



1H 2013 Conference Call

July 30th, 2013

Agenda

- 1H 2013
- Outlook



1H 2013

Highlights 2Q 2013

- **Remarkable improvement of revenues (+ 14.4% on 1Q2013)** mainly as effect of the introduction of new products
- **Ebitda Margin** improved from 10.8% to 13% on 1Q2013
- **Ebit grew by 67.3% QoQ** but the negative impact of foreign exchange, **4.3 M Euro losses** vs 3.2 M Euro profit in 1Q2013 and 8.8 M Euro profit in 1Q2012, hit net profit
- **Net Financial Position improved** to 113.4 M Euro from 121.1 M Euro at FY2012 and from 122 M Euro at the end of 1Q 2013

€000	2Q2013	1Q2013	Var QoQ%	2Q2012	Var YoY %
Revenues	116,728	102,041	14.4%	121,477	(3.9%)
Gross Operating Margin (GOM)	55,101	48,331	14.0%	59,955	(8.1%)
EBITDA	15,208	11,024	38.0%	22,153	(31.4%)
EBITANR	12,540	8,701	44.1%	19,514	(35.7%)
Operating Profit (EBIT)	12,135	7,252	67.3%	16,141	(24.8%)
Net profit	4,121	6,116	(32.6%)	16,518	(75.1%)

Products launched in 2Q - Retail



Magellan 9800i scanner-scale

- The world's first high performance scanner with digital imaging in all planes.
- Innovative Top Down Reader to increase the scanning volume and to provide customers loyalty cards scanning



Retail Warehousing

Lynx:

Now certified with ATT 4G wide area network and equipped with voice picking headset

LaneHawk LH4000:

The camera for the bottom of the basket solution.



TD1100:

Touch reader, with light weight and small for factor



QD2430:

2D primary scanning. It provides omnidirectional reading virtually on any bar code at any affordable price



Products launched in 2Q : Factory Automation



Matrix 300:

A game changer in factory automation and high end machine automation. Strong DPM capabilities and great versatility with electronic autofocus



S8:

The sensor for food and pharmaceutical applications. Designed in stainless steel for frequent wash-down

Powerscan Direct Part Marking (DPM) Imagers:

PD9530:

Covers a large variety of situations including the most common DPM applications.

PD8590:

Specialized to address all the DPM applications



Highlights 1H 2013

- **Revenues trend** (-7.6% YoY) reflects retail market slowdown
- **Differentiated trend of ADC revenues** in Europe and US vs. emerging markets:
 - in Europe and US: -17/18%
 - in Asia Pacific and Rest of the World: +20/21%
- **IA:** recovery of the postal segment in US
- **Sound cash generation**, around 14.5 M Euro, net of non recurring items

€000	1H2013	1H2012	Var YoY %
Revenues	218,769	236,860	(7.6%)
Gross Operating Margin (GOM)	103,432	113,141	(8.6%)
EBITDA	26,232	40,649	(35.5%)
EBITANR	21,241	35,629	(40.4%)
Operating Profit (EBIT)	19,387	31,328	(38.1%)
Net Profit	10,237	26,564	(61.5%)

1H Focus on Research and Development

- **Strong focus on R&D that grew by 9.5%** to 17.4 M Euro
- **Increased weight on Revenues:** 8.0% of revenues vs. 6.7% previous year
- **New Products launched in 1H:**
 - **Retail:** 5 Products
 - **FA :** 7 Products
 - **T&L :** 1 Product
- **Higher contribution of new products** to the EBITANR: 6.7 M Euro vs 4 M Euro in 1H2012

