Half year report

Barco six months ended 30 June 2020

Obligations with regard to periodical information following the transparency directive effective as of 1 January 2008

Declaration regarding the information given in this report as of and for the 6 months ended 30 June 2020

The Board of Directors of Barco NV certifies in the name and on behalf of Barco NV, that to the best of their knowledge,

- the interim condensed consolidated financial statements, established in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, give a true and fair view of the assets, financial position and results of Barco NV and of the entities included in the consolidation;
- the Management Discussion and Analysis presents a fair overview of the development and the results of the business and the position of Barco NV and of the entities included in the consolidation.

On behalf of the Board of Directors

Jan De Witte, CEO Ann Desender, CFO

All definitions of Alternative Performance Measures (APMs) can be found in the Glossary of this report.

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Key figures

IN THOUSANDS OF EURO	1H 2020	1H 2019	1H 2018
Orders	398,682	533,840	539,676
Orderbook	317,189	344,169	324,394
Sales	407,220	496,440	498,103
Gross Profit	160,534	201,237	193,019
Gross Profit Margin	39.4%	40.5%	38.8%
Adjusted EBIT	20,392	48,246	34,910
Adjusted EBIT Margin	5.0%	9.7%	7.0%
EBITDA	40,686	67,586	51,495
EBITDA Margin	10.0%	13.6%	10.3%
Net income	10,419	42,083	29,656
Net income attributable to the equityholder of parent	10,397	43,053	27,269
Net income margin attributable to the equityholder of parent	2.6%	8.7%	5.5%
Earnings per share (in euro) [1]	0.12	0.49	0.31
Diluted earnings per share (in euro) [1]	0.12	0.49	0.31

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

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BARCO DEMETRA, DERMOSCOPY DONE DIFFERENTLY

Management discussion and analysis of the results

First half 2020 financial highlights

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

Executive summary

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

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

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

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

Enterprise reported weaker results for the first semester in both the Corporate and Control Rooms segments. Following a promising launch of ClickShare Conference in late January, Corporate saw demand weaken significantly in April and May as companies around the world complied with lock-down requirements. As a result of early back-to-office activity in June, business began to gradually pick up towards the end of the second quarter.
The Control Rooms segment reported softer results for the first semester mainly due to project delays, although it demonstrated signs of improvement in the latter half of the semester, resulting in a better second quarter relative to the first quarter.

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

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Protecting profitability with impactful cost containment actions

In response to the decline of revenues and to mitigate the adverse impacts of the pandemic on profitability, Barco managed to reduce indirect costs by 15% versus last year through a broad cost containment program.
Gross profit margin was 1.1 percentage points lower year-over-year reflecting higher transportation costs and mix effects.
EBITDA margin for the first half was 10% of sales, 3.6 percentage points below last year.

Navigating the crisis and leveraging our resilient platform

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

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

Quote of the CEO, Jan De Witte

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

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

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

(1) LCM: Liquid Crystal Module

Outlook 2020 – current

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

2020: No formal outlook but sharing segment insights

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

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

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

Preparing 2021

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

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Consolidated results for 1H20

Order intake & orderbook

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

IN MILLIONS OF EURO	30 JUN 2020	31 DEC 2019	30 JUN 2019	31 DEC 2018
Order book	317.2	322.3	344.2	303.2

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

IN MILLIONS OF EURO	1H20	2H19	1H19	2H18
Order intake	398.7	568.3	533.8	507.2

Order intake by division

IN MILLIONS OF EURO	1H20	1H19	CHANGE
Entertainment	141.3	231.3	-39%
Enterprise	114.5	174.8	-34%
Healthcare	142.9	127.7	+12%
Group	**398.7**	**533.8**	**-25%**
Order Intake at constant currencies			-26%

Order intake per region

IN MILLIONS OF EURO	1H20	% OF TOTAL	1H19	% OF TOTAL	CHANGE in nominal value
The Americas	159.2	40%	212.9	40%	-25%
EMEA	146.4	37%	191.3	36%	-23%
APAC	93.2	23%	129.6	24%	-28%

Sales

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

IN MILLIONS OF EURO	1H20	2H19	1H19	2H18
Sales	407.2	586.1	496.4	530.4

Sales by division [1]

IN MILLIONS OF EURO	1H20	1H19	CHANGE
Entertainment	156.2	194.5	-20%
Enterprise	112.9	173.9	-35%
Healthcare	138.2	128.0	+8%
Group	**407.2**	**496.4**	**-18%**
Sales at constant currencies			-19%

Sales per region

IN MILLIONS OF EURO	1H20	% OF TOTAL	1H19	% OF TOTAL	CHANGE in nominal value
The Americas	171.5	42%	198.1	40%	-13%
EMEA	147.6	36%	188.9	38%	-22%
APAC	88.2	22%	109.4	22%	-19%

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

Profitability

Gross profit

Gross profit margin was maintained at a stable level at 39.4%, with the decrease limited to 1.1 percentage points compared to last year and reflecting unfavorable mix effects and higher transportation costs offset by lower manufacturing costs. Gross profit was 160.5 million euro, compared to 201.2 million euro a year ago.

Indirect expenses

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

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

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

EBITDA & EBIT

EBITDA was 40.7 million euro compared to 67.6 million euro for the prior year first semester, a decrease of 26.9 million euro. EBITDA margin was 10.0%, down 3.6 percentage points compared to the first semester of last year.

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

1H20 IN MILLIONS OF EURO	SALES	EBITDA	EBITDA %
Entertainment	156.2	4.9	3.1%
Enterprise	112.9	13.7	12.1%
Healthcare	138.2	22.1	16.0%
Group	407.2	40.7	10.0%

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

IN MILLIONS OF EURO	1H20	1H19	CHANGE
Entertainment	4.9	15.5	-69%
Enterprise	13.7	35.5	-61%
Healthcare	22.1	16.6	+33%
Group	40.7	67.6	-40%

Weaker sales and negative operating leverage drove down EBITDA in absolute value by 40%, reflecting sizeable declines for both Entertainment and Enterprise which were partially offset by a solid increase for Healthcare.
Adjusted EBIT was 20.4 million euro or 5.0% of sales compared to 48.2 million euro or 9.7% of sales, last year.

