



9M 2020 Results Conference Call

NOVEMBER 13, 2020

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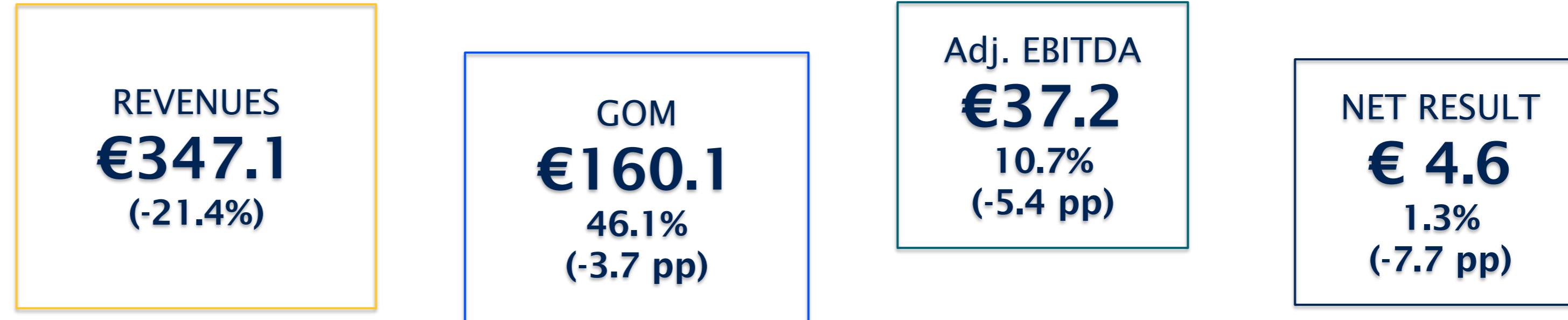
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9M 2020 & Q3 2020 Results¹



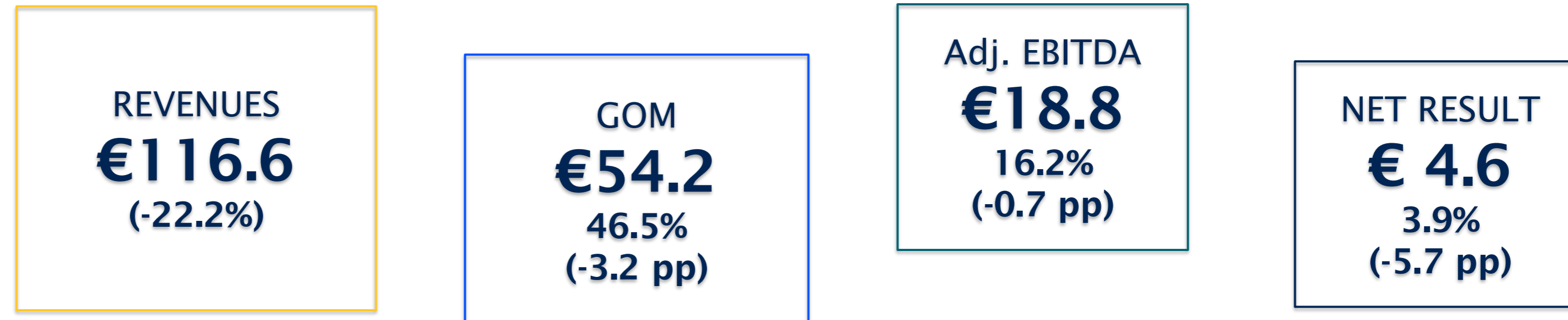
9M 2020 Results

€ m



Q3 2020 Results

€ m



Net Debt at €39.9

¹ The comparative economic data as at 30 September 2019 were restated following the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5

