

Italian Industrial Day Borsa Italiana

4 SEPTEMBER 2019

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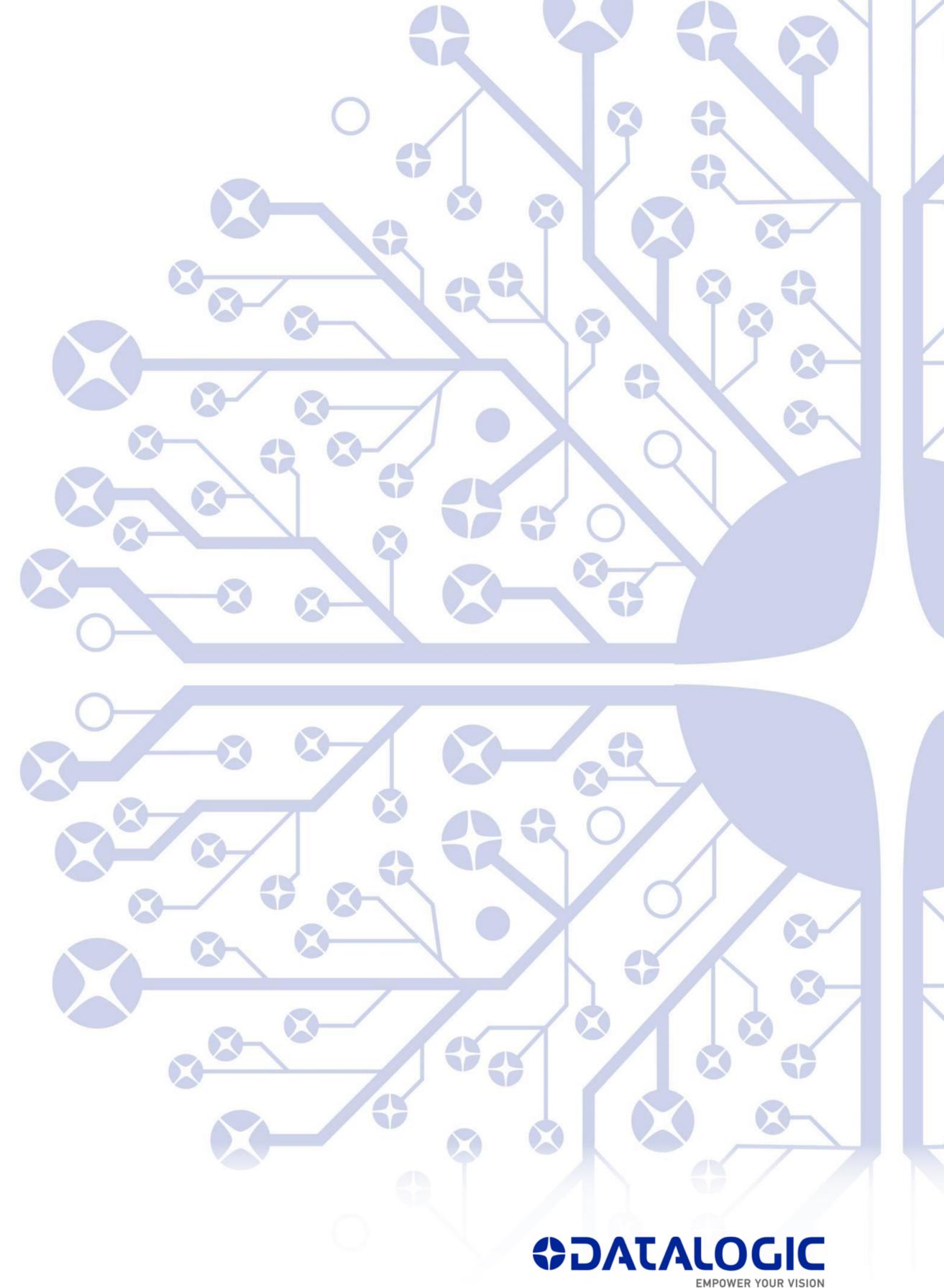
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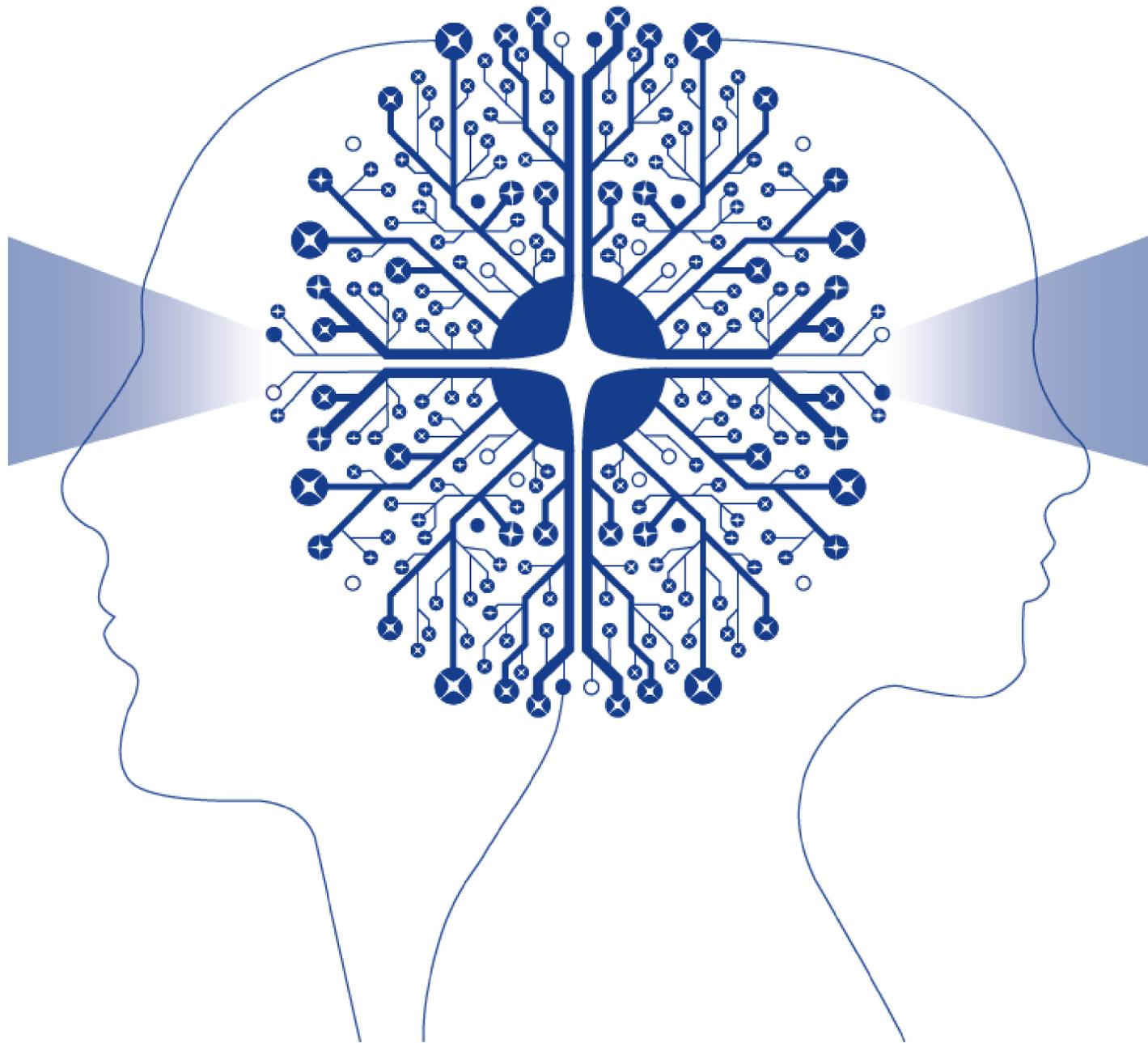
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Corporate Overview



Datalogic at a glance



EMPOWER YOUR VISION

Global technology leader in the **automatic data capture** and **process automation** markets, in the **Retail, Manufacturing, Transportation & Logistics**, and **Healthcare** industries

Founded in **1972**, listed on the Italian Stock Exchange since **2001**



More than 1,200 patents filed



500 engineers in 11 R&D centers and 3 DL Labs in: Italy, USA, Vietnam, China, and Germany

