DATALOGIC

2014 Results Conference Call

9th March, 2015

Agenda

- 2014 Results
- Outlook

2014 Results

2014 Key Factors

FOCUS ON CLIENT	▪ Anticipate clients' needs offering new products to improve their efficiency and productivity ▪ Focus on innovation: 25 new products launched ▪ 21% of revenues comes form new products

MARKET EXPANSION	▪ Opening of new branches in Turkey and Brazil
	▪ Opening of new ADC plant in Brazil
	▪ Strengthening of presence in China:
	  ▪ Centralization of Procurement
	  ▪ New R&D centre

ORGANISATION	▪ Strengthening of the sales force worldwide
	▪ Reorganization process in IA:
	  ▪ Appointment of a new CEO and of a new America VP
	  ▪ Change of the GO TO MARKET model in US: new approach by verticals

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Q4 2014 Highlights

- Sales revenues up +3.8% to 124.5 million Euro in 4Q2014 vs 120.0 million Euro in 4Q2013
- Gross Operating Margin continues improving **from 46.5% to 48.3%** on revenues
- **EBITDA up 4% to 17.4 million Euro** thanks to cost control and notwithstanding R&D investments increase to 13.3 million Euro equal to 10.7% on revenues
- Non recurring costs for 3.2 million Euro concentrated in Q4 impacted on Operating and Net Profit
- The booking in the quarter equal to **130.4 million Euro, approx. +9%** compared to 4Q2013

	4Q2014	3Q2014	Var QoQ %	4Q2013	Var YoY %
Revenues	124,482	116,036	*7.3%*	119,964	*3.8%*
Gross Operating Profit	60,112	56,370	*6.6%*	55,786	*7.8%*
EBITDA	17,436	17,854	*(2.3%)*	16,766	*4.0%*
EBITANR	14,400	14,998	*(4.0%)*	14,194	*1.5%*
Operating Profit (EBIT)	9,756	13,698	*(28.8%)*	12,883	*(24.3%)*
Net Profit	5,177	10,436	*(50.4%)*	9,255	*(44.1%)*

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2014 Highlights

- Sales growth driven by **ADC +9.2% and IA (ex System) +3,3%,** BU Systems still suffering by the postal cycle
- Further improvement of the **Gross Operating Margin, from 47.2% to 48.6%,** and **EBITDA Margin, from 13.3% to 14.9%** as result of cost control and operating leverage
- R&D costs + 21% to 43.1 million Euro – **from 7.9% to 9.3% on revenues**
- Non recurring costs for 5.6 million Euro, mainly due to reorganization, impact EBIT
- **Net Income** up 14.7% to **30.9 million Euro**
- **Dividend** up 12.5% to **0.18 Euro**

€000	FY2013		FY2014		Var %
Revenues	450,737	*100.0%*	464,546	*100.0%*	*3.1%*
COGS	(238,133)	*(52.8%)*	(238,987)	*(51.4%)*	*0.4%*
Gross Operating Margin	212,604	*47.2%*	225,559	*48.6%*	*6.1%*
Total operating expenses and others	(164,472)	*(36.5%)*	(169,779)	*(36.5%)*	*3.2%*
EBITANR	50,106	*11.1%*	58,019	*12.5%*	*15.8%*
Operating Profit (EBIT)	45,495	*10.1%*	46,908	*10.1%*	*3.1%*
Net Income	26,906	*6.0%*	30,857	*6.6%*	*14.7%*
Exchange rate	*1.3281*		*1.3285*		

