



# H1 2017 Conference Call

August 4<sup>th</sup>, 2017



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# Best Ever Figures in 45 Years History



## Q2 RESULTS

€ mln

**€157.8**  
REVENUES  
**+7.7%**

**€31.1**  
EBITDA

**19.7%**  
EBITDA  
MARGIN

**€17.4**  
NET  
INCOME

## H1 RESULTS

**€299.3**  
REVENUES  
**+6.2%**

**€51.8**  
EBITDA

**17.3%**  
EBITDA  
MARGIN

**€29.3**  
NET  
INCOME

**Positive Net Debt position at €5.5**

# Q2 2017 Highlights

New organization keep driving sound performance across main industries and geographic areas



- APAC leading the growth at double digit rates, driven by China
- Resilient growth in EMEA, led by Retail
- NA double digit growth in T&L and Healthcare

- Increasing demand for automation, quality and process efficiency
- Double digit growth in Manufacturing, Transportation & Logistics and Healthcare



- R&D investments +7.4% YoY
- New products on sales at 11.9% \*, due to strong pipeline planned in H2

*\* new products refer to products announced in the last 24 months*

# Focus M&A: Soredi acquisition

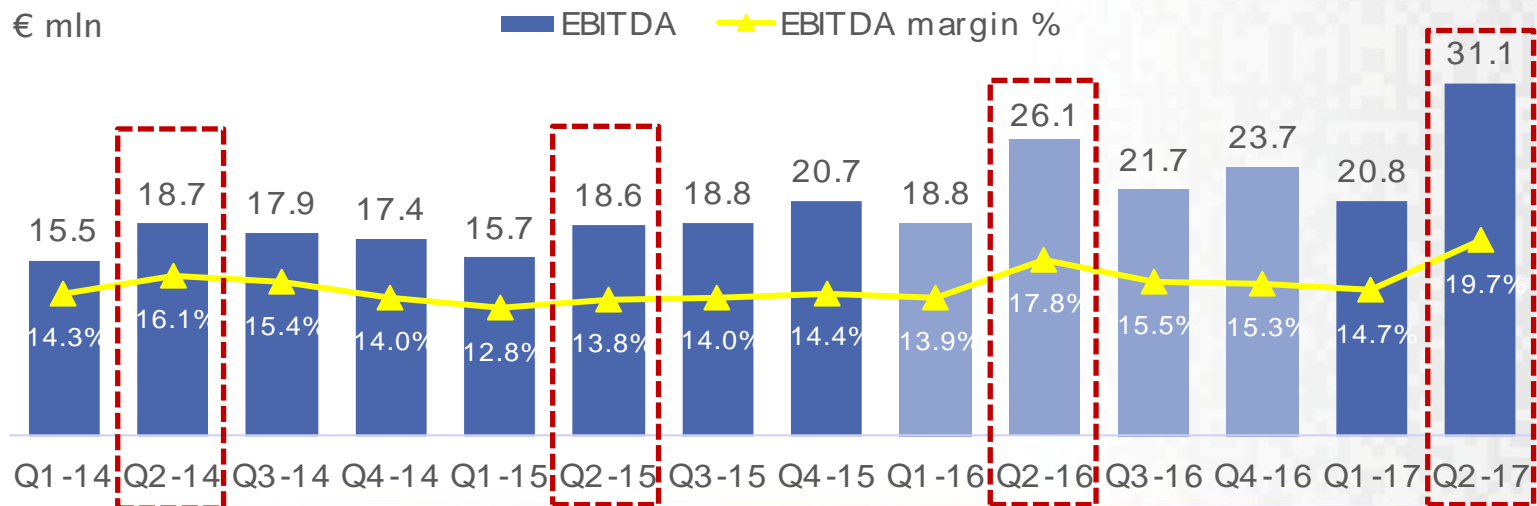
