

## FULL YEAR RESULTS:

Second consecutive year of solid margin expansion, with topline growth in 2<sup>nd</sup> half

**Kortrijk, Belgium, 7 February 2019, 7:30 am** – Today Barco (Euronext: BAR; Reuters: BARBt.BR; Bloomberg: BAR BB) announced results for the six and twelve month periods ended 31 December 2018.

### Fiscal year 2018 financial highlights

- Incoming orders at 1,046.9 million euro (-1.3%)<sup>1</sup> ; year-end orderbook +6%
- Sales at 1,028.5 million euro (-0.5%)<sup>1</sup>; growth in the 2<sup>nd</sup> half +2.8%<sup>2</sup>
- EBITDA of 124.5 million euro (+16%) , EBITDA margin at 12.1% of sales (+2.2 ppts)
- Net income<sup>3</sup> of 75.0 million euro (+50.2 million euro)
- Proposal to increase the dividend to 2.30 euro per share from 2.10 euro

### Executive Summary

EBITDA margin expanded 2 percentage points, on comparable sales, to 12% and within the range of Barco's 2020 goal. A 2.9 percentage point gain in gross profit margin to 40% of sales drove the EBITDA margin improvement. Both the Enterprise and the Healthcare division delivered solid EBITDA margin growth while sustained investment in next-generation technology caused Entertainment's EBITDA margin to be flat year-over-year. Consistent with the EBITDA improvement, group EBIT grew 17 million euro to 90 million euro, or 8.7% of sales, and net earnings increased threefold to 75 million euro.

Noteworthy in Barco's performance for 2018 is the continued double-digit growth of ClickShare and the measurable turnaround results for Control Rooms which boosted the Enterprise division performance. The topline Entertainment results bottomed out in the course of 2018 with a substantial pick-up in growth in the EMEA and North American region for Cinema, which partially offset anticipated market softness in China. Healthcare booked modest topline growth while continuing to add partners globally, further strengthening its position in the surgical segment.

While continuing to invest nearly 12% of sales in R&D, the company advanced its key growth initiatives, including its 'In China for China' program. As part of this program, Healthcare expanded its business development and manufacturing capabilities and the company expanded its local sales presence for Pro AV and ClickShare solutions. Under the 'Focus to perform' program, Barco finished streamlining its business activities, optimized its manufacturing footprint and announced its 'fit to lead' plan. In 2018, Cinionic, the company's new cinema venture, started operations and won its first set of sizeable renewal programs.

1 To present comparable data for 2017, prior year orderbook, orders and sales figures are presented on a pro forma basis assuming the deconsolidation of the BarcoCFG joint venture had taken place on July 1, 2017 for the 2017 results. As the impact of the deconsolidation on gross profit, EBITDA and EBIT is not material, these reported values are not restated nor the margins. See for more information annex III.

2 Sales for the full year at constant currencies is 3.4% higher compared to 2017.

3 Net income attributable to the equity holder of the parent.

## Quote of the CEO, Jan De Witte

“Since introducing the ‘Focus to perform’ program in 2016, we have expanded the EBITDA margin from 8% to 12% in 2018 and have created a more resilient and healthy platform for future profitable growth,” said Jan De Witte, CEO.

“Nevertheless, we have more work ahead of us as we continue our journey to becoming a sustainable profitable growth company. To that end, in 2019 we will implement the ‘fit to lead’ program, our capability-building and efficiency plan, while resuming topline growth across our business segments.”

## Outlook 2019

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

Assuming a stable global economic environment and currencies at 2018 average levels, management expects mid-single digit topline growth on a comparable pro forma basis<sup>4</sup> and continued EBITDA and EBITDA margin growth.<sup>5</sup>

Growth rates in management’s guidance are based on comparisons to 2018 results on a pro forma basis.

## Dividend

The Board of Directors will propose to the General Assembly to increase the dividend from 2.10 euro to 2.30 euro per share to be paid out in 2019.

The following timetable will be proposed to the Annual General Shareholder meeting

- Ex-date: Monday, 6 May 2019
- Record date: Tuesday, 7 May 2019
- Payment date: Wednesday, 8 May 2019

### Preliminary remark:

To present comparable data for 2017, 2017 figures for orderbook, orders and sales are presented on a pro forma basis assuming the deconsolidation of the BarcoCFG joint venture<sup>6</sup> had taken place on July 1, 2017.

As the impact of the deconsolidation on gross profit, EBITDA and EBIT is not material, these reported values are not restated nor the margins.

An overview of reported and pro forma figures for the prior six quarters can be found in the appendix, Annex III.

<sup>4</sup> See Annex III for comparable pro forma numbers for 2018.

<sup>5</sup> EBITDA and EBITDA margin growth is expected to be derived from a combination of operating leverage, efficiency gains and the application of a new IFRS accounting standard. The accounting adjustment is related to the new IFRS 16 accounting standard “Leasing” which the group will start to adopt as of 1 January 2019. See Annual report “IFRS accounting standards issued but not yet effective as of 2018”.

<sup>6</sup> BarcoCFG is the entity where Barco joined forces with China Film Group to address the Chinese cinema market. Barco held a 58% stake in this entity till end of June 2018 when it sold a 9%-stake to China Film Group. See also the glossary in the Annual Report.

