

FY 2018 Results Conference Call

19 MARCH 2019



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Revenues acceleration in Q4



2018 RESULTS

€ m



Q4 RESULTS



Net Cash position at €23.8

Vertical Results

FY 2018

weight on Total	€m	FY 2018	Var %	Net Fx
50.4%	Retail	295.4	5.4%	8.0%
29.8%	Manufacturing	174.6	11.5%	13.1%
11.8%	Transportations & Logistic	69.2	13.6%	15.8%
3.5%	Healthcare	20.2	(28.6%)	(26.9%)
4.5%	Channel (Unallocated)*	26.3	(30.7%)	(30.3%)
93%	Datalogic	585.7	3.9%	5.9%
4%	Solution Net Systems	28.3	14.5%	(0.5%)
3%	Informatics	19.6	(4.9%)	20.2%
0%	Elimination	(2.6)		
100%	Group	631.0	4.1%	6.4%

Double digit growth in NA thanks to projects on Fixed Retail Scanners And Mobile Computers
 Double digit growth in China & NA (Net FX) mainly driven by industrial barcode scanners
 Double digit growth mainly driven by big project in NA with TIER1 parcel companies
 Decrease due to big projects in NA in 2017

Q4

weight on Total	€m	Q4 2018	Var %	Net Fx
52.5%	Retail	81.3	9.4%	8.0%
28.3%	Manufacturing	43.8	5.7%	5.4%
12.0%	Transportations & Logistic	18.6	(7.7%)	(8.7%)
4.2%	Healthcare	6.6	(5.7%)	(7.2%)
2.9%	Channel (Unallocated)*	4.4	31.0%	31.3%
94%	Datalogic	154.7	5.8%	4.8%
4%	Solution Net Systems	5.9	8.5%	5.1%
3%	Informatics	5.0	17.9%	14.2%
0%	Elimination	(0.6)		
100%	Group	164.9	6.2%	5.1%

Best quarter of the year driven by NA
 Double digit growth in NA partially offset by slow down in APAC
 Slow down in all region due to big project fasing
 Best quarter of the year with signs of recovery thanks to new project in NA

* Includes Revenues not directly allocated to the Verticals



Group Revenues by geography

FY 2018

weight on Total	€m	FY 2018	Var %	constant FX	
50.9%	EMEA	320.9	(2.0%)	(1.6%)	Declining trend entirely due to Retail; positive growth for T&L and Manufacturing
32.6%	North America	205.6	13.8%	18.4%	Stellar performance in 2019 driven by double digit growth in Retail, T&L and Manufacturing (Fx Net)
13.8%	Asia Pacific	87.3	9.7%	13.3%	Entirely driven by China (+13,9%) thanks to Manufacturing (+29,7%)
2.7%	Latin America	17.2	(5.3%)	2.0%	
100.0%	Total Revenues	631.0	4.1%	6.4%	

Q4

weight on Total	€m	Q4 2018	Var %	constant FX	
50.2%	EMEA	82.9	(7.7%)	(7.9%)	Results impacted by Retail (mainly Italy) and T&L project seasonality
32.1%	North America	52.9	33.9%	29.7%	Double digit growth driven by Retail
14.0%	Asia Pacific	23.0	12.2%	11.7%	Positive trend due to Retail in APAC, slow down Manufacturing in China
3.7%	Latin America	6.1	11.1%	14.7%	Growth driven by Retail
100.0%	Total Revenues	164.9	6.2%	5.1%	

2018 New Product Launches and innovation

October



PowerScan PD9530 becomes PD9531

S3Z Miniature Sensor



November



Gryphon 41X0 Becomes 41X2



TL46 - WE



Matrix 220

AREX 400 family of Fiber Laser Marker



December



Gryphon 4500 Cordless

S5N Tubular Sensor



Laser Sentinel Master Slave Version



Memor 1



Memor 10

Rhino II Android version



- 24 New Product launched in 2019 (12 only in Q4).
- Main accomplishments:
 - **Memor™ 10, new PDA** validated for the **Google™**-led initiative “**Android Enterprise Recommended**” program for rugged devices.
 - R&D investments reaching 9.8% on Revenues (10.2% on DL Business)
 - New SLS launched
- Hired 90+ people in R&D, reaching 500 people
- Patents above 1.200 items; +53 IDs harvested in 2018