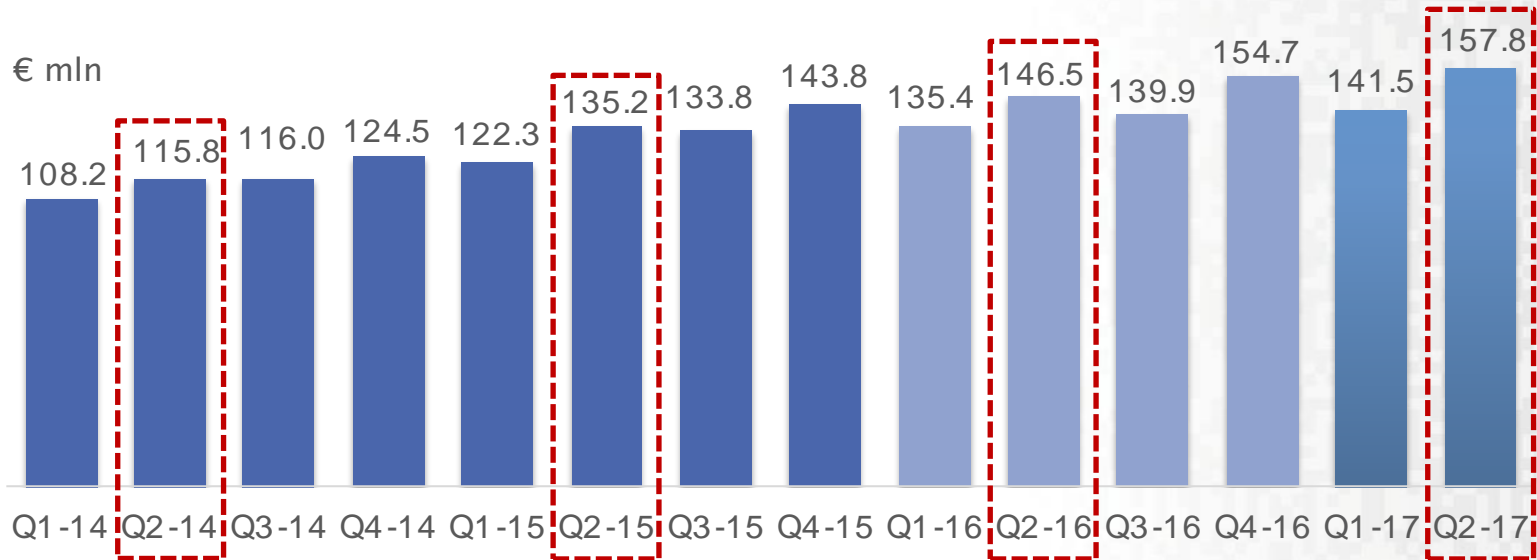
- Acquisition of 100% of Soredi Touch Systems GmbH
- German company leader in technology for terminals and in particular forklifts terminals
- Maximum financial commitment of €10 mln (€8 mln cash and €2 mln Datalogic shares)



# Financials

# Best quarter in Datalogic history

## REVENUES



# Sound profitability growth

€ mln	Q2 2017	Q2 2016	Var%
Revenues	157.8	146.5	7.7%
Gross Operating Margin	76.1	68.9	10.5%
<i>%on Revenues</i>	<i>48.2%</i>	<i>47.0%</i>	
Operating expenses	(48.7)	(47.8)	1.8%
<i>%on Revenues</i>	<i>(30.9%)</i>	<i>(32.7%)</i>	
EBITDA	31.1	26.1	18.8%
<i>Ebitda margin</i>	<i>19.7%</i>	<i>17.8%</i>	
EBIT	25.9	21.1	22.9%
<i>Ebit margin</i>	<i>16.4%</i>	<i>14.4%</i>	

- Revenues up 7.7% to € 157.8 mln (+6.4% at constant exchange rate)
- Booking confirmed at double digit: +10.2%
- Product mix and cost efficiencies push GOM over 48%
- Operating expenses *on revenues* down 1.8% due to timing effects on R&D & distribution costs
- EBITDA margin to 19.7% notwithstanding negative EUR USD FX



