

Q1 2019 Results Conference Call

15 MAY 2019

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Net income grew faster than sales



Q1 2019 Results

€ m



* Impacted by IFRS16

Group Revenues Breakdown

% weight on Total	€m	Q1 2019	Var % vs. Q1 2018	Constant FX
46,9%	Retail	63,6	(2,2%)	(5,6%)
28,7%	Manufacturing	38,9	(4,0%)	(5,9%)
10,9%	Transportation & Logistics	14,7	16,8%	12,5%
4,0%	Healthcare	5,4	19,9%	15,6%
9,6%	Channel (Unallocated)	13,0	30,9%	28,8%
100,0%	Total DL Business	135,6	2,3%	-0,7%
93,8%	DL Business	135,6	2,3%	(0,7%)
3,8%	Solution Net Systems	5,5	(10,3%)	(17,2%)
3,0%	Informatics	4,3	(10,1%)	(17,0%)
(0,5%)	Intra division	(0,8)		
100,0%	Total Datalogic	144,6	1,2%	-2,1%

% weight on Total	€m	Q1 2019	Var % vs. Q1 2018	Constant FX
57,8%	EMEA	83,6	1,5%	0,7%
30,1%	North America	43,5	10,2%	1,7%
10,2%	APAC	14,8	(18,2%)	(21,5%)
1,9%	Latin America	2,8	(9,5%)	(11,9%)
100,0%	Total Revenues	144,6	1,2%	-2,1%

Revenues by Verticals

DL Business: +2.3% and almost flat Net FX

Retail: decline YoY due to Italy and China , positive growth for EMEA (excluding Italy) and NA

Manufacturing: Double digit growth in NA (Net FX) mainly driven by industrial barcode scanners; drop in China, mainly in the electronics market

T&L: Double digit growth driven by NA

Healthcare: Recovery driven by EMEA and NA

Channel: strong growth driven by stock creation of new products

Revenues by Geography

EMEA: excluding Italy grew by 5.7%. Positive trend mainly driven by T&L (+7.9%) and Healthcare (+44.3%)

North America: Datalogic Business revenues show positive growth +18.6% (+9.5% net forex) mainly driven by double digit growth in T&L (+44%) and Manufacturing (+19%)

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

Q1 2019 New Product Launches and Innovation

Mobile Computing



Taskbook

The new TaskBook is a rugged tablet expressly designed for industrial applications



Falcon X4 Auto Range

The new Auto Range scanning capability allows the Falcon X4 to scan up to 15.0 m / 49.2 ft while providing superior performance and user experience of Datalogic scanning technology



Datalogic Shield

Datalogic Shield extends the lifecycle of Android mobile computers, offering our customers years of protection on their rugged device investment

Factory Automation



Matrix 220 High Power and Blue Light Models

New High Power Illuminators and DPM Blue Light models double the image luminosity for higher application speed and further reading distances, providing the highest flexibility in reading DPM bar codes on any type of material background color

- 4 New Products launched in Q1 2019
- New product net sales account for 19.5% of total sales for the quarter compared to just 13.5% in Q1 2018 and 17.3% in Q4 2018

Q1 2019 P&L

€ m	Q1 2019	Q1 2018	Var%
Revenues	144.6	142.9	1.2%
Gross Margin	70.2	69.8	0.5%
<i>%on Revenues</i>	48.5%	48.8%	
Operating expenses	(53.9)	(51.4)	4.9%
<i>%on Revenues</i>	(37.3%)	(36.0%)	
EBITDA	21.6	22.0	(1.4%)
<i>%Ebitda margin</i>	15.0%	15.4%	
EBIT	14.8	16.5	(10.3%)
<i>%Ebit margin</i>	10.2%	11.6%	
EBT	16.1	14.7	9.8%
Taxes	(3.5)	(3.5)	
Net Income	12.6	11.2	12.4%
<i>% on Revenues</i>	8.7%	7.8%	
<i>Exchange Rate</i>	1.14	1.23	

