H1 2017 Conference Call

August 4th, 2017
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**Best Ever Figures in 45 Years History**

### Q2 RESULTS

<table>
<thead>
<tr>
<th>Revenue</th>
<th>€157.8</th>
<th>+7.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>€31.1</td>
<td>19.7%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### H1 RESULTS

<table>
<thead>
<tr>
<th>Revenue</th>
<th>€299.3</th>
<th>+6.2%</th>
</tr>
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<tbody>
<tr>
<td>EBITDA</td>
<td>€51.8</td>
<td>17.3%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Positive Net Debt position at €5.5
Q2 2017 Highlights

New organization keep driving sound performance across main industries and geographic areas

- **APAC leading the growth** at double digit rates, driven by China
- **Resilient growth** in EMEA, led by Retail
- **NA double digit growth** in T&L and Healthcare

- Increasing demand for automation, quality and process efficiency
- Double digit growth in Manufacturing, Transportation & Logistics and Healthcare

- **R&D investments** +7.4% YoY
- **New products on sales** at 11.9% *, due to strong pipeline planned in H2

* new products refer to products announced in the last 24 months
Focus M&A: Soredi acquisition

- Acquisition of 100% of **Soredi Touch Systems GmbH**
- German company leader in technology for terminals and in particular forklifts terminals
- Maximum financial commitment of €10 mln (€8 mln cash and €2 mln Datalogic shares)
Financials
Best quarter in Datalogic history

REVENUES

Beans (€ mln)

- Q1-14: 108.2
- Q2-14: 115.8
- Q3-14: 116.0
- Q4-14: 124.5
- Q1-15: 122.3
- Q2-15: 135.2
- Q3-15: 133.8
- Q4-15: 143.8
- Q1-16: 135.4
- Q2-16: 146.5
- Q3-16: 139.9
- Q4-16: 154.7
- Q1-17: 141.5
- Q2-17: 157.8

EBITDA (€ mln)

- Q1-14: 15.5
- Q2-14: 18.7
- Q3-14: 17.9
- Q4-14: 17.4
- Q1-15: 15.7
- Q2-15: 18.6
- Q3-15: 18.8
- Q4-15: 20.7
- Q1-16: 18.8
- Q2-16: 26.1
- Q3-16: 21.7
- Q4-16: 23.7
- Q1-17: 20.8
- Q2-17: 31.1

EBITDA margin %

- Q1-14: 14.3%
- Q2-14: 16.1%
- Q3-14: 15.4%
- Q4-14: 14.0%
- Q1-15: 12.8%
- Q2-15: 13.8%
- Q3-15: 14.0%
- Q4-15: 14.4%
- Q1-16: 13.9%
- Q2-16: 17.8%
- Q3-16: 15.5%
- Q4-16: 15.3%
- Q1-17: 14.7%
- Q2-17: 19.7%

The best quarter in Datalogic history was Q2-17 with revenues of €157.8 million and an EBITDA margin of 19.7%.
## Sound profitability growth

<table>
<thead>
<tr>
<th></th>
<th>Q2 2017</th>
<th>Q2 2016</th>
<th>Var%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>157.8</td>
<td>146.5</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Gross Operating Margin</strong></td>
<td>76.1</td>
<td>68.9</td>
<td>10.5%</td>
</tr>
<tr>
<td>%on Revenues</td>
<td>48.2%</td>
<td>47.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(48.7)</td>
<td>(47.8)</td>
<td>1.8%</td>
</tr>
<tr>
<td>%on Revenues</td>
<td>(30.9%)</td>
<td>(32.7%)</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>31.1</td>
<td>26.1</td>
<td>18.8%</td>
</tr>
<tr>
<td>Ebitda margin</td>
<td>19.7%</td>
<td>17.8%</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>25.9</td>
<td>21.1</td>
<td>22.9%</td>
</tr>
<tr>
<td>Ebit margin</td>
<td>16.4%</td>
<td>14.4%</td>
<td></td>
</tr>
</tbody>
</table>

- **Revenues** up 7.7% to €157.8 mln (+6.4% at constant exchange rate)
- **Booking** confirmed at double digit: +10.2%
- Product mix and cost efficiencies push **GOM** over 48%
- Operating expenses **on revenues** down 1.8% due to timing effects on R&D & distribution costs
- **EBITDA** margin to 19.7% notwithstanding negative EUR USD FX
### Improvements across the whole P&L

