



1H 2014 Conference Call

July 30th, 2014

Agenda

- 1H 2014
- Outlook

1H 2014

Highlights 2Q 2014

- Sales recover continues (+7% QoQ) thanks to ADC growth
- Strong improvement in profitability despite increasing R&D investments (+10.8% YoY with an incidence of 8.7% on revenues) and non recurring expenses for around 2.4 M Euro due to restructuring costs
- Improvement of all operating margins YoY: GOM margin from 47.2% to 48.8% and EBITDA Margin from 13% to 16.1%
- Net profit almost doubled thanks to foreign exchange difference and a better tax rate

| €000 | 2Q2014 | 2Q2013 | Var YoY % | 1Q2014 | Var QoQ% |
|------------------------------|--------------|--------------|-----------|--------------|----------|
| Revenues | 115,782 | 116,728 | (0.8%) | 108,246 | 7.0% |
| Gross Operating Margin (GOM) | 56,458 | 55,101 | 2.5% | 52,620 | 7.3% |
| EBITDA | 18,688 | 15,208 | 22.9% | 15,465 | 20.8% |
| <i>EBITDA Margin</i> | <i>16.1%</i> | <i>13.0%</i> | | <i>14.3%</i> | |
| EBITANR | 15,943 | 12,540 | 27.1% | 12,678 | 25.8% |
| Operating Profit (EBIT) | 12,165 | 12,135 | 0.2% | 11,289 | 7.8% |
| Net Profit | 8,293 | 4,121 | 101.2% | 6,951 | 19.3% |

2Q 2014 New Products - ADC



Hand Held Scanner
Powerscan PM9500 2D
The PowerScan PM9500 area imager is a ruggedized cordless reader suitable for all demanding applications.



Mobile Computers
Memor X3

Next generation of the Memor™ mobile computer, that is now offered with a full portfolio of models featuring different scan engine options.

Mobile Computers
New Elf Healthcare
Model specifically developed for healthcare environments and applications, equipped with a chemical resistant plastic enclosure which resists most major cleaning agents.



2Q 2014 New Products – IA & Informatics

Safety & Sensors S100

The S100 series, with standard case dimensions of only 20x32x12 mm, sets a new benchmark for miniature photoelectric sensors with several distinctive features



Identification

Matrix with Packtrack functionality

With Packtrack's advanced SW functionality, the Matrix 450 and Matrix 410 can scan multiple objects at high speeds – eliminating the limitations of gap requirements.



Machine Vision DATAVS2 IR

New models feature an embedded powerful LED illuminator with Infrared emission and an ambient light filter eliminating stray light from the surrounding environment



Identification

Dimensioner DM3610 – 2 Head system

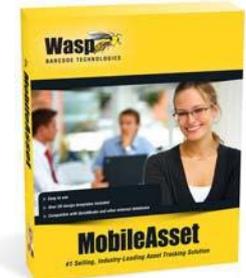
High-performance in-motion dimensioning system that provides the length, width, and height of both cuboidal and irregular objects.



Informatics

Wasp MobileAsset v7

New features available in Mobile Asset



1H 2014 Profit and Loss

| €000 | 1H2013 | | 1H2014 | | Var % |
|--|-----------------|----------------|-----------------|----------------|---------------|
| Revenues | 218,769 | 100.0% | 224,028 | 100.0% | 2.4% |
| COGS | (115,337) | (52.7%) | (114,950) | (51.3%) | |
| Gross Operating Margin | 103,432 | 47.3% | 109,078 | 48.7% | 5.5% |
| Other revenues | 617 | 0.3% | 760 | 0.3% | |
| R&D | (17,397) | (8.0%) | (19,848) | (8.9%) | |
| Distribution Costs | (41,763) | (19.1%) | (40,350) | (18.0%) | |
| Administrative expenses | (22,801) | (10.4%) | (19,961) | (8.9%) | |
| Other operating expenses | (847) | (0.4%) | (1,058) | (0.5%) | |
| Total operating expenses and others | (82,808) | (37.9%) | (81,217) | (36.3%) | (1.9%) |
| EBITANR | 21,241 | 9.7% | 28,621 | 12.8% | 34.7% |
| Non recurring costs/rev | 1,059 | 0.5% | (2,392) | (1.1%) | |
| Amort. Intang. Assets from acquis. | (2,913) | (1.3%) | (2,775) | (1.2%) | |
| Operating Profit (EBIT) | 19,387 | 8.9% | 23,454 | 10.5% | 21.0% |
| Financial (costs)/rev. | (4,157) | (1.9%) | (4,835) | (2.2%) | |
| Results from equity investments | 102 | 0.0% | (58) | (0.0%) | |
| Foreign exchange (costs)/rev. | (1,108) | (0.5%) | 203 | 0.1% | |
| EBT | 14,224 | 6.5% | 18,764 | 8.4% | 31.9% |
| Taxes | (3,987) | (1.8%) | (3,520) | (1.6%) | |
| Net Income | 10,237 | 4.7% | 15,244 | 6.8% | 48.9% |
| Depreciation | (3,886) | (1.8%) | (3,471) | (1.5%) | |
| Amortization | (1,105) | (0.5%) | (2,061) | (0.9%) | |
| EBITDA | 26,232 | 12.0% | 34,153 | 15.2% | 30.2% |
| Exchange rate | 1.3134 | | 1.3703 | | |

