

# **STAR CONFERENCE 2023**

**MARCH 22, 2023**

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# Datalogic at a glance



Global technology leader in the **automatic data capture** and **industrial automation** markets, in the **Retail, Manufacturing, Transportation & Logistics, and Healthcare** industries

Founded in **1972**, listed on the Italian Stock Exchange since **2001**



A portfolio of about 1,200+ patents and patent applications



450+ engineers in 11 R&D centers and 3 DL Labs in: Italy, USA, Vietnam, Cech Republic and China

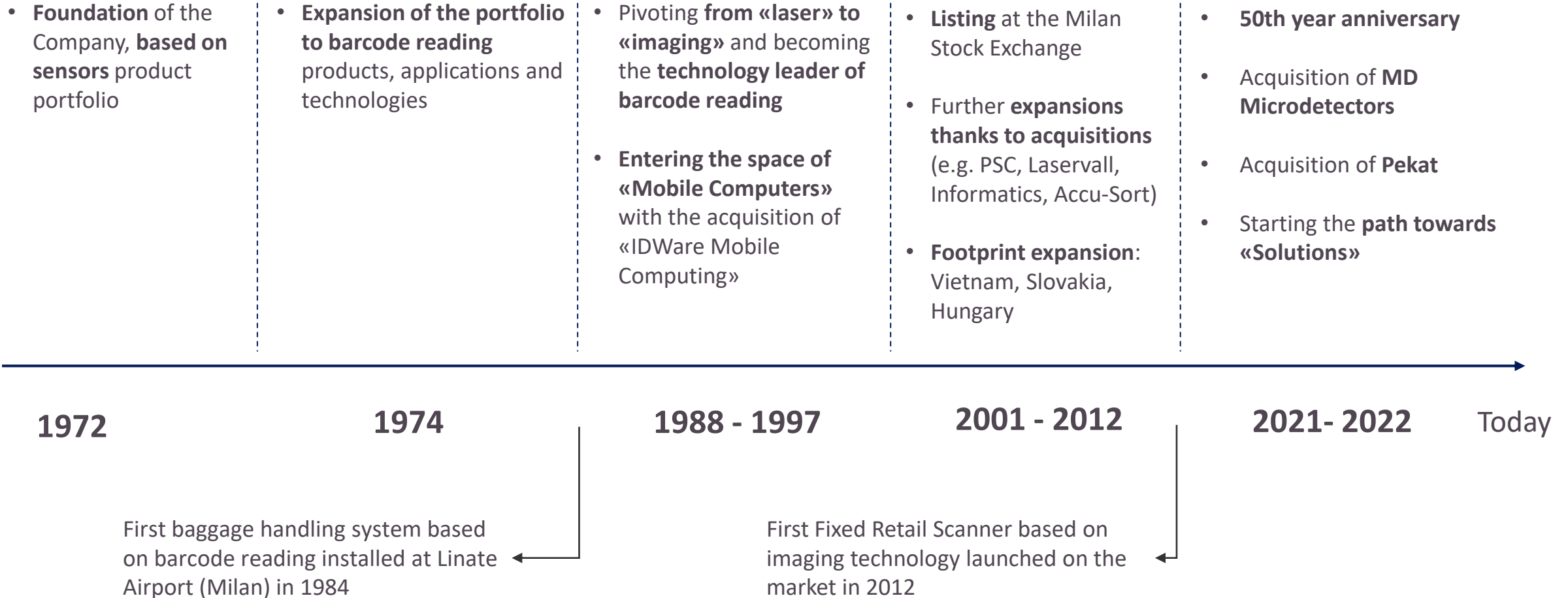


>3,000 Employees in 29 countries

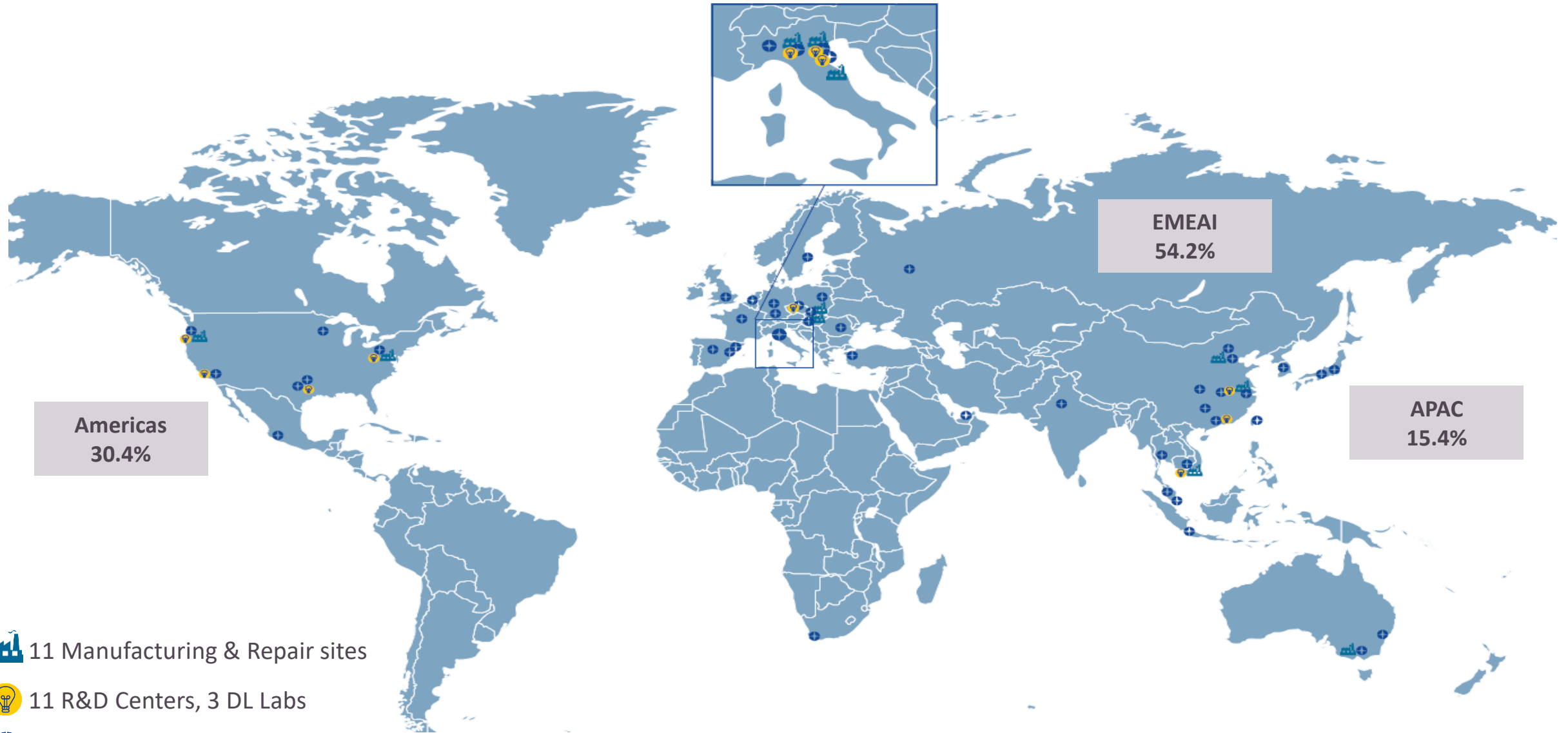


11 Manufacturing and Repair facilities in: Italy, US, Hungary, Slovakia, Vietnam, China and Australia

# More than 50 years of Growth through Technological Innovation



# A Wide Geographical Footprint

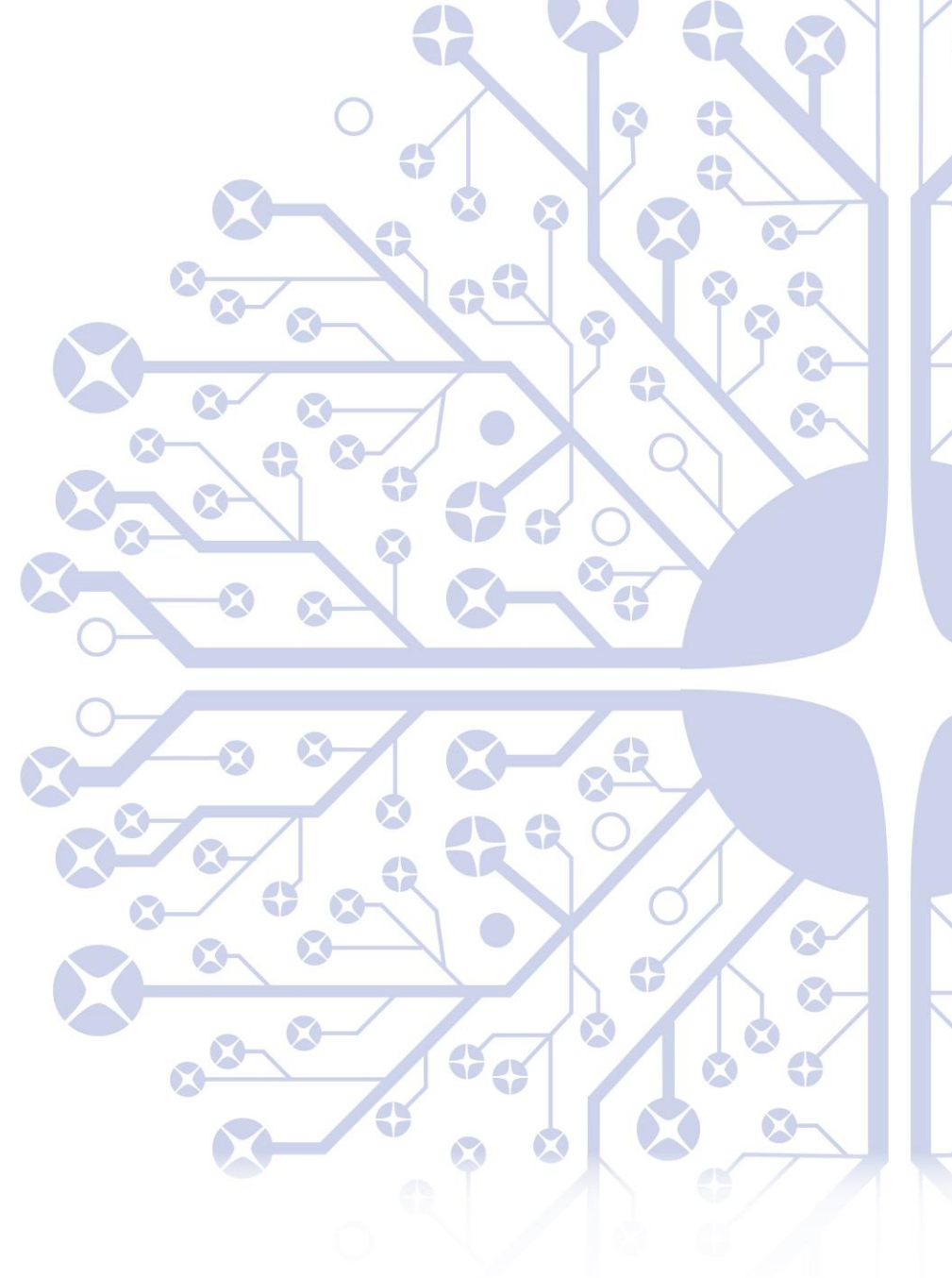


-  11 Manufacturing & Repair sites
-  11 R&D Centers, 3 DL Labs
-  48 Offices and Facilities in 29 countries

