

FY 2020 Results Conference Call

MARCH 10, 2021

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FY 2020 & Q4 2020 Results¹



FY 2020 Results

€ m

REVENUES
€479.8
(-18.1%)

GOM
€219.9
45.8%
(-3.4 pp)

Adj. EBITDA
€58.3
12.2%
(-3.5 pp)

NET RESULT
€13.9
2.9%
(-5.7 pp)

Q4 2020 Results

€ m

REVENUES
€132.8
(-8.0%)

GOM
€59.9
45.1%
(-2.1 pp)

Adj. EBITDA
€21.1
15.9%
(+1.4 pp)

NET RESULT
€9.3
7.0%
(-0.3 pp)

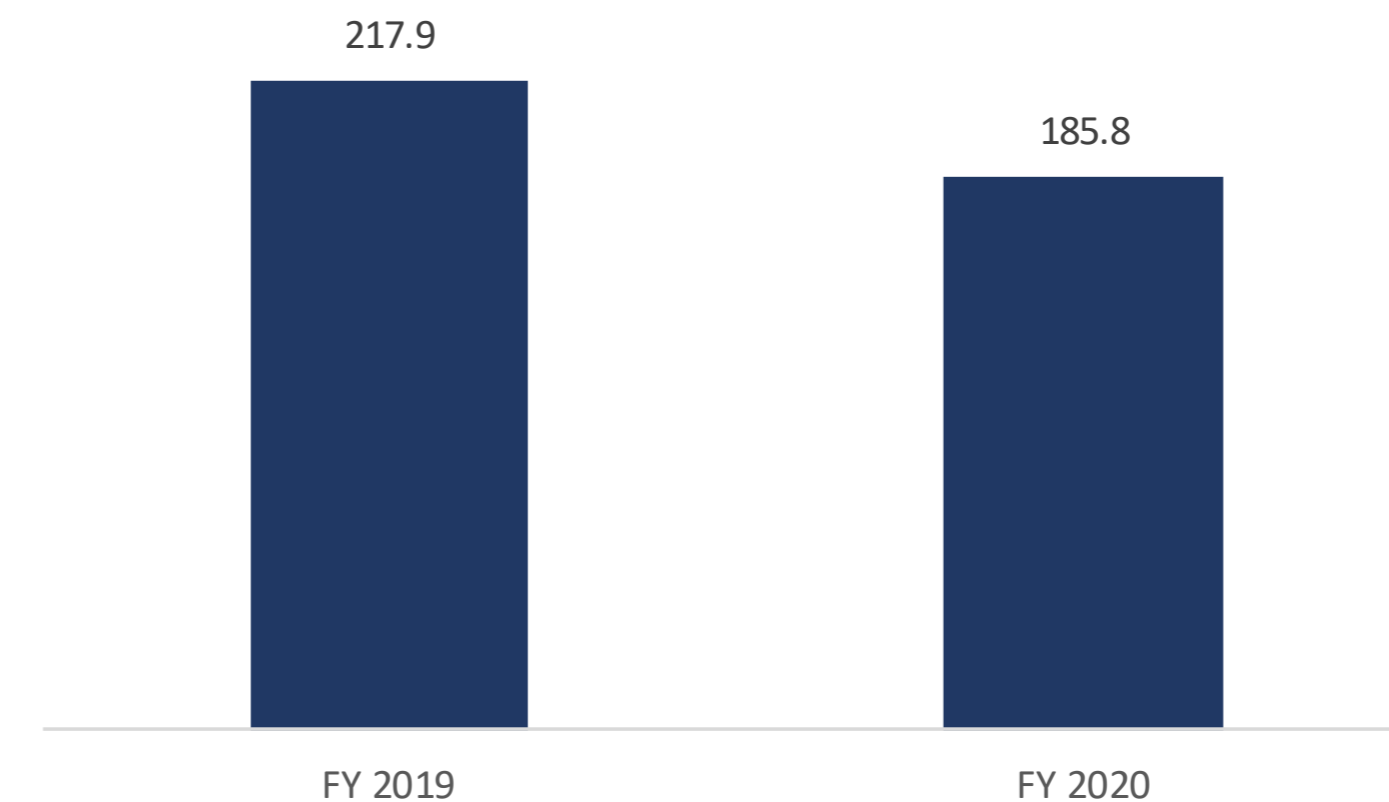
Net Financial Position positive at €8.2

¹ December 31, 2019 economic data were restated following the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.