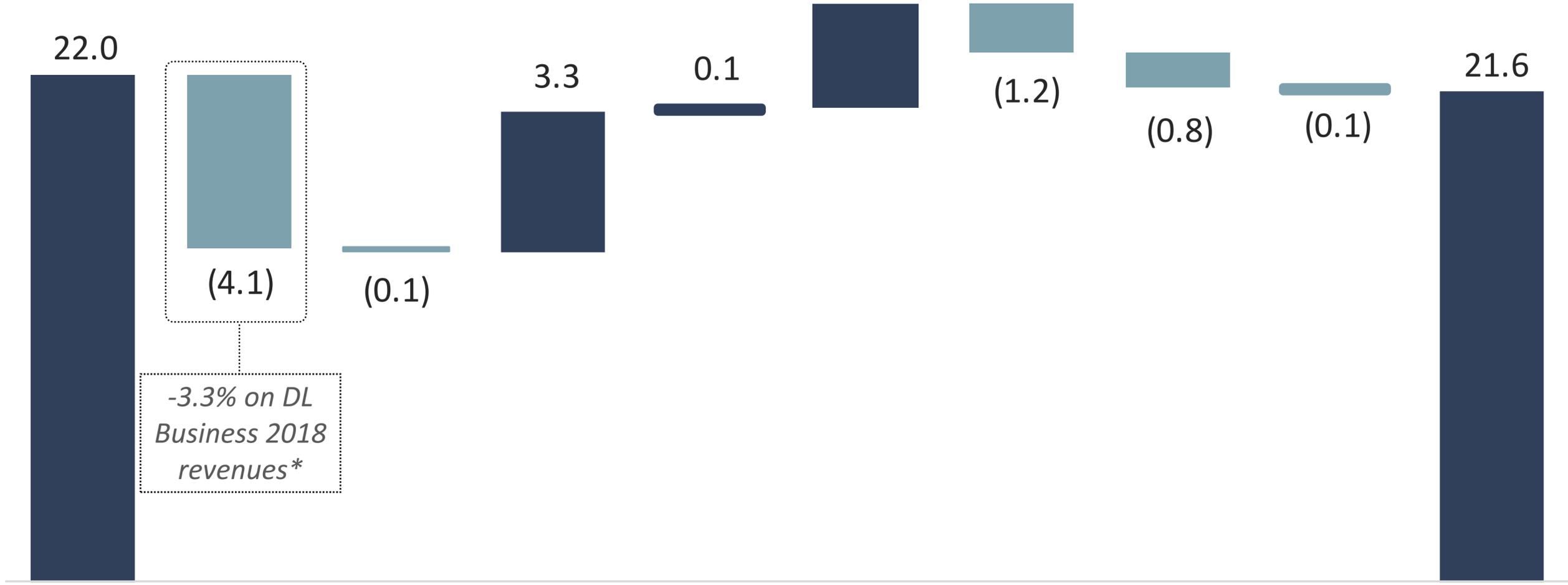
- **Revenues** up 1.2% to €144.6 m (-2.1% at constant exchange rate); **DAL Business revenues** at €135.6 m (+2.3%, -0,7% Net Fx)
- **Gross Margin almost flat at 48.5%**
- **Operating expenses up by 4.9%** to €53.9m:
 - ✓ **R&D on revenues** down from 10.2% to 9.9% (10.1% on DL Business)
 - ✓ **S&D on revenues** from 18.0% to 20.1% due to carry over of last year's commercial organization investments
 - ✓ **G&A almost in line with previous year**, moving from 7.8% to 7.3% on revenues
- **Net income at €12.6m** up by 12.4% thanks to positive exchange rate differences and higher incomes from liquidity investments.