■ Percent on FY 2022 Revenues - Data refer to FY 2022

# Strategy

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# Our strengths

**50 + years**  
of history

**Leading player**  
in both ADC and FA  
markets



**Partner  
centric**

**Deep expertise**  
in every target  
industries



**Passionate  
innovator**



**Strong focus on  
sustainability**



**End-to-end  
solutions**  
to streamline any  
process



**Close to  
customers**  
worldwide presence  
with thoroughly tailored  
services



**Strong culture  
of high values**

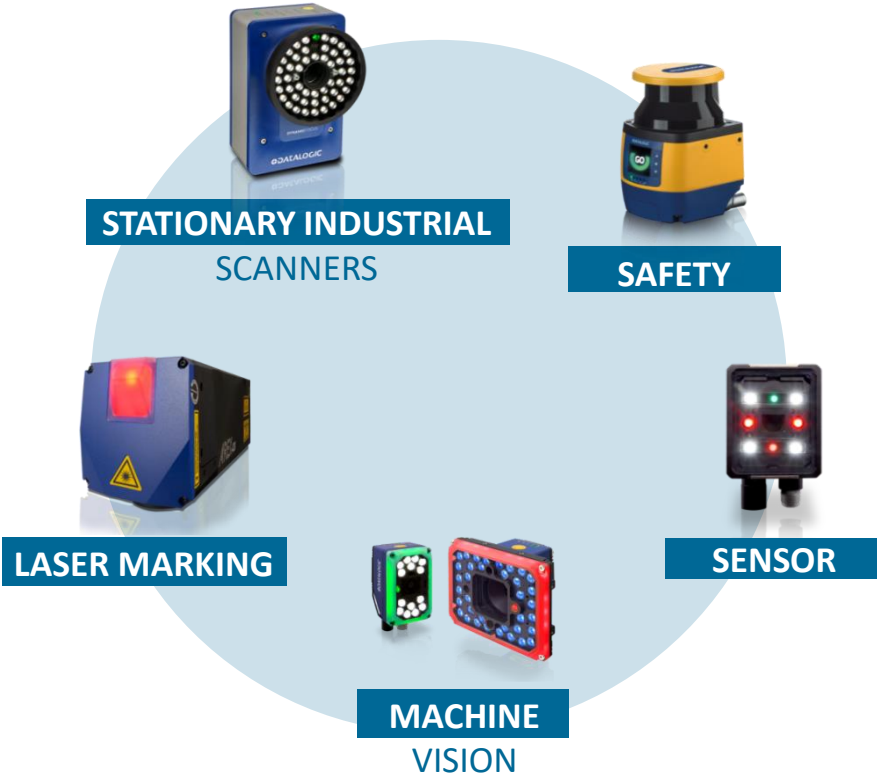


# Unique player in both FA and ADC markets

*Datalogic is the only player with a wide and consolidated experience in the two fields of:*

## FACTORY AUTOMATION

## AUTOMATIC DATA CAPTURE



# The «Datalogic ecosystem»



## Solutions

SW portfolio to enhance easy of use and provide vertical analytics

## Products



HHS

FRS



Sensors



Safety



Mobile Computers



SIS

Laser Marking



Machine Vision



## Services

State of art Warranty and wide «Ease of Care» offer



# Retail

## Increasingly self check-out and contactless

### Market trends

- Despite Retail a more **mature market**, **Self Check Out (SCO)** and **contactless applications** the **new wave of automation** across retailers to enhance productivity, reduce losses and face increasing labor shortage and its higher associated cost
- Omnichannel/e-commerce development the **fastest growing opportunity** across the retailers' **value chain**
- Many solutions are piloted by retailers' need to **improve the customer experience** and **attract people** in the store

### Datalogic Proposition

- **Market Leader** along the **Retail supply chain** from 1974 with the **first scanner** ever sold to a grocery store in Troy, Ohio
- Excellence in **productivity and customer experience for self-checkout** and attended lanes for both Grocery and Non-Food with FRS and HHS product portfolio
- Perfect partner to automate operations and exploit Retail analytics, thanks to **AI/machine learning-driven applications** and automation
- Innovative **solutions to integrate in-store with warehouse** operations

### 2022 Results

- The **Retail** grew by **12.5%** (6.2% at constant FX) driven by double digit performance in APAC (+33.9%) and Americas (+29.4%)



# Manufacturing

## Process digitization

### Market trends

- Manufacturing the largest industry
- Growing **production data acquisition needs, traceability and analytics** driving the digital transformation in Manufacturing
- **Efficiency and productivity improvements, need to offset labor shortage and reallocation/distribution of production sites** in multiple geographies pushing for increasing investments in automated operations/solutions

### Datalogic Proposition

- Multi-product portfolio to serve all the major manufacturing clients: **Automotive, Food and Beverage, Automated Machinery and Electronics, Packaging and Intralogistics**
- Leader in traceability thanks to the most complete and performing **offer of stationary industrial scanners**
- Unique portfolio provider of smart, interconnected devices able to unlock new frontiers of **action-oriented insights based on advanced analytics** (e.g. predictive maintenance)

### 2022 Results

- The **Manufacturing sector** grew by 8.4% (+4.8% at constant FX), also thanks to the acquisition of MD in 2021. Americas and EMEA lead the sector's performance, recording a growth of 28.1% and 11.4% respectively



# Transportation & Logistics

## Stabilization after the e-commerce growth

### Market trends

- Long term trends to satisfy **end to end traceability in T&L** and to improve **efficiency and productivity through machine learning solutions** (e.g. no read analysis, dimensioning, traceability, palletization analytics, parcel optimization, etc)
- A **stabilization period** after the **significant investments** of the past two years driven by **e-commerce growth** expected in the short term

### Datalogic Proposition

- We enhance operations to **Courier-Express-Parcels, Airports and Logistics**
- At the **forefront** of the development of **airport systems**, since 1984 with the **first automatic reading station** in Milan, to the recent contracts on 3 of the 5 main airports worldwide (source: SkyTrax rating)
- Historically leader in stationary industrial scanners, providing **top performing solutions** for High-Speed sorting to all the main CEPs and 3PLs
- Increased level of efficiency and full tracking capabilities along different supply chain phases for **enhanced decision-making**

### 2022 Results

- The **T&L sector** grew by 12.9% (+7.8% at constant FX) compared to 2021, with growth of 26.5% in Americas and 13.1% in EMEAI.



