



9M 2017
Conference Call

November 14th, 2017

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Continuing growth & profitability improvement in Q3



Q3 RESULTS

€151.4
REVENUES
+8.2%

€26.1
EBITDA

17.2%
EBITDA
MARGIN

€15.8
NET
INCOME

€ mln

9M RESULTS

€450.7
REVENUES
+6.9%

€77.9
EBITDA

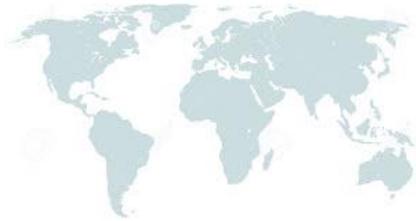
17.3%
EBITDA
MARGIN

€45.1
NET
INCOME

Net Debt position at €15.2

Q3 2017 Highlights

Revenue double digit growth at constant exchange rate (+10.7%)



- China leading the APAC and Group growth
- Consolidating leadership in EMEA, led by Retail
- NA double digit growth in T&L

- **Increasing demand for automation:** productivity, quality and process efficiency the key drivers
- **Double digit growth in T&L driven by E-Commerce trends**
- **Excellent feedbacks from Retail clients on new products launched** at the end of the quarter



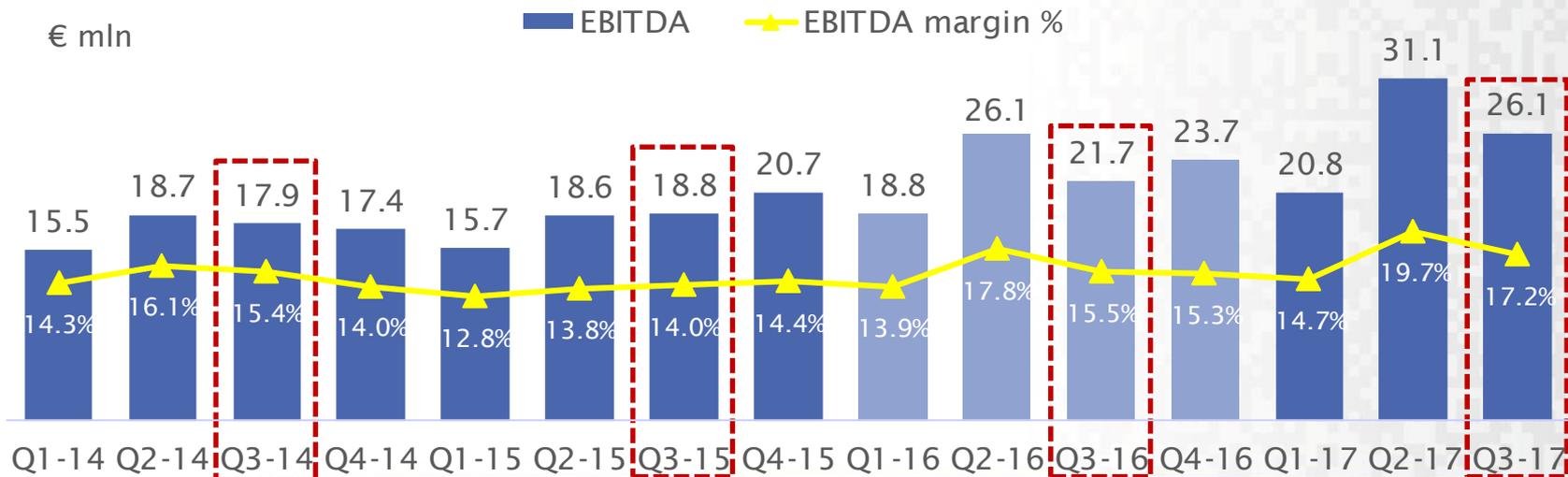
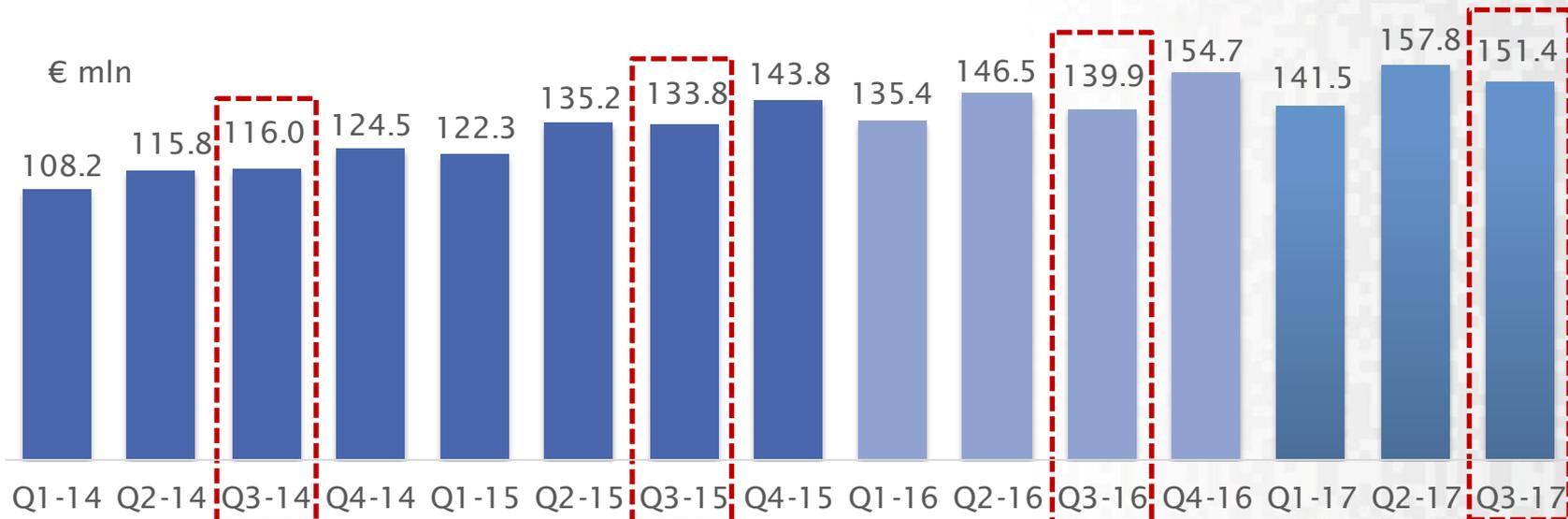
- R&D investments +10.1% YoY
- Q3 new products on sales at 8.4% *, not yet factoring in launch of new products at the end of the quarter

