



Italian Industrial Day
Milan
6 September 2017

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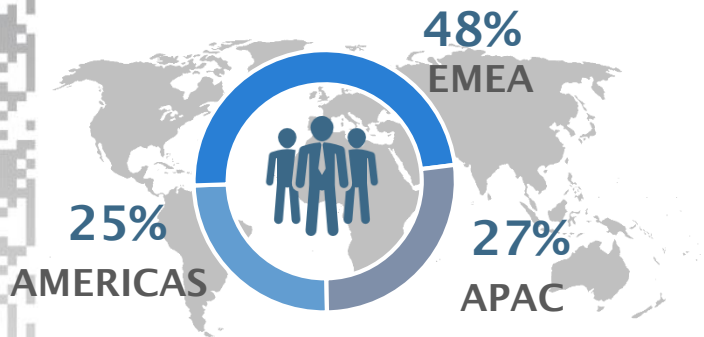
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Group Overview

Datalogic at a glance



2,700 EMPLOYEES



WORLD PRESENCE



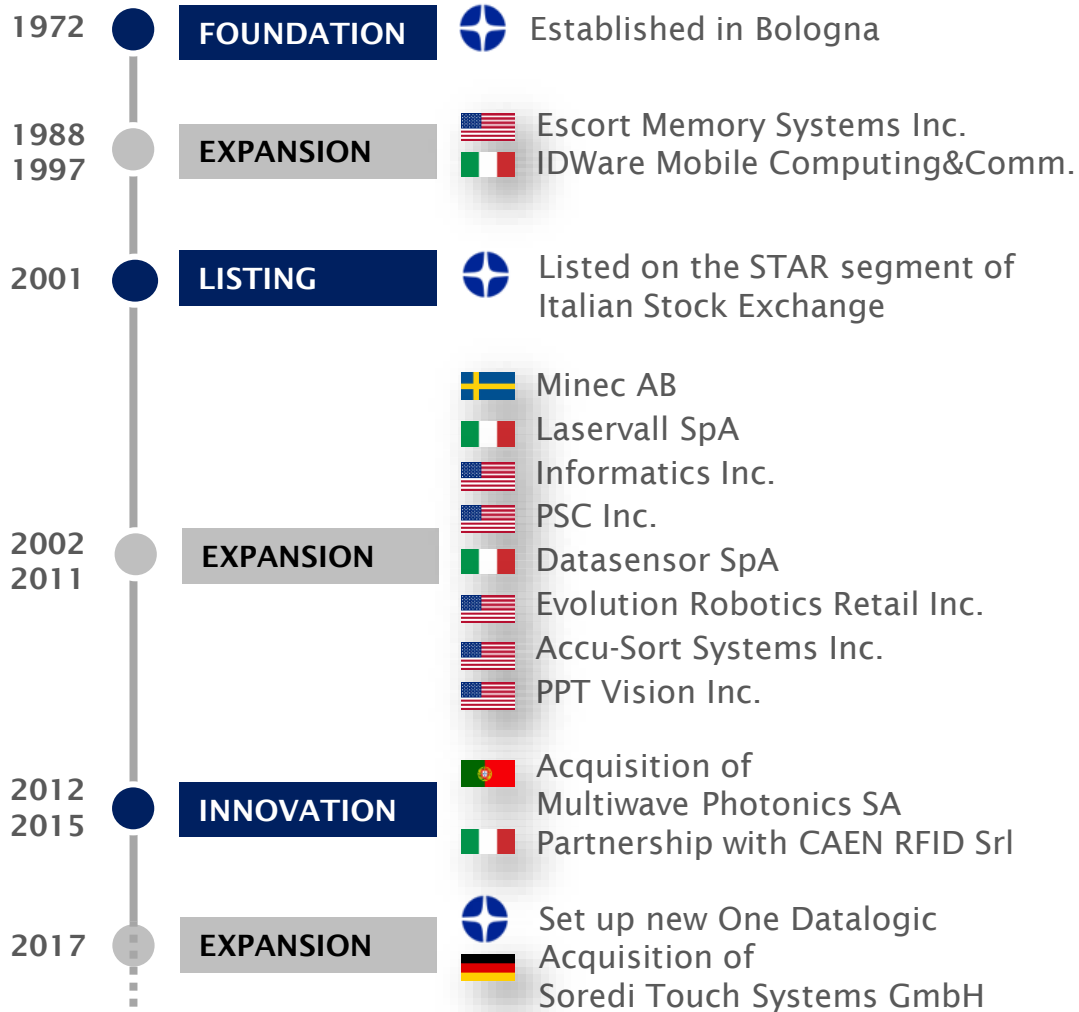
30
Countries



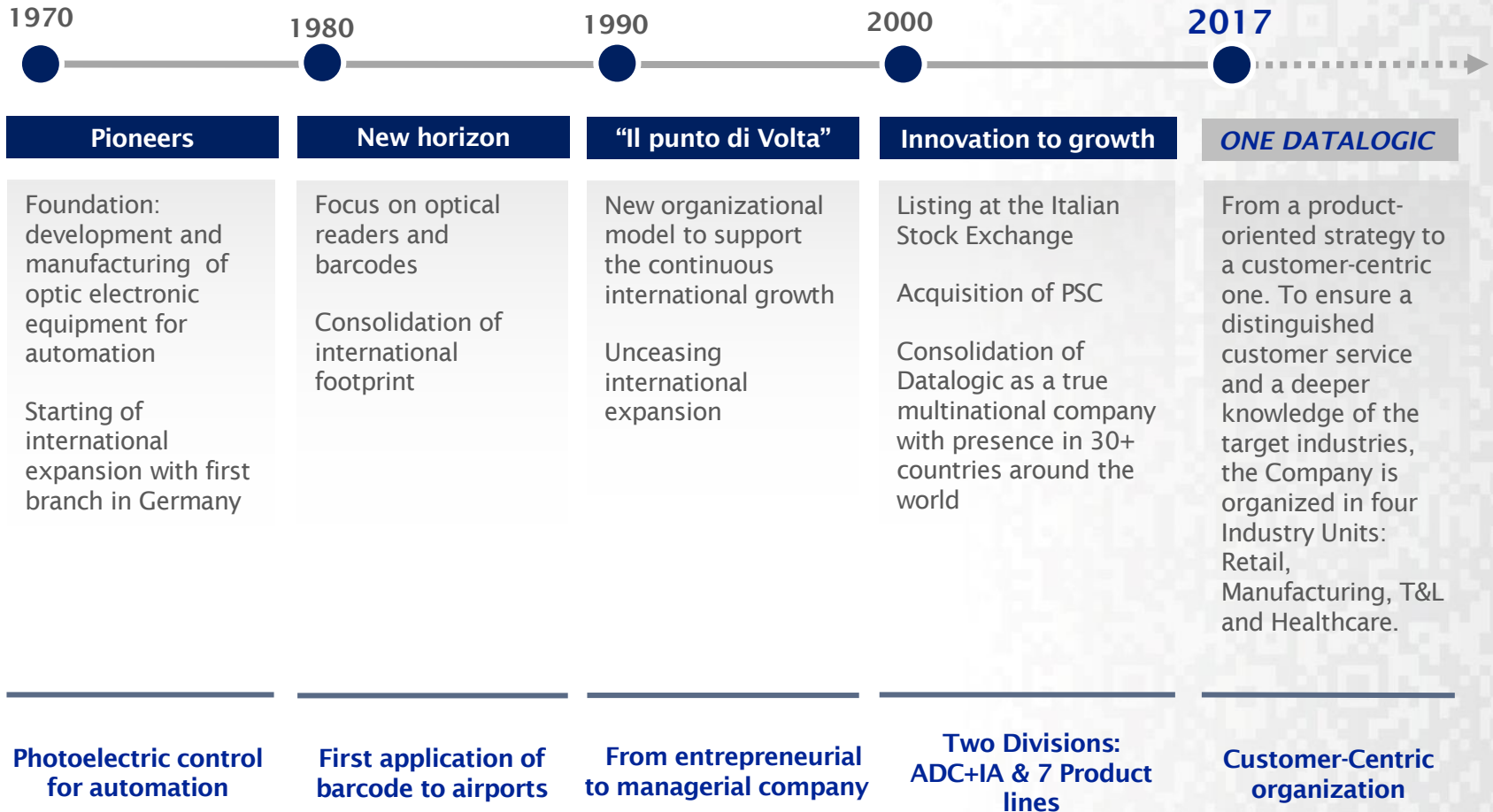
>1,200
Patents

- **Global leader** of barcode readers, mobile computers, sensors, vision systems and laser marking systems with **cutting-edge** solutions in verticals market: **Retail, Transportation & Logistics, Manufacturing, Healthcare Industries**
