

Italian Industrial Day Borsa Italiana

8 SEPTEMBER 2021

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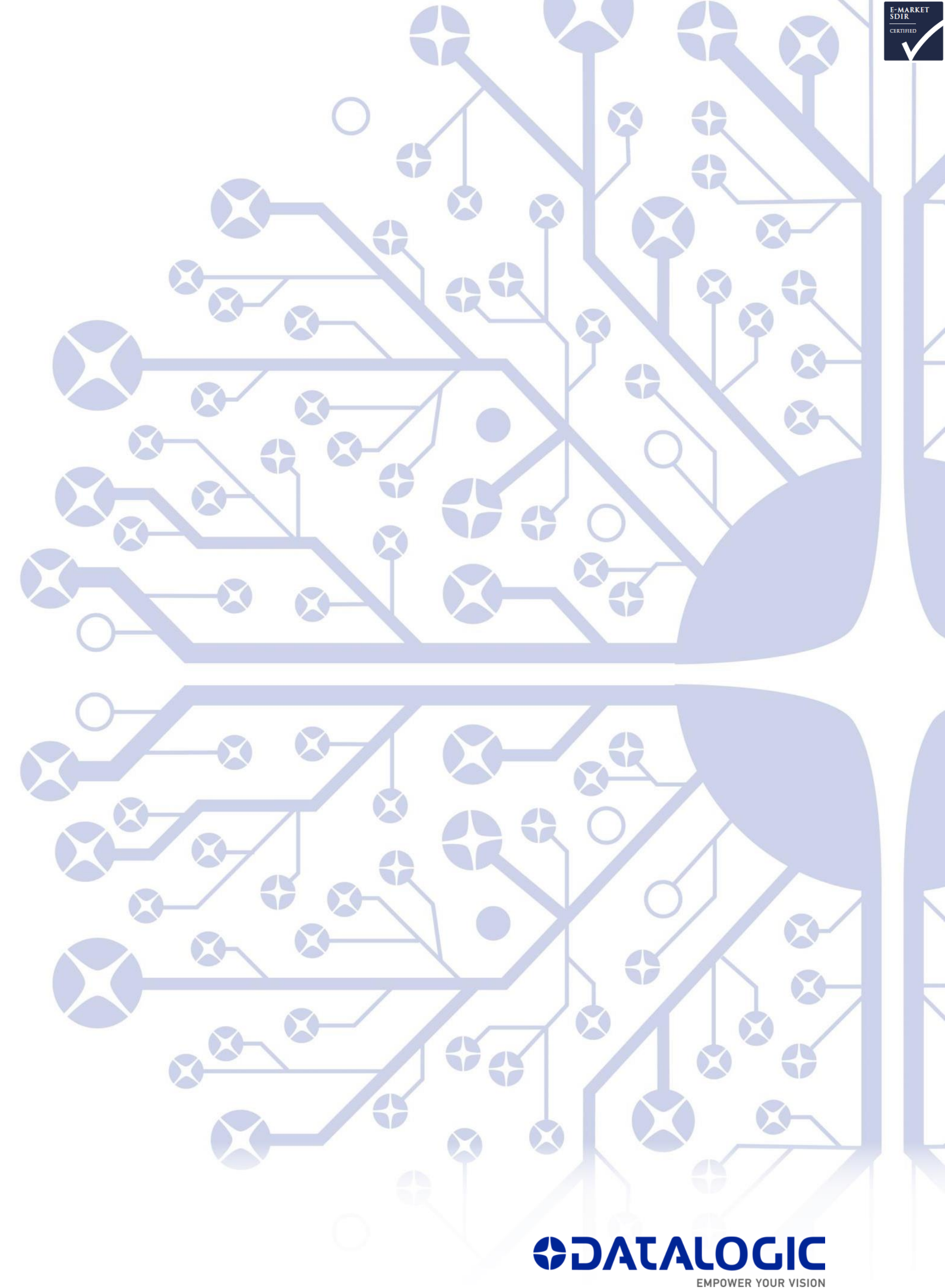
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Corporate Overview



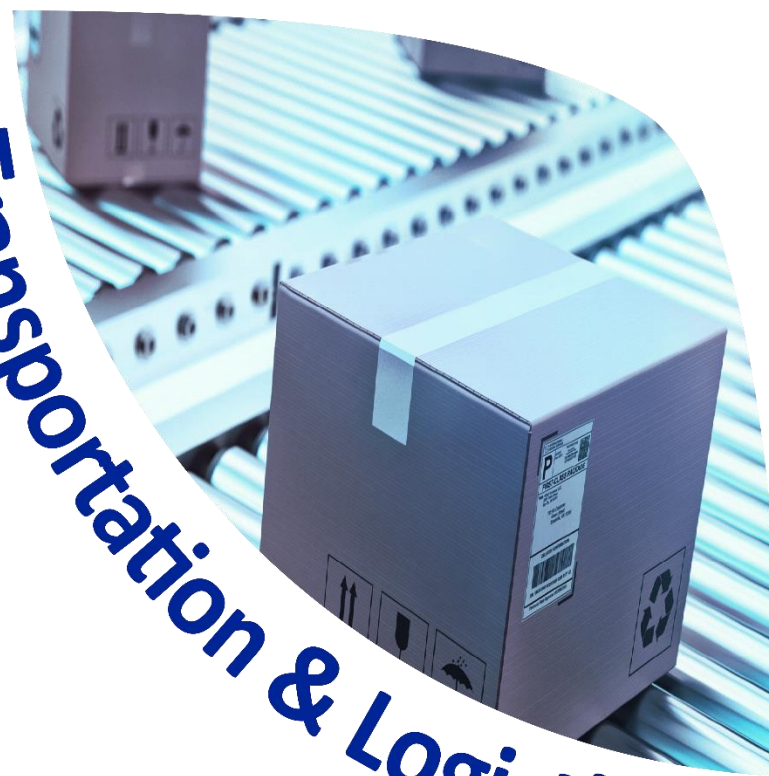
Datalogic at a glance



Retail



Manufacturing



Transportation & Logistics



Healthcare

Global technology leader in the **automatic data capture** and **industrial automation** markets, in the **Retail, Manufacturing, Transportation & Logistics**, and **Healthcare** industries

Founded in **1972**, listed on the Italian Stock Exchange since **2001**



A portfolio of about 1,200+ patents and patent applications



450+ engineers in 7 R&D centers and 3 DL Labs in: Italy, USA, Vietnam, China, and Germany



2,826 Employees in 27 countries:
18% Americas, 56% EMEA, 26% APAC



9 Manufacturing and Repair facilities in: Italy, US, Hungary, Slovakia, Vietnam and Australia

Core Advantages

1

STRONG POSITIONING IN THE INDUSTRY

2

INNOVATION

3

SOUND PROSPECTS

4

EFFICIENCY AND PRODUCTIVITY

- **Worldwide leader** in the **ADC** and **IA** markets
- **Balanced presence** across markets / segments
- **External growth** through M&A activities mainly in **the IA market**

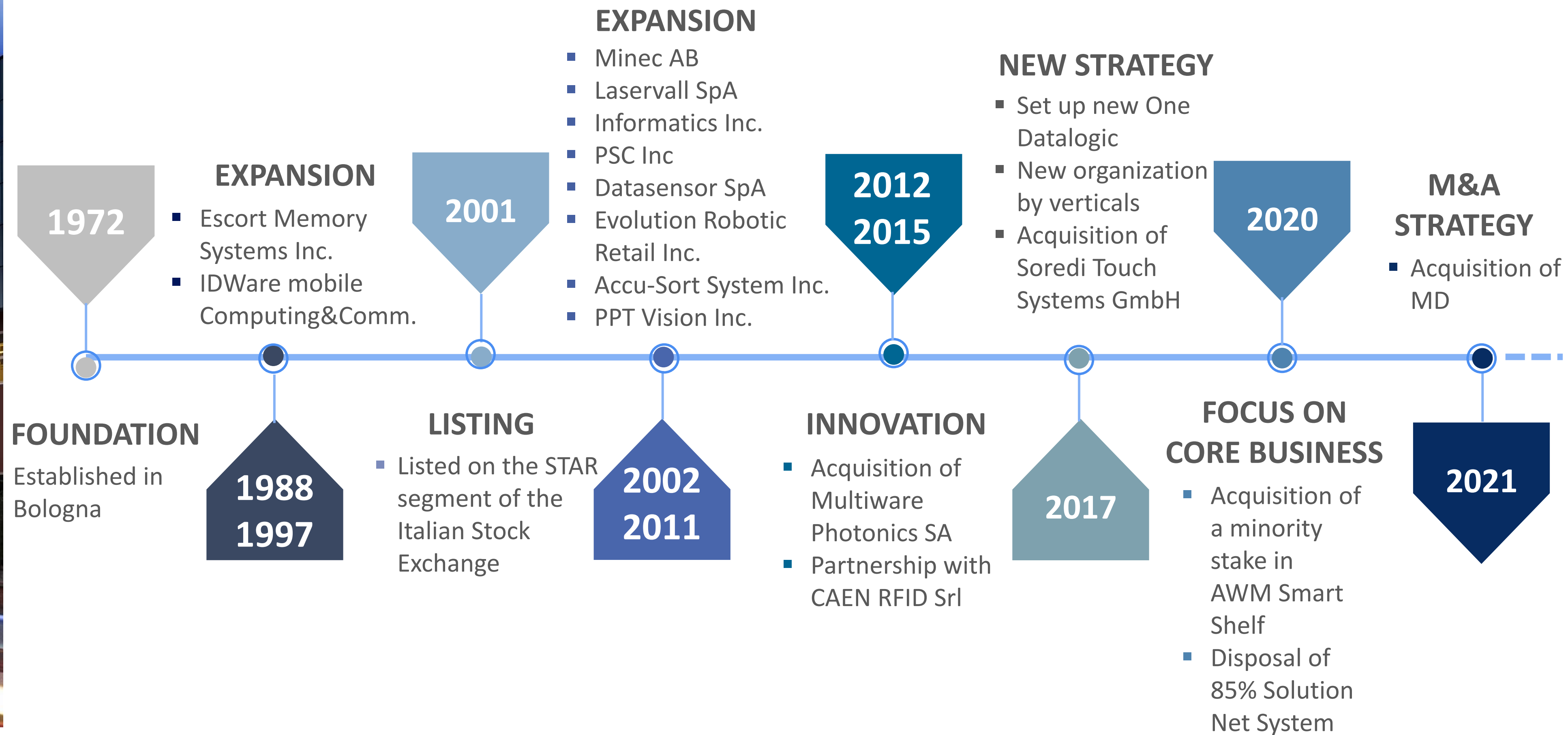
- **Leadership in FRS** and **SIS**
- **Focus on technology innovation** through R&D Investment **11-13%**
- **20% of sales from new products***