# Improvements across the whole P&L

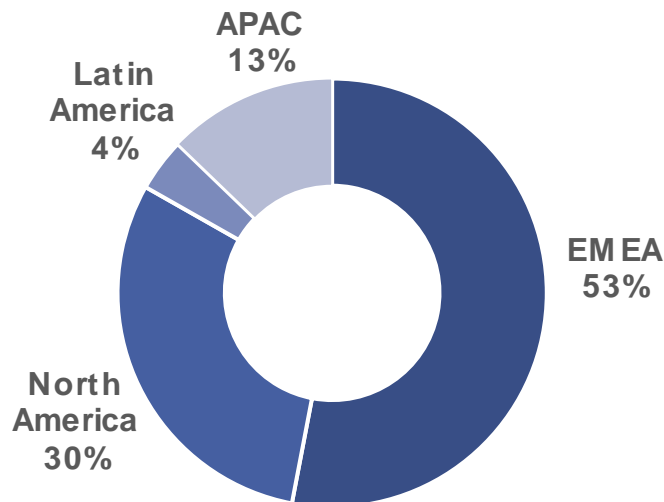
€ mln	H12017	H12016	Var%
Revenues	299.3	281.8	6.2%
Gross Operating Margin	142.3	130.9	8.6%
<i>%on Revenues</i>	47.5%	46.5%	
Operating expenses	(98.3)	(94.9)	3.6%
<i>%on Revenues</i>	(32.8%)	(33.7%)	
<b>EBITDA</b>	<b>51.8</b>	<b>45.0</b>	<b>15.3%</b>
<i>Ebitda margin</i>	17.3%	16.0%	
<b>EBIT</b>	<b>41.2</b>	<b>35.3</b>	<b>16.6%</b>
<i>Ebit margin</i>	13.8%	12.5%	
<b>EBT</b>	<b>37.2</b>	<b>32.8</b>	<b>13.5%</b>
Taxes	(7.9)	(6.6)	20.0%
<b>Net Income</b>	<b>29.3</b>	<b>26.2</b>	<b>11.9%</b>
<i>% on Revenues</i>	9.8%	9.3%	
<i>Exchange Rate</i>	1.0830	1.1159	

- Revenues up 6.2% to €299.3 mln (+4.8% at constant exchange rate)
- GOM steady improving trend QoQ, at 47.5%
- R&D *on revenues* from 8.6% to 8.8%
- Timing effects on R&D & distribution costs
- EBITDA margin to 17.3% notwithstanding negative EUR USD FX
- Forex and higher gross debt effect on financial costs
- Stable tax rate at ~ 21%

# Group Revenues by country

## REVENUES BY GEOGRAPHIC AREA

€ mln	H1 2017	H1 2016	Var%
EMEA	158.7	148.2	7.1%
North America	90.4	87.2	3.7%
Latin America	12.0	13.5	(11.4%)
Asia Pacific	38.3	33	16.0%
<b>Total Revenues</b>	<b>299.3</b>	<b>281.8</b>	<b>6.2%</b>