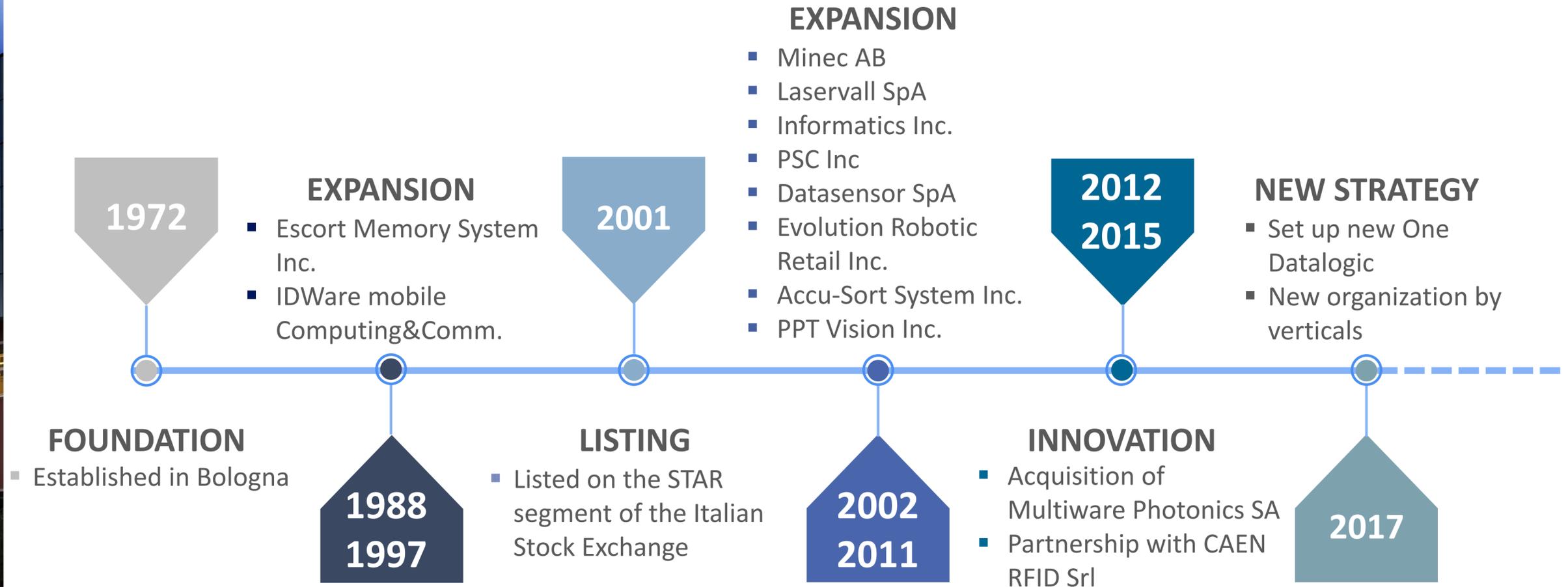
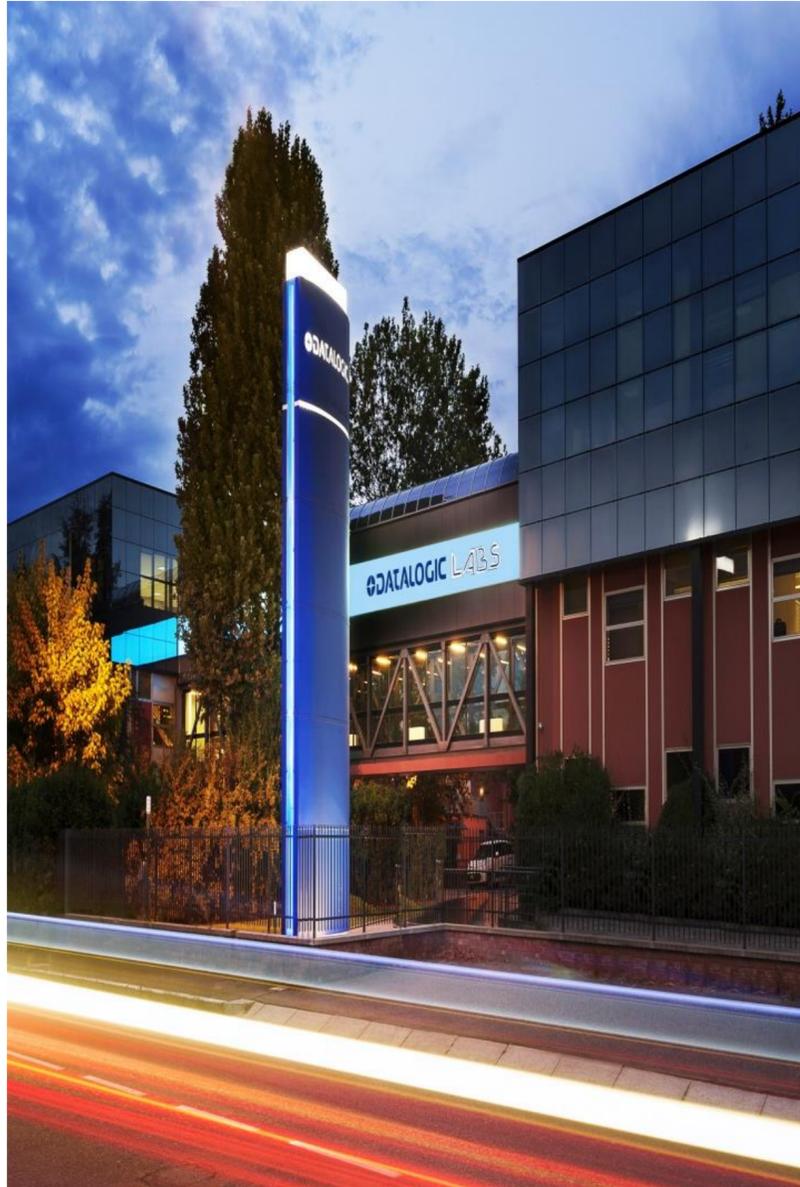


3,157 Employees in 27 countries:
21% Americas, 56% EMEA, 23% APAC



10 Manufacturing and Repair facilities in:
US, Brazil, Hungary, Slovakia, Italy, China,
Vietnam and Australia

Over 45 years of Technological Innovation



A Wide Geographical Footprint

 10 Manufacturing & Repair sites

 11 R&D Centers, 3 DL Labs

 Direct presence in 30 countries

 Percent on H1 2019 Revenues

North America
34%

Eugene, Oregon
Pasadena, California
Minneapolis, Minnesota
Plano, Texas
Telford, Pennsylvania

