PRESS RELEASE

DATALOGIC (Star: DAL)

BOARD OF DIRECTORS APPROVES THE CONSOLIDATED INTERIM REPORT AT 31 MARCH 2020

- **Revenues at €124.2 million (-14.2% YoY)**
- **Gross Operating Margin at €58.0 million (-17.4% YoY); 46.7% on revenues**
- **Adjusted EBITDA at €7.3 million; Adjusted EBITDA margin at 5.9%**
- **Negative result at €4.3 million**
- **Net Financial Debt equal to €21.0 million**

Bologna, 14 May 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 organized and managed by Borsa Italiana S.p.A. ("Datalogic") and global leader in the automatic data capture and process automation markets, has approved today its Consolidated Interim Report at 31 March 2020.

The results of the first quarter reflect the significant impact of the COVID-19 pandemic, which has progressively hit the countries where the Group operates, starting with APAC to spread in Europe from mid-February and finally to the American market. The results were also affected by an unfavorable comparison basis, especially in North America, where the completion of important multi-annual contracts penalized the T&L sector. In Europe, the completion of important roll outs led to a negative trend in the Retail sector. Compared with the previous year, lower volumes have therefore penalized the Group's margins. The quarterly net results were further affected by the unfavorable trend of exchange rate differences and the negative fair value reported on cash equivalents' investments. Albeit within this negative, complex and unprecedented scenario, the Group's financial soundness permitted us to increase investments in product development, which is the strategic driver for growth.

Ms. Valentina Volta, Datalogic Group's CEO, commented: *"The significant drop in revenues, recorded in the first quarter, generated mainly by the lockdown in March, is mainly due to the unprecedented crisis generated by the covid-19 pandemic. This pandemic affected sales trends in the Asian region, mainly due to the lockdown in China and therefore in our supply chain, with delayed deliveries of components that, for over 60%, come from Asia. Since the beginning of the spread of the covid-19 emergency, the company has promptly adopted a series of actions and operational measures in all its offices around the world aimed at mitigating the consequences of this scenario, guaranteeing job safety conditions. Our priority has been to protect the health of our employees, while ensuring continuity of production in complete safety. The drop in sales in Europe and the United States is due not only to supply chain problems, but also to the completion of fixed retail scanner roll-out projects in the Retail sector and of parcel sorting projects in Transportation & Logistics.*

Despite the downturn in sales, the Group has continued in implementing its investment plan in R&D, which is necessary for the Group's sustainability and competitiveness through distribution cost saving.
With the United States and the other European countries still under lockdown, we expect the Covid-19 pandemic to have the greatest impact on the Group's results in the second quarter. We trust that the quality of our product offer and the appreciation of it by our customers, who cannot be reached right now because of the pandemic, will permit our Group to maintain its market position substantially unchanged within a post-Covid-19 scenario."

	Quarter ended						
	31.03.2020	*% on Revenues*	**31.03.2019**	*% on Revenues*	**Change**	% Change	**% ch. net FX**
Revenues	**124,168**	*100.0%*	**144,647**	*100.0%*	**(20,479)**	-14.2%	-15.0%
EBITDA (Adjusted EBITDA)	**7,330**	*5.9%*	**21,647**	*15.0%*	**(14,317)**	-66.1%	-63.4%
Operating result (EBIT)	**(1,197)**	*-1.0%*	**14,822**	*10.2%*	**(16,019)**	n.a.	n.a.
Profit/(loss) for the period	**(4,265)**	*-3.4%*	**12,567**	*8.7%*	**(16,832)**	n.a.	n.a.
Net financial position (NFP)	**(21,004)**		**(3,925)**		**(17,079)**		

Consolidated revenues were €124.2 million, down by 14.2% compared to €144.7 million in the same period of the previous year.

