

Q1 2021 Results Conference Call

MAY 14, 2021

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Q1 2021 Results¹



Q1 2021 Results

€ m

REVENUES
€135.4
+13.6%
+17,4% Net FX

GOM
€63.5
46.9%
-1.0 pp

Adj. EBITDA
€21.6
16.0%
+9.9 pp

NET RESULT
€9.0
6.7%
+10.2 pp

Net Debt at €30.9, €4.0 positive NFP before acquisition



¹ March 31, 2020 economic data were restated following the sale of the controlling interest in Solution Net Systems Inc. in the second half of 2020 and the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.

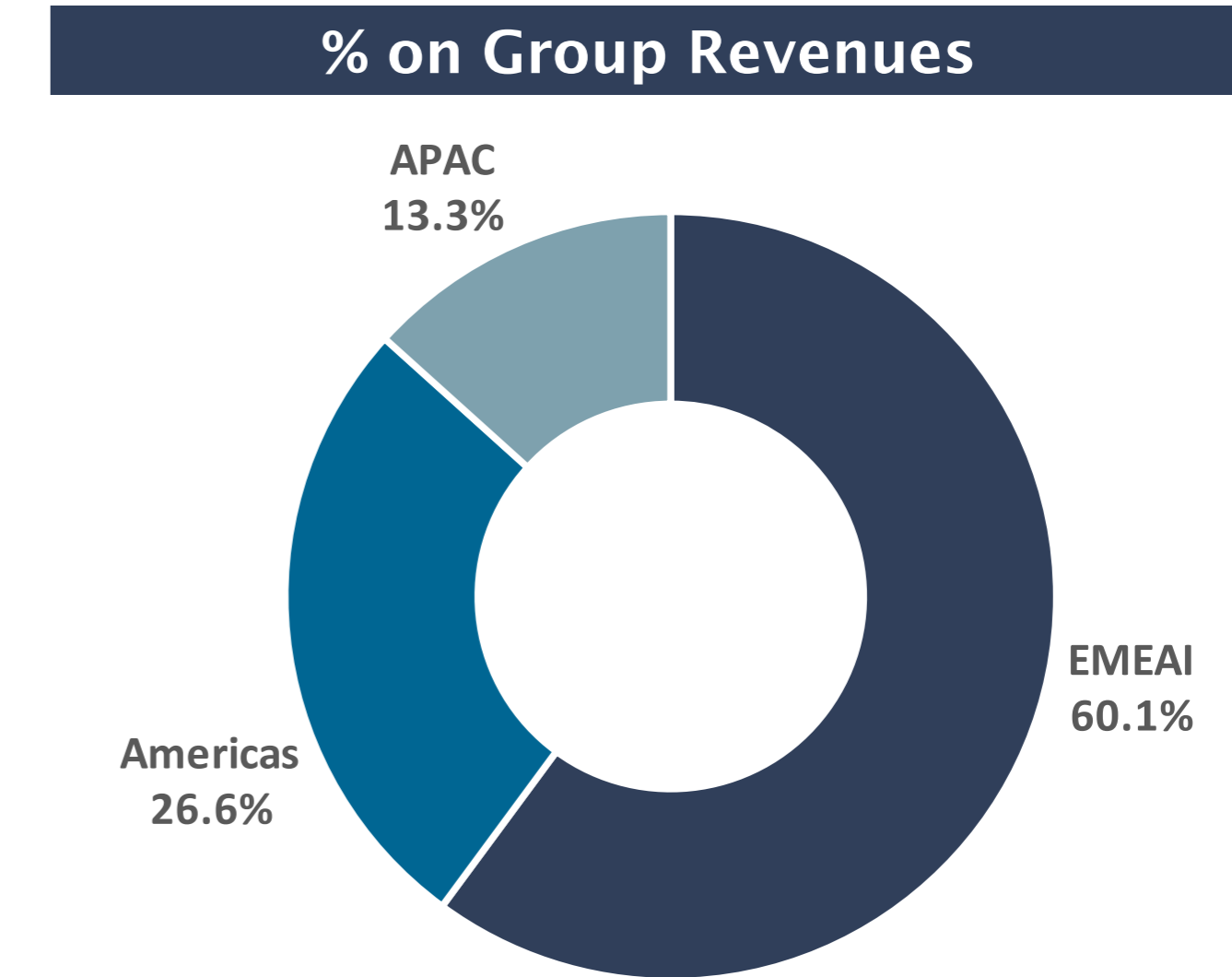
Q1 2021 Highlights: Strong Start to 2020