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

(1) Adjusted EBIT is EBIT excluding restructuring charges and impairments, see Glossary Annual and Half year report

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Income taxes

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

Net income

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

Net earnings per ordinary share (EPS) for the first semester were 0.12 euro compared to 0.49 euro, the year before [1].

Cash flow & Balance sheet

Free cash flow

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

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

IN MILLIONS OF EURO	1H20	1H19	1H18
Gross operating free cash flow	**36.4**	**57.4**	**48.3**
Changes in trade receivables	38.4	14.7	3.0
Changes in inventory	-56.9	-33.1	-15.3
Changes in trade payables	-32.6	10.4	-5.6
Other changes in net working capital	-26.9	5.7	-17.0
Change in net working capital	*-78.1*	*-2.3*	*-34.9*
Net operating free cash flow	**-41.7**	**55.2**	**13.4**
Interest income/expense	0.8	2.3	2.3
Income taxes	-3.7	-5.3	-6.8
Free Cash flow from operating activities	**-44.6**	**52.2**	**8.9**
Purchases of tangible & intangible FA	-6.3	-12.0	-13.9
Proceeds on disposals of tangible & intangible FA	0.0	1.4	1.0
Free cash flow from investing activities	**-6.3**	**-10.6**	**-12.9**
FREE CASH FLOW	**-50.9**	**41.6**	**-4.0**

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

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Working capital

Net working capital peaked at the end of the second quarter at 10.9% of sales compared to 1.6% of sales a year ago.
The increase in working capital is mainly due to higher levels of incoming goods in inventory, following the February-April supply chain disruptions, and with the adjusted purchasing approach in the second quarter not yet translated in lower total inventory balances while trade payables did decrease.
The increase in DSO is mainly related to more flexibility towards partners and customers in Entertainment and Enterprise.

IN MILLIONS OF EURO	1H20	FY19	1H19
Trade Receivables	156.7	195.4	147.9
DSO	82	55	52
Inventory	223.3	169.0	168.8
Inventory turns	2.2	3.2	3.0
Trade Payables	-96.3	-128.9	-115.0
DPO	59	71	67
Other Working Capital	-175.6	-205.2	-184.8
TOTAL WORKING CAPITAL	**108.0**	**30.2**	**16.8**

Capital expenditure

Capital expenditure was 6.3 million euro compared to 12.0 million euro a year ago.
In the context of the pandemic, the company deliberately adjusted the level of expenditure by focusing on selected projects.

Return on Capital Employed

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

Net financial cash position

The net financial cash position was 223.2 million euro compared to 304.7 million euro as of 30 June 2019 and 329.4 as of 31 December 2019. This decrease of 106 million euro versus the year end reflects the negative free cash flow, dividends paid out and follow-on investment in Barco's position in Unilumin (LED Manufacturer)[1].

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

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

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DIVISIONAL RESULTS FOR 1H20

ENTERTAINMENT DIVISION

IN MILLIONS OF EURO	1H20	1H19	CHANGE vs 1H19
Order intake	141.3	231.3	-39%
Sales	156.2	194.5	-20%
EBITDA	4.9	15.5	-68%
EBITDA margin	3.1%	8.0%	

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

Within Cinema, the primary cause of weakness was material push-outs of cinema replacement projects, a sub-segment that is expected to remain soft during the third quarter.
In addition, many newbuild cinema projects in emerging regions were put on hold during the second quarter though some resumption of activity is expected in the third quarter. Service revenues fell during the second quarter and are expected to rebound in the third quarter as cinemas reopen. Although many contracts have been pushed out during this challenging time, no contract has been cancelled. During the first half, and with one of its competitors exiting the cinema market, the division strengthened its market share and technology leadership position, expanded its footprint, continued to promote its laser retrofit-solutions and secured new contracts that address both the replacement wave and new build opportunities.

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

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

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

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

ENTERPRISE DIVISION

IN MILLIONS OF EURO	1H20	1H19	1H18	CHANGE vs 1H19
Order intake	114.5	174.8	158.9	-34%
Sales	112.9	173.9	149.3	-35%
EBITDA	13.7	35.5	20.3	-61%
EBITDA margin	12.1%	20.4%	13.6%	

The Enterprise division saw a 30% decrease in orders and sales driven by declines across all regions and in both segments for the first and second quarter.
The Corporate segment accounted for 57% of the Enterprise's sales for the first half of the year, in line with the previous year's breakdown.

ClickShare Conference was launched in January and the segment focused on seeding the market with the new solution during the first semester. Channels and first-time users are responding positively, reflecting demand for hybrid meet-

All definitions of Alternative Performance Measures (APMs) can be found in the Glossary of this report.

ing room equipment, which enables remote and in-office collaboration. This is expected to further increase as the pandemic accelerated videoconferencing and hybrid meeting room activity.
Demand for the ClickShare portfolio was severely dampened in April and May, as nearly all end-customers were under lock-down. As offices re-opened and corporations started to bring people back into offices in certain geographies, the segment started to see a resumption of funnel building, orders and sales for both ClickShare Present and ClickShare Conference in the second half of June.
During the first half of 2020, ClickShare sustained its market leadership and has now been installed in almost 800,000 meeting rooms up from 720,000 at the end of last year.

