

# INVESTING EMILIA ROMAGNA

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OCTOBER 03, 2023

# GROUP OVERVIEW

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# Datalogic at a Glance



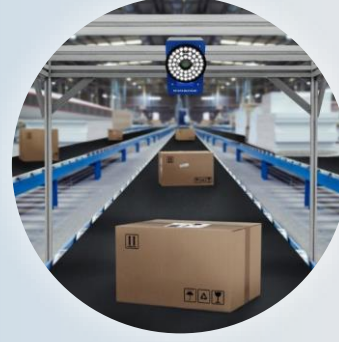
Global technology leader in the **data capture** and **industrial automation**, in the **Retail, Manufacturing, Transportation & Logistics**, and **Healthcare** industries.  
Founded in **1972**, listed on the Italian Stock Exchange since **2001**.



Retail



Manufacturing



Transportation & Logistics



Healthcare



A portfolio of about 1,200 patents and patent applications



450+ Engineers in 8 R&D centers and 3 DL Labs in Italy, USA, Vietnam, and China

10% Revenues invested in R&D



3,000+ Employees in 29 countries:  
16,3% Americas, 58,8% EMEAI, 24,9% APAC

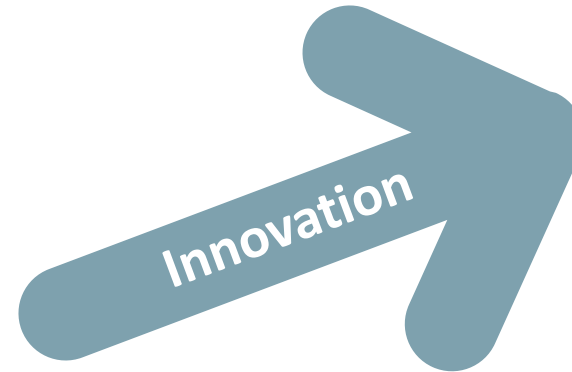


11 Manufacturing & Repair sites in:  
USA, Hungary, Slovakia, Italy, China, Vietnam,  
and Australia

# Datalogic, a leading group



- Worldwide **leadership in barcode reading** for Manufacturing, T&L and Retail applications
- Well-established brand with **solid global customer base** including Fortune 500 Companies
- **Dedicated focus on Smart Sensors** and Safety for Automated Manufacturing

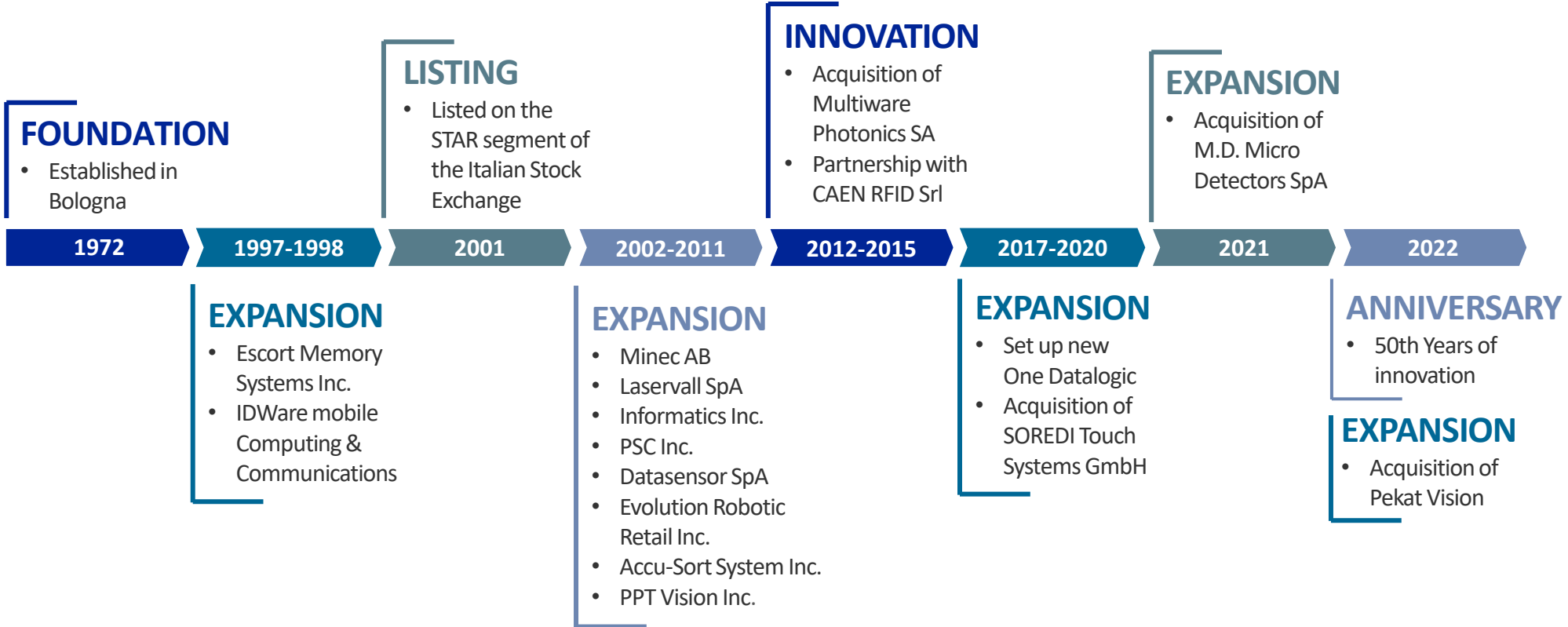
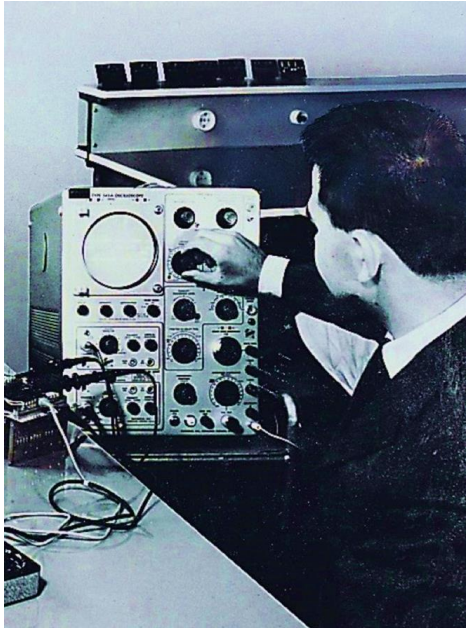


