



STAR Conference Milano

21 MARCH 2019

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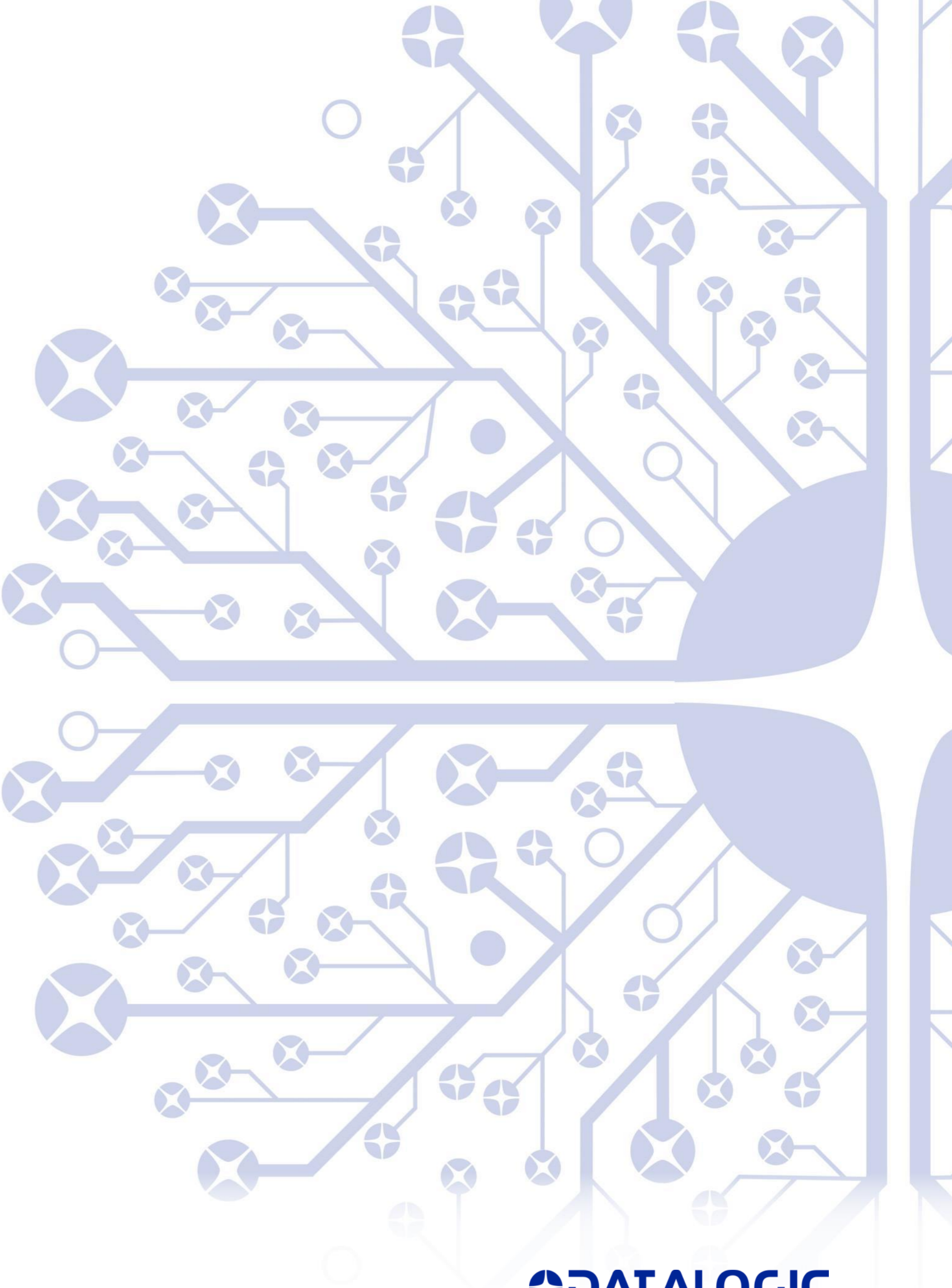
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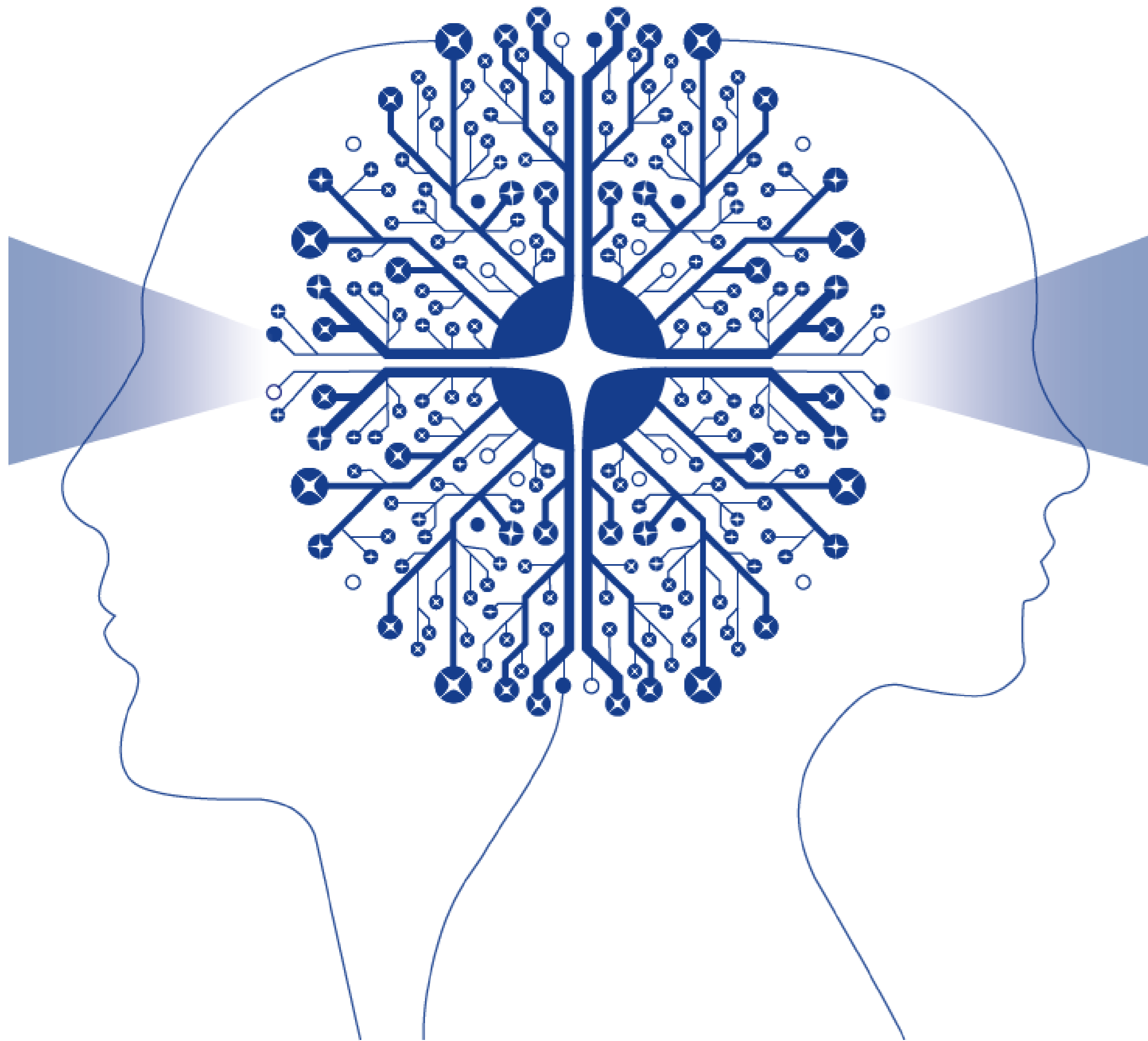
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Corporate Overview



Datalogic at a glance



EMPOWER YOUR VISION

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 and more than 350 in approval



