



STAR Conference Milan

March 21st - 22nd, 2017



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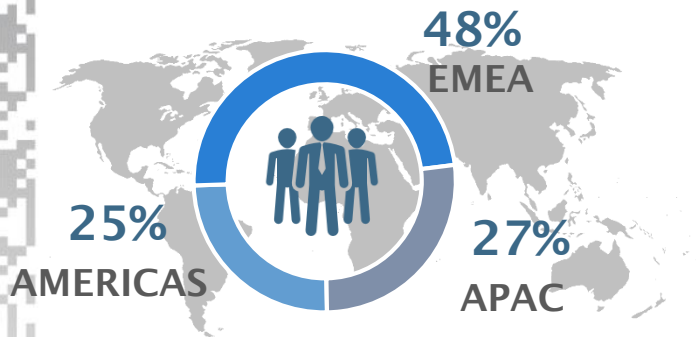
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Group Overview

Datalogic at a glance



2,700 EMPLOYEES



WORLD PRESENCE



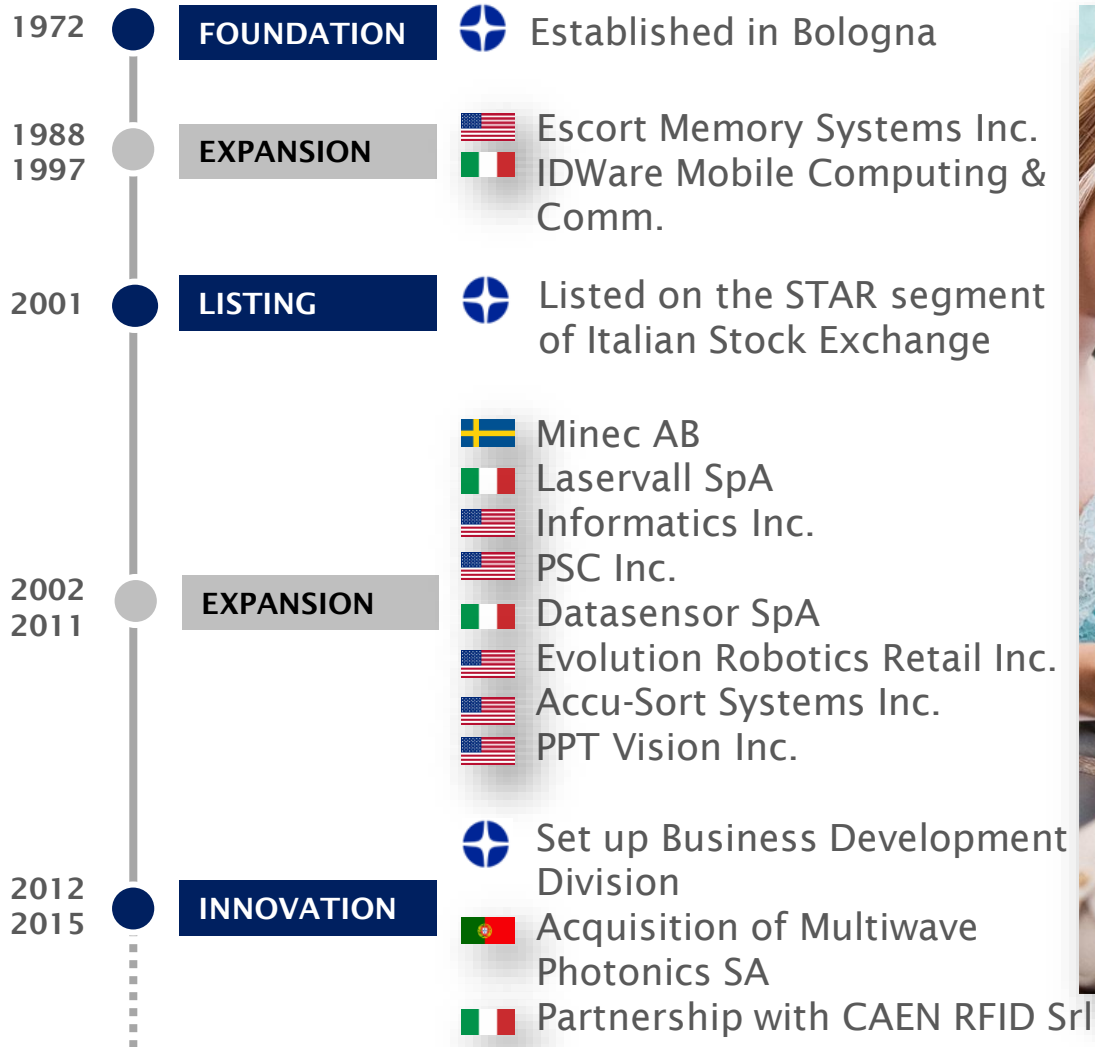
30
Countries



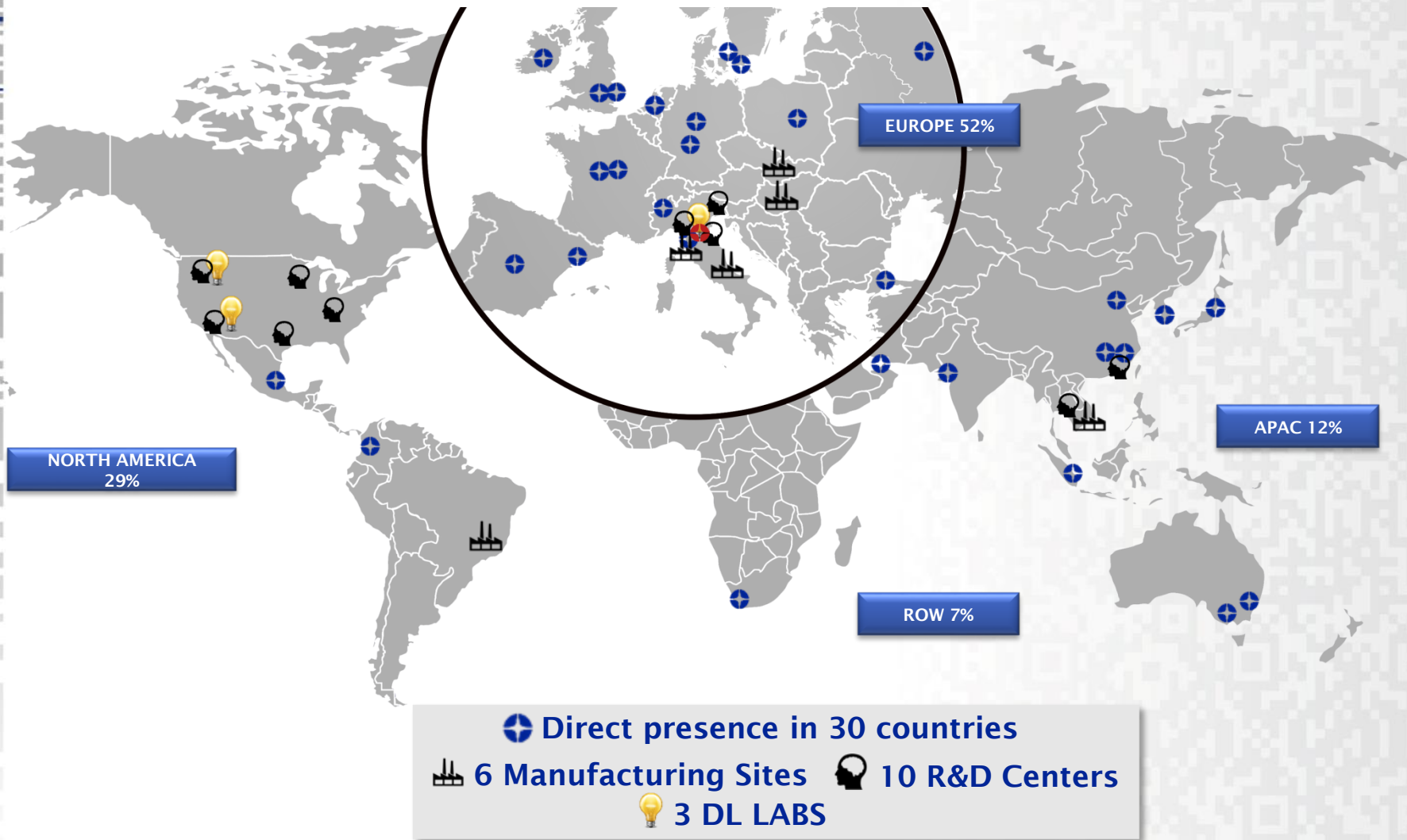
>1,200
Patents

- **Global leader** of barcode readers, mobile computers, sensors, vision systems and laser marking systems with innovative 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 Wide Geographical Footprint



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: 25.0% ↑

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