- **Financial strength** positioning for future growth
- Sound **profitability** and **cash generation**
- **Acquisitive** in key segments

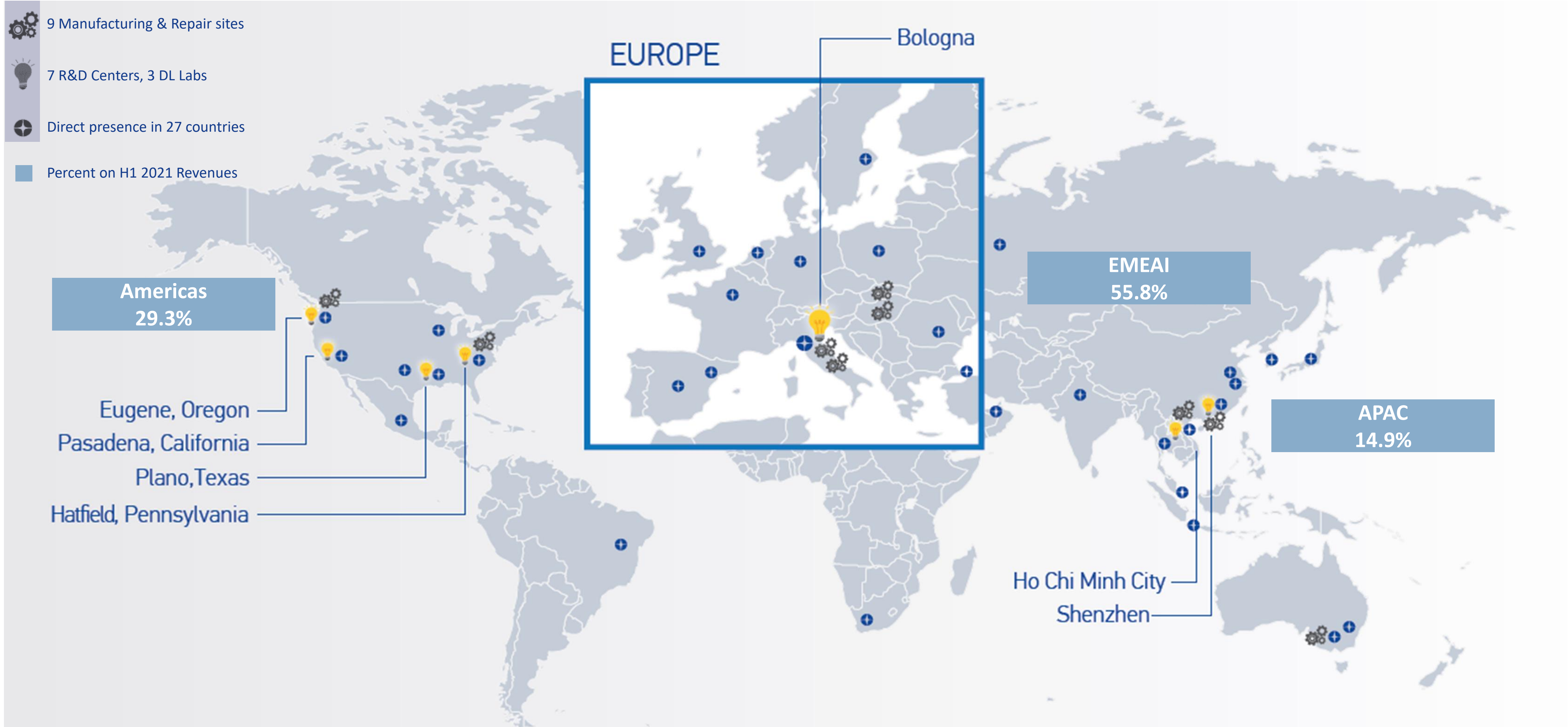
- Solid **operational efficiency** and leverage **global and low cost** industrial footprint
- High potential from **economy of scale**
- Proven **cost flexibility**

