



**STAR Conference  
Milan  
27 March 2018**

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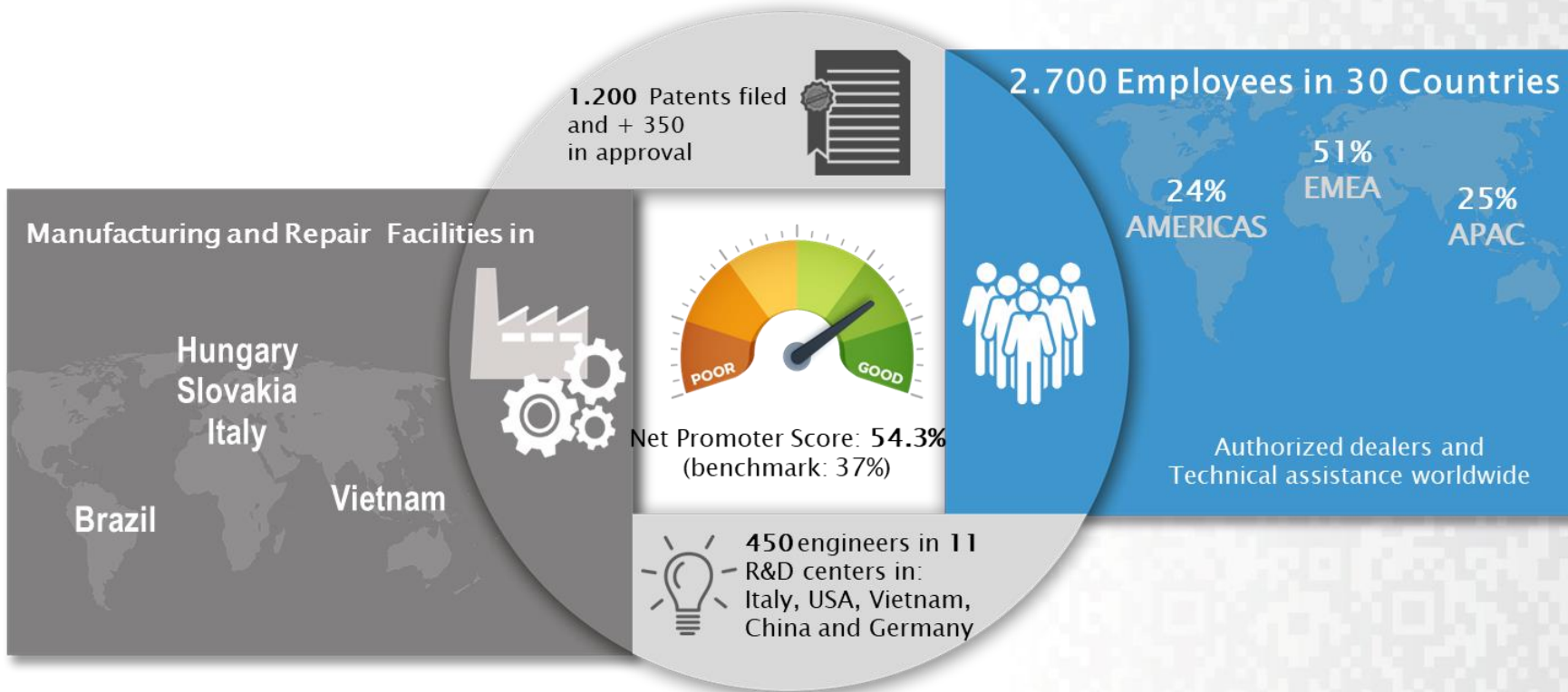
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# Group Overview