## Part I - Consolidated results for the fiscal year 2018

### Order Intake & Order Book

#### Order Book

Order book at year end was 303.2 million euro, up 6.0% from 285.9 for FY17 on a pro forma basis reflecting increases in the Healthcare segment while orderbooks for Entertainment and Enterprise were stable.

<i>(in millions of euro)</i>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>	<b>Change</b>
Order book	303.2	285.9	+6.0%

#### Order Intake

Order intake was 1,046.9 million euro, a decrease of 1.3% compared to last year due to declines in Entertainment, partially offset by gains in Healthcare & Enterprise. Order intake declined 4% in the first semester, mainly driven by currency headwind and market softness in Cinema, and increased 1.7% in the second semester.

From a regional perspective, growth in the EMEA and Americas region was offset by declines in the APAC region, due to a softer performance for the China cinema market.

<i>(in millions of euro)</i>	<b>FY18</b>	<b>FY17</b>	<b>Change</b>
Order Intake	1,046.9	1,060.6	-1.3%
<i>Order Intake at constant currencies</i>			+2.5%

#### Order Intake by division

<i>(in millions of euro)</i>	<b>FY18</b>	<b>FY17</b>	<b>Change</b>
Entertainment	453.3	491.2	-7.7%
Enterprise	336.6	323.9	+3.9%
Healthcare	256.9	245.8	+4.5%
<b>Group</b>	<b>1,046.9</b>	<b>1,060.6</b>	<b>-1.3%</b>

#### Order intake per region

	<b>FY18</b>	<b>FY17</b>	<b>Change</b> <i>(in nominal value)</i>
The Americas	38%	37%	+1%
EMEA	35%	33%	+6%
APAC	27%	30%	-11%

**Sales**

Full year sales decreased 0.5% reflecting a softer cinema market and unfavourable currency effects mainly in the first half of the year, almost entirely offset by stronger results in 2H18. Increases for Enterprise and Healthcare nearly offset the decline in Entertainment. After declining 3.8% in the first half, sales increased with 2.8% in the second semester, mainly driven by strong increases in the Enterprise activities.

**Sales***(in millions of euro)*

	<b>FY18</b>	<b>FY17</b>	<b>Change</b>
Sales	1,028.5	1,033.9	-0.5%
Sales at constant currencies			+3.4%

**Sales by division***(in millions of euro)*

	<b>FY18</b>	<b>FY17</b>	<b>Change</b>
Entertainment	447.6	482.5	-7.2%
Enterprise	335.9	308.2	+9.0%
Healthcare	245.0	243.2	+0.7%
<b>Group</b>	<b>1,028.5</b>	<b>1,033.9</b>	<b>-0.5%</b>

**Sales by region**

	<b>FY18</b>	<b>FY17</b>	<b>Change</b> <i>(in nominal value)</i>
The Americas	36%	38%	-6%
EMEA	36%	33%	+8%
APAC	28%	29%	-3%

## Profitability

### Gross profit

Gross profit increased from 404.2 to 413.0 million euro, an increase of 8.8 million euro. Gross profit margin increased in all divisions and increased on group-level once again by 2.9 percentage points to 40.1% compared to 37.3% for 2017 having previously increased from 34.4% for 2016. This 5.7 percentage point improvement over the past two years reflects favourable product mix, portfolio choices and the benefit of cost down engineering and efficiency actions taken in all divisions.

### Operating expenses & other operating results

Total operating expenses<sup>7</sup> were 325.5 million euro compared to 327.2 million euro a year earlier. As a percentage of sales, operating expenses were 31.6% compared to 30.2% for 2017.

- Research & Development expenses decreased slightly to 120.3 million euro compared to 122.3 million euro last year. As percentage of sales, R&D expenses were 11.7% compared to 11.3% a year earlier.
- Sales & Marketing expenses were 147.7 million euro compared to 146.8 million euro for 2017. As a percent of sales, Sales & Marketing expenses were 14.4% of sales compared to 13.5% in 2017. This increase –compared to sales- reflects intensified focus on commercializing our technologies and China build out.
- General & administration expenses decreased to 57.5 million euro compared to 58.1 million euro last year and were 5.6% as a percentage of sales compared to 5.4% in 2017.

Other operating results amounted to a positive of 2.5 million euro reflecting mainly Barco's share in the result of Barco CFG (since 1 July 2018). Other operating results in 2017 were 3.7 million euro negative mainly driven by additional provisions made.

### EBITDA & adjusted EBIT<sup>8</sup>

EBITDA grew 16.2% to 124.5 million euro compared to 107.1 million euro for the prior year. EBITDA margin was 12.1% versus 9.9% for 2017.<sup>9</sup>

By division, EBITDA and EBITDA margin is as follows:

<b>FY18 (in millions of euro)</b>	<b>Sales</b>	<b>EBITDA</b>	<b>EBITDA %</b>
Entertainment	447.6	32.9	7.3%
Enterprise	335.9	60.9	18.1%
Healthcare	245.0	30.6	12.5%
<b>Group</b>	<b>1,028.5</b>	<b>124.5</b>	<b>12.1%</b>

<sup>7</sup> Operating expenses referenced in this press release are including depreciations on tangible and intangible fixed assets.