Gross Operating Margin was €58.0 million, down by 17.4% from €70.2 million reported in the first quarter of the previous year. As a percentage of revenues, it decreased by 1.8 percentage points compared to the same period in 2019, going from 48.5% in the first quarter of 2019 to 46.7% in the first quarter of 2020. Net of exchange rate effect, the impact of Gross Operating Margin on revenues decreased by 1.3 percentage points, compared to the same period in the previous year, mainly due to volumes decrease and to some extent to price effects.

Operating expenses and others, were €56.7 million, increased by 5.2% compared to €53.9 million in the same period of 2019 and by 8.4 as a percentage of turnover, from 37.3% to 45.7%, mainly due to investments in R&D and lower volumes.

A 18.3% increase in **Research and Development expenses**, which amounted at €16.9 million, (13.6% on revenues) compared to 9.9% reported in the first quarter of 2019 (€14.3 million).
In the first quarter of 2020, Research and Development spending, including investments, increased from €14.0 million to €18.8 million. The percentage of turnover is around 15.1%, compared to 9.7% reported in the first quarter of 2019, with an increase of 5.4 percentage points.

Distribution expenses, equal to €28.8 million, resulted slightly lower than the previous period (€29.1 million in the first quarter of 2019), with a percentage of 23.2% on revenues, compared to 20.1% recorded in 2019. Net of the one off effect of the first quarter of 2019 for the bad debt release on a project of Solution Net Systems Inc. division resolved positively for €1.8 million, distribution expenses decrease in the first quarter of 2020 by 6.8% thanks to efficiencies gained in APAC, EMEAI and marketing.

Adjusted EBITDA was €7.3 million (€21.6 million in the first quarter of 2019) and showed 9.1% decrease as percentage on revenue (8.5% decrease at constant exchange rate), equal to 5.9% compared to 15.0% recorded in the first quarter of 2019. Margin trend recorded over the period reflected the decrease in volumes and the price effects, mainly due to the Covid-19 scenario, as well as the increase in R&D investments, deemed strategic for the Group growth in the medium-long term.

EBIT is negative at €1.2 million, compared to positive €14.8 million reported in the same period of the previous year, primarily due to the effects of the Covid-19 scenario.

Net Financial Income/(Expenses), negative by €5.3 million, worsened by €6.6 million, mainly due to the unfavourable performance of foreign exchange differences, negative by €3.0 million (positive by €1.5 million as at 31 March 2019) and to the negative fair value of cash equivalents investments (€-1.6 million in the first quarter 2020, compared to positive €0.7 million reported in the same quarter of 2019) driven by the downturn of financial markets at quarter end.

Net loss amounted to €4.3 million (profit of €12.6 million as at 31 March 2019).

As at 31 March 2020, **Net Trade Working Capital** was €93.1 million (15.7% of revenues), increasing by €18.0 million compared to 31 December 2019 (equal to €75.1 million), following the lower commercial exposure to suppliers due to costs and volumes reduction.

Net Invested Capital, reached €421.6 million (€390.8 million as at 31 December 2019), increased by €30.8 million compared to the previous year, of which €6.1 million due to exchange rate effect. The increase is due to net working capital, in the amount of €19.8 million, as well as to fixed assets, amounting to €10.5 million (of which €5.4 million due to exchange rate effect), following investments in R&D and in production facilities.

As at 31 March 2020, the **Net Financial Position** was negative for €21.0 million, with a decrease of respectively €17.1 million compared to 31 March 2019 (negative by €3.9 million) and €34.4 million compared to 31 December 2019.

Negative **Free cash flow** of €27.0 million in the first quarter of 2020 (negative by €12.0 million in the same period of 2019), due to cash absorption of operations within the Covid scenario and higher investments in R&D, strategic for the medium-term growth of the Group. Net financial negative by €3.2 million, reported a worsening, compared to the first quarter of 2019, due to the unfavourable performance of exchange rates and fair value of cash equivalents investments. They were however offset by a lower cash absorption of other operating assets and liabilities.