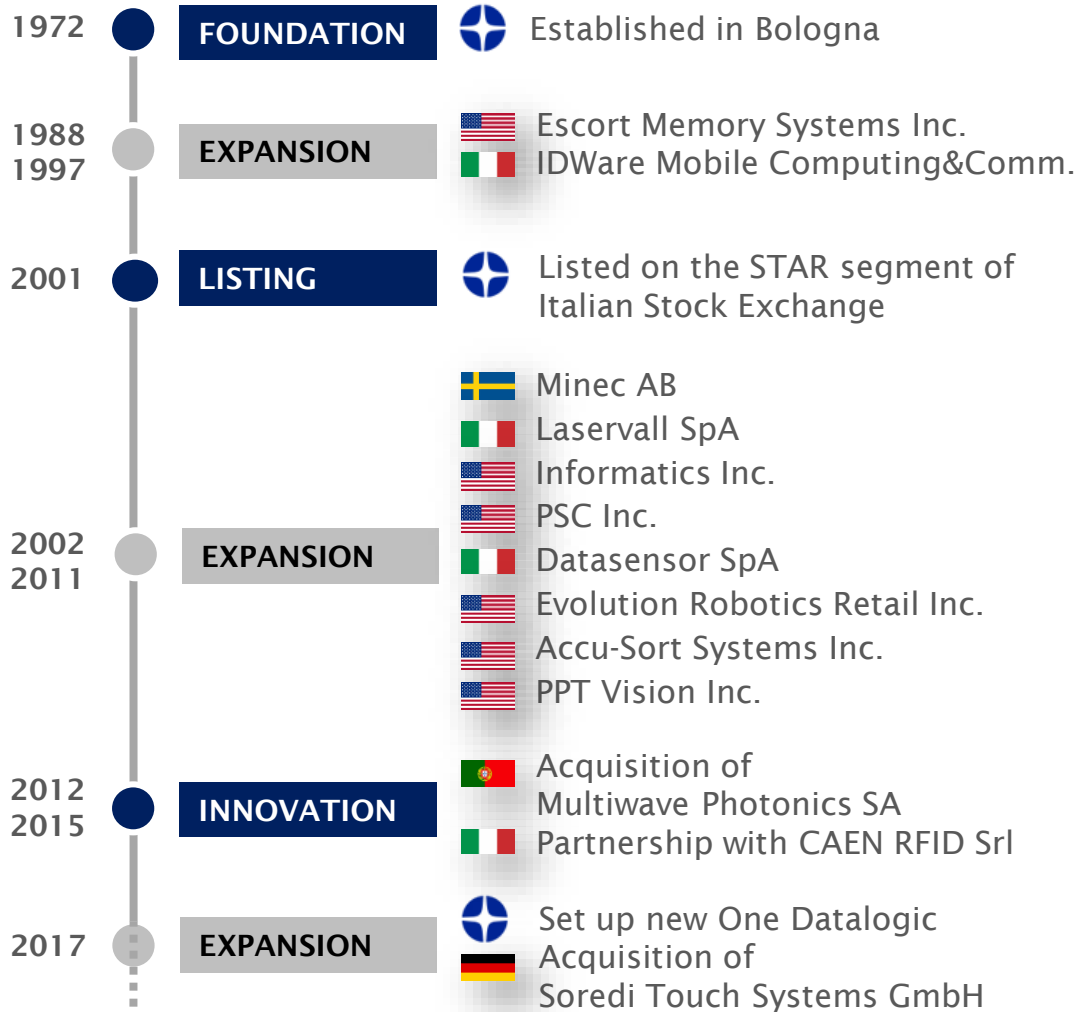
# Datalogic at a glance

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

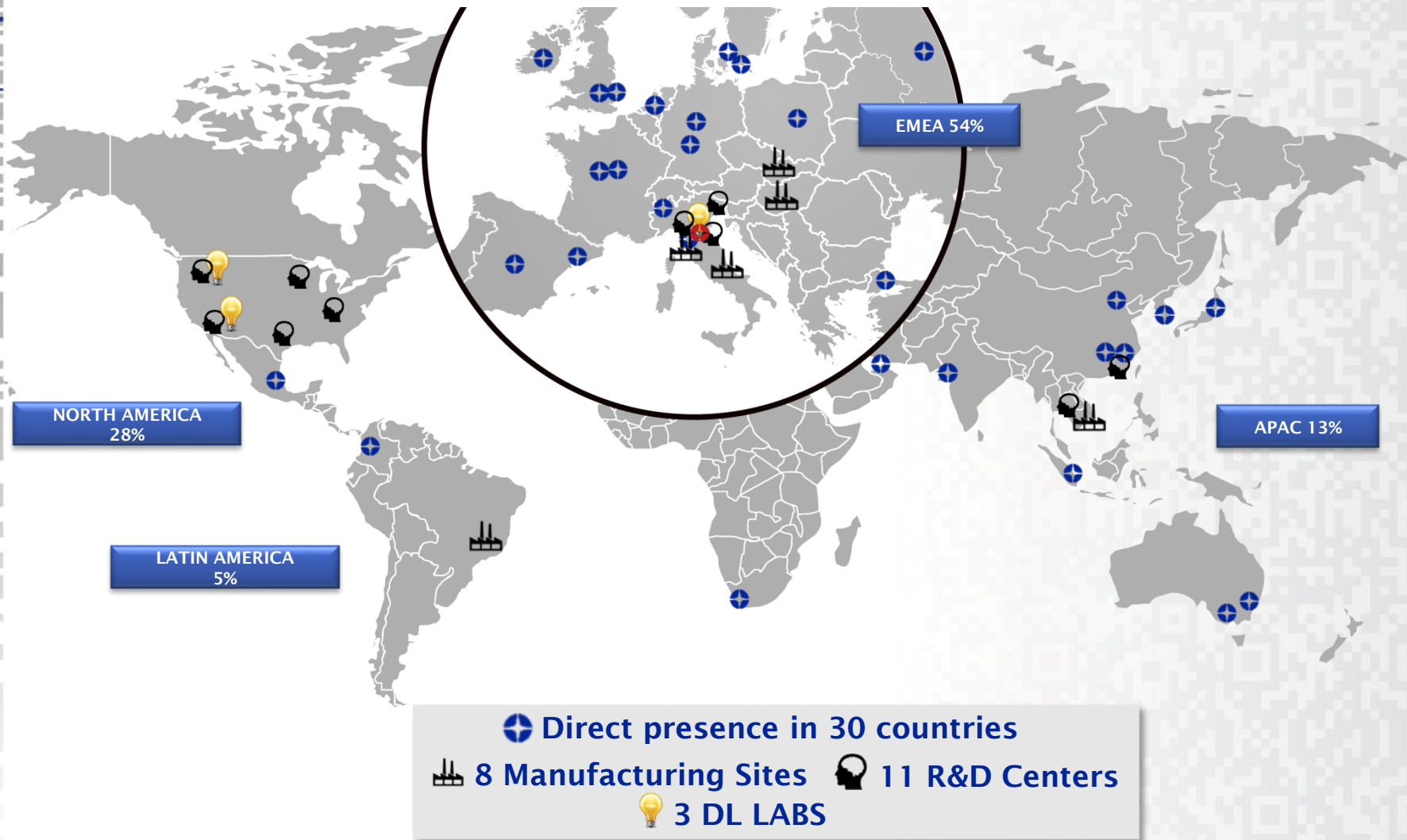
Founded in 1972, listed on the Italian Stock Exchange since 2001.



# Over 40 years of Technological Innovation



# A Wide Geographical Footprint



Note: Breakdown by area based on FY 2017 revenues

# Stock and Governance

**Market Segment:** STAR MTA

**Reuters Code:** DAL.MI

**Bloomberg Code:** DAL IM

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

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

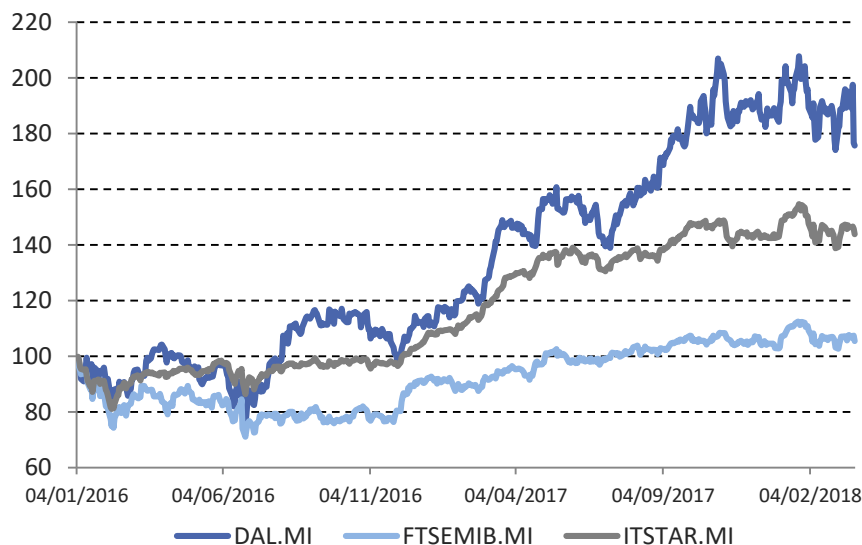
**Ticker:** DAL

**Price (March 22, 2018):** 28.95 Euro

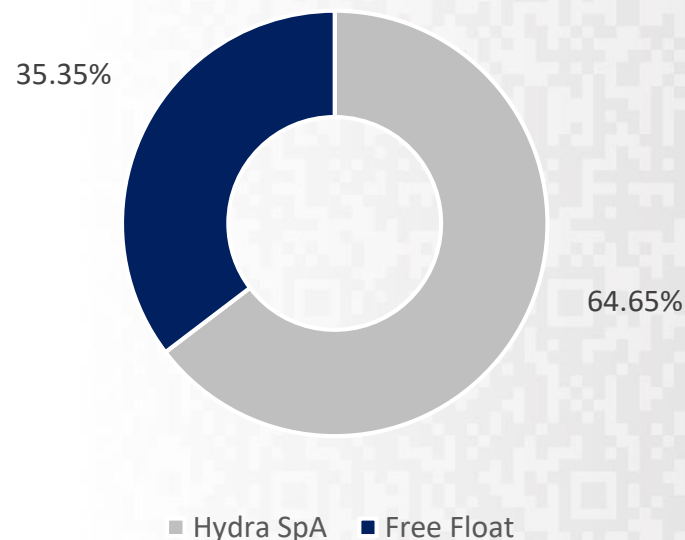
**Market Cap (March 22, 2018):** 1.70 B Euro

**Auditing Company:** EY

## DATALOGIC PRICE PERFORMANCE



## SHAREHOLDERS' STRUCTURE



# Strategy and Outlook



# Unique Player across IA and ADC Markets

DATALOGIC is the only player across the Global competitive landscape who can boast a wide and consolidated experience in both the two fields of:

- **Industrial Automation** (dating back to the foundation of the company)
- **Automatic Data Capture** (leadership deriving from the acquisition of PSC USA )

AUTOMATIC DATA CAPTURE

INDUSTRIAL AUTOMATION



The DATALOGIC logo is centered in a blue circle. It consists of a blue circle with a white crosshair inside, followed by the word "DATALOGIC" in blue capital letters.

**COGNEX**

**KEYENCE**

**SICK**

Sensor Intelligence.

# A New Organisation by Verticals...



# ...with a Wide and Complementary Offer...



# ...Innovative Solutions...

## SELF-SHOPPING



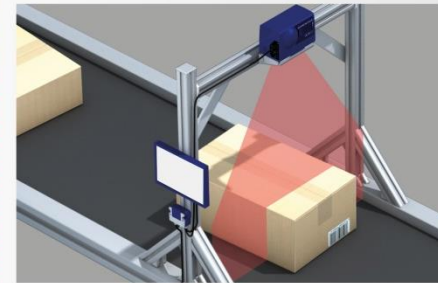
Self-shopping allows customers to self-shop by directly scanning their own groceries with a Joya device or a smartphone. Shop evolution creates an exciting shopping experience for customers while providing increase in basket size, lower operational costs, and improved loyalty for retailers. While shopping, customers can bag items as they shop, check the running total, enjoy personalized promotions, and pay without queueing at the checkout.

