



Star Conference

Milan, March 15th 2016

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Agenda

- Group Overview
- Market Outlook
- Business & Strategy
- Financial Highlights



Group Overview

Datalogic at a glance



- **Global leader** of barcode readers, mobile computers, sensors, vision systems and laser marking systems with innovative solutions in verticals market: **Retail, Transportation & Logistics, Factory Automation, Healthcare Industries**
- **Founded in 1972 by Romano Volta** in Bologna, Italy and listed on the STAR Segment of the Italian Stock Exchange since 2001
- A large portfolio of **about 1,200 patents**
- **About 2,600 employees**, of which 450 in R&D:
 - 1,245 (48%) in Europe
 - 636 (25%) in US
 - 686 (27%) in APAC
- Direct presence in 30 countries worldwide selling to 120 countries, with more than 1,000 partners worldwide

Investing in Datalogic

1

STRONG POSITION

- Unique player world wide with **leadership in two markets: ADC and IA**
- High entry barriers granted by solid **Intellectual Property Patents** portfolio
- **Better time to market and more efficiency than competitors**

2

PROVEN TRACK RECORD

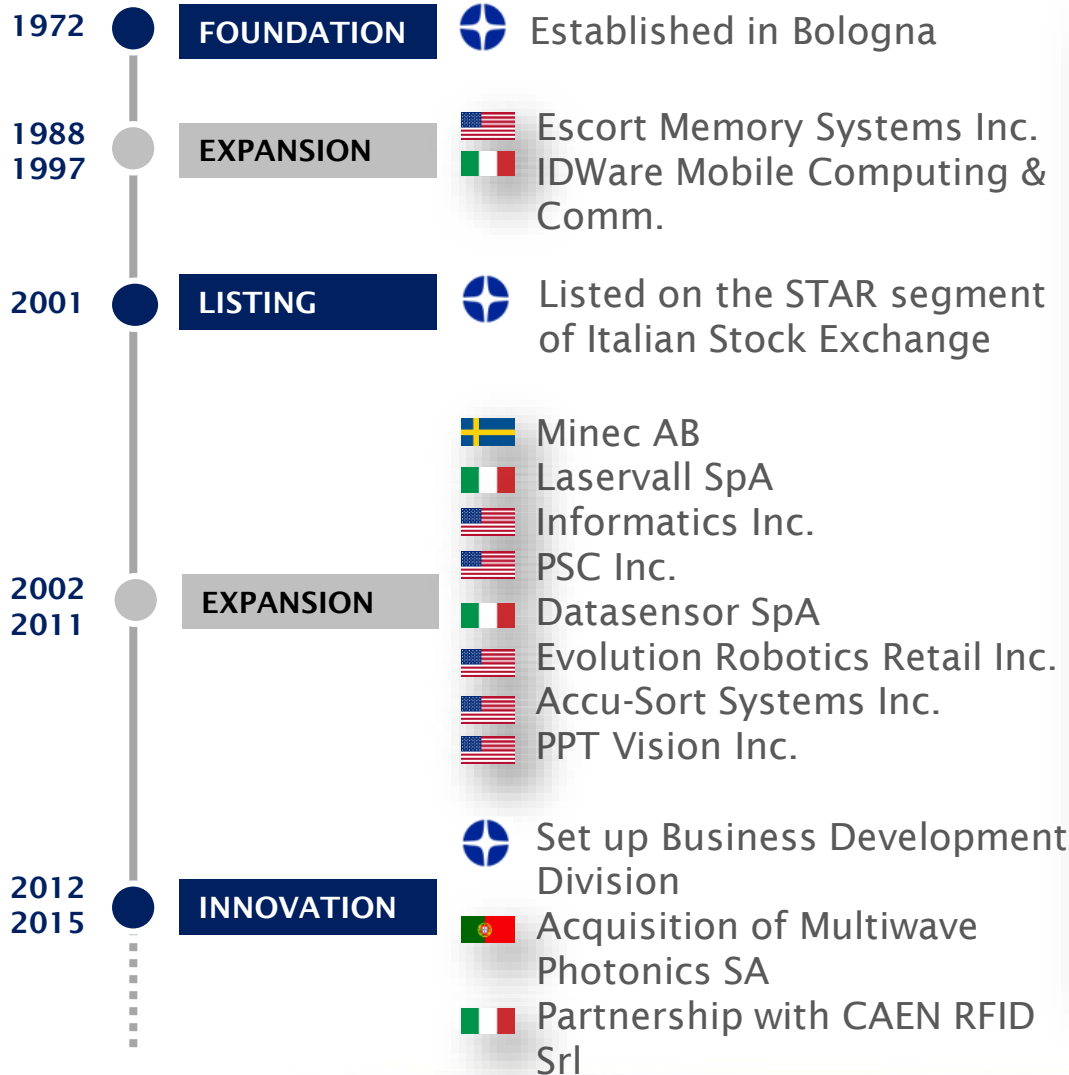
- History of **profitable growth**
- Wise resources management to sustain a **leadership position**
- **Strong cash generation** for growth

3

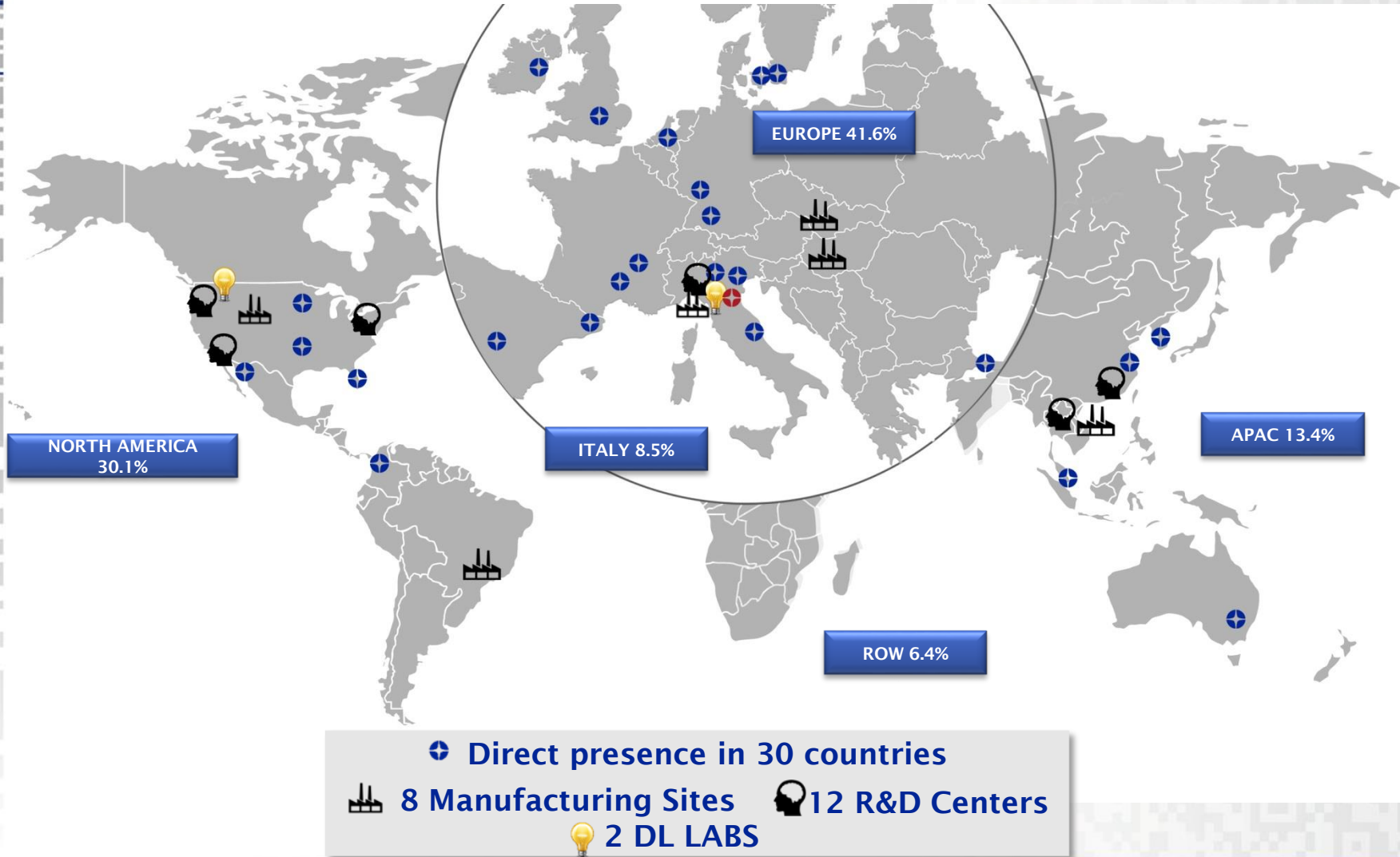
VALUATION & OPPORTUNITIES

- **Attractive valuation**
- Potential from further **internal reorganization**
- Opportunities from expansion in **North America and China**