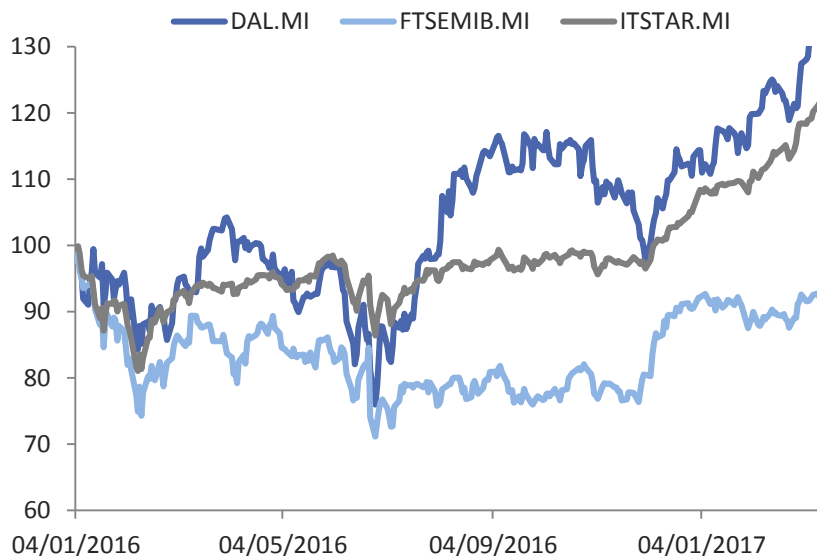
Price (March 16th, 2017): 23.64 Euro

Market Cap (March 16th, 2017): 1.38 B Euro

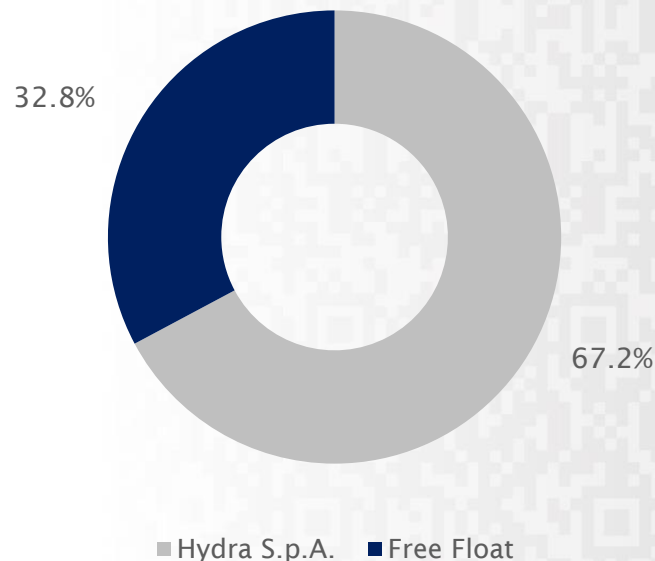
Specialist: Intermonte SIM

Auditing Company: EY

DATALOGIC PRICE PERFORMANCE



SHAREHOLDERS' STRUCTURE





FY2016

2016 Highlights

NEW ORGANIZATION

- **New organization** effective from 1st January 2017
- **4 Customer Centric Industries** – Retail, T&L, Manufacturing and Healthcare – within **ONE DATALOGIC**
- BU Systems spin off already executed from 1st October 2016: **Solution Net Systems Inc. established**
- 3 different Businesses within the Group: **Datalogic, Informatics and Solution Net Systems**

