PRESS RELEASE

DATALOGIC (Star: DAL)

BOARD OF DIRECTORS APPROVES THE CONSOLIDATED INTERIM REPORT AT 30 SEPTEMBER 2020[1]

9M RESULTS:

- **Revenues at €347.1 million vs €441.4 million in the first nine months of 2019**
- ***Adjusted* EBITDA at €37.2 million vs €71.1 million in the first nine months of 2019; *Adjusted* EBITDA *margin* at 10.7%**
- **Net profit at €4.6 million vs €39.7 million in the first nine months of 2019**
- **Net Debt at €39.9 million vs €19.5 million in the first nine months of 2019**

- **3Q results progressively improving thanks to a cost reduction plan: *Adjusted* EBITDA *margin* at 16.2%**
- **Investor Relation Manager appointed**
- **Adherence to the new corporate governance code**

Bologna, 13 November 2020 - The Board of Directors of Datalogic S.p.A. (Borsa Italiana S.p.A.: DAL), a company listed in the STAR Segment of the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A. ("Datalogic") and global leader in the automatic data capture and process automation markets, has approved yesterday its Consolidated Interim Report at 30 September 2020.

The restrictive measures adopted by Governments to deal with the pandemic and the resulting global economic slowdown affected the Group's performance throughout the period, albeit at different levels of intensity and at different stages. The Asian region was affected in particular in the first quarter, while Europe and the Americas subsequently suffered from the gradual spread of the pandemic in the second and in the third quarter of the year, especially in the USA.

In response to the negative economic scenario, the Group implemented a cost reduction plan aimed at protecting margins, which made possible the return to profitability starting from the second quarter and to close the period with a **net profit** of €4.6 million (€39.7 million in the same period of 2019).

[1] The comparative economic data as at 30 September 2019 were restated as envisaged by the IFRS 5 accounting standard following the classification of the results of the investee Solution Net Systems Inc. operating segment of the Group under as discontinued operation.

Datalogic Group CEO, Valentina Volta, stated as follows*: "The results of the first nine months of 2020 were significantly affected by the Covid-19 pandemic. However, faced with a significant decline in turnover, the Group managed to implement an aggressive cost reduction plan, starting in the second quarter in particular, which allowed to maintain double-digit margins in the first nine months of the year and return to profit. There was an increase in turnover in the Asia-Pacific region in the third quarter, entirely led by China, and a turnaround, especially with respect to orders, which increased in EMEA compared to the previous year. The situation in the American market is more critical, where the pandemic made and is still making it more difficult to develop big projects with new customers. In this context, the Group continued its investments in R&D to develop new products to recover and grow its market share in the core segments, albeit using a more efficient allocation of resources. Despite the ongoing uncertainties linked to the progressive spread of the pandemic and the new measures taken by various Governments, the current growth in orders and the cost reduction plan undertaken should allow the Group to end the year with a reduction in the drop in turnover and a profitability that is substantially in line with that of the first nine months".*

	Nine months ended						
	30.09.2020	*% on Revenues*	**30.09.2019 Restated**	*% on Revenues*	**Change**	% change	**% ch. net FX**
Revenues	**347,051**	*100.0%*	**441,409**	*100.0%*	**(94,358)**	-21.4%	-20.8%
Adjusted EBITDA	**37,205**	*10.7%*	**71,135**	*16.1%*	**(33,930)**	-47.7%	-45.7%
Operating result (EBIT)	**8,194**	*2.4%*	**49,951**	*11.3%*	**(41,757)**	-83.6%	-81.0%
Net Profit/(Loss) for the period	**4,560**	*1.3%*	**39,678**	*9.0%*	**(35,118)**	-88.5%	-88.5%
Net financial position (NFP)	**(39,871)**		**(19,483)**		**(20,388)**		

Consolidated revenues amounted to €347.1 million, down by 21.4% compared to €441.4 million in the same period of the previous year, mainly as a result of the reduction in demand in the Covid pandemic scenario and to a lesser extent due to the mix and price effects.

Gross Operating Margin was €160.1 million, 46.1% of turnover (49.9% as at 30 September 2019), decreasing by 27.3% compared to €220.0 million reported in the same period of the previous year, primarily due to the contraction in volumes and the price and mix effect, only partially offset by a reduction of material costs.