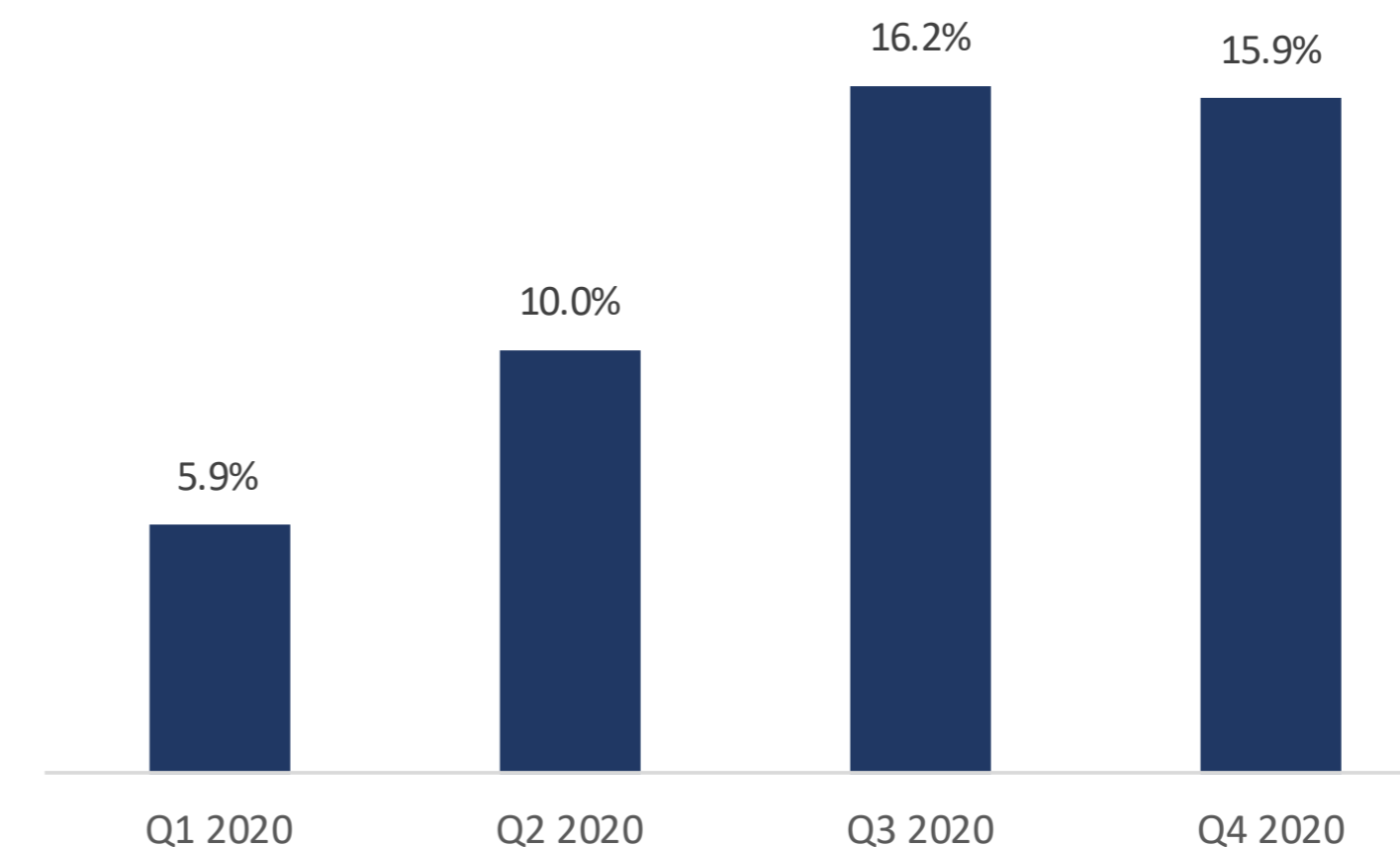
2020 Highlights: Strong Execution in the downturn

- ❑ Progressive Top line improvement during the Pandemic from -26.8% in Q2 to 5.4% in Q4. **EMEAI** and **Americas** affected. **Solid Growth** in **APAC**
- ❑ **Strong execution** both on **tactical and operational efficiency** delivering Second-Half **Adj Ebitda margin** back to pre-pandemic level at **16.0%**
- ❑ Protected investment in Innovation with **R&D spending*** at ca. **13.1%** and **Vitality Index** at **20.0%**
- ❑ **Cash Generation** in Q4 delivering Net Financial Position **positive** at 8.2 M€
- ❑ **Sound signs of rebound** starting from **Q4** in all geographies coupled with **leaner cost base** preparing return to **profitable growth**
- ❑ Strengthened position in **Industrial Automation** with the acquisition of **MD Micro Detectors Group** in Q1 2021