- **Founded in 1972 by Romano Volta** in Bologna, Italy and listed on the STAR Segment of the Italian Stock Exchange since 2001
- A large portfolio of more than 1,200 patents
- **About 2,700 employees**, of which 470 in R&D
- Direct presence in 30 countries worldwide selling to 120 countries, with more than 1,000 partners worldwide

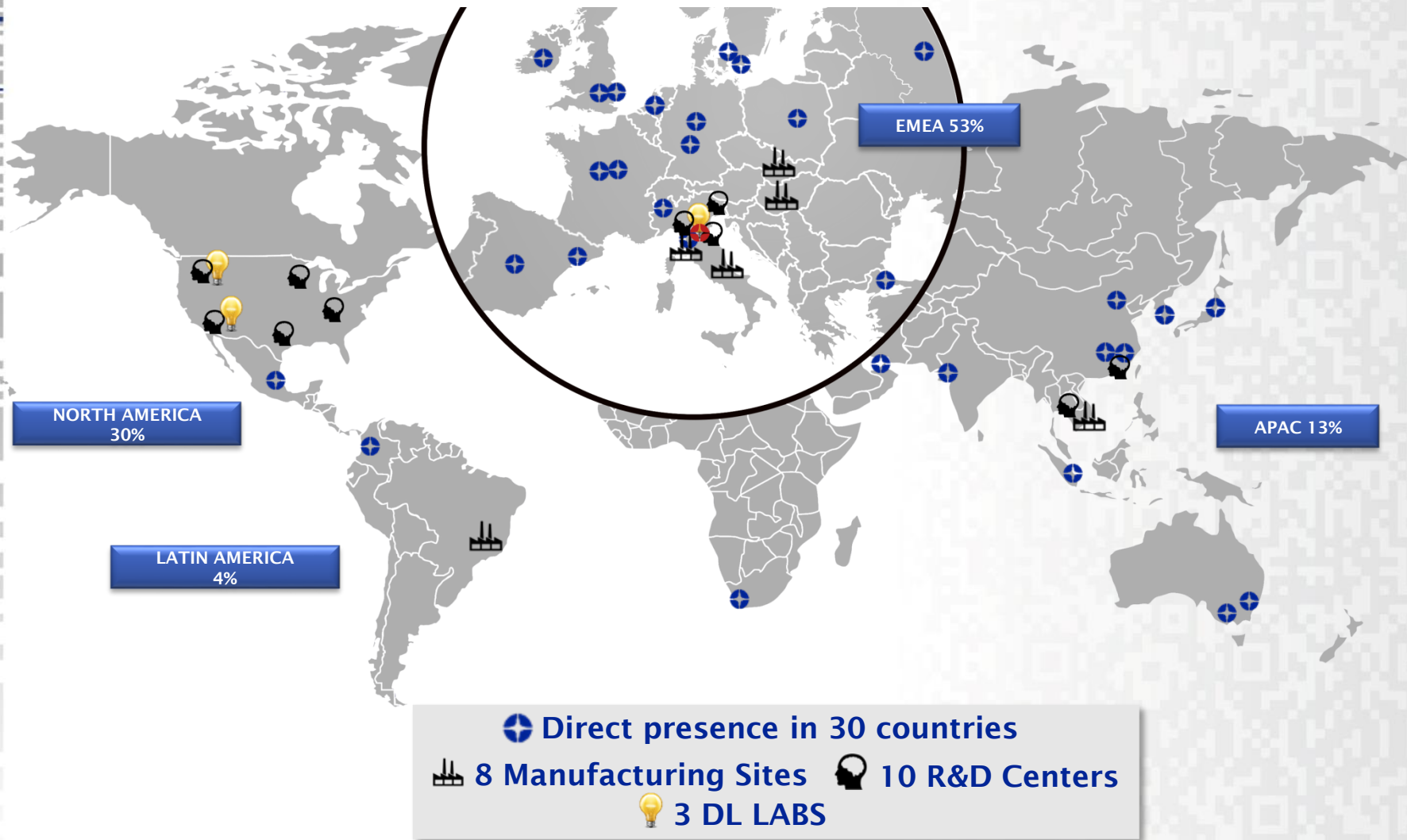
Over 40 years of Technological Innovation



A continuous improving Strategy



A Wide Geographical Footprint



Note: Breakdown by area based on 1H2017 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

