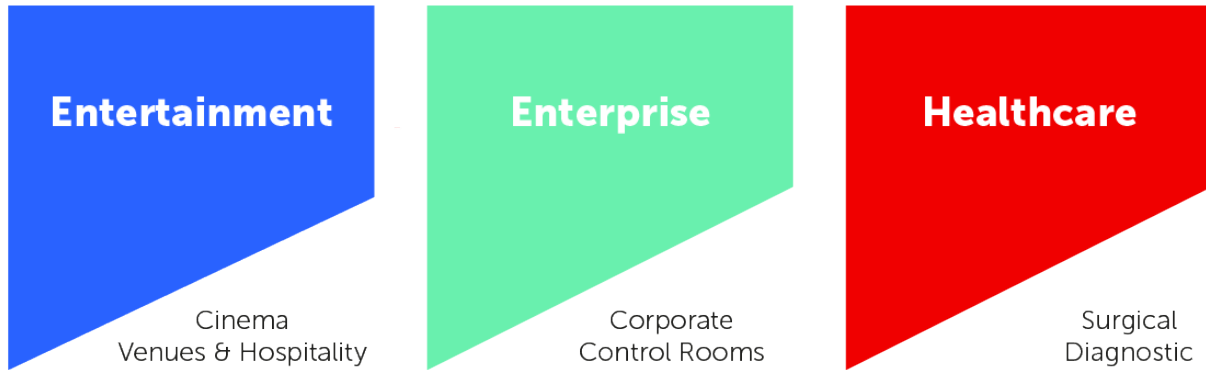
These investments are related to acquired minority stakes and are measured at market price.

The remeasurement at fair value at the end of 2020 amounted to 18.3 million euro in 2020 and is reflected in other comprehensive income.

Part 3: divisional results for the fiscal year 2020

Barco's organizational structure

Barco is a global technology company developing solutions for three main markets, which is also reflected in its divisional structure: Entertainment, Enterprise and Healthcare.



- **Entertainment:** The Entertainment division is the combination of the Cinema and Venues & Hospitality activities, which includes Professional AV, Events and Simulation activities.
- **Enterprise:** The Enterprise division is the combination of the Control Rooms activities and the Corporate activities. ClickShare is the main contributor to the Corporate activity.
- **Healthcare:** The Healthcare division includes the activities in Diagnostic Imaging (Diagnostic and Modality Imaging) and in Surgical.

ENTERTAINMENT division

<i>(in millions of euro)</i>	FY20	FY19	Change vs FY19
Orders	268.7	491.0	-45.3%
Sales	291.4	455.1	-36.0%
EBITDA	0.3	43.3	-99.3%
EBITDA margin	0.1%	9.5%	

Quarter-over-quarter sales

<i>(in millions of euro)</i>	4Q20	3Q20	2Q20	1Q20	Change 3Q vs 4Q
Sales	77.3	58.0	56.5	99.7	+33.3%

As a result of contractions in business activity in all regions related to the pandemic beginning in Q2, sales declined 36% for the year.

The fourth quarter topline reflects marked recovery mainly driven by projects in the ProAV and Cinema-market led by China.

The Cinema activity accounted for approximately 50% of the divisional sales in 2020 down from 58% in 2019.

Within Cinema, the primary causes of weakness were material push-outs of replacement projects as a result of cinema lock-downs and movie slate push outs. This subsegment activity is expected to remain soft for the next few quarters. While many replacement contracts have been pushed out, no contract has been cancelled.

New build projects in EMEA and China resumed gradually in the second half of the year.

During the first half of the year, the division expanded its market share and technology leadership position, with one of its competitors exiting the cinema market, and gaining solid traction with its laser-based projection solutions.

The topline of the Venues and Hospitality subsegments was particularly impacted by weakened demand in the events market resulting from event cancellations related to covid lockdown measures. Barco expanded its product portfolio in the ProAV (fixed install) subsegment with selected product releases, including a new compact laser-based UDM and G-100 series-projector and new LED-solutions. The combination of an expanded product portfolio and an intensified commercial focus, resulted in a recovery beginning in the third quarter. While sales for the Simulation segment were slightly down, order intake was flat year-over-year and sizeable long-term frame-agreements with reference customers indicate a strengthening market position.

In line with the corporate strategy to expand share of wallet with our installed base through services offerings, the division launched and started selling "Insights-connectivity services", a cloud-based solution for enhanced and remote projector management.