Operating costs



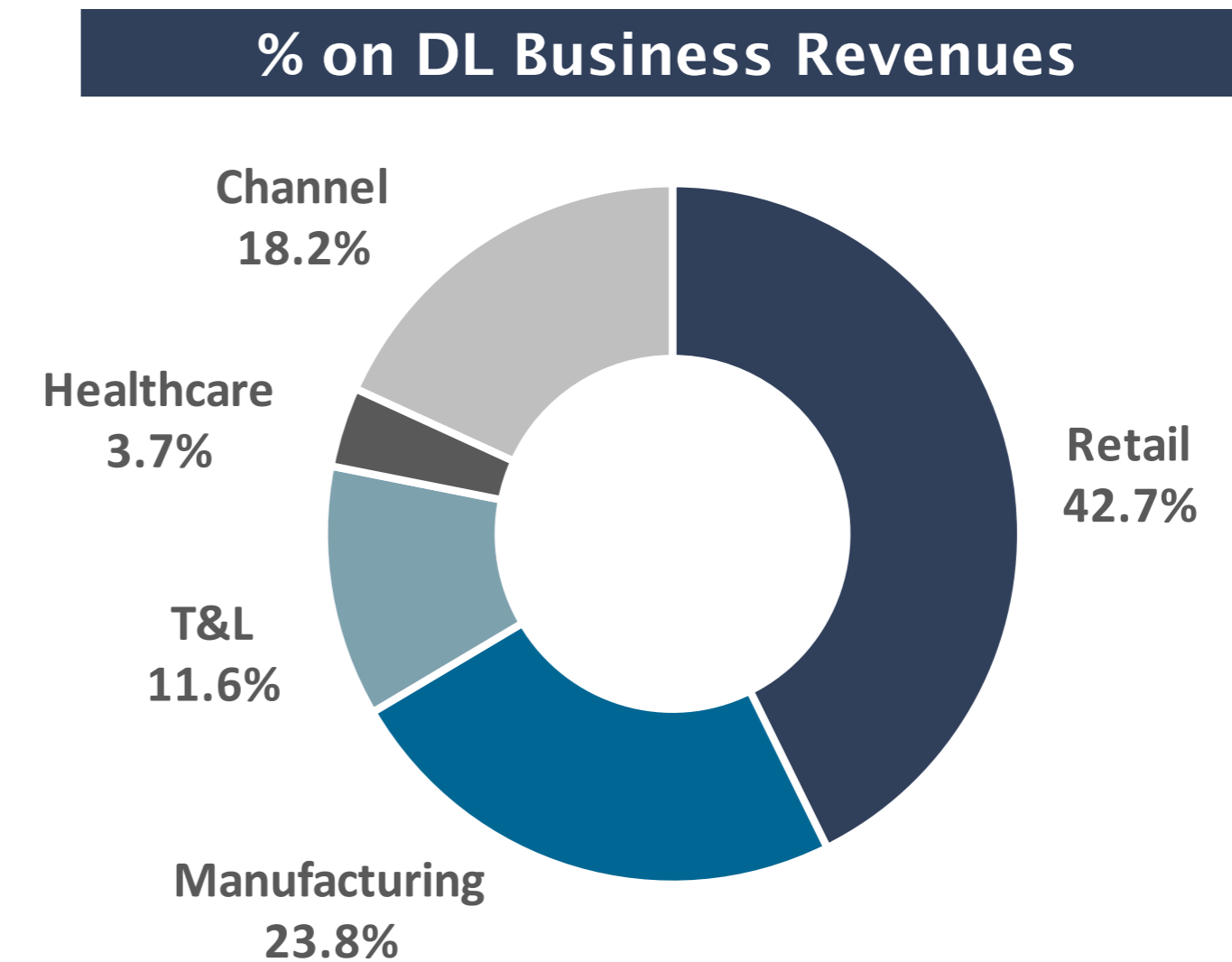
Ebitda Margin



* Including capitalized R&D expenses and excluding D&A

Group Revenues by Segment

| €m | FY 2020 | FY 2019 Restated* | Var % vs. FY 2019 |
|----------------------------|--------------|-------------------|-------------------|
| Retail | 198.3 | 231.1 | (14.2%) |
| Manufacturing | 110.7 | 117.7 | (5.9%) |
| Transportation & Logistics | 53.9 | 74.4 | (27.6%) |
| Healthcare | 17.2 | 17.7 | (2.6%) |
| Channel | 84.5 | 127.3 | (33.6%) |
| Total DL Business | 464.6 | 568.1 | (18.2%) |
| Informatics | 16.4 | 18.7 | (12.3%) |
| Intra division | (1.2) | (1.1) | 7.4% |
| Total Datalogic | 479.8 | 585.8 | (18.1%) |