<sup>8</sup> EBITDA and adjusted EBIT in this press release exclude impairment and restructuring costs and other non-operating income expenses: see Glossary in Annual Report.

<sup>9</sup> In constant currencies EBITDA margin would have been 1.6 percentage points higher at 10.5% of sales.

EBITDA by division 2018 versus 2017 is as follows:

<i>(in millions of euro)</i>	<b>FY18</b>	<b>FY17</b>	<b>Change</b>
Entertainment	32.9	38.9	-15.5%
Enterprise	60.9	40.7	+49.8%
Healthcare	30.6	27.5	+11.3%
<b>Group</b>	<b>124.5</b>	<b>107.1</b>	<b>+16.2%</b>

Barco delivered double-digit EBITDA growth for 2018 with solid gains in both the Enterprise and the Healthcare division.

Significant EBITDA growth in the Enterprise division was driven by continued strong contributions from the Corporate activity and the first measurable results of the turnaround in Control Rooms. The Healthcare division registered profitability gains on favourable product mix while the Entertainment division kept its EBITDA margin flat on declining sales.

Adjusted EBIT was 90.0 million euro or 8.7% of sales, compared to 73.2 million euro, or 6.8% of sales for 2017.

Barco recorded a gain of 16.4 million euro on the sales of the 9% stake in the BarcoCFG venture, offset by a restructuring charge of 17.0 million euro.

As a result EBIT was 89.4 million euro compared to 40.8 million euro in 2017.

### Income taxes

In 2018 taxes were 16.6 million euro for an effective tax rate of 17.7%. Taxes in 2017 were 11.4 million euro for an effective tax rate of 26.5%.

### Net income

Net income attributable to the equity holders was 75.0 million euro compared to 24.8 million euro in 2017. This is net income after deducting non-controlling interest of 2.3 million euro for 2018, compared to 8 million euro for 2017, reflecting the deconsolidation since 2H18 and lower profits in the BarcoCFG venture in the first half.

Net income per ordinary share (EPS) improved threefold to 6.03 euro, coming from 2.01 in 2017. Fully diluted earnings per share were 5.98 euro compared to 1.99 euro.

**Cash Flow & Balance Sheet**Free Cash Flow and Working Capital

Barco generated a strong increase in free cash flow to 63.2 million euro for the year compared to 40.0 million euro for 2017, mainly driven by higher gross operating free cash flow and steady working capital management.

<i>(in millions of euro)</i>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>
<b>Gross operating Free Cash Flow</b>	<b>120.9</b>	<b>104.0</b>	<b>81.9</b>
<i>Changes in trade receivables</i>	<i>-11.2</i>	<i>-7.3</i>	<i>0.2</i>
<i>Changes in inventory</i>	<i>0.3</i>	<i>-3.6</i>	<i>-2.8</i>
<i>Changes in trade payables</i>	<i>-1.3</i>	<i>-19.7</i>	<i>-2.7</i>
<i>Other Changes in net working capital</i>	<i>-12.7</i>	<i>-8.1</i>	<i>11.9</i>
<b>Change in net working capital</b>	<b>-24.9</b>	<b>-38.7</b>	<b>6.6</b>
<b>Net operating Free Cash Flow</b>	<b>96.0</b>	<b>65.3</b>	<b>88.5</b>
<i>Interest Income/expense</i>	<i>4.3</i>	<i>2.0</i>	<i>4.1</i>
<i>Income Taxes</i>	<i>-12.5</i>	<i>-4.4</i>	<i>-11.5</i>
<b>Free Cash Flow from operating activities</b>	<b>87.9</b>	<b>63.0</b>	<b>81.1</b>
<i>Purchase of tangible and intangible FA (excl. One Campus)</i>	<i>-25.6</i>	<i>-23.2</i>	<i>-24.2</i>
<i>Proceeds on disposal of tangible and intangible FA</i>	<i>0.9</i>	<i>0.2</i>	<i>0.6</i>
<b>Free Cash Flow from investing</b>	<b>-24.7</b>	<b>-23.0</b>	<b>-23.7</b>
<b>FREE CASH FLOW</b>	<b>63.2</b>	<b>40.0</b>	<b>57.4</b>

Working capital and Return on Capital Employed

Working capital actions in the 2<sup>nd</sup> semester brought Inventory + Accounts Receivables – Accounts Payables to 19% on flat sales compared to 20% a year before.  
Net working capital was 0.2% of sales compared to -3.8% of sales in 2017.

<i>(in millions of euro)</i>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>
Trade Receivables	161.8	182.1	188.6
<b>DSO</b>	<b>52</b>	<b>55</b>	<b>55</b>
Inventory	135.1	154.1	166.2
<b>Inventory turns</b>	<b>3.8</b>	<b>3.6</b>	<b>3.6</b>
Trade Payables	-105.1	-114.5	-135.1
<b>DPO</b>	<b>59</b>	<b>58</b>	<b>63</b>
Other Working Capital	-189.3	-263.3	-276.0
<b>TOTAL WORKING CAPITAL</b>	<b>2.5</b>	<b>-41.6</b>	<b>-56.4</b>

### Capital Expenditure

Capital expenditure was 25.6 million euro compared to 23.2 million euro in 2017.

