



# Italian Investment Conference

Unicredit – Kepler Cheuvreux  
Milan 4<sup>th</sup> June, 2013

# Agenda

- Group Overview
- Strategy and Outlook
- Q1 2013 Results
- Appendix



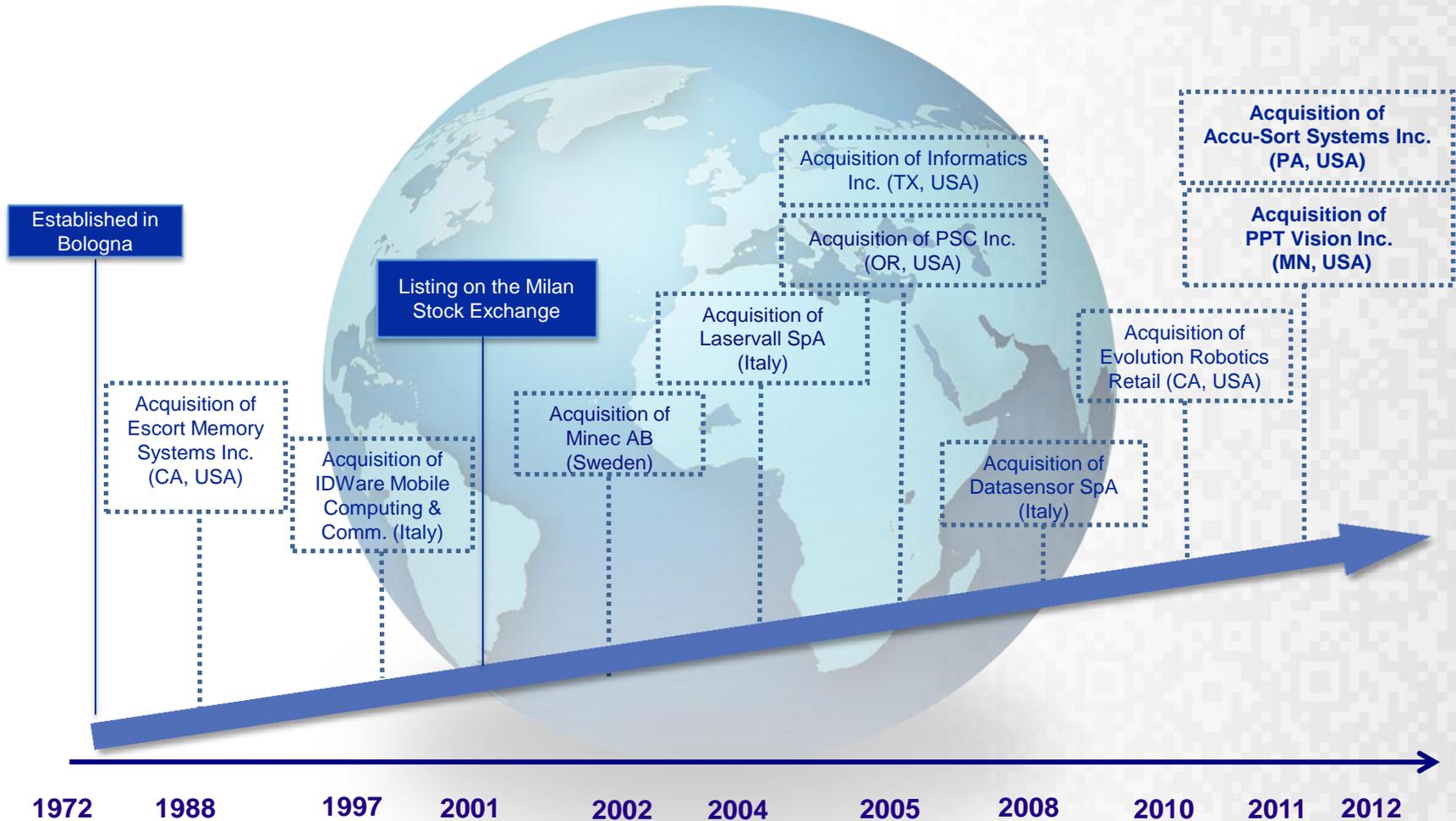
# Group Overview

# Datalogic at a Glance



- Global leader in **Automatic Data Capture** and **Industrial Automation** markets
- World-class producer of barcode readers, mobile computers, sensors, vision systems and laser marking systems with innovative solutions in retail, manufacturing, transportation & logistics and healthcare industries
- 2012 Revenues at 462.3 M Euro of which 64.4% in the ADC Market and 28.2% in the Industrial Automation Market
- Founded in 1972 by Romano Volta in Bologna, Italy and listed on the STAR Segment of the Italian Stock Exchange since 2001
- About 2,400 employees
- Direct presence in 30 countries worldwide selling to 120 countries
- +1,000 partners worldwide

# A History of Growth through Acquisitions



# A wide geographical footprint



Note: Breakdown by area based on 2012 revenues

# Datalogic: the best of two worlds...

## Industrial Automation



## Automatic Data Capture



# ... to improve service for Global Clients

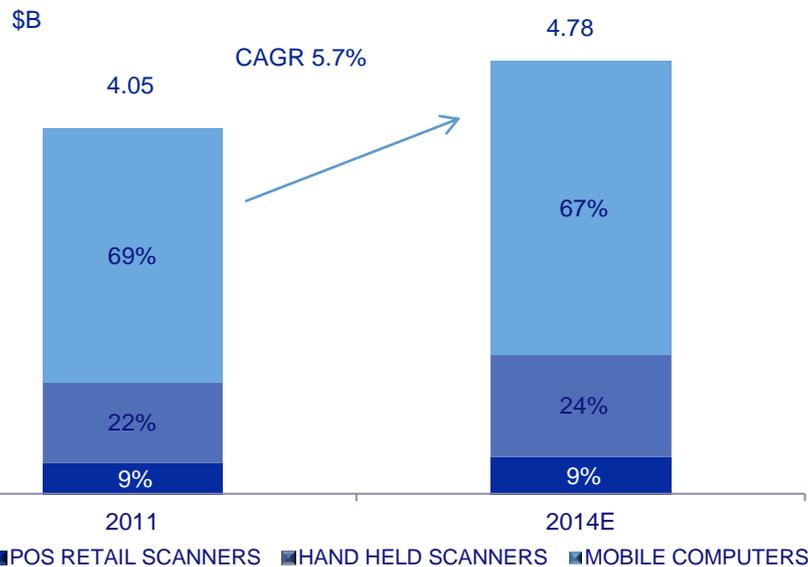
- More than **1,000** partners worldwide
- Longstanding relations with the **biggest retailers, couriers and automotive manufacturers** in the world
- Over **400** installations of Self Shopping in Europe
- Over 1,000 reading stations installed in more than **100** airports worldwide



