ITALIAN INVESTMENT CONFERENCE 2023

MAY 25, 2023
Datalogic at a glance

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

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

- A portfolio of about 1,200+ patents and patent applications
- 450+ engineers in 11 R&D centers and 3 DL Labs in: Italy, USA, Vietnam, Cech Republic and China
- >3,000 Employees in 29 countries
- 11 Manufacturing and Repair facilities in: Italy, US, Hungary, Slovakia, Vietnam, China and Australia

Figures refer to YE 2022
More than 50 years of Growth through Technological Innovation

1972

• Foundation of the Company, based on sensors product portfolio

1974

• Expansion of the portfolio to barcode reading products, applications and technologies

1988 - 1997

• Pivoting from «laser» to «imaging» and becoming the technology leader of barcode reading
• Entering the space of «Mobile Computers» with the acquisition of «IDWare Mobile Computing»

2001 - 2012

• Listing at the Milan Stock Exchange
• Further expansions thanks to acquisitions (e.g. PSC, Laservall, Informatics, Accu-Sort)
• Footprint expansion: Vietnam, Slovakia, Hungary

2021 - 2023

• 50th year anniversary
• Acquisition of MD Microdetectors
• Acquisition of Pekat
• Starting the path towards «Solutions»
• A new Operating Model to enhance strategy execution

First baggage handling system based on barcode reading installed at Linate Airport (Milan) in 1984

First Fixed Retail Scanner based on imaging technology launched on the market in 2012
A Wide Geographical Footprint

- **Americas**: 27.9%
- **EMEAI**: 57.8%
- **APAC**: 14.2%

- 11 Manufacturing & Repair sites
- 11 R&D Centers, 3 DL Labs
- 48 Offices and Facilities in 29 countries

Percent on Q1 2023 Revenues - Data refer to Q1 2023
Strategy
Our strengths

50 + years of history

Leading player in both Data Capture and Industrial Automation markets

Partner centric

Deep expertise in every target industries

Passionate innovator

Strong focus on sustainability

End-to-end solutions to streamline any process

Close to customers worldwide presence with thoroughly tailored services

Strong culture of high values
New Datalogic operating model: background

Objective
- Above the market long term growth with increasing profitability

Scope
- Enhance hardware offer with software, driving efficiency in Client-facing, Supply Chain and Manufacturing applications in Retail, T&L, Healthcare, Factory Automation verticals
- Consolidate position in EMEAI and become a strong player in the United States
- Grow our presence in China

Advantage
- Leverage a wide portfolio of products and services to provide Customers with innovative and easy-to-integrate solutions along the entire flow of operations

Need for change in our Operating Model
- Industry knowledge, focus on end-users and our main 4 Verticals keep on being the core of our strategy
- Industry focused organization only, not enough to properly and effectively execute strategy due to evolution of the market and of customer’s needs
- Enhancement to our operating model across verticals implemented to effectively address:
  - a higher focus on Product Groups
  - different go to market models, buying criteria priorities and client’s point of contacts by Market segments
  - specialized expertise of the sales force by Application, required to push towards Solutions
New Datalogic operating model: two major products platforms to better address different market segments

**DATA CAPTURE**
- Attended processes in every industry
  - Fixed Retail Scanners
  - Handheld Scanners
  - OEM Barcode Readers
  - Mobile Computers
  - RFID Systems

**INDUSTRIAL AUTOMATION**
- Unattended processes in every industry
  - Stationary Industrial Scanner
  - Safety
  - Laser Marking
  - Machine Vision
  - Sensor
A consistent review in Datalogic accounting reporting

<table>
<thead>
<tr>
<th>Area in DL business</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division</td>
<td>• 2 CGUs: Datalogic Business, Informatics</td>
<td>• 2 CGUs: Datalogic Business, Informatics</td>
</tr>
<tr>
<td>Geo Area</td>
<td>• 3 Geo Areas: EMEAI, Americas, APAC</td>
<td>• 3 Geo Areas: EMEAI, Americas, APAC</td>
</tr>
<tr>
<td>Sector in DL business</td>
<td>• 4 Main Verticals: Retail, Manufacturing, T&amp;L, Healthcare</td>
<td>• 2 Main Market Segment: Data Capture, Industrial Automation</td>
</tr>
</tbody>
</table>

