

FY 2019 Results Conference Call

MARCH 20, 2020

Disclaimer

This document has been prepared by Datalogic S.p.A. (the "Company") for use during meetings with investors and financial analysts and is solely for information purposes. The information set out herein has not been verified by an independent audit company.

Neither the Company nor any of its subsidiaries, affiliates, branches, representative offices (the "Group"), as well as any of their directors, officers, employees, advisers or agents (the "Group Representatives") accepts any responsibility for/or makes any representation or warranty, express or implied, as to the accuracy, timeliness or completeness of the information set out herein or any other related information regarding the Group, whether written, oral or in visual or electronic form, transmitted or made available.

This document may contain forward-looking statements about the Company and/or the Group based on current expectations and opinions developed by the Company, as well as based on current plans, estimates, projections and projects of the Group. These forward-looking statements are subject to significant risks and uncertainties (many of which are outside the control of the Company and/or the Group) which could cause a material difference between forward-looking information and actual future results.

The information set out in this document is provided as of the date indicated herein. Except as required by applicable laws and regulations, the Company assumes no obligation to provide updates of any of the aforesaid forward-looking statements.

Under no circumstances shall the Group and/or any of the Group Representatives be held liable (for negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise in connection with the document or the aforesaid forward-looking statements.

This document does not constitute an offer to sell or a solicitation to buy or subscribe to Company shares and neither this entire document or a portion of it may constitute a recommendation to effect any transaction or to conclude any legal act of any kind whatsoever.

This document may not be reproduced or distributed, in whole or in part, by any person other than the Company.

By viewing and/or accepting a copy of this document, you agree to be bound by the foregoing limitations.

FY 2019 & Q4 2019 Results



FY 2019 Results

€ m

REVENUES
€612.5
(-2.9%)

GOM
€293.1
47.9%
(-0.6 pp)

EBITDA
€95.0
15.5%
(-1.2 pp)

NET INCOME
€50.3
8.2%
(-1.7 pp)

Q4 2019 Results

€ m

REVENUES
€151.1
(-8.4%)

GOM
€69.6
46.1%
(-2.0 pp)

EBITDA
€21.7
14.4%
(-2.6 pp)

NET INCOME
€10.6
7.0%
(-4.3 pp)