# Worldwide Market Trend: ADC and IA

## Automatic Data Capture

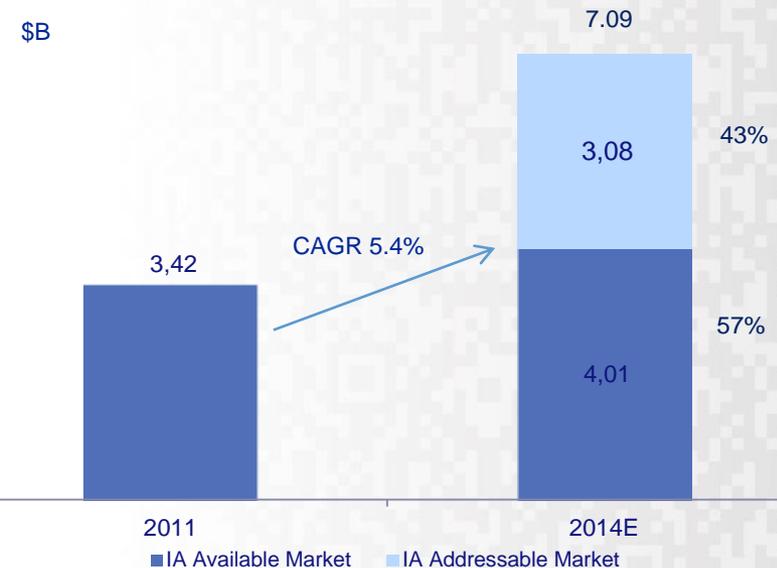
- ADC addressable market grew at a slower pace in 2012 due to the economic crisis, expected to recover as of 2013
- Major improvements expected in **Asia Pacific and Americas** with a CAGR 2011-2014 over 8% and 6% respectively



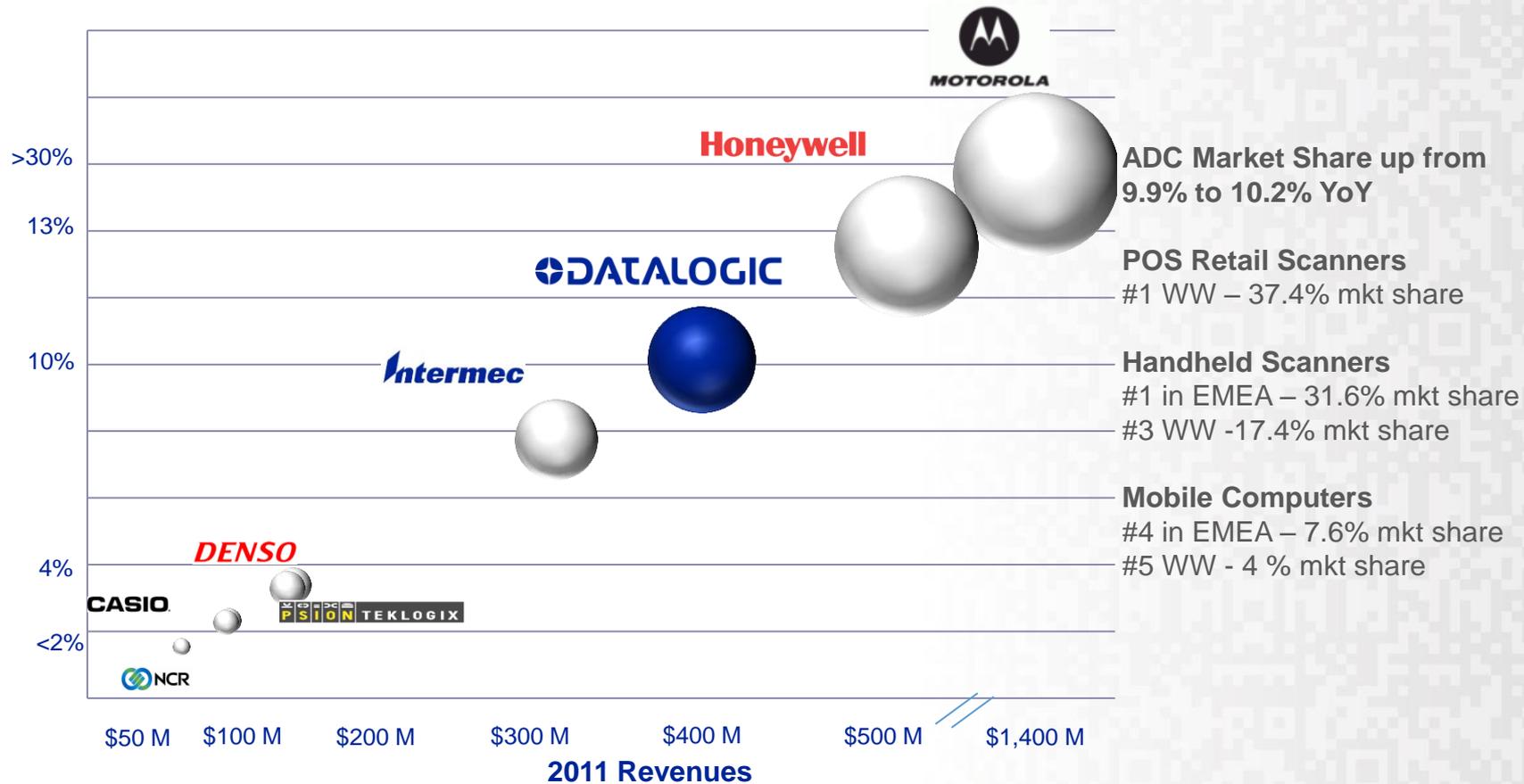
Source VDC 2012 (base year 2011)

## Industrial Automation

- Very fragmented IA industry with **potential addressable markets worth \$3B** in the Inductive Proximity and ASMV Systems
- Growing **technology convergence (laser and vision based technology)** expected to set the tone for future investments