- ❑ **Strong Top line growth** at 17.4% at constant FX, despite material shortage. **MD MicroDetectors** contributing for +2.5%. Double digit organic growth in all regions
- ❑ **Strong Adj EBITDA margin at 16.0%**, back to pre-pandemic level, best performance ever in Q1
- ❑ **Operational efficiency** and **R&D selectivity** more than offsetting **Gross margin dilution** from increased input costs from shortage and large deals
- ❑ **R&D spending*** at **10.6%** after the conclusion of large Mobile programs and increased selectivity
- ❑ Positive **Net Financial Position** at about €4.0M before MD acquisition of €35M
- ❑ **Strong Q1 Operating Cash generation of €26.0M** vs Q1 LY from improved profitability and capex selectivity
- ❑ **Double digit Order growth** in Q1 coupled with **exceptional Backlog** preparing for **record Q2 Revenue** (ca. 40%)

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

Group Revenues by Geography

| €m | Q1 2021 | Q1 2020 Restated* | Var % | Var % Net FX |
|------------------------|--------------|-------------------|--------------|--------------|
| EMEAI | 81.4 | 71.3 | 14.2% | 15.1% |
| Americas | 36.0 | 34.8 | 3.5% | 12.9% |
| APAC | 18.0 | 13.1 | 37.1% | 41.9% |
| Total Datalogic | 135.4 | 119.2 | 13.6% | 17.4% |