Operating and other costs, equal to €140.7 million, decreased by 14.7% compared to €165.0 million in the same period of 2019, due to a careful cost reduction plan implemented by the Management as a response to the economic situation. The actions adopted were aimed at making the cost structure more variable to minimise production inefficiencies linked to discontinuity of the activities and the lower volumes, also adopting welfare support systems and flexibility tools. Operating costs as well as discretionary investments were postponed, while investments in R&D and strategic activities were reinforced pursuing the Group's strategy focused on innovation.

Research and development expenses decreased by 12.5%, to €41.2 million, reaching 11.9% on revenues compared to 10.7% in the first nine months of 2019, balancing efficiencies while strengthening investments pursuing strategic goals. During the period, albeit the difficult market context, the total research and development spending, gross of capital expenditure, increased from €48.4 million to €49.2 million, reaching 14.2% on turnover, compared to 11.0% reported in the same period of 2019, increasing by 3.2 percentage points. Thanks to its equity and financial soundness, the Group was able to confirm, even in a short-term recessionary scenario, the strategic investments in the development of new products and solutions, aimed at strengthening and innovating its offer.

Distribution expenses amounted to €71.2 million, down by 20.1% compared to the previous period (€89.1 million in the first nine months of 2019), 20.5% of revenues, due to the reduction in volumes, but also thanks to the efficiencies achieved in costs of sales and distribution as well as in marketing costs.

Adjusted EBITDA amounted to €37.2 million (€71.1 million in the first nine months of 2019), a decrease of 47.7%; the Adjusted **EBITDA margin** as at 30 September 2020 stood at 10.7%, compared to 16.1% recorded in the first nine months of 2019. Margin trends recorded over the period, constantly growing on a quarterly basis, reflected on the one hand the contraction in volumes and the price effects, due to scenario that arose following the spread of Covid-19 pandemic and to the less favorable sales mix, partially offset by efficiencies achieved on fixed costs in particular in the second and third quarter of the year.

EBIT stood at €8.2 million, compared to €50.0 million in the same period of the previous year, as a result of the trends described above and of non-recurring expenses mainly attributable to the reorganization of the Group following the pandemic and the sale of the Solution Net Systems Inc. segment.

Financial Income/(Expenses), negative by €6.0 million, was down by €6.1 million compared to the first nine months of 2019, mainly due to the adverse performance of the exchange differences, negative by €4.4 million (positive by €1.5 million as at 30 September 2019), and the negative fair value recorded on the cash investments, partially offset by the income from the non-strategic equity investments.

Net profit for the period amounted to €4.6 million (€39.7 million as at 30 September 2019) thanks to the recovery of margins in the second and third quarters of the year achieved thanks to the control and cost reduction plan.

The **Trade Working Capital** as at 30 September 2020 was €88.6 million, increased compared to 31 December 2019. The change was determined by the reduction in trade receivables of €13.6 million linked to the sales performance, the lower trade exposure towards suppliers (€-46.3 million), due to the reduction in costs and volumes, and the decrease in inventories of €19.1 million, due to a careful inventory management.

Net Invested Capital, equal €411.9 million (€390.8 million as at 31 December 2019), increased by €21.1 million. The change is mainly attributable to the increase in net commercial working capital by €13.5 million as well as to the increase in fixed assets for €4.3 million following the investments in R&D and in the reorganisation of the global footprint within the scope of streamlining costs.

The **Net Financial Position** as at 30 September 2020 was negative by €39.9 million, recording a worsening of €20.4 million compared to 30 September 2019 (when it was negative by €19.5 million) and of €53.2 million compared to 31 December 2019 (when it was positive for €13.4 million). The decrease in volumes and in margins, in a complex macroeconomic context in recession trend, led to the absorption of operating cash of €25.6 million in the first nine months of 2020, down by €23.6 million compared to €2.0 million in the same period of 2019. Thanks to careful working capital management and the cost reduction plan implemented in the first half of the year, despite the absorption of cash, the Group did not compromise on strategic investments to support growth.
As at 30 September 2020, the Group had credit lines of €314.4 million in place, of which €176.5 million unused, of which €100.0 million long term signed in March 2020 for potential investments and €76.5 million short term.