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

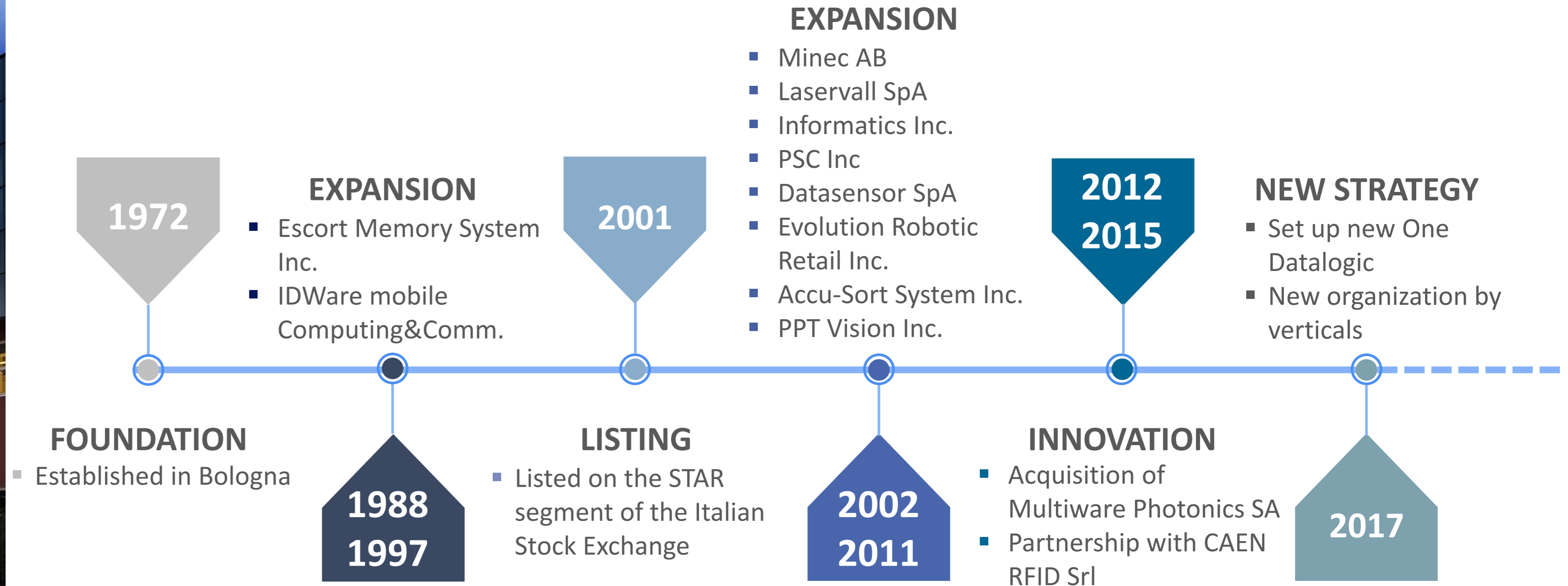


3,157 Employees in 27 countries:
21% Americas, 56% EMEA, 23% APAC



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

Over 45 years of Technological Innovation



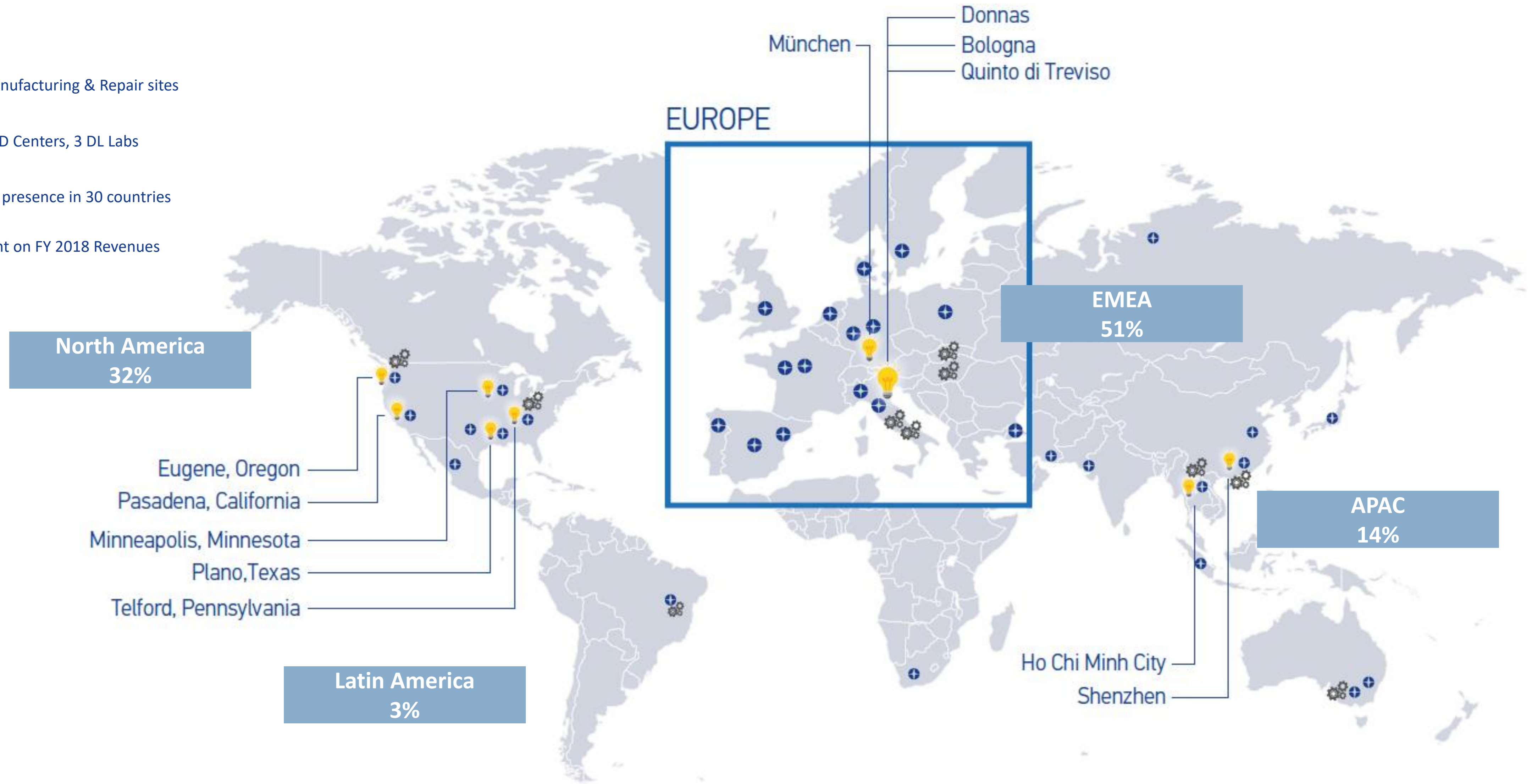
A Wide Geographical Footprint

 10 Manufacturing & Repair sites

 11 R&D Centers, 3 DL Labs

 Direct presence in 30 countries

 Percent on FY 2018 Revenues



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

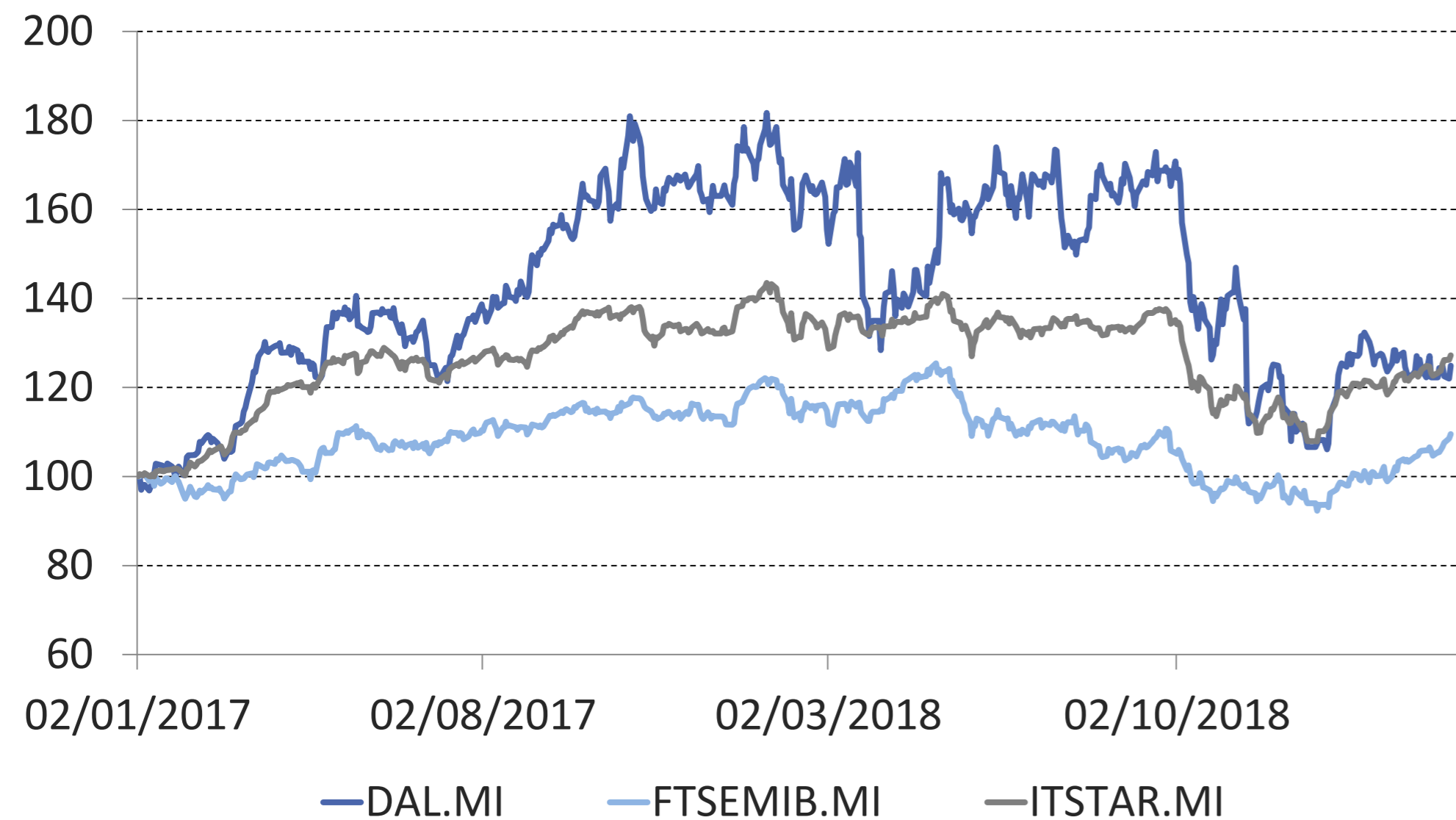
Ticker: DAL

Price (March 19, 2019): 23.55 Euro

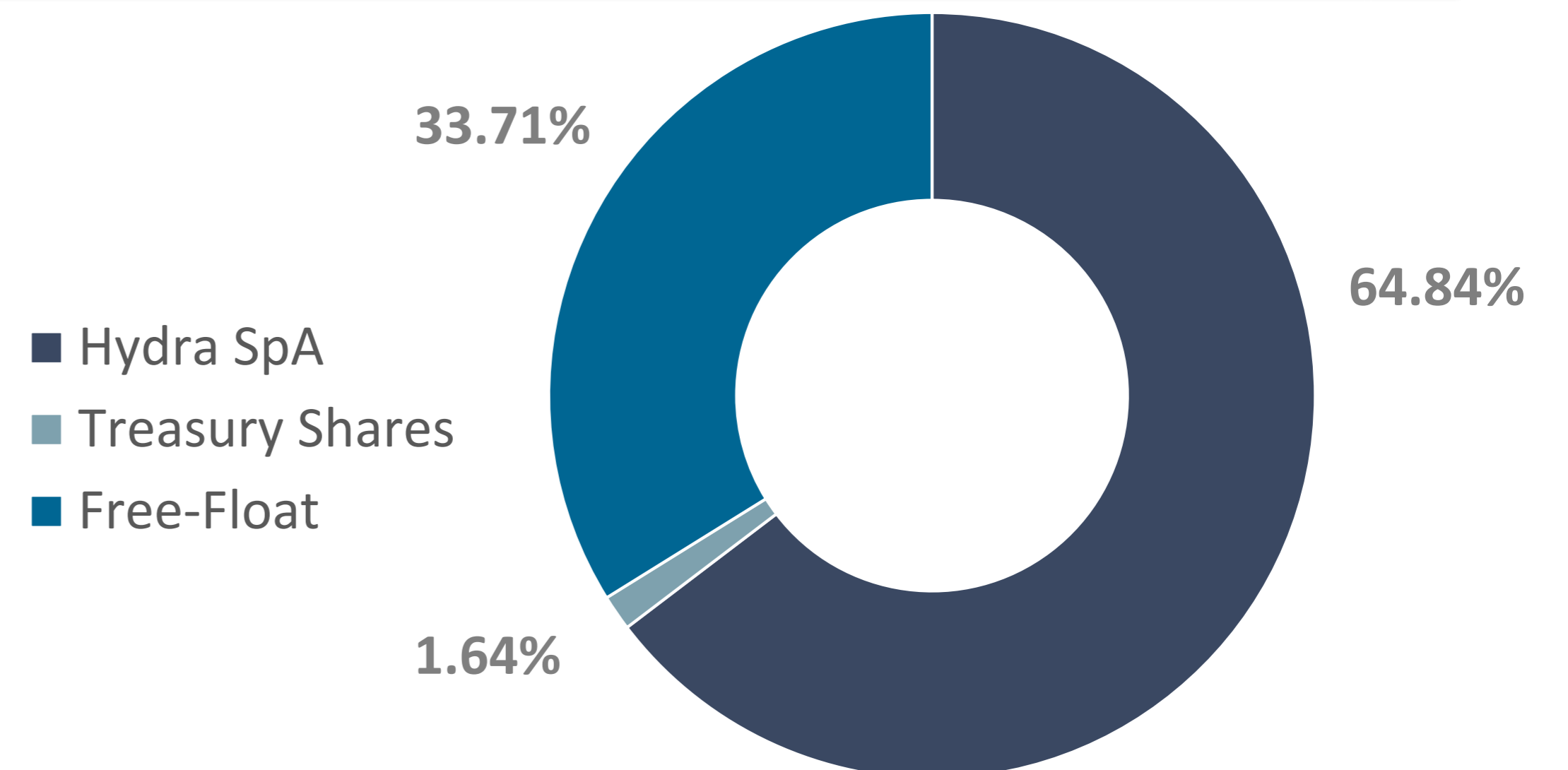
Market Cap (March 19, 2019): 1.38 B Euro

