

# Italian Investment Conference 2021

**18-19 MAY 2021**

---

# 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.

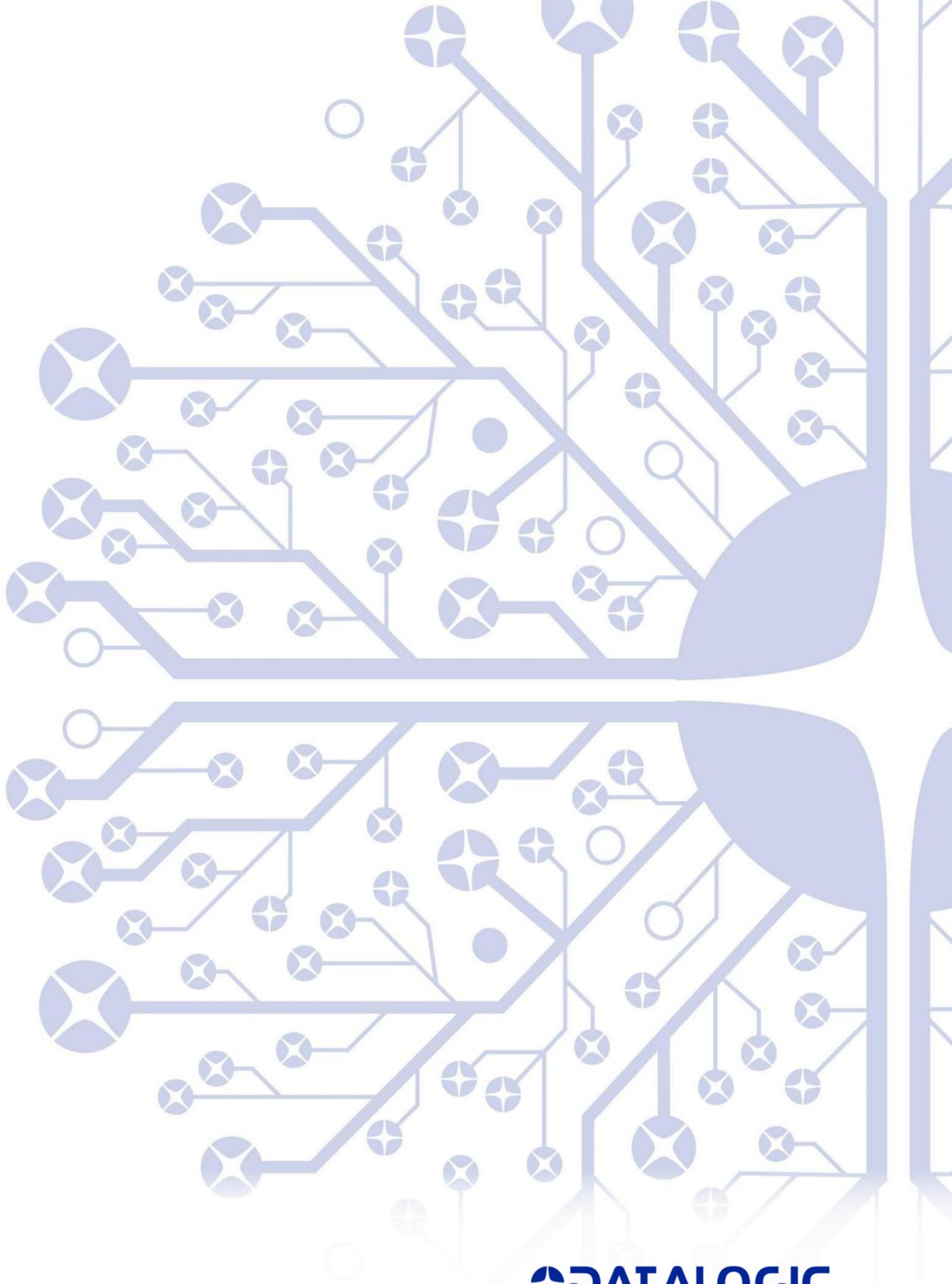
This document does not constitute an offer to sell or a solicitation to buy or subscribe to Company shares and neither this entire document or a portion of it may constitute a recommendation to affect any transaction or to conclude any legal act of any kind whatsoever.

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.

# Corporate Overview

---



# Datalogic at a glance



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

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



A portfolio of about 1,200+ patents and patent applications



450+ engineers in 7 R&D centers and 3 DL Labs in: Italy, USA, Vietnam, China, and Germany



2,826 Employees in 27 countries:  
18% Americas, 56% EMEA, 26% APAC



9 Manufacturing and Repair facilities in: Italy, US, Hungary, Slovakia, Vietnam and Australia

# Core Advantages

1

STRONG POSITIONING IN THE  
INDUSTRY

2

INNOVATION

3

SOUND PROSPECTS

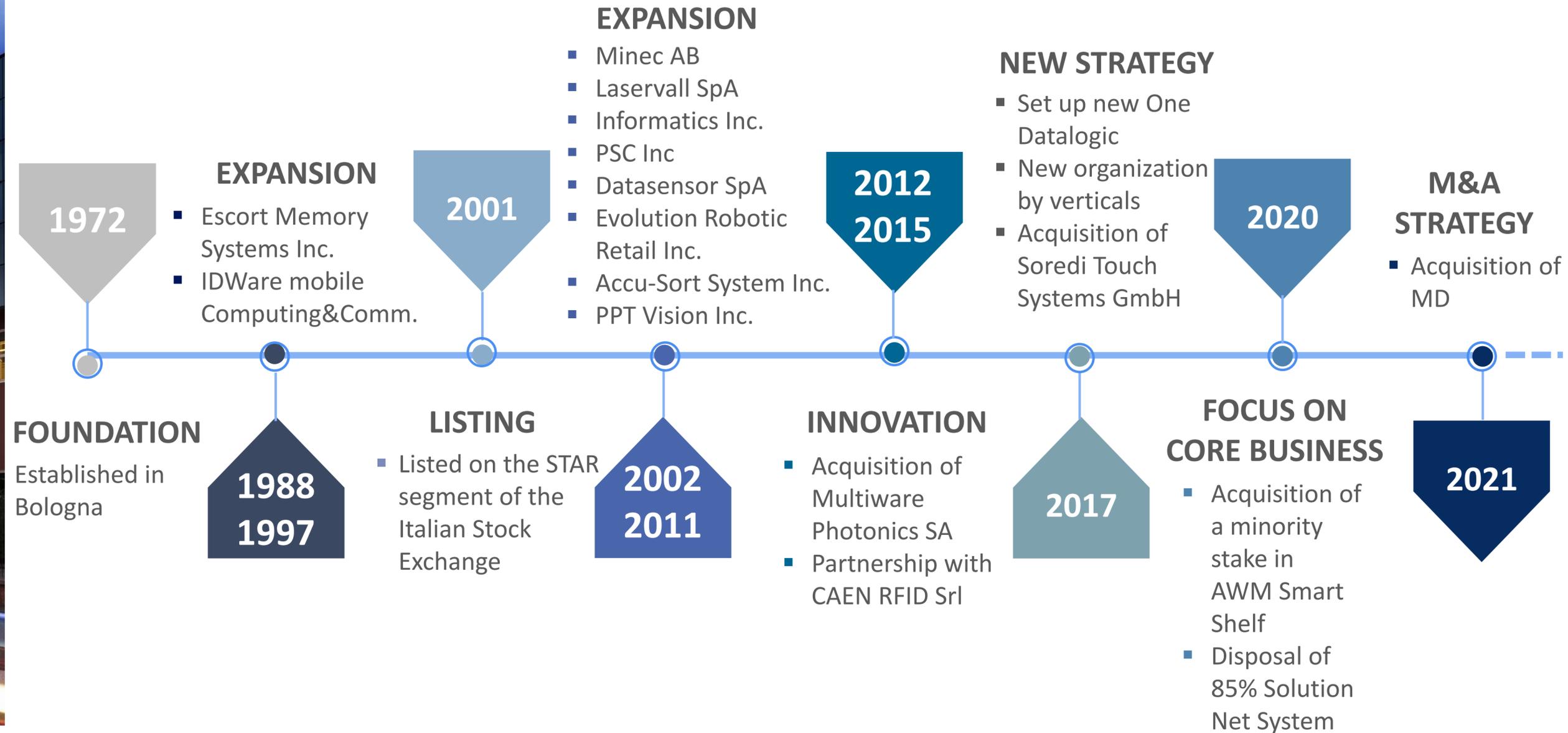
4

EFFICIENCY AND PRODUCTIVITY

- **Worldwide leader** in the **ADC** and **IA** markets
- **Balanced presence** across markets / segments
- **External growth** through M&A activities mainly in **the IA market**
  