Over 40 years of Technological Innovation



A Wide Geographical Footprint



Note: Breakdown by area based on 2015 revenues

Stock and Governance

Market Segment: STAR MTA

Reuters Code: DAL.MI

Bloomberg Code: DAL IM

Outstanding Shares: 58,446,491

Share Par-Value: 0.52 Euro each

Ticker: DAL

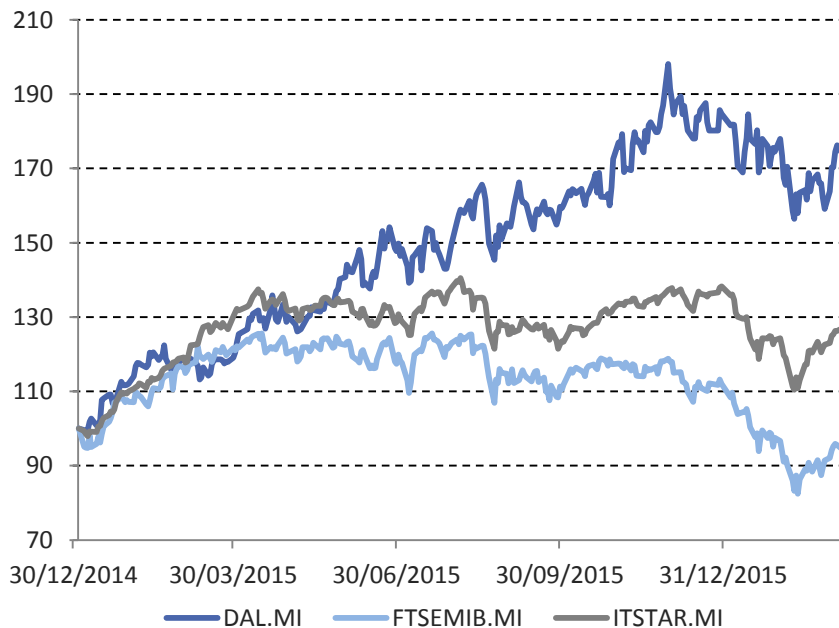
Price (March 10th, 2016): 15.30 Euro

Market Cap (March 10th, 2016): 894.2 M Euro

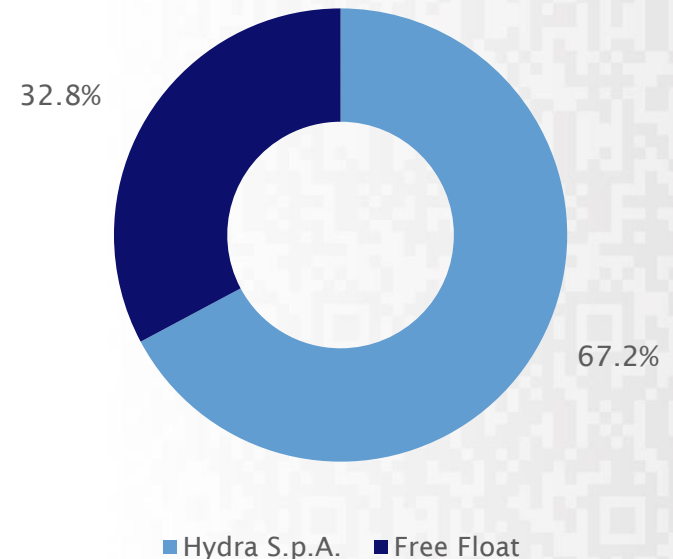
Specialist: Intermonte SIM

Auditing Company: Reconta Ernst & Young

DATALOGIC PRICE PERFORMANCE



SHAREHOLDERS' STRUCTURE

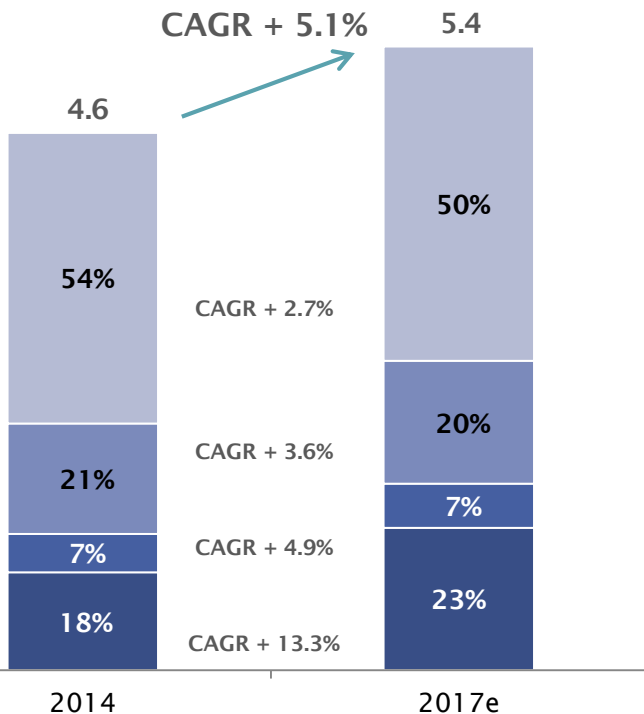


Market Outlook

Market Outlook – ADC & IA

ADC

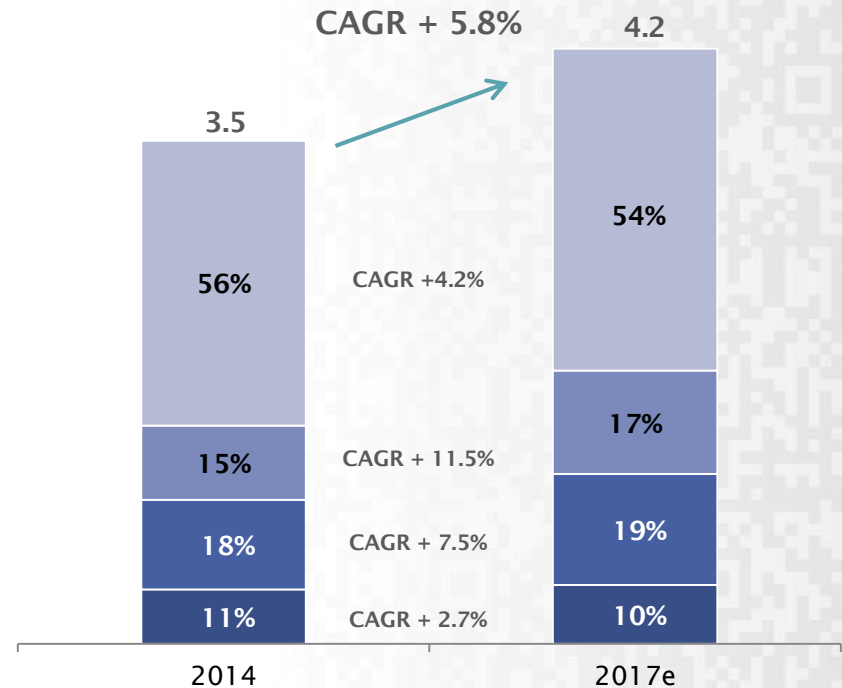
(B\$)



- Self Checkout Solutions
- Hand Held Scanners
- POS Retail Scanners
- Mobile Computers

IA

(B\$)