- Focus on core identification/barcode reading technology while investing in the new frontier of Artificial Intelligence, Machine Vision and Deep Learning
- Sound investments to enhance **Product offer with easy-to-integrate solutions**

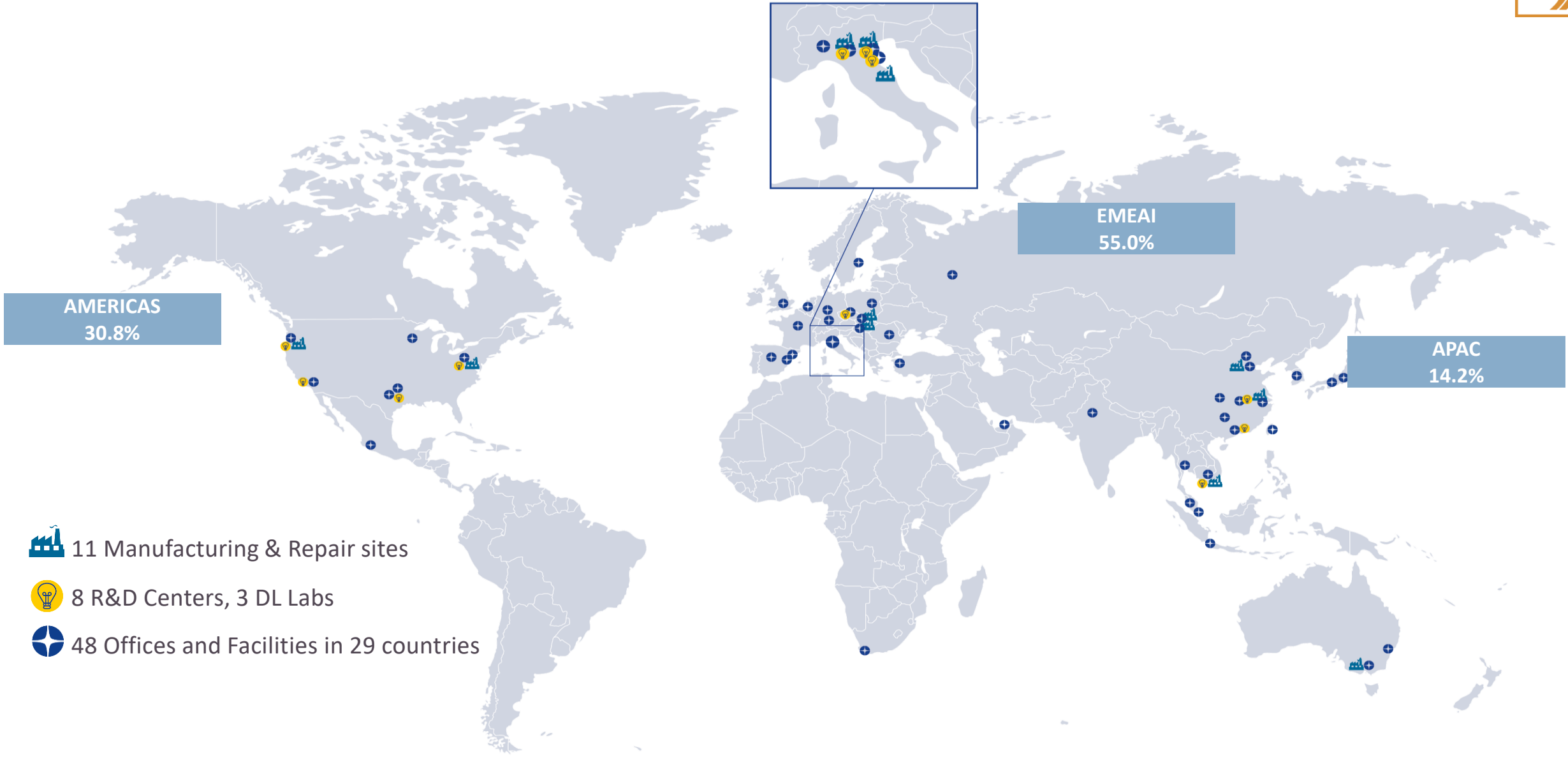


- M&A in key segments to **expand market share and boost technology**
- Solid **profitability and cash generation**

# 50+ Years of Expansion



# Datalogic Group footprint – Offices and Facilities



AMERICAS  
30.8%

EMEA  
55.0%

APAC  
14.2%

-  11 Manufacturing & Repair sites
-  8 R&D Centers, 3 DL Labs
-  48 Offices and Facilities in 29 countries

■ Percent on H1 2023 Revenues - Data refer to H1 2023

# STRATEGY

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# Our Aim, our Dream, our Beliefs



### The 6 values of our culture

-  **Ownership**  
We think and act as owners of Datalogic
-  **Efficiency**  
We treat Company expenses as we would our own
-  **Focus on results**  
We deliver what we promise
-  **Realism**  
We face reality and fix what is wrong
-  **No shortcuts**  
We don't compromise on strategy, culture, or achieving results
-  **Togetherness**  
We work together as one team to solve seemingly unsolvable problems



- ❖ Enhance **hardware** offer with **software**, driving efficiency in Client-facing, Supply Chain and Manufacturing applications in **Retail, T&L, Healthcare** and **Factory Automation** verticals
- ❖ **Consolidate position in EMEA** and become a **strong player in the United States**
- ❖ **Grow our presence in China**
- ❖ Push towards **innovative Solutions**, where traditional AUTO-ID capabilities are offered bundled with additional Deep Learning / Vision software, analytics and other services
- ❖ **M&A focus in Technology** to boost both portfolio and capabilities and **Customer base** to boost penetration