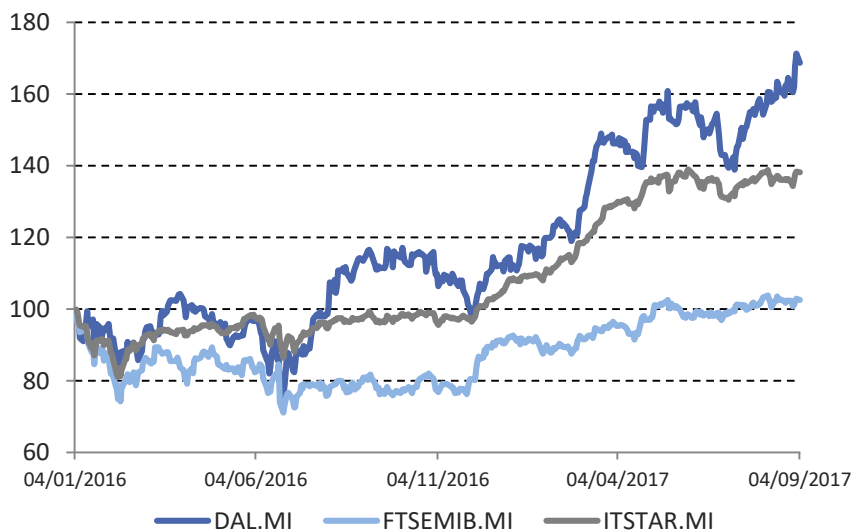
Price (September 4th, 2017): 27.8 Euro

Market Cap (September 4th, 2017): 1.62 B Euro

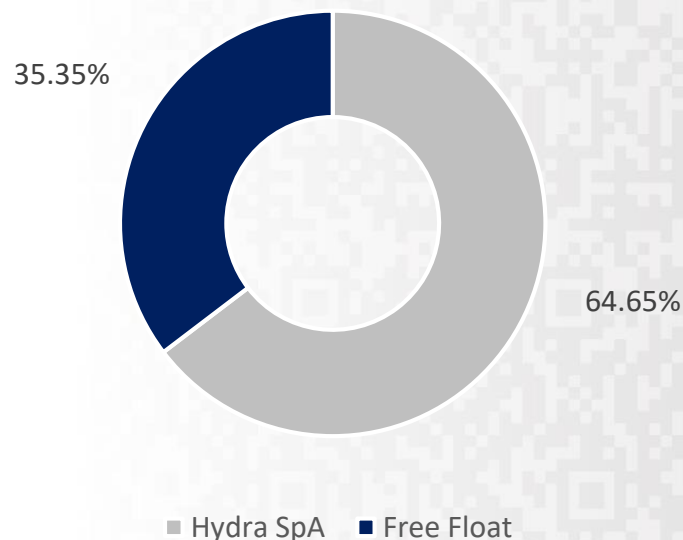
Specialist: Intermonte SIM

Auditing Company: EY

DATALOGIC PRICE PERFORMANCE



SHAREHOLDERS' STRUCTURE



Strategy

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 features the word "DATALOGIC" in blue capital letters with a blue circular icon containing a white crosshair to the left of the text.

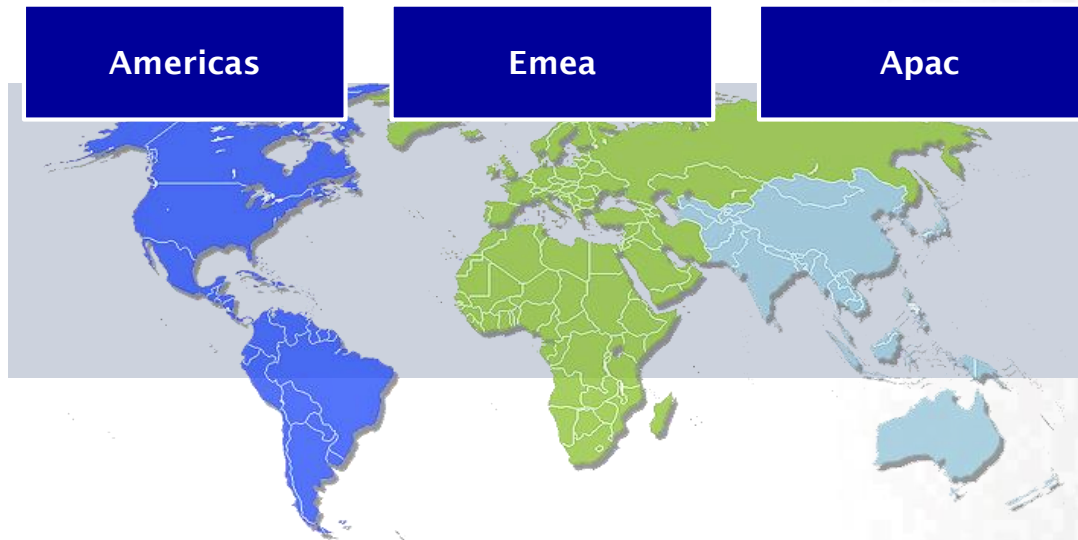
COGNEX

KEYENCE

SICK

Sensor Intelligence.

A Unique Selling Proposition...