Net Cash at €13.4

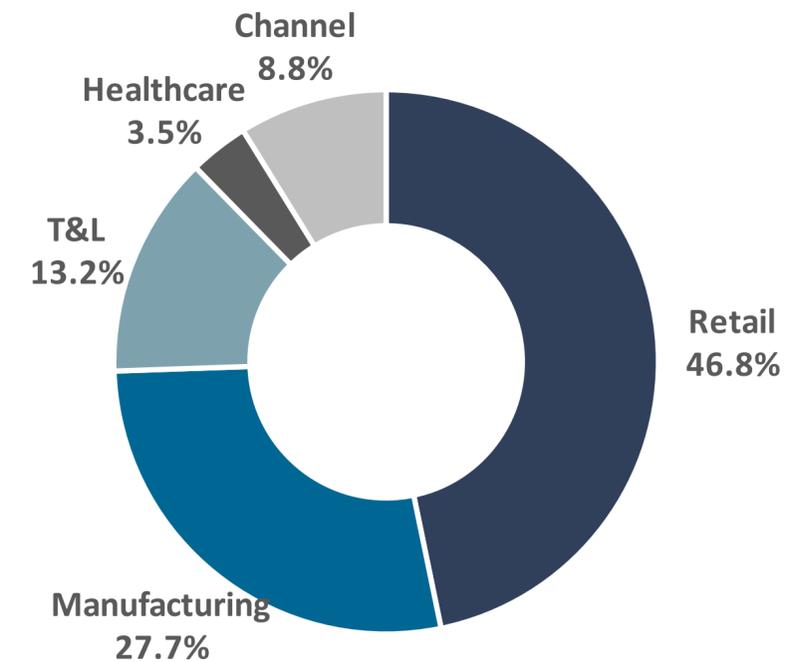
2019 Financial Highlights

- ❑ **Results in line with expectations** despite tough market conditions in an uncertain environment.
- ❑ **Growth in North America (+6.6%) in all industries**, offset by slowdown in APAC (-19.6%) and EMEA (-4.7%) due to deterioration of 'end markets' mainly consumer electronics in China, automotive and packaging in Europe and tough compare due to FRS roll-outs in 2018 in Retail. Group Revenues declining low single digits (-2.9%) compared to last year.
- ❑ **Solid EBITDA** margin at 15.5% despite volume decrease.
- ❑ **Increasing investments in R&D** at 64.7 m€ reaching 10.6% on revenues, executing Group's innovation strategy.
- ❑ **Cash Generation** with a free cash flow at 32.6 m€ in FY2019.
- ❑ **Net Cash position** in line with last year excluding IFRS 16.
- ❑ **Keep executing on the Group Strategy and Innovation Roadmap** in key Markets (Mobile, Industrial Automation and T&L)
- ❑ **Vitality index significantly improved** from 15.0% in FY2018 to **20.1% in FY2019**, mainly driven by Mobile Computing.

Group Revenues by Segment

€m	FY 2019	FY 2018	Var % vs. FY 2018	Constant FX
Retail	265.7	278.0	(4.4%)	(7.1%)
Manufacturing	157.4	169.9	(7.4%)	(8.6%)
Transportation & Logistics	75.0	68.6	9.5%	6.6%
Healthcare	20.0	20.1	(0.3%)	(3.2%)
Channel (Unallocated)	50.0	49.2	1.8%	0.4%
Total DL Business	568.1	585.7	(3.0%)	(5.2%)
Solution Net Systems	29.1	28.3	2.6%	(2.6%)
Informatics	18.7	19.6	(4.3%)	(9.3%)
Intra division	(3.4)	(2.6)		
Total Datalogic	612.5	631.0	(2.9%)	(5.3%)

% on DL Business Revenues



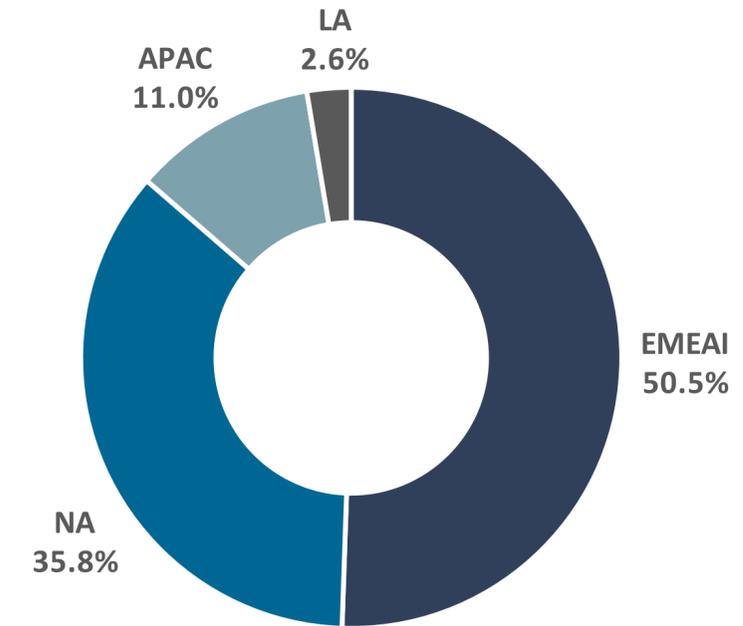
DL Business decline -3.0%

- ❑ **T&L:** strong growth driven by EMEA and double digit growth NA.
- ❑ **Retail:** tough comparison due to major Fixed Retail Scanner rollouts with large clients in EMEA in 2018. Positive performance in APAC and Americas.
- ❑ **Manufacturing:** double digit growth in North America, partially offset by slowdown in Automotive (EMEA) and in consumer electronics (China).
- ❑ **Healthcare:** substantially flat with positive performance in EMEA and NA.