**New Products: products launched in the last 24 months – 2020 data*

Nearly 50 years of Technological Innovation



A Wide Geographical Footprint



Data refer to H1 2021

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

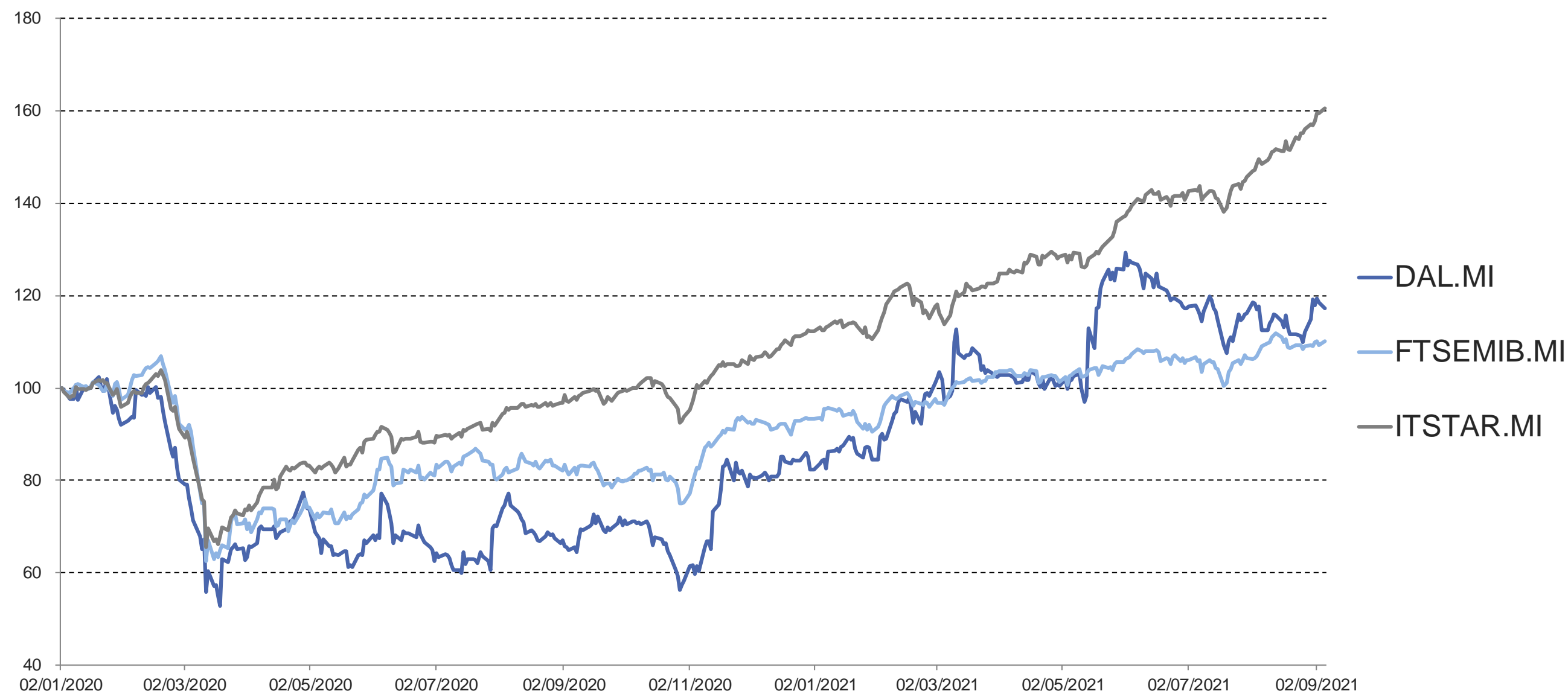
Ticker: DAL

Price (September 06, 2021): 19.95 Euro

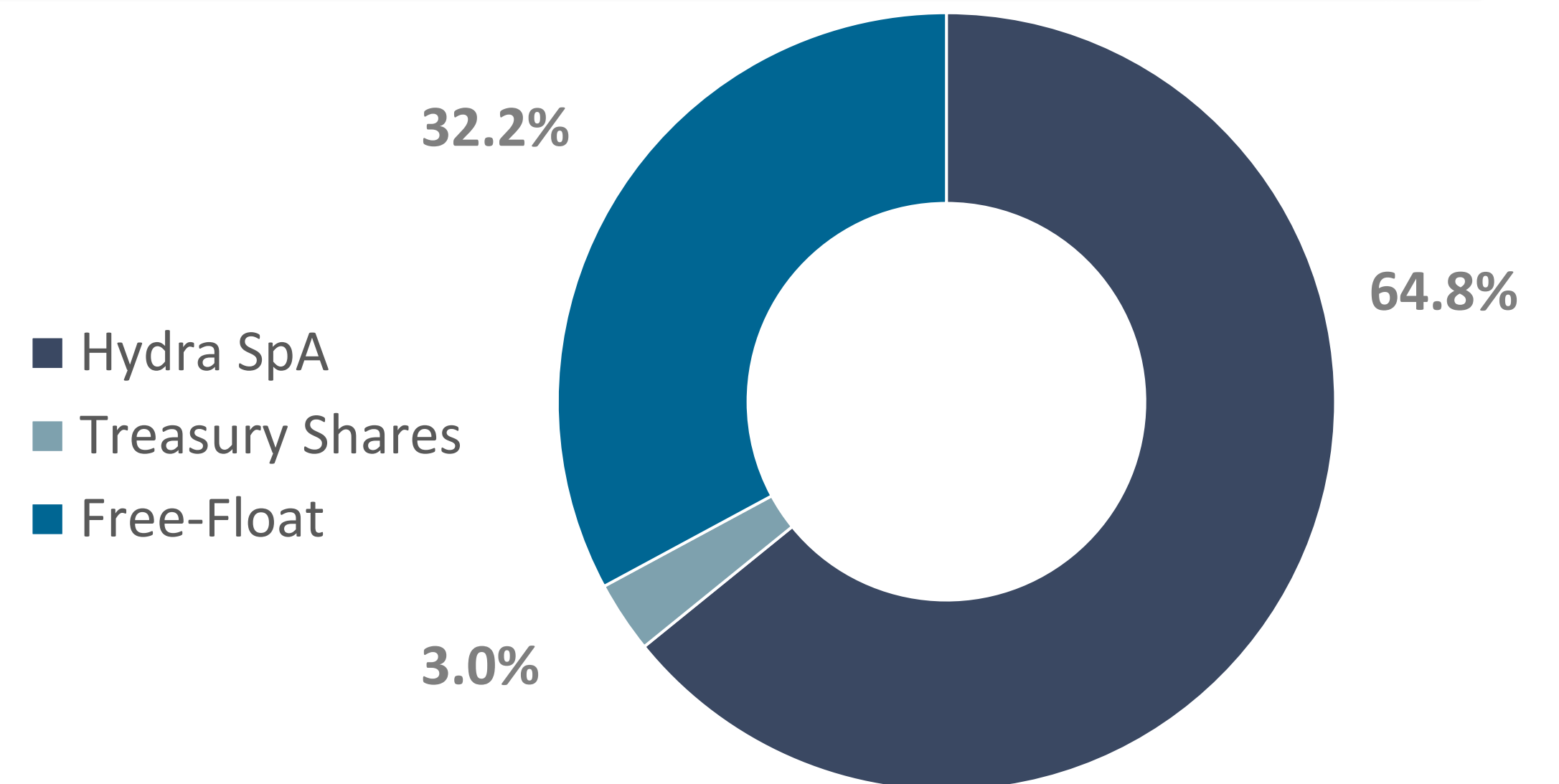
Market Cap (September 06, 2021): 1,166 mln Euro

Auditing Company: Deloitte

DATALOGIC SHARE PERFORMANCE vs. INDICES



SHAREHOLDERS' STRUCTURE



Sustainability Policy

Datalogic Group, in line with Sustainability Goals of the United Nations 2030 Agenda, focuses on: data protection and innovation, attention to employees, human rights, training and education, environmental impact management and customer satisfaction.

An action plan for people, planet and prosperity:

- **Valuing diversity and supporting gender equality:**
 - 33% women on the Board (including CEO)
 - Representation of women in positions of responsibility is 26.4%
 - 37.5% women on the workforce
 - 16.5% of employees are under 30
- **Urgent measures to combat climate change:**
 - ISO 14001 “Environmental management system”
 - 98% is non-hazardous waste
 - Building sustainable technological infrastructures
- **Preserving the human heritage:**
 - Health and safety in the workplace
 - Talent development
 - Excellent corporate welfare
 - Improving the evaluation of suppliers and supply chain localization strategies

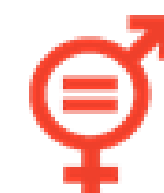
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



4 QUALITY EDUCATION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



Innovation
Data Protection

Safe working conditions
Products Safety
Health and wellbeing at workplace

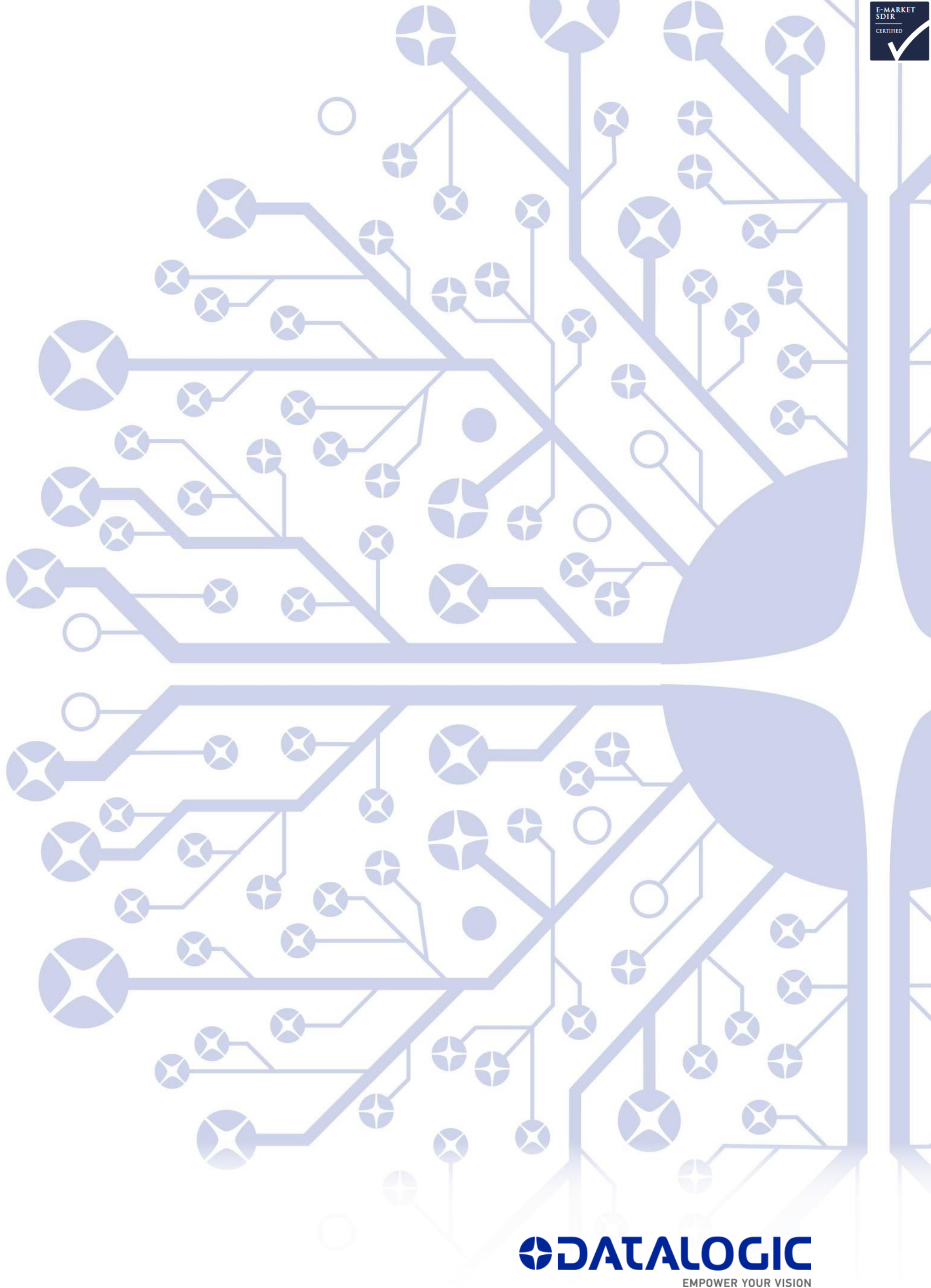
Human Rights
Diversity & Equal Opportunities

Training and Education
Employee retention and attraction

"Green" organizational approach
Waste management
CO2 Emissions Reduction
Energy Consumption
Environmental impact of products

