

# DATALOGIC

# OUTPERFORM

SECTOR: Industrials

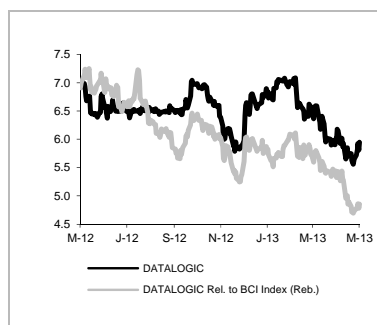
Price (Eu): **5.95**  
 Target Price (Eu): **7.50**

Andrea Randone +39-02-77115.364  
 e-mail: andrea.randone@intermonte.it

## New Products Are Expected To Support Market Recovery Trends

- Datalogic's performance was consistent with a weak global reference market.** In 1Q13 sales were up 11.6% to Eu102.0mn: this figure was already released and is in line with the reference market trend in the quarter. More precisely, the main retailers limited their investments to replace existing scanners in light of the very weak consumption environment which has been penalizing their business. For this reason, the revenue contribution of the ADC business unit decreased by 14.5% to Eu62.5mn.
- EBITDA closed at Eu11.0mn, down 40% as expected.** We have to remind that 1Q12 EBITDA benefited from about Eu5.5mn in revenue related to the sale of a non-core business, consisting of RFID devices and solutions. Net of this non-recurring item, EBITDA decrease would have been equal to 15% or just about Eu2mn in absolute terms thanks also to the strict control on costs, which generated savings for Eu3.3mn compared to 1Q12. Notably, research and development expenses amounted to Eu8.3mn in 1Q13 compared to Eu8.0mn in 1Q12, once again confirming Datalogic's relentless long-term approach. In the quarter average prices decreased by about 6.5%, while the normal erosion is about 3%: during the confcall management specified this effect was due to certain large contracts awarded in emerging markets concerning some low-end hand-held scanners. Below EBITDA, foreign exchange gains unexpectedly amounted to Eu3.2mn (compared to a Eu4.2mn loss in 1Q12). At bottom line, for this reason, **net profit stood at Eu6.1mn**, down 39% YoY but 35% better than forecast thanks to forex. Finally, **net debt closed at Eu122mn** up just Eu1mn from the corresponding level at YE12, confirming once again the strong management control on NWC also in the presence of volatile market conditions.
- CEO Romano Volta confirmed a recovery in the remainder of the year is expected.** There are several elements which suggest a "cautious optimism". First of all, there are important new products to be launched during the year: an Automated Scanner for the retail sector and a new series of Mobile Computers. Secondly, quarterly book to bill ratio was comforting, amounting to 111%, i.e. orders were equal to Eu112.7; this should allow revenues to pick up in 2Q13, not YoY but at least QoQ. Finally, in 2H13 we expect not only recovery to become more vigorous but also comparison to become easier.
- Outperform confirmed, target price and estimates unchanged.** Market momentum is still difficult but we believe the conditions are in place for a complete recovery in the coming quarters, and we therefore reiterate our OUTPERFORM recommendation.

### DATALOGIC - 12m Performance



**RATING: Unchanged**

**TARGET PRICE (Eu): Unchanged**

Change in EPS est:	2013E	2014E
	0.0%	0.0%

### STOCK DATA

Reuters code: DAL.MI  
 Bloomberg code: DAL IM

Performance	1m	3m	12m
Absolute	-0.8%	-15.2%	-13.9%
Relative	-9.6%	-21.7%	-36.5%
12 months H/L:	7.09/5.56		

### SHAREHOLDER DATA

No. of Ord. shares (mn):	58
Total No. of shares (mn):	58
Mkt Cap Ord (Eu mn):	348
Total Mkt Cap (Eu mn):	348
Mkt Float - ord (Eu mn):	94
Mkt Float (in %):	26.9%
Main shareholder:	
Hydra Spa (controlled by Voli)	67.1%

### BALANCE SHEET DATA

	2013
Book value (Eu mn):	183
BVPS (Eu):	3.13
P/BV:	1.9
Net Financial Position (Eu mn):	-101
Enterprise value (Eu mn):	449

Key Figures	2011A	2012A	2013E	2014E	2015E
Sales (Eu mn)	426	462	481	519	556
Ebitda (Eu mn)	51	63	68	78	85
Net profit (Eu mn)	26	10	35	43	49
EPS - New (Eu)	0.585	0.640	0.649	0.779	0.894
EPS - Old (Eu)		0.640	0.649	0.779	0.894
DPS (Eu)	0.150	0.150	0.150	0.150	0.150

Ratios & Multiples	2011A	2012A	2013E	2014E	2015E
P/E	10.2	9.3	9.2	7.6	6.7
Div. Yield	2.5%	2.5%	2.5%	2.5%	2.5%
EV/Ebitda	6.9	7.0	6.6	5.3	4.4
ROCE	16.3%	6.1%	18.4%	22.2%	24.5%

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein, and of any of its parts, is strictly prohibited. None of the contents of this document may be shared with third parties without Company authorization.

