



Star Conference London

7th October, 2016

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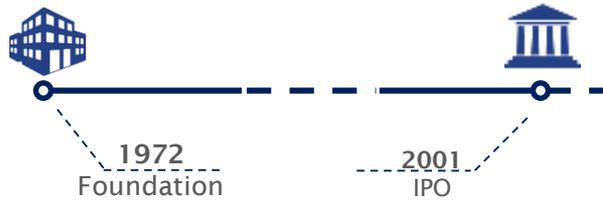
Agenda

- Group Overview
- Market Outlook
- Business and Strategy
- Financial Highlights

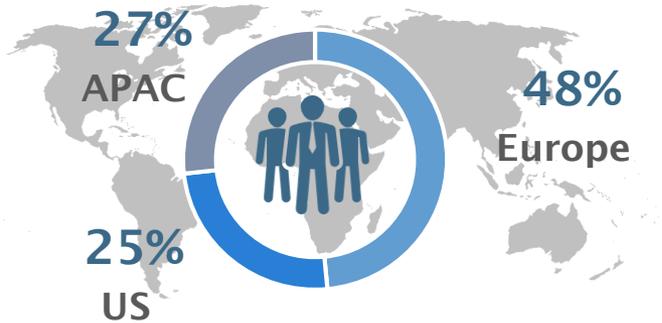


Group Overview

Datalogic at a glance



2,600 EMPLOYEES



WORLD PRESENCE



30
Countries



1,200
Patents

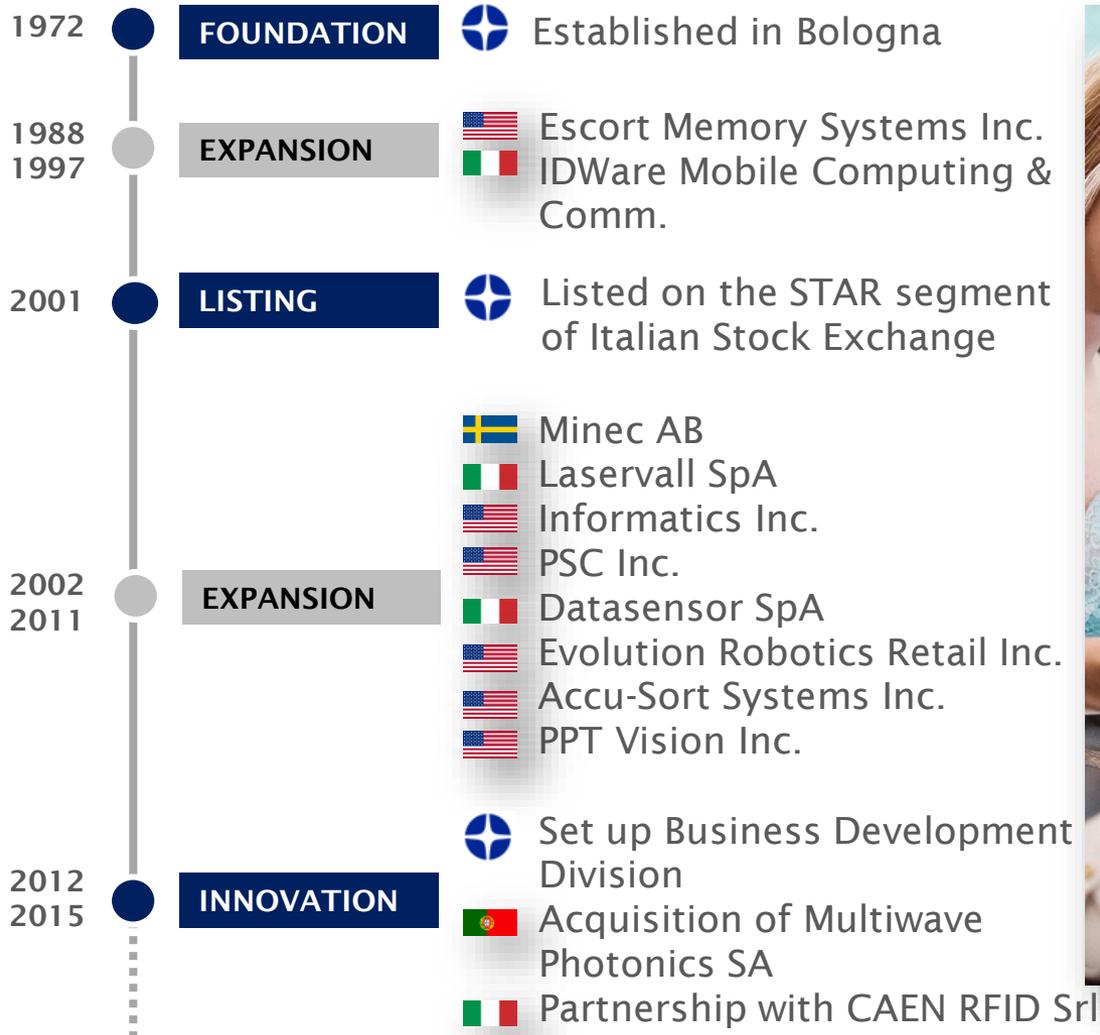
- **Global leader** of barcode readers, mobile computers, sensors, vision systems and laser marking systems with innovative solutions in verticals market: **Retail, Transportation & Logistics, Factory Automation, Healthcare Industries**
- **Founded in 1972 by Romano Volta** in Bologna, Italy and listed on the STAR Segment of the Italian Stock Exchange since 2001
- A large portfolio of about 1,200 patents
- **About 2,600 employees**, of which 450 in R&D:
- Direct presence in 30 countries worldwide selling to 120 countries, with more than 1,000 partners worldwide