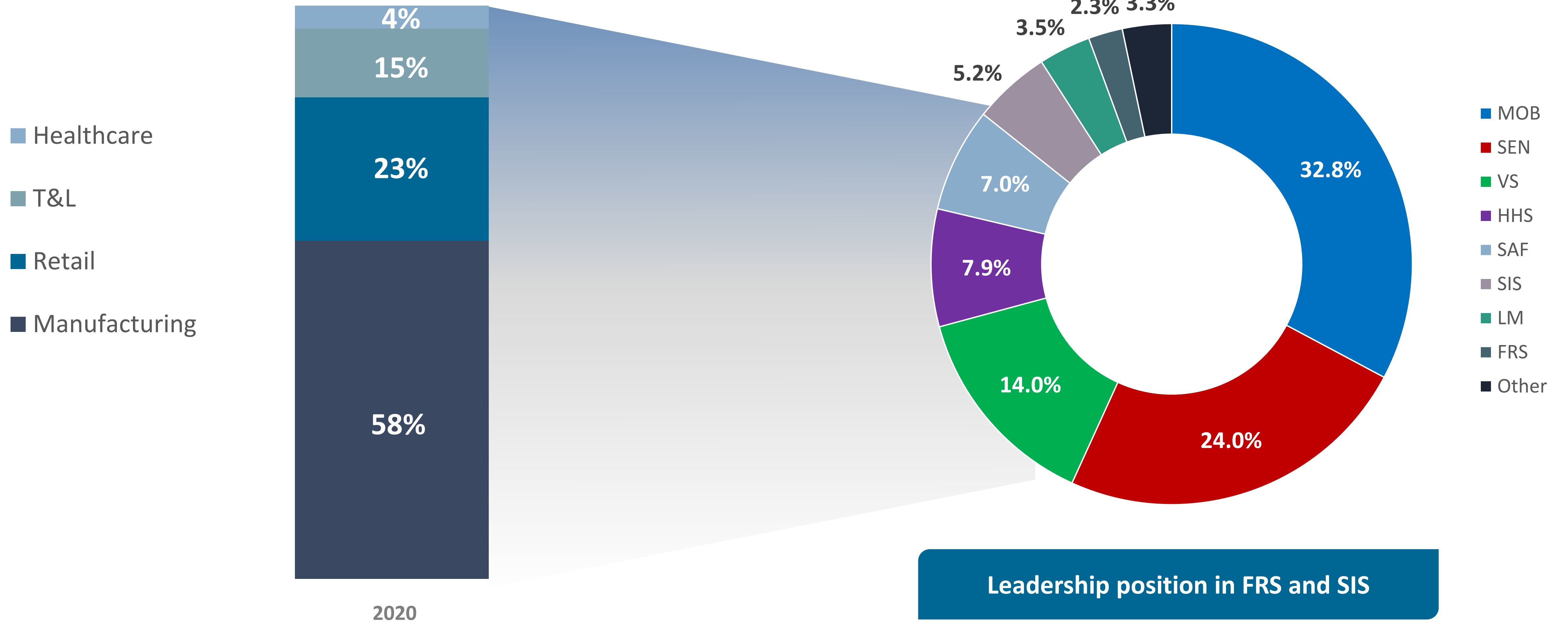
Customer satisfaction
Suppliers Social and Env. Perf

Strategy



Total Addressable Market

TAM: ~ 12.9 bln USD
(AVG CAGR 2020-24: +6%)



A wide range of products that is able to fulfill our customers' needs for both data collection and process automation

Most complete offer of barcode readers: from retail to industrial scanners, from hand held to mobile



2020 Total Addressable Market \$5.8 bn

Complementary/Open doors products in the MFG Industry



2020 Total Addressable Market \$7.1 bn

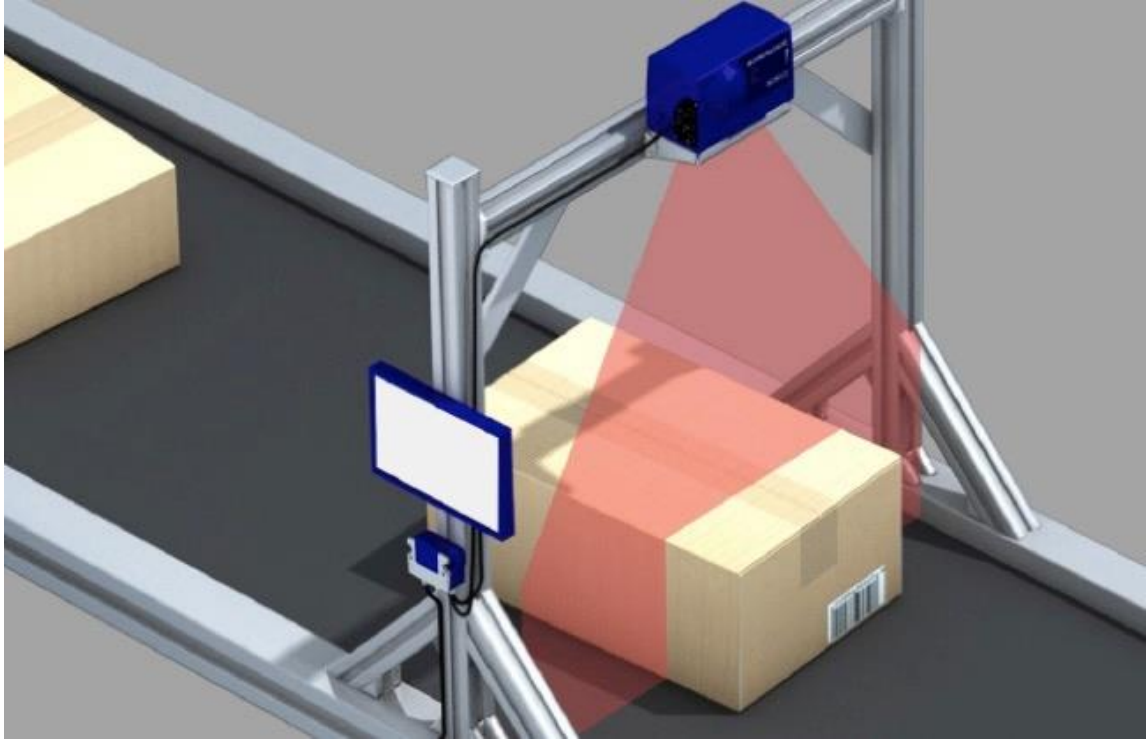
Our products are key enablers of critical applications along our customers' supply chain



Self-Shopping



Mark & Read



Dimensioning & Weighing Systems



Complete Traceability



Mark & Trace

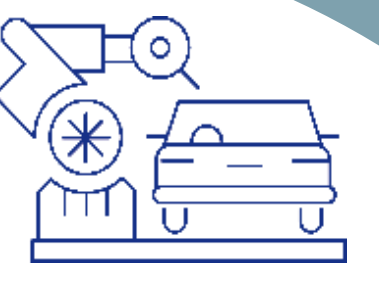
Our market by industry

- E-commerce, dark stores
- New physical stores / omni-channel
- Contactless requirements in stores
- Vision and robotic solutions (AI)

1



Strong position in **RETAIL** that we need to leverage on a global basis



2

MANUFACTURING is a huge market that we are not yet covering at it's full potential, worldwide

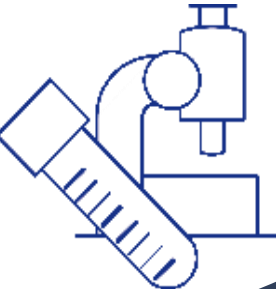
- Automotive and tire
- Hybrid/electric cars
- Agility and lean production pushing intralogistics and traceability
- Continued effort to diversify supply chains to avoid disruption in case of local crisis

3



TRANSPORTATION & LOGISTICS is a booming industry and we have a new offering to leverage

- E-commerce – micro hubs and micro-fulfilment centers
- Robotics and automation
- Last mile delivery
- Airports' cargo business



4

HEALTHCARE is growing fast and represents a unique opportunity in this «Covid time»

- COVID-19 pushing tracking and digitalization
- Distribution, storage and injection of COVID-19 vaccines
- Drugs regulations and traceability

Retail

Food and Self Check-out are the main drivers

Datalogic Proposition

- We meet the needs of retailers globally, from the distribution centers, through check-out, to the customer's home
- **Market Leader** along the **Retail supply chain** from 1974 with the **first scanner** ever sold to a grocery store in Troy, Ohio
- Excellence in productivity and customer experience for self-checkout and attended lanes for both Grocery and Non-Food with FRS and HHS product portfolio
- Artificial Intelligence adoption to be ready for the next checkout POS investment cycle

Market Outlook

- The main international players are experimenting new products and solutions to **satisfy new shoppers' needs and improve efficiency of their operations**: click & collect, drive & collect, online verification, in real time, of the availability and exact position within the shelves of the products in the store or in the warehouse, assisted selling, self scanning and self check-out
- Retailers are more and more interested in collecting **customers' data to do analytics to better serve them**
- Increase of **distribution centers advanced automated logistics** solutions to optimize online shopping and last mile order fulfilment



Manufacturing

All the thrust of industry 4.0

Datalogic Proposition

- Leader in traceability thanks to the most complete and performing offer of stationary industrial scanners
- Unique portfolio provider of smart, interconnected devices able to protect, identify, sense, check and mark
- Datalogic is providing multi-product portfolio to serve all the major manufacturing clients: **Automotive, Food and Beverage, Automated Machinery and Electronics, Packaging and Intralogistics**

Market Outlook

- Industry 4.0 is pushing for **multi-technology adoption, product interoperability** and enhancement **self diagnostic capabilities***
- The adoption of **key digital technologies** shows a strong growth over the next 5 years
- **Robot and AGV:** the Industrial Robotics Market stands at 13.9 billion USD with an 11.8% growth **
- Automotive and tire: **new segments due to new technology** - hybrid and electric cars
- **Agility and lean production** is pushing intralogistics and traceability
- Continued effort to **diversify supply chain to avoid disruption** in case of local crisis