Latin America
2%

EUROPE



EMEA
53%

APAC
11%

Ho Chi Minh City
Shenzhen

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

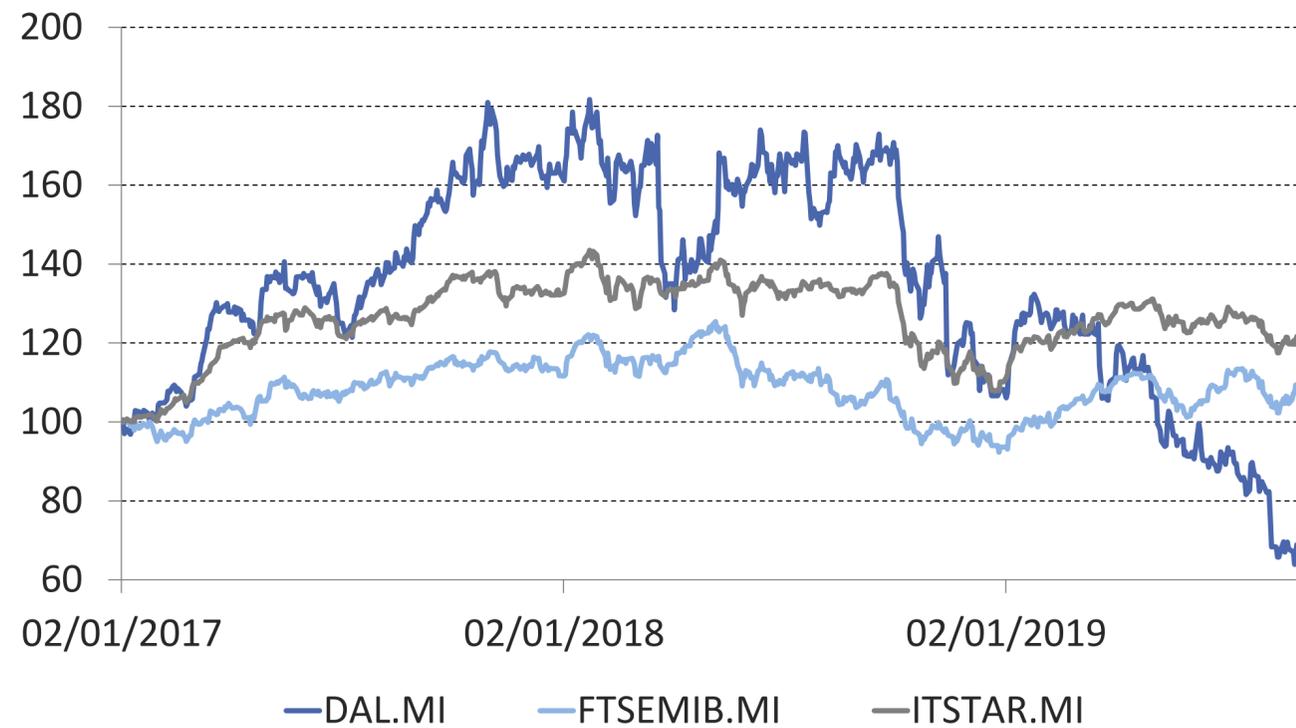
Ticker: DAL

Price (September 2, 2019): 12.74 Euro

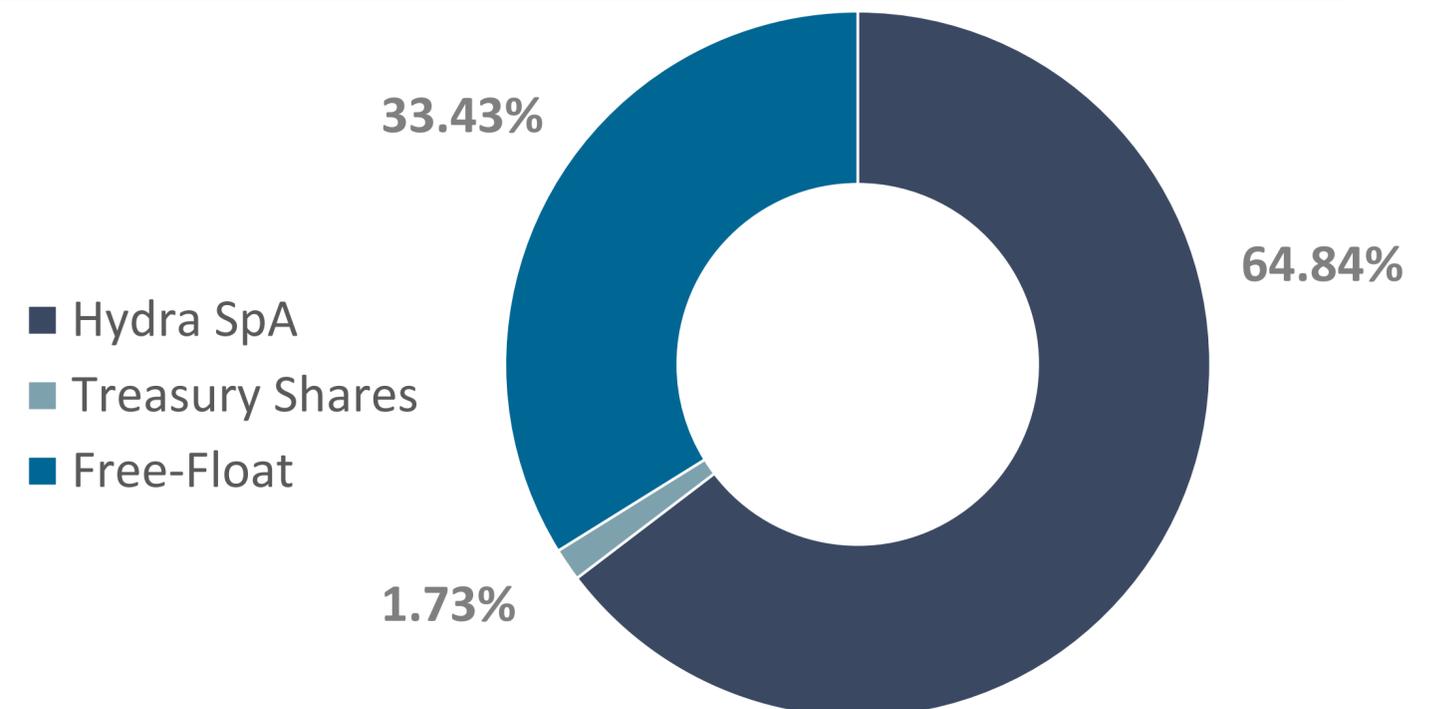
Market Cap (September 2, 2019): 0.74 B Euro

Auditing Company: Deloitte

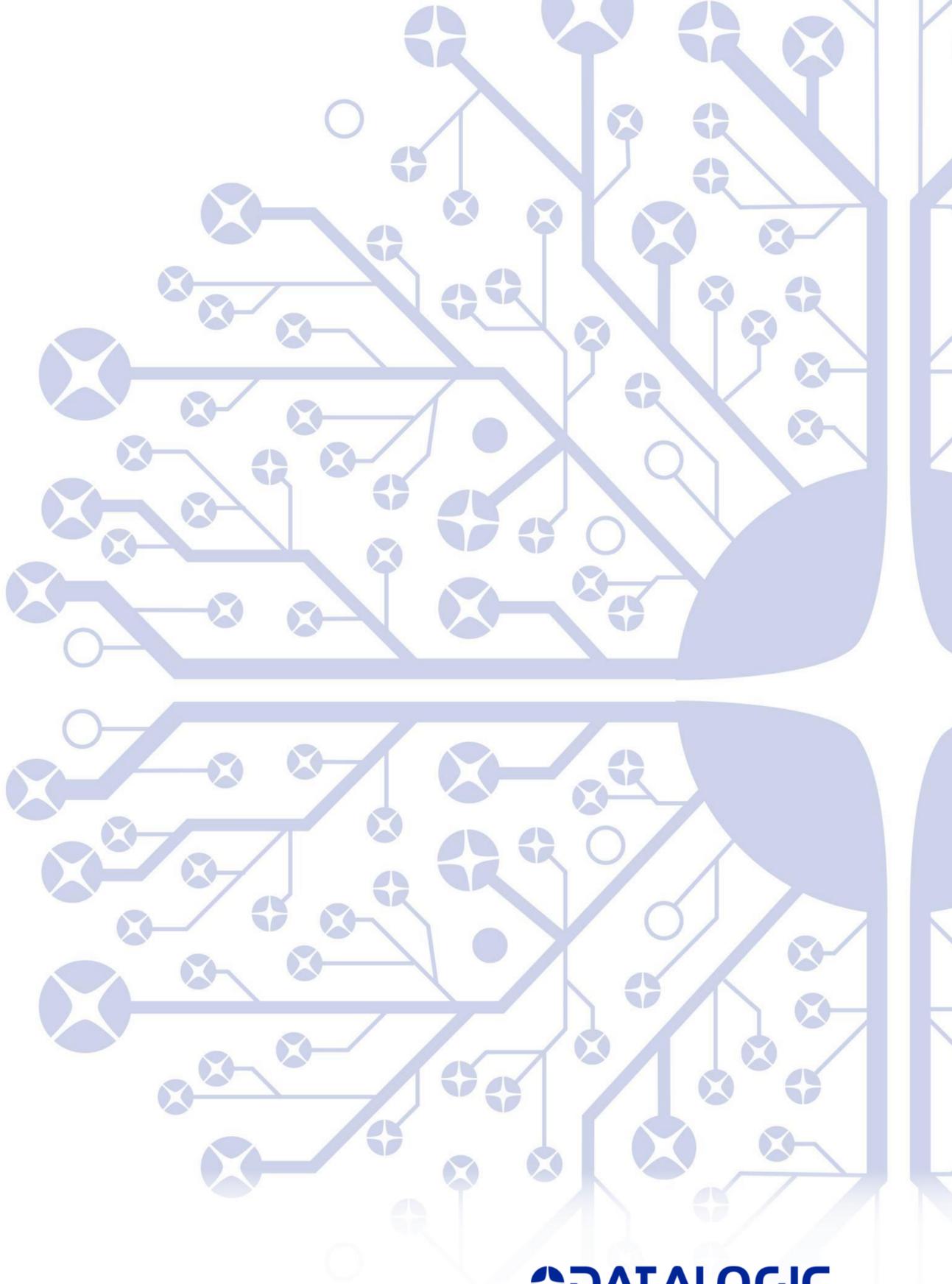
DATALOGIC PRICE PERFORMANCE



SHAREHOLDERS' STRUCTURE



Strategy



A Clear Strategy



Unique Positioning

Uniquely positioned to address customers' needs in both **data capture** and **process automation** along their entire value chain.

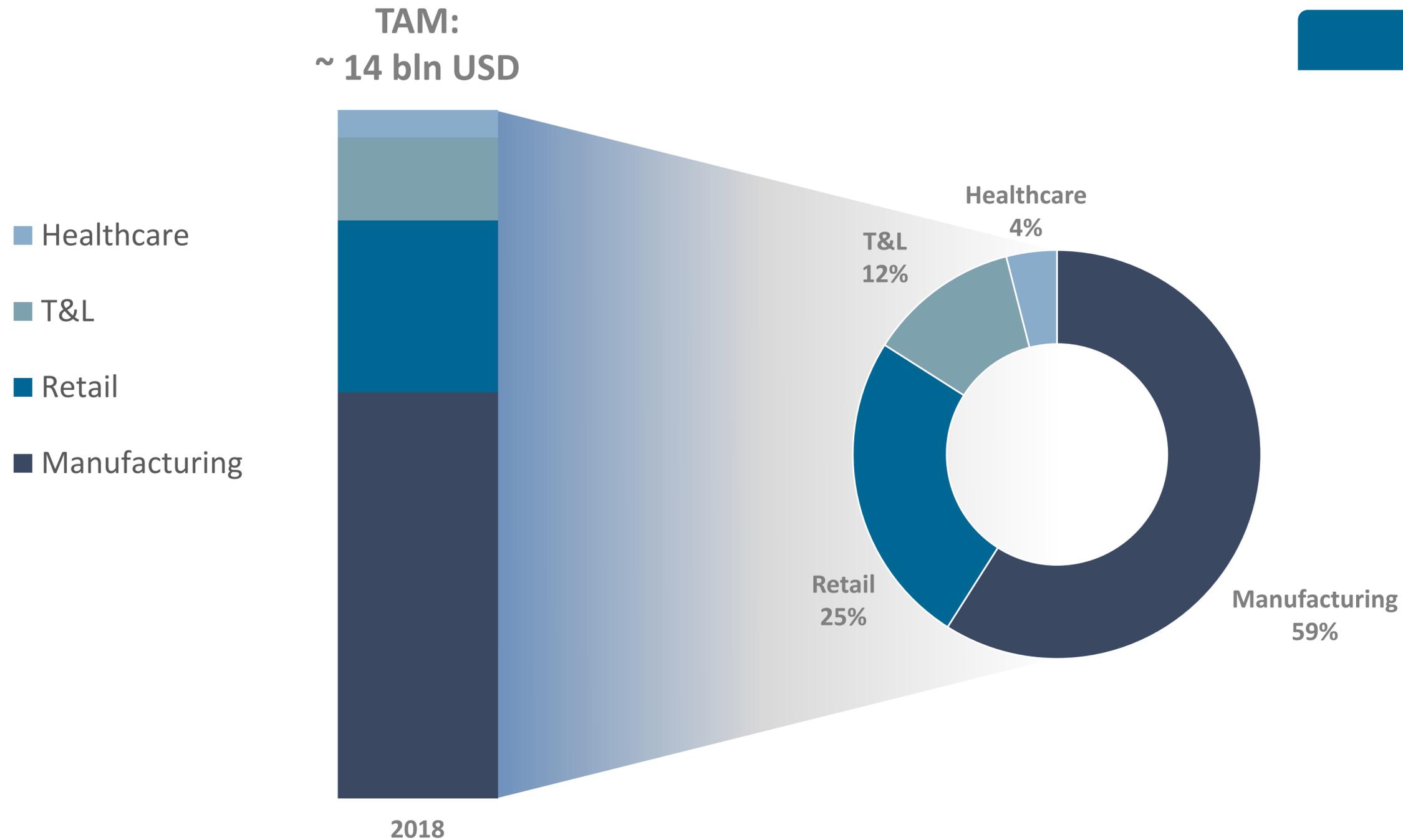
- **WIDE AND COMPLEMENTARY OFFER**



- **CUSTOMER CENTRIC ORGANIZATION BY VERTICALS**



Total Addressable Market



DATALOGIC MKT SHARE

- **Fixed retail scanners**
#1 WW: >35% market share
- **Stationary industrial scanners**
#1 WW: >20% market share
- **Handheld Scanners**
#3 WW: ≈ 20% market share