PERFORMANCE BY GEOGRAPHIC AREA

The following table shows the breakdown by **geographical area** of Group revenues achieved in the first quarter of 2020, compared with the same period of the previous year:

	Quarter ended						
	31.03.2020	**% Change**	**31.03.2019 (Restated)[1]**	**% Change**	**Change**	**% Change**	**% ch. net FX**
Italy	*11,750*	*9.5%*	*11,353*	*7.8%*	*397*	*3.5%*	*3.5%*
EMEAI (excluding Italy)	*59,493*	*47.9%*	*72,304*	*50.0%*	*(12,811)*	*-17.7%*	*-18.0%*
Total EMEAI	71,243	57.4%	83,657	57.8%	(12,414)	-14.8%	-15.1%
Americas	39,781	32.0%	46,100	31.9%	(6,318)	-13.7%	-15.5%
APAC	13,143	10.6%	14,890	10.3%	(1,747)	-11.7%	-12.4%
Total Revenues	**124,168**	**100.0%**	**144,647**	**100.0%**	**(20,480)**	**-14.2%**	**-15.0%**

All reference geographical areas reported a decrease for the first quarter of 2020. EMEAI reported a drop of -14.8%, mitigated by +3.5% growth in Italy, -13.7% in the Americas and -11.7% in APAC. The trend of the period was affected by an expected weakness in the markets, which had already emerged at the end of 2019, when investment decisions were postponed and was affected by an unfavorable comparison with the same period of 2019 due to the roll-outs of fixed retail scanners in the main retail chains and the completion of important multi-year projects in the Transportation & Logistics segment. The restrictive measures adopted first in APAC and subsequently in Europe and North America further led to a more pronounced contraction in volumes, both due to the slowdown in the supply chain and to the demand of end customers and distributors.

PERFORMANCE BY DIVISION

	Quarter ended					
	31.03.2020	% on revenues	**31.03.2019**	% on revenues	**Change**	**%**
Datalogic	115,252	92.8%	135,647	93.8%	(20,395)	-15.0%
Solution Net Systems	5,522	4.4%	5,465	3.8%	57	1.0%
Informatics	4,187	3.4%	4,292	3.0%	(105)	-2.4%
Adjustments	(793)	-0.6%	(757)	(0.5%)	(36)	
Total Revenues	**124,168**	**100.0%**	**144,647**	**100.0%**	**(20,479)**	**-14.2%**

DATALOGIC DIVISION

In the first quarter of 2020, **Datalogic Division** reported a turnover of €115.3 million, down (-15.0%) compared to the same period of 2019, with a drop in all geographical areas, especially EMEAI and Americas.

Divisional Adjusted EBITDA amounted to €7.0 million, decreasing with respect to the same period of 2019, with an Adjusted EBITDA margin of 6.0% (15.3% as at 31 March 2019). Net of exchange rate effect, Adjusted EBITDA margin of the division was 6.6%.

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

[1] Comparison data as at 31 March 2019 were restated to reflect the new allocations of Group revenues to geographical areas and business segments, as they were redefined by the Management. Reference should be made to Annex 4 of Consolidated interim Report for more details.

	Quarter ended						
	31.03.2020	%	31.03.2019 (Restated)[2]	%	Change	%	% ch. net FX
Retail	47,273	41.0%	51,650	38.1%	(4,377)	-8.5%	-9.6%
Manufacturing	25,935	22.5%	28,544	21.0%	(2,609)	-9.1%	-9.7%
Transportation & Logistics	8,513	7.4%	14,085	10.4%	(5,571)	-39.6%	-40.2%
Healthcare	4,076	3.5%	4,951	3.6%	(875)	-17.7%	-18.9%
OEM	472	0.4%	224	0.2%	248	110.4%	104.2%
Channel	28,982	25.1%	36,194	26.7%	(7,212)	-19.9%	-20.1%
Total Revenues	**115,252**	**100%**	**135,647**	**100.0%**	**(20,395)**	**-15.0%**	**-15.8%**

- **Retail**

  The Retail sector decreased by 8.5% compared to the same period of the previous year, with a slowdown in APAC (-14.7%) and EMEAI (-18.3%) areas, the latter penalized by the conclusion of the roll outs in the fixed retail scanner segment of the main retail chains, mitigated by a double-digit growth recorded in the Americas (+14.2%).

