



9M 2014 Conference Call

November 7th, 2014

Agenda

- 9M 2014
- Outlook



9M 2014

Highlights 3Q 2014

- Sales growth continues both on a quarterly and yearly basis
- Improvement of all operating margins YoY: GOP margin from 47.4% to 48.6% and EBITDA Margin from 15.2% to 15.4%
- R&D investments still high (+24.7% YoY with an incidence of 8.6% on revenues)
- Significant increase of net income: +40.7% YoY to 10,4 million Euro

€000	3Q2014	3Q2013	Var YoY %	2Q2014	Var QoQ%
Revenues	116,036	112,004	3.6%	115,782	0.2%
Gross Operating Margin (GOM)	56,370	53,129	6.1%	56,458	(0.2%)
EBITDA	17,854	16,987	5.1%	18,688	(4.5%)
EBITANR	14,998	14,671	2.2%	15,943	(5.9%)
Operating Profit (EBIT)	13,698	13,225	3.6%	12,165	12.6%
Net Profit	10,436	7,415	40.7%	8,293	25.8%

3Q 2014 New Products – ADC

Quickscan QM2400 and QBT2400 cordless 2D area imagers

Datalogic's 'entry level' handheld cordless solution for 2D bar code reading capability



PowerScan PM9500 imager with 16-keys

Completion of the PowerScan 9500 family, equipped with a mobile telephone-like keyboard



DH60 Mobile Computer

Portable Data Terminal for Chinese market. The DH60 mobile computer delivers industry leading bar code reading and wireless communications



New Falcon X3+

Evolution of the Falcon™ X3 mobile computer.

It brings a host of new features like improvements in speed and memory and many different scan engine options,



3Q 2014 New Products – IA

Identification

Matrix Packtrack extension to multi-side applications

This patent pending software enables the Matrix imagers to read multiple packages and barcodes in a single picture, properly assigning the correct barcode to the correct package



Laser Marking

MULTIWAVE Series

MULTIWAVE Series of fiber lasers source offers a breakthrough innovation in laser control: key laser parameter are virtually independent over a wide setting range

Laser Marking New VLASE

VLASE family evolution, now based on the common ONE.RACK platform that combines state-of-the-art YVO4 Laser sources with a flexible and easy to use embedded controller, providing an unified I/O interface for all laser marking technologies in a single control unit footprint.