PERFORMANCE BY GEOGRAPHIC AREA

The following table shows the breakdown by **geographic area** of Group revenues achieved in the first nine months of 2020, compared with the same period of the prior year:

	Nine months ended						
	30.09.2020	**%**	**30.09.2019 Restated**	**%**	**Change**	**%**	**% ch. net FX**
Italy	*31,099*	*9.0%*	*37,175*	*8.4%*	*(6,076)*	*-16.3%*	*-16.3%*
EMEAI (excluding Italy)	*148,457*	*42.8%*	*195,868*	*44.4%*	*(47,410)*	*-24.2%*	*-24.2%*
Total EMEAI	179,556	51.7%	233,043	52.8%	(53,487)	-23.0%	-23.0%
Americas	112,330	32.4%	155,483	35.2%	(43,152)	-27.8%	-26.7%
APAC	55,165	15.9%	52,884	12.0%	2,281	4.3%	5.7%
Total Revenues	**347,051**	**100.0%**	**441,409**	**100.0%**	**(94,358)**	**-21.4%**	**-20.8%**

The performance of revenues for the period is mainly determined by the economic effects caused by Covid-19, which, in the first three quarters of 2020, affected the markets in which the Group operates at different degrees of severity and at different phases of time, as well as the completion of the rollouts of fixed retailscanners and of important orders in the Transportation & Logistics sector in the previous year.

The **EMEAI** region ended as at 30 September 2020 with a 23.0% decrease in revenues compared to 30 September 2019 due to the completion of important roll-out contracts for fixed retail scanners in the first quarter, and the decline recorded in the second quarter more pronounced given the lock-down measures taken by governments in Europe, while in the third quarter, signs of recovery were recorded, with a decrease of 17.4%, with an overall performance in Italy that was better than other Eurozone countries. **Americas**, recorded a reduction in demand, reaching -27.8%, affected not only by the economic effects of the pandemic, which had a negative impact on performance, especially at the end of the second quarter and through most of the third quarter, but also by the conclusion of important long-term projects in the Transportation & Logistics segment. The **Asian markets**, weak in the first quarter of the year as a result of the pandemic, recorded substantial recovery, reaching growth of 4.3% (5,7% net FX) during 9 months, with a particularly positive performance in the second quarter where double-digit trends.

PERFORMANCE BY DIVISION

	Nine months ended						
	30.09.2020	**%**	**30.09.2019 Restated**	**%**	**Change**	**%**	**% ch. net FX**
Datalogic	335,902	96.8%	428,563	97.1%	(92,661)	-21.6%	-21.1%
Informatics	12,059	3.5%	13,682	3.1%	(1,624)	-11.9%	-11.7%
Adjustments	(910)	-0.3%	(836)	-0.2%	(73)	8.8%	
Total Revenues	**347,051**	**100.0%**	**441,409**	**100.0%**	**(94,358)**	**-21.4%**	**-20.8%**

DATALOGIC DIVISION

As at 30 September 2020, the **Datalogic** division recorded sales **revenues** of €335.9 million, down 21.6% compared to the same period of 2019.

Adjusted EBITDA for the division amounted to €37.1 million, decreasing compared to the same period of 2019, 11.0% on turnover (16.4% as at 30 September 2019).

Below is the breakdown by industry of the Datalogic Division's revenues:

	Nine months ended						
	30.09.2020	%	30.09.2019 Restated	%	Change	%	% ch. net FX
Retail	142,652	42.5%	170,973	39.9%	(28,321)	-16.6%	-15.6%
Manufacturing	81,461	24.3%	89,070	20.8%	(7,609)	-8.5%	-8.1%
Transportation & Logistics	38,530	11.5%	58,264	13.6%	(19,734)	-33.9%	-33.6%
Healthcare	11,679	3.5%	13,174	3.1%	(1,495)	-11.3%	-11.3%
Channel	61,580	18.3%	97,082	22.7%	(35,502)	-36.6%	-36.4%
Total Revenues	**335,902**	**100%**	**428,563**	**100.0%**	**(92,661)**	**-21.6%**	**-21.1%**

- **Retail**

  The Retail segment recorded an overall decrease of 16.6% compared to the same period of last year, with a stronger slowdown in EMEAI and the Americas (both -17.4%) lower in APAC (-7.1%). The segment was penalised by the conclusion of roll-outs in the fixed retail scanner segment of some Retail chains, which began in 2018 and was progressively completed in 2019 and the reduction in volumes caused by the Covid-19 scenario*,* that have impacted the business through channel and the development of new customers in EMEAI and the United States, respectively.