Datalogic Business Overview

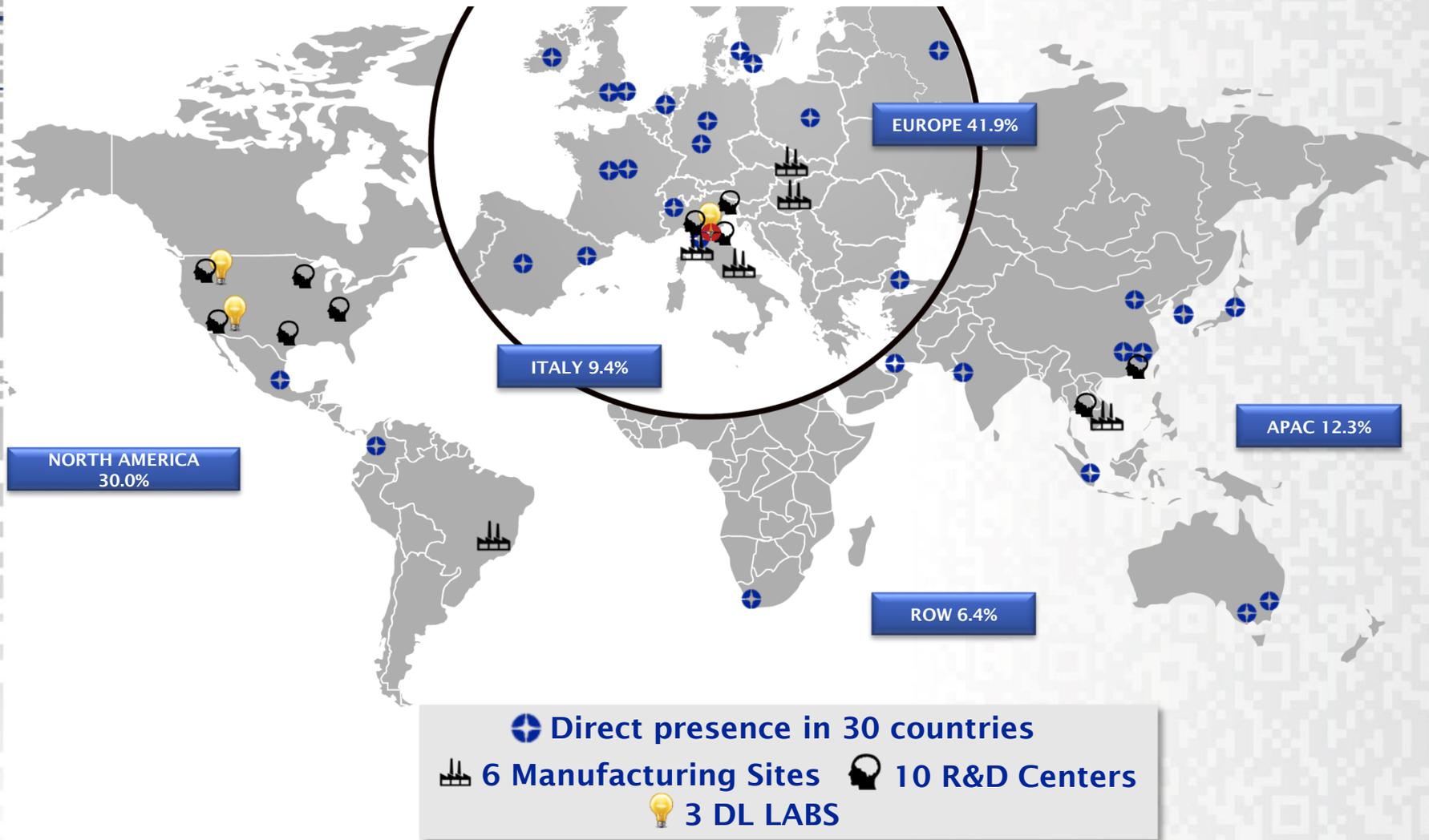


Figures based on 2015 Revenues; the remaining 3% is represented by other revenues

Over 40 years of Technological Innovation



A Wide Geographical Footprint



Note: Breakdown by area based on 1H2016 revenues

Investing in Datalogic

1

STRONG POSITION

- Unique player world wide with **leadership in two markets:** ADC and IA
- High entry barriers granted by solid **Intellectual Property Patents** portfolio
- **Cutting edge technology and excellent customer support**

2

PROVEN TRACK RECORD

- History of **profitable growth**
- Wise resources management to sustain **R&D investments**
- **Strong cash generation** for growth

3

VALUATION & OPPORTUNITIES

- **Attractive valuation**
- Potential from further **internal reorganization**
- Opportunities from expansion in **North America and China**

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

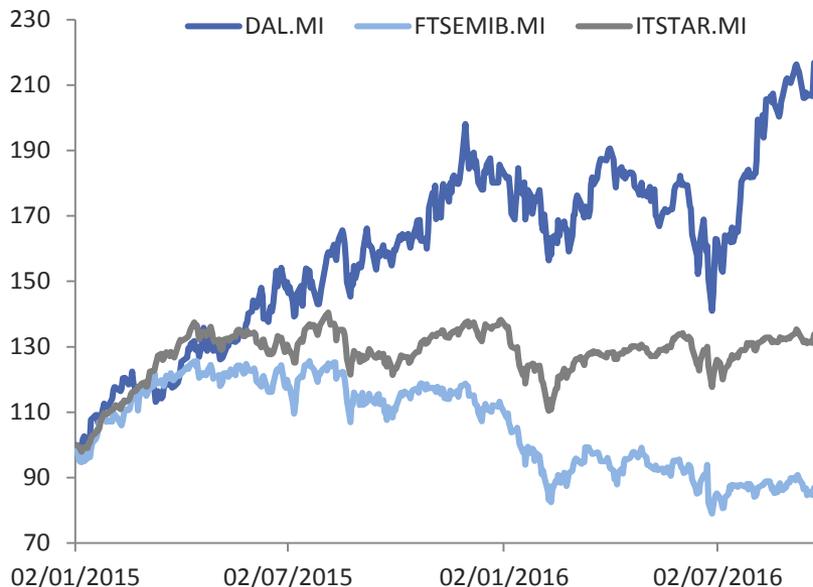
Price (September 29th, 2016): 18.96 Euro

