

Datalogic

Good momentum ahead

- **Valuation.** We reiterate our positive stance on Datalogic with a Buy rating and slightly increase our 12M target price to EUR 4.7 based on a REP ratio methodology, to which we have applied a 25% discount in order to take into account the still present uncertainty on 2H10 and the fact that the company has a limited free float (around 20%).
- **2010 estimates increased in light of 1H10 that should show signs of improvement.** We believe 1H10 should show signs of growth in trend with 1Q10 and 4Q09. On top of this, the company's focus on efficiency and cost cutting should allow profitability to increase dramatically versus 2009 data, which can be considered the bottom of the cycle for Datalogic. We increase our 2010E EBITDA by around 11% (i.e. from EUR 38mn to EUR 42mn), increasing also the EBITDA margin to 11.8% (from 11.3%). Moreover, we raise 2010E net profit by roughly 8% (to EUR 12mn from EUR 11mn).
- **Development and outlook.** We expect 1H10 results to show a rebound of the company's top-line and profitability trend, meaning that the cost-cutting and efficiency plan initiated in 2009 year is delivering good results. Moreover, 2Q10 results should confirm that 2009's bad momentum is over, and thus we expect top-line to stabilize at around EUR 85-90mn. Lastly, going forward the Vietnamese plant should represent a key element in the anticipated recovery in profitability. Indeed, the company's management expects a good performance to be posted by the plant already in 2010.

EUR mn	2007	2008	2009	2010E	2011E	2012E	2013E
Sales	404.0	379.8	312.0	354.0	378.7	405.2	433.8
EBITDA	50.1	47.8	19.6	41.8	49.8	56.3	61.6
EBIT	31.1	30.7	-5.6	24.1	31.5	37.7	42.5
Group Net Profit	18.1	17.8	-12.2	11.6	16.4	21.0	25.5
EPS Reported	0.28	0.31	-0.21	0.20	0.28	0.36	0.44
DPS	0.07	0.04	0.00	0.05	0.07	0.09	0.11
After tax ROIC	8.1%	8.3%	n.m.	7.6%	9.3%	11.0%	12.2%
P/E	21.7x	16.1x	n.m.	18.4x	13.0x	10.2x	8.4x
P/CF	n.a.	n.a.	n.a.	7.6x	6.8x	5.9x	5.3x
EV/EBITDA	9.2x	8.4x	17.5x	7.8x	6.3x	5.2x	4.4x
EV/EBIT	14.9x	13.1x	n.m.	13.5x	9.9x	7.8x	6.4x
Free cash flow yield	n.m.	n.m.	3.3%	n.m.	8.1%	11.6%	13.1%
Dividend yield	1.1%	0.7%	0.0%	1.4%	1.9%	2.5%	3.0%

Source: Datalogic, UniCredit Research estimates

Buy (prev. Buy)

Price on 9 Jul 2010	EUR 3.85
Target price (prev. EUR 4.60)	EUR 4.70
Upside to TP	22%
Cost of equity	8.8%
High/Low (12M)	4.50/2.98

INVESTMENT HIGHLIGHTS

One of the major players worldwide in the automatic data capture (ADC) market
1H10 should witness the recovery of the cycle for Datalogic

STOCK TRIGGERS

2009 can be considered the 'annus horribilis' for the company; visibility increased dramatically and management expects double-digit top-line growth in 2010E

Ongoing restructuring and efficiency program should allow Datalogic to achieve margin recovery
Vietnam factory should increase profitability already in 2010

STOCK DATA

Reuters/Bloomberg	DAL.MI/DAL IM
Average daily volumes ('000)	16.9
Free float (%)	21.1
Market capitalization (EURmn)	225.0
No. of shares in issue (mn)	58.4
Shareholders	Hydra SpA 67.0%; Tamburi Investment Partners SpA 6.4%; Own shares 5.5%

UPCOMING EVENTS

Annual general meeting	N.A.
9M/3Q	8 Nov 2010
1H/2Q	2 Aug 2010



STOCK PERFORMANCE (CHG. %)

	1M	3M	6M
absolute	17.0	-2.0	-6.0
rel. to FTSE Italia	10.0	9.0	7.0
rel. to ES Ind. G/S	15.7	1.6	-7.9

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Change in estimates to factor in a good 1H10

Reference market is recovering and margins are increasing

Datalogic's 1H10 results are due out on 2 August.