Group Revenues by Geography

€m	FY 2019	FY 2018	Var % vs. FY 2018	Constant FX
<i>Italy</i>	48.0	53.0	(9.6%)	(10.5%)
<i>EMEI (Ex Italy)</i>	261.6	271.8	(3.7%)	(5.0%)
EMEI	309.6	324.8	(4.7%)	(5.9%)
North America	219.4	205.9	6.6%	1.5%
APAC	67.4	83.8	(19.6%)	(20.1%)
Latin America	16.1	16.5	(2.5%)	(4.3%)
Total Datalogic	612.5	631.0	(2.9%)	(5.3%)

% on Group Revenues



- **EMEI:** growth in HC and T&L partially offsetting Retail downturn due to major FRS roll outs in 2018.
- **North America:** revenues show positive growth across all verticals. Excluding SNS and INF, NA Business grew 8.8%.
- **APAC:** China still impacted by the drop in Manufacturing, partially offset by positive performance of Australia and Japan.

2019 New Product Launches and Innovation

Mobile



Memor 10 PDA with MP Scan Engine



Joya Touch A6 With Megapixel Scan Engine



Falcon X4 Auto Range



Datalogic Shield

Factory Automation



Matrix 120/220 with Digimarc and OPC UA



IMPACT 12.2 Software: focus on guidance and traceability



Matrix 300N 2MP Sensor



S5N Sensors and IO-Link Master



Matrix 220 High Power and Blue Light Models

T&L



AV 500

Taskbook



Other Products



Gryphon 4500 Digimarc Models

Magellan 1500i



Powerscan 9501 for cordless models

- ❑ New products* net sales account for 20.1% of total sales improved from 15.0% in 2018
- ❑ R&D spending amounted to approximately 65 m€ 10.6% on turnover, in line with the Group's strategy on innovation.
- ❑ 20 new patents filed in 2019 reaching 1230 patents

* New Products: products launched in the last 24 months

FY 2019 P&L

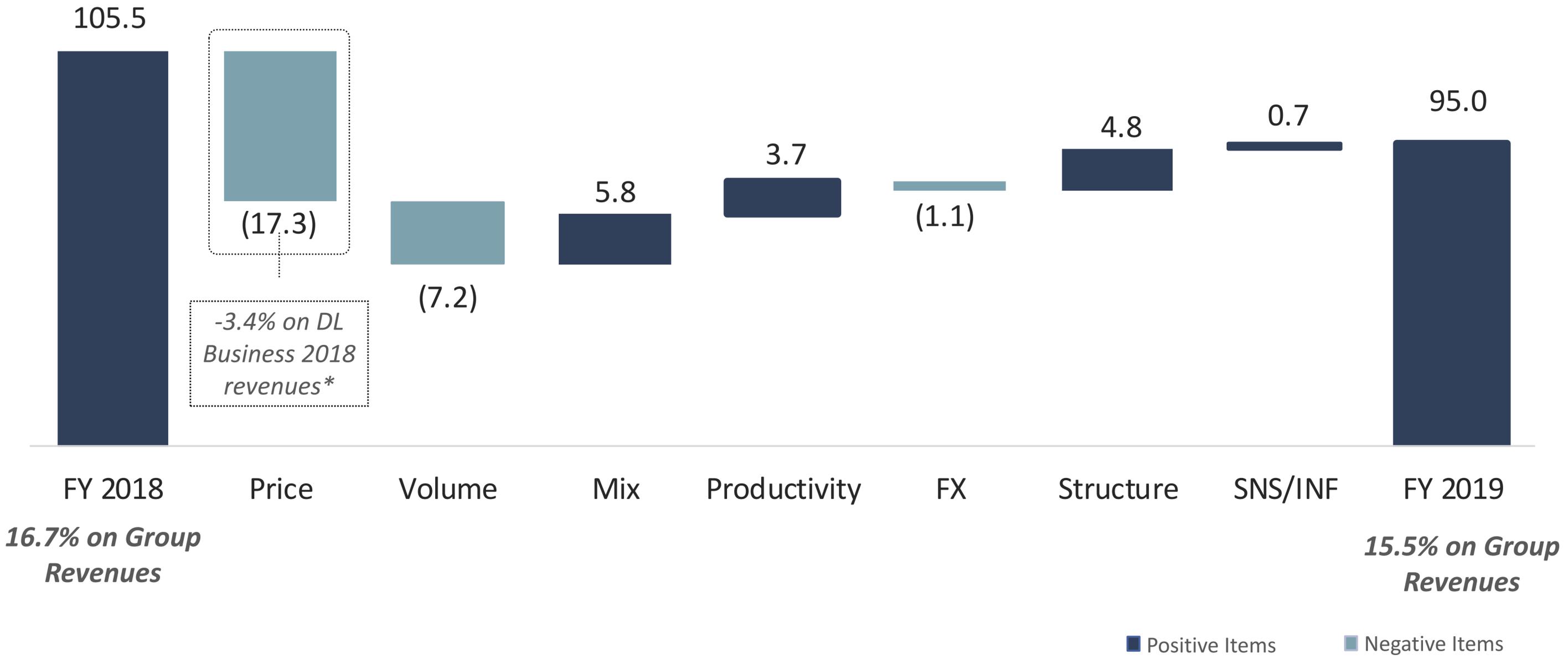
€ m	FY 2019	FY 2018	Variance Reported	Constant FX
Revenues	612.5	631.0	(2.9%)	(5.3%)
Gross Margin	293.1	306.0		
<i>% on Revenues</i>	47.9%	48.5%	-0.6 pp	+0.0 pp
Operating expenses	(220.0)	(215.6)		
<i>% on Revenues</i>	(35.9%)	(34.2%)	-1.8 pp	
EBITDA *	95.0	105.5		
<i>% Ebitda margin</i>	15.5%	16.7%	-1.2 pp	-0.6 pp
EBIT	65.5	83.5		
<i>% Ebit margin</i>	10.7%	13.2%	-2.5 pp	-2.0 pp
Net Income	50.3	62.2		
<i>% on Revenues</i>	8.2%	9.9%	-1.6 pp	-1.2 pp
<i>EUR/USD FX Exchange Rate</i>	1.12	1.18		