- **Manufacturing**

  The Manufacturing sector decreased by 9.1%, compared to the same period of the previous year, due to the persistent economic slowdown in the automotive sector, especially in EMEAI and North America, while APAC remained substantially unchanged.

- **Transportation & Logistics**

  The Transportation & Logistics sector reported a decrease, equal to 39.6%, compared to the same period of 2019, driven by a negative performance in all geographical areas, especially North America, where an unfavorable comparison basis is recorded compared to the first quarter of 2019 following the conclusion of some multi-year projects.

- **Healthcare**

  The Healthcare sector recorded 17.7% decrease, compared to the same quarter of 2019, especially in EMEAI and APAC, albeit a slight growth was recorded in North America.

- **OEM**

  The OEM sector reported a very positive performance in all geographical areas, despite its still marginal contribution to Group revenues.

- **Channel**

  The sales through distribution channel to small and medium-sized customers reported a 19.9% decrease, compared to the same quarter of 2019.

SOLUTION NET SYSTEMS DIVISION

In the first quarter of 2020, the **Solution Net Systems Division** recorded revenues amounting to €5.5 million, in line with the same period of 2019. Adjusted EBITDA for the division amounted to €0.1 million, down compared to the same period of 2019, due to the different mix and the stage of completion of ongoing projects.

[2] Comparison data as at 31 March 2019 were restated to reflect the new allocations of Group revenues to geographical areas and business segments, as they were redefined by the Management. Reference should be made to Annex 4 of Consolidated interim Report for more details.

INFORMATICS DIVISION

In the first quarter of 2020, the **Informatics Division** recorded revenues of €4.2 million (€4.3 million in the same period of 2019). Adjusted EBITDA for the division was positive €0.2 million (up by €0.3 million compared to the same period of 2019), it improved thanks to the increased sales of services and shift to the new business model "Software as a Service".

SIGNIFICANT EVENTS DURING THE PERIOD

In the first quarter of 2020, a reorganization of the commercial structure was launched in order strengthen the end-users and partners' markets oversee in the respective geographies.

The first quarter of 2020, as previously outlined, was significantly affected by the spread of the Covid pandemic, for which the Group implemented all the necessary measures to protect the safety of its employees, through the activation of smart-working, sanitization of the work environments, the implementation of health and safety devices, to manage the business in the lockdown phase, as well as the phase of progressive restart, in the best possible way without interruption.

During the month of March 2020, the Group subscribed additional credit lines for an amount of €100 million, which has not been used at the date of this document, aimed at supporting the Group's growth and investments.

On 30 March 2020, the Company postponed from 30 April 2020 to 4 June 2020 the Shareholders' Meeting that will be called, inter alia, to examine the Financial Statements as at 31 December 2019, in view of the health emergency related to Covid-19 (Coronavirus) and the regulations issued by Decree Law no. 18 of 17 March 2020 (so-called Decree Law "Cura Italia").

The Board of Directors also confirmed that it will propose to the aforesaid Shareholders' Meeting the distribution of an ordinary unit dividend, gross of legal withholdings, equal to 30 Euro cents per share, for a maximum total amount of €17,533,947, with coupon detachment on 15 June 2020 (record date 16 June 2020) and payment as from 17 June 2020

SUBSEQUENT EVENTS

After the end of the quarter, the Covid-19 emergency continued and stricter measures were adopted by the various Government authorities. This led to an extension of the lockdown, in April and partly in May, in Europe and its gradual activation in the United States, the Group's main markets.