## MARK & READ



Only Datalogic delivers end-to-end solutions for Direct Part Marking & Reading, from automated to manual deployments. With the smallest marking head footprint, Datalogic products make mechanical installations extremely easy in every applications: from stand-alone marking stations to fully automated working center in production lines. Automated reading cameras and vision processors complete the solution with the industry's most intuitive interface, easy to deploy.

## DIMENSIONING & WEIGHING SYSTEMS

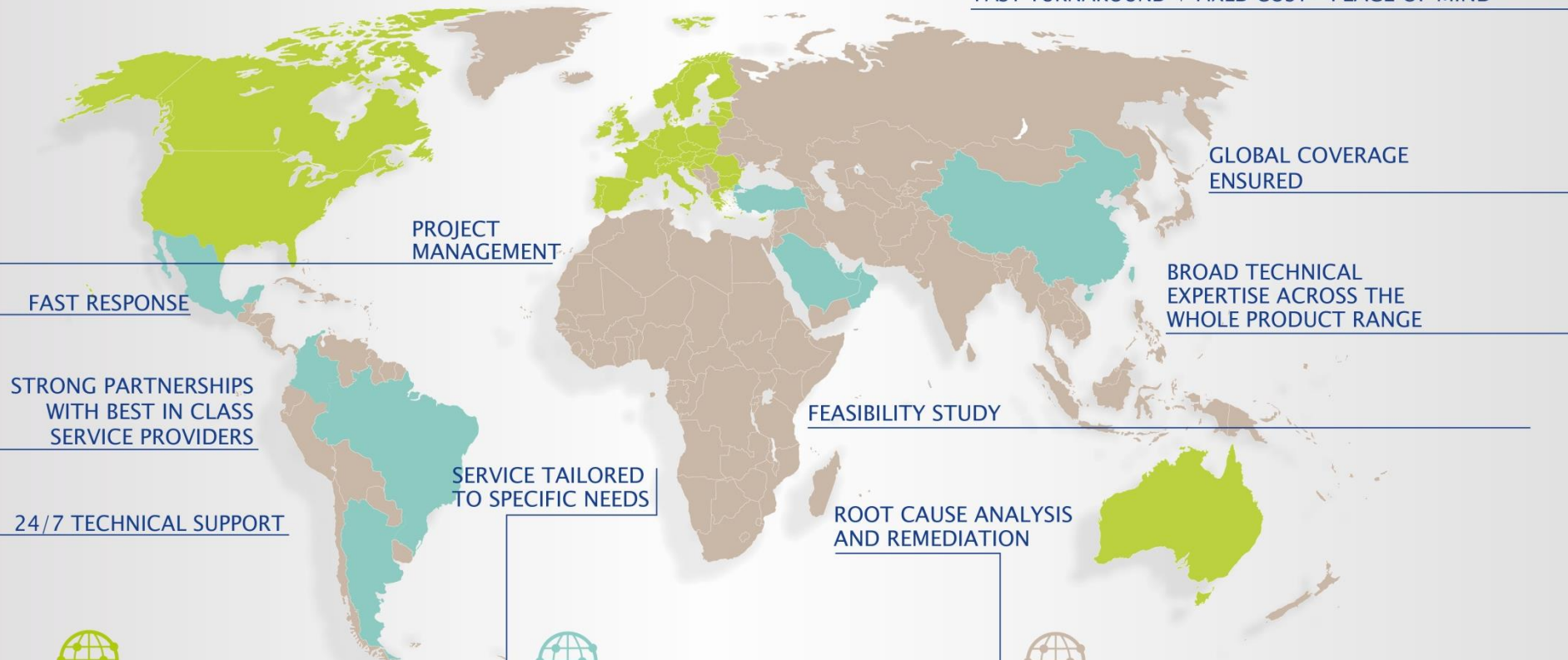


The process of shipping and managing freight expenses is now dependent on the weight of the freight and the space it occupies. Determining these characteristics and associating them with an order or shipment is essential to maximize shipping economy. Datalogic Dimension Weigh Scan systems provide a complete solution of dimensioners, scales, and bar code readers, to provide certified parcel profiles. The system integrates the bar code, weight and dimension data into a single message that can be used for sortation and verification.

# ...and a state of the art Customer Service

MULTI-LINGUAL  
PROFESSIONALS

EASE OF CARE (EoC)  
PROGRAMS FOR REPAIRS  
FAST TURNAROUND + FIXED COST= PEACE OF MIND



## Premium Service Coverage

On-site support	Next business day from notification
Phone support	Local language
EoC Comprehensive	Both the 2 days and overnight options, with both ways freight included
EoC 5 days, no comprehensive	Available
Datalogic Repair Center or Authorized Service Partner	Warranty and out of warranty repairs
Countries	European Union, Norway, Switzerland, United States, Canada and Australia



## Fast turnaround

On-site support	Within 3 business days from notification
Phone support	English
EoC Comprehensive	The 5 days with one way freight included
EoC 5 days, no comprehensive	Available
Datalogic Repair Center or Authorized Service Partner	Warranty and out of warranty repairs
Countries	Argentina, Brazil, China, Colombia, Mexico, Turkey, Saudi Arabia, Bahrain, United Arab Emirates, Oman and Qatar

