



1Q 2014 Conference Call

May 7th, 2014

Agenda

- 1Q 2014
- Outlook



1Q 2014

Highlights 1Q 2014

- **Sales growth continues** thanks to retailers market recovery and products launched last year
- **Strong improvement in profitability** notwithstanding the permanent focus on **R&D** whose investments increased by around 1% **to 9% of revenues**
- **Improvement of all operating margins:** GOP margin from 47.4% to 48.6% and EBITDA Margin from 10.8% to 14.3%
- **Net profit growth + 13,7% to 6.9 M Euro** impacted by foreign exchange difference and benefits from a better tax rate

€000	1Q2014	1Q2013	Var YoY %	4Q2013	Var QoQ%
Revenues	108,246	102,041	6.1%	119,964	(9.8%)
Gross Operating Margin (GOM)	52,620	48,331	8.9%	55,700	(5.5%)
EBITDA	15,465	11,024	40.3%	16,766	(7.8%)
EBITANR	12,678	8,701	45.7%	14,194	(10.7%)
Operating Profit (EBIT)	11,289	7,252	55.7%	12,883	(12.4%)
Net Profit	6,951	6,116	13.7%	9,255	(24.9%)

1Q 2014 New Products

Products launched in the quarter accounts for 10% of Net Sales and 7% of EBITANR



Mobile New Joya X1

Joya X1 is a full featured handheld device with linear imaging technology



Laser marking

New AREX 50W fiber laser marking system

This product compliments the existing AREX Fiber Laser Marking line, expanding the power options available to 10, 20 and 30W, with innovative technical features that make it ideal for high-throughput production lines for almost any kind of application and material

1Q 2014 New Products



Safety & Sensors SR23 fork sensor

The SR23 series for thick, multi-layer and booklet label detection used in the food and pharmaceutical industries

Safety & Sensors

S8 Contrast Sensor and Luminescence detector

New S8-W13 contrast sensor for the detection of colored registration marks on high speed printing and packaging machines.

New S8-U, luminescence sensor with UV emission for the detection of invisible registration



Machine Vision IMPACT Version 11.2

The latest version of Machine Vision Software IMPACT 11.2 provides support for the latest smart cameras and vision processors, as well as offers a new set of tools:

- Sort Products without Barcodes with Pattern Sorting
- Image Archiving for quality traceability