- **Manufacturing**

  The Manufacturing segment experienced a smaller decrease compared to the other sectors, equal to 8.5% compared to 30 September 2019. The performance in 2020 was driven by double-digit growth in APAC, especially in the second and third quarters of the year in the consumer electronics segment, which offsets the ongoing negative trend in the Americas and EMEAI, where the slowdown in the automotive and packaging sectors persist, although in the third quarter of 2020 signs of recovery were recorded in both markets.

- **Transportation & Logistics**

  The Transportation & Logistics sector reported a decrease of 33.9%, compared to the same period of 2019, with a negative performance, especially in North America, which reflects the unfavourable comparison with the first nine months of 2019, following the completion of long-term projects. However, the second and third quarters of the year showed signs of recovery both in EMEAI and in APAC.

- **Healthcare**

  The Healthcare sector recorded an overall decrease of 11.3%, particularly in EMEAI (-12.5%), and in the Americas (-11.9%). The performance of the APAC area was substantially stable.

- **Channel**

  Sales through the distribution channel to small and medium-sized customers decreased by 36.6% compared to the same period of 2019, with a decline in all geographical areas, mainly due to the slowdown in the activities of the second quarter due to Covid-19. During the third quarter of the year there was an improvement in the trend both in EMEAI and in the Americas, albeit still negative compared to the previous year.

INFORMATICS DIVISION

In the first nine months of 2020, the **Informatics Division** recorded a turnover of €12.1 million (€13.7 million in the same period of 2019) down 11.9% compared to the same period of last year. Adjusted EBITDA in the division achieved balance, down by €0.7 million compared to the same period of 2019, following the reduction in volumes which affected the US market, especially in the segment of small and medium-sized companies.

QUARTERLY PERFORMANCE

	3Q 2020	*% on Revenues*	3Q 2019 Restated	*% on Revenues*	Change	% change	% ch. net FX
Revenues	**116,637**	*100.0%*	**149,990**	*100.0%*	**(33,353)**	-22.2%	-19.8%
Adjusted EBITDA	**18,840**	*16.2%*	**25,316**	*16.9%*	**(6,476)**	-25.6%	-23.8%
Operating result (EBIT)	**7,860**	*6.7%*	**17,843**	*11.9%*	**(9,983)**	-55.9%	-53.8%
Net Profit/(Loss) for the period	**4,573**	*3.9%*	**14,427**	*9.6%*	**(9,854)**	-68.3%	-68.3%

In the third quarter of 2020, **revenues** decreased by 22.2% compared to 30 September 2019, reaching €116.6 million (€150.0 million as at 30 September 2019) as a result of the persistence of the negative economic situation caused by the spread of Covid-19, especially in the USA, where the reversal of the trend recorded in Asia and Europe was not yet reflected on the performance of the third quarter.

Despite the significant reduction in turnover, the **Adjusted EBITDA** stood at €18.8 million, with an **Adjusted EBITDA margin** of 16.2%, substantially in line with the same period of the previous year, when it was 16.9%. Thanks to the cost control and reduction plan implemented by Management to deal with the negative economic situation caused by Covid, there was a significant recovery in gross operating margins compared to the second quarter of 2020, totalling 6.2 percentage points.

Net profit for the quarter amounted to €4.6 million, an improvement compared to the result achieved in the first two quarters of the year, albeit down compared to the third quarter of 2019.

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SIGNIFICANT EVENTS DURING THE PERIOD

COVID-19 UPDATE

As previously highlighted, 2020 was characterised by the spread of the Covid-19 pandemic, which severely influenced global macroeconomic performance and, also due to the restrictive measures adopted by the various governments, resulted in a contraction in demand in all the main geographic areas.

The healthcare emergency has not yet been resolved globally. At present, there is a second wave of the pandemic in various areas of the world, especially in Europe and the United States. Therefore, the context is still highly uncertain with reference to future possible developments of the pandemic, as well as to the effects on the economic system.

Since the beginning of the health emergency, the Group adopted the necessary measures to minimise the risk of contagion in order to safeguard safety of its employees, such as remote working, applying social distancing measures, adopting individual protective equipment and sanitation procedures for facilities, while ensuring business continuity and complying with the extraordinary legal measures imposed in the different jurisdictions.