Market Cap (September 29th, 2016): 1,108.1 M Euro

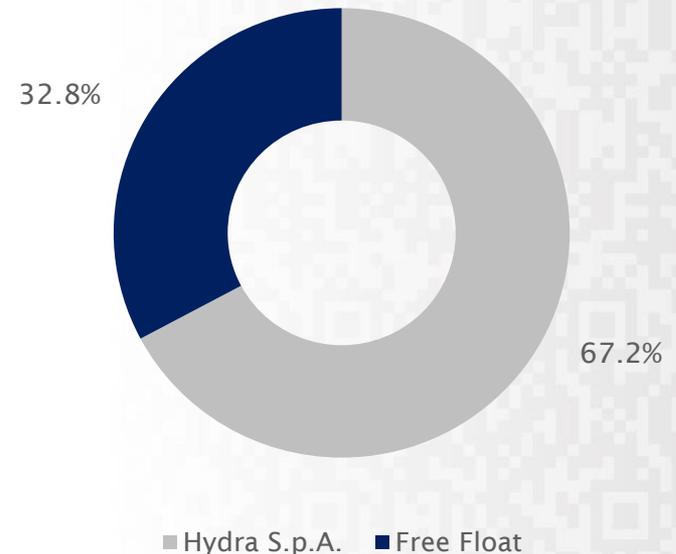
Specialist: Intermonte SIM

Auditing Company: EY

DATALOGIC PRICE PERFORMANCE



SHAREHOLDERS' STRUCTURE



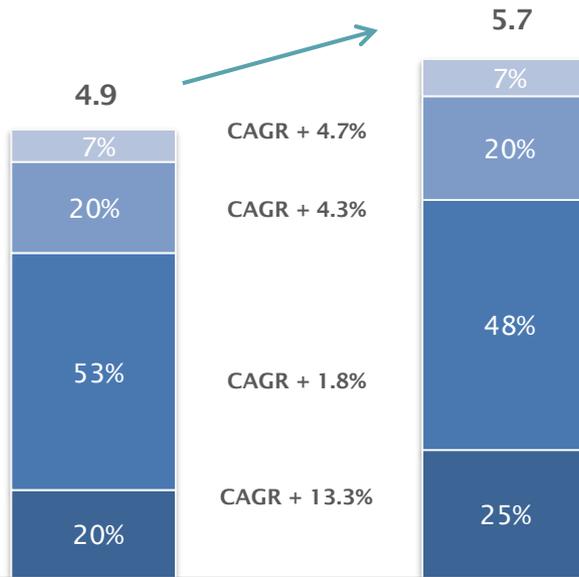
Market Outlook

Market Outlook – ADC & IA

ADC

(B\$)

CAGR + 5.0%



2015

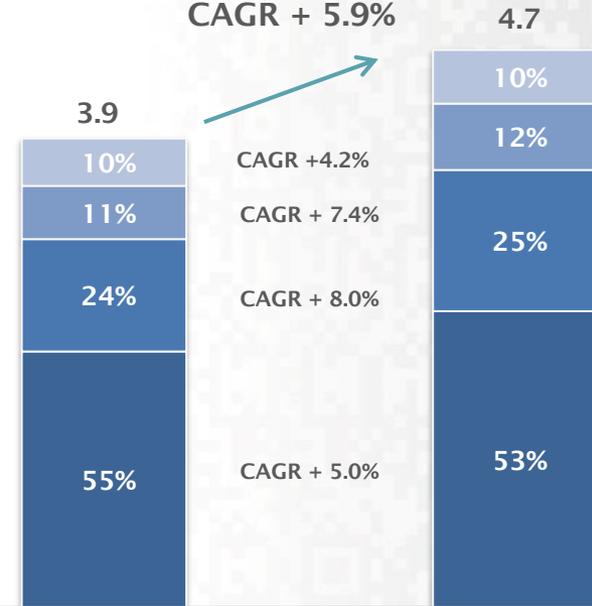
2018e

- Self Checkout
- Hand Held Scanners
- Mobile Computers
- POS Retails Scanners

IA

(B\$)

CAGR + 5.9%



2015

2018e

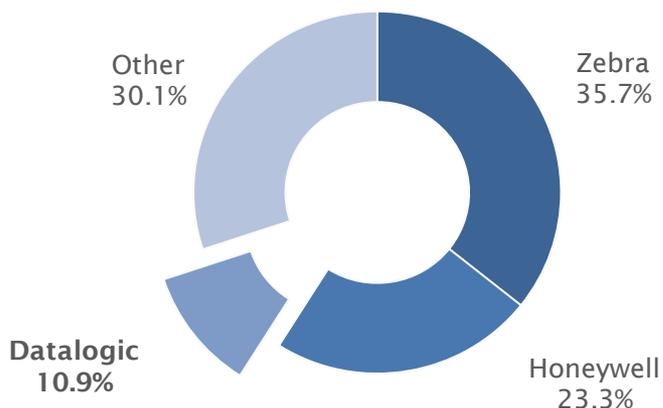
- Sensor & Safety
- Laser marking
- Vision
- Identification



Source : VDC 2016 (base year 2015) Figures - Market Researches and Management's Best Estimate

Leadership Overview

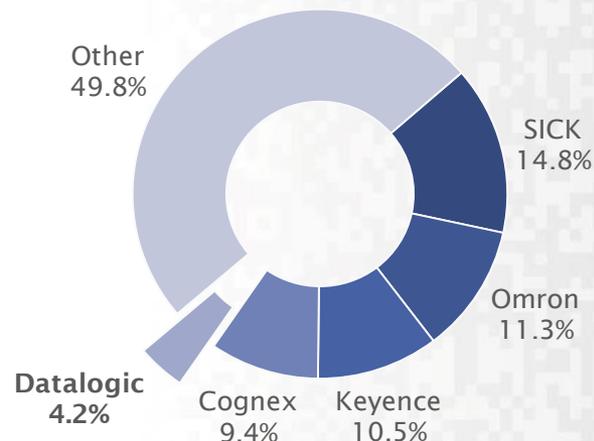
Global ADC Market value: 3.9B USD



Source VDC 2016 (base year 2015)

2015 ADC Available Market including POS Retail Scanners, Handheld Scanners and Mobile Computers (Handheld PDA and Fork-Lift Vehicles Mounted Computer) segments

Global IA Market value: 3.9B USD



Source: VDC 2016 (base year 2015) for Industrial Stationary Scanners

Other Market Researches and Management's Best Estimate for all other Product Categories