- Revenues down 2.9% to €612.5 m (-5.3% Net FX);
- Gross Margin at 47.9%, flat Net FX
- Operating expenses at €220.0 m:
 - ✓ R&D on revenues in line with previous year
 - ✓ S&D on revenues from 17.8% to 19.7% due to the carry over effects of commercial organization investments from last year
 - ✓ G&A and other items kept under control from 6.6% to 6.5%
- Net income at €50.3 m or 8.2% on revenues

* Impacted by IFRS 16: Positive impact of €4.6 million on EBITDA

EBITDA: FY actual vs last year

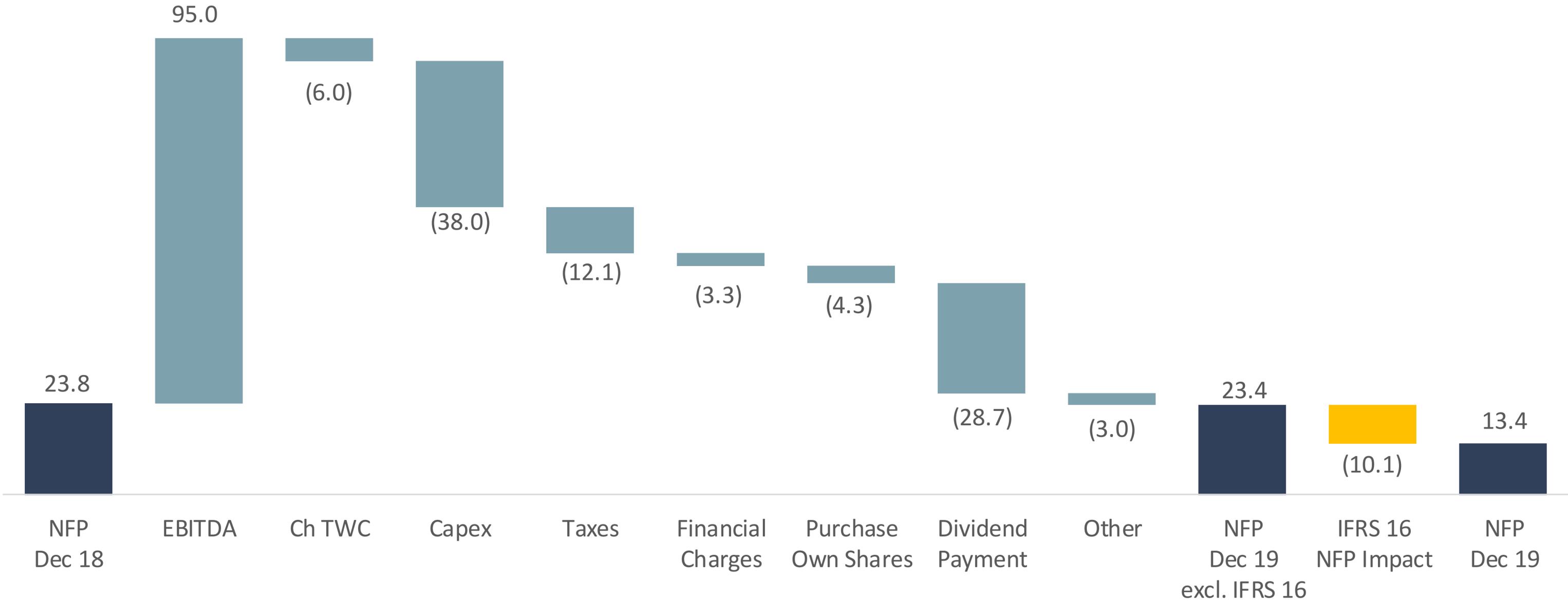
€ m



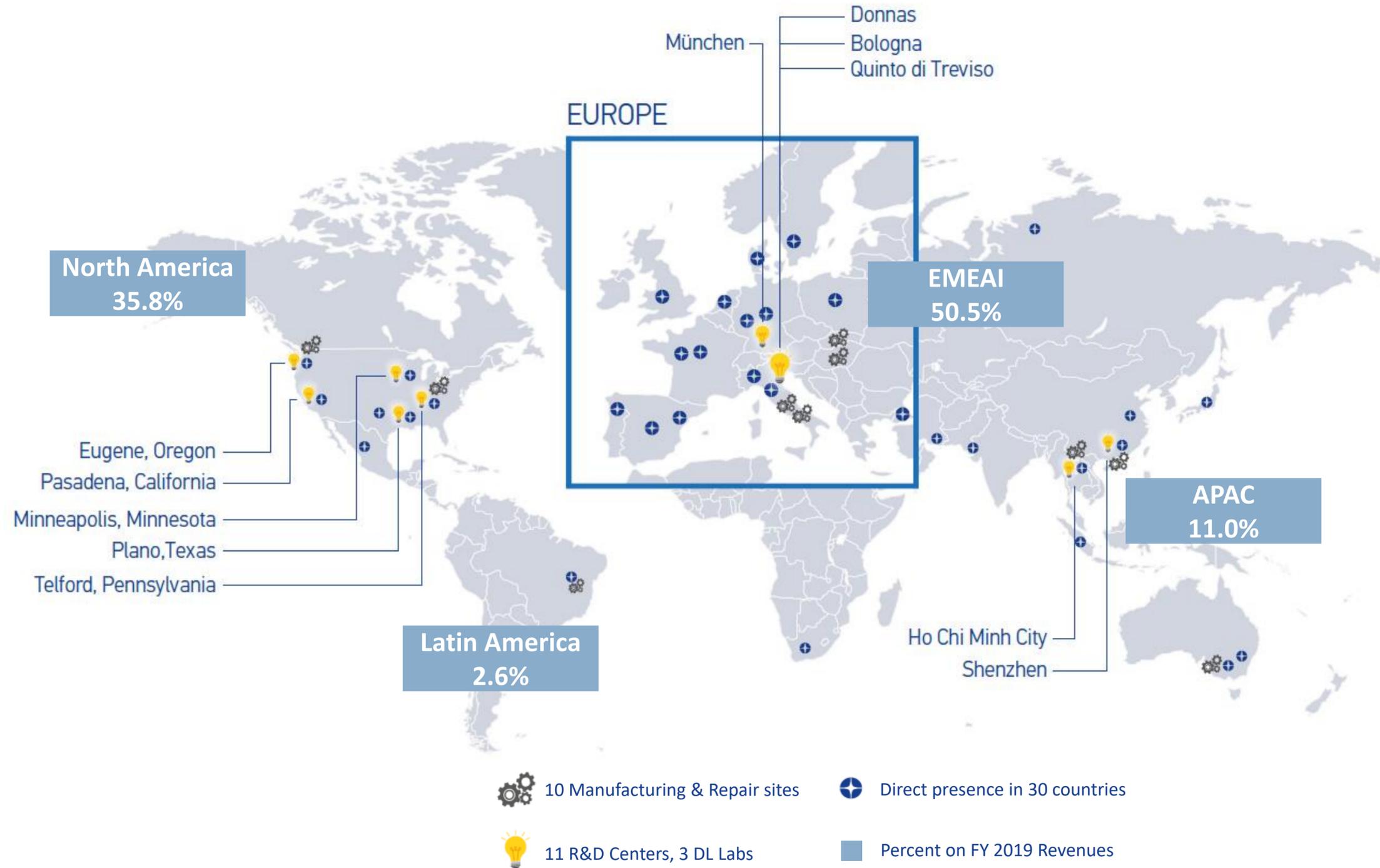
* Excluding Service and other non significant items

