



FY 2017
Conference Call

March 21, 2018

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Best ever results in Datalogic history



FY2017 RESULTS

€ m

REVENUES
€606.0
+5.1%
(+6.0% at constant FX)

€103.3
EBITDA
(+14.3%)

17.0%
EBITDA
MARGIN
(+1.3 p.p.)

€60.1
NET
INCOME
(+31%)

Q4 RESULTS

REVENUES
€155.3
+0.4%
(+3.7% at constant FX)

€25.4
EBITDA
(+7%)

16.4%
EBITDA
MARGIN
(+1.1 p.p.)

€15.0
NET
INCOME
(+202%)

Net Cash position at €30.1

2017 Highlights

GROUP

- **Record results in Datalogic history** and proposal to increase ordinary dividend to **€0.50, +67% YoY**
- **New customer centric organization** bringing tangible benefits

OPERATING ACTIVITY

- **Further strengthening of Datalogic presence in the highest growing APAC market** and further consolidation of leadership in the EMEA
- **T&L and Healthcare** double digit growth in **North America**, whereas **Manufacturing** led by China. Retail still negative due to huge impact of forex effect and the late launches of new Retail Products, mainly in NA

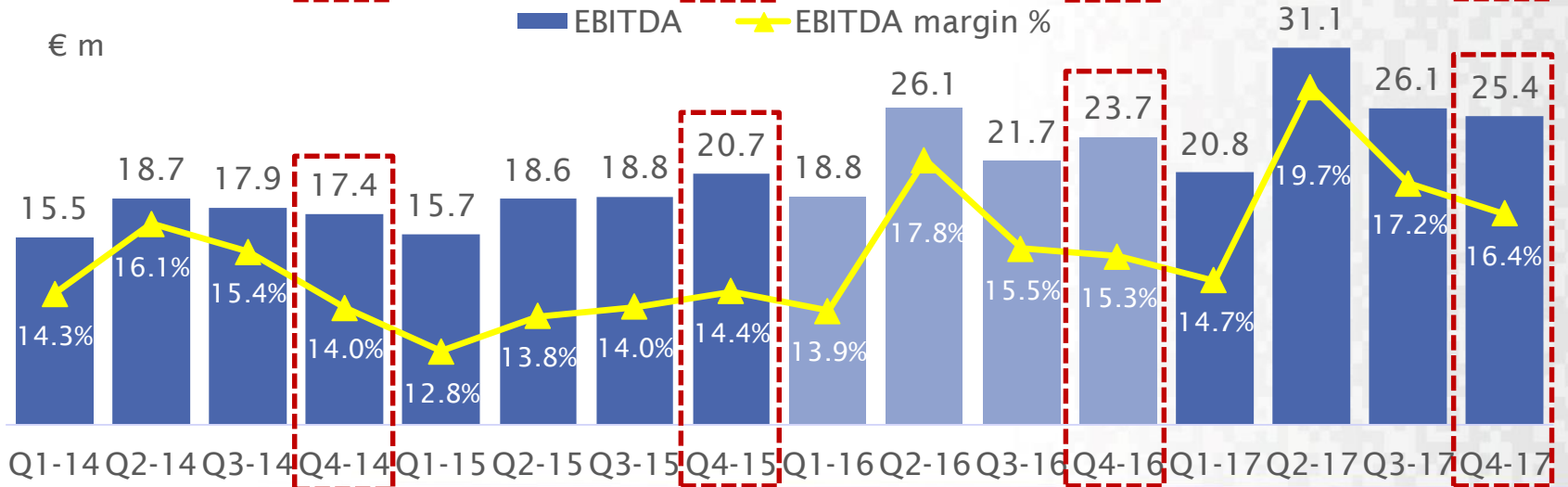
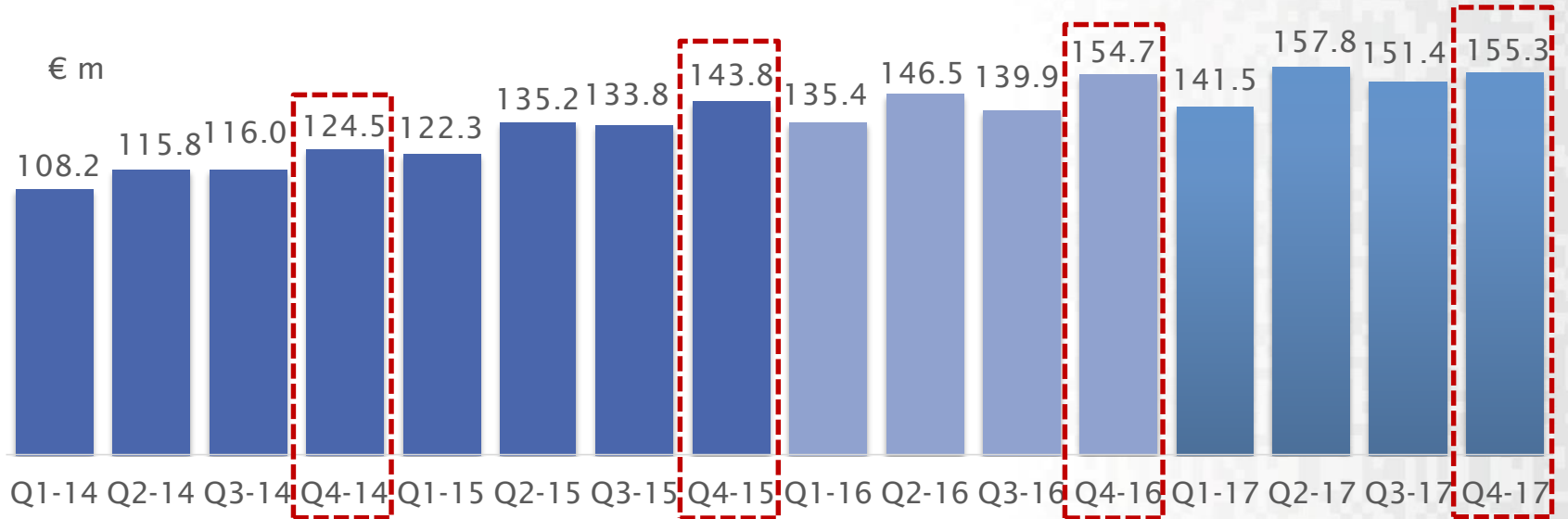
FINANCIALS