### Return on Capital Employed

ROCE was 23%, up 4 percentage points versus last year, driven by a significantly stronger EBIT-performance in 2018.

### Goodwill

Goodwill on the group level remained flat at 105.6 million euro equal to the end of 2017.

### Cash position

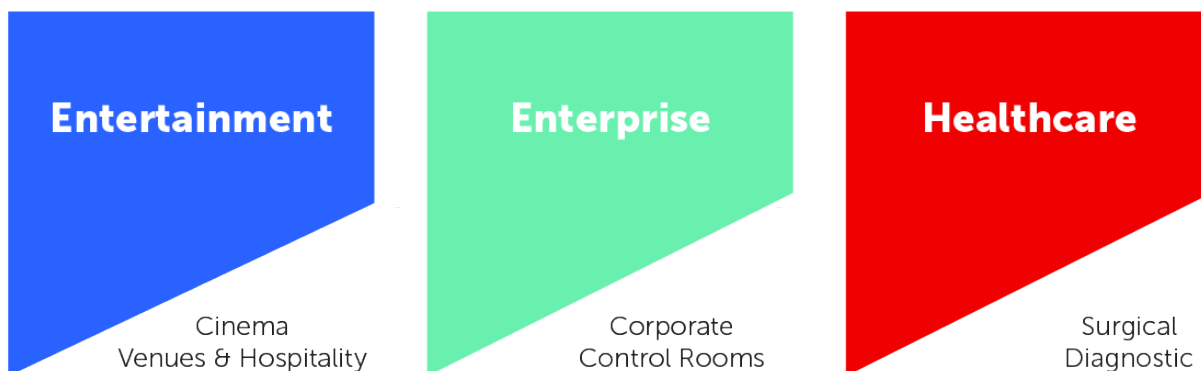
Barco strengthened its net financial cash position to 332.0 million euro from 210.7 million euro last year. This position includes 84.6 million euro capital contributions for the Cinionic venture. The directly available net cash position amounts to 247.4 million euro, an increase of 37.0 million euro compared to last year, driven by the free cash flow generated and dividends received.



## Part II – Divisional results for fiscal year 2018

### 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>	<b>FY18</b>	<b>FY17<sup>10</sup></b>	<b><i>Change vs FY17</i></b>
Orders	453.3	491.2	-7.7%
Sales	447.6	482.5	-7.2%
EBITDA	32.9	38.9	-15.5%
EBITDA margin	7.3%	7.3%	

Entertainment registered single digit reductions in orders and sales due to weaker Cinema results. Venues and Hospitality booked a more flat result year-over-year and accounted for 42% of the divisional sales versus 39% in 2017 on a pro forma basis.<sup>10</sup>

EBITDA margin remained flat at 7.3% mainly reflecting continued solid R&D-investments in a next generation projection-platform, partially offset by benefits of value engineering initiatives.

In the Cinema segment, while volumes in China remained solid, sales declined as the Chinese market shifted to lower price projectors in tier 3 and 4 cities. With Cinionic, the new strategic joint venture established in 2018, Barco Cinema recorded growth in orders and sales in the North American and EMEA regions including replacement contracts with important reference accounts.

The Venues and Hospitality segment delivered good uptake in the events market and target areas such as theme parks and museums, mainly driven by demand for the new laser phosphor projectors and image processing solutions, which have enhanced Barco's competitive positioning. Sales increase for Pro Av and Events were offset by softer results in Simulation mainly due to project delays.

The company relocated the manufacturing activities of Fredrikstad, Norway, during 2018, and the transition to the new factory in Kortrijk will be fully completed by mid-2019.

<sup>10</sup> To present comparable data for 2017, prior year orderbook, orders and sales figures for the Entertainment division are presented on a pro forma basis assuming the deconsolidation of the BarcoCFG joint venture had taken place on July 1, 2017. As the impact of the deconsolidation on gross profit, EBITDA and EBIT is not material, these reported values are not restated nor the margins. 2016 figures are not presented on a pro forma basis. See for more information annex III.



## ENTERPRISE DIVISION

<i>(in millions of euro)</i>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b><i>Change vs FY17</i></b>
Orders	336.6	323.9	290.2	+3.9%
Sales	335.9	308.2	289.7	+9.0%
EBITDA	60.9	40.7	33.0	+49.8%
EBITDA margin	18.1%	13.2%	11.4%	

The Enterprise division posted a very solid performance in 2018 driven by a strong second semester, with the EBITDA margin expanding 5 percentage points on a 9% sales increase. The Corporate segment posted double-digit sales growth and Control Rooms delivered sales growth for the first time since 2015. In terms of the sales mix, the Corporate segment accounted for about 57% of Enterprise sales for 2018 compared to 55% for 2017.

The Corporate segment continued to grow mainly in the EMEA and APAC regions and ClickShare is now installed in well over 500,000 meeting rooms, up from 350,000 meetings rooms for 2017. To support further ClickShare growth, the company expanded its sales presence worldwide notably in the APAC region and is working on expanding the portfolio with products attuned to the IT-channel needs.

In Control Rooms, Barco received multiple industry awards for its new LCD-based videowall solution, UniSee, and began generating sales growth and profits in the second half of 2018. At the same time, Barco continued to invest in software and workflow solutions and is introducing a new network controller for the mid-tier segment, enhancing the value proposition to its channel partners.