The effects of the pandemic on the Group's performance became evident already in the first quarter and worsened in the second and third quarters in Europe and the United States respectively, which represent the Group's main markets, due to the restrictive measures imposed. In order to deal with this situation, as early as March, the Group adopted an action plan aimed at mitigating, as far as possible, the impact of the crisis and the consequent reduction in sales on results and equity and financial soundness, including the use of social safety nets and other forms of support for workers in the countries in which it operates.

Within the management of emergency, the measures initially adopted were reflected in a careful cost reduction plan which began to produce its first effects towards the end of the first half of the year, while limiting the impact of production inefficiencies linked to discontinuity of business and lower volumes; operating costs were reduced, as well as discretionary investments were postponed, without compromising those in R&D and strategic activities.

Taking account of the above-mentioned uncertain scenario, in drawing up this Interim Report, the Directors updated estimates to evaluate assets and liabilities in the financial statements, in order to reflect any possible impact from the Codiv-19 pandemic. Given the current uncertain context, the results achieved may differ from those reported.

With reference to potential liquidity risks, the Directors have highlighted that the Group continues to show a solid equity and financial structure, thanks to current liquidity reserves and credit lines that are available and still unused.

OTHER EVENTS DURING THE PERIOD

In the first part of 2020, a reorganisation of the sales structure was launched in order to ensure oversight of the different types of end-user and partner customers along with the country's geographic location.

In March 2020, the Group subscribed an agreement for additional credit lines, totalling €100 million, still unused at the date of this report, aimed at supporting growth and investments.

On 27 May 2020, the Group finalised an investment in AWM Smart Shelf Inc., a company with registered office in California, specialised in artificial intelligence and computer vision, which operates in the Retail sector (both food and non-food) with self-checkout solutions (AWM Frictionless™), Automated Inventory Intelligence (Aii®), collection of demographic data and monitoring of the consumer behaviour, as well as the Retail Analytics Engine (RAE) software for in-store analysis and reporting.

On 4 June 2020, the Shareholders' Meeting resolved to distribute an ordinary unit dividend, gross of legal withholdings, of 30 cents per share, for an overall amount of €17.0 million.

On 24 July 2020, a majority stake equivalent to 85% of the share capital of the investee Solution Net Systems Inc., a non-core division of the Group, was sold to Architect Equity, an American investment fund. The investee is specialised in supplying and installing integrated solutions for the postal segment and distribution centres in the Retail sector. Simultaneously with the sale, an exclusive commercial agreement was signed with the company for the supply of Datalogic products, for the three-year period 2020-2023.

SUBSEQUENT EVENTS

Nothing to report.

BUSINESS OUTLOOK

Encouraging signs of recovery are emerging in most geographies with a positive trend in the orders' intake in all areas. After the recovery in Asia which began already in the first half of the year, in the third quarter the European markets and partially the Americans experienced a reversal of the negative trend in most segments, although the Q3 financial performance does not yet reflect this ongoing improvement. In particular, the signs of recovery are seen in the more traditional segments and geographies for the Group. The reduced mobility induced by lockdowns has in fact made more difficult to develop new customers, particularly in the United States. These dynamics have accentuated the suffering of the Group's North American businesses compared to those in Europe and Asia.

The current economic situation led to the acceleration of some Group's reorganization processes with a particular focus on optimizing the sales structure and footprint. During the second and third quarter, the Group implemented cost reduction actions that made possible to flex a large part of fixed costs, reducing them proportionally to the decrease in turnover. Important projects for the rationalization of the locations have been launched and will continue in 2021. The measures taken have enabled the Group to return to profitability in the two central quarters of the year despite the drop in turnover.

In this unprecedented context, Datalogic, thanks to its sound capital structure has demonstrated its ability to promptly react to the changed scenario, not only by adopting measures aimed at protecting both business and profit, but continuing to invest for growth, focusing on innovation in its offer of products and services, in line with emerging market trends.

During the month of October, the worsening of the pandemic crisis brought new lockdown processes in many countries with possible negative consequences for the Group's reference markets. The impact of this possible slowdown in business to date cannot be estimated.

Despite the high degrees of uncertainty and in the absence of serious impacts resulting from the second pandemic wave, in the fourth quarter Datalogic expects a slight mitigation of the decline in turnover compared to previous quarters keeping margins substantially in line with the first nine months of 2020.

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Appointment Investor Relations Manager

The Board of Directors has also appointed Laura Bernardelli as Investor Relations Manager of the Company. Laura Bernardelli already holds the position of Group CFO and manager responsible for the preparation of the corporate accounting documents of Datalogic. Laura Bernadelli will continue to be supported in the investor relations activity by the advisor CDR Communication Srl, Vincenza Colucci.