In response to this situation, the Company had adopted an action plan aimed at mitigating the impact of Covid-19 already in March, managing the emergency by focusing on the safety of its own resources first and foremost, but at the same time ensuring business continuity in order to protect the Group's economic and financial performance and equity soundness. These measures, which at the date of the hereby document are still partially being defined in light of recent regulatory developments, are and will be implemented through careful financial planning to be executed through cost and investment reduction plans not strictly necessary, as well as through the use of social safety nets.

OUTLOOK

Given the current uncertainty about the duration and intensity of the health and socio-economic emergency related to Covid-19, as well as the timing of a possible return to normal life, the Group deems that it is not yet possible to estimate the overall impact that this epidemic will have over the year.

The economic and financial performance recorded in the first quarter of 2020 reflects the impact of the spread, first in China and then in the rest of the world, of the pandemic and the resulting restrictive measures adopted by local Governments and implemented by the Datalogic Group to protect the health of its employees, and which, while designed to ensure business continuity, have nevertheless led to a reduction, even significant, in business activities.

To date, the elements underlying the development of forecasts for the year remain very uncertain. The evolution of the pandemic, the resolutions of the Authorities on the recovery of economic activities, which are still partially in lockdown today, as well as the reaction of the markets, in a context of recession that could emerge in several regions of the world, have resulted in negative growth forecasts for the first half of the year and potentially for the remainder of 2020.

Despite the expected short-term negative performance, the Group believes that, once the current emergency eases, the sound economic and financial fundamentals will lead Datalogic to grow again in the medium term.

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Finally, the Datalogic S.p.A. interim report on operations at 31 March 2020 is not subject to auditing, and is available in accordance with the law, at the company headquarters at Borsa Italiana S.p.A. (www.borsaitaliana.it), on the "eMarket STORAGE" instrument authorised by Consob and managed by Spafid Connect S.p.A., and may also be consulted on the company's website www.datalogic.com (Investor Relations section).

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

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This press release contains forward-looking statements about the Group's intentions, beliefs and current expectations with regard to its financial results and other aspects of the Group's operations and strategies. Readers of the present press release should not place undue reliance on such forward-looking statements, as final results may differ significantly from those contained in the above-mentioned forecasts owing to a number of factors, the majority of which are beyond the Group's control.

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Please note that the original version of this press release is in Italian and in case of doubts the Italian version prevails.

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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 OF 31 MARCH 2020 (1)

	Quarter ended					
	31.03.2020		31.03.2019		Change	% Change
Revenues	**124,168**	**100.0%**	**144,647**	**100.0%**	**(20,479)**	**-14.2%**
Cost of goods sold	(66,189)	-53.3%	(74,496)	-51.5%	8,307	-11.2%
Gross Operating Margin	**57,979**	**46.7%**	**70,151**	**48.5%**	**(12,172)**	**-17.4%**
Research and Development expenses	(16,927)	-13.6%	(14,304)	-9.9%	(2,623)	18.3%
Distribution expenses	(28,795)	-23.2%	(29,102)	-20.1%	307	-1.1%
General and Administrative expenses	(11,594)	-9.3%	(11,107)	-7.7%	(487)	4.4%
Other operating income/(expenses)	601	0.5%	580	0.4%	21	3.6%
Total Operating expenses and others	**(56,715)**	**-45.7%**	**(53,933)**	**-37.3%**	**(2,782)**	**5.2%**
Non-recurring costs/revenues and write-downs	(1,228)	-1.0%	(199)	-0.1%	(1,029)	517.1%
Amortisation and depreciation from acquisitions	(1,233)	-1.0%	(1,197)	-0.8%	(36)	3.0%
Operating result (EBIT)	**(1,197)**	**-1.0%**	**14,822**	**10.2%**	**(16,019)**	**n.a.**
Financial Income/(Expenses)	(2,269)	-1.8%	(215)	-0.1%	(2,054)	955.3%
Foreign exchange gains/(losses)	(3,023)	-2.4%	1,504	1.0%	(4,527)	n.a.
Profit/(Loss) before taxes (EBT)	**(6,489)**	**-5.2%**	**16,111**	**11.1%**	**(22,600)**	**n.a.**
Taxes	2,224	1.8%	(3,544)	-2.5%	5,768	n.a.
Profit/(loss) for the period	**(4,265)**	**-3.4%**	**12,567**	**8.7%**	**(16,832)**	**n.a.**
Non-recurring costs/revenues and write-downs	(1,228)	-1.0%	(199)	-0.1%	(1,029)	517.1%
Depreciation of tangible assets	(4,488)	-3.6%	(4,158)	-2.9%	(330)	7.9%
Amortisation of intangible assets	(2,811)	-2.3%	(2,468)	-1.7%	(343)	13.9%
Adjusted EBITDA	**7,330**	**5.9%**	**21,647**	**15.0%**	**(14,317)**	**-66.1%**

