



Scandinavian Midcap  
Event

Copenhagen  
18<sup>th</sup> May 2017

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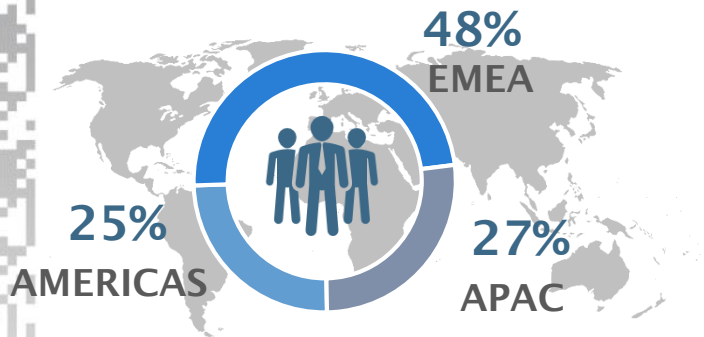
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# Group Overview

# Datalogic at a glance



2,700 EMPLOYEES



WORLD PRESENCE



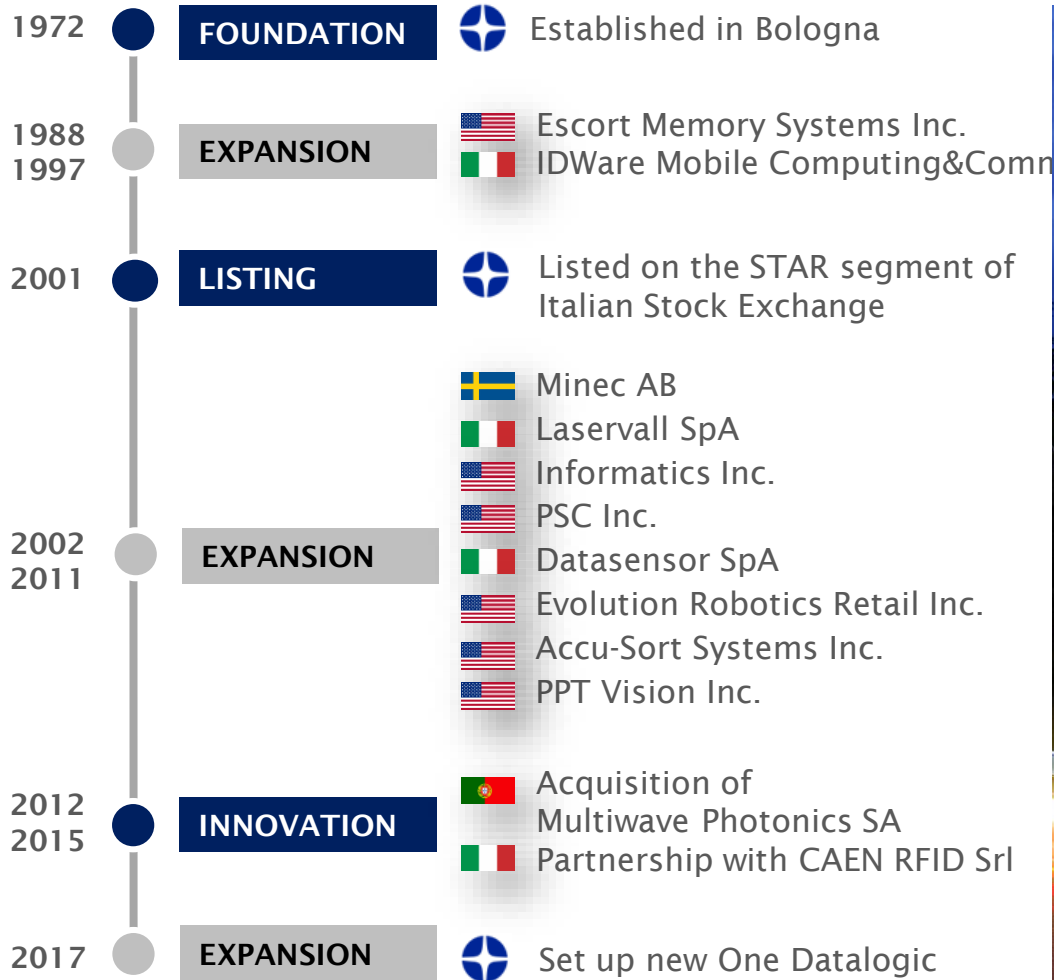
30  
Countries



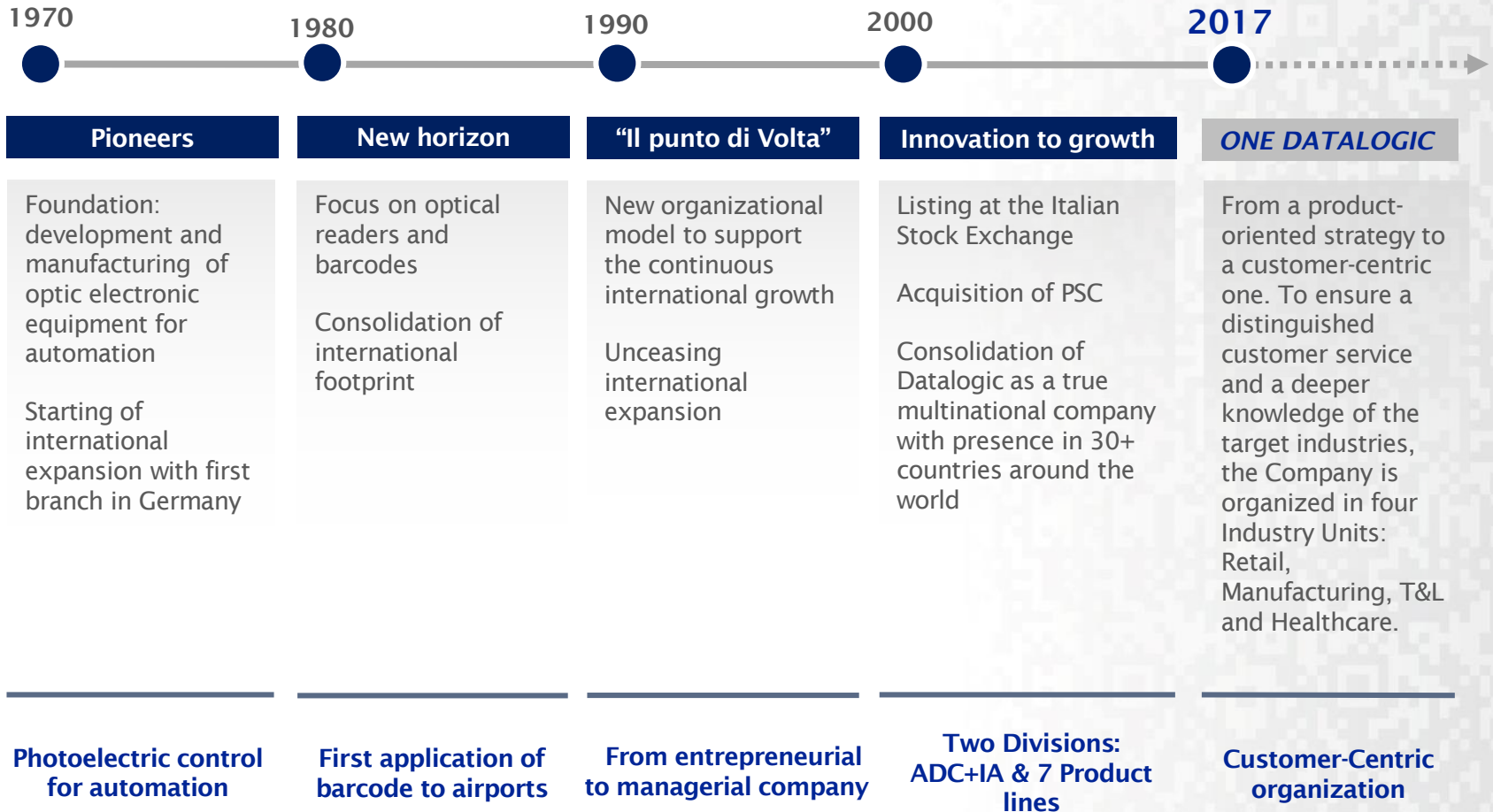
>1,200  
Patents

- **Global leader** of barcode readers, mobile computers, sensors, vision systems and laser marking systems with **cutting-edge** solutions in verticals market: **Retail, Transportation & Logistics, Manufacturing, 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 more than 1,200 patents
- **About 2,700 employees**, of which 470 in R&D
- Direct presence in 30 countries worldwide selling to 120 countries, with more than 1,000 partners worldwide

# Over 40 years of Technological Innovation



# A continuous improving Strategy



# A Wide Geographical Footprint



⊕ Direct presence in 30 countries  
🏭 8 Manufacturing Sites    🧠 10 R&D Centers  
💡 3 DL LABS

Note: Breakdown by area based on 2016 revenues

# Leadership Overview

## Worldwide Market



• POS Retail Scanners: 35.6% ↑



• Handheld Scanners: 19.4% ↑  
• Mobile Computers: 4.3% ↑