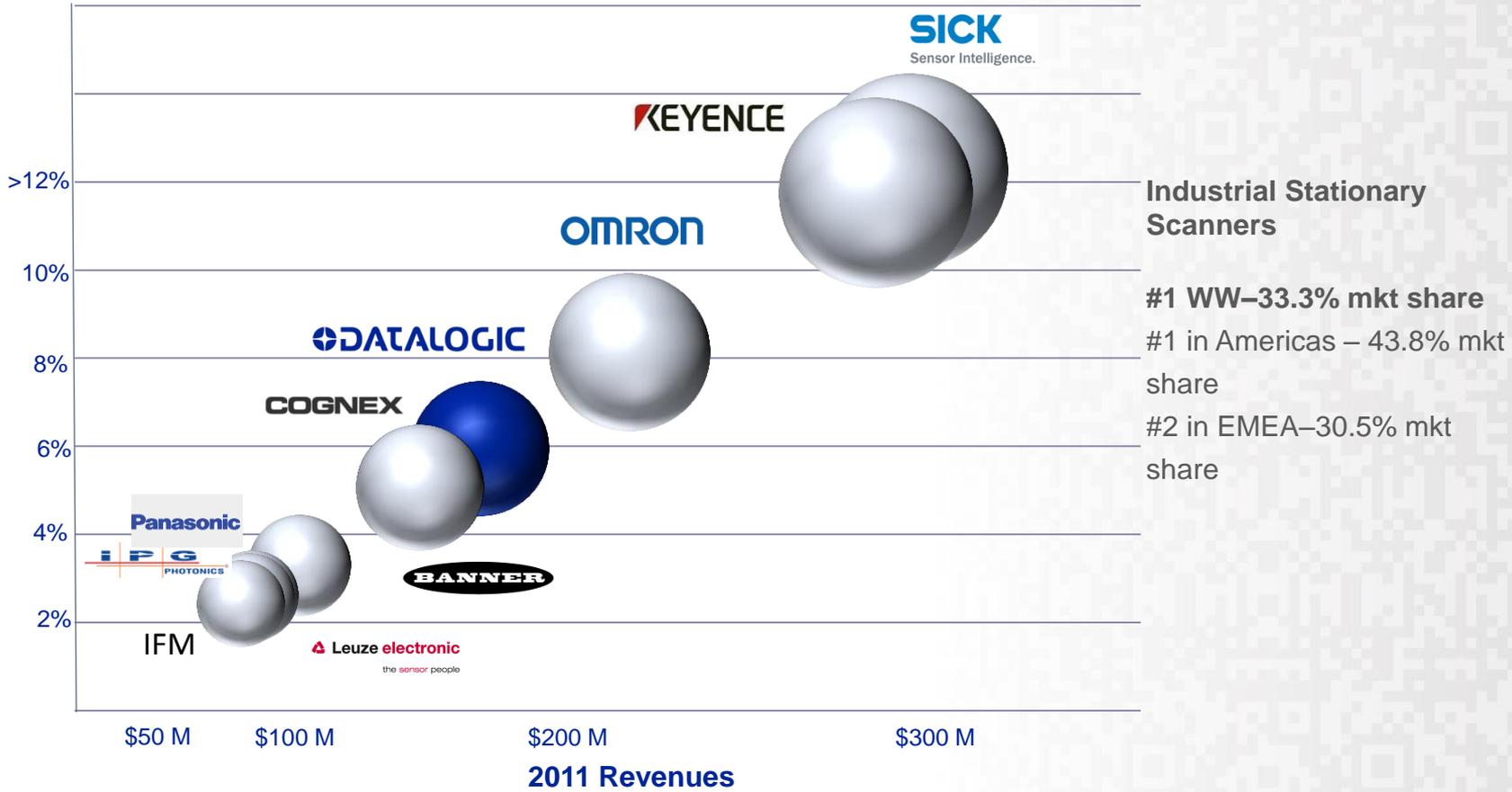
# ADC Positioning: 10% Market Share



**2011 ADC Available Market** including POS Retail Scanners, Handheld Scanners and Mobile Computers (Hand Held , PDA and Fork-Lift Vehicles Mounted Computer) segments  
 Honeywell improved its positioning thanks to the acquisition of EMS Technologies in mid 2011

**VDC** research Source VDC 2012(base year 2011)

# IA Positioning: 6% Market Share



**Industrial Stationary Scanners**

- #1 WW—33.3% mkt share
- #1 in Americas – 43.8% mkt share
- #2 in EMEA—30.5% mkt share

**2011 IA Available Market** including Industrial Barcode Scanners, Imagers, Photoelectric Sensors, Safety Light Curtains, Smart Cameras/Vision Sensors, Laser Marking and Dimensioner segments (Postal Material Handling and Integrated Solutions Group not included)

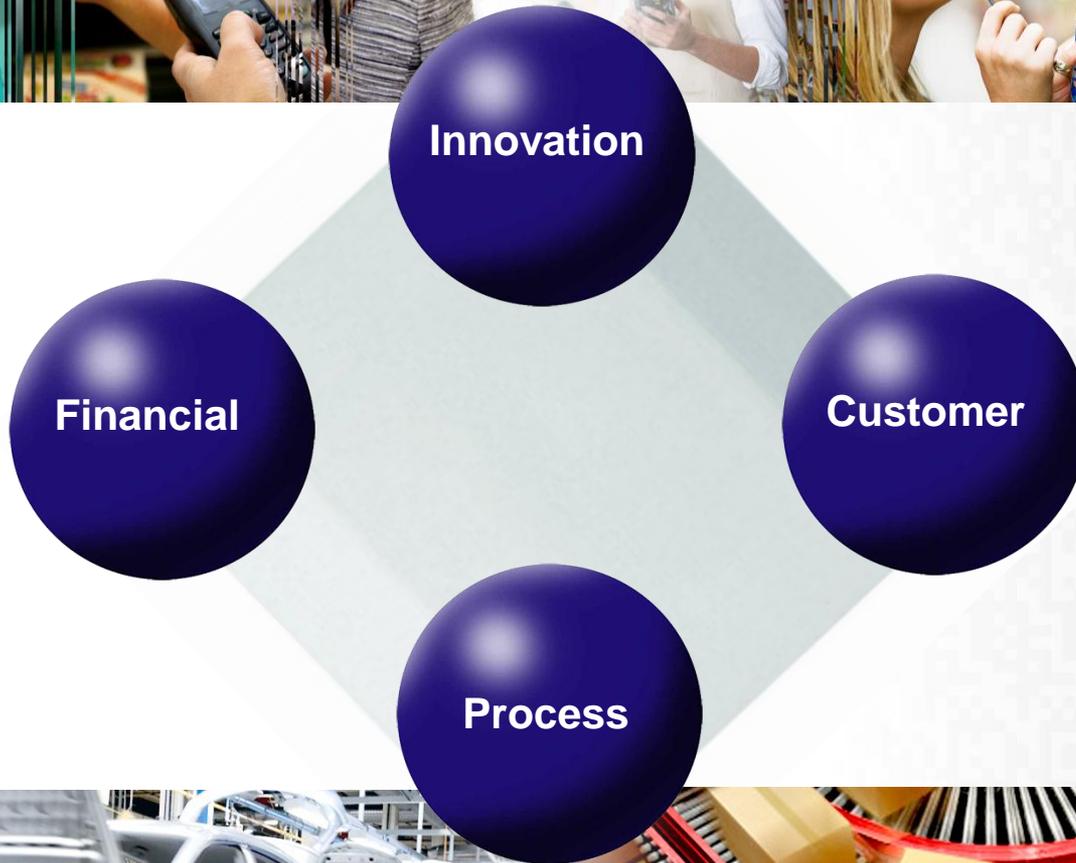
**VDC research** Source (\*) VDC 2012 (base year 2011) - Market Researches and Management's Best Estimate