* Source: IoT Analytics

** Source: International Federal of Robotics (IFR) data and Loup Ventures



Transportation & Logistics

E-commerce is the market driver

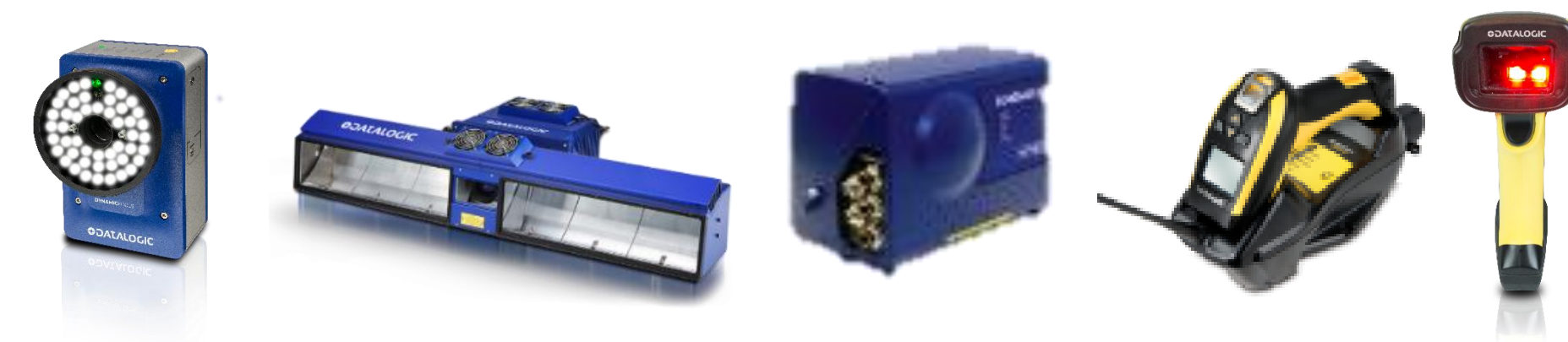
Datalogic Proposition

- We ensure Data Collection to **Courier-Express-Parcels, Airports and Logistics**
- Datalogic is at the **forefront** of the development of **airport systems**, since 1984 with the **first automatic reading** station in Milan, to the recent contracts on 4 of the 5 main airports worldwide (source SkyTrax rating)
- Historically leader in stationary industrial scanners, Datalogic provides top performing solutions for High-Speed sorting to all the main CEPs and 3PLs
- Datalogic has a big opportunity to seize in the T&L mobility space, especially with the new PDT Skorpio X5 and a complete offer o PDAs (Memor family)

Market Outlook

- Growth is **driven by e-commerce**: order fulfillment is the core process, while high speed sorting and the added ability to manage any size of parcel, is driving the industry growth.
- **The omnichannel** concept of retailers is evolving towards online orders: dark stores micro fulfillment and last mile delivery as new relevant applications.
- The **baggage handling system** market is projected to reach pre-covid numbers in 2023-4, cargo applications keep the pace of 3-4% growth Y/Y (*)
- Strong demand for **solutions beyond barcode**, image-based diagnostics and big data management
- **Robotics & Automation**: higher productivity, zero-defects, less manual operations

*Source: IATA



Healthcare

Health protection as a top priority



Datalogic Proposition

- We empower the entire Healthcare ecosystem from drug production to patient care
- Datalogic is the sole company providing **unique product features** for the HC industry such as: **Anti-microbial** enclosures, **Inductive charging technology** for battery recharge, and **Green spot good match** to ensure positive medicine-patient identification

Market Outlook

- COVID-19 pushing **tracking and digitalization** in particular for the distribution, storage and injection of COVID-19 vaccines
- **Drugs regulations and traceability**
- Hospital **investments in patient safety** are expected to grow significantly in the next 5 years: technology adoption to secure proper patients traceability and drug administration
- **EMR/EHR adoption/expansion** in hospitals/clinics (Electronic Medical/Health Record)
- Telemedicine/Telehealth. Health systems are more and more using **digital health tools and telehealth platforms** to better take care of patients after they leave the hospital



New Product Launches and Innovation



Mobile Computer



Skorpio X5



Skorpio X5 XLR
Introduction

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** at 11.2% impacted by shortage and lower ramp-up in a Covid context

❑ **R&D spending*** at 10.0 %. Commitment to Product Development Roadmap continues

* Including capitalized R&D

Key Growth and Strategic Drivers

Industry

- Keep focus on all of our verticals
- MFG (\$8 bln): expand into new sectors
- RTL (\$ 3 bln): check out evolution, cross sell mobile, watch distribution centers carefully
- T&L (\$2 bln): cross sell – complete offer SIS, Mobile, HHS

Products

- Protect our leadership in FRS and SIS
- Mobile: increase market share completing and widening our offer of portable data terminal (PDT) and portable data assistant (PDA)
- HHS: lead the shift to 2D technology

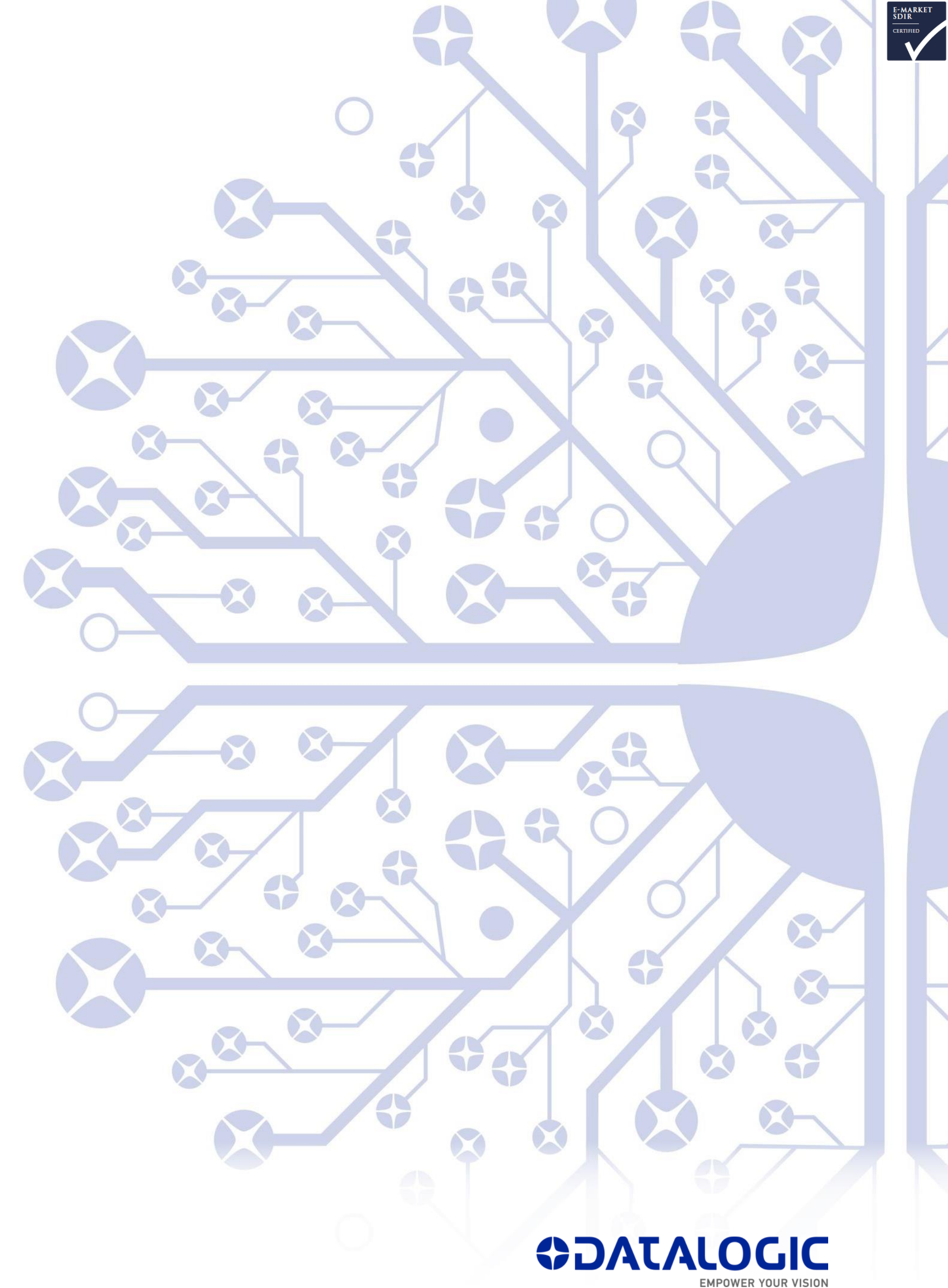
M&A

- Selected target to accelerate our growth particularly in the manufacturing sector

Technology

- Continuous improvement of core technology (bar code reading) e.g. optics, decoding
- Investing in complimentary technologies:
 - Vision / Machine learning
 - RFID
 - Digital watermarking
- Investing in Android