Auditing Company: EY

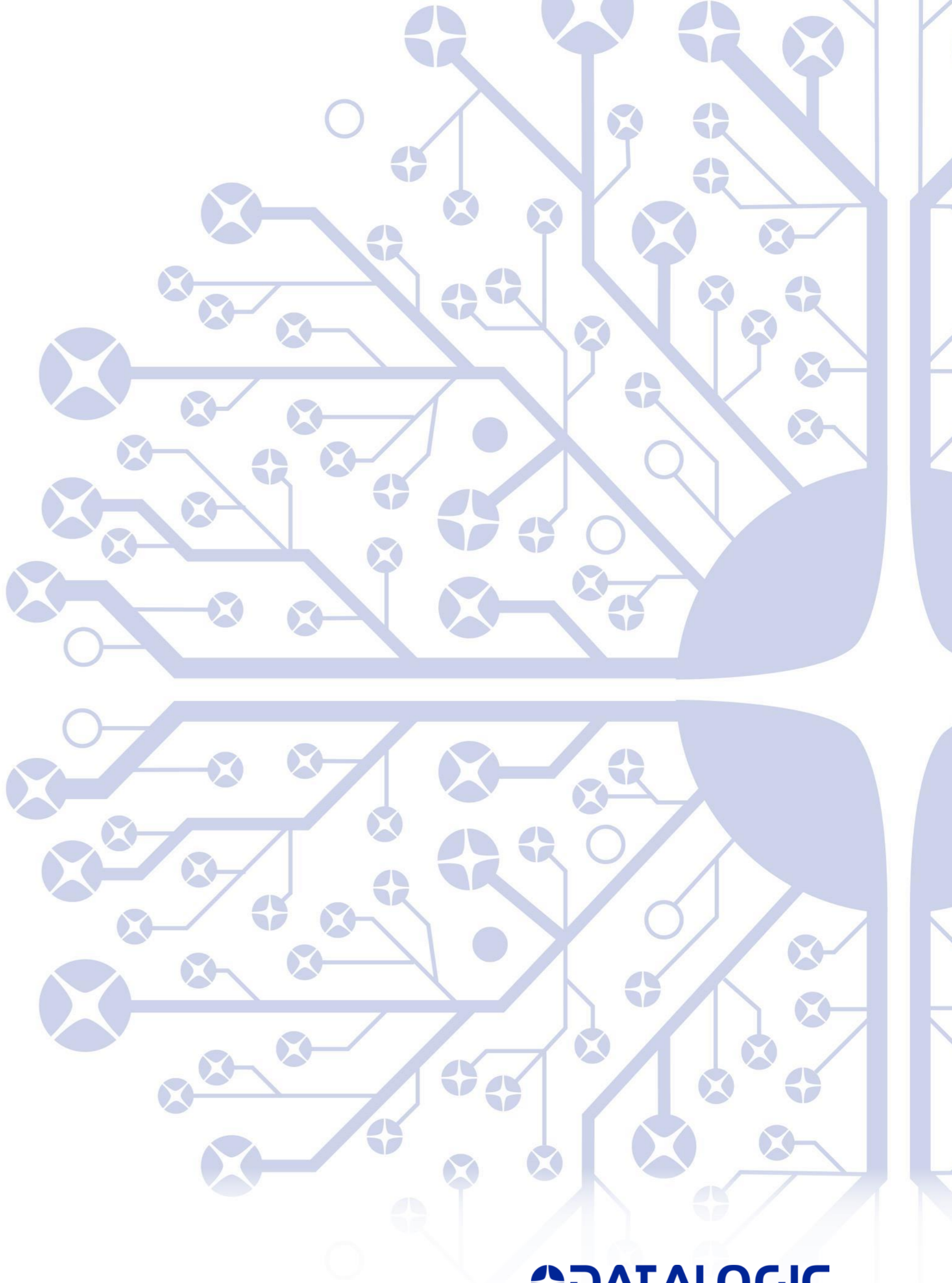
DATALOGIC PRICE PERFORMANCE



SHAREHOLDERS' STRUCTURE



Strategy



A Clear Strategy



Unique Positioning

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

- **WIDE AND COMPLEMENTARY OFFER**

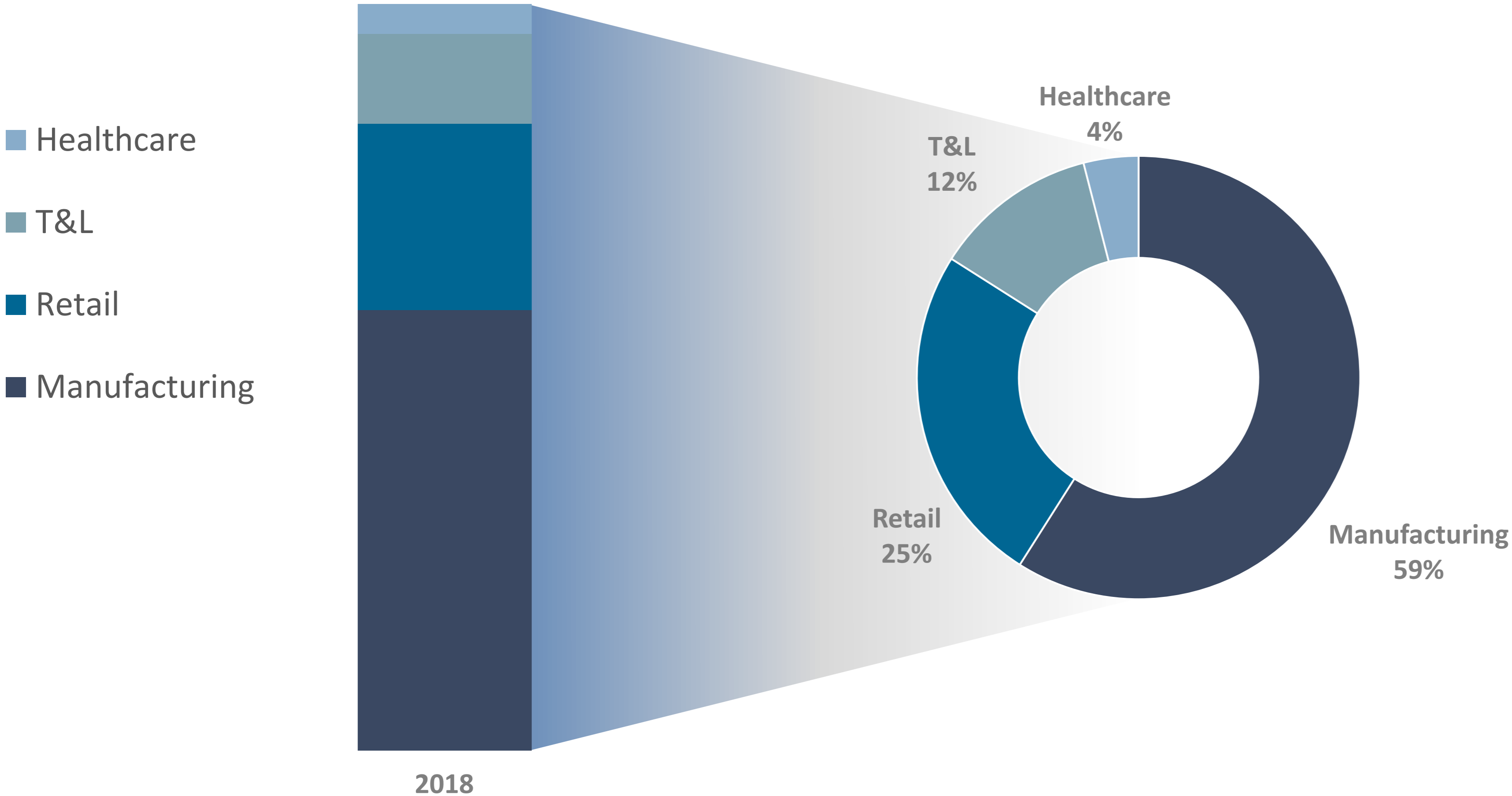


- **CUSTOMER CENTRIC ORGANIZATION BY VERTICALS**



Total Addressable Market

TAM:
~ 14 bln USD



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

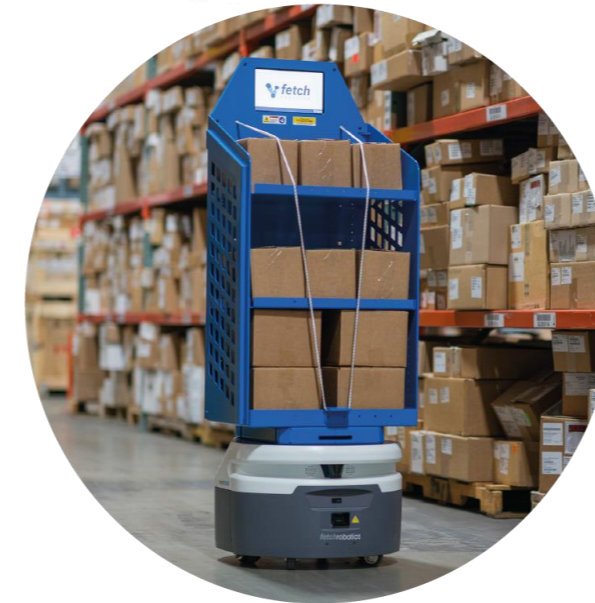
Source: VDC, other market researches and Management estimates

