



ITALIAN EXCELLENCES 2024

OCTOBER 09TH, 2024

GROUP OVERVIEW

Datalogic at a glance

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

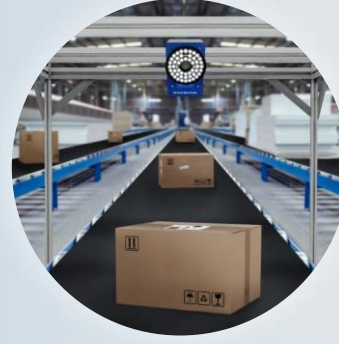
Founded in **1972**, listed on the Italian Stock Exchange since **2001**.



Retail



Manufacturing



Transportation & Logistics



Healthcare



A portfolio of more than 1,200 patents and patent applications



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

12% Revenues invested in R&D

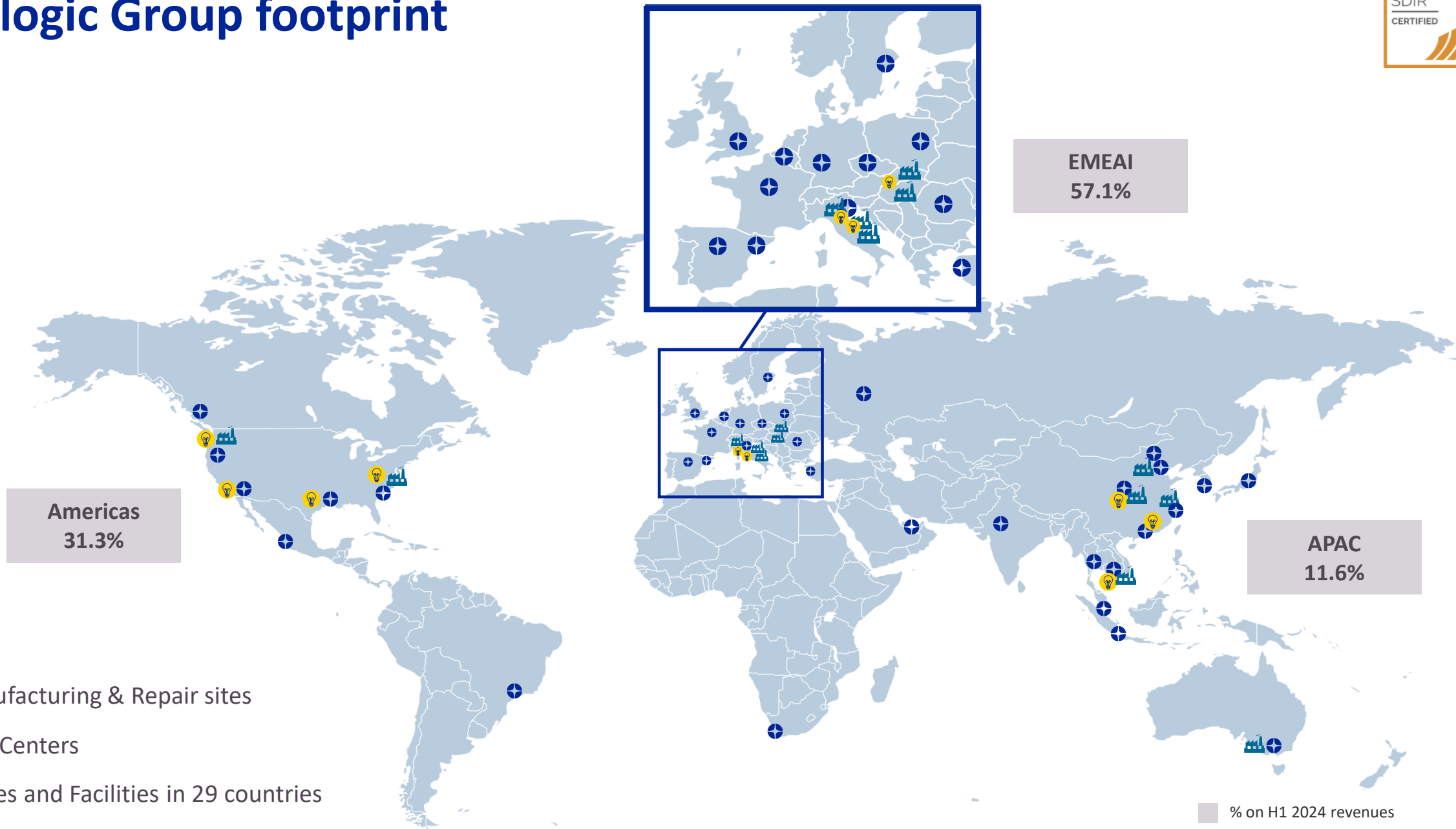


~2900 Employees in 29 countries:
16.3% Americas, 58.2% EMEAI, 25.4% APAC



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

Datalogic Group footprint

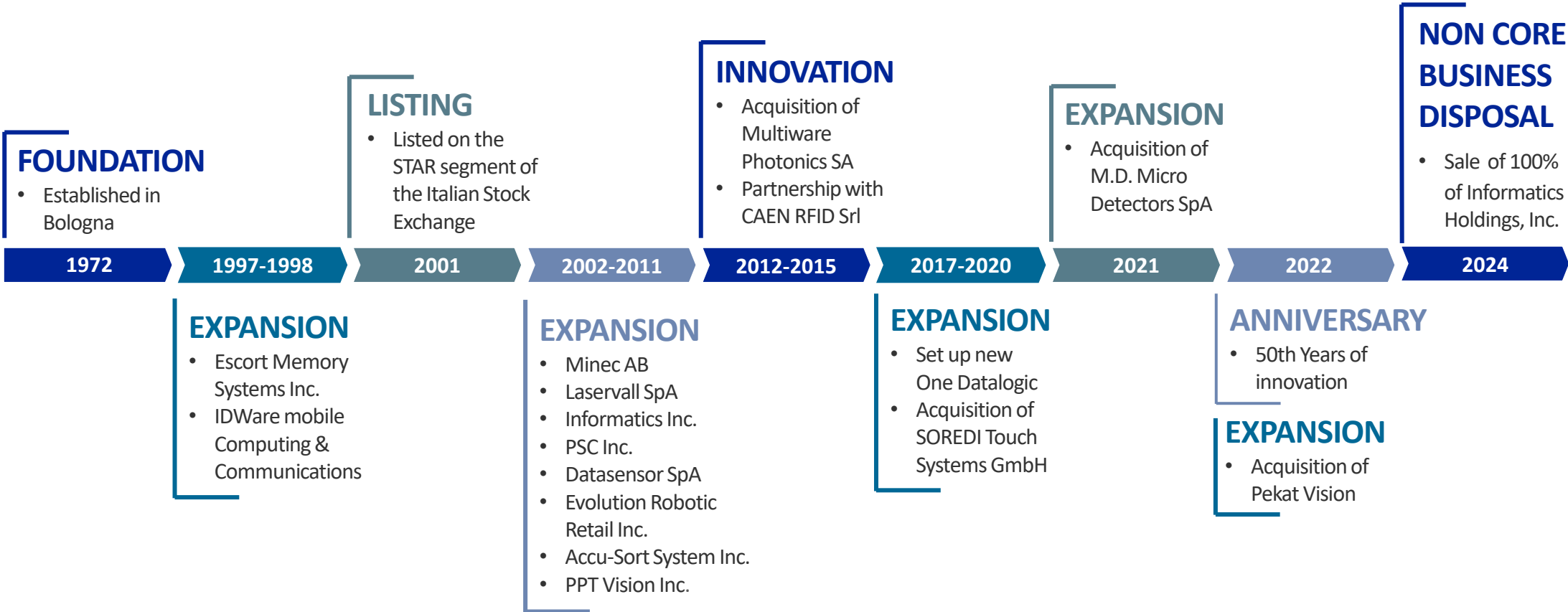
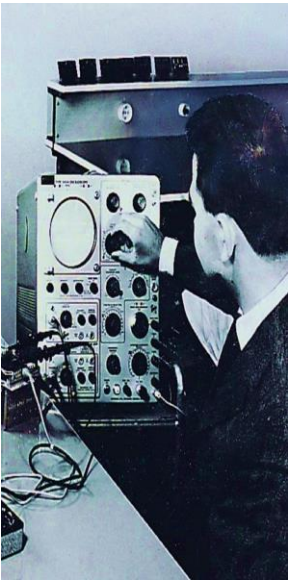