FY 2014 Profit and Loss

€000	FY2013		FY2014		Var %
Revenues	**450,737**	*100.0%*	**464,546**	*100.0%*	*3.1%*
COGS	(238,133)	*(52.8%)*	(238,987)	*(51.4%)*	
Gross Operating Profit	**212,604**	*47.2%*	**225,559**	*48.6%*	*6.1%*
Other revenues	1,974	*0.4%*	2,239	*0.5%*	
R&D	(35,614)	*(7.9%)*	(43,108)	*(9.3%)*	
Distribution Costs	(84,962)	*(18.8%)*	(85,319)	*(18.4%)*	
Administrative expenses	(41,018)	*(9.1%)*	(39,146)	*(8.4%)*	
Other operating expenses	(2,878)	*(0.6%)*	(2,206)	*(0.5%)*	
Total operating expenses and others	**(164,472)**	***(36.5%)***	**(169,779)**	***(36.5%)***	
EBITANR	**50,106**	*11.1%*	**58,019**	*12.5%*	*15.8%*
Non recurring costs/rev	1,154	*0.3%*	(5,618)	*(1.2%)*	
Amort. Intang. Assets from acquis.	(5,765)	*(1.3%)*	(5,493)	*(1.2%)*	
Operating Profit (EBIT)	**45,495**	*10.1%*	**46,908**	*10.1%*	*3.1%*
Financial (costs)/rev.	(6,531)	*(1.4%)*	(8,111)	*(1.7%)*	
Results from equity investments	286	*0.1%*	25	*0.0%*	
Foreign exchange (costs)/rev.	(3,720)	*(0.8%)*	357	*0.1%*	
EBT	**35,530**	*7.9%*	**39,179**	*8.4%*	*10.3%*
Taxes	(8,624)	*(1.9%)*	(8,322)	*(1.8%)*	
Net Income	**26,906**	*6.0%*	**30,857**	*6.6%*	*14.7%*
Depreciation	(7,342)	*(1.6%)*	(7,199)	*(1.5%)*	
Amortization	(2,537)	*(0.6%)*	(4,225)	*(0.9%)*	
EBITDA	**59,985**	*13.3%*	**69,443**	*14.9%*	*15.8%*
Exchange rate	*1.3281*		*1.3285*		

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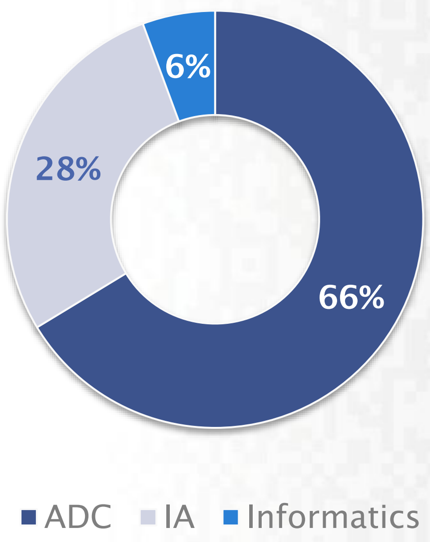
Revenues Trend by Division

- **ADC Division continues to outperform** mainly thanks to the introduction of **new technologically-advanced products** like POS 2D scanner and Presentation scanner
- **Significant trend reversal in 4Q in Industrial Automation**, driven by the launch of new products during the year, mainly dedicated to the segment of Factory Automation (e.g. P Series for Machine Vision)

REVENUES BY DIVISION (%)



REVENUES BY DIVISION						
€mn	2013	2014	Var %	4Q2013	4Q2014	Var %
ADC	282.1	308.2	*9.2%*	79.7	82.9	*4.0%*
Industrial Automation	137.8	130.2	*(5.5%)*	32.9	35.2	*7.0%*
Informatics	30.8	26.1	*(14.9%)*	7.4	6.5	*(12.2%)*
Total revenues	**450.7**	**464.5**	***3.1%***	**120.0**	**124.6**	***3.8%***

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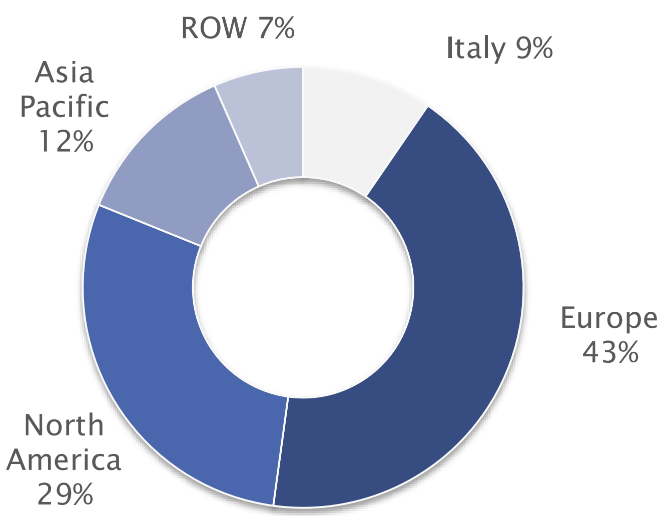
Revenues Trend by Geographic Area