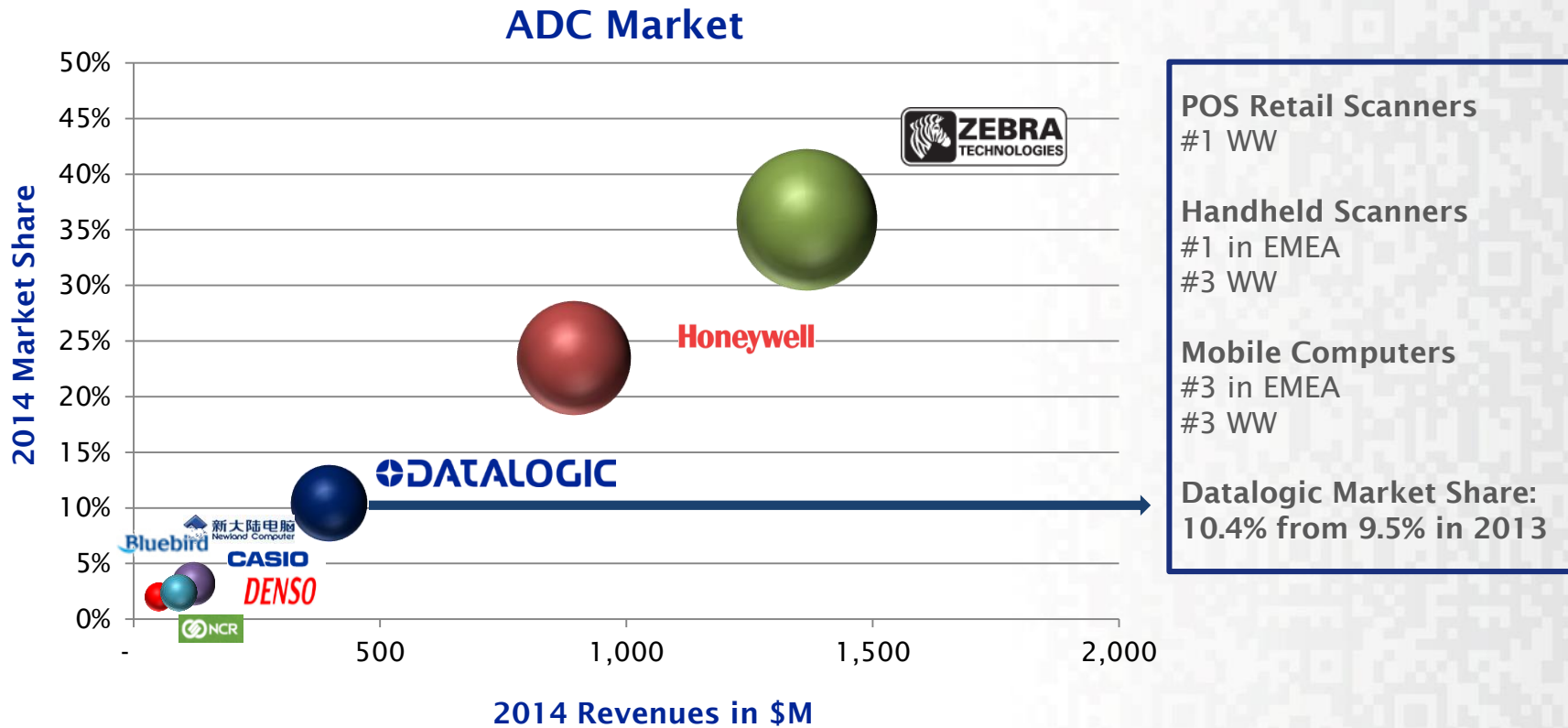


- Identification
- Vision
- Lasermarking
- Sensor & Safety



Source VDC 2015 (base year 2014)

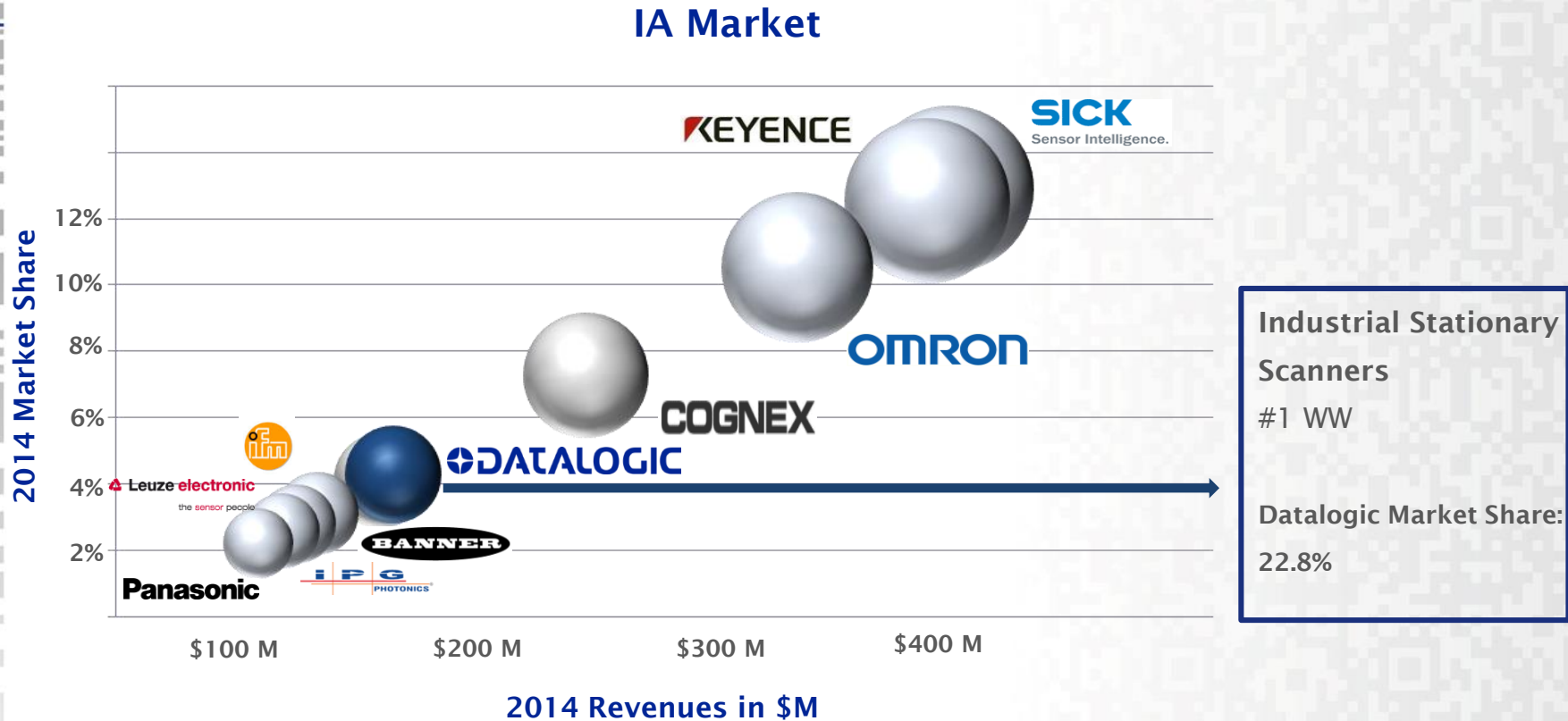
Datalogic Market Share jumped in 2014



2014 ADC Available Market including POS Retail Scanners, Handheld Scanners and Mobile Computers (Handheld PDA and Fork-Lift Vehicles Mounted Computer) segments

Source VDC 2015 (base year 2014)

Datalogic positioning in the IA market



Source : VDC 2015 (base year 2014) Figures - Market Researches and Management's Best Estimate

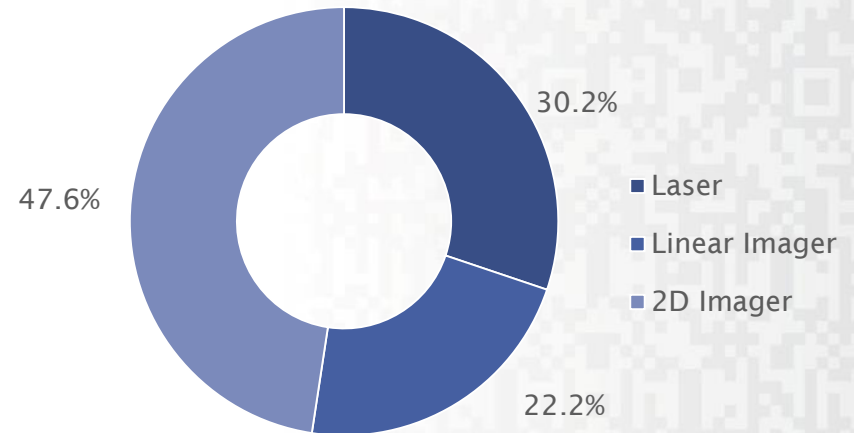
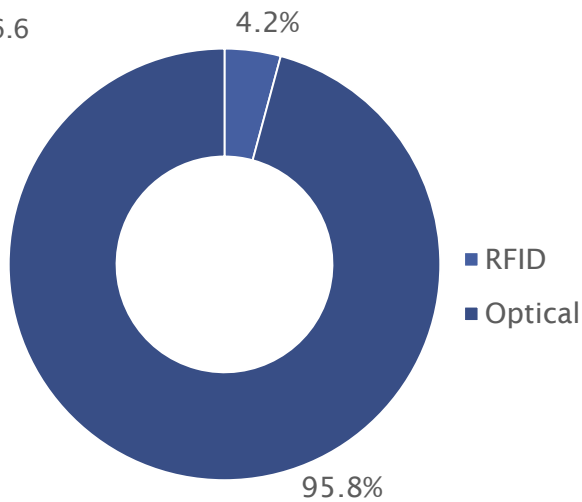
2014 IA Available Market including Industrial Barcode Scanners, Imagers, Photoelectric Sensors, Safety Light Curtains, Smart Cameras/Vision Sensors, Laser Marking segments (Postal Material Handling, Dimensioner and Integrated Solutions not included)