EBITDA was break-even on the decline in gross profit and a negative operating leverage effect on fixed costs due to weaker divisional sales.

ENTERPRISE division

<i>(in millions of euro)</i>	FY20	FY19	FY18	Change vs FY19
Orders	215.2	350.9	336.6	-38.7%
Sales	216.8	358.7	335.9	-39.6%
EBITDA	18.2	74.0	60.9	-75.4%
EBITDA margin	8.4%	20.6%	18.1%	

Quarter-over-quarter sales

<i>(in millions of euro)</i>	4Q20	3Q20	2Q20	1Q20	Change 3Q vs 4Q
Sales	53.9	50.0	45.6	67.2	+7.8%

The Enterprise division posted a 40% decline in sales and orders for the year and an 8% EBITDA margin down from 22%. Enterprise sales began to recover in the third and fourth quarter with gradual pick-up in both the Control Rooms and the Corporate subsegments.

In terms of the sales mix, the Corporate activity accounted for about 51% of Enterprise sales for 2020 versus 58% of Enterprise sales for 2019.

Demand for the ClickShare portfolio fell steeply in the second quarter as a result of pandemic related lockdowns and offices being closed. Activity began to resume in the summer in certain geographies as some offices and organizations re-opened and installed hybrid workplace practices after the first lock-down wave. While staff at many companies worked remotely intermittently during the 2nd half of the year, the division's efforts to build awareness for the value proposition of ClickShare Conference which was launched in January began to bear fruit, especially in EMEA.

The new ClickShare Conference has created a new industry category, perfectly positioned for the hybrid way of working, as testified by industry awards, contract wins with reference customers and good initial demand with almost 20.000 units shipped and installed during the year.

ClickShare Conference accounted for 25% of the ClickShare sales in the second half of 2020.

Barco strengthened and broadened its channels, trained more resellers and expanded coverage in selected regions and purchasing routes. The division also established an industry-wide alliance program with 20+ leading meeting room equipment vendors including Logitech, Vaddio, Jabra to create interoperable bundles of offers for the equipping of meeting rooms.

The company continued to invest strongly in market awareness around ClickShare Conference, to ensure the solution further penetrates the market as corporates start to bring people back to office.

Control rooms started the year with a weak first quarter and full year sales fell below last year, due to project push-outs and installation delays resulting from the pandemic mainly in the Oil & Gas and Corporate markets. After the first quarter, however, the topline improved quarter-over-quarter as customers responded favorably to the strengthening value proposition of the expanded product portfolio. The subsegment enforced its position with its differentiating triple-play video-wall hardware strategy (rear-projection, LCD and LED) and is gaining traction with LED evidenced by first sizeable project wins. The segment also made progress in maturing and commercializing its software workflow and networking portfolio with remote management solutions such as Secure Stream and WallConnect Cloud services.

With a growing need for high quality hybrid and remote learning solutions for education and corporate learning, the Enterprise virtual classroom growth initiative increased its install base with the addition of distinguished references across regions.



HEALTHCARE division

<i>(in millions of euro)</i>	FY20	FY19	FY18	Change vs FY19
Orders	262.1	260.2	256.9	0.7%
Sales	261.9	268.8	245.0	-2.6%
EBITDA	35.0	35.7	30.6	-1.9%
EBITDA margin	13.4%	13.3%	12.5%	

Quarter-over-quarter sales

<i>(in millions of euro)</i>	4Q20	3Q20	2Q20	1Q20	Change 3Q vs 4Q
Sales	64.3	59.3	69.4	68.8	+8.4%

Healthcare posted stable year-over-year results with orders slightly up, sales slightly down and EBITDA margin essentially flat.

After a strong first half with high single digit growth in sales, the third quarter slowed down as customers reset delivery schedules based on shifts in hospital spending priorities. The fourth quarter reflected a rebound driven partially by deployments of projects pushed out from the third quarter and partially by stabilizing of the Healthcare supply chain.

The diagnostics activity saw mixed results during the year with intensified demand for radiology and home reading stations offset by softer demand for mammography and modality solutions. Surgical saw demand picking up in the fourth quarter after a softer Q3. The Nexxis-solution gained additional global access, expanding the partner-base globally as the operating room infrastructure market increasingly opens up for digital solutions. Barco also expanded its surgical offering with the addition of Nexxis care, a cloud-based remote management platform.

