



IT Conference

24 FEBRUARY 2021

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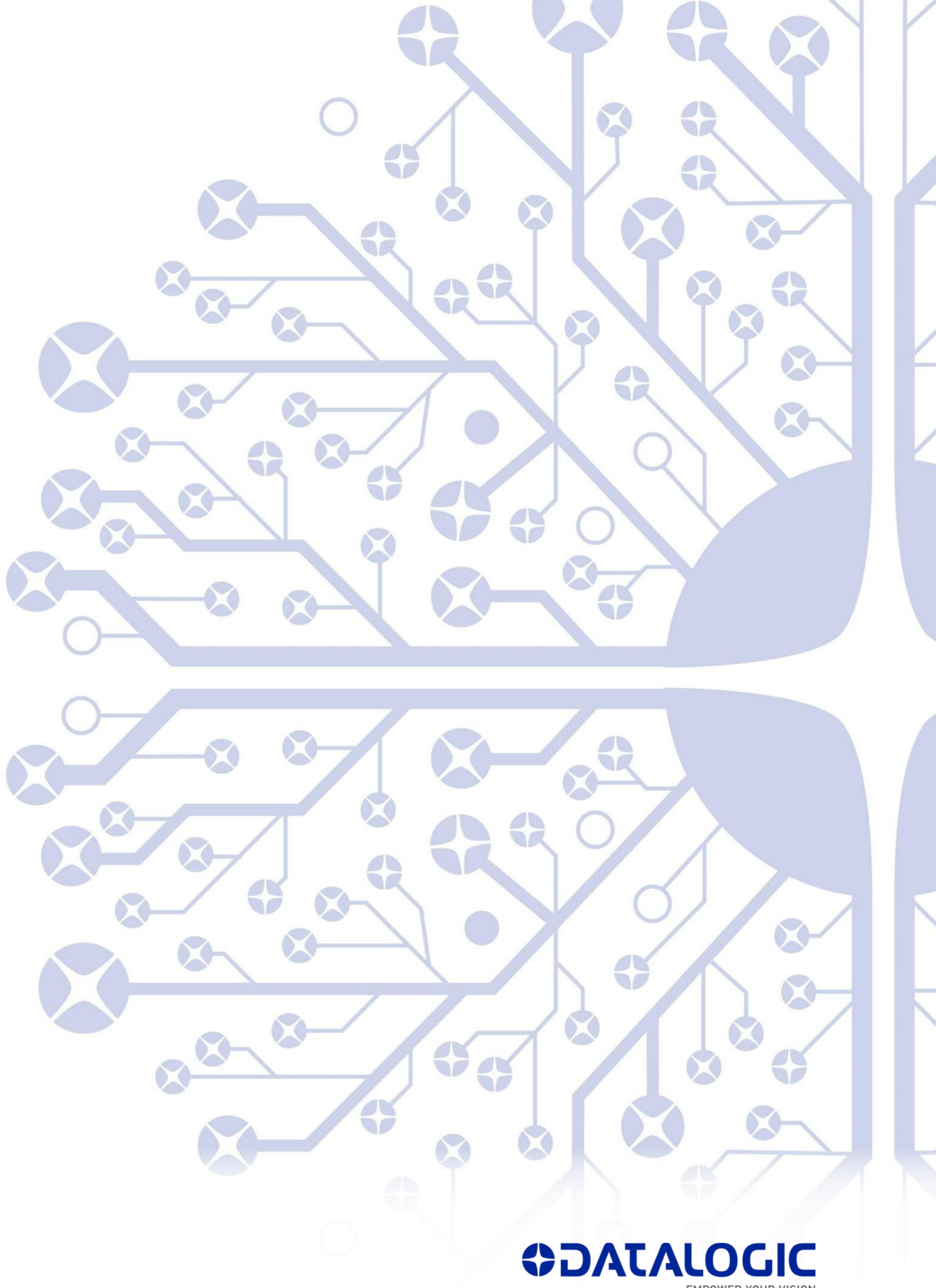
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Corporate Overview



Datalogic at a glance



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

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



1,200+ patents filed and more than 350 in approval



500 engineers in 11 R&D centers and 3 DL Labs in: Italy, USA, Vietnam, China, and Germany