We expect 1H10 results to show signs of growth compared to the figures logged throughout 2009, which can be considered the bottom of the cycle for Datalogic. It is worth mentioning that the company is not influenced by seasonality, therefore every quarter represents, in general, around 25% of the yearly top-line. At the top-line level, the 1H10 results should show a dramatic increase versus 1H09, in trend with the results already achieved during 1Q10 (i.e. we forecast a yoy top-line growth above 18%). As far as profitability is concerned, we expect EBITDA margin to reach about 12% (from around 2.5% in 1H09) thanks to both the top-line recovery and the cost-cutting and efficiency program launched by the management during 2009. Finally, net profit should be positive (from negative in 1H09).

The following table summarizes our estimates for 1H10, and our estimates versus consensus.

DATALOGIC – OUR ASSUMPTIONS VS. CONSENSUS (1H10, FY10 AND FY11)

EUR mn	1H09	1H10	1H10	Est. /	FY10	FY10	Est. /	FY11	FY11	Est. /
	Actual	Est.	Cons.	Cons.	Est.	Cons.	Cons.	Est.	Cons.	Cons.
Sales	149	177	185	-4.3%	354	339	4.6%	379	368	3.0%
yoy chg. %	n.a.	18.4%	23.7%	-	13.5%	8.5%	-	7.0%	8.6%	-
EBITDA	4	21	22	-4.1%	42	38	10.0%	50	48	4.8%
yoy chg. %	n.a.	454.3%	477.9%	-	112.9%	93.5%	-	19.1%	25.0%	-
EBITDA margin	2.6%	11.9%	11.9%	-	11.8%	11.2%	-	13.1%	12.9%	-
Net profit	-15	6	8	-21.7%	12	10	15.8%	16	17	-3.8%
yoy chg. %	n.m.	n.m.	n.m.	-	n.m.	n.m.	-	41.2%	70.0%	-

Source: FactSet, UniCredit Research estimates

Estimates raised to incorporate expected good 1H10

To factor in the expected good 1H10, we increased our estimates for FY10, FY11 and FY12: we expect on one hand Datalogic's reference market (i.e. automatic data capture market) to achieve a very positive start of the year and to stabilize at the current levels during 2H10 and, on the other hand, the management to keep on delivering on the efficiency side, which should have a positive impact, also thanks to the Vietnamese plant.

The following table highlights our new and old estimates for FY10, FY11 and FY12.

DATALOGIC – OUR NEW AND OLD ESTIMATES (FY10, FY11 AND FY12)

EUR mn	FY10	FY10	New /	FY11	FY11	New /	FY12	FY12	New /
	New	Old	Old	New	Old	Old	New	Old	Old
Sales	354	332	6.6%	379	355	6.6%	405	380	6.6%
yoy chg. %	13.5%	6.4%	-	7.0%	7.0%	-	7.0%	7.0%	-
EBITDA	42	38	11.0%	50	47	6.8%	56	53	6.6%
yoy chg. %	112.9%	91.8%	-	19.1%	23.7%	-	13.1%	13.4%	-
EBITDA margin	11.8%	11.3%	-	13.1%	13.1%	-	13.9%	13.9%	-
Net profit	12	11	7.8%	16	17	-1.6%	21	20	2.4%
yoy chg. %	n.m.	n.m.	-	41.2%	54.8%	-	28.3%	23.3%	-

Source: UniCredit Research estimates

The following table highlights our estimates for FY10, FY11 and FY12 also versus consensus numbers.

DATALOGIC – OUR ESTIMATES VERSUS CONSENSUS FY10, FY11 AND FY12

EUR mn	FY10	FY10	<i>Est. /</i>	FY11	FY11	<i>Est. /</i>	FY12	FY12	<i>Est. /</i>
	Est.	Cons.	Cons.	Est.	Cons.	Cons.	Est.	Cons.	Cons.
Sales	354	339	4.6%	379	368	3.0%	405	398	1.8%
<i>yoy chg. %</i>	13.5%	8.5%		7.0%	8.6%		7.0%	8.3%	
EBITDA	42	38	10.0%	50	48	4.8%	56	52	8.3%
<i>yoy chg. %</i>	112.9%	93.5%		19.1%	25.0%		13.1%	9.5%	
<i>EBITDA margin</i>	11.8%	11.2%		13.1%	12.9%		13.9%	13.1%	
Net profit	12	10	15.8%	16	17	-3.8%	21	20	4.9%
<i>yoy chg. %</i>	<i>n.m.</i>	<i>n.m.</i>		41.2%	70.0%		28.3%	17.6%	

Source: FactSet, UniCredit Research estimates

Valuation: Buy maintained with TP slightly increased to incorporate higher profitability

REP ratio with a 25% discount points to FV of EUR 4.7 p.s.