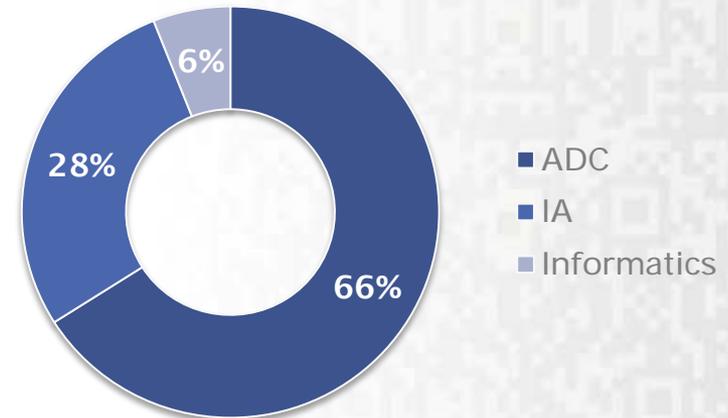
Revenues Trend by Division

- Continuous growth of ADC mainly thanks to investments of retailers in new advanced products Fixed Retail Scanners and Hand Held Readers
- Industrial Automation still suffering due to a lack of projects in the postal segment compared to previous year in North America. Slight recover on a quarterly basis (+5.2% 2Q214 vs 1Q214) thanks to the other lines of products in particular in China and Latin America
- Ongoing reorganization process in Informatics with the appointment of a new General Manager

REVENUES BY DIVISION

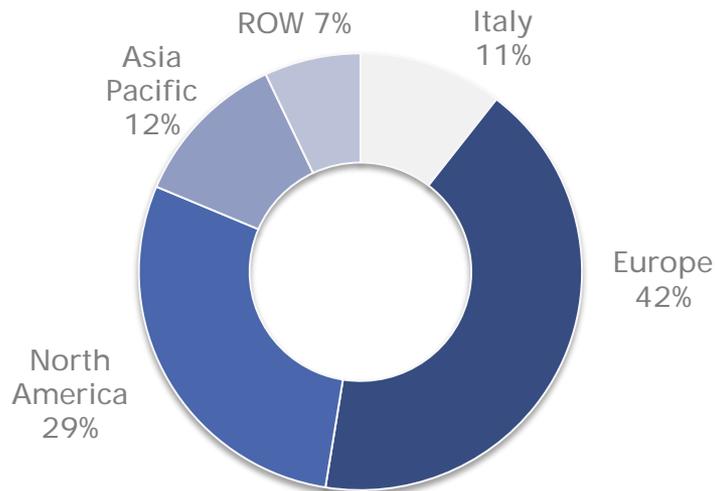
| €000 | 1H2013 | 1H2014 | Var % |
|-----------------------|----------------|----------------|-------------|
| Datalogic ADC | 134,151 | 149,149 | 11.2% |
| Datalogic Automation | 69,041 | 62,654 | (9.3%) |
| Informatics | 15,655 | 13,063 | (16.6%) |
| Datalogic S.p.A. | 11,162 | 12,498 | 12.0% |
| Adjustments | (11,240) | (13,336) | 18.6% |
| Total revenues | 218,769 | 224,028 | 2.4% |

REVENUES BY DIVISION (%)