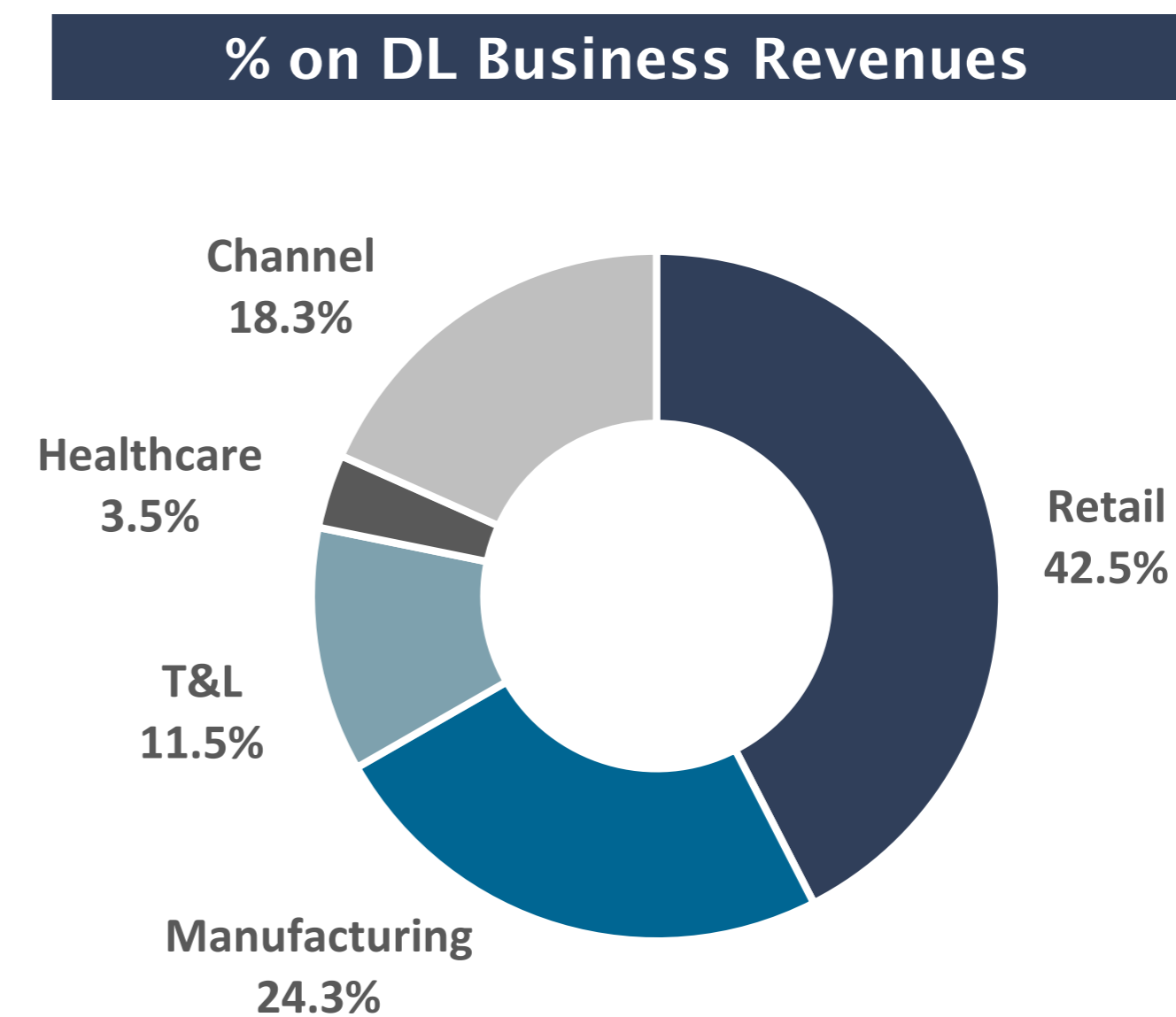
9M 2020 Financial Highlights

- Effectively navigating through **Covid-19 challenges** providing operations continuity while protecting our teams.
- Covid-19 pandemic impacting **EMEA** and **Americas Revenues** especially in US. **Solid Growth** in **APAC** continue
- **Aggressive cost actions** ensured **double digit Adj EBITDA** margin and **Return to Profitability** since Q2.
Q3 Adj EBITDA at 16.2% back to 2018-19 levels despite drop in Top line thanks to Efficiency Program.
- Continue investing in Innovation during the pandemic with **R&D spending*** at ca. **14.2%** and **Vitality Index** at **21.8%**
- **Solid Financial Position** and **effective Working Capital** management during the Covid downturn
- **Sound signs of rebound** in recent months in most of the end markets and geographies coupled with leaner cost base preparing return to profitable growth