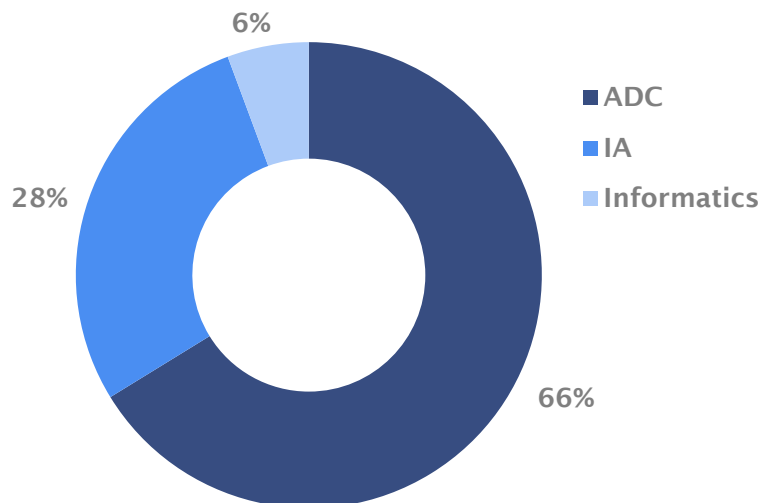


1Q 2014 Profit and Loss

000€	1Q2014		1Q2013		Var %
Revenues	108,246	100.0%	102,041	100.0%	6.1%
COGS	(55,626)	(51.4%)	(53,710)	(52.6%)	
Gross Operating Margin	52,620	48.6%	48,331	47.4%	8.9%
Other revenues	223	0.2%	235	0.2%	
R&D	(9,739)	(9.0%)	(8,277)	(8.1%)	
Distribution Costs	(20,098)	(18.6%)	(20,238)	(19.8%)	
Administrative expenses	(9,819)	(9.1%)	(10,995)	(10.8%)	
Other operating expenses	(509)	(0.5%)	(355)	(0.3%)	
Total operating expenses and others	(40,165)	(37.1%)	(39,865)	(39.1%)	0.8%
EBITANR	12,678	11.7%	8,701	8.5%	45.7%
Non recurring costs/rev	0	0.0%	0	0.0%	
Amort. Intang. Assets from acquis.	(1,389)	(1.3%)	(1,449)	(1.4%)	
Operating Profit (EBIT)	11,289	10.4%	7,252	7.1%	55.7%
Financial (costs)/rev.	(2,377)	(2.2%)	(1,913)	(1.9%)	
Results from equity investments	42	0.0%	(11)	0.0%	
Foreign exchange (costs)/rev.	(424)	(0.4%)	3,181	3.1%	
EBT	8,530	7.9%	8,509	8.3%	0.2%
Taxes	(1,579)	(1.5%)	(2,393)	(2.3%)	
Net Income	6,951	6.4%	6,116	6.0%	13.7%
Depreciation	(1,770)	(1.6%)	(1,771)	(1.7%)	
Amortization	(1,017)	(0.9%)	(552)	(0.5%)	
EBITDA	15,465	14.3%	11,024	10.8%	40.3%
Exchange rate	1.3696		1.3206		

Revenues Trend by Division

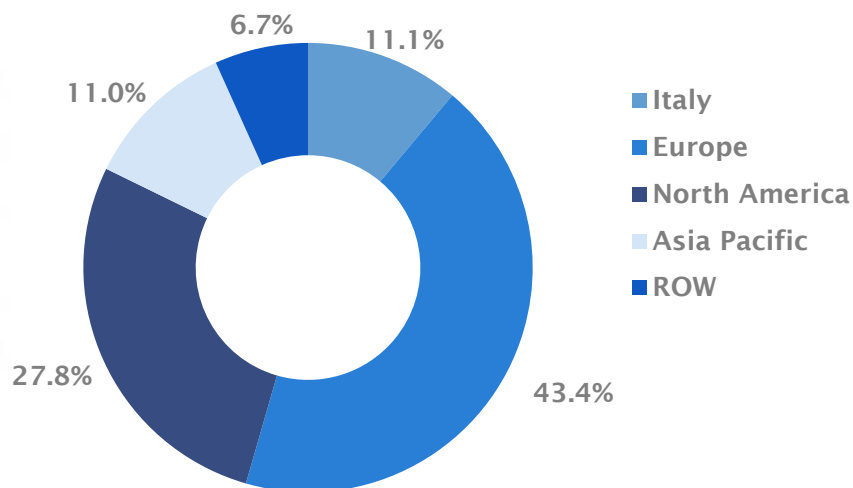
REVENUES BY DIVISION			
€000	1Q13	1Q14	Var %
Datalogic ADC	62,504	71,926	15.1%
Datalogic Automation	31,993	30,530	(4.6%)
Informatics	7,579	6,148	(18.9%)
Datalogic S.p.A.	5,090	6,044	18.7%
Adjustments	(5,125)	(6,402)	24.9%
Total revenues	102,041	108,246	6.1%



- **Strong growth of ADC** mainly thanks to Fixed Retail Scanners and Hand Held Readers
- **Industrial Automation still suffering** in particular in the T&L segment
- In **Informatics reorganization process ongoing** with the appointment of a new General Manager