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

Financials

A sound and consistent continuing growth

REVENUES



Q3 Growth continues despite forex impact

€ mln	Q3 2017	Q3 2016	Var%
Revenues	151.4	139.9	8.2%
Gross Operating Margin	70.3	63.4	10,7%
<i>%on Revenues</i>	46.4%	45.3%	
Operating expenses	(49.2)	(45.6)	8.0%
<i>%on Revenues</i>	(32.5%)	(32.6%)	
EBITDA	26.1	21.7	20.3%
<i>Ebitda margin</i>	17.2%	15.5%	
EBIT	21.3	17.4	22.0%
<i>Ebit margin</i>	14.1%	12.5%	

- **Revenues** up 8.2% to € 151.4 mln despite unfavorable exchange rates (+10.7% at constant exchange rate)
- € 2 mln Revenue contribution from Soredi in the quarter
- **GOM keeps constant improvement** thanks to mix and cost efficiencies (+110 bps vs Q3 2016)
- **Operating expenses on revenues** almost flat despite R&D growing at 9% on revenues
- **EBITDA margin at 17.2%** (+ 170 bps vs Q3 2016)

Improvements across the whole P&L

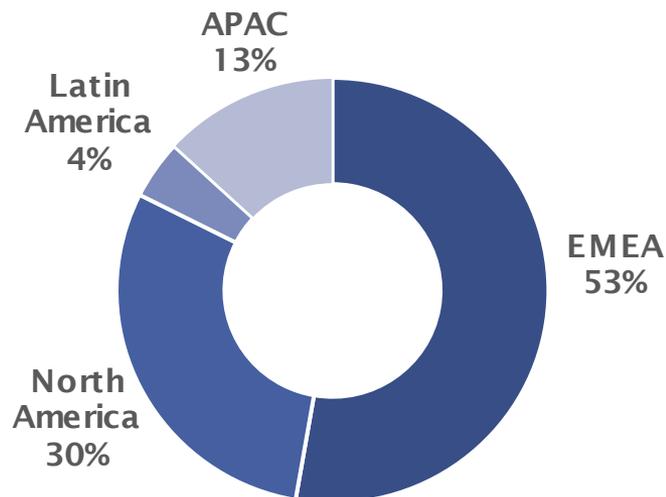
€ mln	9M2017	9M2016	Var%
Revenues	450.7	421.8	6.9%
Gross Operating Margin	212.5	194.4	9.3%
<i>%on Revenues</i>	<i>47.1%</i>	<i>46.1%</i>	
Operating expenses	(147.5)	(140.4)	5.1%
<i>%on Revenues</i>	<i>(32.7%)</i>	<i>(33.3%)</i>	
EBITDA	77.9	66.6	16.9%
<i>Ebitda margin</i>	<i>17.3%</i>	<i>15.8%</i>	
EBIT	62.5	52.8	18.4%
<i>Ebit margin</i>	<i>13.9%</i>	<i>12.5%</i>	
EBT	56.8	49.1	15.5%
Taxes	(11.7)	(8.3)	41.7%
Net Income	45.1	40.9	10.2%
<i>% on Revenues</i>	<i>10.0%</i>	<i>9.7%</i>	
<i>Exchange Rate</i>	<i>1.1140</i>	<i>1.1162</i>	

- Revenues up 6.9% to €450.7 mln (+6.8% at constant exchange rate)
- **GOM showing steady improving trend at 47.1%** (+100 bps vs 2016)
- **R&D on revenues** from 8.7% to 8.9%
- Timing effects on **distribution costs**
- **EBITDA margin at 17.3%** thanks to better volume mix and efficiencies
- **Unfavorable forex and higher gross debt** on financial costs
- **tax rate at ~ 21%**

Group Revenues by country

REVENUES BY GEOGRAPHIC AREA

€ mln	9M 2017	9M 2016	Var%
EMEA	237.7	221.4	7.4%
North America	133.8	131.8	1.5%
Latin America	20.1	20.5	(2.0%)
Asia Pacific	59.1	48.1	22.9%
Total Revenues	450.7	421.8	6.9%

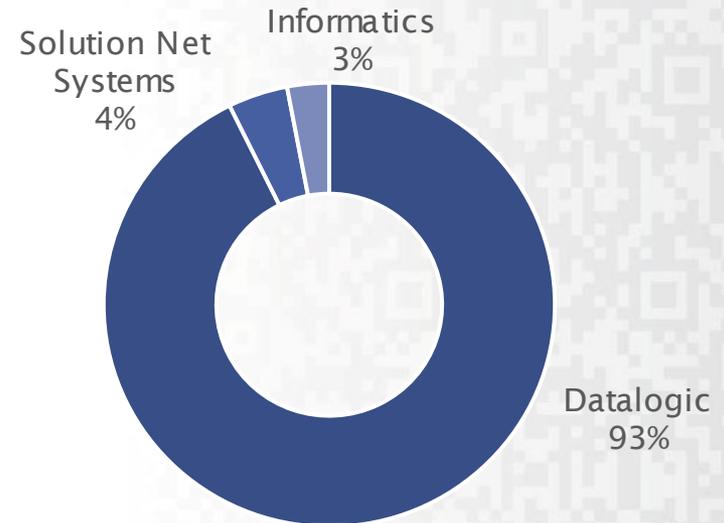


- Revenues up 6.9% to €450.7 mln (+6.8% at constant exchange rate)
- Strong growth in APAC driven by China (+44%) in Manufacturing and T&L, mainly
- Confirming leadership in EMEA led by Retail
- NA growth driven by T&L and Healthcare; strong performance of Solution Net Systems
- LA affected by large deals in 2016, but improving QoQ (+16% Q3 2017 vs Q3 2016)

Group Revenues & EBITDA by division

REVENUES BY DIVISION

€ mln	9M2017	9M2016	Var%
Datalogic	417.7	391.0	6.9%
Solution Net Systems	19.3	13.8	40.1%
Informatics	16.4	18.6	(11.8%)
<i>Adjustments</i>	(2.7)	(1.5)	n.m.
Total Revenues	450.7	421.8	6.9%