**DATALOGIC - KEY FIGURES**

		2011A	2012A	2013E	2014E	2015E
	Fiscal year end	31/12/2011	31/12/2012	31/12/2013	31/12/2014	31/12/2015
<b>PROFIT &amp; LOSS (Eu mn)</b>	Sales	426	462	481	519	556
	EBITDA	51	63	68	78	85
	EBIT	36	16	53	63	70
	Financial income (charges)	(4)	(4)	(7)	(5)	(3)
	Associates & Others	0	0	0	0	0
	Pre-tax profit (Loss)	33	9	47	58	68
	Taxes	(7)	1	(12)	(16)	(18)
	Tax rate (%)	22.0%	-9.2%	25.0%	27.0%	27.0%
	Minorities & discontinue activities	0	0	0	0	0
	Net profit	26	10	35	43	49
	Total extraordinary items	(8)	(27)	(3)	(3)	(3)
	Ebitda excl. extraordinary items	59	67	68	78	85
Ebit excl. extraordinary items	49	53	58	67	74	
Net profit restated	34	37	38	46	52	
<b>PER SHARE DATA (Eu)</b>	Total shares out (mn) - average fd	58	58	58	58	58
	EPS stated fd	0.443	0.170	0.599	0.728	0.843
	EPS restated fd	0.585	0.640	0.649	0.779	0.894
	BVPS fd	2.913	2.967	3.126	3.704	4.398
	Dividend per share (ord)	0.150	0.150	0.150	0.150	0.150
	Dividend per share (sav)	0.000	0.000	0.000	0.000	0.000
	Dividend pay out ratio (%)	33.8%	88.2%	25.0%	20.6%	17.8%
<b>CASH FLOW (Eu mn)</b>	Gross cash flow	40	52	50	57	64
	Change in NWC	3	4	(7)	(1)	(1)
	Capital expenditure	(14)	(14)	(14)	(15)	(15)
	Other cash items	0	0	0	0	0
	Free cash flow (FCF)	30	42	29	41	48
	Acquisitions, divestments & others	(4)	(104)	0	0	0
	Dividend	(8)	(9)	(9)	(9)	(9)
	Equity financing/Buy-back	0	(3)	0	0	0
Change in Net Financial Position	17	(62)	20	33	39	
<b>BALANCE SHEET (Eu mn)</b>	Total fixed assets	222	291	320	313	311
	Net working capital	14	11	18	19	20
	Long term liabilities	(7)	(7)	(54)	(47)	(45)
	Net capital employed	230	295	284	285	287
	Net financial position	(59)	(121)	(101)	(68)	(30)
	Group equity	170	173	183	217	257
	Minorities	0	0	0	0	0
Net equity	170	173	183	217	257	
<b>ENTERPRISE VALUE (Eu mn)</b>	Average mkt cap - current	348	348	348	348	348
	Adjustments (associate & minorities)	0	0	0	0	0
	Net financial position	(59)	(121)	(101)	(68)	(30)
	Enterprise value	407	469	449	416	377
<b>RATIOS(%)</b>	EBITDA margin*	13.9%	14.5%	14.1%	15.0%	15.3%
	EBIT margin*	11.5%	11.5%	12.0%	13.0%	13.4%
	Gearing - Debt/equity	34.9%	69.8%	55.3%	31.6%	11.5%
	Interest cover on EBIT	10.1	4.3	7.8	12.4	24.8
	Debt/Ebitda	1.17	1.93	1.49	0.88	0.35
	ROCE*	16.3%	6.1%	18.4%	22.2%	24.5%
	ROE*	16.7%	5.8%	19.7%	21.3%	20.8%
	EV/CE	1.8	1.8	1.6	1.5	1.3
	EV/Sales	1.0	1.0	0.9	0.8	0.7
	EV/Ebit	8.4	8.8	7.8	6.2	5.1
Free Cash Flow Yield	8.5%	12.0%	8.3%	11.9%	13.7%	
<b>GROWTH RATES (%)</b>	Sales	8.3%	8.6%	4.0%	8.0%	7.0%
	EBITDA*	21.0%	13.3%	1.3%	14.7%	9.2%
	EBIT*	27.9%	8.7%	8.9%	17.0%	10.3%
	Net profit	43.7%	-61.7%	252.2%	21.6%	15.8%
	EPS restated	68.1%	9.5%	1.4%	19.9%	14.8%