2015 IA Available Market including Industrial Barcode Scanners, Imagers, Photoelectric Sensors, Safety Light Curtains, Smart Cameras/Vision Sensors, Laser Marking segments (Postal Material Handling, Dimensioner and Integrated Solutions not included)

Leadership Overview

Worldwide Market



ADC MARKET: 10.9% from 10.4% in 2014

• POS Retail Scanners - 35.6% ↑



• Handheld Scanners - 19.4% ↑

• Mobile Computers - 4.3% ↑



IA MARKET: stable at 4.2%

• Industrial Stationary Scanners 23.5% ↑

EMEA Market



ADC MARKET:

• POS Retail Scanners - 55.6% ↑

• Handheld Scanners - 38.1% ↑



IA MARKET:

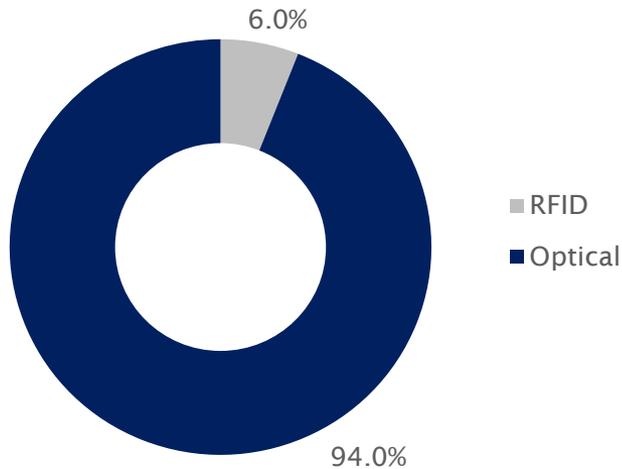
• Industrial Stationary Scanners 25.6% ↑

Source VDC 2016 (base year 2015)

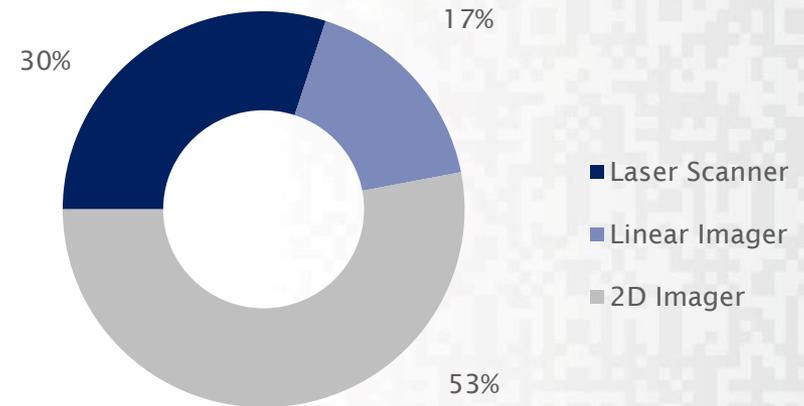
Market split by Technology

Datalogic can offer all the technologies available for products identification

Data Capture Technology



Market Value : \$4.0 Bn



* includes only Hand Held Scanners, Industrial Stationary Scanners and Point of Sale Check Out



2016 (base year 2015)

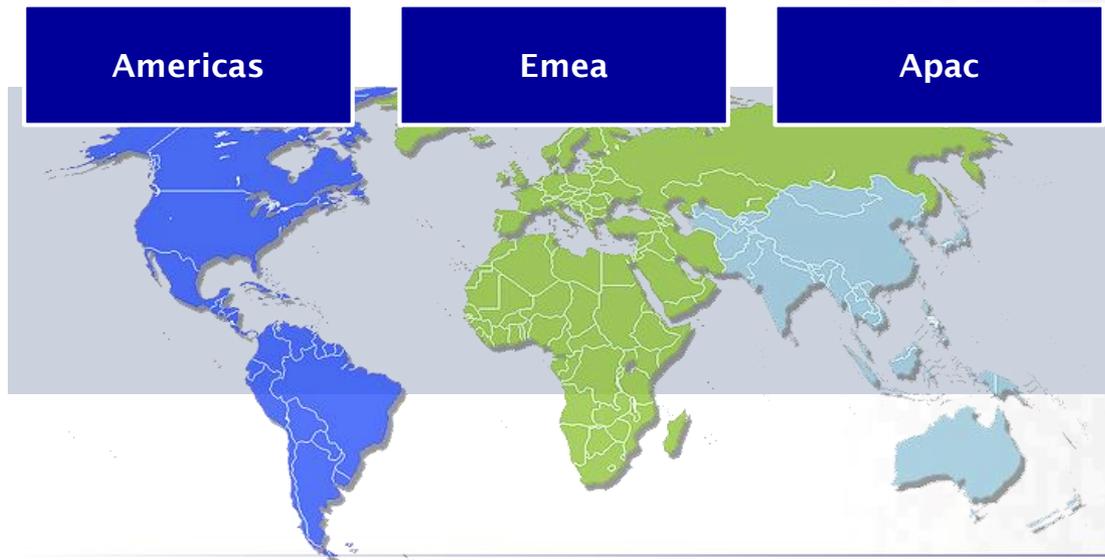
Business and Strategy

Datalogic Strategy



- **Maintain the positive trend in Europe and double digit growth in North America and China.**
- **Improvement of Operations Efficiency reducing weight of COGS** thanks to reduction of material costs and insourcing of core components
- **R&D investment up to 9.0% of revenues** to keep the innovation leadership in the market
- **Continuous optimization of Operating Expenses and reduction of G&A**, thus indirect procurement costs management
- **Maintain Strong performance on Cash**

A Unique Selling Proposition...