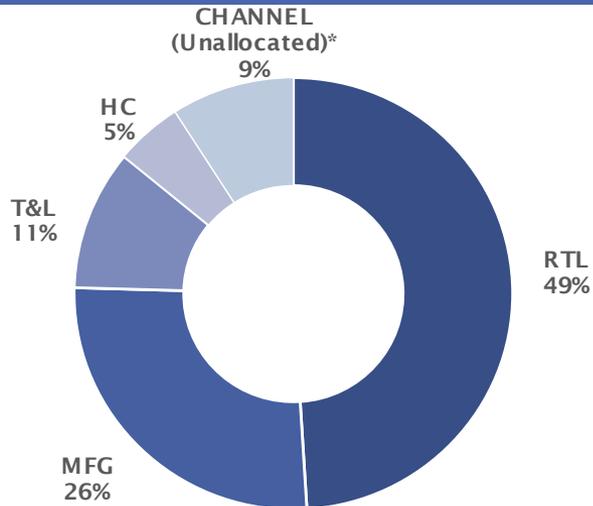
- **Datalogic** driven by double digit growth of Fixed Retail Scanners, Identification and Machine Vision products. Strong performance of Channel towards SMEs (+32.4%)
- **Solution Net Systems** over performing Group growth in Q3 driven by Royal Mail and additional new large projects
- **Informatics** still in a downward trend, though improving on a quarterly basis

EBITDA BY DIVISION

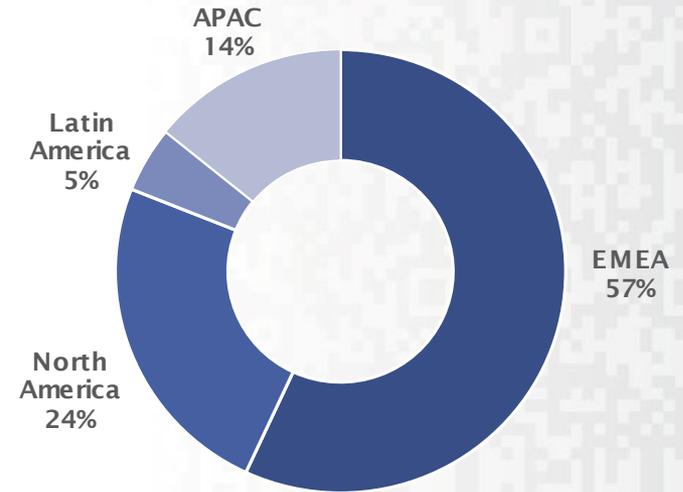
	9M2017	9M2016
Datalogic	75.2	68.9
Solution Net Systems	2.8	(1.2)
Informatics	(0.1)	(0.9)
Total Group	77.9	66.6

Focus on Datalogic Division

DL Revenues Breakdown by Industry



DL Revenues Breakdown by Geo Area



Retail



• €204.8 mln (-1.3%)

- +11% YoY in EMEA
- Expected recovery via new products and big projects in pipeline

Manufacturing



• €110.4 mln (+10.2%)

- Steady and consistent growth through quarters
- Performance driven by China (+ 70%). Industry 4.0 pushing growth

T&L



• €43.9 mln (+9.2%)