-  13 Manufacturing & Repair sites
-  11 R&D Centers
-  48 Offices and Facilities in 29 countries

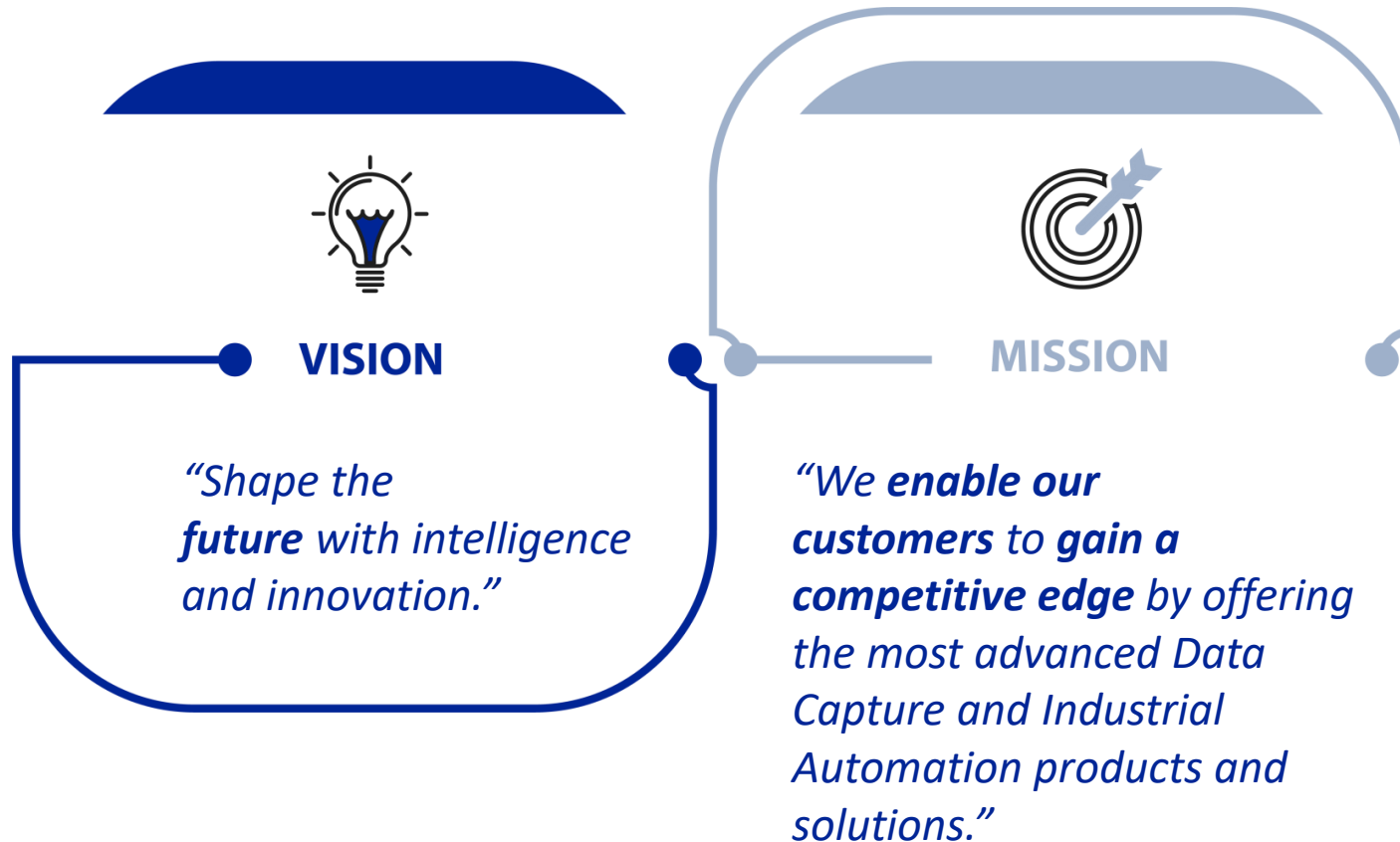
 % on H1 2024 revenues



50+ Years of Expansion



Our Aim, our Dream, our Beliefs



The 6 values of our culture



Ownership

We think and act as owners of Datalogic



Efficiency

We treat Company expenses as we would our own



Focus on results

We deliver what we promise



Realism

We face reality and fix what is wrong



No shortcuts

We don't compromise on strategy, culture, or achieving results



Togetherness

We work together as one team to solve seemingly unsolvable problems

Our Strategy

Objective

- Become a **billion-revenue company** in the long term with increasing profitability