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



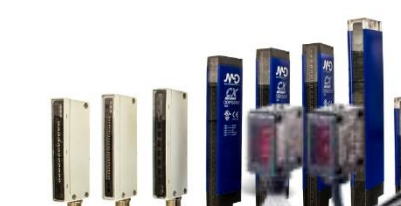
Ultrasonic Sensors



Safety



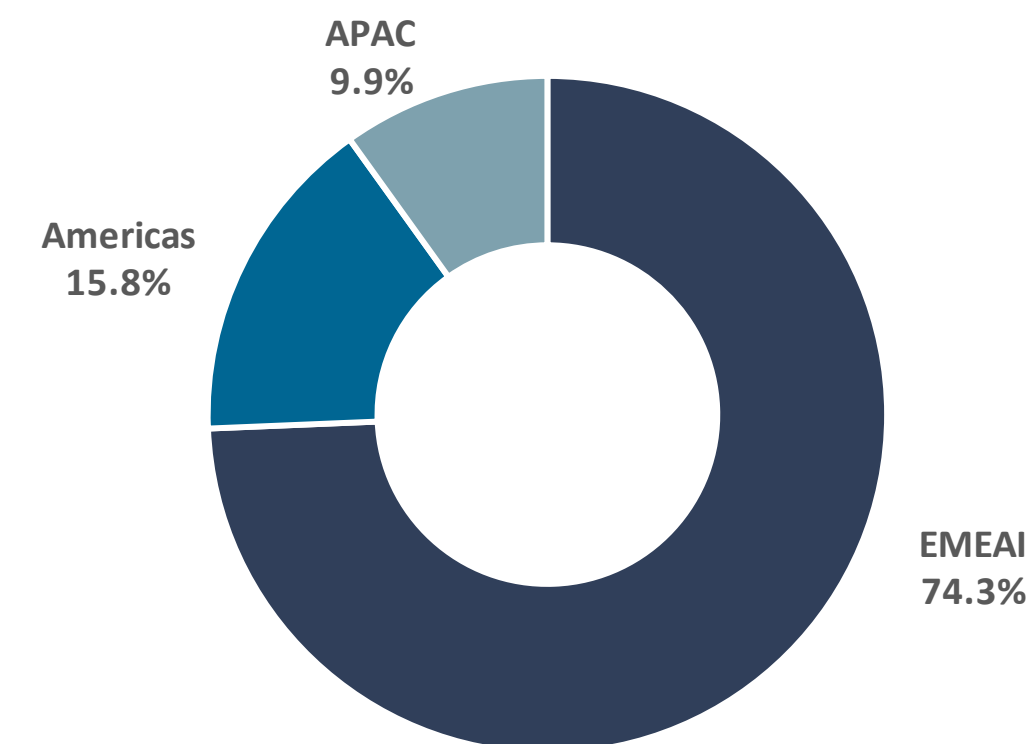
Area Sensors



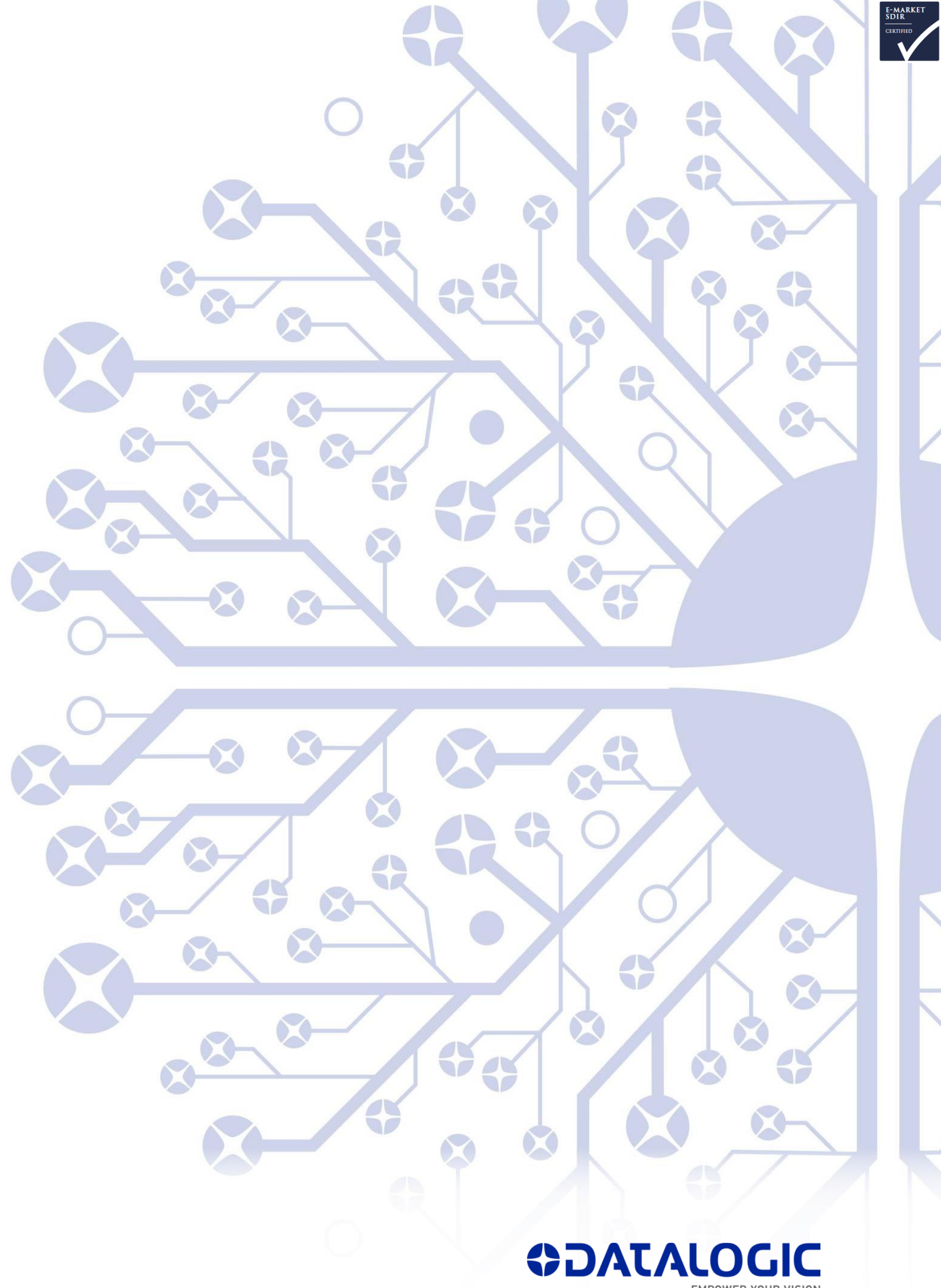
MD Acquisition

- 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



Financials & Outlook



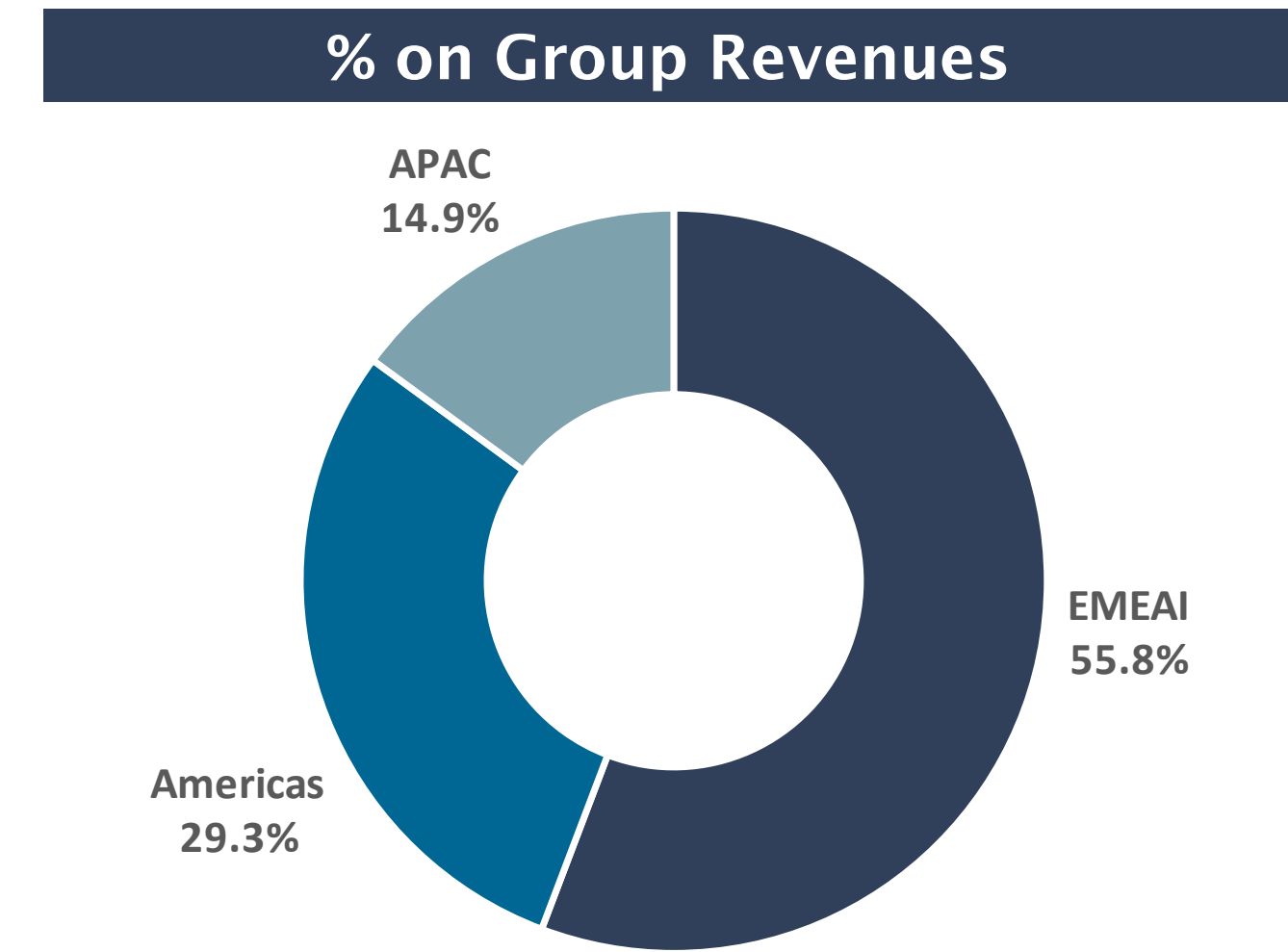
H1 2021 Highlights: Record Q2 set up 2021 performance

- ❑ **Record Q2 at +46.0%** net FX accelerating **H1 Top line growth** at 31.2% at constant FX despite supply chain challenges.
- ❑ **Double digit organic growth across all regions** coupled with strong performance in all segments. **T&L** best performing sector (+82.2% at constant FX) with double-digit increases in all geographies.
- ❑ Despite inflationary headwinds **H1 Adj EBITDA margin at 16.0%**, back to pre-pandemic level thanks to volumes and leaner cost base.
- ❑ **Double digit R&D spending*** at **10.0%** on revenues, maintaining investment in technology.
- ❑ **Net Debt** at €18.2M. Positive **Net Financial Position** at about €16.8M excluding MD acquisition of €35M.
- ❑ **Strong H1 Operating Cash generation of €18.2M** from improved profitability and capex selectivity.
- ❑ **Double digit Order growth** coupled with **exceptional Backlog** set up 2021 performance.
- ❑ **Successful integration** of the newly acquired **MD**, contributing to revenue growth by 4.9% in H1.