Retail

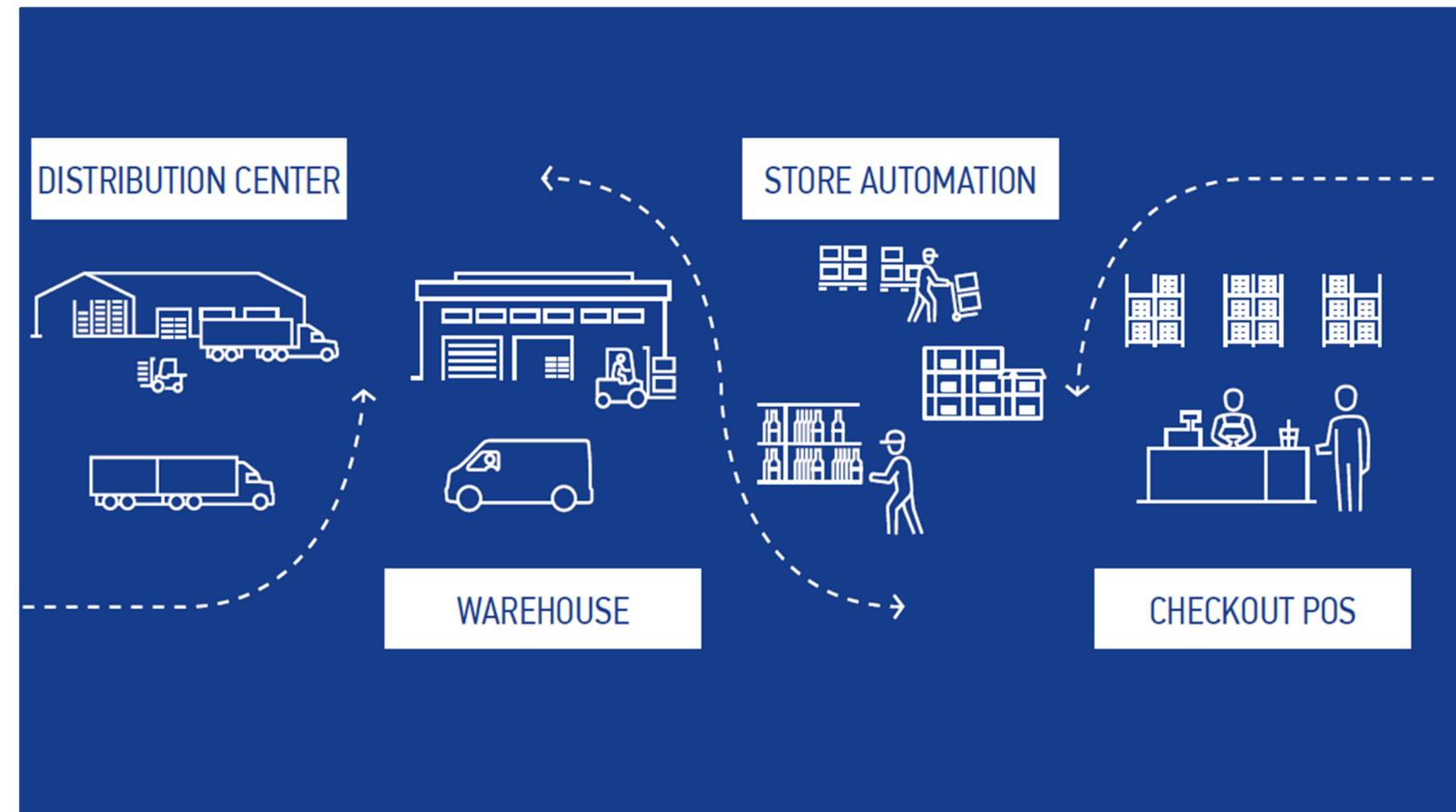
Bringing offline and online together



DATALOGIC PROPOSITION

- We satisfy globally the Retailers business needs, from Distribution Center to Check Out and Shoppers' Home
- **Market Leader** along the **Retail supply chain** from 1974 with the **first scanner** ever sold to a grocery store in Troy, Ohio up to now with **the innovative frictionless shopping solution** presented at the 2019 NRF exhibition in New York
- New Data capture products for E-commerce and multichannel

APPLICATIONS



Retail

Bringing offline and online together



MARKET OUTLOOK



- Online retailers are opening brick-and-mortar stores, while traditional retailers are converting physical store locations into semi-distribution hubs
- Retailers who collect customer data on every step of the journey are headed in the right direction
- Retail E-commerce sales worldwide posted solid gains in 2017, rising 23.2% to \$2.290 trillion *, but 90% of transactions are still completed in-store
- Distribution Centers automatization increase
- Retailers are looking for advanced logistics solutions to be able to satisfy the needs of the E-commerce trend



* Source: eMarketer

Manufacturing

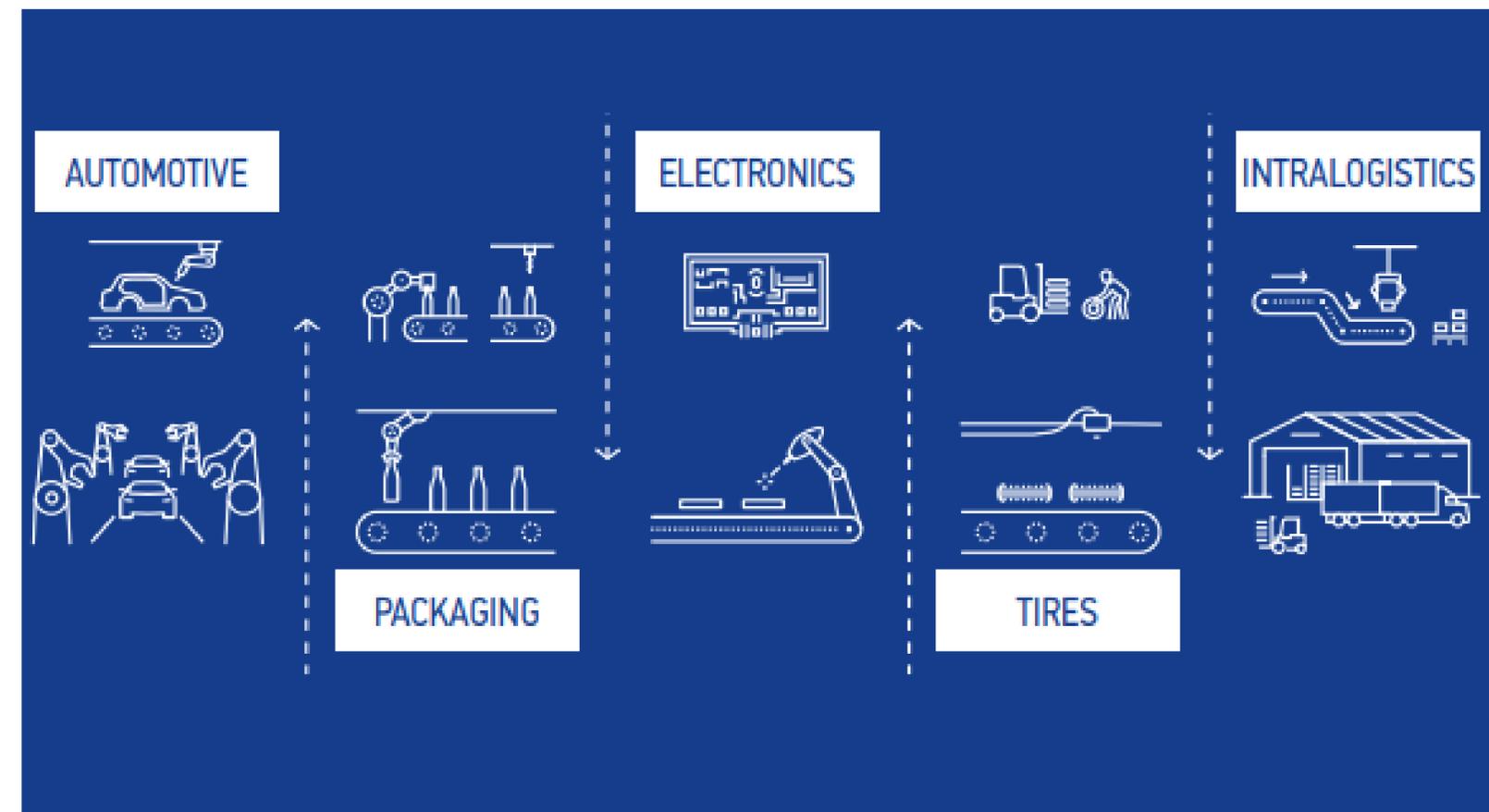
The factory of the future



DATALOGIC PROPOSITION

- Unique portfolio provider of smart, interconnected devices able to protect, identify, sense, check and mark
- Datalogic is providing multi-product portfolio to serve all the major manufacturing clients: **Automotive, Food and Beverage, Automated Machinery and Electronics, and Intralogistics**
- Expanding into **Intralogistic solutions** and **Robotic/AGV** guidance