# Healthcare

## Digital dominates and sustainability grows

### Market trends

- Sustainability, traceability, localization, end to end patient monitoring the main automation trends in Healthcare

### Datalogic Proposition

- Datalogic innovations are helping protect patients and staff at healthcare facilities worldwide, **with its application for the bedside care**
- Datalogic provides **unique product features** for the HC industry such as: **Anti-microbial** enclosures, **Inductive charging technology** for battery recharge, and **Green spot good match** to ensure positive medicine-patient identification

### 2022 Results

- The **Healthcare sector** decreased by 5.2%. EMEAI up 3.9%.
- The Datalogic Group sustained its offering of solutions for the **traceability of vaccines**, as well as of **patients in admissions** and **bedside care**, to track patients' health record and to ensure that the correct drug is administered to each patient
- Particular attention was paid to reducing the risk of contamination in the hospital, thanks to devices with disinfectant-ready and antimicrobial external plastics



# New Product Launches and Innovation

## Mobile Computer



Joya Touch 22

## Hand Held Scanners



Powerscan 9600 Series



Quickscan QM2500

## Stationary Industrial Scanners

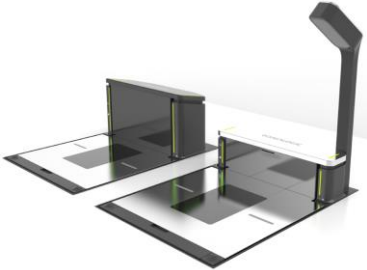


Matrix 320 5MP

## Fixed Retail Scanners



Magellan 3410VSi OEM



Magellan 96i/99i SO, SS

## Sensors, Safety & Machine Vision



P2X-SERIES C Mount Models



S3N series



SH4 Safety Light Curtain

☐ **Vitality Index** at 13.4%

☐ **R&D Cash Out\*** at 9.9% in line with the FY 2021 (9.6%). Commitment to Product Development Roadmap continues

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

# Key Drivers for a Profitable Growth

## Market

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- Keep **focus on all of our verticals**, catching the profitable **opportunities coming from needs of digitalization** and artificial intelligence
- Consolidate **position in EMEA**, become a **strong player in the United States** and keep growing our **presence in China**

## Portfolio

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- Protect our **leadership in FRS, HHS and SIS**
- Enhance our offer through a **software ecosystem** to provide innovative solutions
- **Increase MOB market share** completing and widening our offer
- Intensify cost optimization to **fight hardware commoditization**

## M&A

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- Technology: **acquire IP**, skills, products and concepts to **boost both portfolio and capabilities**
- Expansion: **acquire customers** to boost penetration

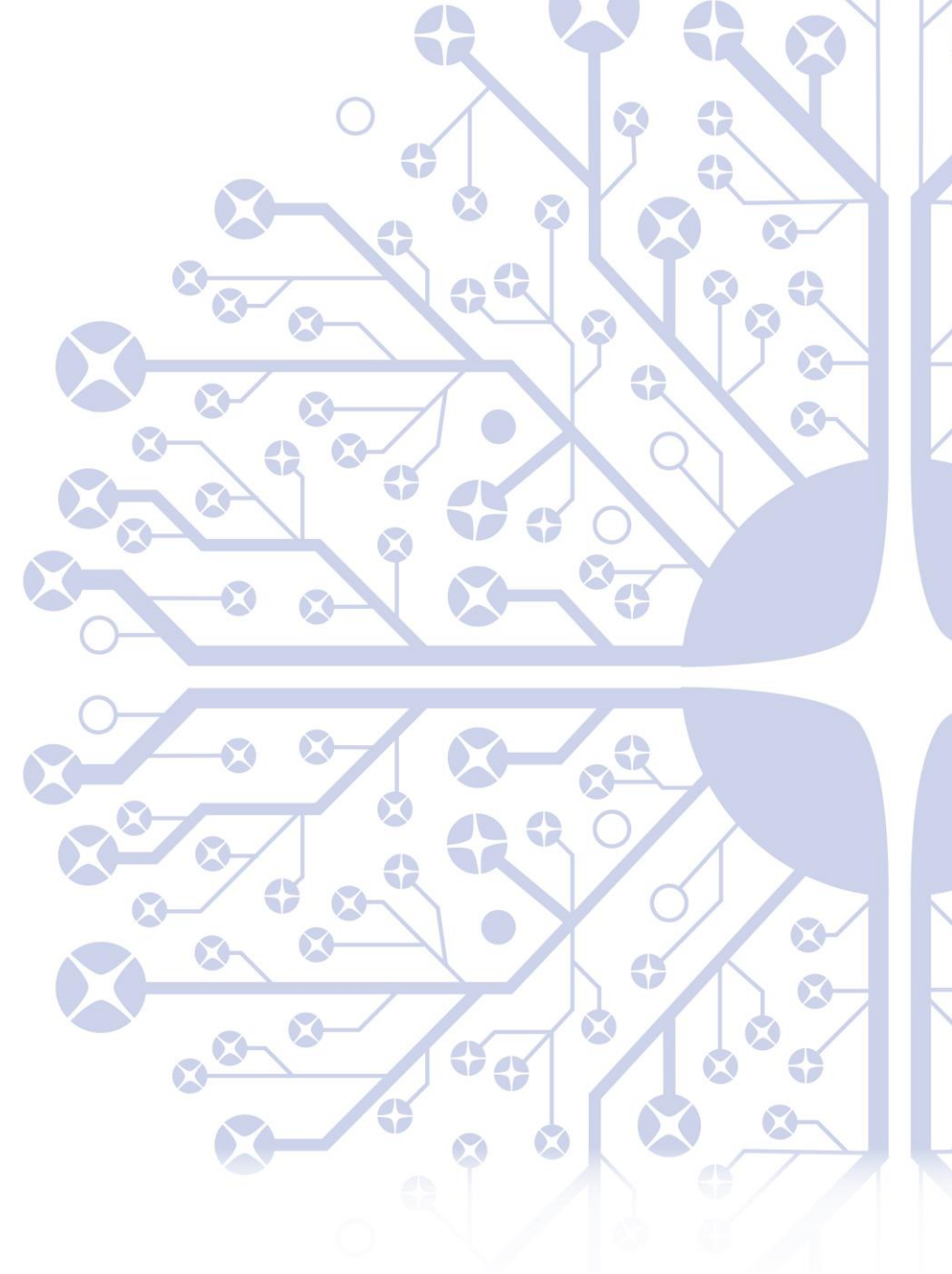
## Innovation

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- Nurture **MV-based SW and Deep Learning** technology to tackle key emerging trends
- Dominate key technology trends (e.g. 5G, Wifi-6, Cybersecurity) to prepare for **next generation of HW products**