We play in a growing market



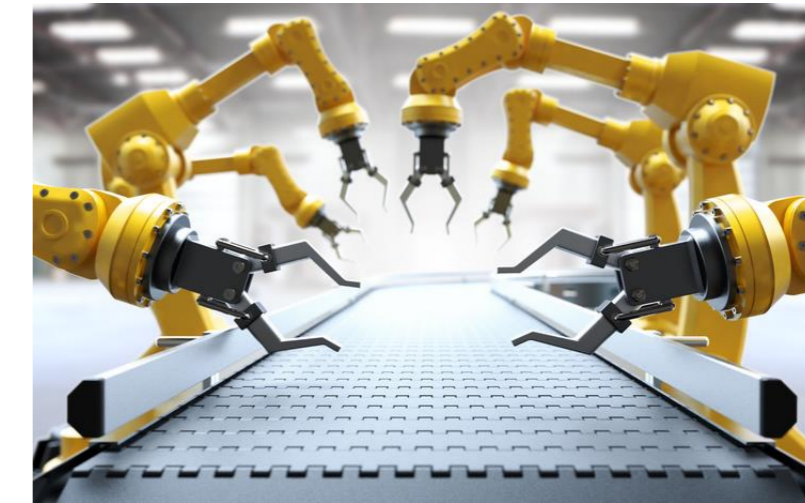
2016: 1.86 trillion USD
2021: 4.48 trillion USD

**Retail
e-Commerce**



2016: 1.9 billion USD
2023: 80 billion USD

**Logistics Automation
market**



2018-23 CAGR: +24%

**Global Robotics
market**

Datalogic products and solutions are essential for e-commerce, logistics automation and robotics applications

There has never been a more exciting time as this to operate in the market we play in

Retail

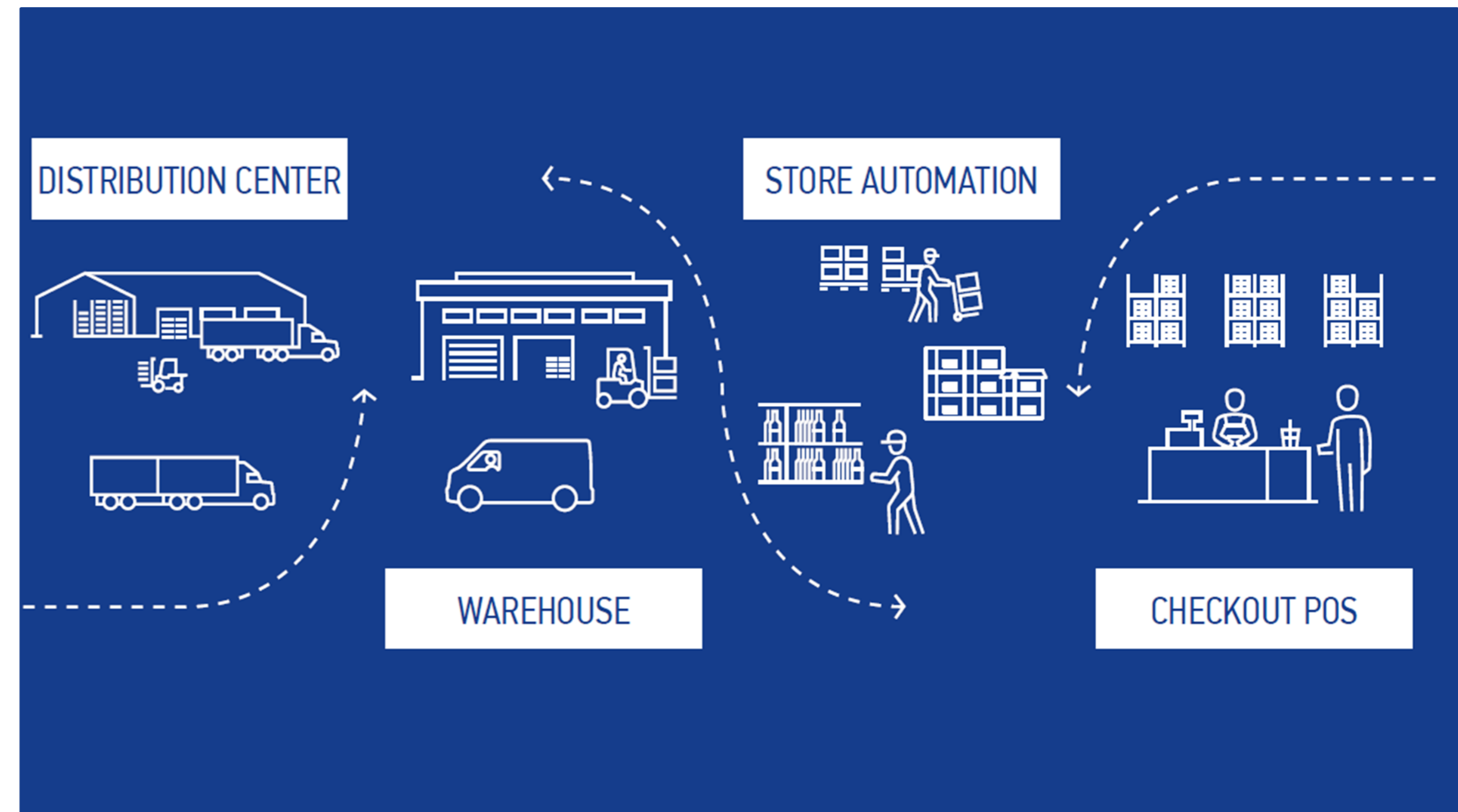
Bringing offline and online together



DATALOGIC PROPOSITION

- 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 in Troy, Ohio to 2018 with the NRF exhibition in New York with the innovative **frictionless shopping**
- New Data capture products for E-commerce and multichannel

APPLICATIONS



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

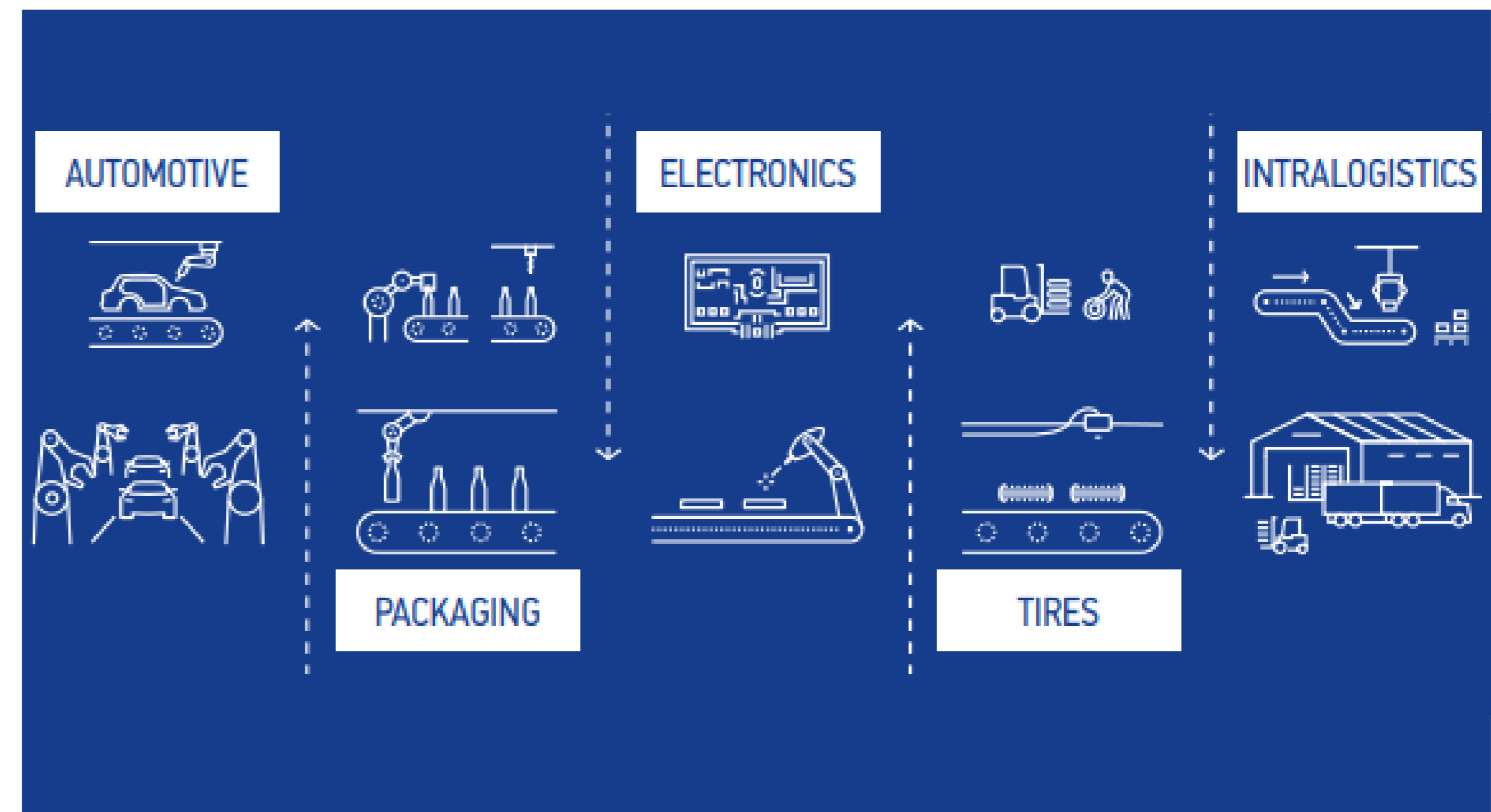
The factory of the future



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 **Intralogistic solutions** and **Robotic/AGV** guidance