APPLICATIONS



Manufacturing

The factory of the future



MARKET OUTLOOK



- Market trends
 - Industry 4.0
 - Robotics / AGV
 - DPM / Extended Traceability and Quality Inspection
 - New segments due to new technology (i.e. Electric car)
- **Industry 4.0 is pushing for multi-technology adoption, product interoperability and enhancement self diagnostic capabilities**
- The adoption of key digital technologies shows a strong growth over the next 5 years
- 267 Billion USD investment in the next 5 years directed towards IoT*
- The Industrial Robotics Market stands at 13.9 billion USD with an 11.8% growth **



* Source: IoT Analytics

** Source: International Federal of Robotics (IFR) data and Loup Ventures

Transportation & Logistics

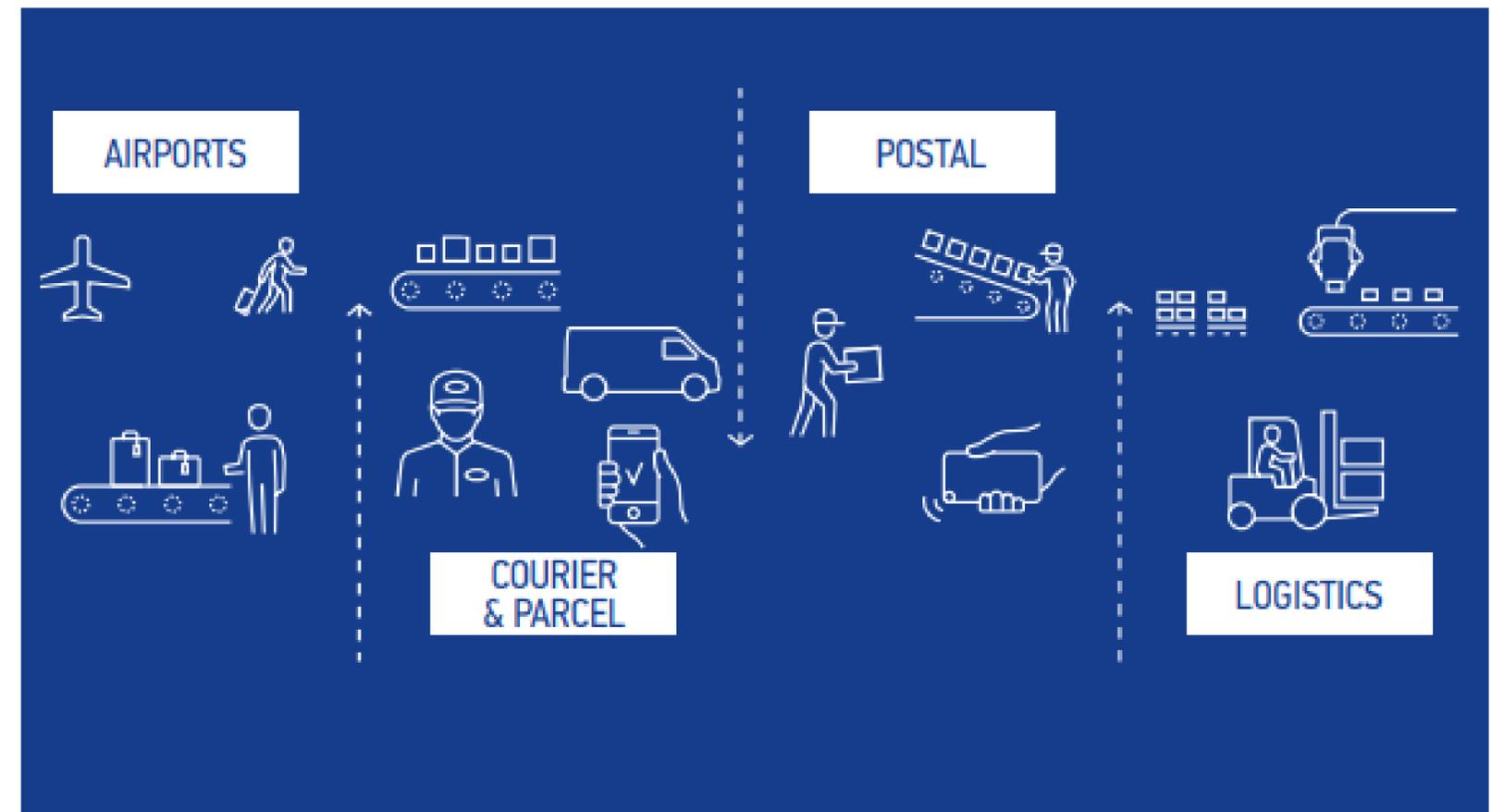
End to end visibility and real time tracking



DATALOGIC PROPOSITION

- We ensure Data Collection to **Courier-Express-Parcels, Airports and Logistics**
- Datalogic is at the **forefront** of the development of **airport systems**, since 1984 with the **first automatic reading station** in Milan, to the recent contract with a main European hub in compliance with new IATA requirements
- Datalogic's proven capabilities are reflected by the recent **"Platinum" supplier** qualification granted by a world leader in the shipping and logistics sector

APPLICATIONS



Transportation & Logistics

End to end visibility and real time tracking



MARKET OUTLOOK



- Growth is **driven by E-commerce**: high speed sorting, ability to manage any size of parcel, and high flexibility. E-Commerce is driving the industry growth
- **Resolution 753** requires (from June 2018) IATA members to maintain an accurate inventory of baggage by monitoring the acquisition and delivery of baggage
- The baggage handling system market* is projected to reach USD 9.36 Billion by 2020, at a CAGR of 7.8% from 2015 to 2020
- Strong demand for solutions beyond barcode
- Robotics & Automation: collaborative robots and automatic solutions to get higher productivity, zero-defects, reducing manual operations



*Source: IATA

Healthcare

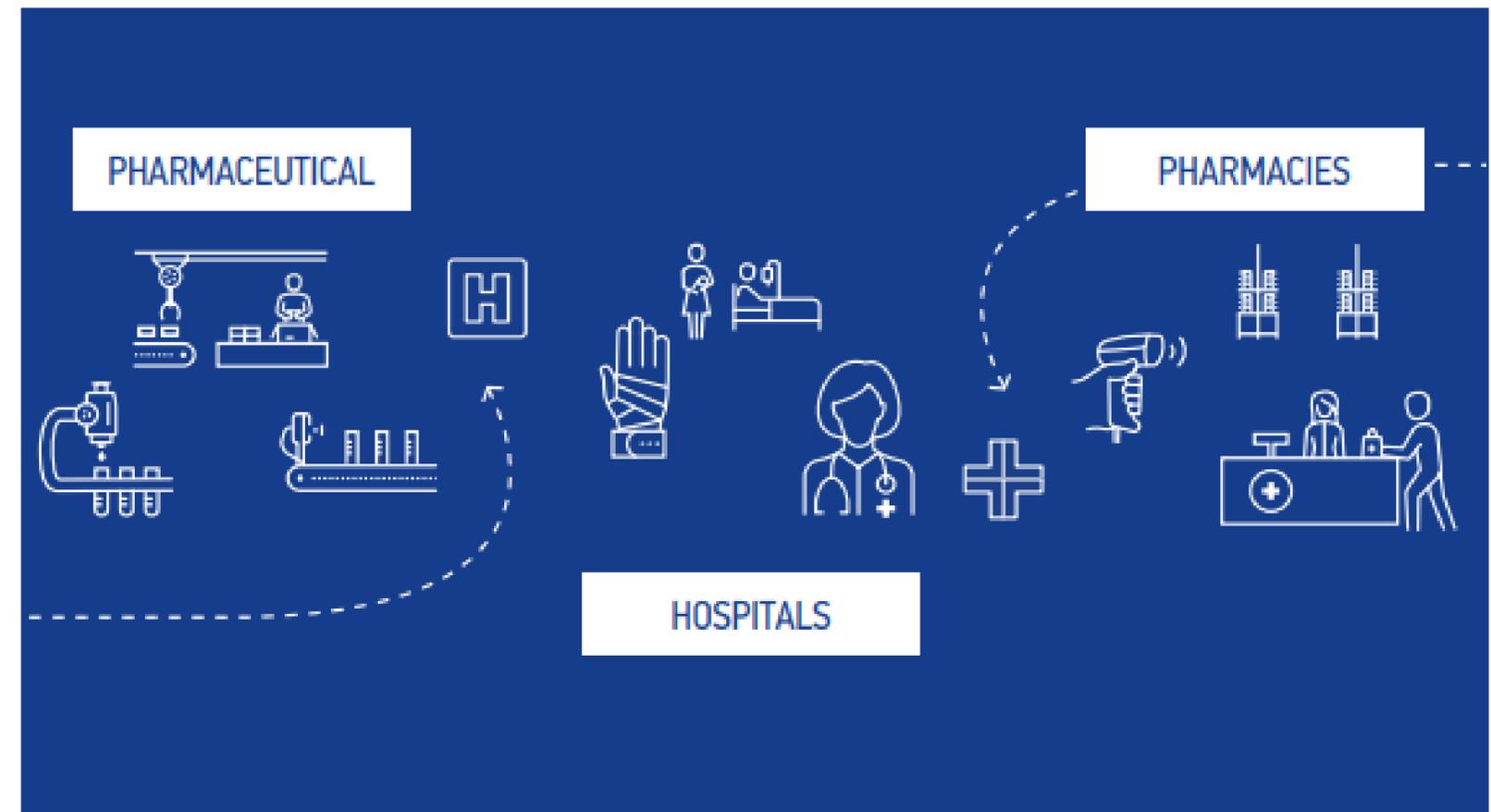
Meet regulations and Higher Patient Safety



