



Consolidated Interim Report

September 30, 2023

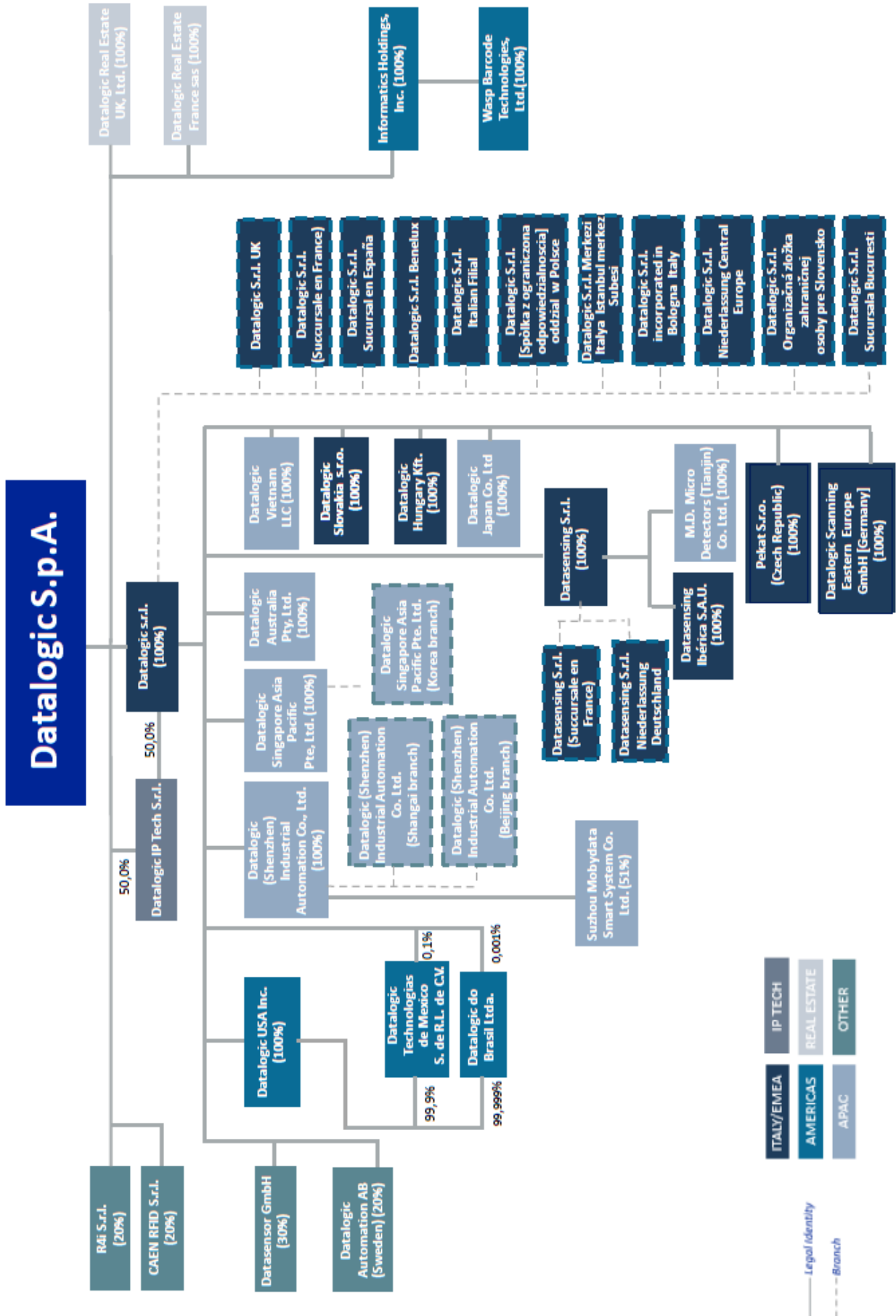
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DISCLAIMER

This document contains forward-looking statements relating to future events and operating, income and financial results of the Group. These forecasts have by nature an element of risk and uncertainty, as they depend on the materialisation of future events and developments. Actual results may differ even significantly from those disclosed due to a variety of factors, most of which beyond the Group's control.

GROUP STRUCTURE



COMPOSITION OF CORPORATE BODIES

Board of Directors ⁽¹⁾

Romano Volta	Executive Chairman ⁽²⁾
Valentina Volta	Chief Executive Officer ⁽²⁾
Angelo Manaresi	Independent Director
Chiara Giovannucci Orlandi	Independent Director
Filippo Maria Volta	Non-Executive Director
Vera Negri Zamagni	Independent Director
Maria Grazia Filippini	Independent Director
Pietro Todescato	Executive Director

Board of Statutory Auditors ⁽³⁾

Diana Rizzo	Chair
Elena Lancellotti	Standing Auditor
Roberto Santagostino	Standing Auditor
Giulia De Martino	Alternate Auditor
Eugenio Burani	Alternate Auditor
Patrizia Cornale	Alternate Auditor

Control, Risks, Remuneration and Appointments Committee

Angelo Manaresi	Chairman
Chiara Giovannucci Orlandi	Independent Director
Vera Negri Zamagni	Independent Director

Independent Auditors ⁽⁴⁾

Deloitte & Touche S.p.A.

(1) The Board of Directors will remain in office until the Shareholders' Meeting called to approve the financial statements at December 31, 2023.

(2) Legal representative before third parties.

(3) The Board of Statutory Auditors will remain in office until the Shareholders' Meeting called to approve the financial statements at December 31, 2024.

(4) Deloitte & Touche S.p.A. were appointed Independent Auditors for the nine-year period from 2019 to 2027 by the Shareholders' Meeting held on April 30, 2019 and will remain in office until the Shareholders' Meeting called to approve the financial statements at December 31, 2027.

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Report on Operations

REPORT ON OPERATIONS

INTRODUCTION

This Consolidated Interim Report at September 30, 2023 was prepared in accordance with Article 154 ter of the T.U.F. and is drawn up in accordance with the International Financial Reporting Standards (IAS/IFRS) adopted by the European Union.

The amounts shown in the tables of the Report on Operations are expressed in Euro thousands, while the explanatory notes are expressed in Euro millions.

GROUP PROFILE

Datalogic S.p.A. and its subsidiaries ("Group" or "Datalogic Group") is a global technological leader in the automatic data capture and process automation markets. The Group is specialised in the design and production of barcode readers, mobile computers, detection, measurement and safety sensors, vision and laser marking systems and RFID. Its pioneering solutions help increase the efficiency and quality of processes along the entire value chain in the Retail, Manufacturing, Transportation & Logistics and Healthcare segments.

PERIOD HIGHLIGHTS

The following table summarises the Datalogic Group's key income and financial results at September 30, 2023 versus the same period of the prior year.

	30.09.2023	% on Revenue	30.09.2022 Restated	% on Revenue	Change	% chg.	% chg. net FX
Revenue	417,025	100.0%	476,496	100.0%	(59,471)	-12.5%	-11.6%
Adjusted EBITDA	43,297	10.4%	56,288	11.8%	(12,991)	-23.1%	-22.8%
Adjusted EBIT	19,465	4.7%	33,263	7.0%	(13,798)	-41.5%	-41.4%
EBIT	13,632	3.3%	27,460	5.8%	(13,828)	-50.4%	-50.2%
Profit/(Loss) for the period	10,754	2.6%	15,327	3.2%	(4,573)	-29.8%	-29.6%
Net financial position (NFP)	(44,172)		(83,640)		39,468		

The Group closed nine months 2023 with **Revenue** from sales of €417.0 million, a percentage decrease of 12.5% (-11.6% net FX) versus €476.5 million recorded in the same period of 2022.

Adjusted EBITDA amounted to €43.3 million, down from first nine months 2022. As a percentage of sales, it stood at 10.4%.

Adjusted EBIT, down from €33.3 million at September 30, 2022, came to €19.5 million.

Net profit for the period amounted to €10.8 million, down from €15.3 million recorded in the same period of 2022.

Sales from new products (*Vitality Index*) in first nine months 2023 accounted for 6.7% of revenue (7.4% in third quarter 2023), down from 15.5% in first nine months 2022.

Net Financial Debt at September 30, 2023 stood at €44.2 million, an improvement of €39.5 million versus September 30, 2022, and a deterioration of €2.2 million versus December 31, 2022.

ALTERNATIVE PERFORMANCE MEASURES (NON-GAAP MEASURES)

Management uses certain performance measures, not identified as accounting measures under IFRS (NON-GAAP measures), to provide a clearer picture of the Group's performance. The measurement criterion applied by the Group might not be the same as the one adopted by other Groups and the measures might not be comparable with theirs. These performance measures, determined according to provisions set out by the Guidelines on performance measures, issued by ESMA/2015/1415 and adopted by CONSOB with Communication no. 92543 of December 3, 2015, refer only to the performance in the period related to this Consolidated Interim Report and the comparison periods. The performance measures must be considered as supplementary and do not supersede the information provided under the IFRS standards. The main measures adopted are described below.

- **Special Items:** income items arising from non-recurring events or transactions, restructuring activities, business reorganization, write-downs of fixed assets, ancillary expense from acquisitions of businesses or companies or their disposals, including amortisation resulting from the recognition of purchase price allocation, and any other event deemed by Management not to represent current business activity.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation):** profit/(loss) for the period from continuing operations before depreciation and amortisation of tangible and intangible fixed assets and rights of use, financials (including foreign exchange income and expense) and income tax.
- **Adjusted EBITDA:** profit/(loss) for the period from continuing operations before depreciation and amortisation of tangible and intangible fixed assets and rights of use, financials (including foreign exchange income and expense), income tax and Special Items, as defined above.
- **EBIT (Earnings Before Interest, Taxes) or Operating Result:** profit/(loss) for the period from continuing operations before financials (including foreign exchange income and expense) and income tax.
- **Adjusted EBIT or Operating Result:** profit/(loss) for the period from continuing operations before financials (including foreign exchange income and expense), income tax and Special Items, as defined above.
- **Net Trade Working Capital:** the sum of Inventory and Trade Receivables, less Trade Payables.
- **Net Working Capital:** the sum of Net Trade Working Capital and Other Current Assets and Liabilities including Provisions for Current Risks and Charges.
- **Net Invested Capital:** the total of Current and Non-Current Assets, excluding financial assets, less Current and Non-Current Liabilities, excluding financial liabilities.
- **NFP (Net Financial Position or Net Financial Debt):** calculated in accordance with the provisions of "Warning Notice no. 5/21" of April 29, 2021 issued by CONSOB and referring to ESMA guideline 32-382-1138 of March 4, 2021.
- **Cash Flow from Operations:** the sum of Adjusted EBITDA, changes in Net Trade Working Capital, expenditure in tangible and intangible fixed assets (excluding fixed assets under right of use recognised during the year according to IFRS 16), tax paid, financial expense/income, changes in Other Current Assets and Liabilities, and Special Items, as defined above, while excluding any other changes related to equity (such as dividend distributions and/or the purchase of treasury shares), to transactions of an extraordinary nature, the repayment and/or taking out of bank loans and/or other financial items in the NFP, and any other transaction that cannot be directly attributed to the company's business operations.

