ITALIAN EXCELLENCES 2023

OCTOBER 10, 2023

GROUP OVERVIEW

Datalogic at a Glance

Global technology leader in the **data capture** and **industrial automation**, in the **Retail**, **Manufacturing**, **Transportation & Logistics**, and **Healthcare** industries.
Founded in **1972**, listed on the Italian Stock Exchange since **2001.**

Retail   **Manufacturing**   **Transportation & Logistics**   **Healthcare**

A portfolio of about 1,200 patents and patent applications

3,000+ Employees in 29 countries:
16,3% Americas, 58,8% EMEAI, 24,9% APAC

450+ Engineers in 8 R&D centers and 3 DL Labs in Italy, USA, Vietnam, and China

11 Manufacturing & Repair sites in:
USA, Hungary, Slovakia, Italy, China, Vietnam, and Australia

10% Revenues invested in R&D

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Datalogic, a leading group

Strong positioning

Innovation

Sound prospects

- Worldwide **leadership in barcode reading** for Manufacturing, T&L and Retail applications
- Well-established brand with **solid global customer base** including Fortune 500 Companies
- **Dedicated focus on Smart Sensors** and Safety for Automated Manufacturing
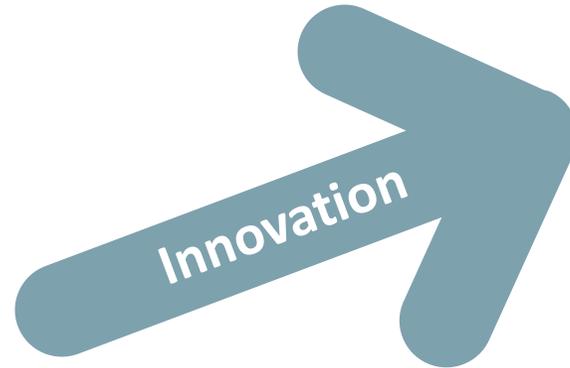
- Focus on core identification/barcode reading technology while investing in the new frontier of Artificial Intelligence, Machine Vision and Deep Learning
- Sound investments to enhance **Product offer with easy-to- integrate solutions**

- M&A in key segments to **expand market share and boost technology**
- Solid **profitability and cash generation**

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50+ Years of Expansion
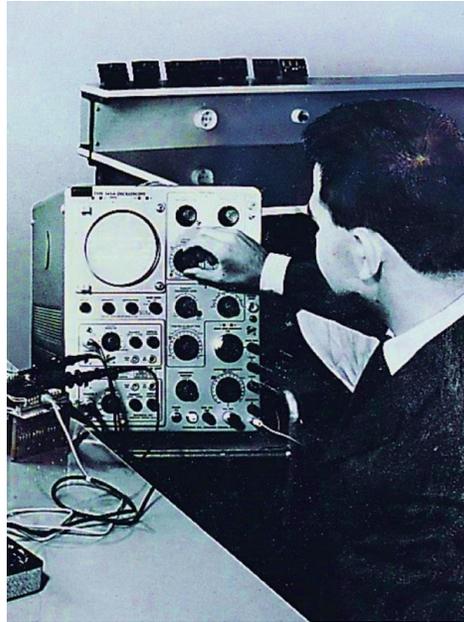
FOUNDATION
- Established in Bologna

LISTING
- Listed on the STAR segment of the Italian Stock Exchange

INNOVATION
- Acquisition of Multiware Photonics SA
- Partnership with CAEN RFID Srl

EXPANSION
- Acquisition of M.D. Micro Detectors SpA

1972	1997-1998	2001	2002-2011	2012-2015	2017-2020	2021	2022

EXPANSION
- Escort Memory Systems Inc.
- IDWare mobile Computing & Communications

EXPANSION
- Minec AB
- Laservall SpA
- Informatics Inc.
- PSC Inc.
- Datasensor SpA
- Evolution Robotic Retail Inc.
- Accu-Sort System Inc.
- PPT Vision Inc.