- **Revenues up 5.1% YoY to €606 m** (+6% at constant exchange rate)
- **EBITDA at the highest ever in both €m and Margin**
 - **€103.3 m** (+14.3% YoY)
 - **EBITDA Margin at 17% from 15.7%**
- **Increasing investments in R&D: Datalogic Business from 9.0% to 9.5% on revenues**
- **Strong cash flow generation: positive PFN to €30.1 m**

Financials

Quarterly trend

REVENUES



Q4 Growth continues despite forex impact

€ m	Q4 2017	Q4 2016	Var%
Revenues	155.3	154.7	0.4%
Gross Operating Margin	75.9	70.8	7.2%
<i>%on Revenues</i>	<i>48.9%</i>	<i>45.7%</i>	
Operating expenses	(55.2)	(51.8)	6.5%
<i>%on Revenues</i>	<i>(35.5%)</i>	<i>(33.5%)</i>	
EBITDA	25.4	23.7	7.0%
<i>Ebitda margin</i>	<i>16.4%</i>	<i>15.3%</i>	
EBIT	20.4	17.5	16.7%
<i>Ebit margin</i>	<i>13.1%</i>	<i>11.3%</i>	

- Revenues up 0.4% to €155.3 m mainly as effect of unfavorable forex (+3.7% at constant exchange rate)
- **Major GOM improvement** thanks to mix and cost efficiencies (+7.2% vs Q4 2016)
- Operating expenses increased due to planned investment in R&D (10,2% on Sales for Datalogic business) & Distribution
- G&A almost flat
- **EBITDA margin at 16.4% from 15.3%**