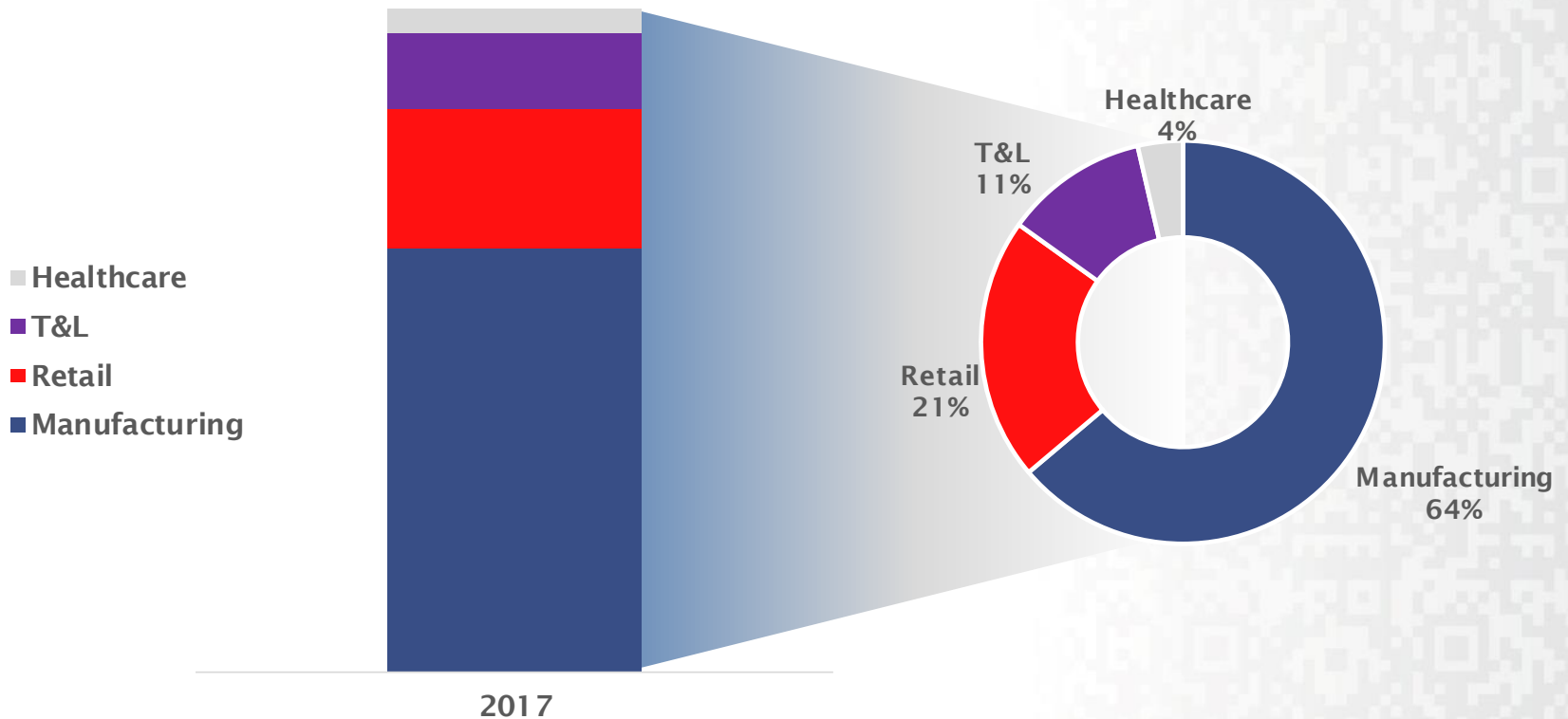


## Standard support

On-site support	Within 5 business days from notification
Phone support	English
EoC comprehensive	Not available
EoC 5 days, no comprehensive	Not available
Datalogic Repair Center or Authorized Service Partner	Warranty and out of warranty repairs at the nearest DL repair center (may include customs clearance)
Countries	Rest of the World

# Total Addressable Market

Total Addressable Market @ \$11 BN  
CAGR 2017-2021 +5.4%



Source: VDC 2017 and Management estimates

# We play in a growing market

## RETAIL E-COMMERCE



2016: **1.86** trillion USD

2021: **4.48** trillion USD

## WAREHOUSING AND LOGISTICS ROBOTICS



2016: **1.9** billion USD

2021: **22.4** billion USD

## IoT



2016: **3.9** trillion USD

2025: **11.1** trillion USD

Datalogic products and solutions are essential for the e-commerce, the robotics and the IoT revolution

There has never been a more exciting time as this to operate in the market we play in

# Retail

## Connecting People, Processes and Technology

### DATALOGIC PROPOSITION



- **Market Leader** along the **Retail supply chain** from 1974 with the first scanner in Troy, Ohio to 2018 with the NRF exhibition in New York with the innovative **frictionless shopping**
- Datalogic was the **first company** to introduce the full imaging **bi-optic POS scanner** and to **conceive a fully automated portal scanner**
- New Data capture products for E-commerce and multichannel
- Data analytics for **location based services**, indoor navigation, customer tracking either for path and time spent in front of shelves

### MARKET OUTLOOK

- 90% of transactions are still completed in-store
- E-commerce drives change towards an omnichannel experience (brick and mortar – online shopping)
- RFID, video analytics, digital and interactive signage...are emerging technologies

### DATALOGIC RESULTS

- **2017 Revenues €278.6 mln (-1.6% YoY)**, 49% of Revenues
- Double digit steady growth in EMEA, whilst NA heavily affected by forex effect
- Significant growth in APAC led by China





# Example of how retailers are evolving

## Walmart Digital Eco-System



Source: PlanetRetail RNG

# Manufacturing

## The factory of the future

### DATALOGIC PROPOSITION



- With more than **45 years** of experience, **Datalogic** is a world-class product & solutions provider for track & trace processes and quality control systems
- Datalogic is providing multi-product portfolio to serve all the major manufacturing clients: **Automotive, Food and Beverage, Automated Machinery and Electronics, and Intralogistics.**
- Wide-range offer adapting to every customer
  - Safety → Laser Sentinel
  - Traceability → Identification products and Laser marking
  - Quality Control → Machine Vision
- Expanding into **Intralogistic solutions** and **Robotic/AGV guidance**

### MARKET OUTLOOK

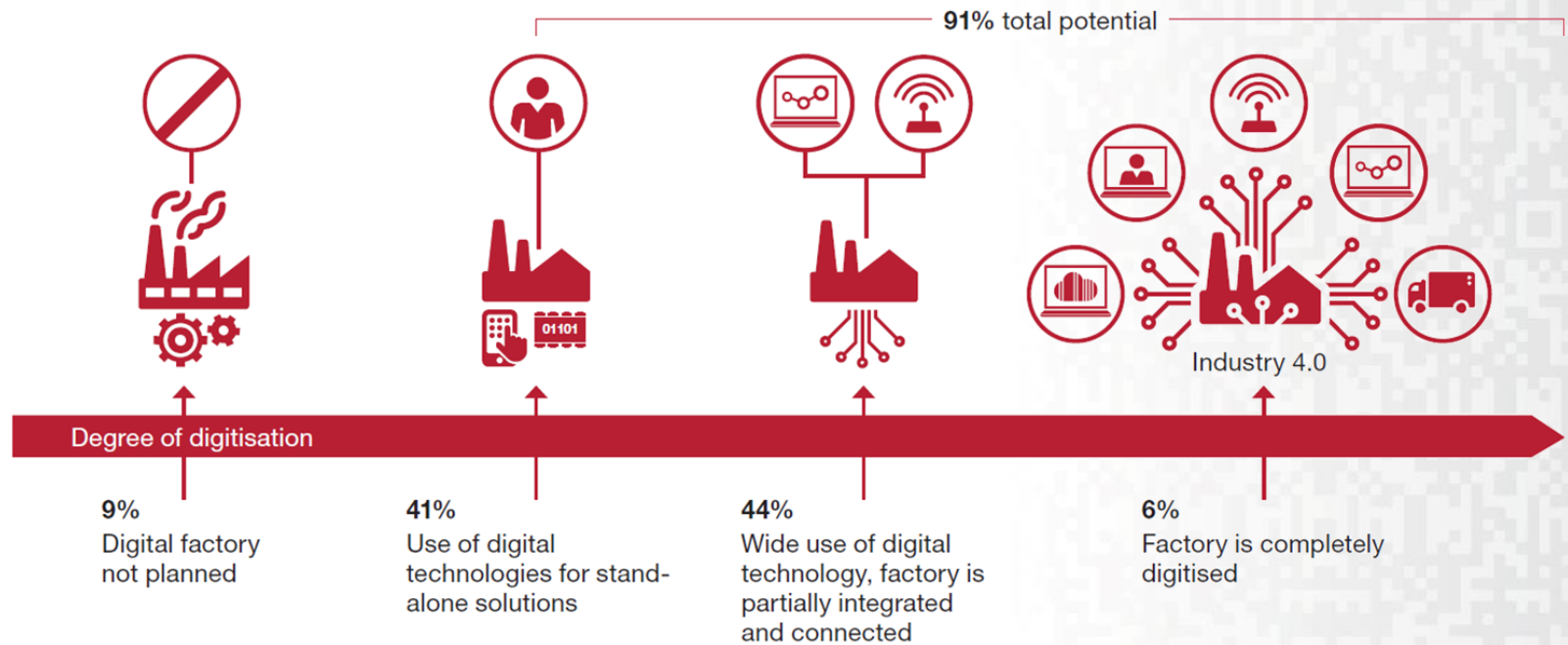
- **Industry 4.0** is pushing for **multi-technology** adoption, product **interoperability** and enhancement **self diagnostic capabilities**
- The adoption of key digital technologies shows a strong growth over the next 5 years

### DATALOGIC RESULTS

- Unique portfolio provider of smart, interconnected devices able to protect, identify, sense, check and mark
- **2017 Revenues €150.5 mIn (+10.1% YoY), 27% of Revenues**
- Performance driven by **China (+ 64% YoY)**