EXPANSION
- Set up new One Datalogic
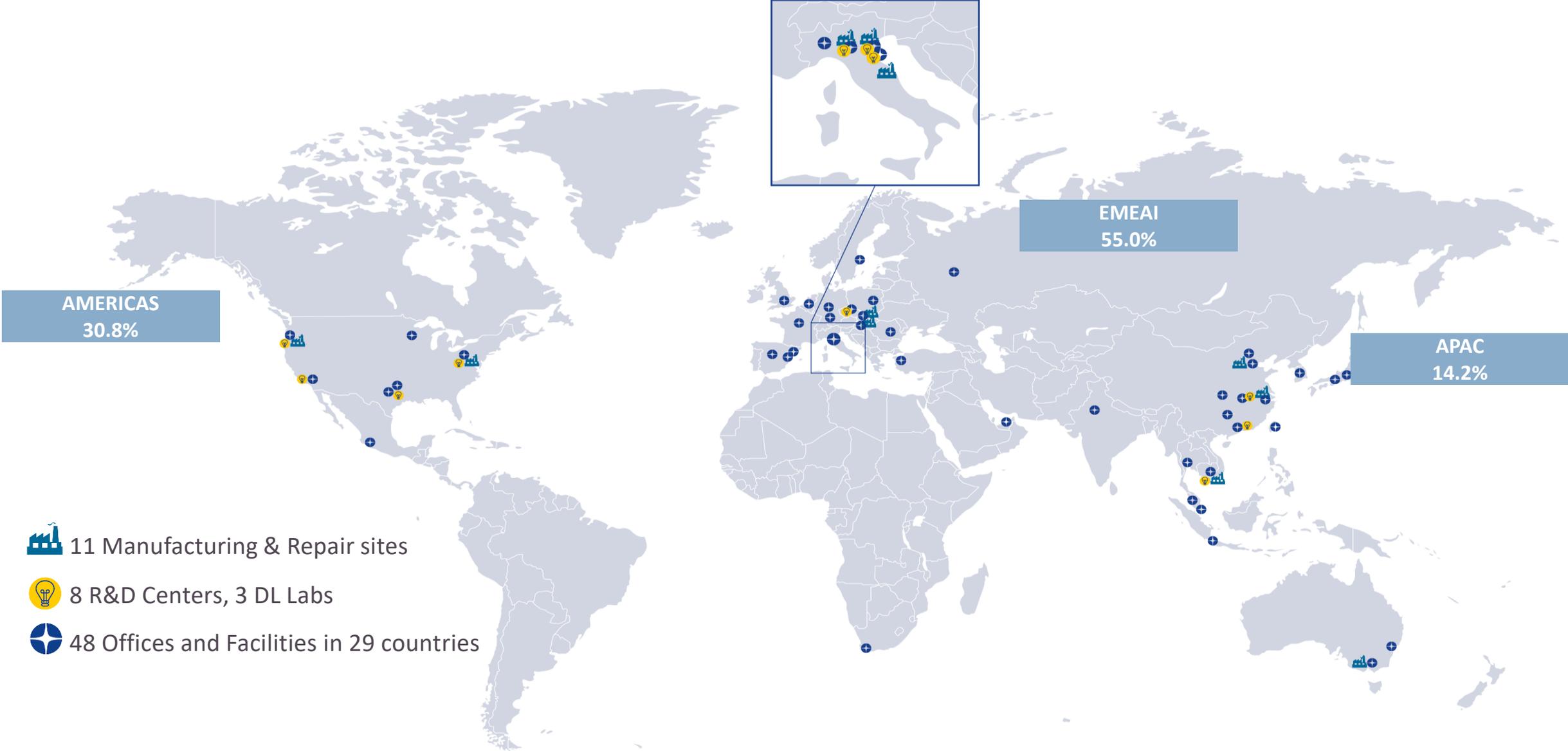- Acquisition of SOREDI Touch Systems GmbH

ANNIVERSARY
- 50th Years of innovation

EXPANSION
- Acquisition of Pekat Vision

Datalogic Group footprint – Offices and Facilities

EMEAI
55.0%

AMERICAS
30.8%

APAC
14.2%

🏭 11 Manufacturing & Repair sites

💡 8 R&D Centers, 3 DL Labs

✦ 48 Offices and Facilities in 29 countries

Percent on H1 2023 Revenues - Data refer to H1 2023

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STRATEGY

Our Aim, our Dream, our Beliefs

VISION

"Shape the future with intelligence and innovation."

MISSION

"We enable our customers to gain a competitive edge by offering the most advanced Data Capture and Industrial Automation products and solutions."