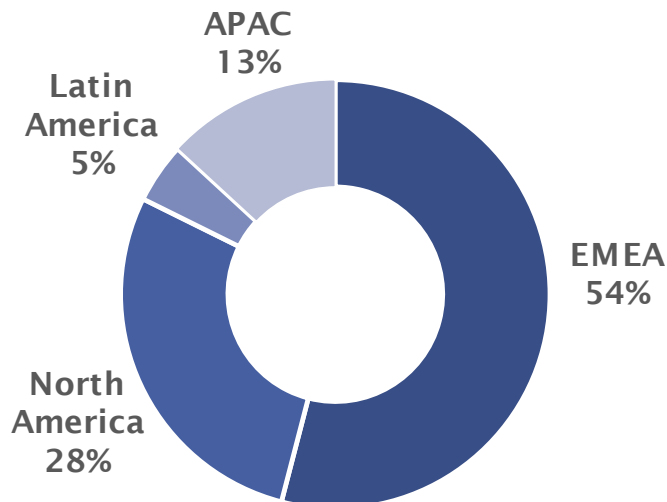
Improvements across the whole P&L

€ m	FY2017	FY2016	Var%	
Revenues	606.0	576.5	5.1%	▪ Revenues up 5.1% to €606.0 m (+6.0% at constant exchange rate)
Gross Operating Margin	288.4	265.1	8.8%	▪ GOM showing steady improving trend at 47.6% (around +160 bps vs 2016)
<i>%on Revenues</i>	47.6%	46.0%		
Operating expenses	(202.7)	(192.3)	5.4%	▪ R&D on revenues from 8.7% to 9.1% (from 9% to 9,5% for Datalogic Business)
<i>%on Revenues</i>	(33.5%)	(33.4%)		
EBITDA	103.3	90.4	14.3%	▪ Timing effects & efficiencies on distribution costs (+2.3% YoY)
<i>Ebitda margin</i>	17%	15.7%		▪ EBITDA margin at 17% mainly thanks to improvement in the GOM
EBIT	82.9	70.2	18.0%	▪ Unfavorable forex and higher gross debt on financial costs
<i>Ebit margin</i>	13.7%	12.2%		▪ Tax rate at ~ 20%
EBT	75.5	66.9	12.8%	▪ Impressive growth of net income +31% to €60.1 m
Taxes	(15.4)	(21.0)	-27.0%	
Net Income	60.1	45.8	31.0%	
<i>% on Revenues</i>	9.9%	8%		
<i>Exchange Rate</i>	1.1297	1.1069		

Group Revenues by country

REVENUES BY GEOGRAPHIC AREA

€ m	FY 2017	FY 2016	Var%
EMEA	327.5	304.5	7.5%
North America	171.4	178.3	(3.8%)
Latin America	27.5	30.0	(8.5%)
Asia Pacific	79.6	63.6	25.1%
Total Revenues	606.0	576.5	5.1%