- **Leadership** in **FRS** and **SIS**
- **Focus on technology innovation** thru R&D Investment **11-13%**
- 20% of sales from **new products\***
  
- **Financial strength** positioning for future growth
- Sound **profitability** and **cash generation**
- **Acquisitive** in key segments
  
- Solid **operational efficiency** and leverage **global and low cost** industrial footprint
- High potential from **economy of scale**
- Proven **cost flexibility**

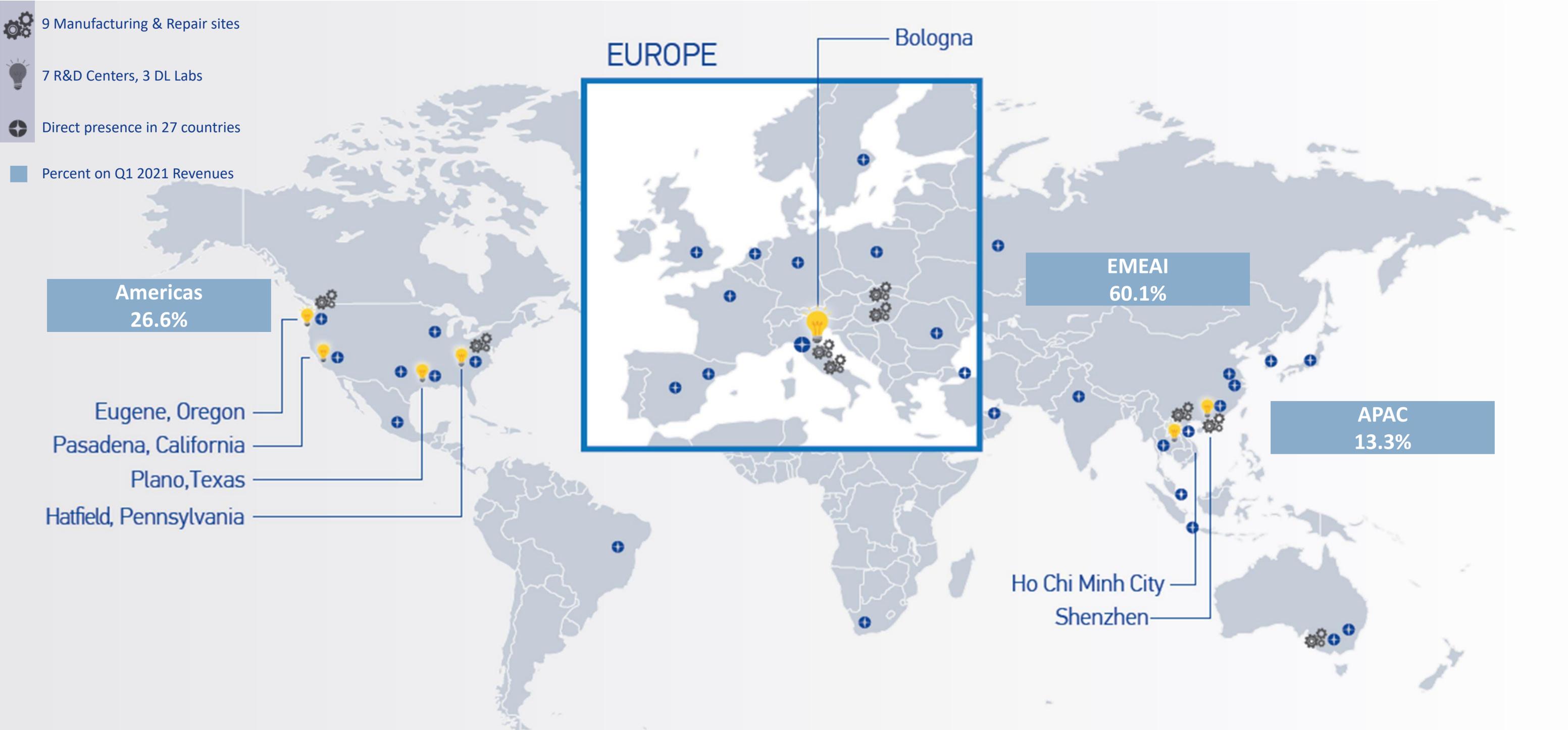
*\*New Products: products launched in the last 24 months – 2020 data*

# Nearly 50 years of Technological Innovation



# A Wide Geographical Footprint

- 9 Manufacturing & Repair sites
- 7 R&D Centers, 3 DL Labs
- Direct presence in 27 countries
- Percent on Q1 2021 Revenues