• Industrial Stationary Scanners: 23.5% ↑

## EMEA Market



• POS Retail Scanners: 55.6% ↑  
• Handheld Scanners: 38.1% ↑



• Industrial Stationary Scanners: 25.6% ↑

Source VDC 2016 (base year 2015)



# 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

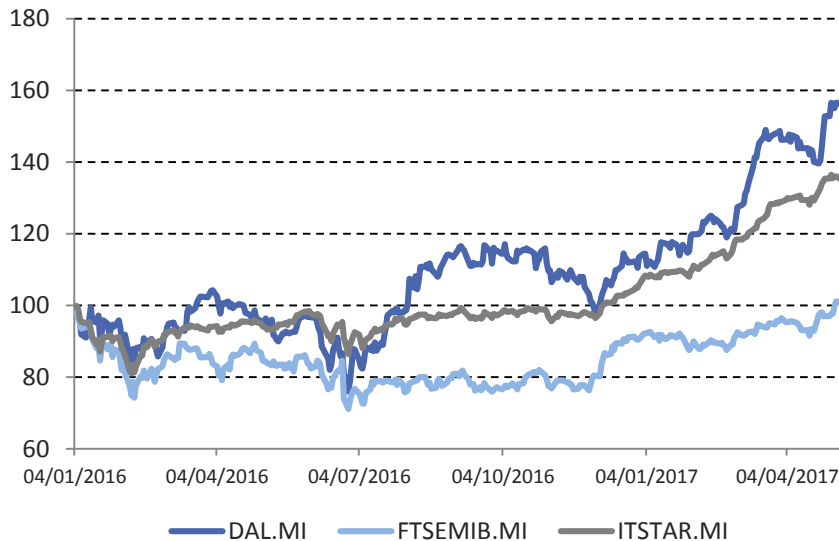
**Price (May 15<sup>th</sup>, 2017):** 25.8 Euro

**Market Cap (May 15<sup>th</sup>, 2017):** 1.5 B Euro

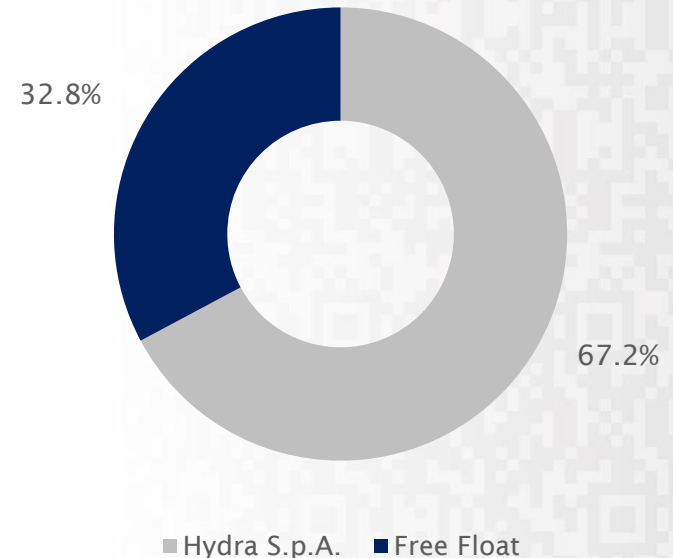
**Specialist:** Intermonte SIM

**Auditing Company:** EY

## DATALOGIC PRICE PERFORMANCE



## SHAREHOLDERS' STRUCTURE



# Strategy and Outlook

# Unique Player across IA and ADC Markets

DATALOGIC is the only player across the Global competitive landscape who can boast a wide and consolidated experience in both the two fields of:

- **Industrial Automation** (dating back to the foundation of the company)
- **Automatic Data Capture** (leadership deriving from the acquisition of PSC USA )

AUTOMATIC DATA CAPTURE

INDUSTRIAL AUTOMATION



The DATALOGIC logo is centered in a blue circle. It features a stylized four-leaf clover icon to the left of the word "DATALOGIC" in blue capital letters.

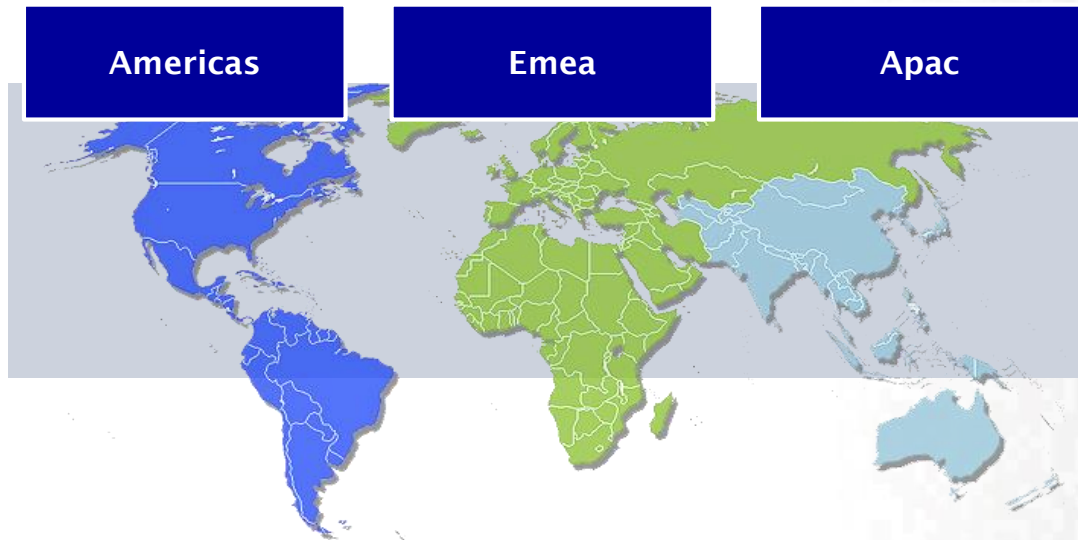
**COGNEX**

**KEYENCE**

**SICK**

Sensor Intelligence.