Net Debt & Cash Flow Analysis : Dec'18 – Dec'19

€ m



A Wide Geographical Footprint



Leveraging Global DL industrial and logistic footprint to mitigate fulfilment risks from Covid-19

Balanced revenue distribution across geographies

2020 Outlook

The global macroeconomic scenario has shown signs of uncertainty and slowdown for 2020, especially in EMEA and APAC because of the US-China trade war. The uncertainty is further aggravated by the 'coronavirus' outbreak spreading since January 2020.

The situation is particularly complex and rapidly evolving. Based on the information available, it is difficult to predict the economic impacts on the market affected and consequently on the Datalogic Group in 2020.

Impact on Group results will depend upon the widespread of the virus in the geographies in which the Group operates. The Group diversification in Geography and Markets will contribute to mitigate the risk of adverse impact of Covid-19.

Despite the current environment the Group will continue its growth strategy focused, among others, on the development of new products, maximizing profitability, also through a careful cost control policy, maintaining equity and financial solidity.

Contact

IR CONTACTS

IR Manager

Vincenza Colucci
CDR Communication Srl
Tel. +39 335 6909547
vincenza.colucci@cdr-communication.it

IR Assistant

Daniela Giglioli
Tel. +39 051 3147109
Fax +39 051 3147205
E-mail daniela.giglioli@datalogic.com