Scope

- Enhance **hardware** offer with **software**, driving efficiency in Data Capture and Industrial Automation applications in **Retail, T&L, Healthcare** and **Manufacturing** verticals
- **Consolidate position in EMEA** and become a **strong player in the United States**
- **Grow our** presence in **APAC**



Advantage

- Leverage on a **wide portfolio of products and services** to provide Customers with **innovative and easy-to-integrate solutions** along the entire flow of operations



Datalogic Group portfolio: a comprehensive offering across two major products platforms to better address different application needs across verticals

Teleborsa: distribution and commercial use strictly prohibited



INDUSTRIAL

AUTOMATION

Unattended processes







DATA CAPTURE

Attended processes

STRATEGY & OPERATING MODEL

Compelling long-term growth trends across all main Industries

	Main Sub-industries	Growth market trends
Retail ~45%	 <ul style="list-style-type: none"> Grocery Non-grocery DIY 	<ul style="list-style-type: none"> New self check-out including AI and MV to speed up operations, protecting retailers from loss and theft Improve customer experience to increase in-store traffic and shopping Inventory reliability and stock optimization solutions to support Omnichannel and e-commerce
Manufacturing ~35%	 <ul style="list-style-type: none"> Automotive Consumer electronics Packaging 	<ul style="list-style-type: none"> Relocation/delocalization of production plants support new investments Government regulations spur traceability demands (e.g., pharma regulation, European Digital Product Passport) Flexible Industrial Automation: lean production lines to support customization and seasonality
Transportation & Logistics ~15%	 <ul style="list-style-type: none"> Couriers Parcel E-commerce 	<ul style="list-style-type: none"> Growing request for “same day delivery” in e-commerce Advanced Workflow Automation to overcome labor shortage and increase efficiency Airports and Air Companies invest to automate passenger management and improve luggage traceability
Healthcare ~5%	 <ul style="list-style-type: none"> Hospitals (bed side care and warehousing) 	<ul style="list-style-type: none"> Process digitalization to increase patient tracking and safety Real time data availability and sharing among all the relevant hospital staff Asset tracking and management to increase efficiency and reduce cost

A strategy which remains centered on our core identification offering as a solid foundation upon which to build a portfolio enhanced with complementary technologies and operating a solution ecosystem

MARKET POSITIONING



- Be the **unique player** with a comprehensive presence and **leadership positions in both DC and IA markets**
- Keep **focus on all of our verticals**, catching the profitable **opportunities coming from needs of digitalization** and artificial intelligence
- Consolidate **position in EMEAI**, become a **strong player in the United States** and grow our **presence in China** on selective applications/offering

PORTFOLIO



- Protect and enhance **leadership in core identification markets (FRS, HHS and SIS)**
- **Penetrate** the biggest **MOB and Sensor markets**
- Enhance offer through a **software ecosystem** to provide innovative solutions
- Intensify cost optimization to **fight hardware commoditization**
- **Easy-to-integrate solutions**

INNOVATION & TECHNOLOGY



- Nurture **MV-based SW and Deep Learning** technology to tackle key emerging trends
- **Enhance core decoding** identification technology with complementary ones (e.g. RFID)
- Dominate key **technology future trends** (e.g. 5G, Wifi-6, Cybersecurity)
- Be a champion of **Green Technology**

The four pillars of Datalogic growth

1		TOP LINE
2		PROFITABILITY
3		SUSTAINABILITY
4		M&A

Protect leadership in key identification markets, whilst penetrating mobile and sensors segments

	Market size (2023 est.), B€	CAGR '23-'27	Main Industries	Main priorities
	<p>2.3</p>	+ 7-8%	<ul style="list-style-type: none"> Retail Manufacturing T&L Healthcare 	<ul style="list-style-type: none"> Become a relevant player in Mobile Market Increase penetration of Retail and penetrate IA verticals (FA & LA)
DC	<p>1.1</p>	+ 3-4%	<ul style="list-style-type: none"> Retail Manufacturing T&L Healthcare 	<ul style="list-style-type: none"> Maintain leadership in EMEA, grow in US
	<p>0.4</p>	+ 4-5%	<ul style="list-style-type: none"> Retail (Grocery, Specialty, Ho.Re.Ca.) 	<ul style="list-style-type: none"> Maintain leadership in bi-optics Penetrate new verticals in SCO and Kiosk systems with presentation scanners
IA	<p>7.5</p>	+5-6%	<ul style="list-style-type: none"> Manufacturing <hr/> <ul style="list-style-type: none"> T&L 	<ul style="list-style-type: none"> Increase market share in EMEA, accelerate penetration in US Keep leadership in Airports and MS in Currier Parcel Double After sales Revenues
Solution / Service				

Strong focus on efficiencies to drive structural profitability enhancement

	Main Goal	Priorities	Actions
INDUSTRIAL MARGIN	Increase Industrial Profitability YoY through Productivity, Mix and Fixed Cost Optimization	Manufacturing & Supply Chain Optimization	<ul style="list-style-type: none"> Industrial & distribution footprint optimization Procurement optimization - costs & flexibility Supply Chain process optimization through the review of Demand Planning practices and sourcing flexibility
		New Products and Innovation Roadmap	<ul style="list-style-type: none"> Review NPD process to secure high Customer value innovation while reducing time to market, product and project costs
		Service & Quality Distinction	<ul style="list-style-type: none"> Review Service Business Model Reduce total non-quality cost both in NDP and Operations processes
OPERATING PROFITABILITY	Focus on selective Opex Growth to support Business needs, whilst Pursuing Optimization Projects	Conscious cost approach & Optimization Projects in non- priority operations	

Sustainability compliance road map



FY 2023

- **New Double Materiality Analysis:** 10 material topics identified through active involvement of relevant external stakeholders and key management and employees
- **EU TAXONOMY:** anticipation on a voluntary basis of eligibility and alignment for all the **6 objectives**