Q4 2018 P&L

€ m	Q4 2018	Q4 2017	Var%
Revenues	164.9	155.3	6.2%
Gross Margin	79.2	75.9	4.4%
<i>%on Revenues</i>	48.0%	48.9%	
Operating expenses	(55.2)	(54.3)	1.8%
<i>%on Revenues</i>	(33.5%)	(34.9%)	
EBITDA	28.0	25.4	10.3%
<i>Ebitda margin</i>	17.0%	16.4%	
EBIT	22.4	20.4	9.9%
<i>Ebit margin</i>	13.6%	13.1%	
<i>Exchange Rate</i>	1.14	1.18	

- Acceleration in Q4 driven by NA +33.9% vs LY (+29.7% vs Net FX)
- Revenues up 6.2% to €164.9m (+5.1% Net FX)
- Gross Margin up 4.4% to €79.2m.
- Operating expenses up by 1.8% to €55.2m.
- EBITDA margin from 16.4% to 17.0% thanks to higher volumes compensating Operating expenses increase.

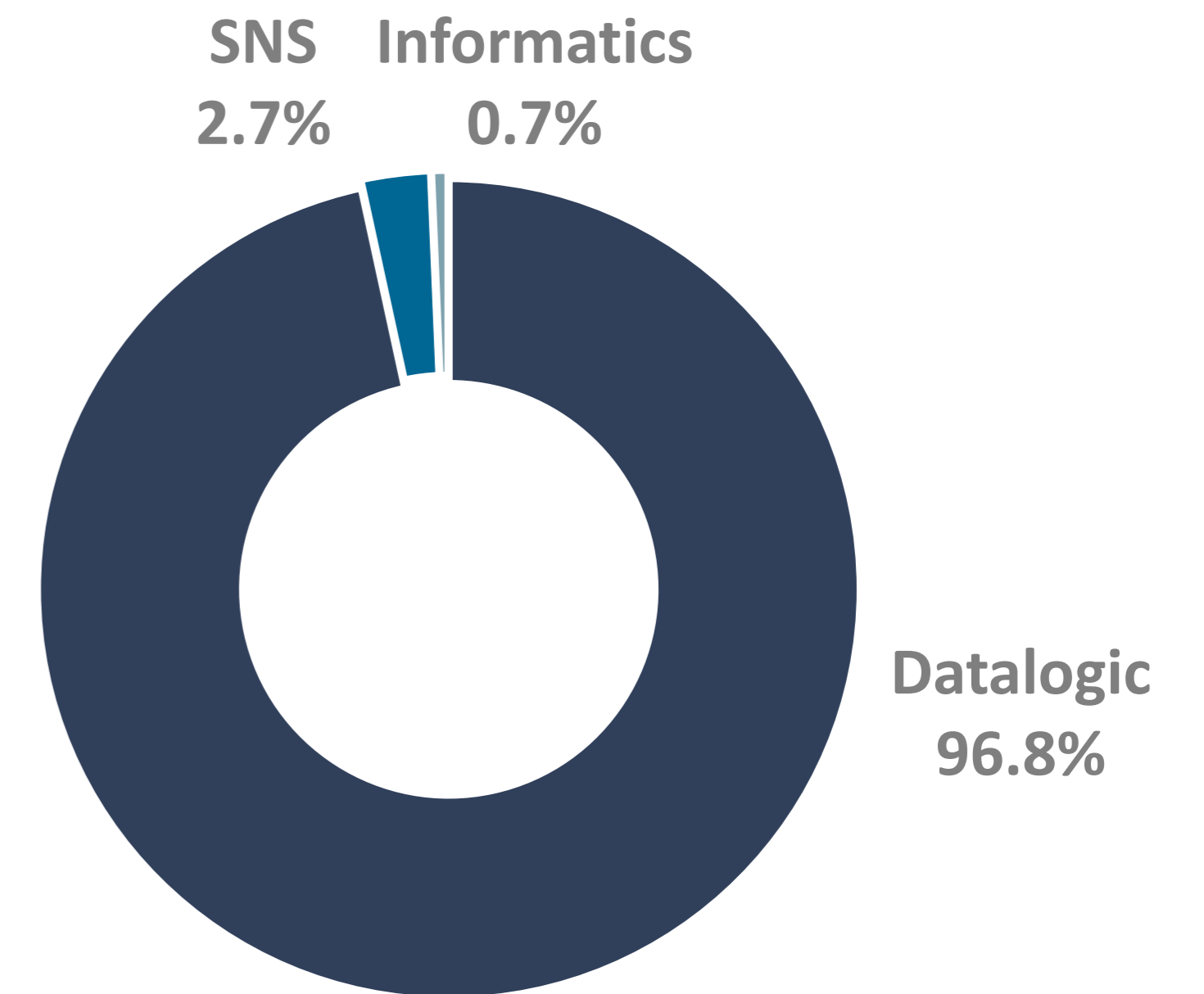
FY 2018 P&L

€ m	2018	2017	Var%
Revenues	631.0	606.0	4.1%
Gross Margin	306.0	288.4	6.1%
<i>%on Revenues</i>	48.5%	47.6%	
Operating expenses	(215.6)	(199.8)	7.9%
<i>%on Revenues</i>	(34.2%)	(33.0%)	
EBITDA	105.5	103.3	2.2%
<i>%Ebitda margin</i>	16.7%	17.0%	
EBIT	83.5	82.9	0.8%
<i>%Ebit margin</i>	13.2%	13.7%	
EBT	77.8	75.5	3.2%
Taxes	(15.6)	(15.4)	
Net Income	62.2	60.1	3.5%
<i>% on Revenues</i>	9.9%	9.9%	
<i>Exchange Rate</i>	1.18	1.13	

- Revenues up 4.1% to €631.0 m (+6.4% at constant exchange rate)
- Gross Margin showing steady improving trend at 48.5% (around +90 bps vs 2017)
- Operating expenses up by 7.9% to €215.6m.
 - ✓ R&D on revenues up to 9.8% (10.2% on DL Business)
 - ✓ S&D on revenues from 16.5% to 17.8% (+130 bps YoY) due to strengthening of commercial organization
 - ✓ G&A on revenues decreased by 7.9%. moving from 7.4% to 6.6% on revenues
- EBITDA margin at 16.7% improved Gross Margin and volumes partially offsets higher R&D and Distribution expenses
- EBT up by 3.2% thanks to financial charges decrease
- Tax Rate at 20.1% in line with previous year
- Net income at €62.2m