DATALOGIC PROPOSITION

- We empower the entire Healthcare ecosystem from drug production to patient care
- Datalogic is the sole company providing **unique product features** for the HC industry such as: **Anti-microbial enclosures**, **Inductive charging technology** for battery recharge, and **Green spot good match** to ensure positive medicine-patient identification

APPLICATIONS



Healthcare

Meet regulations and Higher Patient Safety



MARKET OUTLOOK

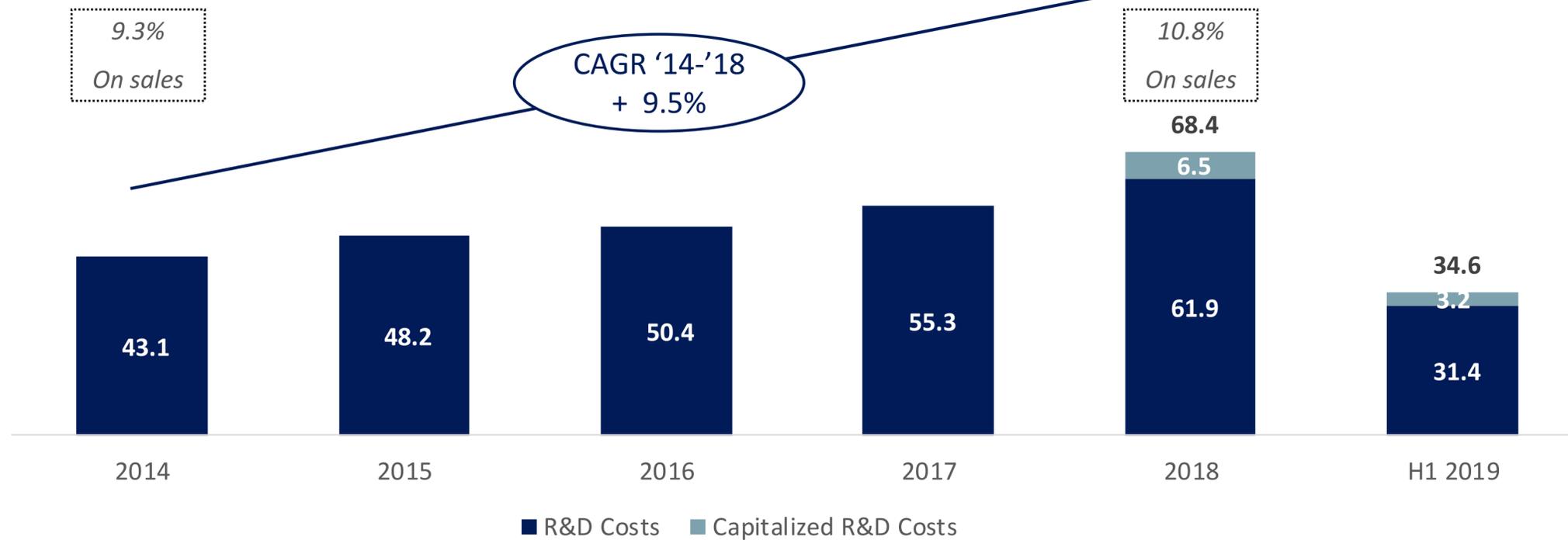


- Drugs tracking to avoid counterfeit medications
- Bedside care: adopt technology to secure the correct drug administration to patients and real time saving with no mistakes of clinical data
- HC Emerging trends: Telemedicine/Telehealth. Health systems are more and more using digital health tools and telehealth platforms to better care for patients after they leave the hospital, as well as those most at risk of returning



Focus on Innovation

R&D Evolution (€ mln)



- R&D expenses up 3.2% to €31.4 million (€30.5 million in the first half of 2018).
- Total R&D spending, gross of capitalizations amounted to approximately 11% of turnover, in line with the Group's strategy on innovation.

Important Launches

Fixed Retail Scanners



MAGELLAN 3450HSi
Launched: Sep 2017



Hand Held Scanners



QUICKSCAN LITE
Launched: Oct 2017



Mobile Computers



SKORPIO X4
Launched: Dec 2017



Stationary Industrial Scanners



Safety & Sensors



LASER SENTINEL
Launched: Dec 2017



Vision Systems



H1 2019 New Product Launches

Mobile Computing

New Presentation Scanner

Hand Held Scanners

Factory Automation

Machine Vision

Sensors



MEMOR 10
HEALTHCARE



MEMOR 10
Accessories



MAGELLAN
™ 1500i



PowerScan
PD95X1
Auto Range
Series



IMPACT + 3D



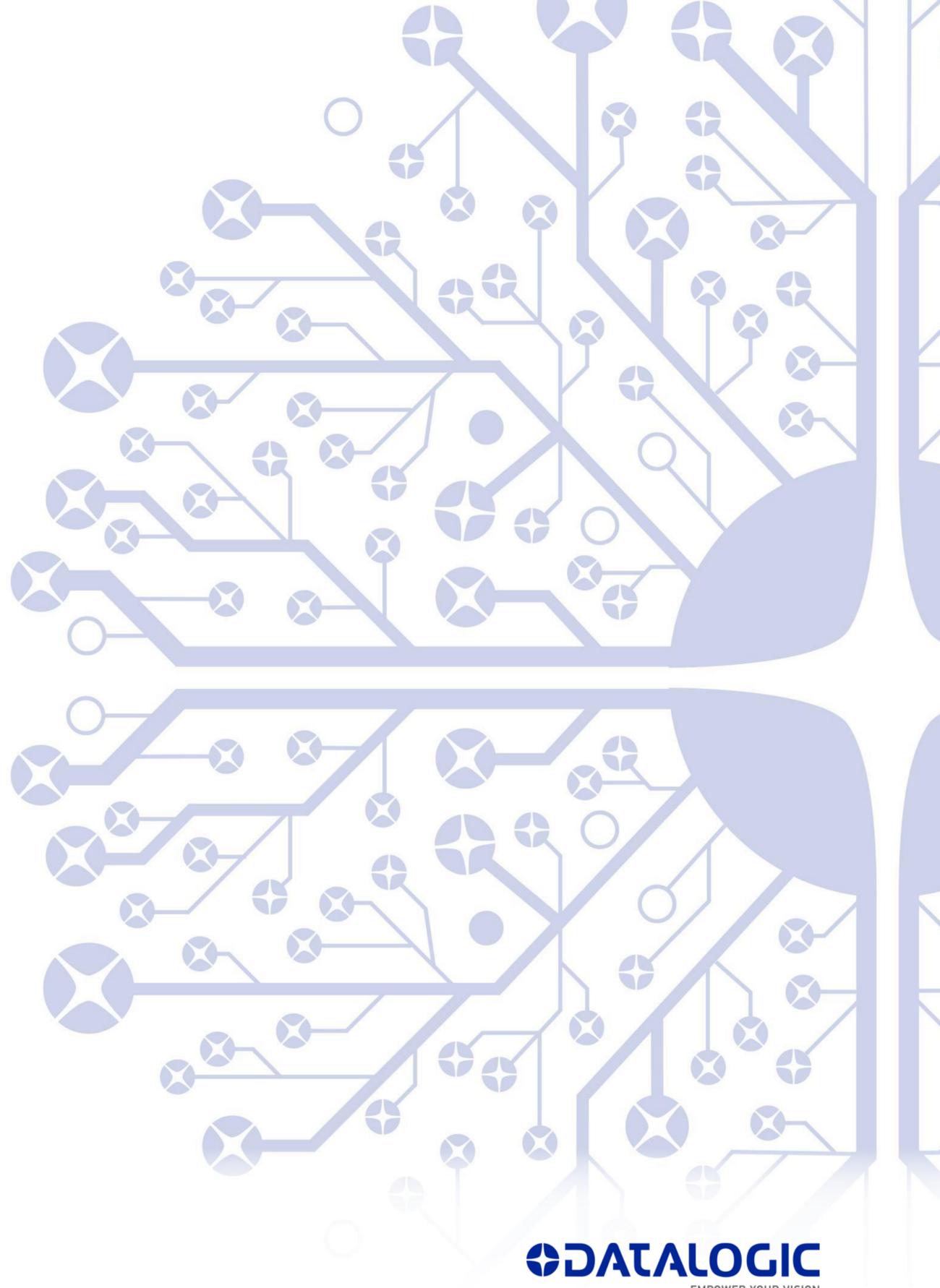
IO Lnk

S5N Sensors and IO-
Link Master

- First Half **New product*** net sales account for **20.2%** of total sales improved from 13.5% in H1 2018
- Positive acceptance of new products by our Customers