Our REP ratio-based valuation gives a fair value of EUR 6.3 per share when applying a WACC of 6.7% based on our 2010 estimates. The REP ratio addresses the relationship between returns over cost of capital and the market value of the enterprise to capital employed, and offers a reasonable indication of the appropriateness of current market valuations, taking the correct relationship between EV/CE and ROCE/WACC to be 1.0x.

In our opinion, even if the restructuring program recently implemented by the management is delivering and the reference market is recovering, visibility on future growth (i.e. in addition to the current level of around 20% top-line growth) remains relatively low, therefore leaving some uncertainty in the picture. We have decided to apply a discount to the valuation derived from our REP ratio analysis. We believe that a 25% discount could be considered as 'fair', in light of the fact that Datalogic is one of the major players in its reference markets (i.e. given Datalogic's lead positioning in certain markets, a higher discount could prove overly penalizing). On the other hand, the company has only a small free float (i.e. around 20%), something which the new management has stated it intends to deal with in the near future.

Applying a 25% discount to our REP valuation, we obtain a fair value of EUR 4.7, which we set as our 12-month target price for Datalogic.

The table below summarizes the assumptions factored into our REP ratio valuation methodology.

DATALOGIC – REP RATIO VALUATION

EUR mn	2010E	2011E	2012E
Treasury shares	12	12	12
Net capital employed (yearly average)	253	263	262
Net capital employed less treasury shares	242	251	250
EBIT	24	31	38
<i>EBIT margin</i>	6.8%	8.3%	9.3%
NOPAT	17	22	26
Asset rotation	1.5	1.5	1.6
ROCE (%)	10.0%	12.5%	15.1%
ROCE post tax (%)	7.0%	8.8%	10.6%
ROCE / WACC	1.5	1.8	2.0
ROCE post tax / WACC	1.0	1.2	1.4
EV / CE	1.3	1.3	1.2
REP ratio target (EUR)	6.3	7.1	7.4

Source: UniCredit Research estimates

As a sanity check we have run a sensitivity analysis of our target price to different discounts applied to our REP ratio target price.

DATALOGIC – SENSITIVITY OF OUR TARGET PRICE TO DIFFERENT DISCOUNTS TO REP RATIO METHODOLOGY

REP ratio target price (EUR)	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
<i>Discount</i>	0%	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%
Final target price (EUR)	6.3	6.0	5.7	5.3	5.0	4.7	4.4	4.1	3.8	3.5	3.1

Source: UniCredit Research estimates

While we have used a REP ratio methodology to value the stock, we have done a peer analysis in order to better understand the prevalent differences across the sector in terms of multiples. This said, given the peculiarity of the sector and the fact that Datalogic is an Italian small cap engineering company, we have also included a multiples analysis of other small cap stocks which we consider comparable with the company.

The following table summarizes the profiles of Datalogic's comparables, based on consensus estimates.