FY 2024

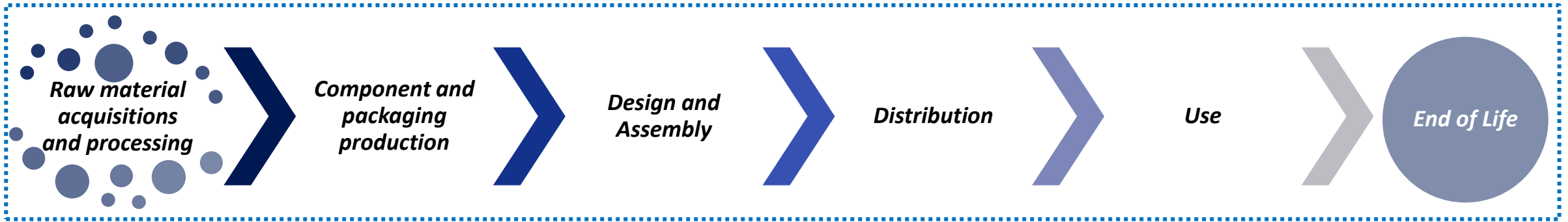
- **Company Sustainability Plan and setting of long-term Sustainability Goals** based on new materiality analysis
- **Scope 3: Turnover Energy and Emission intensity** process, across the entire Value Chain
- **Climatic Risk Assessment and DNSH**

FY 2025

- **Company Sustainability Plan implementation and Goal measurement**
- First release of the ESRS compliant **CSRD Reporting** on 2024 results

Consistent ERM framework evolution and Internal Control process upgrading

An example of ongoing strategic sustainability initiatives: The new Sustainable “Life Cycle Assessment” Framework



Areas of Focus

1. Partner with «environmental conscious» suppliers
2. Avoid use of high-impact materials
3. Secure material circularity «at the source»
4. Focus on batteries, improving the carbon footprint

5. Optimize incoming flow of raw materials

6. Green design: reduce number and size of electronic components, reduce power consumption, use recycled and/or recyclable materials as much as possible, etc
7. Optimized manufacturing processes

8. Sustainable packaging (reduce plastic, volume, weight)
9. Logistic/ distribution optimization

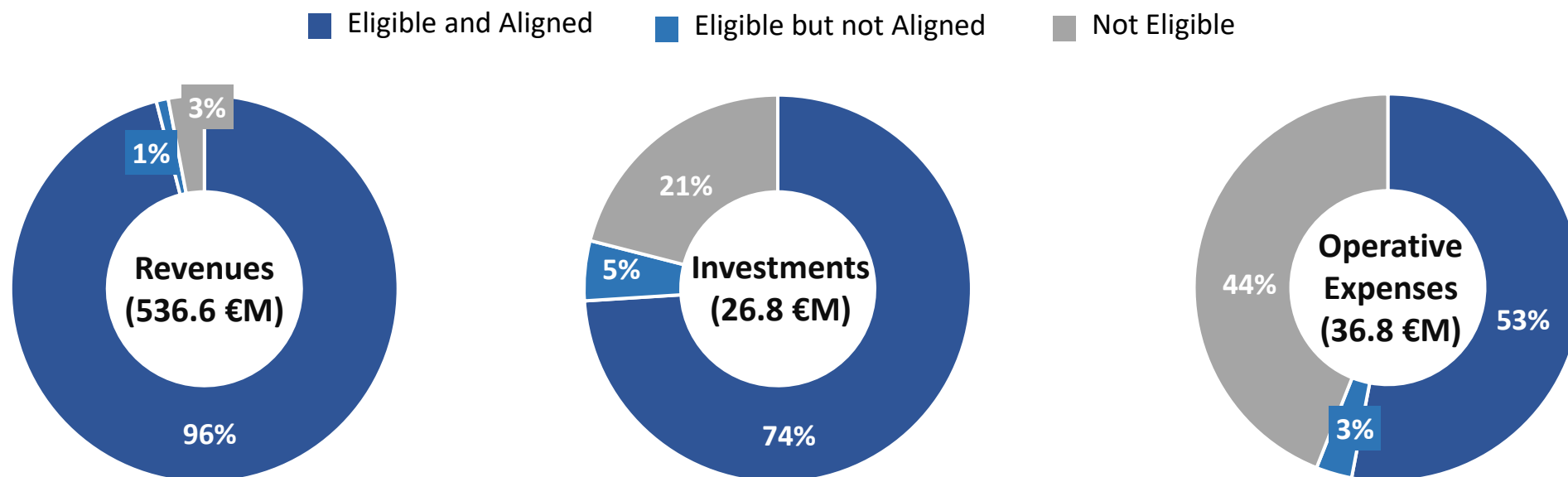
10. Extend product lifecycle
11. Accessory standardization
12. Ease of repair

13. Circular Economy
 - Refurbish
 - Buy-Back
 - Recycling service

 Main Focus for 2024

Anticipation of European Taxonomy alignment on a voluntary basis

Datalogic revenues, investments and operative expenses are considered «green» and deemed **eligible** mainly to the «Circular Economy Transition» objective



A «Taxonomy European sustainable activity» must:


- ⊕ Be **eligible** contributing to 1 of the **6 European Taxonomy Objectives**
- ⊕ Be **aligned** to the technical criteria for each eligible activity
- ⊕ Not cause significant harm (**DNSH**) to other objectives
- ⊕ Be carried out in compliance with the **international principles regarding the protection of work and human rights**

Main ESG Accomplishments in 2023




4

ISO for environment, worker safety, quality and information security




65

NPS score
(+10 points more than 2022)



75%

of the new direct material suppliers evaluated also based on ESG criteria



-11%

reduction in energy consumption with consequent reduction in emissions



66%

of the value of the packaging (product box) is made up of 80% recycled material



120

the estimated tons of virgin plastics replaced with plastics containing recycled material