# Some numbers and trends: digital factory



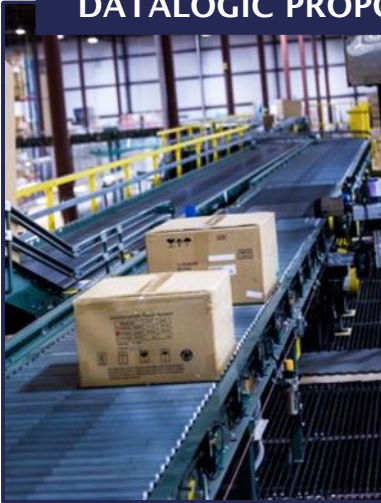
Nine out of ten companies are investing in DIGITAL FACTORIES

Source:  pwc

# Transportation & Logistics

## Visibility and interaction with the customer

### DATALOGIC PROPOSITION



- Datalogic **sensors and vision systems** guarantee the **optimal traceability** of packages and shipments
- The first generations of **self-driving vehicles** (autonomous shuttles and forklifts), used in controlled areas of the warehouse are being developed
- Datalogic is at the **forefront** of the development of **airport systems**, since 1984 with the **first automatic reading station** in Milan, to the recent contract with a main European hub in compliance with new IATA requirements.
- Datalogic's proven capabilities are reflected by the recent **"Platinum" supplier** qualification granted by a world leader in the shipping and logistics sector.

### MARKET OUTLOOK

- Growth is driven by E-commerce: high speed sorting, ability to manage any size of parcel, and high flexibility
- Stationary Industrial, Vision Systems and Sensor&Safety are the fastest growing

### DATALOGIC RESULTS

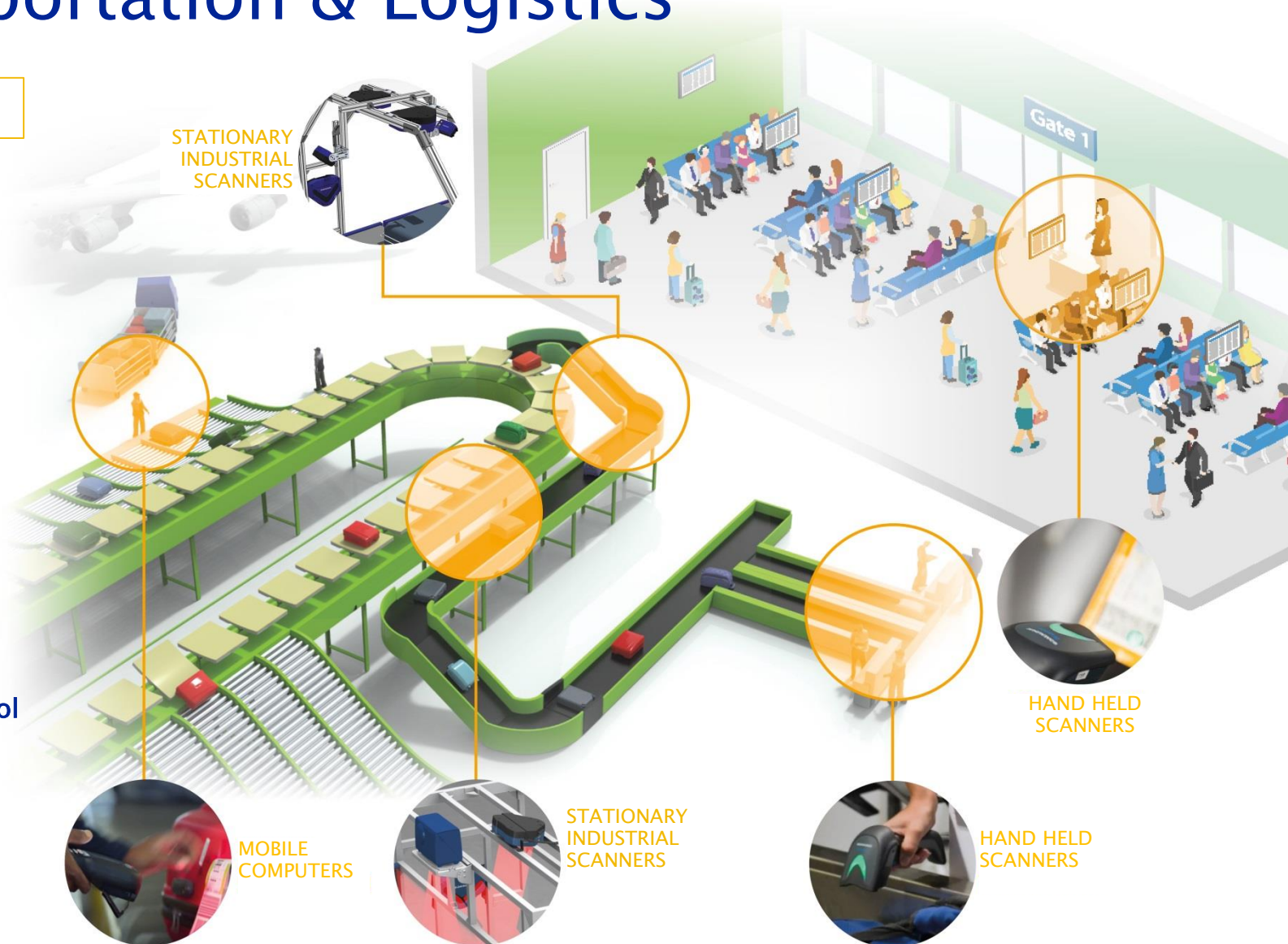
- **2017 Revenues €65.8 mln** (+12.9% YoY), 12% of Revenues
- North America and APAC leading growth
- Double digit growth in the second half of the year



# Transportation & Logistics

## AIRPORT

- Baggage Handling Systems
- Baggage & Cargo Reconciliation
- Out Of Gauge
- Check-in and Baggage Drop-off Handling
- Access Control



STATIONARY INDUSTRIAL SCANNERS

Gate 1

HAND HELD SCANNERS

MOBILE COMPUTERS

STATIONARY INDUSTRIAL SCANNERS

HAND HELD SCANNERS

# Healthcare

## Meet regulations and Higher Patient Safety

### DATALOGIC PROPOSITION



- Datalogic is the only company able to **empower the entire Healthcare ecosystem** from drug production to patient care or point of sale.
- Datalogic is the sole company providing **unique product features** for the HC industry such as:
  - **Anti-microbial** enclosures to enhance protection against germs and bacteria
  - **Inductive charging technology** for battery recharge avoiding maintenance cost related to contact damaging/wearing
  - **Green spot good match** to ensure positive medicine-patient identification
- LAB Analysis is also working to ensure the **reliability of data** based on the patient

### MARKET OUTLOOK

- Growing global population above the age of 65 are driving demand for personalized care and services
- Counterfeit is a global problem, placing Datalogic's precision at a high advantage

### DATALOGIC RESULTS

- **2017 Revenues €27.5 mln** (+38.8% YoY), 5% of Revenues
- The fastest growing sector in 2017
- Double digit growth in North America



# A clear strategy

## THE OBJECTIVE

**Keep on constantly growing, above market average, while significantly improving profitability**

## THE SCOPE

Remain a product company with new emphasis on solutions to satisfy the needs of End Users in the following Industries: **Retail, Healthcare, T&L and Manufacturing**

Become a **significant player in North America** and **further establish in APAC with a growing presence in China**

Consolidate our **position in EMEA**

## THE ADVANTAGE

Moving from a product to **a Customer-centric Company**, leveraging on our wide range of products that is able to fulfill our customers' needs for both data collection and process automation and providing end-to-end solutions across the entire flow of operations

# 2018 Outlook

- Grow in revenues at mid to high single digit rates
- Maintain a sound profitability through strong focus on gross operating margin improvements
- Further increase R&D investments & Distribution costs to improve our coverage and boost leadership in key areas (North America, APAC, Manufacturing)
- Maintain a Cash Generation profile