Market split by technology

Datalogic can offer all the technologies available for products identification

Data Capture Technology

\$B 6.6

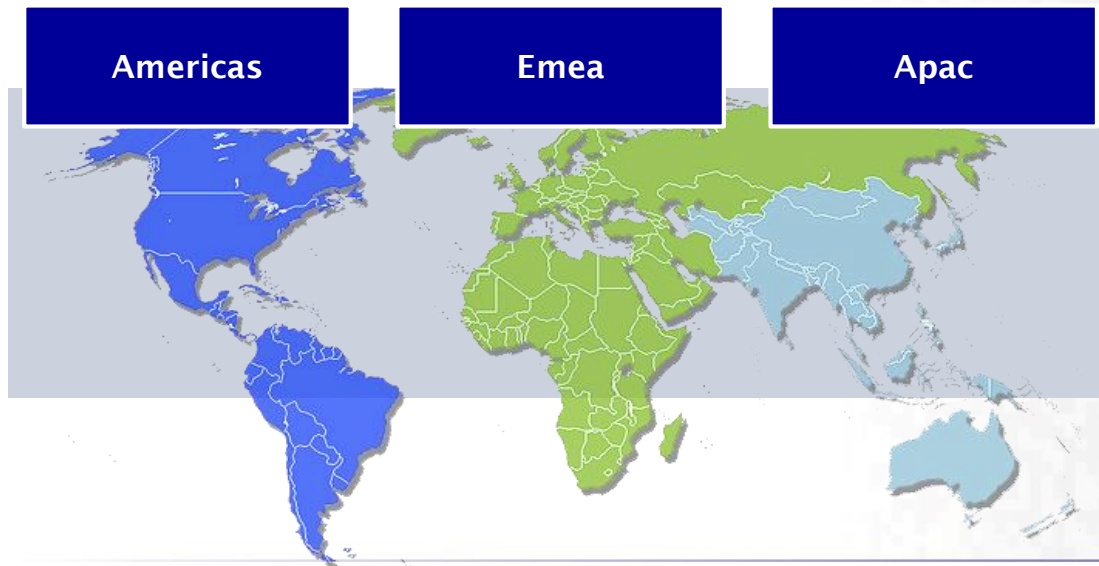


2015 (base year 2014)

* includes only Hand Held Scanners, Industrial Stationary Scanners and Point of Sale Check Out

Business and Strategy

A Unique Selling Proposition...



...with a Wide and Complementary Offer

INDUSTRIAL AUTOMATION



AUTOMATIC DATA CAPTURE



Datalogic Strategy and...



...Key Priorities

- **Revenue Growth well above Market Growth**
- **Double Digit Growth in North America and China**, improving Market Share
- **Strong Improvement of Operations Efficiency** reducing **weight of COGS** on revenues thanks to the new Procurement Centre in China, to plants rationalisation (new Hungharian plant for IA) and insourcing of components
- **Strict control of Operating Expenses** and **reduction of G&A**, thus improving operating leverage
- **Maintain Strong performance on Cash**

Customer Focus: Develop Excellent Products

- A large and growing portfolio of about **1,200 patents and pending patent applications**
- About **300 pending patent applications** in all jurisdictions
- **26.7% of sales** from new products*
- 25 new products launched in 2015
- **12 Research & Development Centers**
- Around **400 R&D Engineers**
- New product development process **that starts from the Customers' needs** – 1st milestone of the new product development



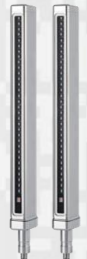
Portal Scanning



Digital Watermarking



Matrix™ 300



SG4 H



A30 & T4X
Smart Camera

* Are considered new products the products announced in the last 24 months

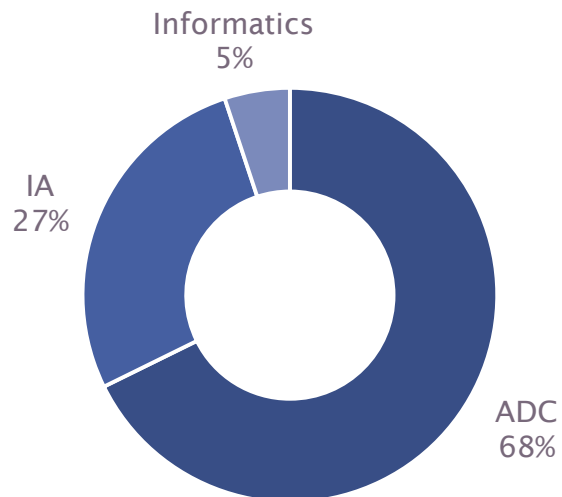
Lead by invention: Investment in R&D will continue

- Investment in R&D to increase **up to 9.5% of revenues**
- **Launch of RFID products:** leveraging the acquisition of 20% of **CAEN RFID** and the commercial agreement signed
- **Scan Engine:** The new scan engines family from Datalogic marks the entrance of Datalogic in the OEM market (price verifiers, kiosks, vending machines etc...)
- **Extensive Products and Technology Display** presented to NRF exhibition “Retail’s Big Show 2016”

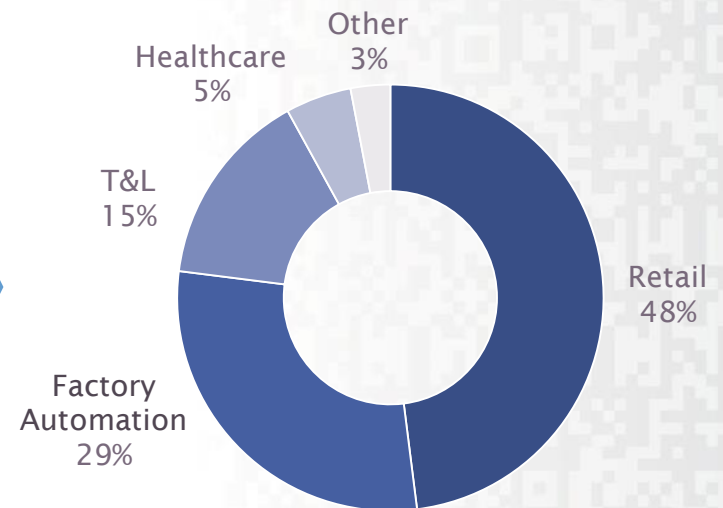


Moving From Products to Customers

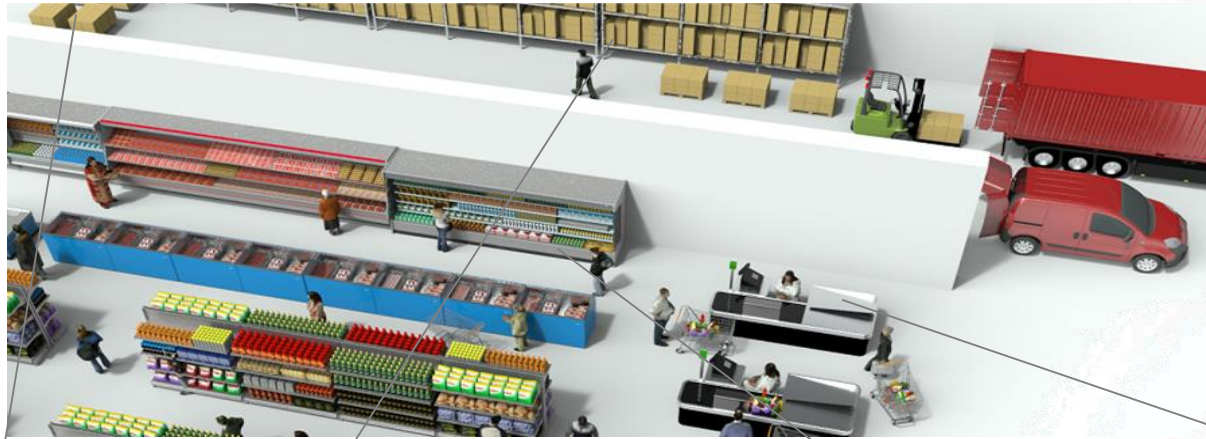
2015 Group revenues by division



2015 Group revenues by verticals



Retail Flows and Applications



DISTRIBUTION CENTER

STORE WAREHOUSE

IN-STORE

CHECK-OUT

Receiving Shipping

Stock

Shelf Mngm/Assisted Sales

Check-out/Self Shop.