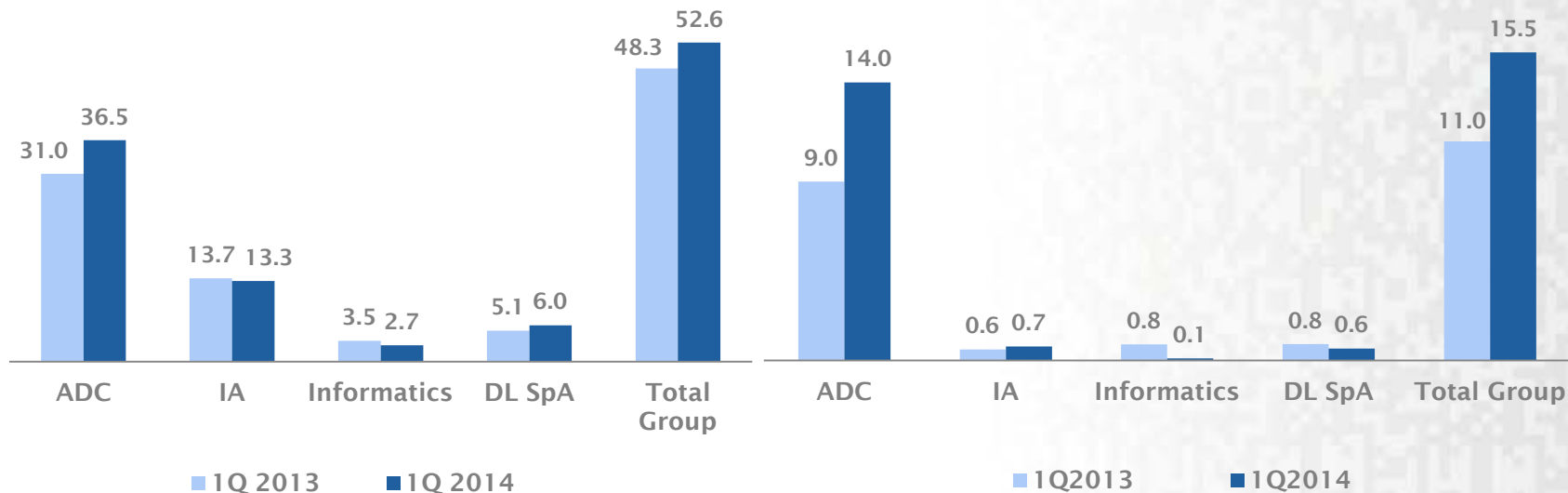
Revenues Trend by Country

REVENUES BY AREA			
€000	1Q13	1Q14	Var %
Italy	9,548	12,016	25.8%
Europe	41,392	46,934	13.4%
North America	34,464	30,074	(12.7%)
Asia Pacific	11,136	11,935	7.2%
ROW	5,501	7,287	32.5%
Total revenues	102,041	108,246	6.1%



- **In Italy and Europe** two digits growth of both ADC and IA
- **Two speed in North America:** ADC up 17% driven by retailers while IA still suffering mainly due to the lack of main orders in T&L
- **In Asia Pacific remarkable growth of Greater China** in both divisions thanks to investments made last year while better results in IA than in the ADC in the other countries
- **In ROW impressive growth of Latin America** countries mainly in Industrial Automation
- Opening of a **new branch in Turkey** and in **Brazil** with on-site production