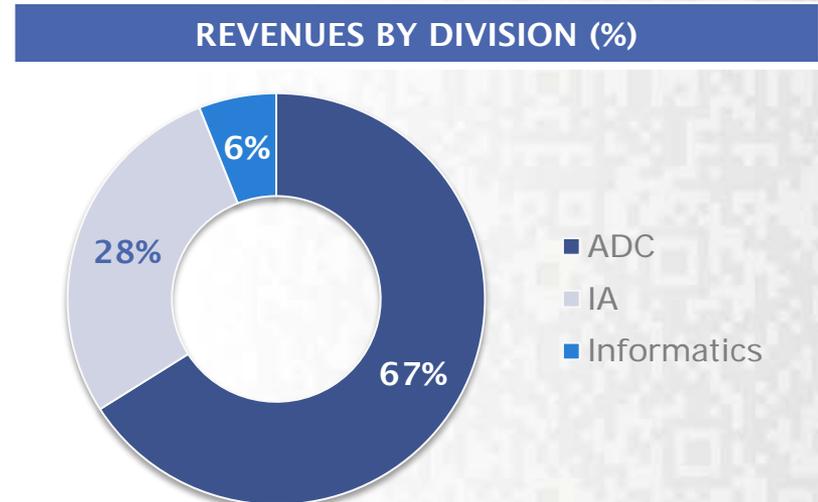
9M 2014 Profit and Loss

€000	9M2013		9M2014		Var %
Revenues	330,773	100.0%	340,064	100.0%	2.8%
COGS	(174,212)	(52.7%)	(174,616)	(51.3%)	
Gross Operating Margin	156,561	47.3%	165,448	48.7%	5.7%
Other revenues	845	0.3%	1,004	0.3%	
R&D	(25,392)	(7.7%)	(29,812)	(8.8%)	
Distribution Costs	(62,071)	(18.8%)	(60,467)	(17.8%)	
Administrative expenses	(32,563)	(9.8%)	(30,726)	(9.0%)	
Other operating expenses	(1,468)	(0.4%)	(1,828)	(0.5%)	
Total operating expenses and others	(121,494)	(36.7%)	(122,833)	(36.1%)	1.1%
EBITANR	35,912	10.9%	43,619	12.8%	21.5%
Non recurring costs/rev	1,059	0.3%	(2,370)	(0.7%)	
Amort. Intang. Assets from acquis.	(4,359)	(1.3%)	(4,097)	(1.2%)	
Operating Profit (EBIT)	32,612	9.9%	37,152	10.9%	13.9%
Financial (costs)/rev.	(5,129)	(1.6%)	(6,446)	(1.9%)	
Results from equity investments	250	0.1%	(41)	0.0%	
Foreign exchange (costs)/rev.	(1,938)	(0.6%)	910	0.3%	
EBT	25,795	7.8%	31,575	9.3%	22.4%
Taxes	(8,143)	(2.5%)	(5,895)	(1.7%)	
Net Income	17,652	5.3%	25,680	7.6%	45.5%
Depreciation	(5,631)	(1.7%)	(5,268)	(1.5%)	
Amortization	(1,676)	(0.5%)	(3,120)	(0.9%)	
EBITDA	43,219	13.1%	52,007	15.3%	20.3%
Exchange rate	1.3171		1.3549		

Revenues Trend by Division

- ADC Division continues to outperform 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. Ongoing reorganization process with the appointment of the new CEO and of the new America Vice President
- Ongoing reorganization process in Informatics

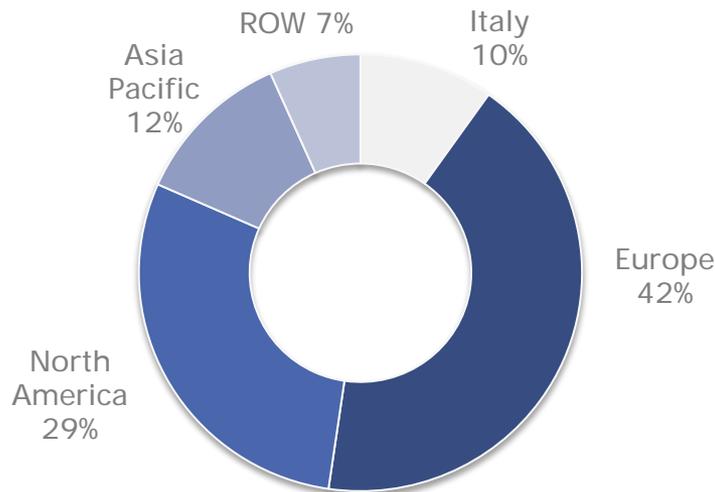
REVENUES BY DIVISION			
€000	9M2013	9M2014	Var %
Datalogic ADC	202,575	226,516	11.8%
Datalogic Automation	104,942	95,092	(9.4%)
Informatics	23,412	19,744	(15.7%)
Datalogic S.p.A.	17,206	19,051	10.7%
Adjustments	(17,362)	(20,339)	17.1%
Total revenues	330,773	340,064	2.8%



