FY 2020 Results Conference Call

MARCH 10, 2021
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FY 2020 & Q4 2020 Results

**FY 2020 Results**

- **REVENUES**
  - €479.8
  - (-18.1%)

- **GOM**
  - €219.9
  - 45.8%
  - (-3.5 pp)

- **Adj. EBITDA**
  - €58.3
  - 12.2%
  - (+1.4 pp)

- **NET RESULT**
  - €13.9
  - 2.9%
  - (-5.7 pp)

**Q4 2020 Results**

- **REVENUES**
  - €132.8
  - (-8.0%)

- **GOM**
  - €59.9
  - 45.1%
  - (-2.1 pp)

- **Adj. EBITDA**
  - €21.1
  - 15.9%
  - (+1.4 pp)

- **NET RESULT**
  - €9.3
  - 7.0%
  - (-0.3 pp)

Net Financial Position positive at €8.2

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1 December 31, 2019 economic data were restated following the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.
2020 Highlights: Strong Execution in the downturn

- Progressive Top line improvement during the Pandemic from -26.8% in Q2 to -5.4% in Q4. EMEAI and Americas affected. Solid Growth in APAC

- Strong execution both on tactical and operational efficiency delivering Second-Half Adj Ebitda margin back to pre-pandemic level at 16.0%

- Protected investment in Innovation with R&D spending* at ca. 13.1% and Vitality Index at 20.0%

- Cash Generation in Q4 delivering Net Financial Position positive at 8.2 M€

- Sound signs of rebound starting from Q4 in all geographies coupled with leaner cost base preparing return to profitable growth

- Strengthened position in Industrial Automation with the acquisition of MD Micro Detectors Group in Q1 2021

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY 2020 (€m)</th>
<th>FY 2019 Restated (€m)</th>
<th>Var % vs. FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>198.3</td>
<td>231.1</td>
<td>(14.2%)</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>110.7</td>
<td>117.7</td>
<td>(5.9%)</td>
</tr>
<tr>
<td>Transportation &amp; Logistics</td>
<td>53.9</td>
<td>74.4</td>
<td>(27.6%)</td>
</tr>
<tr>
<td>Healthcare</td>
<td>17.2</td>
<td>17.7</td>
<td>(2.6%)</td>
</tr>
<tr>
<td>Channel</td>
<td>84.5</td>
<td>127.3</td>
<td>(33.6%)</td>
</tr>
<tr>
<td><strong>Total DL Business</strong></td>
<td><strong>464.6</strong></td>
<td><strong>568.1</strong></td>
<td><strong>(18.2%)</strong></td>
</tr>
<tr>
<td>Informatics</td>
<td>16.4</td>
<td>18.7</td>
<td>(12.3%)</td>
</tr>
<tr>
<td>Intra division</td>
<td>(1.2)</td>
<td>(1.1)</td>
<td>7.4%</td>
</tr>
<tr>
<td><strong>Total Datalogic</strong></td>
<td><strong>479.8</strong></td>
<td><strong>585.8</strong></td>
<td><strong>(18.1%)</strong></td>
</tr>
</tbody>
</table>

- **Retail**: Decline driven mainly by Americas and base effect from end of major FRS Roll-outs in 2019
- **Manufacturing**: 40.3% growth in APAC. EMEAI and Americas impacted by Covid particularly in Automotive
- **T&L**: Double digit growth in APAC. Tough comparison in Americas due to the conclusion of important multi-year contracts
- **Healthcare**: double digit growth in APAC, slight decrease in EMEAI and North America
- **Channel**: Distributors destocking and small/medium size business decline during the pandemic

* December 31, 2019 comparative data have been restated to reflect the new allocation of Group’s revenues to geographic areas and business sectors, as redefined by the “New Sales Organization” model launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5.
Group Revenues by Geography

- **EMEAI**: performance affected by Covid-19 and phase-out of major Fixed Retail Scanners roll-outs. Signs of recovery in H2, with Q4 returning to growth driven by Italy achieving +12.4% vs Q4-2019 pre-Covid.

- **Americas**: Most affected market during the pandemic. Restriction to mobility severely affected the development of the customer base.

- **APAC**: Double digit growth in the second part of the year driven mainly by China in T&L and Manufacturing.

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<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2019 Restated*</th>
<th>Var % vs. FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEAI</td>
<td>254.8</td>
<td>307.1</td>
<td>(17.0%)</td>
</tr>
<tr>
<td>Americas</td>
<td>151.2</td>
<td>210.1</td>
<td>(28.0%)</td>
</tr>
<tr>
<td>APAC</td>
<td>73.8</td>
<td>68.5</td>
<td>7.7%</td>
</tr>
<tr>
<td>Total Datalogic</td>
<td>479.8</td>
<td>585.8</td>
<td>(18.1%)</td>
</tr>
</tbody>
</table>

* December 31, 2019 comparative data have been restated to reflect the new allocation of Group's revenues to geographic areas and business sectors, as redefined by the “New Sales Organization” model launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5.
New Product Launches and Innovation