35%

of the new hires are young people under 30

58%

of internal promotions to senior management roles

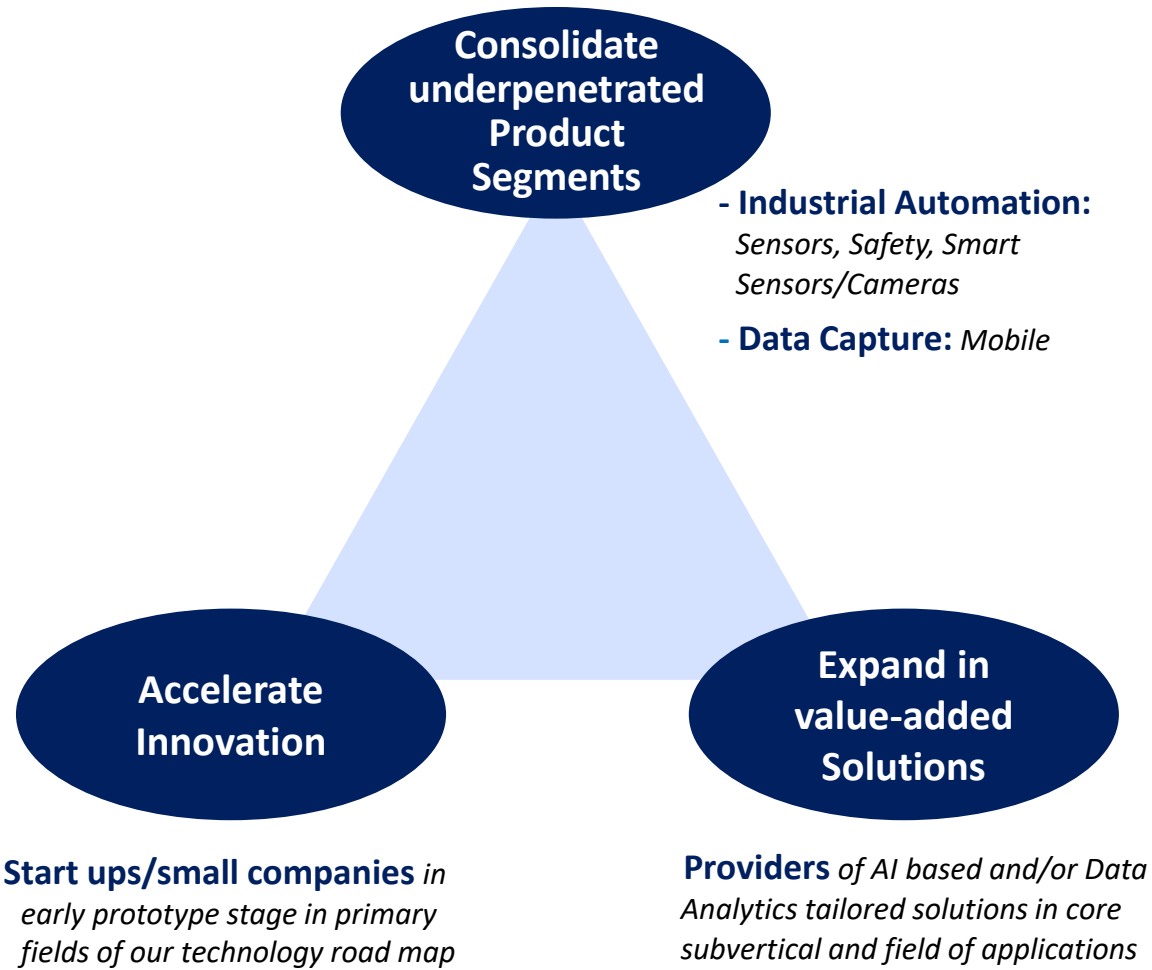


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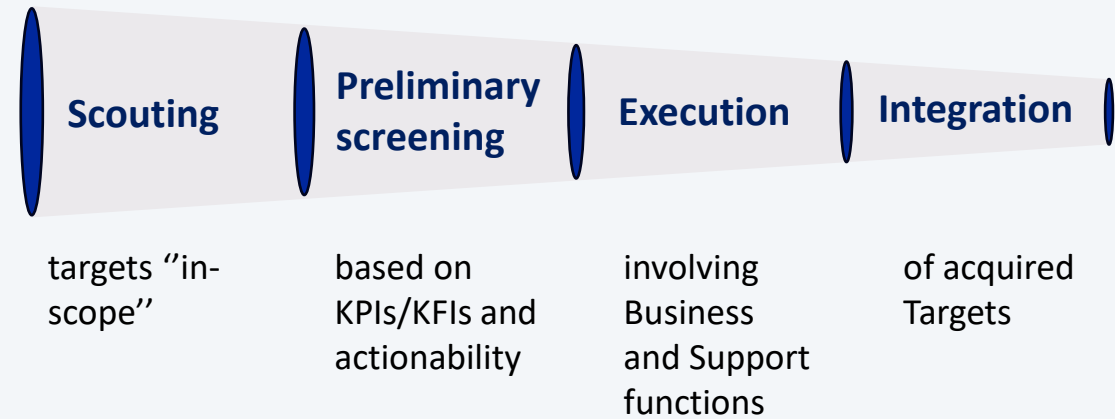
certifies respect for human rights and respect for labor law (extended to 2 additional Group companies in 2023)