Revenues Trend by Geographic Area

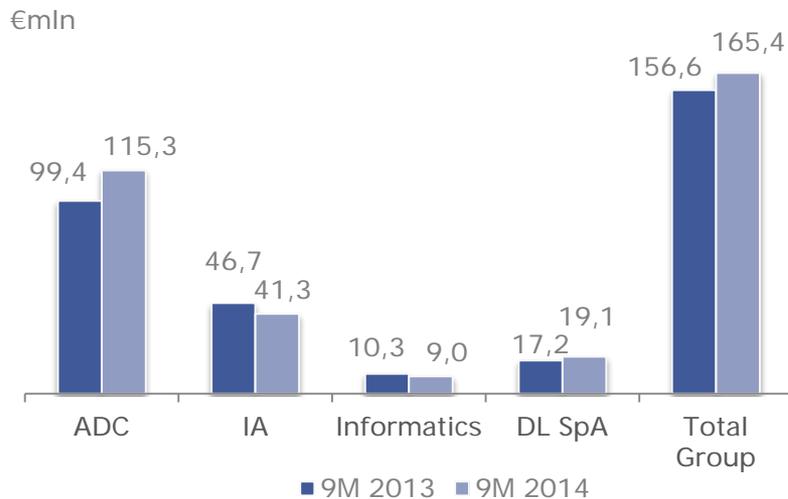
REVENUES BY GEOGRAPHIC AREA			
€000	9M2013	9M2014	Var %
Italy	29,037	33,401	15.0%
Europe	130,740	144,476	10.5%
North America	109,163	99,728	(8.6%)
Asia Pacific	41,416	39,820	(3.9%)
ROW	20,417	22,639	10.9%
Total Revenues	330,773	340,064	2.8%

- Revenues growth at constant exchange rate would have been +4,2%
- **Europe** pushed by ADC two digits growth
- **Two speed in North America:** ADC driven by retailers (+16%) while IA still suffering mainly due to a lack of main orders in postal segment
- **Latin America** grew both in IA (+14%) and ADC
- **Remarkable growth of ROW and Greater China** in both divisions

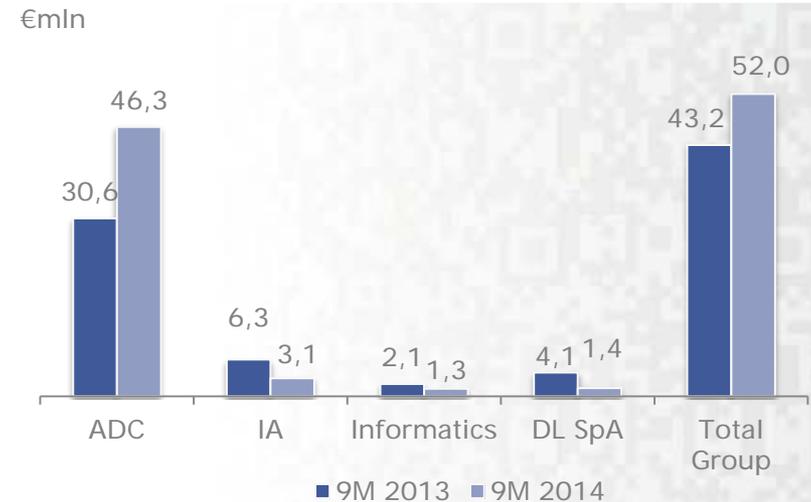


Segment Reporting: GOP and EBITDA

GOP BY DIVISION



EBITDA BY DIVISION

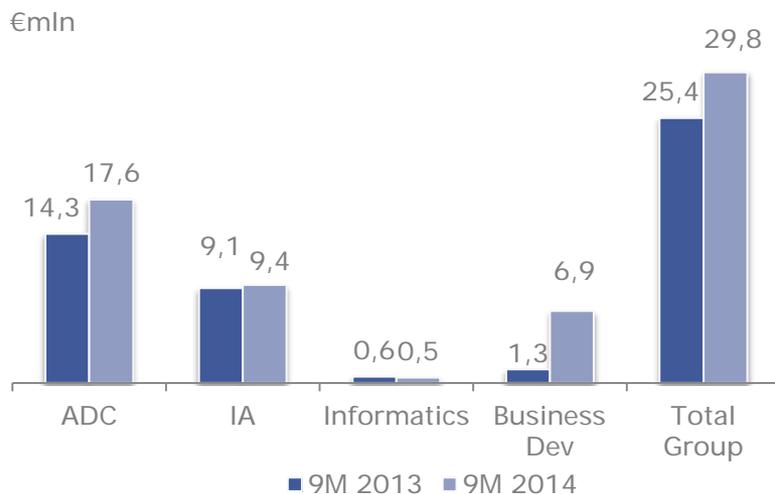


Gross Operating Margin	9M13	9M14
ADC	49.1%	50.9%
Industrial Automation	44.5%	43.4%
Informatics	43.9%	45.4%
Total Group	47.3%	48.7%