- 
- T&L: keep growing in main Geo Areas, capturing ecommerce & CEP trends
  - Retail: growth recovery in the Americas through new products and expanding sales organization
  - HC: keep on substantially growing, both in North America & EMEA
  - Manufacturing: keep on steady growing in China and other main Geo Areas, backed by strong demand for automation and further investments in sales organization in key Geo areas



- Good response of customers on new products launched in 2017; a solid pipeline of new products launches expected in 2018



# Technologies and Products

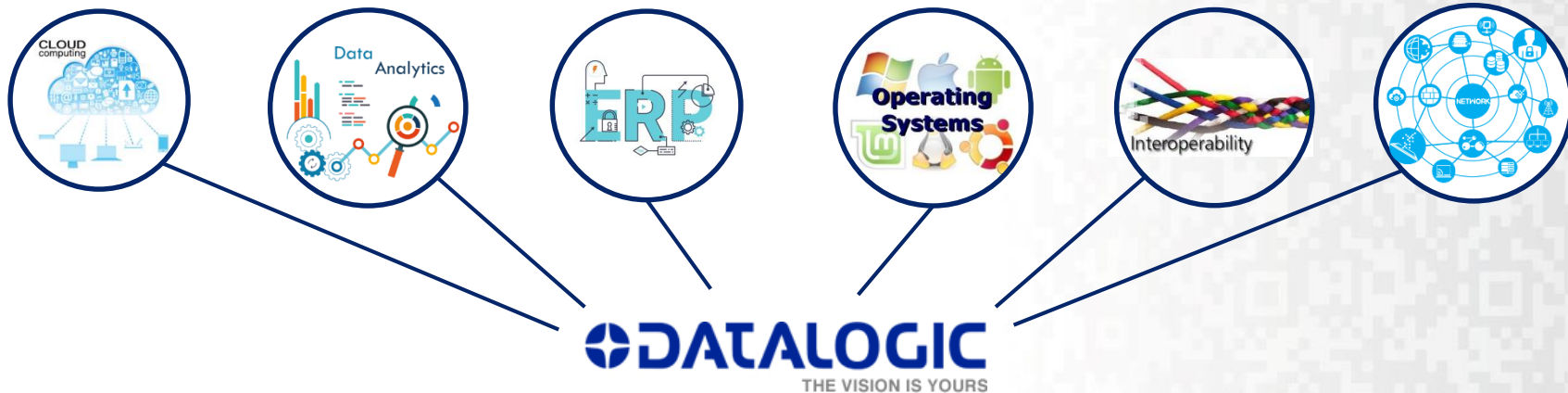
# Product Innovation and Development

- **New product development** process driven by **customer needs**
- A portfolio of more than **1.200 patents**
- **9.1% of Revenues** invested in **R&D** on a yearly basis, equal to over €55 million in 2017
- **13% of sales** come from **new products\***
- **11 Research & Development Centers**
- **470 R&D resources**, more than 450 Engineers, engaged in new product development and emerging technologies



*\* Are considered new products the products announced in the last 24 months*

# Datalogic Technology Roadmap



## Goal:

Identification – selection – protection – development, of technologies needed to maintain the business performance in accordance with the company's objectives for the next 5 years

## Methodology:

Define the **technology stack**, divided by:

- Core technologies: Not available on the market
- Product driven technologies: Used heavily in our products
- Solution driven technologies: Contribute to the consumer's experience



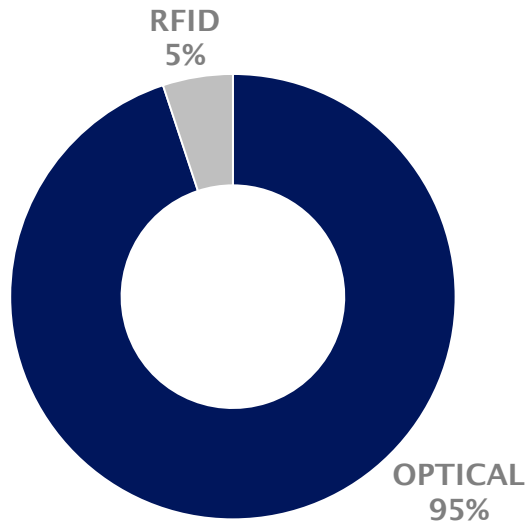
# Technology Stack



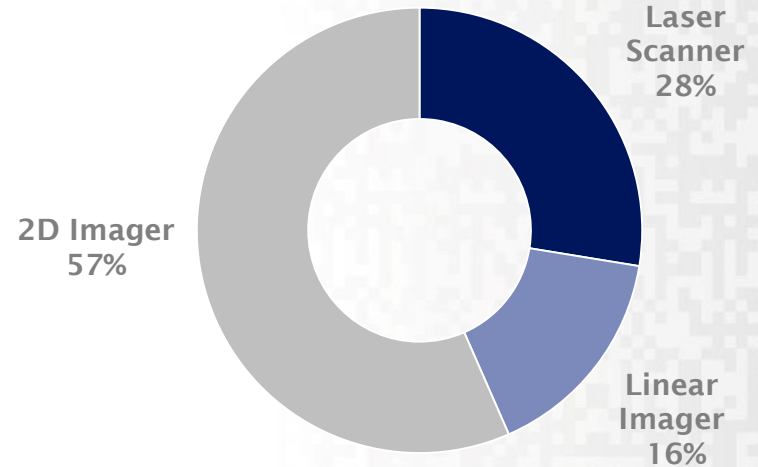
# Market split by Technology

Datalogic can offer all the technologies available for products identification

## Data Capture Technology



Market Value: \$4.3 Bn



includes only Hand Held Scanners, Industrial Stationary Scanners and Point of Sale Check Out






2017 (base year 2016)

# 2017 New Products Introduction

## Q1

<b>HAND HELD</b>	 <p>POWERSCAN 9500 RT</p>
<b>AUTOMATION</b>	 <p>IMPACT 11.10 RELEASE</p> <p>MATRIX 300N POLARIZED</p>
<b>RFID</b>	 <p>DLR-BT001</p> <p>DLR-TL001</p> <p>DLR-DK001</p>

## Q2

<b>MOBILE</b>	 <p>MEMOR™ X3 HC</p>
<b>AUTOMATION</b>	 <p>MATRIX 120 WA and POLARIZED</p>
<b>LABS</b>	 <p>HALOGEN DE2012-WA-DL</p>

## Q3

<b>HAND HELD</b>	 <p>DSE04x1</p> <p>RIDA BC6020</p> <p>POWERSCAN™ 9100</p> <p>QW2400</p>
<b>MOBILE</b>	 <p>JOYA TOUCH A6 &amp; A6 HC</p> <p>RHINO II</p>
<b>FRS / T&amp;L</b>	 <p>MAGELLAN 3450VSI</p> <p>MAGELLAN 3550HSI</p>
<b>AUTOMATION/ LABS</b>	 <p>HERBO DE1011-SR</p> <p>11.11 IMPACT SW RELEASE</p> <p>DS5100</p>

## Q4

<b>MOBILE</b>	 <p>SKORPIO X4</p> <p>New trigger handle for DL-AXIST</p>
<b>AUTOMATION</b>	 <p>SLS-B5 LASER SENTINEL</p> <p>LIGHTER 6.4</p> <p>SG4 FIELDBUS</p> <p>DL.CODE 1.5</p>
<b>RFID</b>	 <p>DLR-PR001 UHF LONG RANGE PORTAL READER</p>

# Financials

# Best ever results in Datalogic history



## FY2017 RESULTS

€ m

REVENUES  
**€606.0**  
+5.1%  
(+6.0% at constant FX)

**€103.3**  
EBITDA  
(+14.3%)

**17.0%**  
EBITDA  
MARGIN  
(+1.3 p.p.)

**€60.1**  
NET  
INCOME  
(+31%)

## Q4 RESULTS

REVENUES  
**€155.3**  
+0.4%  
(+3.7% at constant FX)

