FIRST HALF RESULTS

EBITDA margin expands to 10.3%; on track to deliver another year of profit growth

Kortrijk, Belgium, 19 July 2018, 07:30 am – Today Barco (Euronext: BAR; Reuters: BARBt.BR; Bloomberg: BAR BB) announced results for the six month period ended 30 June 2018.

First half 2018 financial highlights[1]

- Orderbook at 324.4 million euro (+14% versus end of year 2017)[2]
- Incoming orders at 539.7 million euro (reported -4.0%; at constant currencies +2.0%)
- Sales at 498.1 million euro (reported -3.8%; at constant currencies +2.7%)
- Gross profit margin of 38.8% (+0.5 ppts)
- EBITDA of 51.5 million euro (+3.3 million euro) or 10.3% of sales (+1.0 ppts)
- Adjusted EBIT of 34.9 million euro (+3.4 million euro) or 7.0% of sales (+0.9 ppts)
- Net income at 27.3 million euro (+8.1 million euro)

Executive summary

EBITDA margin expanded 1.0 percentage point on the strength of gross profit margin improvements and lower operating expenses while the company continued to invest in its growth platforms. Each of the divisions posted higher EBITDA margins.

Reported orders and sales were below last year, but +2% and +2.7% respectively on a constant currency basis. In Enterprise continued strong growth of ClickShare was offset by lower Control Rooms' sales due to soft demand in the rear projection cube market. Healthcare generated strong order intake reflecting continued strengthening of its market position in both the diagnostic and surgical segments. In Entertainment, Venues & Hospitality produced higher sales year-over-year for the third consecutive semester which partially offset lower Cinema sales, mainly in China.

Barco continued to execute on its 'focus to perform' program and to advance its key growth initiatives. The company sold X2O Media; opened its factory for the future in Belgium; and, started the relocation of manufacturing activities from Norway to Belgium.

In parallel, Cinionic, Barco's new Cinema venture, was commercially launched during the first half and signed its first renewal contracts; UniSee, the new LCD-based videowall, completed its first 50 installations with reference accounts around the world; and Healthcare opened its local R&D and manufacturing center in Suzhou, China, under its 'In China for China' program, aimed at more effectively penetrating the Chinese Healthcare market.

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[1] All definitions of Alternative Performance Measures (APMs), used in this press release can be found in the Glossary of the Half Year Report

[2] Orderbook of 324.4 million euro reflects the deconsolidation of BarcoCFG effective 1 July 2018. Assuming BarcoCFG had not been deconsolidated, orderbook at the end of the first half 2018 would have been 362.0 million euro, an increase of 14% compared to end of year 2017.

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Quote of the CEO, Jan De Witte

"Reported sales for 1H18 were, as expected, slightly below a strong 1H17. A solid orderbook, positive book-to-bill ratios in each division and strong sales funnels give us confidence that we will deliver sales growth for 2H18 and another year of EBITDA margin improvement for 2018 on flat sales[3]," said Jan De Witte, CEO of Barco.

"Barco's first semester performance demonstrates the progress we are making toward our stated goal of building a stronger foundation that supports improved quality of earnings. We're pleased with the progress and we continue our strong focus on realizing further business- and cost-efficiencies, while investing in innovative solutions and go-to-market strategies as we advance towards our mid- term objective of achieving an EBITDA margin in the range of 12% to 14% by 2020," concluded Jan De Witte.

Outlook 2018

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

Given the performance for the first half of the year – and assuming a stable global economic environment and currencies at current levels - management reaffirms its full year outlook which calls for further margin improvement.

The deconsolidation of BarcoCFG[4] is expected to result in a reduction in reported group sales and orders for the year of approximately 40 million euro. Stronger projected EBITDA across the group for 2H18 is expected to offset the reduction in EBITDA resulting from the deconsolidation.