In line with the objective of streamlining Barco's businesses under the 'Focus to perform' program, management sold X2O media to Stratacache in the first half of the year after divesting Silix in 2017.

## HEALTHCARE DIVISION

<i>(in millions of euro)</i>	<b>FY18</b>	<b>FY17</b>	<b>FY16</b>	<b><i>Change vs FY17</i></b>
Orders	256.9	245.8	216.3	+4.5%
Sales	245.0	243.2	234.6	+0.7%
EBITDA	30.6	27.5	24.6	+11.3%
EBITDA margin	12.5%	11.3%	10.5%	

Healthcare booked strong order intake in 2018 mainly due to a strong inflow by the surgical segment. While reported sales were essentially flat due to unfavourable currency, sales on a constant currency increased around 3%.

Healthcare expanded EBITDA margin by 1.2 percentage points to 12.5% driven by an improved gross profit margin that resulted from a more favourable product mix and the benefit of value engineering initiatives. At the same time, Barco continued to invest in its Barco China Healthcare plan and kicked off several growth initiatives.

While results for the Diagnostics segment were flat with last year, Surgical performed well by parlaying a stronger product positioning into an expanded partner network globally. In order to further penetrate the high growth market in China, the division augmented its local business development capabilities, opened its local R&D center and started production of Healthcare displays for the Chinese market.

## Conference call

Barco will host a conference call with investors and analysts on 7 February 2019 at 9:00 a.m. CET (3:00 am EST), to discuss the results of 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](http://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 cvba represented by Peter Opsomer and Lien Winne has confirmed that the audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information included in this press release.

The complete audit report related to the audit of the consolidated financial statements will be shown in the 2018 annual report that will be published on the Internet ([www.barco.com](http://www.barco.com)).

### Financial Calendar 2019

- Trading update 1Q19	Wednesday 17 April 2019
- Annual general shareholders meeting	Thursday 25 April 2019
- Capital Markets Day 2019	Thursday 9 May 2019
- Announcement of results 1H19	Thursday 18 July 2019
- Trading update 3Q19	Wednesday 23 October 2019

### **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 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 2018, we realized sales of 1.028 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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## ANNEX I

## Consolidated results for 2H18

## Financial highlights 2H18

- Order intake for the semester was 507.2 million euro, up from 498.7 million euro a year earlier (+1.7%).<sup>11</sup>
- Sales were 530.4 million euro and were 2.8% higher than 515.9 million euro for 2H17.
- Gross profit margin was 41.5% versus 36.3% in 2H17, an improvement of 5.2 percentage points.
- EBITDA was 73.0 million euro versus 59.0 million euro in 2H17. EBITDA margin was 13.8% to sales compared to 10.4% in 2H17.

## Order Intake &amp; Order Book

Order intake for 2H18 slightly increased compared to 2H17 reflecting a strong uptake in Enterprise, partially offset by a slowdown in Cinema and Healthcare.

Growth in the EMEA region offset the decline in both the APAC (China Cinema) and Americas region.

## Order Book

<i>(in millions of euro)</i>	<b>31 Dec 2018</b>	<b>30 Jun 2018<sup>12</sup></b>	<b>31 Dec 2017</b>	<b>30 Jun 2017</b>
Order book	303.2	324.4	285.9	349.5

## Order Intake

<i>(in millions of euro)</i>	<b>2H18</b>	<b>1H18</b>	<b>2H17</b>	<b>1H17</b>
Order Intake	507.2	539.7	498.7	561.9

## Order Intake by division

<i>(in millions of euro)</i>	<b>2H18</b>	<b>2H17</b>	<b>Change</b>
Entertainment	204.6	215.2	-4.9%
Enterprise	177.7	152.7	+16.3%
Healthcare	124.9	130.9	-4.6%
<b>Group</b>	<b>507.2</b>	<b>498.7</b>	<b>+1.7%</b>

## Order intake per region

	<b>2H18</b>	<b>2H17</b>	<b>Change</b> <i>(in nominal value)</i>
The Americas	37%	39%	-4%
EMEA	39%	35%	+13%
APAC	24%	26%	-5%

<sup>11</sup> To present comparable data for 2017, prior year orderbook, orders and sales figures are presented on a pro forma basis assuming the deconsolidation of the BarcoCFG joint venture had taken place on July 1, 2017 for the 2017 results. As the impact of the deconsolidation on gross profit, EBITDA and EBIT is not material, these reported values are not restated nor the margins. See for more information annex III.

<sup>12</sup> 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

Second semester sales reflect solid performances in both Enterprise and Healthcare partially offset by a year-over-year decline in Entertainment.

Year-over-year, regional differences reflect a flat performance for the APAC region, excluding BarcoCFG, while the decline in the Americas region was offset by good growth for the EMEA region.