* 1H2017 Datalogic Division revenues breakdown

...with a Wide and Complementary Offer



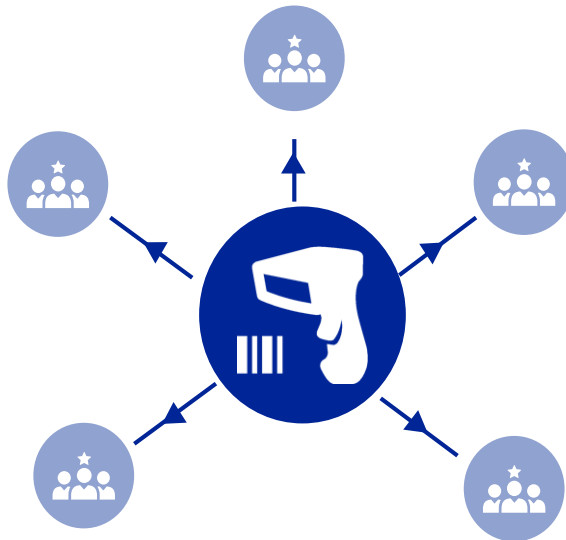
A Customer-Centric Organization

From

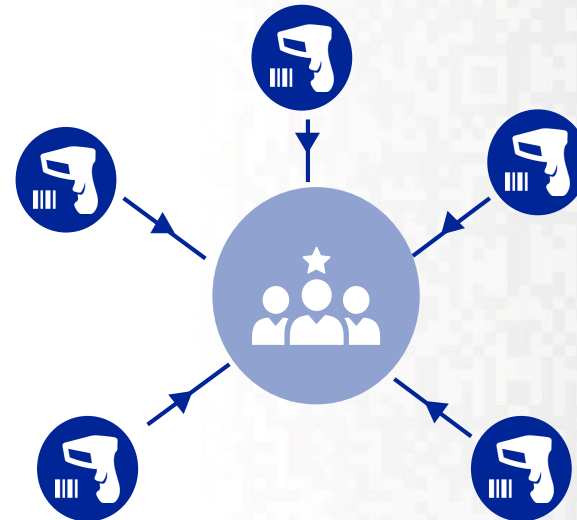
Product-oriented company

To

Customer-centric organization



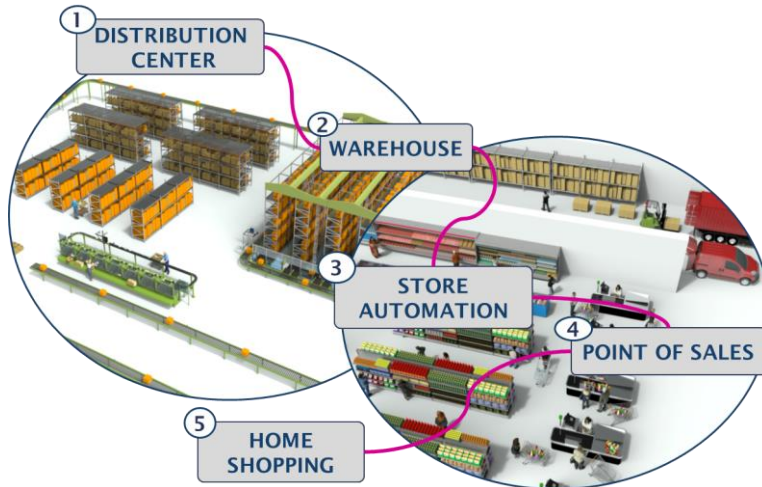
Vendor: proactive and reactive sales of products to meet contingent Customer needs



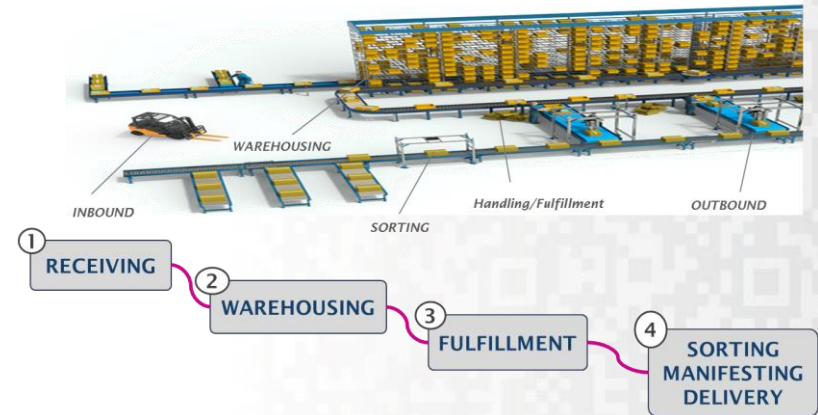
Partner: long term relationship with Customers to fulfill unexpressed needs and to achieve new endeavors