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

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

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

HEALTHCARE DIVISION

IN MILLIONS OF EURO	1H20	1H19	1H18	CHANGE vs 1H19
Order intake	142.9	127.7	132.1	+12%
Sales	138.2	128.0	119.8	+8%
EBITDA	22.1	16.6	13.9	+33%
EBITDA margin	16.0%	13.0%	11.6%	

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

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

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

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

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BARCO UNISEE AT DISASTER STATUS CONTROL CENTER

Jeollanamdo, South Korea

Interim condensed consolidated income statement

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

(1) Management considers adjusted EBIT to be a relevant performance measure in order to compare results over the period 2018 to 2020, as it excludes adjusting items. Adjusting items include impairments in 2020.
(2) We refer to 1.2.3. for more explanation on the restructuring and impairment costs
(3) At Barco's Extraordinary General Shareholder's Meeting, of 30 April 2020, the shareholders have approved the share split by a factor seven (7), effective as of 1 July 2020. The purpose of the share split is to enhance accessibility and to improve the liquidity of the Barco share. As a result of this share split, Barco's total capital shall be represented by 91,487,438 shares as from 1 July 2020. Each of these shares confers one voting right at the General Meeting. The new split shares (please note: new ISIN code BE0974362940) are traded on the Euronext Brussels regulated market from 1 July 2020 onwards. Therefore the earnings and diluted earnings per share as of 30 June 2020, 2019 and 2018 are for comparison reasons recalculated for the new number of shares.

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Interim condensed consolidated statement of comprehensive income

IN THOUSANDS OF EURO	1H 2020	1H 2019	1H 2018
Net income	**10,419**	**42,083**	**29,656**
Exchange differences on translation of foreign operations [1]	-6,278	2,723	2,373
Net Operating Free Cash Flow hedges			
Net gain/(loss) on cash flow hedges	-61	-355	64
Income tax	10	60	-13
Net gain/(loss) on cash flow hedges, net of tax	-51	-295	51
Other comprehensive income/(loss) to be recycled through profit and loss in subsequent periods	**-6,329**	**2,428**	**2,425**
Changes in the fair value of equity investments through other comprehensive income	-6,168	-	-
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	**-6,168**	**-**	**-**
Other comprehensive income/(loss) for the period, net of tax effect	**-12,497**	**2,428**	**2,425**
Attributable to equity holder of the parent	-12,589	2,548	2,244
Attributable to non-controlling interest	93	-120	180
Total comprehensive income/(loss), for the year, net of tax	**-2,077**	**44,511**	**32,081**
Attributable to equity holder of the parent	-2,193	45,601	29,513
Attributable to non-controlling interest	115	-1,090	2,568

(1) Translation exposure gives rise to non-cash exchange gains/losses. Examples are foreign equity and other long-term investments abroad. These long-term investments give rise to period translation gains/losses that are non-cash in nature until the investment is realized or liquidated. The comprehensive income line commonly shows a positive result in case the foreign currency in countries where investments were made appreciates versus the euro, and a negative result in case the foreign currency depreciates.
At the end of June 2020, the negative exchange differences in the comprehensive income line were mainly booked on foreign operations held in Norwegian Krone, Indian Rupees, Chinese Yuan and British Pound. At the end of June 2019, the positive exchange differences in the comprehensive income line were mainly booked on foreign operations held in Indian Rupees, Chinese Yuan, Canadian dollars, Norwegian Krone and US dollars. At the end of June 2018, the positive exchange differences were mainly booked on foreign operations held in US dollars and Chinese Yuan.

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Interim condensed consolidated balance sheet

IN THOUSANDS OF EURO	30 JUN 2020	31 DEC 2019
Assets		
Goodwill	105,612	105,612
Other intangible assets	37,751	44,469
Land and buildings	78,204	83,665
Other tangible assets	44,008	51,804
Investments	58,192	43,288
Deferred tax assets	61,401	60,116
Other non-current assets	5,737	4,018
Non-current assets	***390,904***	***392,972***
Inventory	223,251	168,983
Trade debtors	156,662	195,358
Other amounts receivable	13,199	25,669
Short term investments	6,299	24,748
Cash and cash equivalents	264,263	357,035
Prepaid expenses and accrued income	11,286	9,409
Current assets	***674,960***	***781,203***
Total assets	**1,065,864**	**1,174,176**
Equity and liabilities		
Equity attributable to equityholders of the parent	668,612	700,060
Non-controlling interests	40,705	40,590
Equity	***709,317***	***740,650***
Long-term debts	36,766	40,225
Deferred tax liabilities	7,004	7,575
Other long-term liabilities	46,807	27,031
Long-term provisions	39,738	42,428
Non-current liabilities	***130,315***	***117,259***
Current portion of long-term debts	10,021	12,469
Short-term debts	572	-
Trade payables	96,316	128,914
Advances received from customers	47,657	69,515
Tax payables	8,501	9,893
Employee benefit liabilities	34,834	54,652
Other current liabilities	6,233	13,268
Accrued charges and deferred income	10,845	8,795
Short-term provisions	11,253	18,759
Current liabilities	***226,232***	***316,266***
Total equity and liabilities	**1,065,864**	**1,174,176**

All definitions of Alternative Performance Measures (APMs) can be found in the Glossary of this report.