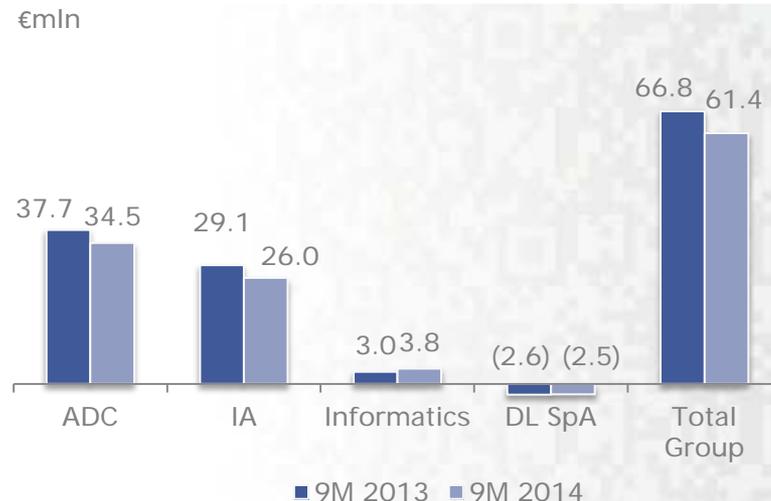
EBITDA Margin	9M13	9M14
ADC	15.1%	20.4%
Industrial Automation	6.0%	3.3%
Informatics	9.0%	6.6%
Total Group	13.1%	15.3%