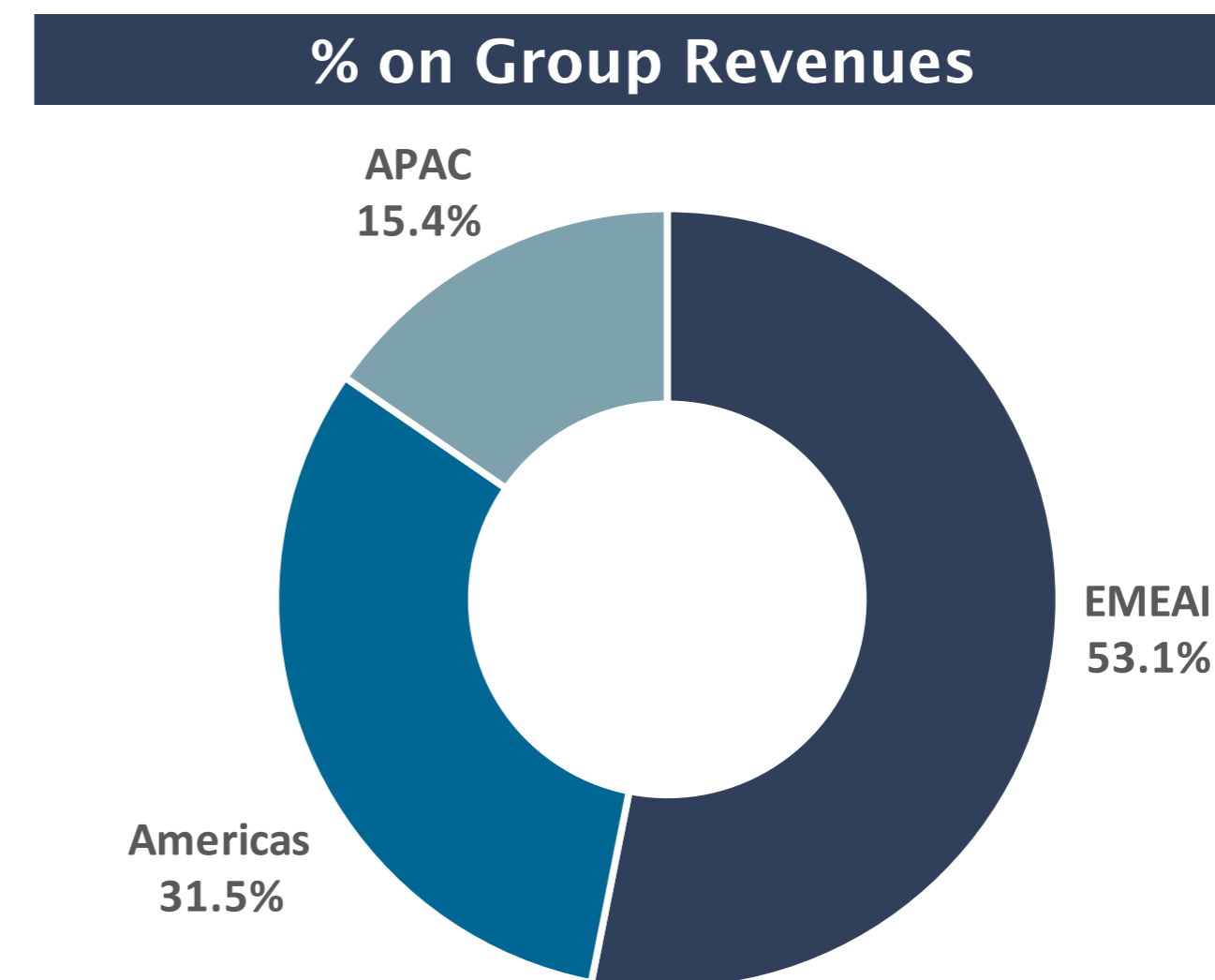


- ❑ **Retail:** Decline driven mainly by Americas and base effect from end of major FRS Roll-outs in 2019
- ❑ **Manufacturing:** 40.3% growth in APAC. EMEAI and Americas impacted by Covid particularly in Automotive
- ❑ **T&L:** Double digit growth in APAC . Tough comparison in Americas due to the conclusion of important multi-year contracts
- ❑ **Healthcare:** double digit growth in APAC, slight decrease in EMEAI and North America
- ❑ **Channel:** Distributors destocking and small/medium size business decline during the pandemic

* December 31, 2019 comparative data have been restated to reflect the new allocation of Group's revenues to geographic areas and business sectors, as redefined by the "New Sales Organization" model launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5.

Group Revenues by Geography













| €m | FY 2020 | FY 2019 Restated* | Var % vs. FY 2019 |
|------------------------|--------------|-------------------|-------------------|
| EMEI | 254.8 | 307.1 | (17.0%) |
| Americas | 151.2 | 210.1 | (28.0%) |
| APAC | 73.8 | 68.5 | 7.7% |
| Total Datalogic | 479.8 | 585.8 | (18.1%) |



- **EMEI:** performance affected by Covid-19 and phase-out of major Fixed Retail Scanners roll-outs. Signs of recovery in H2, with Q4 returning to growth driven by Italy achieving +12.4% vs Q4-2019 pre-Covid.
- **Americas:** Most affected market during the pandemic. Restriction to mobility severely affected the development of the customer base
- **APAC:** Double digit growth in the second part of the year driven mainly by China in T&L and Manufacturing.

* December 31, 2019 comparative data have been restated to reflect the new allocation of Group's revenues to geographic areas and business sectors, as redefined by the "New Sales Organization" model launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5.

New Product Launches and Innovation

| Mobile Computer | | Fix Retail Scanners | Hand Held Scanners | Industrial Automation | | T & L | |
|--|--|---|--|---|---|---|---|
| | | | | Manufacturing | Sensors | | |
|  <p>Skorpio X5</p> |  <p>Memor K</p> |  <p>DSM004XX Scan Module</p> |  <p>PowerScan 95X1-AR</p> |  <p>HANDSCANNER™</p> |  <p>Matrix 120 AGV</p> |  <p>Smart Vision Sensor</p> |  <p>AV900 Industrial Reader</p> |
|  <p>JOYA™ TOUCH A6 WITH ANDROID™ 8.1 OREO</p> |  <p>Memor 20</p> |  <p>MAGELLAN™ 1500i OEM</p> |  <p>Gryphon 4500 ANTIMICROBIAL</p> |  <p>Gryphon 4200 Series</p> |  <p>IO-Link New ASIC</p> <p>S8 Series IO Link</p> | | |

- ❑ **Vitality Index (New products* / sales) at 20.0%** in line with 20.1% in 2019
- ❑ **R&D spending****, amounted to approximately € 63.0 m, reaching **13.1%** as a percentage of Revenues compared to 10.8% in the 2019

*New Products: products launched in the last 24 months
 ** Including capitalized R&D