# Financials

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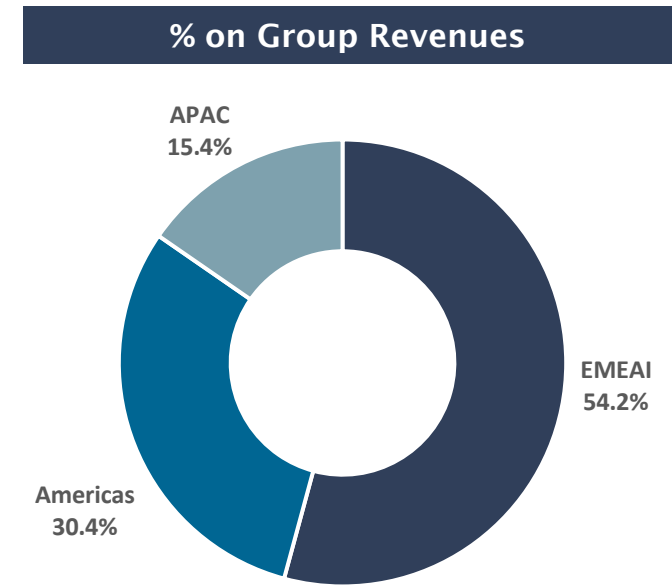
# FY 2022 Highlights: a progressive recovery of sales and profitability

- ❑ **Revenues growth** nearly at double digit and sound recovery of profitability in 2H
- ❑ **Improving performance across all main industries and geographies** despite the complex scenario due to the shortage of components
- ❑ **Positive price/mix in the year** across main geographies and product lines
- ❑ **Revenue from new products (vitality index)** at **13.4%** vs 12.5% in FY2021
- ❑ **Gross Operating Margin** at 41.9% thanks to price/mix discipline and product redesign, partially offsetting components' price headwinds
- ❑ **R&D Cash Out at €64.6M**, steady at around 10.0% on revenues, **executing technological roadmap**
- ❑ **Adj EBITDA margin at 12.3%** (13.5% in Q4, + 1.7 pps vs Q4 2021)
- ❑ **Net Debt down at €42.0M**, thanks to a strong operating cash generation in Q4, and despite a high Net Working Capital resulting from cost inflation and high inventory levels attributable to shortages



# Group Revenues by Geography

€m	FY 2022	FY 2021 Restated <sup>1</sup>	Var %
EMEAI	354.9	334.5	6.1%
Americas	199.1	168.1	18.4%
APAC	100.6	95.2	5.6%
<b>Total Datalogic</b>	<b>654.6</b>	<b>597.8</b>	<b>9.5%</b>



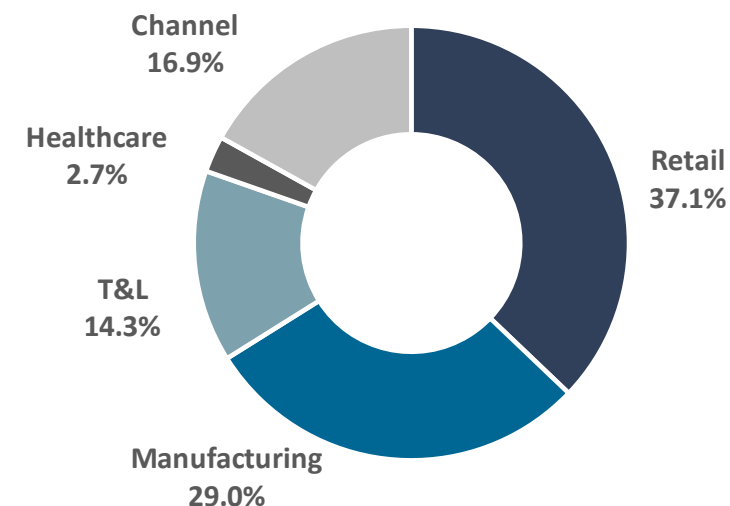
- ❑ **EMEAI: Group's first market up by 6.1%** (+5.2% Net FX), led by UK & Nordics, Iberia, Italy and Benelux
- ❑ **AMERICAS: Group's second-largest market leads the overall growth at +18.4%** (+5.7% Net FX), across all the main industries
- ❑ **APAC: +5.6% YoY**, growth mainly driven by Japan (> 30% Net FX), and China

<sup>1</sup> The comparative results as of December 31, 2021 have been restated following the purchase price allocation (PPA) accounting of MD Group acquisition occurred in 2021, as required by the accounting standards IFRS 3 revised and IAS 1, including reclassifications to ensure results comparability.

# Group Revenues by Segment

€m	FY 2022	FY 2021 Restated <sup>1</sup>	Var %
Retail	237.0	210.6	12.5%
Manufacturing	184.8	170.5	8.4%
Transportation & Logistics	91.2	80.8	12.9%
Healthcare	17.2	18.2	(5.2%)
Channel	108.0	100.0	8.0%
<b>Total DL Business</b>	<b>638.3</b>	<b>580.1</b>	<b>10.0%</b>
Informatics	18.2	18.9	(3.7%)
Intra division	(1.8)	(1.1)	
<b>Total Datalogic</b>	<b>654.6</b>	<b>597.8</b>	<b>9.5%</b>

% on DL Business Revenues



- ❑ **Retail:** +12.5% driven by **double digit performance** in APAC (+33.9%) and Americas (+29.4%)
- ❑ **Manufacturing:** Americas and EMEAI lead the sector's performance, recording a growth of 28.1% and 11.4% respectively
- ❑ **T&L:** the highest growing industry with an overall improvement of **12.9%**
- ❑ **Channel:** positive performance in all geographic areas

<sup>1</sup> The comparative results as of December 31, 2021 have been restated following the purchase price allocation (PPA) accounting of MD Group acquisition occurred in 2021, as required by the accounting standards IFRS 3 revised and IAS 1, including reclassifications to ensure results comparability.

