9M 2020 Results
Conference Call

NOVEMBER 13, 2020
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9M 2020 & Q3 2020 Results

9M 2020 Results

- **REVENUES**: €347.1 (-21.4%)
- **GOM**: €160.1 (10.7%)
  - 46.1% (-3.7 pp)
- **NET RESULT**: €4.6 (1.3%)
  - (-7.7 pp)
- **Adj. EBITDA**: €37.2
  - 16.2% (-0.7 pp)

Q3 2020 Results

- **REVENUES**: €116.6 (-22.2%)
- **GOM**: €54.2
  - 46.5% (-3.2 pp)
- **NET RESULT**: €4.6 (3.9%)
  - (-5.7 pp)
- **Adj. EBITDA**: €18.8
  - 16.2% (-0.7 pp)

Net Debt at €39.9

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\(^1\) The comparative economic data as at 30 September 2019 were restated following the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5
9M 2020 Financial Highlights

- Effectively navigating through Covid-19 challenges providing operations continuity while protecting our teams.

- Covid-19 pandemic impacting EMEA and Americas Revenues especially in US. Solid Growth in APAC continue

- Aggressive cost actions ensured double digit Adj EBITDA margin and Return to Profitability since Q2. Q3 Adj EBITDA at 16.2% back to 2018-19 levels despite drop in Top line thanks to Efficiency Program.

- Continue investing in Innovation during the pandemic with R&D spending* at ca. 14.2% and Vitality Index at 21.8%

- Solid Financial Position and effective Working Capital management during the Covid downturn

- Sound signs of rebound in recent months in most of the end markets and geographies coupled with leaner cost base preparing return to profitable growth

* Including capitalized R&D expenses and excluding D&A
Group Revenues by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>€m</th>
<th>9M 2020</th>
<th>9M 2019 Restated*</th>
<th>Var % vs. 9M 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>142.7</td>
<td>171.0</td>
<td>(16.6%)</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>81.5</td>
<td>89.1</td>
<td>(8.5%)</td>
<td></td>
</tr>
<tr>
<td>Transportation &amp; Logistics</td>
<td>38.5</td>
<td>58.3</td>
<td>(33.9%)</td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td>11.7</td>
<td>13.2</td>
<td>(11.3%)</td>
<td></td>
</tr>
<tr>
<td>Channel</td>
<td>61.6</td>
<td>97.1</td>
<td>(36.6%)</td>
<td></td>
</tr>
<tr>
<td><strong>Total DL Business</strong></td>
<td>335.9</td>
<td>428.6</td>
<td>(21.6%)</td>
<td></td>
</tr>
<tr>
<td>Informatics</td>
<td>12.1</td>
<td>13.7</td>
<td>(11.9%)</td>
<td></td>
</tr>
<tr>
<td>Intra division</td>
<td>(0.9)</td>
<td>(0.8)</td>
<td>8.8%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Datalogic</strong></td>
<td>347.1</td>
<td>441.4</td>
<td>(21.4%)</td>
<td></td>
</tr>
</tbody>
</table>

* The comparative data as at 30 September 2019 have been restated to reflect the new allocation of the Group’s revenues to geographic areas and business sectors, as redefined following the “New Sales Organization” launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5

- **Retail**: delayed investments due to Covid scenario and end of FRS rollouts in 2019 especially in EMEAI and Americas.
- **Manufacturing**: solid growth in APAC. Slowdown in Automotive and Packaging sectors impacting EMEAI and North America.
- **T&L**: tough base of comparison due the conclusion of important multi-year contracts. Signs of recovery in EMEAI and APAC.
- **Healthcare**: decrease in EMEAI and Americas, almost flat in APAC.
- **Channel**: overall decrease due to destocking, although trend improvements both in EMEAI and Americas in Q3.
Group Revenues by Geography

- **EMEAI**: Decline driven by softness in all end markets and phase-out of major Fixed Retail Scanners roll-outs. Signs of recovery in late Q3 and beginning of Q4
- **Americas**: market slowdown as a result of pandemic. Declining performance especially in T&L, following the completion of multi-years significant contracts.
- **APAC**: double digit growth in Manufacturing driven mainly by Consumer Electronics in China. T&L growing in Q3