# Main innovation trends in Retail - Increasingly self check-out and contactless



## Datalogic Proposition

- **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
- Perfect partner to automate operations and exploit Retail analytics, thanks to **AI/machine learning-driven applications** and automation
- Innovative **solutions to integrate in-store with warehouse** operations

## Main Applications

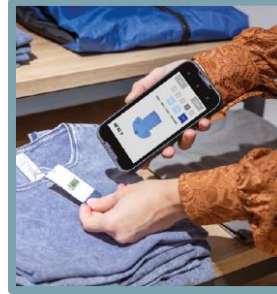
### In-store check-out POS

- Self Check-out
- Self-Shopping
- In-Counter with scale options
- On-Counter, Presentation, Hands-free
- Large items identification
- Loss prevention



### In-store Operations

- Inventory management
- Shelf Replenishment
- Order Management
- Assisted Sales
- Queue busting



### E-commerce, Distribution Center & Fulfillment Center

- BOPIS/BORIS
- Last mile order fulfillment
- Hands-free operations
- Shipping/receiving



# Main innovation trends in Manufacturing - Process digitization

## Datalogic Proposition

- Multi-product portfolio to serve all the major manufacturing clients: **Automotive, Food and Beverage, Automated Machinery and Electronics, Packaging and Intralogistics**
- Leader in traceability thanks to the most complete and performing **offer of stationary industrial scanners**
- Unique portfolio provider of smart, interconnected devices able to unlock new frontiers of **action-oriented insights based on advanced analytics** (e.g. predictive maintenance)

## Main Applications

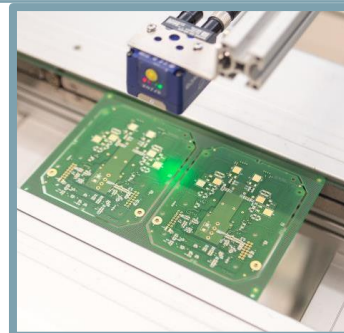
### Automotive

- Powertrain assembly
- Interiors (texturing) assembly
- Suspensions & braking system assembly
- Exteriors assembly
- WIP traceability
- Direct Part Marking (marking and reading)
- Supplier components tracking



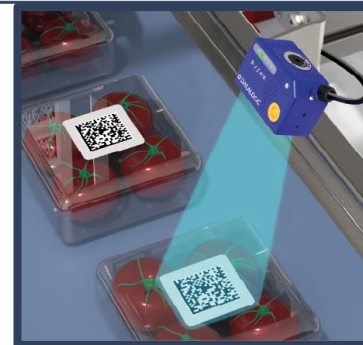
### Electronics

- Board assembling and testing
- Device assembling and testing
- Personalization and branding
- Device packaging and warehousing
- Labeling and DPM verification and tracking
- Wafer marking