APPLICATIONS



Manufacturing

The factory of the future



MARKET OUTLOOK



- Market is booming
 - 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

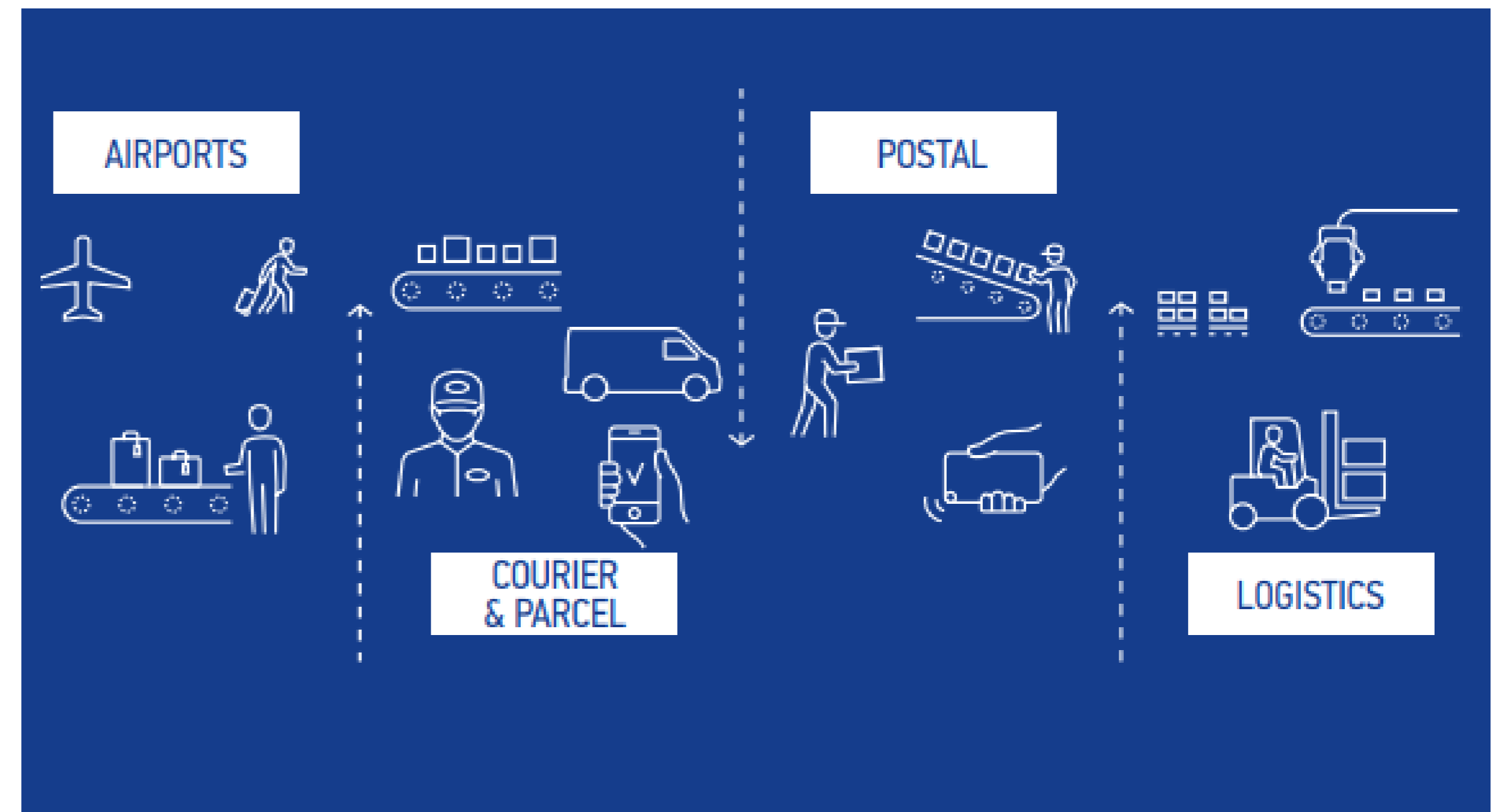
End to end visibility and real time tracking



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 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

APPLICATIONS

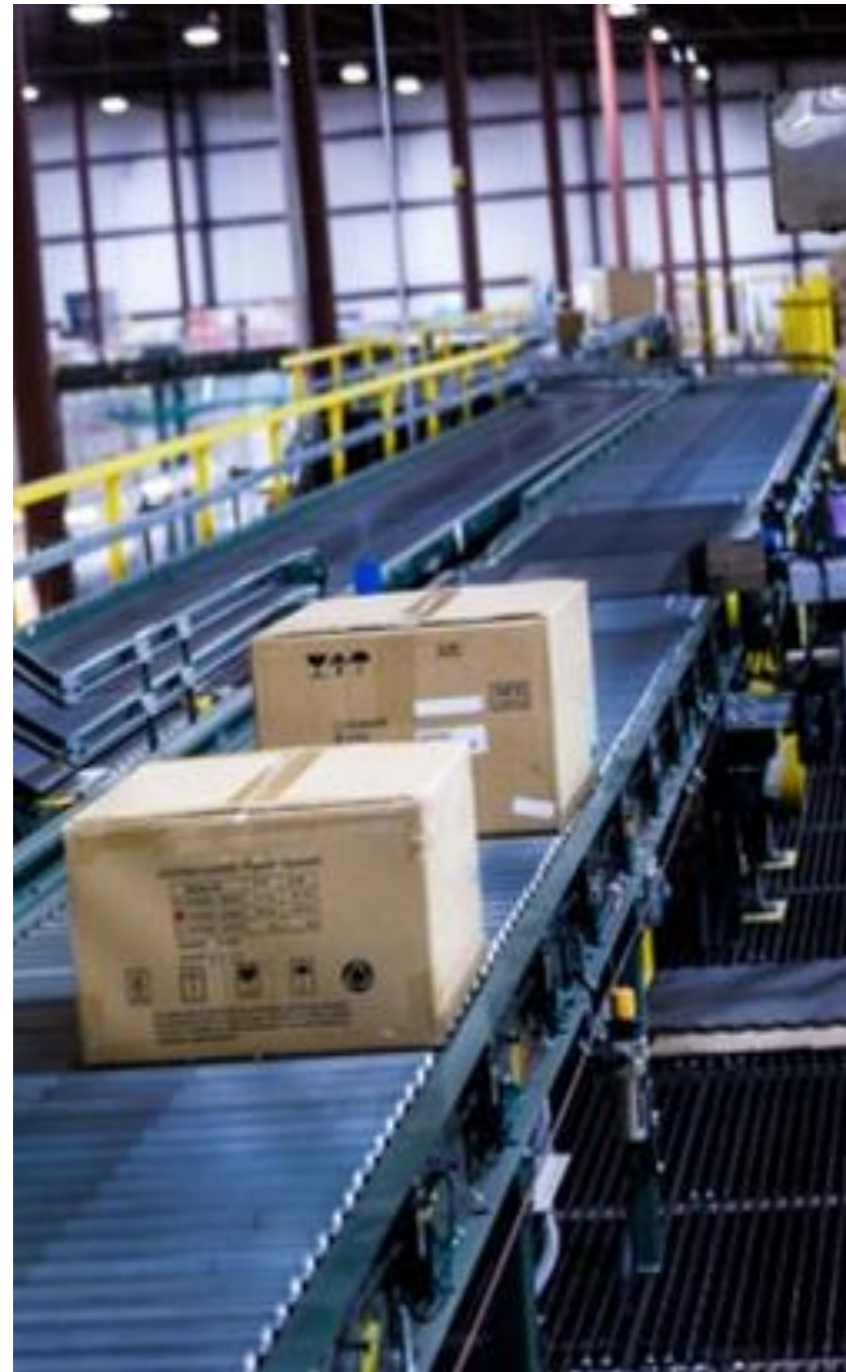


Transportation & Logistics

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

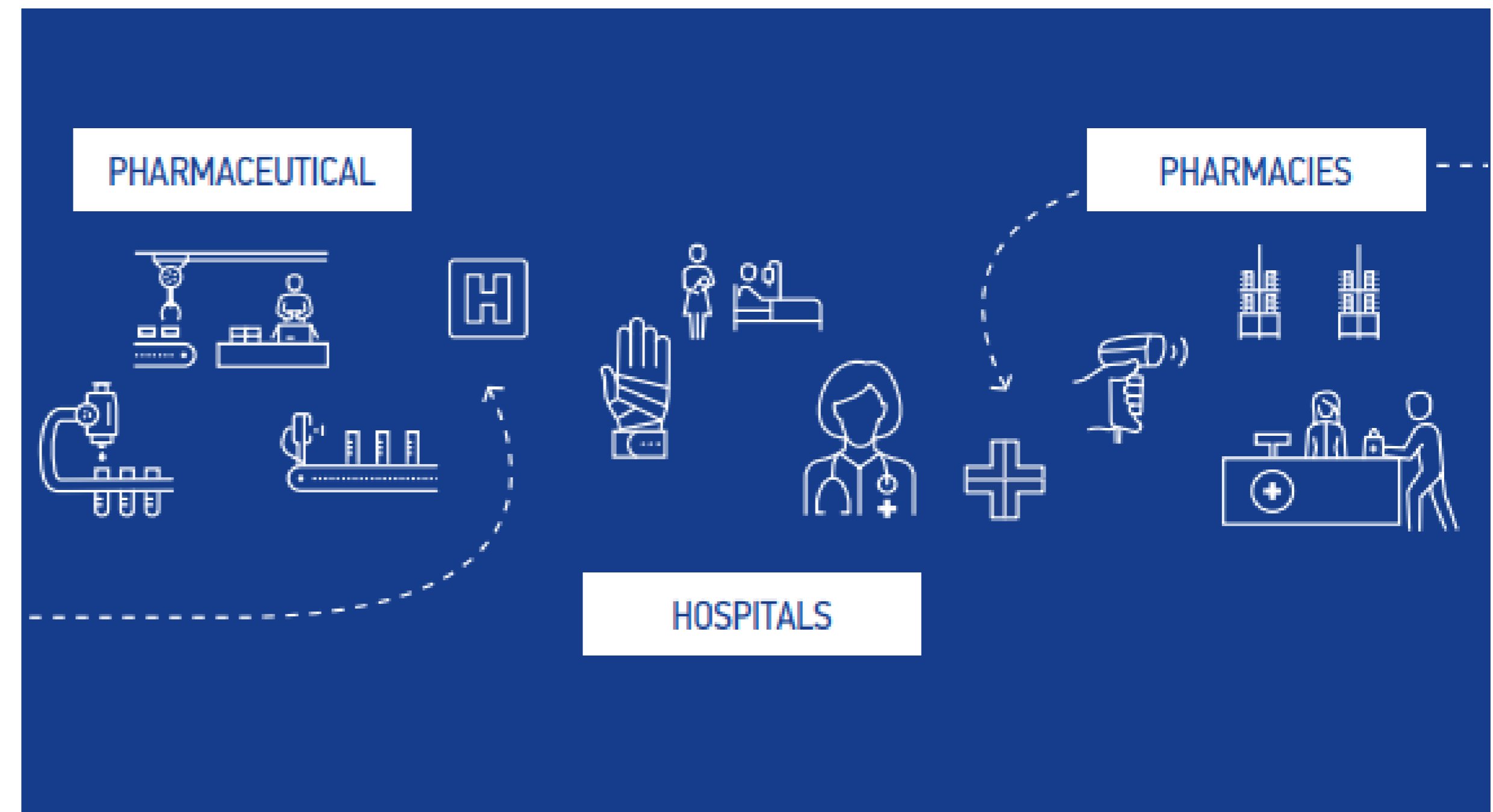
Meet regulations and Higher Patient Safety