Structured M&A Activity to Foster Group Strategy

M&A Priorities



M&A Process



M&A Governance

Yearly Master Plan

Inorganic growth guidelines included in the Company Master Plan

- Chairman
- CEO
- Executives
- Business Leaders

Monthly M&A Round-Table

Decide on M&A opportunities / define Integration process

- Chairman
- CEO
- Top Executives

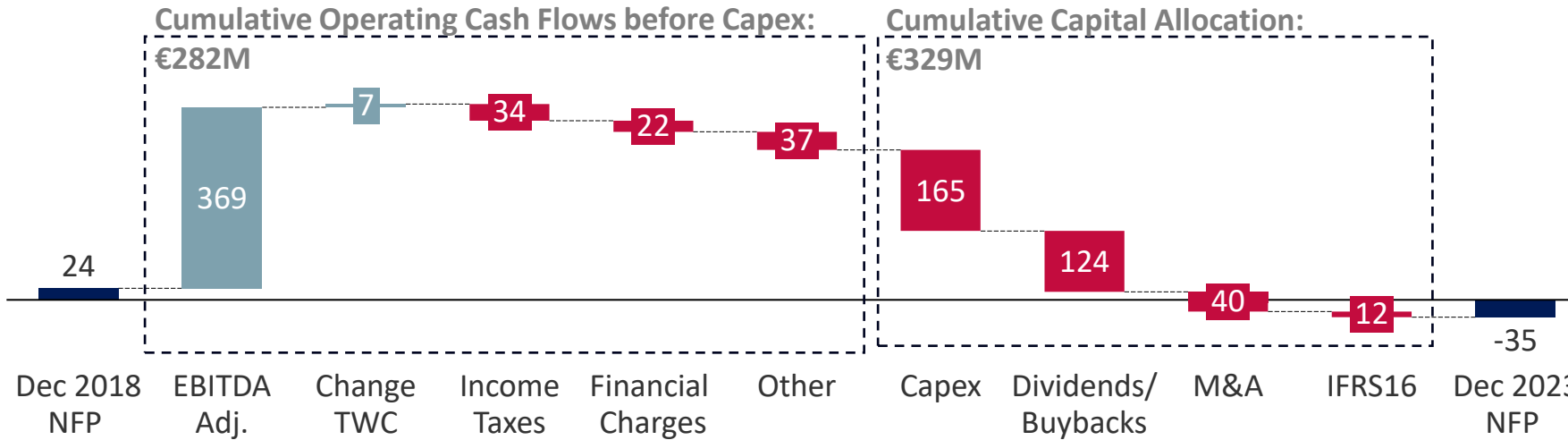
Bi-Monthly Top-Level M&A Steer-Co

to track M&A progress

- Chairman
- CEO
- CFO

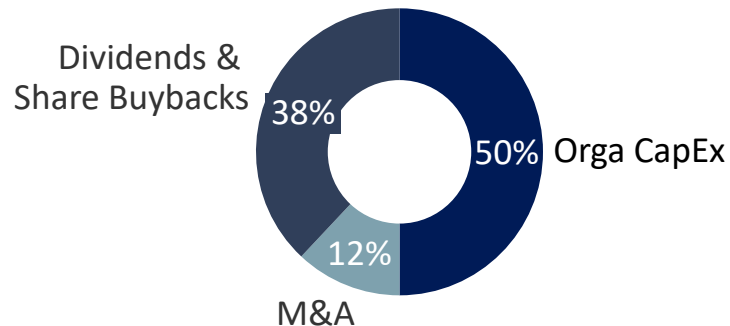
Sound balance sheet and structural cash generation to leverage growth

Cash Flows – Last 5 years cumulated

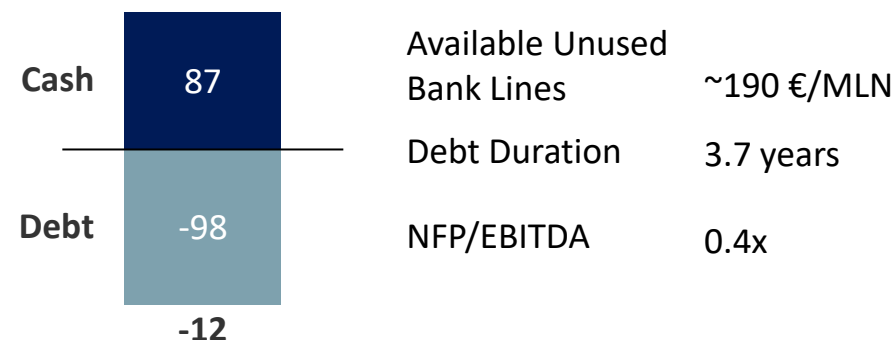


- Structural operating **cash flow generation** year after year
- **+ €280m** Cumulative Cash Flow before Capex generated in **last 5 years**
- A **well-balanced** capital allocation to maximize value creation
- **Solid Balance Sheet** with a conservative **leverage below 0.5x** and **debt duration >3.5 years**
- Approx **200M** of unused available bank **credit lines**

Capital allocation breakdown – Last 5 years



Balance Sheet at 30/06/2024



FINANCIALS

H1 2024 & Q2 2024 Results



Q2 2024 Results, €m

REVENUES	GOM	Adj. EBITDA	NET RESULT
€133.3	€56.7	€13.3	€3.2
-7.1%	42.6% (+0.6 pp)	10.0% (-2.9 pp)	2.4% (-3.8 pp)

H1 2024 Results, €m

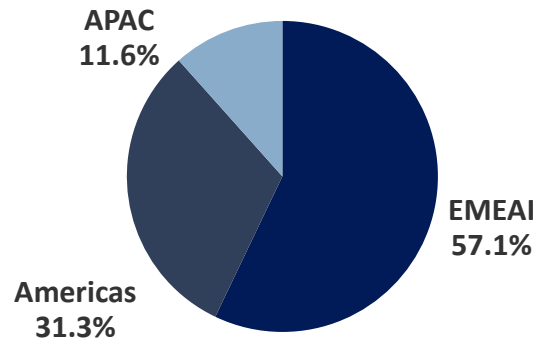
REVENUES	GOM	Adj. EBITDA	NET RESULT
€244.6	€99.5	€15.5	€9.3
-15.3%	40.7% (-0.7 pp)	6.3% (-4.6 pp)	3.8% (-0.4 pp)

Net Debt at €11.8M

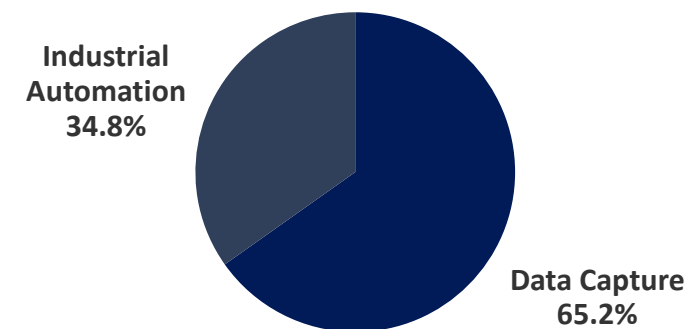
Group Revenues by Geography and Market Segment

€m	EMEAI			AMERICAS			APAC			Total Datalogic		
	H1 2024	H1 2023 restated*	Var %	H1 2024	H1 2023 restated*	Var %	H1 2024	H1 2023 restated*	Var %	H1 2024	H1 2023 restated*	Var %
Data Capture	82.8	101.1	(18.0%)	59.5	57.3	3.9%	17.2	19.5	(12.1%)	159.5	177.9	(10.3%)
Industrial Automation	56.9	62.5	(9.0%)	16.9	25.8	(34.3%)	11.3	22.8	(50.4%)	85.1	111.0	(23.4%)
Total Datalogic	139.7	163.5	(14.6%)	76.5	83.1	(8.0%)	28.5	42.3	(32.7%)	244.6	288.9	(15.3%)

% on Datalogic Revenues



% on Datalogic Revenues



* Restatement with some commercial costs reclassified from S&D expenses to Revenues reduction