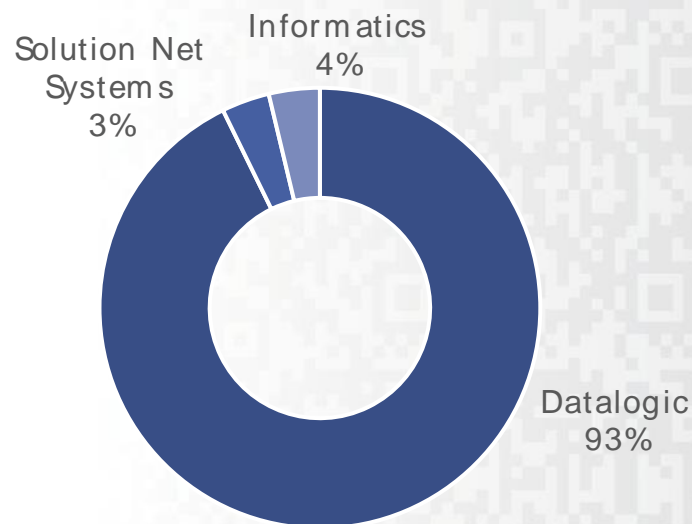


- Revenues up 6.2% to € 299.3 mln (+4.8% at a constant exchange rate)
- Strong growth in APAC driven by China (+28%) in Manufacturing and T&L
- Confirming Leadership in EMEA led by Retail
- NA growth driven by T&L and Healthcare in Datalogic division (+7.3%); Informatics dragging down growth
- LA affected by large deals in 2016, but improving QoQ (+60%)

# Group Revenues & EBITDA by division

## REVENUES BY DIVISION

€ mln	H12017	H12016	Var%
Datalogic	279.2	260.2	7.3%
Solution Net Systems	10.6	10.0	6.3%
Informatics	11.2	12.8	(11.9%)
<i>Adjustments</i>	(1.7)	(1.0)	n.m.
<b>Total Revenues</b>	<b>299.3</b>	<b>281.8</b>	<b>6.2%</b>



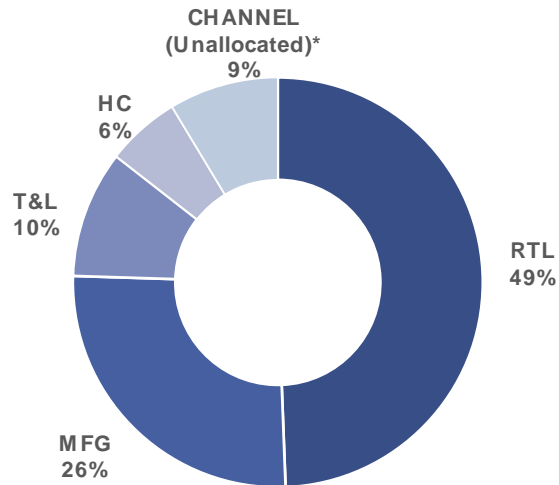
- **Datalogic Division** over performing Group growth driven by a double digit growth of Fixed Retail Scanners, ID and Machine Vision
- **Solution Net Systems**, keeps on steady growing (+ 6.3%), and profitability turnaround
- **Informatics** still in a downward trend, though improving on a quarterly basis

## EBITDA BY DIVISION

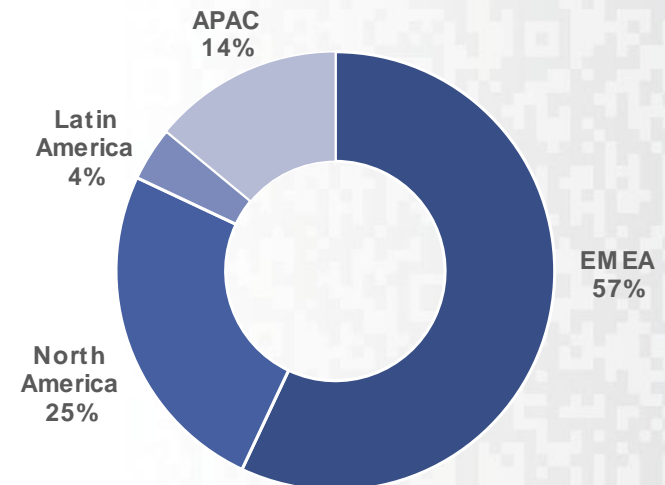
	H12017	H12016
Datalogic	51.3	46.1
Solution Net Systems	0.8	(0.9)
Informatics	(0.3)	(0.3)
<b>Total Group</b>	<b>51.8</b>	<b>45.0</b>