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

APPLICATIONS



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

2018 New Product Launches and innovation

October



PowerScan PD9530 becomes PD9531

S3Z Miniature Sensor



November



Gryphon 41X0 Becomes 41X2

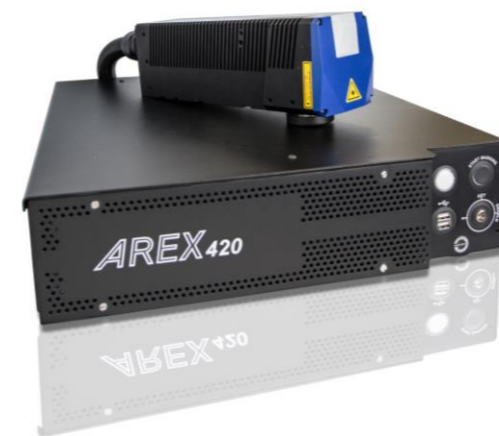


TL46 - WE



Matrix 220

AREX 400 family of Fiber Laser Marker



December



Gryphon 4500 Cordless

S5N Tubular Sensor



Laser Sentinel Master Slave Version



Memor 1



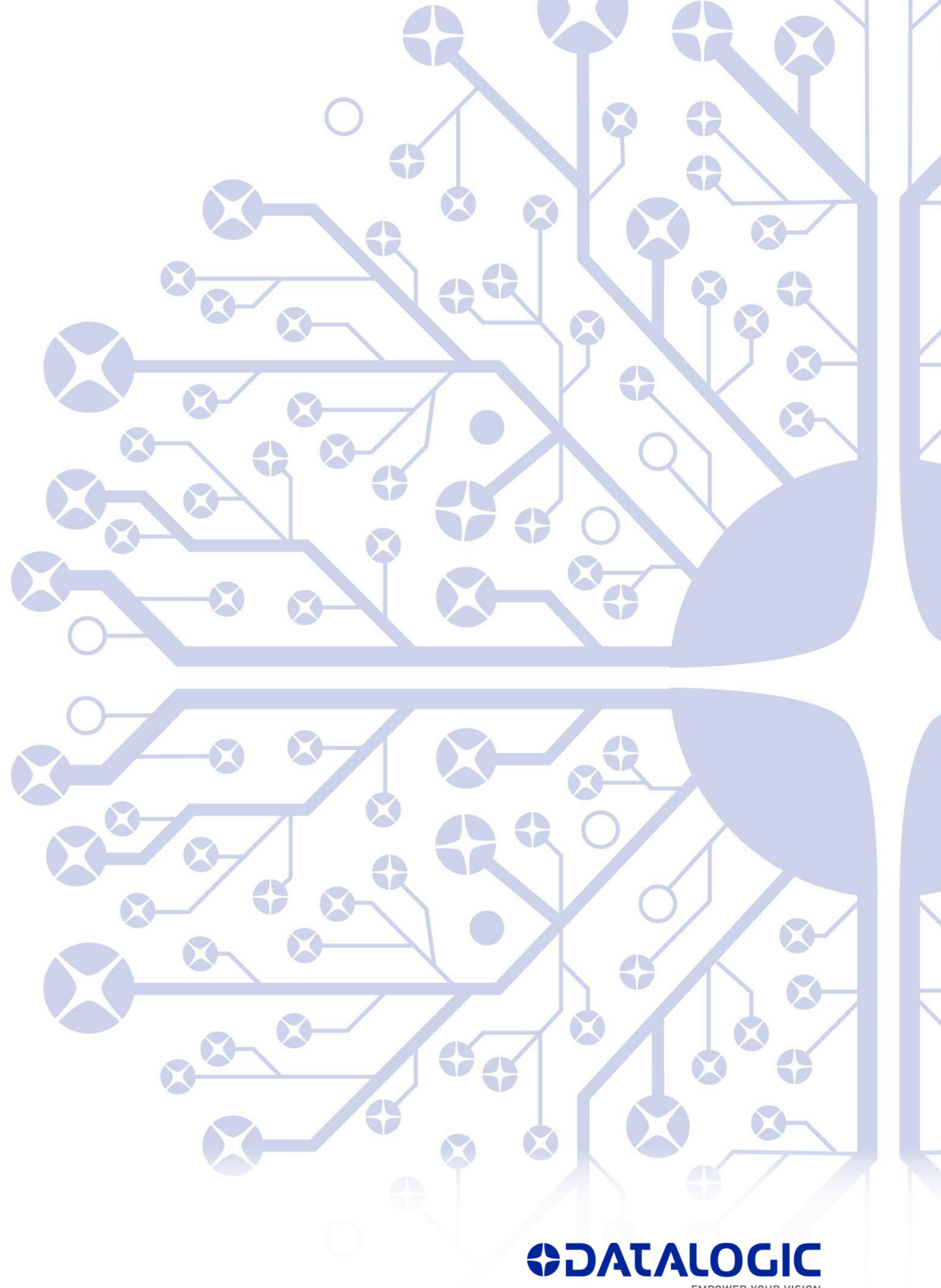
Memor 10

Rhino II Android version



- 24 New Product launched in 2018 (12 only in Q4).
- Main accomplishments:
 - **Memor™ 10, new PDA** validated for the **Google™**-led initiative “**Android Enterprise Recommended**” program for rugged devices.
 - R&D investments reaching 9.8% on Revenues (10.2% on DL Business)
 - New SLS launched
- Hired 90+ people in R&D, reaching 500 people
- Patents above 1,200 items; +53 IDs harvested in 2018

Financials & Outlook



Verticals Results

% weight on Total	€m	FY 2018	Var %	Net FX
50.4%	Retail	295.4	5.4%	8.0%
29.8%	Manufacturing	174.6	11.5%	13.1%
11.8%	Transportation & Logistics	69.2	13.6%	15.8%
3.5%	Healthcare	20.2	(28.6%)	(26.9%)
4.5%	Channel (Unallocated) *	26.3	(30.7%)	(30.3%)
100.0%	Total DL Business	585.7	3.9%	5.9%

92.8%	DL Business	585.7	3.9%	5.9%
4.5%	Solution Net Systems	28.3	14.5%	20.2%
3.1%	Informatics	19.6	(4.9%)	(0.5%)
(0.4%)	Adjustments	(2.6)		
100.0%	Total Datalogic	631.0	4.1%	6.4%

% weight on Total	€m	Q4 2018	Var %	Net FX
52.5%	Retail	81.3	9.4%	8.0%
28.3%	Manufacturing	43.8	5.7%	5.4%
12.0%	Transportation & Logistics	18.6	(7.7%)	(8.7%)
4.2%	Healthcare	6.6	(5.7%)	(7.2%)
2.9%	Channel (Unallocated) *	4.4	31.0%	31.3%
100.0%	Total DL Business	154.7	5.8%	4.8%

93.8%	DL Business	154.7	5.8%	4.8%
3.6%	Solution Net Systems	5.9	8.5%	5.1%
3.0%	Informatics	5.0	17.9%	14.2%
(0.4%)	Adjustments	(0.6)		
100.0%	Total Datalogic	164.9	6.2%	5.1%

* Includes Revenues not directly allocated to the Verticals

FY 2018

Retail: Double digit growth in NA thanks to projects on Fixed Retail Scanners and Mobile Computers

Manufacturing: Double digit growth in China & NA (Net FX) mainly driven by industrial barcode scanners

T&L: Double digit growth mainly driven by big projects in NA with TIER1 parcel companies

Healthcare: Decrease due to big projects in NA in 2017

Q4 2018

Retail: Best quarter of the year driven by NA

Manufacturing: Double digit growth in NA partially offset by slow down in APAC

T&L: Slow down in all regions due to big projects phasing

Healthcare: Best quarter of the year with signs of recovery thanks to new project in NA

Group Revenues by geography

% weight on Total	€m	FY 2018	Var %	Net FX
50.9%	EMEA	320.9	(2.0%)	(1.6%)
32.6%	North America	205.6	13.8%	18.4%
13.8%	Asia Pacific	87.3	9.7%	13.3%
2.7%	Latin America	17.2	(5.3%)	2.0%
100.0%	Total Revenues	631.0	4.1%	6.4%

% weight on Total	€m	Q4 2018	Var %	Net FX
50.2%	EMEA	82.9	(7.7%)	(7.9%)
32.1%	North America	52.9	33.9%	29.7%
14.0%	Asia Pacific	23.0	12.2%	11.7%
3.7%	Latin America	6.1	11.1%	14.7%
100.0%	Total Revenues	164.9	6.2%	5.1%

FY 2018

EMEA: Declining trend entirely due to Retail; positive growth for T&L and Manufacturing

North America: Stellar performance in 2018 driven by double digit growth in Retail, T&L and Manufacturing (Net FX)

APAC: Entirely driven by China (+13,9%) thanks to Manufacturing (+29,7%)

Q4 2018

EMEA: Results impacted by Retail (mainly Italy) and T&L project seasonality

North America: Double digit growth driven by Retail

APAC: Positive trend due to Retail in APAC, slow down Manufacturing in China

Latin America: Growth driven by Retail

Q4 2018 P&L

€ m	Q4 2018	Q4 2017	Var%
Revenues	164.9	155.3	6.2%
Gross Margin	79.2	75.9	4.4%
<i>%on Revenues</i>	48.0%	48.9%	
Operating expenses	(55.2)	(54.3)	1.8%
<i>%on Revenues</i>	(33.5%)	(34.9%)	
EBITDA	28.0	25.4	10.3%
<i>Ebitda margin</i>	17.0%	16.4%	
EBIT	22.4	20.4	9.9%
<i>Ebit margin</i>	13.6%	13.1%	
<i>Exchange Rate</i>	1.14	1.18	

- Acceleration in Q4 driven by NA +33.9% vs LY (+29.7% vs Net FX)

- Revenues up 6.2% to €164.9m (+5.1% Net FX)

- Gross Margin up 4.4% to €79.2m.