GROUP RECLASSIFIED INCOME RESULTS

The following table shows the main items of the income statement for the period versus the prior period, the results of which were restated as required by IAS 1 following certain reclassifications of cost items from operating costs to cost of goods sold and among the different uses of operating costs, as well as the effects of the purchase price allocation (PPA) of Pekat S.r.o., for details of which reference is made to Annex 4 of this document:

	30.09.2023		30.09.2022 Restated		Change	% chg.
Revenue	417,025	100.0%	476,496	100.0%	(59,471)	-12.5%
Cost of goods sold	(239,973)	-57.5%	(284,147)	-59.6%	44,174	-15.5%
Gross Operating Margin	177,052	42.5%	192,349	40.4%	(15,297)	-8.0%
Research and Development expense	(45,931)	-11.0%	(45,089)	-9.5%	(842)	1.9%
Distribution expense	(72,833)	-17.5%	(72,466)	-15.2%	(367)	0.5%
Administrative and General expense	(38,558)	-9.2%	(40,975)	-8.6%	2,417	-5.9%
Other (expense) income	(265)	-0.1%	(556)	-0.1%	291	-52.3%
Total operating costs and other expense	(157,587)	-37.8%	(159,086)	-33.4%	1,499	-0.9%
Adjusted EBIT	19,465	4.7%	33,263	7.0%	(13,798)	-41.5%
Special Items - Other (Expense) and Income	(2,277)	-0.5%	(1,777)	-0.4%	(500)	28.1%
Special Items - D&A from acquisitions	(3,556)	-0.9%	(4,026)	-0.8%	470	-11.7%
EBIT	13,632	3.3%	27,460	5.8%	(13,828)	-50.4%
Financials	1,542	0.4%	(2,109)	-0.4%	3,651	n.a.
Foreign exchange gains/(losses)	(2,219)	-0.5%	(6,667)	-1.4%	4,448	-66.7%
EBT	12,955	3.1%	18,684	3.9%	(5,729)	-30.7%
Tax	(2,201)	-0.5%	(3,357)	-0.7%	1,156	-34.4%
Profit/(Loss) for the period	10,754	2.6%	15,327	3.2%	(4,573)	-29.8%
EBIT	13,632	3.3%	27,460	5.8%	(13,828)	-50.4%
Special Items - Other (Expense) and Income	2,277	0.5%	1,777	0.4%	500	28.1%
Special Items - D&A from acquisitions	3,556	0.9%	4,026	0.8%	(470)	-11.7%
Depreciation Tang. Fixed Assets and Rights of Use	12,084	2.9%	13,513	2.8%	(1,429)	-10.6%
Amortisation Intang. Fixed Assets	11,748	2.8%	9,512	2.0%	2,236	23.5%
Adjusted EBITDA	43,297	10.4%	56,288	11.8%	(12,991)	-23.1%

Consolidated revenue amounted to €417.0 million at September 30, 2023, down by 12.5% versus €476.5 million in first nine months 2022, with declines affecting all geographical areas.

The breakdown by geographical area of Group revenue for the period, versus the same period of the prior year, is shown in the table below:

	30.09.2023		30.09.2022		Change	% chg.	% chg. net FX
		%		%			
<i>Italy</i>	42,793	10.3%	46,690	9.8%	(3,896)	-8.3%	-8.3%
<i>EMEI (excluding Italy)</i>	184,563	44.3%	209,494	44.0%	(24,931)	-11.9%	-11.7%
Total EMEI	227,356	54.5%	256,183	53.8%	(28,827)	-11.3%	-11.1%
Americas	134,890	32.3%	147,110	30.9%	(12,220)	-8.3%	-7.6%
APAC	54,779	13.1%	73,203	15.4%	(18,424)	-25.2%	-21.2%
Total revenue	417,025	100.0%	476,496	100.0%	(59,471)	-12.5%	-11.6%

EMEA was down by 11.3% in first nine months 2023, with Italy dropping by 8.3%. **Americas** dropped by 8.3%, while **APAC** fell more sharply with a 25.2% decline versus the same period of 2022.

The **Gross Operating Margin**, amounting to €177.1 million versus €192.3 million at September 30, 2022, improved as a percentage of sales, standing at 42.5% versus 40.4% in the same period of 2022, thanks to positive trend in price and mix effect and industrial efficiencies, which offset the negative impact of reduced sales.

Operating costs and other expense amounted to €157.6 million (€159.1 million at September 30, 2022); while decreasing in absolute value, they increased in terms of their percentage of sales from 33.4% to 37.8%, especially on research and development and distribution expense.

Research and Development expense, amounting to €45.9 million, increased by 1.9% versus September 30, 2022. Total monetary costs in R&D, before capitalisation of internal costs and without amortisation and depreciation (R&D Cash Out), amounted to €46.8 million (€46.4 million in the same period of the prior year), with a percentage of sales of 11.2% (9.7% in first nine months 2022).

Distribution expense amounted to €72.8 million, slightly higher than in first nine months 2022 (€72.5 million in the same period of 2022), with the percentage of revenue increasing to 17.5% from 15.2% in the same period of 2022.

Administrative and General Expense amounted to €38.6 million at September 30, 2023, down by 5.9% versus first nine months 2022, and up as a percentage of sales from 8.6% to 9.2%.

Adjusted EBITDA came to €43.3 million, with an **Adjusted EBITDA margin** at 10.4% of sales, decreasing by 1.4% from 11.8% recorded in first nine months 2022, due to the higher impact of operating costs as a result of the reduction in sales, partly offset by the improvement in the gross operating margin.

Adjusted EBIT stood at 4.7% of revenue and amounted to €19.5 million (€33.3 million at September 30, 2022).

Financials closed with a negative €0.7 million, improving by €8.1 million versus September 30, 2022, thanks to favourable exchange rate differences in the current period and the income from the disposal of the 15% minority interest still held in Solution Net Systems LLC (SNS).

Net profit for the period amounted to €10.7 million, or 2.6% of revenue (€15.3 million at September 30, 2022, or 3.2% of revenue).

DIVISIONAL INCOME RESULTS FOR THE PERIOD

Operating segments are identified based on operating reports used at the highest decision-making level to allocate resources and assess results. The operating segments are shown below:

- **Datalogic** represents the Group's core business and designs and produces barcode readers, mobile computers, detection, measurement and safety sensors, vision and laser marking systems and RFID that help increase the efficiency and quality of processes in the Retail, Manufacturing, Transportation & Logistics and Healthcare segments, along the entire value chain.
- **Informatics** sells and distributes products and solutions for the management of inventories and mobile assets tailored to small and medium-sized companies.

The tables below show the comparison of Revenue and Adjusted EBITDA by Division in the period versus the same period of the prior year:

REVENUE BY DIVISION

	30.09.2023	%	30.09.2022	%	Change	% chg.	% chg. net FX
Datalogic	404,800	97.1%	464,195	97.4%	(59,395)	-12.8%	-11.9%
Informatics	12,634	3.0%	13,734	2.9%	(1,100)	-8.0%	-7.2%
Intersegment adjustments	(409)	-0.1%	(1,433)	-0.3%	1,024		
Total revenue	417,025	100.0%	476,496	100.0%	(59,471)	-12.5%	-11.6%

ADJUSTED EBITDA BY DIVISION

	30.09.2023	% on Revenue	30.09.2022	% on Revenue	Change	% chg.
Datalogic	40,998	10.1%	54,717	11.8%	(13,719)	-25.1%
Informatics	2,145	17.0%	1,813	13.2%	332	18.3%
Intersegment adjustments	154		(242)		396	
Total Adjusted EBITDA	43,297	10.4%	56,288	11.8%	(12,991)	-23.1%

DATALOGIC DIVISION

The **Datalogic** division reported **revenue** from sales of €404.8 million at September 30, 2023, down by 12.8% versus the same period of 2022. The geographical area that most affected the decline was APAC, down by 25.2%, followed by EMEA with an 11.3% decline, and Americas with a 9.0% decrease.

The division's **adjusted EBITDA** amounted to €41.0 million, equal to 10.1% of sales (11.8% at September 30, 2022).

To better align with its strategic goals and prioritize product and solution offerings, starting from the first quarter of the current year, Datalogic reviewed its operating model and introduced two new Market Segments, which feature distinct sales models, customers with varying purchasing needs, and different stakeholders: Data Capture and Industrial Automation.

Reflecting the new operating model, the revenue breakdown for the Datalogic Division is now presented by the new segments, in place of the previous breakdown by Industries:

	30.09.2023	%	30.09.2022	%	Change	% chg.	% chg. net FX
Data Capture	250,426	61.9%	288,249	62.1%	(37,823)	-13.1%	-12.3%
Industrial Automation	154,374	38.1%	175,946	37.9%	(21,572)	-12.3%	-11.2%
Total revenue	404,800	100.0%	464,195	100.0%	(59,395)	-12.8%	-11.9%

▪ Data Capture

The Data Capture segment, with 61.9% of divisional sales (62.1% at September 30, 2022), fell by 13.1% versus first nine months 2022, across all geographical areas.

▪ Industrial Automation

The Industrial Automation segment declined by 12.3% in first nine months 2023, with decreases reported across all geographical areas, particularly in APAC, while EMEA and Americas fell less.

INFORMATICS DIVISION

The **Informatics Division** recorded sales of €12.6 million in first nine months 2023, down versus the same period of 2022.

The adjusted EBITDA margin in first nine months stood at 17.0%, improving by 3.8% versus 13.2% in the same period of the prior year.

GROUP RECLASSIFIED INCOME RESULTS FOR THIRD QUARTER

The following statement summarises the Datalogic Group's key income and financial results of third quarter 2023 versus the same quarter of the prior year:

	30.09.2023	Quarter ended		Change	% chg.	% chg. net FX
		% on Revenue	30.09.2022 Restated			
Revenue	119,050	100.0%	161,897	100.0%	(42,847)	-26.5%
Adjusted EBITDA	10,286	8.6%	22,032	13.6%	(11,746)	-53.3%
Adjusted EBIT	2,511	2.1%	14,045	8.7%	(11,534)	-82.1%
EBIT	1,002	0.8%	12,149	7.5%	(11,147)	-91.8%
Profit/(Loss) for the period	(1,367)	-1.1%	6,485	4.0%	(7,852)	-121.1%

In third quarter 2023, revenue decreased by €42.8 million in absolute terms and by 26.5% in percentage terms to €119.1 million.

The breakdown of Group revenue by **geographical area** in third quarter 2023 versus the same quarter of 2022 is shown below:

	30.09.2023	Quarter ended		Change	% chg.	% chg. net FX
		%	30.09.2022			
<i>Italy</i>	12,123	10.2%	14,962	9.2%	(2,839)	-19.0%
<i>EMEA (excluding Italy)</i>	51,226	43.0%	70,874	43.8%	(19,648)	-27.7%
Total EMEA	63,349	53.2%	85,836	53.0%	(22,488)	-26.2%
<i>Americas</i>	43,248	36.3%	50,933	31.5%	(7,685)	-15.1%
<i>APAC</i>	12,453	10.5%	25,127	15.5%	(12,675)	-50.4%
Total revenue	119,050	100.0%	161,897	100.0%	(42,848)	-26.5%

Sales in the third quarter dropped across all geographical areas, especially in APAC and EMEA.

Adjusted EBITDA in the quarter came to €10.3 million (8.6% of revenue), down versus 13.6% recorded in third quarter 2022.

In the quarter, the Group posted a net loss of €1.4 million (-1.1% of sales) versus a profit of €6.5 million in third quarter 2022 (4.0% of sales).

DIVISIONAL INCOME RESULTS OF THE THIRD QUARTER

The tables below show the trend in Revenue and Adjusted EBITDA by division in third quarter 2023 versus the same quarter of 2022:

REVENUE BY DIVISION

	30.09.2023	Quarter ended		Change	%	% chg. net FX	
		%	30.09.2022 Restated				%
Datalogic	114,858	96.5%	157,541	97.3%	(42,683)	-27.1%	-25.0%
Informatics	4,385	3.7%	5,222	3.2%	(837)	-16.0%	-13.0%
Intersegment adjustments	(193)		(865)		672		
Total revenue	119,050	100.0%	161,897	100.0%	(42,847)	-26.5%	-24.3%

ADJUSTED EBITDA BY DIVISION

	30.09.2023	Quarter ended		Change	% chg.	
		% on Revenue	30.09.2022			% on Revenue
Datalogic	9,514	8.3%	21,824	13.9%	(12,310)	-56.4%
Informatics	734	16.7%	390	7.5%	344	88.2%
Adjustments	37	-19.2%	-183	21.2%	220	
Total Adjusted EBITDA	10,285	8.6%	22,031	13.6%	(11,746)	-53.3%

DATALOGIC DIVISION

In third quarter 2023, the Datalogic division reported sales of €115.0 million, down by 27.1% versus the same quarter of 2022.