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

Group Revenues by Segment

€m	9M 2020	9M 2019 Restated*	Var % vs. 9M 2019
Retail	142.7	171.0	(16.6%)
Manufacturing	81.5	89.1	(8.5%)
Transportation & Logistics	38.5	58.3	(33.9%)
Healthcare	11.7	13.2	(11.3%)
Channel	61.6	97.1	(36.6%)
Total DL Business	335.9	428.6	(21.6%)
Informatics	12.1	13.7	(11.9%)
Intra division	(0.9)	(0.8)	8.8%
Total Datalogic	347.1	441.4	(21.4%)

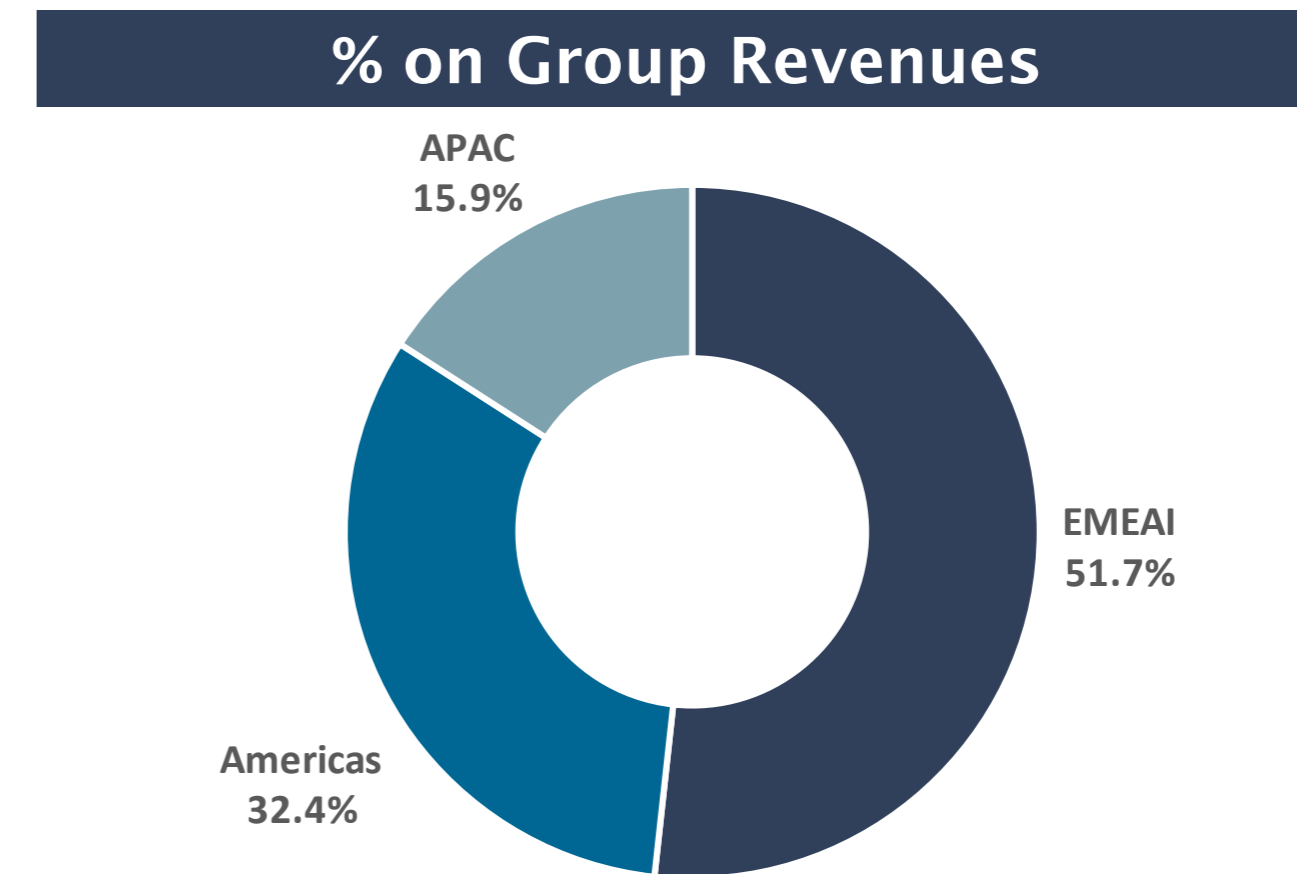


- ❑ **Retail:** delayed investments due to Covid scenario and end of FRS rollouts in 2019 especially in EMEAI and Americas.
- ❑ **Manufacturing:** solid growth in APAC. Slowdown in Automotive and Packaging sectors impacting EMEAI and North America
- ❑ **T&L:** tough base of comparison due the conclusion of important multi-year contracts. Signs of recovery in EMEAI and APAC
- ❑ **Healthcare:** decrease in EMEAI and Americas, almost flat in APAC
- ❑ **Channel:** overall decrease due to destocking, although trend improvements both in EMEAI and Americas in Q3

* The comparative data as at 30 September 2019 have been restated to reflect the new allocation of the Group's revenues to geographic areas and business sectors, as redefined following the "New Sales Organization" launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5