FY 2020 P&L*



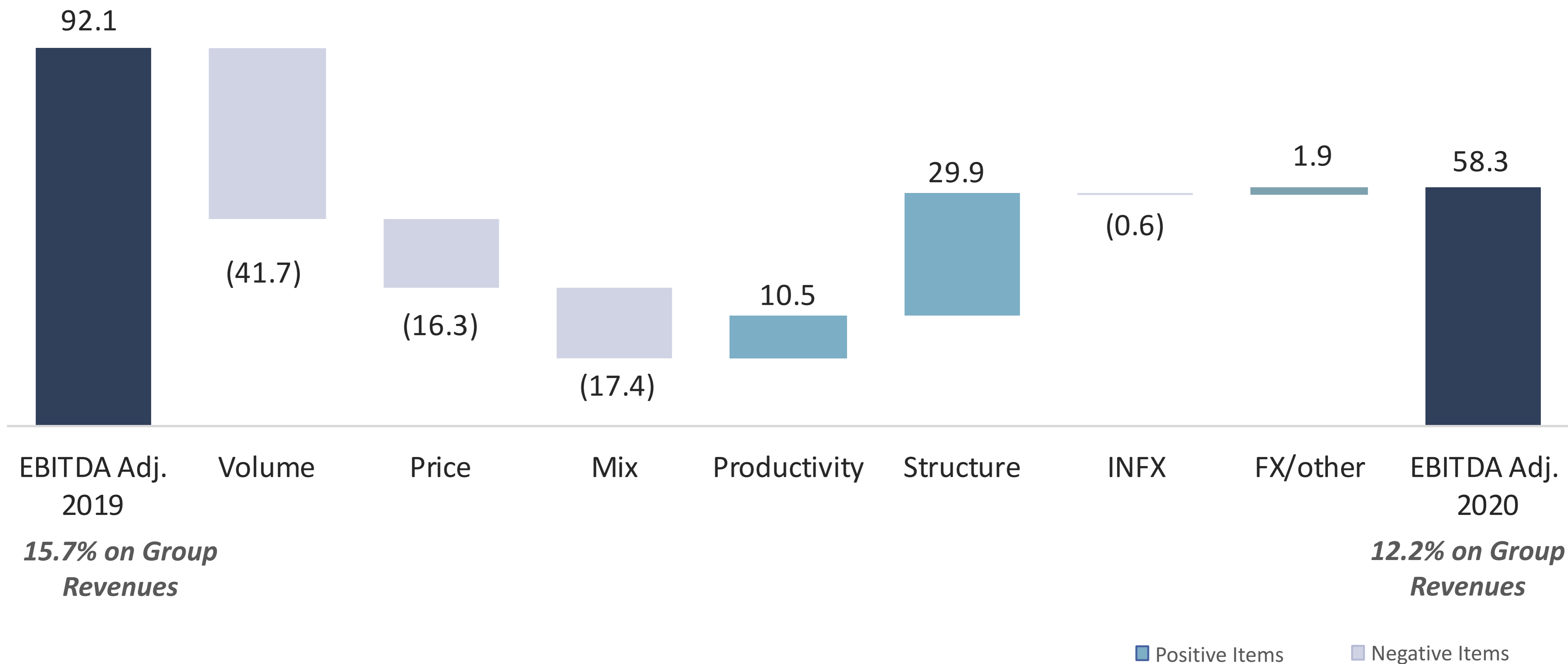
| € m | FY 2020 | FY 2019 Restated | Variance Reported | Constant FX |
|-----------------------------|--------------|------------------|-------------------|----------------|
| Revenues | 479.8 | 585.8 | (18.1%) | (17.0%) |
| Gross Margin | 219.9 | 288.1 | | |
| <i>% on Revenues</i> | 45.8% | 49.2% | -3.4 pp | |
| Operating expenses | (185.8) | (217.9) | | |
| <i>% on Revenues</i> | (38.7%) | (37.2%) | -1.5 pp | |
| Adjusted EBITDA | 58.3 | 92.1 | | |
| <i>% Adj. Ebitda margin</i> | 12.2% | 15.7% | -3.5 pp | |
| EBIT | 18.4 | 62.7 | | |
| <i>% Ebit margin</i> | 3.8% | 10.7% | -6.9 pp | |
| Net Result | 13.9 | 50.3 | | |
| <i>% on Revenues</i> | 2.9% | 8.6% | -5.7 pp | |

- **Gross Margin at 45.8%**, decrease driven by lower volumes and price/mix effects
- **Operating expenses at €185.8m** down 14.7% executing cost reduction plans to protect margin:
 - ✓ Continue investing in **R&D** (10.8% on revenues vs 10.0% in 2019)
 - ✓ **S&D** cost decreased by 21.2% due to both tactical savings and efficiencies
- **Adj Ebitda at 12.2%** in 2020 on Revenue, reaching 15.9% in Q4 vs 14.5% in Q4-2019 pre-Covid
- **Net Result at €13.9m** consolidating recovery for three consecutive quarters

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EBITDA Adj: actual vs last year*