Adherence to the new corporate governance code

The Board of Directors of Datalogic also approved the adoption of the new Corporate Governance Code approved by the Corporate Governance Committee and published on January 31, 2020. Datalogic will adopt the new Corporate Governance Code as of 1 January 2021 and will inform the market about its application in the report on corporate governance to be published in 2022.

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Interim Financial Report as at 30 September 2020 of Datalogic S.p.A. will be available to anyone who requests it from the company headquarters, Borsa Italiana S.p.A. (www.borsaitaliana.it), and the “eMarket STORAGE” authorised storage mechanism, managed by Spafid Connect S.p.A., and may be viewed on the company’s website, www.datalogic.com (Investor Relations section), in accordance with the terms set out by law.

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The manager responsible for preparing the company's financial reports - Laura Bernardelli - declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Finance Act, that the accounting information contained in the press release corresponds to the document results, books and accounting records.

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Moreover, note that this press release contains forward-looking statements regarding the Group's intentions, beliefs or current expectations in relation to the financial results and other aspects of the Group's operations and strategies. Readers of this press release should not place undue reliance on these forward-looking statements, as final results may differ significantly from those contained in the forecasts above owing to a number of factors, most of which are beyond the Group's control.

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Datalogic Group

Datalogic is a global leader in the automatic data capture and process automation markets, specializing in the design and production of bar code readers, mobile computers, sensors for detection, measurement and safety, RFID vision, and laser marking systems. Datalogic solutions help increase the efficiency and quality of processes in the retail, manufacturing, transportation and logistics, and healthcare industries along the entire value chain.

The world's leading players in these industries use Datalogic products, certain of the attention to the customer and of the quality of the products that the Group has been offering for 47 years.

Today Datalogic Group, headquartered in Bologna (Italy), employs approximately 3,074 staff worldwide, distributed in 30 countries, with manufacturing and repair facilities in the U.S.A, Brazil, Italy, Slovakia, Hungary, Vietnam. In 2019, Datalogic had a turnover of 612.5 million Euros and invested over 62 million Euros in research and development, with an asset of more than 1,200 patents in multiple jurisdictions.

Datalogic S.p.A. is listed in the STAR segment of the Italian Stock Exchange since 2001 as DAL.MI. Find more information about Datalogic at www.datalogic.com.

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RECLASSIFIED INCOME STATEMENT AS AT 30 SEPTEMBER 2020 (1)

	Nine months ended					
	30.09.2020		30.09.2019 Restated		Change	% change
Revenues	**347,051**	**100.0%**	**441,409**	**100.0%**	**(94,358)**	**-21.4%**
Cost of goods sold	(186,994)	-53.9%	(221,365)	-50.1%	34,371	-15.5%
Gross Operating Margin	**160,057**	**46.1%**	**220,044**	**49.9%**	**(59,987)**	**-27.3%**
Research and Development expenses	(41,228)	-11.9%	(47,105)	-10.7%	5,877	-12.5%
Distribution expenses	(71,182)	-20.5%	(89,143)	-20.2%	17,961	-20.1%
General and administrative expenses	(30,189)	-8.7%	(32,488)	-7.4%	2,299	-7.1%
Other (expenses)/income	1,881	0.5%	3,784	0.9%	(1,903)	-50.3%
Total Operating and other costs	**(140,718)**	**-40.5%**	**(164,952)**	**-37.4%**	**24,234**	**-14.7%**
Non-recurring costs/revenues	(7,675)	-2.2%	(1,510)	-0.3%	(6,165)	408.3%
Amortisation from acquisitions	(3,470)	-1.0%	(3,631)	-0.8%	161	-4.4%
Operating result (EBIT)	**8,194**	**2.4%**	**49,951**	**11.3%**	**(41,757)**	**-83.6%**
Financial Income/(Expenses)	(1,622)	-0.5%	(1,487)	-0.3%	(135)	9.1%
Foreign exchange gains/(losses)	(4,361)	-1.3%	1,565	0.4%	(5,926)	n.a.
Profit/(Loss) before taxes (EBT)	**2,211**	**0.6%**	**50,029**	**11.3%**	**(47,818)**	**-95.6%**
Taxes	2,176	0.6%	(11,315)	-2.6%	13,491	n.a.
Net Profit/(Loss) for the period from continuing operations	**4,387**	1.3%	**38,714**	8.8%	(34,327)	-88.7%
Net Profit/(loss) for the period from discontinued operations	**173**	**0.0%**	**964**	**0.2%**	**(791)**	**-82.1%**
Net Profit/(Loss) for the period	**4,560**	**1.3%**	**39,678**	**9.0%**	**(35,118)**	**-88.5%**
Non-recurring costs/revenues	(7,675)	-2.2%	(1,510)	-0.3%	(6,165)	408.3%
Depreciation of tangible assets	(13,228)	-3.8%	(12,178)	-2.8%	(1,050)	8.6%
Amortisation of intangible assets	(8,108)	-2.3%	(7,496)	-1.7%	(612)	8.2%
Adjusted EBITDA	**37,205**	**10.7%**	**71,135**	**16.1%**	**(33,930)**	**-47.7%**