No Changes

Changed from Q1 2023
# Key Drivers for a Long Term Profitable Growth

<table>
<thead>
<tr>
<th>Market</th>
<th>Portfolio</th>
<th>M&amp;A</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keep focus on all of our verticals, catching the profitable opportunities coming from needs of digitalization and artificial intelligence</td>
<td>Protect our leadership in FRS, HHS and SIS</td>
<td>Technology: acquire IP, skills, products and concepts to boost both portfolio and capabilities</td>
<td>Nurture MV-based SW and Deep Learning technology to tackle key emerging trends</td>
</tr>
<tr>
<td>Consolidate position in EMEAI, become a strong player in the United States and keep growing our presence in China</td>
<td>Enhance our offer through a software ecosystem to provide innovative solutions</td>
<td>Expansion: acquire customers to boost penetration</td>
<td>Dominate key technology trends (e.g. 5G, Wifi-6, Cybersecurity) to prepare for next generation of HW products</td>
</tr>
<tr>
<td>Increase MOB market share completing and widening our offer</td>
<td>Intensify cost optimization to fight hardware commoditization</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Financials
Q1 2023 Highlights: Revenue growth, whilst improving profitability and cash flow generation

- **Revenue growth** at high single digit (+8.5%) with strong performance of EMEAI

- **A new Operating Model with two new Market Segments**, to enhance strategy execution

- **Gross Operating Margin** at 41.7% compared to 40.2% in Q1 2022 (**+1.5 pp**) mainly thanks to price/mix offsetting decline in volumes, in an eased environments on the procurement side

- **R&D Cash Out** at €15.8M, steady at around 10.6% on revenues, executing technological roadmap

- **Adj EBITDA margin** at 9.0% (8.5% in Q1 2022), mainly due to improving Gross Margin

- **Net Debt down** at €31.7M, thanks to operating cash generation in the quarter, fueled by tight control on Net Working Capital
Group Revenues by Geography

<table>
<thead>
<tr>
<th>€m</th>
<th>Q1 2023</th>
<th>Q1 2022</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEAI</td>
<td>86.6</td>
<td>75.6</td>
<td>14.5%</td>
</tr>
<tr>
<td>Americas</td>
<td>41.8</td>
<td>40.6</td>
<td>2.9%</td>
</tr>
<tr>
<td>APAC</td>
<td>21.3</td>
<td>21.7</td>
<td>(1.9%)</td>
</tr>
<tr>
<td>Total Datalogic</td>
<td>149.7</td>
<td>137.9</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

- **EMEAI**: Group’s first market up by **14.5%**, led by DACH, Italy & Middle East
- **AMERICAS**: Group's second-largest market with an overall growth at **+2.9%**, driven by double digit growth in logistic and manufacturing applications
- **APAC**: -**1.9% YoY**, despite double-digit growth in China
Group Revenues by Market Segment*

<table>
<thead>
<tr>
<th>§</th>
<th>€m</th>
<th>Q1 2023</th>
<th>Q1 2022</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Capture</td>
<td>91.3</td>
<td>83.5</td>
<td>9.3%</td>
<td></td>
</tr>
<tr>
<td>Industrial Automation</td>
<td>54.5</td>
<td>50.6</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td>Total DL Business</td>
<td>145.7</td>
<td>134.0</td>
<td>8.7%</td>
<td></td>
</tr>
<tr>
<td>Informatics</td>
<td>4.1</td>
<td>4.1</td>
<td>(0.3%)</td>
<td></td>
</tr>
<tr>
<td>Intra division</td>
<td>(0.1)</td>
<td>(0.2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Datalogic</td>
<td>149.7</td>
<td>137.9</td>
<td>8.5%</td>
<td></td>
</tr>
</tbody>
</table>