Group Revenues by Geography

€m	9M 2020	9M 2019 Restated*	Var % vs. 9M 2019
EMEAI	179.6	233.0	(23.0%)
Americas	112.3	155.5	(27.8%)
APAC	55.2	52.9	4.3%
Total Datalogic	347.1	441.4	(21.4%)



- **EMEAI:** Decline driven by softness in all end markets and phase-out of major Fixed Retail Scanners roll-outs. Signs of recovery in late Q3 and beginning of Q4
- **Americas:** market slowdown as a result of pandemic. Declining performance especially in T&L, following the completion of multi-years significant contracts.
- **APAC:** double digit growth in Manufacturing driven mainly by Consumer Electronics in China. T&L growing in Q3

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New Product Launches and Innovation

Mobile Computer



Memor 10 Ethernet Adaptor



Memor K Introduction



JOYA™ TOUCH A6 WITH ANDROID™ 8.1 OREO

Hand Held Scanners



Gryphon 4500 DISINFECTANT and ANTIMICROBIAL (DRA) Models



Gryphon 4200 Series

- ❑ **Vitality Index (New products* / sales) at 21.8% in 9M2020** above last year with 20.8% in 9M2019
- ❑ **R&D spending****, from €48.4m to €49.2m, reaching **14.2%** as a percentage of Revenue compared to 11.0% in the first 9 months of 2019

*New Products: products launched in the last 24 months
** Including capitalized R&D expenses and excluding D&A