Customer expectations



Provide Better Customer Experience



Reduce Checkout Queues

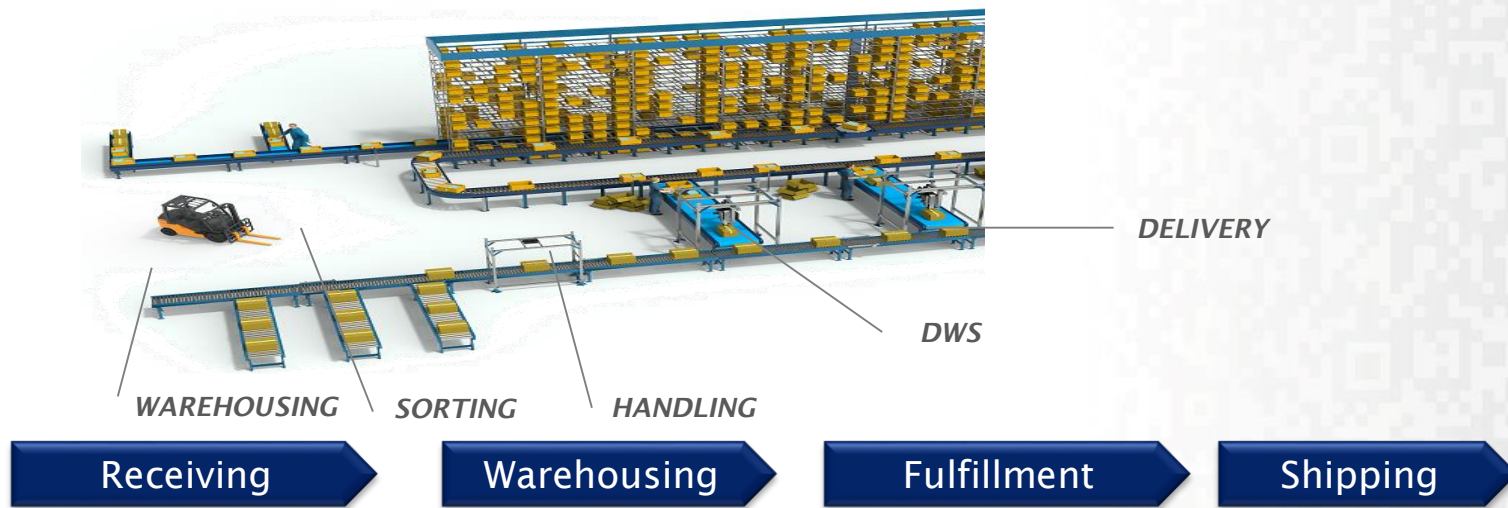


Stock Control



Control Cost & Stock Efficiency

T&L Flows and Applications



Customer expectations



Ensure On-Time & Zero-mistakes results



Reduce delivery Times



Improve Delivery Accuracy



Manage Large Inventories & Items Variety



Control Cost & Efficiency

Factory Automation



**Factory
Automation**



AUTOMOTIVE

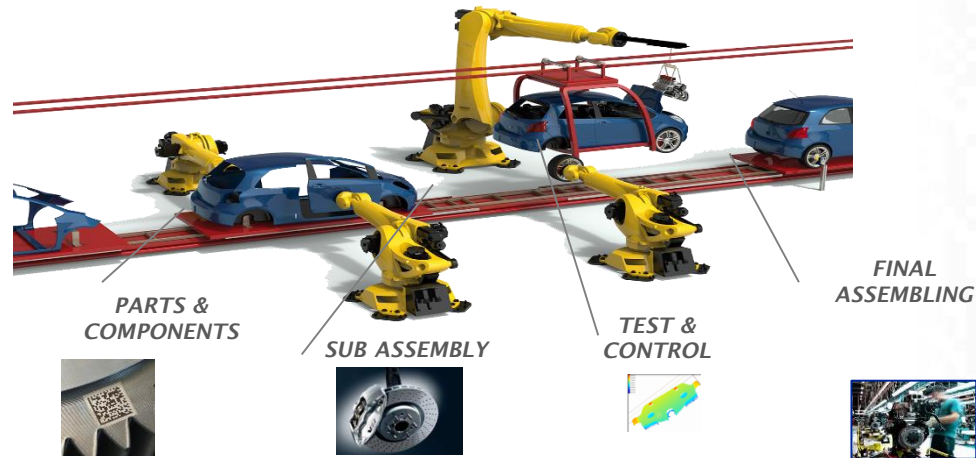


PACKAGING



ELECTRONICS

Automotive Flows and Applications



MARKING

IDENTIFICATION

QUALITY CONTROL

AUTOMATION & SAFETY

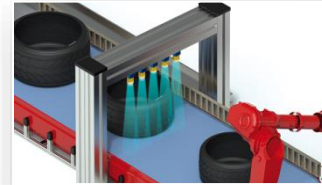
Customer expectations



Pervasive Parts
Traceability



Accurate Vision
Inspection &
Measurement

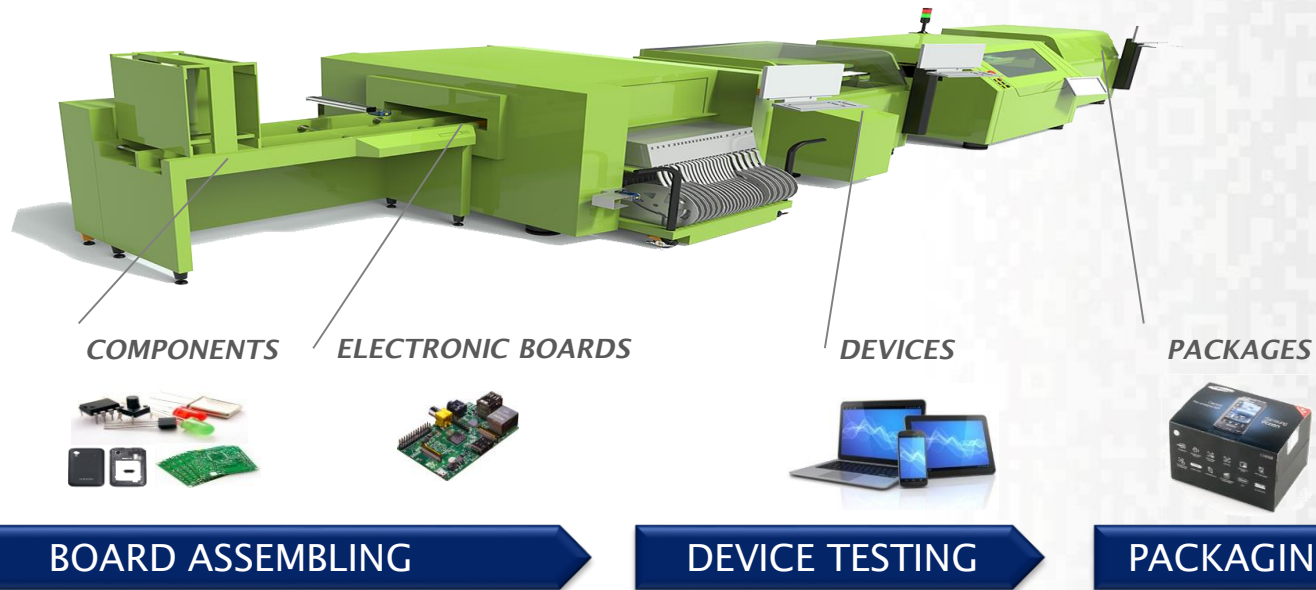


Tires
Traceability



Operators Safety

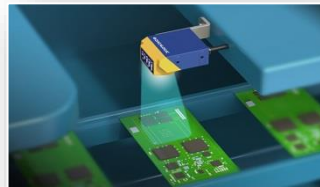
Electronics Flows and Applications



Customer expectations



Traceability

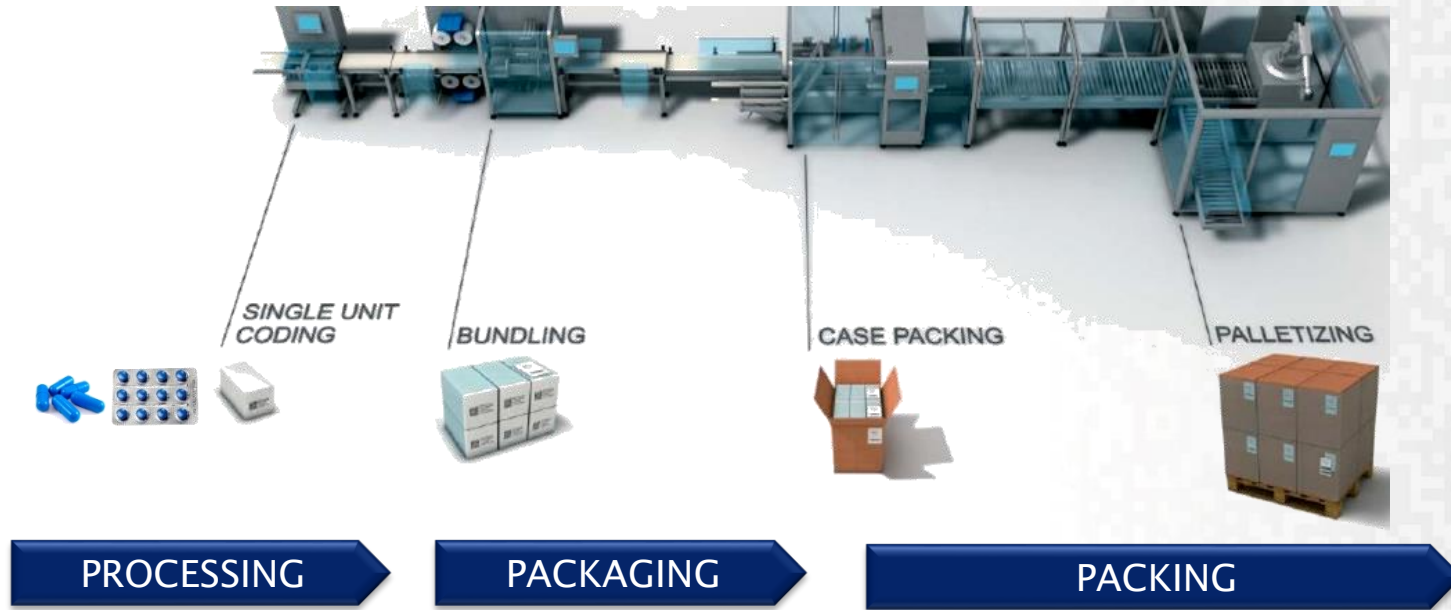


Assembling Control



**Product Personalization/
Branding**

Packaging Flows and Applications



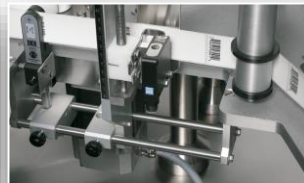
Customer expectations



ID/Traceability



Quality Inspection



Object/Parts
Detection

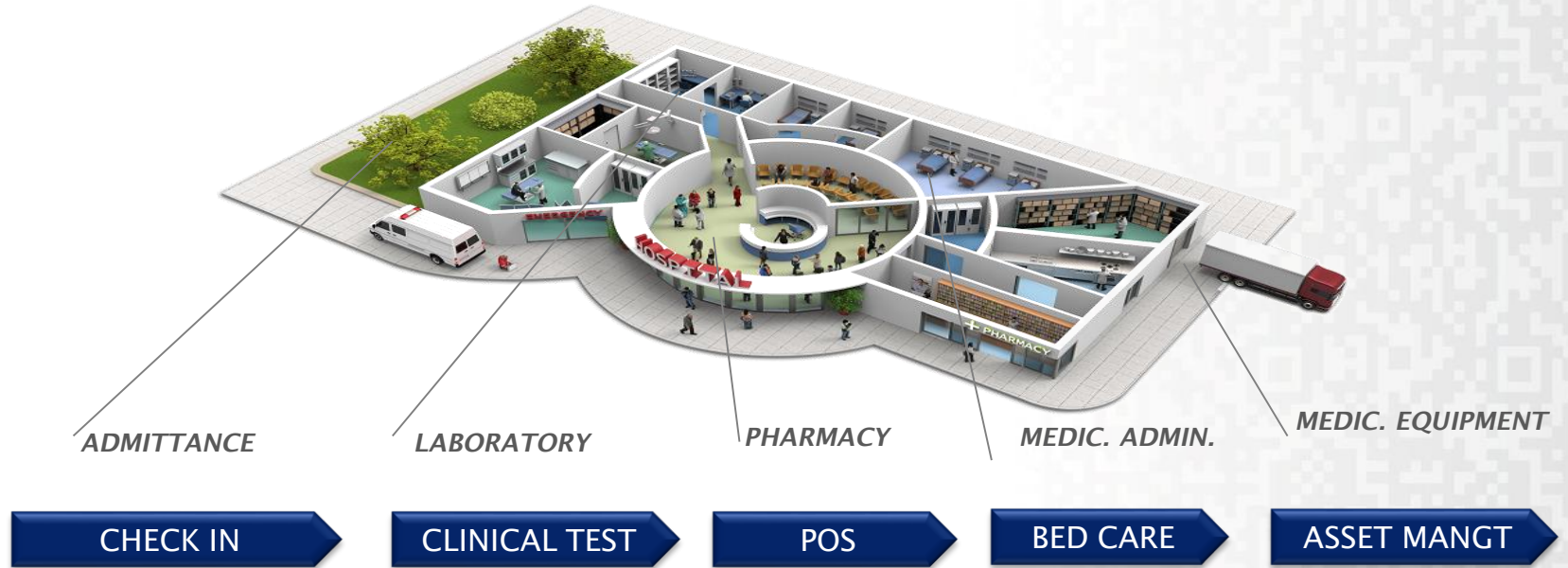


Operator Safety



Warehouse
Management

Healthcare Flows and Applications



Customer expectations



Reducing Errors



Preventing Infections



Increase Staff Productivity



Realtime Tracking & Tracing



Accurate Asset Management

Financial Highlights

2015 Key Factors

FOCUS ON CLIENT

- **Anticipate clients' needs** offering new products to improve their efficiency and productivity