Interim condensed consolidated statement of cash flows

IN THOUSANDS OF EURO	1H 2020	1H 2019	1H 2018
Cash flow from operating activities			
Adjusted EBIT	20,392	48,246	34,910
Restructuring	-3,827	-9,781	-908
Gain on sale of divestments	-	-	-745
Depreciation of tangible and intangible fixed assets	20,294	19,340	16,584
Gain/(Loss) on tangible fixed assets	18	-498	-652
Share options recognized as cost	1,454	1,073	1,025
Share in the profit/(loss) of joint ventures and associates	-437	112	-861
Gross operating cash flow	**37,894**	**58,492**	**49,354**
Changes in trade receivables	38,374	14,731	2,971
Changes in inventory	-56,959	-33,083	-15,302
Changes in trade payables	-32,597	10,381	-5,574
Other changes in net working capital	-26,935	5,707	-17,025
Change in net working capital	**-78,118**	**-2,265**	**-34,929**
Net operating cash flow	**-40,224**	**56,227**	**14,425**
Interest received	2,153	3,495	3,430
Interest paid	-1,395	-1,172	-1,124
Income taxes	-3,704	-5,281	-6,821
Cash flow from operating activities	**-43,170**	**53,269**	**9,908**
Cash flow from investing activities			
Purchases of tangible and intangible fixed assets	-6,283	-11,993	-13,910
Proceeds on disposals of tangible and intangible fixed assets	27	1,415	1,040
Proceeds from (+) short term investments	18,449	5,894	-
Acquisition of Group companies, net of acquired cash [1]	-	-2,883	-4,617
Disposal of Group companies, net of disposed cash	-	-	385
Other investing activities [2]	-21,352	-11,732	867
Cash flow from investing activities (including acquisitions and divestments)	**-9,158**	**-19,300**	**-16,236**

All definitions of Alternative Performance Measures (APMs) can be found in the Glossary of this report.

IN THOUSANDS OF EURO	1H 2020	1H 2019	1H 2018
Cash flow from financing activities			
Dividends paid	-33,354	-28,680	-25,265
Capital increase	463	350	127
Sale of own shares	2,182	5,583	5,239
Payments (-) of long-term liabilities	-5,050	-16,671	-5,021
Proceeds from (+), payments of (-) short-term liabilities	-2,245	7,420	-948
Cash flow from financing activities	**-38,004**	**-31,998**	**-25,868**
Net increase/(decrease) in cash and cash equivalents	**-90,332**	**1,971**	**-32,195**
Cash and cash equivalents at beginning of period	**357,035**	**251,807**	**321,514**
Cash and cash equivalents (CTA)	**-2,440**	**2,629**	**2,583**
Cash and cash equivalents at end of period	**264,263**	**256,406**	**291,902**
Cash assets held for sale (BarcoCFG) [3]	**-**	**-**	**56,669**
Cash and cash equivalents at end of period excluding assets held for sale	**264,263**	**256,406**	**235,233**

(1) Per June 2019 this mainly relates to the MTT and Medialon acquisition of 2016 for which the contract provided for a deferred payment and earn-out of 6 million dollars, payable over three years.

(2) Other investing activities relate mainly to the investment in Unilumin per June 2020 and the investment in Caresyntax for 8.9 million euro per June 2019. Other investing activities also include the neutralization of Barco's share in the result of equity investments in all years.

(3) Cash and cash equivalents per June 2018 includes the 56.7 million euro cash in BarcoCFG which is classified as held for sale in the balance sheet. Excluding BarcoCFG, cash and cash equivalents amount to 235.2 million euro (balance sheet).

All definitions of Alternative Performance Measures (APMs) can be found in the Glossary of this report.

Interim condensed consolidated statement of changes in equity

IN THOUSANDS OF EURO	Share capital and premium	Retained earnings	Share-based payments	Cumulative translation adjustment	Cash flow hedge reserve	Own shares	Equity attributable to equityholders of the parent	Non-controlling interest	Equity
Balance on 1 January 2018	**201,908**	**457,053**	**7,511**	**-43,717**	**-1,100**	**-42,205**	**579,450**	**14,065**	**593,515**
Net income attributable to equityholders of the parent		27,269					27,269	2,387	29,656
Dividend		-25,955					-25,955		-25,955
Capital and share premium increase	127						127		127
Other comprehensive income (loss) for the period, net of tax				2,193	51		2,244	180	2,425
Share-based payment			1,025				1,025		1,025
Exercise of options						5,239	5,239		5,239
Balance on 30 June 2018	202,035	458,367	8,536	-41,524	-1,049	-36,966	589,399	16,633	606,032
Balance on 1 January 2019	**202,041**	**501,807**	**9,046**	**-42,842**	**-1,022**	**-35,762**	**633,268**	**1,777**	**635,045**
Net income attributable to equityholders of the parent		43,053					43,053	-970	42,083
Dividend		-28,680					-28,680		-28,680
Capital and share premium increase	350						350		350
Other comprehensive income (loss) for the period, net of tax				2,842	-295		2,548	-120	2,428
Deferred tax liability recognized on adoption IFRIC23 [1]		-6,500					-6,500		-6,500
Share-based payment			1,073				1,073		1,073
Exercise of options						5,583	5,583		5,583
Increase in ownership interest, without change in control		-1,533					-1,533	-1,852	-3,385
Decrease in ownership interest, without change in control [2]								39,515	39,515
Balance on 30 June 2019	202,391	508,147	10,119	-40,000	-1,317	-30,179	649,163	38,350	687,512
Balance on 1 January 2020	**202,401**	**554,479**	**11,193**	**-37,522**	**-1,157**	**-29,334**	**700,060**	**40,590**	**740,650**
Net income attributable to equityholders of the parent		10,397					10,397	22	10,419
Dividend		-33,354					-33,354		-33,354
Capital and share premium increase	463						463		463
Other comprehensive income (loss) for the period, net of tax		-6,168		-6,371	-51		-12,589	93	-12,497
Share-based payment			1,454				1,454		1,454
Exercise of options						2,182	2,182		2,182
Balance on 30 June 2020	202,864	525,354	12,647	-43,893	-1,208	-27,151	668,612	40,705	709,317

(1) We refer to note 1 Significant IFRS accounting principles in the Company's annual report 2019 for explanation on IFRIC23. Uncertainty over income tax treatments applied as of 1 January 2019.

(2) Mid December 2018 three minority shareholders have contributed in the capital of Cinionic Ltd., totaling 45% of the total capital contributions of USD 100 million. As of 1 January 2019, these capital contributions gave right to 45% in the Cinionic Ltd. equity and result. Barco remains in control. The 45% stake is shown as non-controlling interest as of 1 January 2019 (39.5 million euro).