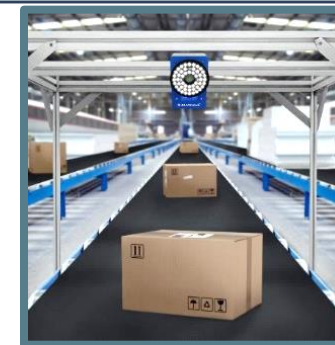
### Packaging

- Primary packaging tracking
- Cartoning traceability
- Bundling/Tray packing/Shrink wrapping traceability
- Case packing traceability
- End-of-Line/Palletizing/Wrapping/Robotics traceability
- Printed label verification



### Intralogistics

- Label reading and verification
- Parts/boxes identification/traceability
- Palletizing
- Warehouse management
- Sorting and shipping





# Main innovation trends in Transportation & Logistics – E-commerce is market driver



## Datalogic Proposition

- We enhance operations to **Courier-Express-Parcels, Airports and Logistics**
- At the **forefront** of the development of **airport systems**, since 1984 with the **first automatic reading station** in Milan, to the recent contracts on 3 of the 5 main airports worldwide (source: SkyTrax rating)
- Historically leader in stationary industrial scanners, providing **top performing solutions** for High-Speed sorting to all the main CEPs and 3PLs
- Increased level of efficiency and full tracking capabilities along different supply chain phases for **enhanced decision-making**

## Main Applications

### Airport

- Baggage handling systems
- Baggage reconciliation
- Out-of-gauge
- Check-in and bag drop-off handling



### Courier & Parcels

- Sorting
- Field mobility
- Outbound
- Parcel detection on belt
- Inbound & Induction



### Postal

- Field mobility
- Small parcel sortation
- Parcel transport and sortation systems
- Point-of-Sales
- Inbound & Induction



### 3PLs

- Receiving
- Put away
- Order fulfillment
- Storage
- Shipping



### E-commerce

- Picking
- Reverse logistics
- Manual & Automated sorting
- On-field operations
- Hands-free solutions



# Main innovation trends in Healthcare – Digital dominates and sustainability grows

## 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

## Main Applications

### Hospitals

- Admittance
- Patient bed care
- Analysis labs
- Surgery tools verification
- Inventory management



### Pharmacies

- Point-of-sale
- In-store operation
- Inventory management
- Receiving



### Pharmaceutical

- Drugs production
- Pharma products distribution
- Warehousing



# OPERATING MODEL

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# Unique Player with two major products platforms to better address different application needs across verticals



## INDUSTRIAL AUTOMATION

**WORLDWIDE LEADER**

**STATIONARY INDUSTRIAL SCANNERS**

**SAFETY**

*Unattended processes in every industry*

**LASER MARKING**

**SENSORS**

**MACHINE VISION**



## DATA CAPTURE

**WORLDWIDE LEADER**

**FIXED RETAIL SCANNERS**

**HANDHELD SCANNERS**

*Attended processes in every industry*

**MOBILE COMPUTERS**

**OEM BARCODE READERS**

**RFID READERS**

# New Datalogic operating model



- Industry knowledge, **focus on end-users** and our main 4 **Verticals** keep on being **the core of our strategy**
- **Two main operating market segments implemented** to properly and effectively execute strategy due to evolution of the market and of customer's needs, and effectively address:
  - a higher **focus on Product Groups**
  - different **go to market models, buying criteria** priorities and **client's point of contacts by Market segments**
  - **specialized expertise** of the sales force **by Application**, across different industries
- **A dedicated Business Unit** focused on pushing towards both cross-products and market specific **Solutions**

# FINANCIALS

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# 1H 2023 Highlights: improving profitability and cash flows in an uncertain demand environment