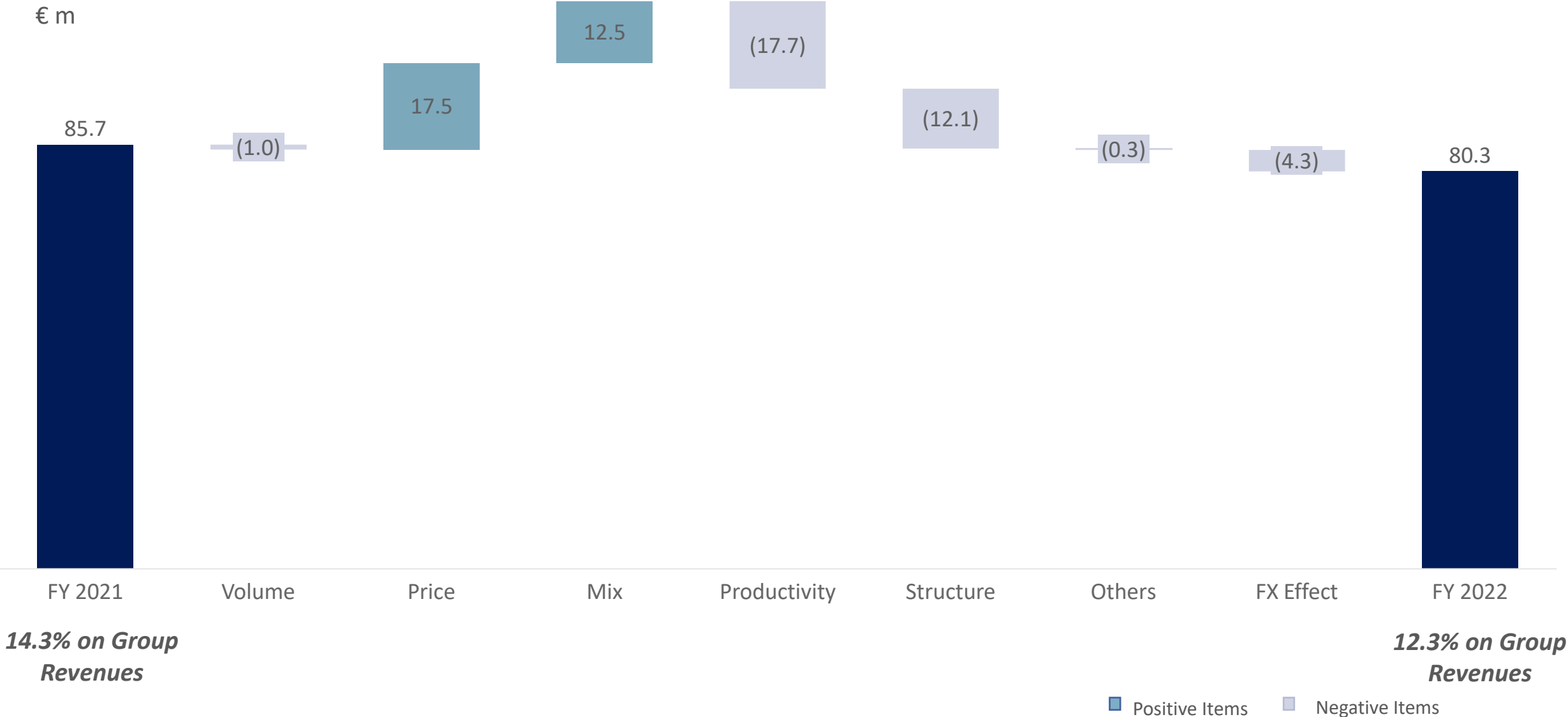
# FY 2022 P&L

€ m	FY 2022	FY 2021 Restated <sup>1</sup>	Var %
<b>Revenues</b>	<b>654.6</b>	<b>597.8</b>	<b>9.5%</b>
Gross Margin	274.5	257.6	
<i>% on Revenues</i>	41.9%	43.1%	-1.2 pp
Operating expenses	(225.4)	(199.4)	
<i>% on Revenues</i>	(34.4%)	(33.4%)	-1.1 pp
<b>Adjusted EBITDA</b>	<b>80.3</b>	<b>85.7</b>	
<i>% Adj. Ebitda margin</i>	12.3%	14.3%	-2.0 pp
<b>Adjusted EBIT</b>	<b>49.1</b>	<b>58.2</b>	
<i>% Adj. Ebit margin</i>	7.5%	9.7%	-2.2 pp
<b>EBIT</b>	<b>40.9</b>	<b>47.0</b>	
<i>% Ebit margin</i>	6.3%	7.9%	-1.6 pp
<b>Net Result</b>	<b>30.1</b>	<b>39.5</b>	
<i>% on Revenues</i>	4.6%	6.6%	-2.0 pp