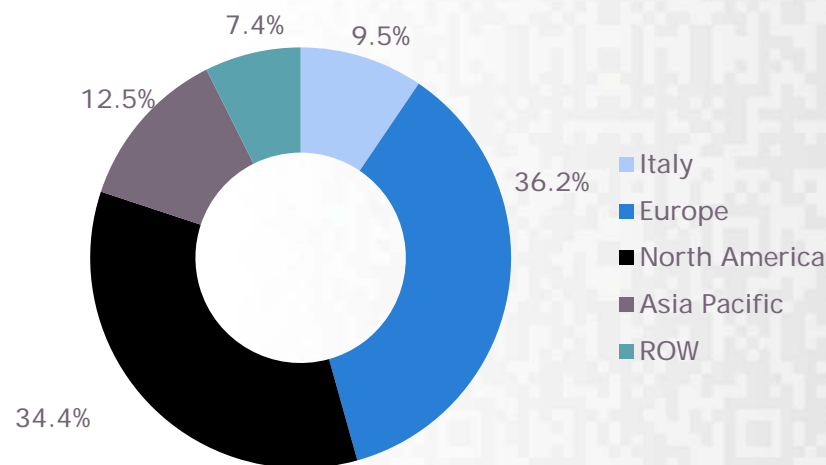
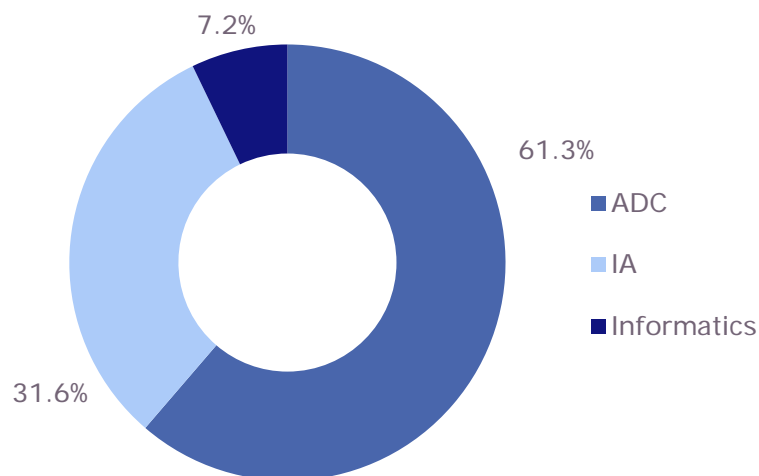
1H 2013 Profit and Loss

000€	1H2013		1H2012		Var %
Revenues	218,769	100.0%	236,860	100.0%	- 7.6%
COGS	(115,337)	-52.7%	(123,719)	-52.2%	-6.8%
Gross Operating Margin	103,432	47.3%	113,141	47.8%	- 8.6%
Other revenues	617	0.3%	6,109	2.6%	-89.9%
R&D	(17,397)	-8.0%	(15,893)	-6.7%	9.5%
Distribution Costs	(41,763)	-19.1%	(43,509)	-18.4%	-4.0%
Administrative expenses	(22,801)	-10.4%	(22,882)	-9.7%	-0.4%
Other operating expenses	(847)	-0.4%	(1,337)	-0.6%	-36.6%
Total operating expenses and others	(82,808)	- 37.9%	(83,621)	- 35.3%	- 1.0%
EBITANR	21,241	9.7%	35,629	15.0%	- 40.4%
Non recurring costs/rev	1,059	0.5%	(1,570)	-0.7%	n.a.
Amort. Intang. Assets from acquis.	(2,913)	-1.3%	(2,731)	-1.2%	6.7%
Operating Profit (EBIT)	19,387	8.9%	31,328	13.2%	- 38.1%
Financial (costs)/rev.	(4,157)	-1.9%	(3,992)	-1.7%	4.1%
Results from equity investments	102	0.0%	116	0.0%	-12.1%
Foreign exchange (costs)/rev.	(1,108)	-0.5%	4,544	1.9%	n.a.
EBT	14,224	6.5%	31,996	13.5%	- 55.5%
Taxes	(3,987)	-1.8%	(5,432)	-2.3%	-26.6%
Net Income	10,237	4.7%	26,564	11.2%	- 61.5%
Depreciation	(3,886)	-1.8%	(3,807)	-1.6%	2.1%
Amortization	(1,105)	-0.5%	(1,213)	-0.5%	-8.9%
EBITDA	26,232	12.0%	40,649	17.2%	- 35.5%
Exchange rate	1.3134		1.2965		