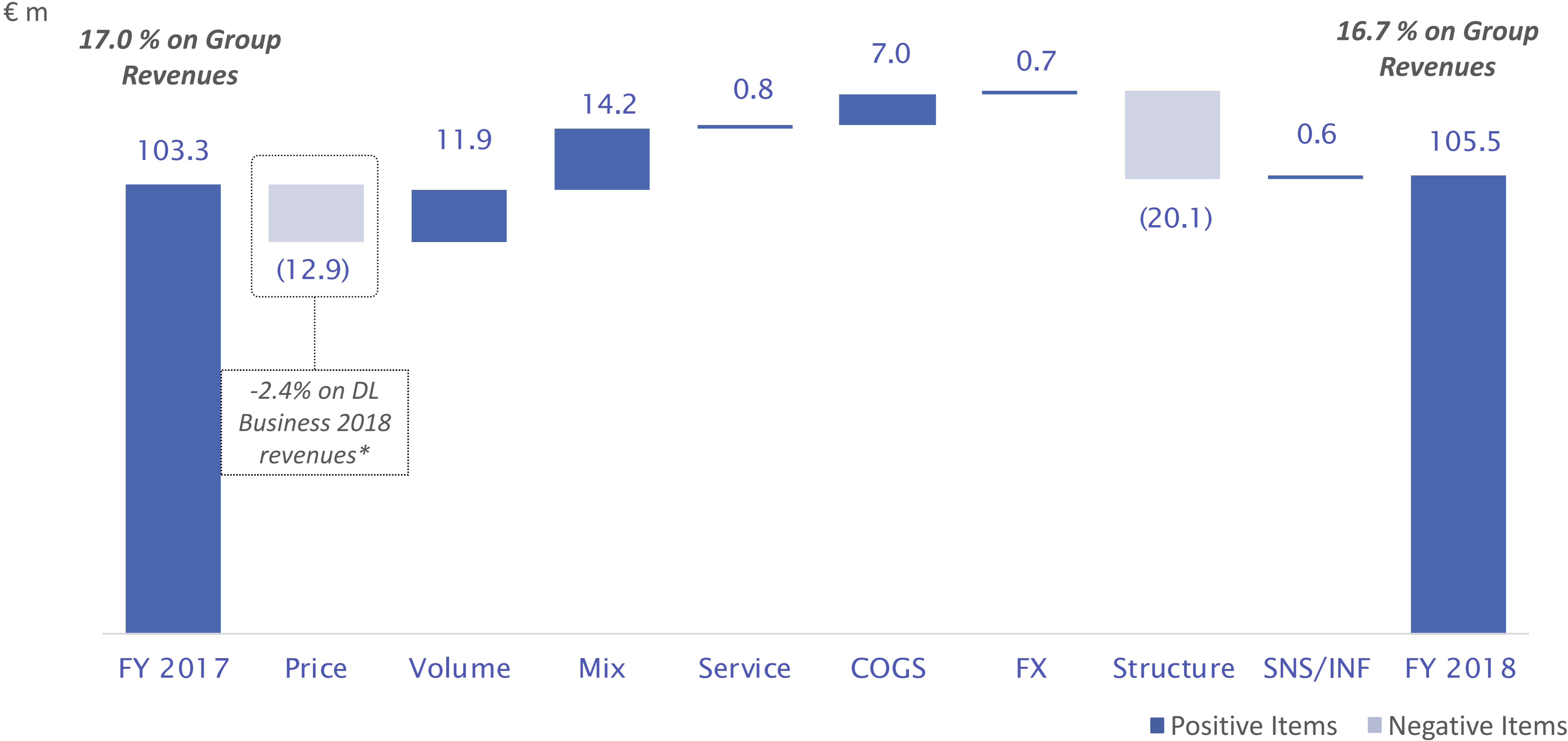
Group EBITDA by division

Division	FY 2018	Var %
DL Business <i>% on Revenues</i>	102.1 17.4%	1.9%
Solution Net Systems <i>% on Revenues</i>	2.9 10.4%	3.0%
Informatics <i>% on Revenues</i>	0.7 3.4%	358.2%
Adjustments	(0.2)	
Group <i>% on Revenues</i>	105.9 16.8%	2.5%



- **Datalogic** EBITDA increasing by 2.2% vs 2017.
- **Solution Net Systems** EBITDA substantially in line with 2017 (2.9 m€); EBITDA margin decreased by 110 bps due to Royal mail big Postal projects.
- **Informatics** EBITDA improvement thanks to cost control and mix