Under the “In China for China”-program, the division is expanding its local Healthcare hub in Suzhou. The hub was initially opened in March 2019, and draws together business development, product management, research and development and Healthcare display production. As the healthcare market in China further expands in both the diagnostic and surgical subsegments, Barco is further increasing investment levels and strengthening its footprint, to support further market share gains.

At the same time the division also invested in a number of new solutions including the Demetra skin cancer screening solution, which was commercially launched in the US in the fourth quarter 2020 after the launch in a number of European countries.

Conference call

Barco will host a conference call with investors and analysts on 26 January 2021 at 9:00 a.m. CET (3:00 am EST), to discuss the results of 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 by 12:30 p.m. Brussels time (6:30 a.m. EST).

Additional information

Auditor's report

The statutory auditor, PwC Bedrijfsrevisoren BV represented by Peter Opsomer and Lien Winne, has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated accounts, and that the accounting data reported in the press release is consistent, in all material respects, with the draft accounts from which it has been derived.

Request more information

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Financial calendar 2021

Wednesday 21 April

Thursday 29 April

Monday 19 July

Wednesday 20 October

Trading update 1Q21

Annual general shareholders meeting

Announcement results 1H21

Trading update 3Q21

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

Disclaimer

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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 2020, we realized sales of 770 million euro. We have a global team of 3,300 employees, whose passion for technology is captured in 430 granted patents.

For more information, visit us on www.barco.com, follow us on [Twitter \(@Barco\)](#), [LinkedIn \(Barco\)](#), [YouTube \(BarcoTV\)](#), or like us on [Facebook \(Barco\)](#).

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Annex I

Consolidated results for 2H20

Financial highlights 2H20

- Order intake for the semester was 347.3 million euro, -38.9%, down from 568.3 million euro a year earlier
- Sales were 362.9 million euro compared to 586.1 million euro for 2H19, a decrease of 38.1%
- Gross profit margin was 34.0% compared to 38.9% in 2H19, a decrease of 4.9 percentage points.
- EBITDA was 12.9 million euro versus 85.4 million euro in 2H19. EBITDA margin was 3.5% to sales compared to 14.6% in 2H19.

Order intake & order book

Order intake for 2H20 decreased 39% compared to a strong 2H19 driven by declines in all divisions and all regions. The Enterprise (mainly the Corporate subsegment) and Entertainment (mainly Cinema and Events) divisions declined with more than 40% as a result of lockdown impacts across all regions.

Order book

(in millions of euro)	31 Dec 2020	30 Jun 2020	31 Dec 2019	30 Jun 2019
Order book	281.5	317.2	322.3	344.2

Order intake

(in millions of euro)	2H20	1H20	2H19	1H19
Order Intake	347.3	398.7	568.3	533.8

Order intake by division

(in millions of euro)	2H20	2H19	Change
Entertainment	127.4	259.7	-50.9%
Enterprise	100.7	176.1	-42.8%
Healthcare	119.2	132.5	-10.0%
Group	347.3	568.3	-38.9%

Order intake by region

	2H20	2H19	Change (in nominal value)
The Americas	36%	42%	-47.5%
EMEA	34%	36%	-41.5%
APAC	30%	22%	-18.3%

Sales

Second semester sales were 38% below 2H19 with material declines in Entertainment (Cinema and Events) and Enterprise (mainly driven by weakness in the Corporate subsegment) and a 12% decline in Healthcare.

Sales declined in all regions and showed strong declines with the Americas posting the weakest performance, followed by the EMEA region and the APAC region.

Sales

(in millions of euro)	2H20	1H20	2H19	1H19	2H18
Sales	362.9	407.2	586.1	496.4	530.4

Sales by division

(in millions of euro)	2H20	2H19	Change
Entertainment	135.3	260.6	-48.1%
Enterprise	103.9	184.8	-43.8%
Healthcare	123.6	140.8	-12.2%
Group	362.9	586.1	-38.1%

Sales by region

	2H20	2H19	Change (in nominal value)
The Americas	35%	39%	-45.1%
EMEA	37%	36%	-37.8%
APAC	28%	25%	-27.4%

Profitability

Gross profit

Gross profit was 123.2 million euro for the second semester of 2020 compared to 160.5 million euro in the first half and 228.1 million euro for the second semester of 2019.