[3] "Flat sales" refers to the comparison of sales for 2018 to 2017 excluding the impact of deconsolidating BarcoCFG. For more information about the new ownership structure of BarcoCFG, please see Annex III

[4] See Annex III

Part I - Consolidated results for 1H18

Order intake & Orderbook

Order intake was 539.7 million euro, a decrease of 22.2 million euro, or 4.0%, compared to last year's first half, driven by declines mainly in Cinema, Entertainment, and partially offset by increases in Healthcare. Orders for the EMEA and the APAC region were down year-over-year while the Americas regions grew.
Excluding currencies effects, orders were 2.0% higher than last year.
Orderbook at the end of the semester stood at 324.4 million euro, reflecting the deconsolidation of BarcoCFG. Including BarcoCFG's orderbook, the orderbook strengthened to 362.0 million euro, a 14% increase versus the end of last year and a 4% increase year-over-year.

Orderbook

(in millions of euros)	**30 jun 2018**[5]	**31 dec 2017**	**30 jun 2017**	**31 dec 2016**	**30 jun 2016**
Orderbook	324.4	318.8	349.5	320.8	332.4

Order intake

(in millions of euros)	**1H18**	**2H17**	**1H17**	**2H16**	**1H16**
Order Intake	539.7	543.3	561.9	548.3	532.9

Order intake by division

(in millions of euros)	**1H18**	**1H17**	***Change***
Entertainment	248.7	275.9	*-9.9%*
Enterprise	158.9	171.0	*-7.1%*
Healthcare	132.1	114.9	*+14.9%*
Intra-group eliminations	-	-0.1	
Group	**539.7**	**561.9**	***-4.0%***

Order intake per region

	1H18	**% of total**	**1H17**	**% of total**	***Change***
The Americas	208.9	39%	198.2	35%	*+5%*
EMEA	171.5	32%	174.7	31%	*-2%*
APAC	159.2	29%	188.9	34%	*-16%*

[5] Orderbook of 324.4 million euro reflects the deconsolidation of BarcoCFG effective 1 July 2018. Assuming BarcoCFG had not been deconsolidated, orderbook at the end of the first half 2018 would have been 362.0 million euro, an increase of 14% compared to end of year 2017.

Sales

First semester reported sales were softer than 1H17 mainly due to unfavorable currency effects. Excluding currencies effects, sales were 2.7% higher than last year.
While both Healthcare and Enterprise posted essentially flat reported sales, the Entertainment division sales declined, as expected.
The EMEA region registered sales growth while the Americas and the APAC market booked lower sales compared to the first semester of 2017.

Sales

(in millions of euros)	**1H18**	**2H17**	**1H17**	**2H16**	**1H16**
Sales	498.1	566.7	518.0	573.1	529.2

Sales by division

(in millions of euros)	**1H18**	**1H17**	***Change***
Entertainment	228.9	247.4	*-7.5%*
Enterprise	149.3	150.8	*-1.0%*
Healthcare	119.8	119.9	*-0.1%*
Intra-group eliminations	-	*-0.2*	
Group	**498.1**	**518.0**	***-3.8%***

Sales by region

	1H18	**% of total**	**1H17**	**% of total**	***Change***
The Americas	181.1	36%	193.5	37%	*-6%*
EMEA	172.2	35%	166.5	32%	*+3%*
APAC	144.8	29%	158.0	31%	*-8%*

Profitability

Gross profit

Gross profit was 193.0 million euro, a decrease of 2.7% from 198.4 million euro for the first half of 2017. Gross profit margin was 38.8% compared to 38.3% for the first half of 2017, mainly driven by a more favourable mix.

Operating expenses

Total operating expenses decreased 4.5% to 158.1 million euro, or 31.7% of sales, compared to 165.5 million euro, or 32.0% of sales, for the first half of 2017.
Lower R&D expenses and stable Sales & Marketing and General & Administration expenses resulted in to the year-over-year decrease in operating expenses for the first semester.

- While Barco continued to invest 11.3% of sales into Research & Development, the R&D expenses decreased 6.9 million euro to 56.5 million euro from 63.4 million euro last year, following some choices related to R&D investment tracks and the completion of some heavy development projects.
- Sales & Marketing expenses were 74.2 million euro compared to 73.3 million euro for the first half of 2017. As a percent of sales, Sales & Marketing expenses were 14.9% in 1H18 compared to 14.2% in 1H17.
- General & Administration expenses were 27.5 million euro, compared to 28.8 million euro last year, or 5.5% of sales versus 5.6% last year.
- Other operating results of 0 compared to a negative 1.3 million euro last year.