Revenues Trend by Geographic Area

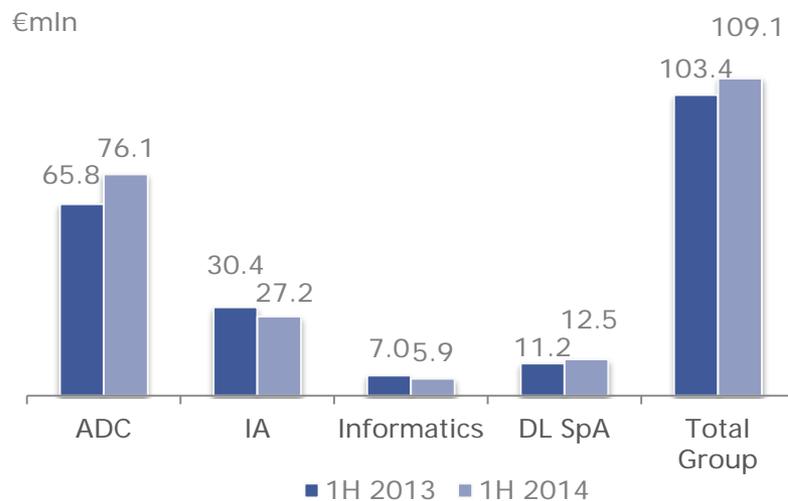
| REVENUES BY GEOGRAPHIC AREA | | | |
|-----------------------------|----------------|----------------|-------------|
| €000 | 1H2013 | 1H2014 | Var % |
| Italy | 20,752 | 23,560 | 13.5% |
| Europe | 83,165 | 94,121 | 13.2% |
| North America | 75,334 | 64,605 | (14.2%) |
| Asia Pacific | 26,289 | 26,001 | (1.1%) |
| ROW | 13,229 | 15,742 | 19.0% |
| Total revenues | 218,769 | 224,028 | 2.4% |



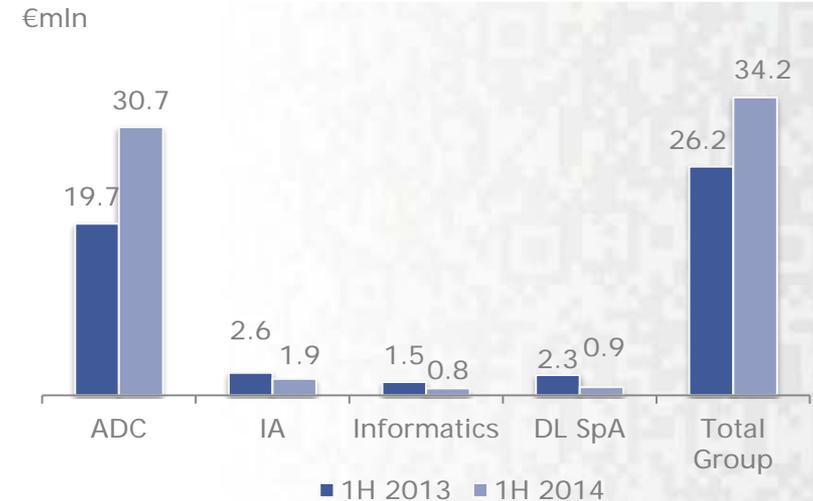
- Revenues growth at constant exchange rate would have been +4,5%
- **Europe** pushed by ADC two digits growth
- **Two speed in North America:** ADC driven by retailers while IA still suffering mainly due to a lack of main orders in postal segment
- **Latin America** grew both in IA and ADC
- **Remarkable growth of Greater China** in both divisions thanks to last year investments
- Opening of a **new branch in Turkey** and one on-site production in **Brazil**