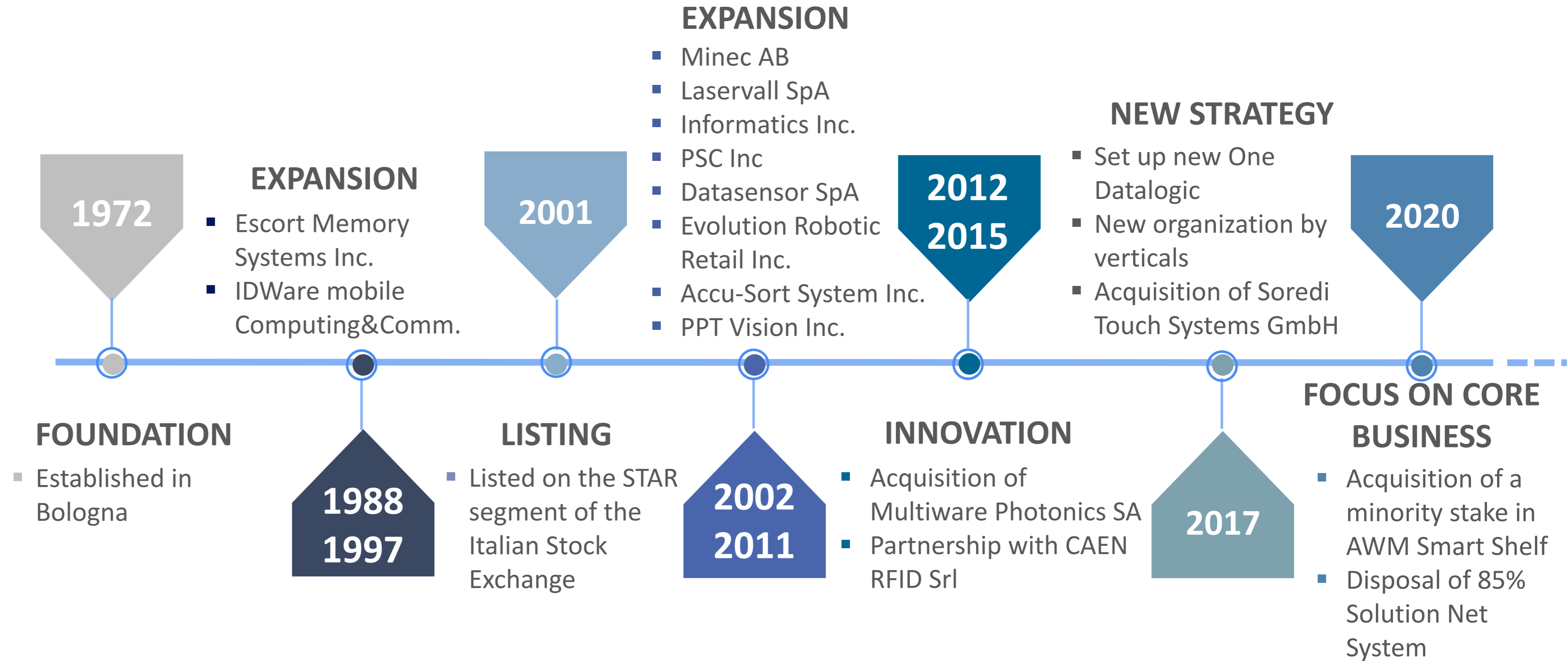


2,826 Employees in 28 countries:
18% Americas, 56% EMEA, 26% APAC



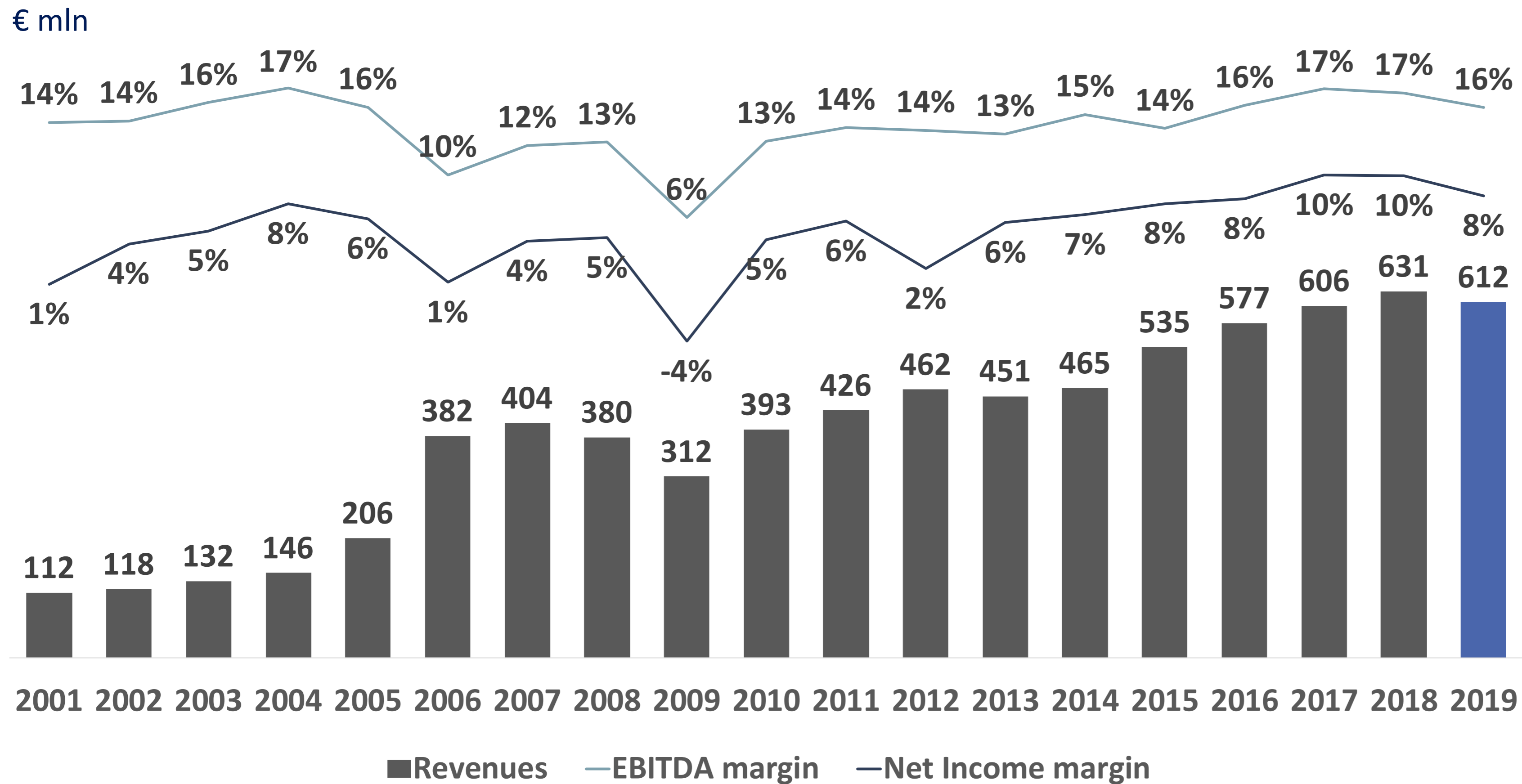
10 Manufacturing and Repair facilities in:
Italy, US, Brasil, Hungary, Slovakia, Vietnam and Australia

Over 45 years of Technological Innovation



Solid long-term growth

Sales CAGR 2001-2019 +10%



- A history of growth in profitability
- Strong improvements across key indicators reflecting investments in innovation, M&A and better efficiency and productivity
- Robust cash generation