### Sales

<i>(in millions of euro)</i>	<b>2H18</b>	<b>1H18</b>	<b>2H17</b>	<b>1H17</b>	<b>2H16</b>
Sales	530.4	498.1	515.9	518.0	573.1

### Sales by division

<i>(in millions of euro)</i>	<b>2H18</b>	<b>2H17</b>	<b>Change</b>
Entertainment	218.7	235.1	-7.0%
Enterprise	186.6	157.4	+18.6%
Healthcare	125.2	123.3	+1.5%
<b>Group</b>	<b>530.4</b>	<b>515.9</b>	<b>+2.8%</b>

### Sales by region

	<b>2H18</b>	<b>2H17</b>	<b>Change</b> <i>(in nominal value)</i>
The Americas	36%	39%	-6%
EMEA	37%	34%	+13%
APAC	27%	27%	+2%

## Profitability

### Gross profit

Gross profit was 219.9 million euro for the second semester of 2018, an increase of 6.9% compared to 205.7 million euro for the second semester 2017. Gross profit margin accrued across all divisions.

Gross profit margin increased by 5.2 percentage points to 41.5% for the second half of 2018 compared to 36.3% for the second half of 2017.

### Operating expenses & other operating results

Total operating expenses<sup>13</sup> were 167.4 million euro, or 31.6% of sales, compared to 161.7 million euro or 28.5% of sales for the second half of 2017.

- Research & Development expenses increased to 63.8 million euro from 58.9 million euro last year. As a percent of sales, R&D expenses amounted to 12.0% compared to 10.4% for 2H17.
- Sales & Marketing expenses remained essentially flat at 73.6 million euro compared to 73.5 million euro for the second half of 2017. As a percent of sales, Sales & Marketing expenses were 13.9% compared to 13.0% in 2H17.

<sup>13</sup> Operating expenses referenced in this press release are including depreciations on tangible and intangible fixed assets.

- General & administration expenses were 30.0 million euro, or 5.7% of sales, compared to 29.3 million euro or 5.2% of sales last year.

Other operating results amounted to a positive 2.5 million euro compared to a negative 2.4 million euro last year.

### EBITDA & adjusted EBIT

EBITDA was 73.0 million euro compared to 59.0 million euro for the prior year second semester. EBITDA margin in the second half was 13.8% versus 10.4% for the second half of 2017, with strong increases in both the Enterprise and Healthcare divisions. The increase is driven by higher sales & gross margin accretion due to mix effects, value engineering en other cost efficiency efforts.

By division, EBITDA and EBITDA margin was as follows:

<b>2H18</b> (in millions of euro)	<b>Sales</b>	<b>EBITDA</b>	<b>EBITDA %</b>
Entertainment	218.7	15.5	7.1%
Enterprise	186.6	40.7	21.8%
Healthcare	125.2	16.8	13.4%
<b>Group</b>	<b>530.4</b>	<b>73.0</b>	<b>13.8%</b>

EBITDA by division 2H18 versus 2H17 is as follows:

(in millions of euro)	<b>2H18</b>	<b>2H17</b>	<b>Change</b>
Entertainment	15.5	21.4	-27.5%
Enterprise	40.7	23.9	+70.5%
Healthcare	16.8	13.7	+22.4%
<b>Group</b>	<b>73.0</b>	<b>59.0</b>	<b>+23.8%</b>

Adjusted EBIT was 55.1 million euro or 10.4% of sales compared to 41.7 million euro or 7.4% for the same period last year.

### Net income

Net income attributable to the equity holders for the second semester was 47.7 million euro compared to 5.6 million euro in 2H17.



## ANNEX II

## Trading Update 4Q18

## Trading update fourth quarter 2018

Order Book

<i>(in millions of euro)</i>	<b>31 Dec 2018</b>	<b>30 Sep 2018</b>	<b>30 Jun 2018</b>	<b>31 Mar 2018</b>	<b>31 Dec 2017</b>	<b>30 Sep 2017</b>
Order book	303.2	319.5	324.4	347.0	285.9	322.0

Order Intake

<i>(in millions of euro)</i>	<b>4Q18</b>	<b>3Q18</b>	<b>2Q18</b>	<b>1Q18</b>	<b>4Q17</b>	<b>3Q17</b>
Order Intake	263.9	243.3	263.6	276.0	239.7	259.0

Sales

<i>(in millions of euro)</i>	<b>4Q18</b>	<b>3Q18</b>	<b>2Q18</b>	<b>1Q18</b>	<b>4Q17</b>	<b>3Q17</b>
Sales	281.7	248.7	252.9	245.2	273.4	242.5

Sales

<i>(in millions of euro)</i>	<b>4Q18</b>	<b>4Q17</b>	<b>Change</b>
Entertainment	110.1	122.9	-10.4%
Enterprise	106.7	83.2	+28.2%
Healthcare	64.9	67.3	-3.6%
<b>Group</b>	<b>281.7</b>	<b>273.4</b>	<b>+3.0%</b>

## ANNEX III

## Pro forma comparison

As announced in the 1H18 results, Barco completed the transaction on the sale of 9% shares in the BarcoCFG joint venture and reduced its stake to a 49% position. As a result, as of July 2018 the BarcoCFG joint venture orders and sales are no longer consolidated in Barco's group and Entertainment results.

2018 reported versus pro forma 2017

To facilitate comparable trend analysis of Barco's topline results, the full year 2018 press release is using pro forma Entertainment and group orders and sales for the 2 last quarters of 2017 as if the 2H18 structure had been in place. The table shown below presents both pro forma and reported orders and sales for the respective quarters, semesters and years.