New Products Launches and Innovation

Mobile



MEMOR 30/35 FAMILY

Memor 30/35 Family

Fixed Retail Scanner



MAGELLAN™ 900i

Stationary Industrial Scanner



MATRIX 220™

- R&D cash out at 13.2%, +2.5 bps vs H1 2023 (10.6%). Investments in R&D continue in line with our plan to launch new products. Launched in Q2 2024 the first models of the new generation of Datalogic PDA mobile computers, the industrial fixed readers equipped with machine learning and AI, and new models of imaging presentation scanner offering

H1 2024 P&L

€ m	H1 2024	H1 2023 restated*	Var %
Revenues	244.6	288.9	(15.3%)
Gross Margin	99.5	119.6	
% on Revenues	40.7%	41.4%	-0.7 pp
Operating expenses	(99.4)	(104.1)	
% on Revenues	(40.6%)	(36.0%)	-4.6 pp
Adjusted EBITDA	15.5	31.5	
% Adj. Ebitda margin	6.3%	10.9%	-4.6 pp
Adjusted EBIT	0.1	15.5	
% Adj. Ebit margin	0.0%	5.4%	-5.3 pp
EBIT	(4.0)	11.2	
% Ebit margin	(1.6%)	3.9%	-5.5 pp
Net Result from operations	10.5	11.0	
% on Revenues	4.3%	3.8%	+0.5 pp
Results from discontinued operations	(1.2)	1.1	

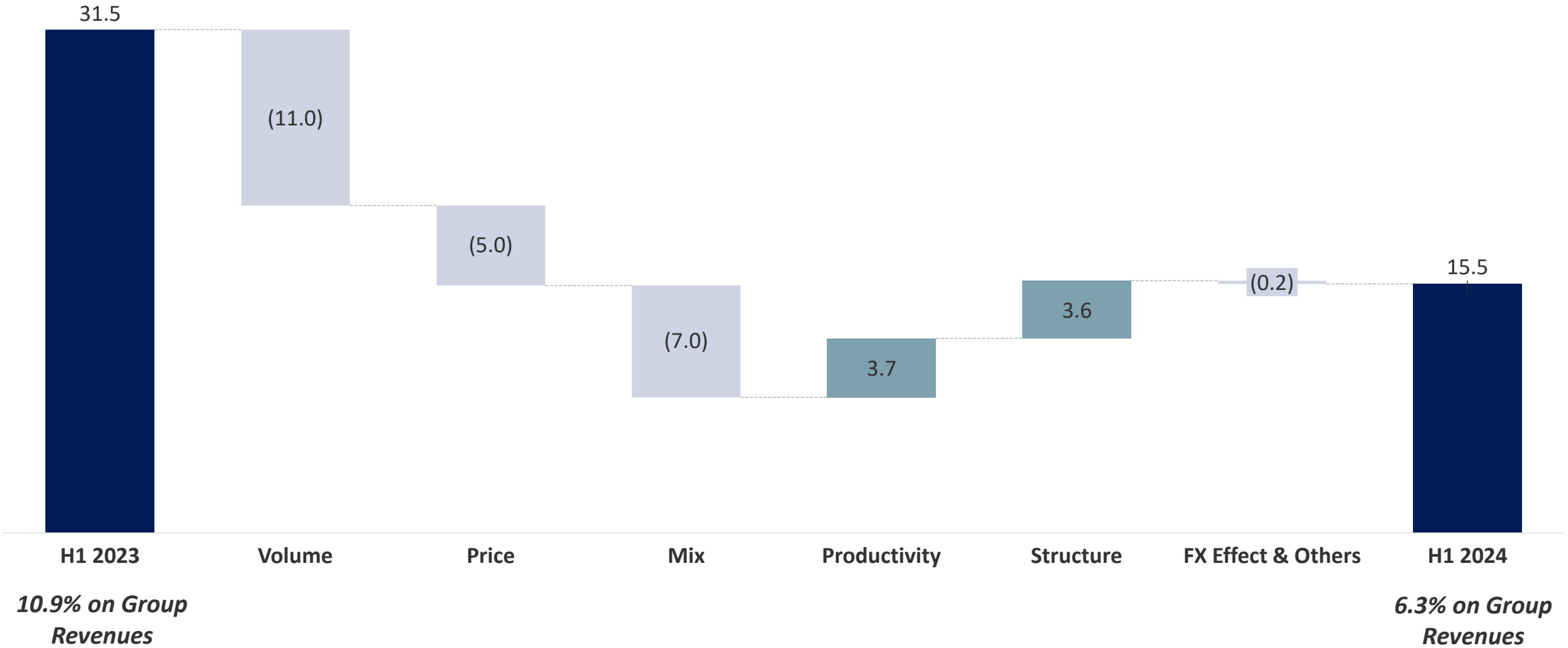
- **Gross Margin at 40.7% (-0.7 pp YoY)** affected by volumes contraction and negative price/mix, partially offset by positive productivity
- **Operating expenses at €99.4m**, down versus last year whilst preserving substantial investments in R&D and being disciplined with the cost base
- **Adj. EBITDA margin at 6.3% (-4.6 pp YoY)**, due to highly negative volume impact on operating expenses
- **Net Result from continuous operations at €10.5m** thanks to the proceeds from the sale of 100% stake in Informatics Holdings, Inc.

* Restatement with (i) some commercial costs reclassified from S&D expenses to Revenues reduction and (ii) without INFX results – INFX Net Income reported as «Net Result from discontinued operations»

