



**STAR Conference  
London  
10 October 2017**



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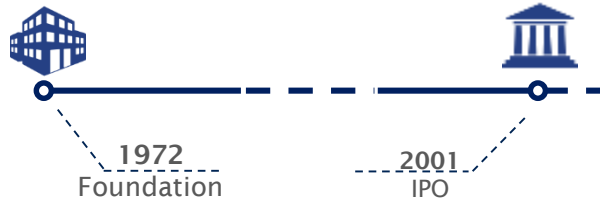
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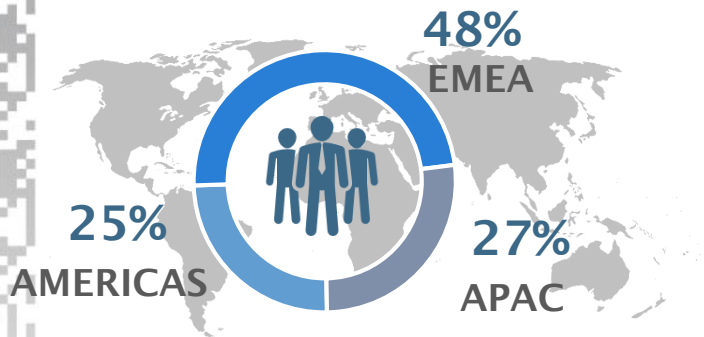
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# Group Overview