(1) Adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation): this indicator is defined as Profit/Loss for the period before depreciation and amortisation of tangible and intangible assets, financial income and expenses and income taxes, as well as of costs and revenues considered by the Management as non-recurring because they are significant in amount and type and, as such, do not reflect the Group's core business.

RECLASSIFIED BALANCE SHEET AS OF 31 MARCH 2020 (2)

	31.03.2020	31.12.2019	Change	% Change
Intangible assets	52,433	50,471	1,962	3.9%
Goodwill	190,557	186,126	4,431	2.4%
Tangible assets	102,223	99,355	2,868	2.9%
Financial assets and equity investments in associates	6,916	10,241	(3,325)	-32.5%
Other non-current assets	49,451	44,906	4,545	10.1%
Total Fixed Assets	**401,580**	**391,099**	**10,481**	**2.7%**
Trade receivables	74,363	78,203	(3,840)	-4.9%
Trade payables	(84,591)	(106,029)	21,438	-20.2%
Inventories	103,312	102,921	391	0.4%
Net Trade Working Capital	**93,084**	**75,095**	**17,989**	**24.0%**
Other current assets	50,553	49,345	1,208	2.4%
Other current liabilities and provisions for current risks	(77,571)	(78,219)	648	-0.8%
Net Working Capital	**66,066**	**46,221**	**19,845**	**42.9%**
Other non-current liabilities	(34,139)	(34,571)	432	-1.2%
Employee severance indemnity	(6,987)	(7,026)	39	-0.6%
Provisions for non-current risks	(4,923)	(4,916)	(7)	0.1%
Net Invested Capital	**421,597**	**390,807**	**30,790**	**7.9%**
Shareholders' Equity	**(400,593)**	**(404,171)**	**3,578**	**-0.9%**
Net financial position (NFP)	**(21,004)**	**13,364**	**(34,368)**	**-257.2%**

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

NET FINANCIAL POSITION AS OF 31 MARCH 2020 [3]

	31.03.2020	31.12.2019
A. Cash and bank deposits	121,948	151,829
B. Other cash equivalents	12	12
b1. restricted cash	*12*	*12*
C. Securities held for trading	-	-
c1. short-term	-	-
c2. long-term	-	-
D. Cash and cash equivalents (A) + (B) + (C)	**121,960**	**151,841**
E. Current financial receivables	**29,633**	**31,200**
e1. other current financial receivables	*29,633*	*31,200*
F. Bank overdrafts	205	221
G. Current portion of non-current debt	49,187	47,421
H. Other current financial liabilities	6,411	6,457
h1. hedging instruments	-	-
h2. leasing payables	*5,172*	*4,589*
h3. current financial liabilities	*1,239*	*1,868*
I. Current financial debt (F) + (G) + (H)	**55,803**	**54,099**
J. Current net financial debt/(Current net financial position) (I) - (E) - (D)	**(95,790)**	**(128,942)**
K. Non-current bank borrowing	110,025	110,106
L. Bonds	-	-
M. Other non-current liabilities	6,769	5,472
m1. hedging instruments	-	-
m2. leasing payables	*6,769*	*5,472*
m3. non-current financial liabilities	-	-
N. Non-current financial debt (K) + (L) + (M)	**116,794**	**115,578**
O. Net financial debt/(Net financial position) (J) + (N)	**21,004**	**(13,364)**