**€25.4**  
EBITDA  
(+7%)

**16.4%**  
EBITDA  
MARGIN  
(+1.1 p.p.)

**€15.0**  
NET  
INCOME  
(+202%)

**Net Cash position at €30.1**



# Improvements across the whole P&L

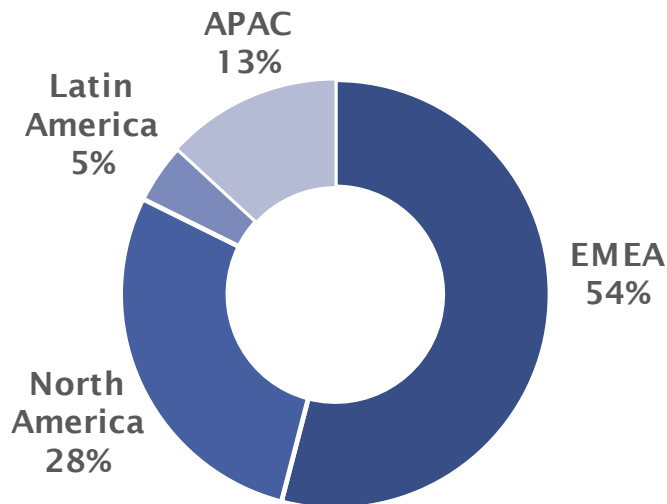
€ m	FY2017	FY2016	Var%
<b>Revenues</b>	<b>606.0</b>	<b>576.5</b>	<b>5.1%</b>
Gross Operating Margin	288.4	265.1	8.8%
<i>%on Revenues</i>	47.6%	46.0%	
Operating expenses	(202.7)	(192.3)	5.4%
<i>%on Revenues</i>	(33.5%)	(33.4%)	
<b>EBITDA</b>	<b>103.3</b>	<b>90.4</b>	<b>14.3%</b>
<i>Ebitda margin</i>	17%	15.7%	
<b>EBIT</b>	<b>82.9</b>	<b>70.2</b>	<b>18.0%</b>
<i>Ebit margin</i>	13.7%	12.2%	
<b>EBT</b>	<b>75.5</b>	<b>66.9</b>	<b>12.8%</b>
Taxes	(15.4)	(21.0)	-27.0%
<b>Net Income</b>	<b>60.1</b>	<b>45.8</b>	<b>31.0%</b>
<i>% on Revenues</i>	9.9%	8%	
<i>Exchange Rate</i>	1.1297	1.1069	

- **Revenues** up 5.1% to €606.0 m (+6.0% at constant exchange rate)
- **GOM showing steady improving trend at 47.6%** (around +160 bps vs 2016)
- **R&D on revenues** from 8.7% to 9.1% (from 9% to 9,5% for Datalogic Business)
- Timing effects & efficiencies on **distribution costs** (+2.3% YoY)
- **EBITDA margin at 17%** mainly thanks to improvement in the GOM
- Unfavorable forex and higher gross debt on financial costs
- **Tax rate at ~ 20%**
- **Impressive growth of net income +31% to €60.1 m**

# Group Revenues by country

## REVENUES BY GEOGRAPHIC AREA

€ m	FY 2017	FY 2016	Var%
EMEA	327.5	304.5	7.5%
North America	171.4	178.3	(3.8%)
Latin America	27.5	30.0	(8.5%)
Asia Pacific	79.6	63.6	25.1%
<b>Total Revenues</b>	<b>606.0</b>	<b>576.5</b>	<b>5.1%</b>

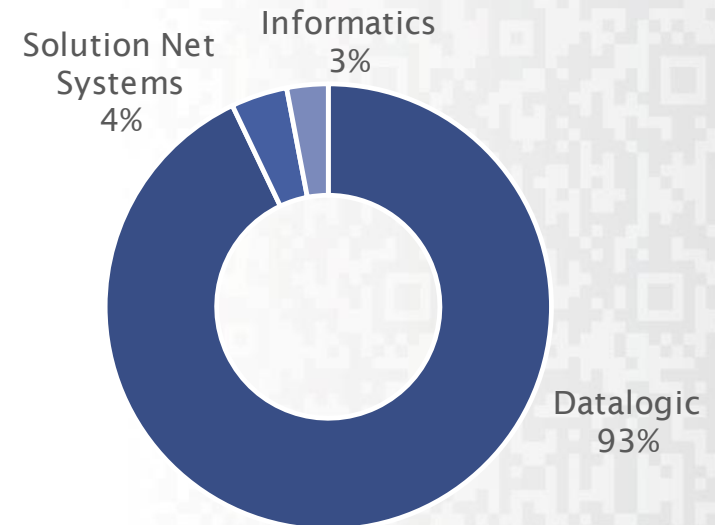


- **Strong growth in APAC** driven by China (+55%) in Manufacturing mainly
- **Confirming leadership in EMEA** led by Retail (+11%)
- **NA growth driven by T&L (+11%) and Healthcare (+97%);** strong performance of Solution Net Systems. Retail and Informatics negatively offsetting performance
- **LA heavily impacted by FX and 2016 large deals**

# Group Revenues & EBITDA by division

## REVENUES BY DIVISION

€ m	FY2017	FY2016	Var%
Datalogic	564.0	534.2	5.6%
Solution Net Systems	24.7	20.2	22.5%
Informatics	20.6	24.4	(15.5%)
<i>Adjustments</i>	(3.3)	(2.3)	42.2%
<b>Total Revenues</b>	<b>606.0</b>	<b>576.5</b>	<b>5.1%</b>



- **Datalogic** driven by growth of Fixed Retail Scanners, Identification and Hand Held products. Strong growth through Channel towards SMEs (+14.2%)
- **Solution Net Systems** strong top line growth (+22.5%) and sound turnaround in profitability
- **Informatics** top line still on downward trend but profitability turned positive