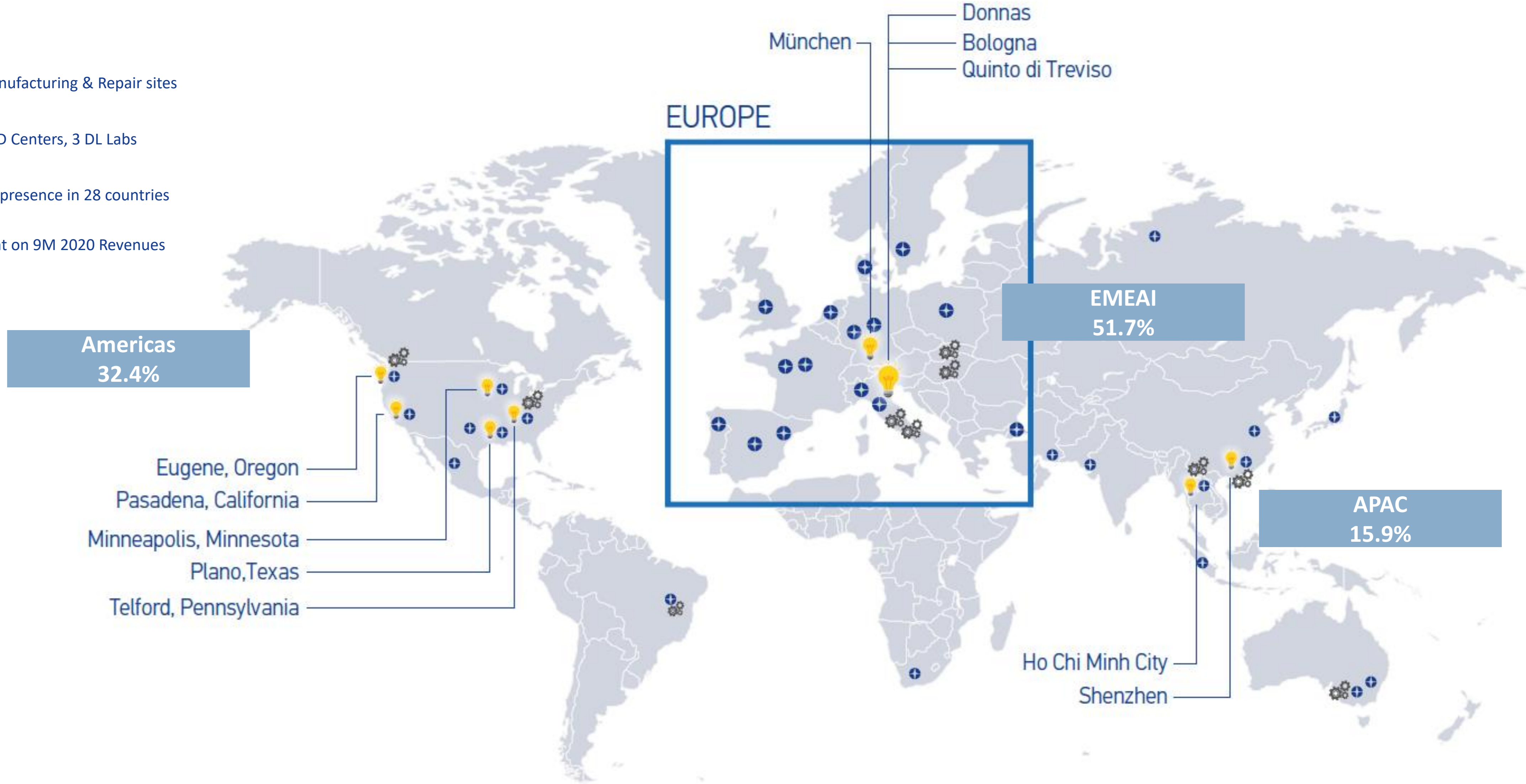
A Wide Geographical Footprint

 10 Manufacturing & Repair sites

 11 R&D Centers, 3 DL Labs

 Direct presence in 28 countries

 Percent on 9M 2020 Revenues



Data refer to YE 2020 except for revenue breakdown by Geographic area at 9M 2020

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

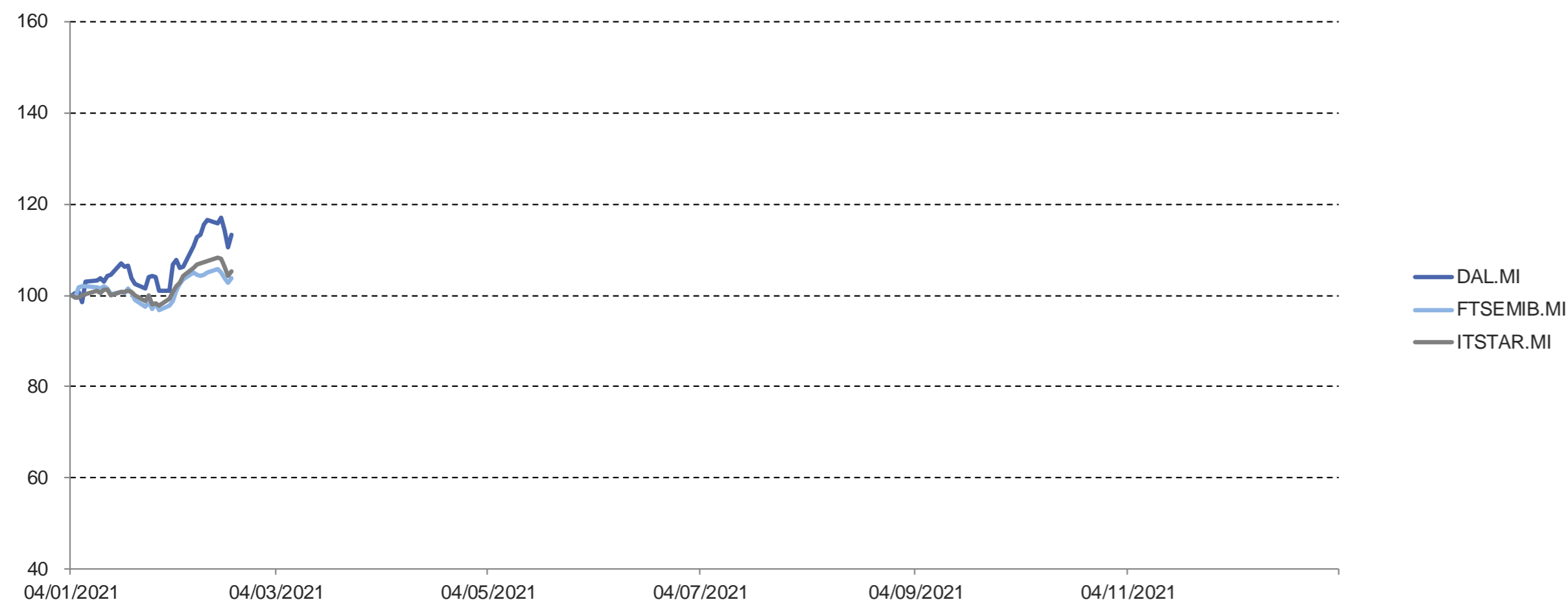
Ticker: DAL

Price (February 19, 2021): 16.12 Euro

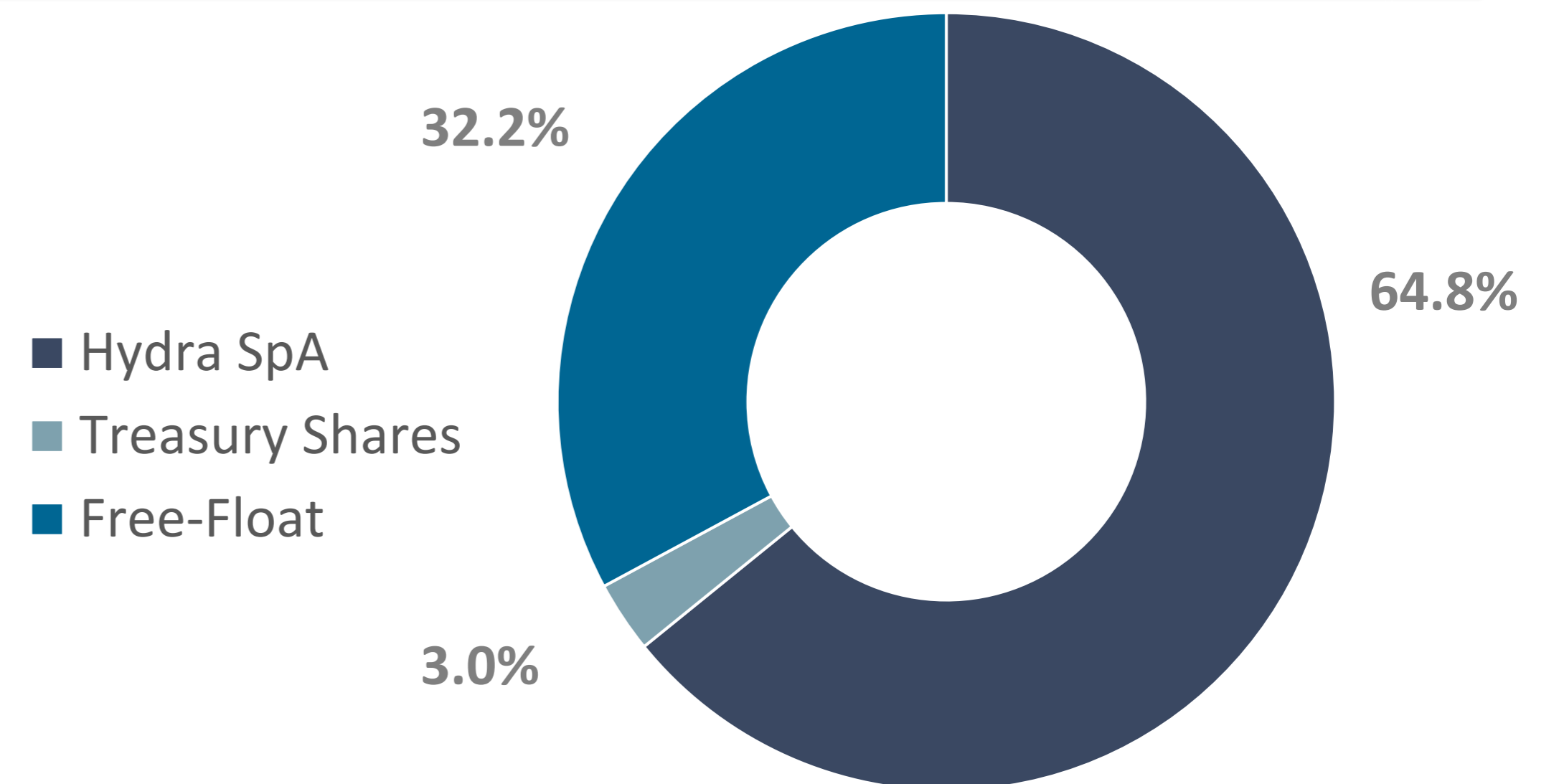
Market Cap (February 19, 2021): 942 mln Euro