Data refer to Q1 2021

# 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

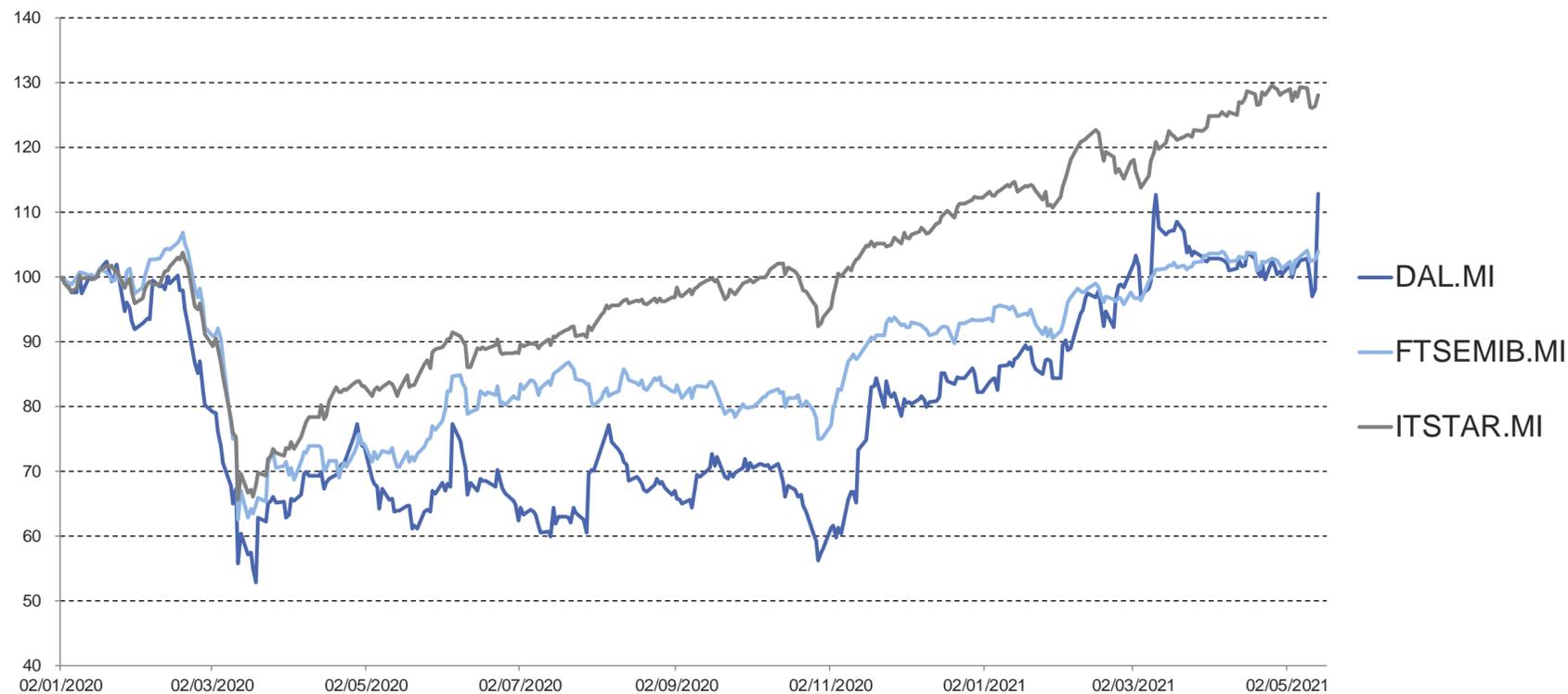
Ticker: DAL

Price (May 14, 2021): 19.20 Euro

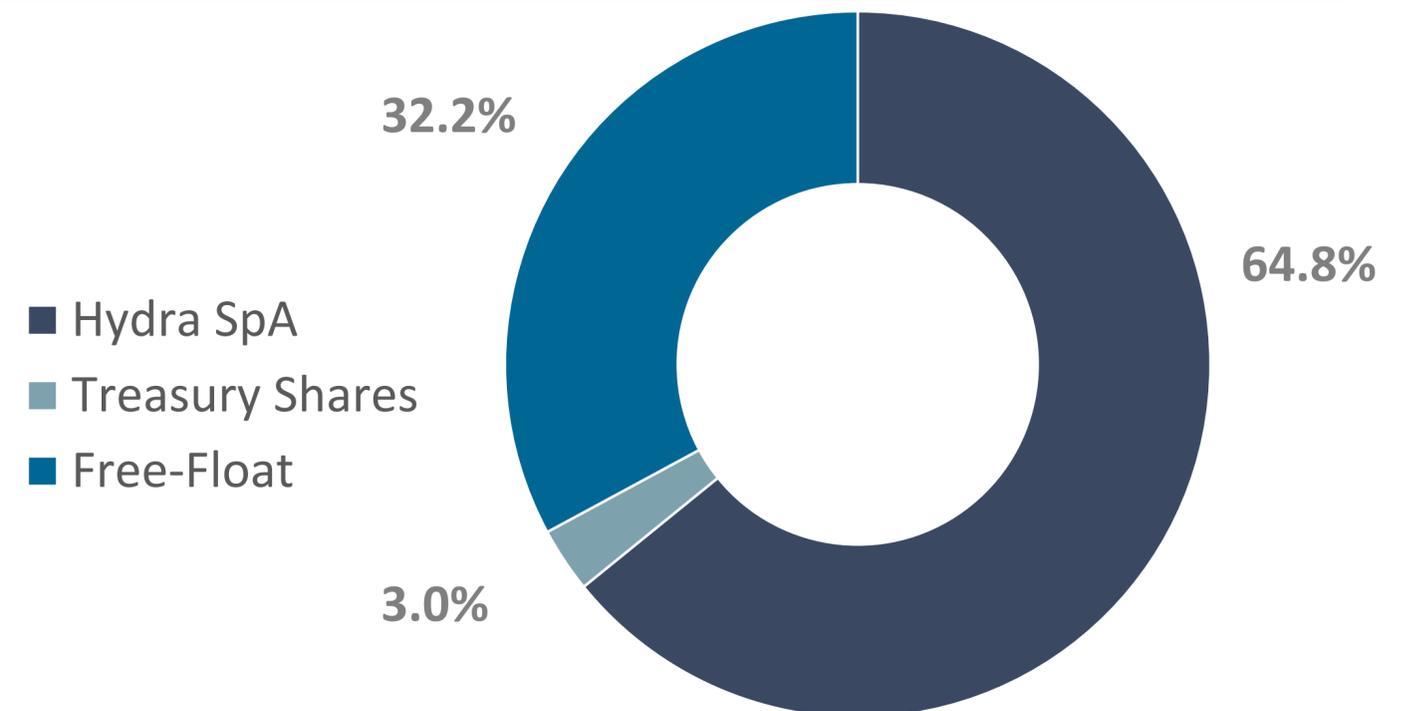
Market Cap (May 14, 2021): 1,122 mln Euro

Auditing Company: Deloitte

## DATALOGIC SHARE PERFORMANCE vs. INDICES



## SHAREHOLDERS' STRUCTURE



# Sustainability Policy

**Datalogic Group**, in line with Sustainability Goals of the United Nations 2030 Agenda, focuses on: data protection and innovation, attention to employees, human rights, training and education, environmental impact management and customer satisfaction.

An action plan for people, planet and prosperity:

- **Valuing diversity and supporting gender equality:**
  - 33% women on the Board (including CEO)
  - Representation of women in positions of responsibility is 26.4%
  - 37.5% women on the workforce
  - 16.5% of employees are under 30
- **Urgent measures to combat climate change:**
  - ISO 14001 “Environmental management system”
  - 98% is non-hazardous waste
  - Building sustainable technological infrastructures
- **Preserving the human heritage:**
  - Health and safety in the workplace
  - Talent development
  - Excellent corporate welfare
  - Improving the evaluation of suppliers and supply chain localization strategies

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



4 QUALITY EDUCATION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



Innovation  
Data Protection

Safe working conditions  
Products Safety  
Health and wellbeing at workplace

Human Rights  
Diversity & Equal Opportunities

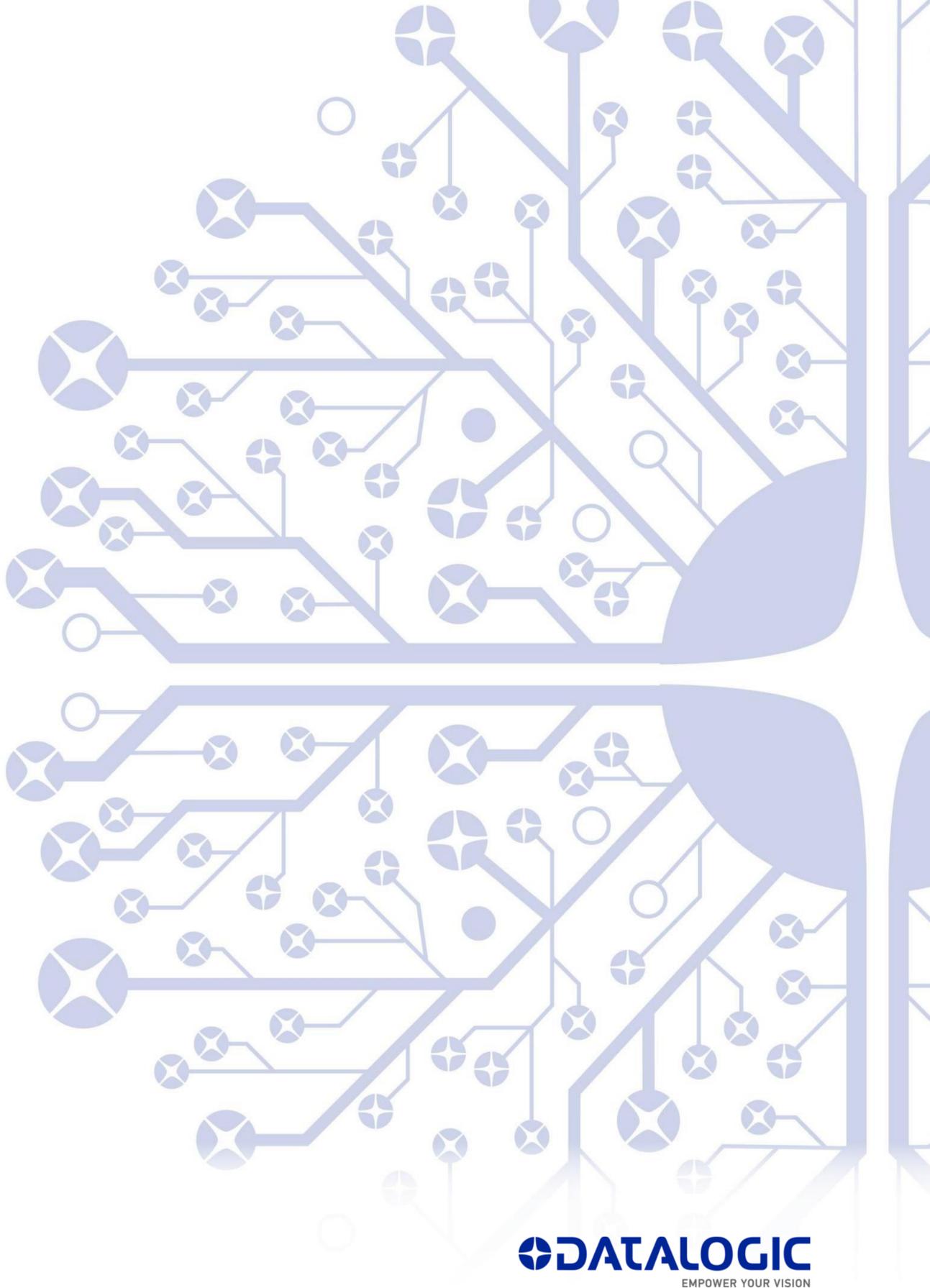
Training and Education  
Employee retention and attraction

"Green" organizational approach  
Waste management  
CO2 Emissions Reduction  
Energy Consumption  
Environmental impact of products