INNOVATION

- **Continuous emphasis on innovation** with increasing investments in R&D (+4.5% YoY)
- **24.3% of revenues** from new products*
- Breakthrough innovation presented at the New York NRF
- **45 patent applications** protecting new innovations were filed in 2016 for a **total patent portfolio of more than 1,200 patents and pending patent applications**

FINANCIALS

- **Revenues up 7.7% YoY to 576.5 mln Euro** well above market average
- **EBITDA at the highest ever: 90.4 mln Euro (+22.5% YoY)**
- **EBITDA Margin at 15.7%**
- **Back to a positive NFP: +3.5 mln Euro**

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

A unique player across two markets

Automatic Data Capture



ZEBRA

Honeywell

COGNEX

SICK **KEYENCE**
Sensor Intelligence.

DATALOGIC

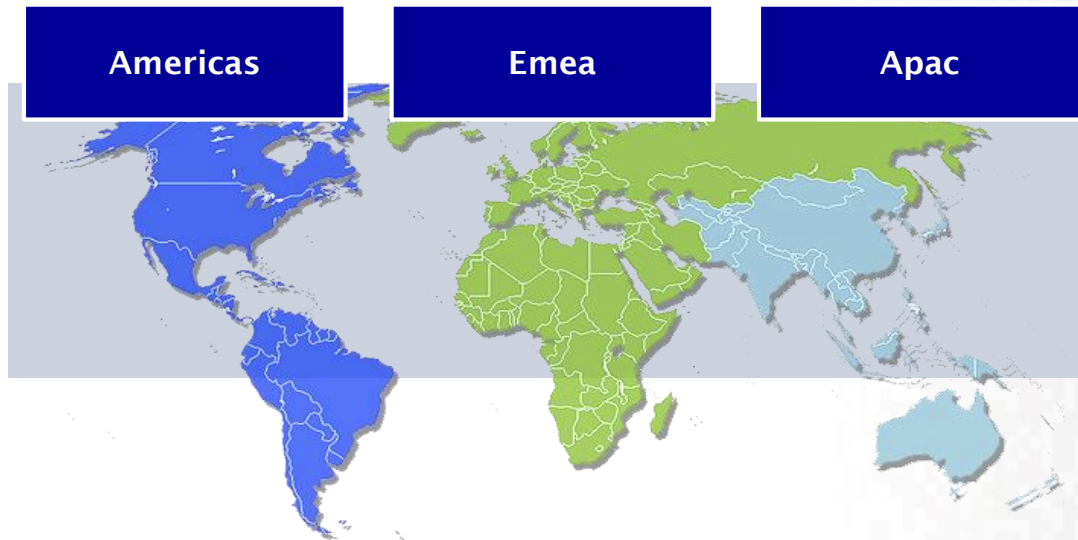


DATALOGIC is a unicum in the Global competitive landscape originated by a

- Consolidated experience in IA dating back to the foundation of the company in Italy
- Leadership in ADC deriving from the acquisition of PSC USA (former Spectra Physics)

Industrial Automation

A Unique Selling Proposition...



Approximately split of One Datalogic revenues

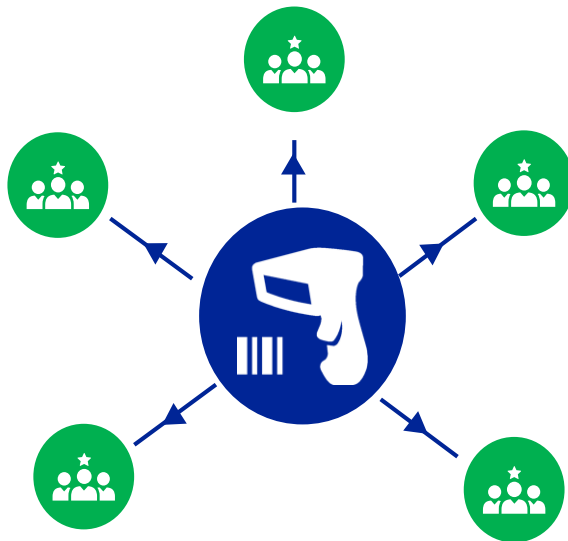
...with a Wide and Complementary Offer



From Products to Customers

From

*Product-oriented
company*



- **Vendor:** Proactive and reactive sales of products to meet existing Customer needs