ir@datalogic.com
Via Candini, 2
40012 Lippo di Calderara di Reno
Bologna – Italy

NEXT EVENTS

April 30, 2020

Shareholders' Meeting

May 11, 2020

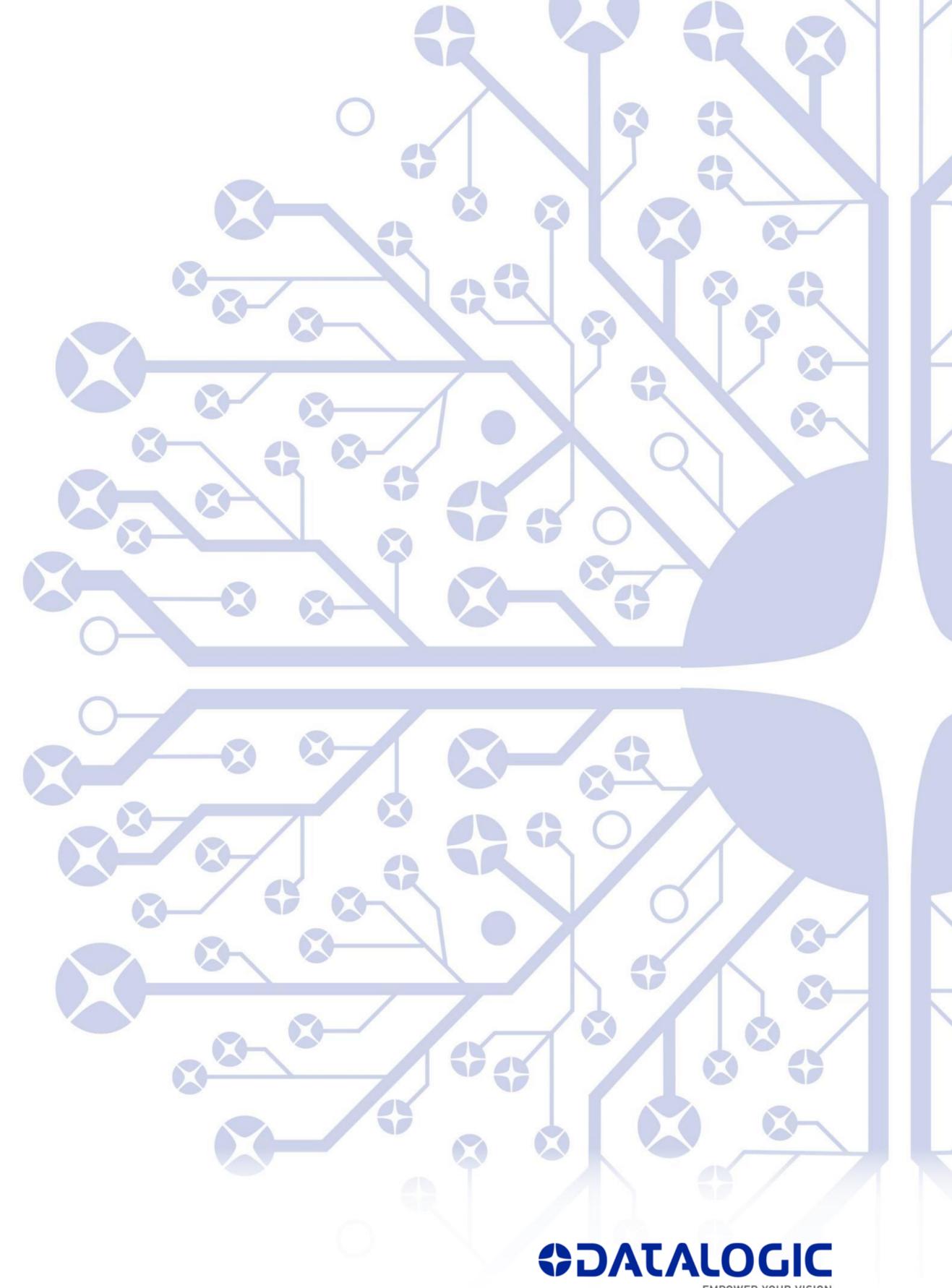
Q1 2020 Results

May 26-27, 2020

STAR Conference Milan

DATALOGIC ON LINE

www.datalogic.com



This presentation contains statements that are neither reported financial results nor other historical information. These statements are forward-looking statements. These forward-looking statements rely on a number of assumptions and are subject to a number of risks and uncertainties, many of which are outside the control of Datalogic S.p.A., that could cause actual results to differ materially from those expressed in or implied by such statements, such as future market conditions, currency fluctuations, the behavior of other market participants and the actions of governmental and state regulators

© 2019 Datalogic S.p.A. and/or its affiliates - All rights reserved. • Without limiting the rights under copyright, no part of this documentation may be reproduced, stored in or introduced into a retrieval system, or transmitted in any form or by any means, or for any purpose, without the express written permission of Datalogic S.p.A. and/or its affiliates • Datalogic and the Datalogic logo are registered trademarks of Datalogic S.p.A. in many countries, including the U.S. and the E.U. • All other trademarks and brands are property of their respective owners.

Datalogic S.p.A.

Via Candini, 2 - 40012 Lippo di Calderara di Reno - Bologna (Italy)

Tel. +39 051 3147011 | Fax +39 051 3147205

corporate@datalogic.com

ww.datalogic.com