EBITDA & EBIT

EBITDA was 51.5 million euro, compared to 48.2 million euro for the prior year first semester, an increase of 3.3 million euro.
EBITDA margin was 10.3% up 1.0 percentage point compared to the first semester of last year. Excluding currency effects, EBITDA margin was 10.5%.

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

1H18 *(in millions of euros)*	**Sales**	**EBITDA**	**EBITDA %**
Entertainment	228.9	17.4	7.6%
Enterprise	149.3	20.3	13.6%
Healthcare	119.8	13.9	11.6%
Group	**498.1**	**51.5**	**10.3%**

EBITDA by division 1H18 versus 1H17 is as follows:

(in millions of euros)	**1H18**	**1H17**	***Change***
Entertainment	17.4	17.5	*-1.0%*
Enterprise	20.3	16.8	*+20.6%*
Healthcare	13.9	13.8	*+0.2%*
Group	**51.5**	**48.2**	***+6.9%***

Group EBITDA growth was driven by Enterprise which saw a stronger contribution of the corporate activity. Entertainment EBITDA was flat with last year's first semester even though sales fell 7.5%, reflecting the benefits of focus-to-perform initiatives. Healthcare EBITDA was comparable to the first semester of 2017.

Adjusted EBIT was 34.9 million euro or 7.0% of sales. For the first half of last year adjusted EBIT was 31.6 million euro or 6.1 % of sales.

Income taxes

In the first half of 2018 taxes were 6.7 million euro for an effective tax rate of 18.0%, compared to 5.7 million euro in the first half of 2017, or an effective tax rate of 20.0%.

Net income

Net income attributable to equity holders was 27.3 million euro, or 5.5% of sales, compared to 19.2 million euro, or 3.7%, for the first semester of 2017.

Net income includes the deduction of third party interests in the amount of 2.4 million euro related to BarcoCFG.

Net earnings per ordinary share (EPS) for the first semester were 2.20 euro, compared to 1.56 euro the year before. Fully diluted net earnings per share were 2.17 euro, compared to 1.50 euro at the end of June 2017.

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Cash Flow & Balance Sheet

Free Cash Flow

Free cash flow for the first half of 2018 improved to 4.0 million euro negative, compared to 33.5 million euro negative for the first half of 2017.

(in millions of euro)	**1H18**	**1H17**	**1H16**
Gross operating free cash flow	**48.3**	**45.6**	**45.5**
Changes in trade receivables	*3.0*	*-10.4*	*-1.5*
Changes in inventory	*-15.3*	*-11.8*	*-27.2*
Changes in trade payables	*-5.6*	*-11.5*	*-15.0*
Other Changes in net working capital	*-17.0*	*-31.6*	*-15.5*
Change in net working capital	***-34.9***	***-65.3***	***-59.2***
Net operating free cash flow	**13.4**	**-19.7**	**-13.7**
Interest Income/expense	*2.3*	*1.3*	*3.7*
Income Taxes	-6.8	-3.5	-8.0
Free cash flow from operating activities	**8.9**	**-21.9**	**-18.0**
Purchase of tangible and intangible FA (excl. OneCampus)	*-13.9*	*-11.7*	*-11.2*
Proceeds on disposal of tang and intang FA	*1.0*	*0.1*	*0.3*
Free cash flow from investing activities	**-12.9**	**-11.6**	**-10.9**
FREE CASH FLOW	**-4.0**	**-33.5**	**-28.9**

Net operating free cash flow moved to a positive 13.4 million euro from a negative 19.7 million euro last year due to improvements in working capital use. Barco intends to further improve free cash flow through an intensified focus on cost and working capital efficiencies.

Working capital

Inventory + Accounts Receivables – Accounts Payables is good for 22.7% of sales, a small increase compared to the 21.8% reported a year ago. Net working capital was 0.4% of sales compared to 0.5% a year ago and –3.8% at the end of 2017.

(in millions of euro)	**1H18**	**FY17**	**1H17**
Trade Receivables	180.2	182.1	189.7
DSO	***64***	***55***	***63***
Inventory	170.3	154.1	169.4
Inventory turns	***3.1***	***3.6***	***3.3***
Trade Payables	-108.4	-114.5	-121.3
DPO	***57***	***58***	***59***
Other Working Capital	*-238.0*	-263.3	*-232.8*
TOTAL WORKING CAPITAL	**4.1**	**-41.6**	**5.1**

Return on Capital Employed

ROCE for 1H18 was 18%, in line with the end of year 2017.