To

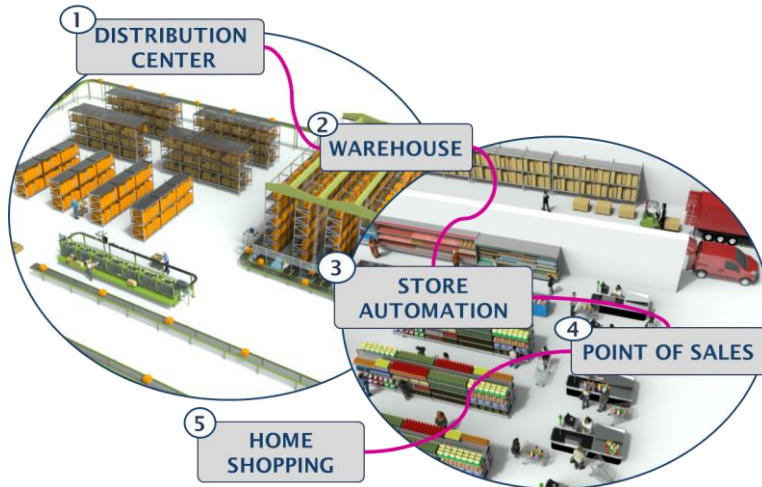
*Customer-centric
organization*



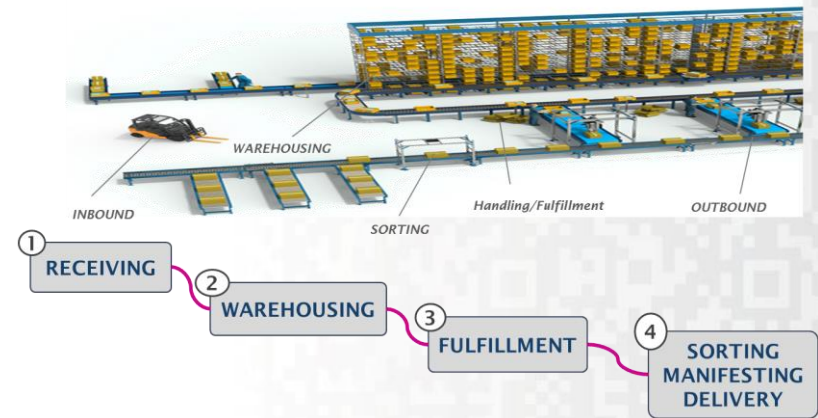
- **Partner:** Long term partnership based on a symbiotic relationship with our Customers aimed at addressing their explicit and unexpressed needs

Datalogic's offer along the value chain

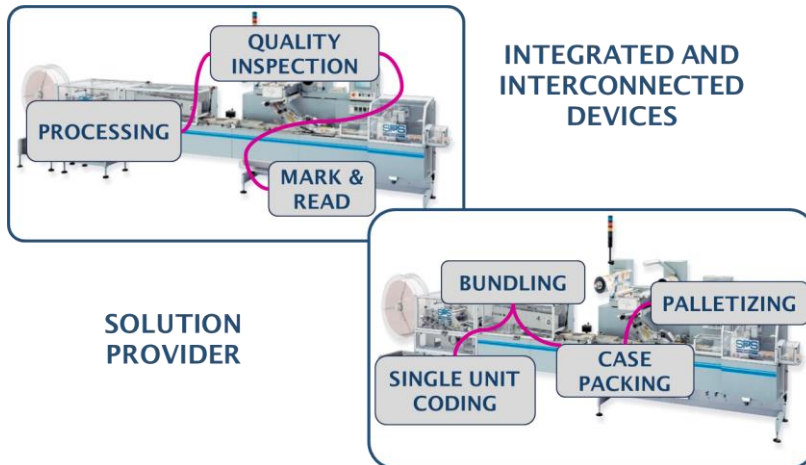
Retail Flows and Applications



T&L Flows and Applications



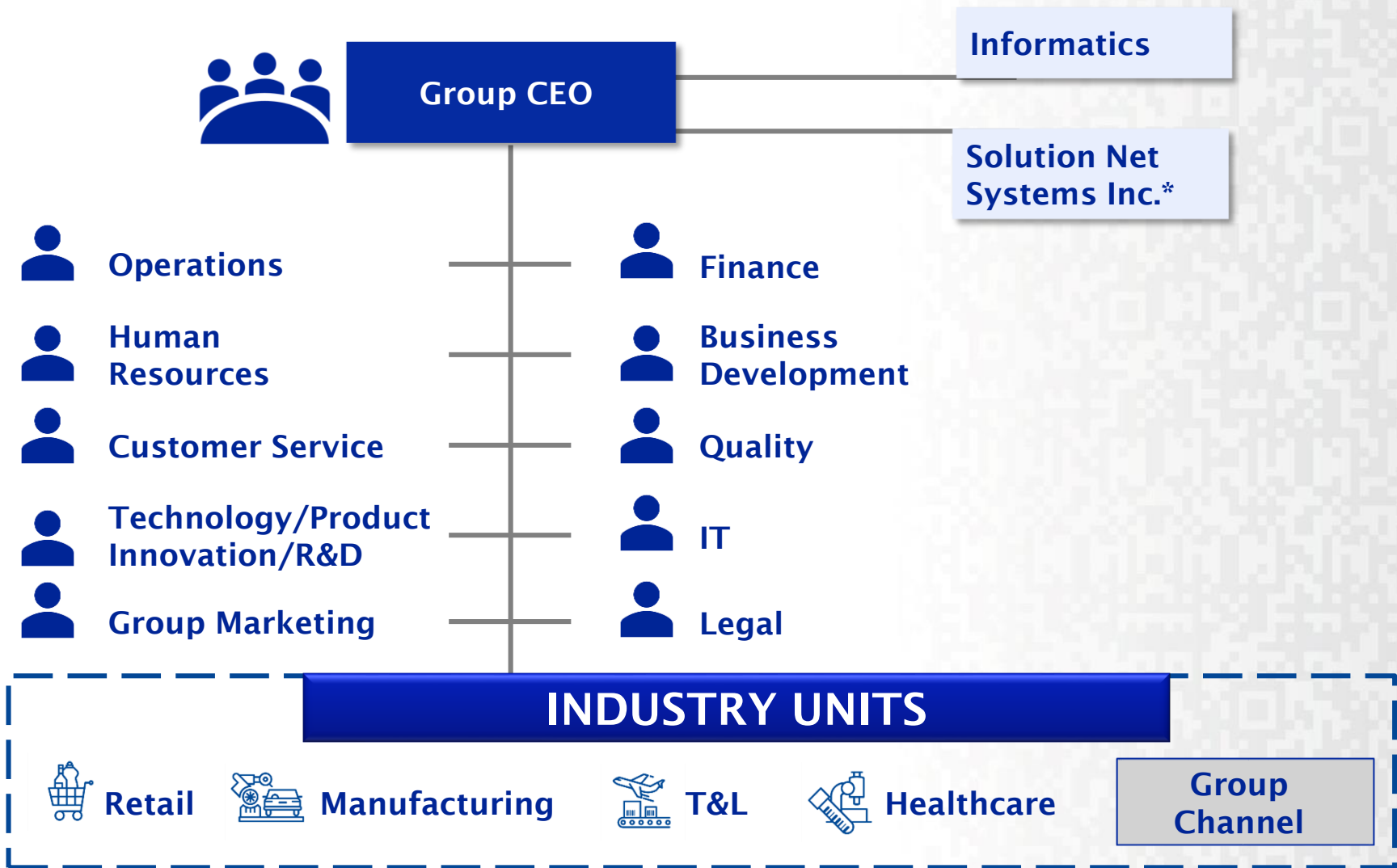
Manufacturing Flows and Applications



Healthcare Flows and Applications



New one DATALOGIC group organization



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

New products

Product Innovation and Development

- New product development process **that starts from the Customers' needs** – 1st 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
- **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