\* Excluding extraordinary items

Source: Intermonte SIM estimates

## Details

Datalogic - Quarterly figures					
(Eu mn)	1Q12A	1Q13A	YoY	1Q13E	A vs. E
<b>Net sales</b>	<b>115.4</b>	<b>102.0</b>	-11.6%	<b>101.0</b>	1.0%
<b>EBITDA adj.</b>	<b>18.5</b>	<b>11.0</b>	-40.4%	<b>11.0</b>	0.2%
<b>Ebitda margin</b>	16.0%	10.8%		10.9%	
Non recurring	0.0	0.0		0.0	
D&A	(3.3)	(3.8)		(3.5)	
<b>EBIT</b>	<b>15.2</b>	<b>7.3</b>	-52.2%	<b>7.5</b>	-3.3%
<b>Ebit margin</b>	<b>13.2%</b>	<b>7.1%</b>		<b>7.4%</b>	
Net financials	(0.6)	(1.9)		(1.8)	
Associates / forex	(4.2)	3.2		0.1	
<b>Pre tax profit</b>	<b>10.4</b>	<b>8.5</b>	-18.2%	<b>5.8</b>	46.7%
Taxes	(0.4)	(2.4)		(1.3)	
<i>Tax rate</i>	<i>3.5%</i>	<i>22.0%</i>		<i>22.0%</i>	
Minorities	0.0	0.0		0.0	
<b>Net profit</b>	<b>10.0</b>	<b>6.1</b>	-39.1%	<b>4.5</b>	35.2%

Source: Company data and Intermonte SIM estimates

**In 1Q13 sales were up 11.6% to Eu102.0mn:** this figure was already released and is in line with the reference market trend in the quarter. More precisely, the main retailers limited their investments to replace existing scanners in light of the very weak consumption environment which has been penalizing their business. For this reason, the revenue contribution of the ADC business unit decreased by 14.5% to Eu62.5mn.

**EBITDA closed at Eu11.0mn, down 40% as expected.** We have to remind that 1Q12 EBITDA benefited from about Eu5.5mn in revenue related to the sale of a non-core business, consisting of RFID devices and solutions. Net of this non-recurring item, EBITDA decrease would have been equal to 15% or just about Eu2mn in absolute terms thanks also to the strict control on costs, which generated savings for Eu3.3mn compared to 1Q12. Notably, research and development expenses amounted to Eu8.3mn in 1Q13 compared to Eu8.0mn in 1Q12, once again confirming Datalogic's relentless long-term approach. In the quarter average prices decreased by about 6.5%, while the normal erosion is about 3%: during the confcall management specified this effect was due to certain large contracts awarded in emerging markets concerning some low-end hand-held scanners.

Below EBITDA, foreign exchange gains unexpectedly amounted to Eu3.2mn (compared to a Eu4.2mn loss in 1Q12). At bottom line, for this reason net profit stood at Eu6.1mn, down 39% YoY but 35% better than forecast thanks to forex.

Finally, net debt closed at Eu122mn up just Eu1mn from the corresponding level at YE12, confirming once again the strong management control on NWC also in the presence of volatile market conditions.