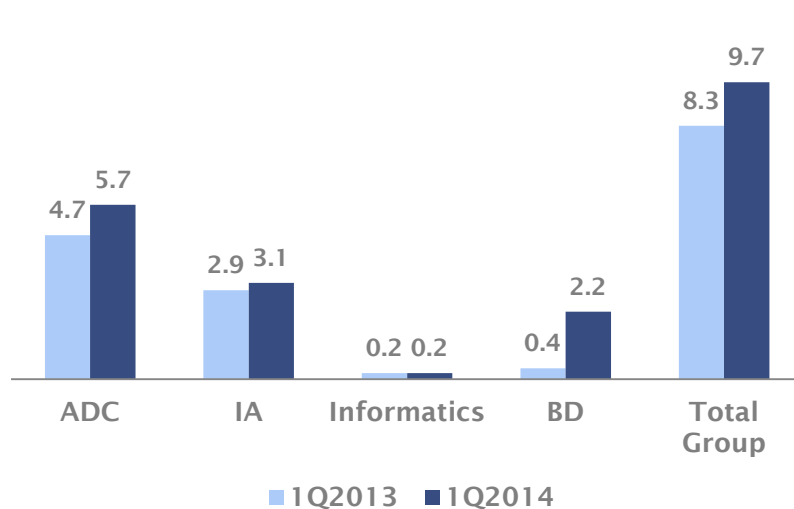
Segment Reporting: GOP and Ebitda



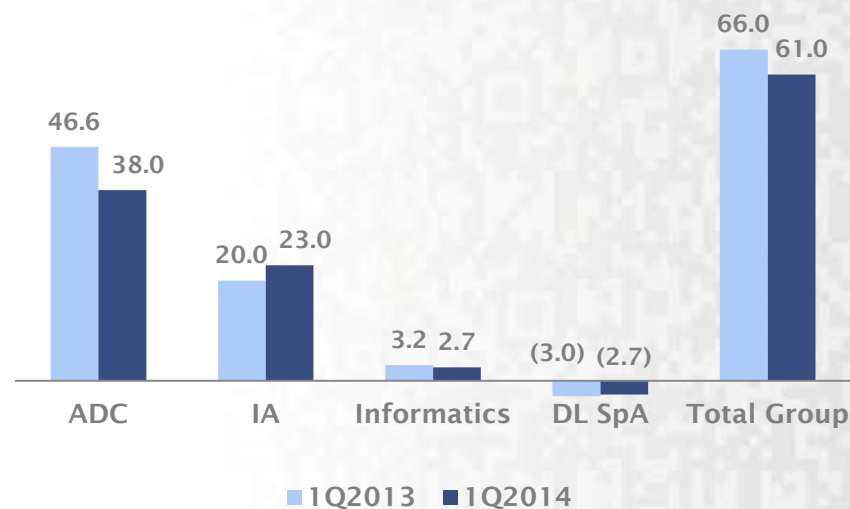
GOP Margin	1Q13	1Q14
ADC	49.6%	50.8%
Industrial Automation	43.0%	43.6%
Informatics	45.6%	44.3%
Total Group	47.4%	48.6%

EBITDA Margin	1Q13	1Q14
ADC	14.4%	19.5%
Industrial Automation	1.7%	2.3%
Informatics	10.7%	1.6%
Total Group	10.8%	14.3%