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

Group Revenues by Geography

€m	H1 2021	H1 2020	Var %	Var % Net FX
EMEAI	162.8	118.8	37.0%	38.1%
Americas	85.6	76.3	12.2%	22.5%
APAC	43.6	35.2	23.6%	26.9%
Total Datalogic	292.0	230.4	26.7%	31.2%

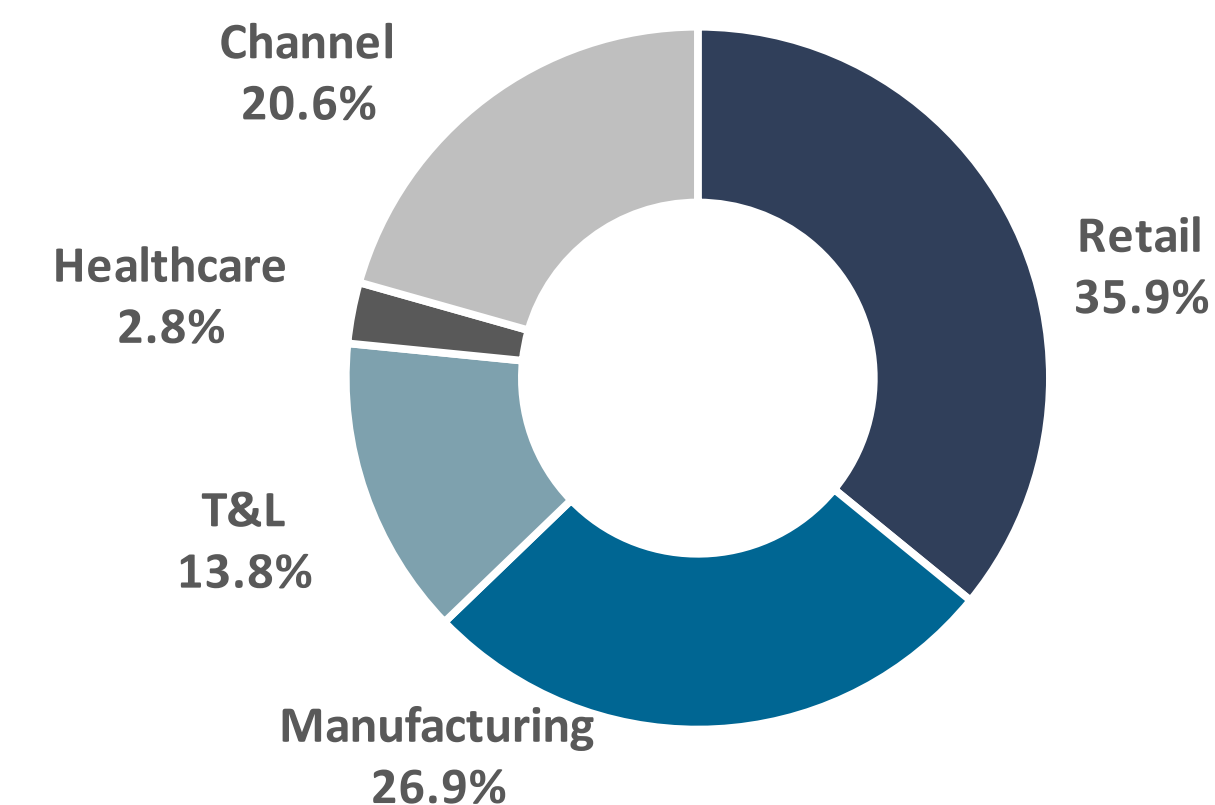


- ❑ **EMEAI:** leading Group's performance in **H1** at **+38.1%** Net FX, **outstanding Q2** at **+72.5%** Net FX. **Sound growth across all countries.** Italy, Benelux and Spain remarkable performance.
- ❑ **Americas:** Group's second-largest market, **back to growth +22.5%** Net FX. **Economic recovery** in all areas.
- ❑ **APAC:** Double digit growth **+26.9%** Net FX driven mainly by **China** and acceleration in **Japan** and **Korea**.

Group Revenues by Segment

€m	H1 2021	H1 2020 Restated*	Var %	Var % Net FX
Retail	101.8	98.9	2.9%	7.2%
Manufacturing	76.2	54.7	39.3%	42.3%
Transportation & Logistics	39.1	22.3	75.5%	82.2%
Healthcare	8.0	7.0	14.3%	19.5%
Channel	58.4	40.3	44.8%	49.3%
Total DL Business	283.5	223.2	27.0%	31.3%
Informatics	9.0	7.9	14.2%	23.9%
Intra division	(0.4)	(0.6)		
Total Datalogic	292.0	230.4	26.7%	31.2%

% on DL Business Revenues



- ❑ **Retail:** double digit performance in APAC (+26.5% net FX) and EMEAI (+12.0% net FX). Positive booking trend in Americas.
- ❑ **Manufacturing:** +42.3% Net FX with solid recovery in Automotive and Packaging in all geographies.
- ❑ **T&L:** Outstanding +82.2% growth in H1 Net FX, double digit growth in all region outperforming 2019.
- ❑ **Healthcare:** positive trends, especially in EMEAI and APAC, in the hospital sectors and in pharmaceutical distribution.
- ❑ **Channel:** Sales to small/medium-size customers largely benefited from the economic recovery (+44.8%) mainly in Americas and EMEAI.

*June 30, 2020, comparative data have been restated following the reorganisation of the commercial function launched in 2020.

H1 2021 P&L

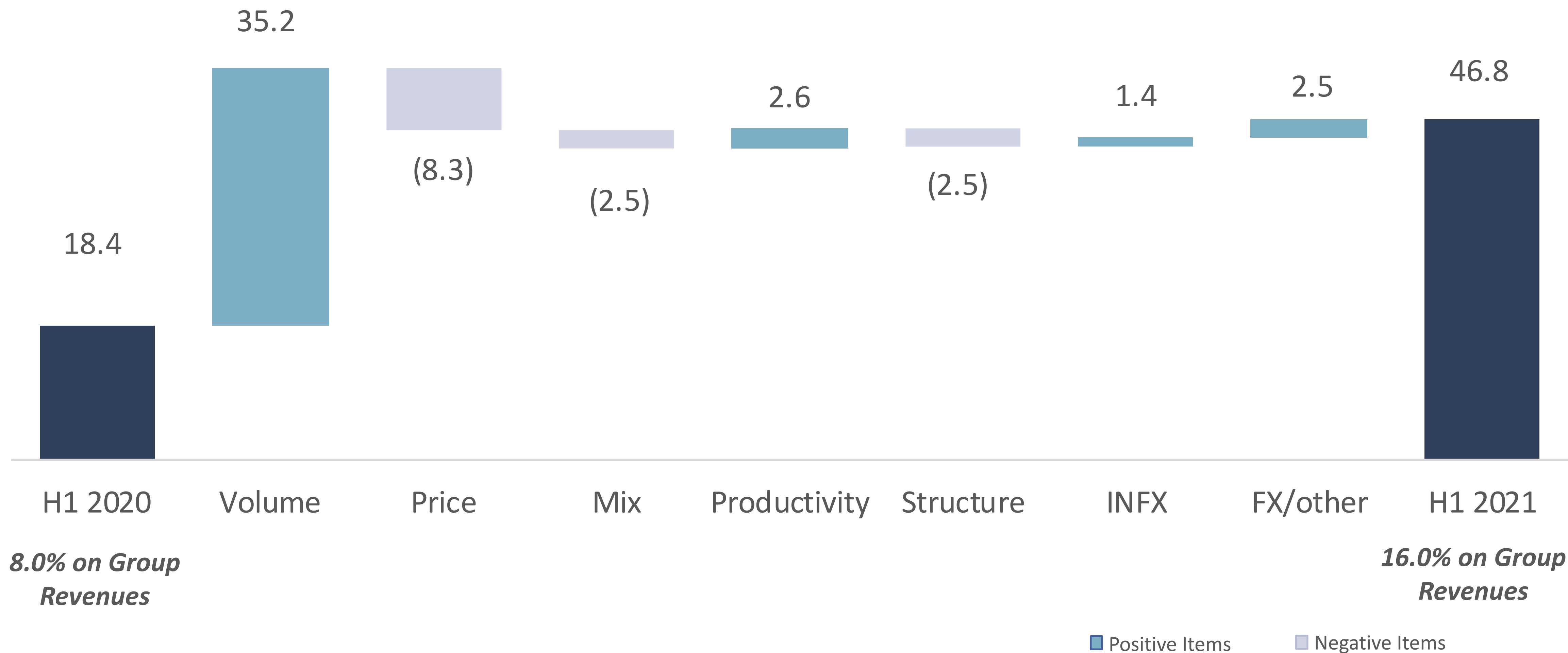


€ m	H1 2021	H1 2020	Var %
Revenues	292.0	230.4	26.7%
Gross Margin	133.7	105.9	
<i>% on Revenues</i>	45.8%	46.0%	-0.2 pp
Operating expenses	(100.3)	(99.5)	
<i>% on Revenues</i>	(34.3%)	(43.2%)	+8.8 pp
Adjusted EBITDA	46.8	18.4	
<i>% Adj. Ebitda margin</i>	16.0%	8.0%	+8.1 pp
EBIT	28.2	0.3	
<i>% Ebit margin</i>	9.7%	0.1%	+9.5 pp
Net Result	23.5	(0.0)	
<i>% on Revenues</i>	8.1%	(0.0%)	+8.1 pp