# Datalogic at a glance



2,700 EMPLOYEES



WORLD PRESENCE



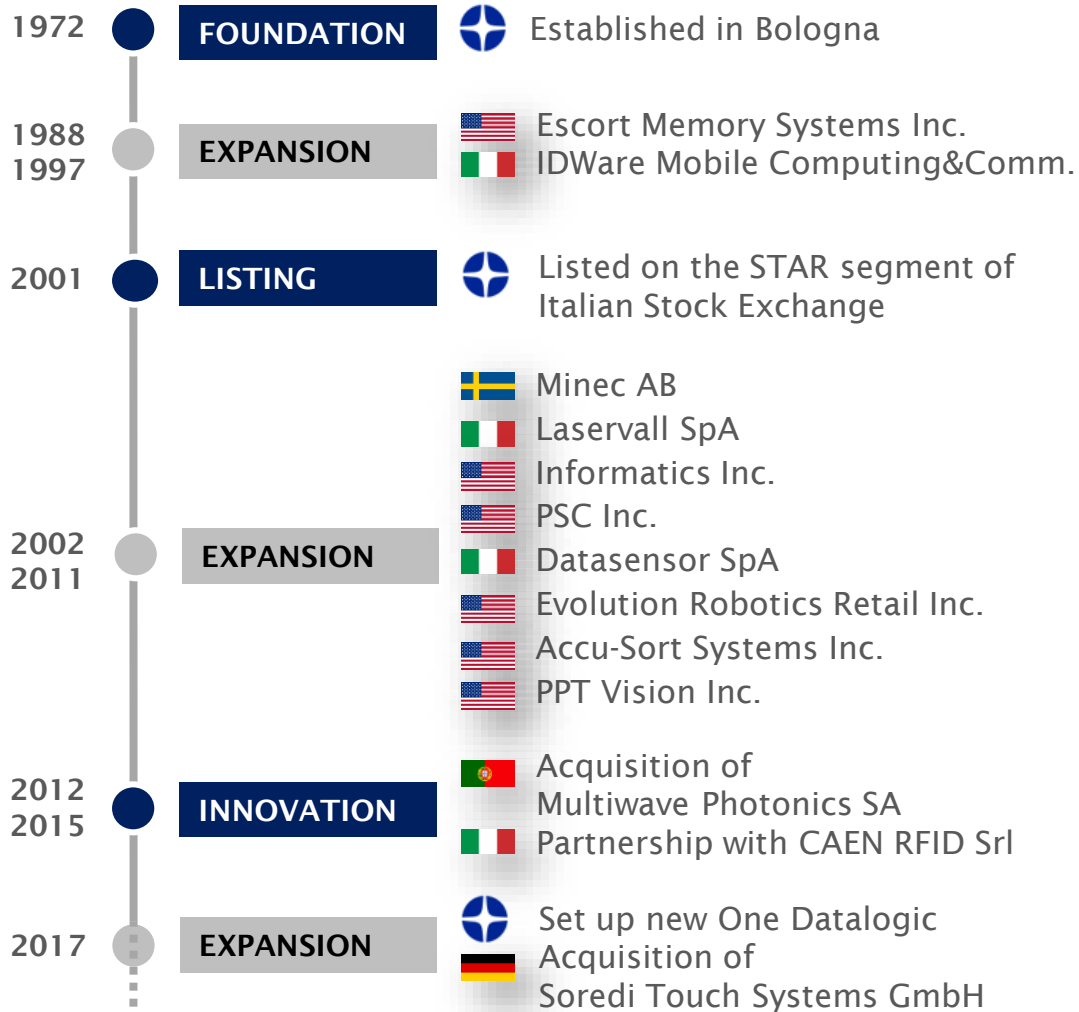
30  
Countries



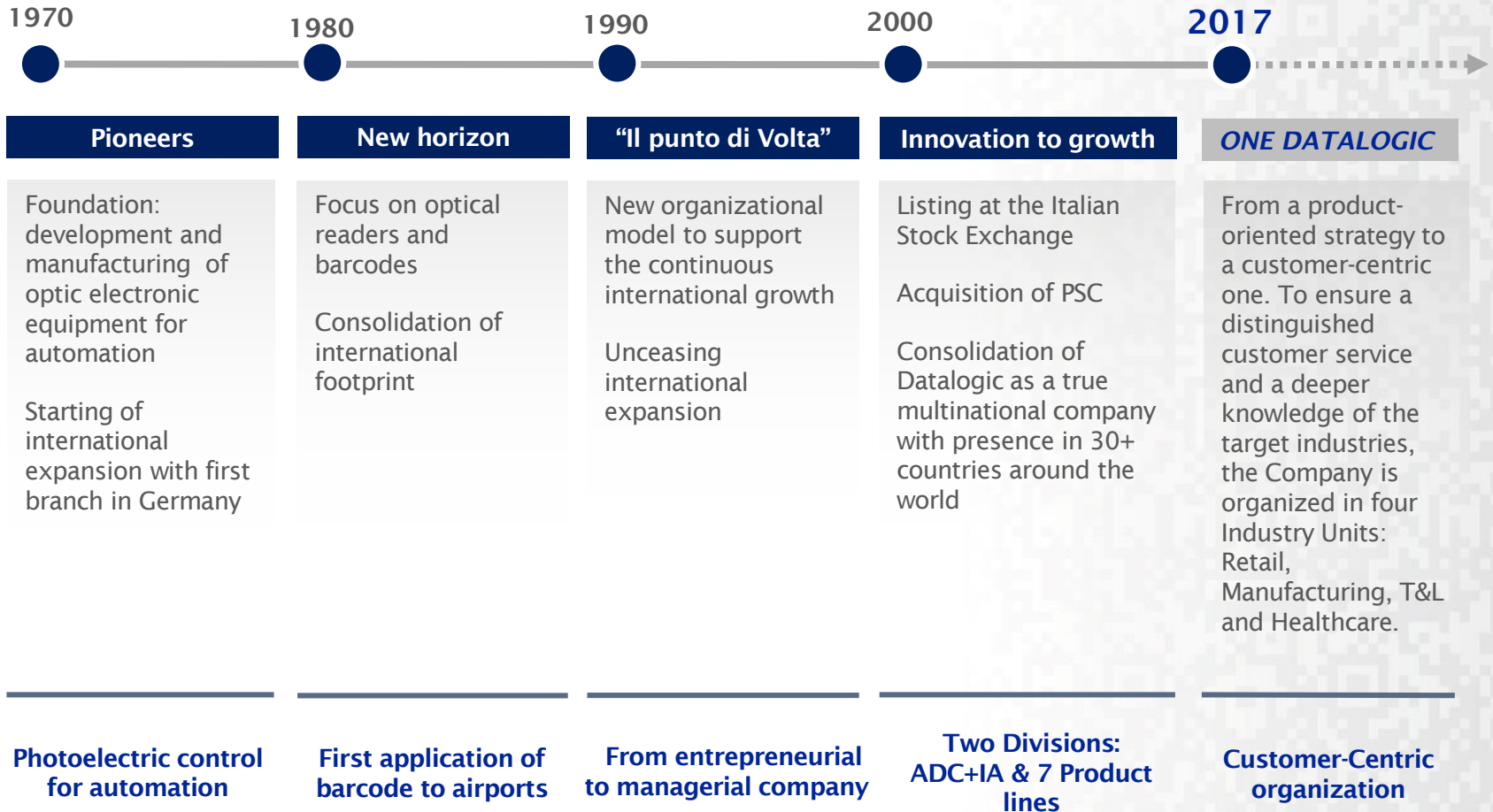
>1,200  
Patents

- **Global leader** of barcode readers, mobile computers, sensors, vision systems and laser marking systems with **cutting-edge** solutions in verticals market: **Retail, Transportation & Logistics, Manufacturing, 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 more than 1,200 patents
- **About 2,700 employees**, of which 470 in R&D
- Direct presence in 30 countries worldwide selling to 120 countries, with more than 1,000 partners worldwide

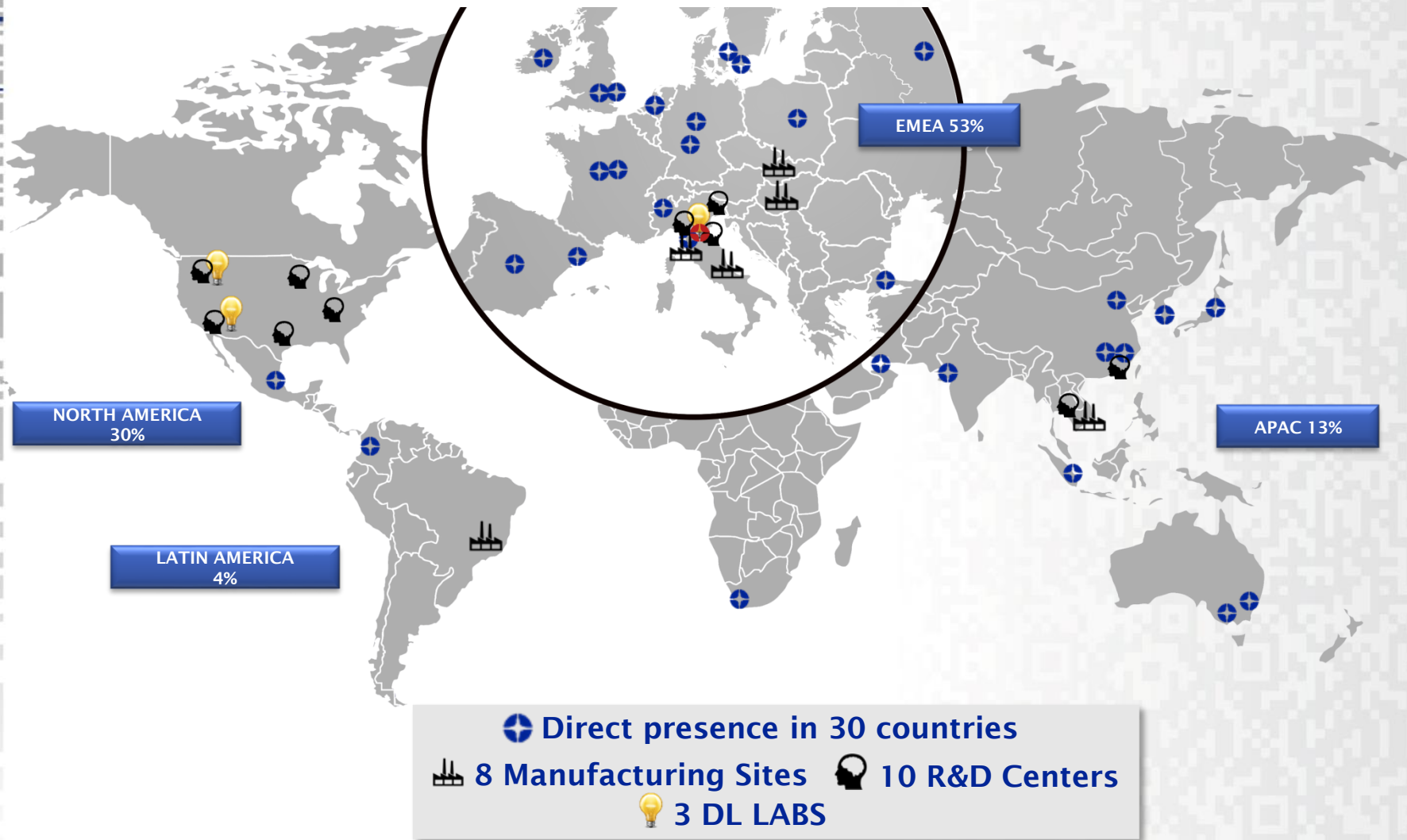
# Over 40 years of Technological Innovation



# A continuous improving Strategy



# A Wide Geographical Footprint



Note: Breakdown by area based on 1H2017 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