Revenues Trend

REVENUES BY DIVISION			
€000	1H2012	1H2013	Var %
Datalogic ADC	148,628	134,151	-9.7%
Datalogic Automation	70,079	69,041	-1.5%
Informatics	18,477	15,655	-15.3%
Datalogic S.p.A.	10,359	11,162	7.8%
Adjustments	(10,683)	(11,240)	5.2%
Total revenues	236,860	218,769	- 7.6%

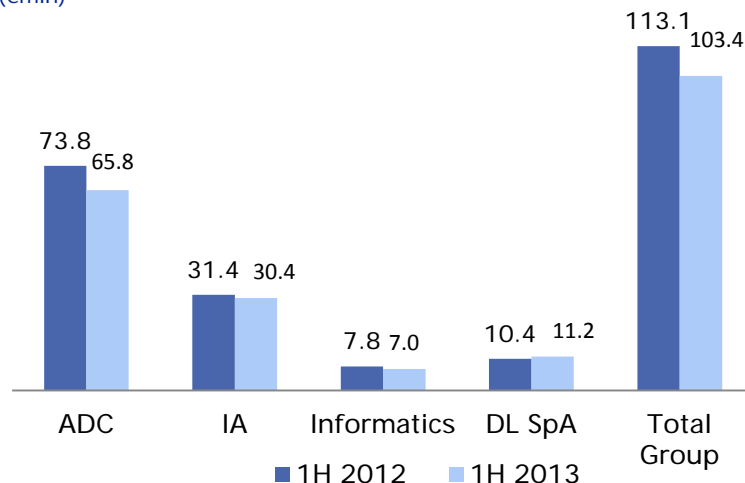
REVENUES BY AREA			
€000	1H2012	1H2013	Var %
Italy	20,845	20,752	-0.4%
Europe	92,887	79,129	-14.8%
North America	83,218	75,334	-9.5%
Asia Pacific	25,999	27,389	5.3%
ROW	13,911	16,165	16.2%
Total revenues	236,860	218,769	- 7.6%



1H Segment Reporting: GOP and Ebitda

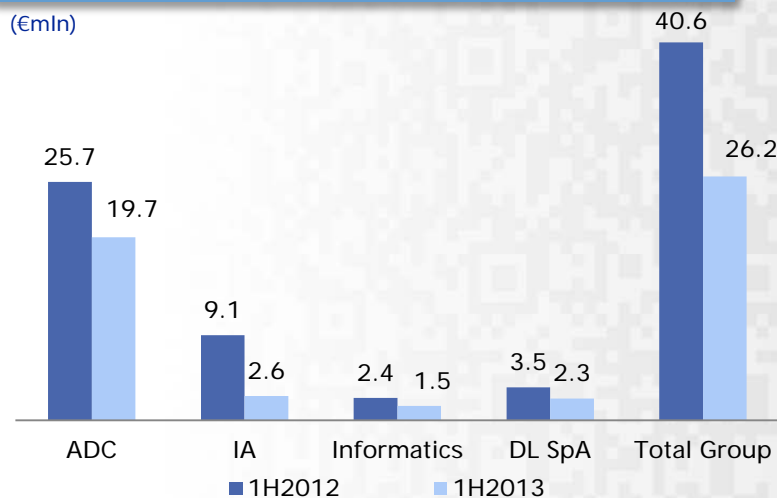
GROSS OPERATING MARGIN

(€mln)



EBITDA MARGIN

(€mln)