<table>
<thead>
<tr>
<th></th>
<th>H12017</th>
<th>H12016</th>
<th>Var%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>299.3</td>
<td>281.8</td>
<td>6.2%</td>
</tr>
<tr>
<td><strong>Gross Operating Margin</strong></td>
<td>142.3</td>
<td>130.9</td>
<td>8.6%</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>47.5%</td>
<td>46.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(98.3)</td>
<td>(94.9)</td>
<td>3.6%</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>(32.8%)</td>
<td>(33.7%)</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>51.8</td>
<td>45.0</td>
<td>15.3%</td>
</tr>
<tr>
<td><strong>Ebitda margin</strong></td>
<td>17.3%</td>
<td>16.0%</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>41.2</td>
<td>35.3</td>
<td>16.6%</td>
</tr>
<tr>
<td><strong>Ebit margin</strong></td>
<td>13.8%</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td>37.2</td>
<td>32.8</td>
<td>13.5%</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>(7.9)</td>
<td>(6.6)</td>
<td>20.0%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>29.3</td>
<td>26.2</td>
<td>11.9%</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>9.8%</td>
<td>9.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Exchange Rate</strong></td>
<td>1.0830</td>
<td>1.1159</td>
<td></td>
</tr>
</tbody>
</table>

- **Revenues** up 6.2% to €299.3 mln (+4.8% at constant exchange rate)
- **GOM** steady improving trend QoQ, at 47.5%
- R&D **on revenues** from 8.6% to 8.8%
- Timing effects on R&D & distribution costs
- EBITDA margin to 17.3% notwithstanding negative EUR USD FX
- Forex and higher gross debt effect on financial costs
- Stable tax rate at ~ 21%
Group Revenues by country

- **Revenues up 6.2% to € 299.3 mln (+4.8% at a constant exchange rate)**

- **Strong growth in APAC** driven by **China (+28%)** in Manufacturing and T&L

- **Confirming Leadership in EMEA** led by Retail

- **NA growth driven** by T&L and Healthcare in Datalogic division (+7.3%); Informatics dragging down growth

- **LA affected by large deals in 2016, but improving QoQ (+60%)**
**Group Revenues & EBITDA by division**

### REVENUES BY DIVISION

<table>
<thead>
<tr>
<th></th>
<th>H12017</th>
<th>H12016</th>
<th>Var%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datalogic</td>
<td>279.2</td>
<td>260.2</td>
<td>7.3%</td>
</tr>
<tr>
<td>Solution Net Systems</td>
<td>10.6</td>
<td>10.0</td>
<td>6.3%</td>
</tr>
<tr>
<td>Informatics</td>
<td>11.2</td>
<td>12.8</td>
<td>(11.9%)</td>
</tr>
<tr>
<td><strong>Adjustments</strong></td>
<td>(1.7)</td>
<td>(1.0)</td>
<td>n.m.</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>299.3</td>
<td>281.8</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

- **Datalogic Division** over performing Group growth driven by a double digit growth of Fixed Retail Scanners, ID and Machine Vision

- **Solution Net Systems**, keeps on steady growing (+ 6.3%), and profitability turnaround

- **Informatics** still in a downward trend, though improving on a quarterly basis

### EBITDA BY DIVISION

<table>
<thead>
<tr>
<th></th>
<th>H12017</th>
<th>H12016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datalogic</td>
<td>51.3</td>
<td>46.1</td>
</tr>
<tr>
<td>Solution Net Systems</td>
<td>0.8</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Informatics</td>
<td>(0.3)</td>
<td>(0.3)</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td>51.8</td>
<td>45.0</td>
</tr>
</tbody>
</table>
Focus on Datalogic Division

DL Revenues Breakdown by Industry

- Retail: €74.0 mln (+10.7%)
  - Growth driven by China, over 60%, and North America, +8%
- Manufacturing: €137.4 mln (-0.4%)
  - +11% YoY in EMEA
  - Growth recovery expected through new products
- T&L: €27.8 mln (+5.3%)
  - Double digit growth in Q2 (+14.1%) in all main areas. China and North America the leading Geos
- Healthcare: €16.1 mln (+74.0%)
  - The fastest growing sector driven by large projects with a US top hospital chains

(*) The Channel (Unallocated) includes revenues not directly attributable to the 4 identified industries.
EBITDA: actual vs last year