9M 2020 P&L*

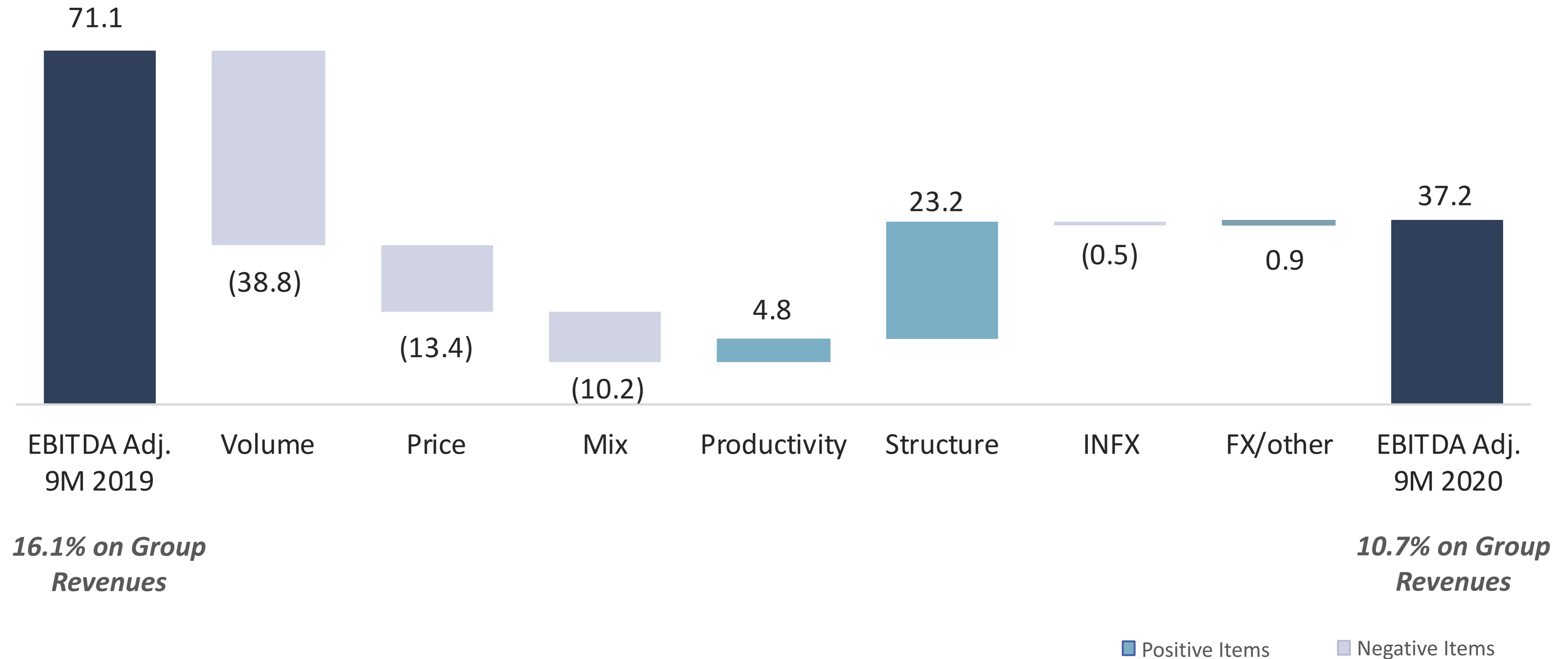
€ m	9M 2020	9M 2019 Restated	Variance Reported	Constant FX
Revenues	347.1	441.4	(21.4%)	(20.8%)
Gross Margin	160.1	220.0		
<i>% on Revenues</i>	46.1%	49.9%	-3.7 pp	-3.4 pp
Operating expenses	(140.7)	(165.0)		
<i>% on Revenues</i>	(40.5%)	(37.4%)	-3.2 pp	-3.1 pp
Adjusted EBITDA	37.2	71.1		
<i>% Adj. Ebitda margin</i>	10.7%	16.1%	-5.4 pp	-5.1 pp
EBIT	8.2	50.0		
<i>% Ebit margin</i>	2.4%	11.3%	-9.0 pp	
Net Result	4.6	39.7		
<i>% on Revenues</i>	1.3%	9.0%	-7.7 pp	

- **Gross Margin at 46.1%**, decrease driven by lower volumes and price/mix effects
- **Operating expenses at €140.7m** down 14.7% and -24.7% in Q3 executing cost reduction plans to protect margin:
 - ✓ Continue investing in **R&D expenses** (R&D on revenues at around 12%)
 - ✓ **S&D** cost decreased by 20.1% after 31.5% cost reduction in Q3.
- **Adj Ebitda margin at 10.7%** in 9M with solid recovery in **Q3 at 16.2%** , back to 2019 levels
- **Second consecutive quarters of Profit with Net Result at €4.6m**

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EBITDA Adj: actual vs last year^{*}