DATALOGIC – COMPARABLES ANALYSIS*

Company	Price	Curr.	Mcap (mn)	EV/ EBIT (x)			EV/ EBITDA (x)			P/E (x)			EBITDA CAGR	EBIT CAGR	Net profit CAGR
				2009	2010	2011	2009	2010	2011	2009	2010	2011	2011/2008	2011/2009	2011/2009
				Act.	Est.	Est.	Act.	Est.	Est.	Act.	Est.	Est.	Est.	Est.	Est.
NCR Corp.	12.7	USD	2,033	10.6	12.9	7.5	5.3	6.1	4.0	21.1	25.9	15.7	-7.3%	-17.8%	-17.1%
Metrologic	29.5	EUR	118	5.1	6.0	5.1	4.7	5.8	5.0	15.3	15.2	14.0	-6.2%	-5.4%	-8.0%
Cognex	17.6	USD	697	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	20.4	17.0	n.m.	n.m.	n.m.
Intermec	10.3	USD	635	n.m.	n.m.	8.1	n.m.	14.2	6.3	n.m.	n.m.	18.8	-4.0%	0.1%	-3.1%
Avg. ref. mkts comps				7.9	9.4	6.9	5.0	8.7	5.1	18.2	20.5	16.4	-5.8%	-7.7%	-9.4%
Datalogic	3.7	EUR	213	n.m.	13.5	9.9	17.5	7.8	6.3	n.m.	18.4	13.0	1.4%	0.8%	-2.9%
Biesse	5.2	EUR	141	n.m.	n.m.	16.0	n.m.	11.7	5.8	n.m.	n.m.	21.9	-20.7%	-33.7%	-31.1%
Interpump	4.2	EUR	409	18.8	13.1	9.0	11.7	9.3	6.9	28.2	18.8	13.2	-3.2%	-6.3%	-5.1%
SABAF	17.4	EUR	201	12.8	9.0	7.6	7.3	5.9	5.3	17.2	13.3	11.7	5.7%	8.4%	3.7%
Landi Renzo	3.1	EUR	346	13.2	9.3	7.1	10.2	7.3	5.8	15.6	12.5	10.3	8.9%	6.7%	7.7%
Krones	40.8	EUR	1,290	n.m.	18.9	10.6	n.m.	10.1	7.1	n.m.	26.3	15.1	-6.0%	-9.7%	-8.3%
Heidelberger Druckmaschinen	7.6	EUR	597	n.m.	n.m.	12.3	n.m.	11.3	6.4	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Carraro	2.3	EUR	105	n.m.	n.m.	12.1	n.m.	10.1	5.8	n.m.	n.m.	22.9	-7.8%	-7.3%	-28.6%
IMA	13.2	EUR	450	7.8	7.9	7.1	6.4	6.7	6.1	12.1	12.0	10.7	0.7%	2.5%	0.1%
Avg Italian eng. co's				13.1	11.7	10.2	8.9	9.0	6.2	18.3	16.6	15.1	-3.2%	-5.6%	-8.8%
Datalogic	3.7	EUR	213	n.m.	13.5	9.9	17.5	7.8	6.3	n.m.	18.4	13.0	1.4%	0.8%	-2.9%
Average Sample				11.4	11.0	9.3	7.6	8.9	5.9	18.2	18.0	15.6	-4.0%	-6.3%	-9.0%
Datalogic	3.7	EUR	213	n.m.	13.5	9.9	17.5	7.8	6.3	n.m.	18.4	13.0	1.4%	0.8%	-2.9%

* market data as of 7 July 2010.

Source: FactSet, UniCredit Research estimates

As evidenced in the table above, the whole sample, whether considering sector peers or companies within the engineering universe, has been severely hit by the economic crisis. However, we highlight that the effects of Datalogic's turnaround are reflected in our expectations of higher growth rates for the company going forward.

It is worth mentioning that the different D&A policies due to different sub-sectors and countries make it difficult to compare Datalogic with its comps on the EV/EBIT multiple. Moreover, as far as 2011 is concerned, we believe that consensus could increase Datalogic estimates, given the recovery of the market and the performance of the company in 2010, which should have a positive impact also on the following year.

Investment in vision-based technology: acquisition of Evolution Robotics Retail

Not a short-term impact move, but a long-term winning shot

On 2 July 2010, Datalogic announced the acquisition, through its subsidiary Datalogic Scanning, of Evolution Robotics Retail, a US company (based in California) specialized in visual pattern recognition technology for use currently in retail loss prevention and productivity applications (source: Evolution Robotics Retail).

It is worth mentioning that the entire management and technical team of Evolution Robotics Retail will remain with the company and continue to develop technology for the retail sector while also working with Datalogic to expand its visual pattern recognition technology ('ViPR®') in other commercial and industrial arenas.

The acquisition increases Datalogic's solution-based offerings, adding an innovative and key technological capability and offers a high-growth business prospect. Moreover, through the acquisition Datalogic should strengthen its own research activities.

We highlight that, in our view, the acquisition further balances Datalogic's portfolio/offer by investing strongly in solution-based businesses and not only in hardware-based businesses, making the company a more strategic partner for its customers.