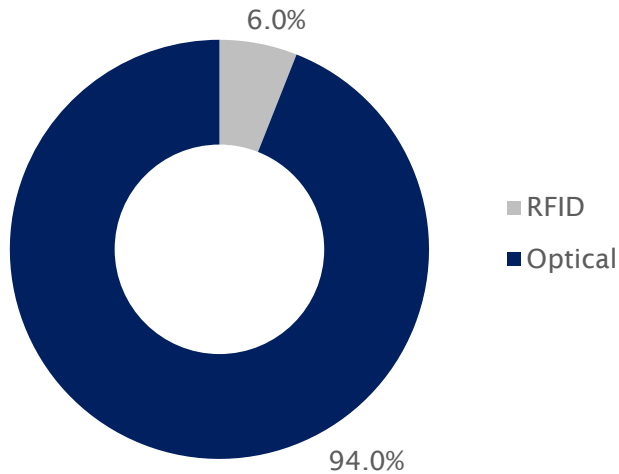
DL-Axist

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

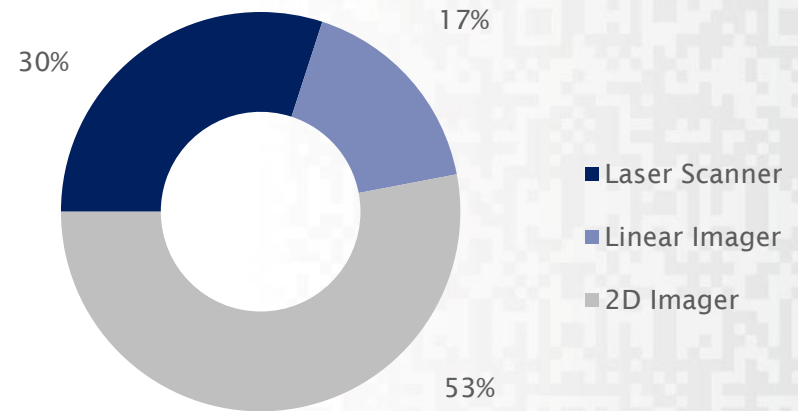
Market split by Technology

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



2016 (base year 2015)

Main products launched in 2016

Picture	Product name	Launch date	Description
	AV7000	April 28th	High performance long range linear camera
	MX-E Vision Processor	May 5th	MX-E series, a state-of-the-art family of GigE vision processors powered by IMPACT Software
	DL-Axist	May 24th	Rugged Android PDA with full touch 5 inch display
	Joya Touch	July 25th	Joya™ Touch is a multi-purpose retail device that is ideal for various applications such as Self-Shopping, Price Checking, Markdowns, Shelf Replenishment, Inventory, Access Control and more.
	RIDA	November 3rd	RIDA DBT6400 2D area imager is a cordless device with Bluetooth® wireless technology to be used in connection with mobile devices.
	Matrix 120	November 21st	Ultra-compact 2D imager with embedded Ethernet
	PowerScan 9300	December 19th	PowerScan™ 9300 rugged industrial laser scanner series.

NRF – Retail's big show 2017

VISITORS

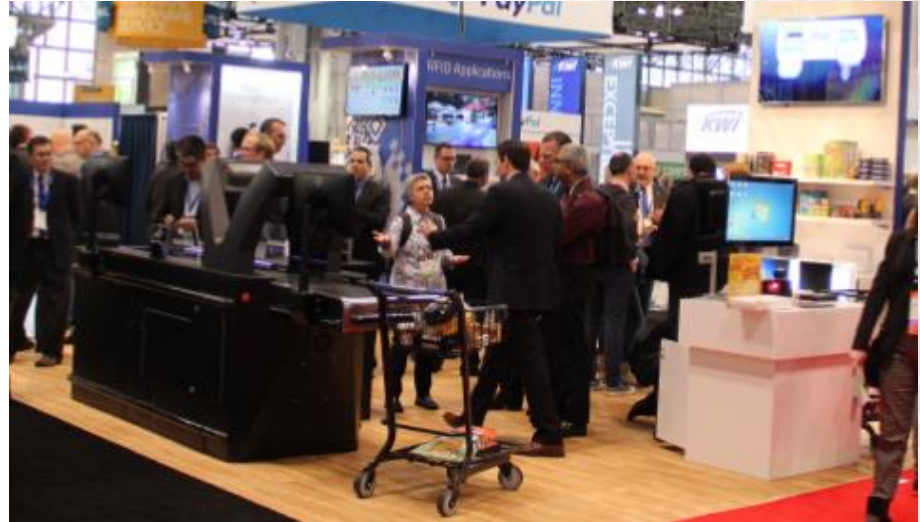
- 655 registered leads
(more than doubled vs. 2016)

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

FY 2016 P&L

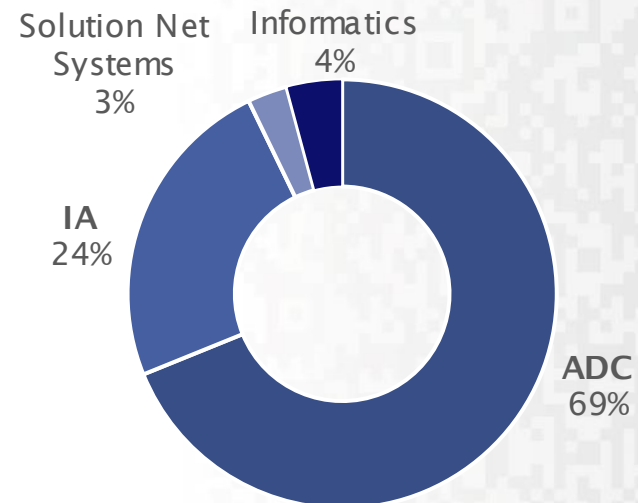
	€ mln	FY2016	FY2015	Var%
Revenues		576.5	535.1	7.7%
Gross Operating Profit		265.3	248.6	6.7%
<i>%on Revenues</i>		46.0%	46.5%	
Operating expenses		192.4	190.9	0.8%
<i>%on Revenues</i>		33.4%	35.7%	
EBITDA		90.4	73.7	22.5%
<i>Ebitda margin</i>		15.7%	13.8%	
EBIT		70.2	52.9	32.7%
<i>Ebit margin</i>		12.2%	9.9%	
EBT		66.9	51.6	29.7%
Taxes		21.0	11.0	
Net Income		45.8	40.5	13.1%
<i>%on Revenues</i>		8.0%	7.6%	
<i>Exchange Rate</i>		1.1069	1.1095	