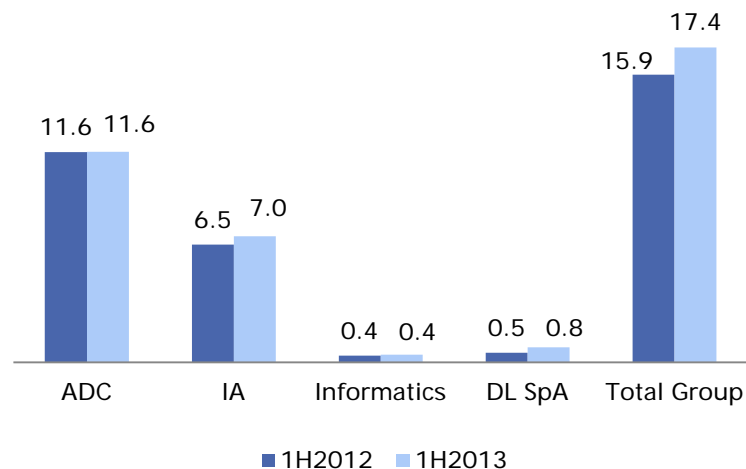
GOP Margin	1H 2012	1H 2013
ADC	49.6%	49.1%
Industrial Automation	44.8%	44.0%
Informatics	42.4%	44.8%
Total Group	47.8%	47.3%

EBITDA Margin	1H 2012	1H 2013
ADC	17.3%	14.7%
Industrial Automation	13.0%	3.8%
Informatics	13.0%	9.8%
Total Group	17.2%	12.0%

1H Segment Reporting: R&D and TWC

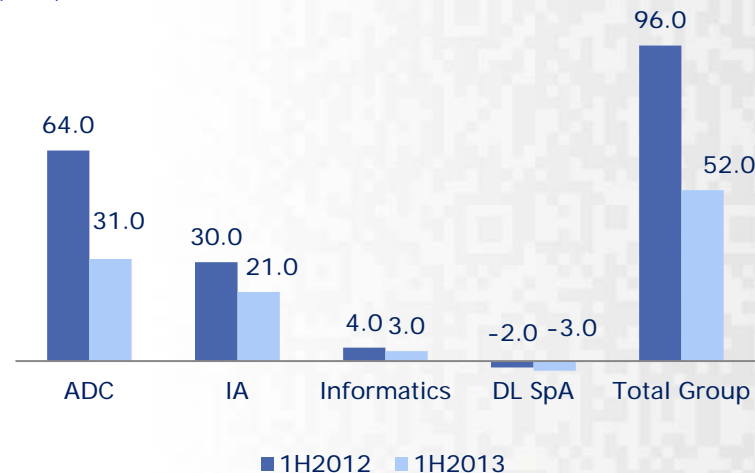
R&D COSTS

(€mln)