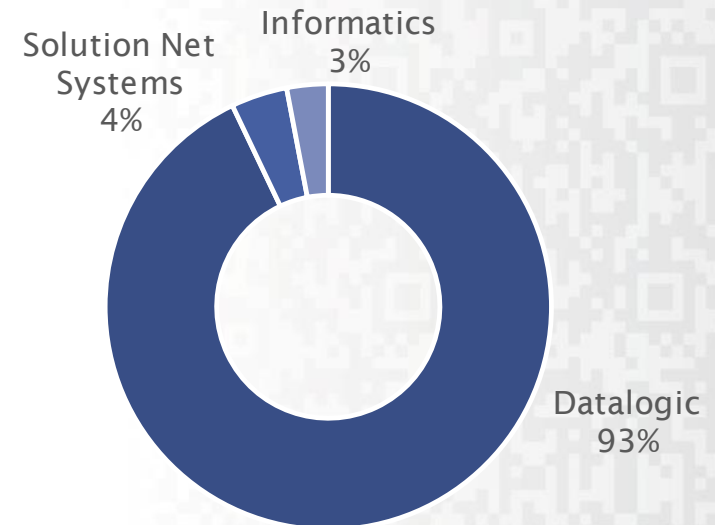


- **Strong growth in APAC** driven by China (+55%) in Manufacturing mainly
- **Confirming leadership in EMEA** led by Retail (+11%)
- **NA growth driven by T&L (+11%) and Healthcare (+97%);** strong performance of Solution Net Systems. Retail and Informatics negatively offsetting performance
- **LA heavily impacted by FX and 2016 large deals**

Group Revenues & EBITDA by division

REVENUES BY DIVISION

€ m	FY2017	FY2016	Var%
Datalogic	564.0	534.2	5.6%
Solution Net Systems	24.7	20.2	22.5%
Informatics	20.6	24.4	(15.5%)
<i>Adjustments</i>	(3.3)	(2.3)	42.2%
Total Revenues	606.0	576.5	5.1%



- **Datalogic** driven by growth of Fixed Retail Scanners, Identification and Hand Held products. Strong growth through Channel towards SMEs (+14.2%)
- **Solution Net Systems** strong top line growth (+22.5%) and sound turnaround in profitability
- **Informatics** top line still on downward trend but profitability turned positive

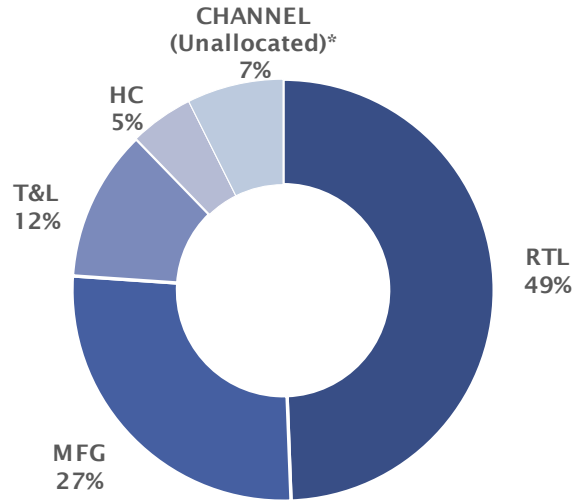
€ m

EBITDA BY DIVISION

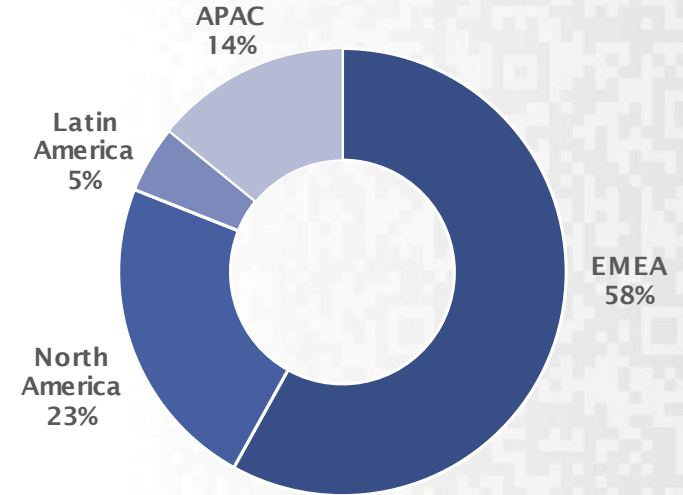
	FY2017	FY2016
Datalogic	100.2	93.1
Solution Net Systems	2.9	(1.0)
Informatics	0.1	(1.5)
Total Group	103.3	90.4