Auditing Company: Deloitte

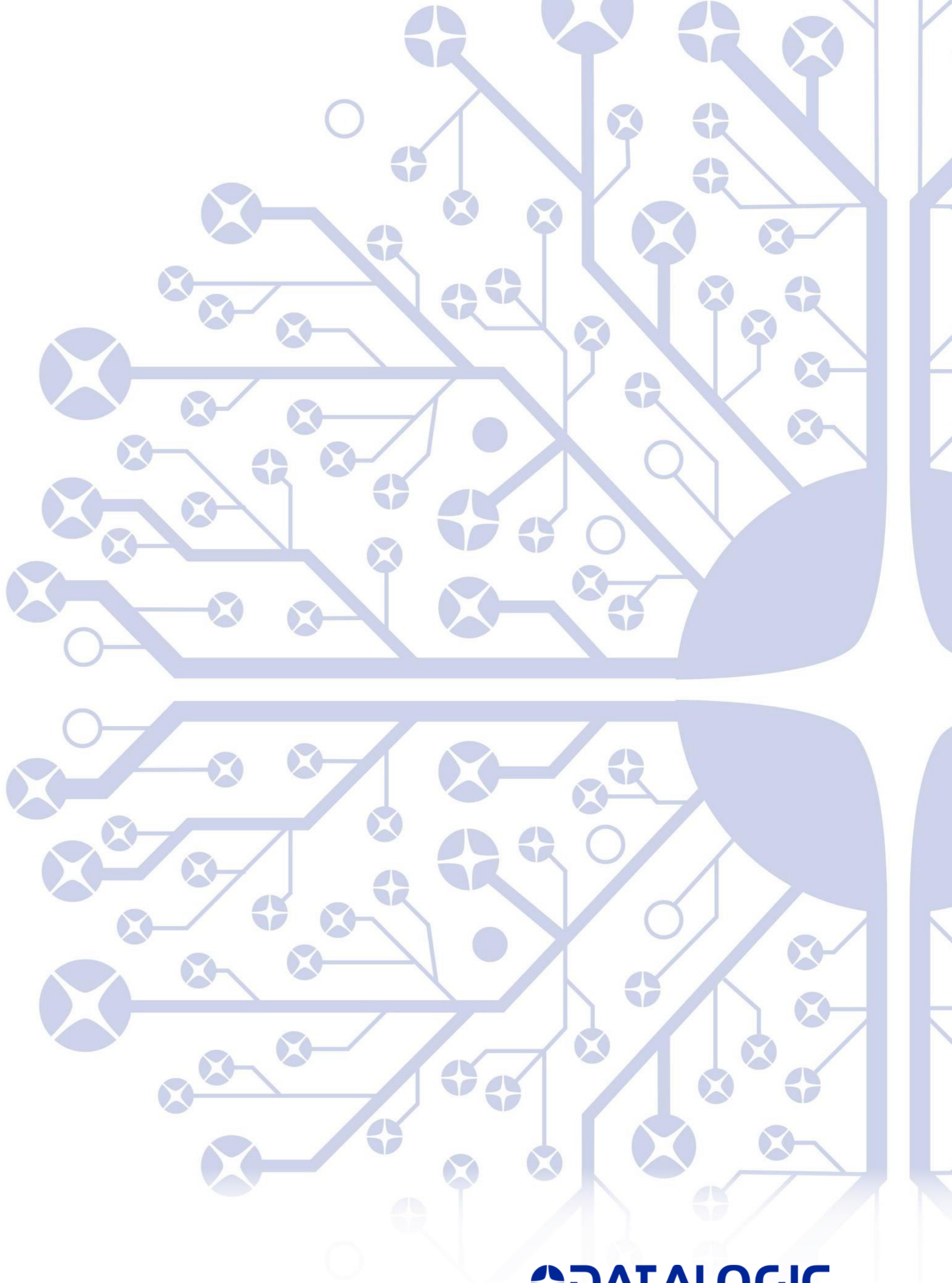
DATALOGIC SHARE PERFORMANCE vs. INDICES



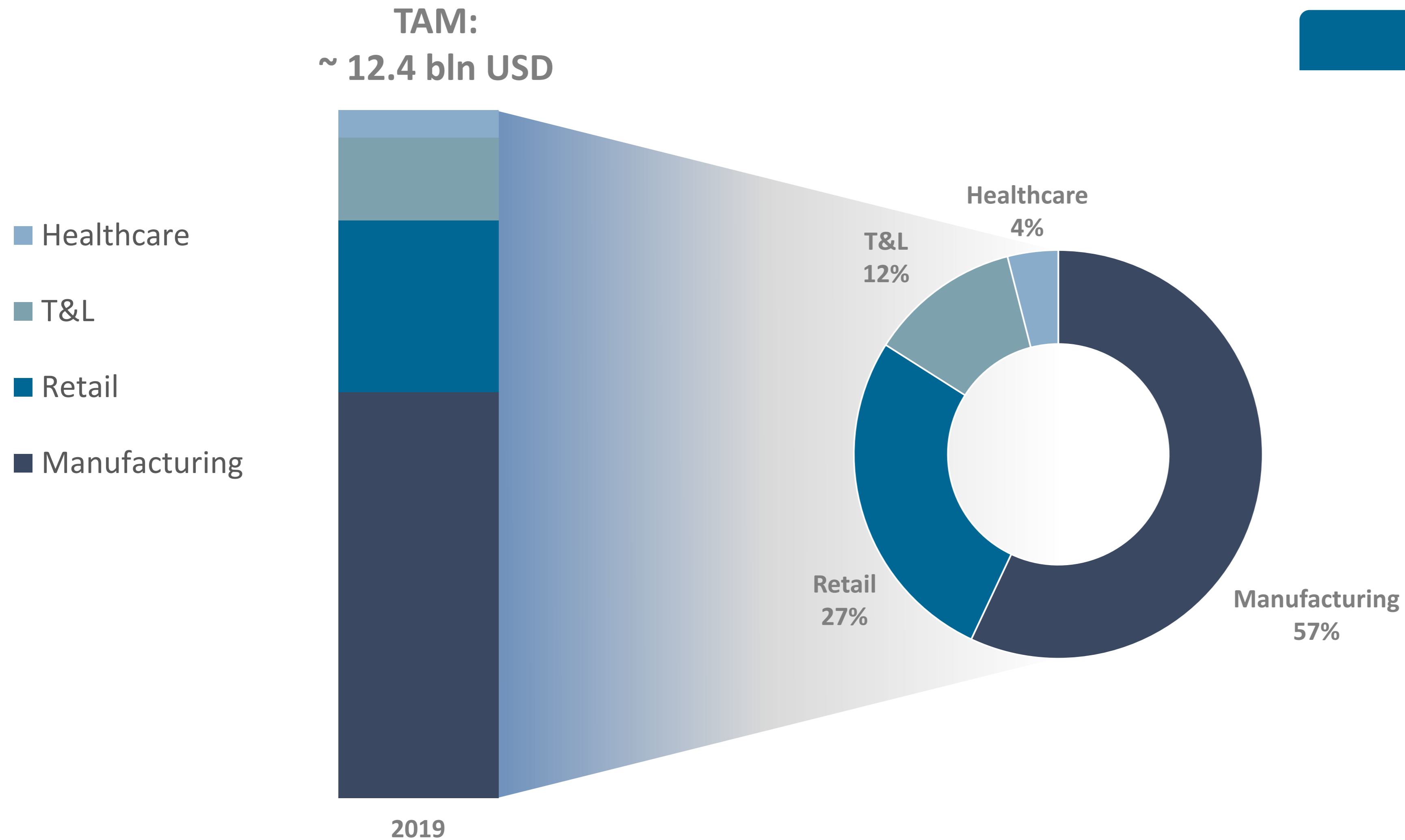
SHAREHOLDERS' STRUCTURE



Strategy



Total Addressable Market



DATALOGIC MKT SHARE

- **Fixed retail scanners**
#1 WW: > 35% market share
- **Stationary industrial scanners**
#1 WW: = 20% market share
- **Handheld Scanners**
#3 WW: ≈ 20% market share

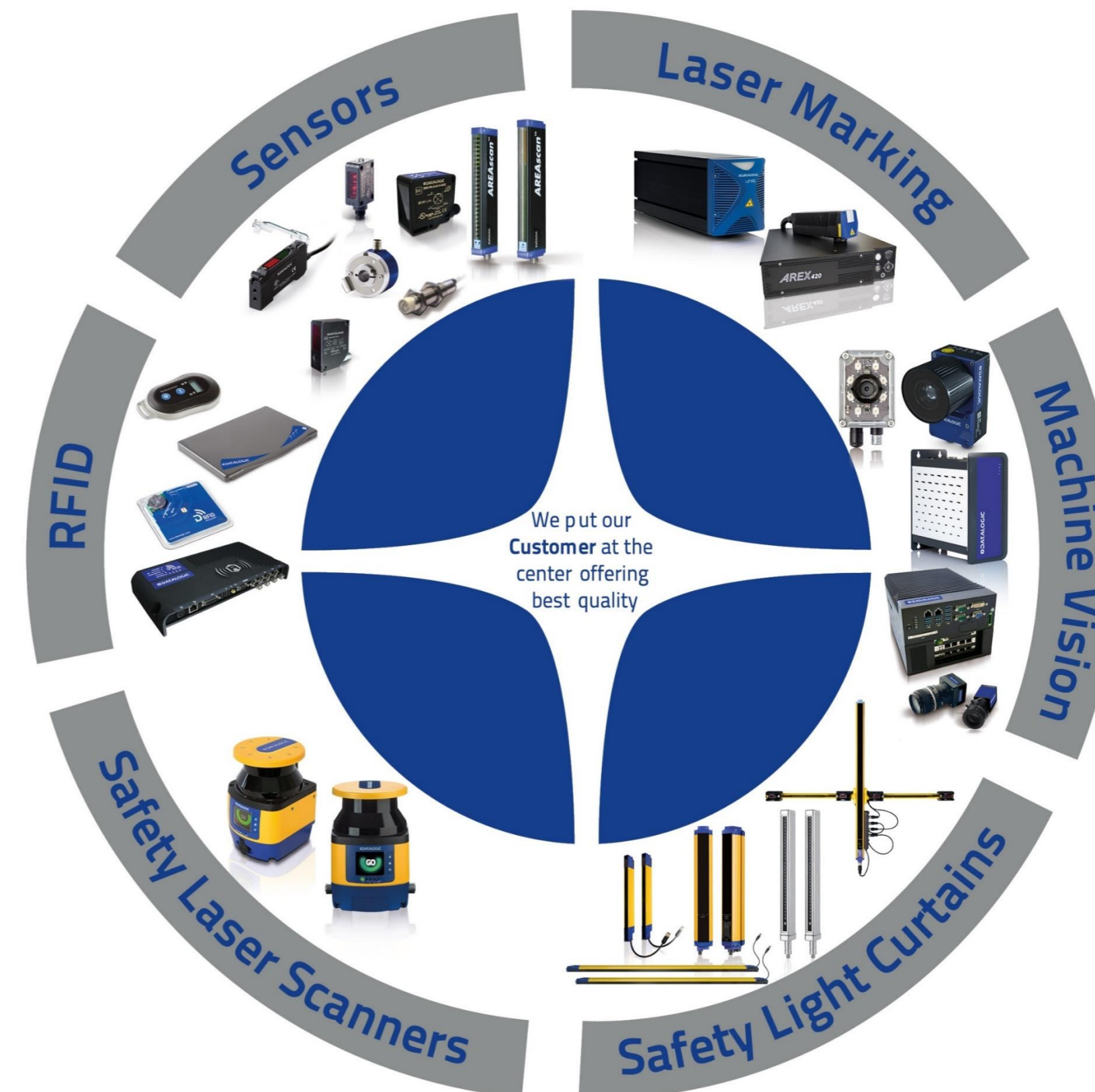
A wide range of products that is able to fulfill our customers' needs for both data collection and process automation

Most complete offer of barcode readers: from retail to industrial scanners, from hand held to mobile



Undisputed leadership on barcode readers

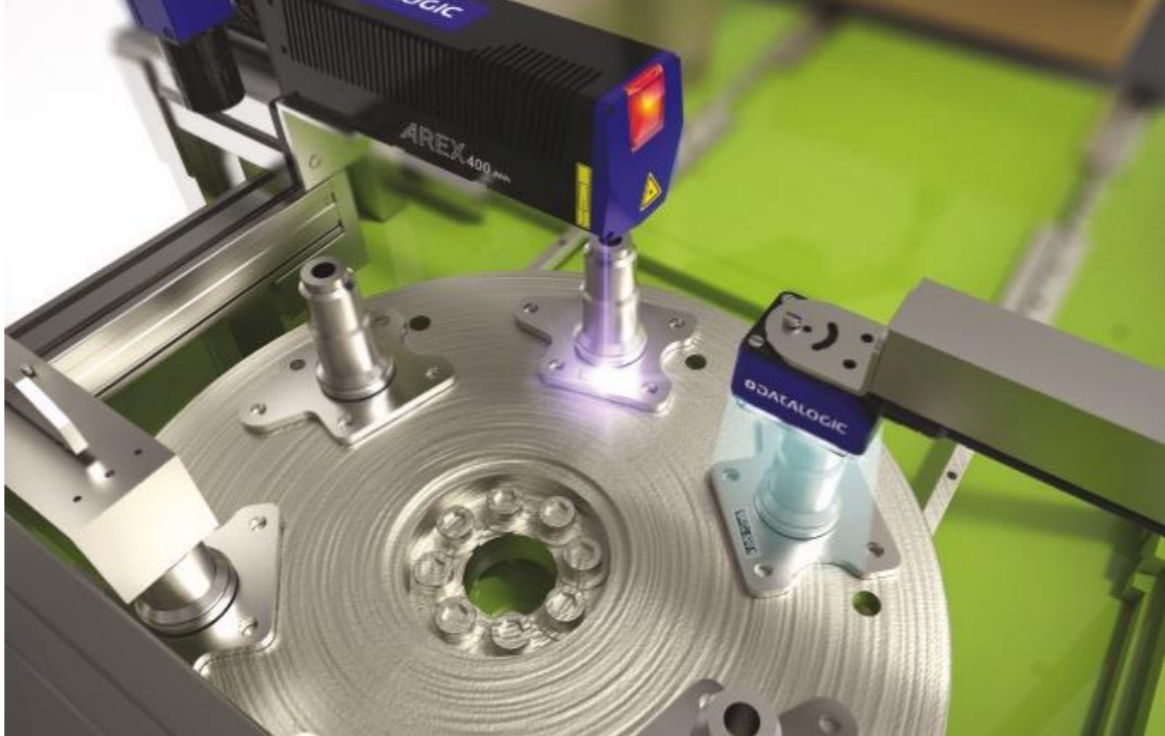
Complementary/Open doors products in the MFG Industry