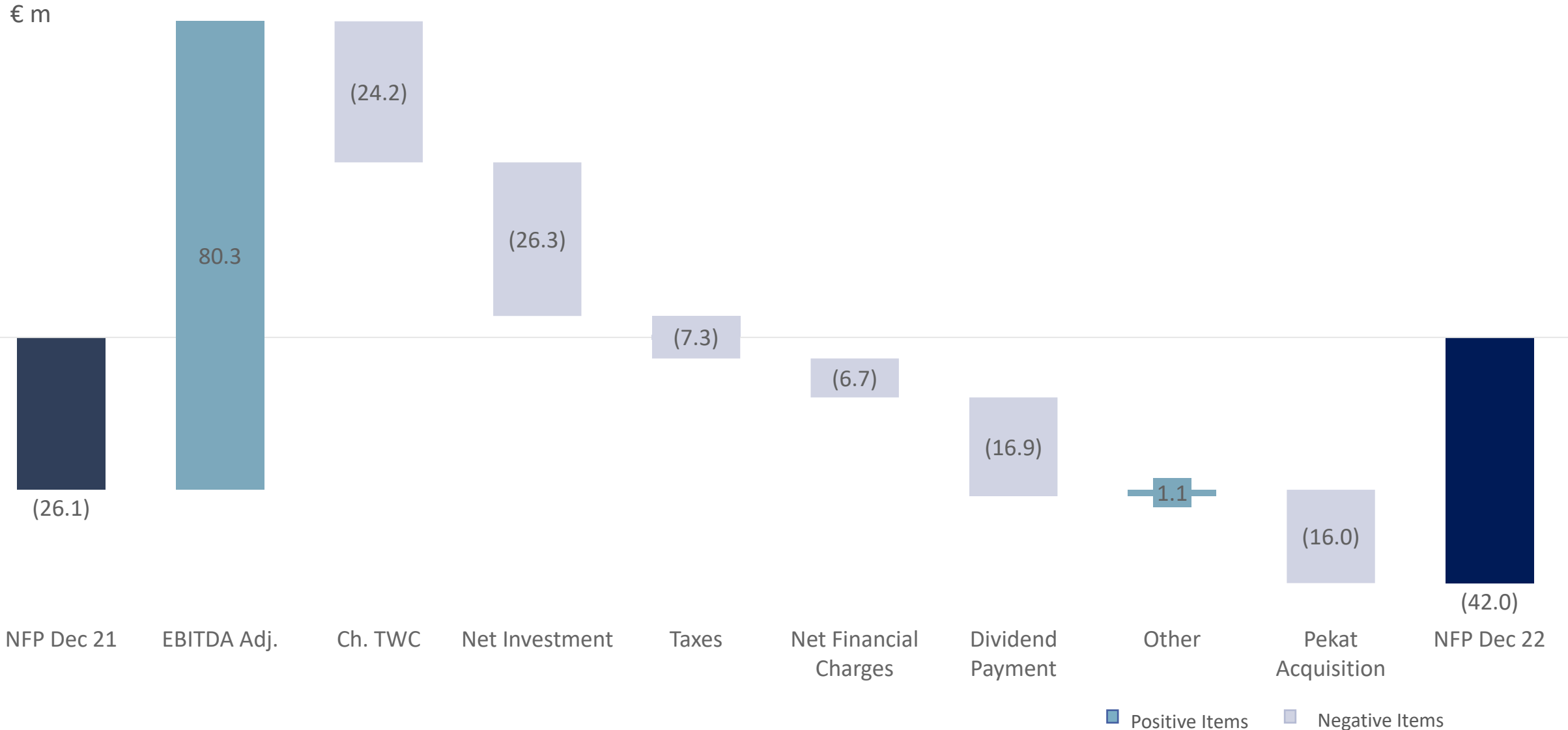
- **Gross Margin at 41.9%: -1.2 pp YoY** . Improvement in Q4 and 2H compared to previous year thanks to **positive pricing** and **mix** and **less inflationary effects** on cost
- **Operating expenses at €225.4m**, mainly due to a negative currency effect, and normalized marketing and commercial activities
- **Adj EBITDA margin at 12.3%** (-2.0 pp YoY), in progressive improvement across the year, with a 2H at 13.5%, up by approx. 1pp vs previous year
- **Net Result at €30.1m vs €39.5m in FY 2021**

<sup>1</sup> The comparative results as of December 31, 2021 have been restated following the purchase price allocation (PPA) accounting of MD Group acquisition occurred in 2021, as required by the accounting standards IFRS 3 revised and IAS 1, including reclassifications to ensure results comparability.