# Strategy and Outlook

# Datalogic Strategy



AUTOMATIC DATA CAPTURE



INDUSTRIAL AUTOMATION

# Datalogic Strengths

## Financial

- Consistent history of **profitable growth**
- Consistent resource management to sustain a **leadership position**
- **Strong cash generation** to sustain growth
- Potential from further **internal reorganization**

## Customer

- Very strong presence in EMEA in all the key industries
- Continuously striving for unique selling proposition (Jade, Joya, Motionix, Green Spot)
- Multi channel market approach to satisfy customer needs

## Innovation

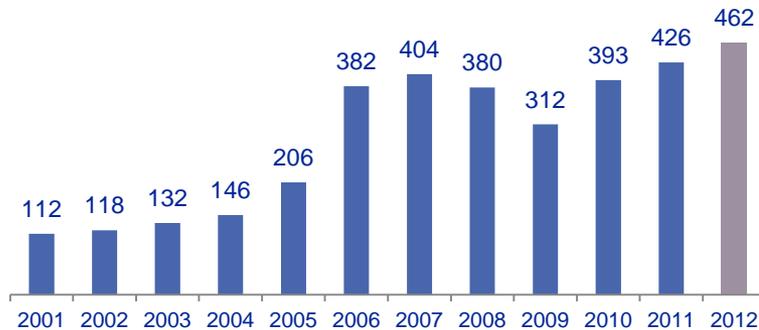
- Excel in basic technologies like 2D scanning, and key software components
- Develop internally key differentiating technologies
- Protect the business with a solid Intellectual Property portfolio

## Process

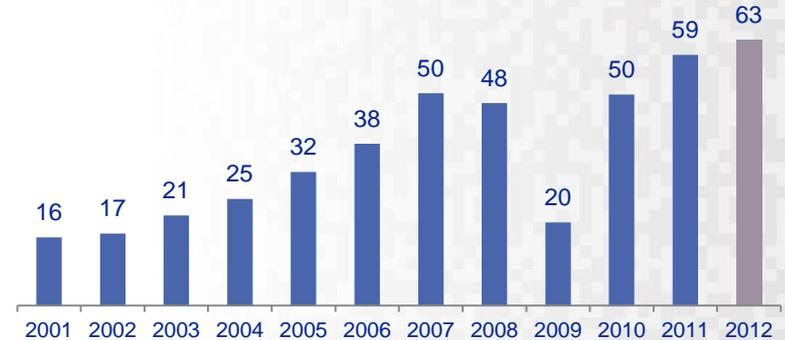
- Address the customers' needs with a flexible, but structured process
- Perfect the new product development process continuously
- Improve operational efficiency with structured plans

# Consistent Growth in 2001-2012

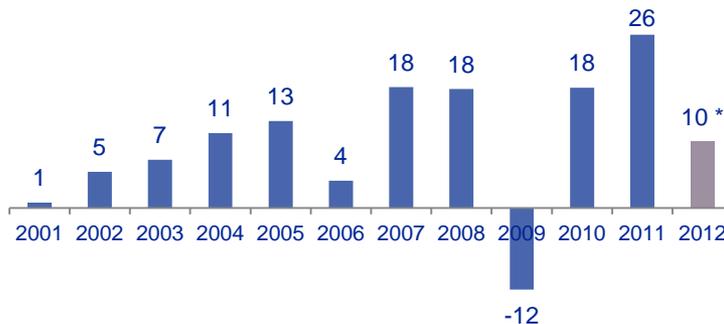
SALES CAGR 2001-2012 +14%



EBITDA CAGR 2001-2012 +13%



NET INCOME CAGR 2001-2012 +26%



- **Strong consistent growth across key indicators** reflecting investments in innovation, M&A and improvements in efficiency and productivity

\* 2012 net profit impacted by the write off of Accu-Sort goodwill

# Relentless Innovation



- Continuous **investments in R&D** provide new fuel to enhance reference market growth
- Strengthen development through a **new Technology Platform (IP Tech)**
- Focus on **Vision and Imaging technologies**
- Develop **breakthrough innovation** in Checkout and Automatic Scanning solutions
- Research & Development investments **around 7% on sales**
  - **22 new products** in 2012
  - A large and growing portfolio of over **1,000 patents**
  - Over **100 patents filed** in 2012
  - **11 Research & Development Centers**
  - Over **350 R&D Engineers**
  - **25% of sales** from new products

# Customer Solutions in ADC Market



## Protect Leadership and Leverage Cash Flow

- A complete product and solutions range to **meet customers' needs more effectively and promptly**
- Reengineer Go To Market Model in **large, underserved and fast growing geographies** and **Vertical markets to gain market share:**
  - Improve Hand Held Scanners, Mobile Computers and Fixed Retail Scanners sales **in North America**
  - Increase Hand Held Scanners revenues in **Greater China, SE Asia, Latin America and Emerging Europe**
  - Focus on high growth global **Healthcare and Pharma** markets

# Customer Solutions in IA Market



## Leading Player in FA and T&L

- Increase **penetration in large regions** and **fast growing geographies**:
  - Gain market shares in **North America**, by distribution network and FA business
  - Drive above market growth in EMEA by T&L solutions revenues
  - Boost growth in under served countries like China, Korea, Turkey and Brazil
- **Exploit reorganization by market** addressing high growth verticals and high end solutions:
  - **Factory Automation**: focus on target industries (Automotive/Tyres, Electronics, OEM/Packaging, OEM/ Clinical, Automated Warehousing)
  - **Transportation & Logistics**: expand postal business to a global business and strengthen T&L potential market and solutions range

# Process

- Group reorganization by market: **ADC (Scanning and Mobile integrated)** and **IA divisions**
- **Streamlined organization structure** by reducing existing operating companies and improved operational efficiency and right-sized cost structure
- World class performance through the global adoption of **best in class Supply Chain Management**