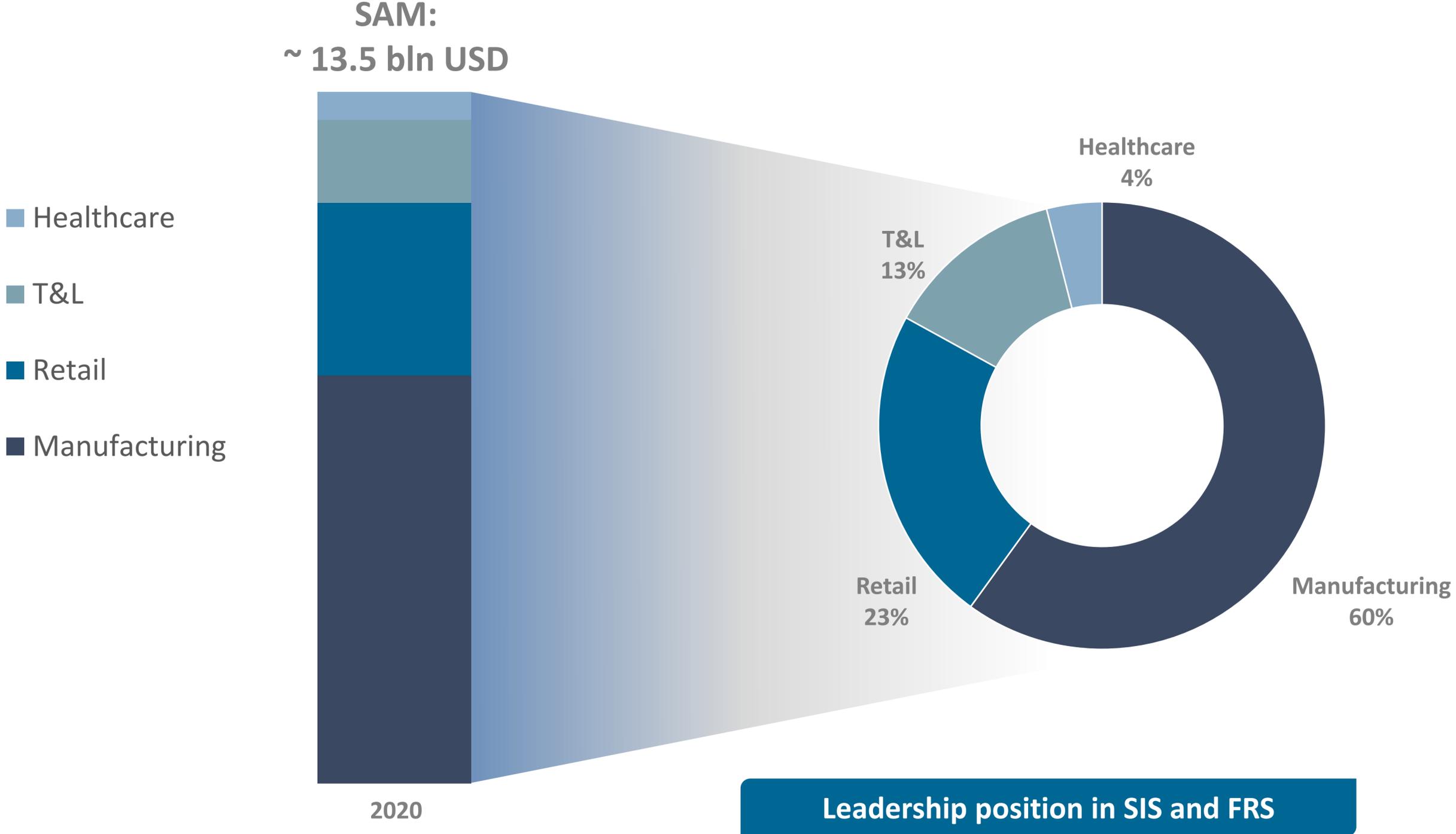
Customer satisfaction  
Suppliers Social and Env. Perf

# Strategy

---



# Serviceable Available Market



Source market data: VDC 2020,ARC 2020,HEXA 2018,RAIN 2020

# A wide range of products that is able to fulfill our customers' needs for both data collection and process automation

Most complete offer of barcode readers: from retail to industrial scanners, from hand held to mobile



Undisputed leadership on barcode readers

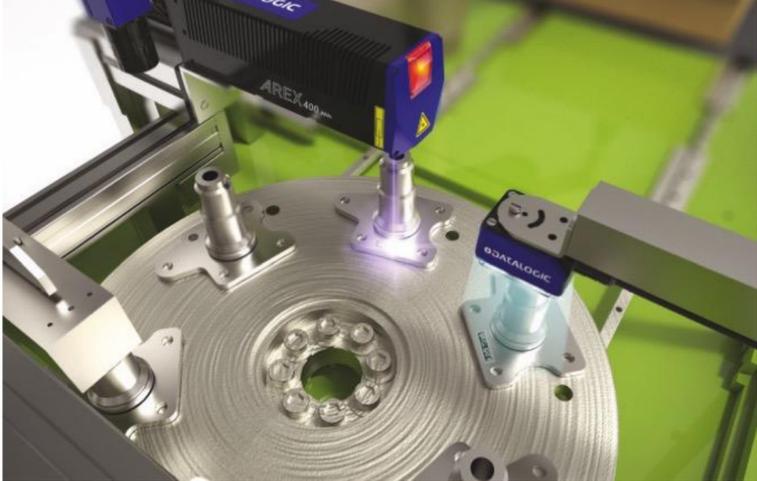
Complementary/Open doors products in the MFG Industry



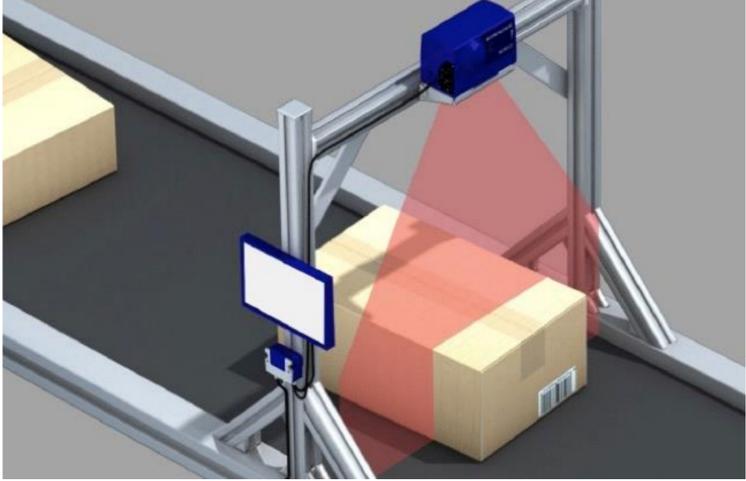
# Our products are key enablers of critical applications along our customers' supply chain



**Self-Shopping**



**Mark & Read**



**Dimensioning & Weighing Systems**



**Complete Traceability**



**Mark & Trace**

# Our market by industry

- E-commerce, dark stores
- New physical stores / omni-channel
- Contactless requirements in stores
- Vision and robotic solutions (AI)

- E-commerce – micro hubs and micro-fulfilment centers
- Robotics and automation
- Last mile delivery
- Airports' cargo business



- Automotive and tire
- Hybrid/electric cars
- Agility and lean production pushing intralogistics and traceability
- Continued effort to diversify supply chains to avoid disruption in case of local crisis

- COVID-19 pushing tracking and digitalization
- Distribution, storage and injection of COVID-19 vaccines
- Drugs regulations and traceability

# Retail

## Food and Self Check-out are the main drivers

### Datalogic Proposition

- We meet the needs of retailers globally, from the distribution centers, through check-out, to the customer's home
- **Market Leader** along the **Retail supply chain** from 1974 with the **first scanner** ever sold to a grocery store in Troy, Ohio
- Excellence in productivity and customer experience for self-checkout and attended lanes for both Grocery and Non-Food with FRS and HHS product portfolio
- Artificial Intelligence adoption to be ready for the next checkout POS investment cycle

### Market Outlook

- The main international players are experimenting new products and solutions to **satisfy new shoppers' needs and improve efficiency of their operations**: click & collect, drive & collect, online verification, in real time, of the availability and exact position within the shelves of the products in the store or in the warehouse, assisted selling, self scanning and self check-out
- Retailers are more and more interested in collecting **customers' data to do analytics to better serve them**
- Increase of **distribution centers advanced automated logistics** solutions to optimize online shopping and last mile order fulfilment



# Manufacturing

## All the thrust of industry 4.0

### Datalogic Proposition

- Leader in traceability thanks to the most complete and performing offer of stationary industrial scanners
- 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, Packaging and Intralogistics**

### Market Outlook

- 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
- **Robot and AGV:** the Industrial Robotics Market stands at 13.9 billion USD with an 11.8% growth \*\*
- Automotive and tire: **new segments due to new technology** - hybrid and electric cars
- **Agility and lean production** is pushing intralogistics and traceability
- Continued effort to **diversify supply chain to avoid disruption** in case of local crisis



\* Source: IoT Analytics

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

# Transportation & Logistics

## E-commerce is the market driver

### 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 contracts on 4 of the 5 main airports worldwide (source SkyTrax rating)
- Historically leader in stationary industrial scanners, Datalogic provides top performing solutions for High-Speed sorting to all the main CEPs and 3PLs
- Datalogic has a big opportunity to seize in the T&L mobility space, especially with the new PDT Skorpio X5 and a complete offer o PDAs (Memor family)