# A Unique Selling Proposition...



*Approximately split of One Datalogic revenues*

# ...with a Wide and Complementary Offer



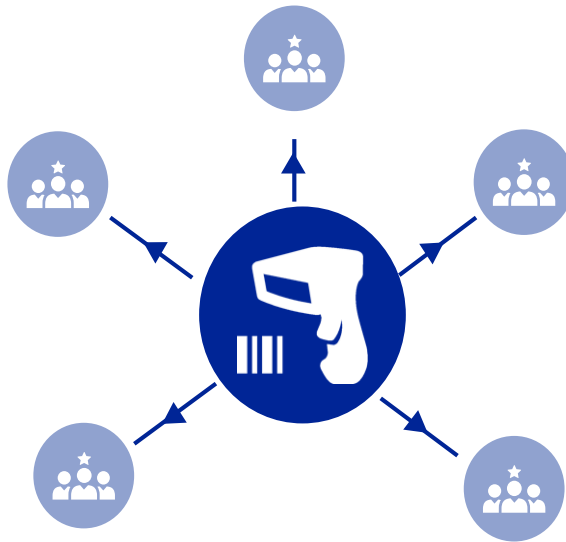
# A Customer-Centric Organization

From

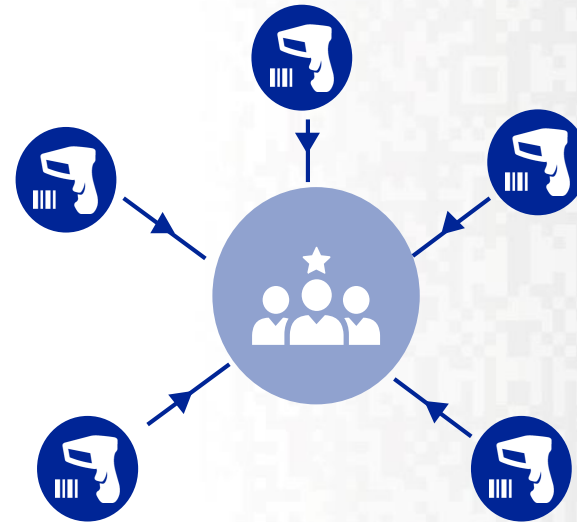
*Product-oriented company*

To

*Customer-centric organization*



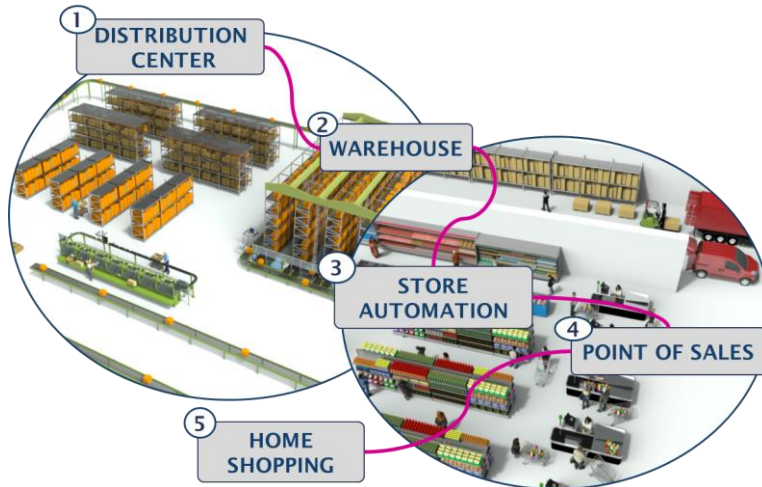
**Vendor:** proactive and reactive sales of products to meet contingent Customer needs



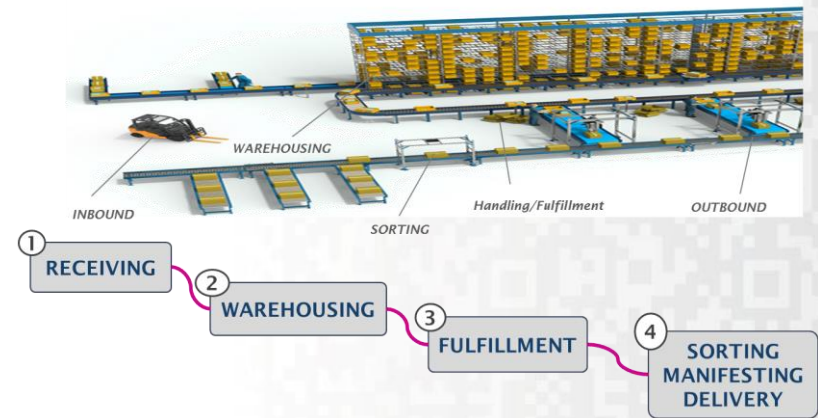
**Partner:** long term relationship with Customers to fulfill unexpressed needs and to achieve new endeavors