Gross profit margin was at 34% for the second half of 2020 compared to 39.4% in the first half of the year and 38.9% for the second half of 2019. Gross profit margin declined mainly due unfavorable product mix effects, and indirect overhead weighing on lower volumes.

Indirect expenses & other operating results

Total indirect expenses were 133.8 million euro or 36.9% of sales compared to 165.1 million euro, or 28.2% of sales for the second half of last year and in-line with the 131.5 million euro indirect expenses in the first half of 2020.

- Research & Development expenses decreased to 52.7 million euro from 62.6 million euro last year. As a percent of sales, R&D expenses amounted to 14.5% compared to 10.7% for 2H19.
- Sales & Marketing expenses declined from 72.8 million euro or 12.4% of sales in 2H19 to 53.5 million euro or 14.8% of sales.
- General & Administration expenses were 27.5 million euro down from 29.6 million euro in 2H19.

Other operating results amounted 0.3 million euro compared to a negative 1.2 million euro last year.

EBITDA & adjusted EBIT

EBITDA was 12.9 million euro compared to 85.4 million euro for the prior year second semester reflecting reductions in sales and gross profit partially offset by lower operating expenses. EBITDA margin in the second half was 3.5% versus 14.6% for the second half of 2019, driven by negative operating leverage and unfavourable mix in Entertainment and Enterprise.

By division, EBITDA and EBITDA margin was as follows:

2H20 (in millions of euro)	Sales	EBITDA	EBITDA %
Entertainment	135.3	-4.6	-3.4%
Enterprise	103.9	4.5	4.4%
Healthcare	123.6	12.9	10.5%
Group	362.9	12.9	3.5%

EBITDA by division 2H20 versus 2H19 is as follows:

<i>(in millions of euro)</i>	2H20	2H19	Change
Entertainment	-4.6	27.8	-116.5%
Enterprise	4.5	38.6	-88.3%
Healthcare	12.9	19.0	-32.1%
Group	12.9	85.4	-84.9%

Adjusted EBIT was -10.2 million euro compared to 61.8 million euro for the same period last year.

Net income

Net income attributable to the equity holders for the second semester was -14.8 million euro compared to 52.2 million euro in 2H19

Annex II

Financial tables

Income Statement	2020	2019	2018
<i>(in thousands of euros)</i>			
Sales	770,083	1,082,570	1,028,531
Cost of goods sold	-486,300	-653,274	-615,578
Gross profit	283,783	429,295	412,953
Research and development expenses	-102,610	-119,389	-120,279
Sales and marketing expenses	-112,329	-142,517	-147,723
General and administration expenses	-50,362	-57,632	-57,464
Other operating income (expense) - net	-8,302	280	2,488
Adjusted EBIT	10,180	110,038	89,974
Restructuring and impairments	-14,513	-	-17,000
Gain on change in control	-	-	16,384
EBIT	-4,332	110,038	89,358
Interest income	1,845	7,648	5,915
Interest expense	-1,965	-1,866	-1,566
Income before taxes	-4,453	115,820	93,708
Income taxes	0	-20,848	-16,586
Result after taxes	-4,453	94,973	77,121
Share in the result of joint ventures and associates	-276	1,566	191
Net income	-4,729	96,539	77,312
Net income attributable to non-controlling interest	-335	1,176	2,347
Net income attributable to the equity holder of the parent	-4,393	95,363	74,965
Earnings per share (in euro)	-0.05	1.09	0.86
Diluted earnings per share (in euro)	-0.05	1.07	0.85
Selected Financial Ratios	2020	2019	2018
EBITDA	53,563	153,022	124,465
EBITDA on sales	7.0%	14.1%	12.1%
Adjusted EBIT on sales	1.3%	10.2%	8.7%
EBIT on sales	-0.6%	10.2%	8.7%
Total debt to equity	6.8%	7.5%	6.0%

