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Corporate Overview
Global technology leader in the automatic data capture and process automation markets, in the Retail, Manufacturing, Transportation & Logistics, and Healthcare industries

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

- 1,200 patents filed
- 500 engineers in 11 R&D centers and 3 DL Labs in: Italy, USA, Vietnam, China, and Germany
- 3,157 Employees in 27 countries: 21% Americas, 56% EMEA, 23% APAC
- 10 Manufacturing and Repair facilities in: US, Brazil, Hungary, Slovakia, Italy, China, Vietnam and Australia

Figures at 31 December 2018
Over 45 years of Technological Innovation

1972
- Foundation: Established in Bologna
- EXPANSION: Escort Memory System Inc. • IDWare mobile Computing&Comm.

1988
- LISTING: Listed on the STAR segment of the Italian Stock Exchange

1997

2001

2012
- EXPANSION: Minec AB • Laservall SpA • Informatics Inc. • PSC Inc • Datasensor SpA • Evolution Robotic Retail Inc. • Accu-Sort System Inc. • PPT Vision Inc.

2015

2017
- NEW STRATEGY: Set up new One Datalogic • New organization by verticals
- INNOVATION: Acquisition of Multiware Photonics SA • Partnership with CAEN RFID Srl
A Wide Geographical Footprint

- Direct presence in 30 countries
- 10 Manufacturing & Repair sites
- 11 R&D Centers, 3 DL Labs
- Percent on Q1 2019 Revenues

Revenues breakdown at Q1 2019

- North America: 30%
- Latin America: 2%
- EMEAI: 58%
- APAC: 10%

Locations:
- Eugene, Oregon
- Pasadena, California
- Minneapolis, Minnesota
- Plano, Texas
- Telford, Pennsylvania
- München
- Bologna
- Quinto di Treviso
- Ho Chi Minh City
- Shenzhen
Stock and Governance

Market Segment: STAR MTA
Reuters Code: DAL.MI
Bloomberg Code: DAL IM
Outstanding Shares: 58,446,491
Share Par-Value: 0.52 Euro each

Ticker: DAL
Price (May 20, 2019): 18.20 Euro
Market Cap (May 20, 2019): 1.06 B Euro
Auditing Company: EY

DATALOGIC PRICE PERFORMANCE

SHAREHOLDERS’ STRUCTURE

33.43%
64.84%
1.73%

Hydra SpA
Treasury Shares
Free-Float
Strategy
A Clear Strategy

**THE OBJECTIVE**

Keep constantly growing above market average, while significantly improving profitability

**THE SCOPE**

Remain a product company with new emphasis on solutions satisfying the needs of the End-Users in the following industries: Retail, Manufacturing, Transportation&Logistics and Healthcare

**THE ADVANTAGE**

Moving from a product to a Customer-Centric company, leveraging on our wide range of products that is able to fulfill our Customers’ needs for both data collection and process automation and providing end-to-end solutions across the entire flow of operations
Unique Positioning

Uniquely positioned to address customers’ needs in both data capture and process automation along their entire value chain.

- WIDE AND COMPLEMENTARY OFFER
- CUSTOMER CENTRIC ORGANIZATION BY VERTICALS
Total Addressable Market

TAM:
~ 14 bln USD

- Healthcare
- T&L
- Retail
- Manufacturing

2018

DATALOGIC MKT SHARE

- Fixed retail scanners
  #1 WW – 36.9% mkt share
- Stationary industrial scanners
  #1 WW – 24.1% market share
- Handheld Scanners
  #3 WW – 19.7% market share

Source: VDC, other market researches and Management estimates
Retail
Bringing offline and online together

- We satisfy globally the Retailers business needs, from Distribution Center to Check Out and Shoppers’ Home

- Market Leader along the Retail supply chain from 1974 with the first scanner ever sold to a grocery store in Troy, Ohio up to now with the innovative frictionless shopping solution presented at the 2019 NRF exhibition in New York

- New Data capture products for E-commerce and multichannel
Retail
Bringing offline and online together

MARKET OUTLOOK

- Online retailers are opening brick-and-mortar stores, while traditional retailers are converting physical store locations into semi-distribution hubs
- Retailers who collect customer data on every step of the journey are headed in the right direction
- Retail E-commerce sales worldwide posted solid gains in 2017, rising 23.2% to $2.290 trillion *, but 90% of transactions are still completed in-store
- Distribution Centers automatization increase
- Retailers are looking for advanced logistics solutions to be able to satisfy the needs of the E-commerce trend