# Datalogic's offer along the value chain

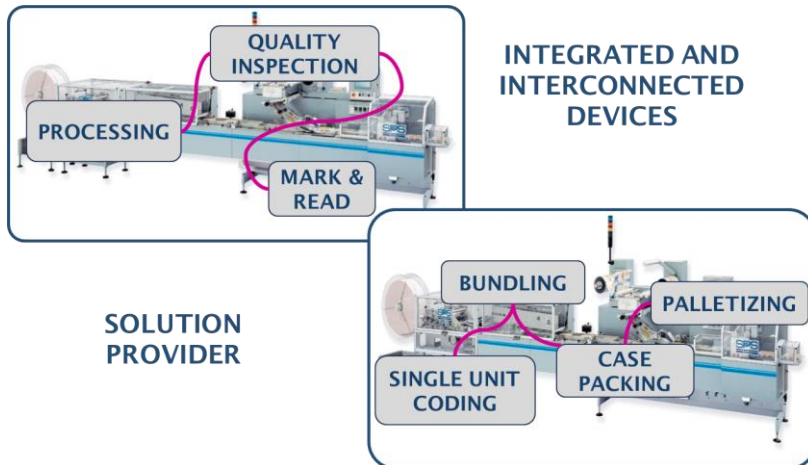
## Retail Flows and Applications



## T&L Flows and Applications



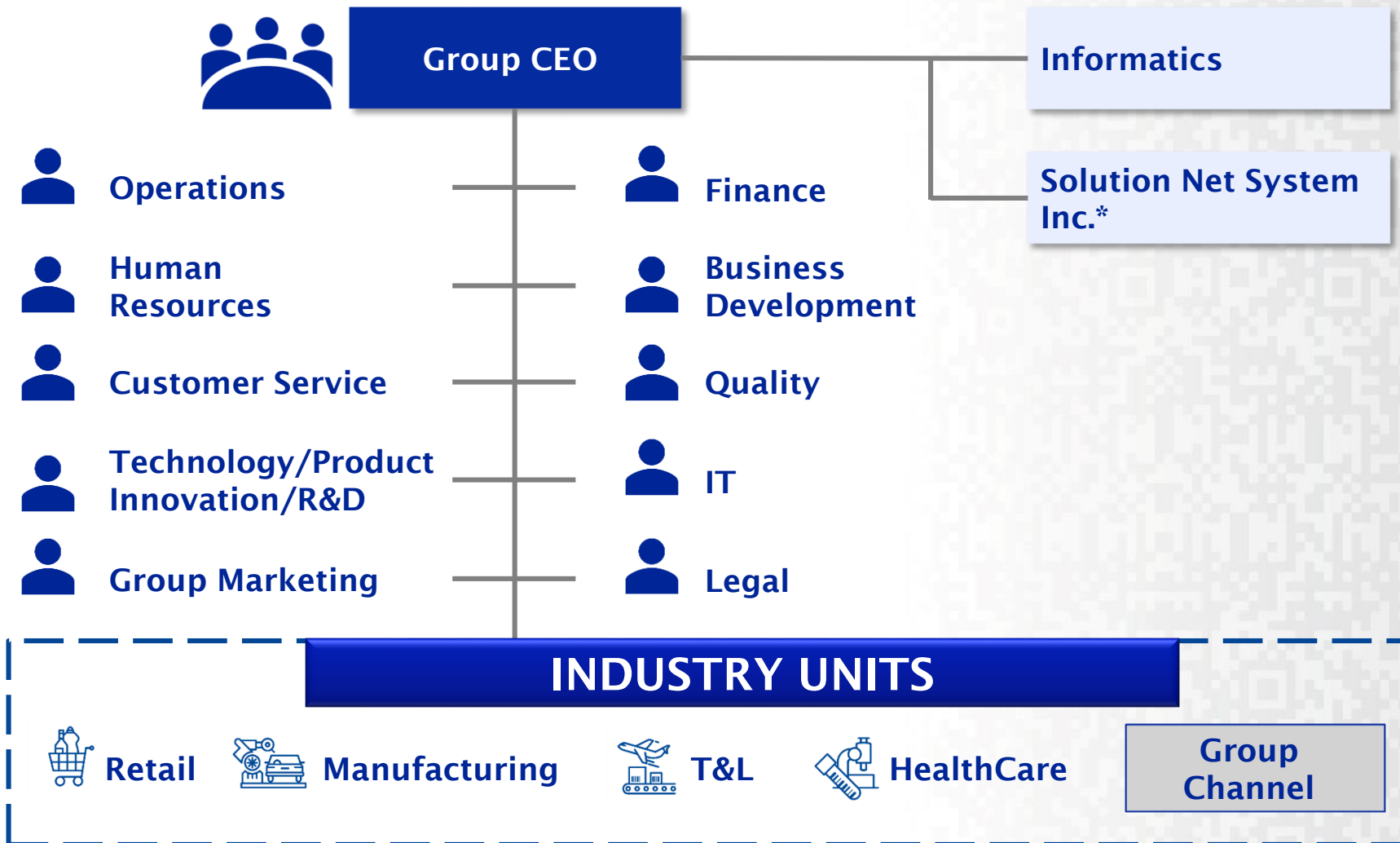
## Manufacturing Flows and Applications



## Healthcare Flows and Applications



# New One DATALOGIC Group Organization



*\*The newco Solution Net System Inc. is the result from the spin-off of the Systems Business Unit.*



# A clear new strategy

## THE OBJECTIVE

**Keep on constantly growing, above market average, while significantly improving profitability**

## THE SCOPE

Remain a product company with new emphasis on solutions to satisfy the needs of End Users in the following Industries: **Retail, Healthcare, T&L and Manufacturing**

Become a **significant player in North America** and **further establish in APAC** with a **growing presence in China**

Consolidate our **position in EMEA**

## THE ADVANTAGE

Moving from a product to **a Customer-centric Company**, leveraging on our wide range of products that is able to fulfill our customers' needs for both data collection and process automation and providing end-to-end solutions across the entire flow of operations

# 2017 Outlook

- **Further benefits from the reorganization expected mainly in the second half of 2017**
- **Major Industries drivers:**
  - **T&L:** strong booking in all Geo Areas, thanks to ecommerce & CEP
  - **Retail:** benefits from new products roll out for the check out, exploiting potential of non-food area
  - **HC:** enlarging customer base in North America
  - **Manufacturing:** strong demand from China
- **Keep on growing in revenues over market average, with a major focus in NA and APAC**
- **Increasing R&D investments to maintain leadership in the market**
- **Strong focus on all gross operating margin levers to maintain a sound profitability**
- **Maintain Cash Generation**

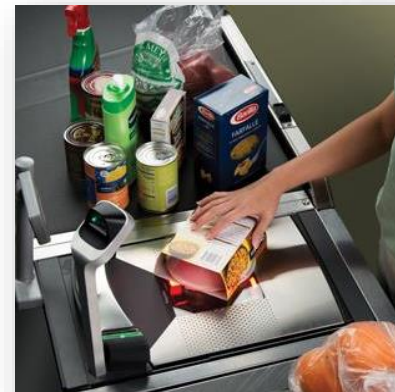
# New products

# Product Innovation and Development

- New product development process **that starts from the Customers' needs** – 1<sup>st</sup> milestone of the new product development
- A large and growing portfolio of more than **1,200 patents and pending patent applications**
- About **300 pending patent applications** in all jurisdictions
- **In 2016 24.3% of revenues** from new products\*
- **10 Research & Development Centers**
- Around **470 people** employed in R&D, of which more than **400 Engineers**