Segment Reporting: R&D and TWC

R&D BY DIVISION



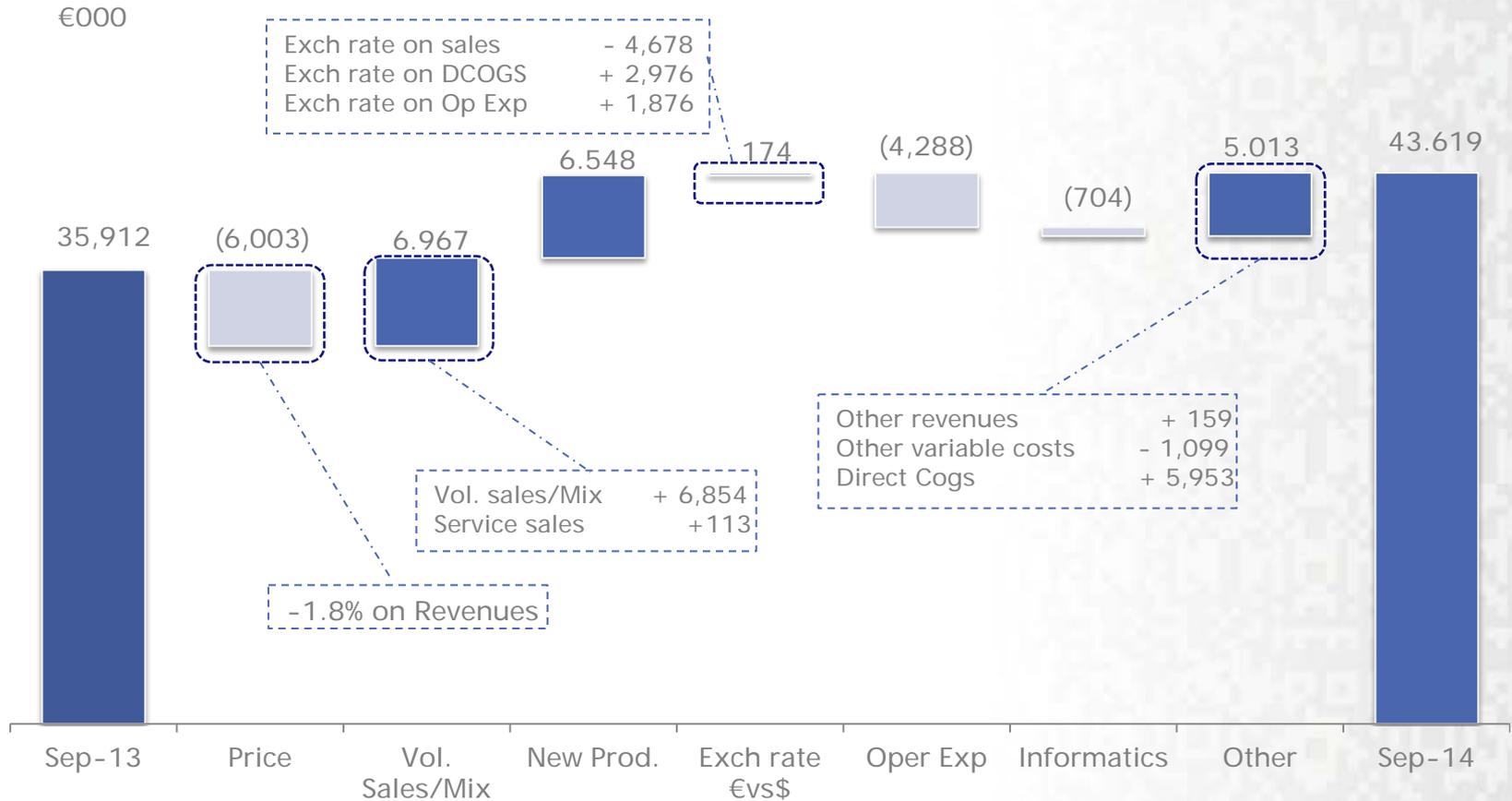
TWC BY DIVISION



R&D/Revenues	9M13	9M14
ADC	7.1%	7.8%
Industrial Automation	8.7%	9.9%
Informatics	2.6%	2.5%
Business Development	7.6%	36.2%
Total Group	7.7%	8.8%

TWC/Annualized Revenues	9M13	9M14
ADC	14.0%	11.4%
Industrial Automation	20.8%	20.5%
Informatics	9.6%	14.4%
Total Group	15.1%	13.5%