The 6 values of our culture

Ownership
We think and act as owners of Datalogic

Efficiency
We treat Company expenses as we would our own

Focus on results
We deliver what we promise

Realism
We face reality and fix what is wrong

No shortcuts
We don't compromise on strategy, culture, or achieving results

Togetherness
We work together as one team to solve seemingly unsolvable problems

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Our Strategy

❖ Enhance **hardware** offer with **software**, driving efficiency in Client-facing, Supply Chain and Manufacturing applications in **Retail, T&L, Healthcare** and **Factory Automation** verticals

❖ **Consolidate position in EMEAI** and become a **strong player in the United States**

❖ **Grow our** presence in **China**

❖ Push towards **innovative Solutions**, where traditional AUTO-ID capabilities are offered bundled with additional Deep Learning / Vision software, analytics and other services

❖ **M&A focus in Technology** to boost both portfolio and capabilities and **Customer base** to boost penetration

Main innovation trends in Retail - Increasingly self check-out and contactless

Datalogic Proposition

- **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
- Perfect partner to automate operations and exploit Retail analytics, thanks to **AI/machine learning-driven applications** and automation
- Innovative **solutions to integrate in-store with warehouse** operations

Main Applications

In-store check-out POS
- Self Check-out
- Self-Shopping
- In-Counter with scale options
- On-Counter, Presentation, Hands-free
- Large items identification
- Loss prevention

In-store Operations
- Inventory management
- Shelf Replenishment
- Order Management
- Assisted Sales
- Queue busting

E-commerce, Distribution Center & Fulfillment Center
- BOPIS/BORIS
- Last mile order fulfillment
- Hands-free operations
- Shipping/receiving

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Main innovation trends in Manufacturing - Process digitization

Datalogic Proposition

- Multi-product portfolio to serve all the major manufacturing clients: **Automotive, Food and Beverage, Automated Machinery and Electronics, Packaging and Intralogistics**

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

- Unique portfolio provider of smart, interconnected devices able to unlock new frontiers of **action-oriented insights based on advanced analytics** (e.g. predictive maintenance)

Main Applications

Automotive
- Powertrain assembly
- Interiors (texturing) assembly
- Suspensions & braking system assembly
- Exteriors assembly
- WIP traceability
- Direct Part Marking (marking and reading)
- Supplier components tracking

Electronics
- Board assembling and testing
- Device assembling and testing
- Personalization and branding
- Device packaging and warehousing
- Labeling and DPM verification and tracking
- Wafer marking
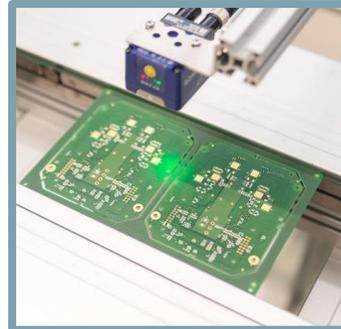
Packaging
- Primary packaging tracking
- Cartoning traceability
- Bundling/Tray packing/Shrink wrapping traceability
- Case packing traceability
- End-of-Line/Palletizing/Wrapping/Robotics traceability
- Printed label verification
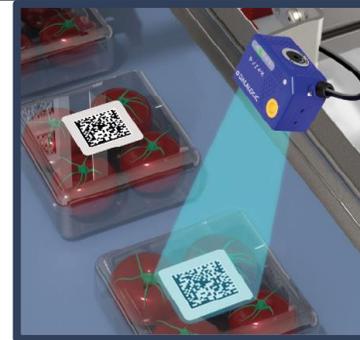
Intralogistics
- Label reading and verification
- Parts/boxes identification/traceability
- Palletizing
- Warehouse management
- Sorting and shipping

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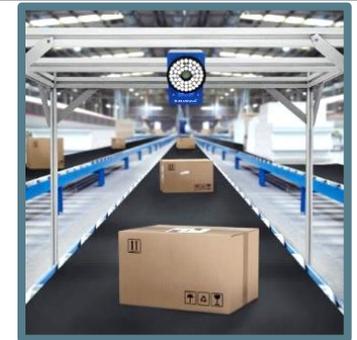
Main innovation trends in Transportation & Logistics – E-commerce is market driver

Datalogic Proposition

- We enhance operations to **Courier-Express-Parcels, Airports and Logistics**
- At the **forefront** of the development of **airport systems**, since 1984 with the **first automatic reading** station in Milan, to the recent contracts on 3 of the 5 main airports worldwide (source: SkyTrax rating)
- Historically leader in stationary industrial scanners, providing **top performing solutions** for High-Speed sorting to all the main CEPs and 3PLs
- Increased level of efficiency and full tracking capabilities along different supply chain phases for **enhanced decision-making**

Main Applications

Airport
- Baggage handling systems
- Baggage reconciliation
- Out-of-gauge
- Check-in and bag drop-off handling

Courier & Parcels
- Sorting
- Field mobility
- Outbound
- Parcel detection on belt
- Inbound & Induction

Postal
- Field mobility
- Small parcel sortation
- Parcel transport and sortation systems
- Point-of-Sales
- Inbound & Induction