Portal Scanning



Digital Watermarking



Joya Touch

RIDA



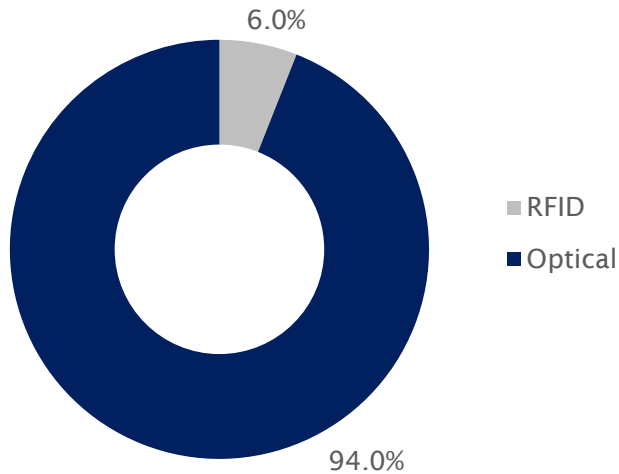
DL-Axist

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

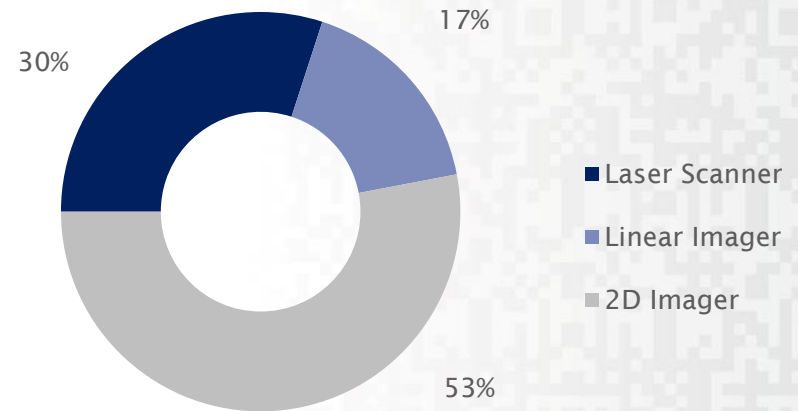
# Market split by Technology

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

**VDC** research 2016 (base year 2015)

# Q1 2017 New Products

Picture	Product name	Launch date	Description
	PowerScan Retail	January 13th	The new PowerScan 9500 Retail series targets the most demanding POS check-out environments, where the handheld scanner is used to compliment fixed scanners, bottom-of-the-basket items, loyalty cards and capable of reading 2D bar codes from Smartphones. The outstanding robustness and higher depth of field create the ideal solution for Grocery, Hypermarket/ Superstore, Cash & Carry, Wholesalers and Home Improvement stores
	RFID solution	February 3rd	Datalogic enters the RFID market with a full range of products: Bluetooth® Reader, Desktop Reader, Temperature Logger for the following target markets: <ul style="list-style-type: none"> <li>• <b>Retail non-food:</b> Product localization, real-time inventory and security checkout in apparel, footwear and accessories</li> <li>• <b>Transportation &amp; Logistics:</b> Manual or automatic inventory restocking, Shipping/Receiving, Luggage sorting at airports</li> <li>• <b>Healthcare:</b> Pharmaceuticals and blood traceability</li> <li>• <b>Manufacturing:</b> Automatic detection on conveyor belts</li> </ul>
	Impact 11.10 release	March 9th	A new version of the powerful IMPACT software, version 11.10, that increases performance and capabilities of the Pattern Sorting Tool (PST), a unique machine vision tool able to recognize thousands of products. <p>Product Identification in Manufacturing: Bar codes are not present or visible at every single stage of the production process. The PST provides identification without bar codes enabling full product traceability, quality and safety.</p> <p>Product Identification in Logistics: In automated warehouses and distribution centers, the PST enables the safe handling of hazardous materials and reduces incorrect shipment rates enabling HazMat label detection and cross-check applications</p>
	MATRIX 300N™ POLARIZED	March 23rd	MATRIX 300N™ POLARIZED, an ultra-compact 2D imager featuring a built-in polarizing filter. The Matrix 300N™ Polarized is ideal for Electronics, Automotive and Packaging industries. It is a top performing, compact 2D imager offering extreme reading performance at high speed and in DPM applications.

# NRF – Retail's big show 2017

## VISITORS

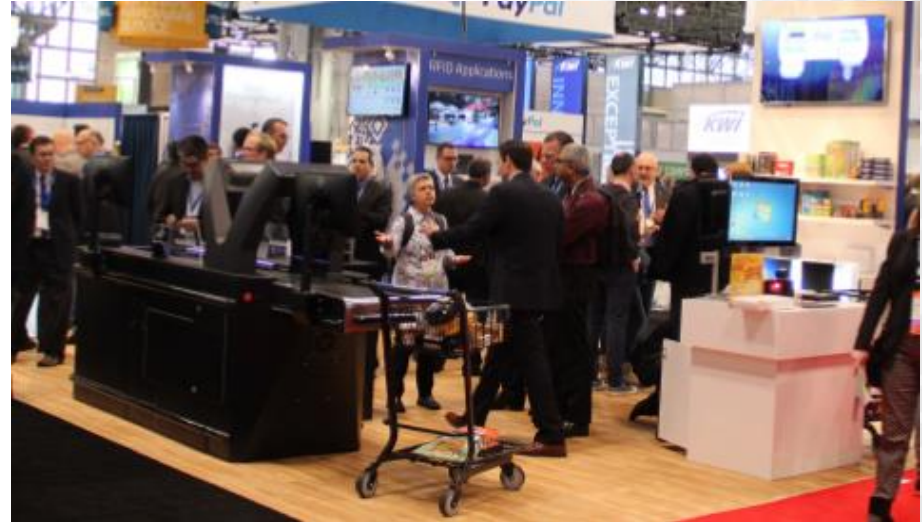
- 655 registered leads  
(more than doubled vs. 2016)

## TOP VISITED PRODUCTS

- Jade
- Joya Touch

## NEW CONCEPT AND PRODUCTS

- Joya Touch Android 6
- Powerscan Retail
- Rida – companion scanner
- RFID indoor Geo-Location
- Digital Tailor – 3D imaging body scanner
- New Single Plane scanners
- New LaneHawk – loss prevention



# Financials

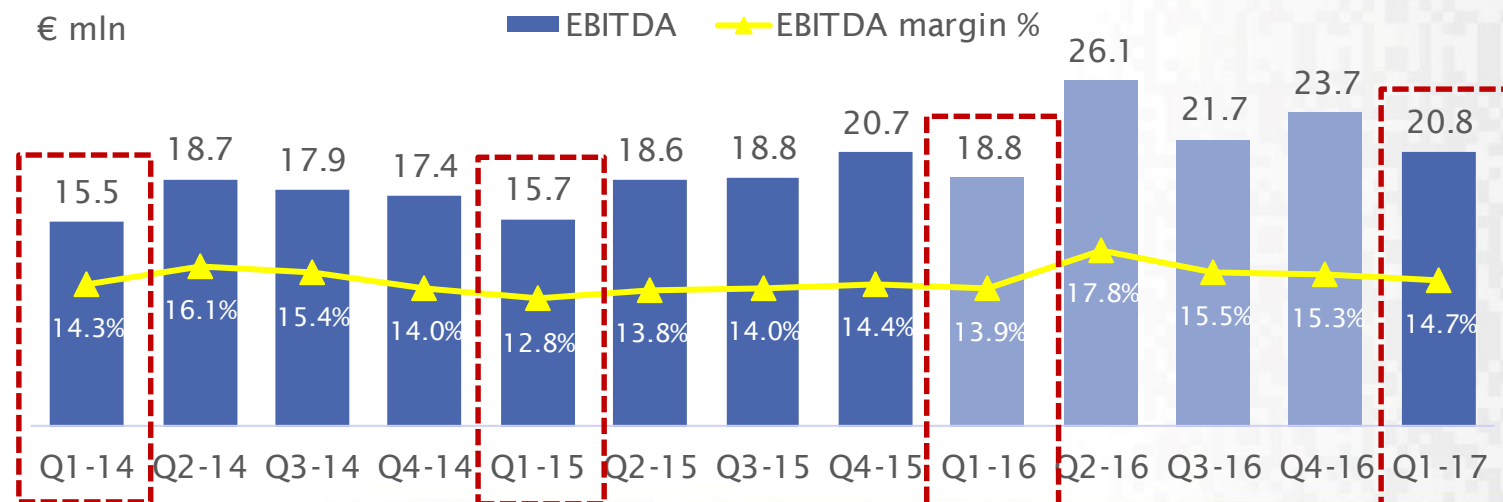
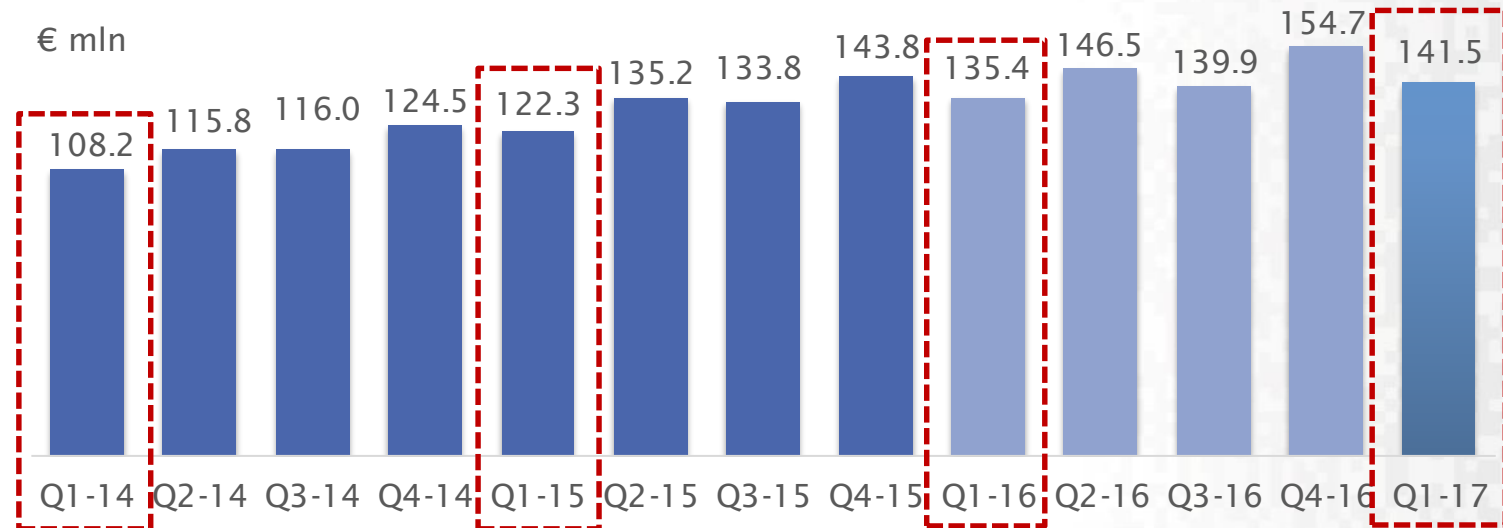