Adjusted EBITDA of the division came to €9.5 million, 8.3% as a percentage of sales, a deterioration from both third quarter 2022 and the first two quarters of 2023.

The breakdown of Datalogic Division revenue by the new segments is shown below:

	30.09.2023	Quarter ended		Change	% chg. net FX		
		%	30.09.2022			%	
Data Capture	71,553	62.3%	97,572	61.9%	(26,019)	-26.7%	-24.5%
Industrial Automation	43,305	37.7%	59,969	38.1%	(16,664)	-27.8%	-25.9%
Total revenue	114,858	100.0%	157,541	100.0%	(42,683)	-27.1%	-25.0%

▪ Data Capture

The Data Capture segment, with 62.3% of divisional sales (61.9% in third quarter 2022), fell by 26.7% versus third quarter 2022. The decline is witnessed across all geographical areas.

- **Industrial Automation**

The Industrial Automation segment recorded a 27.8% decline in third quarter 2023, affected by all geographical areas, APAC in particular.

INFORMATICS DIVISION

In third quarter 2023, the Informatics Division's revenue dropped by 16.0%. EBITDA came to €0.7 million, accounting for 16.7% of revenue (€0.4 million in third quarter 2022, 7.5% of revenue).

GROUP RECLASSIFIED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD

The following table shows the main financial and equity items at September 30, 2023 versus December 31, 2022.

	30.09.2023	31.12.2022	Change	% chg.
Intangible fixed assets	89,742	91,971	(2,229)	-2.4%
Goodwill	213,137	212,043	1,094	0.5%
Tangible fixed assets	107,298	114,557	(7,259)	-6.3%
Financial assets and investments in associates	8,148	8,679	(531)	-6.1%
Other fixed assets	55,373	56,975	(1,602)	-2.8%
Fixed Assets	473,698	484,225	(10,527)	-2.2%
Trade receivables	54,380	91,299	(36,919)	-40.4%
Trade payables	(85,986)	(112,054)	26,068	-23.3%
Inventory	123,989	129,824	(5,835)	-4.5%
Net Trade Working Capital	92,383	109,069	(16,686)	-15.3%
Other current assets	33,313	32,681	632	1.9%
Other liabilities and provisions for current risks	(62,229)	(71,605)	9,376	-13.1%
Net Working Capital	63,467	70,145	(6,678)	-9.5%
Other non-current liabilities	(48,031)	(49,440)	1,409	-2.8%
Post-employment benefits	(5,816)	(6,163)	347	-5.6%
Provisions for non-current risks	(5,155)	(5,193)	38	-0.7%
Net Invested Capital	478,163	493,574	(15,411)	-3.1%
Equity	(433,991)	(451,567)	17,576	-3.9%
Net financial position (NFP)	(44,172)	(42,007)	(2,165)	5.2%

Net Invested Capital, at €478.2 million (€493.6 million at December 31, 2022), shows an overall decrease of €15.4 million, of which €6.7 million on Net Working Capital and €10.5 million on Fixed Capital.

Fixed Assets, amounting to €473.7 million (€484.2 million at December 31, 2022), dropped by €10.5 million, due mainly to the decrease in Tangible and Intangible Fixed Assets from amortisation and depreciation in the period, while translation differences were positive and amounted to €2.4 million (of which €1.1 million recognized on goodwill).

Net Trade Working Capital at September 30, 2023 amounted to €92.4 million and decreased by €16.7 million versus December 31, 2022, with the percentage of sales decreasing from 16.7% at December 31, 2022 to 15.5% at September 30, 2023. The change in the period is affected by a decrease in trade receivables of €36.9 million and a decrease in inventory of €5.8 million, offset by a decrease in trade payables of €26.1 million.

The **Net Financial Position** at September 30, 2023 stood at a negative €44.2 million. The cash flows that led to the change in the consolidated Net Financial Position versus December 31, 2022 are detailed below.

	30.09.2023	30.09.2022	Change
Net financial position (Financial debt) beginning of period	(42,007)	(26,060)	(15,947)
Adjusted EBITDA	43,297	56,288	(12,991)
Change in net trade working capital	16,686	(58,093)	74,779
Other changes in net working capital and special items	(12,058)	(971)	(11,087)
Net expenditure	(18,024)	(15,853)	(2,171)
Tax paid	(4,769)	(4,203)	(566)
Net financial income (expense)	(4,762)	(8,753)	3,991
Cash Flow from Operations	20,370	(31,585)	51,955
Dividend distribution	(17,034)	(16,934)	(100)
Sale (Purchase) of treasury shares	(13,360)	-	(13,360)
Disinvestments (investments) of financial assets	4,085	5,693	(1,608)
Acquisitions	-	(15,994)	15,994
Other changes	3,774	1,240	2,534
Change in Net Financial Position	(2,165)	(57,580)	55,414
Net financial position (financial debt) end of period	(44,172)	(83,640)	39,467

Cash Flow from Operations at September 30, 2023 closed at a positive €20.4 million, improving by €52.0 million versus a negative €31.6 million in first nine months 2022. The positive change is attributable mainly to the cash generation of Net Working Capital. The Net Financial Position stood at €44.2 million, deteriorating slightly by €2.1 million.

At September 30, 2023, the Net Financial Debt is shown below:

	30.09.2023	31.12.2022
A. Cash	70,088	107,469
B. Cash equivalents	-	13
C. Other current financial assets	-	-
D. Liquid assets (A) + (B) + (C)	70,088	107,482
E. Current financial debt	5,816	36,612
<i>E1. of which lease payables</i>	3,978	4,164
F. Current portion of non-current financial debt	14,669	33,810
G. Current Financial Debt (E) + (F)	20,485	70,422
H. Current Net Financial Debt (Financial Position) (G) - (D)	(49,603)	(37,060)
I. Non-current financial debt	93,775	79,067
<i>I1. of which lease payables</i>	8,374	11,962
J. Debt instruments	-	-
K. Trade and other non-current payables	-	-
L. Non-Current Financial Debt (I) + (J) + (K)	93,775	79,067
M. Total Net Financial Debt/(Net Financial Position) (H) + (L)	44,172	42,007

At September 30, 2023, the Group had outstanding financial credit lines of approximately €290.0 million, of which approximately €200.0 million committed. Undrawn and readily available financial lines amounted to €190.0 million.

Indirect and conditional debt at September 30, 2023 is represented exclusively by the Group's provision for post-employment benefits of €5.8 million.

SIGNIFICANT EVENTS IN THE PERIOD

On April 3, 2023, a transaction was finalized to transfer the 15% minority interest still held in Solution Net Systems LLC (SNS) by the subsidiary Datalogic USA Inc..

On July 1, 2023, Pietro Todescato, a key management personnel, left the Group due to age limit. Mr. Todescato will continue to serve as a director of Datalogic S.p.A..

RECLASSIFICATION OF INCOME STATEMENT ITEMS

Starting from the first quarter of the current year, to provide a clearer picture of Group performance, certain costs related mainly to installations, previously shown in distribution expense, have been classified in cost of goods sold; additionally, certain quality-related expense has been itemized and allocated based on the intended purpose. Comparative figures have been consistently restated; reference is made to the table in Annex 4 of this document for details of the amounts.

GOVERNANCE

On April 27, 2023, the Shareholders' Meeting approved the Financial Statements at December 31, 2022, and reviewed the Group's Consolidated Financial Statements at December 31, 2022, and resolved to distribute an ordinary unit dividend, gross of tax, of 30 Euro cents per share, for a maximum total amount of €17.0 million.

The same Meeting also resolved to:

- set, pursuant to and for the purposes of Article 20 of the Bylaws, in the amount of €2.5 million, the maximum global annual compensation to be granted to all the members of the Board of Directors, including those holding strategic responsibilities for the current year (2023) and for the portion of the following year (2024), until the date of approval of the Company's 2023 financial statements, with the explicit exclusion of compensation plans based on financial instruments approved by the Shareholders' Meeting, leaving to the discretion of the Board itself any decision regarding the allocation of the above maximum global amount among the different Directors;
- approve the 2023 remuneration policy set out in section one of the Report on Remuneration Policy and on Compensation Paid and to vote in favour of compensation paid in 2022 set out in section two of the Report;
- authorize the Board of Directors, pursuant to and in accordance with Article 2357 et seq. of the Italian Civil Code and Article 132 of Legislative Decree no. 58 of February 24, 1998, to carry out transactions involving the purchase of the Company's treasury shares, on one or more occasions, within 18 months from the date of this resolution, concurrently revoking, for the portion unexecuted as of the date of the Shareholders' Meeting, the authorization to the Board of Directors to purchase the Company's treasury shares resolved by the Shareholders' Meeting on April 29, 2022.

RUSSIAN-UKRAINIAN CONFLICT

The socio-political tensions that escalated into a conflict between Russia and Ukraine on February 24, 2022, the developments of which are unpredictable to date, have led Western countries to impose economic sanctions on Russia. The Group has no offices in the countries currently directly affected by the conflict, nor do they represent significant outlet or supply markets for it. The ongoing conflict has triggered inflationary pressure, which has persisted since last year and into 2023, impacting mainly energy and certain commodity prices, and contributing to market volatility, leading to an increase in interest rates.

The potential effects of this situation on the Group's income and financial results are constantly monitored.

Since the outbreak of the conflict and the adoption of sanctions by the EU against Russia, a cross-functional working group has been established to assess and ascertain (including monitoring of "Denied Parties"), from a technical point of view, which Datalogic products and which business partner relationships could potentially be subject to sanctions. Following entry into force of the ninth European sanctions package, the Group companies have suspended all sales and post-sales activities with Russia (trade with Belarus had already been blocked) and have implemented control systems in order to prevent business transactions with sanctioned countries.

EVENTS AFTER THE END OF THE PERIOD

Nothing to report.

BUSINESS OUTLOOK

The macroeconomic outlook for 2023 confirms a transition from a state of uncertainty to one marked by reduced investment and consumption. This is due to persistent inflationary pressure, restrictive monetary policies, and continued geopolitical tensions.

Demand continues to pose difficulties. All of the Group's main end markets are still feeling the effects of lower investment, leading to longer order times, while the trend of inventory reduction in distribution channels continues. In the fourth quarter, business conditions and revenue levels are expected to remain largely unchanged from the previous quarter.

Nevertheless, the Group remains committed to achieving medium- to long-term growth and continues to invest in research and development. The aim is to be ready with increasingly innovative products and solutions for its customers as markets level out, projected starting from the latter part of 2024. In an effort to alleviate the short-term impacts of declining volumes on profitability, the Group also continues to focus on constant efficiency and cost optimization actions.

SECONDARY LOCATIONS

The Parent Company has no secondary locations.