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
<th>9M 2020</th>
<th>9M 2019 Restated*</th>
<th>Var % vs. 9M 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEAI</td>
<td>179.6</td>
<td>233.0</td>
<td>(23.0%)</td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>112.3</td>
<td>155.5</td>
<td>(27.8%)</td>
<td></td>
</tr>
<tr>
<td>APAC</td>
<td>55.2</td>
<td>52.9</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Datalogic</strong></td>
<td><strong>347.1</strong></td>
<td><strong>441.4</strong></td>
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New Product Launches and Innovation

- **Vitality Index** (New products*/ sales) at **21.8%** in **9M2020** above last year with **20.8%** in **9M2019**

- **R&D spending**, from €48.4m to €49.2m, reaching **14.2%** as a percentage of Revenue compared to **11.0%** in the first 9 months of 2019

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*New Products: products launched in the last 24 months

** Including capitalized R&D expenses and excluding D&A
9M 2020 P&L*

- Gross Margin at 46.1%, decrease driven by lower volumes and price/mix effects
- Operating expenses at €140.7m down 14.7% and -24.7% in Q3 executing cost reduction plans to protect margin:
  ✓ Continue investing in R&D expenses (R&D on revenues at around 12%)
  ✓ S&D cost decreased by 20.1% after 31.5% cost reduction in Q3.
- Adj Ebitda margin at 10.7% in 9M with solid recovery in Q3 at 16.2%, back to 2019 levels
- Second consecutive quarters of Profit with Net Result at €4.6m

<table>
<thead>
<tr>
<th>€ m</th>
<th>9M 2020</th>
<th>9M 2019 Restated</th>
<th>Variance Reported</th>
<th>Constant FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>347.1</td>
<td>441.4</td>
<td>(21.4%)</td>
<td>(20.8%)</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>160.1</td>
<td>220.0</td>
<td>-3.7 pp</td>
<td>-3.4 pp</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>46.1%</td>
<td>49.9%</td>
<td>-3.2 pp</td>
<td>-3.1 pp</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(140.7)</td>
<td>(165.0)</td>
<td>-5.4 pp</td>
<td>-5.1 pp</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>(40.5%)</td>
<td>(37.4%)</td>
<td>-9.0 pp</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>37.2</td>
<td>71.1</td>
<td>-5.1 pp</td>
<td></td>
</tr>
<tr>
<td>% Adj. Ebitda margin</td>
<td>10.7%</td>
<td>16.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>8.2</td>
<td>50.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Ebit margin</td>
<td>2.4%</td>
<td>11.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Result</td>
<td>4.6</td>
<td>39.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% on Revenues</td>
<td>1.3%</td>
<td>9.0%</td>
<td>-7.7 pp</td>
<td></td>
</tr>
</tbody>
</table>

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Net Debt & Cash Flow Analysis: Dec’19 – Sep’20

€ m

- NFP Dec 19
- EBITDA
- Ch TWC
- Capex*
- Taxes
- Financial Charges
- Purchase Own Shares
- Dividend Payment
- Other
- NFP Sep 20

* Including IFRS 16 impact, Sep’19 Restated Capex 32,2 m€
2020 Outlook

- In this unprecedented context, The Group has promptly reacted to this fast-moving scenario implementing aggressive cost measures to protect business and profit.

- Good signs of end markets recovery in all geographies in late Q3 and Q4 start. Despite the high degree of uncertainty about the evolution of the pandemic, if the second wave of Covid-19 does not bring severe consequences on business, Datalogic foresee, for the end of 2020, a slight improvement in the revenues decline and steady margins compared to 9M 2020 performance.

- In this context, the Group's strategy confirms its focus on innovation and investment in strategic market segments, pursuing both organic and external growth, while consolidating and repositioning its presence in the core markets.
Contact

IR CONTACTS

IR Manager
Laura Bernardelli
Tel. +39 051 3147109

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
E-mail daniela.giglioli@datalogic.com
ir@datalogic.com

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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
ww.datalogic.com