# Focus on Datalogic Division

## DL Revenues Breakdown by Industry



## DL Revenues Breakdown by Geo Area



### Retail



• €137.4 mln (-0.4%)

- +11% YoY in EMEA
- Growth recovery expected through new products

### Manufacturing



• €74.0 mln (+10.7%)

- Growth driven by China, over 60%, and North America, +8%

### T&L



• €27.8 mln (+5.3%)

- Double digit growth in Q2 (+14.1%) in all main areas. China and North America the leading Geos

### Healthcare



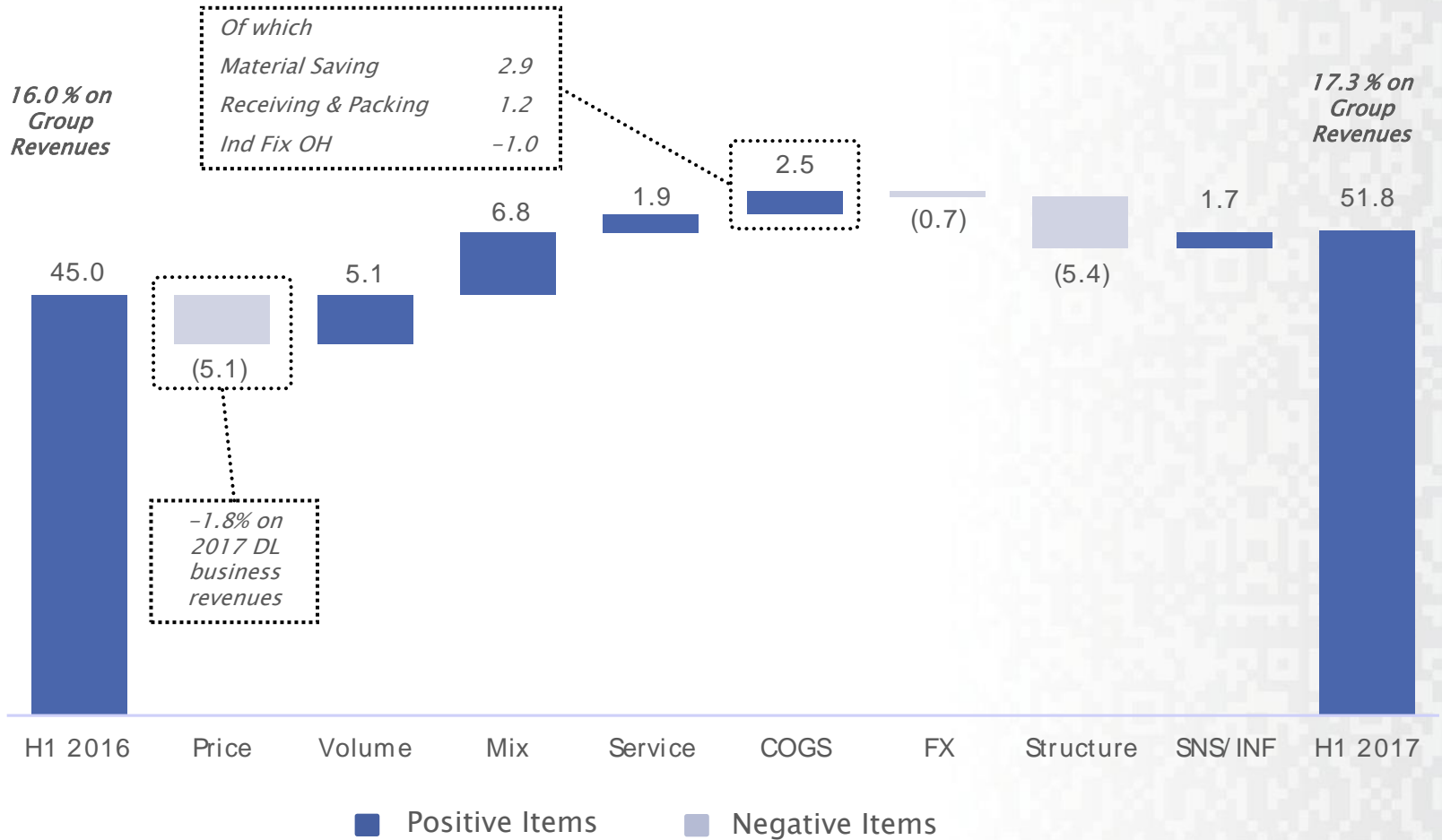
• €16.1 mln (+74.0%)