Segment Reporting: R&D and TWC

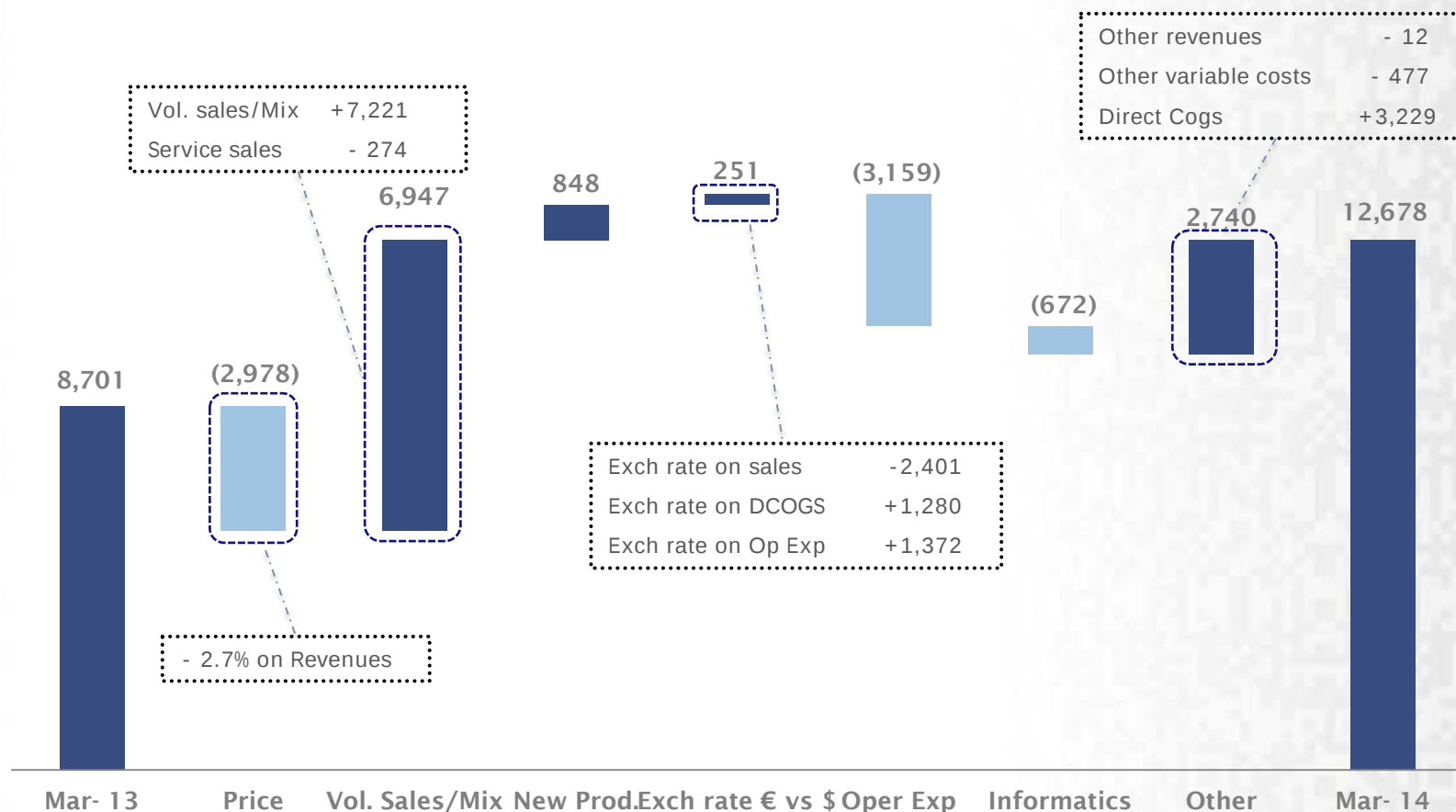


R&D/Revenues	1Q13	1Q14
ADC	7.5%	7.9%
Industrial Automation	9.1%	10.3%
Informatics	2.5%	3.1%
Business Development	7.0%	36.1%
Total Group	8.1%	9.0%



TWC/Annualized Revenues	1Q13	1Q14
ADC	18.6%	13.2%
Industrial Automation	15.6%	18.9%
Informatics	10.5%	11.1%
Total Group	16.2%	14.1%

EBITANR: Actual vs Last Year



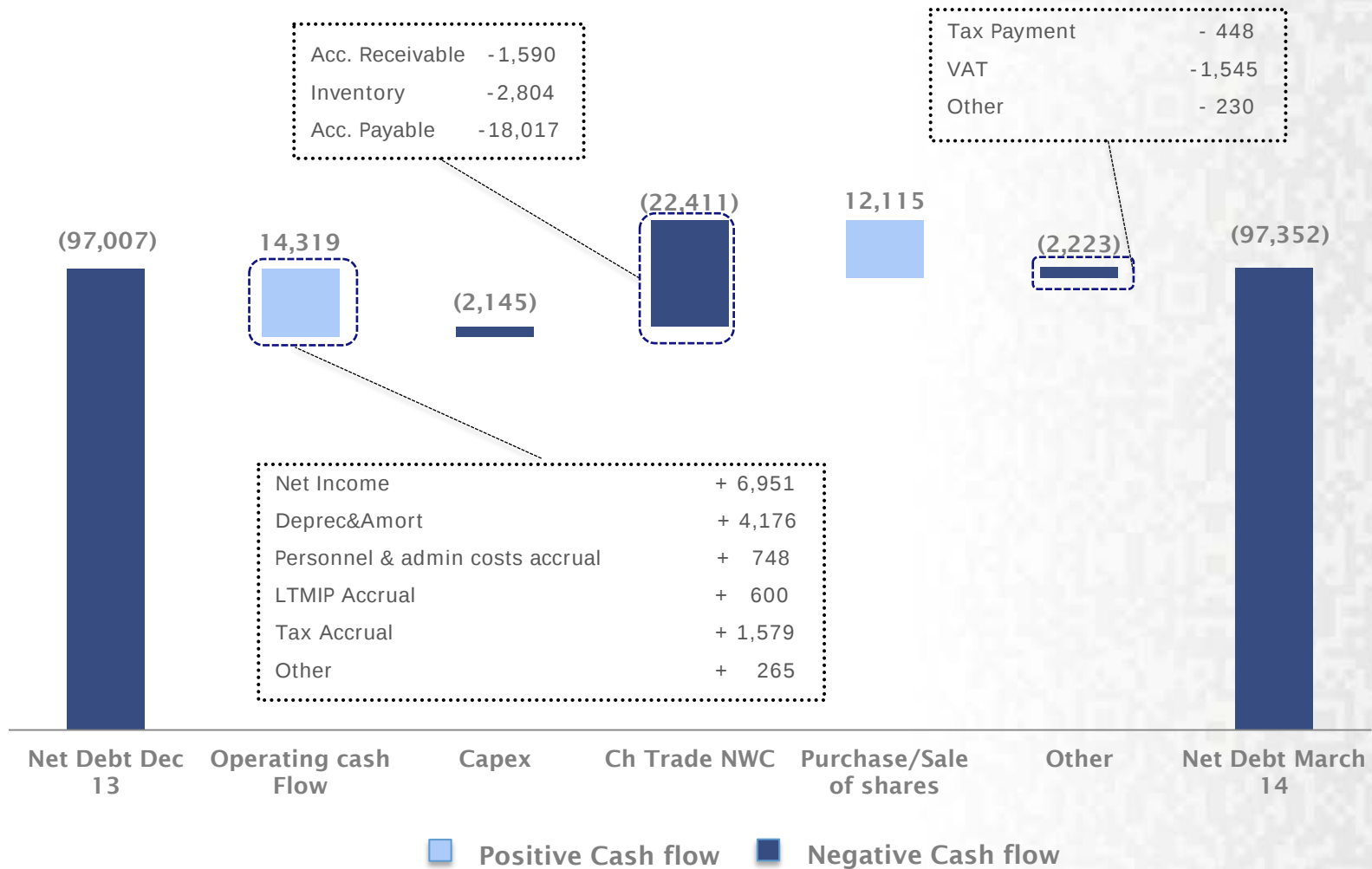
(*) Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