Focus on Datalogic Division

DL Revenues Breakdown by Industry



DL Revenues Breakdown by Geo Area



Retail



- €278.6 mln (-1.6%)
- Double digit steady growth in EMEA, whilst NA heavily affected by forex effect
- Q4 positive at constant FX
- Expected recovery via new products and big projects in pipeline

Manufacturing



- €150.5 mln (+10.1%)
- Steady and consistent growth through quarters
- Performance driven by China (+ 64%). Industry 4.0 pushing growth

T&L



- €65.8 mln (+12.9%)
- North America and APAC leading growth
- Double digit growth in the second half of the year

Healthcare



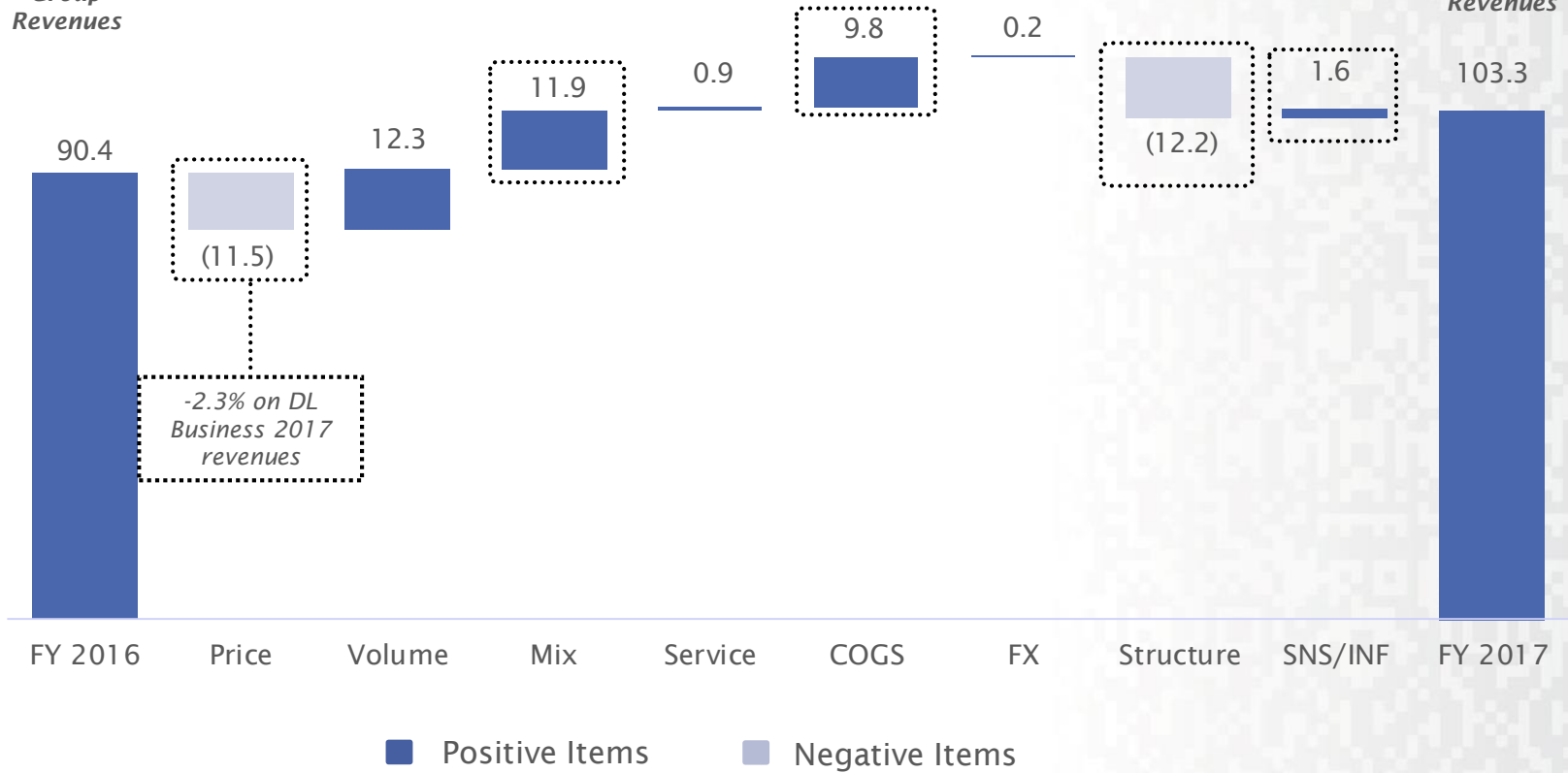
- €27.5 mln (+38.8%)
- The fastest growing sector in 2017
- Growth in North America despite forex effect