## Datalogic –Quarterly breakdown figures

### Datalogic - Sales breakdown by business

	2011A	1Q12A	2Q12A	1H12A	3Q12A	4Q12A	2012A	1Q13A
<b>ADC</b>	<b>297.5</b>	<b>73.1</b>	<b>75.5</b>	<b>148.6</b>	<b>73.5</b>	<b>75.8</b>	<b>297.9</b>	<b>62.5</b>
YoY growth		-0.3%	4.0%	1.8%	-1.5%	-1.5%	0.1%	-14.5%
% on sales	69.9%	63.4%	62.2%	62.7%	66.4%	66.0%	64.5%	61.3%
<b>Industrial Automation</b>	<b>96.2</b>	<b>32.8</b>	<b>37.3</b>	<b>70.1</b>	<b>28.9</b>	<b>31.6</b>	<b>130.6</b>	<b>31.9</b>
YoY growth		34.3%	53.1%	43.7%	20.7%	34.5%	35.7%	-2.7%
% on sales	22.6%	28.5%	30.7%	29.6%	26.1%	27.5%	28.3%	31.3%
<b>Informatics</b>	<b>32.2</b>	<b>9.6</b>	<b>8.9</b>	<b>18.5</b>	<b>8.3</b>	<b>7.4</b>	<b>34.1</b>	<b>7.6</b>
YoY growth		31.6%	4.9%	17.2%	-2.7%	-6.5%	6.1%	-20.9%
% on sales	7.6%	8.3%	7.3%	7.8%	7.5%	6.4%	7.4%	7.4%
<b>DL SpA</b>	<b>15.4</b>	<b>4.9</b>	<b>5.5</b>	<b>10.4</b>	<b>5.2</b>	<b>6.6</b>	<b>22.2</b>	<b>5.1</b>
YoY growth		30.4%	48.9%	39.6%	33.8%	62.5%	44.2%	4.8%
% on sales	3.6%	4.2%	4.5%	4.4%	4.7%	5.8%	4.8%	5.0%
<b>adjustments</b>	<b>-15.8</b>	<b>-5.0</b>	<b>-5.7</b>	<b>-10.7</b>	<b>-5.2</b>	<b>-6.7</b>	<b>-22.6</b>	<b>-5.1</b>
<b>Consolidated net sales</b>	<b>425.5</b>	<b>115.4</b>	<b>121.5</b>	<b>236.9</b>	<b>110.7</b>	<b>114.7</b>	<b>462.3</b>	<b>102.0</b>
YoY		9.9%	15.4%	12.7%	3.4%	6.0%	8.6%	-11.6%

Source: Company data and Intermonte SIM estimates

### Datalogic - EBITDA breakdown by business

	2011A	1Q12A	2Q12A	1H12A	3Q12A	4Q12A	2012A	1Q13A
<b>ADC</b>	<b>40.2</b>	<b>9.1</b>	<b>16.6</b>	<b>25.7</b>	<b>10.5</b>	<b>10.0</b>	<b>46.2</b>	<b>8.7</b>
YoY growth		-11.6%	35.0%	13.7%	-7.5%	60.9%	15.0%	-4.5%
% margin	13.5%	12.5%	21.9%	17.3%	14.3%	13.2%	15.5%	14.0%
<b>Industrial Automation</b>	<b>13.8</b>	<b>5.5</b>	<b>3.6</b>	<b>9.1</b>	<b>-1.0</b>	<b>-1.1</b>	<b>7.1</b>	<b>0.6</b>
YoY growth		51.5%	0.8%	26.2%	-125.8%	-139.4%	-48.7%	-89.9%
% margin	14.3%	16.7%	9.7%	13.0%	-3.4%	-3.4%	5.4%	1.7%
<b>Informatics</b>	<b>4.1</b>	<b>1.4</b>	<b>1.0</b>	<b>2.4</b>	<b>0.9</b>	<b>0.9</b>	<b>4.1</b>	<b>0.8</b>
YoY growth		52.9%	2.0%	25.9%	-34.8%	1.1%	1.1%	-40.6%
% margin	12.7%	14.3%	11.6%	13.0%	10.4%	11.7%	12.1%	10.7%
<b>DL SpA</b>	<b>1.8</b>	<b>2.5</b>	<b>1.0</b>	<b>3.5</b>	<b>1.6</b>	<b>0.3</b>	<b>5.4</b>	<b>0.8</b>
YoY growth		257.1%	100.0%	191.7%	77.8%	nm	197.3%	-66.4%
% margin	11.8%	51.5%	18.2%	33.8%	30.8%	4.7%	24.4%	16.5%
<b>adjustments</b>	<b>-0.6</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.1</b>
<b>Consolidated EBITDA</b>	<b>59.2</b>	<b>18.5</b>	<b>22.1</b>	<b>40.6</b>	<b>12.1</b>	<b>10.0</b>	<b>62.7</b>	<b>11.0</b>
% margin	13.9%	16.0%	18.2%	17.2%	10.9%	8.7%	13.9%	10.8%