## Automatic Data Capture

- A new integrated **Global Supply Chain**
- **Fully leverage Vietnam plant capability with 80%** of total production in 2012
- **Vietnam Plant capacity** ready for SMT and 14 product lines, counting approx. 600 employees

## Industrial Automation

- **Operational integration of Accu-Sort Systems and PPT Vision** to leverage the position of the Group in the **IA market** as leader in the Industrial Bar Code Scanners segment

# Outlook for 2013

- Both ADC and IA market are still weak but there are signs of improvements with expected recovery foreseen in second half of 2013
- New orders received during the first quarter equal to 112.7 M Euro (book to bill ratio around 111%)
- New products to be launched during the year: Automated Scanner for retail and new Mobile Computers

# Q1 2013 Results

# Highlights 1Q 2013

- Revenues trend (-11.6% YoY) reflects retail market slowdown
- Decline in ADC partly offset by Industrial Automation
  - ADC: large retailers are delaying investments while waiting for new technological innovation
  - IA: recovery of the postal segment
- Improvement of Gross Operating Margin from 46.1% of revenues to 47.4%
- Net Financial Position under control and in line with end 2012
- Sound cash generation, around 4.8 M Euro, net of non recurring items

€000	1Q 2013	1Q 2012	Var YoY %	4Q 2012	Var QoQ%
Revenues	102,041	115,383	(11.6%)	114,714	(11.0%)
Gross Operating Margin (GOM)	48,331	53,186	(9.1%)	50,489	(4.3%)
EBITDA	11,024	18,496	(40.4%)	10,039	9.8%
Operating Profit (EBIT)	7,252	15,187	(52.2%)	(21,510)	n.m.

# Q1 2013 Profit and Loss

000€	1Q 2013	%	1Q 2012	%	Var %	FY 2012	%
<b>Revenues</b>	<b>102,041</b>	<b>100.0%</b>	<b>115,383</b>	<b>100.0%</b>	<b>-11.6%</b>	<b>462,250</b>	<b>100.0%</b>
COGS	(53,710)	-52.6%	(62,197)	-53.9%		(249,324)	-53.9%
<b>Gross Operating Margin</b>	<b>48,331</b>	<b>47.4%</b>	<b>53,186</b>	<b>46.1%</b>	<b>-9.1%</b>	<b>212,926</b>	<b>46.1%</b>
Other revenues	235	0.2%	5,743	5.0%		6,893	1.5%
R&D	(8,277)	-8.1%	(7,974)	-6.9%		(32,027)	-6.9%
Distribution Costs	(20,238)	-19.8%	(22,312)	-19.3%		(86,032)	-18.6%
Administrative expenses	(10,995)	-10.8%	(11,345)	-9.8%		(46,294)	-10.0%
Other operating expenses	(355)	-0.3%	(1,183)	-1.0%		(2,480)	-0.5%
<b>Total operating expenses and others</b>	<b>(39,865)</b>	<b>-39.1%</b>	<b>(42,814)</b>	<b>-37.1%</b>	<b>-6.9%</b>	<b>(166,833)</b>	<b>-36.1%</b>
<b>EBITANR</b>	<b>8,701</b>	<b>8.5%</b>	<b>16,115</b>	<b>14.0%</b>	<b>-46.0%</b>	<b>52,986</b>	<b>11.5%</b>
Non recurring costs/rev	0	0.0%	0	0.0%		(4,321)	-0.9%
Amort. Intang. Assets from acquis.	(1,449)	-1.4%	(928)	-0.8%		(32,764)	-7.1%
<b>Operating Profit (EBIT)</b>	<b>7,252</b>	<b>7.1%</b>	<b>15,187</b>	<b>13.2%</b>	<b>-52.2%</b>	<b>15,901</b>	<b>3.4%</b>
Financial (costs)/rev.	(1,913)	-1.9%	(589)	-0.5%		(3,682)	-0.8%
Results from equity investments	(11)	0.0%	34	0.0%		187	0.0%
Foreign exchange (costs)/rev.	3,181	3.1%	(4,224)	-3.7%		(3,307)	-0.7%
<b>EBT</b>	<b>8,509</b>	<b>8.3%</b>	<b>10,408</b>	<b>9.0%</b>	<b>-18.2%</b>	<b>9,099</b>	<b>2.0%</b>
Taxes	(2,393)	-2.3%	(362)	-0.3%		839	0.2%
<b>Net Income</b>	<b>6,116</b>	<b>6.0%</b>	<b>10,046</b>	<b>8.7%</b>	<b>-39.1%</b>	<b>9,938</b>	<b>2.1%</b>
Depreciation	(1,771)	-1.7%	(1,879)	-1.6%		(7,648)	-1.7%
Amortization	(552)	-0.5%	(502)	-0.4%		(2,091)	-0.5%
<b>EBITDA</b>	<b>11,024</b>	<b>10.8%</b>	<b>18,496</b>	<b>16.0%</b>	<b>-40.4%</b>	<b>62,725</b>	<b>13.6%</b>
<i>Exchange rate</i>	1.3206		1.3108			1.2848	

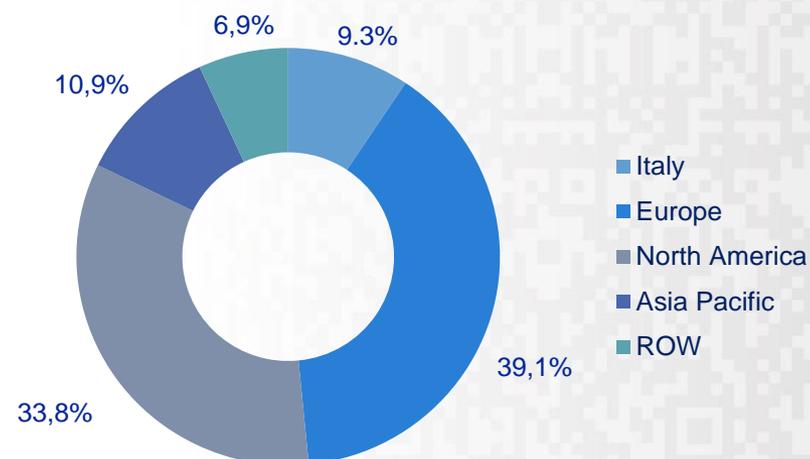
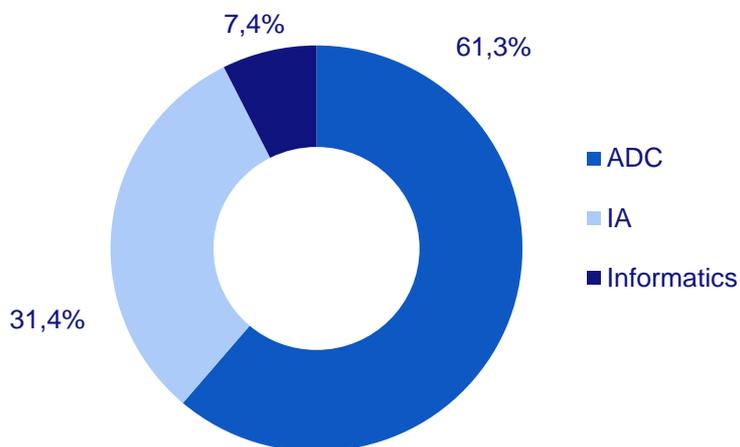
# Revenues Trend