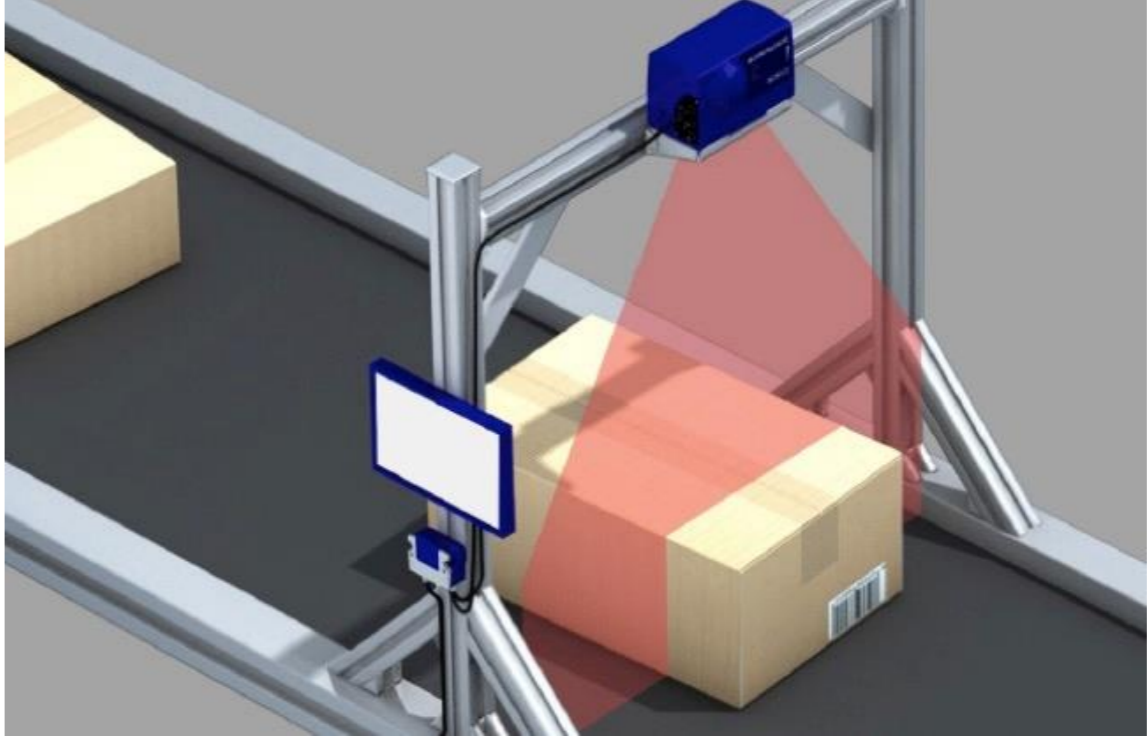
Our products are key enablers of critical applications along our customers' supply chain



Self-Shopping



Mark & Read



Dimensioning & Weighing Systems



Complete Traceability



Mark & Trace

Retail

Datalogic Proposition

- We meet the needs of retailers globally, from the distribution centers, through check-out, to the customer's home
- **Market Leader** along the **Retail supply chain** from 1974 with the **first scanner** ever sold to a grocery store in Troy, Ohio up to now with **the innovative frictionless shopping solution** presented at the 2019 NRF exhibition in New York
- Machine learning technology adoption to be ready for the next checkout POS investment cycle

Market Outlook

- The main international players are experimenting new products and solutions to satisfy new shoppers' needs and improve efficiency of their operations: click & collect, drive & collect, online verification, in real time, of the availability and exact position within the shelves of the products in the store or in the warehouse, assisted selling, self scanning and self check-out
- Retailers are more and more interested in collecting customers' data to do analytics to better serve them
- Increase of distribution centers advanced automated logistics solutions to optimize online shopping



Manufacturing

Datalogic Proposition

- Leader in traceability thanks to the most complete and performing offer of stationary industrial scanners
- Unique portfolio provider of smart, interconnected devices able to protect, identify, sense, check and mark
- Datalogic is providing multi-product portfolio to serve all the major manufacturing clients: **Automotive, Food and Beverage, Automated Machinery and Electronics, and Intralogistics**

Market Outlook

- Market trends
 - Industry 4.0
 - Robotics / AGV
 - DPM / Extended Traceability and Quality Inspection
 - New segments due to new technology (i.e. Electric car)
- **Industry 4.0** is pushing for **multi-technology** adoption, product **interoperability** and enhancement **self diagnostic capabilities**
- The adoption of key digital technologies shows a strong growth over the next 5 years
- The Industrial Robotics Market stands at 13.9 billion USD with an 11.8% growth **



* Source: IoT Analytics

** Source: International Federal of Robotics (IFR) data and Loup Ventures

Transportation & Logistics

Datalogic Proposition

- We ensure Data Collection to **Courier-Express-Parcels, Airports and Logistics**
- Datalogic is at the **forefront** of the development of **airport systems**, since 1984 with the **first automatic reading** station in Milan, to the recent contract with a main European hub in compliance with new IATA requirements
- Datalogic's proven capabilities are reflected by the recent **"Platinum" supplier** qualification granted by a world leader in the shipping and logistics sector
- Historically leader in stationary industrial scanners and sorting solutions Datalogic has a big opportunity to seize in the T&L mobility space

Market Outlook

- Growth is **driven by E-commerce**: high speed sorting, ability to manage any size of parcel, and high flexibility. E-Commerce is driving the industry growth
- **Resolution 753** requires (from June 2018) IATA members to maintain an accurate inventory of baggage by monitoring the acquisition and delivery of baggage
- The baggage handling system market* is projected to reach USD 9.4 Billion by 2020, at a CAGR of 8% from 2015 to 2020
- Strong demand for solutions beyond barcode
- Robotics & Automation: collaborative robots and automatic solutions to get higher productivity, zero-defects, reducing manual operations



*Source: IATA

Healthcare

Datalogic Proposition

- We empower the entire Healthcare ecosystem from drug production to patient care
- Datalogic is the sole company providing **unique product features** for the HC industry such as: **Anti-microbial** enclosures, **Inductive charging technology** for battery recharge, and **Green spot good match** to ensure positive medicine-patient identification

Market Outlook

- Hospital investments in patient safety are expected to grow significantly in the next 5 years: technology adoption to secure proper patients traceability and drug administration
- Drugs tracking to avoid counterfeit medications
- HC Emerging trends: Telemedicine/Telehealth. Health systems are more and more using digital health tools and telehealth platforms to better take care of patients after they leave the hospital



New Product Launches and Innovation

Mobile Computer



Memor 10 Ethernet Adaptor



Memor K Introduction



JOYA™ TOUCH A6 WITH ANDROID™ 8.1 OREO



Memor 20



Skorpio X5

Hand Held Scanners



Gryphon 4500 DISINFECTANT and ANTIMICROBIAL (DRA) Models



Gryphon 4200 Series



HANDSCANNER™

Sensors



IO-Link
New ASIC

S8 Series IO Link

- ❑ **Validity Index (New products*/ sales) at 21.8% in 9M2020** above last year with 20.8% in 9M2019
- ❑ **R&D spending****, from €48.4m to €49.2m, reaching **14.2%** as a percentage of Revenue compared to 11.0% in the first 9 months of 2019

*New Products: products launched in the last 24 months
 ** Including capitalized R&D expenses and excluding D&A

Key Growth and Strategic Drivers

Industry

- Keep focus on all of our verticals
- MFG (\$7 bln): expand into new sectors
- RTL (\$ 3 bln): check out evolution, cross sell mobile, watch distribution centers carefully
- T&L (\$2 bln): cross sell – complete offer SIS, Mobile, HHS

Products

- Protect our leadership in SIS
- FRS: Be ready for the next generation/evolution not revolution
- Mobile: increase market share completing and widening our offer of portable data terminal (PDT) and portable data assistant (PDA)
- HHS: lead the shift to 2D technology