EBITDA: actual vs last year

€ m

15.7 % on Group Revenues

17.0 % on Group Revenues

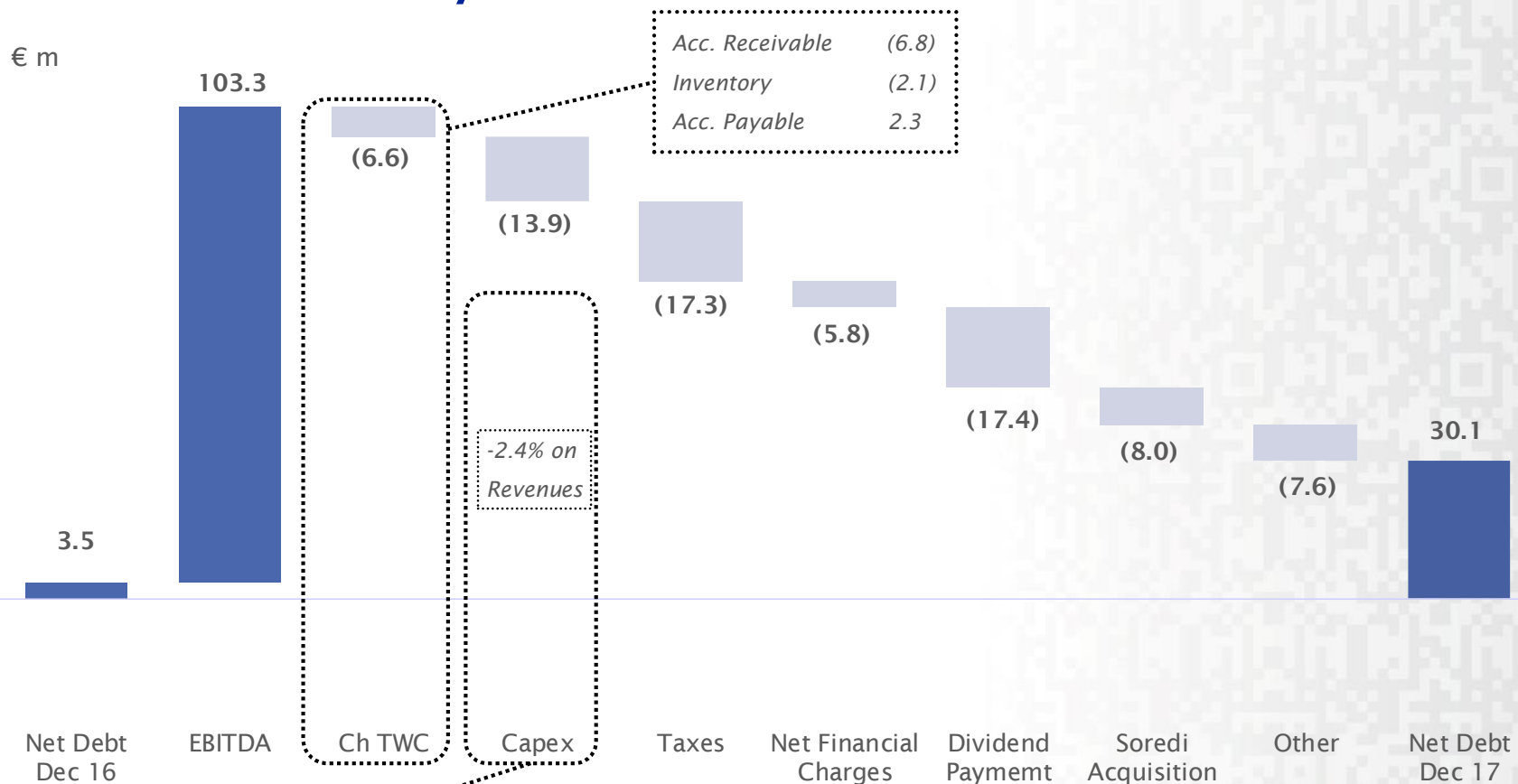


Consolidated Balance Sheet

€ m

	Dec 2016	Dec 2017		Dec 2016	Dec 2017
Total Fixed Assets	371.7	347.9	Net Financial Position	(3.5)	(30.1)
Trade receivables	75.5	83.2			
<i>% on 12m rolling sales</i>	<i>13.1%</i>	<i>13.7%</i>			
Inventories	82.3	85.9			
<i>% on 12m rolling sales</i>	<i>14.3%</i>	<i>14.2%</i>			
Trade payables	(104.6)	(107.7)	Net Equity	336.4	353.0
<i>% on 12m rolling sales</i>	<i>-18.1%</i>	<i>-17.8%</i>			
Trade Working Capital	53.2	61.5			
<i>% on 12m rolling sales</i>	<i>9.2%</i>	<i>10.1%</i>			
Other assets/liabilities	(92.1)	(86.5)			
Net Invested Capital	332.9	322.9	Total Sources	332.9	322.9


Net Debt Analysis: Dec'16 – Dec'17








New products

2017 New Products Introduction

Q1

HAND HELD  POWERSCAN 9500 RT

AUTOMATION  Matrix 300N Polarized
Impact 11.10 Release 

RFID  DLR-TL001
 DLR-BT001
 DLR-DK001

Q2

MOBILE  MEMOR X3 HC

AUTOMATION  MATRIX 120 WA and Polarized

LABs  Halogen DE2012-WA-DL

Q3

HAND HELD  DSE04x1  POWERSCAN™ 9100
 RIDA BC6020  QW2400

MOBILE  RHINO II
Joya Touch A6 & A6 HC 

FRS/T&L  Magellan 3450VSi  Magellan 3550HSi

AUTOMATION/LABs  Herbo DE1011-SR  DSS100
11.11 IMPACT SW Release 

Q4

MOBILE  Skorpio X4  New trigger handle for DL-Axist