EBITANR*: Actual vs Last Year



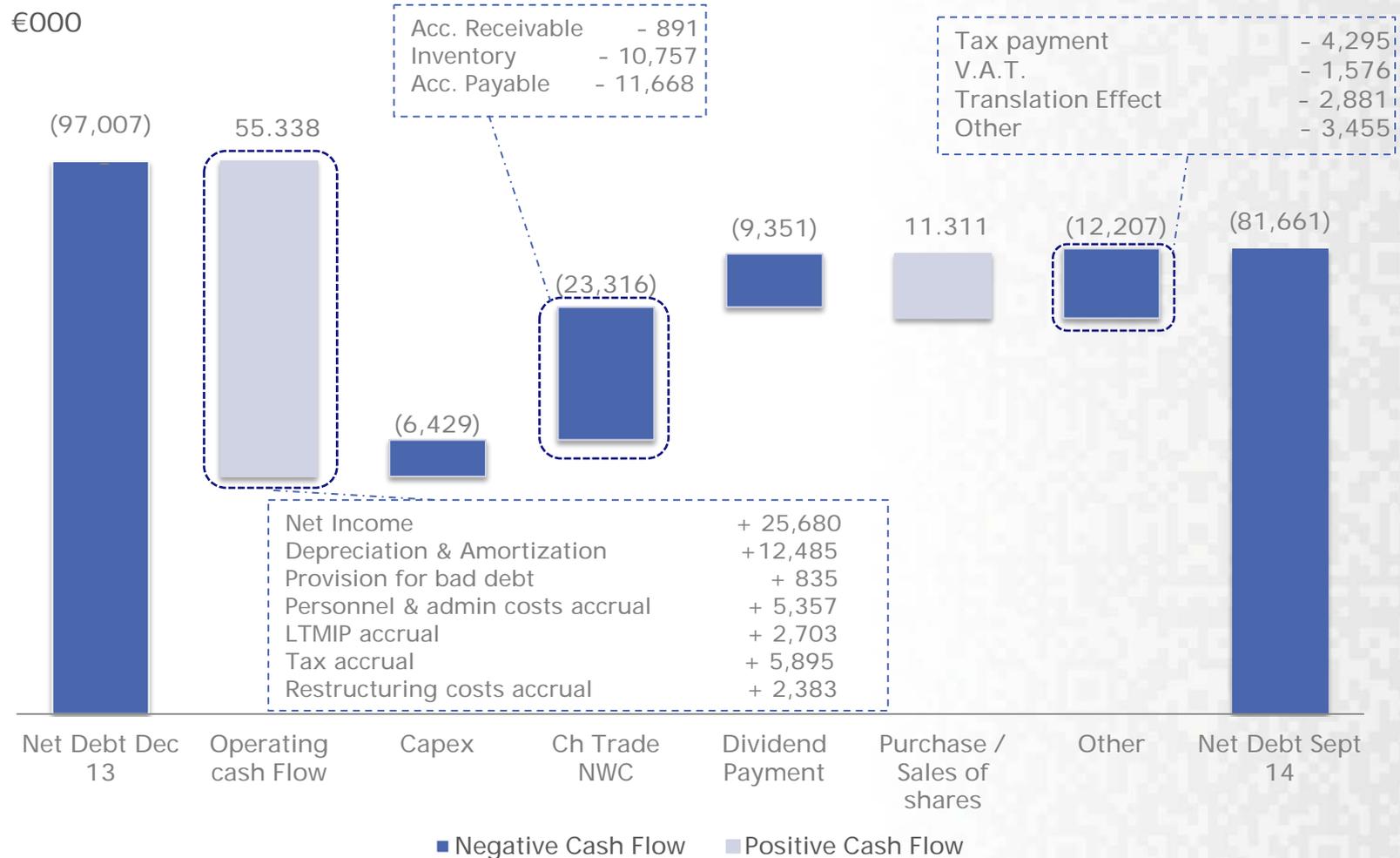
(* Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

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 Sep '14 Actual (1,3549) and Sep '13 Actual (1,3171) €/USD exchange rate.

Consolidated Balance Sheet

€000	At 31/12/2013	At 30/09/2014
Intangible fixed assets	59,058	56,939
Goodwill	145,092	158,744
Tangible fixed assets	51,328	53,235
Non Consolidated investments	5,452	4,935
Other fixed assets	39,441	41,884
Total Fixed Assets	300,371	315,737
Net trade account receivables	69,953	70,009
ST account payables	(84,712)	(73,067)
Inventory	53,803	64,560
Trade Working Capital	39,044	61,502
Other current receivables	26,483	33,601
Other ST payables and provision for risk & future charges	(48,838)	(57,792)
Net Working Capital	16,689	37,311
Other LT payables	(20,359)	(23,156)
Employees' deferred compensation	(7,049)	(7,402)
LT provision for risk & future charges	(7,398)	(11,696)
Net Invested Capital	282,254	310,794
Equity	185,247	229,133
Net Financial Position	(97,007)	(81,661)
<i>Exchange rate</i>	<i>1.3791</i>	<i>1.2583</i>

Net Debt Analysis



Outlook

Outlook

- **ADC confirms to be the driver of growth** thanks to:
 - the launch of new technologically advanced products
 - the retailers' new investment phase
- In Industrial Automation, the new **market and product strategy will be implemented** in next year with particular focus on North America. Expected recovery from second half of 2015
- **Strong investments in innovation continue** without impact on 2014 profitability
- **Focus on fast growing markets** and North America where there is a big market potential

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