- **Gross Margin at 45.8%** impacted by increased input costs mainly from the shortage of critical materials and shipping
- **Operating expenses at €100m** steady maintaining a **leaner cost base** through growth:
 - ✓ **R&D** costs decrease driven by completion of large Mobile projects
 - ✓ **S&D** cost decreased by 6.3% due to efficiencies
- **Adj EBITDA** at steady **16.0%**
- **Net Result** at €23.5m vs a break even recorded in H1 2020

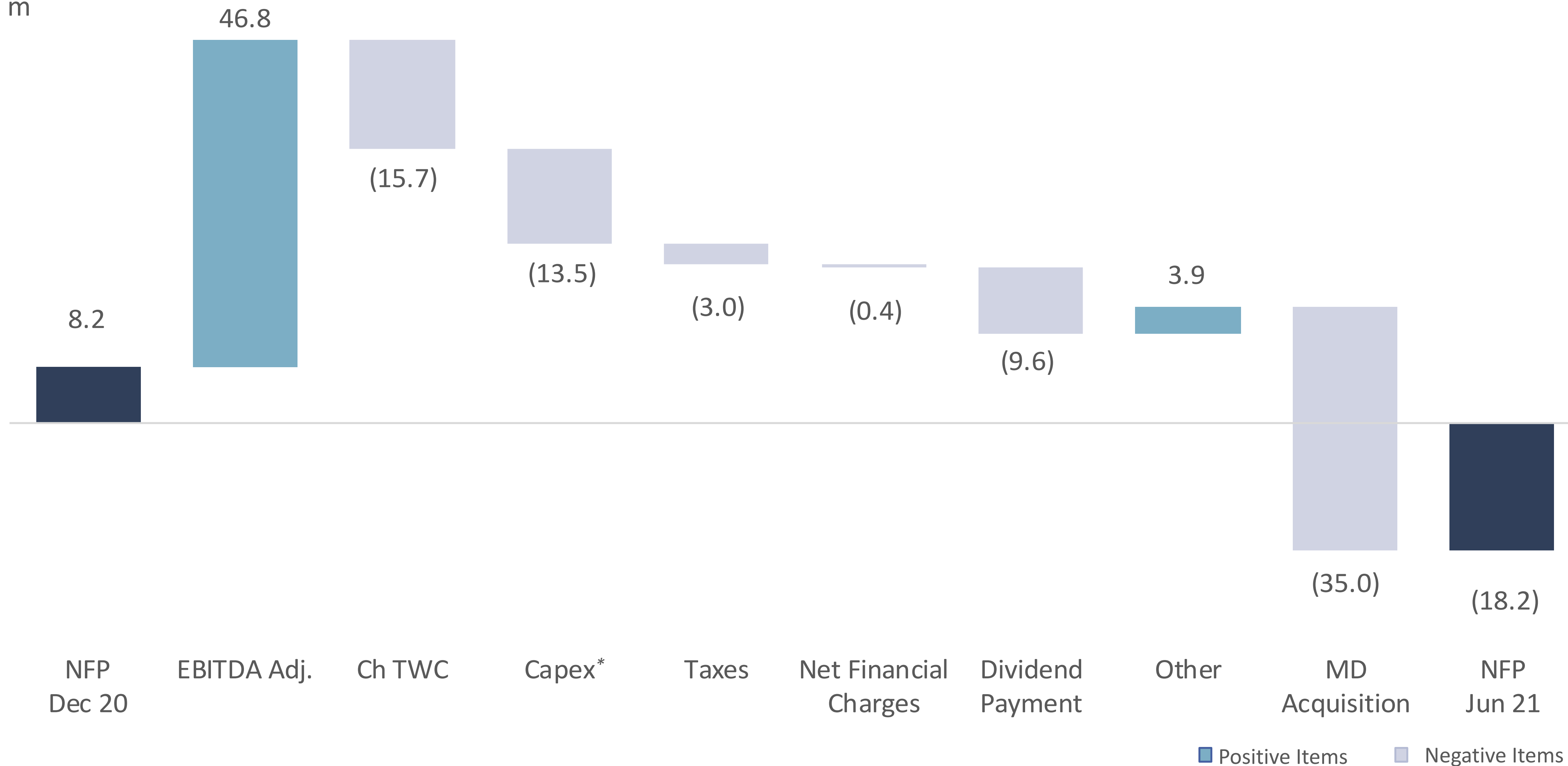
EBITDA Adj: actual vs last year

€ m



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

€ m



* Including IFRS 16 impact

2021 Outlook

- Growth consolidating and accelerating in almost all geographies and all the main market segments in which the Group operates. Datalogic achieved **growth of over 40%** in the second quarter and **pre-pandemic profitability**.
- Despite uncertainty continues, the strong order intake growth in all geographical areas, and an exceptionally high backlog set up the basis for very positive expectations for the remainder of the year.
- Assuming that the pandemic crisis, supply shortages and the resulting inflation do not escalate further, the Group confirms for the current year its **revenue growth target of between 16% and 20%**, with an **improvement in EBITDA margin of between 2 and 3 percentage points** compared to 2020.

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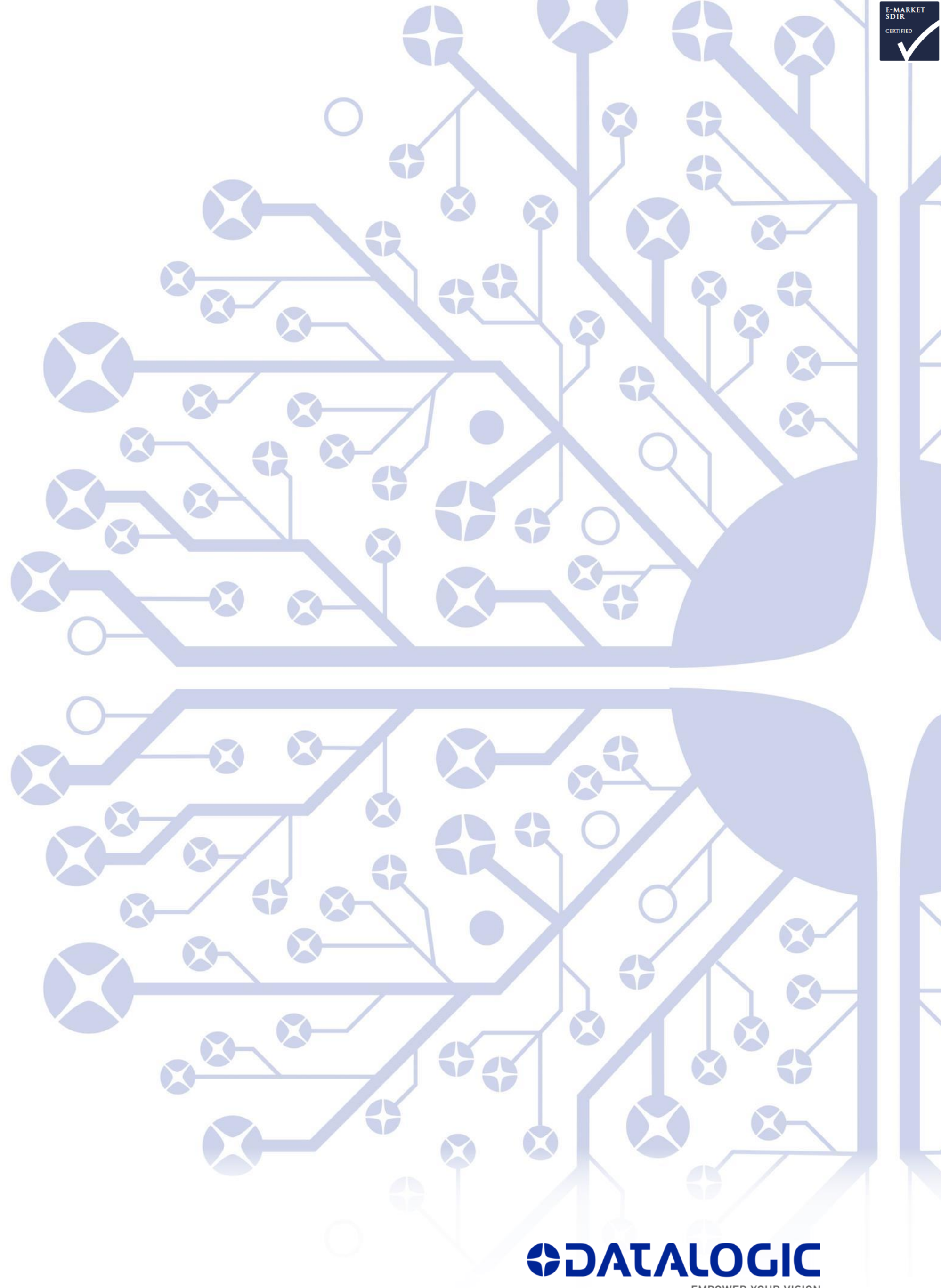
NEXT EVENTS

November 11, 2021

9M 2021 Results

DATALOGIC ON LINE

www.datalogic.com



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