## REVENUES BY DIVISION

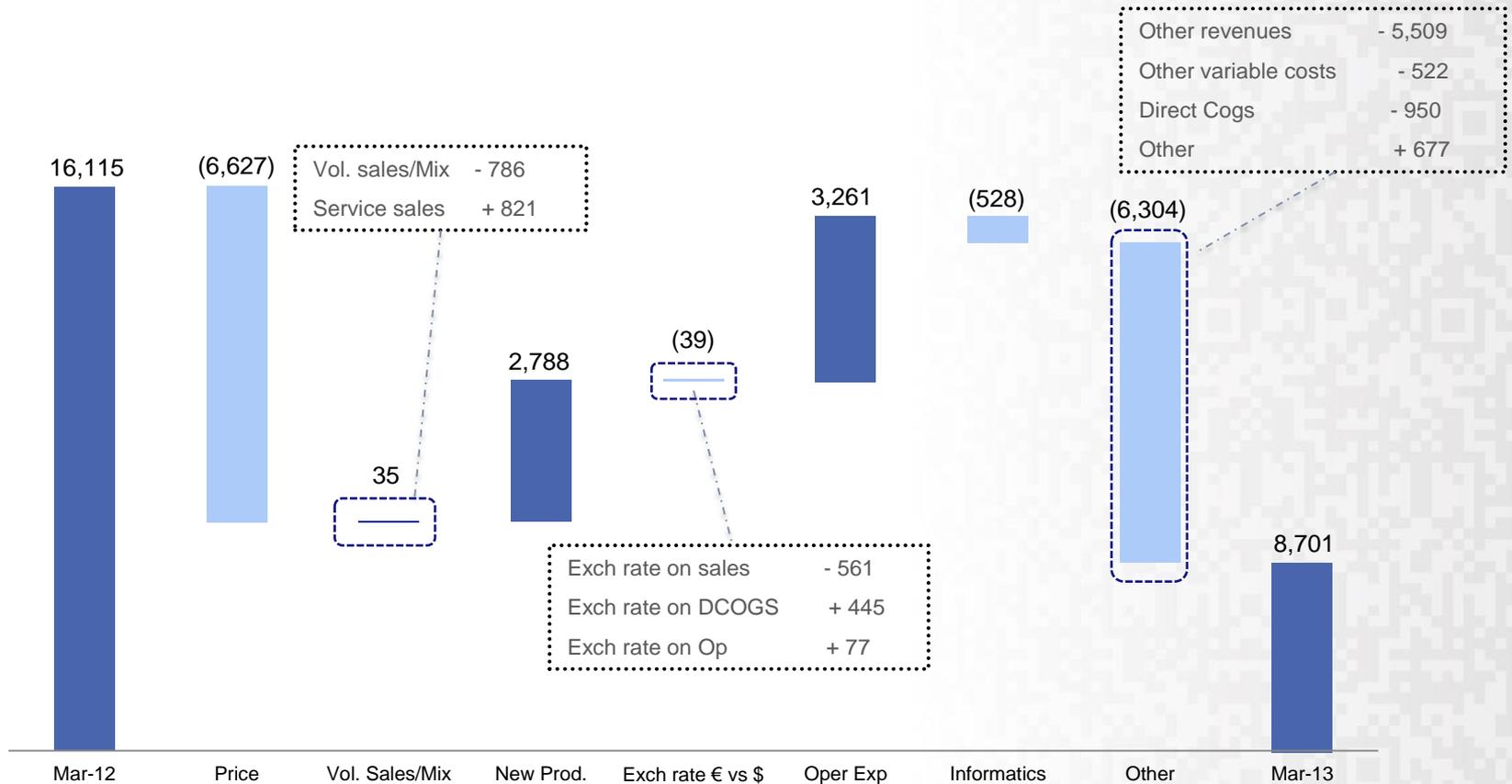
€000	1Q 2012	1Q 2013	Var %
<b>ADC</b>	73,127	62,504	-14.5%
<b>Industrial Automation</b>	32,827	31,993	-2.5%
<b>Informatics</b>	9,580	7,579	-20.9%
<b>DL SpA</b>	4,856	5,090	4.8%
<b>Adjustments</b>	(5,007)	(5,125)	2.4%
<b>Total revenues</b>	<b>115,383</b>	<b>102,041</b>	<b>-11.6%</b>

## REVENUES BY AREA

€000	1Q 2012	1Q 2013	Var %
<b>Italy</b>	10,228	9,548	-6.6%
<b>Europe</b>	47,761	39,887	-16.5%
<b>North America</b>	38,300	34,464	-10.0%
<b>Asia Pacific</b>	12,346	11,138	-9.8%
<b>ROW</b>	6,748	7,004	3.8%
<b>Total revenues</b>	<b>115,383</b>	<b>102,041</b>	<b>-11.6%</b>



# EBITANR: Actual vs Last Year



(\*) Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

Note: The Exchange rate variance has been calculated on Sales/COGS/Operating expenses originally denominated in USD (\$). The variance was the result of the difference between March 2013 (1.3206) March 2012 (1.3108) €/USD exchange rate.