- The fastest growing sector driven by large projects with a US top hospital chains

(\*The **Channel (Unallocated)** includes revenues not directly attributable to the 4 identified industries.

# EBITDA: actual vs last year

€ mln

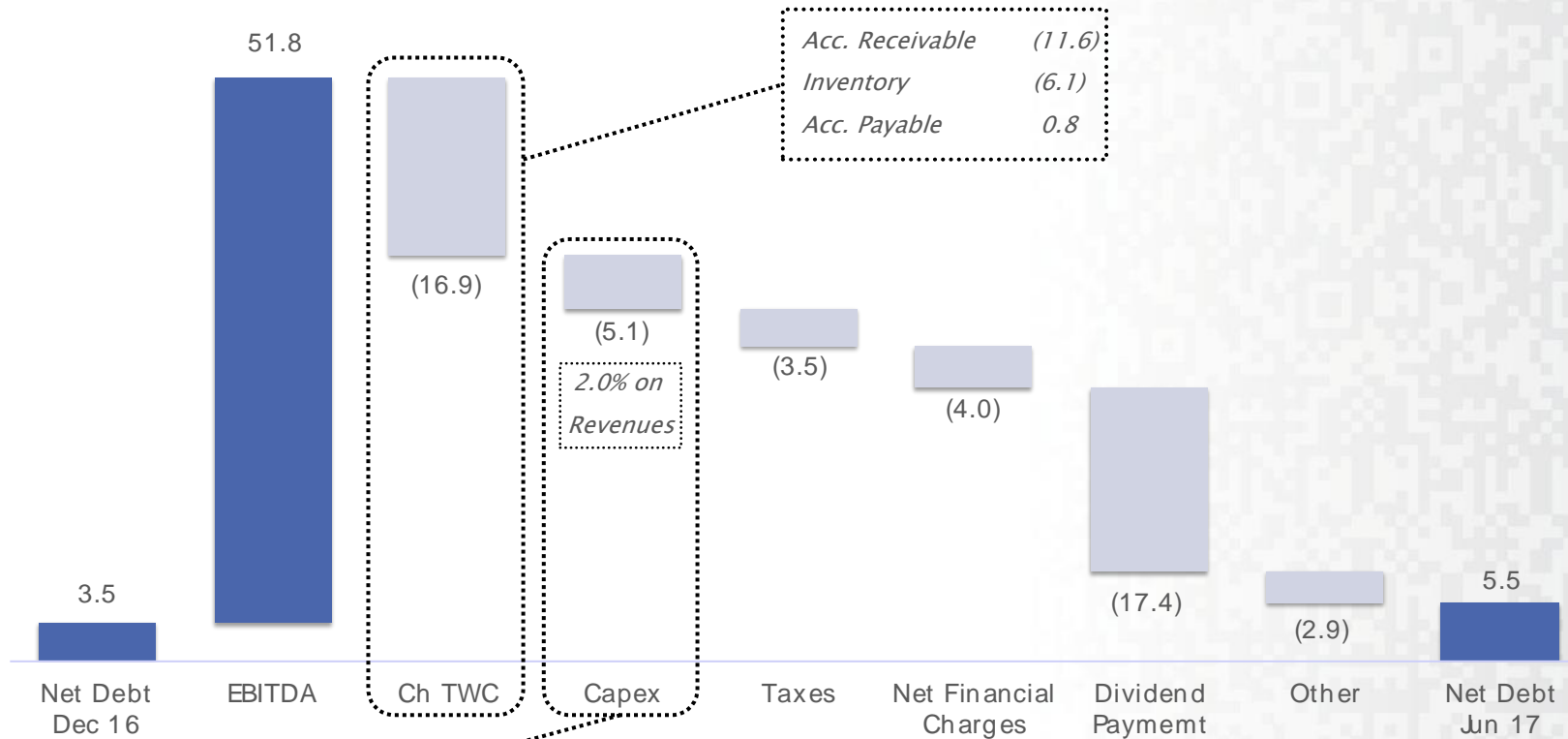


# Consolidated Balance Sheet

	Dec 2016	Jun 2017		Dec 2016	Jun 2017
Total Fixed Assets	371.7	354.0	Net Financial Position	(3.5)	(5.5)
Trade receivables	75.5	87.1			
<i>% on 12m rolling sales</i>	<i>13.1%</i>	<i>14.7%</i>			
Inventories	82.3	88.5			
<i>% on 12m rolling sales</i>	<i>14.3%</i>	<i>14.9%</i>			
Trade payables	(104.6)	(105.4)	Net Equity	336.4	330.2
<i>% on 12m rolling sales</i>	<i>-18.1%</i>	<i>-17.7%</i>			
Trade Working Capital	53.2	70.2			
<i>% on 12m rolling sales</i>	<i>9.2%</i>	<i>11.8%</i>			
Other assets/liabilities	(92.1)	(99.4)			
Net Invested Capital	332.9	324.8	Total Sources	332.9	324.8

# Net Debt Analysis: December'16 – June'17

€ mln



Of which:

Electronics machineries / Software	(2.1)
Machineries and equipment	(1.6)
Moulds	(0.5)
Offices refurbishment	(0.5)
Real estate asset disposal (Germany)	0.9

■ Negative Items  
■ Positive Items

# New products



# Q2 2017 New Products



## MATRIX 120 Wide Angle and Polarized Models

Matrix 120™ is the smallest ultra-compact industrial 2D imager that fits into any integration space. This is the newest entry level member of the best-in-class Matrix family of high performance industrial 2D imagers.

The Matrix 120 imager leads the market for ease of use and has the highest industrial grade in its class; multiple models of the Matrix 120 imager allow it to cover an extensive range of applications in OEM and Manufacturing industries.