* Source: eMarketer
Manufacturing
The factory of the future

DATALOGIC PROPOSITION

- Unique portfolio provider of smart, interconnected devices able to protect, identify, sense, check and mark
- Datalogic is providing multi-product portfolio to serve all the major manufacturing clients: Automotive, Food and Beverage, Automated Machinery and Electronics, and Intralogistics
- Expanding into Inralogistic solutions and Robotic/AGV guidance

APPLICATIONS

AUTOMOTIVE

ELECTRONICS

INTRALOGISTICS

PACKAGING

TIRES
Manufacturing
The factory of the future

MARKET OUTLOOK

- Market trends
  - Industry 4.0
  - Robotics / AGV
  - DPM / Extended Traceability and Quality Inspection
  - New segments due to new technology (i.e. Electric car)

- **Industry 4.0** is pushing for **multi-technology** adoption, product **interoperability** and enhancement **self diagnostic capabilities**

- The adoption of key digital technologies shows a strong growth over the next 5 years

- 267 Billion USD investment in the next 5 years directed towards IoT*

- The Industrial Robotics Market stands at 13.9 billion USD with an 11.8% growth **

* Source: IoT Analytics
** Source: International Federal of Robotics (IFR) data and Loup Ventures
Transportation & Logistics
End to end visibility and real time tracking

- We ensure Data Collection to Courier-Express-Parcels, Airports and Logistics
- Datalogic is at the forefront of the development of airport systems, since 1984 with the first automatic reading station in Milan, to the recent contract with a main European hub in compliance with new IATA requirements
- Datalogic’s proven capabilities are reflected by the recent “Platinum” supplier qualification granted by a world leader in the shipping and logistics sector
Transportation & Logistics
End to end visibility and real time tracking

MARKET OUTLOOK

- Growth is **driven by E-commerce**: high speed sorting, ability to manage any size of parcel, and high flexibility. E-Commerce is driving the industry growth.

- **Resolution 753** requires (from June 2018) IATA members to maintain an accurate inventory of baggage by monitoring the acquisition and delivery of baggage.

- The baggage handling system market* is projected to reach USD 9.36 Billion by 2020, at a CAGR of 7.8% from 2015 to 2020.

- Strong demand for solutions beyond barcode.

- Robotics & Automation: collaborative robots and automatic solutions to get higher productivity, zero-defects, reducing manual operations.

*Source: IATA*
Healthcare
Meet regulations and Higher Patient Safety

- We empower the entire Healthcare ecosystem from drug production to patient care

- Datalogic is the sole company providing unique product features for the HC industry such as: Anti-microbial enclosures, Inductive charging technology for battery recharge, and Green spot good match to ensure positive medicine-patient identification
Healthcare
Meet regulations and Higher Patient Safety

MARKET OUTLOOK

- Drugs tracking to avoid counterfeit medications

- RTLS (Real Time Location System) - System used to provide immediate or real-time tracking and management of medical equipment, staff and patients within all types of patient care environments
  - Real-Time Location Systems market will be worth $3.070 Billion by 2020 *
  - RTLS healthcare market generated revenue of $717.8 Million in 2015 and is projected to grow at 19.2% CAGR through 2021 **

- HC Emerging trends: Telemedicine/Telehealth. Health systems are more and more using digital health tools and telehealth platforms to better care for patients after they leave the hospital, as well as those most at risk of returning

* Source: RFID Global Solution, Inc
** Source: PR Newswire
### New Product Launches and Innovation

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>July</td>
<td>January</td>
</tr>
<tr>
<td>October</td>
<td>August</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **JOYA TOUCH A6**  - **SKORPIO X4**  - **QUICKSCAN QW24XX 2D**  - **FALCON X4**  - **GRYPHON 45XX MOBILE 2D**  - **MEMOR 10**

- Net sales of new products launched in the last 24 months account for €25m, 19.5% of total Q1 2019 sales compared to just 13.5% in Q1 2018
Q1 2019 New Product Launches

Mobile Computing

Falcon X4 Auto Range
The new Auto Range scanning capability allows the Falcon X4 to scan up to 15.0 m / 49.2 ft while providing superior performance and user experience of Datalogic scanning technology.

Datalogic Shield
Datalogic Shield extends the lifecycle of Android mobile computers, offering our customers years of protection on their rugged device investment.

Taskbook
The new TaskBook is a rugged tablet expressly designed for industrial applications.

Factory Automation

Matrix 220
New High Power Illuminators and DPM Blue Light models double the image luminosity for higher application speed and further reading distances, providing the highest flexibility in reading DPM bar codes on any type of material background color.