# Q1 2013 Segment Reporting

<b>GOP Margin</b>	<b>1Q 2012</b>	<b>1Q 2013</b>
ADC	47.2%	49.6%
Industrial Automation	44.3%	43.0%
Informatics	41.9%	45.6%
<b>Total Group</b>	<b>46.1%</b>	<b>47.4%</b>

<b>EBITDA Margin</b>	<b>1Q 2012</b>	<b>1Q 2013</b>
ADC	12.5%	14.0%
Industrial Automation	16.7%	1.7%
Informatics	14.3%	10.7%
<b>Total Group</b>	<b>16.0%</b>	<b>10.8%</b>

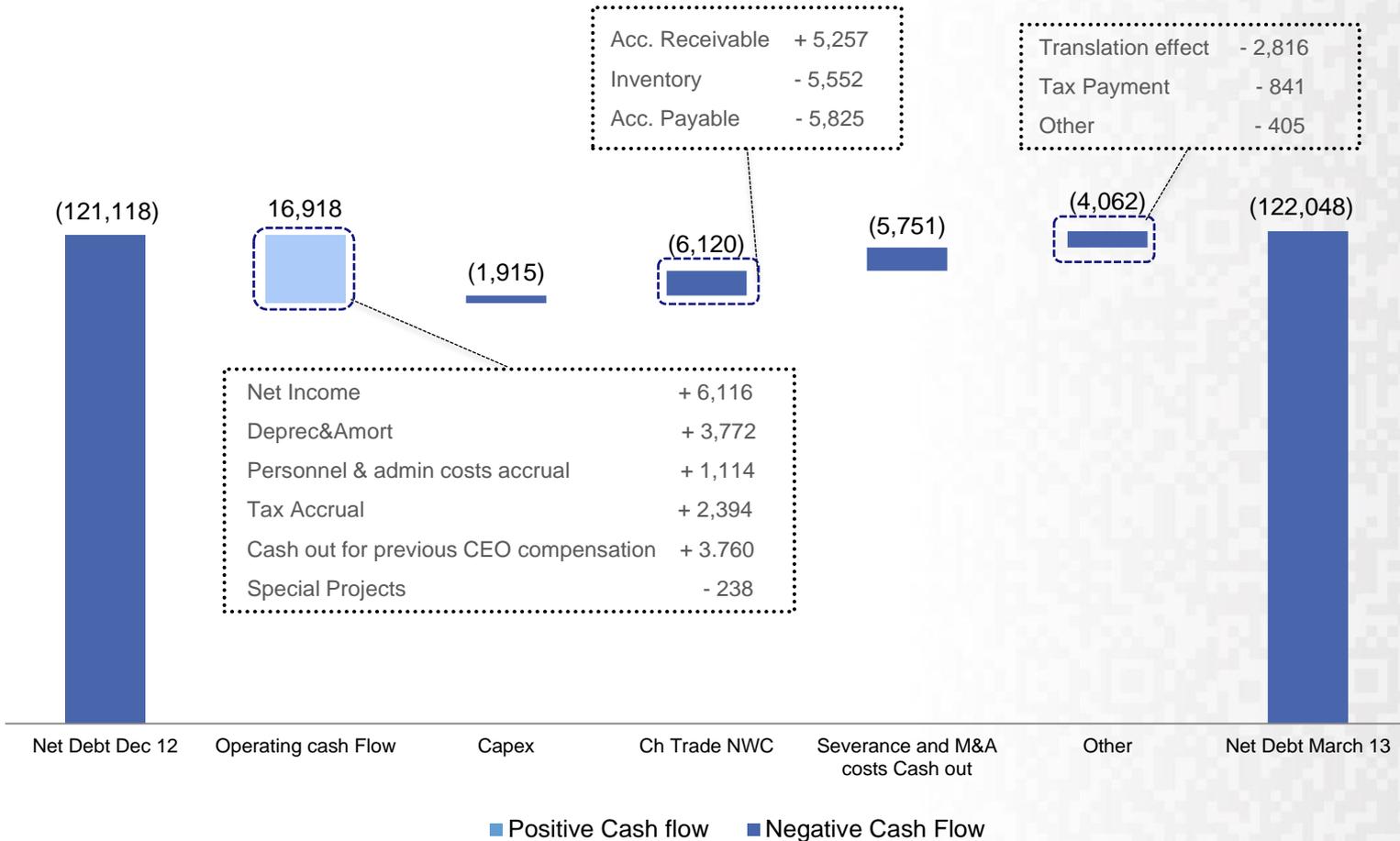
<b>R&amp;D/Revenues</b>	<b>1Q 2012</b>	<b>1Q 2013</b>
ADC	7.0%	8.9%
Industrial Automation	9.0%	9.8%
Informatics	1.9%	2.5%
<b>Total Group</b>	<b>6.9%</b>	<b>8.1%</b>

<b>TWC/Revenues</b>	<b>1Q 2012</b>	<b>1Q 2013</b>
ADC	18.3%	12.1%
Industrial Automation	22.8%	13.7%
Informatics	8.0%	10.5%
<b>Total Group</b>	<b>21.2%</b>	<b>16.5%</b>

# Consolidated Balance Sheet

€000	At 31/12/2012	At 31/03/2013
Intangible fixed assets	60,262	60,707
Goodwill	151,134	156,047
Tangible fixed assets	51,621	51,240
Non Consolidated investments	3,936	3,874
Other fixed assets	46,602	45,287
<b>Total Fixed Assets</b>	<b>313,555</b>	<b>317,155</b>
Net trade account receivables	82,552	77,152
ST account payables	(71,102)	(64,645)
Inventory	49,153	54,705
<b>Trade Working Capital</b>	<b>60,603</b>	<b>67,212</b>
Other current receivables	25,577	29,675
Other ST payables and provision for risk & future charges	(71,566)	(73,621)
<b>Net Working Capital</b>	<b>14,614</b>	<b>23,266</b>
Other LT payables	(22,513)	(23,386)
Employees' severance Indemnity	(7,367)	(7,372)
LT provision for risk & future charges	(3,768)	(4,427)
<b>Net Invested Capital</b>	<b>294,521</b>	<b>305,236</b>
<b>Equity</b>	<b>173,403</b>	<b>183,188</b>
<b>Net Financial Position</b>	<b>(121,118)</b>	<b>(122,048)</b>
<i>Exchange rate</i>	1.3194	1.2805