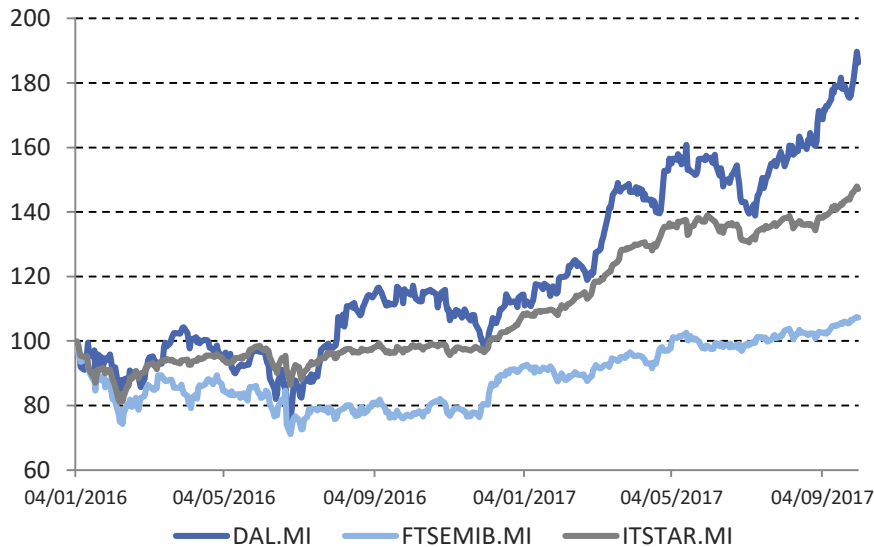
**Price (October 4, 2017):** 30.52 Euro

**Market Cap (October 4, 2017):** 1.78 B Euro

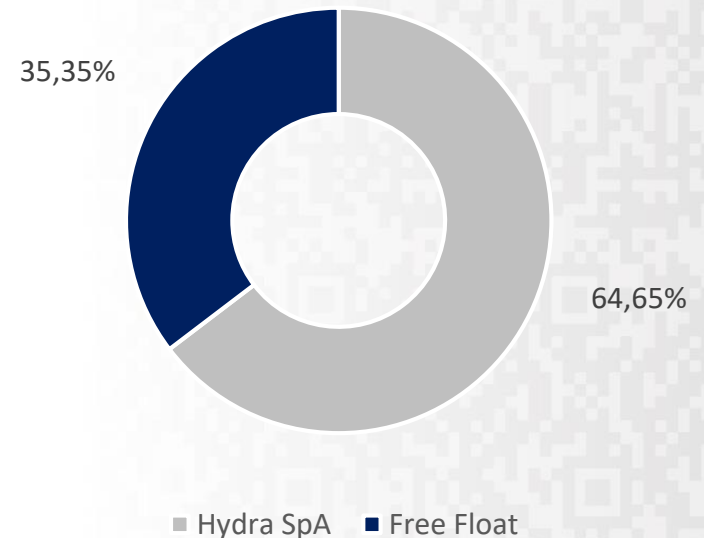
**Specialist:** Intermonte SIM

**Auditing Company:** EY

## DATALOGIC PRICE PERFORMANCE



## SHAREHOLDERS' STRUCTURE





# Strategy

# Unique Player across IA and ADC Markets

DATALOGIC is the only player across the Global competitive landscape who can boast a wide and consolidated experience in both the two fields of:

- **Industrial Automation** (dating back to the foundation of the company)
- **Automatic Data Capture** (leadership deriving from the acquisition of PSC USA )

AUTOMATIC DATA CAPTURE

INDUSTRIAL AUTOMATION



**DATALOGIC**

**COGNEX**

**KEYENCE**

**SICK**

Sensor Intelligence.

# A New Organisation by Verticals...

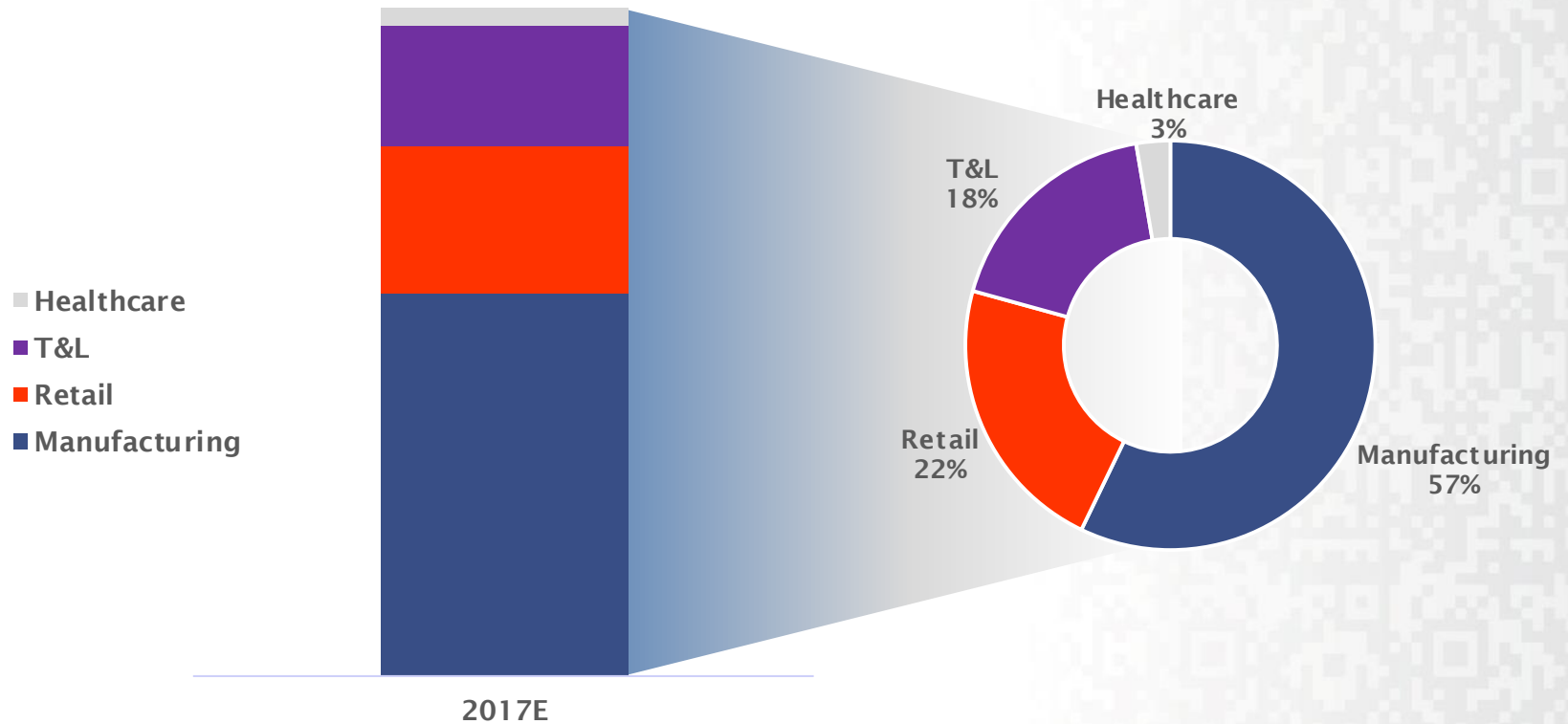


# ...with a Wide and Complementary Offer



# Total Addressable Market

Total Addressable Market @ \$9 BN



Source: VDC 2017 and Management estimates

# Market Drivers

## Retail



- E-commerce and multichannel-related trends drive purchase of data capture products
- Technology enhancement for frictionless shopping
- Brick-and-mortar focus on automation in warehouses and distribution centers

## Manufacturing



- Industry 4.0 is pushing for multi-technology adoption, product interoperability and enhancement self diagnostic capabilities for added value solutions
- Advance traceability beyond barcode
- Trends toward Intralogistic solutions and Robotic/AGV guidance

## Transport & Logistics



- E-commerce trends driving CEP & Logistics
- Increasing detection & tracking needs in the Airports
- Push on technology enhancements & multi-technology integrated solutions