## HALOGEN™

New adding to the Halogen™ DE2X12 family of ultracompact 2D MP imager scan engines.

Wide angle model: 52°H x 40°V with parallel interface.



## MEMOR™ X3 HC

Mobile computer for healthcare. This new offering provides healthcare professionals a safe and easy way to scan bar codes in a hospital or clinic. The Memor X3 HC is lightweight, pocketable, extremely durable, and resistant to the major chemical cleaners used in the healthcare ecosystem

# Outlook

# 2017 Outlook

- Keep on growing in revenues at rates substantially in line with H1
- Strong focus on gross operating margin to maintain a sound profitability
- Increasing R&D & Distribution operating expenses in H2 to boost further growth & maintain leadership in the market
- Cash Generation through NWC improvement

- 
- T&L: keep growing in main Geo Areas, capturing ecommerce & CEP trends
  - Retail: growth recovery through strong pipeline of new products
  - HC: enlarging customer base in North America
  - Manufacturing: keep on steady growing in China and other main Geo Areas, backed by strong demand for automation



- Strong pipeline of new products in H2 particularly in the Retail and Manufacturing industries

# Contact

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## NEXT EVENTS

**November 13<sup>th</sup>, 2017**

9M results

**September 6<sup>th</sup>, 2017**

Italian Industrial Day

Milan Italian Stock Exchange

**October 10<sup>th</sup>, 2017**

STAR Conference London

## DATALOGIC ON LINE

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