Chairman of the Board of Directors
(*Romano Volta*)

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (Euro/000)	Notes	30.09.2023	31.12.2022
A) Non-current assets (1+2+3+4+5+6+7)		473,698	484,225
1) Tangible fixed assets		95,271	98,799
Land	1	12,809	12,740
Buildings	1	52,059	52,449
Other assets	1	25,619	29,825
Fixed assets under construction and advances	1	4,784	3,785
2) Intangible fixed assets		302,879	304,014
Goodwill	2	213,137	212,043
Development costs	2	34,926	27,209
Other	2	37,457	43,206
Fixed assets under construction and advances	2	17,359	21,556
3) Right of use fixed assets	3	12,027	15,758
4) Investments in associates	4	544	560
5) Non-current financial assets	6	7,604	8,119
6) Trade and other receivables	7	781	768
7) Deferred tax assets	12	54,592	56,207
B) Current assets (8+9+10+11+12)		281,770	361,286
8) Inventory		123,989	129,824
Raw and ancillary materials and consumables	8	59,129	62,503
Work in progress and semi-finished products	8	22,099	25,864
Finished products and goods	8	42,761	41,457
9) Trade and other receivables		76,425	109,845
Trade receivables	7	54,380	91,299
<i>of which associates</i>	7	<i>1,463</i>	<i>2,861</i>
<i>of which related parties</i>	7	<i>11</i>	<i>11</i>
Other receivables, accrued income and prepaid expense	7	22,045	18,546
10) Tax receivables	9	11,268	14,135
<i>of which Parent Company</i>		<i>-</i>	<i>1,807</i>
11) Current financial receivables		-	-
12) Cash and cash equivalents	5	70,088	107,482
Total Assets (A+B)		755,468	845,511

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES (Euro/000)	Notes	30.09.2023	31.12.2022
A) Total Equity (1+2+3+4+5+6)	10	433,991	451,567
1) Share capital	10	30,392	30,392
2) Reserves	10	121,721	132,266
3) Retained earnings (losses)	10	267,774	255,840
4) Profit (loss) for the period	10	10,794	29,550
5) Group Equity	10	430,681	448,048
Profit (loss) for the period attributable to non-controlling interests	10	(40)	576
Share capital attributable to non-controlling interests	10	3,350	2,943
6) Equity attributable to non-controlling interests		3,310	3,519
B) Non-current liabilities (7+8+9+10+11+12)		152,777	139,863
7) Non-current financial payables	11	93,775	79,067
8) Tax payables		-	-
9) Deferred tax liabilities	12	27,577	28,680
10) Provisions for post-employment and retirement benefits	13	5,816	6,163
11) Provisions for non-current risks and charges	14	5,155	5,193
12) Other liabilities	15	20,454	20,760
C) Current liabilities (13+14+15+16)		168,700	254,081
13) Trade and other payables		140,024	166,713
Trade payables	15	85,986	112,054
of which associates	15	64	101
of which related parties		-	24
Other payables, accrued expense and deferred income	15	54,038	54,659
14) Tax payables	9	5,319	13,478
of which Parent Company		-	2,013
15) Provisions for current risks and charges	14	2,872	3,468
16) Current financial payables	11	20,485	70,422
Total Liabilities (A+B+C)		755,468	845,511

CONSOLIDATED INCOME STATEMENT

(Euro/000)	Notes	30.09.2023	30.09.2022 Restated
1) Revenue	16	417,025	476,496
Revenue from sale of products		382,701	442,691
Revenue from services		34,324	33,805
<i>of which related parties and associates</i>		5,585	9,736
2) Cost of goods sold	17	240,076	284,562
<i>of which related parties and associates</i>		235	380
Gross operating margin (1-2)		176,949	191,934
3) Other revenue	18	1,540	1,152
4) Research and development expense	17	47,600	46,179
<i>of which related parties and associates</i>		541	463
5) Distribution expense	17	73,922	73,773
<i>of which related parties and associates</i>		146	139
6) Administrative and general expense	17	41,530	43,966
<i>of which related parties and associates</i>		124	146
7) Other operating expense	17	1,805	1,708
Total operating costs		164,857	165,626
EBIT		13,632	27,460
8) Financial income	19	18,180	33,533
9) Financial expense	19	18,857	42,309
Financials (8-9)		(677)	(8,776)
Profit/(Loss) before tax from continuing operations		12,955	18,684
Income tax	20	2,201	3,357
Profit/(Loss) for the period		10,754	15,327
Basic earnings/(loss) per share (€)	22	0.19	0.27
Diluted earnings/(loss) per share (€)	22	0.19	0.27
Attributable to:			
<i>Shareholders of the Parent Company</i>		10,794	15,062
<i>Non-controlling interests</i>		(40)	265

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro/000)	Notes	30.09.2023	30.09.2022 Restated
Profit/(Loss) for the period		10,754	15,327
Other items of the statement of comprehensive income:			
Other items of the statement of comprehensive income that will later be reclassified to Profit/(Loss) for the period			
Profit/(Loss) on cash flow hedges (CFH)	10	58	71
Profit (loss) from the translation of financial statements of foreign companies	10	1,642	46,306
Total other items of the statement of comprehensive income that will later be reclassified to Profit/(Loss) for the period		1,700	46,377
Other items of the statement of comprehensive income that will not later be reclassified to Profit/(Loss) for the period			
Actuarial gains (losses) on defined-benefit plans <i>of which tax effect</i>			
Profit/(Loss) from financial assets at FVOCI <i>of which tax effect</i>	10	(404) 4	(4,099) 48
Total other items of the statement of comprehensive income that will not later be reclassified to Profit/(Loss) for the period		(404)	(4,099)
Total profit/(loss) of the statement of comprehensive income		1,296	42,278
Comprehensive profit/(loss) for the period		12,050	57,605
Attributable to:			
Shareholders of the Parent Company		12,258	57,225
Non-controlling interests		(208)	380

CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/000)	Notes	30.09.2023	30.09.2022 Restated
Profit/(Loss) before tax		12,955	18,684
Depreciation of tangible fixed assets and write-downs	1	8,966	10,166
Amortisation of intangible fixed assets and write-downs	2	15,275	13,496
Depreciation of ROU fixed assets	3	3,160	3,391
Losses (Gains) from sale of fixed assets	17, 18	(72)	(22)
Change in provisions for risks and charges	14	(635)	100
Change in provision for obsolescence	8	1,859	1,884
Financials	19	677	8,776
Monetary effect foreign exchange gains/(losses)		(513)	(2,286)
Other non-monetary changes		(810)	5,097
Cash flow generated (absorbed) from operations before changes in working capital		40,862	59,286
Change in trade receivables	7	37,244	(3,389)
Change in final inventory	8	4,364	(16,565)
Change in trade payables	15	(26,210)	(36,642)
Change in other current assets	7	(3,432)	(4,265)
Change in other current liabilities	15	(726)	2,437
Change in other non-current assets	6	(22)	40
Change in other non-current liabilities	5	(382)	821
Cash flow generated (absorbed) from operations after changes in working capital		51,698	1,724
Change in tax assets and liabilities		(6,016)	(6,991)
Interest paid		(2,494)	(2,286)
Interest collected		205	229
Cash flow generated (absorbed) from operations (A)		43,392	(7,324)
Increase in intangible fixed assets	2	(13,082)	(11,146)
Decrease in intangible fixed assets	2	-	13
Increase in tangible fixed assets	1	(5,087)	(5,899)
Decrease in tangible fixed assets	1	145	(61)
Cash flow from business combinations, net of cash acquired		-	(15,994)
Change in investments and current and non-current financial assets	5	4,138	5,336
Cash flow generated (absorbed) from investments (B)		(13,886)	(27,751)
Payment of financial payables	11	(56,189)	(26,452)
New financial payables	11	25,000	60,000
Other changes in financial payables	11	56	(1,521)
Payments of financial liabilities from leases		(3,395)	(3,545)
(Purchase) sale of treasury shares	10	(13,360)	-
Dividend payment	10	(17,034)	(16,934)
Effect of change in cash and cash funds		(605)	2,599
Other changes		(1,374)	(4,101)
Cash flow generated (absorbed) from financing activities (C)		(66,901)	10,046
Net increase (decrease) in cash (A+B+C)		(37,395)	(25,029)
Net cash and cash equivalents at beginning of period		107,482	106,080
Net cash and cash equivalents at end of period		70,088	81,051

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Description	Share capital	Share premium res.	Treasury shares	Translation reserve	Other reserves	Retained earnings	Group Profit (Loss)	Group Equity	Profit (Loss) of non-controlling interests	Share capital and reserves attributable to non-controlling interests	Equity attributable to non-controlling interests	Profit (Loss)	Equity
01.01.2023	30,392	111,779	(22,191)	39,331	3,347	255,840	29,550	448,048	576	2,943	3,519	30,126	451,567
Allocation of profit	-	-	-	-	-	29,550	(29,550)	-	(576)	576	-	(30,126)	-
Dividends	-	-	-	-	-	(17,034)	-	(17,034)	-	-	-	-	(17,034)
Treasury shares	-	-	(13,360)	-	-	-	-	(13,360)	-	-	-	-	(13,360)
Share-based incentive plan	-	-	-	-	680	-	-	680	-	-	-	-	680
Other changes	-	-	-	-	671	(582)	-	89	-	-	-	-	89
Profit/(Loss) for the period	-	-	-	-	-	-	10,794	10,794	(40)	-	(40)	10,754	10,754
Other items of the statement of comprehensive income	-	-	-	1,809	(345)	-	-	1,464	-	(168)	(168)	-	1,296
Total comprehensive Profit (Loss)	-	-	-	1,809	(345)	-	10,794	12,258	(40)	(168)	(208)	10,754	12,050
30.09.2023	30,392	111,779	(35,551)	41,140	4,353	267,774	10,794	430,681	(40)	3,350	3,310	10,754	433,991

Description	Share capital	Share premium res.	Treasury shares	Translation reserve	Other reserves	Retained earnings	Group Profit (Loss)	Group Equity	Profit (Loss) of non-controlling interests	Share capital and reserves attributable to non-controlling interests	Equity attributable to non-controlling interests	Profit (Loss)	Equity
01.01.2022	30,392	111,779	(26,096)	22,746	11,239	229,692	38,913	418,665	627	2,432	3,060	39,540	421,724
Allocation of profit	-	-	-	-	-	38,913	(38,913)	-	(627)	627	-	(39,540)	-
Dividends	-	-	-	-	-	(16,934)	-	(16,934)	-	-	-	-	(16,934)
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based incentive plan	-	-	4,698	-	(4,793)	235	-	140	-	-	-	-	140
Other changes	-	-	-	-	233	3,673	-	3,906	-	(29)	(29)	-	3,877
Profit/(Loss) for the period	-	-	-	-	-	-	15,062	15,062	265	-	265	15,327	15,327
Other items of the statement of comprehensive income	-	-	-	46,191	(4,028)	-	-	42,163	-	115	115	-	42,278
Total comprehensive Profit (Loss)	-	-	-	46,191	(4,028)	-	15,062	57,225	265	115	380	15,327	57,605
30.09.2022 Restated	30,392	111,779	(21,398)	68,936	2,651	255,577	15,062	462,999	265	3,145	3,410	15,327	466,409

Explanatory Notes

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

Datalogic is a global technological leader in the automatic data capture and process automation markets. The Company is specialised in the design and production of barcode readers, mobile computers, detection, measurement and safety sensors, vision and laser marking systems and RFID.

Its pioneering solutions help increase efficiency and quality of processes in the areas of Retail, Manufacturing, Transportation & Logistics, and Healthcare, along the entire value chain.

Datalogic S.p.A. (hereinafter "Datalogic", the "Parent Company" or the "Company") is a joint-stock company listed on Euronext STAR Milan of Borsa Italiana S.p.A. and is headquartered in Italy. The registered office is in Via Candini 2, Lippo di Calderara (BO).

This Consolidated Interim Report for the period ended September 30, 2023 includes the figures of the Parent Company and its subsidiaries (hereinafter referred to as the "Group") and the relevant shares in associates.

The publication of this Consolidated Interim Report for the period ended September 30, 2023 of the Datalogic Group was authorized by resolution of the Board of Directors on November 9, 2023.

BASIS OF PRESENTATION

1) General criteria

This Consolidated Interim Report was prepared pursuant to Article 154-ter D. Legislative Decree no. 58 of February 24, 1998 (TUF) as subsequently amended and supplemented, as well as to the CONSOB Issuer Regulation. The criteria for the preparation of the Statement are in accordance with the requirements of IAS 34 "Interim Financial Reporting", providing the summary information notes required by the above standard, supplemented if the case to provide a greater level of information where deemed necessary.