# Improvements across the whole P&L

€000	Q12017	Q12016	Var%	
Revenues	141,524	135,353	4.6%	▪ Sales up by 4.6% to 141.5 mln Euro
Gross Operating Margin	66,195	62,090	6.6%	▪ Booking confirming its strong growth: +14.8% at 161 mln Euro
<i>%on Revenues</i>	46.8%	45.9%		
Operating expenses	(49,605)	(47,018)	5.5%	▪ R&D increasing at 13.2 mln Euro (9.3% on sales)
<i>%on Revenues</i>	(35.1%)	(34.7%)		
EBITDA	20,764	18,820	10.3%	▪ Robust growth of EBITDA by +10.3% to 20.8 mln Euro
<i>Ebitda margin</i>	14.7%	13.9%		▪ EBITDA margin to 14.7% from 13.9%, notwithstanding Negative EUR USD Exch. rates
EBIT	15,255	14,210	7.4%	
<i>Ebit margin</i>	10.8%	10.5%		
EBT	13,986	12,259	14.1%	
Taxes	(2,080)	(2,186)		
Net Income	11,906	10,073	18.2%	▪ Net Income +18.2% to 11.9 mln Euro
<i>% on Revenues</i>	8.4%	7.4%		
<i>Exchange Rate</i>	1.0648	1.1020		

# Best first quarter over the last ten years

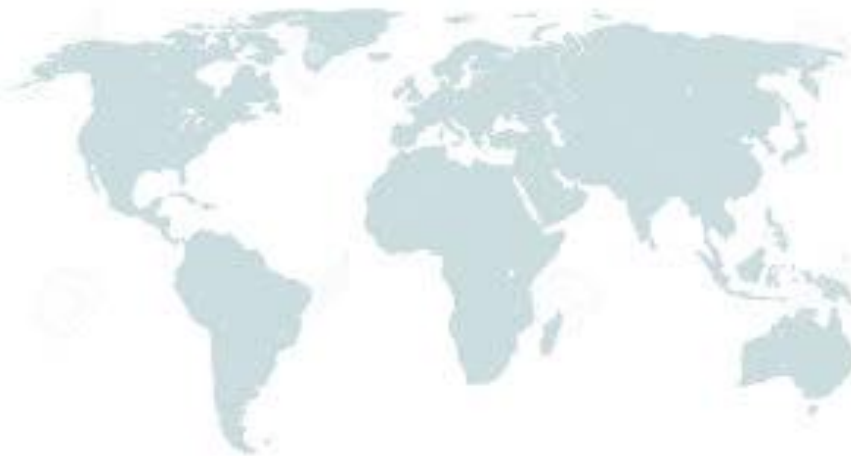
## REVENUES



# Group Revenues by country

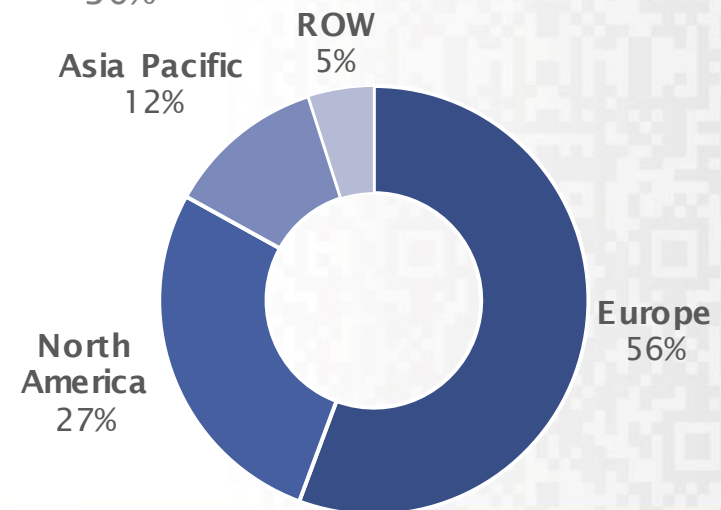
## REVENUES BY GEOGRAPHIC AREA

€ mln	Q1 2017	Q1 2016	Var%
Europe	78.5	73.1	7.3%
North America	39.0	39.6	(1.5%)
Asia Pacific	17.0	14.9	14.6%
ROW	7.0	7.8	(9.9%)
<b>Total Revenues</b>	<b>141.5</b>	<b>135.4</b>	<b>4.6%</b>