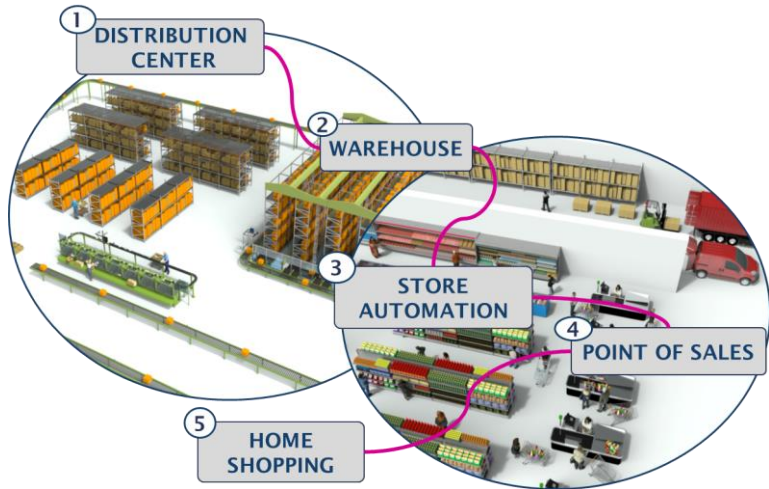
## Healthcare



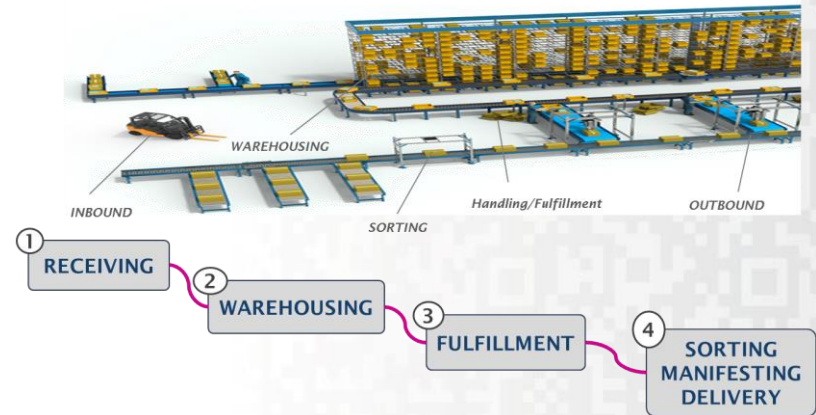
- Compliance regulations
- Increasing needs for real-time tracking of medical equipment, staff & patients
- Move to Electronic Medical Records (EMR) driving imager adoption

# Datalogic's offer along the value chain

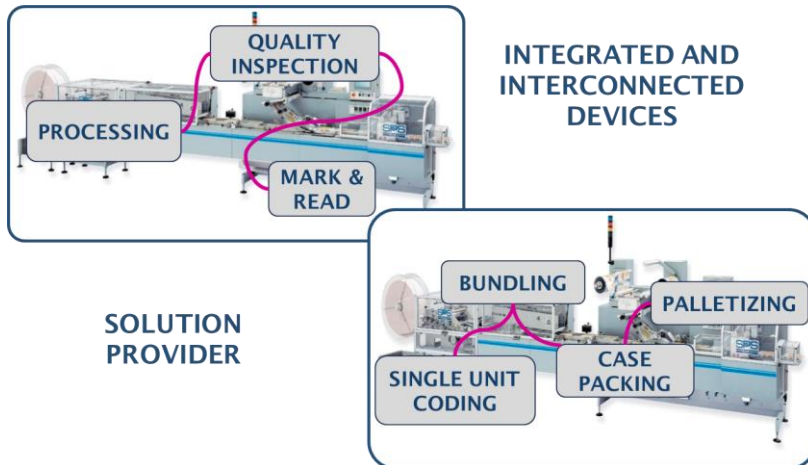
## Retail Flows and Applications



## T&L Flows and Applications



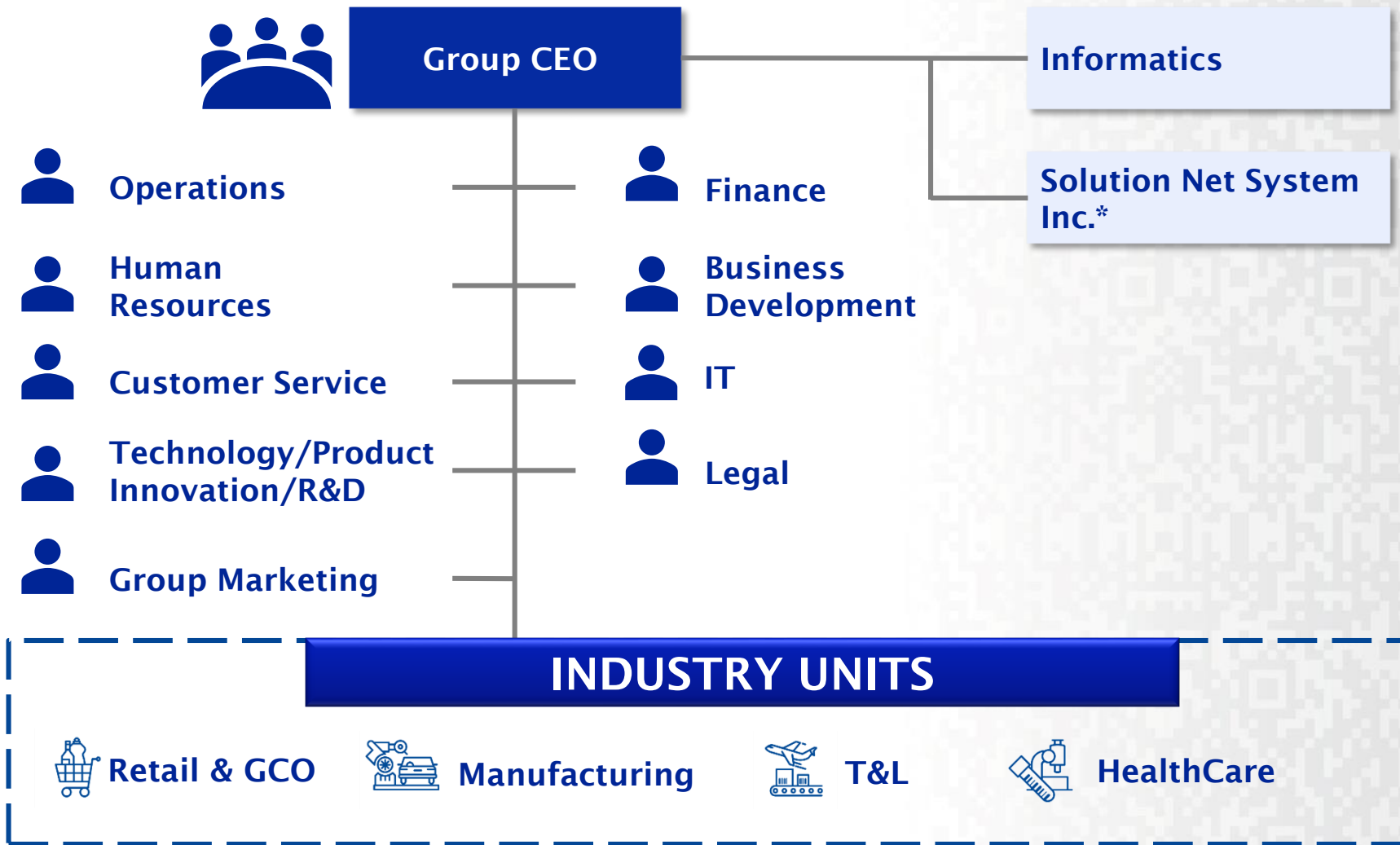
## Manufacturing Flows and Applications



## Healthcare Flows and Applications



# New One DATALOGIC Group Organization



\*The newco Solution Net System Inc. is the result from the spin-off of the Systems Business Unit.