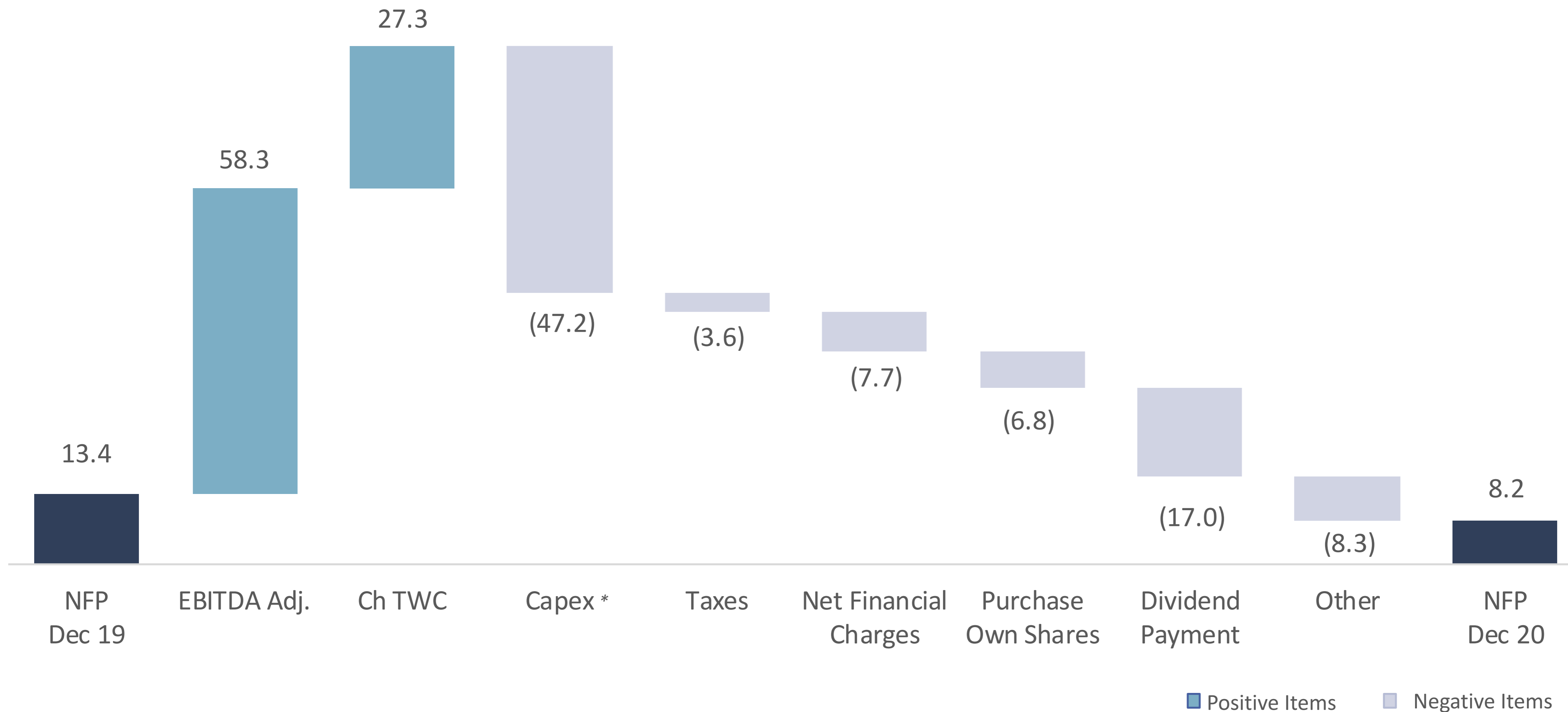
€ m



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Net Debt & Cash Flow Analysis : Dec'19 – Dec'20