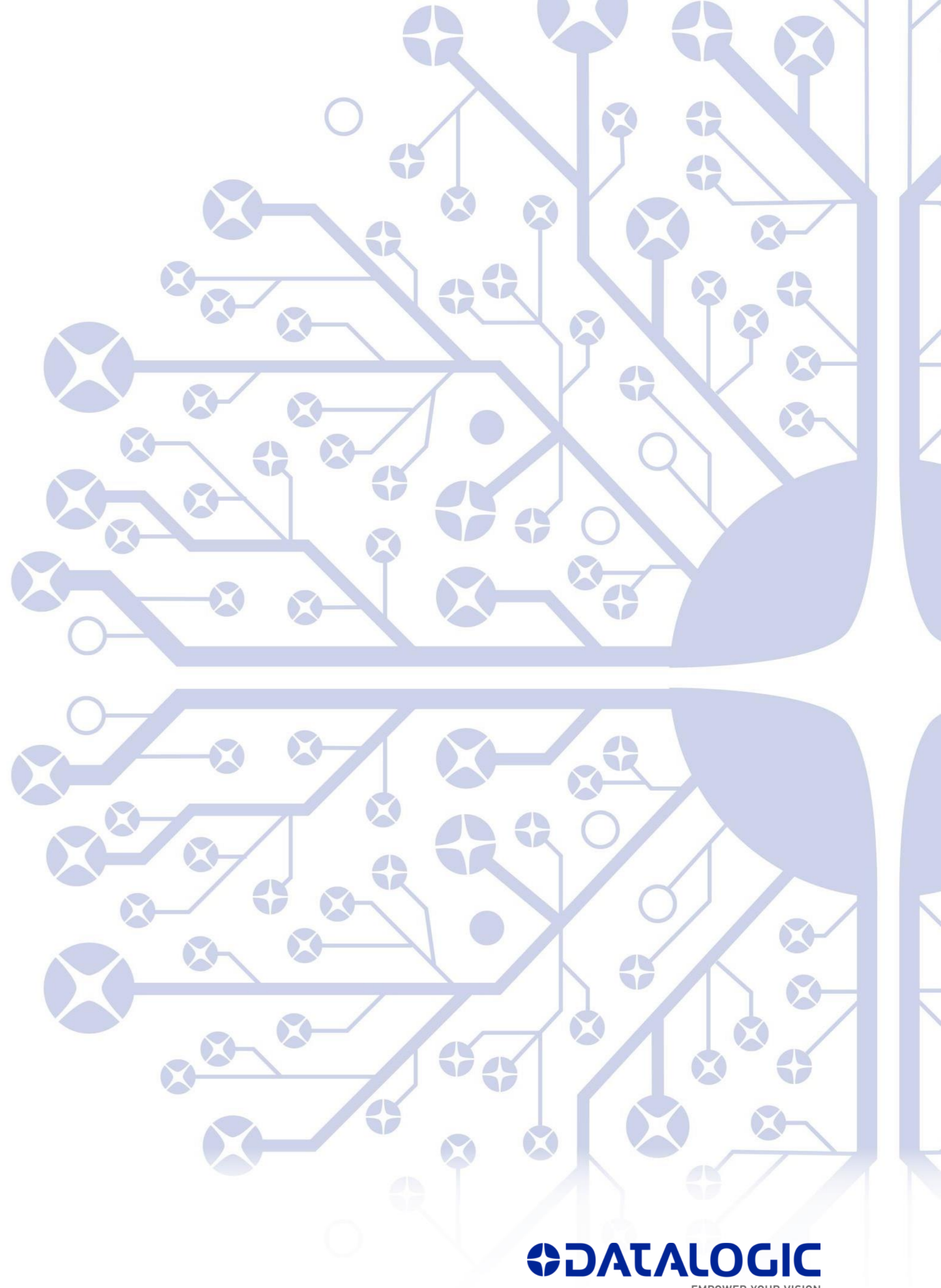
Technology

- Continuous improvement of core technology (bar code reading) e.g. optics, decoding
- Investing in complimentary technologies:
 - Vision / Machine learning
 - RFID
 - Digital watermarking
- Investing in Android

M&A

- Selected target to accelerate our growth and/or to acquire critical technologies

Financials & Outlook



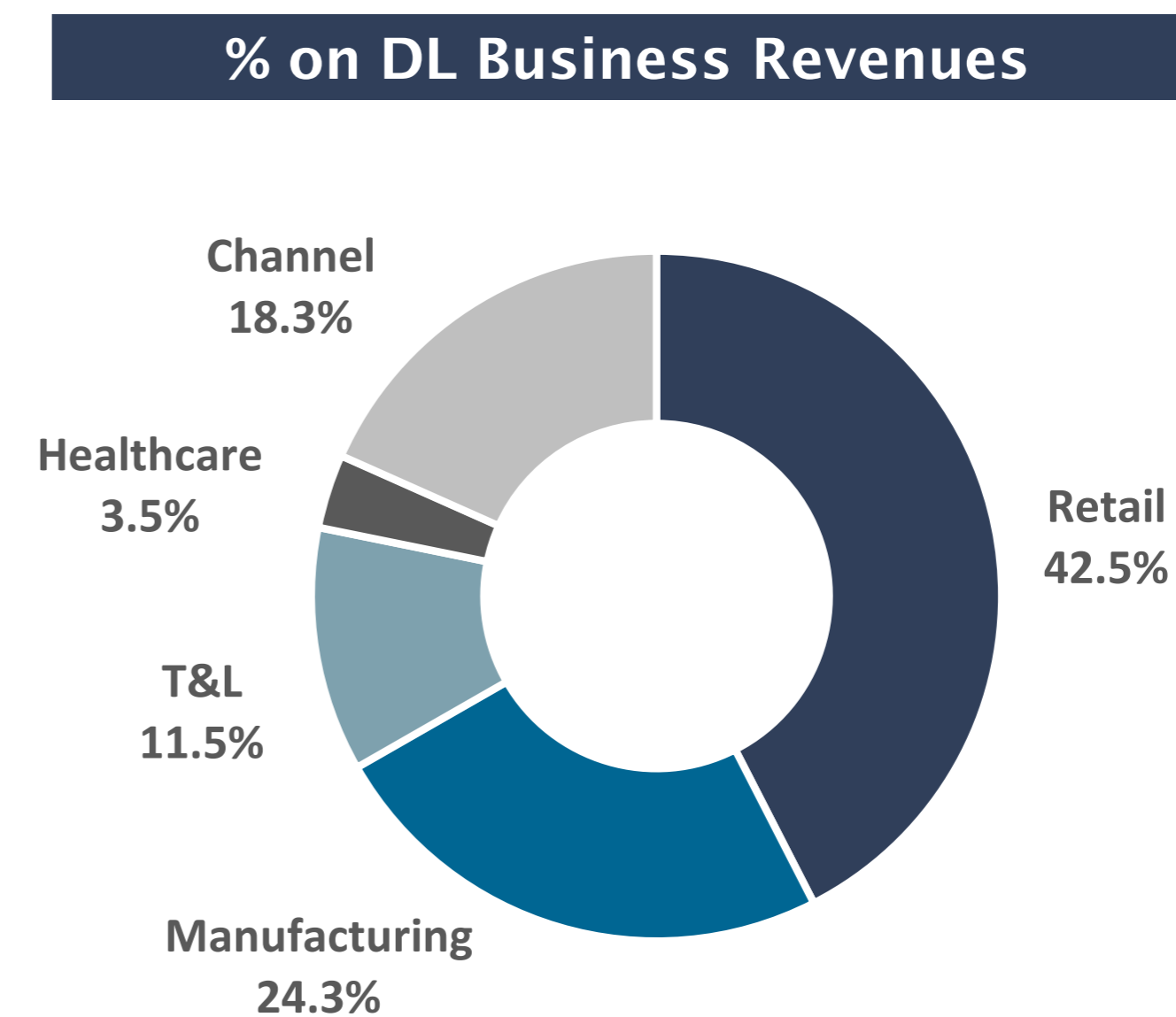
9M 2020 Financial Highlights

- Effectively navigating through **Covid-19 challenges** providing operations continuity while protecting our teams.
- Covid-19 pandemic impacting **EMEA** and **Americas Revenues** especially in US. **Solid Growth** in **APAC** continue
- **Aggressive cost actions** ensured **double digit Adj EBITDA** margin and **Return to Profitability** since Q2.
Q3 Adj EBITDA at 16.2% back to 2018-19 levels despite drop in Top line thanks to Efficiency Program.
- Continue investing in Innovation during the pandemic with **R&D spending*** at ca. **14.2%** and **Vitality Index** at **21.8%**
- **Solid Financial Position** and **effective Working Capital** management during the Covid downturn
- **Sound signs of rebound** in recent months in most of the end markets and geographies coupled with leaner cost base preparing return to profitable growth

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

Group Revenues by Segment

€m	9M 2020	9M 2019 Restated*	Var % vs. 9M 2019
Retail	142.7	171.0	(16.6%)
Manufacturing	81.5	89.1	(8.5%)
Transportation & Logistics	38.5	58.3	(33.9%)
Healthcare	11.7	13.2	(11.3%)
Channel	61.6	97.1	(36.6%)
Total DL Business	335.9	428.6	(21.6%)
Informatics	12.1	13.7	(11.9%)
Intra division	(0.9)	(0.8)	8.8%
Total Datalogic	347.1	441.4	(21.4%)