...with a Wide and Complementary Offer

INDUSTRIAL AUTOMATION

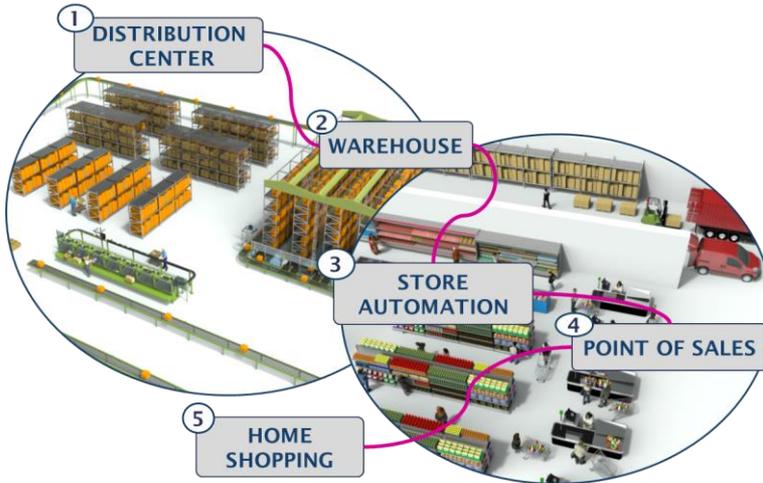


AUTOMATIC DATA CAPTURE

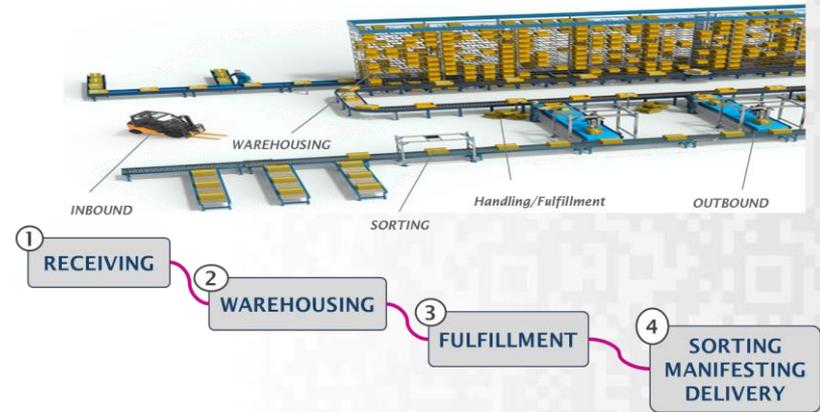


Datalogic's unique positioning

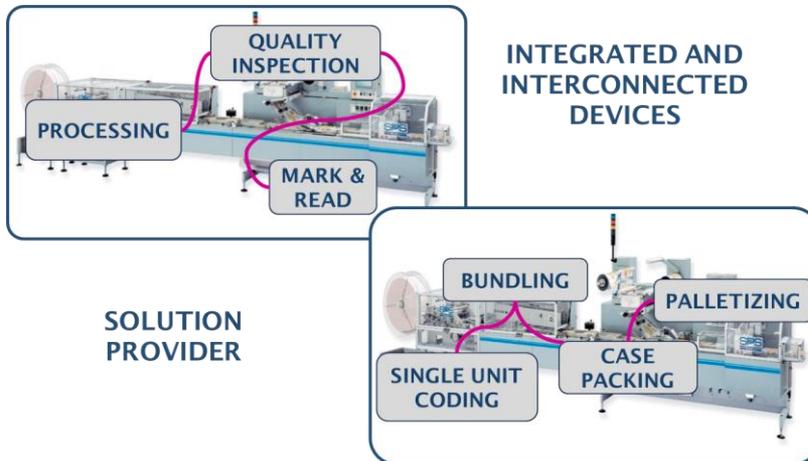
Retail Flows and Applications



T&L Flows and Applications



Factory Automation Flows and Applications



Healthcare Flows and Applications



Investment in R&D: driver of growth

- A large and growing portfolio of about **1,200 patents and pending patent applications**
- About **300 pending patent applications** in all jurisdictions
- **27.4% of revenues** comes from new products* in Q2 2016
- **12 Research & Development Centers**
- Around **400 R&D Engineers**
- New product development process **that starts from the Customers' needs** – 1st milestone of the new product development



Portal Scanning



Digital Watermarking



Joya Touch

HIMSS



DL-Axist

* Are considered new products the products announced in the last 24 months

Financial Highlights

1H 2016 Key Factors

FOCUS ON CLIENT

- Improved customer penetration in US Retail and Europe Factory Automation
 - **27.4% of revenues in Q2 2016** comes from new products* (26.4% in 2015)
-

MARKET

- **Reaffirmed leadership in Europe and strong growth in US**
 - Some impact from economic uncertainties in fast growing markets
-

ORGANISATION

- **Centralization of Procurement**
 - Rationalisation of footprint: **new Hungarian plant for IA opened in April**
 - **Critical components insourcing**
-

** new products refer to products announced in the last 24 months*

Recent events: Spin off of BU Systems

- **Spin Off of the Business Unit Systems in a newco - Solution Net Systems Inc.**, headquartered in Quakertown, Pennsylvania (USA) - in which the assets related to the Business Unit Systems will be contributed
- Solution Net Systems Inc., will be 100% owned by Datalogic Automation Inc., the US subsidiary of the Company
- The go live of the transaction is foreseen on October 1st, 2016.
- The rationale behind this transaction consists in the fact that the business model of the said Business Unit - focused on the supply of integrated systems for the postal and retail market - is significantly different from the one of the Industrial Automation Division
- In 2015 the BU System reported around €17mln revenues and in the first half 2016 around €10 mln

Financial Highlights

	1H2016	1H2015	Δ%	FY2015
Revenues	€281.8mln	€257.5mln	+9.5%	€535.1mln
Gross Operating Profit	€131.0mln	€121.4mln	+7.9%	€248.6mln
<i>Gross Operating margin</i>	46.5%	47.2%		46.5%
EBITDA	€45.0mln	€34.3mln	+31.0%	€73.7mln
<i>EBITDA margin</i>	16.0%	13.3%		13.8%
FCF	€8.4mln	€8.6mln		€46.1mln
Net Debt	€27.5mln	€58.4mln		€21.0mln
Net Debt/Ebitda	0.6x	1.7x		0.3x
Net Debt/Equity	0.1x	0.2x		0.1x