The value of the transaction was USD 25.5mn (or about EUR 20mn) which Datalogic funded by means of its own financial resources (i.e. increasing its debt). The value of the transaction is mainly represented by intangible assets such as patents, trade secrets, copyrights and other intellectual property rights, licensing agreements and customer portfolios.

We highlight that Evolution Robotics Retail has no debt. As of FY09, Evolution Robotics Retail had revenues of USD 5.1mn and a negative EBITDA of USD 2.7mn.

Financial statements

Growth in 2010 driven by market recovery

As previously highlighted, 1H10 results should show good signs of growth, in trend with 1Q10 results. In our opinion, the reference market will stabilize in 2H10 but we forecast yoy top-line sales of about 13.5%, with Informatics posting the strongest growth (i.e. around 15% yoy).

As far as profitability is concerned, we expect EBITDA margin to reach 11.8% (or EUR 42mn) from 6.3% in 2009, thanks to the top-line increase and the cost-cutting and efficiency programs already enhanced in 2009. This boost in margin would turn into a net profit of EUR 12mn: it is worth mentioning that our assumption of a tax rate of 30% (or –EUR 5mn of taxes) could prove to be too pessimistic, given the fact that Datalogic posted a loss of around EUR 12mn in 2009 and it could carry some losses forward lowering its tax rate.

Beyond 2010E, we expect Datalogic to achieve further profitability increase thanks to its new factory in Vietnam and to its cost efficiency programs, which should allow the company to experience a lower cost base going forward.

The following table summarizes our profit and loss estimates for Datalogic.

DATALOGIC – 2005-2013E PROFIT AND LOSS

EUR mn	2005	2006	2007	2008	2009	2010E	2011E	2012E	2013E
Net Sales	206	382	404	380	312	354	379	405	434
<i>Yoy growth</i>	40.8%	85.3%	5.9%	-6.0%	-17.9%	13.5%	7.0%	7.0%	7.1%
Cost of Sales	-107	-215	-224	-212	-182	-195	-204	-217	-230
Gross profit	99	167	180	168	130	159	174	188	204
<i>Pct. of sales</i>	48.3%	43.8%	44.5%	44.2%	41.8%	45.0%	46.0%	46.5%	47.0%
Other revenues	3	3	2	10	2	4	4	4	4
Research and development expenses	-15	-26	-25	-25	-25	-25	-27	-28	-30
Distribution expenses	-36	-84	-78	-77	-68	-73	-78	-83	-89
General and administrative expenses	-24	-29	-38	-39	-30	-32	-32	-32	-35
Other operating costs	-2	-5	-3	-2	-4	-5	-6	-6	-7
Total operating costs and other costs	-75	-141	-142	-133	-124	-131	-138	-146	-156
<i>Pct. of sales</i>	-36.2%	-37.0%	-35.1%	-34.9%	-39.8%	-37.0%	-36.5%	-36.0%	-36.0%
EBIT before non-recurring costs/revenues	25	26	38	35	6	28	36	43	48
<i>Pct. of sales</i>	12.0%	6.8%	9.4%	9.3%	2.0%	8.0%	9.5%	10.5%	11.0%
Non-recurring costs and revenues	-5	-6	-3	-1	-8	-1	-1	-1	-1
D&A due to acquisitions		-4	-4	-4	-4	-4	-4	-4	-4
EBIT	20	15	31	31	-6	24	31	38	43
<i>Pct. of sales</i>	9.8%	4.0%	7.7%	8.1%	-1.8%	6.8%	8.3%	9.3%	9.8%
Finance income/expenses	2	-5	-5	-6	-6	-7	-7	-7	-5
Subsidiaries' earnings/losses	0	0	0	0	0	0	0	0	0
Foreign exchange earnings/losses	0	-1	0	1	-1	-1	-1	-1	-1
Net income before taxes	23	9	27	26	-13	17	23	30	36
Taxes	-10	-5	-9	-8	1	-5	-7	-9	-11
<i>Tax rate</i>	-41.9%	-52.8%	-32.1%	-31.1%	-5.2%	30.0%	30.0%	30.0%	30.0%
Net income after taxes	13	4	18	18	-12	12	16	21	26
Minorities	0	0	0	0	0	0	0	0	0
Net profit	13	4	18	18	-12	12	16	21	26
<i>Pct. of sales</i>	6.4%	1.1%	4.5%	4.7%	-3.9%	3.3%	4.3%	5.2%	5.9%
Depreciation and writedowns of property plant and equipment	-5	-8	-8	-8	-9	-9	-9	-9	-9
Amortization and writedowns of intangible assets	-2	-4	-5	-4	-5	-5	-5	-5	-5
EBITDA	32	38	50	48	20	42	50	56	62
<i>Pct. of sales</i>	15.3%	10.0%	12.4%	12.6%	6.3%	11.8%	13.1%	13.9%	14.2%