3PLs
- Receiving
- Put away
- Order fulfillment
- Storage
- Shipping

E-commerce
- Picking
- Reverse logistics
- Manual & Automated sorting
- On-field operations
- Hands-free solutions

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Main innovation trends in Healthcare – Digital dominates and sustainability grows

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

Main Applications

Hospitals

- Admittance
- Patient bed care
- Analysis labs
- Surgery tools verification
- Inventory management

Pharmacies

- Point-of-sale
- In-store operation
- Inventory management
- Receiving

Pharmaceutical

- Drugs production
- Pharma products distribution
- Warehousing

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OPERATING MODEL

Unique Player with two major products platforms to better address different application needs across verticals

INDUSTRIAL AUTOMATION

DATA CAPTURE

WORLDWIDE LEADER

STATIONARY INDUSTRIAL SCANNERS

SAFETY

Unattended processes in every industry

LASER MARKING

SENSORS

MACHINE VISION

MACHINE VISION

FIXED RETAIL SCANNERS

HANDHELD SCANNERS

DATASENSING

SENSORS & SAFETY

STATIONARY INDUSTRIAL SCANNERS

MOBILE COMPUTERS

OEM BARCODE READERS

LASER MARKING SYSTEMS

RFID READERS

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WORLDWIDE LEADER

WORLDWIDE LEADER

FIXED RETAIL SCANNERS

HANDHELD SCANNERS

Attended processes in every industry

MOBILE COMPUTERS

OEM BARCODE READERS

RFID READERS

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New Datalogic operating model

- Industry knowledge, **focus on end-users** and our main 4 **Verticals** keep on being **the core of our strategy**

- **Two main operating market segments implemented** to properly and effectively execute strategy due to evolution of the market and of customer's needs, and effectively address:

  - a higher **focus on Product Groups**

  - different **go to market models, buying criteria** priorities and **client's point of contacts by Market segments**

  - **specialized expertise** of the sales force **by Application**, across different industries

- **A dedicated Business Unit** focused on pushing towards both cross-products and market specific **Solutions**

FINANCIALS

1H 2023 Highlights: improving profitability and cash flows in an uncertain demand environment

- **Revenues** decreased by 5.3%, due to a soft demand and the continuing destocking cycle in distribution, in all geographical areas

- **Gross Operating Margin,** improving on a quarterly basis, at **42.4%** compared to 39.6% in H1 2022 (**+2.8 pp**) thanks to positive effects of price, mix and productivity in an eased environment on the procurement side

- **Positive price/mix in the semester** across main geographies and product lines

- **R&D Cash Out at €32.0M,** steady at around 10.7% on revenues, maintaining solid levels of R&D investments

- **Adj EBITDA margin at 11.1%** (10.9% in H1 2022), thanks to the improvement in industrial margins and despite higher operating expenses and negative volumes

- **Net Debt down at €25.1M**, thanks to a sound **+€31.8M operating cash flow generation**, fueled by tight control on Net Working Capital

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Group Revenues by Geography

€m	H1 2023	H1 2022	Var %
EMEAI	164.0	170.3	(3.7%)
Americas	91.6	96.2	(4.7%)
APAC	42.3	48.1	(12.0%)
Total Datalogic	**298.0**	**314.6**	**(5.3%)**

**% on Group Revenues**

- APAC 14.2%
- EMEAI 55.0%
- Americas 30.8%
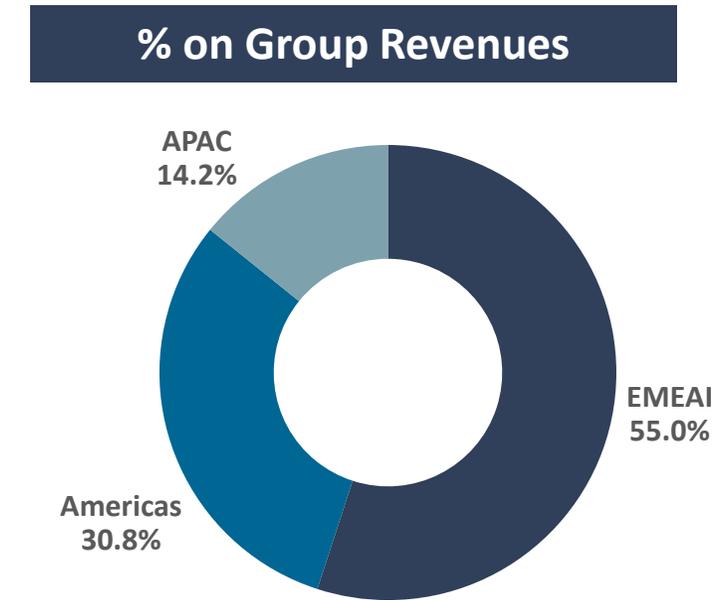
❑ **EMEAI: Group's first market down by 3.7%.** DACH growing +9.4%, Italy down by 3.3%