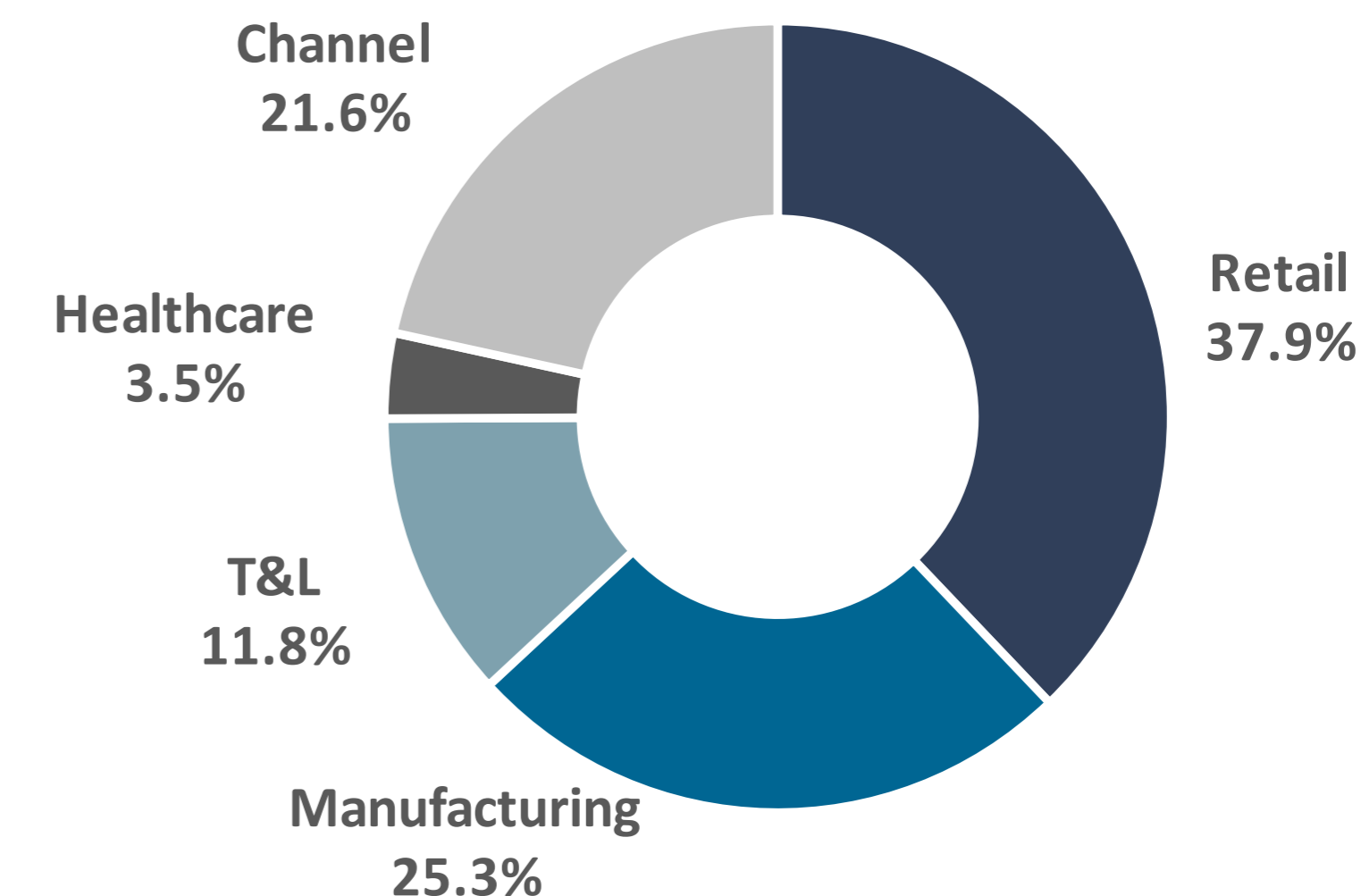
- **EMEAI:** Double digit growth **+15.1% Net FX** driven by **Italy achieving +19.5%** vs Q1-2020, remarkable contribution of Benelux, Spain and UK
- **Americas:** Group's second-largest market, returns to growth **+12.9% Net FX** (+3.5% reported) after the downturn
- **APAC:** Double digit growth **+41.9% Net FX** driven mainly by **China** but with upward trend in **Japan** and **Korea**

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Group Revenues by Segment

| €m | Q1 2021 | Q1 2020 Restated* | Var % | Var % Net FX |
|----------------------------|--------------|-------------------|--------------|--------------|
| Retail | 49.6 | 50.6 | (1.8%) | 2.1% |
| Manufacturing | 33.2 | 26.8 | 23.9% | 26.7% |
| Transportation & Logistics | 15.5 | 9.4 | 65.5% | 71.2% |
| Healthcare | 4.6 | 3.5 | 28.8% | 35.2% |
| Channel | 28.3 | 25.0 | 13.2% | 16.0% |
| Total DL Business | 131.2 | 115.3 | 13.8% | 17.5% |
| Informatics | 4.4 | 4.2 | 5.7% | 14.5% |
| Intra division | (0.2) | (0.3) | (30.3%) | |
| Total Datalogic | 135.4 | 119.2 | 13.6% | 17.4% |

% on DL Business Revenues



- ❑ **Retail: +2.1% growth Net FX;** APAC (+35.4%, +40.9% net FX) and EMEAI (+7.6%, +9.0% net FX) offset the weakness of US market, affected by unfavorable base effect comparison;
- ❑ **Manufacturing: +26.7% growth Net FX** thanks to a recovery in Automotive and Packaging, mainly in APAC (+42.1%) and EMEAI (+21.5%). MD acquisition contributing for 7.4 pts of growth
- ❑ **T&L:** Outstanding growth thanks to large project recovery particularly in US
- ❑ **Healthcare:** steady results in EMEAI, very good signs of recovery in AMERICAS and in APAC
- ❑ **Channel:** Sales to small/medium-size customers benefited from the economic recovery