EBITDA: actual vs last year



* Excluding Service and other non significant items

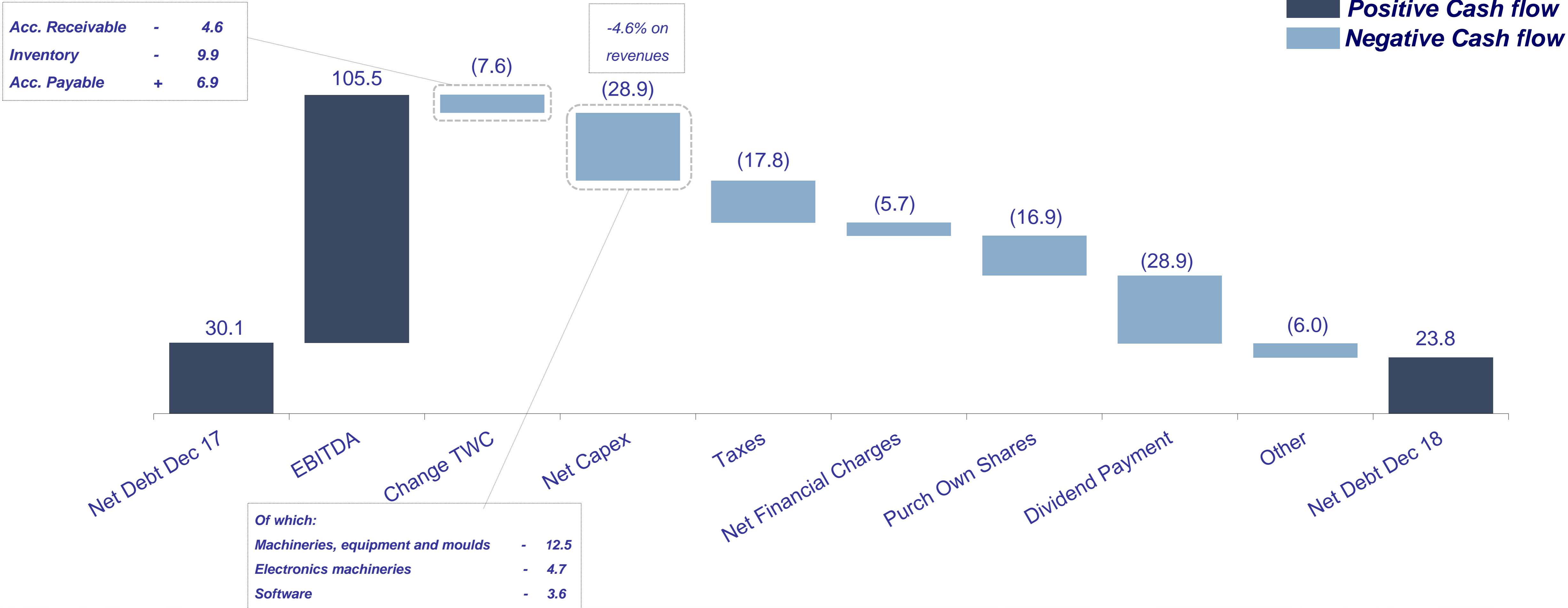


Consolidated Balance Sheet

€m	2018	2017
Total Fixed Assets	369.7	347.9
Trade receivables	90.4	85.8
<i>% on 12m rolling sales</i>	<i>14.3%</i>	<i>14.2%</i>
Inventories	95.8	85.9
<i>% on 12m rolling sales</i>	<i>15.2%</i>	<i>14.2%</i>
Trade payables	(117.1)	(110.3)
<i>% on 12m rolling sales</i>	<i>-18.6%</i>	<i>-18.2%</i>
Trade Working Capital	69.1	61.5
<i>% on 12m rolling sales</i>	<i>11.0%</i>	<i>10.1%</i>
Other assets/liabilities	(86.9)	(86.5)
Net Invested Capital	352.0	322.9

€m	2018	2017
Net Financial Position	(23.8)	(30.1)
Net Equity	375.8	353.0
Total Sources	352.0	322.9

Net Debt & Cash Flow Analysis : Dec'17 – Dec'18



2019 Outlook

Group

- **Focus on Innovation:** increase R&D investment.
- **Commercial organization:** Selective hiring in key areas NA and APAC.
- **Ramp up of new products** launched in the last 12 months (ie: Shift to Android OS).
- **Strong new products pipeline.**

Verticals

- **Retail:** outlook remain very positive in NA; expected recovery in EMEA and APAC along the year thanks to new products.
- **Manufacturing:** NA as growth engine of 2019 thanks to increase coverage.
- **T&L:** keep the pace in NA and leveraging cross selling thanks to new products.
- **HC:** back to growth.
- **Channel:** SMB expected recovery thanks to new products particularly suitable for the channel.

Financials

- Keep growth trend **on Revenues.**
- Substantially stable **EBITDA margin.**
- Maintain a **strong Cash Generation** from operations .