\* IA excluding BU Systems

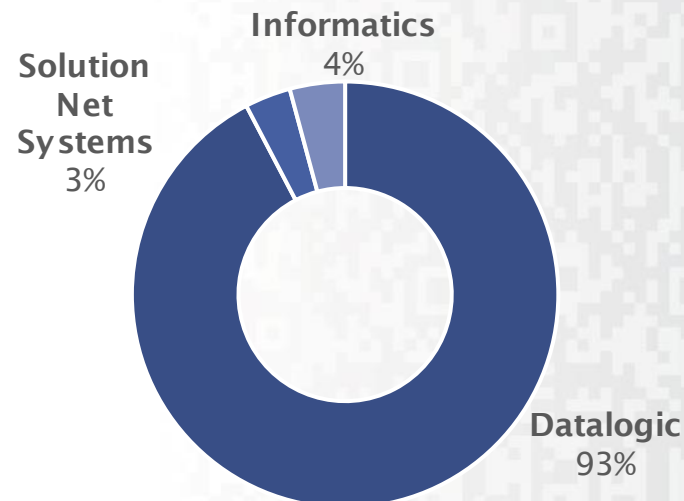
- Europe continues to generate robust growth with a +7.3% increase vs Q1 2016. Italy accounting for 8.9% of revenues globally
- North America down only due to Informatics Division
- North America ex Informatics and Solution Net Systems, + 9%
- Asia Pacific the fastest growing region entirely driven by China growing above 30%



# Group Revenues & EBITDA by division

## REVENUES BY DIVISION

€ mln	Q12017	Q12016	Var%
Datalogic	131.5	123.7	6.3%
Solution Net Systems	5.0	4.7	5.5%
Informatics	6.0	7.4	(19.1%)
<i>Adjustments</i>	(0.9)	(0.4)	108.3%
<b>Total Revenues</b>	<b>141.5</b>	<b>135.4</b>	<b>4.6%</b>



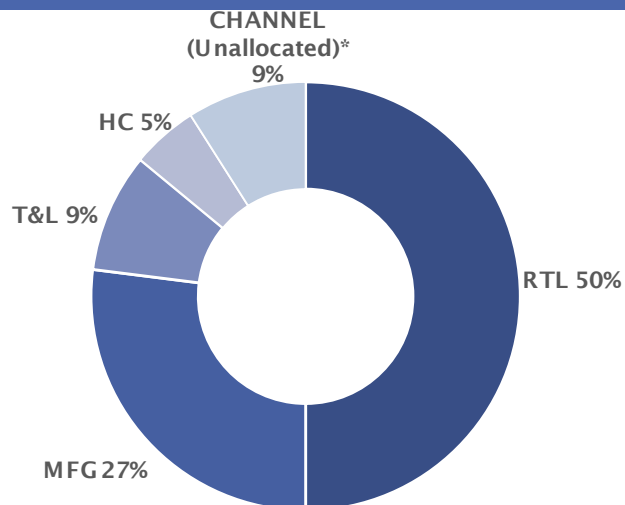
- **Datalogic Division**, the group's stronghold with positive performances in Europe, North America and - particularly - China
- **Solution Net Systems**, + 5,5% continuing to benefit from Royal Mail's order
- **Informatics** still in a downward trend due to the change in the business model

## EBITDA BY DIVISION

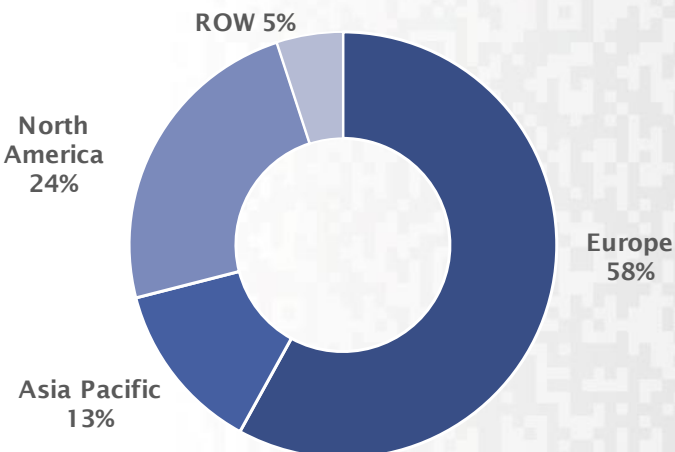
	Q12017	Q12016	Var%
Datalogic	21.15	18.76	12.7%
Solution Net Systems	0.09	(0.22)	140.7%
Informatics	(0.45)	0.30	(250.7%)
<i>Adjustments</i>	(0.03)	(0.01)	(78.6%)
<b>Total Group</b>	<b>20.76</b>	<b>18.82</b>	<b>10.3%</b>

# Focus on Datalogic Division

## DL Revenues Breakdown by Industry



## DL Revenues Breakdown by Geo Area



### Retail



• € 65.5 mln (-1.5%)

- Shift of some large orders in Q2

### Manufacturing



• € 35.0 mln (+10.8%)

- The highest growth in absolute terms driven by China and North America

### T&L



• € 11.3 mln (-4.1%)