All definitions of Alternative Performance Measures (APMs) can be found in the Glossary of this report.

Notes to the interim condensed consolidated financial statements

As the information provided in the interim financial statements is less comprehensive than that contained in the annual financial statements, these statements should be read in conjunction with the consolidated annual report for 2019.

1. Significant changes in the current reporting period

1.1. Significant IFRS accounting principles

IAS 34 was applied to prepare the half year interim condensed consolidated financial statements as of and for the 6 months period ended 30 June 2020.
The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

1.2. Critical accounting judgments and key sources of estimation uncertainty

In preparing the Company's interim condensed consolidated financial statements, management makes judgments in applying various accounting policies. The areas of policy judgment are consistent with those followed in the preparation of Barco's annual consolidated financial statements as of and for the year ended 31 December 2019. In addition, management makes assumptions about the future in deriving critical accounting estimates used in preparing the condensed consolidated financial statements. As disclosed, in the Company's 2019 annual consolidated financial statements, such sources of estimation include estimates on the future realization of deferred tax assets, write-off on inventories and potential impairment of goodwill.

In view of the ongoing uncertainty surrounding the covid-19 global pandemic (see 'Risk factors') and the extent and duration of the impacts that it may have in particular on the global cinema,events and Enterprise business as well as the Company's customers, suppliers and employees, there is heightened potential for future credit losses on receivables, inventory write downs, impairments of goodwill (see note 1.2.2) and valuation allowances against deferred tax assets that are based on future performance of the Company's business.

As an understanding of the longer-term impacts of covid-19 on the company's customers and business develops, there is heightened potential for changes in these views over the remainder of 2020.

1.2.1. Current expected credit losses

The group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 Financial instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The ability of the company to collect its accounts receivable balances is dependent on the viability and solvency of its business partners, distributors and resellers, which is influenced by business behavior, which is on its turn influenced by consumer behavior and general economic conditions. Customers may experience financial difficulties that could cause them to be unable to fulfill their payment obligations to the Company.

The Company develops its estimate of credit losses by type of business and customer type, number of days overdue and historical loss rates which are then adjusted for specific receivables that are judged to have a higher than normal risk profile after taking into account management's internal credit assessment, as well as macro-economic and industry risk factors.

Moreover, the Company has a credit insurance in place for specific higher risk cinema contracts.

For the six months ended June 30, 2020, the Company recorded a provision for current expected credit losses of € 2.6 million reflecting a reduction in the credit quality of its cinema customers related accounts receivable as a result of the covid-19 global pandemic. Management's judgements regarding expected credit losses are based on the facts available to management.

1.2.2. Goodwill impairment

As a result of the events and factors described above, the Company performed a quantitative goodwill impairment test. The test was performed on a cash-generating unit level by comparing each unit's carrying value, including goodwill, to its fair value.

The fair value of each reporting unit was assessed using a discounted cash flow model based on divisional management's revised budget for the year and estimated long-term projections covering a five-year period. Consistently with its yearly impairment test, the Company adjusts the divisional management cash flow projections for future years to more conservative levels in view of the level of uncertainty. The same level of conservatism compared to previous reporting periods has been applied to the updated impairment testing. The outcome of the goodwill impairment tests performed at half year 2020 did not result in any impairment loss.

1.2.3. Restructuring and impairments

The table below shows the restructuring and impairment costs recognized in the income statement per 30 June 2020:

IN THOUSANDS OF EURO	2020
Restructuring costs	-1,935
Impairment (in)tangible fixed assets	-6,135
Total restructuring and impairments	**-8,071**

As the company decided to move to a more cost competitive and next generation UniSee platform, the industrialization process came to a pivotal moment. After careful evaluation of the options, Barco's management decided to outsource UniSee LCM (Liquid Crystal Module)-production as of the second half of 2020 and to phase out the inhouse UniSee LCM-production activity in its Taiwanese factory in the second half of 2020.

All people (232) impacted have been informed. The decision has resulted in restructuring costs related to the closure of the factory and impairment of the machinery and equipment.

1.3. IFRS standards issued but not yet effective

There are no IFRS standards issued but not yet effective which are expected to have an impact on Barco's financials.

1.4. Acquisitions and investments

1.4.1. Investment in Unilumin

On September 10th, 2019 Barco announced a strategic collaboration with Unilumin, a listed Chinese company and leading LED manufacturer and technology leader. As part of this collaboration agreement Barco acquired a minority stake of 2% into Unilumin in 2019 and an additional 2% in the first semester of 2020 through a share transfer.

As Unilumin is stock quoted in an active market, the quoted market price is the best measure of fair value. The remeasurement at fair value per 30 June 2020 versus the carrying amount is reflected in other comprehensive income (-6.2 million euro).

2. Segment information

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**[1]: 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.

No operating segments have been aggregated to form the above reportable operating segments.

The CEO and his core leadership team monitor the results of each of the three divisions separately, so as to make decisions about resource allocation and performance assessment and consequently, the divisions qualify as operating segments. These operating segments do not show similar economic characteristics and do not exhibit similar long-term financial performance, therefore cannot be aggregated into reportable segments. Division performance is evaluated based on EBITDA. Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to the operating divisions.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(1) The projection activity related to virtual reality solutions has been transferred from the Enterprise division to the Entertainment division to further optimize the development and commercialization. With a sales contribution of approximately 8 million euro per semester, this transfer is not considered material, and therefore the 2019 financials are not restated.