- Large projects in Q3, North America and APAC the leading Geos

Healthcare



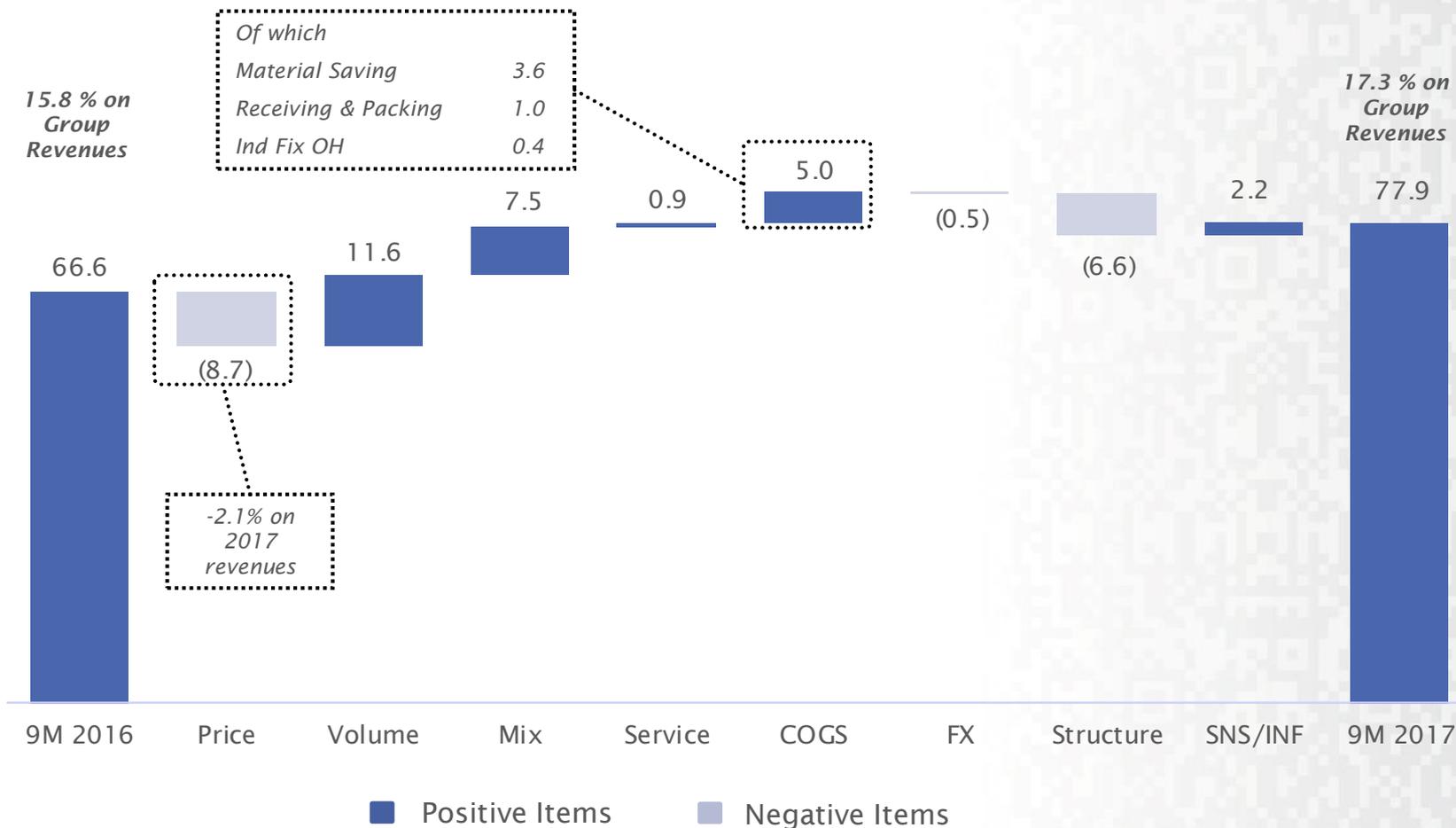
• €20.8 mln (+42.5%)