This Consolidated Interim Report should therefore be read in conjunction with the Consolidated Annual Financial Report at December 31, 2022, prepared in accordance with IFRS accounting standards adopted by the European Union, approved by the Board of Directors on March 9, 2023, and available in the Investor Relations section of the Group's website (www.datalogic.com).

This Consolidated Interim Report is prepared in Euro thousands, which is the Group's functional and presentation currency.

2) Reporting formats

The reporting formats adopted are compliant with those required by IAS 1 and were used in the Consolidated Annual Financial Report for the year ended December 31, 2022, in particular:

- current and non-current assets, as well as current and non-current liabilities are shown separately in the Statement of Financial Position. Current assets, which include cash and cash equivalents, are those intended

- to be realized, sold or consumed in the Group's normal operating cycle; current liabilities are those expected to be settled in the Group's normal operating cycle or in the twelve months following the end of the period;
- with regard to the Income Statement, cost and revenue items are shown based on grouping by function, as this classification was deemed more explanatory for understanding the Group's results of operations;
 - the Statement of Comprehensive Income shows the items that determine profit/(loss) for the period, considering income and expense recognised directly in equity;
 - the Statement of Cash Flows is presented using the "indirect method".

3) New IFRS accounting standards, amendments and interpretations applied by the Group

The following IFRS international accounting standards, amendments and interpretations have been applied for the first time by the Group as of January 1, 2023:

- On May 18, 2017, the IASB published **IFRS 17 – Insurance Contracts**, intended to supersede **IFRS 4 - Insurance Contracts**. The standard was applied as of January 1, 2023. The aim of the new standard is to ensure that an entity provides relevant information that faithfully represents the rights and obligations deriving from insurance contracts issued. The IASB developed the standard to eliminate the inconsistencies and weaknesses of the existing accounting standards, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts that an insurer holds.
The new standard also sets out reporting and disclosure requirements in order to improve comparability between entities from the same sector.
The new standard measures an insurance contract based on a General Model or a simplified version, called the Premium Allocation Approach ("PAA").
Additionally, on December 9, 2021, the IASB published "**Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information**". The amendment is a transition option related to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment was applied as of January 1, 2023, together with the application of IFRS 17, to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and to improve the usefulness of comparative information for financial statement readers.
The adoption of this standard and its amendment had no effects on the Group's consolidated financial statements.
- On May 7, 2021, the IASB published "**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**". The document clarifies how entities should account for deferred tax on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning provisions. The amendments were applied as of January 1, 2023.
The adoption of this amendment had no effects on the Group's consolidated financial statements.
- On February 12, 2021, the IASB published two amendments named "**Disclosure of Accounting Policies-Amendments to IAS 1 and IFRS Practice Statement 2**" and "**Definition of Accounting Estimates-Amendments to IAS 8**". The amendments are intended to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of financial statements, as well as to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments were applied as of January 1, 2023. The adoption of these amendments had no effects on the Group's consolidated financial statements.

4) IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

At the date of this document, the competent bodies of the European Union have not yet completed the endorsement process required for the adoption of the amendments and the standards described below.

- On May 23, 2023, the IASB published "**Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules**". The document provides temporary relief from the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules and envisages specific disclosure requirements for entities affected by the related International Tax Reform.
The document envisages the immediate application of temporary relief, while the disclosure requirements will apply only to annual financial statements that began on or after January 1, 2023, but not to interim financial statements with a closing date prior to December 31, 2023. The Directors do not expect the Group's consolidated financial statements to be materially affected by the adoption of this amendment.
- On May 25, 2023, the IASB published "**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements**". The document requires an entity to provide additional information on reverse factoring arrangements that will enable financial statement users to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such arrangements on the entity's exposure to liquidity risk. The amendments will apply as of January 1, 2024, but early application is permitted. The Directors do not expect the Group's consolidated financial statements to be materially affected by the adoption of this amendment.

5) Use of estimates and assumptions

The preparation of the IFRS-compliant Consolidated Interim Report requires Directors to apply accounting standards and methodologies that, in some cases, are based on valuations and estimates, which in turn refer to historic experience and assumptions based on specific circumstances at any given time. The application of these estimates and assumptions affects the amounts of revenue, expense, assets and liabilities and their disclosure, as well as the disclosure of contingent liabilities. The results of financial statement items for which the above estimates and assumptions were used may differ from those shown owing to the uncertainty surrounding the assumptions and conditions on which the estimates are based.

6) Consolidation scope

This Consolidated Interim Report at September 30, 2023 includes the income statement and balance sheet data of Datalogic S.p.A. and all the companies that it directly or indirectly controls.

The list of investments included in the consolidation scope appears in Annex 2 of the Explanatory Notes, with an indication of the methodology used.

7) Translation criteria of foreign currency financial statements

The exchange rates used to determine the value in Euro of financial statements denominated in foreign currency of subsidiaries (currency for 1 Euro) are shown hereunder:

Currency (ISO Code)	Quantity of currency for 1 Euro			
	September 2023	September 2023	December 2022	September 2022
	Actual exchange rate	Average exchange rate for the period	Actual exchange rate	Average exchange rate for the period
US Dollar (USD)	1.06	1.08	1.07	1.06
British Pound Sterling (GBP)	0.86	0.87	0.89	0.85
Swedish Krona (SEK)	11.53	11.48	11.12	10.53
Singapore Dollar (SGD)	1.44	1.45	1.43	1.46
Japanese Yen (JPY)	158.10	149.65	140.66	135.97
Australian Dollar (AUD)	1.63	1.62	1.57	1.50
Hong Kong Dollar (HKD)	8.30	8.49	8.32	8.33
Chinese Renminbi (CNY)	7.74	7.62	7.36	7.02
Brazilian Real (BRL)	5.31	5.42	5.64	5.46
Mexican Peso (MXN)	18.50	19.28	20.86	21.55
Hungarian Forint (HUF)	389.50	381.76	400.87	384.81
Czech Crown (CZK)	24.34	23.84	24.12	24.62

SEGMENT DISCLOSURE

Operating segments are identified based on operating reports used at the highest decision-making level to allocate resources and assess results. Transfers amongst the operating segments indicated hereunder are executed at arm's length conditions, based on the Group transfer pricing policies. For first nine months 2023, the operating segments are identified as follows:

- **Datalogic**, the Group's core business, designs and produces barcode readers, mobile computers, detection, measurement and safety sensors, vision and laser marking systems and RFID that help increase the efficiency and quality of processes in the *Data Capture* and *Industrial Automation* areas in which it operates.
- **Informatics** sells and distributes products and solutions for the management of inventories and mobile assets tailored to small and medium-sized companies.

The **income information related to operating segments** at September 30, 2023 and September 30, 2022 is the following:

<i>Divisional income position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.09.2023
Revenue	404,800	12,634	(409)	417,025
Adjusted EBITDA	40,998	2,145	154	43,297
% Revenue	10.13%	16.98%		10.38%
EBIT	11,479	1,999	154	13,632

<i>Divisional income position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.09.2022 Restated
Revenue	464,195	13,734	(1,433)	476,496
Adjusted EBITDA	54,717	1,813	(242)	56,288
% Revenue	11.79%	13.20%		11.81%
EBIT	26,156	1,546	(242)	27,460

The **equity information related to operating segments** at September 30, 2023 and at December 31, 2022 is the following.

<i>Divisional financial position</i>	Datalogic Business	Informatics	Adjustments	Total Group 30.09.2023
Total Assets	758,727	29,849	(33,108)	755,468
Total Liabilities	323,130	8,421	(10,074)	321,477
Equity	435,597	21,428	(23,034)	433,991

<i>Divisional financial position</i>	Datalogic Business	Informatics	Adjustments	Total Group 31.12.2022
Total Assets	848,979	28,416	(31,884)	845,511
Total Liabilities	392,016	8,666	(6,738)	393,944
Equity	456,963	19,750	(25,146)	451,567

INFORMATION ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Note 1. Tangible fixed assets

Tangible fixed assets at September 30, 2023 amounted to €95,271 thousand. During the period, net expenditure of €5,014 thousand and depreciation of €8,966 thousand was recognised, while exchange rate effects closed with a positive €424 thousand. The breakdown of the item at September 30, 2023 and at December 31, 2022 is shown below.

	30.09.2023	31.12.2022	Change
Land	12,809	12,740	69
Buildings	52,059	52,449	(390)
Other assets	25,619	29,825	(4,206)
Fixed assets under construction and advances	4,784	3,785	999
Total	95,271	98,799	(3,528)

The “Other assets” item at September 30, 2023 includes the following categories: industrial equipment and moulds (€10,922 thousand), plant and machinery (€6,120 thousand), office furniture and machines (€4,962 thousand), generic plant related to buildings (€2,381 thousand), lightweight constructions (€235 thousand), commercial equipment and demo rooms (€552 thousand), leasehold improvements (€343 thousand), and motor vehicles (€104 thousand).

The balance of “Fixed assets under construction and advances”, equal to €4,784 thousand, is composed primarily of moulds under construction and equipment and production lines built in house, and of improvements to owned buildings.

Note 2. Intangible fixed assets

Intangible fixed assets at September 30, 2023 amounted to €302,879 thousand. During the period, net expenditure of €13,082 thousand and amortisation of €15,262 thousand was recognised, while exchange rate effects closed with a positive €1,045 thousand. The breakdown of the item at September 30, 2023 and at December 31, 2022 is shown below:

	30.09.2023	31.12.2022	Change
Goodwill	213,137	212,043	1,094
Development costs	34,926	27,209	7,717
Other	37,457	43,206	(5,749)
Fixed assets under construction and advances	17,359	21,556	(4,197)
Total	302,879	304,014	(1,135)

Goodwill

“Goodwill”, equal to €213,137 thousand, is allocated to the CGUs identified by Management as shown below.

	30.09.2023	31.12.2022	Change
Datalogic CGU	199,007	197,989	1,017
Informatics CGU	14,131	14,054	77
Total	213,137	212,043	1,094

The change from the end of the prior year is attributable to translation differences.

Goodwill is allocated to the CGUs (*Cash Generating Units*) represented by the individual companies and/or sub-groups to which they refer. The recoverable value of each cash generating unit (CGU), associated with each Goodwill item measured, is estimated through its corresponding value in use. In accordance with IAS 36, the Datalogic Group estimates value in use by discounting the discounted cash flows from operations at a rate equal to the weighted average cost of debt and equity (Weighted Average Cost of Capital or "WACC") in order to obtain the value of operating capital (Enterprise Value).

At September 30, 2023, in accordance with IAS 36, it was assessed and confirmed that there were no indicators that could lead to an impairment of the recorded assets, taking account of both internal and external information sources.

Development costs, Other intangible fixed assets and Fixed assets under construction and advances

“**Development costs**”, amounting to €34,926 thousand at September 30, 2023, consists of product development projects.

“**Other**”, amounting to €37,457 thousand, consists primarily of intangible assets acquired through business combinations carried out by the Group, and software licences as detailed below:

	30.09.2023	31.12.2022	Change
Patents	4,317	5,710	(1,393)
Know-how	13,172	14,483	(1,311)
Customer portfolio	11,168	11,842	(675)
Licences	1,055	1,662	(607)
Software	7,745	9,508	(1,764)
Total	37,457	43,206	(5,749)

“**Fixed assets under construction and advances**”, amounting to €17,359 thousand (€21,556 thousand at December 31, 2022), is attributable mainly to the capitalization of costs for product development projects currently under way.

Note 3. Right of use fixed assets

Net negative changes of €495 thousand were recorded during the period and depreciation of €3,160 thousand, while exchange rate effects closed with a negative €76 thousand. The breakdown of the item at September 30, 2023 and at December 31, 2022 is shown below.