€ m

## EBITDA BY DIVISION

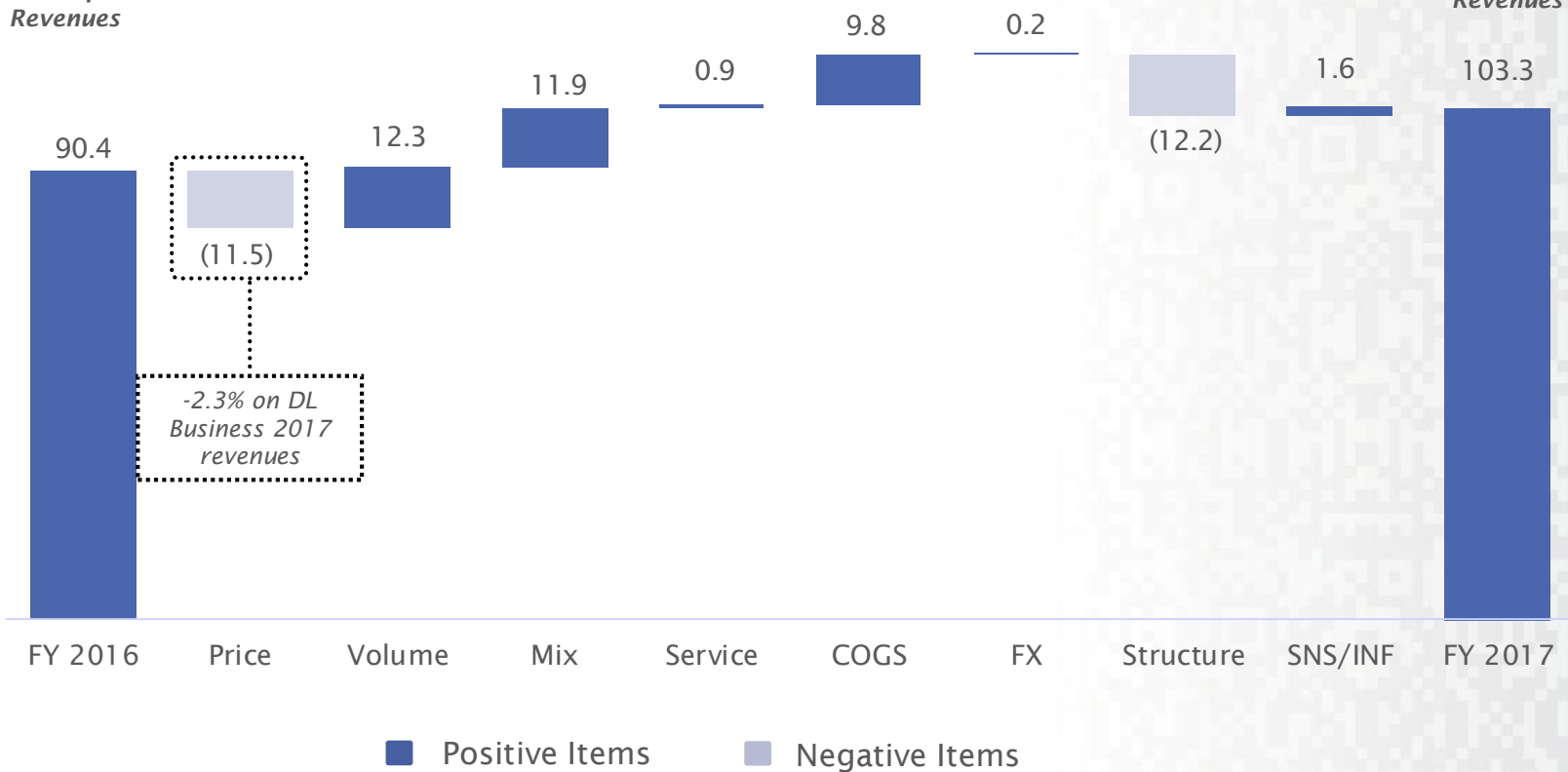
	FY2017	FY2016
Datalogic	100.2	93.1
Solution Net Systems	2.9	(1.0)
Informatics	0.1	(1.5)
<b>Total Group</b>	<b>103.3</b>	<b>90.4</b>

# EBITDA: actual vs last year

€ m

15.7 % on Group Revenues

17.0 % on Group Revenues

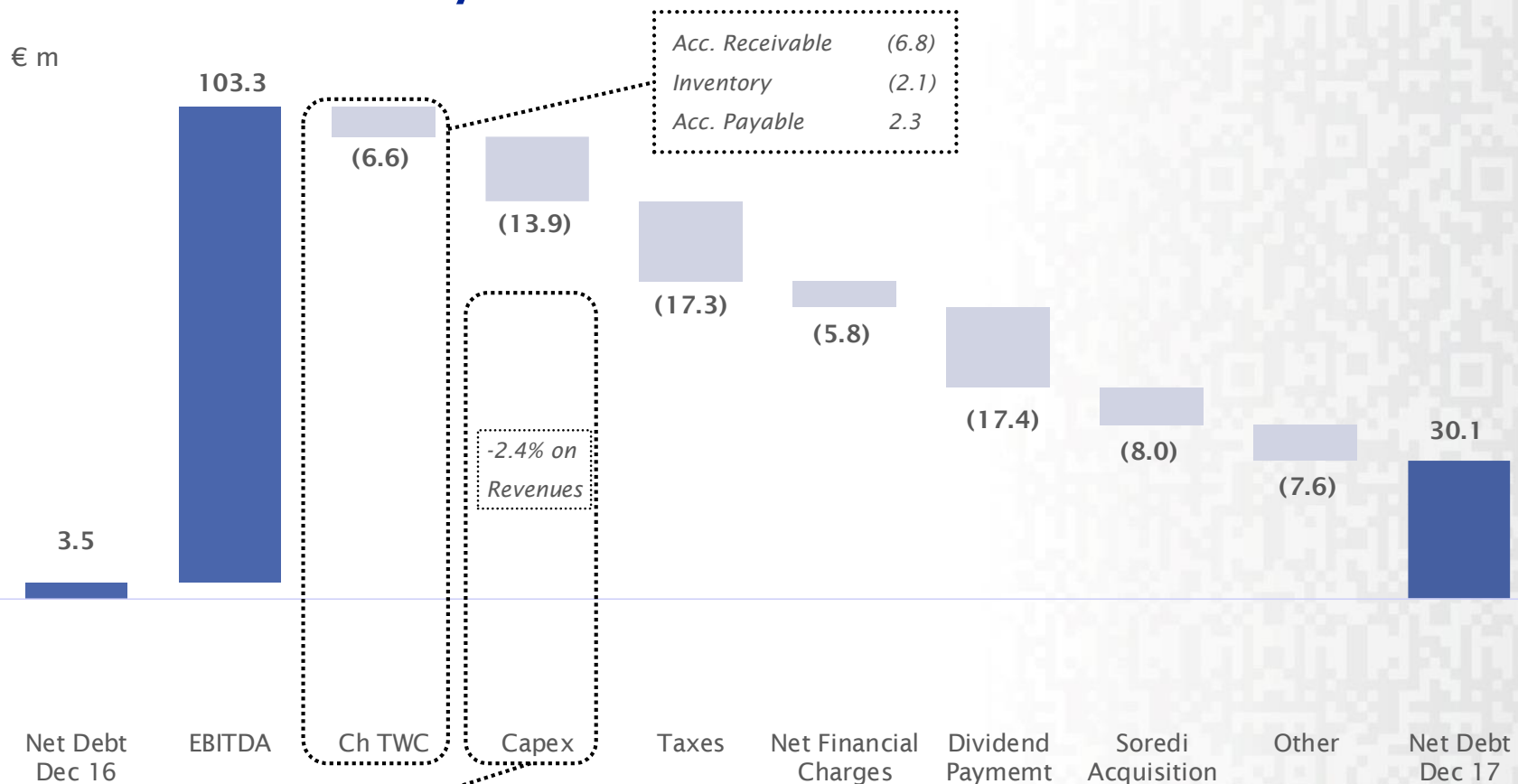


# Consolidated Balance Sheet

€ m

	Dec 2016	Dec 2017		Dec 2016	Dec 2017
<b>Total Fixed Assets</b>	<b>371.7</b>	<b>347.9</b>	<b>Net Financial Position</b>	<b>(3.5)</b>	<b>(30.1)</b>
<b>Trade receivables</b>	<b>75.5</b>	<b>83.2</b>			
<i>% on 12m rolling sales</i>	<i>13.1%</i>	<i>13.7%</i>			
<b>Inventories</b>	<b>82.3</b>	<b>85.9</b>			
<i>% on 12m rolling sales</i>	<i>14.3%</i>	<i>14.2%</i>			
<b>Trade payables</b>	<b>(104.6)</b>	<b>(107.7)</b>	<b>Net Equity</b>	<b>336.4</b>	<b>353.0</b>
<i>% on 12m rolling sales</i>	<i>-18.1%</i>	<i>-17.8%</i>			
<b>Trade Working Capital</b>	<b>53.2</b>	<b>61.5</b>			
<i>% on 12m rolling sales</i>	<i>9.2%</i>	<i>10.1%</i>			
<b>Other assets/liabilities</b>	<b>(92.1)</b>	<b>(86.5)</b>			
<b>Net Invested Capital</b>	<b>332.9</b>	<b>322.9</b>	<b>Total Sources</b>	<b>332.9</b>	<b>322.9</b>

# Net Debt Analysis: Dec'16 – Dec'17



# Contact

## IR CONTACTS

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## NEXT EVENTS

**May 9<sup>th</sup>, 2018**

1Q results

**May 23<sup>rd</sup>, 2018**

Shareholders' meeting

**August 9<sup>th</sup>, 2018**

6M results

**November 13<sup>th</sup>, 2018**

9M results

## DATALOGIC ON LINE

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