EBITDA: actual vs last year

€ m

15.4 % on Group Revenues

15.0 % on Group Revenues



-3.3% on DL Business 2018 revenues*

■ Positive Items ■ Negative Items

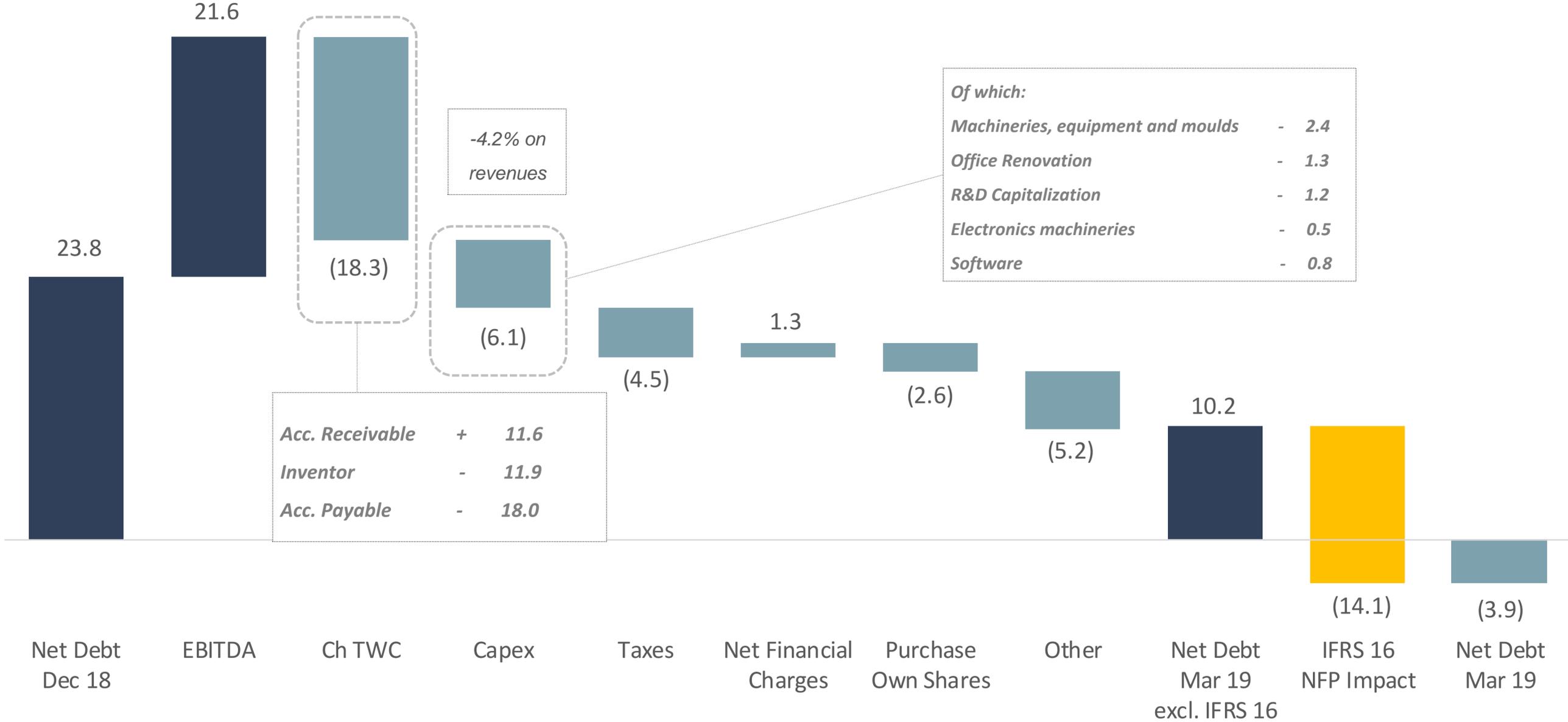
* Excluding Service and other non significant items

Consolidated Balance Sheet

€ m	Mar-19	Dec-18
Total Fixed Assets	389.4	369.7
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Trade receivables	78.8	90.4
<i>% on 12m rolling sales</i>	<i>12.5%</i>	<i>14.3%</i>
Inventories	107.7	95.8
<i>% on 12m rolling sales</i>	<i>17.0%</i>	<i>15.2%</i>
Trade payables	(99.2)	(117.1)
<i>% on 12m rolling sales</i>	<i>(15.7%)</i>	<i>(18.6%)</i>
Trade Working Capital	87.4	69.1
<i>% on 12m rolling sales</i>	<i>13.8%</i>	<i>11.0%</i>
Other assets/liabilities	(82.3)	(86.9)
<hr/>		
Net Invested Capital	394.4	352.0

€ m	Mar-19	Dec-18
Net Financial Position	3.9	(23.8)
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Net Equity	390.5	375.8
<hr/>		
Total Sources	394.4	352.0

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



2019 Outlook

Market

- **Industry trends are confirmed and remain positive**
- **Q2 macro economic scenario remains uncertain** due to US-China trade war

Verticals

- **Retail:** expected recovery in EMEA and APAC thanks to new products
- **Manufacturing:** NA as growth engine of 2019 thanks to last year strengthening of sales organization
- **T&L:** outlook remains highly positive mainly driven by NA
- **HC:** keep growing driven by EMEA and NA thanks to new dedicated products
- **Channel:** Expected growth in SMB driven by new products particularly suitable for the channel