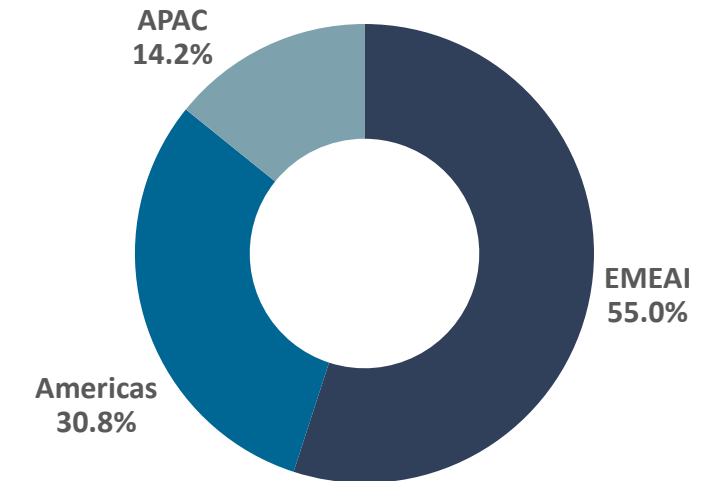


- ❑ **Revenues** decreased by 5.3%, due to a soft demand and the continuing destocking cycle in distribution, in all geographical areas
- ❑ **R&D Cash Out at €32.0M**, steady at around 10.7% on revenues, maintaining solid levels of R&D investments
- ❑ **Gross Operating Margin**, improving on a quarterly basis, at **42.4%** compared to 39.6% in H1 2022 (**+2.8 pp**) thanks to positive effects of price, mix and productivity in an eased environment on the procurement side
- ❑ **Adj EBITDA margin at 11.1%** (10.9% in H1 2022), thanks to the improvement in industrial margins and despite higher operating expenses and negative volumes
- ❑ **Positive price/mix in the semester** across main geographies and product lines
- ❑ **Net Debt down at €25.1M**, thanks to a sound **+€31.8M operating cash flow generation**, fueled by tight control on Net Working Capital

# Group Revenues by Geography

€m	H1 2023	H1 2022	Var %
EMEAI	164.0	170.3	(3.7%)
Americas	91.6	96.2	(4.7%)
APAC	42.3	48.1	(12.0%)
<b>Total Datalogic</b>	<b>298.0</b>	<b>314.6</b>	<b>(5.3%)</b>

**% on Group Revenues**

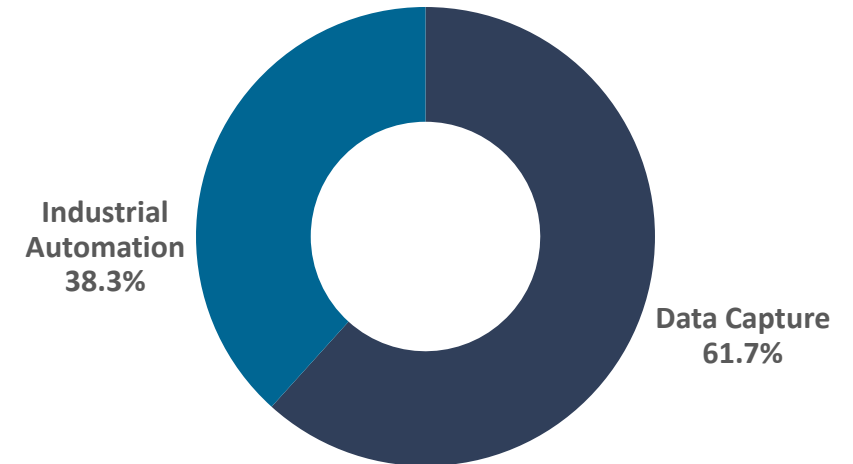


- ❑ **EMEAI: Group’s first market down by 3.7%.** DACH growing +9.4%, Italy down by 3.3%
- ❑ **AMERICAS: Group’s second-largest market down by 4.7%,** despite positive trend in check out solutions and industrial scanners
- ❑ **APAC: -12.0% YoY, (-8.7% Net FX),** growing in SEA and ANZ

# Group Revenues by Market Segment

€m	H1 2023	H1 2022	Var %
Data Capture	178.9	190.7	(6.2%)
Industrial Automation	111.1	116.0	(4.2%)
<b>Total DL Business</b>	<b>289.9</b>	<b>306.7</b>	<b>(5.5%)</b>
Informatics	8.2	8.5	(3.1%)
Intra division	(0.2)	(0.6)	
<b>Total Datalogic</b>	<b>298.0</b>	<b>314.6</b>	<b>(5.3%)</b>

**% on DL Business Revenues**



- ❑ **Data Capture: -6.2%**, down in all geographical areas, despite a double-digit growth in check out solutions in both EMEAI and Americas
- ❑ **Industrial Automation: Americas growing +3.5%**, down the other geographies



# New Product Launches and Innovation

## Hand Held Scanners



Gryphon™ 4500 Fixed Series

## Stationary Industrial Scanners



Matrix 220X Premium



Matrix 320X Premium

## Sensors, Safety & Machine Vision



Smart-VS+ smart vision sensor



MX-C50 vision processor

❑ R&D Cash Out\* at 10.7%, +0.9 bps vs H1 2022 (9.8%). Commitment to Product Development Roadmap continues

❑ Vitality Index at 6.5% on H1

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

# H1 2023 P&L



€ m	H1 2023	H1 2022 restated*	Var %
<b>Revenues</b>	<b>298.0</b>	<b>314.6</b>	<b>(5.3%)</b>
Gross Margin	126.4	124.6	
<i>% on Revenues</i>	42.4%	39.6%	+2.8 pp
Operating expenses	(109.5)	(105.4)	
<i>% on Revenues</i>	(36.7%)	(33.5%)	-3.2 pp
<b>Adjusted EBITDA</b>	<b>33.0</b>	<b>34.3</b>	
<i>% Adj. Ebitda margin</i>	11.1%	10.9%	+0.2 pp
<b>Adjusted EBIT</b>	<b>17.0</b>	<b>19.2</b>	
<i>% Adj. Ebit margin</i>	5.7%	6.1%	-0.4 pp
<b>EBIT</b>	<b>12.6</b>	<b>15.3</b>	
<i>% Ebit margin</i>	4.2%	4.9%	-0.6 pp
<b>Net Result</b>	<b>12.1</b>	<b>8.8</b>	
<i>% on Revenues</i>	4.1%	2.8%	+1.3 pp