AUTOMATION  LIGHTER 6.4
 DL.CODE 1.5
 SG4 FIELDBUS
 SLS-B5 LASER SENTINEL

RFID  DL-PR001 UHF LONG RANGE PORTAL READER

Outlook

2018 Outlook

- **Grow in revenues at mid to high single digit rates**
- **Maintain a sound profitability through strong focus on gross operating margin improvements**
- **Further increase R&D investments & Distribution costs** to improve our coverage and boost leadership in key areas (North America, APAC, Manufacturing)
- **Maintain a Cash Generation profile**

-
- **T&L:** keep growing in main Geo Areas, capturing ecommerce & CEP trends
 - **Retail:** growth recovery in the Americas through new products and expanding sales organization
 - **HC:** keep on substantially growing, both in North America & EMEA
 - **Manufacturing:** keep on steady growing in China and other main Geo Areas, backed by strong demand for automation and further investments in sales organization in key Geo areas



- **Good response of customers on new products launched in 2017; a solid pipeline of new products launches expected in 2018**

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

March 27th, 2018
Star Conference Milan

May 9th, 2018
1Q results

May 23rd, 2018
Shareholders' meeting

August 9th, 2018
6M results

November 13th, 2018
9M results

DATALOGIC ON LINE

www.datalogic.com