# EBITDA Adj: actual vs last year

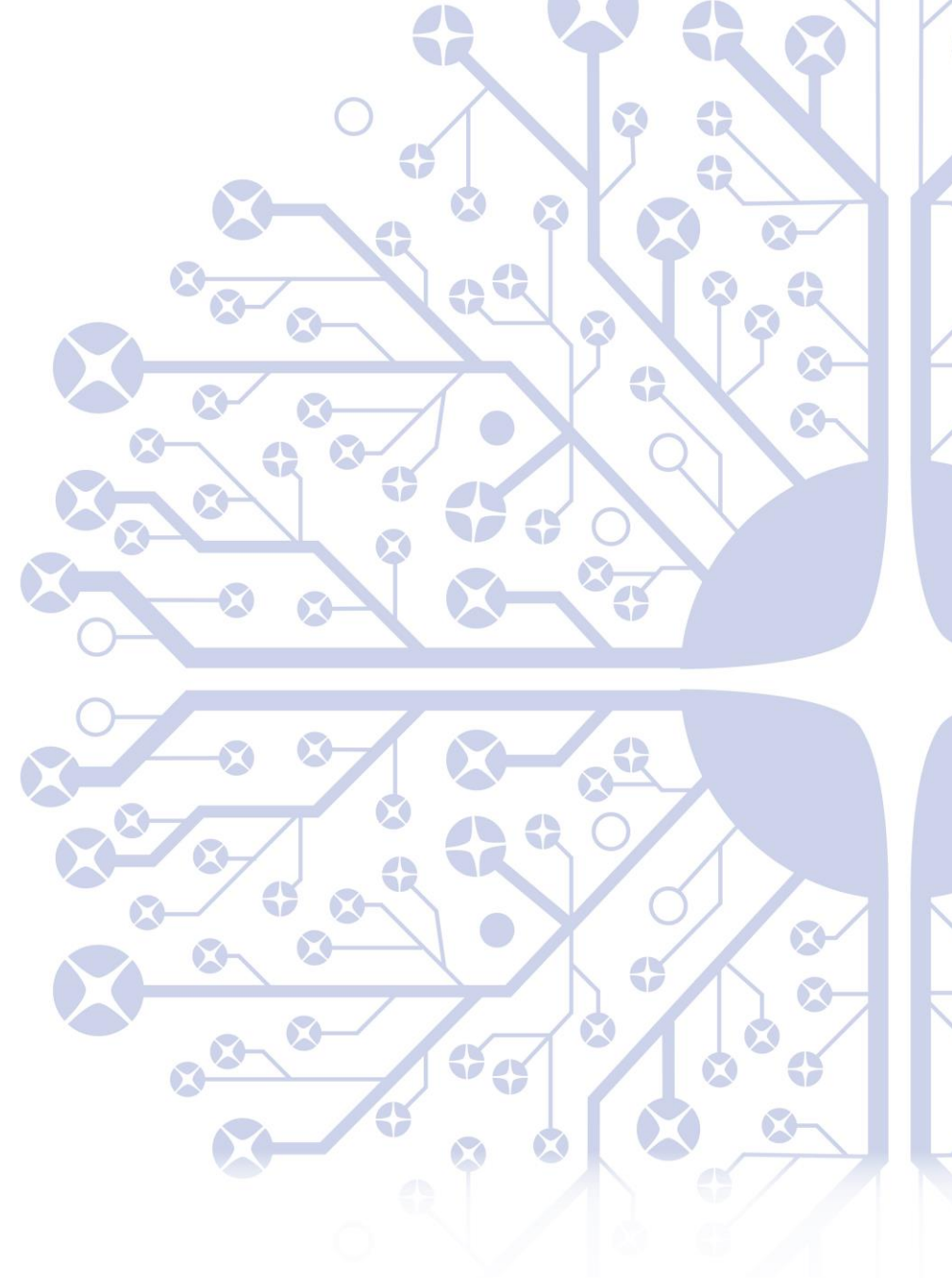


# Net Debt & Cash Flow Analysis : Dec'21 – Dec'22



# Appendix

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# Stock and Governance

**Market Segment:** EURONEXT STAR MILAN

**Reuters Code:** DAL.MI

**Bloomberg Code:** DAL IM

**Outstanding Shares:** 58,446,491

**Share Par-Value:** 0.52 Euro each

**Ticker:** DAL

**Market Cap** (December 30, 2022): 500 mln Euro

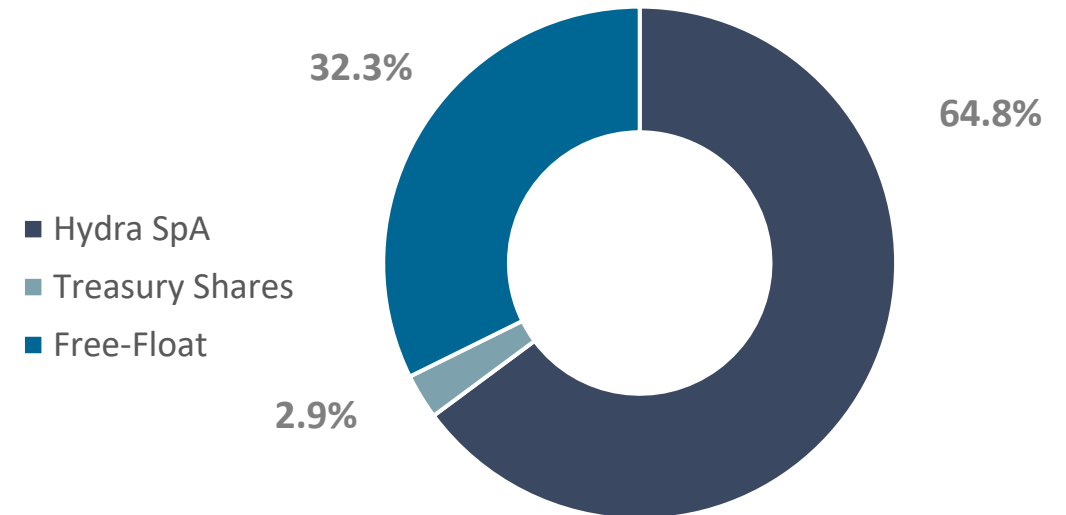
**Volumes** : 3 months average ~ 100K

**Auditing Company:** Deloitte

## DATALOGIC SHARE PERFORMANCE vs. INDICES



## SHAREHOLDERS' STRUCTURE



# Sustainability Policy





# Acquisition of Pekat Vision

Pekat is a software start up who has developed and owns proprietary algorithms of Machine Learning and Deep Learning for applications in the fields of supply chain and industrial automation.

## Company Description

- Based in Brno, Pekat's core competitive advantage resides in its deep learning and machine learning algorithms
- Those algorithms and related software are a perfect match to Datalogic hardware products line, allowing for flexible solutions in a wider set of applications across manufacturing, T&L and potentially retail.
- Applications in which Pekat's software is used currently include object detection, classifier, defect detection, product sorting, camera-based robot guidance, optical character recognition and video, among others
- The team at Pekat comprises 15 employees, engineers, software developers mainly
- Purchase price of € 16.0m for 100% of the share capital

## Types of licenses offered by Pekat

### Software



Software for industrial visual inspection and quality assurance. Effectively finds anomalies, detects and classifies defects and checks surface on materials and objects. Thanks to AI and focused-learning algorithms, it has a unique feature of detecting even previously unseen defects

### Smart Camera



Ready to use AI solution for defect detection running on smaller cameras

### Vision System



AI-enabled industrial visual inspection system for quality assurance

# Contact

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## NEXT EVENTS

**April 27, 2023**

Shareholders’ Meeting

**May 11, 2023**

Q1 2023 Results

## DATALOGIC ON LINE

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

# THANK YOU

This presentation contains statements that are neither reported financial results nor other historical information. These statements are forward-looking statements. These forward-looking statements rely on a number of assumptions and are subject to a number of risks and uncertainties, many of which are outside the control of Datalogic S.p.A., that could cause actual results to differ materially from those expressed in or implied by such statements, such as future market conditions, currency fluctuations, the behavior of other market participants and the actions of governmental and state regulators

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