Source: Company data and Intermonte SIM estimates

### Datalogic - Sales breakdown by area

(Eu mn)	2011A	1Q12A	2Q12A	1H12A	3Q12A	4Q12A	2012A	1Q13A
<b>Italy</b>	<b>45.5</b>	<b>10.2</b>	<b>10.6</b>	<b>20.8</b>	<b>8.1</b>	<b>10.1</b>	<b>39.0</b>	<b>9.5</b>
YoY growth	5.6%	-7.7%	-15.9%	-12.1%	-23.8%	-10.3%	-14.4%	-6.6%
% on sales	10.7%	8.9%	8.7%	8.8%	7.3%	8.8%	8.4%	9.4%
<b>Europe</b>	<b>167.6</b>	<b>47.8</b>	<b>45.1</b>	<b>92.9</b>	<b>46.3</b>	<b>33.2</b>	<b>172.4</b>	<b>39.9</b>
YoY growth	7.1%	11.4%	9.0%	10.2%	-6.7%	-1.2%	2.9%	-16.5%
% on sales	39.4%	41.4%	37.1%	39.2%	41.9%	29.0%	37.3%	39.1%
<b>North America</b>	<b>123.2</b>	<b>38.3</b>	<b>44.9</b>	<b>83.2</b>	<b>36.0</b>	<b>40.1</b>	<b>159.2</b>	<b>34.5</b>
YoY growth	8.8%	30.1%	38.4%	34.5%	19.3%	28.6%	29.3%	-10.0%
% on sales	28.9%	33.2%	37.0%	35.1%	32.5%	34.9%	34.4%	33.8%
<b>Asia Pacific</b>	<b>51.0</b>	<b>12.3</b>	<b>13.7</b>	<b>26.0</b>	<b>13.4</b>	<b>13.3</b>	<b>52.7</b>	<b>11.1</b>
YoY growth	3.3%	-12.3%	20.8%	2.4%	18.0%	-7.0%	3.3%	-9.8%
% on sales	12.0%	10.7%	11.2%	11.0%	12.2%	11.6%	11.4%	10.9%
<b>RoW</b>	<b>38.3</b>	<b>6.7</b>	<b>7.2</b>	<b>13.9</b>	<b>6.9</b>	<b>18.1</b>	<b>38.9</b>	<b>7.0</b>
YoY growth	24.8%	-10.0%	-4.5%	-7.2%	30.0%	0.7%	1.7%	3.8%
% on sales	9.0%	5.8%	5.9%	5.9%	6.2%	15.8%	8.4%	6.9%
<b>Consolidated net sales</b>	<b>425.5</b>	<b>115.4</b>	<b>121.5</b>	<b>236.9</b>	<b>110.7</b>	<b>114.7</b>	<b>462.3</b>	<b>102.0</b>
YoY growth	8.3%	9.9%	15.4%	12.7%	3.4%	6.0%	8.6%	-11.6%

Source: Company data and Intermonte SIM estimates

**DATALOGIC Peer Group - Absolute Performances**

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
DATALOGIC	6.0	EUR	347.8	-0.8%	-15.2%	-6.9%	-9.9%	-13.9%	2.0%
INTERMEC	9.8	USD	592.6	-0.2%	-0.9%	33.2%	-0.6%	76.6%	-19.0%
ZEBRA TECH	46.6	USD	2,376.4	0.9%	5.7%	22.2%	18.5%	23.8%	8.6%
ZETES INDUST	15.2	EUR	78.4	-1.0%	-2.3%	7.5%	0.9%	1.2%	-18.3%
<b>Mean performance</b>				<b>-0.3%</b>	<b>-3.2%</b>	<b>14.0%</b>	<b>2.2%</b>	<b>21.9%</b>	<b>-6.7%</b>
<b>Italy Fixed</b>	17,284.0	EUR	197,130	8.5%	3.9%	13.9%	6.2%	23.4%	-21.4%

Source: FactSet

**DATALOGIC Peer Group - Multiple Comparison**

Stock	Price	Ccy	Mkt cap	EV/Sales		EV/Ebitda		EV/Ebit		P/E		Div Yield	
				2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
DATALOGIC	6.0	EUR	347.8	0.9	0.8	6.6	5.3	7.8	6.2	9.2	7.6	2.5%	2.5%
INTERMEC	9.8	USD	592.6							20.4	17.8		
ZEBRA TECH	46.6	USD	2,376.4	1.8	1.6	9.4	7.8	11.2	9.3	17.5	15.5	0.0%	0.0%
ZETES INDUST	15.2	EUR	78.4	0.3	0.3	4.0	3.4	7.2	5.7	11.3	10.0	3.6%	3.6%
<b>Median</b>				<b>0.9</b>	<b>0.8</b>	<b>6.6</b>	<b>5.3</b>	<b>7.8</b>	<b>6.2</b>	<b>14.4</b>	<b>12.8</b>	<b>2.5%</b>	<b>2.5%</b>