Capital expenditure

Capital expenditure was 13.9 million euro compared to 11.7 million euro a year ago, mainly driven by investments in Barco's factory for the future.

Net financial cash position

Excluding the cash held in BarcoCFG, Barco had a net financial cash position of 196.7 million euro as of 30 June 2018. This is 14 million euro lower than the net financial cash position at the end 2017, mainly reflecting the payment of dividends during 1H18.

Net financial cash position for BarcoCFG was 56.7 million euro as of 30 June 2018. BarcoCFG plans to distribute this cash to its shareholders through dividend payments over the next years.

Part II – Divisional results for 1H18

Entertainment division

(in millions of euros)	**1H18**	**1H17**	**1H16**	***Change vs 1H17***
Order intake	248.7	275.9	283.6	*-9.9%*
Sales	228.9	247.4	272.6	*-7.5%*
EBITDA	17.4	17.5	22.7	*-1.0%*
EBITDA margin	7.6%	7.1%	8.3%	

Entertainment division sales and orders continued to shift in favour of the Venues and Hospitality segment while cinema orders and sales volumes continued to decline, particularly in China and North America, as expected. Venues and Hospitality accounted for 43% of division sales versus 36% in the first half of 2017 on growing demand for new high brightness laser phosphor projectors and image processing solutions.

Despite lower division sales, EBITDA for the first half was flat with last year. EBITDA margin improved 0.5 percentage points reflecting the benefits of focus-to-perform initiatives in combination with value engineering results.

In the cinema market, Barco maintained its leadership position and continued to expand its installed base of screens in markets still converting to digital cinema including China, South East Asia, Latin America, India and the Middle East. Barco also continued to expand its installed base of smart laser and laser flagship projectors as more than half of all cinema projector units shipped in the first half were smart laser projectors, whereas for 2017 this was about a third of all cinema projector units shipped.
At the Cinemacon tradeshow in April, Barco introduced Cinionic, the name given to the company's new cinema venture, and Cinionic signed deals with Kinepolis and Cineworld, its first sizeable contracts in the cinema renewal wave.

The Venues and Hospitality segment delivered good uptake mainly in the events market and some fixed install areas such as theme parks, projector mappings and museums. To further strengthen its competitive position, Barco added new laser and laser phosphor based projectors and image processing solutions to its solution portfolio.

As part of the focus to perform-program, Barco's restructuring of its Fredrikstad, Norway, activities is underway. The company still expects to complete most of the transition to the new and larger projection factory in Kortrijk during 2H18.

Enterprise division

(in millions of euros)	**1H18**	**1H17**	**1H16**	***Change vs 1H17***
Order intake	158.9	171.1	143.7	*-7.1%*
Sales	149.3	150.8	140.9	*-1.0%*
EBITDA	20.3	16.8	15.6	*+20.6%*
EBITDA margin	13.6%	11.1%	11.1%	

While the Enterprise division posted a healthy book-to-bill ratio at semester end, orders were 7% softer than last year and reported sales were flat reflecting growth in the Corporate segment that was offset by weaker results in Control Rooms. The Corporate segment accounted for about 59% of Enterprise's sales compared to 54% in 1H17.
The division produced a 2.5 percentage point gain in EBITDA margin driven by Clickshare which continued to produce sales growth and gross margin improvements.

The Corporate segment continued to grow in mainly Europe and APAC regions. Excluding currency effects, ClickShare continued to grow at a double digit rate in all regions and has now been installed in more than 420,000 meeting rooms worldwide, up from 350,000 meetings rooms at the end of 2017. To sustain ClickShare's growth and expand its sales reach, the company added IT specific channels and expanded its sales presence worldwide, and more notably in the APAC region. It also entered into a technology and marketing agreement with Zoom Rooms, a U.S.-based videoconferencing company.