€ m



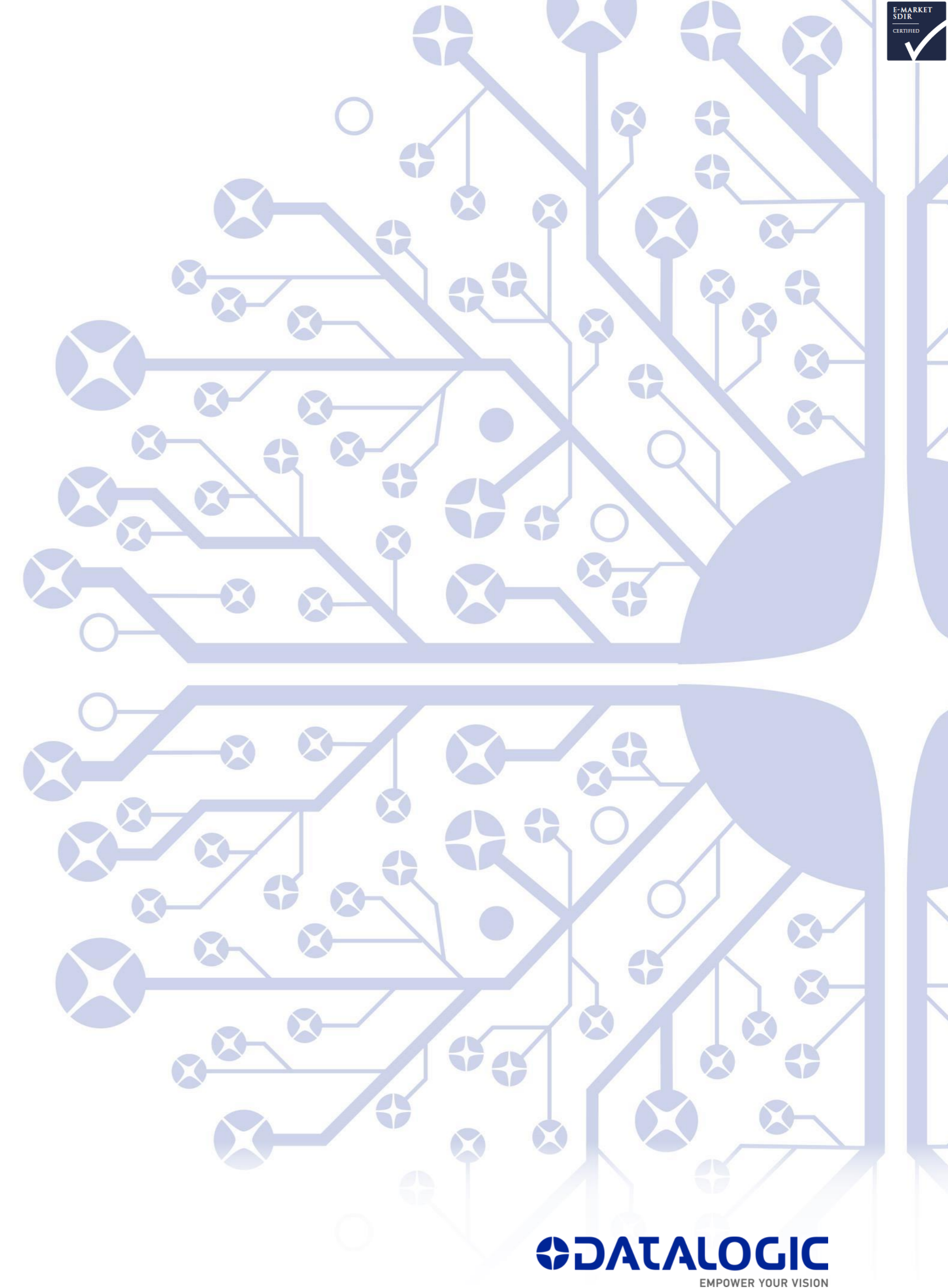
* Including IFRS 16 impact

2021 Outlook



- In this unprecedented context, the Group has promptly reacted this fast-moving scenario implementing aggressive cost measures to protect business and profit
- Encouraging signs of end markets recovery in all geographical areas, corroborated by a significantly improved trend in order intake versus early 2020. Despite high levels of uncertainty continues, under Covid emergency and shortage of some components in the short-term, Datalogic expects to see a gradual recovery in 2021 Revenues and an improvement in the profit margin levels with respect to 2020
- In this context, the Group's strategy confirms its focus on innovation and investment in strategic market segments while consolidating and repositioning its presence in the core markets