### Market Outlook

- Growth is **driven by e-commerce**: order fulfillment is the core process, while high speed sorting and the added ability to manage any size of parcel, is driving the industry growth.
- **The omnichannel** concept of retailers is evolving towards online orders: dark stores micro fulfillment and last mile delivery as new relevant applications.
- The **baggage handling system** market is projected to reach pre-covid numbers in 2023-4, cargo applications keep the pace of 3-4% growth Y/Y (\*)
- Strong demand for **solutions beyond barcode**, image-based diagnostics and big data management
- **Robotics & Automation**: higher productivity, zero-defects, less manual operations



\*Source: IATA

# Healthcare

## Health protection as a top priority

### Datalogic Proposition

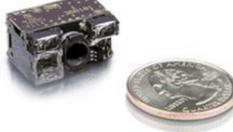
- We empower the entire Healthcare ecosystem from drug production to patient care
- Datalogic is the sole company providing **unique product features** for the HC industry such as: **Anti-microbial** enclosures, **Inductive charging technology** for battery recharge, and **Green spot good match** to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

### Market Outlook

- COVID-19 pushing **tracking and digitalization** in particular for the distribution, storage and injection of COVID-19 vaccines
- **Drugs regulations and traceability**
- Hospital **investments in patient safety** are expected to grow significantly in the next 5 years: technology adoption to secure proper patients traceability and drug administration
- **EMR/EHR adoption/expansion** in hospitals/clinics (Electronic Medical/Health Record)
- Telemedicine/Telehealth. Health systems are more and more using **digital health tools and telehealth platforms** to better take care of patients after they leave the hospital



# 2020 and Q1 New Product Launches and Innovation

Mobile Computer		Fix Retail Scanners		Hand Held Scanners		Industrial Automation		T & L	
						Manufacturing	Sensors		
	SKORPIO X5		DSM004XX Scan Module		PowerScan 95X1-AR		Matrix 120 AGV		AV900 Industrial Reader
	JOYA™ TOUCH A6 WITH ANDROID™ 8.1 OREO		MAGELLAN™ 1500i OEM		Gryphon 4500 ANTIMICROBIAL		Gryphon 4200 Series		S8 Series IO Link Lidar Guidance Scanner LGS-N50
	MEMOR 20		MID-RANGE SCAN ENGINE		ALADDIN Configuration Tool		QuickScan QD2500		SC5100
	JOYA™ TOUCH A6 NOW AVAILABLE WITH ANDROID™ 9 PIE						STS320		Smart Vision Sensor
							IO-Link New ASIC		P2X-SERIES

□ 2020 Vitality Index (New products\*/ sales) at 20.0% in line with 20.1% in 2019

□ 2020 R&D spending\*\*, amounted to approximately € 63.0 m, reaching 13.1% as a percentage of Revenues compared to 10.8% in the 2019

\*New Products: products launched in the last 24 months

\*\* Including capitalized R&D

# Key Growth and Strategic Drivers

## Industry

- Keep focus on all of our verticals
- MFG (\$8 bln): expand into new sectors
- RTL (\$ 3 bln): check out evolution, cross sell mobile, watch distribution centers carefully
- T&L (\$2 bln): cross sell – complete offer SIS, Mobile, HHS

## Products

- Protect our leadership in SIS
- Mobile: increase market share completing and widening our offer of portable data terminal (PDT) and portable data assistant (PDA)
- HHS: lead the shift to 2D technology

## M&A

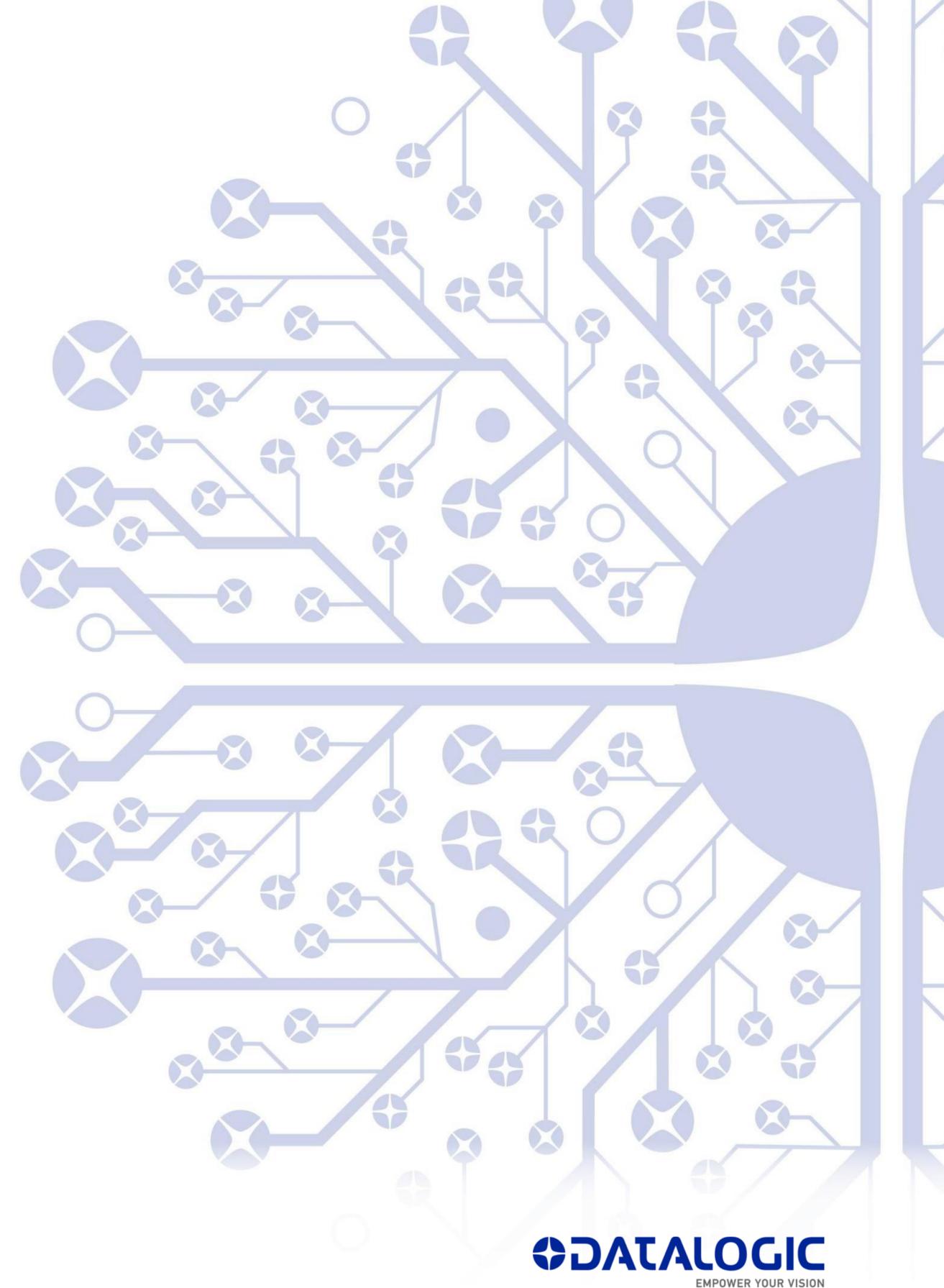
- Selected target to accelerate our growth particularly in the manufacturing sector

## Technology

- Continuous improvement of core technology (bar code reading) e.g. optics, decoding
- Investing in complimentary technologies:
  - Vision / Machine learning
  - RFID
  - Digital watermarking
- Investing in Android