# A clear new strategy

## THE OBJECTIVE

**Keep on constantly growing, above market average, while significantly improving profitability**

## THE SCOPE

Remain a product company with new emphasis on solutions to satisfy the needs of End Users in the following Industries: **Retail, Healthcare, T&L and Manufacturing**

Become a **significant player in North America** and **further establish in APAC** with a **growing presence in China**

Consolidate our **position in EMEA**

## THE ADVANTAGE

Moving from a product to **a Customer-centric Company**, leveraging on our wide range of products that is able to fulfill our customers' needs for both data collection and process automation and providing end-to-end solutions across the entire flow of operations

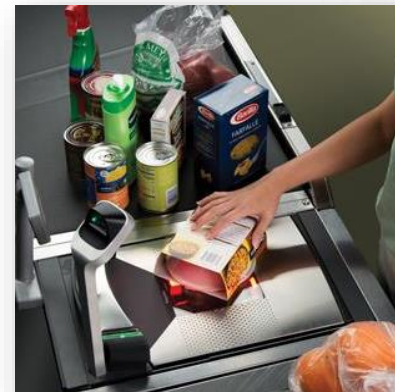
# Technologies and Products

# Product Innovation and Development

- New product development process **that starts from the Customers' needs** – 1<sup>st</sup> milestone of the new product development
- A large and growing portfolio of more than **1,200 patents and pending patent applications**
- About **300 pending patent applications** in all jurisdictions
- **In 2016 24.3% of revenues from new products\***
- **10 Research & Development Centers**
- Around **470 people employed in R&D**, of which more than **400 Engineers**



Portal Scanning



Digital Watermarking



Joya Touch

RIDA



DL-Axist

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

# NRF – Retail’s big show 2017

## VISITORS

- 655 registered leads  
(more than doubled vs. 2016)

## TOP VISITED PRODUCTS

- Jade
- Joya Touch

## NEW CONCEPT AND PRODUCTS

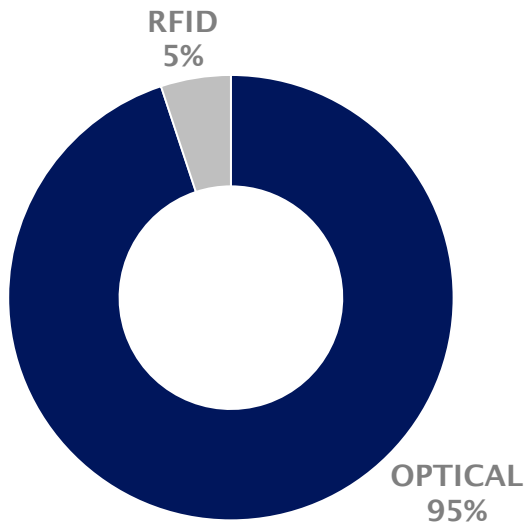
- Joya Touch Android 6
- Powerscan Retail
- Rida – companion scanner
- RFID indoor Geo-Location
- Digital Tailor – 3D imaging body scanner
- New Single Plane scanners
- New LaneHawk – loss prevention



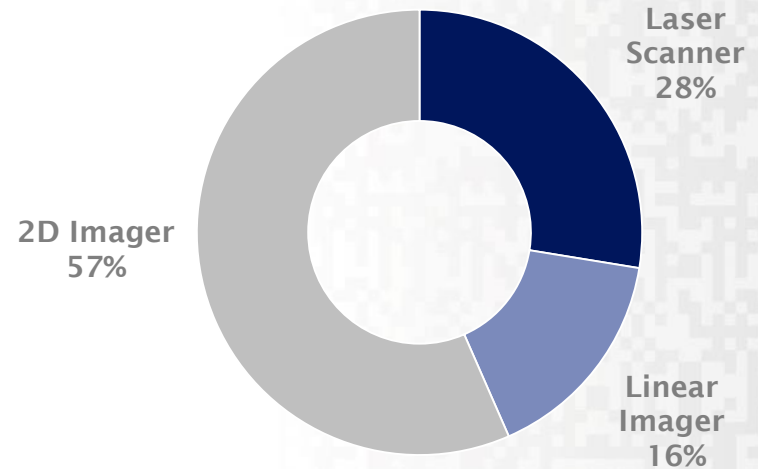
# Market split by Technology

Datalogic can offer all the technologies available for products identification

## Data Capture Technology



Market Value: \$4.3 Bn



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

**VDC** research 2017 (base year 2016)

# New Products launched in 2017

Q1



PowerScan  
Retail



RFID solution



Impact 11.10  
release



MATRIX 300N™  
POLARIZED

Q3



Joya Touch  
A6

QuickScan Lite  
QW2400



Magellan 3400 Vsi  
Magellan 3500 HSi

PowerScan 9100  
(with breakthrough scan  
engine inside)