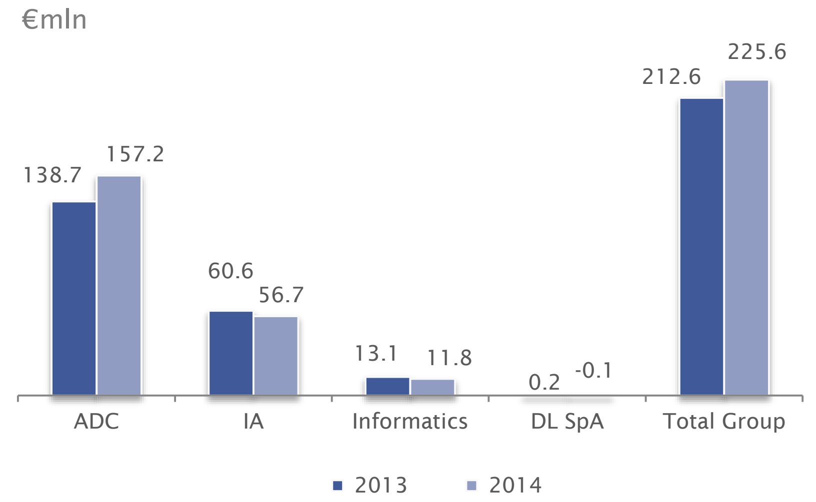
REVENUES BY GEOGRAPHIC AREA			
€000	**2013**	**2014**	**Var %**
Italy	38.040	44.489	*17,0%*
Europe	183.810	197.846	*7,6%*
North America	143.876	134.455	*(6,5%)*
Asia Pacific	56.455	57.154	*1,2%*
ROW	28.556	30.602	*7,2%*
Total Revenues	**450.737**	**464.546**	***3,1%***



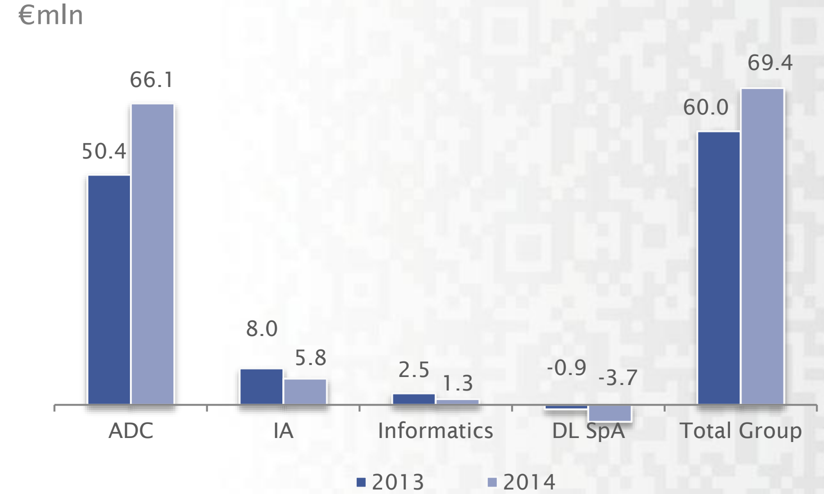
- **Europe/Italy** growth primarily driven by ADC two digits growth
- **Two speed in North America**: ADC driven by Retail while IA still suffering mainly due to cyclical trend of Postal segment
- Great result in **Greater China** in Asia Pacific
- Remarkable growth of ROW led by **Brazil** and **South Africa** thanks to new plants and offices

FY Segment Reporting: GOP and EBITDA

GOP BY DIVISION



EBITDA BY DIVISION

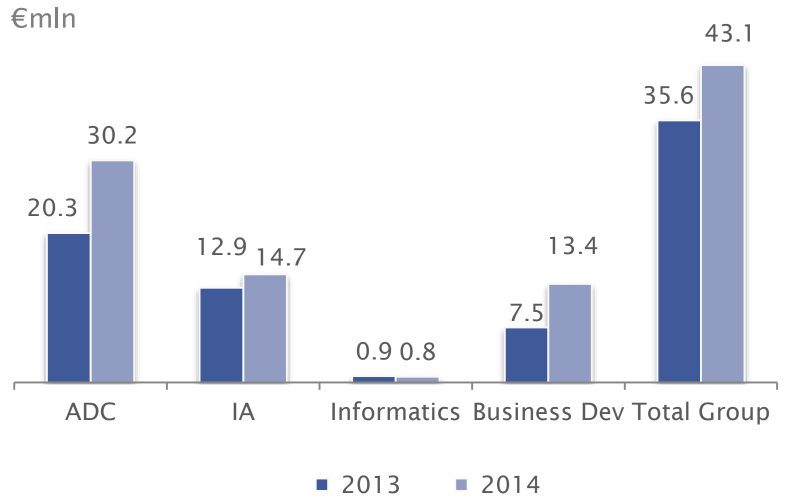


Gross Operating Margin	FY13	FY14
ADC	49.1%	50.8%
Industrial Automation	44.0%	43.5%
Informatics	42.6%	45.1%
Total Group	**47.2%**	**48.6%**