Segment Reporting: GOM and EBITDA

GOM BY DIVISION



EBITDA BY DIVISION



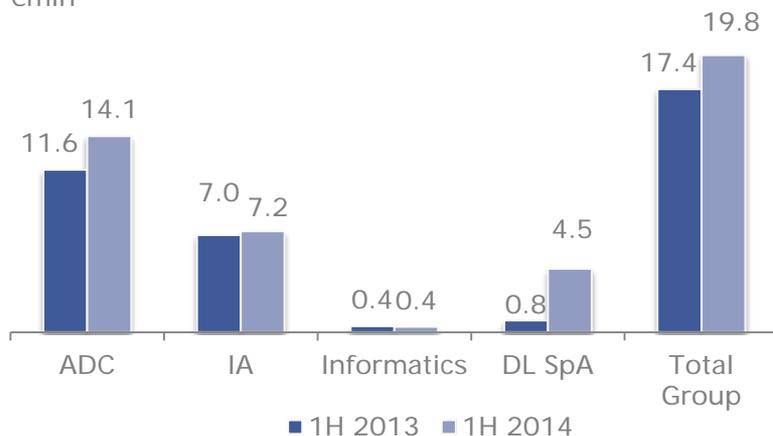
| GOM Margin | 1H13 | 1H14 |
|-----------------------|--------------|--------------|
| ADC | 49.1% | 51.0% |
| Industrial Automation | 44.0% | 43.4% |
| Informatics | 44.8% | 45.1% |
| Total Group | 47.3% | 48.7% |

| EBITDA Margin | 1H13 | 1H14 |
|-----------------------|--------------|--------------|
| ADC | 14.7% | 20.6% |
| Industrial Automation | 3.8% | 3.0% |
| Informatics | 9.8% | 6.2% |
| Total Group | 12.0% | 15.2% |