# M.D. Acquisition

---



# MD Group

## DL Industrial Automation Market

- Large market \$7.7bn
- Industry 4.0 driving solid growth prospect



## MD Products

### Inductive Sensors



### Photoelectric Sensors



### Ultrasonic Sensors



### Safety



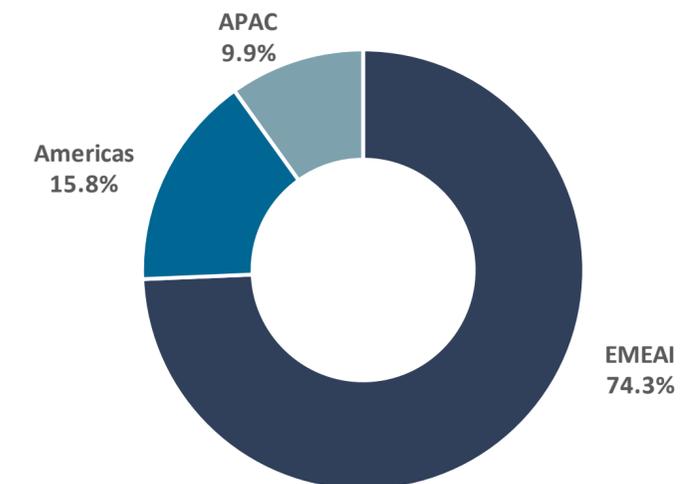
### Area Sensors



## MD Acquisition

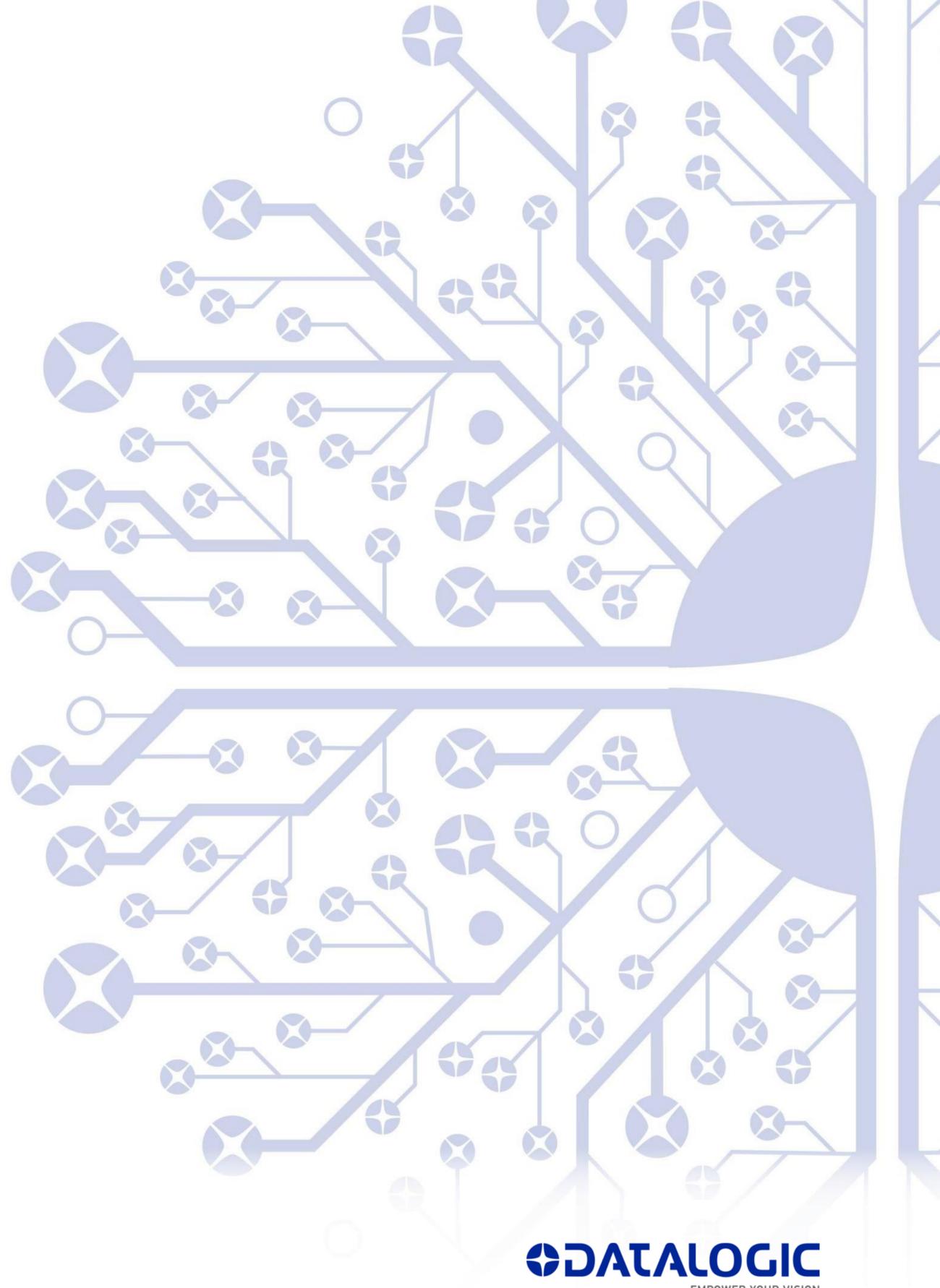
- Group Headquartered in Italy
- € 25M Revenue and €4m Ebitda in 2020
- Complementary Sensors offers for Industrial Automation applications and Synergetic distribution network

## MD Geographic Revenue Breakdown



# Financials & Outlook

---



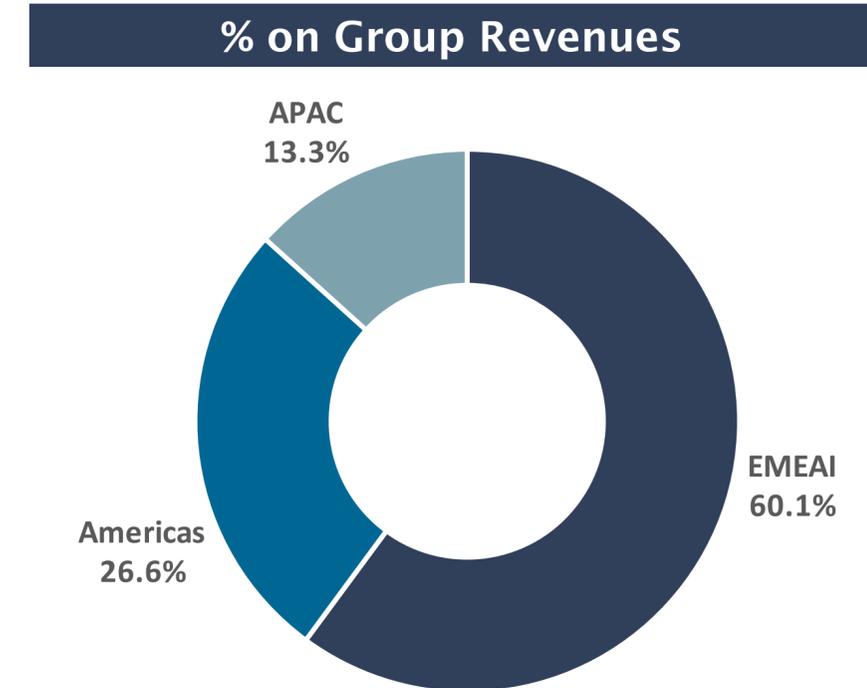
# Q1 2021 Highlights: Strong Start to 2020

- ❑ **Strong Top line growth** at 17.4% at constant FX, despite material shortage. **MD MicroDetectors** contributing for +2.5%. Double digit organic growth in all regions
- ❑ **Strong Adj EBITDA margin at 16.0%**, back to pre-pandemic level, best performance ever in Q1
- ❑ **Operational efficiency** and **R&D selectivity** more than offsetting **Gross margin dilution** from increased input costs from shortage and large deals
- ❑ **R&D spending\*** at **10.6%** after the conclusion of large Mobile programs and increased selectivity
- ❑ Positive **Net Financial Position** at about €4.0M before MD acquisition of €35M
- ❑ **Strong Q1 Operating Cash generation of €26.0M** vs Q1 LY from improved profitability and capex selectivity
- ❑ **Double digit Order growth** in Q1 coupled with **exceptional Backlog** preparing for **record Q2 Revenue** (ca. 40%)

\* Including capitalized R&D expenses and excluding D&A

# Group Revenues by Geography

€m	Q1 2021	Q1 2020 Restated*	Var %	Var % Net FX
EMEAI	81.4	71.3	14.2%	15.1%
Americas	36.0	34.8	3.5%	12.9%
APAC	18.0	13.1	37.1%	41.9%
<b>Total Datalogic</b>	<b>135.4</b>	<b>119.2</b>	<b>13.6%</b>	<b>17.4%</b>