EBITDA Adj: actual vs last year

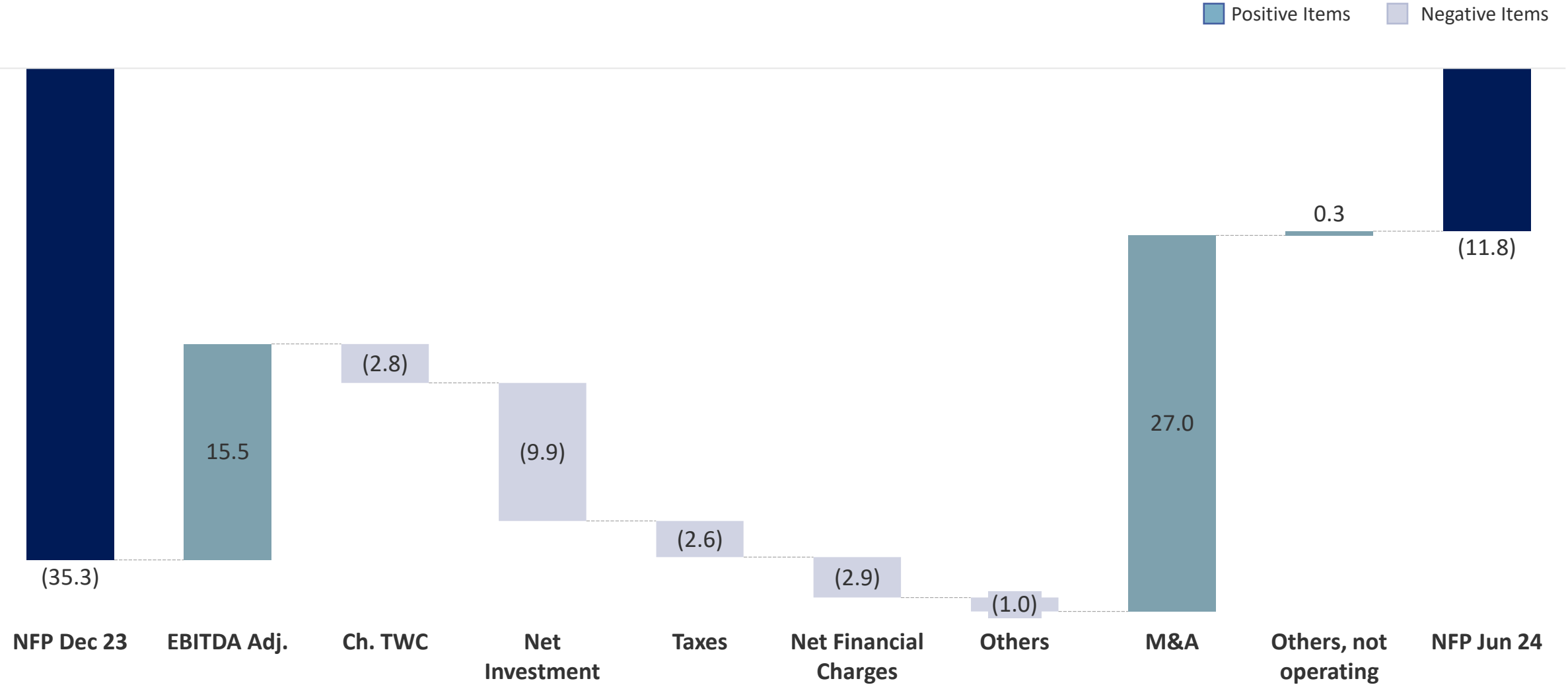
€ m

Positive Items Negative Items



Net Debt & Cash Flow Analysis : Dec'23 – Jun'24

€ m



BACKUP

FY 2023 P&L

€ m	FY 2023	FY 2022 restated*	Var %
Revenues	536.6	654.6	(18.0%)
Gross Margin	224.4	262.5	
% on Revenues	41.8%	40.1%	+1.7 pp
Operating expenses	(207.5)	(213.4)	
% on Revenues	(38.7%)	(32.6%)	-6.1 pp
Adjusted EBITDA	49.5	80.3	
% Adj. Ebitda margin	9.2%	12.3%	-3.0 pp
Adjusted EBIT	16.9	49.1	
% Adj. Ebit margin	3.1%	7.5%	-4.4 pp
EBIT	9.6	40.9	
% Ebit margin	1.8%	6.3%	-4.5 pp
Net Result	9.5	30.1	
% on Revenues	1.8%	4.6%	-2.8 pp

- **Gross Margin at 41.8% (+1.7 pp YoY)** thanks to **positive pricing/mix and productivity** offsetting negative volumes
- **Lower operating expenses at €207.5m**, but preserving continuous investments in R&D and S&D
- **Adj EBITDA margin at 9.2% (-3.0 pp YoY)**, due to highly negative volume impact on operating expenses, partially offset by gross margin improvement
- **Net Result at €9.5m vs €30.1m in 2022**

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

Sale of 100% share capital in Informatics Holdings, Inc.

Informatics is a stand-alone company actively engaged in the non-core business of marketing and distributing software products and solutions tailored for small and medium-sized companies mainly in the US. The company was acquired in 2005 and it is based in Plano, Texas.

Buyer



On March 7, 2024, Datalogic S.p.A. sold its **100% stake in Informatics** to an affiliate of the U.S. private equity firm **Renovo Capital LLC**.

Transaction



- The **disposal value** was agreed upon at USD 34 million
- **EV/EBITDA adj 2023** at around **10x**

Rationale



- Divestment of a **non-core asset** to **focus** on the **core business IA & DC**
- **Additional financial resources** to support **growth**, both **organically** and through **M&A**

Sustainability: the 10 material topics and relevant existing KPIs

Research, development and innovation	Patents number; New Prod % Rev; R&D cash-out % on Rev; R&D employees
Product quality and safety	% defects on products; Nr. of non-conformities associated to products
Responsible Supply Chain	Nr. audited suppliers; Nr. certified suppliers
Responsible Business Conduct	Nr. Corruption incidents; Nr. Law-non-conformity; Board gender diversity
Customer centricity	NPS; Customer survey results; Customer average time resp and resolution
Materials sustainability	Average prod life; % Materials purchased from ESG suppliers; % recycled
Workers health and safety	Nr. accidents; accident frequency index; % safety training per employees
Energy and emissions	GJ consumed; % energy from renewable source; Scope 1, 2 (and 3) emissions
People well-being	% employee with health-insurance; % evaluated-employee; internal promotion
Waste and packaging	Waste tons; Packaging tons; % recyclable packaging

Contacts

IR CONTACTS

IR Manager

Alessandro D'Aniello

Tel. +39 051 3147109

ir@datalogic.com

Via Candini, 2

40012 Lippo di Calderara di Reno

Bologna – Italy

IR Advisor

Vincenza Colucci

CDR Communication Srl

Tel. +39 335 6909547

vincenza.colucci@cdr-communication.it

IR Assistant

Daniela Giglioli

Tel. +39 051 3147109

Fax +39 051 3147205

daniela.giglioli@datalogic.com

NEXT EVENTS

November 07, 2024

9M 2024 Results

DATALOGIC ON LINE

www.datalogic.com

THANK YOU

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Datalogic S.p.A.

Via Candini, 2 - 40012 Lippo di Calderara di Reno - Bologna (Italy)

Tel. +39 051 3147011 | Fax +39 051 3147205

corporate@datalogic.com

www.datalogic.com