	30.09.2023	31.12.2022	Change
Buildings	9,863	13,590	(3,727)
Vehicles	2,053	1,997	56
Office equipment	111	171	(60)
Total	12,027	15,758	(3,731)

Note 4. Investments in associates

Non-controlling investments held by the Group, details of which can be found in Annex 2, amounted to €544 thousand at September 30, 2023 (€560 thousand at December 31, 2022).

Note 5. Financial assets and liabilities by category

The table below provides a breakdown of “Financial assets and liabilities” under IFRS 9.

Financial assets

	Financial assets at amortized cost	Financial assets at FV through profit and loss	Financial assets at FV through OCI	30.09.2023
Non-current financial assets	781	3,749	3,855	8,385
Non-current financial assets and investments	-	3,749	3,855	7,604
Other receivables	781	-	-	781
Current financial assets	146,513	-	-	146,513
Trade receivables	54,380	-	-	54,380
Other receivables	22,045	-	-	22,045
Financial assets - Loans	-	-	-	-
Cash and cash equivalents	70,088	-	-	70,088
Total	147,294	3,749	3,855	154,898

	Financial assets at amortized cost	Financial assets at FV through profit and loss	Financial assets at FV through OCI	31.12.2022
Non-current financial assets	768	3,818	4,301	8,887
Non-current financial assets and investments	-	3,818	4,301	8,119
Other receivables	768	-	-	768
Current financial assets	217,327	-	-	217,327
Trade receivables	91,299	-	-	91,299
Other receivables	18,546	-	-	18,546
Financial assets - Loans	-	-	-	-
Cash and cash equivalents	107,482	-	-	107,482
Total	218,095	3,818	4,301	226,214

"Cash and cash equivalents" amounted to €70,088 thousand. Details are found in the Net Financial Debt schedule in the Directors' Report on Operations.

Financial liabilities

	Derivatives	Financial liabilities at amortized cost	30.09.2023
Non-current financial liabilities	-	114,229	114,229
Financial payables	-	93,775	93,775
Other payables	-	20,454	20,454
Current financial liabilities	-	160,509	160,509
Trade payables	-	85,986	85,986
Other payables	-	54,038	54,038
Current financial payables	-	20,485	20,485
Total	-	274,738	274,738

	Derivatives	Financial liabilities at amortized cost	31.12.2022
Non-current financial liabilities	-	99,827	99,827
Financial payables	-	79,067	79,067
Other payables	-	20,760	20,760
Current financial liabilities	-	237,135	237,135
Trade payables	-	112,054	112,054
Other payables	-	54,659	54,659
Current financial payables	-	70,422	70,422
Total	-	336,962	336,962

The fair value of financial assets and financial liabilities is determined according to methods classifiable in the various levels of the fair value hierarchy as envisaged by IFRS 13. Specifically, the Group uses internal valuation models generally used in financial practice, based on prices provided by market participants or quotations recorded on active markets.

Fair value - hierarchy

All the financial instruments measured at fair value are classified in the three categories shown below:

Level 1: market prices;

Level 2: valuation techniques (based on observable market data);

Level 3: valuation techniques (not based on observable market data).

Assets measured at fair value	Level 1	Level 2	Level 3	30.09.2023
Non-current financial assets and investments	3,855	-	3,749	7,604
Total	3,855	-	3,749	7,604

Note 6. Financial assets and current financial receivables

Financial assets include the following:

	30.09.2023	31.12.2022	Change
Non-current financial assets	7,604	8,119	(516)
Current financial assets	-	-	-
Total	7,604	8,119	(516)

Non-current financial assets amounted to €7,604 thousand and refer for €3,855 thousand to the investment in the share capital of the Japanese company Idec Corporation, €2,207 thousand to the investment in a financial instrument convertible into capital issued by AWM Smart Shelf, and €1,468 thousand to investment funds. The changes during the period include the transfer of the 15% stake still held in Solution Net Systems LLC (SNS) by the subsidiary Datalogic USA Inc..

Note 7. Trade and other receivables

The breakdown of the item at September 30, 2023 and at December 31, 2022 is shown below.

	30.09.2023	31.12.2022	Change
Trade receivables	47,862	84,880	(37,018)
Contract assets - Invoicesto be issued	6,986	6,385	601
Bad debt provisions	(1,942)	(2,838)	896
Net trade receivables	52,906	88,427	(35,521)
Receivables from associates	1,463	2,861	(1,398)
Receivables from related parties	11	11	-
Sub-total - Trade receivables	54,380	91,299	(36,919)
Other receivables - current accrued income and prepaid expense	22,045	18,546	3,499
Other receivables - non-current accrued income and prepaid expense	781	768	13
Sub-total - Other receivables - accrued income and prepaid expense	22,826	19,314	3,512
Less: non-current portion	781	768	13
Trade and other receivables - current	76,425	109,845	(33,420)

Trade receivables

"Trade receivables" amounted to €54,380 thousand at September 30, 2023, down by €36,919 thousand versus December 31, 2022. At September 30, 2023, trade receivables factored without recourse amounted to €26,047 thousand (€29,877 thousand at December 31, 2022). Trade receivables from associates arise from commercial transactions carried out at normal market conditions.

Other receivables - accrued income and prepaid expense

The details of "Other receivables - accrued income and prepaid expense" are shown below.

	30.09.2023	31.12.2022	Change
Other current receivables	2,544	1,639	905
Other non-current receivables	781	768	13
VAT receivables	14,654	12,972	1,682
Accrued income and prepaid expense	4,847	3,935	912
Total	22,826	19,314	3,512

The "VAT receivable" of €14,654 thousand refers to normal commercial transactions. The difference refers to the changed ratio of offsetting tax and social security receivables and payables in the period.

The "Accrued income and prepaid expense" item is composed mainly of the recognition of insurance contracts and hardware and software licenses.

Note 8. Inventory

Inventory amounted to €123,989 thousand, down by €5,835 thousand during the period.

	30.09.2023	31.12.2022	Change
Raw and ancillary materials and consumables	59,129	62,503	(3,374)
Work in progress and semi-finished products	22,099	25,864	(3,765)
Finished products and goods	42,761	41,457	1,304
Total	123,989	129,824	(5,835)

Inventory is shown net of an obsolescence provision totalling €14,300 thousand at September 30, 2023 (€12,387 thousand at December 31, 2022).

Note 9. Tax receivables and payables

	30.09.2023	31.12.2022	Change
Tax receivables	11,268	14,135	(2,867)
<i>of which Parent Company</i>	-	1,807	(1,807)
Tax payables	(5,319)	(13,478)	8,159
<i>of which Parent Company</i>	-	(2,013)	2,013
Total	5,949	657	5,292

At September 30, 2023, the net balance of "Tax Receivables and Payables" was positive and equal to €5,949 thousand versus a positive 657 thousand at December 31, 2022, marking a positive change of €5,292 thousand.

LIABILITIES AND EQUITY

Note 10. Equity

The composition of Equity at September 30, 2023 is shown below.

	30.09.2023	31.12.2022	Change
Share capital	30,392	30,392	-
Share premium reserve	111,779	111,779	-
Treasury shares held in portfolio	(35,551)	(22,191)	(13,360)
Share capital and reserves	106,620	119,980	(13,360)
Translation reserve	41,140	39,331	1,809
Other reserves	4,353	3,347	1,006
Retained earnings	267,774	255,840	11,934
Profit for the period	10,794	29,550	(18,756)
Total Group equity	430,681	448,048	(17,368)
Profit (loss) for the period attributable to non-controlling interests	(40)	576	(616)
Share capital attributable to non-controlling interests	3,350	2,943	407
Total consolidated equity	433,991	451,567	(17,577)

Share capital

At September 30, 2023, the share capital of €30,392 thousand represents the fully subscribed and paid-up share capital of the Parent Company Datalogic S.p.A.. It comprises ordinary shares for a total of 58,446,491, of which 3,730,563 held as treasury shares for a value of €35,551 thousand, therefore the outstanding shares at that date amounted to 54,715,928.

	Number of shares	Share capital	Share cancellation reserve	Treasury shares held in portfolio	Treasury share reserve	Share premium reserve	Total
01.01.2023	56,779,438	30,392	2,813	(22,191)	29,651	79,315	119,980
Purchase of treasury shares	(2,063,510)			(13,360)	13,358	(13,358)	(13,360)
30.09.2023	54,715,928	30,392	2,813	(35,551)	43,009	65,957	106,620

Other Reserves

At September 30, 2023, the "Reserve for treasury shares held in portfolio" decreased by €13,360 thousand, due to the purchase of treasury shares.

The "Translation reserve" increased by €1,809 thousand, due mainly to the effects of the trend of the U.S. dollar, the functional currency of a number of the Group's main investees; part of the change is attributable to the gains/losses generated by the monetary elements that are an integral part of the net investment in foreign operations, and refers to the effect of period-end foreign exchange valuation related to receivables for loans in U.S. dollars granted by the parent company Datalogic S.p.A. to the Group company Datalogic Hungary; there is no specified settlement or repayment plan, and the repayment is not expected to occur in the foreseeable future.

At September 30, 2023, "Other reserves", including the "Share-based incentive plan reserve", amounted to €4,353 thousand (€3,347 thousand at December 31, 2022).

Note 11. Financial payables

"Financial payables" at September 30, 2023 amounted to €114,260 thousand, decreasing by €35,229 thousand as detailed below.

	30.09.2023	31.12.2022	Change
Bank loans	100,071	130,915	(30,844)
Financial payables from leases	12,351	16,126	(3,775)
Payables to factoring companies	1,396	2,229	(833)
Other financial payables	166	53	113
Bank overdrafts	276	166	110
Total	114,260	149,489	(35,229)

The change in "Bank loans" for the period is a result of the payment of instalments falling due and the repayment of credit lines totalling €56,189 thousand and the granting of the last portion of the credit line of €25,000 thousand under the long-term loan named "Roller Coaster".

The movements are shown below:

	2023	2022
At January 1	130,915	113,206
Increases	25,000	60,000
Decreases for borrowing repayments	(56,189)	(26,452)
Other changes	345	421
At September 30	100,071	147,175

"Financial payables from leases" decreased by €3,775 thousand.

The breakdown of financial payables, divided into current and non-current portions, is shown below:

	30.09.2023	31.12.2022	Change
Non-current financial payables	93,775	79,067	14,708
Current financial payables	20,485	70,422	(49,937)
Total	114,260	149,489	(35,229)

At September 30, 2023, the Group had credit lines in place for a total of approximately €290.0 million, of which €190.0 million undrawn, including €100.0 million long-term and €90.0 million short-term.

Covenants

Certain loan agreements require the Group to comply with financial covenants, measured on a half-year basis at June 30 and December 31, summarized in the following table:

Loan	Company	Covenants		Frequency	Reference financial statements
RCF	Datalogic S.p.A.	NFP/EBITDA	2.75	Half-year	Consolidated
Roller Coaster	Datalogic S.p.A.	NFP/EBITDA	3.00	Half-year	Consolidated

At June 30, 2023, all covenants had been met.

Note 12. Net deferred tax

Deferred tax assets and deferred tax liabilities result both from positive items already recognised in the income statement and subject to deferred taxation under current tax regulations and temporary differences between recorded assets and liabilities and their relevant taxable value.

Deferred tax assets are accounted for in accordance with the assumptions of future recoverability of the temporary differences they originated from, i.e., on the basis of strategic economic and tax plans.

Temporary differences generating deferred tax assets consist mainly of tax losses and tax paid abroad, provisions for risks and charges, and foreign exchange adjustments. Deferred tax liabilities are attributable mainly to temporary differences in exchange rate adjustments and statutory and tax differences in the amortisation/depreciation schedules of tangible and intangible fixed assets and fair value measurements of assets as part of business combinations carried out by the Group.