Control Rooms' order intake and sales declined reflecting primarily ongoing weak demand for rear projection cube-solutions and delays for some large projects in emerging markets. Since launching UniSee, an LCD-based videowall, in November 2017, Control Rooms has completed more than 50 flagship installations around the world and the product has been lauded with leading industry awards, including the coveted red dot award. The UniSee product is on track to begin contributing meaningful orders and sales to Control Rooms in the second half of the year.

In line with the focus to perform program, Barco sold X2O Media to Stratacache in the first half of the year after divesting Silex at the end of 2017.

Healthcare division

(in millions of euros)	**1H18**	**1H17**	**1H16**	***Change vs 1H17***
Order intake	132.1	114.9	105.7	*+14.9%*
Sales	119.8	119.9	115.7	*-0.1%*
EBITDA	13.9	13.8	11.1	*+0.2%*
EBITDA margin	11.6%	11.5%	9.6%	

Healthcare produced a strong order inflow of sizeable contracts in the diagnostic and surgical segments. While sales on a constant currency basis increased in all regions, reported sales were essentially flat due to currency headwinds.

EBITDA margin of 11.6% was slightly higher than last year reflecting an improvement in gross margin that was nearly offset by planned investments in growth initiatives and the Barco China Healthcare program. Gross margin improvements included a more favourable product mix and continued value engineering initiatives.

The division strengthened its market leadership position in the diagnostic market, making further progress in North America, Europe and APAC, and increased sales of its flagship Uniti monitor and uptakes in the dental segment. The modality segment experienced softer demand.
In surgical, the division is working on expanding the digital platform and expanding its partner network, particularly in North America and APAC, to fuel future growth.

Under the “In China for China”-program, the division opened its local R&D-center in March and is now preparing to begin local production of healthcare displays toward the end of this year. These initiatives, combined with enhanced business development capabilities, place the division in a strong position to further penetrate this high-growth developing market.

Conference call

Barco will host a conference call with investors and analysts on 19 July 2018 at 9:00 a.m. CET (3:00 am EST), to discuss the results of the first half 2018. 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

Financial Calendar

Trading update 3Q18	Wednesday 17 October 2018
Announcement of results Full year 2018 and 2H18	Thursday 7 February 2019

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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 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 2017, we realized sales of 1.085 billion euro. We have a team of 3,600 employees, located in 90 countries, whose passion for technology is captured in 400 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

FINANCIAL TABLES

Income Statement *(in thousands of euros)*	**2018 1st half**	**2017 1st half**	**2016 1st half**
Sales	498,103	517,968	529,215
Cost of goods sold	-305,083	-319,561	-339,254
Gross profit	**193,019**	**198,407**	**189,961**
Research and development expenses	-56,451	-63,377	-68,961
Sales and marketing expenses	-74,151	-73,319	-72,052
General and administration expenses	-27,481	-28,808	-26,142
Other operating income (expense) - net	-26	-1,349	1,338
Adjusted EBIT	**34,910**	**31,554**	**24,144**
Gain on sale building	-	-	7,666
Impairment on investment	-	-4,537	-
Other non-operating income/(expense)	-	162	95
EBIT	**34,910**	**27,179**	**31,905**
Interest income	3,430	2,676	2,518
Interest expense	-1,124	-1,403	-1,709
Income before taxes	**37,215**	**28,451**	**32,714**
Income taxes	-6,699	-5,690	-7,851
Result after taxes	**30,517**	**22,761**	**24,863**
Share in the result of joint ventures and associates	-861	239	-36
Net income	**29,656**	**23,000**	**24,827**
Net income attributable to non-controlling interest	**2,387**	**3,837**	**6,741**
Net income attributable to the equity holder of the parent	**27,269**	**19,163**	**18,086**
Earnings per share (in euros)	2.20	1.56	1.49
Diluted earnings per share (in euros)	2.17	1.50	1.44

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Selected Financial Ratios	**2018 1st half**	**2017 1st half**	**2016 1st half**
EBITDA	51,495	48,163	49,451
EBITDA on sales	10.3%	9.3%	9.3%
Adjusted EBIT on sales	7.0%	6.1%	4.6%
EBIT on sales	7.0%	5.2%	6.0%
Total debt to equity[6]	7.7%	8.9%	13.6%