Financials

- **Top line recovery** expected thanks to a **stronger second half** confirming growth trend on revenues and profitability almost in line with last year
- **Growth in 2H driven by ramp up of new products** launched in the last 12 months

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NEXT EVENTS

August 7, 2019

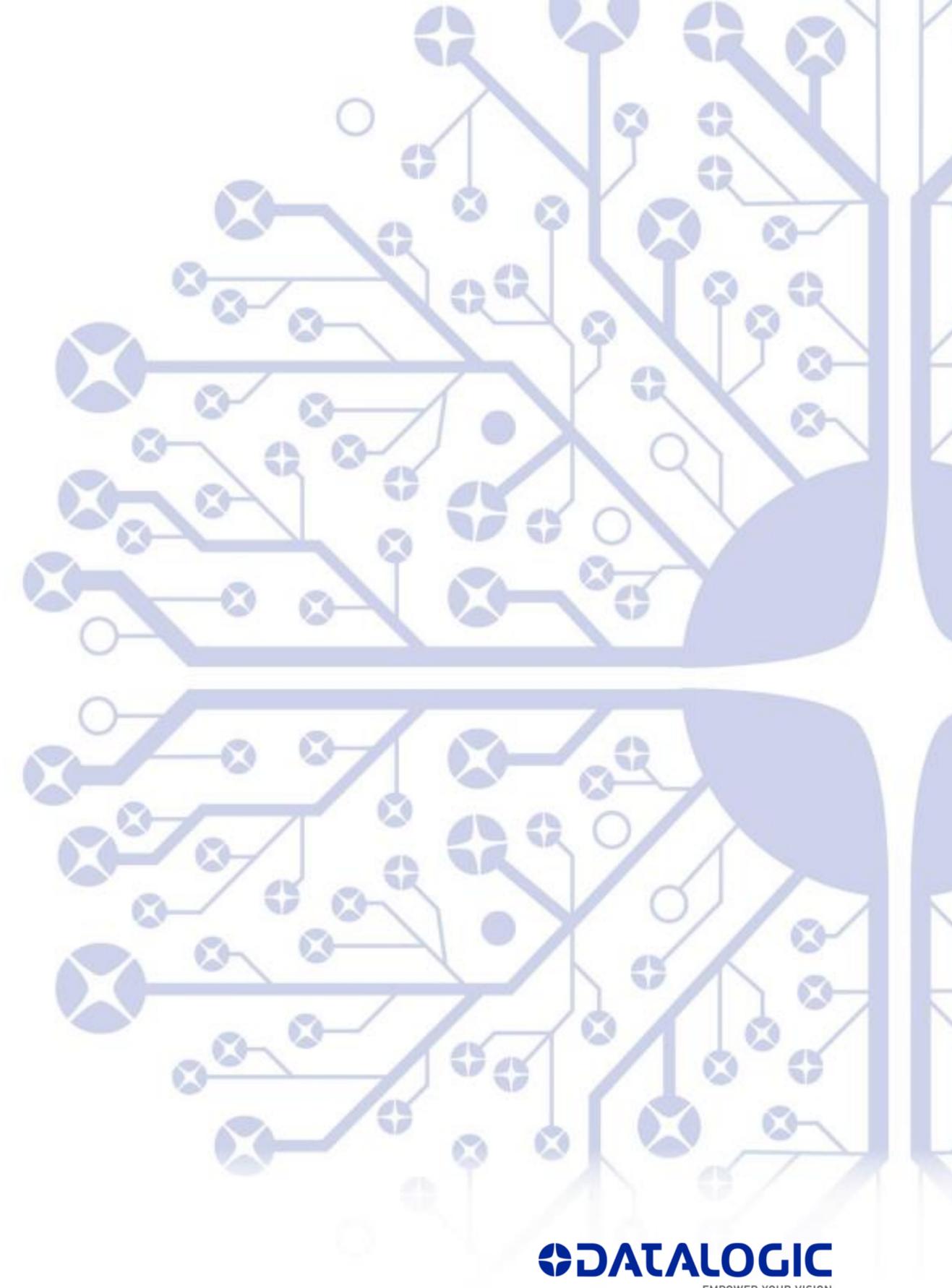
6M Results

November 13, 2019

9M Results

DATALOGIC ON LINE

www.datalogic.com



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