- Positive growth in China and North America due to large projects

### Healthcare

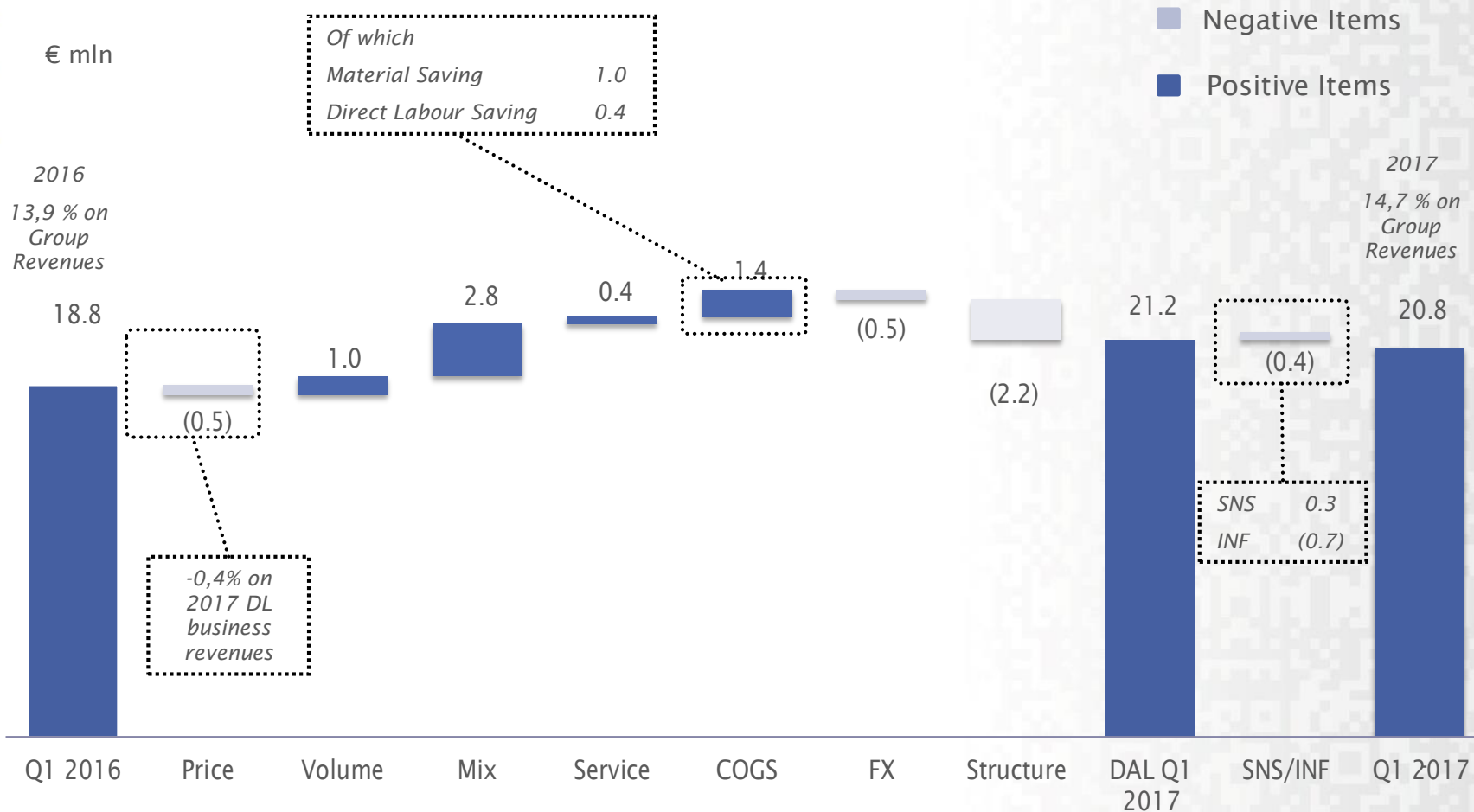


• € 7.2 mln (+68.9%)

- The fastest growing sector driven by large projects with a US top hospital chain

(\*)The **Channel (Unallocated)** includes revenues not directly attributable to the 4 identified industries.

# 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 March'17 YTD Actual (1.0648 ) and March'16 YTD Actual (1.1020 ) €/USD exchange rates.

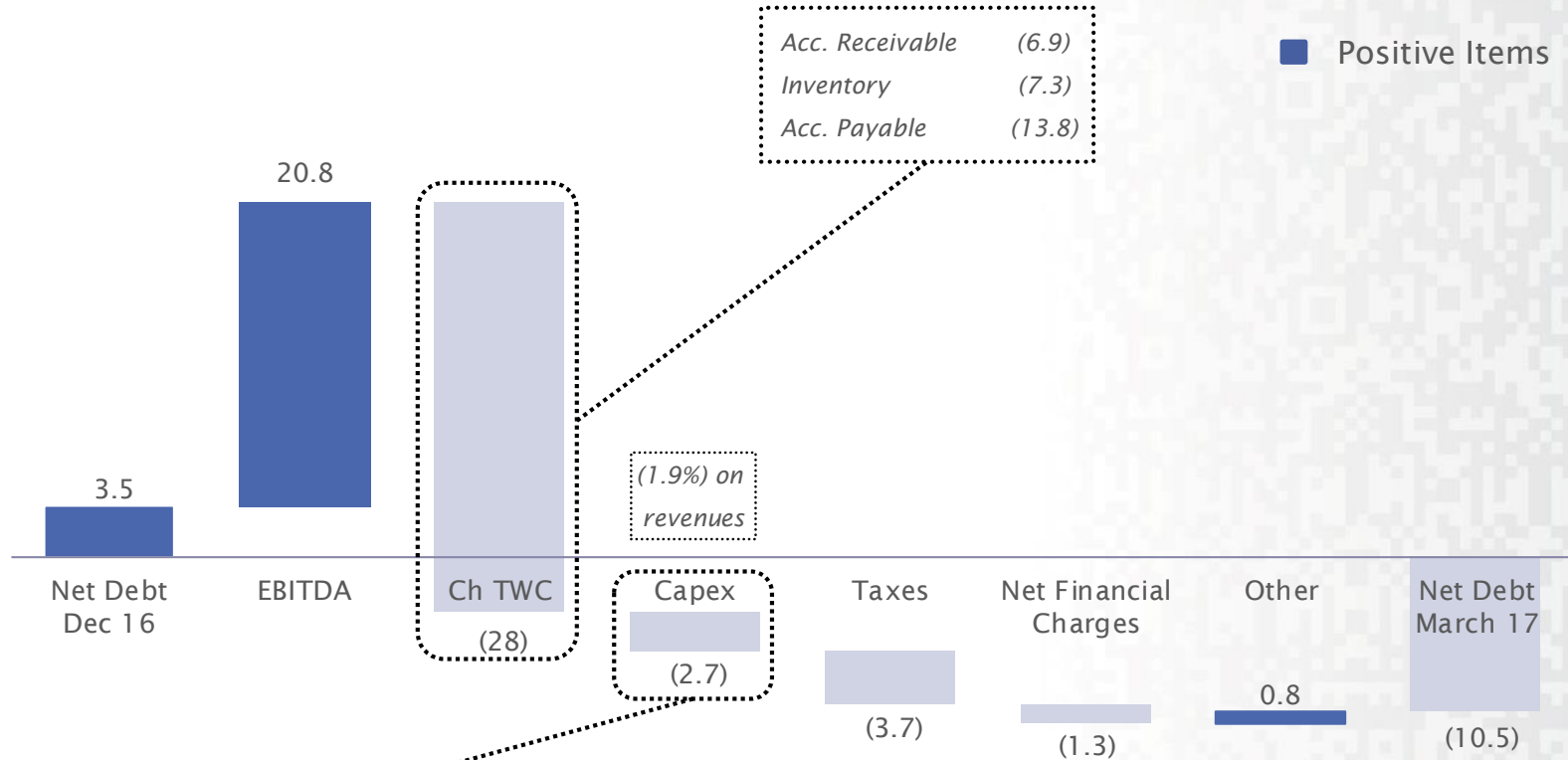
# Consolidated Balance Sheet

	Dec 2016	Mar 2017		Dec 2016	Mar 2017
<b>Total Fixed Assets</b>	<b>371.7</b>	<b>371.1</b>	<b>Net Financial Position</b>	<b>(3.5)</b>	<b>10.5</b>
<b>Trade receivables</b>	<b>75.5</b>	<b>82.3</b>			
<i>% on 12m rolling sales</i>	<i>13.1%</i>	<i>14.1%</i>			
<b>Inventories</b>	<b>82.3</b>	<b>89.7</b>			
<i>% on 12m rolling sales</i>	<i>14.3%</i>	<i>15.4%</i>			
<b>Trade payables</b>	<b>(104.6)</b>	<b>(90.8)</b>	<b>Net Equity</b>	<b>336.4</b>	<b>346.8</b>
<i>% on 12m rolling sales</i>	<i>-18.1%</i>	<i>-15.6%</i>			
<b>Trade Working Capital</b>	<b>53.2</b>	<b>81.2</b>			
<i>% on 12m rolling sales</i>	<i>9.2%</i>	<i>13.9%</i>			
<b>Other assets/liabilities</b>	<b>(92.1)</b>	<b>(95.0)</b>			
<b>Net Invested Capital</b>	<b>332.9</b>	<b>357.3</b>	<b>Total Sources</b>	<b>332.9</b>	<b>357.3</b>

# Net Debt Analysis: December'16 – March'17

€ mln

■ Negative Items  
■ Positive Items



Of which:

Electronics machineries / Software	(1.4)
Machineries and equipment	(1.1)
Offices refurbishment	(0.3)
Real estate asset disposal (Germany)	0,9



# Contact

## IR CONTACTS

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## NEXT EVENTS

**August 3<sup>rd</sup>, 2017**

H1 results

**November 13<sup>th</sup>, 2017**

9M results

## DATALOGIC ON LINE

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