	30.09.2023	31.12.2022	Change
Deferred tax assets	54,592	56,207	(1,615)
Deferred tax liabilities	(27,577)	(28,680)	1,103
Net deferred tax	27,015	27,527	(512)

Deferred tax assets amounted to €54,592 thousand and included foreign tax credits attributable mainly to the subsidiary Datalogic USA Inc.

Deferred tax liabilities at September 30, 2023 amounted to €27,577 thousand and refer mainly to temporary differences related to asset amortisation/depreciation schedules, as well as tax adjustments resulting from the consolidation processes of recent acquisitions made by the Group.

Note 13. Provisions for post-employment and retirement benefits

The breakdown of changes in “Provisions for post-employment and retirement benefits” at September 30, 2023 and at September 30, 2022 is shown below:

At January 1	6,163	7,088
Amount allocated in the period	1,510	2,800
Utilizations	(1,696)	(1,825)
Receivable from INPS	(163)	(1,205)
Exchange rate adjustments	2	40
At September 30	5,816	6,898

Note 14. Provisions for risks and charges

"Provisions for risks and charges" at September 30, 2023 amounted to €8,027 thousand (€8,661 thousand at December 31, 2022), represented by the best estimate of the contingent liabilities to which the Group is exposed in relation to contractual obligations for product warranties and long-term incentive and retention plans for personnel (middle management and key people), as well as contingent liabilities of a tax, labour law and supplementary agents' indemnity nature, as shown below.

	31.12.2022	Increases	(Utilizations) (Releases)	Foreign exchange differences	30.09.2023
Product warranty provision	7,169	-	(1,122)	-	6,047
Provision for incentive and retention plans	531	852	(10)	4	1,377
Other provisions	961	6	(365)	1	603
Total	8,661	858	(1,497)	5	8,027

The "**Product warranty provision**" covers the estimated cost of repairing products sold up to September 30, 2023 and covered by a warranty period; said provision amounted to €6,047 thousand (of which €3,410 thousand long-term).

"**Provision for staff incentive and retention plans**" refers to the estimated bonuses to be paid to staff based on long-term incentive and retention plans accrued at September 30, 2023.

"**Other provisions**" at September 30, 2023 amounted to €603 thousand and consisted mainly of provisions for supplementary agent's indemnity and for contingent liabilities of a fiscal and labour law nature.

The breakdown of provisions for risks, divided into current and non-current portions, is shown below:

	30.09.2023	31.12.2022	Change
Provisions for risks and charges, current portion	2,872	3,468	(596)
Provisions for risks and charges, non-current portion	5,155	5,193	(38)
Total	8,027	8,661	(634)

Note 15. Trade and other payables, accrued expense and deferred income

	30.09.2023	31.12.2022	Change
Trade payables	82,642	108,363	(25,721)
Contractual liabilities - customer advances	3,280	3,566	(286)
Trade payables	85,922	111,929	(26,007)
Payables to associates	64	101	(37)
Payables to related parties	-	24	(24)
Total trade payables	85,986	112,054	(26,068)
Other current payables	32,114	33,603	(1,489)
Current accrued expense and deferred income	21,925	21,056	869
Non-current accrued expense and deferred income	20,454	20,760	(306)
Total Other payables - accrued expense and deferred income	74,493	75,419	(926)
Less: non-current portion	20,454	20,760	(306)
Current portion	140,025	166,713	(26,688)

Trade payables

"Trade payables" amounted to €85,986 thousand, down by €26,068 thousand versus the end of the prior year.

Other current payables

	30.09.2023	31.12.2022	Change
Payables to employees	21,403	21,078	325
Payables to welfare and social security entities	6,511	7,130	(619)
Other payables	2,238	2,850	(612)
VAT payables	1,962	2,545	(583)
Total	32,114	33,603	(1,489)

"Other current payables" amounting to €32,114 thousand at September 30, 2023, consists mainly of "Payables to employees" for the fixed and variable components of salaries and holiday entitlements, as well as the related "Payables to welfare and social security entities".

Accrued expense and deferred income

"Accrued expense and deferred income", amounting to €42,379 thousand at September 30, 2023 (€41,816 thousand at December 31, 2022), is composed mainly of deferred revenue related to the Ease of Care long-term maintenance contracts.

INFORMATION ON THE INCOME STATEMENT

Note 16. Revenue

Revenue classified by type is shown in the following table:

	30.09.2023	30.09.2022	Change
Revenue from sale of products	382,701	442,691	(59,990)
Revenue from services	34,324	33,805	519
Total revenue	417,025	476,496	(59,471)

At September 30, 2023, consolidated net revenue amounted to €417,025 thousand, down by 12.5% versus €476,496 thousand in the same period of 2022. The Group's revenue, classified by recognition method and business segment, is broken down as follows:

Revenue broken down by recognition method	Datalogic	Informatics	Adjustments	30.09.2023
Revenue from sale of goods and services - point in time	364,524	8,869	(409)	372,984
Revenue from sale of goods and services - over time	40,276	3,765	-	44,041
Total	404,800	12,634	(409)	417,025

Revenue broken down by recognition method	Datalogic	Informatics	Adjustments	30.09.2022
Revenue from sale of goods and services - point in time	424,080	10,269	(1,433)	432,916
Revenue from sale of goods and services - over time	40,115	3,465	-	43,580
Total	464,195	13,734	(1,433)	476,496

The Group recognises revenue for the sale of goods and services at a specific point in time when control of the assets has been transferred to the customer, usually at the same time as the delivery of the good or provision of the service. Instead, revenue recognition takes place over time, based on the status of performance of contractual obligations, when the performance does not create an asset that has an alternative use for the Group and the Group has the collectible right to payment for the completed performance up to the date considered.

Revenue broken down by type	Datalogic	Informatics	Adjustments	30.09.2023
Sale of goods	376,670	6,440	(409)	382,701
Sale of services	28,130	6,194	-	34,324
Total	404,800	12,634	(409)	417,025

Revenue broken down by type	Datalogic	Informatics	Adjustments	30.09.2022
Sale of goods	435,925	8,016	(1,250)	442,691
Sale of services	28,270	5,718	(183)	33,805
Total	464,195	13,734	(1,433)	476,496

Note 17. Cost of goods sold and operating costs

The following table shows the trends of cost of goods sold and operating costs at September 30, 2023, versus the same period of the prior year, before special items.

	30.09.2023	30.09.2022 Restated	Change
Cost of goods sold	240,076	284,562	(44,486)
Operating costs	164,857	165,626	(769)
Research and development expense	47,600	46,179	1,421
Distribution expense	73,922	73,773	149
Administrative and general expense	41,530	43,966	(2,436)
Other operating expense	1,805	1,708	97
Total	404,933	450,188	(45,255)

Cost of goods sold

Cost of goods sold at September 30, 2023 was €240,076 thousand. The change is -15.6%; the percentage of sales shows a 2.2% improvement to 57.6% from 59.7% in the nine months last year.

Operating costs

“Operating Costs”, totalling €164,857 thousand, saw the percentage of sales deteriorate by 4.8 percentage points, increasing from 34.8% to 39.5% during nine months 2023. This change was due primarily to the increase in distribution expense and research and development costs.

“Research and development expense”, amounting to €47,600 thousand at September 30, 2023, increased by 3.1% versus the same period of the prior year, accounting for 11.4% of sales (9.7% in the nine months last year). The detail items showing the largest increase are related to external consulting in connection with ongoing product development projects, and to higher amortisation and depreciation.

“Distribution expense” amounted to €73,922 thousand, up slightly versus the same period of 2022 (+0.2%). The percentage of sales increased from 15.5% to 17.7%; the change is related mainly to increased sales initiatives, marketing and participation in trade fairs and events, and customer visits, as well as increased personnel expense.

“Administrative and general expense” amounted to €41,530 thousand at September 30, 2023, down by 5.5% versus the comparison period, while the percentage of sales increased slightly from 9.2% to 10.0%.

“Other operating expense”, amounting to €1,805 thousand, increased by €97 thousand versus the same period of the prior year, and consisted mainly of non-income tax and fees and other operating expense.

Costs by nature

The following table provides the details of total costs (cost of goods sold and total operating expense) by nature:

	30.09.2023	30.09.2022 Restated	Change
Purchases	173,133	206,043	(32,910)
Personnel expense	135,460	136,837	(1,377)
Amortisation, depreciation and write-downs	27,388	27,052	336
Goods receipt and shipment expense	14,926	25,440	(10,514)
Travel and meetings expense	7,742	5,614	2,128
EDP expense	5,851	5,264	587
Consumables and R&D material	5,829	5,411	418
Marketing expense	4,694	3,487	1,207
R&D technical consultancies	4,363	2,895	1,468
Legal, tax and other consulting	3,049	3,837	(788)
Utilities	2,599	3,257	(658)
Building expense	1,924	1,804	120
Royalties	1,724	2,370	(646)
Telephone expense	1,449	1,473	(24)
Fees	1,437	1,310	127
Expense for plant and machinery and other assets	1,380	1,365	15
Directors' fees	1,341	1,739	(398)
Sundry service costs	1,270	1,383	(113)
Vehicle expense	1,012	920	92
Quality certification expense	993	945	48
Insurance	938	937	1
Installations	817	1,528	(711)
Recruitment fees	808	1,276	(468)
Non-warranty repairs	736	1,069	(333)
Audit fees	716	740	(24)
Entertainment expense	660	486	174
Subcontracted work	500	611	(111)
Repairs and warranty provision accrual	476	1,616	(1,140)
Other	1,718	3,479	(1,761)
Total cost of goods sold and operating costs	404,933	450,188	(45,255)

Purchasing costs decreased by €32,910 thousand (-16.0%) versus the same period of 2022, improving the percentage of sales by 1.7%.

Personnel expense of €135,460 thousand (€136,837 thousand in the same period of 2022) fell by €1,377 thousand versus 2022 (-1.0%), with the percentage of sales, however, worsening from 28.7% to 32.5%.

The detailed breakdown of personnel expense is as follows:

	30.09.2023	30.09.2022	Change
Wages and salaries	102,051	106,136	(4,085)
Social security charges	21,427	21,206	221
Post-employment benefits	1,855	1,990	(135)
Retirement benefits and the like	1,419	1,501	(82)
Other personnel costs	8,708	6,004	2,704
Total	135,460	136,837	(1,377)

"Travel and meetings expense" and "Marketing expense", amounting to €7,742 thousand and €4,694 thousand, respectively, were up by a total of €3,335 thousand versus the same period of the prior year, as a result of increased business initiatives and participation in trade fairs and events as well as customer visits.

The item "Amortisation, depreciation and write-downs", amounting to €27,388 thousand, increased by €336 thousand, due to continued increased expenditure incurred in recent years.

"Goods receipt and shipment expense", amounting to €14,926 thousand, fell sharply by €10,514 thousand versus the same period of the prior year; the percentage of sales was in fact 3.6% versus 5.3% in the comparison period.

"R&D technical consulting", amounting to €4,363 thousand, increased sharply (+50.7%), accounting for 1.0% of revenue versus 0.6% in the comparison period, due to ongoing research projects.

Note 18. Other revenue

At September 30, 2023, "Other revenue" amounted to €1,540 thousand, increasing by €388 thousand versus €1,152 thousand in the same period of the prior year, thanks to public grants received for research projects. Other revenue is broken down as follows:

	30.09.2023	30.09.2022	Change
Grants to Research and Development expense	391	130	261
Miscellaneous income and revenue	902	839	63
Rents	97	82	15
Gains from disposal of fixed assets	114	42	72
Contingent assets	35	28	7
Other	1	31	(30)
Total	1,540	1,152	388

Note 19. Financials

	30.09.2023	30.09.2022	Change
Financial income/(expense)	(1,383)	(1,327)	(56)
Foreign exchange differences	(2,219)	(6,667)	4,448
Fair Value investments	103	(85)	188
Bank expense	(1,288)	(1,044)	(244)
Dividends	168	177	(9)
Other	3,942	170	3,772
Total net financials	(677)	(8,776)	8,099

Financials ended with a negative €677 thousand, improving by €8,099 thousand versus a negative €8,776 thousand in the same period of the prior year, thanks to the favourable trend in exchange rate differences and to the gain earned from the transfer of the minority interest in Solution Net Systems LLC (SNS).