 - **Focus on innovation:** 25 new products launched
 - 27% of revenues comes from new products* (21% in 2014)
-

MARKET EXPANSION

- Expansion in **fast growing markets** with double digit increase of revenues
 - Strengthening of the presence in China:
 - New R&D and Procurement centre
 - Opening of a new branch in South Africa
-

ORGANISATION

- **Centralization of Procurement**
 - **Rationalisation of footprint:** new Hungarian plant for IA to be opened by early 2016
 - **Change of the GO TO MARKET model** in US and China: new approach by verticals
-

* Are considered new products the products announced in the last 24 months

Highlights FY 2015

Revenues

- +15.2% YoY to 535.1 mln Euro (+5.9% at constant exchange rate)
 - **Growth driven by ADC in North America, Greater China and Europe** thanks to robust investments by retailers and the launch of technologically advanced products
 - **Industrial Automation** exploits growth opportunities in **Europe and Asia Pacific**
 - Strong increase of the booking : **+17.6% YoY at 563.3 mln Euro**
-

EBITDA

- **+6.2% YoY to 73.7 mln Euro** (+8.6% at constant exchange rate)
 - EBITDA margin at **13.8% (15.3% at constant exchange rate)** vs 14.9% in 2014
 - Investment in R&D grew by 11.9% YoY with an incidence of 9% on revenues, continued to be crucial for the development of the Group
-

Net Profit

- Strong improvement of financial costs thanks to a cheaper financing contract
- Tax rate at around 21%
- **Robust growth of net income**
- The BoD proposed a **dividend of 0.25 Euro** per share, +38.9% YoY

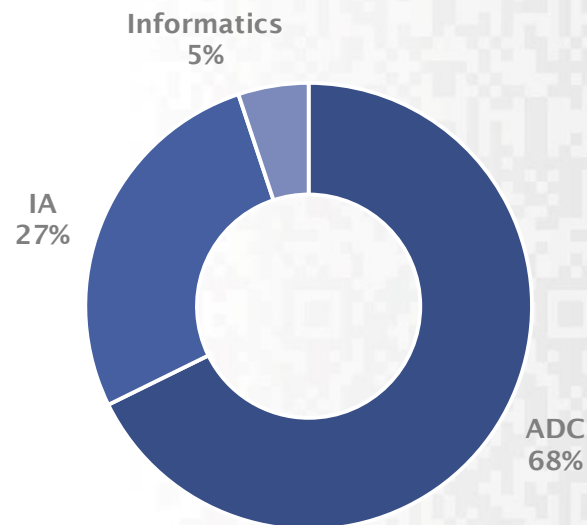
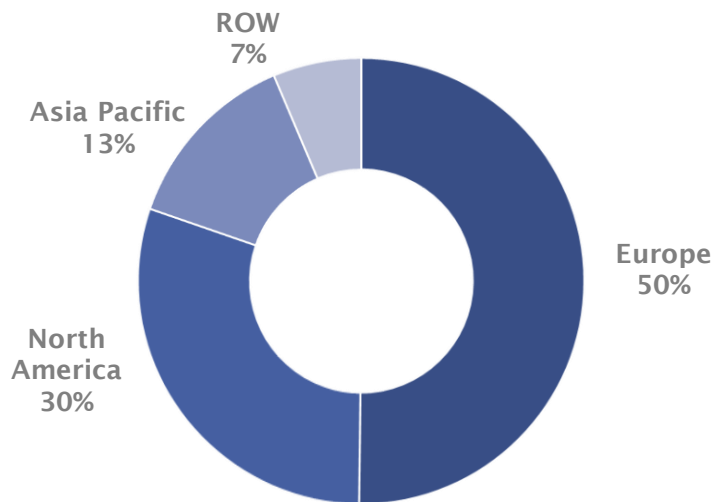
FY 2015 Profit and Loss