❑ **AMERICAS: Group's second-largest market down by 4.7%,** despite positive trend in check out solutions and industrial scanners

❑ **APAC: -12.0% YoY**, (-8.7% Net FX), growing in SEA and ANZ

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Group Revenues by Market Segment

€m	H1 2023	H1 2022	Var %
Data Capture	178.9	190.7	(6.2%)
Industrial Automation	111.1	116.0	(4.2%)
Total DL Business	**289.9**	**306.7**	**(5.5%)**
Informatics	8.2	8.5	(3.1%)
Intra division	(0.2)	(0.6)	
Total Datalogic	**298.0**	**314.6**	**(5.3%)**

% on DL Business Revenues

Industrial Automation 38.3%
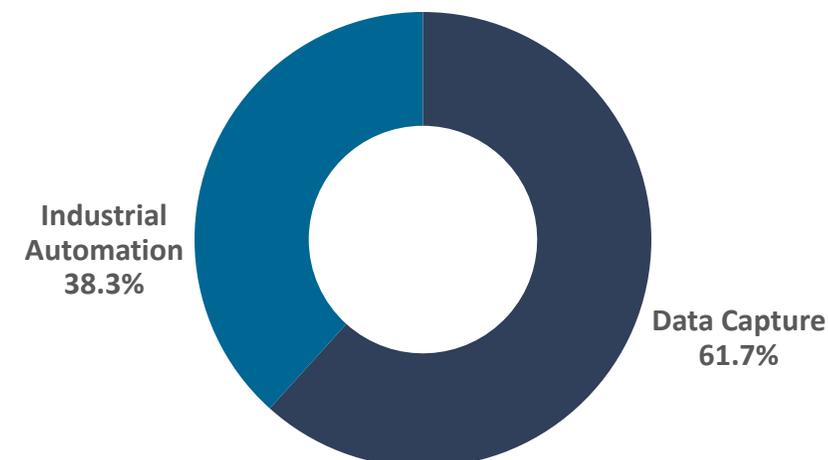
Data Capture 61.7%

❑ **Data Capture: -6.2%**, down in all geographical areas, despite a double-digit growth in check out solutions in both EMEAI and Americas

❑ **Industrial Automation: Americas growing** +3.5%, down the other geographies

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New Product Launches and Innovation

Hand Held Scanners	Stationary Industrial Scanners	Sensors, Safety & Machine Vision

Gryphon™ 4500 Fixed Series

Matrix 220X Premium

Matrix 320X Premium

Smart-VS+ smart vision sensor

MX-C50 vision processor

❑ **R&D Cash Out**[*]at 10.7%, +0.9 bps vs H1 2022 (9.8%). Commitment to Product Development Roadmap continues