1H 2016 Profit and Loss

€ mln	1H2016		1H2015		Var %	FY2015	
Revenues	281.8	100.0%	257.5	100.0%	9.5%	535.1	100.0%
COGS	(150.8)	(53.5%)	(136.0)	(52.8%)	10.9%	(286.5)	(53.5%)
Gross Operating Profit	131.0	46.5%	121.4	47.2%	7.9%	248,6	46.5%
Other Revenues	2.0	0.7%	1.2	0.5%	68.6%	3.5	0.7%
R&D	(24.3)	(8.6%)	(23.4)	(9.1%)	3.7%	(48.2)	(9.0%)
Distribution Costs	(51.2)	(18.2%)	(50.1)	(19.5%)	2.1%	(101.1)	(18.9%)
Administrative Expenses	(18.5)	(6.6%)	(19.7)	(7.6%)	(5.8%)	(39.5)	(7.4%)
Other operating expenses	(0.9)	(0.3%)	(1.0)	(0.4%)	(14.5%)	(2.0)	(0.4%)
Total Operating expenses and others	(94.9)	(33.7%)	(94.3)	(36.6%)	0.7%	(190.9)	(35.7%)
Non recurring costs/rev	(0.4)	(0.1%)	(0.8)	(0.3%)	(50.7%)	(2.6)	(0.5%)
Amort. Intang. Assets from acquis.	(2.4)	(0.9%)	(2.9)	(1.1%)	(15.9%)	(5.7)	(1.1%)
Operating Profit (EBIT)	35.3	12.5%	24.7	9.6%	43.1%	52.9	9.9%
Financial (costs)/rev.	(1.9)	(0.7%)	(3.2)	(1.2%)	(40.6%)	(4.6)	(0.9%)
Results from equity investments	(0.4)	(0.1%)	0.0	0.0%	<i>n.a.</i>	0.2	0.0%
Foreign exchange (costs)/rev.	(0.3)	(0.1%)	3.4	1.3%	<i>n.a.</i>	3.1	0.6%
EBT	32.8	11.6%	25.0	9.7%	31.0%	(51.6)	9.6%
Taxes	(6.6)	(2.3%)	(3.6)	(1.4%)	84.7%	(11.0)	2.1%
Net Income	26.2	9.3%	21.5	8.3%	22.0%	40.5	7.6%
Depreciation	(4.4)	(1.5%)	(3.7)	(1.4%)	17.9%	(7.8)	(1.5%)
Amortization	(2.5)	(0.9%)	(2.3)	(0.9%)	7.9%	(4.7)	(0.9%)
EBITDA	44.9	16.0%	34.3	13.3%	31.0%	73.7	13.8%
<i>Exchange Rate</i>	<i>1.1159</i>		<i>1.1158</i>			<i>1.1095</i>	

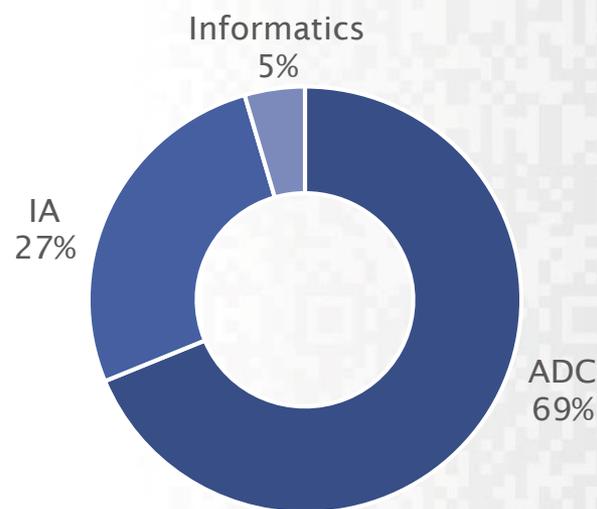
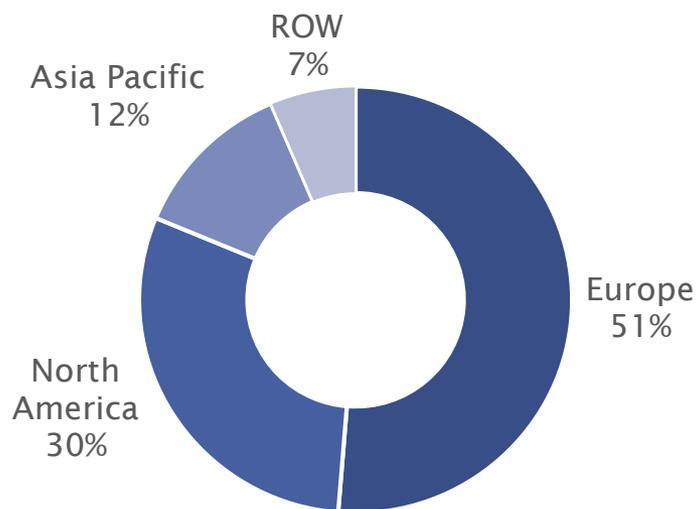
Revenues Trend by Country and Division

REVENUES BY GEOGRAPHIC AREA

€mIn	1H 2016	1H 2015	Var %
Europe	144.5	133.1	8.6%
North America	84.5	73.6	14.8%
Asia Pacific	34.7	33.9	2.4%
ROW	18.1	16.9	6.7%
Total Revenues	281.8	257.5	9.5%

REVENUES BY DIVISION

€mIn	1H 2016	1H 2015	Var %
ADC	194.8	177.4	9.8%
IA	75.7	66.6	13.7%
- IA ex BU Systems	65.8	60.4	8.9%
Informatics	12.8	14.5	(11.8%)
Corporate and Adj.	(1.5)	(1.0)	50.0%
Total Revenues	281.8	257.5	9.5%



1 H2016 Segment Reporting

Gross Operating Margin	1H2016	1H2015
ADC	47.4%	48.6%
Industrial Automation	43.9%	44.5%
- IA ex BU Systems	48.7%	50.1%
Informatics	45.7%	44.8%
Total Group	46.5%	47.2%