2.1. Results by operating segment

The following table presents revenue, the timing of it and profit information regarding the Group's operating segments for the 6 months ending June 30, 2020, 2019 and 2018, respectively:

ENTERTAINMENT

IN THOUSANDS OF EURO	1H20		1H19		1H18	
Total sales	156,169	100.0%	194,487	100.0%	228,925	100.0%
Timing of revenue recognition						
At a point in time	138,245	88.5%	172,723	91.6%	209,042	91.3%
Over time	17,924	11.5%	21,765	8.4%	19,883	8.7%
EBITDA	**4,888**	3.1%	**15,502**	8.0%	**17,375**	7.6%

The lower sales from 1H20 to 1H19 can be explained by the impact of covid-19 on the Entertainment business. We refer to 'Management discussion and analysis of the results' and '4 Risk factors' for more explanation.
The lower sales from 1H19 to 1H18 can be explained by the fact that BarcoCFG is no longer consolidated as of the second half year of 2018 (we refer to our annual report 2019 note 3 'Assets held for sale' for more explanation on the change of control in BarcoCFG). Projector sales of Barco to BarcoCFG are as of 1 July 2018 part of sales, while the external sales of BarcoCFG to their customers are no longer included (impact of 39.5 million euro on sales, compared to 2018). As of July 1st, 2018, the results of BarcoCFG are accounted for under the equity method and are presented as part of the Group and Entertainment EBITDA (1H20: - 0.6 million euro, 1H19: 2.7 million euro (49% of net result BarcoCFG).

ENTERPRISE

IN THOUSANDS OF EURO	1H20		1H19		1H18	
Total sales	112,879	100.0%	173,938	100.0%	149,332	100.0%
Timing of revenue recognition						
At a point in time	92,682	82.1%	126,414	72.7%	103,791	69.5%
Over time	20,197	17.9%	47,524	27.3%	45,542	30.5%
EBITDA	**13,714**	12.1%	**35,469**	20.4%	**20,266**	13.6%

HEALTHCARE

IN THOUSANDS OF EURO	1H20		1H19		1H18	
Total sales	138,227	100.0%	128,014	100.0%	119,845	100.0%
Timing of revenue recognition						
At a point in time	136,298	98.6%	125,886	98.3%	117,889	98.4%
Over time	1,929	1.4%	2,128	1.7%	1,957	1.6%
EBITDA	**22,084**	16.0%	**16,615**	13.0%	**13,854**	11.6%

RECONCILIATION OF SEGMENT INFORMATION WITH GROUP INFORMATION

IN THOUSANDS OF EURO	1H20		1H19		1H18	
Entertainment	156,169	38.3%	194,487	39.2%	228,925	46.0%
Enterprise	112,879	27.7%	173,938	35.0%	149,332	30.0%
Healthcare	138,227	33.9%	128,014	25.8%	119,845	24.1%
Intra-group eliminations	-55	0.0%	-	0.0%	-	0.0%
Total sales	**407,220**	100.0%	**496,440**	100.0%	**498,103**	100.0%
Timing of revenue recognition						
At a point in time	367,170	90.2%	425,023	85.6%	430,722	86.5%
Over time	40,050	9.8%	71,417	14.4%	67,381	13.5%
EBITDA	**40,686**	10.0%	**67,586**	13.6%	**51,495**	10.3%

The overtime revenues relate half to project sales, mainly in the Enterprise division (Control Rooms activities) and half to recurring service revenues generated on maintenance contracts.

Barco's contract liabilities are shown in the balance sheet in 'Advances received from customers' and in 'Accrued charges and deferred income'.

The activity of Barco is not subject to significant seasonality throughout the year and therefore disclosure per IAS34.21 is not required. Over the last 3 years (2017-2019) average sales in the first semester was good for 47% of the total annual volume.

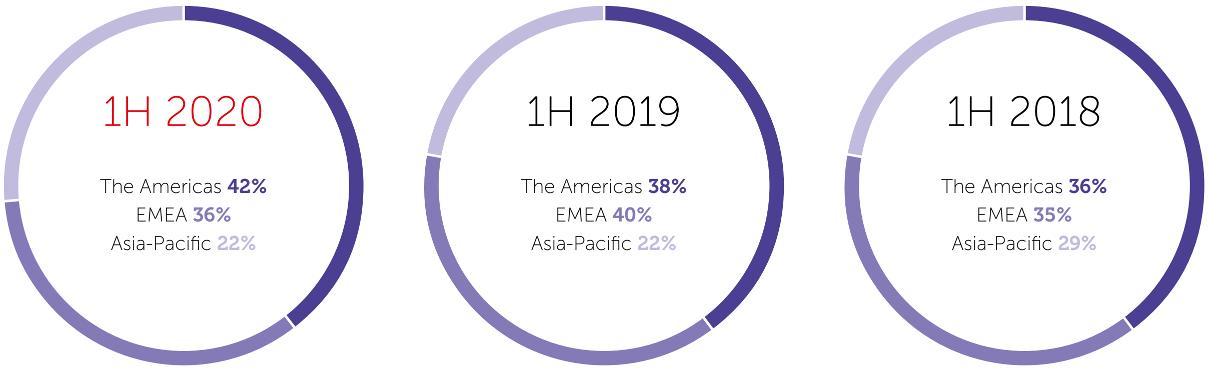
2.2. Segment assets

The following table presents segment assets of the Group's operating segments ending June 30, 2020 and December 31, 2019:

IN THOUSANDS OF EURO	30 JUNE 2020	31 DEC 2019
Assets		
Segment assets		
Entertainment	334,904	307,832
Enterprise	143,918	168,275
Healthcare	135,877	126,199
Total segment assets	**614,698**	**602,306**
Liabilities		
Segment liabilities		
Entertainment	139,146	169,700
Enterprise	62,928	78,147
Healthcare	63,042	60,913
Total segment liabilities	**265,116**	**308,760**

2.3. Geographical breakdown of sales

Management directs sales of the Group based on the regions to which the goods are shipped or the services are rendered and has three reportable regions Europe, Middle East and Africa (EMEA), Americas (North America and LATAM) and Asia-Pacific (APAC). The pie charts below present the Group's sales over the regions for the 6 month period ended 30 June 2020, 2019 and 2018, respectively:



GROUP	1H20	% OF TOTAL	1H19	% OF TOTAL	1H18	% OF TOTAL
EMEA	147.6	36%	188.9	38%	172.2	35%
AMERICAS	171.5	42%	198.1	40%	181.1	36%
APAC	88.2	22%	109.4	22%	144.8	29%

There is no significant (i.e. representing more than 10% of the Group's revenue) concentration of Barco's revenues with one customer.