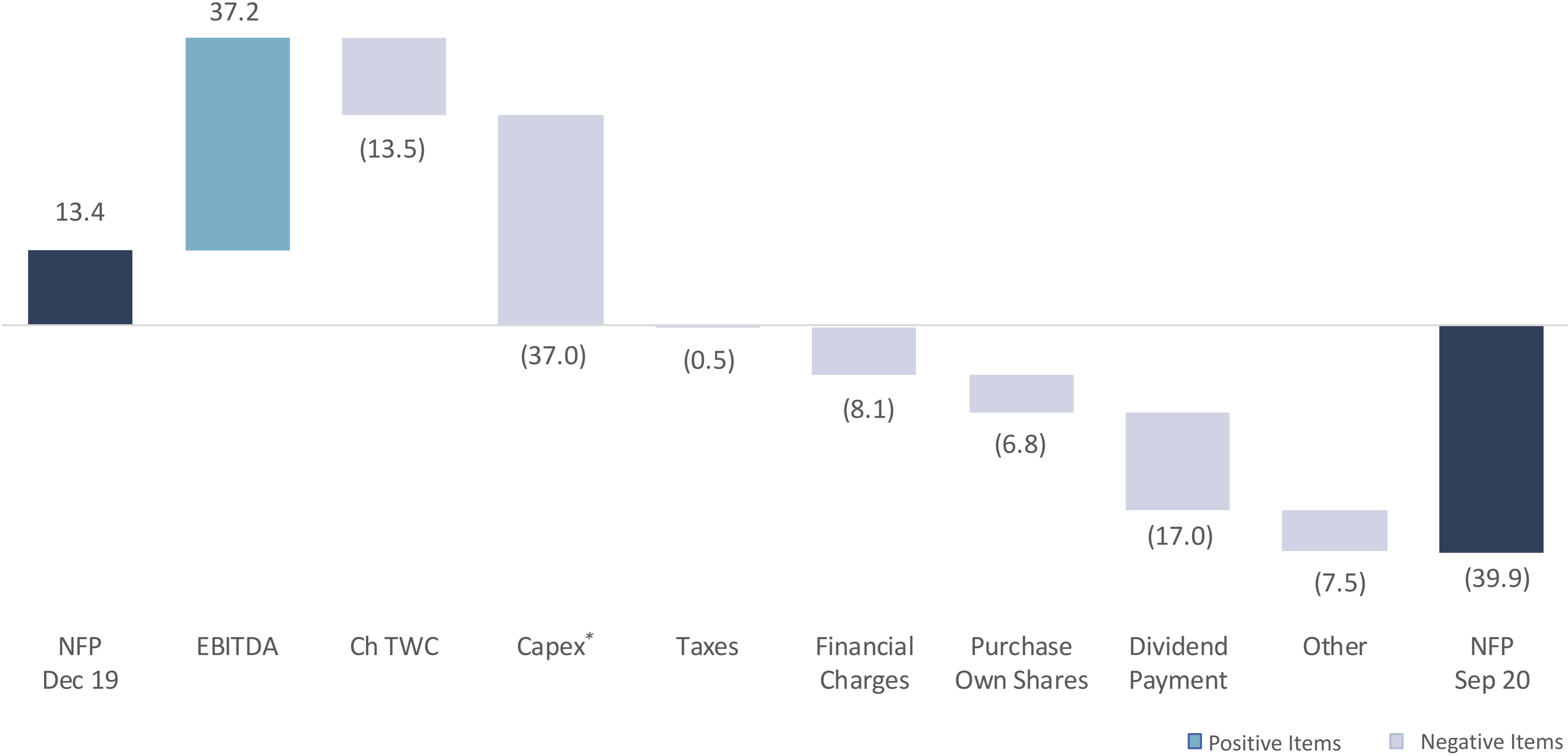
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Net Debt & Cash Flow Analysis : Dec'19 – Sep'20

€ m



* Including IFRS 16 impact, Sep' 19 Restated Capex 32,2 m€

2020 Outlook

- In this unprecedented context, The Group has promptly reacted this fast-moving scenario implementing aggressive cost measures to protect business and profit
- Good signs of end markets recovery in all geographies in late Q3 and Q4 start. Despite the high degree of uncertainty about the evolution of the pandemic, if the second wave of Covid-19 does not bring severe consequences on business, Datalogic foresee, for the end of 2020, a slight improvement in the revenues decline and steady margins compared to 9M 2020 performance
- In this context, the Group's strategy confirms its focus on innovation and investment in strategic market segments, pursuing both organic and external growth, while consolidating and repositioning its presence in the core markets

