Virtual STAR Conference

23 MARCH 2021
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Corporate Overview
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**

≈ 1,200+ patents filed

> 500 engineers in 11 R&D centers and 3 DL Labs in: Italy, USA, Vietnam, China, and Germany

2,826 Employees in 28 countries:
18% Americas, 56% EMEAI, 26% APAC

10 Manufacturing and Repair facilities in:
Italy, US, Brasil, Hungary, Slovakia, Vietnam and Australia

*Data refer to YE 2020*
Core Advantages

1. STRONG POSITIONING IN THE INDUSTRY
   - Worldwide leader in the ADC and IA markets
   - Balanced presence across markets / segments
   - External growth through M&A activities mainly in the IA market

2. INNOVATION
   - Leadership in FRS and SIS
   - Focus on technology innovation thru R&D Investment 11-13%
   - 20% of sales from new products*

3. SOUND PROSPECTS
   - Financial strength positioning for future growth
   - Sound profitability and cash generation
   - Acquisitive in key segments

4. EFFICIENCY AND PRODUCTIVITY
   - Solid operational efficiency and leverage global industrial footprint
   - High potential from economy of scale
   - Proven cost flexibility

*New Products: products launched in the last 24 months
Nearly 50 years of Technological Innovation

1972
- Foundation: Established in Bologna
- Expansion: Escort Memory Systems Inc., IDWare mobile Computing&Comm.

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

1997
- Inovation: Acquisition of Multiware Photonics SA, Partnership with CAEN RFID Srl

2001

2002
- Listing: Listed on the STAR segment of the Italian Stock Exchange

2011
- Inovation: Acquisition of Multiware Photonics SA, Partnership with CAEN RFID Srl

2012-2015
- Expansion: Soredi Touch Systems GmbH

2017
- New Strategy: Set up new One Datalogic, New organization by verticals, Acquisition of Soredi Touch Systems GmbH

2020
- M&A Strategy: Acquisition of MD

2021
- Focus on Core Business: Acquisition of a minority stake in AWM Smart Shelf, Disposal of 85% Solution Net System
A Wide Geographical Footprint

- 10 Manufacturing & Repair sites
- 11 R&D Centers, 3 DL Labs
- Direct presence in 28 countries
- Percent on FY 2020 Revenues

Data refer to YE 2020
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 (March 22, 2021): 18.21 Euro

Market Cap (March 22, 2021): 1,070 mln Euro

Auditing Company: Deloitte
Strategy
Serviceable Available Market

SAM: ~ 13.5 bln USD

- Healthcare: 4%
- T&L: 13%
- Retail: 23%
- Manufacturing: 60%

Source market data: VDC 2020, ARC 2020, HEXA 2018, RAIN 2020
A wide range of products that is able to fulfill our customers’ needs for both data collection and process automation

Most complete offer of barcode readers: from retail to industrial scanners, from hand held to mobile

Undisputed leadership on barcode readers

Complementary/Open doors products in the MFG Industry
Our products are key enablers of critical applications along our customers’ supply chain.
Our market by industry

- E-commerce, dark stores
- New physical stores / omni-channel
- Contactless requirements in stores
- Vision and robotic solutions (AI)

- E-commerce – micro hubs and micro-fulfilment centers
- Robotics and automation
- Last mile delivery
- Airports' cargo business

1. Strong position in RETAIL that we need to leverage on a global basis

2. MANUFACTURING is a huge market that we are not yet covering at it's full potential, worldwide

3. TRANSPORTATION & LOGISTICS is a booming industry and we have a new offering to leverage

4. HEALTHCARE is growing fast and represents a unique opportunity in this «Covid time»

- Automotive and tire
- Hybrid/electric cars
- Agility and lean production pushing intralogistics and traceability
- Continued effort to diversify supply chains to avoid disruption in case of local crisis

- COVID-19 pushing tracking and digitalization
- Distribution, storage and injection of COVID-19 vaccines
- Drugs regulations and traceability
Retail
Food and Self Check-out are the main drivers

**Datalogic Proposition**
- We meet the needs of retailers globally, from the distribution centers, through check-out, to the customer’s home
- **Market Leader** along the Retail supply chain from 1974 with the **first scanner** ever sold to a grocery store in Troy, Ohio
- Excellence in productivity and customer experience for self-checkout and attended lanes for both Grocery and Non-Food with FRS and HHS product portfolio
- Artificial Intelligence adoption to be ready for the next checkout POS investment cycle

**Market Outlook**
- The main international players are experimenting new products and solutions to satisfy new shoppers’ needs and improve efficiency of their operations: click & collect, drive & collect, online verification, in real time, of the availability and exact position within the shelves of the products in the store or in the warehouse, assisted selling, self scanning and self check-out
- Retailers are more and more interested in collecting **customers’ data to do analytics to better serve them**
- Increase of **distribution centers advanced automated logistics** solutions to optimize online shopping and last mile order fulfilment
Manufacturing
All the thrust of industry 4.0

Datalogic Proposition

- Leader in traceability thanks to the most complete and performing offer of stationary industrial scanners
- 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, Packaging and Intralogistics

Market Outlook

- 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
- Robot and AGV: the Industrial Robotics Market stands at 13.9 billion USD with an 11.8% growth **
- Automotive and tire: new segments due to new technology - hybrid and electric cars
- Agility and lean production is pushing intralogistics and traceability
- Continued effort to diversify supply chain to avoid disruption in case of local crisis