SG4 Fieldbus

Q2



MEMOR™  
X3 HC



HALOGEN™  
DE2012-WA-DL



MATRIX 120™

# Financials

# Improvements across the whole P&L

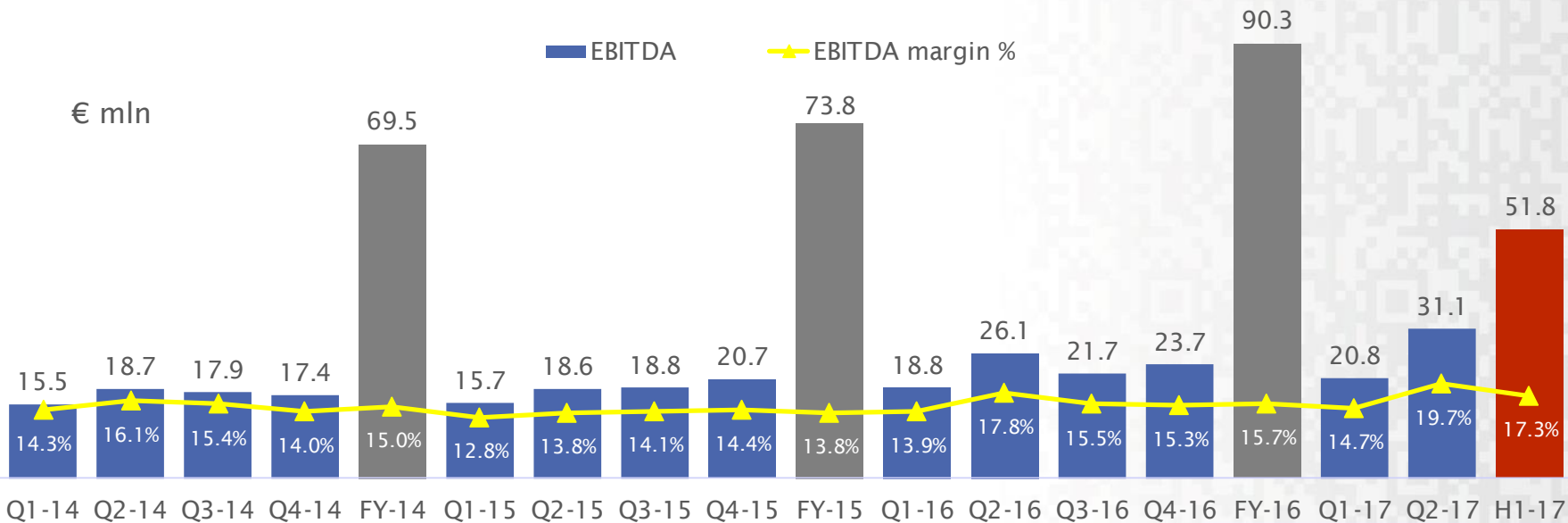
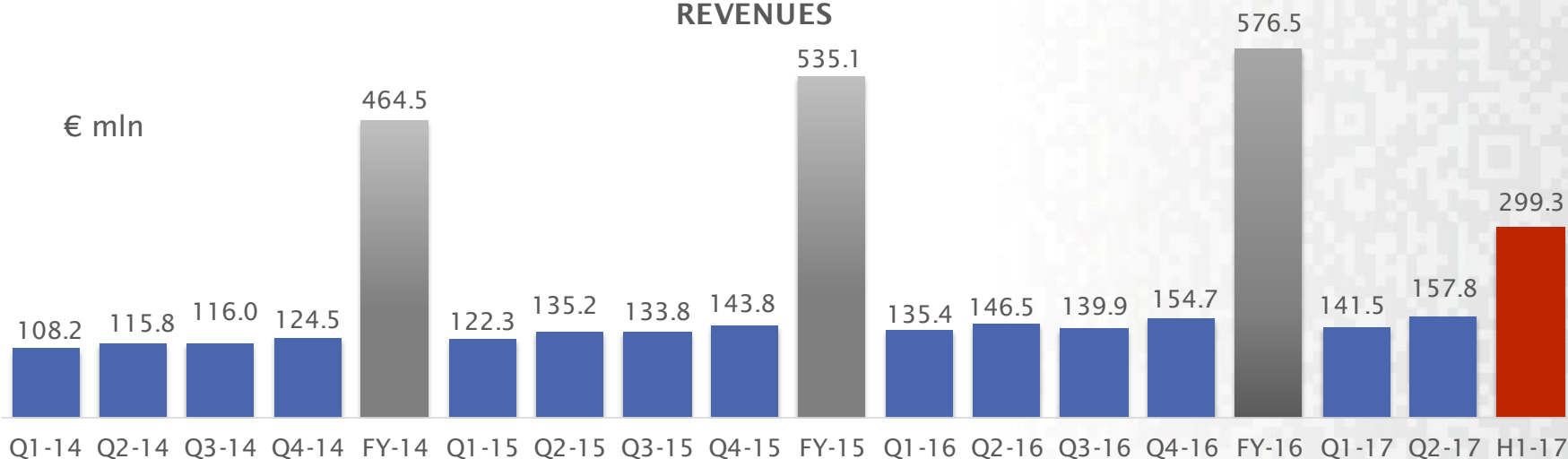
€ mln	H12017	H12016	Var%
<b>Revenues</b>	<b>299.3</b>	<b>281.8</b>	<b>6.2%</b>
Gross Operating Margin	142.3	130.9	8.6%
<i>%on Revenues</i>	47.5%	46.5%	
Operating expenses	(98.3)	(94.9)	3.6%
<i>%on Revenues</i>	(32.8%)	(33.7%)	
<b>EBITDA</b>	<b>51.8</b>	<b>45.0</b>	<b>15.3%</b>
<i>Ebitda margin</i>	17.3%	16.0%	
<b>EBIT</b>	<b>41.2</b>	<b>35.3</b>	<b>16.6%</b>
<i>Ebit margin</i>	13.8%	12.5%	
<b>EBT</b>	<b>37.2</b>	<b>32.8</b>	<b>13.5%</b>
Taxes	(7.9)	(6.6)	20.0%
<b>Net Income</b>	<b>29.3</b>	<b>26.2</b>	<b>11.9%</b>
<i>% on Revenues</i>	9.8%	9.3%	
<i>Exchange Rate</i>	1.0830	1.1159	

- Revenues up 6.2% to €299.3 mln (+4.8% at constant exchange rate)
- GOM steady improving trend QoQ, at 47.5%
- R&D *on revenues* from 8.6% to 8.8%
- Timing effects on R&D & distribution costs
- EBITDA margin to 17.3% notwithstanding negative EUR USD FX
- Forex and higher gross debt effect on financial costs
- Stable tax rate at ~ 21%



# Steady Growth over the Years

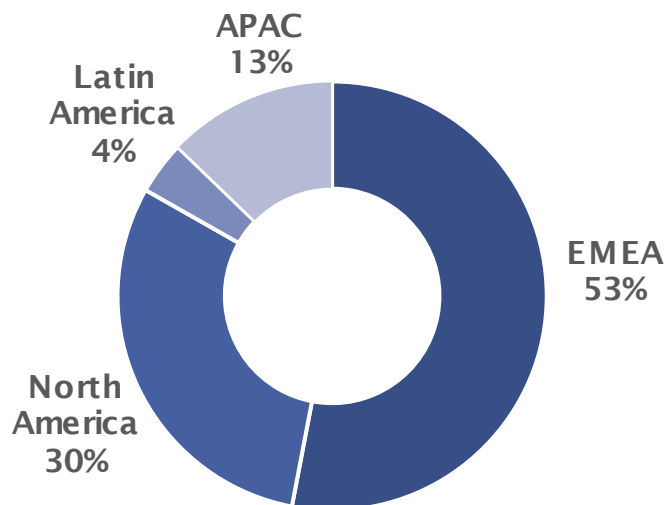
## REVENUES



# Group Revenues by country

## REVENUES BY GEOGRAPHIC AREA

€ mln	H1 2017	H1 2016	Var%
EMEA	158.7	148.2	7.1%
North America	90.4	87.2	3.7%
Latin America	12.0	13.5	(11.4%)
Asia Pacific	38.3	33	16.0%
<b>Total Revenues</b>	<b>299.3</b>	<b>281.8</b>	<b>6.2%</b>

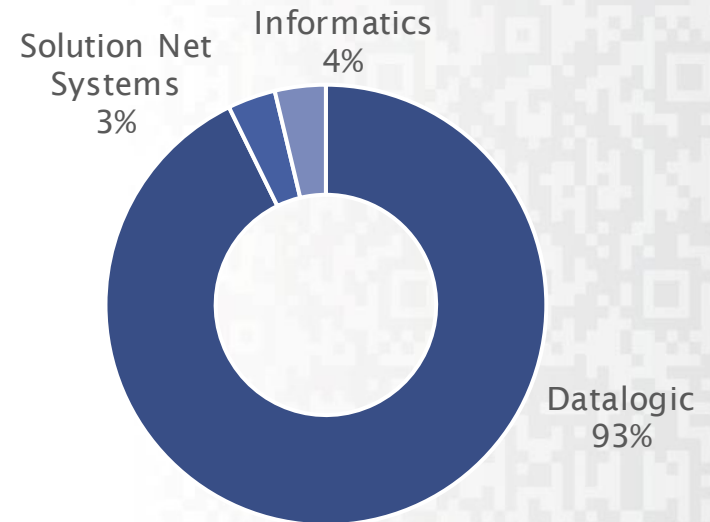


- Revenues up 6.2% to € 299.3 mln (+4.8% at a constant exchange rate)
- **Strong growth in APAC** driven by **China** (+28%) in Manufacturing and T&L
- **Confirming Leadership in EMEA** led by Retail
- **NA growth** driven by T&L and Healthcare in Datalogic division (+7.3%); Informatics dragging down growth
- **LA affected by large deals in 2016**, but improving QoQ (+60%)