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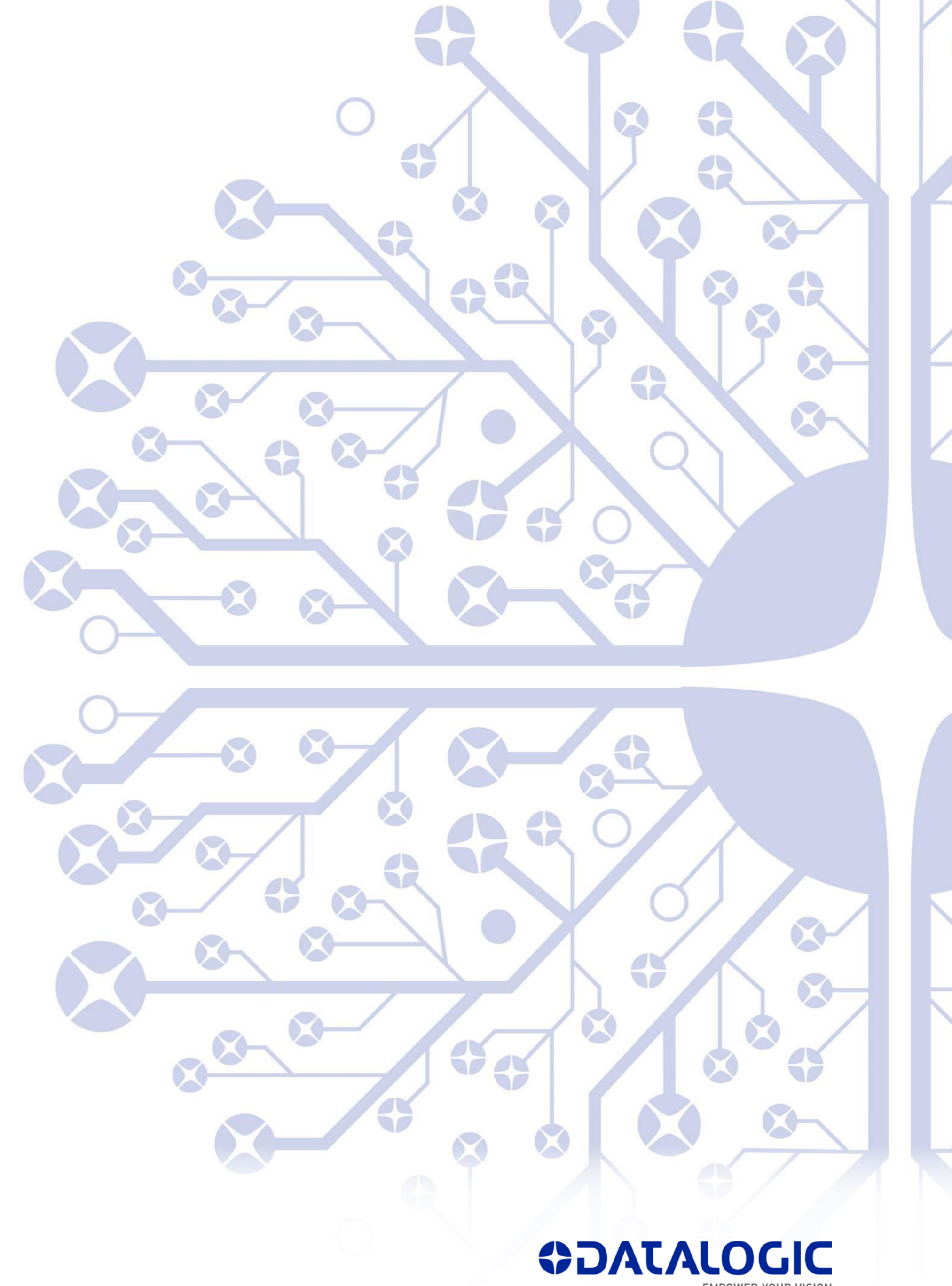
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