- Sales FY16 increase by 7.7% YoY to 576.5 mln Euro
- Booking continues to growth: +4% YoY at 586 mln Euro
- Robust growth of EBITDA by +22.5% YoY to 90.4 mln Euro
- EBITDA margin at the highest level since 2004: 15.7%
- Tax Rate increased due to changes in tax regulation
- Net Income +13.1% to 45.8 mln Euro
- Proposal dividend of 0.30 Euro per share, +20% YoY

Revenues trend by division

- ADC Division:** +9.3% to 397.6 mln Euro YoY (+9.1% at constant exchange rate), growth driven by fixed retail and mobile computers in retail sector in Europe and US
- IA Division benefited** from sustained growth in both in T&L and Manufacturing. Boost of T&L in the US in the last quarter
- Industrial Automation division ex BU Systems:** + 7.7% to 138.9 million Euro

REVENUES BY DIVISION (%)



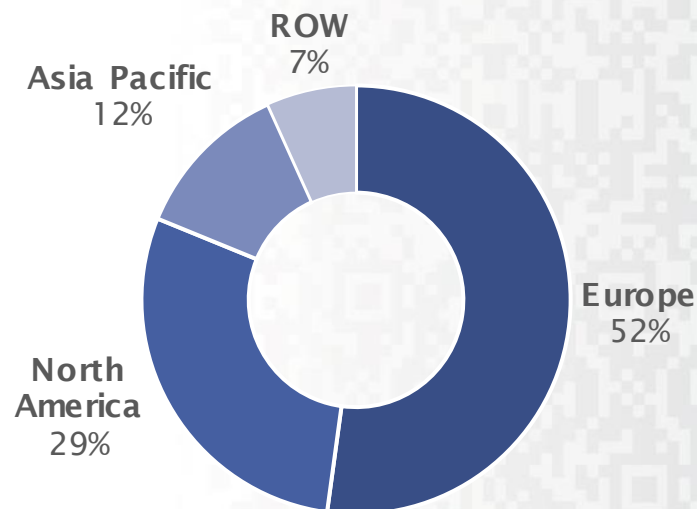
	€ mln	FY2016	FY2015	Var%
ADC		397.6	364.0	9.3%
IA		158.5	146.1	8.5%
- IA ex BU Systems		138.9	129.0	7.7%
Informatics		24.4	27.4	(11.0%)
Corporate and Adj.		(4.0)	(2.4)	70.8%
Total Revenues		576.5	535.1	7.7%

Revenues trend by country

REVENUES BY GEOGRAPHIC AREA

€ mln	FY2016	FY2015	Var%
Europe	300.7	268.5	12.0%
North America	167.3	161.1	3.9%
Asia Pacific	69.6	71.5	(2.7%)
ROW	38.9	34.0	14.4%
Total Revenues	576.5	535.1	7.7%

- Europe continues to generate robust growth in particular in IA* (+14%) and in ADC (+12%),
- North America growth driven by ADC (+8%)
- Asia Pacific negative on FY but mainly due to retail industry in China not completely offset by manufacturing growth in China

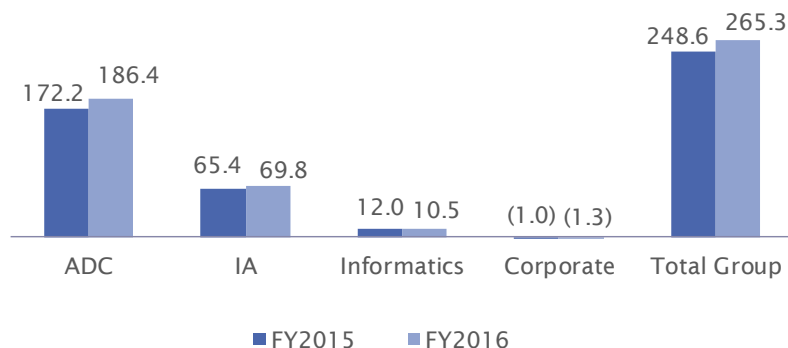


* IA excluding BU Systems

FY segment reporting: GOP and EBITDA

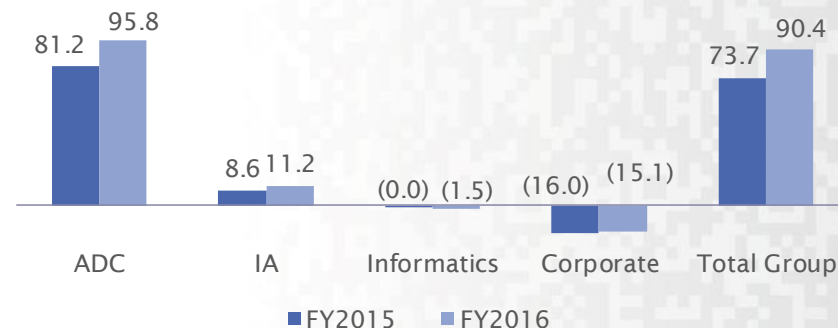
GOP BY DIVISION

€ mln



EBITDA* BY DIVISION

€ mln



GROSS OPERATING MARGIN

	FY2016	FY2015
ADC	46.9%	47.3%
Industrial Automation	44.0%	44.8%
- IA ex BU Systems	48.1%	50.0%
Informatics	43.0%	43.7%
Total Group	46.0%	46.5%