3. Related party transactions

During the half-year ended 30 June 2020, Barco NV has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreements and were conducted at market prices.
Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in the consolidation and are accordingly not disclosed in this note. None of the related parties have entered into any other transactions with the Group that meet the requirements of IAS 24, 'Related party disclosures'. We refer to note 1 Consolidated companies of our annual report 2019 for an overview of the consolidated and equity accounted companies.

4. Risk factors

This report should be read together with the section "Risk Factors" in the Company's Annual Report 2019 (pages A/83 to A/97), which describes various risks and uncertainties to which the Company is or may become subject. The risks described below and in the Company's Annual Report 2019 are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect its business, financial condition and/or operating results.

Covid-19

For the last half year, the covid-19 virus has been affecting businesses all over the world – Barco included and is therefore being addressed here as additional risk.

The public health crisis caused by the covid-19 pandemic, as well as measures taken in response to contain or mitigate the pandemic, have had, and are expected to continue to have, certain negative impacts on Barco's business including, without limitation, the following:

- The demand, reflected by impact on orders and sales mainly in Barco's Entertainment and Enterprise division
- The profit and loss and operating results
- The financial condition
- Cash flows

Risk mitigation

In the below section, Barco addresses its risk mitigation plan on the covid-19 pandemic impact.

Overall approach

Since the start of the corona virus outbreak (in China in January 2020) Barco has set up a global response team that is monitoring and supporting Barco's operations on a daily basis and is focusing both on the safety and health of its employees, as well as on ensuring business continuity.

Measures to keep our employees safe

Hygiene, social distancing and track-and-trace measures

As of February-March timeframe and taking into account local or regional sanitary & health regulations, the company strengthened personal hygiene measures throughout the organization, as well as business travel restrictions. Barco also expanded its home-work protocol and implemented social distancing measures for employees in all its facilities.
In addition, a track-and-trace system has been put in place to slow down a possible future spread of the virus.

For now, Barco is pleased to report that its global workforce has essentially been spared from serious covid health issues, except for a very limited number of infections of which the source was never located within the Barco office walls.

Hybrid way of working

Some of Barco's offices have been closed to a limited extent and have gradually reopened, bringing back employees to the workplace. With the implementation of an alternate home-work protocol for its white collars, the company is steadily unlocking measures while still taking into account local or regional regulations and recommendations. All offices have been updated according to the strengthened social distancing and sanitary measures to ensure a covid-proof and flexible work environment. The new hybrid way of working has been welcomed by Barco's employees, ensuring the connection with the mothership and enabling the "open for business" mindset.

Operations and supply chain

Barco has experienced disruptions to its ability to operate its production facilities in some countries, and in the future, further disruptions to Barco's ability to operate production facilities or distribution operations cannot be excluded as a result of regulatory restrictions, safety protocols and heightened sanitation measures.
Barco's parts supply base, its subcontractor operations and the logistics chain has seen disruption mainly in the months March and April but recovered near full operational capacity.
For Barco's operations:

- In China, operations were disrupted during February but recovered to near full capacity by the end of the first quarter.
- For the manufacturing sites in Europe, the operations team has organized production in order to match regulatory require-

ments with the objective of ensuring manufacturing capacity needed to support market demand, across all propositions and in particular for the healthcare solutions. The respective logistics teams was able to secure a continued receiving of components and shipping of finished goods.
- The India site (manufacturing of videowalls) was closed for some weeks in the second quarter as a result of the regulatory lockdown-measures but has started up again in May to bring production in line again with the market demand.

While the Company clearly experienced disruptions, Barco's proactive approach limited the delays towards our customers.

Business health

In the first quarter and as a result of lockdowns in China, Barco's sales in China were halted during February and gradually resumed as of March. Since then, the covid-19 pandemic has spread internationally and has negatively impacted most of the markets Barco is operating in, with the exception of Healthcare.
The negative impact was caused by both the economic impact of the pandemic on some of its markets as well as by the lockdown measures and related restrictions.

Aligning activity rate with market realities and customer demand

Barco remained focused on business continuity and protection of the business health.
Barco has aligned and will continue to align the activity level with the market realities and changing customer demands while keeping its global production facilities operational.
Consequently, the company has prolonged the temporary work arrangements and economic unemployment measures for both white and blue collars, in conformity with country specific legal frameworks, support mechanisms and regulations. The new work conditions vary depending on the region, and Barco's covid-19 response team is reviewing the situation site by site, again with the same objective to ensure business continuity while also considering all applicable covid regulations. The activity rate and cost containment measures also include ensuring a strong commitment to our customers through sales and servicing.

Discipline in discretionary spending and making choices

These renewed measures – which can be adjusted again in line with future changes in the pandemic situation - also entail shifts in the planned investment patterns on selected long-term initiatives and a sustained strict discipline on discretionary spending. The company made deliberate choices on the continuation and timetable of selected development projects based on current needs in the market and adjusting internal support levels in function of the focus shift.

Furthermore, the Company was able to apply for wage subsidies under the newly enacted Covid-19 relief legislation in APAC and Cinionic US. The total impact on the first half year of 2020 of those subsidies received amounts € 1.3m.

Strong funding and liquidity structure in place

Barco has a strong balance sheet and ample liquidity with 223 million euro of net cash. Of this amount, 264 million euro is cash on the balance sheet. Additional financial flexibility is provided with 98 million euro of unused bilateral committed credit facilities with a selected group of commercial banks. In addition to significant liquidity, Barco has a well-balanced debt profile with debt limited to 47 million euro of which 10 million euro near-term maturities.