TWC

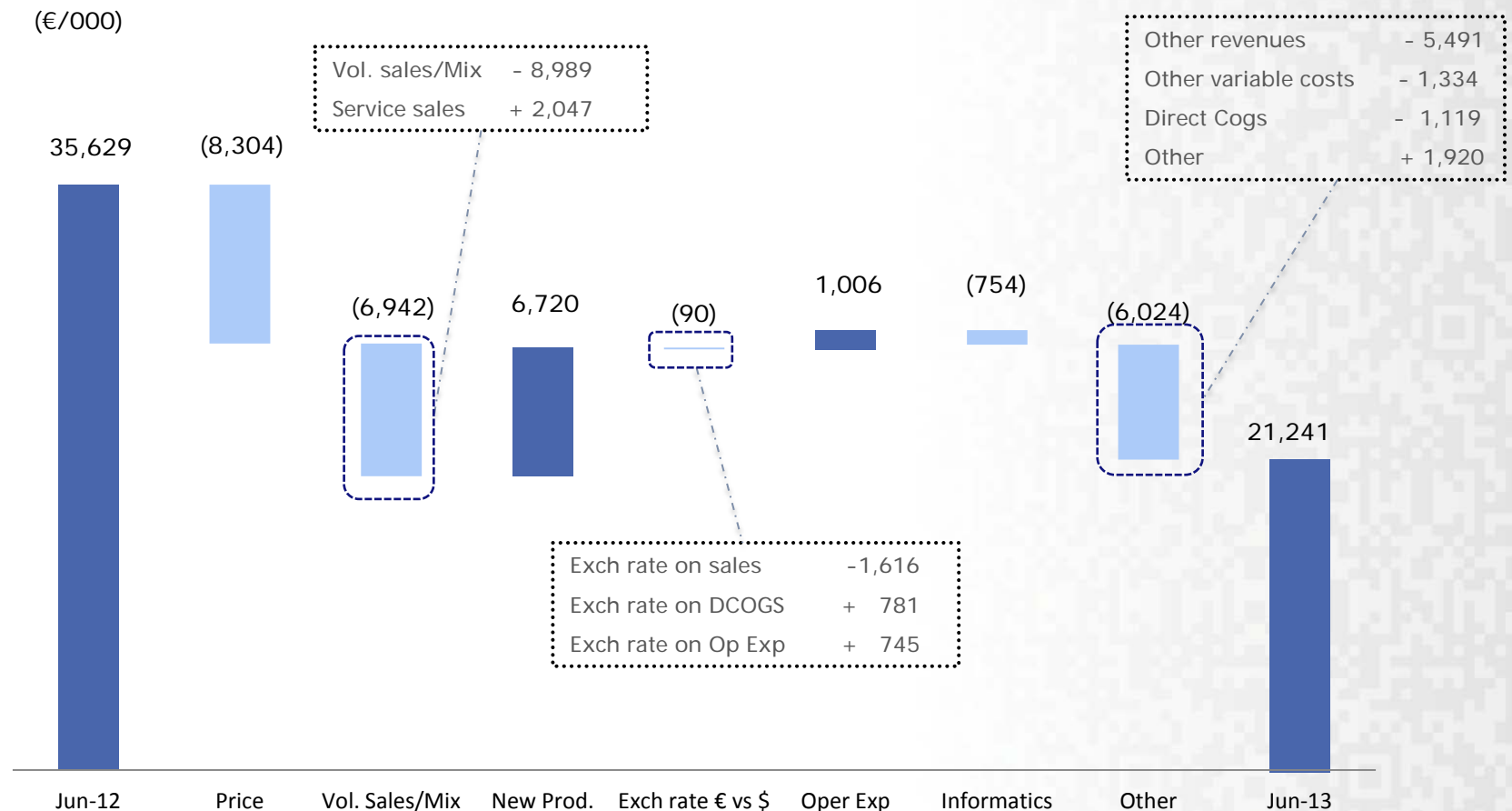
(€mln)



R&D/Revenues	1H2012	1H2013
ADC	7.8%	8.7%
Industrial Automation	9.3%	10.1%
Informatics	2.0%	2.7%
Total Group	6.7%	8.0%

TWC/Revenues	1H2012	1H2013
ADC	21.5%	11.6%
Industrial Automation	21.4%	15.2%
Informatics	10.8%	9.6%
Total Group	20.3%	11.9%