M.D. Acquisition



MD Group

DL Industrial Automation Market

- Large market \$7.7bn
- Industry 4.0 driving solid growth prospect



MD Products

Inductive Sensors



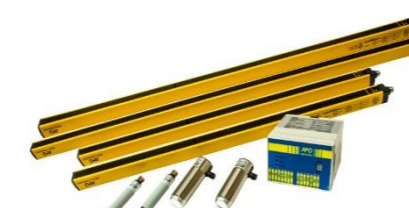
Photoelectric Sensors



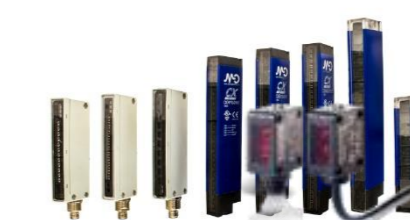
Ultrasonic Sensors



Safety



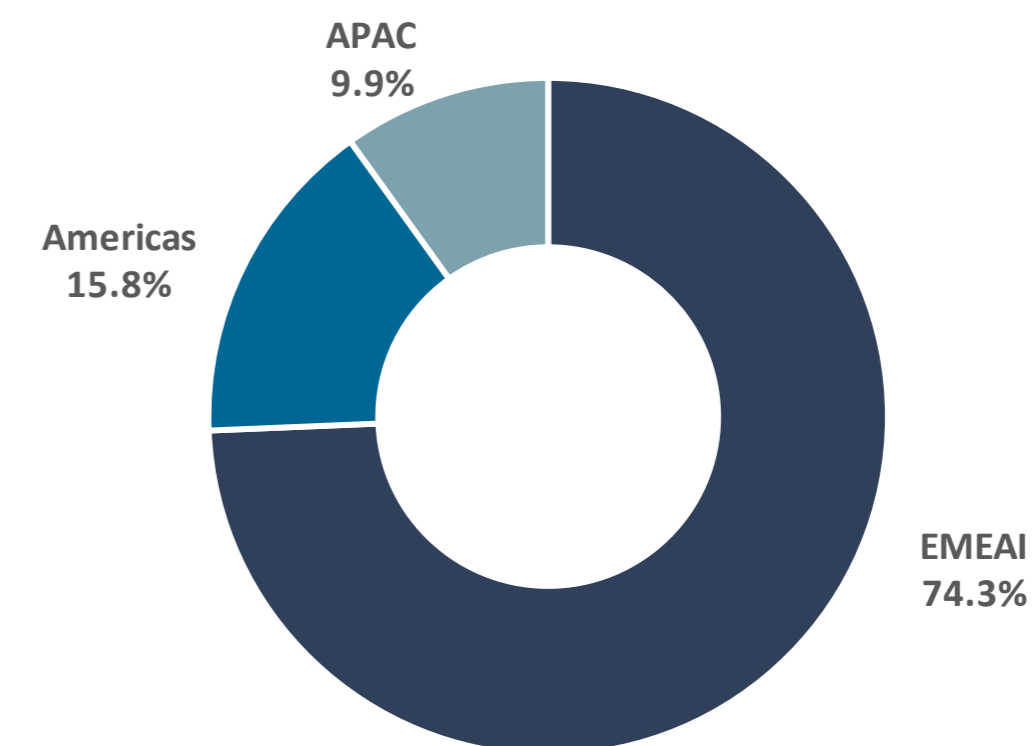
Area Sensors



MD Acquisition

- Group Headquartered in Italy
- € 25M Revenue and €4m Ebitda in 2020
- Complementary Sensors offers for Industrial Automation applications and Synergetic distribution network

MD Geographic Revenue Breakdown



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NEXT EVENTS

March 23-25, 2021

STAR Conference Milan

April 29, 2021

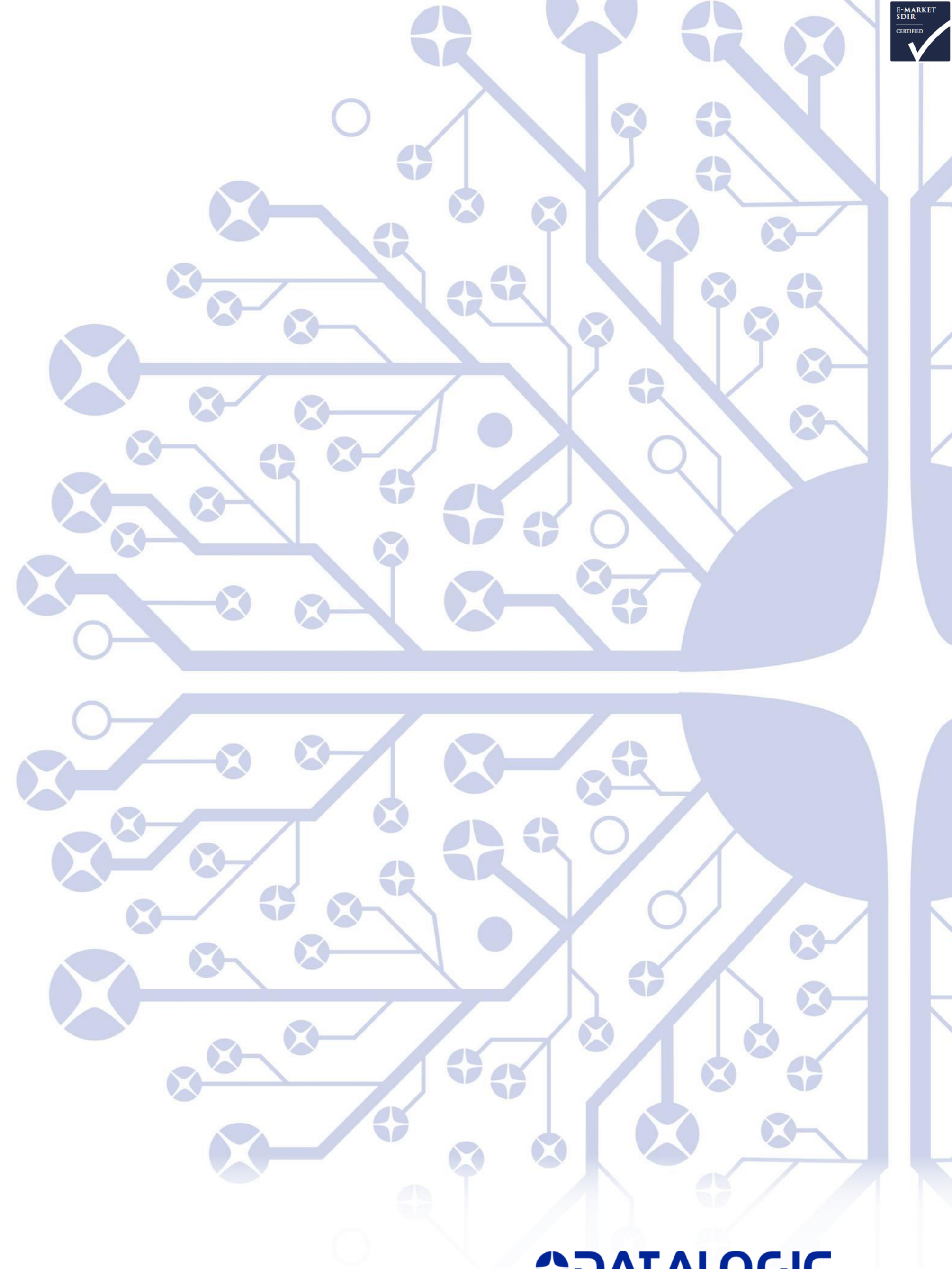
Shareholders' Meeting

May 13, 2021

Q1 2021 Results

DATALOGIC ON LINE

www.datalogic.com



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