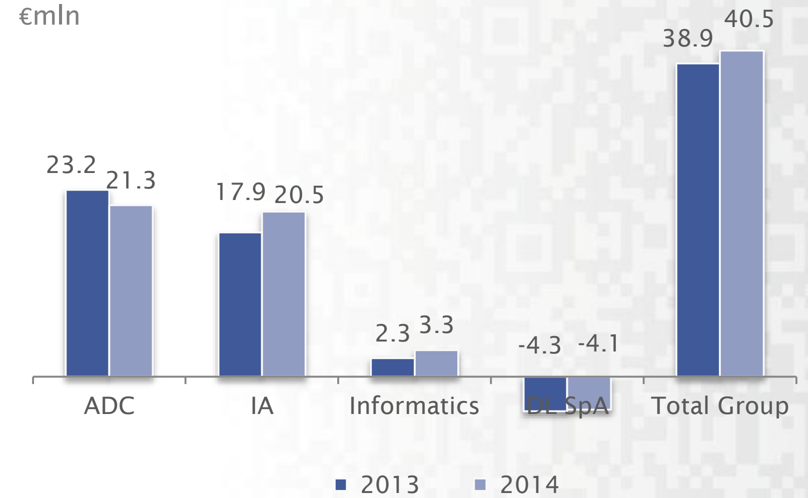
EBITDA Margin	FY13	FY14
ADC	17.9%	21.3%
Industrial Automation	5.8%	4.4%
Informatics	8.3%	4.9%
Total Group	**13.3%**	**14.9%**