Balance sheet *(in thousands of euro)*	**30 June 2018**	**31 Dec 2017**
ASSETS		
Goodwill	105,533	105,385
Other intangible assets	56,224	63,361
Land and buildings	60,719	57,964
Other tangible assets	47,677	47,366
Investments	7,156	7,906
Deferred tax assets	68,129	69,859
Other non-current assets	10,791	12,887
Non-current assets	**356,229**	**364,729**
Inventory	150,796	132,754
Trade debtors	142,298	149,438
Other amounts receivable	23,046	19,368
Cash and cash equivalents	235,233	254,130
Prepaid expenses and accrued income	7,679	5,041
Assets held for sale	128,278	139,536
Current assets	**687,330**	**700,267**
Total Assets	**1,043,559**	**1,064,996**
EQUITY AND LIABILITIES		
Equity attributable to equityholders of the parent	589,398	579,449
Non-controlling interest	16,636	14,065
Equity	**606,034**	**593,514**
Long-term debts	34,633	41,036
Deferred tax liabilities	4,263	4,647
Other long-term liabilities	2,954	4,555
Long-term provisions	25,235	24,607
Non-current liabilities	**67,085**	**74,845**
Current portion of long-term debts	10,000	10,000
Short-term debts	706	686
Trade payables	101,380	102,943
Advances received from customers	70,315	67,040
Tax payables	7,379	9,752
Employee benefit liabilities	45,008	49,983
Other current liabilities	7,966	10,586
Accrued charges and deferred income	17,730	18,074
Short-term provisions	23,102	26,904
Liabilities directly associated with the assets held for sale	86,854	100,669
Current liabilities	**370,440**	**396,637**
Total Equity and Liabilities	**1,043,559**	**1,064,996**

[6] Total debt to equity ratio for 2017 and 2016 based on year-end outcomes.

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Cash flow statement (in thousands of euros)	**2018 1st half**	**2017 1st half**	**2016 1st half**
Cash flow from operating activities			
Adjusted EBIT	34,910	31,554	24,144
Restructuring	-908	-2,212	-2,624
Gain on sale of divestment	-745	-571	-1,000
Amortization capitalized development cost	-	-	12,907
Depreciation of tangible and intangible fixed assets	16,584	16,609	12,397
Gain/(Loss) on tangible fixed assets	-652	23	-278
Share options recognized as cost	1,025	775	617
Share in the profit/(loss) of joint ventures and associates	-861	239	-36
Gross operating cash flow	**49,354**	**46,417**	**46,127**
Changes in trade receivables	2,971	-10,422	-1,550
Changes in inventory	-15,302	-11,816	-27,183
Changes in trade payables	-5,574	-11,496	-14,960
Other changes in net working capital	-17,025	-31,593	-15,486
Change in net working capital	**-34,929**	**-65,327**	**-59,179**
Net operating cash flow	**14,425**	**-18,910**	**-13,052**
Interest received	3,430	2,676	5,390
Interest paid	-1,124	-1,403	-1,709
Income taxes	-6,821	-3,510	-8,034
Cash flow from operating activities	**9,908**	**-21,147**	**-17,405**
Cash flow from investing activities			
Purchases of tangible and intangible fixed assets	-13,910	-11,653	-11,237
Proceeds on disposals of tangible and intangible fixed assets	1,040	74	326
Proceeds from sale of building	-	-	9,300
Acquisition of Group companies, net of acquired cash	-4,617	-2,022	-10,808
Disposal of group companies, net of disposed cash	385	5,570	1,000
Other investing activities	867	-1,158	-10,715
Cash flow from investing activities (including acquisitions and divestments)	**-16,236**	**-9,191**	**-22,134**
Cash flow from financing activities			
Dividends paid	-25,265	-23,292	-20,951
Dividends received	-	229	178
Capital increase/(decrease)	127	334	-296
(Acquisition)/sale of own shares	5,239	4,465	2,028
Proceeds from (+), payments (-) of long-term liabilities	-5,021	-5,141	-5,187
Proceeds from (+), payments (-) of short-term liabilities	-948	797	-2,222
Dividend distributed to non-controlling interest	-	-	-5,749
Cash flow from financing activities	**-25,868**	**-22,607**	**-32,199**
Net increase/(decrease) in cash and cash equivalents	**-32,195**	**-52,946**	**-71,738**
Cash and cash equivalents at beginning of period	**321,514**	**353,549**	**341,277**
Cash and cash equivalents (CTA)	**2,583**	**-13,364**	**-5,231**
Cash and cash equivalents at end of period	**291,902**	**287,239**	**264,309**