EBITANR: Actual vs Last Year



(*) Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

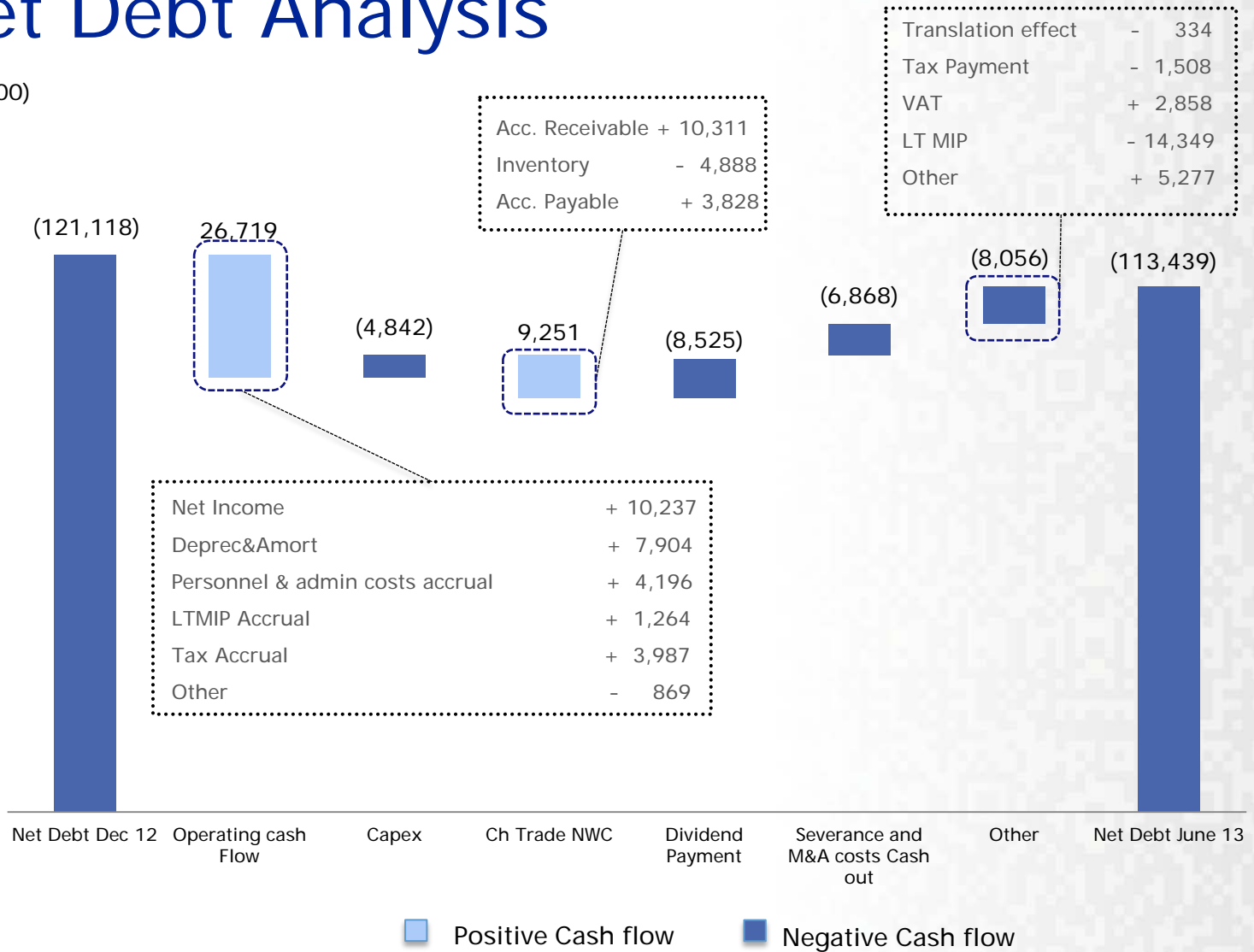
Note: The Exchange rate variance has been calculated on Sales/COGS/Operating expenses originally denominated in USD (\$). The variance was the result of the difference between June 2013 (1.3134) June 2012 (1.2965) €/USD exchange rate.

Consolidated Balance Sheet

€000	At 31/12/2012	At 30/06/2013
Intangible fixed assets	60,262	58,826
Goodwill	151,134	152,821
Tangible fixed assets	51,621	50,429
Non Consolidated investments	3,936	3,887
Other fixed assets	46,602	42,517
Total Fixed Assets	313,555	308,480
Net trade account receivables	82,552	72,059
ST account payables	(71,102)	(73,526)
Inventory	49,153	54,041
Trade Working Capital	60,603	52,574
Other current receivables	25,577	27,766
Other ST payables and provision for risk & future charges	(71,566)	(62,415)
Net Working Capital	14,614	17,925
Other LT payables	(22,513)	(23,537)
Employees' severance Indemnity	(7,367)	(7,348)
LT provision for risk & future charges	(3,768)	(5,178)
Net Invested Capital	294,521	290,342
Equity	173,403	176,903
Net Financial Position	(121,118)	(113,439)
<i>Exchange rate</i>	<i>1.3194</i>	<i>1.3080</i>

Net Debt Analysis

(€/000)



Outlook

Outlook for 2013

- **Expectation of recovery** in the second half of the year **confirmed** but at a lower pace
- **ADC** in mature markets (US and Europe) still **reflecting weak retailers demand**
- **Major focus on emerging markets** with large growth potential
- **Huge investment in R&D** and launch of the new **Business Development Unit** to strengthen the process

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