Balance sheet	31 Dec 2020	31 Dec 2019	31 Dec 2018
<i>(in thousands of euro)</i>			
ASSETS			
Goodwill	105,612	105,612	105,612
Other intangible assets	28,952	44,469	47,397
Land and buildings	74,220	83,665	57,777
Other tangible assets	49,254	51,804	51,003
Investments	106,942	43,288	19,105
Deferred tax assets	62,811	60,116	67,478
Other non-current assets	5,870	4,018	9,732
Non-current assets	433,662	392,972	358,103
Inventory	175,390	168,983	135,111
Trade debtors	146,138	195,358	161,787
Other amounts receivable	17,789	25,669	19,567
Short term investments	3,175	24,748	112,795
Cash and cash equivalents	235,402	357,035	251,807
Prepaid expenses and accrued income	6,646	9,409	8,131
Current assets	584,542	781,203	689,197
Total Assets	1,018,203	1,174,176	1,047,301
EQUITY AND LIABILITIES			
Equity attributable to equityholders of the parent	659,309	700,060	633,267
Non-controlling interests	37,798	40,590	1,777
Equity	697,107	740,650	635,044
Long-term debts	35,854	40,225	29,882
Deferred tax liabilities	4,745	7,575	3,140
Other long-term liabilities	43,286	27,031	24,557
Long-term provisions	40,156	42,428	34,265
Non-current liabilities	124,042	117,260	91,844
Current portion of long-term debts	9,187	12,469	7,500
Short-term debts	86	0	686
Trade payables	70,299	128,914	105,148
Advances received from customers	42,375	69,515	53,747
Tax payables	7,478	9,893	11,370
Employee benefit liabilities	32,284	54,652	51,314
Other current liabilities	8,980	13,268	48,532
Accrued charges and deferred income	12,646	8,795	10,082
Short-term provisions	13,720	18,759	32,032
Current liabilities	197,054	316,266	320,412
Total Equity and Liabilities	1,018,203	1,174,177	1,047,300

Cash flow statement	2020	2019	2018
<i>(in thousands of euros)</i>			
Cash flow from operating activities			
Adjusted EBIT	10,180	110,038	89,974
Restructuring	-9,536	-13,717	-2,882
Gain on sale of divestments	-	-	-743
Depreciations of tangible and intangible fixed assets	43,383	42,984	34,492
(Gain)/Loss on tangible fixed assets	170	-1,024	-149
Share options recognized as cost	2,907	2,147	2,050
Share in the profit/(loss) of joint ventures and associates	-276	1,566	191
Gross operating cash flow	46,829	141,995	122,933
Changes in trade receivables	41,391	-32,160	-11,209
Changes in inventory	-12,260	-32,989	334
Changes in trade payables	-59,936	23,404	-1,306
Other changes in net working capital	-23,960	15,618	-12,722
Change in net working capital	-54,764	-26,126	-24,903
Net operating cash flow	-7,936	115,868	98,030
Interest received	1,845	7,648	5,915
Interest paid	-1,965	-1,866	-1,566
Income taxes	-10,398	-13,053	-12,460
Cash flow from operating activities	-18,454	108,597	89,919
Cash flow from investing activities			
Purchases of tangible and intangible fixed assets	-14,980	-20,169	-25,627
Proceeds on disposals of tangible and intangible fixed assets	488	2,379	922
Proceeds from (+), payments for (-) short term investments	21,573	88,047	-112,795
Acquisition of Group companies, net of acquired cash	0	-3,272	-5,621
Disposal of group companies, net of disposed cash	-	-	-32,558
Other investing activities	-55,530	-41,285	-2,972
Dividends from joint ventures and associates	2,492	7,284	10,499
Cash flow from investing activities (including acquisitions and divestments)	-45,958	32,983	-168,152

<i>Cash flow from financing activities</i>			
Dividends paid	-33,354	-28,680	-25,975
Capital increase	482	360	132
Sale of own shares	2,371	6,428	5,928
Payments (-) of long-term liabilities	-11,235	-22,359	-8,363
Proceeds from (+), payments of (-) short-term liabilities	2,103	3,033	-4,430
Advances on capital contribution from non-controlling interest	-	-	37,906
Cash flow from financing activities	-39,634	-41,218	5,198
Net increase/(decrease) in cash and cash equivalents	-104,045	100,362	-73,035
Cash and cash equivalents at beginning of period	357,035	251,807	321,514
Cash and cash equivalents (CTA)	-17,588	4,866	3,328
Cash and cash equivalents at end of period	235,402	357,035	251,807

Results per division	2020	2019	2018
<i>(in thousands of euros)</i>			
Sales			
Entertainment	291,433	455,125	447,611
Enterprise	216,794	358,671	335,914
Healthcare	261,856	268,774	245,006
Group	770,083	1,082,570	1,028,531
EBITDA			
Entertainment	287	43,310	32,879
Enterprise	18,246	74,051	60,944
Healthcare	35,030	35,660	30,642
Group	53,563	153,022	124,465