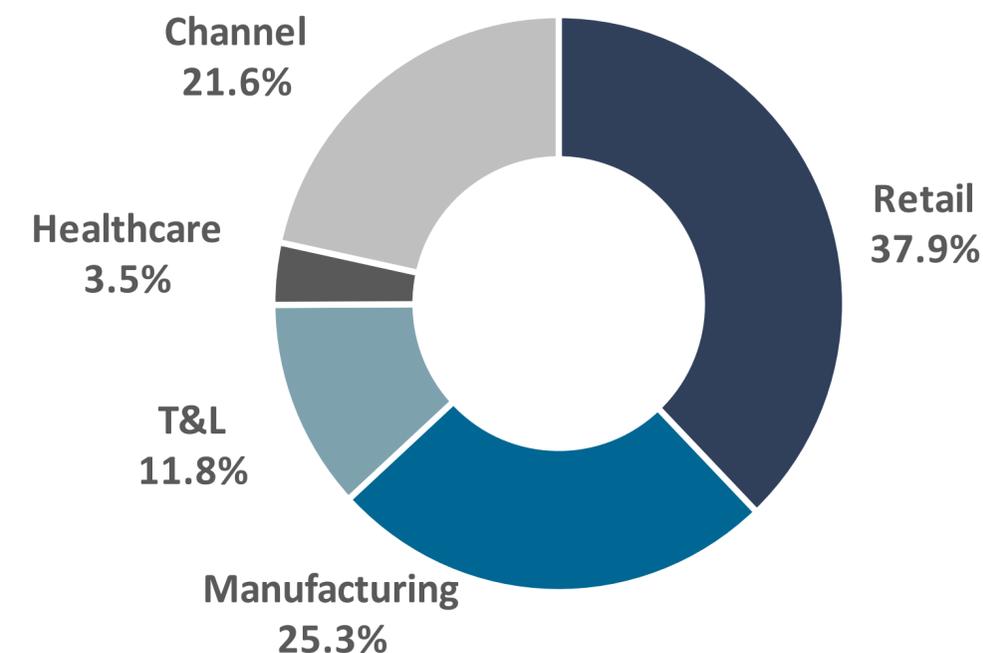
- **EMEAI:** Double digit growth **+15.1% Net FX** driven by **Italy** achieving **+19.5%** vs Q1-2020, remarkable contribution of Benelux, Spain and UK
- **Americas:** Group's second-largest market, returns to growth **+12.9% Net FX** (+3.5% reported) after the downturn
- **APAC:** Double digit growth **+41.9% Net FX** driven mainly by **China** but with upward trend in **Japan** and **Korea**

\* March 31, 2020 comparative data have been restated following the sale of the controlling interest in Solution Net Systems Inc. in the second half of 2020 and the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.

# Group Revenues by Segment

€m	Q1 2021	Q1 2020 Restated*	Var %	Var % Net FX
Retail	49.6	50.6	(1.8%)	2.1%
Manufacturing	33.2	26.8	23.9%	26.7%
Transportation & Logistics	15.5	9.4	65.5%	71.2%
Healthcare	4.6	3.5	28.8%	35.2%
Channel	28.3	25.0	13.2%	16.0%
<b>Total DL Business</b>	<b>131.2</b>	<b>115.3</b>	<b>13.8%</b>	<b>17.5%</b>
Informatics	4.4	4.2	5.7%	14.5%
Intra division	(0.2)	(0.3)	(30.3%)	
<b>Total Datalogic</b>	<b>135.4</b>	<b>119.2</b>	<b>13.6%</b>	<b>17.4%</b>

% on DL Business Revenues



- ❑ **Retail: +2.1% growth Net FX;** APAC (+35.4%, +40.9% net FX) and EMEAI (+7.6%, +9.0% net FX) offset the weakness of US market, affected by unfavorable base effect comparison;
- ❑ **Manufacturing: +26.7% growth Net FX** thanks to a recovery in Automotive and Packaging, mainly in APAC (+42.1%) and EMEAI (+21.5%). MD acquisition contributing for 7.4 pts of growth
- ❑ **T&L:** Outstanding growth thanks to large project recovery particularly in US
- ❑ **Healthcare:** steady results in EMEAI, very good signs of recovery in AMERICAS and in APAC
- ❑ **Channel:** Sales to small/medium-size customers benefited from the economic recovery

\* March 31, 2020 comparative data have been restated following the sale of the controlling interest in Solution Net Systems Inc. in the second half of 2020 and the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.

# Q1 2021 P&L

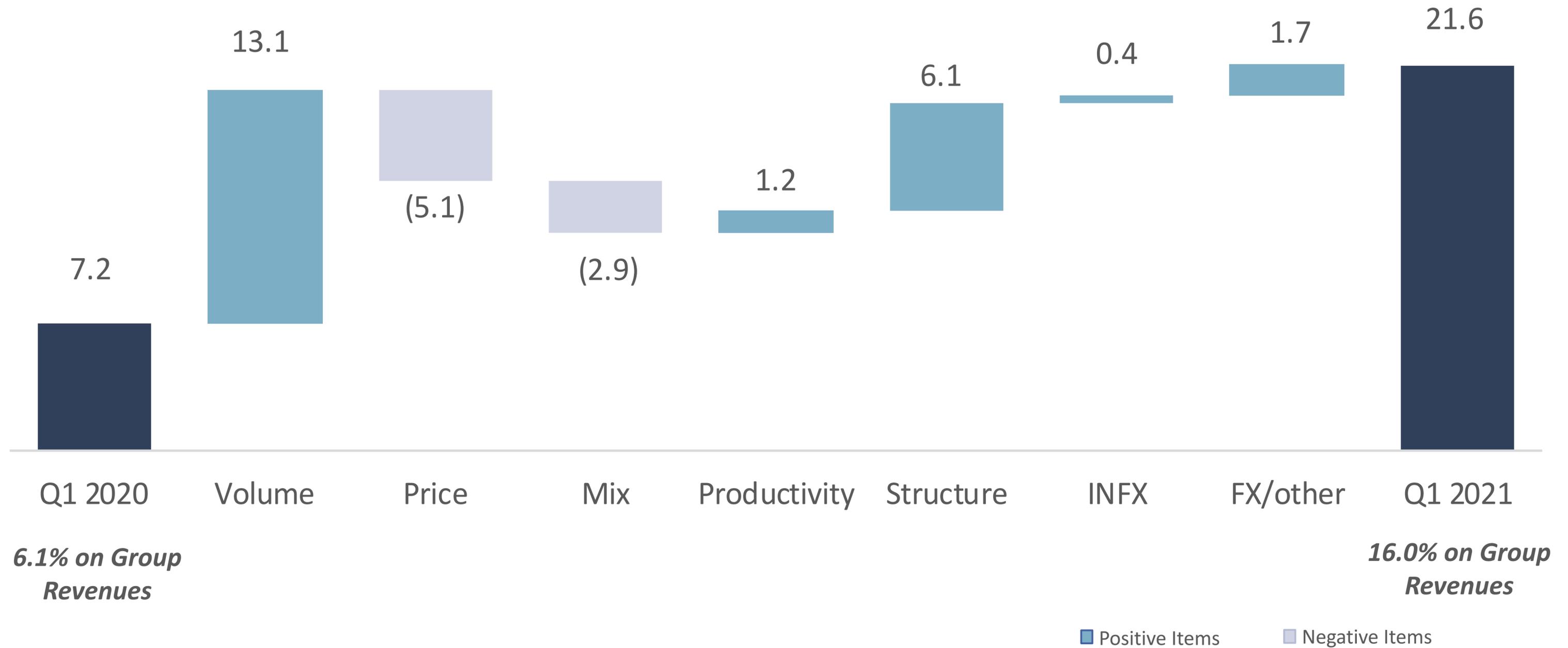
€ m	Q1 2021	Q1 2020 Restated*	Var %
<b>Revenues</b>	<b>135.4</b>	<b>119.2</b>	<b>13.6%</b>
Gross Margin	63.5	57.1	
<i>% on Revenues</i>	46.9%	47.9%	-1.0 pp
Operating expenses	(48.5)	(55.9)	
<i>% on Revenues</i>	(35.8%)	(46.9%)	+11.1 pp
<b>Adjusted EBITDA</b>	<b>21.6</b>	<b>7.2</b>	
<i>% Adj. Ebitda margin</i>	16.0%	6.1%	+9.9 pp
<b>EBIT</b>	<b>13.1</b>	<b>(1.3)</b>	
<i>% Ebit margin</i>	9.6%	(1.1%)	+10.7 pp
<b>Net Result</b>	<b>9.0</b>	<b>(4.3)</b>	
<i>% on Revenues</i>	6.7%	(3.6%)	+10.2 pp

- **Gross Margin at 46.9%** impacted by increased input costs and unfavorable business mix.
- **Operating expenses at €48.5m** down 13.2% thanks to a **leaner cost base** from efficiency program started in 2020:
  - ✓ **R&D** costs decrease driven by conclusion of large Mobile projects and increased selectivity
  - ✓ **S&D** cost decreased by 19.0% due to both efficiencies and tactical savings
- **Adj EBITDA at 16.0%** consolidating recovery for 4 consecutive quarters 2020, reaching pre-pandemic level
- **Net Result at €9.0m** vs a loss of €4.3m in Q1 2020

\*.March 31, 2020 economic data were restated following the sale of the controlling interest in Solution Net Systems Inc. in the second half of 2020 and the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.