Segment Reporting: R&D and TWC

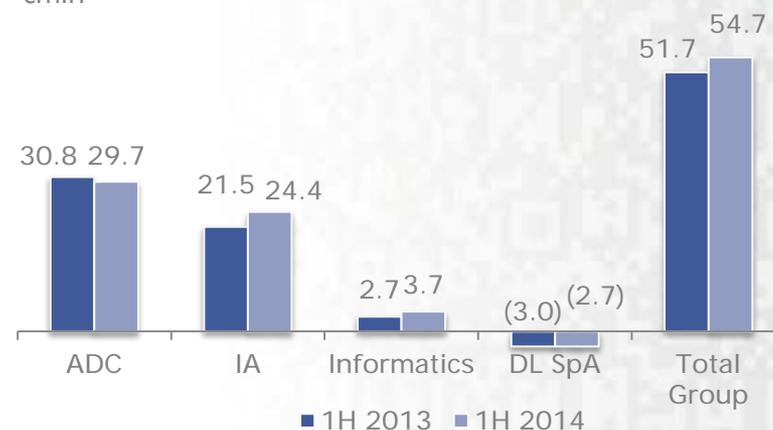
R&D BY DIVISION

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TWC BY DIVISION

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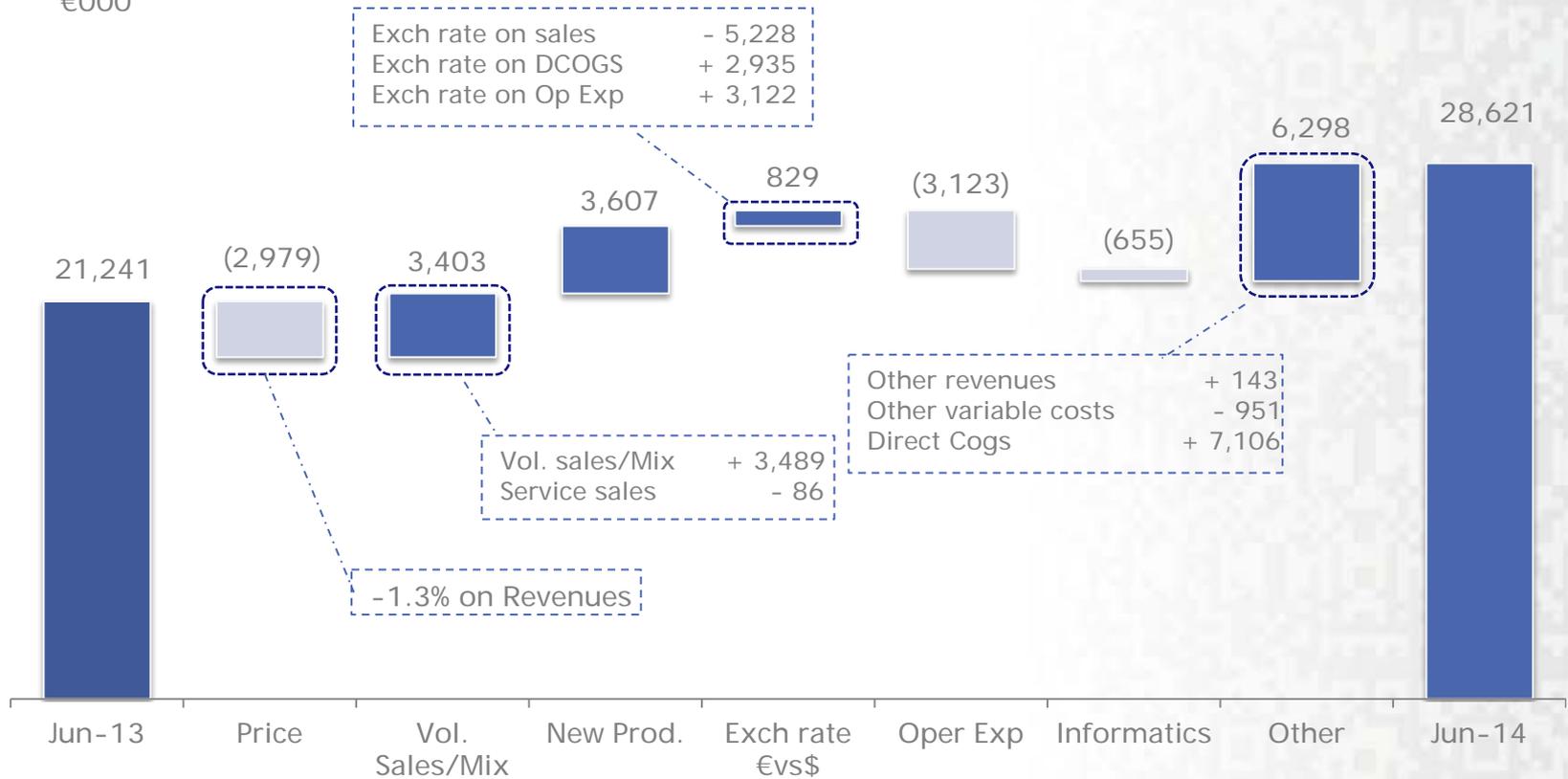


| R&D/Revenues | 1H13 | 1H14 |
|-----------------------|-------------|-------------|
| ADC | 8.7% | 9.4% |
| Industrial Automation | 10.1% | 11.5% |
| Informatics | 2.7% | 2.9% |
| Business Development | 7.5% | 36.3% |
| Total Group | 8.0% | 8.9% |

| TWC/Annualized Revenues | 1H13 | 1H14 |
|-------------------------|--------------|--------------|
| ADC | 11.6% | 10.0% |
| Industrial Automation | 15.2% | 19.5% |
| Informatics | 9.6% | 14.2% |
| Total Group | 11.7% | 12.3% |