EBITDA MARGIN

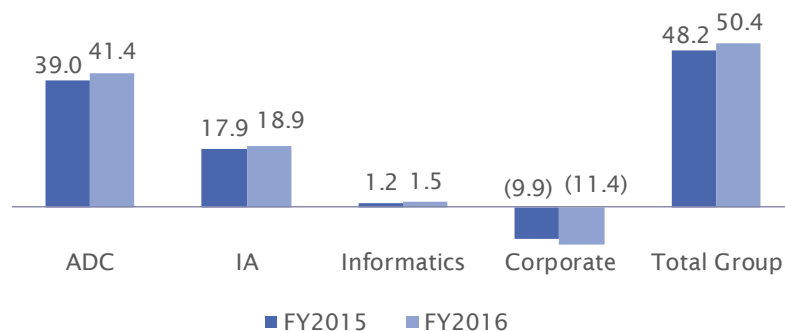
	FY2016	FY2015
ADC	24.1%	22.3%
Industrial Automation	7.1%	5.9%
- IA ex BU Systems	8.8%	9.3%
Informatics	(6.3%)	(0.1%)
Total Group	15.7%	13.8%

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

FY segment reporting: R&D and TWC

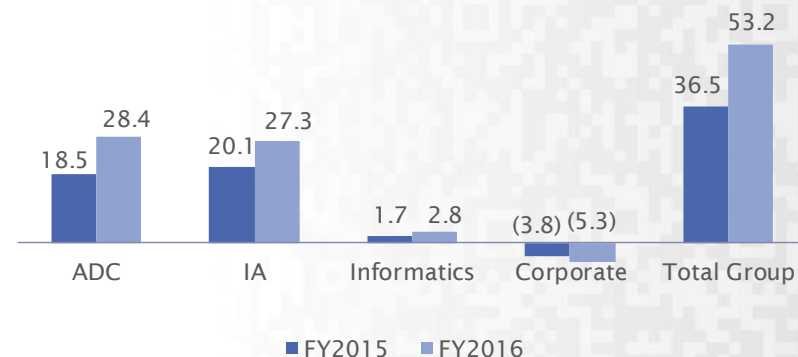
R&D BY DIVISION

€ mln



TWC BY DIVISION

€ mln



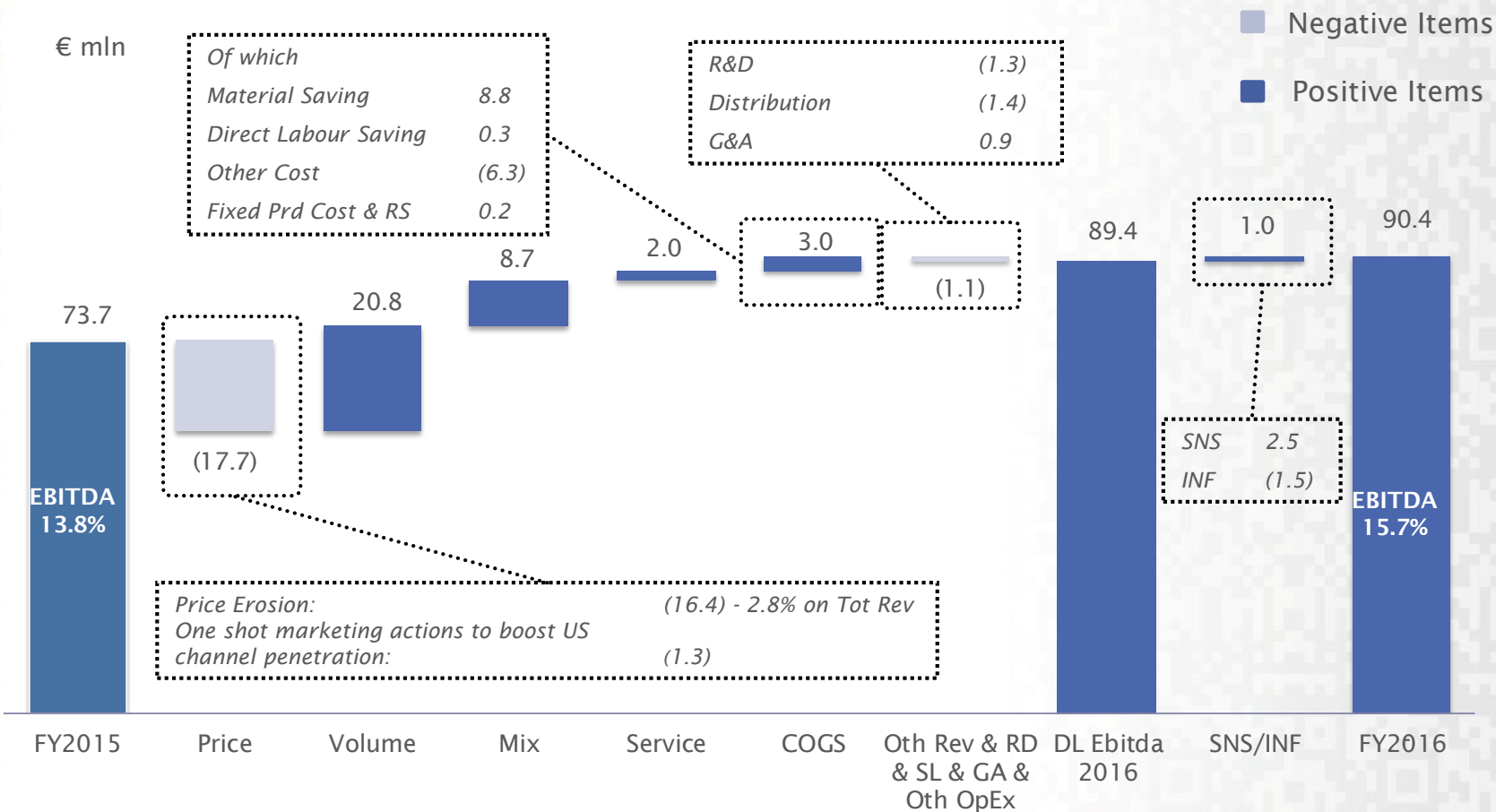
R&D/Revenues

	FY2016	FY2015
ADC	10.4%	10.7%
Industrial Automation	11.9%	12.3%
Informatics	6.1%	4.3%
Total Group	8.7%	9.0%

TWC/Revenues

	FY2016	FY2015
ADC	7.2%	5.1%
Industrial Automation	13.9%	13.7%
Informatics	11.4%	6.1%
Total Group	9.2%	6.8%

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 Dec'16 YTD Actual (1.107) and Dec'15 YTD Actual (1.110) €/USD exchange rates.