• 4 New Products launched in Q1 2019 mainly in mobility
Financials & Outlook
### Group Revenues Breakdown

<table>
<thead>
<tr>
<th>% weight on Total</th>
<th>€m</th>
<th>Q1 2019</th>
<th>Var % vs. Q1 2018</th>
<th>Constant FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>46.9%</td>
<td>63.6</td>
<td>(2.2%)</td>
<td>(5.6%)</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>28.7%</td>
<td>38.9</td>
<td>(4.0%)</td>
<td>(5.9%)</td>
</tr>
<tr>
<td>Transportation &amp; Logistics</td>
<td>10.9%</td>
<td>14.7</td>
<td>16.8%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>4.0%</td>
<td>5.4</td>
<td>19.9%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Channel (Unallocated)</td>
<td>9.6%</td>
<td>13.0</td>
<td>30.9%</td>
<td>28.8%</td>
</tr>
<tr>
<td><strong>Total DL Business</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>135.6</strong></td>
<td><strong>2.3%</strong></td>
<td><strong>-0.7%</strong></td>
</tr>
<tr>
<td>DL Business</td>
<td>93.8%</td>
<td>135.6</td>
<td>2.3%</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>Solution Net Systems</td>
<td>3.8%</td>
<td>5.5</td>
<td>(10.3%)</td>
<td>(17.2%)</td>
</tr>
<tr>
<td>Informatics</td>
<td>3.0%</td>
<td>4.3</td>
<td>(10.1%)</td>
<td>(17.0%)</td>
</tr>
<tr>
<td>Intra division</td>
<td>(0.5%)</td>
<td>(0.8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Datalogic</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>144.6</strong></td>
<td><strong>1.2%</strong></td>
<td><strong>-2.1%</strong></td>
</tr>
</tbody>
</table>

### Revenues by Vertical

- **DL Business:** +2.3% and almost flat Net FX
  - **Retail:** decline YoY due to Italy and China, positive growth for EMEAI (excluding Italy) and NA
  - **Manufacturing:** Double digit growth in NA (Net FX) mainly driven by industrial barcode scanners; drop in China, mainly in the electronics market
  - **T&L:** Double digit growth driven by NA
  - **Healthcare:** Recovery driven by EMEAI and NA
  - **Channel:** strong growth driven by stock creation of new products

### Revenues by Geography

- **EMEAI:** excluding Italy grew by 5.7%. Positive trend mainly driven by T&L (+7.9%) and Healthcare (+44.3%)
- **North America:** Datalogic Business revenues show positive growth +18.6% (+9.5% net forex) mainly driven by double digit growth in T&L (+44%) and Manufacturing (+19%)
- **APAC:** Negative trend driven by China in all the sectors due to trade war
## Q1 2019 P&L

<table>
<thead>
<tr>
<th>€ m</th>
<th>Q1 2019</th>
<th>Q1 2018</th>
<th>Var%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>144.6</td>
<td>142.9</td>
<td>1.2%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>70.2</td>
<td>69.8</td>
<td>0.5%</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>48.5%</td>
<td>48.8%</td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(53.9)</td>
<td>(51.4)</td>
<td>4.9%</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>(37.3%)</td>
<td>(36.0%)</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>21.6</td>
<td>22.0</td>
<td>(1.4%)</td>
</tr>
<tr>
<td>% Ebitda margin</td>
<td>15.0%</td>
<td>15.4%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>14.8</td>
<td>16.5</td>
<td>(10.3%)</td>
</tr>
<tr>
<td>% Ebit margin</td>
<td>10.2%</td>
<td>11.6%</td>
<td></td>
</tr>
<tr>
<td>EBT</td>
<td>16.1</td>
<td>14.7</td>
<td>9.8%</td>
</tr>
<tr>
<td>Taxes</td>
<td>(3.5)</td>
<td>(3.5)</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>12.6</td>
<td>11.2</td>
<td>12.4%</td>
</tr>
<tr>
<td>% on Revenues</td>
<td>8.7%</td>
<td>7.8%</td>
<td></td>
</tr>
<tr>
<td>Exchange Rate</td>
<td>1.14</td>
<td>1.23</td>
<td></td>
</tr>
</tbody>
</table>

- **Revenues** up 1.2% to €144.6 m (-2.1% at constant exchange rate); **DAL Business revenues** at €135.6 m (+2.3%, -0.7% Net Fx)
- **Gross Margin** almost flat at 48.5%
- **Operating expenses** up by 4.9% to €53.9m:
  - ✓ **R&D on revenues** down from 10.2% to 9.9% (10.1% on DL Business)
  - ✓ **S&D on revenues** from 18.0% to 20.1% due to carry over of last year’s commercial organization investments
  - ✓ **G&A almost in line with previous year**, moving from 7.8% to 7.3% on revenues
- **Net income at €12.6m** up by 12.4% thanks to positive exchange rate differences and higher incomes from liquidity investments
EBITDA: actual vs last year