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New Product Launches and Innovation

Mobile Computer



JOYA™ TOUCH A6 NOW AVAILABLE WITH ANDROID™ 9 PIE

Fix Retail Scanners



MID-RANGE SCAN ENGINE

Hand Held Scanners



QuickScan QD2500



ALADDIN Configuration Tool

Industrial Automation

Manufacturing

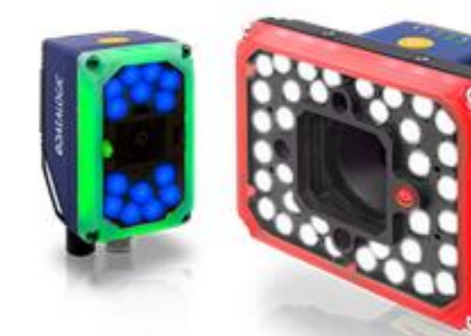


STS320

Sensors



Lidar Guidance Scanner LGS-N50



P2X-SERIES

T & L



SC5100

□ **Vitality Index target** slow start at 11.1% due to lower ramp-up of new products due to Covid and shortage with Mobile at +29%

□ **R&D spending*** at 10.6%. Commitment to Product Development Roadmap continues

* Including capitalized R&D

Q1 2021 P&L



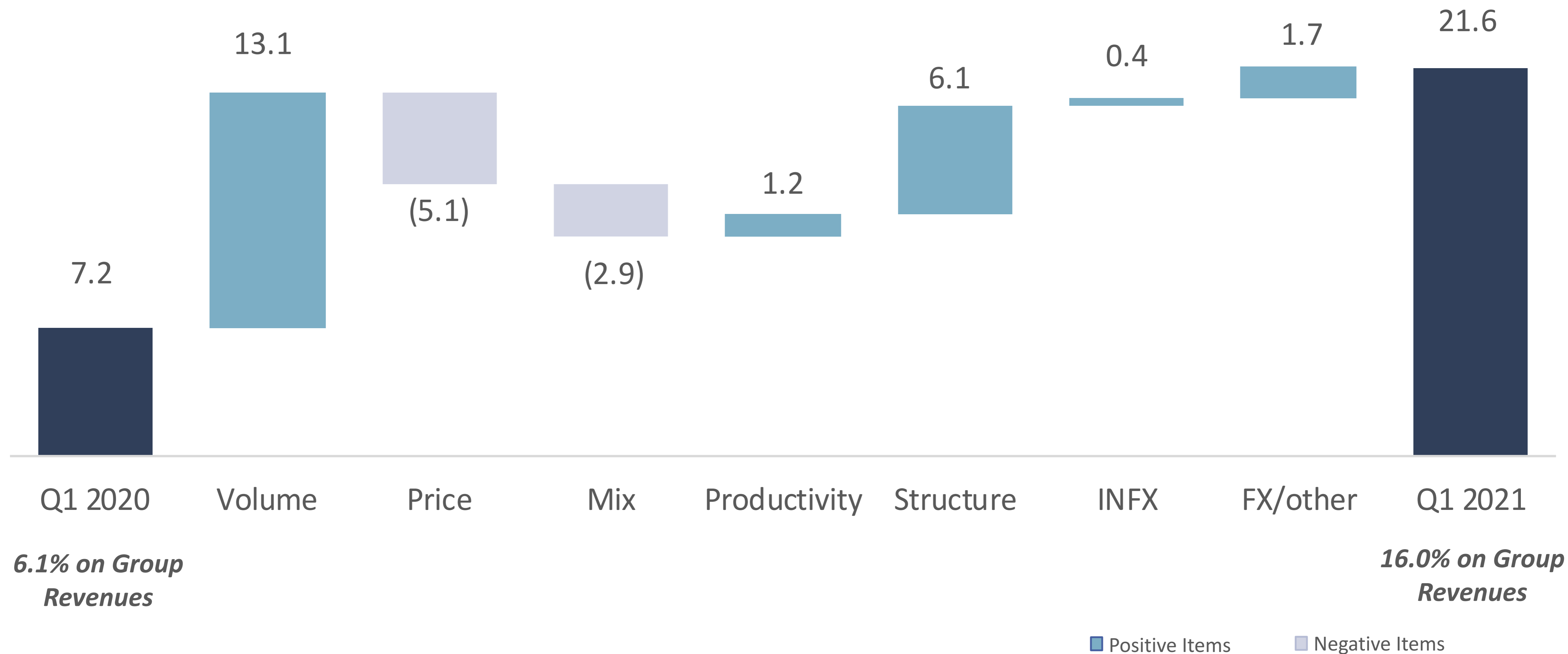
| € m | Q1 2021 | Q1 2020 Restated* | Var % |
|-----------------------------|--------------|-------------------|--------------|
| Revenues | 135.4 | 119.2 | 13.6% |
| Gross Margin | 63.5 | 57.1 | |
| <i>% on Revenues</i> | 46.9% | 47.9% | -1.0 pp |
| Operating expenses | (48.5) | (55.9) | |
| <i>% on Revenues</i> | (35.8%) | (46.9%) | +11.1 pp |
| Adjusted EBITDA | 21.6 | 7.2 | |
| <i>% Adj. Ebitda margin</i> | 16.0% | 6.1% | +9.9 pp |
| EBIT | 13.1 | (1.3) | |
| <i>% Ebit margin</i> | 9.6% | (1.1%) | +10.7 pp |
| Net Result | 9.0 | (4.3) | |
| <i>% on Revenues</i> | 6.7% | (3.6%) | +10.2 pp |