- Operating expenses up by 1.8% to €55.2m.

- EBITDA margin from 16.4% to 17.0% thanks to increase in Revenues compensating higher investments

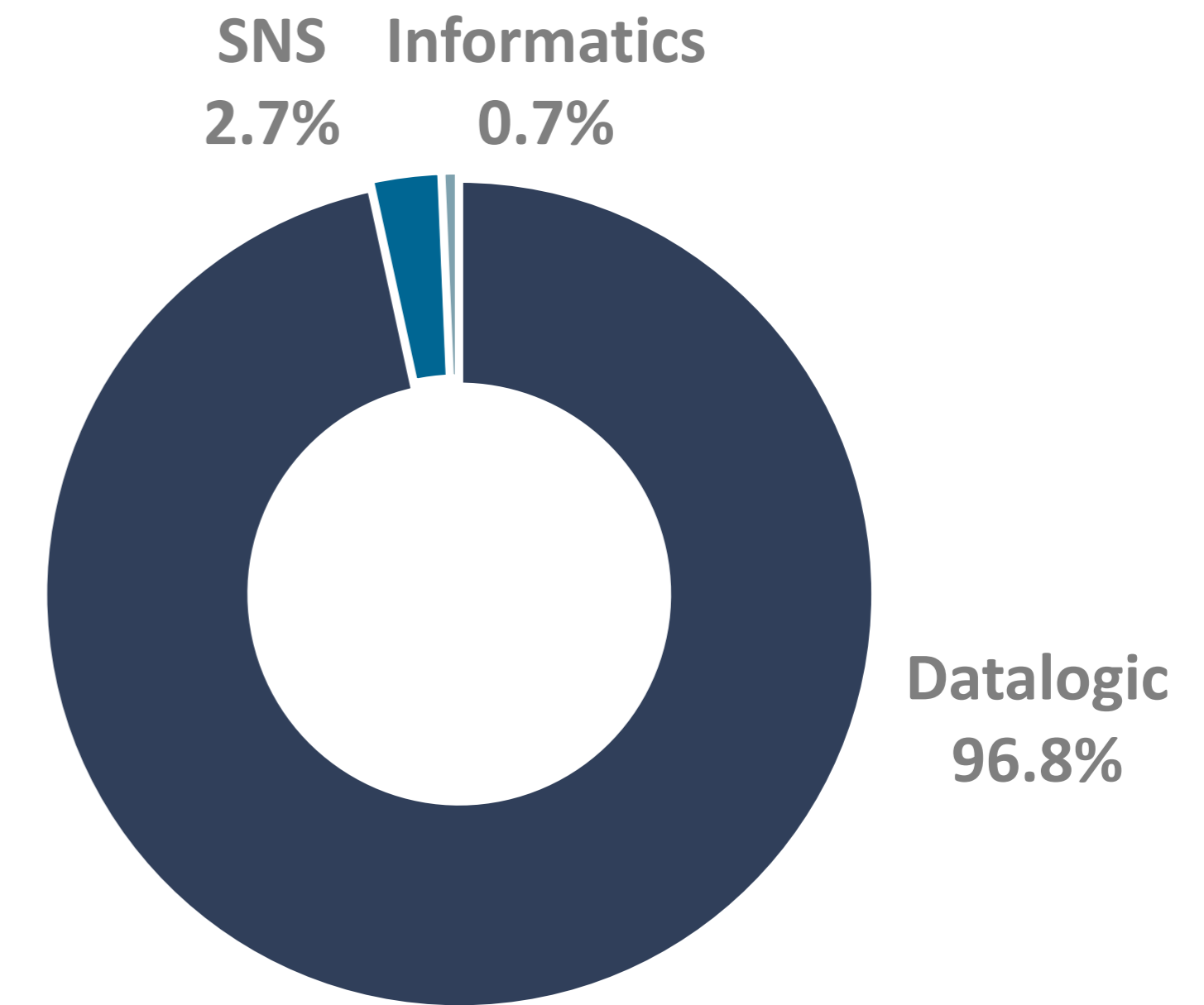
FY 2018 P&L

€ m	2018	2017	Var%
Revenues	631.0	606.0	4.1%
Gross Margin	306.0	288.4	6.1%
<i>%on Revenues</i>	48.5%	47.6%	
Operating expenses	(215.6)	(199.8)	7.9%
<i>%on Revenues</i>	(34.2%)	(33.0%)	
EBITDA	105.5	103.3	2.2%
<i>%Ebitda margin</i>	16.7%	17.0%	
EBIT	83.5	82.9	0.8%
<i>%Ebit margin</i>	13.2%	13.7%	
EBT	77.8	75.5	3.2%
Taxes	(15.6)	(15.4)	
Net Income	62.2	60.1	3.5%
<i>% on Revenues</i>	9.9%	9.9%	
<i>Exchange Rate</i>	1.18	1.13	

- **Revenues** up 4.1% to €631.0 m (+6.4% at constant exchange rate)
- **Gross Margin** showing steady improving trend at **48.5%** (around +90 bps vs 2017)
- **Operating expenses up by 7.9% to €215.6m.**
 - ✓ **R&D on revenues** up to 9.8% (10.2% on DL Business)
 - ✓ **S&D on revenues** from 16.5% to 17.8% (+130 bps YoY) due to strengthening of commercial organization
 - ✓ **G&A on revenues decreased by 7.9%**, moving from 7.4% to 6.6% on revenues
- **EBITDA margin at 16.7%** improved Gross Margin and volumes partially offsets higher R&D and Distribution expenses
- **EBT up by 3.2%** thanks to financial charges offsetting negative effect related to reorganization
- **Net income at €62.2m** up by 3.5% thanks to slight reduction on tax rate (20.1% -30 bps vs 2017)

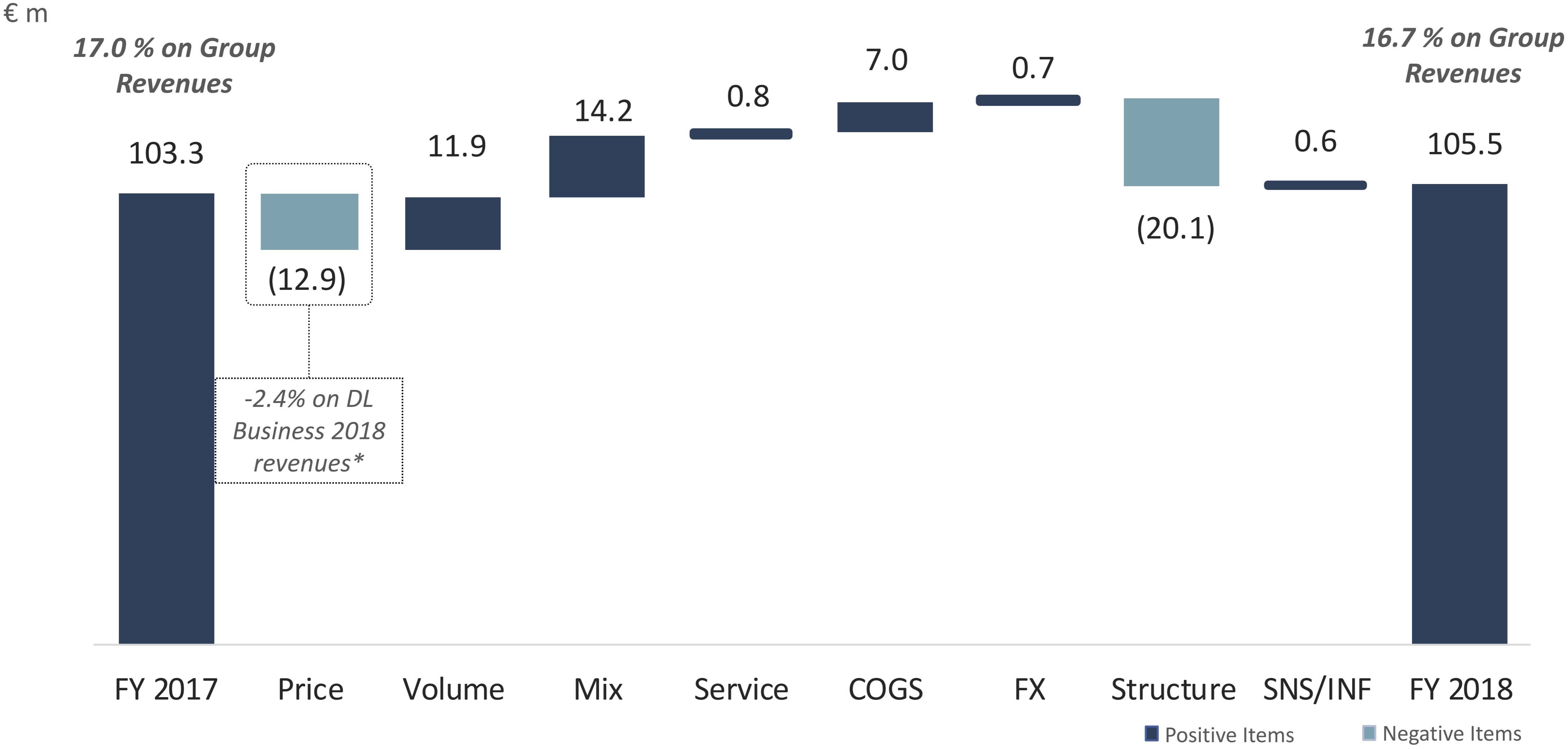
Group EBITDA by division

Division	FY 2018		Var %
	EBITDA	EBITDA Margin	
DL Business	102.1	17.4%	1.9%
Solution Net Systems	2.9	10.4%	3.0%
Informatix	0.7	3.4%	358.2%
Adjustments	(0.2)		
Total Datalogic	105.5	16.7%	2.2%