- **Data Capture**: +9.3%, led by a double digit EMEAI growth (+20.3%)
- **Industrial Automation**: growth across all geographical areas: double digit growth in Americas and APAC

* With the aim of better aligning the operating model with its strategic goals and prioritizing product and solution offerings, Datalogic introduced two new Market Segments which operate with distinct sales models, and liaise with different representatives and purchasing needs of the client: Data Capture and Industrial Automation. Consistently with that, starting from 2023 revenue breakdown for the Datalogic Division is presented by Market Segment, which replaces previous breakdown by Industries.
New Product Launches and Innovation

- **Mobile Computer**
  - Memory 11 Family

- **Hand Held Scanners**
  - Powerscan 9600 Bluetooth
  - Quickscan 2200 Series

- **Sensors, Safety & Machine Vision**
  - SVS-Vistek Cameras
  - S3N-T

- **R&D Cash Out** at 10.6% in line with the Q1 2022 (10.5%). Commitment to Product Development Roadmap continues.

- **Vitality Index** at 6.3%
Q1 2023 P&L

<table>
<thead>
<tr>
<th></th>
<th>€ m</th>
<th>Q1 2023</th>
<th>Q1 2022 restated*</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>149.7</td>
<td></td>
<td>137.9</td>
<td>8.5%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>62.4</td>
<td>55.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% on Revenues</td>
<td>41.7%</td>
<td>40.2%</td>
<td></td>
<td>+1.5 pp</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(57.0)</td>
<td>(50.9)</td>
<td></td>
<td>-1.2 pp</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>(38.1%)</td>
<td>(36.9%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>13.5</td>
<td></td>
<td>11.8</td>
<td>+0.5 pp</td>
</tr>
<tr>
<td>% Adj. Ebitda margin</td>
<td>9.0%</td>
<td>8.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBIT</strong></td>
<td>5.4</td>
<td></td>
<td>4.5</td>
<td>+0.3 pp</td>
</tr>
<tr>
<td>% Adj. Ebit margin</td>
<td>3.6%</td>
<td>3.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>3.9</td>
<td></td>
<td>2.3</td>
<td>+1.0 pp</td>
</tr>
<tr>
<td>% Ebit margin</td>
<td>2.6%</td>
<td>1.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>3.2</td>
<td></td>
<td>1.3</td>
<td>+1.2 pp</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>2.1%</td>
<td>1.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Gross Margin at 41.7%**: +1.5 pp YoY. Improvement in Q1 compared to previous year thanks to positive pricing and mix offset by volumes’ decrease.
- **Operating expenses at €57.0m**, mainly due to an increase in R&D and personnel costs, normalized marketing and commercial activities.
- **Adj EBITDA margin at 9.0%** (+0.5 pp YoY), mainly due to improved industrial profitability, partially offset by higher operating expenses.
- **Net Result at €3.2m** vs €1.3m in Q1 2022.

*Restatement mainly due to reclassification of some installation costs from S&D to COGS. GOM 2023 before reclassification equal to 43.8%, GOM 2022 before restatement equal to 42.0%.
EBITDA Adj: actual vs last year

8.5% on Group Revenues

Q1 2022
Volume: (2.7)
Price: 2.6
Mix: 6.8
Productivity: 0.6
Structure: (4.6)
Others: (0.2)
FX Effect: (0.8)
Q1 2023
Total: 13.5

9.0% on Group Revenues
Net Debt & Cash Flow Analysis: Dec’22 – Mar’23

€ m

(42.0) NFP Dec 22
13.5 EBITDA Adj.
4.6 Ch. TWC
(5.3) Net Investment
(0.8) Taxes
(0.2) Net Financial Charges
(4.8) Others
3.4 Others, not operating
(31.7) NFP Mar 23
Appendix
Stock and Governance

Market Segment: EURONEXT STAR MILAN

Ticker: DAL

Reuters Code: DAL.MI

Bloomberg Code: DAL IM

Outstanding Shares: 58,446,491

Share Par-Value: 0.52 Euro each

Market Cap (December 30, 2022): 500 mln Euro

Volumes: 3 months average ~ 100K

Auditing Company: Deloitte

DATALOGIC SHARE PERFORMANCE vs. INDICES

SHAREHOLDERS’ STRUCTURE

- Hydra SpA: 32.3%
- Treasury Shares: 2.9%
- Free-Float: 64.8%
### Sustainability Policy