(1) Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): a performance indicator not defined under IFRS but used by management to monitor and assess the company's operating performance, as it is not influenced by volatility due to the different criteria for determining taxable income, the amount and characteristics of the capital employed, as well as by the related depreciation and amortisation policies. This indicator is defined by Datalogic as Profit/loss for the period before depreciation/amortisation of tangible and intangible assets, non-recurring costs, financial income and expenses and income taxes.

RECLASSIFIED BALANCE SHEET AS AT 30 SETTEMBRE 2020 (2)

	30.09.2020	31.12.2019	Change	Ch. %
Intangible assets	56,592	50,471	6,121	12.1%
Goodwill	179,057	186,126	(7,069)	-3.8%
Tangible assets	105,269	99,355	5,914	6.0%
Financial assets and investments in associates	8,917	10,241	(1,324)	-12.9%
Other non-current assets	45,608	44,906	702	1.6%
Total Fixed Assets	**395,443**	**391,099**	**4,344**	**1.1%**
Trade receivables	64,563	78,203	(13,640)	-17.4%
Trade payables	(59,734)	(106,029)	46,295	-43.7%
Inventories	83,773	102,921	(19,148)	-18.6%
Net Trade Working Capital	**88,602**	**75,095**	**13,507**	**18.0%**
Other current assets	45,567	49,345	(3,778)	-7.7%
Other current liabilities and current Provisions for risks	(72,346)	(78,218)	5,872	-7.5%
Net Working Capital	**61,823**	**46,222**	**15,601**	**33.8%**
Other non-current liabilities	(34,038)	(34,571)	533	-1.5%
Post-employment benefits	(6,858)	(7,026)	168	-2.4%
Non-current Provisions for risks	(4,451)	(4,916)	465	-9.5%
Net Invested Capital	**411,919**	**390,808**	**21,111**	**5.4%**
Shareholders' Equity	**(372,048)**	**(404,171)**	**32,123**	**-7.9%**
Net financial position (NFP)	**(39,871)**	**13,363**	**(53,234)**	**-398.4%**

(2) The reclassified balance sheet shows aggregations used by management to assess the Group's financial performance. These measures are generally adopted in the practice of financial reporting, immediately referable to the accounting data of the primary financial statements, however they are not identified as accounting measures under IFRS.

NET FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 [3]

	30.09.2020	**31.12.2019**	**30.09.2019**
A. Cash and bank deposits	83,556	151,829	132,641
B. Other cash equivalents	12	12	13
b1. restricted cash	*12*	*12*	*13*
C. Securities held for trading	-	-	-
D. Cash and cash equivalents (A) + (B) + (C)	**83,568**	**151,841**	**132,654**
E. Current financial receivables	**21,859**	**31,200**	**41,117**
e1. other current financial receivables	*19,724*	*31,200*	*41,117*
e2. financial receivables	*2,135*		
F. Bank overdrafts	35	221	468
G. Current portion of non-current debt	26,860	47,421	48,911
H. Other current financial liabilities	6,982	6,457	4,624
h2. lease payables	*5,587*	*4,589*	*4,624*
h3. current financial liabilities	*1,395*	*1,868*	-
I. Current financial debt (F) + (G) + (H)	**33,877**	**54,099**	**54,003**
J. Current financial debt (I) - (E) - (D)	**(71,550)**	**(128,942)**	**(119,768)**
K. Non-current bank borrowing	107,017	110,106	133,833
L. Bonds	-	-	-
M. Other non-current liabilities	4,404	5,472	5,418
m2. lease payables	*4,404*	*5,472*	*5,418*
N. Non-current financial debt (K) + (L) + (M)	**111,421**	**115,578**	**139,251**
O. Net financial debt (J) + (N)	**39,871**	**(13,364)**	**19,483**

(3) NFP (Net Financial Position) or Net Financial Debt: this indicator is calculated in accordance with Consob Communication no. 15519 of 28 July 2006, also including “Other financial assets” represented by temporary investments of liquidity and financial liabilities for operating leases following the application of the new IFRS 16 accounting standard.