FY Segment Reporting: R&D and TWC

R&D BY DIVISION



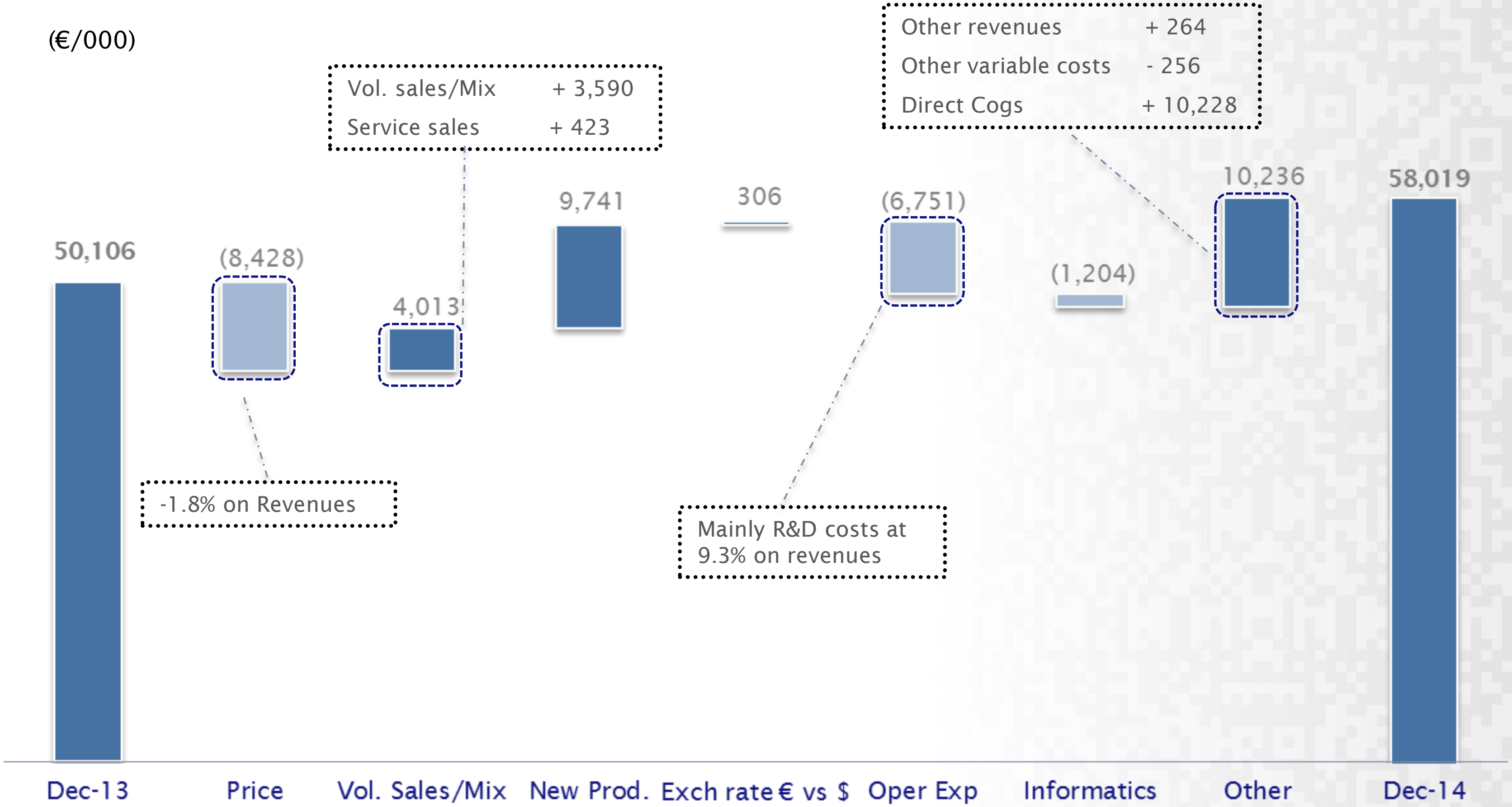
TWC BY DIVISION



R&D/Revenues	FY13	FY14
ADC	7.2%	9.7%
Industrial Automation	9.3%	11.3%
Informatics	2.8%	2.9%
Business Development	34.7%	53.8%
Total Group	**7.9%**	**9.3%**

TWC/Annualized Revenues	FY13	FY14
ADC	8.2%	6.9%
Industrial Automation	13.0%	15.7%
Informatics	7.5%	12.6%
Total Group	8.6%	8.7%

EBITANR: Actual vs Last Year



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

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 December '14 Actual (1,3285) and December '13 Actual (1,3281) €/USD exchange rate.
For Informatics has been considered its overall impact on the EBITANR

Consolidated Balance Sheet at 31.12.2014

€000	At 31/12/2013	At 31/12/2014
Intangible fixed assets	59,058	57,027
Goodwill	145,092	164,412
Tangible fixed assets	51,328	57,157
Non Consolidated investments	5,452	5,289
Other fixed assets	39,441	42,348
Total Fixed Assets	**300,371**	**326,233**
Net trade account receivables	69,953	70,184
ST account payables	(84,712)	(92,167)
Inventory	53,803	62,416
Trade Working Capital	**39,044**	**40,433**
Other current receivables	26,483	31,408
Other ST payables and provision for risk & future charges	(48,838)	(57,937)
Net Working Capital	**16,689**	**13,904**
Other LT payables	(20,359)	(24,766)
Employees' deferred compensation	(7,049)	(7,201)
LT provision for risk & future charges	(7,398)	(11,161)
Net Invested Capital	**282,254**	**297,009**
Equity	185,247	241,291
Net Financial Position	**(97,007)**	**(55,718)**
Exchange rate	*1.3791*	*1.2141*