- **Datalogic** EBITDA increasing by 2.2% vs 2017
- **Solution Net Systems** EBITDA substantially in line with 2017 (€ 2.9 m); EBITDA margin decreased by 110 bps due to Royal Mail big postal projects
- **Informatix** EBITDA improvement thanks to cost control and mix

EBITDA: actual vs last year



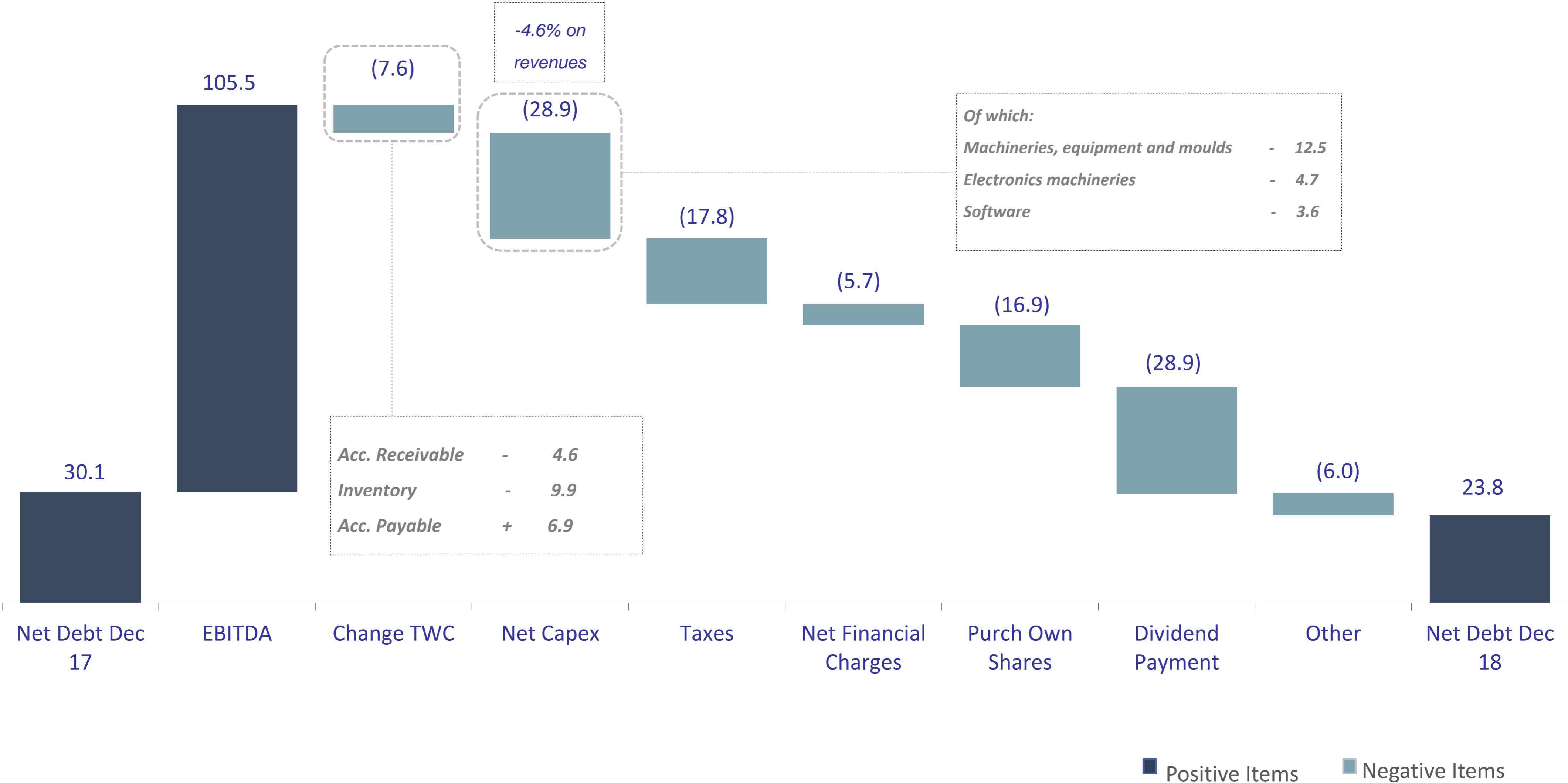
* Excluding Service and other non significant items

Consolidated Balance Sheet

€m	2018	2017
Total Fixed Assets	369.7	347.9
Trade receivables	90.4	85.8
<i>% on 12m rolling sales</i>	<i>14.3%</i>	<i>14.2%</i>
Inventories	95.8	85.9
<i>% on 12m rolling sales</i>	<i>15.2%</i>	<i>14.2%</i>
Trade payables	(117.1)	(110.3)
<i>% on 12m rolling sales</i>	<i>-18.6%</i>	<i>-18.2%</i>
Trade Working Capital	69.1	61.5
<i>% on 12m rolling sales</i>	<i>11.0%</i>	<i>10.1%</i>
Other assets/liabilities	(86.9)	(86.5)
Net Invested Capital	352.0	322.9

€m	2018	2017
Net Financial Position	(23.8)	(30.1)
Net Equity	375.8	353.0
Total Sources	352.0	322.9

Net Debt & Cash Flow Analysis : Dec'17 – Dec'18



2019 Outlook

Group

- **Focus on Innovation:** increase R&D investment
- **Commercial organization:** Selective hiring in key areas NA and APAC
- **Ramp up of new products** launched in the last 12 months (ie: Shift to Android OS)
- **Strong new products pipeline**

Verticals

- **Retail:** outlook remains very positive in NA; expected recovery in EMEA and APAC along the year thanks to new products
- **Manufacturing:** NA as growth engine of 2019 thanks to increase in coverage
- **T&L:** maintain the pace in NA and leveraging cross selling thanks to new products
- **HC:** back to growth
- **Channel:** SMB expected recovery thanks to new products particularly suitable for the channel

Financials

- Keep growth trend **on Revenues**
- Substantially stable **EBITDA margin**
- Maintain a **strong Cash Generation** from operations

Contact

IR CONTACTS

IR Manager

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
Via Candini, 2
40012 Lippo di Calderara di Reno
Bologna – Italy

NEXT EVENTS

April 30, 2019
Shareholders' meeting

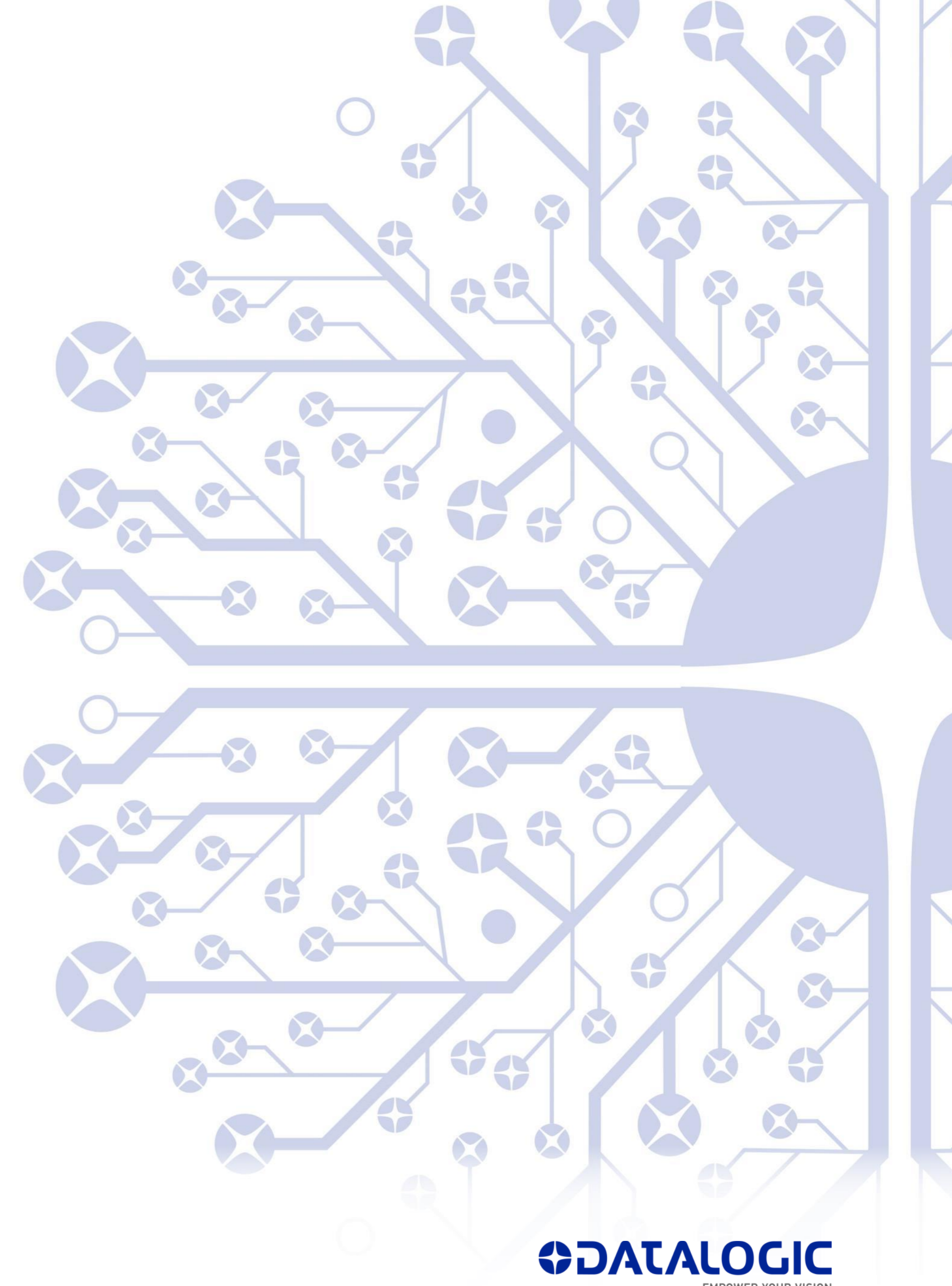
May 14, 2019
1Q 2019 Results

August 7, 2019
6M Results

November 13, 2019
9M Results

DATALOGIC ON LINE

www.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