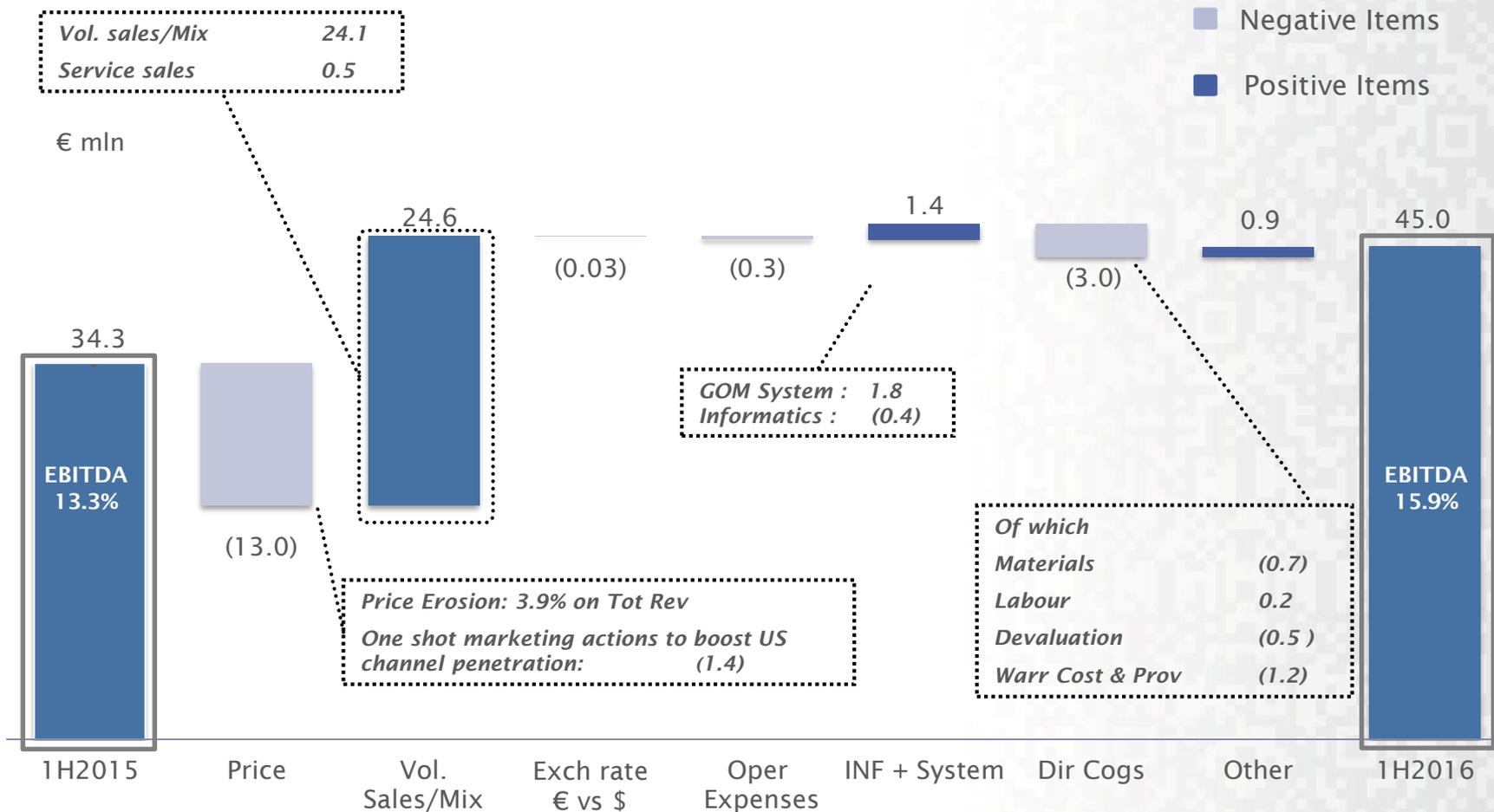
EBITDA* Margin	1H2016	1H2015
ADC	24.9%	23.1%
Industrial Automation	5.1%	2.0%
- IA ex BU Systems	7.2%	7.4%
Informatics	(2.3%)	0.8%
Total Group	16.0%	13.3%

R&D/Revenues	1H2016	1H2015
ADC	9.8%	8.7%
Industrial Automation	12.4%	12.7%
Informatics	5.9%	3.9%
Total Group	8.6%	9.1%

TWC/Revenues	1H2016	1H2015
ADC	8.8%	10.7%
Industrial Automation	13.4%	12.7%
Informatics	15.6%	9.6%
Total Group	9.9%	10.5%

(*) With the purpose to better report the operating sectors economic performances, it was deemed appropriate to highlight the Divisional EBITDA as monitoring KPI.