<table>
<thead>
<tr>
<th>3</th>
<th>Good Health and Well-Being</th>
<th>Safe working conditions; Products Safety; Health and wellbeing at workplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Quality Education</td>
<td>Training and Education; Employee retention and attraction</td>
</tr>
<tr>
<td>5</td>
<td>Gender Equality</td>
<td>Human Rights; Diversity &amp; Equal Opportunities</td>
</tr>
<tr>
<td>8</td>
<td>Social and Economic Growth</td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
</tr>
<tr>
<td>9</td>
<td>Innovation and Infrastructure</td>
<td>Innovation; Data Protection</td>
</tr>
<tr>
<td>13</td>
<td>Climate Action</td>
<td>“Green” organizational approach; Waste management; CO2 Emissions Reduction; Energy Consumption; Environmental impact of products</td>
</tr>
<tr>
<td>17</td>
<td>Partnerships for the Goals</td>
<td>Customer satisfaction; Suppliers, Social and Environmental Partnership</td>
</tr>
</tbody>
</table>

- ✓ ISO 45001 – Healthy and Safety at Work Management System
- ✓ ISO 8000 – Social Accountability
- ✓ Talent **Development** – Employer **branding - Training**
- ✓ Human Rights and Social Accountability **Policy**
- ✓ **No incidents** of corruption, anti-competitive practices or antitrust violations
- ✓ **Vitality Index** increased
- ✓ **Innovation and R&D Investments** increased
- ✓ Research toward **product sustainability**
- ✓ ISO 14001 – Environmental Management Systems
- ✓ **6% reduction** in energy consumption
- ✓ **Customer Satisfaction**: Net Promoter Score increased
- ✓ **Supply Chain Sustainability**: Use of environmental and social criteria
Acquisition of Pekat Vision

Pekat is a software start up who has developed and owns proprietary algorithms of Machine Learning and Deep Learning for applications in the fields of supply chain and industrial automation.

Company Description

- Based in Brno, Pekat’s core competitive advantage resides in its deep learning and machine learning algorithms
- Those algorithms and related software are a perfect match to Datalogic hardware products line, allowing for flexible solutions in a wider set of applications across manufacturing, T&L and potentially retail.
- Applications in which Pekat’s software is used currently include object detection, classifier, defect detection, product sorting, camera-based robot guidance, optical character recognition and video, among others
- The team at Pekat comprises 15 employees, engineers, software developers mainly
- Purchase price of € 16.0m for 100% of the share capital

Types of licenses offered by Pekat

- Software for industrial visual inspection and quality assurance. Effectively finds anomalies, detects and classifies defects and checks surface on materials and objects. Thanks to AI and focused-learning algorithms, it has a unique feature of detecting even previously unseen defects
- Smart Camera: Ready to use AI solution for defect detection running on smaller cameras
- Vision System: AI-enabled industrial visual inspection system for quality assurance
Contact

IR CONTACTS

IR Manager
Alessandro D’Aniello
Tel. +39 051 3147109
ir@datalogic.com
Via Candini, 2
40012 Lippo di Calderara di Reno
Bologna – Italy

IR Advisor
Vincenza Colucci
CDR Communication Srl
Tel. +39 335 6909547
vincenza.colucci@cdr-communication.it

IR Assistant
Daniela Giglioli
Tel. +39 051 3147109
Fax +39 051 3147205
daniela.giglioli@datalogic.com

NEXT EVENTS

August 03, 2023
1H 2023 Results

DATALOGIC ON LINE

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Datalogic S.p.A.
Via Candini, 2 - 40012 Lippo di Calderara di Reno - Bologna (Italy)
Tel. +39 051 3147011 | Fax +39 051 3147205
corporate@datalogic.com
www.datalogic.com