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NEXT EVENTS

April 30, 2019

Shareholders' meeting

May 14, 2019

1Q 2019 Results

August 7, 2019

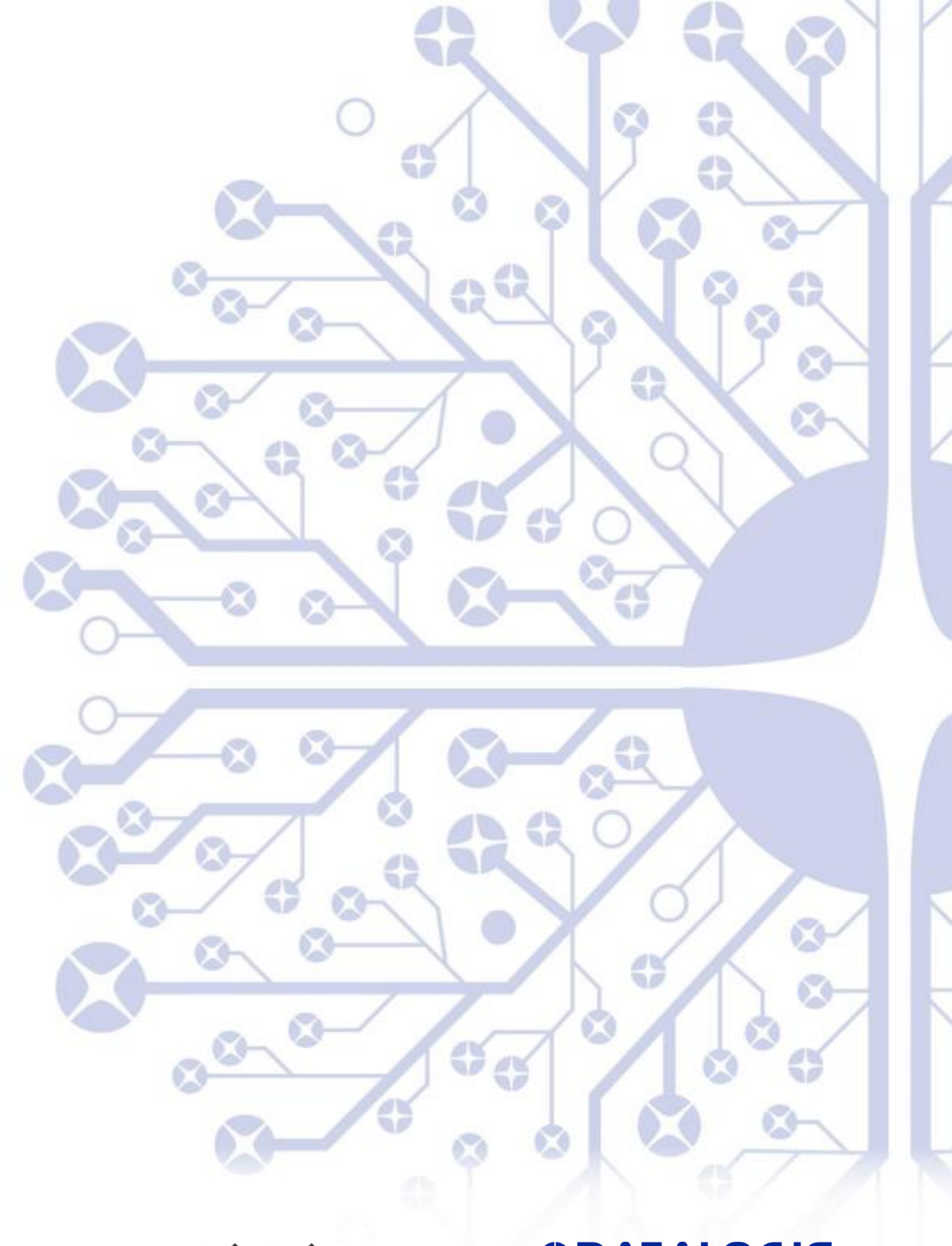
6M Results

November 13, 2019

9M Results

DATALOGIC ON LINE

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