RECONCILIATION OF ALTERNATIVE PERFORMANCE INDICATORS (NON-GAAP MEASURES)

The table below shows the reconciliation between EBITDA and Adjusted EBITDA as at 30 September 2020 compared with 30 September 2019.

	30.09.2020		30.09.2019 Restated		Change	Change %
EBITDA Adjusted	**37,205**	**10.72%**	**71,135**	**16.12%**	**(33,930)**	**-47.70%**
Cost of goods sold	1,855	0.53%	373	0.08%	1,482	397%
Research and Development expenses	102	0.03%		0.00%	102	
Distribution expenses	3,297	0.95%	620	0.14%	2,677	432%
General and administrative expenses	2,323	0.67%	517	0.12%	1,806	349%
Other (income) expenses	98	0.03%		0.00%	98	
Total	**7,675**	**2.21%**	**1,510**	**0.34%**	**6,165**	**408%**
EBITDA	**29,530**	**8.51%**	**69,625**	**15.77%**	**(40,095)**	**-71.50%**

Non-recurring costs and revenues refer to income and charges recognised and incurred mainly as a result of corporate and functional reorganisations that began in 2019, in addition to costs relating to the COVID-19 emergency management. The latter mainly concern higher procurement and distribution costs in the lockdown phase, as well as the costs of sanitising and purchasing workplace safety equipment, penalties for cancelling trade fairs and events as well as internal staff costs for managing the emergency. The details of non-recurring revenues and costs are shown below.

	30.09.2020	30.09.2019 Restated	Change
Covid-19	**2,702**		**2,702**
Reorganisation	**3,888**	**1,175**	**2,713**
Other	**1,086**	**330**	**756**
Totale	**7,675**	**1,505**	**6,170**

RESTATEMENT OF SEGMENT DISCLOSURE

As required by the international accounting standards regarding segment disclosure, in the event of business sector reorganisations, the comparative periods are restated to allow for a standardised comparison. The “restated” results of the first nine months of 2019 following the reorganisation of the commercial function launched in 2020 are provided below, in which some procedures for allocating revenues to geographic areas and business sectors aimed at ensuring coverage for the various types of end-user and partner customers alongside the geographic country were partially redefined.

REVENUES BY GEOGRAPHIC AREA

	30.09.2019 Reported (*)	*Restatement*	30.09.2019 Restated
Italy	*37,945*	*(770)*	*37,175*
EMEAI (excluding Italy)	*195,465*	*403*	*195,868*
Total EMEAI	233,410	(367)	233,043
Americas	155,577	(94)	155,483
APAC	52,422	462	52,884
Total Revenues	**441,409**		**441,409**

(*) The 2019 comparison data were restated following the classification of the investee Solution Net Systems as discontinued operation.

REVENUES BY BUSINESS SECTORS

	30.09.2019 Reported	*Restatement*	30.09.2019 Restated
Retail	196,697	25,724	170,973
Manufacturing	118,116	29,046	89,070
Transportation & Logistics	58,290	26	58,264
Healthcare	15,000	1,826	13,174
Channel	40,460	(56,622)	97,082
Total Revenues	**428,563**		**428,563**

As part of the reorganisation of the commercial function, the criteria for allocating revenues were partially modified, allocating sales to end users of ‘partner’ customers, previously classified in the industries, to the ‘Channel’ sector based on a criterion of preponderance of turnover as communicated by the distribution network. This category includes revenues not directly attributable to the other identified segments.

The new approach allows an even more accurate measurement of the performance of the individual sectors, to which only revenues relating to direct sales made to end users are attributed, based on the segment to which they belong. The rationale for the change in approach is guided by the desire to make the measurement of market trends in the individual sectors increasingly accurate and precise, in order to strengthen the effectiveness and timeliness of strategic go-to-market decisions.