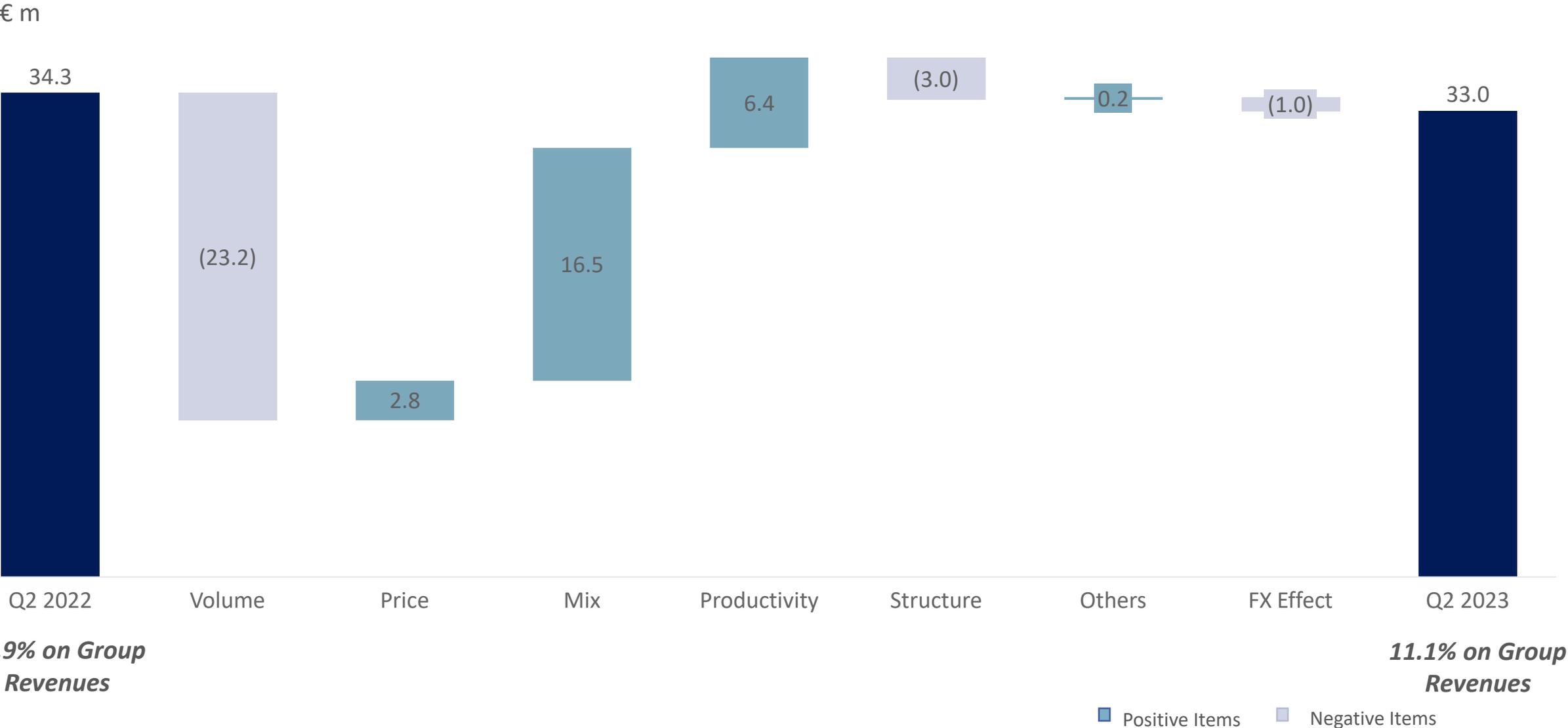❑ **Vitality Index** at 6.5% on H1

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

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H1 2023 P&L

€ m	H1 2023	H1 2022 restated*	Var %
Revenues	**298.0**	**314.6**	**(5.3%)**
Gross Margin	126.4	124.6	
% on Revenues	42.4%	39.6%	+2.8 pp
Operating expenses	(109.5)	(105.4)	
% on Revenues	(36.7%)	(33.5%)	-3.2 pp
Adjusted EBITDA	**33.0**	**34.3**	
% Adj. Ebitda margin	11.1%	10.9%	+0.2 pp
Adjusted EBIT	**17.0**	**19.2**	
% Adj. Ebit margin	5.7%	6.1%	-0.4 pp
EBIT	**12.6**	**15.3**	
% Ebit margin	4.2%	4.9%	-0.6 pp
Net Result	**12.1**	**8.8**	
% on Revenues	4.1%	2.8%	+1.3 pp

- **Gross Margin at 42.4%: +2.8 pp** YoY . Improvement in H1 compared to previous year thanks to **positive pricing/mix and productivity** offsetting negative volumes

- **Operating expenses at** €109.5m, mainly due to continuous investments in R&D and S&D

- **Adj EBITDA margin** at **11.1%** (+0.2 pp YoY), thanks to improving industrial margins, despite higher operating expenses

- **Net Result** at **€12.1m** vs €8.8m in H1 2022, up vs Y-1 thanks to financial items, mainly