* Source: IoT Analytics
** Source: International Federal of Robotics (IFR) data and Loup Ventures
Transportation & Logistics
E-commerce is the market driver

Datalogic Proposition

- 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 contracts on 4 of the 5 main airports worldwide (source SkyTrax rating)
- Historically leader in stationary industrial scanners, Datalogic provides top performing solutions for High-Speed sorting to all the main CEPs and 3PLs
- Datalogic has a big opportunity to seize in the T&L mobility space, especially with the new PDT Skorpio X5 and a complete offer o PDAs (Memor family)

Market Outlook

- Growth is driven by e-commerce: order fulfillment is the core process, while high speed sorting and the added ability to manage any size of parcel, is driving the industry growth.
- The omnichannel concept of retailers is evolving towards online orders: dark stores micro fulfillment and last mile delivery as new relevant applications.
- The baggage handling system market is projected to reach pre-covid numbers in 2023-4, cargo applications keep the pace of 3-4% growth Y/Y (*)
- Strong demand for solutions beyond barcode, image-based diagnostics and big data management
- Robotics & Automation: higher productivity, zero-defects, less manual operations

*Source: IATA
Healthcare
Health protection as a top priority

Datalogic Proposition

▪ 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

Market Outlook

▪ COVID-19 pushing tracking and digitalization in particular for the distribution, storage and injection of COVID-19 vaccines
▪ Drugs regulations and traceability
▪ Hospital investments in patient safety are expected to grow significantly in the next 5 years: technology adoption to secure proper patients traceability and drug administration
▪ EMR/EHR adoption/expansion in hospitals/clinics (Electronic Medical/Health Record)
▪ Telemedicine/Telehealth. Health systems are more and more using digital health tools and telehealth platforms to better take care of patients after they leave the hospital
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
### Key Growth and Strategic Drivers

#### Industry
- Keep focus on all of our verticals
- MFG ($8 bln): expand into new sectors
- RTL ($3 bln): check out evolution, cross sell mobile, watch distribution centers carefully
- T&L ($2 bln): cross sell – complete offer SIS, Mobile, HHS

#### Products
- Protect our leadership in SIS
- Mobile: increase market share completing and widening our offer of portable data terminal (PDT) and portable data assistant (PDA)
- HHS: lead the shift to 2D technology

#### M&A
- Selected target to accelerate our growth particularly in the manufacturing sector

#### Technology
- Continuous improvement of core technology (bar code reading) e.g. optics, decoding
- Investing in complimentary technologies:
  - Vision / Machine learning
  - RFID
  - Digital watermarking
- Investing in Android
M.D. Acquisition
MD Group

**DL Industrial Automation Market**
- Large market $7.7bn
- Industry 4.0 driving solid growth prospect

**MD Products**
- Inductive Sensors
- Photoelectric Sensors
- Ultrasonic Sensors
- Safety
- Area Sensors

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

**MD Geographic Revenue Breakdown**
- EMEAI 74.3%
- Americas 15.8%
- APAC 9.9%
Financials & Outlook
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</th>
<th>FY 2019 Restated*</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

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* 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

<table>
<thead>
<tr>
<th>€m</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>

- **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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### 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><strong>Revenues</strong></td>
<td>479.8</td>
<td>585.8</td>
<td>(18.1%)</td>
<td>(17.0%)</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>219.9</td>
<td>288.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% on Revenues</td>
<td>45.8%</td>
<td>49.2%</td>
<td>-3.4 pp</td>
<td></td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(185.8)</td>
<td>(217.9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% on Revenues</td>
<td>(38.7%)</td>
<td>(37.2%)</td>
<td>-1.5 pp</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>58.3</td>
<td>92.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Adj. Ebitda margin</td>
<td>12.2%</td>
<td>15.7%</td>
<td>-3.5 pp</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>18.4</td>
<td>62.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Ebit margin</td>
<td>3.8%</td>
<td>10.7%</td>
<td>-6.9 pp</td>
<td></td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>13.9</td>
<td>50.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% on Revenues</td>
<td>2.9%</td>
<td>8.6%</td>
<td>-5.7 pp</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 *

€ m

92.1
(41.7)
(16.3)
(17.4)
29.9
(0.6)
1.9
58.3

EBITDA Adj. 2019
Volume
Price
Mix
Productivity
Structure
INFX
FX/other
EBITDA Adj. 2020

15.7% on Group Revenues
12.2% on Group Revenues

* 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.
Net Debt & Cash Flow Analysis: Dec'19 – Dec'20

€ m

- **NFP Dec 19**: 13.4
- **EBITDA Adj.**: 58.3
- **Ch TWC**: 27.3
- **Capex ***: (47.2)
- **Taxes**: (3.6)
- **Net Financial Charges**: (7.7)
- **Purchase Own Shares**: (6.8)
- **Dividend Payment**: (17.0)
- **Other**: (8.3)
- **NFP Dec 20**: 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.
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**NEXT EVENTS**

**April 29, 2021**  
Shareholders’ Meeting

**May 13, 2021**  
Q1 2021 Results

**DATALOGIC ON LINE**

www.datalogic.com
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