EBITDA*: Actual vs Last Year

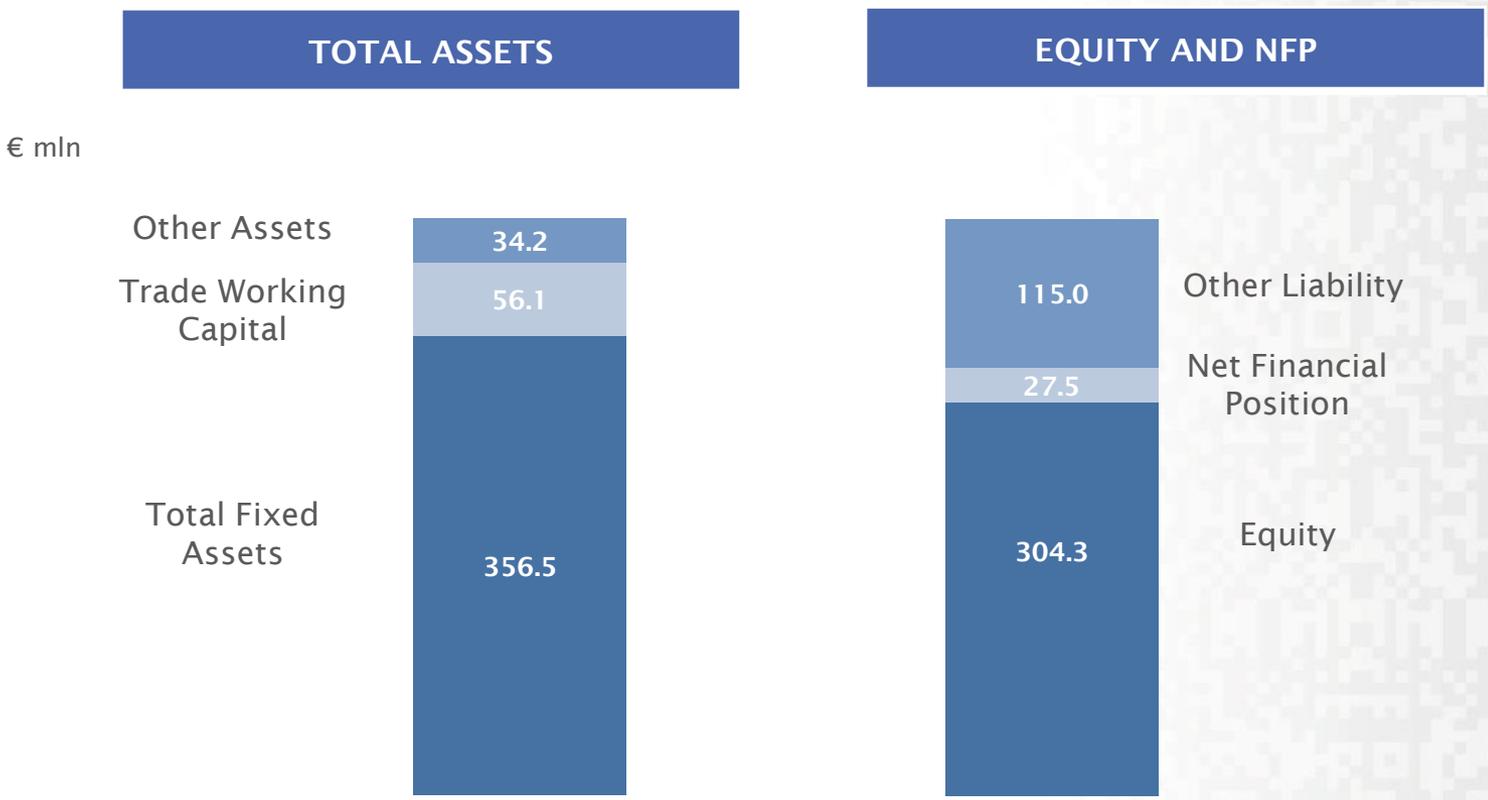


(* Ordinary Operating Profit before non recurring costs/revenues and depreciation & amortization (EBITDA))

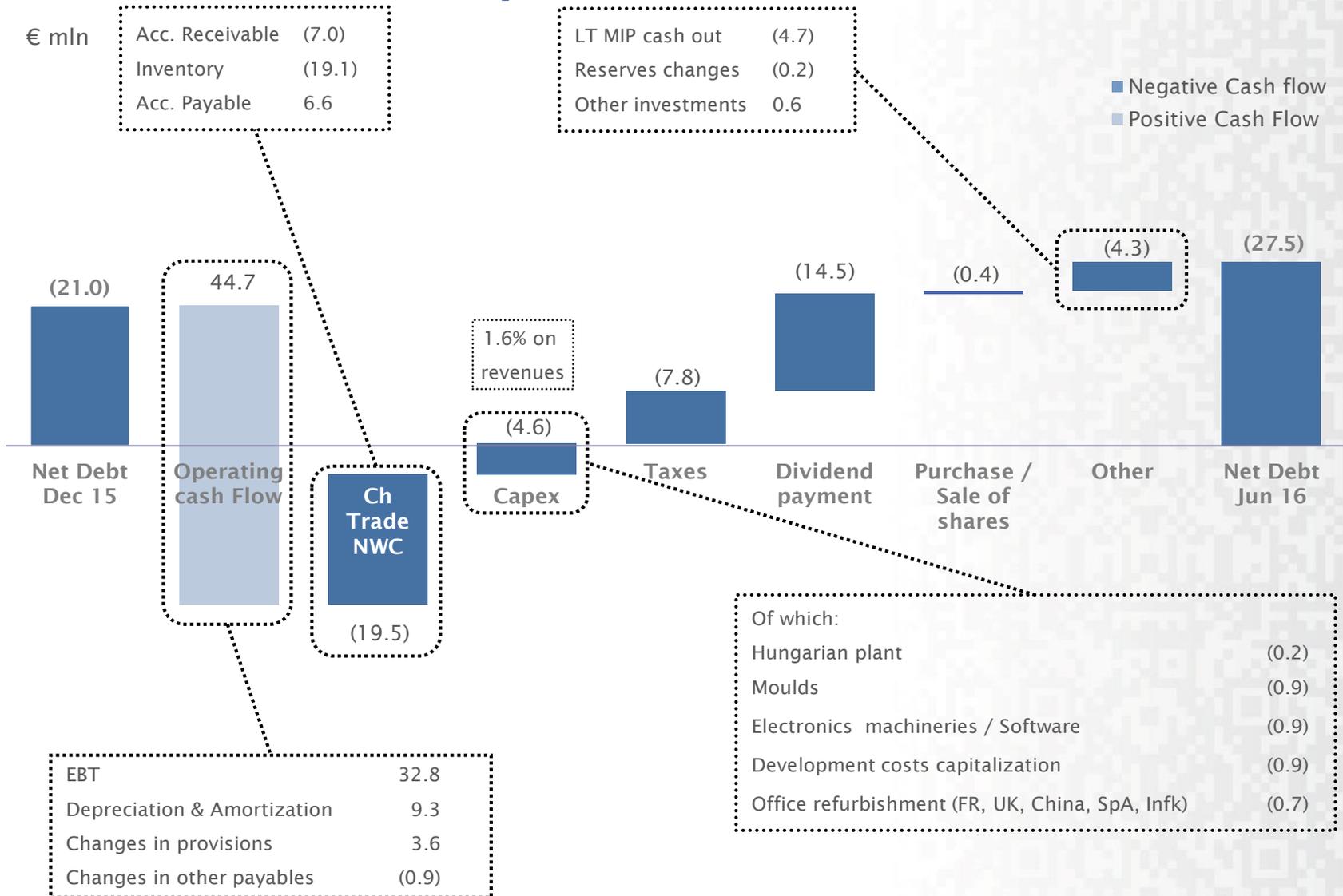
Note:

The Exchange rate variance is the result of the difference between June '16 YTD Actual (1.1159) and June '15 YTD Actual (1.1158) €/USD exchange rates.

Consolidated Balance Sheet at 30.06.2016



Net Debt Analysis: Dec. '15 – June '16



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NEXT EVENTS

November 11th, 2016

9M results

DATALOGIC ON LINE

www.datalogic.com