# EBITDA Adj: actual vs last year\*

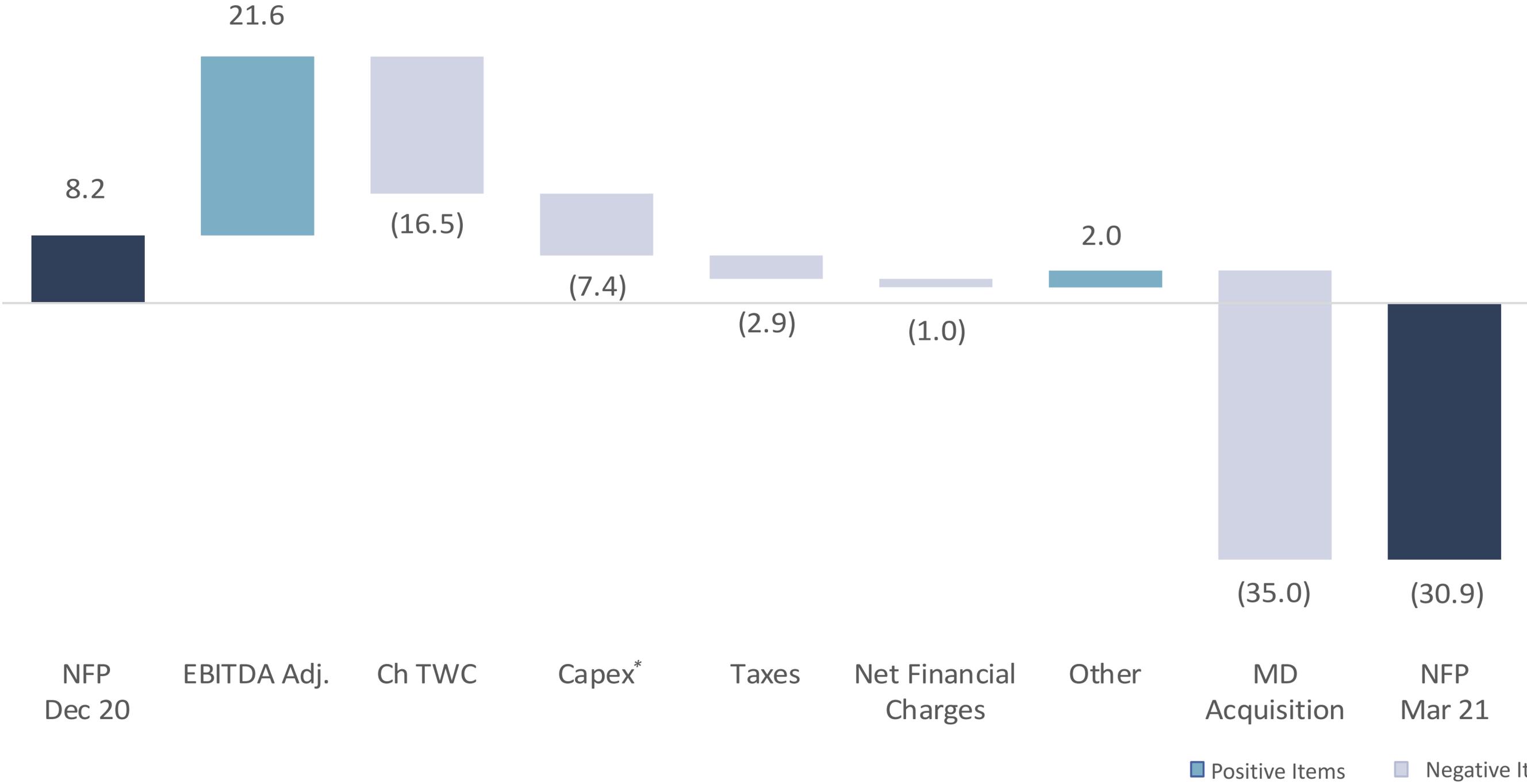
€ m



\*.March 31, 2020 economic data were restated following the sale of the controlling interest in Solution Net Systems Inc. in the second half of 2020 and the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.

# Net Debt & Cash Flow Analysis : Dec'20 – Mar'21

€ m



\* Including IFRS 16 impact

# 2021 Outlook

- **Double digit Order growth** coupled with **sound Backlog** compared to the same period of 2020, allow to forecast very **positive performance for Q2**, where the Group expects to achieve **exceptional Q2 Revenue (>40%)** compared to the previous year period, maintaining **profitability at pre-Covid levels**.
- Despite high levels of **uncertainty** continues, under **Covid** emergency and **shortage** of some component, **growth forecasts** for full year **2021** remain **positive** and **double digit**, in a range **between 16% and 20%** compared to 2020.
- The Group continues to selectively **balance investments and cost control** as the market and the inflationary trend evolve. Despite additional strategic and operational investment might be required as recovery continues, for the current year the Group maintains the objective of **improving EBITDA between 2 and 3 points compared to 2020**.

# Contact

## IR CONTACTS

### IR Manager

Laura Bernardelli

Tel. +39 051 3147109

ir@datalogic.com

Via Candini, 2

40012 Lippo di Calderara di Reno

Bologna – Italy

### IR Advisor

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

daniela.giglioli@datalogic.com

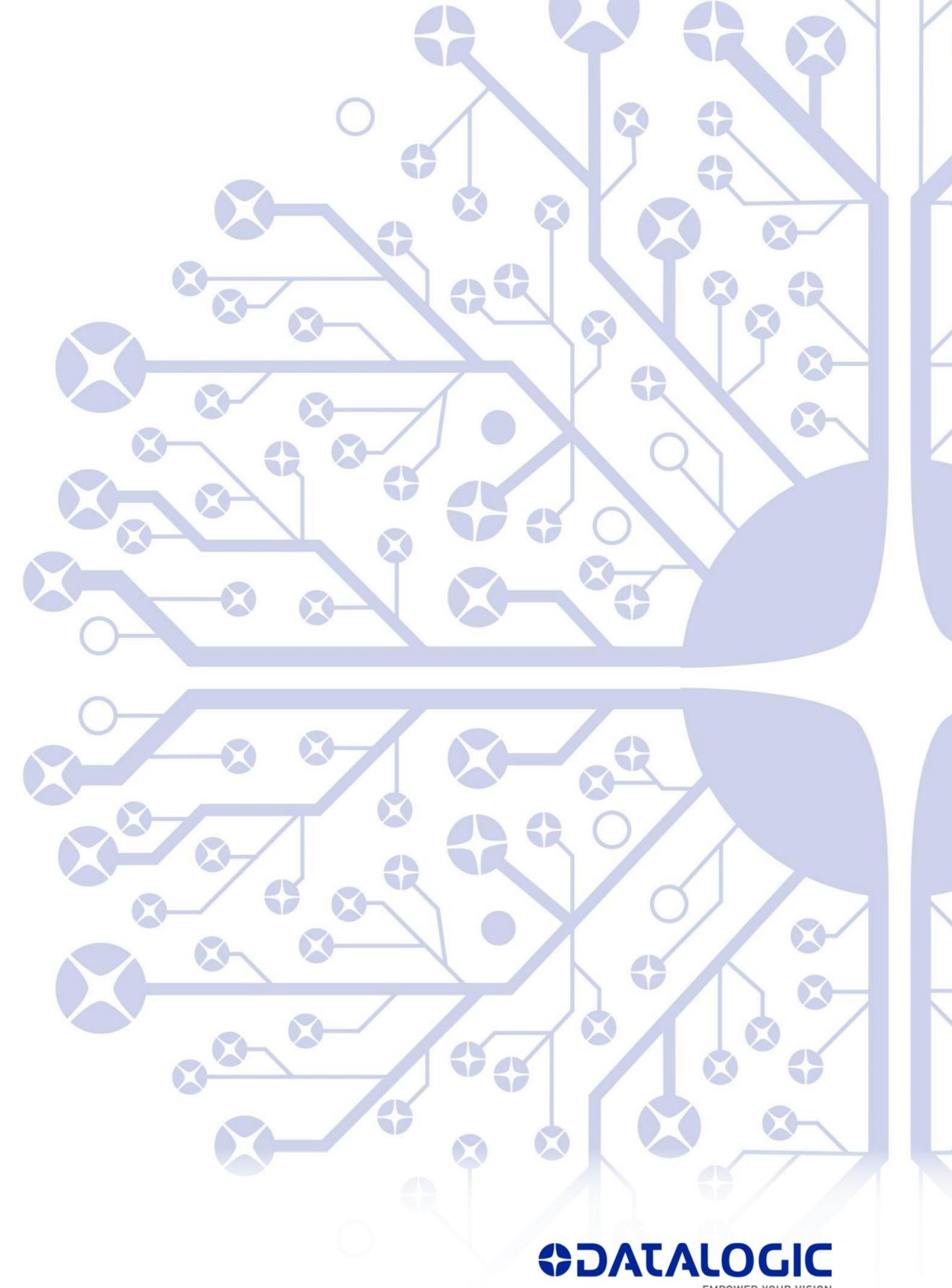
## NEXT EVENTS

**August 5, 2021**

H1 2021 Results

## DATALOGIC ON LINE

[www.datalogic.com](http://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