Barco has sufficient headroom to enable it to conform to covenants on its existing borrowings. The group complied with all requirements of the loan covenants on its available credit facilities throughout the reporting period.

As described above, our business, financial condition, cash flows and operating results have been and may continue to be negatively impacted by the covid-19 pandemic. Barco's strong funding and liquidity structure in place should however be more than sufficient to ensure the going concern of the company.

5. Litigations and commitments

No important changes occurred during the first 6 months of 2020 relating to the litigations and commitments which have been disclosed in the 2019 consolidated financial statements.

6. Events subsequent to the balance sheet date

No subsequent events occurred which could have a significant impact on the interim condensed financial statements of the group per 30 June 2020.

GREAT THINGS HAPPEN WHEN PEOPLE CLICK

Barco, ClickShare

Auditor’s report

Statutory auditor’s report on review of interim condensed consolidated financial information for the period ended 30 june 2020.

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Barco NV and its subsidiaries as of 30 June 2020 and the related interim condensed consolidated income statement, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of comprehensive income and the interim condensed consolidated cash flow statement for the six-month period then ended, as well as the explanatory notes (the “Interim Financial Information”). The board of directors is responsible for the preparation and presentation of the Interim Financial Information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Gent, July 15, 2020

The statutory auditor
PwC Bedrijfsrevisoren BV
Represented by

Peter Opsomer
Registered auditor

Lien Winne
Registered auditor

Glossary

Financial terms or Alternative Performance Measures

Following alternative performance measures (non-GAAP) have been included in the financial reporting since management believes that they are widely used by certain investors, securities analysts and other interested parties as additional measure of performance and liquidity.

Definitions for financial terms used in this half-year report are also clarified in this glossary.

Adjusted EBIT

Adjusted EBIT is defined as EBIT excluding restructuring costs and impairments relating to reorienting or stopping certain activities, business or product lines, as well as impairments on goodwill and income resulting from a single material transaction not linked to current business activities (e.g. change in control in a subsidiary).

Reconciliation from EBIT to adjusted EBIT can be found in the income statement.

Associates

Companies in which Barco has a significant influence, generally reflected by an interest of at least 20%. Associates are accounted for using the equity method.

BarcoCFG

Full name is CFG Barco (Beijing) Electronics Co., Ltd. BarcoCFG is the entity where Barco joined forces with China Film Group to address the Chinese cinema market. Barco holds a 49% stake in this entity at end of June 2020.

DPO

Days payable outstanding calculated as Trade Payables / (Material cost + Services and other costs) x 365.

DSO

Days sales outstanding calculated as (Trade debtors / (sales past quarter)) * 90.

EBIT

EBIT is the operating result (earnings before interest and taxes), calculated as gross profit less research & development expenses, sales and marketing expenses, general and administration expenses, other operating income (expense) - net and plus or minus adjusting items.

EBITDA

EBITDA is defined as adjusted EBIT plus depreciation, amortization and impairments (if any).
EBITDA reconciliation of the Group for the periods ended June 30 are as follows:

IN THOUSANDS OF EURO	1H20	1H19	1H18
Adjusted EBIT	**20,392**	**48,246**	**34,910**
Depreciations and amortizations	20,294	19,340	16,584
EBITDA	**40,686**	**67,586**	**51,495**
EBITDA as % of sales	10.0%	13.6%	10.3%

Free cash flow

Free cash flow is defined as gross operating cash flow excluding share options recognized as cost + change in networking capital + Interest (expense)/income + income taxes + purchase of tangible and intangible fixed assets + proceeds on disposals of tangible and intangible fixed assets.

Indirect costs/expenses

Indirect costs/expenses are defined as research & development expenses, sales and marketing expenses and general and administration expenses; including depreciations and amortizations.

Inventory turns

Inventory turns = 12 / [Inventory / (average monthly sales last 12 months x material cost of goods sold %)].

Net financial cash/(debt)

Short term investments + cash and cash equivalents + long-term financial receivables - long-term debts - current portion of long-term debts - short-term debt.

Direct available net cash

Net financial cash excluding the cash in Cinionic (68.3 million euro).

Operating capital employed (including goodwill)

Operating capital employed + goodwill.

Operating capital employed (OCE)

Working capital + other long term assets and liabilities.

Operating expenses (OPEX)

Operating expenses are defined as research & development expenses, sales and marketing expenses and general and administration expenses; excluding depreciations and amortizations.

Order

An order can only be recognized if a valid purchase order has been received from the invoice-to customer.
An order is only valid if it is:

- In writing. This includes electronic version of the purchase order out of the customer's ERP system.
- The contract needs to be signed by an authorized person from the business partner.

Next to this, a minimum number of fields need to be mentioned on the order like customer name, address, reference to sales quotation or business partner sales agreement of Barco, etc.

Orderbook

Orderbook are previously received orders, which still fulfill all the conditions of an order, but are not delivered yet and hence not taken in revenue.

Other long term assets and liabilities

Other long term assets & liabilities include the sum of other intangible assets, land and buildings, other tangible assets, deferred tax assets (net).

Other working capital

Other working capital include the net of other non-current assets, other amounts receivable, prepaid expenses and accrued income and other long term liabilities, advances received from customers, tax payables, employee benefits liabilities, other current liabilities, accrued charges and deferred income and provisions.

Return on operating capital employed (ROCE)

Adjusted EBIT after tax relative to operating capital employed (including goodwill).
ROCE = Adjusted EBIT*(1- effective tax rate)/Operating capital employed (including goodwill).

Subsidiaries

Companies in which Barco exercises control.

Working capital (net)

Trade debtors + inventory - trade payables - other working capital.

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