EBITANR*: Actual vs Last Year

€000



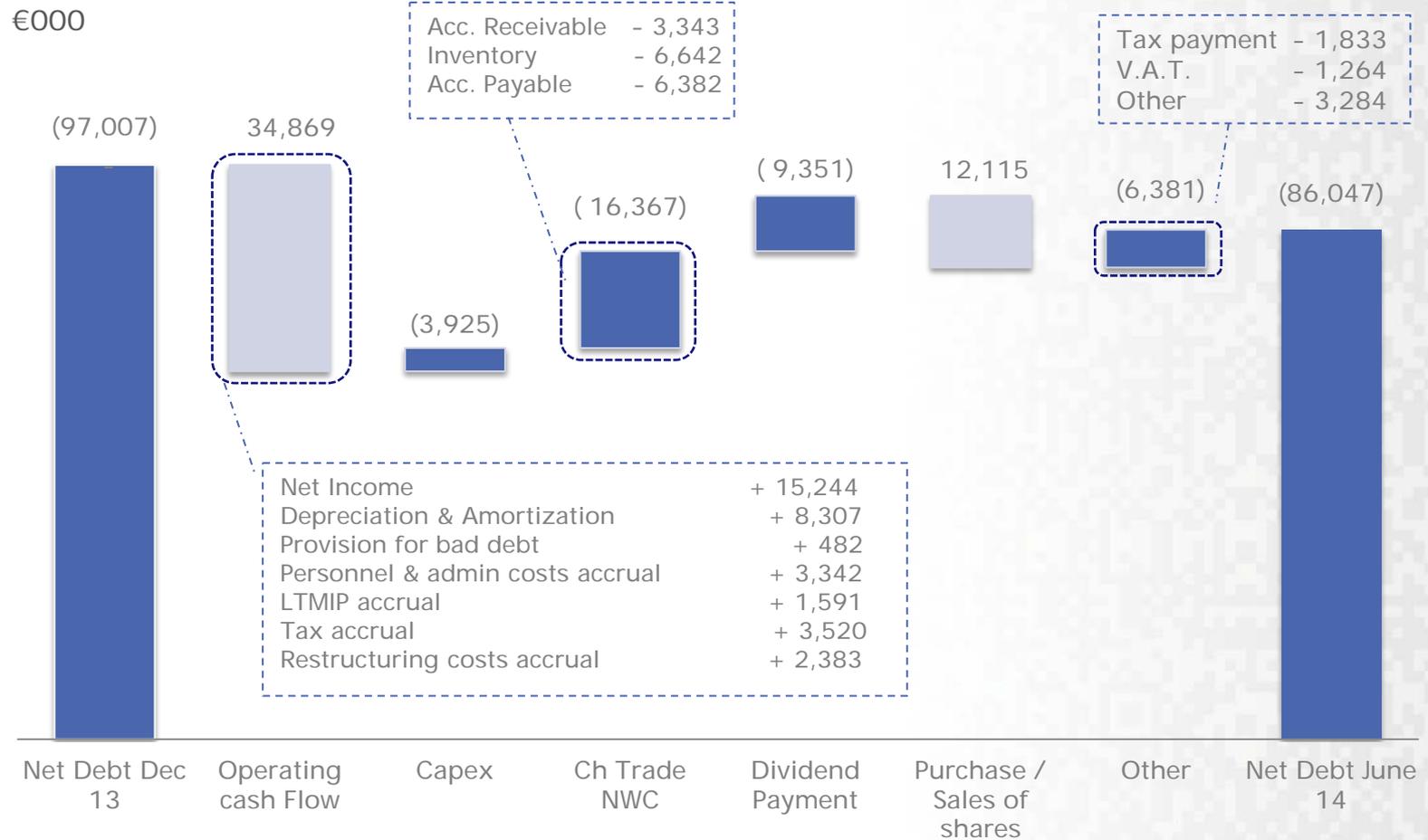
(* Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

Note: The Exchange rate variance has been calculated on Sales/COGS/Operating expenses originally denominated in USD (\$). The variance was the result of the difference between June '14 Actual (1,3703) and June '13 Actual (1,3134) €/USD exchange rate.

Consolidated Balance Sheet

| €000 | At 31/12/2013 | At 30/06/2014 |
|---|-----------------|-----------------|
| Intangible fixed assets | 59,058 | 55,028 |
| Goodwill | 145,092 | 146,468 |
| Tangible fixed assets | 51,328 | 51,710 |
| Non Consolidated investments | 5,452 | 5,383 |
| Other fixed assets | 39,441 | 39,551 |
| Total Fixed Assets | 300,371 | 298,140 |
| Net trade account receivables | 69,953 | 72,814 |
| ST account payables | (84,712) | (78,353) |
| Inventory | 53,803 | 60,445 |
| Trade Working Capital | 39,044 | 54,906 |
| Other current receivables | 26,483 | 34,982 |
| Other ST payables and provision for risk & future charges | (48,838) | (60,073) |
| Net Working Capital | 16,689 | 29,815 |
| Other LT payables | (20,359) | (19,754) |
| Employees' deferred compensation | (7,049) | (7,374) |
| LT provision for risk & future charges | (7,398) | (9,706) |
| Net Invested Capital | 282,254 | 291,121 |
| Equity | 185,247 | (205,074) |
| Net Financial Position | (97,007) | (86,047) |
| <i>Exchange rate</i> | <i>1.3791</i> | <i>1.3658</i> |

Net Debt Analysis



■ Negative Cash Flow ■ Positive Cash Flow

Outlook

Outlook and key points

- **ADC confirms to be the driver of growth** thanks to the launch of new products technologically advanced and the retailer's new investment phase
- In Industrial Automation the **market and product strategy will be revised** in the following quarters with a particular focus in North America. Recovery is expected starting from Q1 of next year
- **Strong investments in innovation continues** without any impact on overall profitability in 2014
- **Major focus on emerging markets** with large growth potential

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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
E-mail corporate@datalogic.com