Reported and pro forma orders and sales following the deconsolidation for 2H17:

<i>(in millions of euro)</i>	<b>Reported 3Q17</b>	<b>Pro forma 3Q17</b>	<b>Reported 4Q17</b>	<b>Pro forma 4Q17</b>	<b>Reported 2H17</b>	<b>Pro forma 2H17</b>	<b>Reported FY17</b>	<b>Pro forma FY17</b>
Group Orders	263.7	259.0	279.7	239.7	543.3	498.7	1,105.2	1,060.6
Entertainment Sales	136.5	112.3	149.4	122.8	285.9	235.1	533.3	482.5
Group Sales	266.7	242.5	300.0	273.4	566.7	515.9	1,084.7	1,033.9

2019 reported versus pro forma 2018

In order to support comparable projections for 2019 versus 2018, we present also the pro forma orders and sales for 1H18 as if the deconsolidation had been in place as of 1 January 2018<sup>14</sup>:

<i>(in millions of euro)</i>	<b>Reported 1Q18</b>	<b>Pro forma 1Q18</b>	<b>Reported 2Q18</b>	<b>Pro forma 2Q18</b>	<b>Reported 1H18</b>	<b>Pro forma 1H18</b>	<b>Reported FY18</b>	<b>Pro Forma FY18</b>
Group Orders	276.0	244.4	263.6	252.0	539.7	496.4	1,046.9	1,003.6
Entertainment Sales	110.3	89.0	118.6	100.4	228.9	189.4	447.6	408.1
Group Sales	245.2	223.9	252.9	234.7	498.1	458.6	1,028.5	989.0

<sup>14</sup> With the deconsolidation active as of mid-year 2018, the 2018 numbers used reported orders and sales for 1H18. For 2019, comparable data analysis will call for pro forma 1H18 orders and sales.

## ANNEX IV

## Financial Tables

Income Statement	2018	2017	2016
<i>(in thousands of euro)</i>			
Sales	1,028,531	1,084,706	1,102,342
Cost of goods sold	-615,578	-680,554	-723,538
<b>Gross profit</b>	<b>412,953</b>	<b>404,152</b>	<b>378,804</b>
Research and development expenses	-120,279	-122,305	-143,362
Sales and marketing expenses	-147,723	-146,802	-147,088
General and administration expenses	-57,464	-58,095	-55,122
Other operating income (expense) - net	2,488	-3,710	3,325
<b>Adjusted EBIT</b>	<b>89,974</b>	<b>73,241</b>	<b>36,557</b>
Restructuring and impairments	-17,000	-32,404	-12,939
Gain on change in control	16,384	-	-
Gain on sale building	-	-	6,866
Other non-operating income/(expense)	-	-	33
<b>EBIT</b>	<b>89,358</b>	<b>40,836</b>	<b>30,516</b>
Interest income	5,915	4,666	4,401
Interest expense	-1,566	-2,653	-3,161
<b>Income before taxes</b>	<b>93,708</b>	<b>42,849</b>	<b>31,756</b>
Income taxes	-16,586	-11,355	-6,345
<b>Result after taxes</b>	<b>77,121</b>	<b>31,494</b>	<b>25,411</b>
Share in the result of joint ventures and associates	191	1,290	263
<b>Net income</b>	<b>77,312</b>	<b>32,784</b>	<b>25,674</b>
<b>Net income attributable to non-controlling interest</b>	<b>2,347</b>	<b>8,008</b>	<b>14,652</b>
<b>Net income attributable to the equity holder of the parent</b>	<b>74,965</b>	<b>24,776</b>	<b>11,023</b>
Earnings per share (in euros)	6.03	2.01	0.91
Diluted earnings per share (in euros)	5.98	1.99	0.88

<b>Selected Financial Ratios</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
EBITDA	124,466	107,118	88,002
EBITDA on sales	12.1%	9.9%	8.0%
Adjusted EBIT on sales	8.7%	6.8%	3.3%
EBIT on sales	8.7%	3.8%	2.8%
Total debt to equity	6.0%	8.9%	13.6%

<b>Balance sheet</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
<i>(in thousands of euro)</i>			
<b>ASSETS</b>			
Goodwill	105,612	105,385	124,255
Other intangible assets	47,397	63,361	75,765
Land and buildings	57,777	57,964	53,019
Other tangible assets	51,003	47,366	50,916
Investments	19,105	7,906	14,460
Deferred tax assets	67,478	69,859	89,100
Other non-current assets	9,732	12,887	19,112
<b>Non-current assets</b>	<b>358,103</b>	<b>364,729</b>	<b>426,627</b>
Inventory	135,111	132,754	166,202
Trade debtors	161,787	149,438	188,561
Other amounts receivable	19,567	19,368	15,584
Short term investments	112,795	-	-
Cash and cash equivalents	251,807	254,130	353,549
Prepaid expenses and accrued income	8,131	5,041	8,709
Assets held for sale	-	139,536	-
<b>Current assets</b>	<b>689,197</b>	<b>700,267</b>	<b>732,605</b>
<b>Total Assets</b>	<b>1,047,301</b>	<b>1,064,996</b>	<b>1,159,231</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equityholders of the parent	633,267	579,449	590,243
Non-controlling interests	1,777	14,065	25,244
<b>Equity</b>	<b>635,044</b>	<b>593,514</b>	<b>615,487</b>
Long-term debts	29,882	41,036	66,811
Deferred tax liabilities	3,140	4,647	8,813
Other long-term liabilities	24,557	4,555	11,198
Long-term provisions	34,265	24,607	30,824
<b>Non-current liabilities</b>	<b>91,845</b>	<b>74,845</b>	<b>117,647</b>
Current portion of long-term debts	7,500	10,000	11,500
Short-term debts	686	686	2,085
Trade payables	105,148	102,943	135,127
Advances received from customers	53,747	67,040	109,064
Tax payables	11,370	9,752	13,880
Employee benefit liabilities	51,314	49,983	57,050
Other current liabilities	48,532	10,586	9,684
Accrued charges and deferred income	10,082	18,074	58,050
Short-term provisions	32,032	26,904	29,657
Liabilities directly associated with the assets held for sale	-	100,669	-
<b>Current liabilities</b>	<b>320,412</b>	<b>396,637</b>	<b>426,098</b>
<b>Total Equity and Liabilities</b>	<b>1,047,301</b>	<b>1,064,996</b>	<b>1,159,231</b>