Datalogic's offer along the value chain

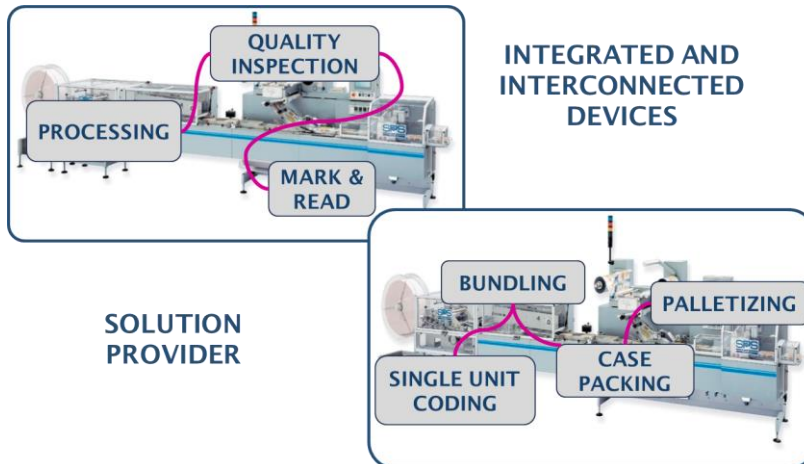
Retail Flows and Applications



T&L Flows and Applications



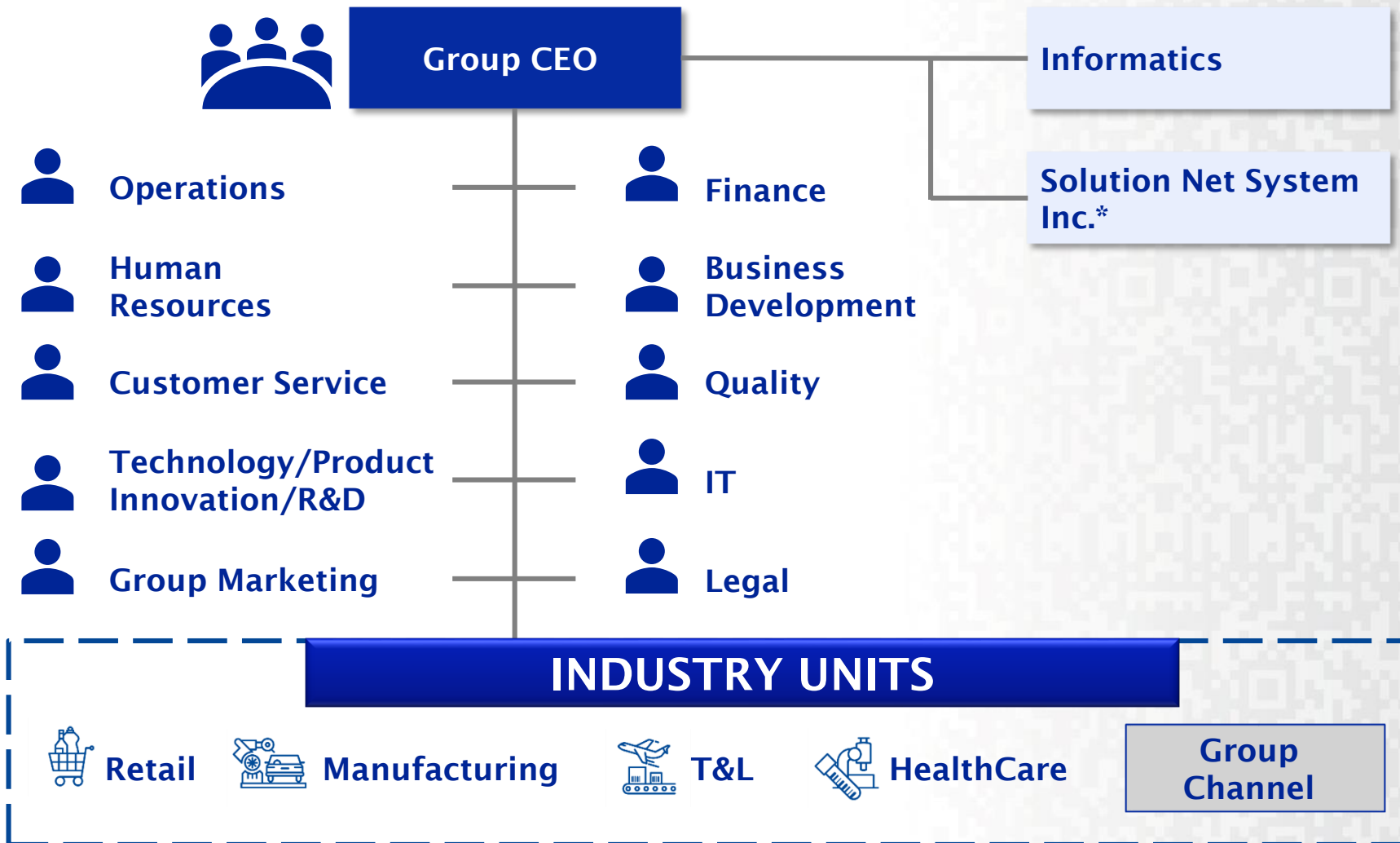
Manufacturing Flows and Applications



Healthcare Flows and Applications



New One DATALOGIC Group Organization



**The newco Solution Net System Inc. is the result from the spin-off of the Systems Business Unit.*

A clear new 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

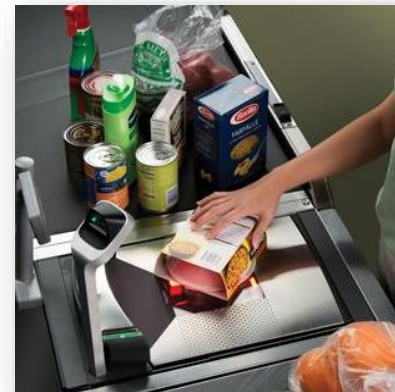
New products

Product Innovation and Development

- New product development process **that starts from the Customers' needs** – 1st milestone of the new product development
- A large and growing portfolio of more than **1,200 patents and pending patent applications**
- About **300 pending patent applications** in all jurisdictions
- **In 2016 24.3% of revenues from new products***
- **10 Research & Development Centers**
- Around **470 people employed in R&D**, of which more than **400 Engineers**



Portal Scanning



Digital Watermarking



Joya Touch

RIDA



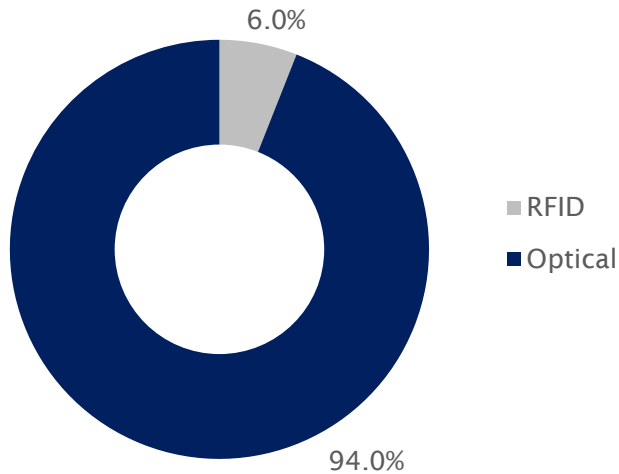
DL-Axist

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

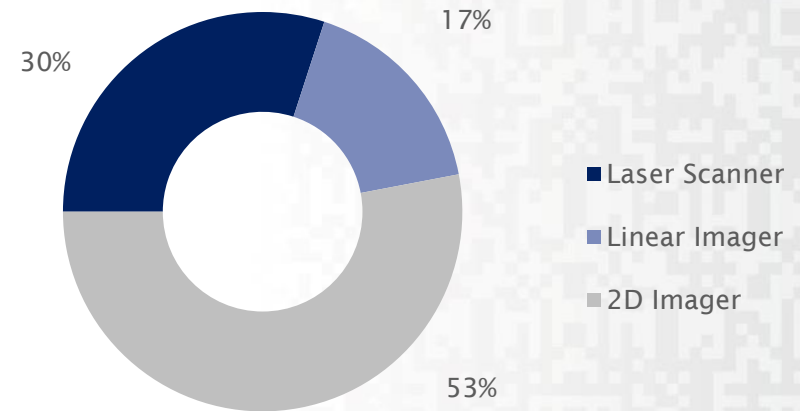
Market split by Technology

Datalogic can offer all the technologies available for products identification

Data Capture Technology



Market Value: \$4.0 Bn







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



2016 (base year 2015)

Q1 2017 New Products

Picture	Product name	Description
	<p>PowerScan Retail</p>	<p>The new PowerScan 9500 Retail series targets the most demanding POS check-out environments, where the handheld scanner is used to compliment fixed scanners, bottom-of-the-basket items, loyalty cards and capable of reading 2D bar codes from Smartphones. The outstanding robustness and higher depth of field create the ideal solution for Grocery, Hypermarket/ Superstore, Cash & Carry, Wholesalers and Home Improvement stores</p>
	<p>RFID solution</p>	<p>Datalogic enters the RFID market with a full range of products: Bluetooth® Reader, Desktop Reader, Temperature Logger for the following target markets:</p> <ul style="list-style-type: none"> • Retail non-food: Product localization, real-time inventory and security checkout in apparel, footwear and accessories • Transportation & Logistics: Manual or automatic inventory restocking, Shipping/Receiving, Luggage sorting at airports • Healthcare: Pharmaceuticals and blood traceability • Manufacturing: Automatic detection on conveyor belts
	<p>Impact 11.10 release</p>	<p>A new version of the powerful IMPACT software, version 11.10, that increases performance and capabilities of the Pattern Sorting Tool (PST), a unique machine vision tool able to recognize thousands of products.</p> <p>Product Identification in Manufacturing: Bar codes are not present or visible at every single stage of the production process. The PST provides identification without bar codes enabling full product traceability, quality and safety.</p> <p>Product Identification in Logistics: In automated warehouses and distribution centers, the PST enables the safe handling of hazardous materials and reduces incorrect shipment rates enabling HazMat label detection and cross-check applications</p>
	<p>MATRIX 300N™ POLARIZED</p>	<p>MATRIX 300N™ POLARIZED, an ultra-compact 2D imager featuring a built-in polarizing filter.</p> <p>The Matrix 300N™ Polarized is ideal for Electronics, Automotive and Packaging industries. It is a top performing, compact 2D imager offering extreme reading performance at high speed and in DPM applications.</p>

Q2 2017 New Products

2/2

Picture

Product name

Description



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



MATRIX 120™

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.