Source: Datalogic, UniCredit Research estimates

2010 net debt to increase mainly due to the acquisition

Thanks to the good performance we expect Datalogic to post in 2010, we anticipate the 2010E net financial position to be substantially in line with 2009. We highlight that the deterioration we expect at net financial position level is mainly due to the acquisition completed at the beginning of July 2010: the acquisition was funded with debt and resulted in an increase of intangibles and debt, leaving all other factors equals. Finally, in 2H10, we expect Datalogic's management to focus on working capital management, which we expect to be in line with 2009 (i.e. around EUR 40mn).

The following table summarizes our balance sheet and cash flow statement estimates for Datalogic.

DATALOGIC – 2005-2013E BALANCE SHEET

EUR mn	2005	2006	2007	2008	2009	2010E	2011E	2012E	2013E
Working Capital	59	59	62	58	41	45	51	54	59
Fixed Assets	50	50	49	53	51	49	47	46	44
Intangibles	197	154	137	139	127	142	138	134	130
Other Assets and Financial Assets	9	24	21	26	26	26	26	26	26
Capital Employed	315	286	269	275	244	262	263	260	259
Other LT Liabilities	-42	-27	-21	-19	-17	-17	-17	-17	-17
Employee benefits liability	-7	-8	-7	-8	-8	-8	-8	-8	-8
Risk Funds	-5	-6	-6	-6	-4	-4	-4	-4	-4
Total long term liabilities	-53	-41	-34	-33	-30	-30	-30	-30	-30
Net Capital Required	261	246	236	241	214	232	233	230	229
Cash & securities	30	33	55	52	72	72	72	72	72
Short-term Debt	-149	-10	-26	-65	-123	-125	-122	-117	-111
Long-term Debt	-12	-82	-91	-92	-47	-52	-42	-27	-11
Net Cash (Debt) at Y/E	-131	-59	-62	-105	-98	-104	-91	-72	-50
Share Capital	26	33	33	30	30	30	30	30	30
Reserves	104	154	140	105	86	98	111	128	149
Shareholders' Funds	130	187	173	136	117	128	142	159	179
Minority Interest	0	0	0	0	0	0	0	0	0

Source: Datalogic, UniCredit Research estimates

DATALOGIC – 2005-2013E CASH FLOW STATEMENT

EUR mn	2005	2006	2007	2008	2009	2010E	2011E	2012E	2013E
Net Profit	13	4	18	18	-12	12	16	21	26
Depreciations and Amortizations	7	12	12	12	13	13	14	14	14
Cash Flow from Operations	20	16	30	30	1	25	30	35	39
Capex & Acquisitions	-188	16	8	-22	0	-27	-8	-8	-8
Dividends Paid	-3	-4	-4	-2	0	-3	-4	-5	-6
Working Capital	-24	0	-4	5	17	-5	-6	-3	-5
Others	30	36	-43	-58	-10	3	1	1	1
Net Free Cash Flow	-166.4	65.0	-12.4	-47.0	7.8	-6.5	13.1	19.5	21.5
Cash at Y/E	38	30	33	55	52	72	72	72	72
Short-term Debt at Y/E	-3	-149	-10	-26	-65	-123	-125	-122	-117
Long-term Debt at Y/E	-6	-12	-82	-91	-92	-47	-52	-42	-27
Net Cash (Debt) at Y/E	29	-131	-59	-62	-105	-98	-104	-91	-72