€ m

15.4 % on Group Revenues

22.0
(4.1) (0.1)
3.3 0.1 
2.5 
(1.2)
(0.8) (0.1)
21.6 

Q1 2018 Price Volume Mix Service COGS FX Structure SNS/INF Q1 2019

EBITDA:

Positive Items

-3.3% on DL Business 2018 revenues*

15.0 % on Group Revenues

€ m

15.4 % on Group Revenues

22.0
(4.1) (0.1)
3.3 0.1 
2.5 
(1.2)
(0.8) (0.1)
21.6 

Q1 2018 Price Volume Mix Service COGS FX Structure SNS/INF Q1 2019

* Excluding Service and other non significant items
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>€ m</th>
<th>Mar-19</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fixed Assets</td>
<td>389.4</td>
<td>369.7</td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>78.8</td>
<td>90.4</td>
<td></td>
</tr>
<tr>
<td>% on 12m rolling sales</td>
<td>12.5%</td>
<td>14.3%</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>107.7</td>
<td>95.8</td>
<td></td>
</tr>
<tr>
<td>% on 12m rolling sales</td>
<td>17.0%</td>
<td>15.2%</td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>(99.2)</td>
<td>(117.1)</td>
<td></td>
</tr>
<tr>
<td>% on 12m rolling sales</td>
<td>(15.7%)</td>
<td>(18.6%)</td>
<td></td>
</tr>
<tr>
<td>Trade Working Capital</td>
<td>87.4</td>
<td>69.1</td>
<td></td>
</tr>
<tr>
<td>% on 12m rolling sales</td>
<td>13.8%</td>
<td>11.0%</td>
<td></td>
</tr>
<tr>
<td>Other assets/liabilities</td>
<td>(82.3)</td>
<td>(86.9)</td>
<td></td>
</tr>
<tr>
<td>Net Invested Capital</td>
<td>394.4</td>
<td>352.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>€ m</th>
<th>Mar-19</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Financial Position</td>
<td>3.9</td>
<td>(23.8)</td>
<td></td>
</tr>
<tr>
<td>Net Equity</td>
<td>390.5</td>
<td>375.8</td>
<td></td>
</tr>
<tr>
<td>Total Sources</td>
<td>394.4</td>
<td>352.0</td>
<td></td>
</tr>
</tbody>
</table>
Net Debt & Cash Flow Analysis: Dec’18 – Mar’19

- EBITDA: Dec 18 = 23.8, Mar 19 = 21.6
- Change in TWC: Dec 18 = (18.3), Mar 19 = (6.1)
- Capex: Dec 18 = 1.3, Mar 19 = (2.6)
- Taxes: Dec 18 = (5.2), Mar 19 = 10.2
- Net Financial Charges: Dec 18 = (4.5), Mar 19 = (14.1)
- Purchase Own Shares: Dec 18 = (2.6), Mar 19 = (14.1)
- Other: Dec 18 = (18.0), Mar 19 = (3.9)

Of which:
- Acc. Receivable: + 11.6
- Inventor: - 11.9
- Acc. Payable: - 18.0

-4.2% on revenues

Net Debt & Cash Flow Analysis: Dec’18 – Mar’19

- IFRS 16 NFP Impact: Dec 18 = (3.9), Mar 19 = (14.1)

**Of which:**
- Machineries, equipment and moulds: - 2.4
- Office Renovation: - 1.3
- R&D Capitalization: - 1.2
- Electronics machineries: - 0.5
- Software: - 0.8
2019 Outlook

Market

- Industry trends are confirmed and remain positive
- Q2 macro economic scenario remains uncertain due to US-China trade war

Verticals

- **Retail**: expected recovery in EMEAI and APAC thanks to new products
- **Manufacturing**: NA as growth engine of 2019 thanks to last year strengthening of sales organization
- **T&L**: outlook remains highly positive mainly driven by NA
- **HC**: keep growing driven by EMEAI and NA thanks to new dedicated products
- **Channel**: Expected growth in SMB driven by new products particularly suitable for the channel

Financials

- **Top line recovery** expected thanks to a **stronger second half** confirming growth trend on revenues and profitability almost in line with last year
- **Growth in 2H driven by ramp up of new products** launched in the last 12 months
Contact

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NEXT EVENTS

August 7, 2019  
6M Results

November 13, 2019  
9M Results

DATALOGIC ON LINE

www.datalogic.com
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