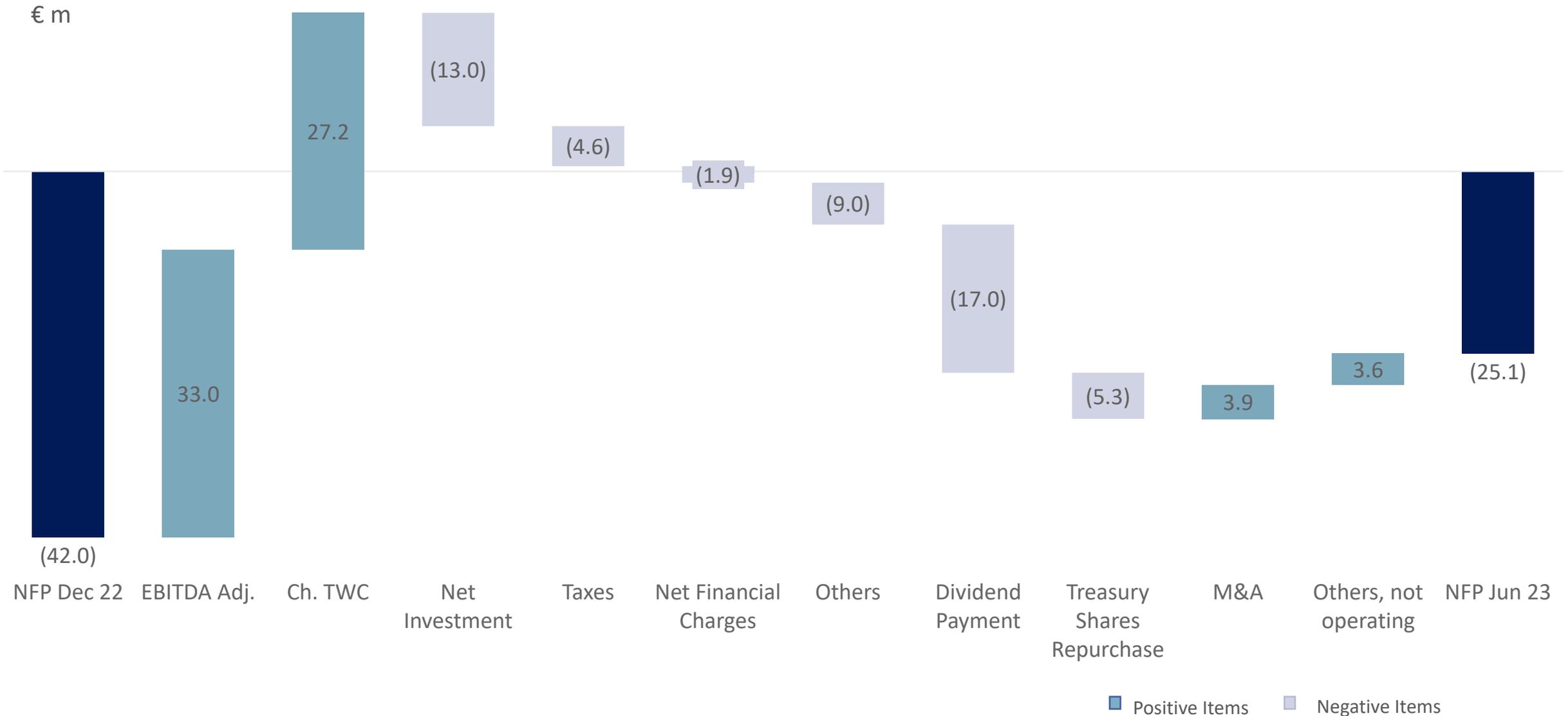*Restatement mainly due to reclassification of some installation costs from S&D to COGS*

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EBITDA Adj: actual vs last year

€ m

Q2 2022	Volume	Price	Mix	Productivity	Structure	Others	FX Effect	Q2 2023
34.3	(23.2)	2.8	16.5	6.4	(3.0)	0.2	(1.0)	33.0

10.9% on Group Revenues

11.1% on Group Revenues

■ Positive Items ■ Negative Items

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Net Debt & Cash Flow Analysis : Dec'22 – Jun'23

€ m

	Value
NFP Dec 22	(42.0)
EBITDA Adj.	33.0
Ch. TWC	27.2
Net Investment	(13.0)
Taxes	(4.6)
Net Financial Charges	(1.9)
Others	(9.0)
Dividend Payment	(17.0)
Treasury Shares Repurchase	(5.3)
M&A	3.9
Others, not operating	3.6
NFP Jun 23	(25.1)