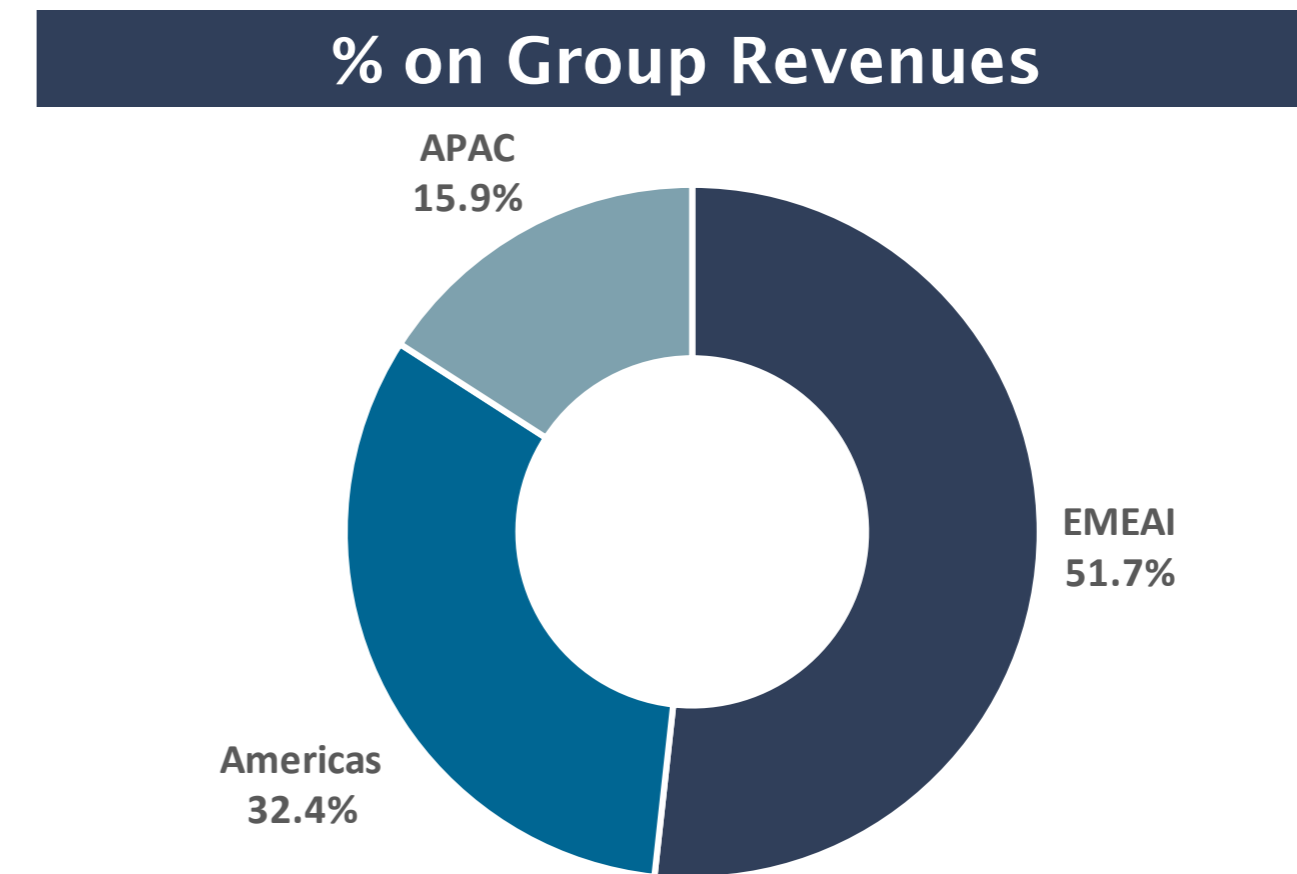


- ❑ **Retail:** delayed investments due to Covid scenario and end of FRS rollouts in 2019 especially in EMEAI and Americas.
- ❑ **Manufacturing:** solid growth in APAC. Slowdown in Automotive and Packaging sectors impacting EMEAI and North America
- ❑ **T&L:** tough base of comparison due the conclusion of important multi-year contracts. Signs of recovery in EMEAI and APAC
- ❑ **Healthcare:** decrease in EMEAI and Americas, almost flat in APAC
- ❑ **Channel:** overall decrease due to destocking, although trend improvements both in EMEAI and Americas in Q3

* The comparative data as at 30 September 2019 have been restated to reflect the new allocation of the Group's revenues to geographic areas and business sectors, as redefined following the "New Sales Organization" launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5

Group Revenues by Geography

€m	9M 2020	9M 2019 Restated*	Var % vs. 9M 2019
EMEAI	179.6	233.0	(23.0%)
Americas	112.3	155.5	(27.8%)
APAC	55.2	52.9	4.3%
Total Datalogic	347.1	441.4	(21.4%)



- **EMEAI:** Decline driven by softness in all end markets and phase-out of major Fixed Retail Scanners roll-outs. Signs of recovery in late Q3 and beginning of Q4
- **Americas:** market slowdown as a result of pandemic. Declining performance especially in T&L, following the completion of multi-years significant contracts.
- **APAC:** double digit growth in Manufacturing driven mainly by Consumer Electronics in China. T&L growing in Q3

* The comparative data as at 30 September 2019 have been restated to reflect the new allocation of the Group's revenues to geographic areas and business sectors, as redefined following the "New Sales Organization" launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5

9M 2020 P&L*

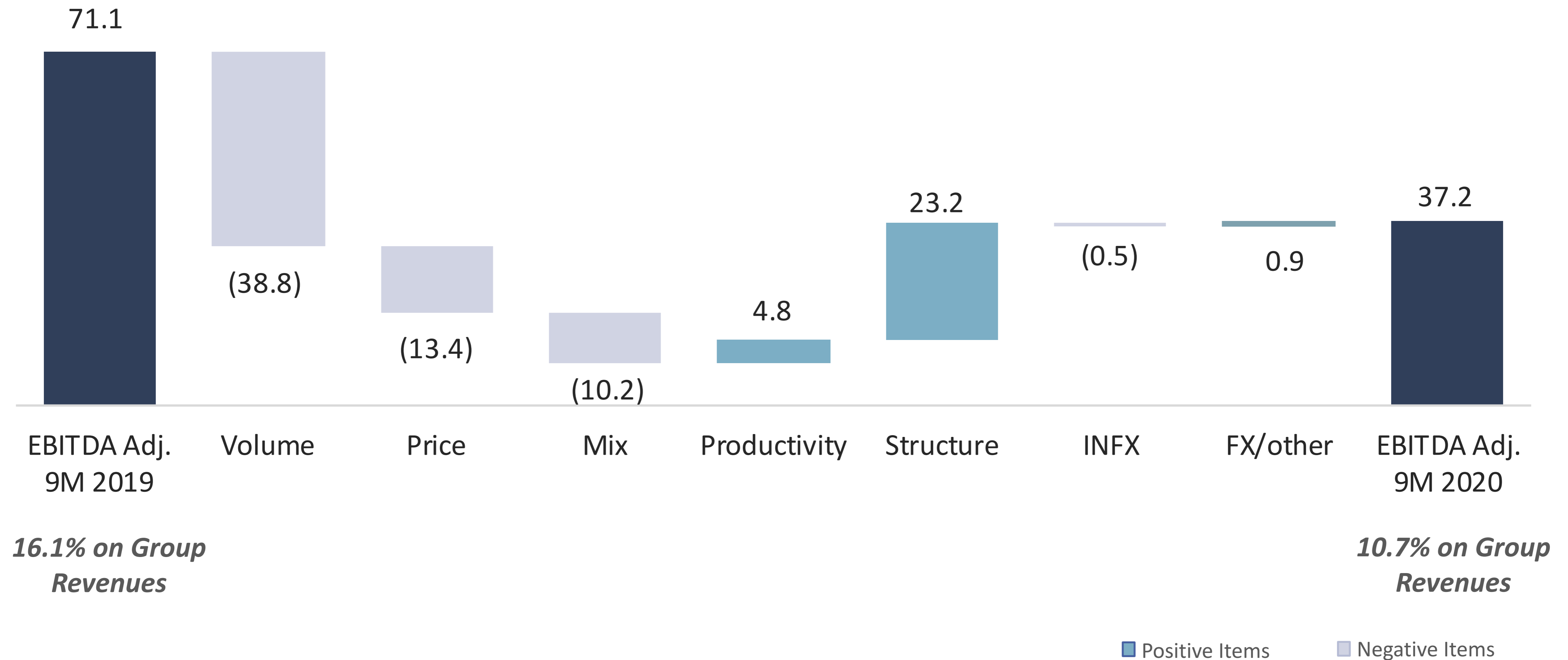
€ m	9M 2020	9M 2019 Restated	Variance Reported	Constant FX
Revenues	347.1	441.4	(21.4%)	(20.8%)
Gross Margin	160.1	220.0		
<i>% on Revenues</i>	46.1%	49.9%	-3.7 pp	-3.4 pp
Operating expenses	(140.7)	(165.0)		
<i>% on Revenues</i>	(40.5%)	(37.4%)	-3.2 pp	-3.1 pp
Adjusted EBITDA	37.2	71.1		
<i>% Adj. Ebitda margin</i>	10.7%	16.1%	-5.4 pp	-5.1 pp
EBIT	8.2	50.0		
<i>% Ebit margin</i>	2.4%	11.3%	-9.0 pp	
Net Result	4.6	39.7		
<i>% on Revenues</i>	1.3%	9.0%	-7.7 pp	

- **Gross Margin at 46.1%**, decrease driven by lower volumes and price/mix effects
- **Operating expenses at €140.7m** down 14.7% and -24.7% in Q3 executing cost reduction plans to protect margin:
 - ✓ Continue investing in **R&D expenses** (R&D on revenues at around 12%)
 - ✓ **S&D** cost decreased by 20.1% after 31.5% cost reduction in Q3.
- **Adj Ebitda margin at 10.7%** in 9M with solid recovery in **Q3 at 16.2%** , back to 2019 levels
- **Second consecutive quarters of Profit with Net Result at €4.6m**

* The comparative economic data as at 30 September 2019 were restated following the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.