<table>
<thead>
<tr>
<th>Mobile Computer</th>
<th>Fix Retail Scanners</th>
<th>Hand Held Scanners</th>
<th>Industrial Automation</th>
<th>T &amp; L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skorpio X5</td>
<td>DSM004XX Scan Module</td>
<td>PowerScan 95X1-AR</td>
<td>HANDSCANNER™</td>
<td></td>
</tr>
<tr>
<td>Memor K</td>
<td>JOYA™ TOUCH A6 WITH ANDROID™ 8.1 OREO</td>
<td>MAGELLAN™ 1500i OEM</td>
<td>Matrix 120 AGV</td>
<td></td>
</tr>
<tr>
<td>Memor 20</td>
<td>DSM004XX</td>
<td>PowerScan 95X1-AR</td>
<td>HANDSCANNER™</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scan Module</td>
<td>MAGELLAN™ 1500i OEM</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Vitality Index** (New products*/ sales) at 20.0% in line with 20.1% in 2019
- **R&D spending**, amounted to approximately € 63.0 m, reaching 13.1% as a percentage of Revenues compared to 10.8% in the 2019

*New Products: products launched in the last 24 months
** Including capitalized R&D
FY 2020 P&L

<table>
<thead>
<tr>
<th>€ m</th>
<th>FY 2020</th>
<th>FY 2019 Restated</th>
<th>Variance Reported</th>
<th>Constant FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>479.8</td>
<td>585.8</td>
<td>(18.1%)</td>
<td>(17.0%)</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>219.9</td>
<td>288.1</td>
<td>-3.4 pp</td>
<td></td>
</tr>
<tr>
<td>% on Revenues</td>
<td>45.8%</td>
<td>49.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(185.8)</td>
<td>(217.9)</td>
<td>-1.5 pp</td>
<td></td>
</tr>
<tr>
<td>% on Revenues</td>
<td>(38.7%)</td>
<td>(37.2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>58.3</td>
<td>92.1</td>
<td>-3.5 pp</td>
<td></td>
</tr>
<tr>
<td>% Adj. Ebitda margin</td>
<td>12.2%</td>
<td>15.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>18.4</td>
<td>62.7</td>
<td>-6.9 pp</td>
<td></td>
</tr>
<tr>
<td>% Ebit margin</td>
<td>3.8%</td>
<td>10.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Result</td>
<td>13.9</td>
<td>50.3</td>
<td>-5.7 pp</td>
<td></td>
</tr>
<tr>
<td>% on Revenues</td>
<td>2.9%</td>
<td>8.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Gross Margin at 45.8%, decrease driven by lower volumes and price/mix effects
- Operating expenses at €185.8m down 14.7% executing cost reduction plans to protect margin:
  - Continue investing in R&D (10.8% on revenues vs 10.0% in 2019)
  - S&D cost decreased by 21.2% due to both tactical savings and efficiencies
- Adj Ebitda at 12.2% in 2020 on Revenue, reaching 15.9% in Q4 vs 14.5% in Q4-2019 pre-Covid
- Net Result at €13.9m consolidating recovery for three consecutive quarters

* December 31, 2019 economic data were restated following the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.
EBITDA Adj: actual vs last year *

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>Volume</th>
<th>Price</th>
<th>Mix</th>
<th>Productivity</th>
<th>Structure</th>
<th>INFX</th>
<th>FX/other</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA Adj.</td>
<td>92.1</td>
<td>(41.7)</td>
<td>(16.3)</td>
<td>(17.4)</td>
<td>10.5</td>
<td>29.9</td>
<td>(0.6)</td>
<td>1.9</td>
<td>58.3</td>
</tr>
<tr>
<td>15.7% on Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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€ m

Positive Items

Negative Items

NFP Dec 19
EBITDA Adj.
Ch TWC
Capex *
Taxes
Net Financial Charges
Purchase Own Shares
Dividend Payment
Other
NFP Dec 20

13.4
58.3
27.3
(47.2)
(3.6)
(7.7)
(6.8)
(17.0)
(8.3)
8.2

* Including IFRS 16 impact
2021 Outlook

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

- Encouraging signs of end markets recovery in all geographical areas, corroborated by a significantly improved trend in order intake versus early 2020. Despite high levels of uncertainty continues, under Covid emergency and shortage of some components in the short-term, Datalogic expects to see a gradual recovery in 2021 Revenues and an improvement in the profit margin levels with respect to 2020.

- In this context, the Group's strategy confirms its focus on innovation and investment in strategic market segments while consolidating and repositioning its presence in the core markets.
M.D. Acquisition
MD Group

DL Industrial Automation Market

- Large market $7.7bn
- Industry 4.0 driving solid growth prospect

MD Acquisitions

- Group Headquartered in Italy
- € 25M Revenue and €4m Ebitda in 2020
- Complementary Sensors offers for Industrial Automation applications and Synergetic distribution network

MD Products

- Inductive Sensors
- Photoelectric Sensors
- Ultrasonic Sensors
- Safety
- Area Sensors

MD Geographic Revenue Breakdown

- EMEAI 74.3%
- Americas 15.8%
- APAC 9.9%
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**NEXT EVENTS**

March 23-25, 2021  
STAR Conference Milan

April 29, 2021  
Shareholders’ Meeting

May 13, 2021  
Q1 2021 Results

**DATALOGIC ON LINE**

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