Source: Datalogic, UniCredit Research estimates

DATALOGIC – KEY DATA

EUR mn	2006	2007	2008	2009	2010E	2011E	2012E
Market Data							
Price Ord (EUR)	6.4	6.2	4.9	4.1	3.7	3.7	3.7
No. Issued Shares	63.6	63.9	58.4	58.4	58.4	58.4	58.4
Total Market Cap	404.0	393.2	287.9	237.7	213.3	213.3	213.3
P&L							
Group Net Sales	381.6	404.0	379.8	312.0	354.0	378.7	405.2
yoy % change	85.3%	5.9%	n.m.	n.m.	13.5%	7.0%	7.0%
EBITDA	38.2	50.1	47.8	19.6	41.8	49.8	56.3
EBITDA Margin	10.0%	12.4%	12.6%	6.3%	11.8%	13.1%	13.9%
EBIT	15.4	31.1	30.7	-5.6	24.1	31.5	37.7
EBIT Margin	4.0%	7.7%	8.1%	n.m.	6.8%	8.3%	9.3%
Pretax	9.0	26.6	25.9	-12.8	16.5	23.4	30.0
Group Net Profit	4.1	18.1	17.8	-12.2	11.6	16.4	21.0
Net profit margin	1.1%	4.5%	4.7%	n.m.	3.3%	4.3%	5.2%
Adj. Group Net Profit	4.1	18.1	17.8	-12.2	11.6	16.4	21.0
Adj. EBITDA	38.2	50.1	47.8	19.6	41.8	49.8	56.3
Balance Sheet							
Net Fixed assets	227.7	207.4	217.0	203.9	217.3	211.6	205.9
Net working capital	58.5	62.1	57.5	40.5	45.1	51.3	54.4
Long term liabs. and TFR	-40.6	-33.5	-33.4	-30.1	-30.1	-30.1	-30.1
Net Capital Required	245.6	235.9	241.2	214.3	232.4	232.8	230.2
Shareholders' Equity	186.7	173.5	135.8	116.7	128.3	141.7	158.6
Net Financial Debt (Cash)	58.9	62.4	105.4	97.6	104.1	91.1	71.6
Cash flow statement							
Operating Cash Flow	52.6	-16.0	-22.8	8.1	23.3	25.3	32.8
Capex	16.0	8.0	-22.1	-0.3	-26.9	-8.1	-8.1
Dividends	-3.8	-4.5	-2.0	0.0	-2.9	-4.1	-5.2
Change in net financial position	72.6	-3.5	-42.9	7.8	-6.5	13.1	19.5
Leverage							
Debt/Equity	0.3x	0.4x	0.8x	0.8x	0.8x	0.6x	0.5x
Debt/EBITDA	1.5x	1.2x	2.2x	5.0x	2.5x	1.8x	1.3x
EBITDA Interest Coverage	7.4x	10.9x	8.5x	3.1x	6.4x	7.1x	8.6x
EV Ratios							
EV	470.7	462.2	401.7	343.7	325.9	312.8	293.3
EV/sales	1.2x	1.1x	1.1x	1.1x	0.9x	0.8x	0.7x
EV/EBITDA	12.3x	9.2x	8.4x	17.5x	7.8x	6.3x	5.2x
EV/EBIT	n.m.	14.9x	13.1x	n.m.	13.5x	9.9x	7.8x
[EV/CE]/[ROCE/WACC]	n.a.	1.6x	1.2x	n.a.	1.1x	0.9x	0.8x
Per Share Data (EUR)							
EPS	0.06	0.28	0.31	-0.21	0.20	0.28	0.36
Adj. EPS	0.06	0.28	0.31	-0.21	0.20	0.28	0.36
Free CFPS	1.08	n.m.	n.m.	0.13	n.m.	0.29	0.42
BVPS	2.93	2.72	2.32	2.00	2.19	2.43	2.71
DPS Ord	0.06	0.07	0.04	0.00	0.05	0.07	0.09
Valuation Ratios							
P/E Ord	n.m.	21.7x	16.1x	n.m.	18.4x	13.0x	10.2x
Adj. P/E Ord	n.m.	21.7x	16.1x	n.m.	18.4x	13.0x	10.2x
Free cash flow yield	17.0%	n.m.	n.m.	3.3%	n.m.	8.1%	11.6%
Div. Yield Ord	0.9%	1.1%	0.7%	0.0%	1.4%	1.9%	2.5%

Source: Datalogic, UniCredit Research estimates

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Datalogic	-

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Company	Date	Rating	Currency	Target price
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