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

RECONCILIATION - ALTERNATIVE PERFORMANCE INDICATORS (NON-GAAP MEASURES)

The following table shows the reconciliation between EBITDA and Adjusted EBITDA as at 31 March 2020, compared with 31 March 2019.

	31.03.2020		31.03.2019		Change	% Change
Adjusted EBITDA	**7,330**	**5.9%**	**21,647**	**15.0%**	**(14,317)**	**-66.1%**
Cost of goods sold	379	0.3%	0	0.0%	379	n.a.
Research and development expenses	102	0.1%	0	0.0%	102	n.a.
Distribution expenses	405	0.3%	4	0.0%	401	n.a.
General and administrative expenses	342	0.3%	195	0.1%	147	75.4%
Other operating income/(expenses)	0	0.0%	0	0.0%	0	n.a.
Non-recurring costs/revenues	**1,228**	**1.0%**	**199**	**0.1%**	**1,029**	**517.1%**
EBITDA	**6,102**	**4.9%**	**21,448**	**14.8%**	**(15,346)**	**-71.5%**

Non-recurring costs and revenues refer to income and charges recognised and borne mainly due to corporate and functional reorganizations started in 2019, in addition to costs related to the Covid-19 emergency. The latter refer primarily to higher lockdown-related procurement and distribution costs, as well as costs of sanitation and purchase of workplace safety devices, penalties for cancellation of trade fairs and events and internal personnel costs for the handling of emergency.

RESTATEMENT OF SEGMENT DISCLOSURE

As envisaged by the International Accounting Standards regarding segment disclosure, in the case of reorganization of business segments, comparative periods are restated to allow for a uniform comparison. Below are the restated results for the first quarter of 2019 following the reorganization of the commercial function launched in 2020, in which some revenue allocation logics to geographical areas and business segments have been partially redefined with the aim of ensuring the supervision of the different types of end-user customers and partners alongside the geographical one of the Country.

REVENUES BY GEOGRAPHICAL AREA

	31.03.2019 Reported	Restatement	31.03.2019 Restated
Italy	*11,765*	*(412)*	*11,353*
EMEAI (excluding Italy)	*71,850*	*454*	*72,304*
Total EMEAI	83,615	*42*	*83,657*
Americas	46,272	*(172)*	*46,100*
APAC	14,760	*130*	*14,890*
Total Revenues	**144,647**	**-**	**144,647**

REVENUES BY BUSINESS SEGMENT

	31.03.2019 Reported	Restatement	31.03.2019 Restated
Retail	63,565	(11,915)	51,650
Manufacturing	38,885	(10,341)	28,544
Transportation & Logistics	14,744	(659)	14,085
Healthcare	5,427	(476)	4,951
OEM		224	224
Channel	13,026	23,168	36,194
Total Revenues	**135,647**	**-**	**135,647**

Within the reorganization of the commercial function, the revenue allocation criteria were partially modified, by re-allocating to the Channel segment a portion of the sales made to “partner” customers and previously classified under the industries according to a turnover prevalence criterion, as communicated by the distribution network. This category includes revenues not directly attributable to the other identified segments.

The new approach allows for an even more accurate measurement of the performance of individual segments, to which only revenues from direct sales to end customers are attributed according to the segment to which they belong. The rationale of the change in approach is based on the desire to make the measurement of market trends in individual sectors more accurate and timelier, in order to strengthen the effectiveness and timeliness of strategic go to market decisions.