Consolidated balance sheet

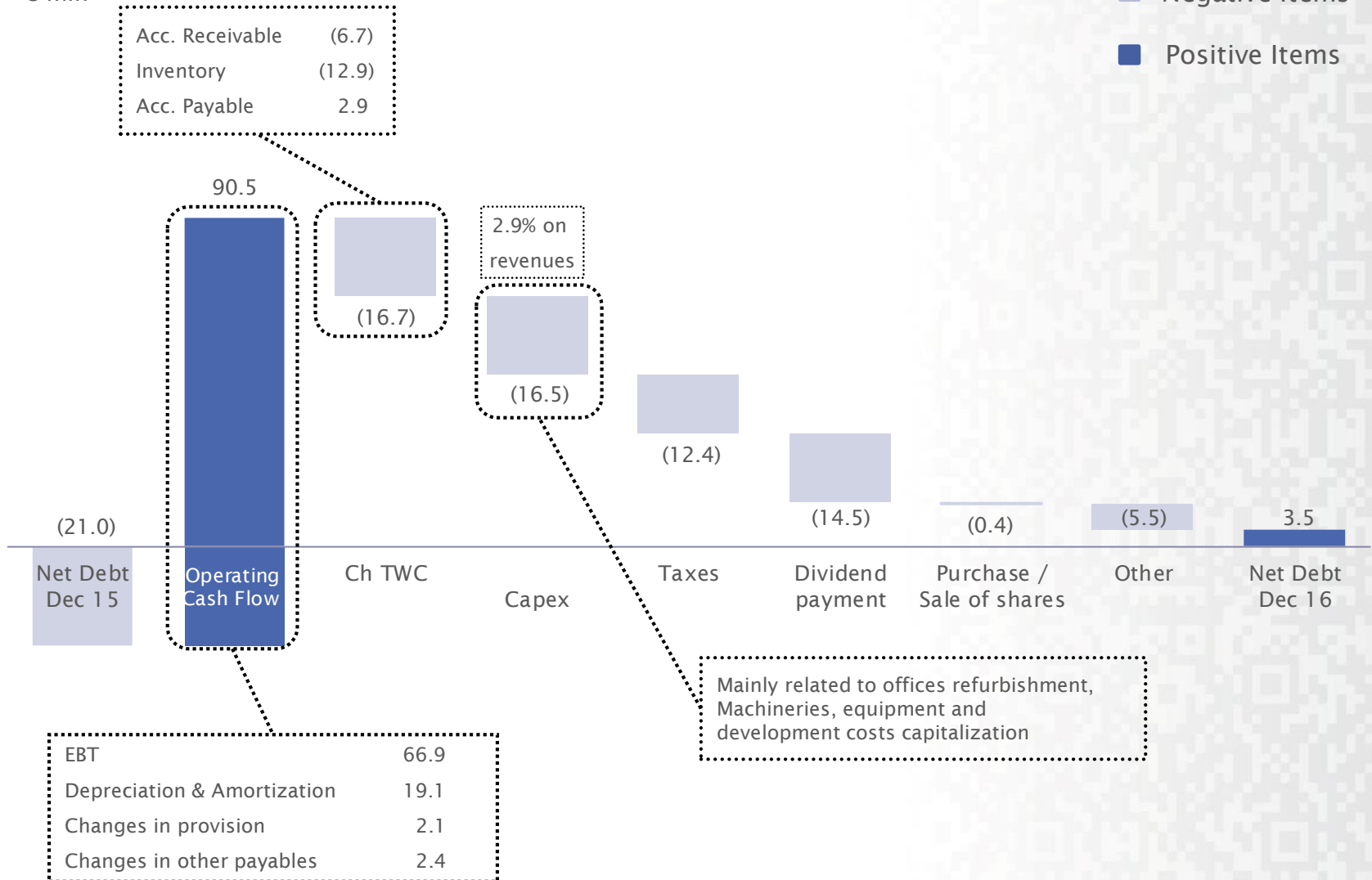
€ mln

	FY2016	FY2015		FY2016	FY2015
Total Fixed Assets	371.7	363.8	Net Financial Position	(3.5)	21.0
Trade receivables <i>% on 12m rolling sales</i>	75.5 13.1%	68.8 12.9%			
Inventories <i>% on 12m rolling sales</i>	82.3 14.3%	69.5 13.0%			
Trade payables <i>% on 12m rolling sales</i>	(104.6) 18.1%	(101.7) 19.0%	Net Equity	336.4	298.3
Trade Working Capital <i>% on 12m rolling sales</i>	53.2 9.2%	36.5 6.8%			
Other assets/liabilities	(92)	(81)			
Net Invested Capital	332.9	319.3	Total Sources	332.9	319.3

Net debt analysis: dec'15 – dec'16

€ mln

- Negative Items
- Positive Items



Outlook

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

- **Effective benefits** from the reorganization by industry expected mainly in the **second half of 2017**
- Revenues growth over market average: major focus in NA and APAC, consolidating leadership in Europe
- **Keep on increasing R&D investments** to maintain leadership in the market
- Strong focus on cost control and profitability
- **Maintain Cash Generation**

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NEXT EVENTS

May 15th, 2017

1Q results

August 3rd, 2017

6M results

November 13th, 2017

9M results

DATALOGIC ON LINE

www.datalogic.com