* New Products: products launched in the last 24 months

Financials & Outlook



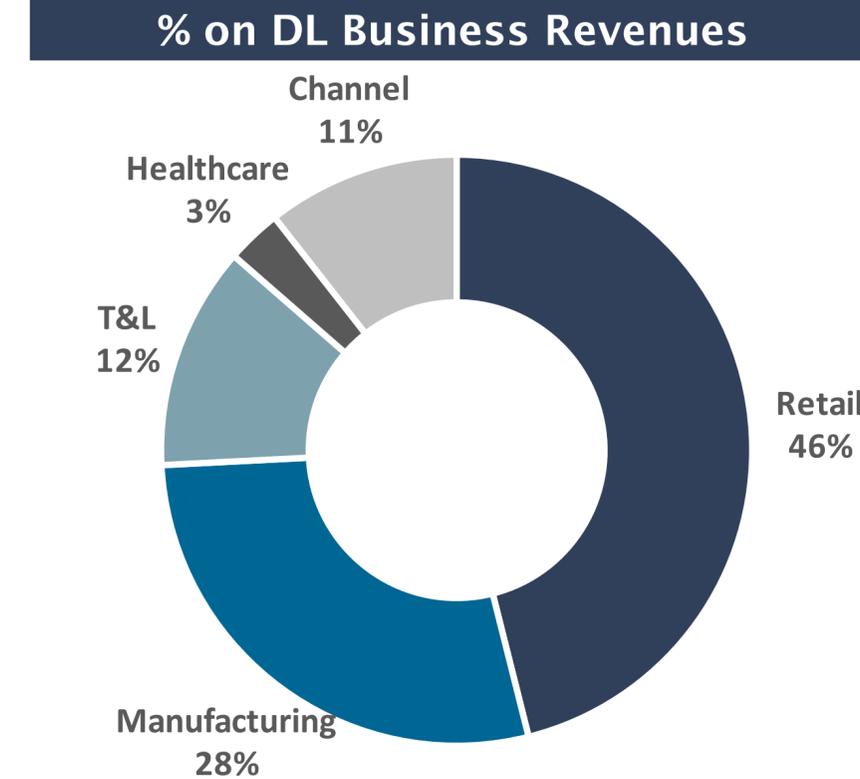
H1 2019 Key Facts

- North America and New products delivered resilient Financial performance despite slowdown in key reference market and geographies
- Vitality index improved from 13.5% in H1 2018 to 20.2% in H1 2019 mostly thanks to Mobile Computing
- Gross Margin at €147.9m improved by 0.9% Net of Forex
- EBITDA margin remained almost flat Net of Forex at 16.6%
- R&D investment reached 11%* in line with the Innovation priorities

* Including capitalization

Group Revenues Breakdown

€m	H1 2019	H1 2018	Var % vs. H1 2018	Constant FX
Retail	129.5	134.5	(3.7%)	(6.9%)
Manufacturing	79.0	86.5	(8.7%)	(10.3%)
Transportation & Logistics	34.4	30.4	13.2%	9.4%
Healthcare	10.0	8.8	13.7%	10.0%
Channel (Unallocated)	29.7	24.1	23.3%	21.2%
Total DL Business	282.6	284.3	-0.6%	-3.3%
DL Business	282.6	284.3	(0.6%)	(3.3%)
Solution Net Systems	14.5	14.2	2.2%	(4.4%)
Informatics	9.3	9.7	(4.6%)	(10.9%)
Intra division	(1.9)	(1.3)		
Total Datalogic	304.5	307.0	-0.8%	-3.8%



DL Business: Substantially in line with H1 2018 (-0.6%); double digit growth in NA and LA, partially offsetting the softness in EMEA and APAC

Retail: Tough comparison with the previous year due to major rollouts with large clients in EMEA in 2018

Manufacturing: Double digit growth in NA offset by slowdown in automotive and packaging markets in EMEA and consumer electronics market in APAC

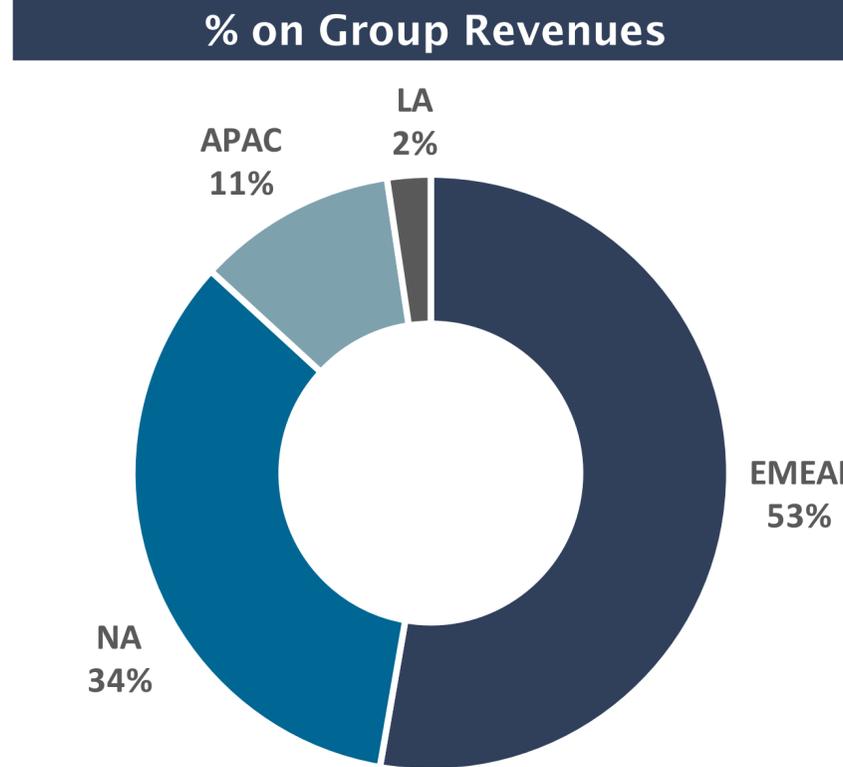
T&L: Double digit growth driven by a strong performance in NA and maintained position with largest parcel companies worldwide

Healthcare: Returned to positive growth driven by EMEA and NA

Channel: Strong growth driven by small and medium customers

Group Revenues by Geography

€m	H1 2019	H1 2018	Var % vs. H1 2018	Constant FX
EMEI	159.9	165.9	(3.7%)	(4.4%)
North America	104.4	91.8	13.7%	6.1%
APAC	33.1	42.7	(22.5%)	(24.6%)
Latin America	7.2	6.5	10.2%	7.2%
Total Revenues	304.5	307.0	-0.8%	-3.8%



EMEI: decreased 3.7% due to a market slowdown particularly in Automotive sector, partially offset by growth in HC and in the Small Medium Business

North America: Datalogic Business revenues show positive growth +19% mainly driven by double digit growth in T&L and Manufacturing

APAC: Negative trend driven by China in all the sectors due to trade war.