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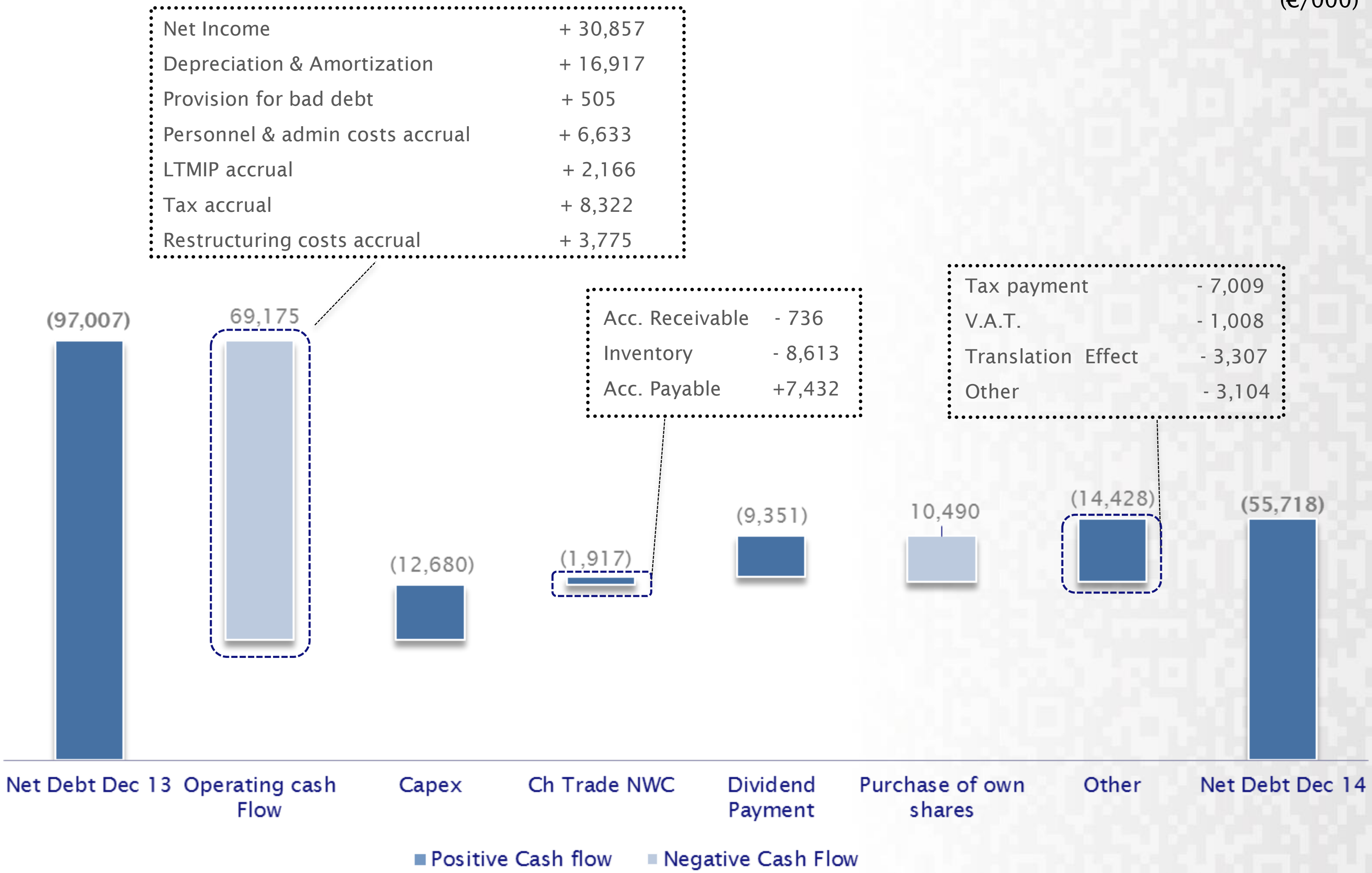
Financial resources for the growth

SOLID CAPITAL STRUCTURE	▪ 23% net debt to Equity ratio ▪ 0.8x net debt to Ebitda ratio
EXCELLENT CASH FLOW GENERATION	▪ Generated around 67 million Euro net operating cash flow from operation during 2014
FAVOURABLE CAPITAL MARKET CONDITIONS	▪ Medium-term debt refinancing on February 2015 for 140 million Euro ▪ Improvement by lengthening the average repayment term from 2 to 4 years ▪ Reduction of average cost of debt

Net Debt Analysis

(€/000)



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Outlook

Outlook for 2015

- **ADC confirms to be the driver of growth** thanks to:
  - the launch of new technologically advanced products
  - the retailers' new investment phase
- Expected recovery in **Industrial Automation** from second half of 2015 thanks to the sales force reorganisation by verticals in US
- **Strong investments in innovation continue,** expected at around 10% on revenues
- Benefits expected from the new Procurement Centre
- **Focus on fast growing markets** and North America where there is a big market potential

Contacts

IR CONTACTS

CFO and IR Manager
Sergio Borgheresi
E-mail investor@datalogic.com

IR Assistant
Daniela Giglioli
Tel. +39 051 3147109
Fax +39 051 3147205
E-mail 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

NEXT EVENTS

March 24-25th , 2015
STAR Conference Milan

April 28th, 2015
Ordinary Shareholders' Meeting

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