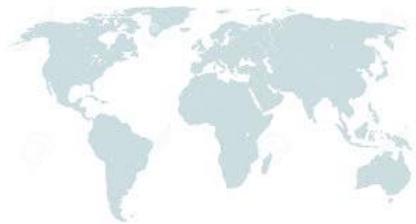
HALOGEN™
DE2012-WA-DL

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.

Financials

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*

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>	48.2%	47.0%	
Operating expenses	(48.7)	(47.8)	1.8%
<i>%on Revenues</i>	(30.9%)	(32.7%)	
EBITDA	31.1	26.1	18.8%
<i>Ebitda margin</i>	19.7%	17.8%	
EBIT	25.9	21.1	22.9%
<i>Ebit margin</i>	16.4%	14.4%	

- 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

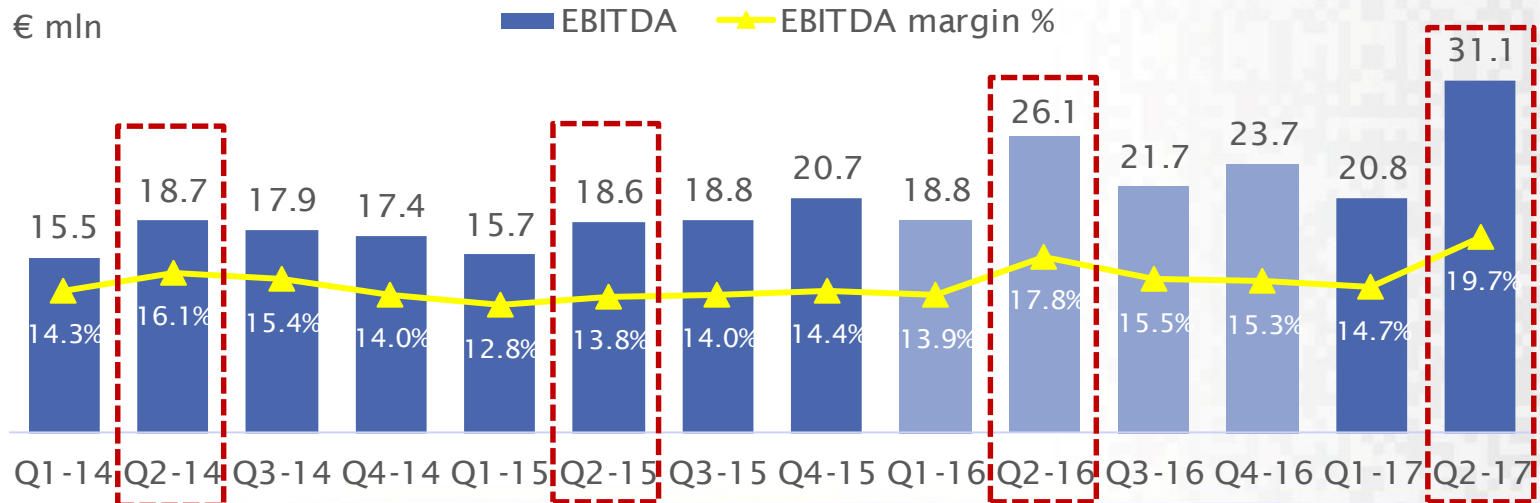
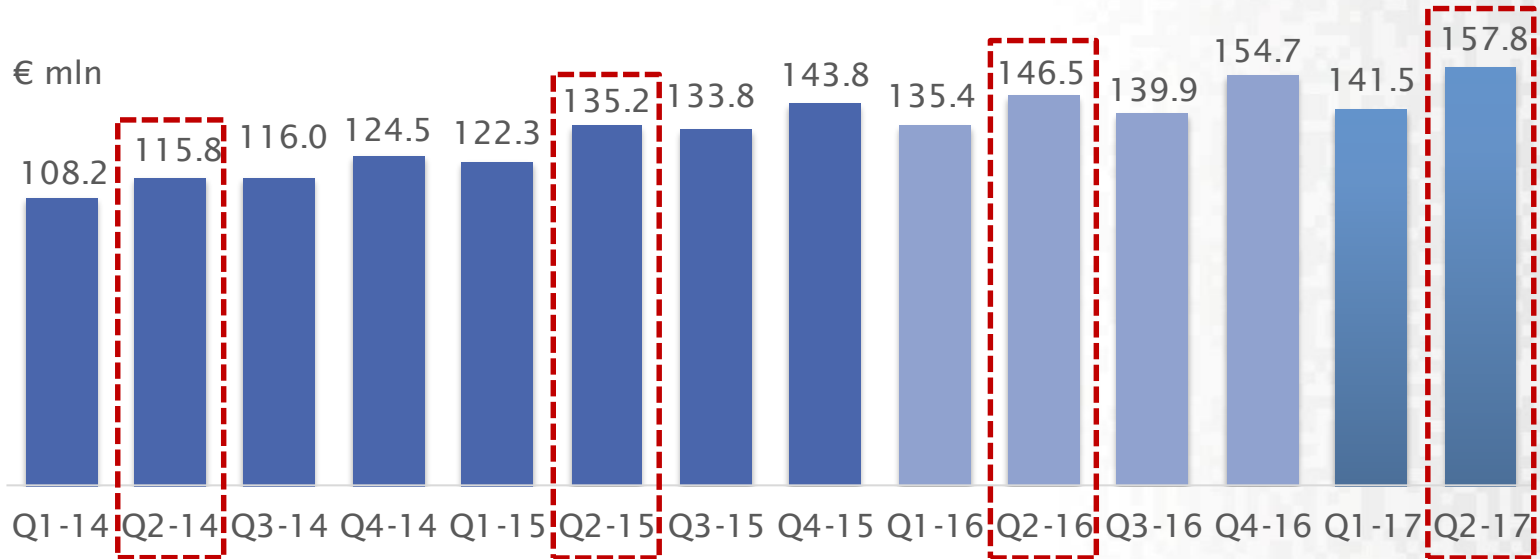
Improvements across the whole P&L

€ 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%)	
EBITDA	51.8	45.0	15.3%
<i>Ebitda margin</i>	17.3%	16.0%	
EBIT	41.2	35.3	16.6%
<i>Ebit margin</i>	13.8%	12.5%	
EBT	37.2	32.8	13.5%
Taxes	(7.9)	(6.6)	20.0%
Net Income	29.3	26.2	11.9%
<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%