Cash flow statement	2018	2017	2016
<i>(in thousands of euro)</i>			
<b>Cash flow from operating activities</b>			
Adjusted EBIT	89,974	73,241	36,557
Impairment of capitalized development costs	-	-	1,364
Restructuring	-2,882	-4,244	-4,917
Gain on sale of divestments	-743	-513	-1,000
Amortization capitalized development cost	-	-	21,509
Depreciation of tangible and intangible fixed assets	34,492	33,877	28,572
Gain/(Loss) on tangible fixed assets	-149	362	-401
Share options recognized as cost	2,050	1,549	1,234
Share in the profit/(loss) of joint ventures and associates	191	1,290	263
<b>Gross operating cash flow</b>	<b>122,933</b>	<b>105,560</b>	<b>83,180</b>
Changes in trade receivables	-11,209	-7,326	205
Changes in inventory	334	-3,577	-2,829
Changes in trade payables	-1,306	-19,660	-2,676
Other changes in net working capital	-12,722	-8,113	11,883
<b>Change in net working capital</b>	<b>-24,903</b>	<b>-38,677</b>	<b>6,583</b>
<b>Net operating cash flow</b>	<b>98,030</b>	<b>66,883</b>	<b>89,763</b>
Interest received	5,915	4,666	7,272
Interest paid	-1,566	-2,653	-3,161
Income taxes	-12,460	-4,395	-11,538
<b>Cash flow from operating activities</b>	<b>89,919</b>	<b>64,501</b>	<b>82,337</b>
<b>Cash flow from investing activities</b>			
Purchases of tangible and intangible fixed assets	-25,627	-23,160	-24,241
Proceeds on disposals of tangible and intangible fixed assets	922	168	578
Proceeds from sale of building	-	-	9,292
Payments for short term investments	-112,795	-	-
Acquisition of group companies, net of acquired cash	-5,621	-5,889	-10,229
Disposal of group companies, net of disposed cash	-32,558	6,437	1,000
Other investing activities	-2,972	-3,729	-16,667
Dividends from joint ventures and associates	10,499	8	376
<b>Cash flow from investing activities (including acquisitions and divestments)</b>	<b>-168,152</b>	<b>-26,166</b>	<b>-39,891</b>
<b>Cash flow from financing activities</b>			
Dividends paid	-25,975	-23,292	-20,951
Capital increase	132	433	2,498
Sale of own shares	5,928	5,314	5,684
Payments (-) of long-term liabilities	-8,363	-17,532	-11,381
Proceeds from (+), payments of (-) short-term liabilities	-4,430	1,401	-2,239
Advances on capital contribution from non-controlling interest	37,906	-	-
Dividend distributed to non-controlling interest	-	-17,893	-5,707
Capital increase from non-controlling interest	-	-	2,912
<b>Cash flow from financing activities</b>	<b>5,198</b>	<b>-51,569</b>	<b>-29,185</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-73,035</b>	<b>-13,234</b>	<b>13,261</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>321,514</b>	<b>353,549</b>	<b>341,277</b>
<b>Cash and cash equivalents (CTA)</b>	<b>3,328</b>	<b>-18,801</b>	<b>-989</b>
<b>Cash and cash equivalents at end of period</b>	<b>251,807</b>	<b>321,514</b>	<b>353,549</b>
Cash assets held for sale (BarcoCFG)	-	67,385	-
Cash and cash equivalents at end of period excluding assets held for sale	<b>251,807</b>	<b>254,130</b>	<b>353,549</b>

Results per division	2018	2017	2016
<i>(in thousands of euro)</i>			
<b>Sales</b>			
Entertainment	447,611	533,285	578,057
Enterprise	335,914	308,161	289,652
Healthcare	245,006	243,259	234,633
<b>Group</b>	<b>1,028,531</b>	<b>1,084,706</b>	<b>1,102,342</b>
<b>EBITDA</b>			
Entertainment	32,879	38,922	30,446
Enterprise	60,944	40,662	32,984
Healthcare	30,642	27,533	24,572
<b>Group</b>	<b>124,466</b>	<b>107,118</b>	<b>88,002</b>