(€000)	FY2015		FY2014		Var %
Revenues	535,068	100.0%	464,546	100.0%	15.2%
COGS	(286,450)	(53.5%)	(236,101)	(50.8%)	21.3%
Gross Operating Profit	248,618	46.5%	228,445	49.2%	8.8%
Other Revenues	3,504	0.7%	2,239	0.5%	56.5%
R&D	(48,244)	(9.0%)	(43,108)	(9.3%)	11.9%
Distribution Costs	(101,095)	(18.9%)	(88,205)	(19.0%)	14.6%
Administrative Expensive	(39,521)	(7.4%)	(39,146)	(8.4%)	1.0%
Other operating expensive	(2,041)	(0.4%)	(2,206)	(0.5%)	(7.5%)
Total Operating expenses and other	(190,901)	(35.7%)	(172,665)	(37.2%)	10.6%
Depreciation	(7,812)	(1.5%)	(7,199)	(1.5%)	8.5%
Ammortisation	(4,715)	(0.9%)	(4,225)	(0.9%)	11.6%
EBITDA	73,748	13.8%	69,443	14.9%	6.2%
Non recurring costs/rev	(2,564)	(0.5%)	(5,618)	(1.2%)	(54.4%)
Amort. Intang. Assets from acquis.	(5,712)	(1.1%)	(5,493)	(1.2%)	4.0%
Operating Profit (EBIT)	52,945	9.9%	46,908	10.1%	12.9%
Financial (costs)/rev.	(4,448)	(0.8%)	(8,086)	(1.7%)	(45.0%)
Foreign exchange (cost)/rev	3,087	0.6%	357	0.1%	n.m
EBT	51,584	9.6%	39,179	8.4%	31.7%
Taxes	(11,037)	(2.1%)	(8,322)	(1.8%)	32.6%
Net Income	40,547	7.6%	30,857	6.6%	31.4%
<i>Exchange Rate</i>	<i>1.1095</i>		<i>1.3285</i>		

Revenues Trend by Country and Division

REVENUES BY GEOGRAPHIC AREA			
€mIn	2015	2014	Var %
Europe	268.5	244.0	10.0%
North America	161.1	132.6	21.4%
Asia Pacific	71.5	57.3	24.7%
ROW	34.0	30.6	11.0%
Total Revenues	535.1	464.5	15.2%

REVENUES BY DIVISION			
€mIn	2015	2014	Var %
ADC	364.0	309.7	17.5%
IA	146.1	130.3	12.1%
- IA ex BU Systems	129.0	114.5	12.6%
Informatics	27.4	26.1	4.8%
Corporate and Adj.	(2.4)	(1.6)	n.m.
Total Revenues	535.1	464.5	15.2%



FY2015 Segment Reporting

Gross Operating Profit	2015	2014
ADC	47.3%	50.8%
Industrial Automation	44.8%	45.7%
- IA ex BU Systems	50.1%	49.6%
Informatics	43.7%	45.1%
Total Group	46.5%	49.2%

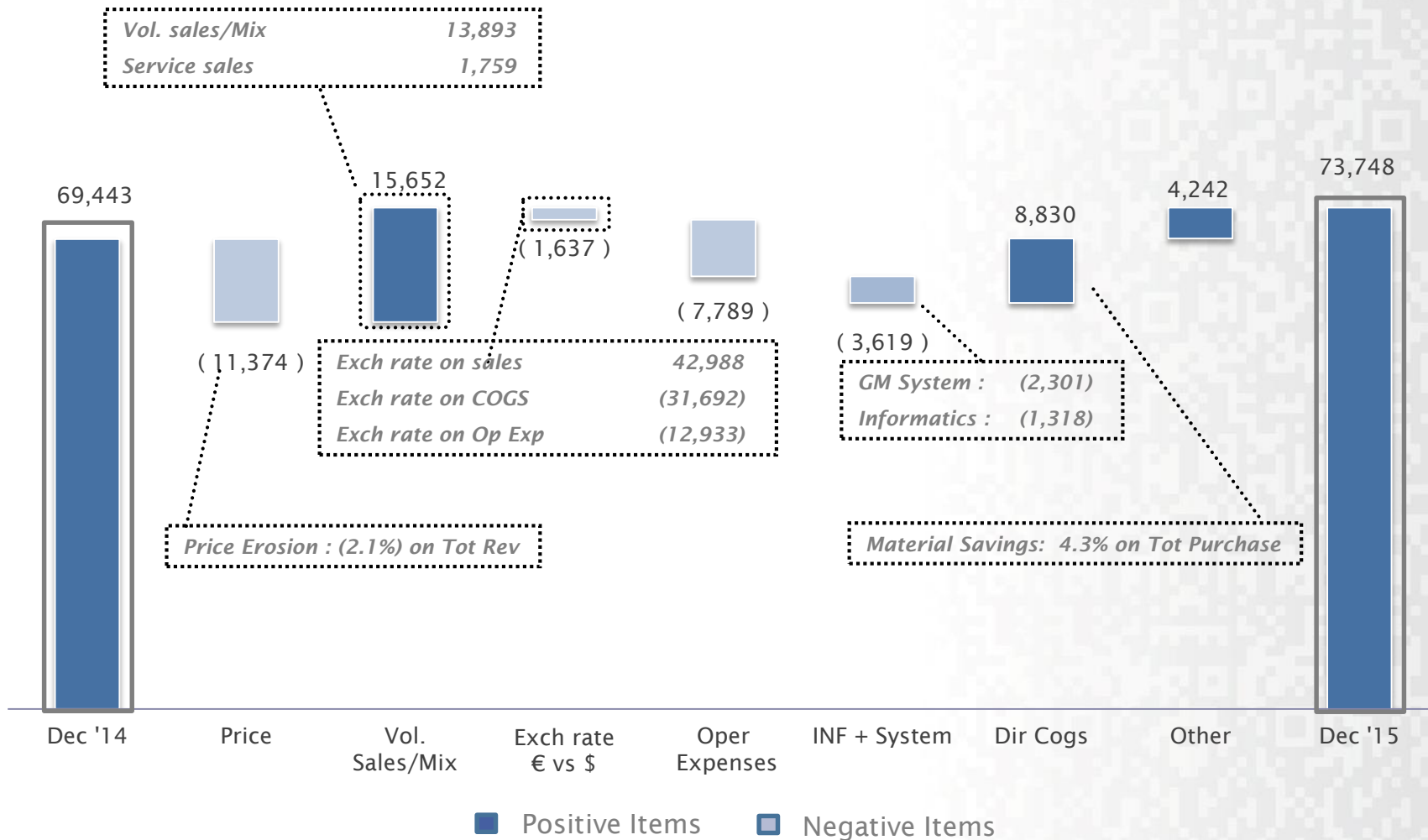
EBITDA* Margin	2015	2014
ADC	22.3%	23.9%
Industrial Automation	5.9%	5.9%
- IA ex BU Systems	9.3%	7.8%
Informatics	(0.1%)	4.9%
Total Group	13.8%	14.9%

R&D/Revenues	2015	2014
ADC	10.7%	9.7%
Industrial Automation	12.3%	11.3%
Informatics	4.3%	2.9%
Total Group	9.0%	9.3%

TWC/Annualized Revenues	2015	2014
ADC	5.1%	6.9%
Industrial Automation	13.7%	15.7%
Informatics	6.1%	12.5%
Total Group	6.8%	8.7%

(*) With the purpose to better report the operating sectors economic performances, it was deemed appropriate to highlight the Divisional EBITDA as monitoring KPI.