■ Positive Items   ■ Negative Items

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APPENDIX

Stock and Governance

Market Segment: EURONEXT STAR MILAN

Reuters Code: DAL.MI

Bloomberg Code: DAL IM

Outstanding Shares: 58,446,491

Share Par-Value: 0.52 Euro each

Ticker: DAL

Market Cap (September 2023): 350 mln Euro

Volumes : 3 months average ~ 130K

Auditing Company: Deloitte

DATALOGIC SHARE PERFORMANCE vs. INDICES

Legend:
- DAL.MI
- FTSEMIB.MI
- ITSTAR.MI
- NASDAQ COMP
- DAX 30
- TECLP.AS
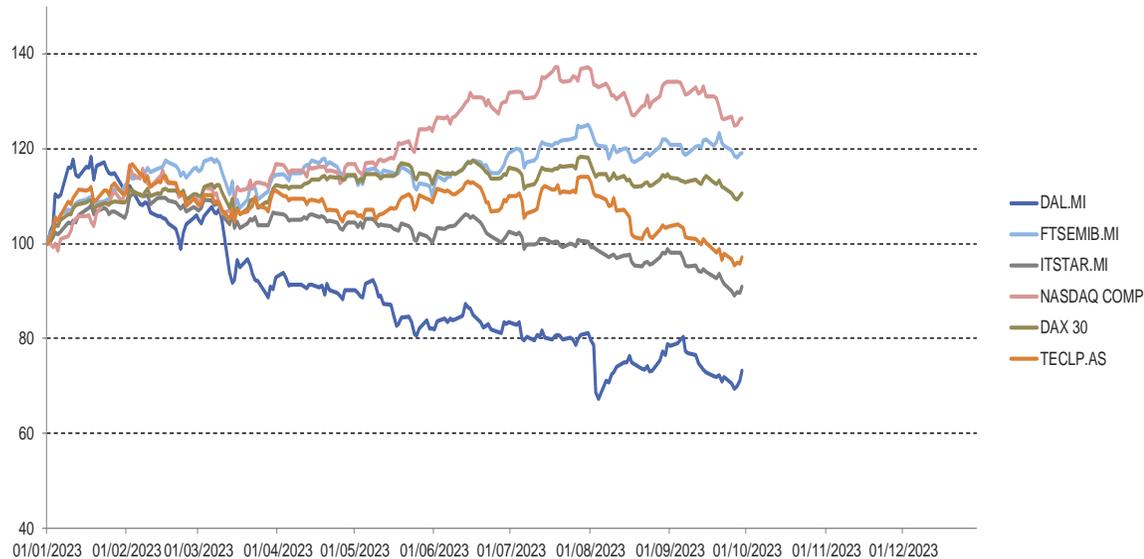
SHAREHOLDERS' STRUCTURE

- 64.85%
- 29.80%
- 5.35%

- Hydra SpA
- Treasury Shares
- Free-Float

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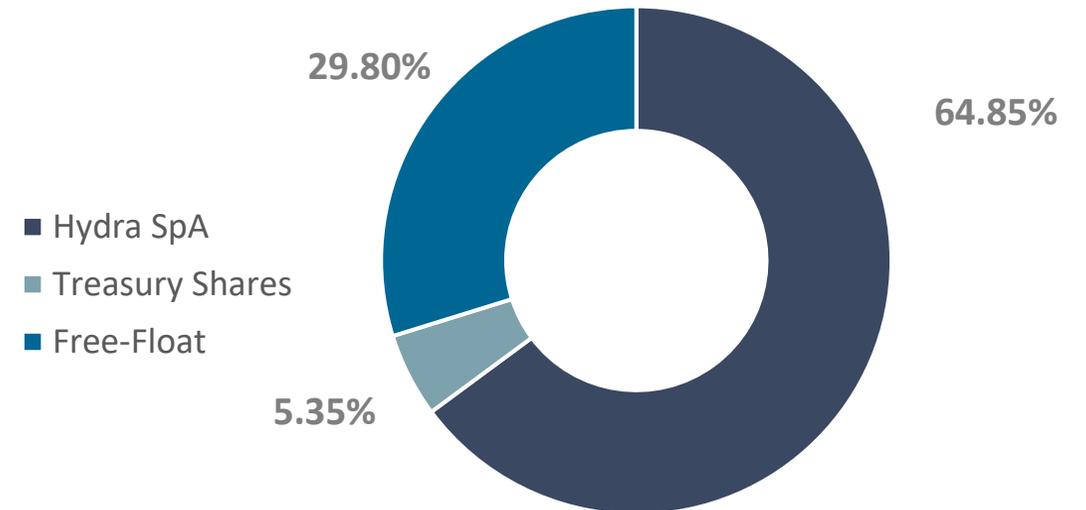
A consistent review in Datalogic accounting reporting

Area	From	To	

Division	• **2 CGUs:**
	  • *Datalogic Business*
	  • *Informatics*
		• **2 CGUs:**
		  • *Datalogic Business*
		  • *Informatics*	

Geo Area	• **3 Geo Areas:**
	  • *EMEAI*
	  • *Americas*
	  • *APAC*
		• **3 Geo Areas:**
		  • *EMEAI*
		  • *Americas*
		  • *APAC*
			No Changes

Sector in DL business	• **4 Main Verticals:**
	  • *Retail*
	  • *Manufacturing*
	  • *T&L*
	  • *Healthcare*
		• **2 Main Market Segment:**
		  • *Data Capture*
		  • *Industrial Automation*
			Changed from Q1 2023

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NEXT EVENTS

November 09, 2023
9M 2023 Results

DATALOGIC ON LINE

www.datalogic.com

THANK YOU

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

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