Source: Intermonte SIM estimates for covered companies, FactSet consensus estimates for peer group

**DATALOGIC - Estimates Comparison with Consensus**

(Eu mn)	2013			2014		
	Intermonte	Consensus	%diff	Intermonte	Consensus	%diff
Revenues	480.7	481.0	-0.1%	519.2	518.9	0.1%
Ebitda	67.9	69.4	-2.1%	77.9	78.8	-1.2%
Net Profit	35.0	37.1	-5.8%	42.6	44.5	-4.4%
EPS	0.6	0.6	0.4%	0.8	0.8	0.8%
Net Debt	(101.1)	(120.3)	-16.0%	(68.5)	(87.9)	-22.1%

Source: Intermonte SIM estimates and Factset consensus estimates

**DISCLAIMER** (for more details go to <http://intermonte.it/disclosures.asp>)

**IMPORTANT DISCLOSURES**

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.  
 This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.  
 The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by the Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.  
 This disclaimer is constantly updated on Intermonte's website [www.intermonte.it](http://www.intermonte.it) under DISCLOSURES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question.

**ANALYST CERTIFICATION**

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.  
 The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.  
 Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

**GUIDE TO FUNDAMENTAL RESEARCH**

Reports on all companies listed on the S&PMB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.  
 A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.  
 Explanation of our ratings system:  
 BUY: stock expected to outperform the market by over 25% over a 12 month period;  
 OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;  
 NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period ;  
 UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;  
 SELL: stock expected to underperform the market by over 25% over a 12 month period.  
 The stock price indicated is the reference price on the day prior to the publication of the report.

**CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS**

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms. As at March 31th 2013 Intermonte's Research Department covered 137 companies.  
 Intermonte's distribution of stock ratings is as follows:

BUY: 16.06%  
 OUTPERFORM: 36.50%  
 NEUTRAL: 37.22%  
 UNDERPERFORM: 10.22%  
 SELL: 0.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (26 in total) is as follows:

BUY: 15.38%  
 OUTPERFORM: 50.00%  
 NEUTRAL: 34.62%  
 UNDERPERFORM: 0.00%  
 SELL: 0.00%

**CONFLICT OF INTEREST**

In order to disclose its possible conflicts of interest Intermonte SIM states that:

- o within the last year, Intermonte SIM managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an Institutional Offering and/or , managed or co-managed/is managing or is co-managing (see companies indicated in bold type) an offering with firm commitment underwriting of the securities of the following Companies: Compagnia della Ruota, **Made in Italy**, Sesa, TerniGreen, UniCredit.
- o Intermonte SIM is Specialist and/or Corporate Broker and/or Broker in charge of the share buyback activity of the following Companies: Be, Biancamano, B&C Speakers, Carraro, Cattolica Assicurazioni, Cell Therapeutics, Credito Valtellinese, Datalogic, DeA capital, Digital bros, EL En, Fiera Milano, Fintel Energia Group, Gefran, IGD, IGI Investimenti, Kinexia, QF Alpha Immobiliare, QF Beta Immobiliare, Primi sui Motori, Reno de Medici, Reply, Saes Getters, Serviz Italia, TESMEC, TBS Group, TerniGreen, Ternienergia, Vittoria Assicurazioni, VR Way.
- o Intermonte SIM SpA and its subsidiaries do not hold a stake of equal to or over 1% in any class of common equity securities of the subject company.
- o Intermonte SIM SpA acts as Financial Advisor to the following companies: Cattolica Assicurazioni.

**DETAILS ON STOCKS RECOMMENDATION**

Stock NAME	DATALOGIC		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	7.50	Previous Target (Eu):	7.50
Current Price (Eu):	5.95	Previous Price (Eu):	5.92
Date of report:	13/05/2013	Date of last report:	16/04/2013

**© Copyright 2010 by Intermonte SIM - All rights reserved**

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.  
 INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.  
 INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid .  
 Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MiFID compliant - for our Best Execution Policy please check our Website [www.intermonte.it/mifid](http://www.intermonte.it/mifid)  
 Further information is available