- **Gross Margin at 46.9%** impacted by increased input costs and unfavorable business mix.
- **Operating expenses at €48.5m** down 13.2% thanks to a **leaner cost base** from efficiency program started in 2020:
 - ✓ **R&D** costs decrease driven by conclusion of large Mobile projects and increased selectivity
 - ✓ **S&D** cost decreased by 19.0% due to both efficiencies and tactical savings
- **Adj EBITDA at 16.0%** consolidating recovery for 4 consecutive quarters 2020, reaching pre-pandemic level
- **Net Result at €9.0m** vs a loss of €4.3m in Q1 2020

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EBITDA Adj: actual vs last year*

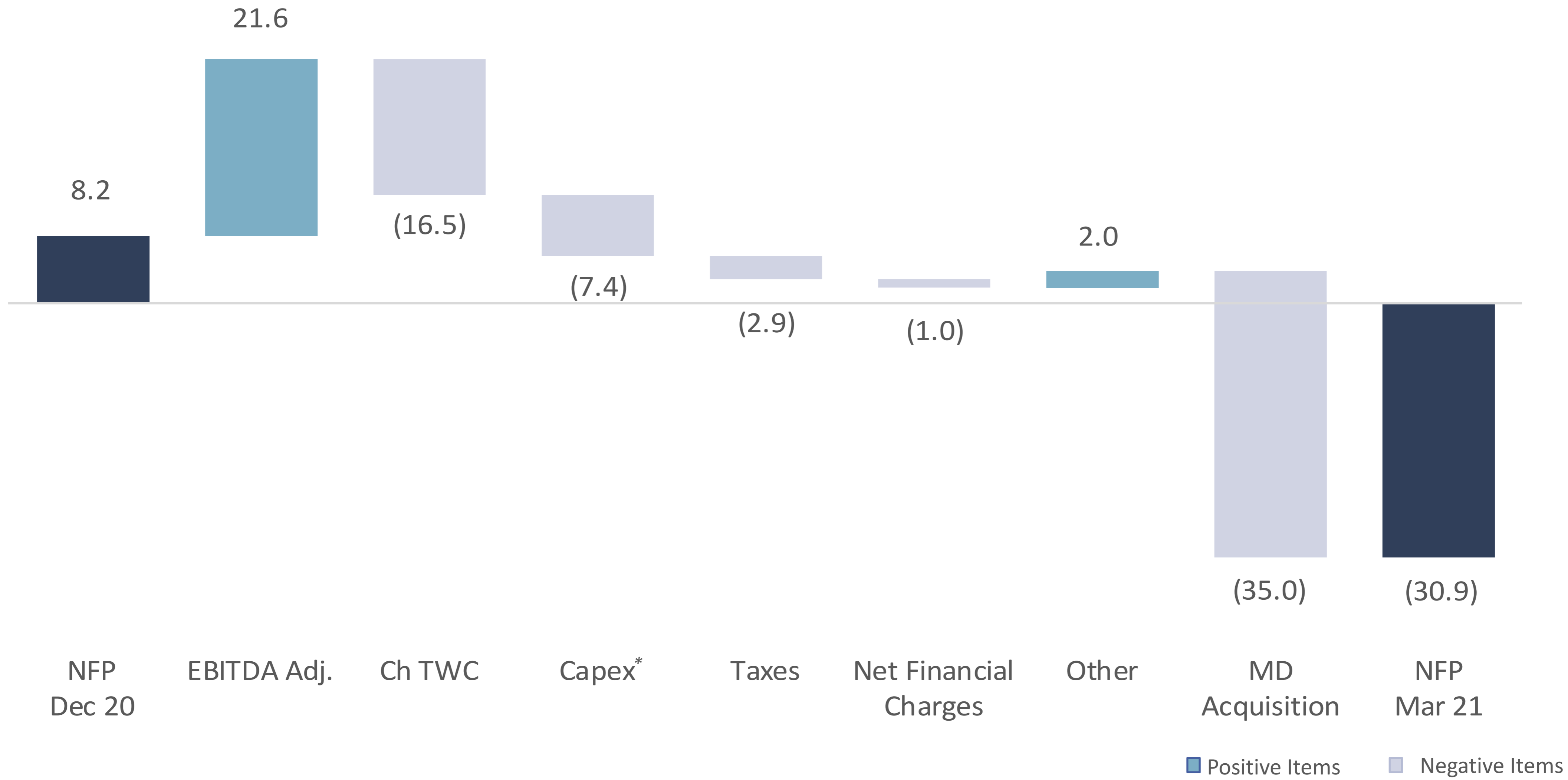
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Net Debt & Cash Flow Analysis : Dec'20 – Mar'21

€ m



* Including IFRS 16 impact

2021 Outlook

- **Double digit Order growth** coupled with **sound Backlog** compared to the same period of 2020, allow to forecast very **positive performance for Q2**, where the Group expects to achieve **exceptional Q2 Revenue (>40%)** compared to the previous year period, maintaining **profitability at pre-Covid levels**.
- Despite high levels of **uncertainty** continues, under **Covid** emergency and **shortage** of some component, **growth forecasts** for full year **2021** remain **positive** and **double digit**, in a range **between 16% and 20%** compared to 2020.
- The Group continues to selectively **balance investments and cost control** as the market and the inflationary trend evolve. Despite additional strategic and operational investment might be required as recovery continues, for the current year the Group maintains the objective of **improving EBITDA between 2 and 3 points compared to 2020**.