Results per division *(in thousands of euros)*	**2018** **1st half**	**2017** **1st half**	**2016** **1st half**
Sales			
Entertainment	228,925	247,404	272,571
Enterprise	149,332	150,797	140,950
Healthcare	119,845	119,939	115,694
Intra-group eliminations	-	-172	-
Group	**498,103**	**517,968**	**529,215**
EBITDA			
Entertainment	17,375	17,538	22,710
Enterprise	20,266	16,806	15,646
Healthcare	13,854	13,819	11,094
Group	**51,495**	**48,163**	**49,451**

ENABLING BRIGHT OUTCOMES

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ANNEX II

TRADING UPDATE 2Q18

Trading update second quarter 2018

Orderbook

(in millions of euros)	**30 jun 2018**[7]	**31 mar 2018**	**31 dec 2017**	**30 sep 2017**	**30 jun 2017**	**31 mar 2017**
Orderbook	324.4	347.0	318.8	343.4	349.5	354.8

Order Intake

(in millions of euros)	**2Q18**	**1Q18**	**4Q17**	**3Q17**	**2Q17**	**1Q17**
Order Intake	263.6	276.0	279.7	263.7	278.4	283.5

Sales

(in millions of euro)	**2Q18**	**2Q17**	**Change**
Entertainment	118.6	124.8	-5.0%
Enterprise	75.0	86.2	-13.0%
Healthcare	59.3	60.8	-2.5%
Intra-group eliminations	-	-0.1	
Group	**252.9**	**271.7**	**-6.9%**

[7] Orderbook of 324.4 million euro reflects the deconsolidation of BarcoCFG effective 1 July 2018. Assuming BarcoCFG had not been deconsolidated, orderbook at the end of the first half 2018 would have been 362.0 million euro, an increase of 14% compared to end of year 17.

ANNEX III: DECONSOLIDATION OF BARCOCFG AND UPDATE ON CINIONIC, NEW CINEMA JOINT VENTURE

Background

On 4 December 2017 Barco reached an agreement with CFG to revise the ownership structure of its BarcoCFG joint venture for the Chinese cinema market.
Having received all customary approvals, Barco completed the transaction on 5 July 2018. Under the terms of the agreement, Barco received 175 million RMB (or approximately 22.8 million euro) in exchange for 9% of its shares in the BarcoCFG joint venture, and reduced its stake in the joint venture from 58% to 49%. As a result, beginning 2H18 the BarcoCFG joint venture will be deconsolidated.

Also on 4 December 2017, Barco announced plans to form a new cinema venture with Appotronics, China Film Group (CFG) and CITIC for the purpose of commercializing a comprehensive portfolio of cinema technology offerings, services and business models for the global cinema market, excluding mainland China. The new venture was branded Cinionic. The Cinionic joint venture is expected to be legally established in the second semester of the year and will have no material effect on the reported results of 2018.

Deconsolidation of BarcoCFG

The impact of the deconsolidation of the BarcoCFG joint venture is as follows:

2018

- Second half reported sales for the Entertainment division and for the group is expected to be reduced by around 40 million euro.
- Because the business activities of Barco and BarcoCFG are closely linked, Barco will add its 49% ownership interest in BarcoCFG's net income in its calculation of group and Entertainment Division EBITDA and EBIT.
- As a result EBITDA-impact from the deconsolidation is estimated at close to 10% of the sales reduction and which is expected to be offset by stronger projected EBITDA across the group for 2H18.
- Impact on net earnings are expected to be immaterial, excluding the one-time non-recurring gain[8] which will be booked in 2H18 associated with the sale of the 9% stake.

2019 and beyond

- On the longer term, Barco expects the future revenues and associated results, generated by BarcoCFG, to gradually decline as a result of the expected maturation of the China cinema market in the coming years.

[8] The non-recurring gain will be disclosed with the full year results 2018

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