EBITDA Adj: actual vs last year^{*}

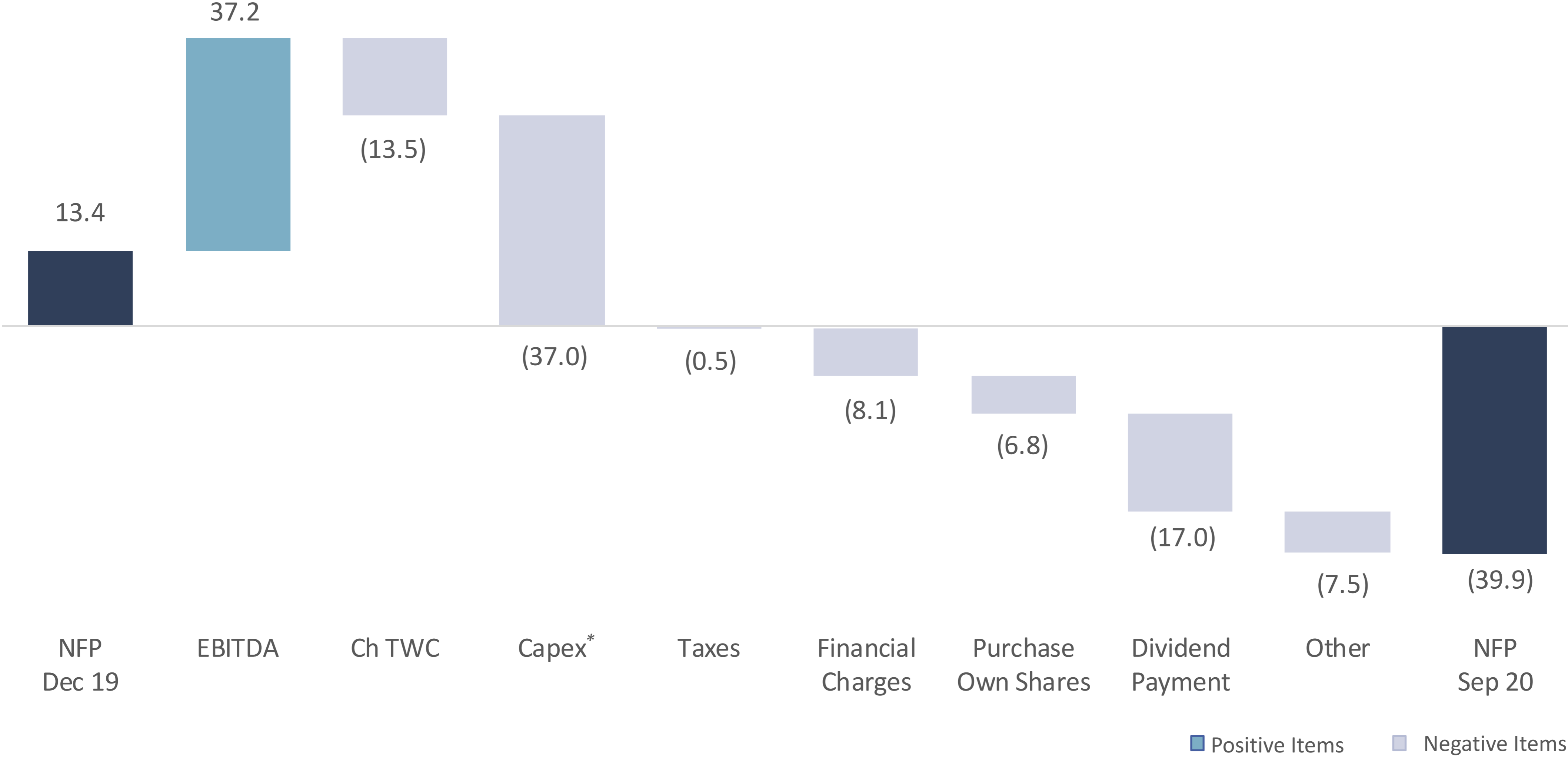
€ m



^{*} The comparative economic data as at 30 September 2019 were restated following the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5

Net Debt & Cash Flow Analysis : Dec'19 – Sep'20

€ m



* Including IFRS 16 impact, Sep' 19 Restated Capex 32,2 m€

2020 Outlook

- In this unprecedented context, The Group has promptly reacted this fast-moving scenario implementing aggressive cost measures to protect business and profit
- Good signs of end markets recovery in all geographies in late Q3 and Q4 start. Despite the high degree of uncertainty about the evolution of the pandemic, if the second wave of Covid-19 does not bring severe consequences on business, Datalogic foresee, for the end of 2020, a slight improvement in the revenues decline and steady margins compared to 9M 2020 performance
- In this context, the Group's strategy confirms its focus on innovation and investment in strategic market segments, pursuing both organic and external growth, while consolidating and repositioning its presence in the core markets

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NEXT EVENTS

March 9, 2021

FY 2020 Results

March 23-25, 2021

STAR Conference Milan

April 29, 2021

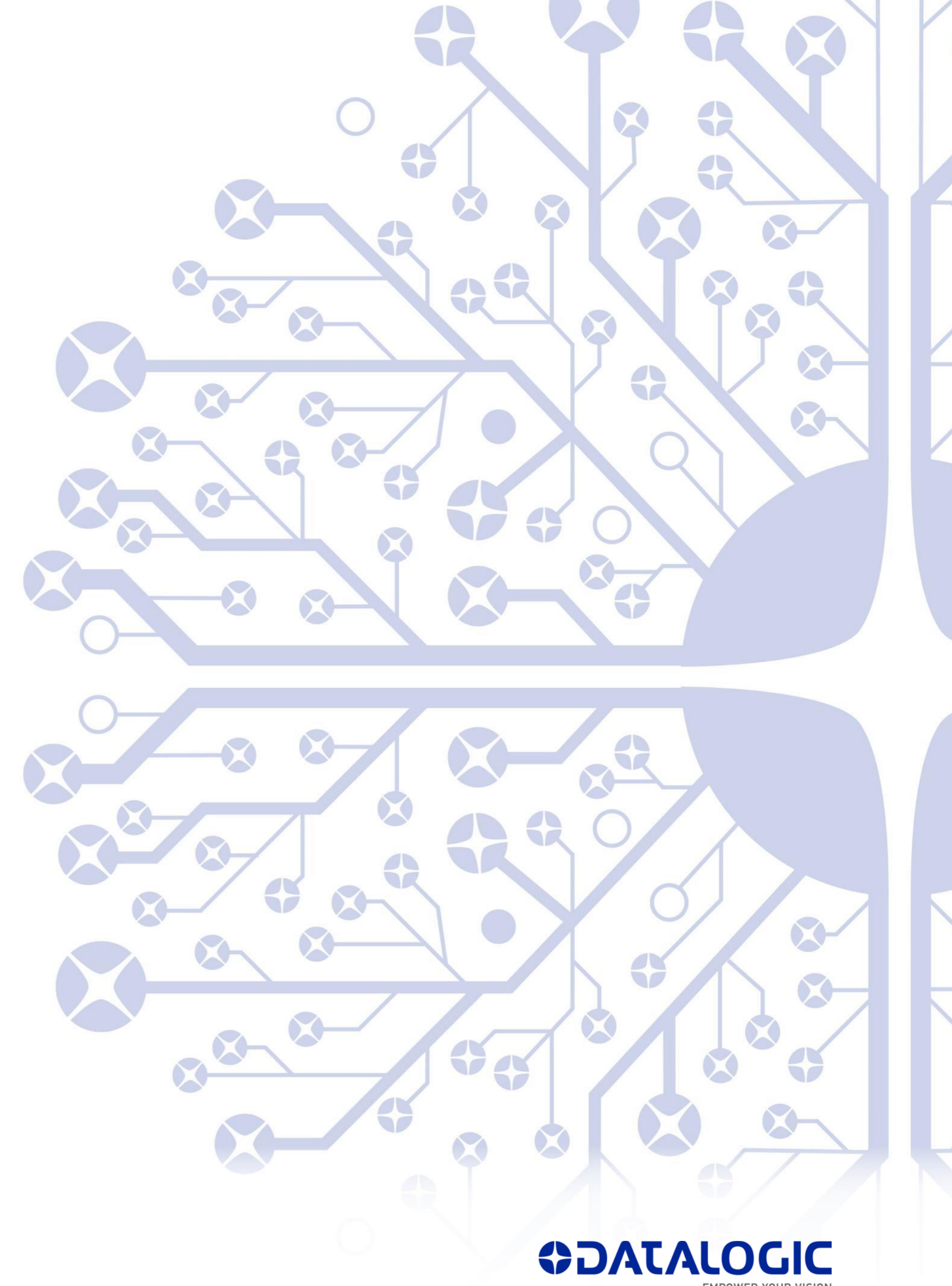
Shareholders' Meeting

May 13, 2021

Q1 2021 Results

DATALOGIC ON LINE

www.datalogic.com



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