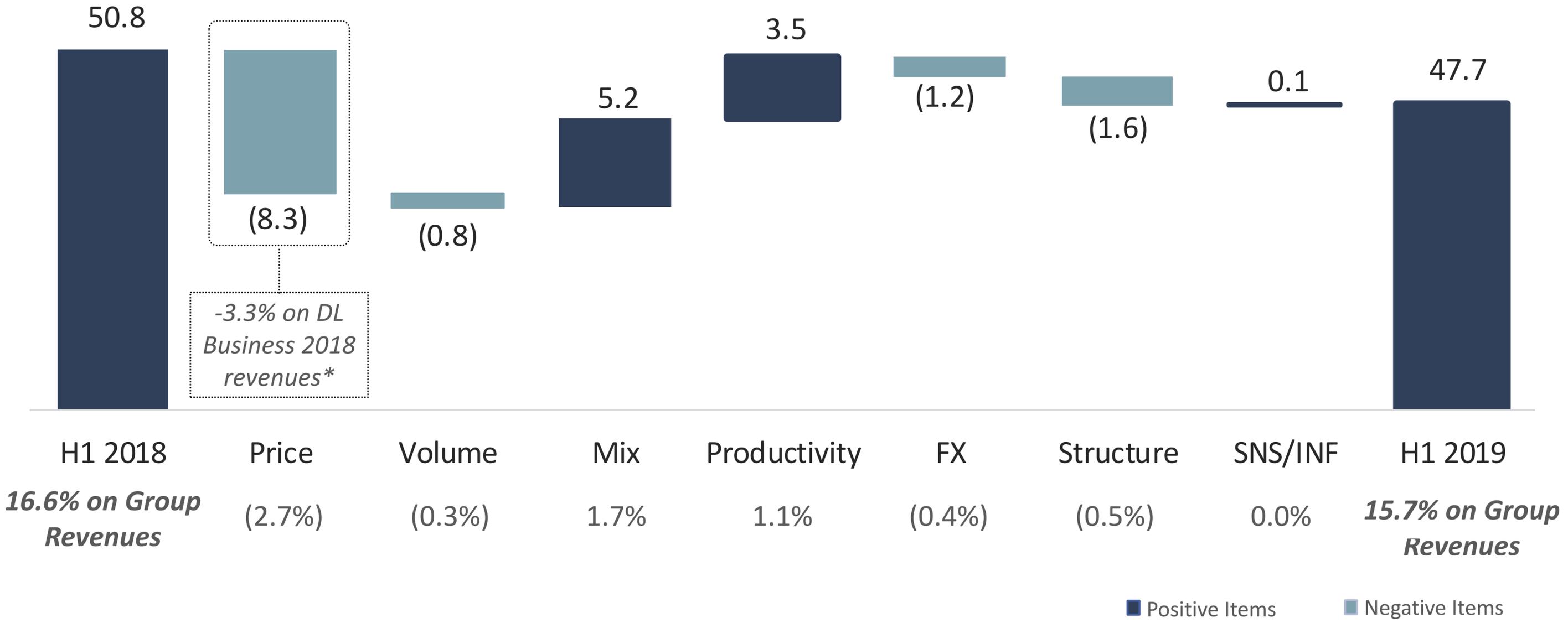
1H 2019 P&L

€ m	H1 2019	H1 2018	Variance Reported	Constant FX	
Revenues	304.5	307.0	(0.8%)	(3.8%)	<ul style="list-style-type: none"> ▪ Revenues down 0.8% to €304.5 m (-3.8% Net FX); DL Business revenues at €282.6 m (-0.6%, -3.3% Net Fx) ▪ Gross Margin almost flat at 48.5%, improved by 0.9% net of FX ▪ Operating expenses to €110.8 m: <ul style="list-style-type: none"> ✓ R&D on revenues increased from 9.9% to 10.3%; ✓ S&D on revenues from 17.4% to 19.4% due to investment in commercial organization ✓ G&A and other items decreased from 7.1% to 6.6% on revenues ▪ Net income at €25.3 m at 8.3% (-0.4% at Net FX)
Gross Margin	147.9	149.4			
<i>% on Revenues</i>	48.5%	48.7%	-0.1 pp	+0.9 pp	
Operating expenses	(110.8)	(105.9)			
<i>% on Revenues</i>	(36.4%)	(34.5%)	-1.9 pp	-2.0 pp	
EBITDA *	47.7	50.8			
<i>% Ebitda margin</i>	15.7%	16.6%	-0.9 pp	+0.0 pp	
EBIT	33.9	40.3			
<i>% Ebit margin</i>	11.1%	13.1%	-2.0 pp	-1.1 pp	
Net Income	25.3	29.0			
<i>% on Revenues</i>	8.3%	9.4%	-1.1 pp	-0.4 pp	
<i>EUR/USD FX Exchange Rate</i>	1.13	1.21			

* Impacted by IFRS 16: Positive impact of €2.3 million on EBITDA

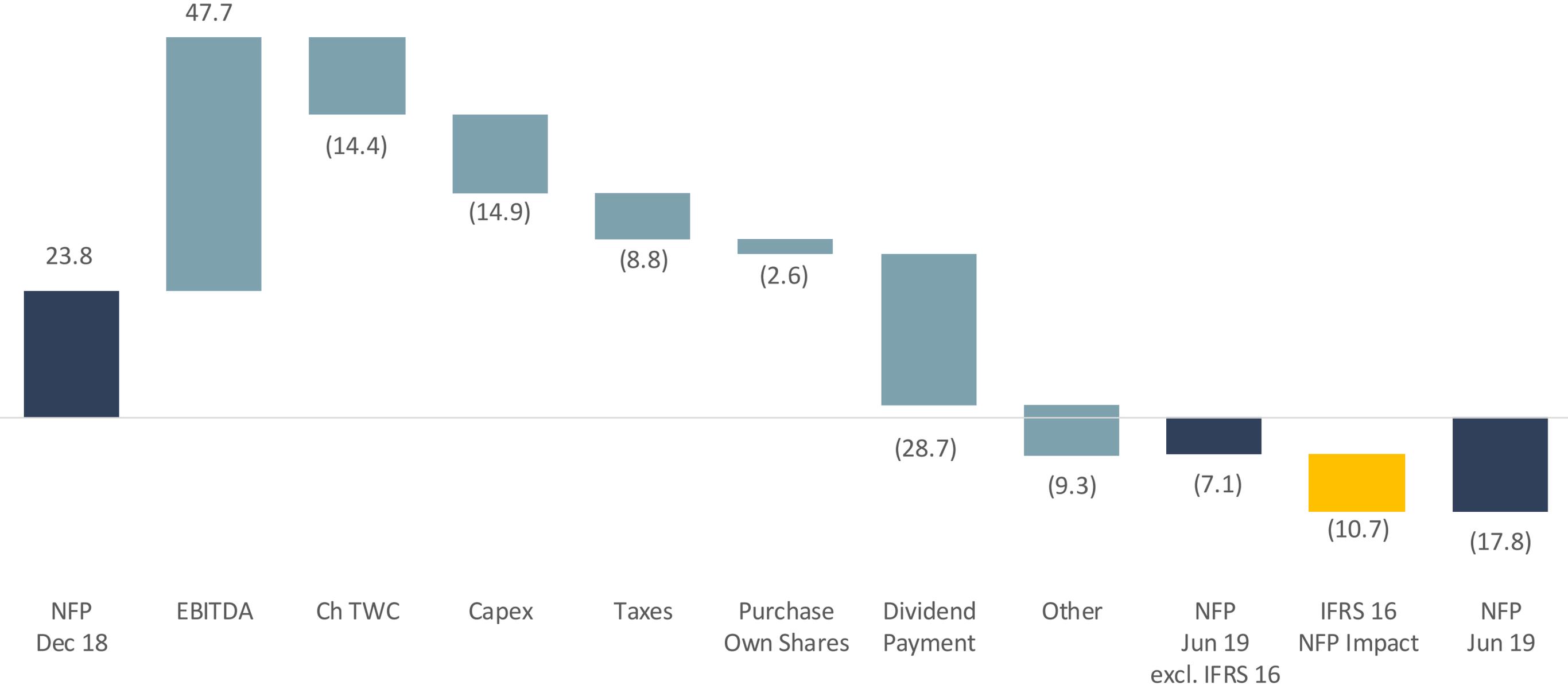
EBITDA: actual vs last year

€ m



* Excluding Service and other non significant items

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



NFP at 30 June 2018 equal to €13.3 million

2019 Outlook

In light of the continuing uncertainty in the macroeconomic scenario, we expect to close the year in line with the performance recorded in the first half.

However, robust growth was seen in North America, and the new products launched during the half-year, as a result of increased investments in R&D, were positively received – indicators that confirm the Group's growth potential in a less uncertain and more uniform macroeconomic scenario across its various markets of operation.

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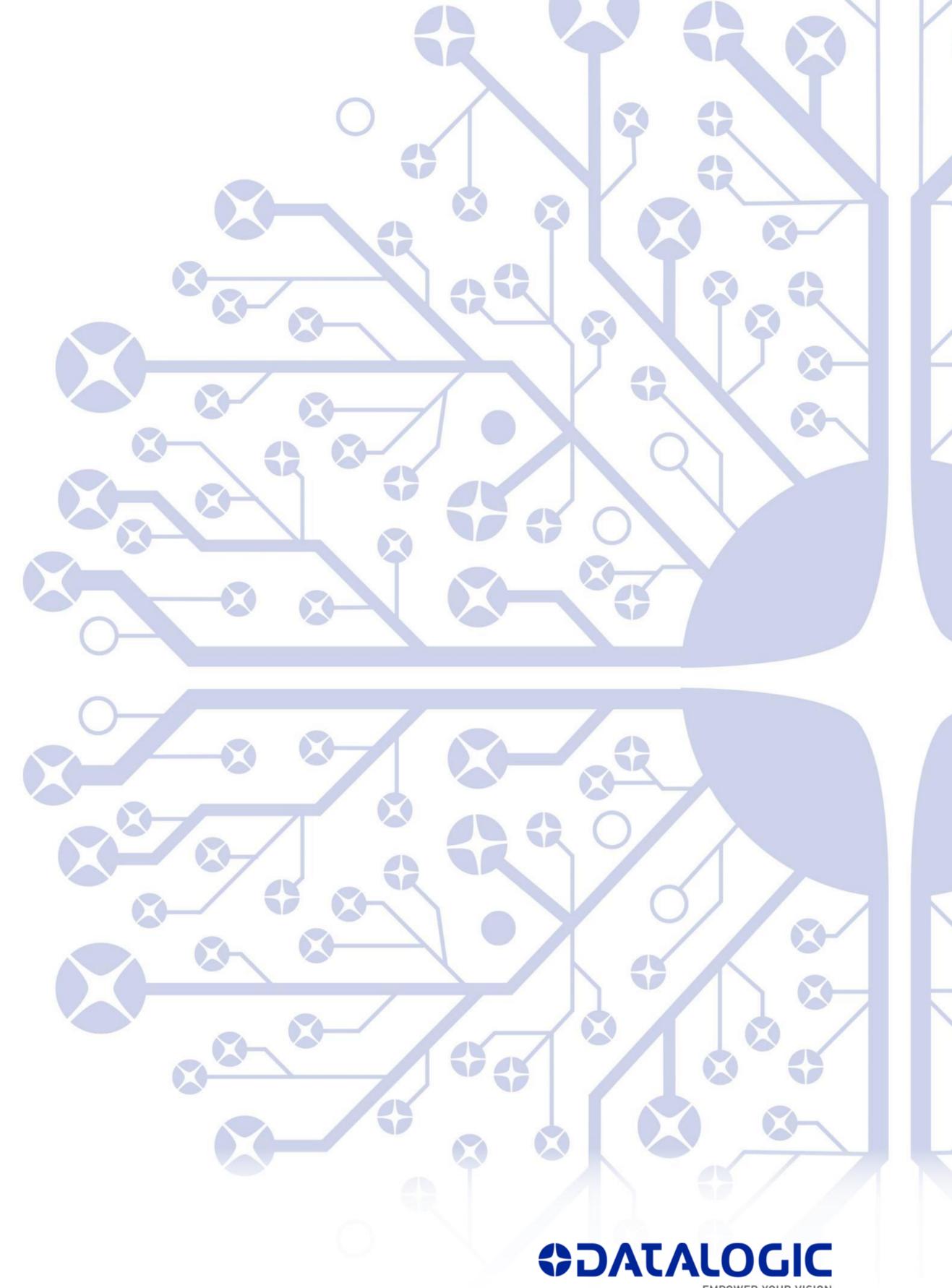
NEXT EVENTS

November 13, 2019

9M Results

DATALOGIC ON LINE

www.datalogic.com



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