Note 20. Tax

The Group's tax burden at September 30, 2023 is €2,201 thousand as shown below.

	30.09.2023	30.09.2022 Restated	Change
Pre-tax profit/(loss)	12,957	10,779	2,178
Tax income (expense) - for current tax	689	2,155	(1,465)
Tax income (expense) - for deferred and prepaid tax	1,512	1,202	310
Total Tax	2,201	3,357	(1,156)
Tax rate	17.0%	31.1%	-14.1%

The tax rate at September 30, 2023 reflects the distribution of the profit of the period among the various geographical areas in which the Group operates.

Note 21. Earnings/loss per share

Earnings/loss per share

As required by IAS 33, information on data used to calculate the earning/loss per share is provided below. Basic EPS is calculated by dividing the result for the period, profit and/or loss, attributable to Shareholders of the Parent Company by the weighted average number of shares outstanding during the reporting period. For the purpose of calculating diluted EPS, the weighted average number of shares outstanding is adjusted by assuming the conversion of all potential shares with dilutive effects (such as the share-based incentive plan), while the Group's net result is adjusted for the after-tax effects of conversion.

	30.09.2023	30.09.2022 Restated
Profit/(Loss) for the period attributable to the shareholders of the parent	10,754	15,327
Average number of shares (thousands)	56,311	56,539
Basic earnings/(loss) per share	0.19	0.27
Profit/(Loss) for the period attributable to the shareholders of the parent	10,754	15,327
Average number of shares (thousands) - Diluted effect	56,617	56,941
Diluted earnings/(loss) per share	0.19	0.27

TRANSACTIONS WITH SUBSIDIARIES THAT ARE NOT CONSOLIDATED LINE BY LINE, ASSOCIATES AND RELATED PARTIES

For the definition of "Related Parties", reference is made not only to IAS 24, approved by EC Regulation no. 1725/2003, but also to the Procedure for Related-Party Transactions approved by the Board of Directors on November 4, 2010 (last amended on June 23, 2021) available on the Company website www.datalogic.com. The parent company of the Datalogic Group is Hydra S.p.A..

Intercompany transactions are carried out as part of the ordinary operations and at normal market conditions. Additionally, there are related-party transactions carried out again in the ordinary course of business and at normal market conditions, of an immaterial amount pursuant to and for the purposes of the "RPT Procedure", attributable mainly to Hydra S.p.A. or to entities subject (with Datalogic S.p.A.) to common control or to persons exercising administrative and management functions at Datalogic S.p.A. (including entities controlled by them and close family members).

Related-party transactions refer mainly to commercial and property transactions (instrumental and non-instrumental premises for the Group leased or rented out), consulting services, and participation in tax consolidation. None of them are of particular economic or strategic importance to the Group, since receivables, payables, revenue, and expense from related parties do not have a material percentage impact on the total amounts of the financial statements.

Pursuant to Article 5, paragraph 8, of the CONSOB Regulations, it should be noted that, over the period 01.01.2023 – 30.09.2023, the Company's Board of Directors did not approve any transaction of greater significance, as set out by Article 3, paragraph 1, letter b) of the CONSOB Regulations, or any related-party transactions of a lesser significance that had a significant impact on the Group's equity position or results.

	Company controlled by Chairman of B.o.D.	Companies not consolidated on a line-by-line basis	30.09.2023
Investments	-	544	544
Trade receivables - accrued income and prepaid expense	11	1,463	1,474
Trade payables - accrued expense and deferred income	-	64	64
Commercial and service costs	885	161	1,046
Trade revenue	-	5,585	5,585
Other revenue	-	5	5

HEADCOUNT

	30.09.2023	30.09.2022	Change
Datalogic	2,901	3,009	(108)
Informatics	66	70	(4)
Total	2,967	3,079	(112)

The Chairman of the Board of Directors
(*Romano Volta*)

Annexes

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ANNEX 1

CERTIFICATION PURSUANT TO ARTICLE 154 BIS, PARAGRAPH 2, LEG. DECR. NO. 58/1998

CONSOLIDATED INTERIM REPORT AT SEPTEMBER 30, 2023

I, the undersigned Alessandro D'Aniello, as the Manager in charge of drawing up the accounting statements of Datalogic S.p.A., certify that, in accordance with the provisions of the second paragraph of Article 154-bis of Legislative Decree no. 58 of February 24, 1998, the Consolidated Interim Report at September 30, 2023 corresponds to the underlying records, books and accounting entries.

Lippo di Calderara di Reno, November 9, 2023

The Manager responsible for the preparation of
the Company's financial reports

Alessandro D'Aniello

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ANNEX 2

CONSOLIDATION AREA

The Consolidated Interim Report includes the interim statements of the Parent Company and of the companies in which it directly and/or indirectly has control or significant influence. The statements of the subsidiaries were duly adjusted, where necessary, to make them consistent with the Parent Company's Accounting Standards. The companies included in the consolidation scope at September 30, 2023, consolidated on a line-by-line basis, are shown hereunder:

Company name	Registered office	Share capital		Total equity (Euro/thousands)	Profit (loss) for the period (Euro/thousands)	% Ownership
		€				
Datalogic S.p.A.	Bologna – Italy	€	30,392,175	345,381	14,305	
Datalogic Real Estate France Sas	Courtabeuf Cedex – France	€	2,227,500	4,067	145	100%
Datalogic Real Estate UK Ltd.	Redbourn - United Kingdom of Great Britain	GBP	3,500,000	4,968	94	100%
Datalogic IP Tech S.r.l.	Bologna – Italy	€	65,677	27,854	(8,221)	100%
Informatics Holdings, Inc.	Plano, Texas - USA	USD	1,568	21,150	1,487	100%
Wasp Barcode Technologies Ltd	Redbourn - United Kingdom of Great Britain	GBP	0	278	18	100%
Datalogic (Shenzhen) Industrial Automation Co. Ltd.	Shenzhen - China	CNY	2,136,696	6,288	740	100%
Datalogic Hungary Kft	Balatonboglar - Hungary	HUF	3,000,000	152	120	100%
Datalogic S.r.l.	Bologna – Italy	€	10,000,000	139,942	(3,072)	100%
Datalogic Slovakia S.r.o.	Trnava - Slovakia	€	66,388	5,901	1,420	100%
Datalogic USA Inc.	Eugene OR - Usa	USD	100	270,948	8,773	100%
Datalogic do Brazil Ltda.	Sao Paulo - Brazil	BRL	20,257,000	1,001	246	100%
Datalogic Tecnologia de Mexico S.r.l.	Colonia Cuauhtemoc - Mexico	MXN	0	(447)	11	100%
Datalogic Scanning Eastern Europe GmbH	Langen - Germany	€	25,000	3,645	(182)	100%
Datalogic Australia Pty Ltd	Mount Waverley (Melbourne) - Australia	AUD	3,188,120	1,553	163	100%
Datalogic Vietnam LLC	Vietnam	USD	3,000,000	30,067	2,799	100%
Datalogic Singapore Asia Pacific Pte Ltd.	Singapore	SGD	3	4,187	552	100%
Datasensing S.r.l.	Modena - Italy	€	2,500,000	19,555	(713)	100%
M.D. Micro Detectors (TIANJIN) CO., LTD.	Tianjin - China	CNY	13,049,982	1,341	93	100%
Datasensing Ibérica, S.A.U.	Barcelona - Spain	€	120,000	1,492	115	100%
Datalogic Japan Co., Ltd.	Tokyo - Japan	JPY	9,913,000	108	(22)	100%
PEKAT s.r.o.	Brno - Czech Republic	CKZ	202,020	(547)	(573)	100%
Suzhou Mobydata Smart System Co. Ltd	Suzhou, JiangSu - China	CNY	161,224	6,648	(84)	51%

Companies consolidated by the equity method at September 30, 2023 are as follows:

Company name	Registered office	Share capital		Total equity (Euro/thousands)	Profit (loss) for the period (Euro/thousands)	% Ownership
Datasensor GmbH (*)	Otterfing - Germany	€	150,000	0	2	30%
CAEN RFID S.r.l. (***)	Viareggio LU - Italy	€	150,000	781	25	20%
R4I S.r.l. (***)	Benevento - Italy	€	131,250	238	(40)	20%
Datalogic Automation AB (**)	Malmö, Sweden	SEK	100,000	1,700	780	20%

(*) figures at December 31, 2021

(**) figures at June 30, 2022

(***) figures at December 31, 2022

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ANNEX 3

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (NON-GAAP MEASURES)

Below is a reconciliation of EBIT and Adjusted EBIT at September 30, 2023 versus September 30, 2022.

	30.09.2023		30.09.2022		Change
Adjusted EBIT	19,465	4.7%	33,263	7.0%	(13,798)
Special Items - Other Expense and (Income)	2,277	0.5%	1,777	0.4%	500
Special Items - D&A from acquisitions	3,556	0.8%	4,026	0.8%	(470)
Total	5,833	1.4%	5,803	1.2%	30
EBIT	13,632	3.3%	27,460	5.8%	(13,828)

Below is a reconciliation of EBITDA and Adjusted EBITDA at September 30, 2023 versus September 30, 2022.

	30.09.2023		30.09.2022		Change
Adjusted EBITDA	43,297	10.4%	56,288	11.8%	(12,991)
Cost of goods sold	103	0.0%	415	0.1%	(312)
Research and Development expense	231	0.1%	-	0.0%	231
Distribution expense	414	0.1%	632	0.1%	(218)
Administrative and General expense	1,529	0.4%	730	0.1%	799
Other (expense) income	-	0.0%	-	0.0%	-
Total	2,277	0.5%	1,777	0.4%	500
EBITDA	41,020	9.8%	54,511	11.4%	(13,491)

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RESTATEMENT 2022

Comparative results at September 30, 2023 have been restated following reclassifications of a number of items in order to ensure full comparability of 2022 results with those of 2023, as well as the purchase price allocation (PPA) related to the acquisition of Pekat S.r.o. on March 21, 2022, the final accounting for which took place in the fourth quarter of 2022, as prescribed by IFRS 3 revised and IAS 1.

Restatement Income Statement 2022

(Euro/000)	30.09.2022	Restatement	30.09.2022 Restated
1) Revenue	476,496		476,496
Revenue from sale of products	442,691		442,691
Revenue from services	33,805		33,805
2) Cost of goods sold	275,930	8,632	284,562
Gross operating margin (1-2)	200,566	(8,632)	191,934
3) Other revenue	1,152		1,152
4) Research and development expense	46,140	39	46,179
5) Distribution expense	82,980	(9,207)	73,773
6) Administrative and general expense	42,798	1,168	43,966
7) Other operating expense	1,708		1,708
Total operating costs	173,626	(8,000)	165,626
EBIT	28,092	(632)	27,460
8) Financial income	33,533		33,533
9) Financial expense	42,309		42,309
Financials (8-9)	(8,776)		(8,776)
10) Profits from associates	-		-
Profit/(Loss) before tax from continuing operations	19,316	(632)	18,684
Income tax	3,477	(120)	3,357
Profit/(Loss) for the period	15,839	(512)	15,327
Basic earnings/(loss) per share (€)	0.28	(0.01)	0.27
Diluted earnings/(loss) per share (€)	0.28	(0.01)	0.27
<i>Attributable to:</i>			
<i>Shareholders of the Parent Company</i>	<i>15,574</i>	<i>(512)</i>	<i>15,062</i>
<i>Non-controlling interests</i>	<i>265</i>		<i>265</i>