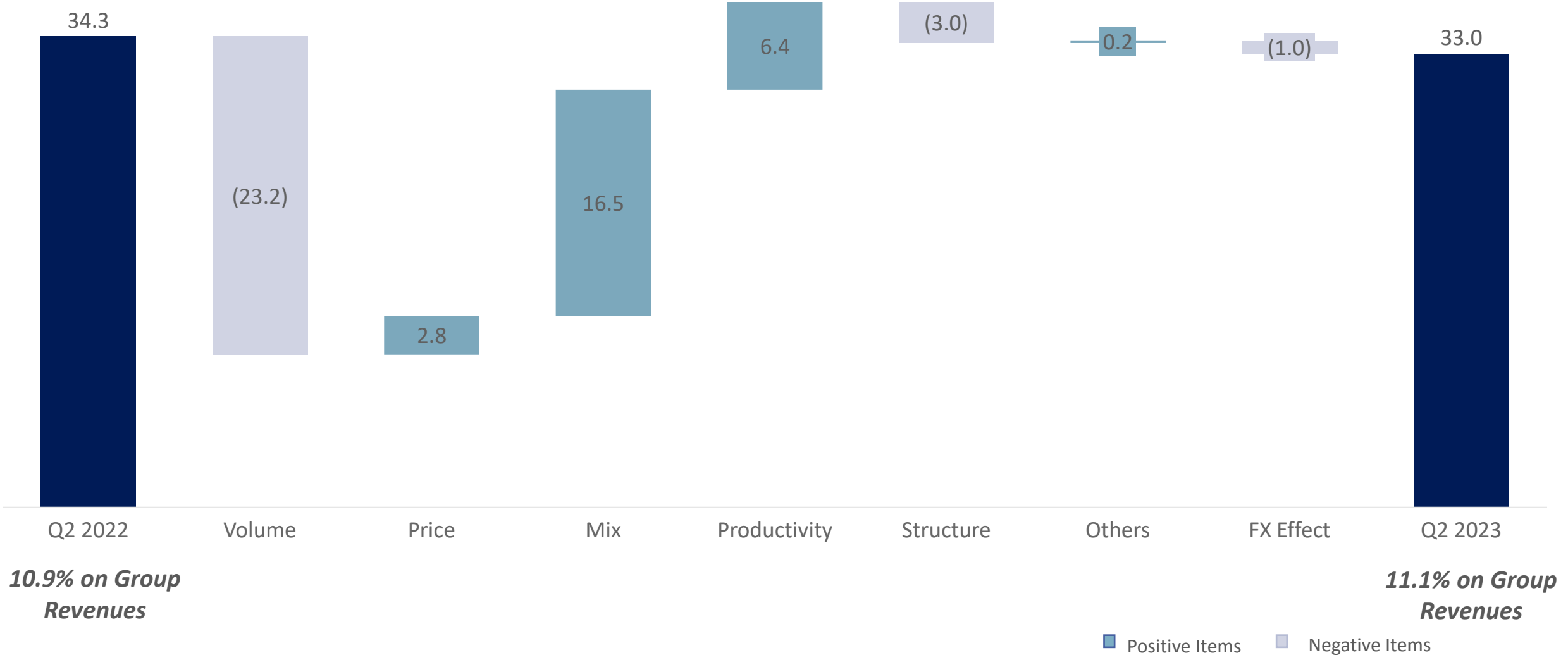
- **Gross Margin at 42.4%: +2.8 pp YoY** . Improvement in H1 compared to previous year thanks to **positive pricing/mix and productivity** offsetting negative volumes
- **Operating expenses at €109.5m**, mainly due to continuous investments in R&D and S&D
- **Adj EBITDA margin at 11.1%** (+0.2 pp YoY), thanks to improving industrial margins, despite higher operating expenses
- **Net Result at €12.1m** vs €8.8m in H1 2022, up vs Y-1 thanks to financial items, mainly

\* Restatement mainly due to reclassification of some installation costs from S&D to COGS