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

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

EBITDA: actual vs last year

€ mln

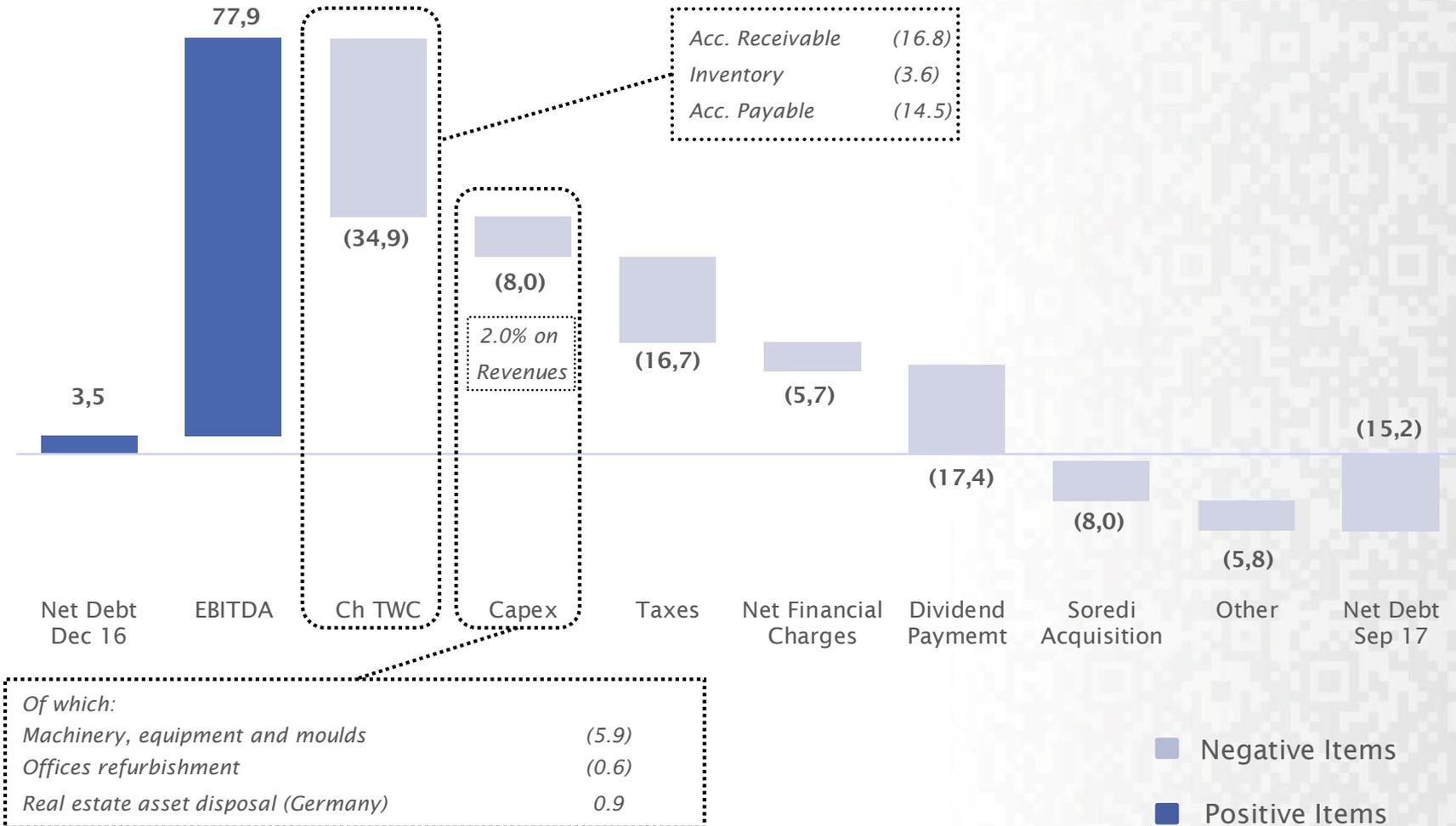


Consolidated Balance Sheet

	Sep 2017	Dec 2016	Sep 2016		Sep 2017	Dec 2016	Sep 2016
Total Fixed Assets	355.4	371.7	354.7	Net Financial Position	15.2	(3.5)	37.6
Trade receivables	93.1	75.5	72.6				
<i>% on 12m rolling sales</i>	15.4%	13.1%	12.8%				
Inventories	87.5	82.3	90.4				
<i>% on 12m rolling sales</i>	14.5%	14.3%	16.0%				
Trade payables	(90.8)	(104.6)	(86.7)	Net Equity	340.5	336.4	317.7
<i>% on 12m rolling sales</i>	-15.0%	-18.1%	-15.3%				
Trade Working Capital	89.8	53.2	76.3				
<i>% on 12m rolling sales</i>	14.8%	9.2%	13.5%				
Other assets/liabilities	(89.5)	(92.1)	(75.8)				
Net Invested Capital	355.7	332.9	355.2	Total Sources	355.7	332.9	355.2

Net Debt Analysis: Dec'16 – Sept'17

€ mln



New products

Outlook

2017 Outlook

- **Keep on growing in revenues** at rates substantially in line with 9M
 - **Strong focus on gross operating margin** to maintain a sound profitability
 - **Increasing R&D & Distribution operating expenses** to boost further growth and maintain leadership in the market
 - **Cash Generation through NWC improvement**
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- **T&L:** keep growing in main Geo Areas, capturing ecommerce & CEP trends
 - **Retail:** growth recovery through strong pipeline of new products and large projects
 - **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



- Good response of customers on **new products launched in Q3**; a solid pipeline under development

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NEXT EVENTS

November 13th, 2017
9M results

DATALOGIC ON LINE

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