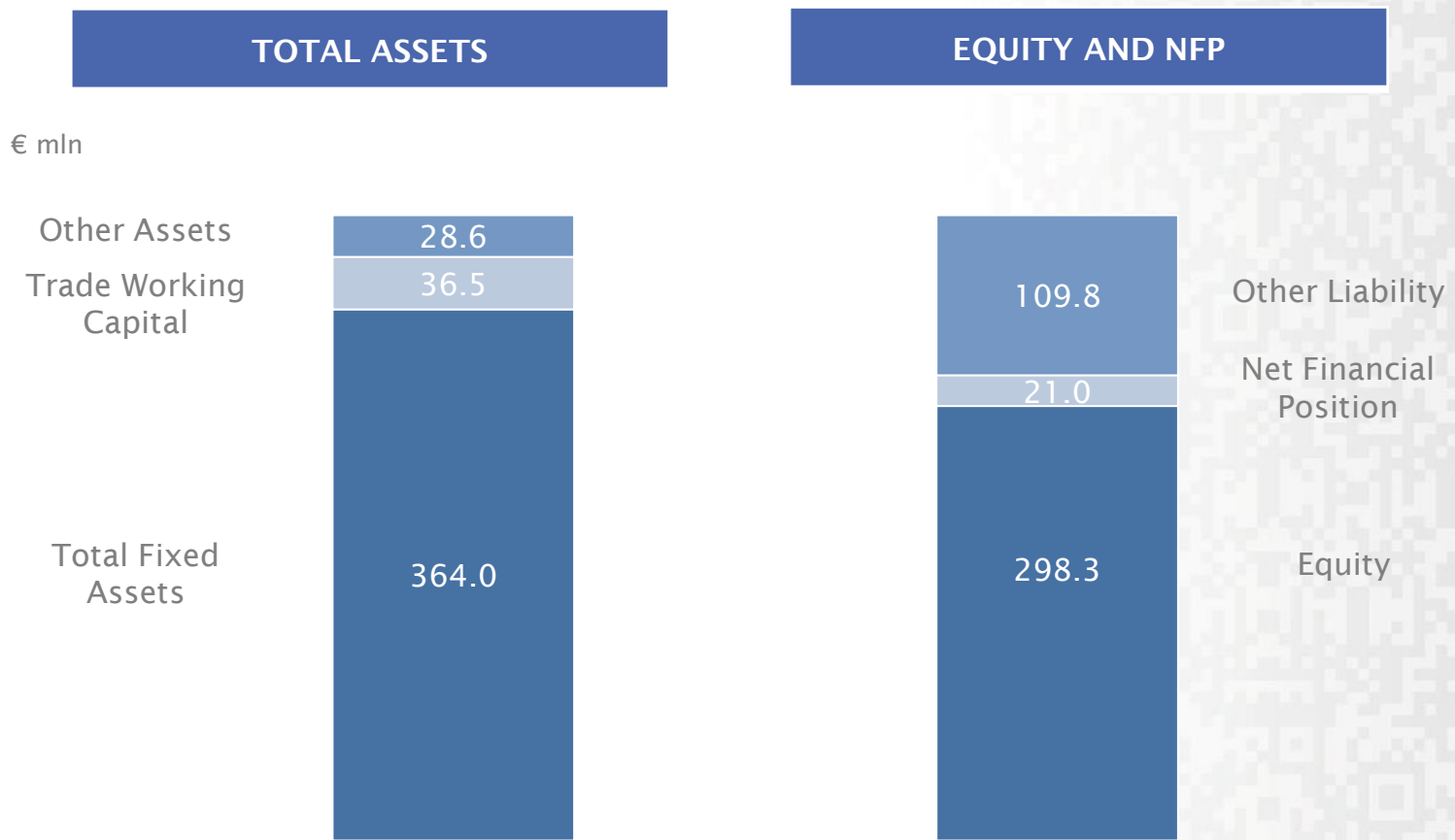
EBITDA: Actual vs Last Year



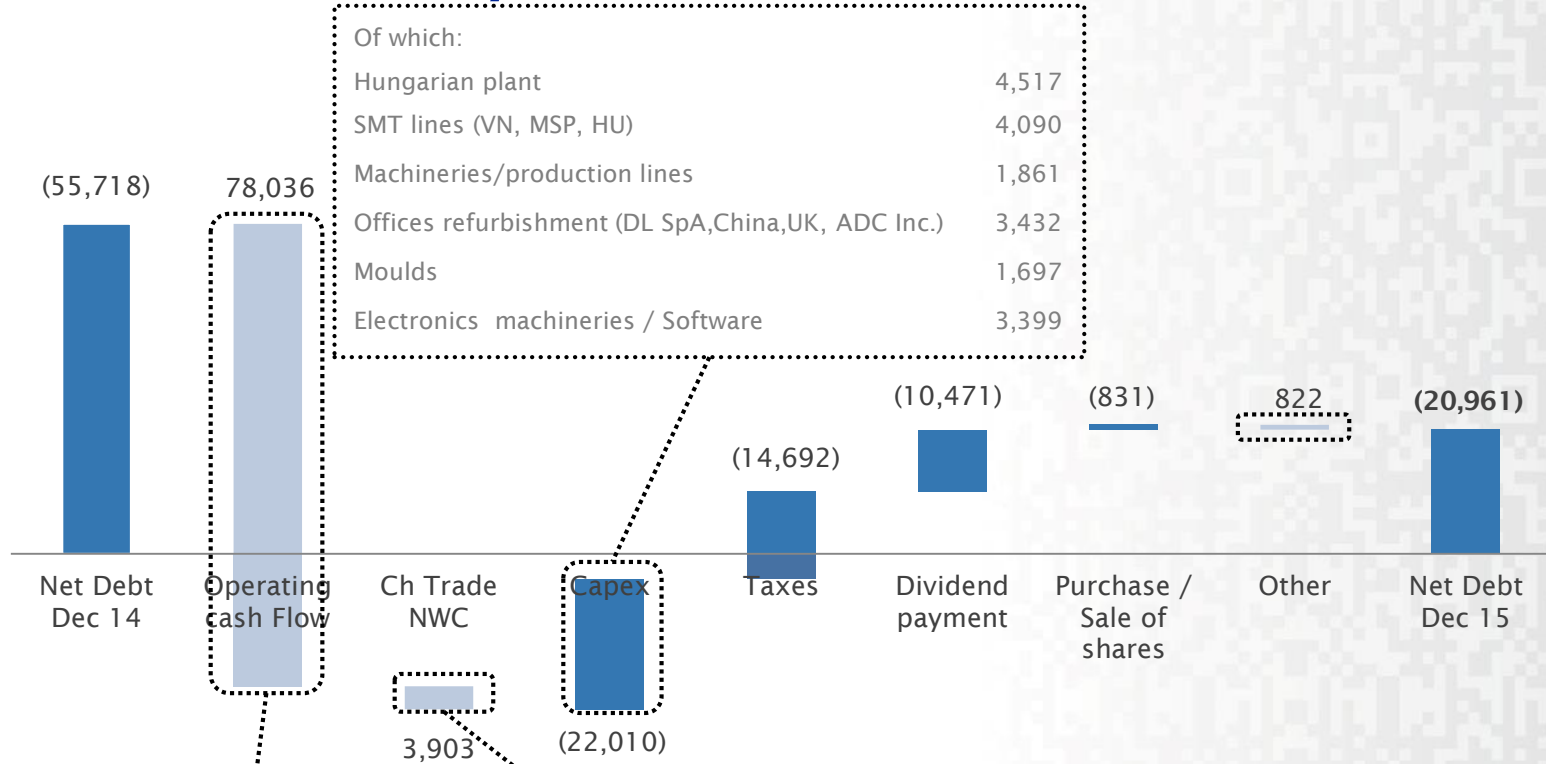
Note:

The Exchange rate variance is the result of the difference between Dec '15 YTD Actual (1.1095) and Dec '14 YTD Actual (1.3285) €/USD exchange rates.

Consolidated Balance Sheet at 31.12.2015



Net Debt Analysis: Dec'14 – Dec'15



Of which:

Hungarian plant	4,517
SMT lines (VN, MSP, HU)	4,090
Machineries/production lines	1,861
Offices refurbishment (DL SpA, China, UK, ADC Inc.)	3,432
Moulds	1,697
Electronics machineries / Software	3,399

Free Cash Flow generated 46.1 M

EBT	51,584
Depreciation & Amortization	18,239
Accruals	8,213

Acc. Receivable	1,419
Inventory	(7,061)
Acc. Payable	9,545

■ Positive Cash flow
■ Negative Cash Flow

Contacts

IR CONTACTS

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NEXT EVENTS

May 13th, 2016
1Q results

August 4th, 2016
6M results

November 11th, 2016
9M results

DATALOGIC ON LINE

www.datalogic.com