# Group Revenues & EBITDA by division

## REVENUES BY DIVISION

€ mln	H12017	H12016	Var%
Datalogic	279.2	260.2	7.3%
Solution Net Systems	10.6	10.0	6.3%
Informatics	11.2	12.8	(11.9%)
<i>Adjustments</i>	(1.7)	(1.0)	n.m.
<b>Total Revenues</b>	<b>299.3</b>	<b>281.8</b>	<b>6.2%</b>



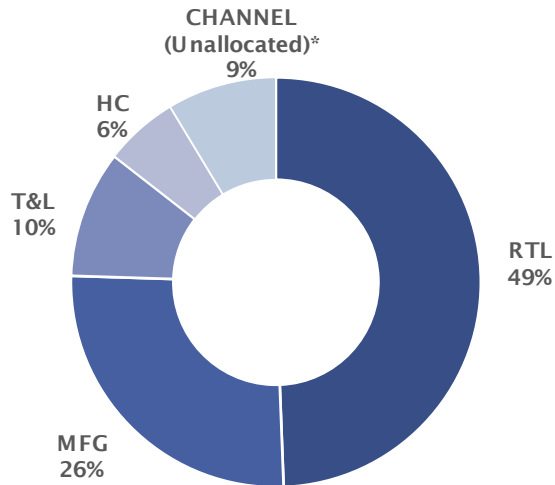
- **Datalogic Division** over performing Group growth driven by a double digit growth of Fixed Retail Scanners, ID and Machine Vision
- **Solution Net Systems**, keeps on steady growing (+ 6.3%), and profitability turnaround
- **Informatics** still in a downward trend, though improving on a quarterly basis

## EBITDA BY DIVISION

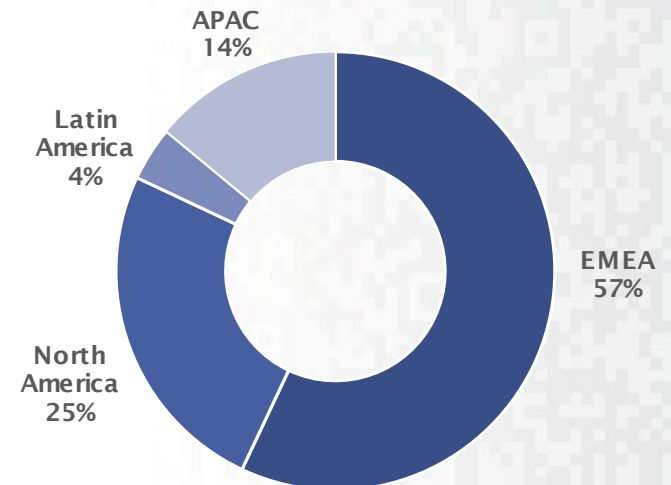
	H12017	H12016
Datalogic	51.3	46.1
Solution Net Systems	0.8	(0.9)
Informatics	(0.3)	(0.3)
<b>Total Group</b>	<b>51.8</b>	<b>45.0</b>

# Focus on Datalogic Division

## DL Revenues Breakdown by Industry



## DL Revenues Breakdown by Geo Area



### Retail



• €137.4 mln (-0.4%)

- +11% YoY in EMEA
- Growth recovery expected through new products

### Manufacturing



• €74.0 mln (+10.7%)

- Growth driven by China, over 60%, and North America, +8%

### T&L



• €27.8 mln (+5.3%)

- Double digit growth in Q2 (+14.1%) in all main areas. China and North America the leading Geos

### Healthcare



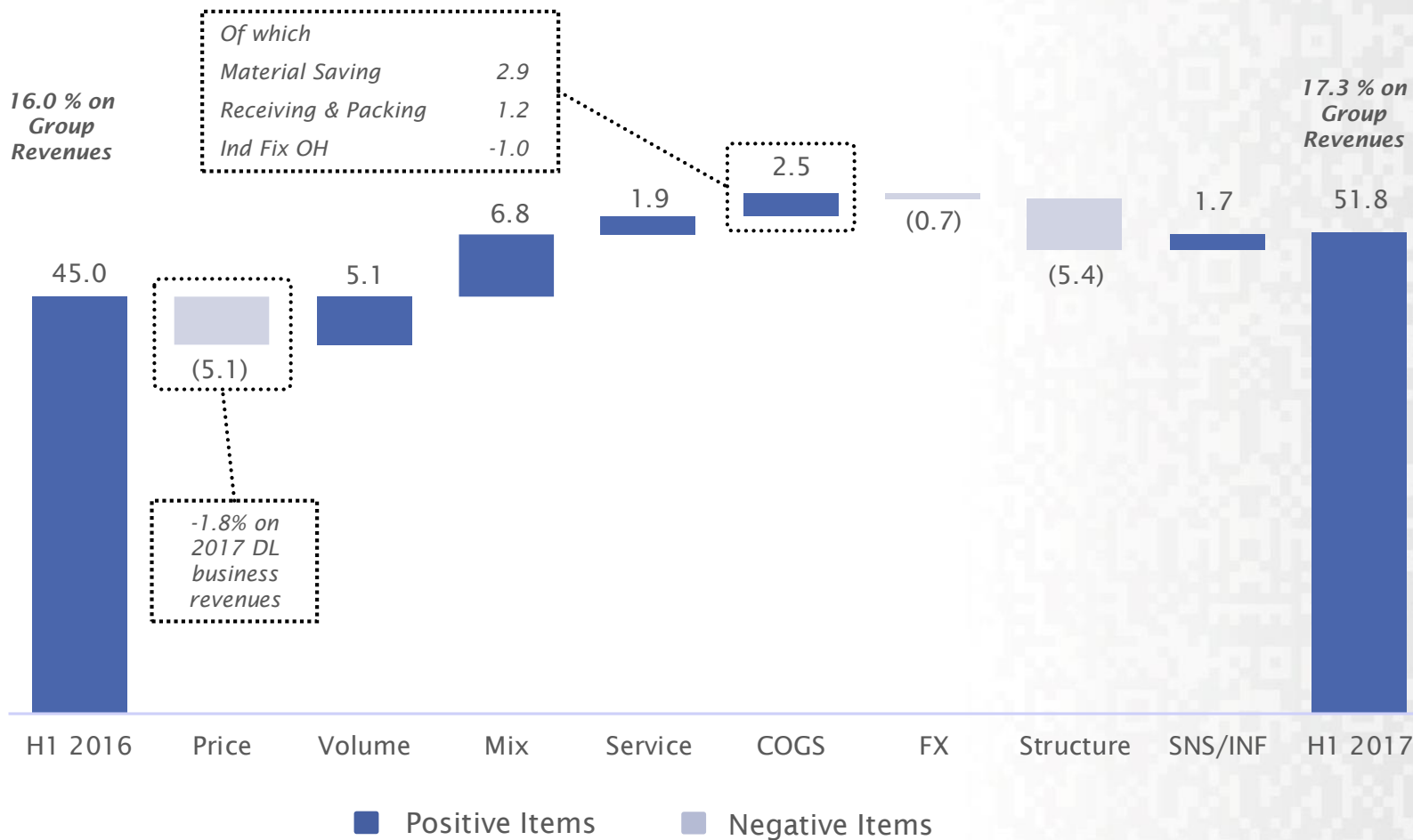
• €16.1 mln (+74.0%)

- The fastest growing sector driven by large projects with a US top hospital chains

(\*)The **Channel (Unallocated)** includes revenues not directly attributable to the 4 identified industries.