Best quarter in Datalogic history

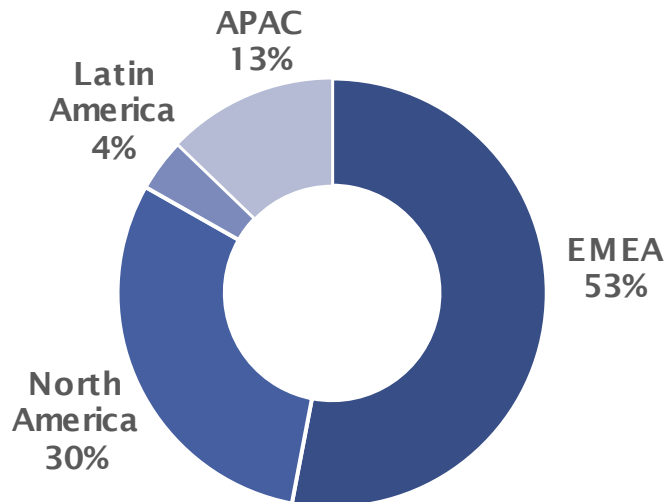
REVENUES



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%
Total Revenues	299.3	281.8	6.2%

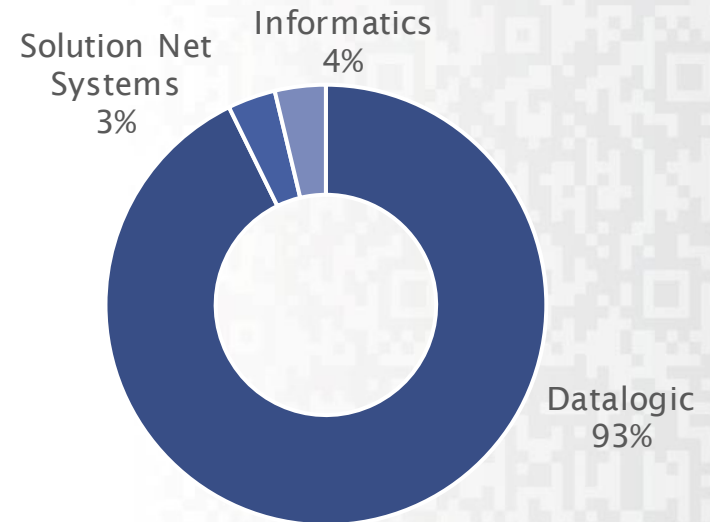


- Revenues up 6.2% to € 299.3 mln (+4.8% at a constant exchange rate)
- **Strong growth in APAC** driven by **China** (+28%) in Manufacturing and T&L
- **Confirming Leadership in EMEA** led by Retail
- **NA growth** driven by T&L and Healthcare in Datalogic division (+7.3%); Informatics dragging down 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.
Total Revenues	299.3	281.8	6.2%



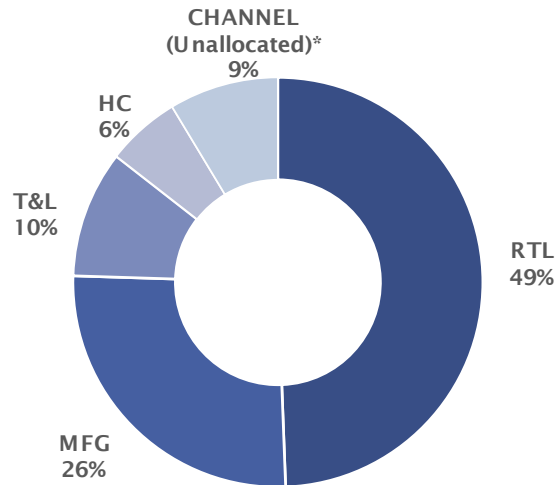
- **Datalogic Division** over performing Group growth driven by a double digit growth of Fixed Retail Scanners, ID and Machine Vision
- **Solution Net Systems**, keeps on steady growing (+ 6.3%), and profitability turnaround
- **Informatics** still in a downward trend, though improving on a quarterly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

EBITDA BY DIVISION

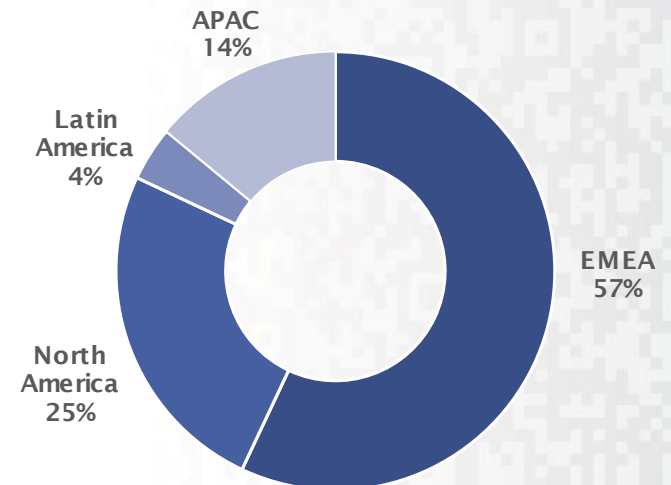
	H12017	H12016
Datalogic	51.3	46.1
Solution Net Systems	0.8	(0.9)
Informatics	(0.3)	(0.3)
Total Group	51.8	45.0