€ mln

16.0 % on Group Revenues

-1.8% on 2017 DL business revenues

17.3 % on Group Revenues

Of which
- Material Saving 2.9
- Receiving & Packing 1.2
- Ind Fix OH -1.0

Positive Items

Negative Items

H1 2016  Price  Volume  Mix  Service  COGS  FX  Structure  SNS/INF  H1 2017

45.0  5.1  6.8  1.9  2.5  (0.7)  1.7  51.8

Of which

- Material Saving 2.9
- Receiving & Packing 1.2
- Ind Fix OH -1.0

EBITDA:

- actual vs last year

13
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Dec 2016</th>
<th>Jun 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fixed Assets</td>
<td>371.7</td>
<td>354.0</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>75.5</td>
<td>87.1</td>
</tr>
<tr>
<td>% on 12m rolling sales</td>
<td>13.1%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Inventories</td>
<td>82.3</td>
<td>88.5</td>
</tr>
<tr>
<td>% on 12m rolling sales</td>
<td>14.3%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(104.6)</td>
<td>(105.4)</td>
</tr>
<tr>
<td>% on 12m rolling sales</td>
<td>−18.1%</td>
<td>−17.7%</td>
</tr>
<tr>
<td>Trade Working Capital</td>
<td>53.2</td>
<td>70.2</td>
</tr>
<tr>
<td>% on 12m rolling sales</td>
<td>9.2%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Other assets/liabilities</td>
<td>(92.1)</td>
<td>(99.4)</td>
</tr>
<tr>
<td>Net Invested Capital</td>
<td>332.9</td>
<td>324.8</td>
</tr>
<tr>
<td>Net Financial Position</td>
<td>(3.5)</td>
<td>(5.5)</td>
</tr>
<tr>
<td>Net Equity</td>
<td>336.4</td>
<td>330.2</td>
</tr>
<tr>
<td>Total Sources</td>
<td>332.9</td>
<td>324.8</td>
</tr>
</tbody>
</table>
Net Debt Analysis: December’16 – June’17

€ mln

- Net Debt Dec 16: 3.5
- EBITDA: 51.8
- Net Financial Charges: (16.9)
- Taxes: (5.1)
- Capex: (3.5)
- Other: (4.0)
- Dividend Payment: (17.4)
- Net Debt Jun 17: 5.5

Of which:
- Electronics machineries / Software: (2.1)
- Machineries and equipment: (1.6)
- Moulds: (0.5)
- Offices refurbishment: (0.5)
- Real estate asset disposal (Germany): 0.9

Positive Items:
- Acc. Receivable: (11.6)
- Inventory: (6.1)
- Acc. Payable: 0.8

2.0% on Revenues
New products
Q2 2017 New Products

MATRIX 120 Wide Angle and Polarized Models

Matrix 120™ is the smallest ultra-compact industrial 2D imager that fits into any integration space. This is the newest entry level member of the best-in-class Matrix family of high performance industrial 2D imagers.

The Matrix 120 imager leads the market for ease of use and has the highest industrial grade in its class; multiple models of the Matrix 120 imager allow it to cover an extensive range of applications in OEM and Manufacturing industries.

HALOGEN™

New adding to the Halogen™ DE2X12 family of ultracompact 2D MP imager scan engines. Wide angle model: 52°H x 40°V with parallel interface.

MEMOR™ X3 HC

Mobile computer for healthcare. This new offering provides healthcare professionals a safe and easy way to scan bar codes in a hospital or clinic. The Memor X3 HC is lightweight, pocketable, extremely durable, and resistant to the major chemical cleaners used in the healthcare ecosystem.
Outlook
2017 Outlook

- Keep on growing in revenues at rates substantially in line with H1
- Strong focus on gross operating margin to maintain a sound profitability
- Increasing R&D & Distribution operating expenses in H2 to boost further growth & maintain leadership in the market
- Cash Generation through NWC improvement
  - T&L: keep growing in main Geo Areas, capturing ecommerce & CEP trends
  - Retail: growth recovery through strong pipeline of new products
  - HC: enlarging customer base in North America
  - Manufacturing: keep on steady growing in China and other main Geo Areas, backed by strong demand for automation
  - Strong pipeline of new products in H2 particularly in the Retail and Manufacturing industries
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NEXT EVENTS

November 13th, 2017
9M results

September 6th, 2017
Italian Industrial Day
Milan Italian Stock Exchange

October 10th, 2017
STAR Conference London

DATALOGIC ON LINE

www.datalogic.com