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NEXT EVENTS

May 18-19, 2021

Italian Investment Conference

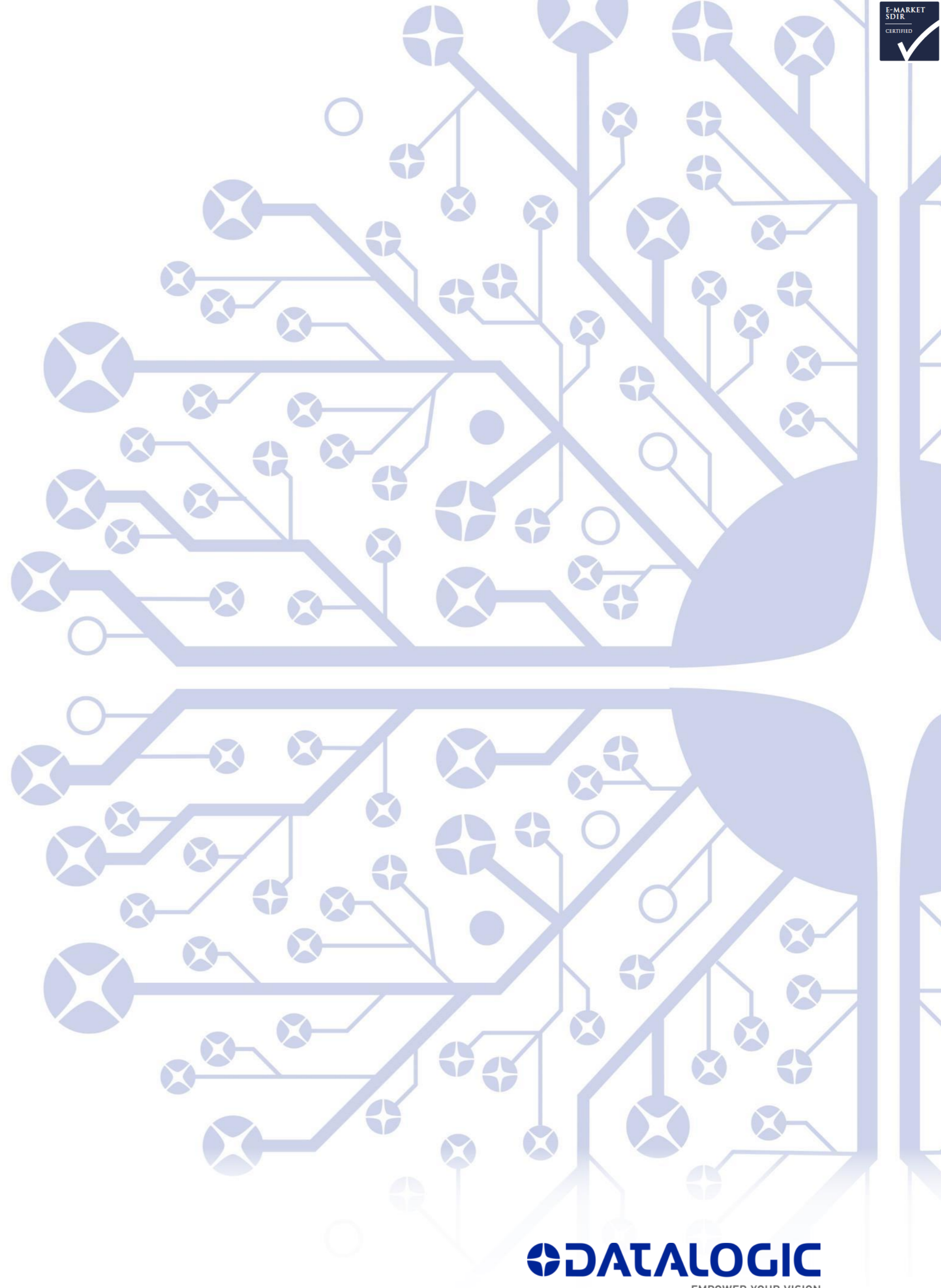
Unicredit/Kepler Cheuvreux

August 5, 2021

H1 2021 Results

DATALOGIC ON LINE

www.datalogic.com



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