# Net Debt Analysis



# Appendix

# 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

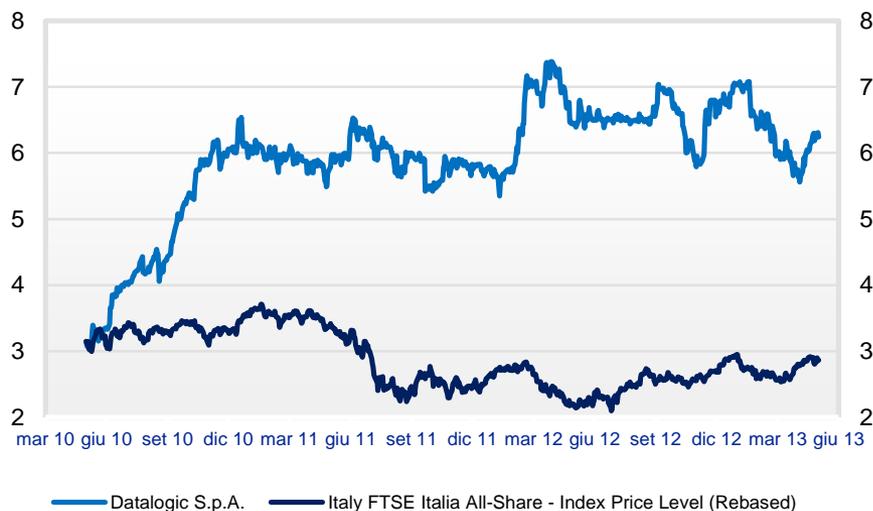
**Price (May 31<sup>st</sup>, 2013):** 6.36 Euro

**Market Cap (May 31<sup>st</sup>, 2013):** 371.7 M Euro

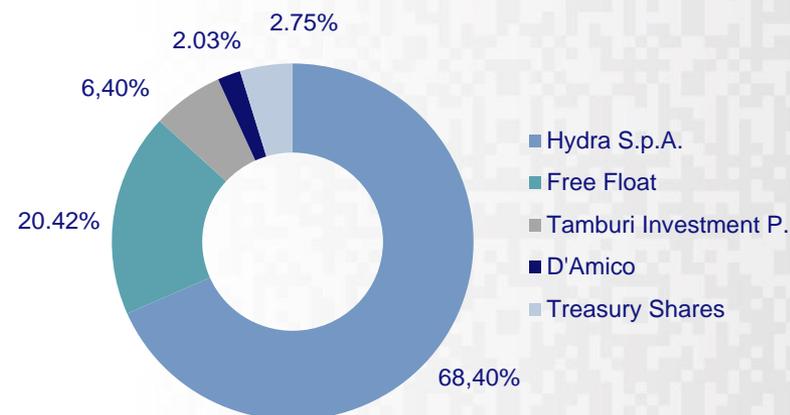
**Specialist:** Intermonte SIM

**Auditing Company:** Reconta, Ernst & Young

## DATALOGIC PRICE PERFORMANCE



## SHAREHOLDERS' STRUCTURE



# ADC Market: Datalogic ADC

## POS Retail Scanners

#1 Worldwide, 37.4% mkt share



## Handheld Readers

#1 in EMEA, 31.6% mkt share  
#3 Worldwide, 17.4% mkt share



## Mobile Computers

#4 in EMEA, 7.6% mkt share  
#5 Worldwide, 4% mkt share



## Solutions

### Enterprise Business Solutions

Self Shopping Solutions

#2 Worldwide, 16.5% mkt share



### Evolution Robotics Retail

Over 1,500 grocery stores today



Market expert in providing customized scanning and mobile solutions for specific needs. Examples include fixed retail scanners in use by all top ten global retailers, mobile solutions in over 400 self-shopping installations and handheld readers deployed as the product of choice by more than 30,000 customers across the world

Source **VDC** research 2012 (base year 2011)

# IA Market : Datalogic Industrial Automation

**5 BUSINESS UNITS: 5 COMPETENCE CENTERS**

**INDUSTRIAL STATIONARY SCANNERS :**  
#1 WW – 33.3% MKT SHARE  
#1 IN AMERICAS – 43.8% MKT SHARE  
#2 IN EMEA – 30.5% MKT SHARE

## IDENTIFICATION



## SENSORS



## SYSTEMS



## MACHINE VISION



## LASER MARKING

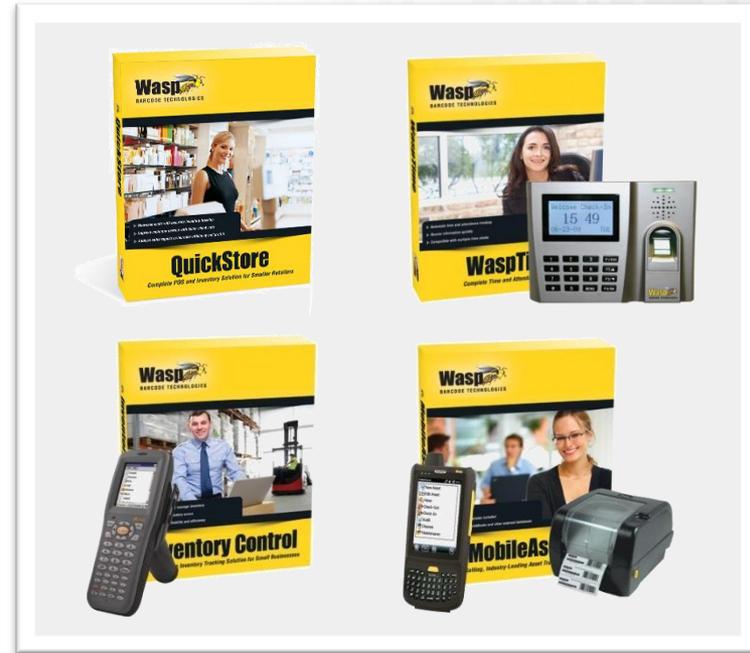


A wide range of cutting edge solutions helping industries streamline processes in industrial and logistics applications: more than 200 patents; hundreds of applications for the major logistics operators; exceeding 1,000 reading stations installed in over 100 airports Worldwide

Source **VDC** research 12 (base year 2011)

# Informatics

Complete Range of Easy-To-Use Barcoding Solutions for SMB



Barcoding solutions for the millions of Small – Medium Businesses increasing productivity and profitability.

Based in the US, serving over 275 thousand small and medium businesses

# Contacts

## IR CONTACTS

### **CFO and IR Manager**

Marco Rondelli

E-mail [investor@datalogic.com](mailto:investor@datalogic.com)

### **IR Assistant**

Daniela Giglioli

Tel. +39 051 3147109

Fax +39 051 3147205

E-mail [daniela.giglioli@datalogic.com](mailto:daniela.giglioli@datalogic.com)

Via Candini, 2

40012 Lippo di Calderara di Reno

Bologna – Italy

### **IR Consultant**

Vincenza Colucci

CDR Communication Srl

Tel. +39 335 6909547

[vincenza.colucci@cdr-communication.it](mailto:vincenza.colucci@cdr-communication.it)

## NEXT EVENTS

### **July 30, 2013**

Approval of the Consolidated Financial Report as of June 30, 2013

### **November 7, 2013**

Approval of the Consolidated Financial Report as of September 30, 2013

## DATALOGIC ON LINE

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

# 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.