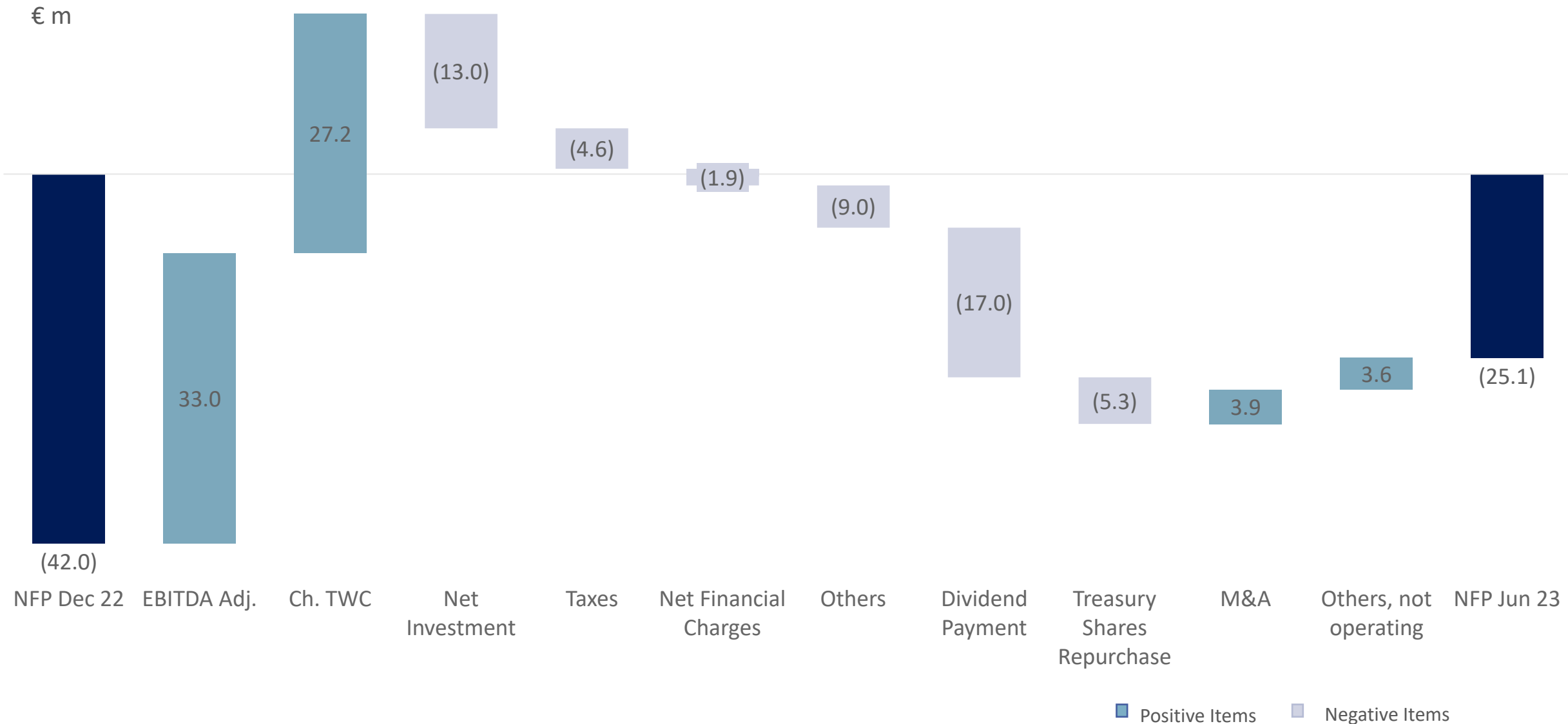
# EBITDA Adj: actual vs last year



€ m



# Net Debt & Cash Flow Analysis : Dec'22 – Jun'23



# APPENDIX

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# Stock and Governance



**Market Segment:** EURONEXT STAR MILAN

**Reuters Code:** DAL.MI

**Bloomberg Code:** DAL IM

**Outstanding Shares:** 58,446,491

**Share Par-Value:** 0.52 Euro each

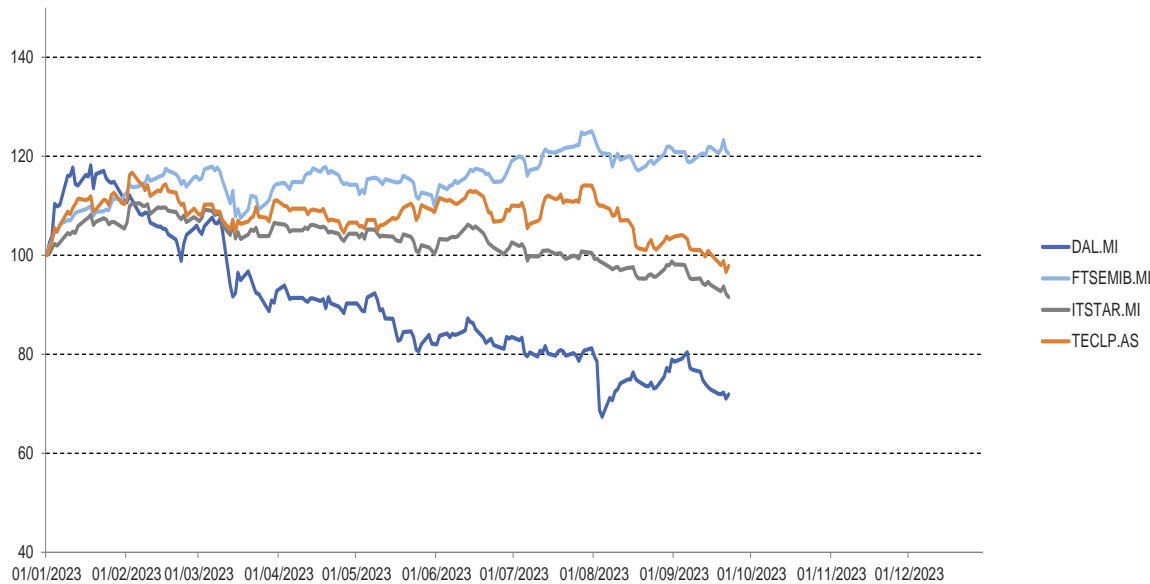
**Ticker:** DAL

**Market Cap** (September 2023): 350 mln Euro

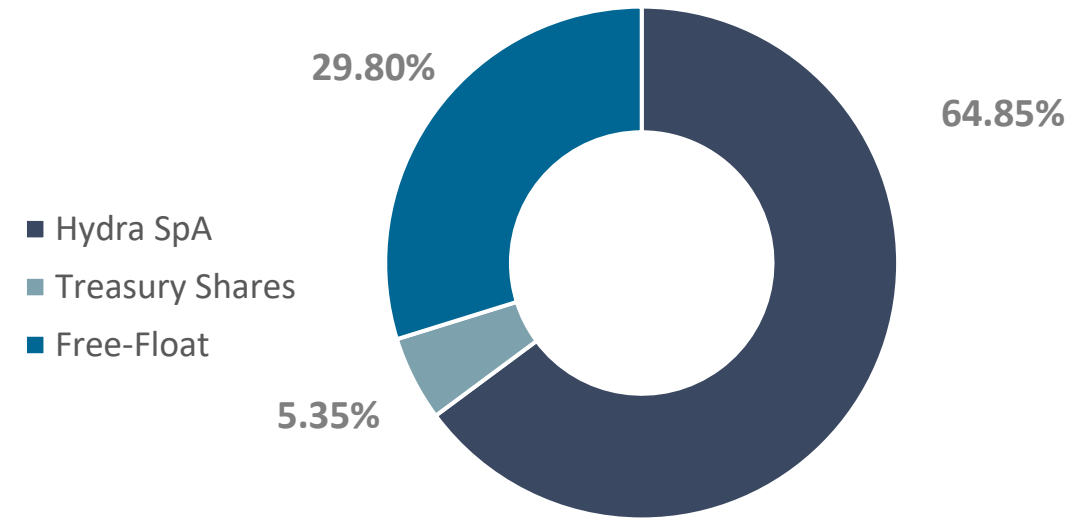
**Volumes** : 3 months average ~ 130K

**Auditing Company:** Deloitte

## DATALOGIC SHARE PERFORMANCE vs. INDICES



## SHAREHOLDERS' STRUCTURE





# A consistent review in Datalogic accounting reporting

Area	From	To	
<b>Division</b>	<ul style="list-style-type: none"> <li>• <b>2 CGUs:</b> <ul style="list-style-type: none"> <li>• <i>Datalogic Business</i></li> <li>• <i>Informatics</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>2 CGUs:</b> <ul style="list-style-type: none"> <li>• <i>Datalogic Business</i></li> <li>• <i>Informatics</i></li> </ul> </li> </ul>	
<b>Geo Area</b>	<ul style="list-style-type: none"> <li>• <b>3 Geo Areas:</b> <ul style="list-style-type: none"> <li>• <i>EMEAI</i></li> <li>• <i>Americas</i></li> <li>• <i>APAC</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>3 Geo Areas:</b> <ul style="list-style-type: none"> <li>• <i>EMEAI</i></li> <li>• <i>Americas</i></li> <li>• <i>APAC</i></li> </ul> </li> </ul>	
<b>Sector in DL business</b>	<ul style="list-style-type: none"> <li>• <b>4 Main Verticals:</b> <ul style="list-style-type: none"> <li>• <i>Retail</i></li> <li>• <i>Manufacturing</i></li> <li>• <i>T&amp;L</i></li> <li>• <i>Healthcare</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>2 Main Market Segment:</b> <ul style="list-style-type: none"> <li>• <i>Data Capture</i></li> <li>• <i>Industrial Automation</i></li> </ul> </li> </ul>	

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## NEXT EVENTS

**October 10, 2023**

Italian Excellences 2023 – Intesa Sanpaolo

**November 09, 2023**

9M 2023 Results

## DATALOGIC ON LINE

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

# THANK YOU

This presentation contains statements that are neither reported financial results nor other historical information. These statements are forward-looking statements. These forward-looking statements rely on a number of assumptions and are subject to a number of risks and uncertainties, many of which are outside the control of Datalogic S.p.A., that could cause actual results to differ materially from those expressed in or implied by such statements, such as future market conditions, currency fluctuations, the behavior of other market participants and the actions of governmental and state regulators

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