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



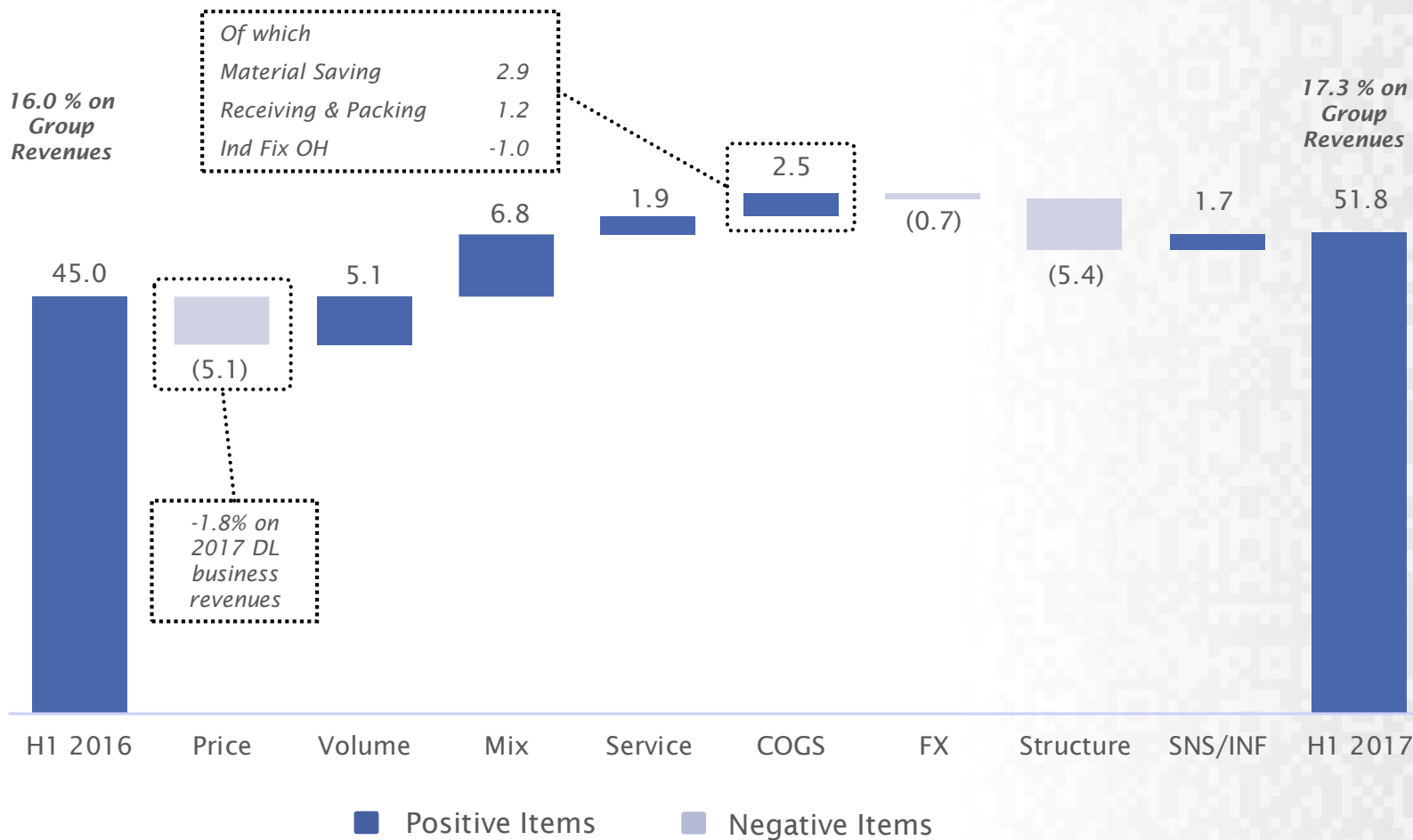
• €16.1 mln (+74.0%)

- 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

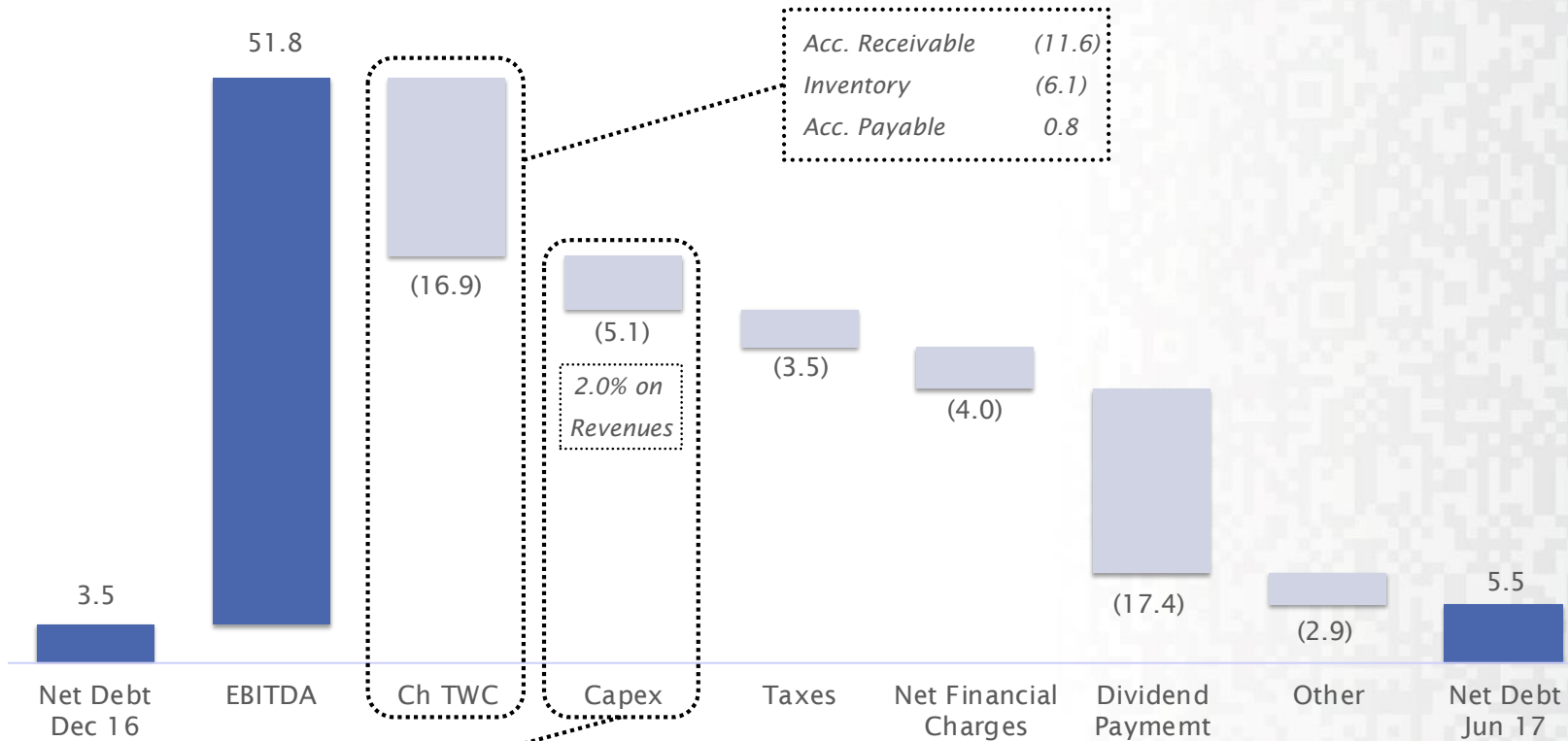


Consolidated Balance Sheet

	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

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



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

Contact

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NEXT EVENTS

October 9-10, 2017
STAR Conference 2017, London

November 13th, 2017
9M results

DATALOGIC ON LINE

www.datalogic.com