# EBITDA: actual vs last year

€ mln

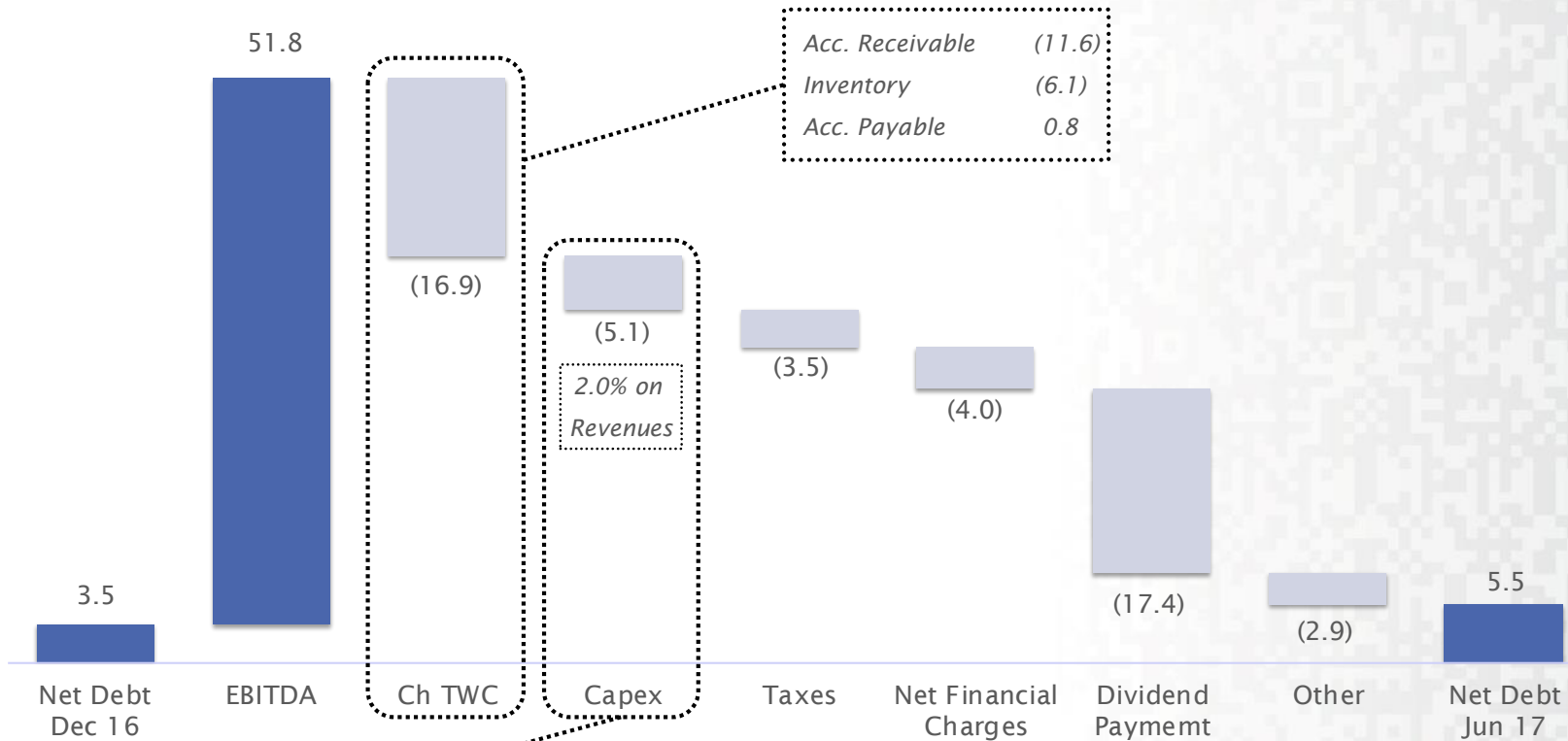


# Consolidated Balance Sheet

	Dec 2016	Jun 2017		Dec 2016	Jun 2017
<b>Total Fixed Assets</b>	<b>371.7</b>	<b>354.0</b>	<b>Net Financial Position</b>	<b>(3.5)</b>	<b>(5.5)</b>
<b>Trade receivables</b>	<b>75.5</b>	<b>87.1</b>			
<i>% on 12m rolling sales</i>	<i>13.1%</i>	<i>14.7%</i>			
<b>Inventories</b>	<b>82.3</b>	<b>88.5</b>			
<i>% on 12m rolling sales</i>	<i>14.3%</i>	<i>14.9%</i>			
<b>Trade payables</b>	<b>(104.6)</b>	<b>(105.4)</b>	<b>Net Equity</b>	<b>336.4</b>	<b>330.2</b>
<i>% on 12m rolling sales</i>	<i>-18.1%</i>	<i>-17.7%</i>			
<b>Trade Working Capital</b>	<b>53.2</b>	<b>70.2</b>			
<i>% on 12m rolling sales</i>	<i>9.2%</i>	<i>11.8%</i>			
<b>Other assets/liabilities</b>	<b>(92.1)</b>	<b>(99.4)</b>			
<b>Net Invested Capital</b>	<b>332.9</b>	<b>324.8</b>	<b>Total Sources</b>	<b>332.9</b>	<b>324.8</b>

# Net Debt Analysis: December'16 – June'17

€ mln



Acc. Receivable	(11.6)
Inventory	(6.1)
Acc. Payable	0.8

2.0% on Revenues
------------------

<i>Of which:</i>	
Electronics machineries / Software	(2.1)
Machineries and equipment	(2.1)
Offices refurbishment	(0.5)
Real estate asset disposal (Germany)	0.9

■ Negative Items  
■ Positive Items

# 2017 Outlook

- **Keep on growing in revenues** at rates substantially in line with H1
- **Strong focus on gross operating margin** to maintain a sound profitability
- **Increasing R&D & Distribution operating expenses in H2** to boost further growth & maintain leadership in the market
- **Cash Generation through NWC improvement**

- 
- **T&L:** keep growing in main Geo Areas, capturing ecommerce & CEP trends
  - **Retail:** growth recovery through strong pipeline of new products
  - **HC:** enlarging customer base in North America
  - **Manufacturing:** keep on steady growing in China and other main Geo Areas, backed by strong demand for automation



- 
- **Strong pipeline of new products in H2** particularly in in the Retail and Manufacturing industries



# Contact

## IR CONTACTS

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## NEXT EVENTS

November 13<sup>th</sup>, 2017  
9M results

## DATALOGIC ON LINE

[www.datalogic.com](http://www.datalogic.com)