Note: The Exchange rate variance has been calculated on Sales/COGS/Operating expenses originally denominated in USD (\$). The variance was the result of the difference between March 2014 (1.3696) and March 2013 (1.3206) €/USD exchange rate.

Consolidated Balance Sheet

€000	At 31/12/2013	At 31/03/2014
Intangible fixed assets	59,058	56,799
Goodwill	145,092	145,114
Tangible fixed assets	51,328	51,630
Non Consolidated investments	5,452	5,506
Other fixed assets	39,441	37,643
Total Fixed Assets	300,371	296,692
Net trade account receivables	69,953	71,278
ST account payables	(84,712)	(66,695)
Inventory	53,803	56,607
Trade Working Capital	39,044	61,190
Other current receivables	26,483	31,503
Other ST payables and provision for risk & future charges	(48,838)	(52,708)
Net Working Capital	16,689	39,985
Other LT payables	(20,359)	(20,230)
Employees' severance Indemnity	(7,049)	(7,006)
LT provision for risk & future charges	(7,398)	(8,622)
Net Invested Capital	282,254	300,819
Equity	185,247	203,467
Net Financial Position	(97,007)	(97,352)
<i>Exchange rate</i>	<i>1.3791</i>	<i>1.3788</i>

Net Debt Analysis



Outlook

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

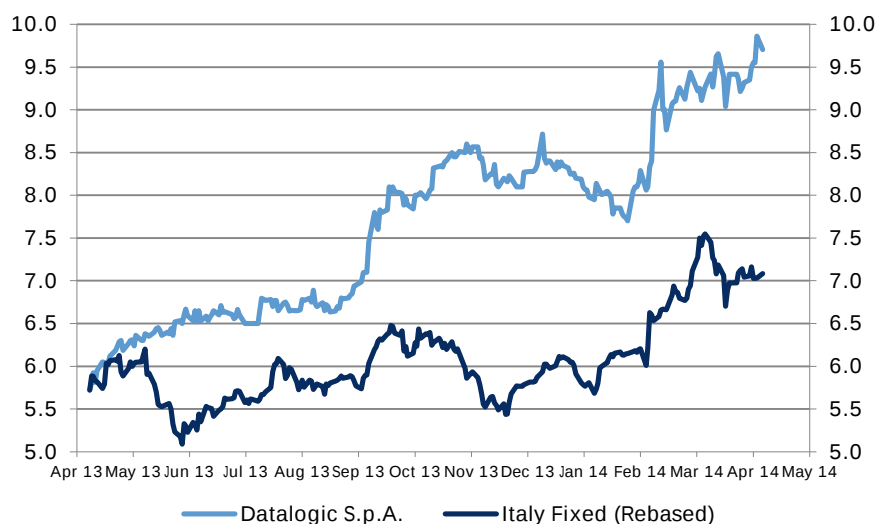
Price (May 6th, 2014): 9.56 Euro

Market Cap (May 6th, 2014): 558.7 M Euro

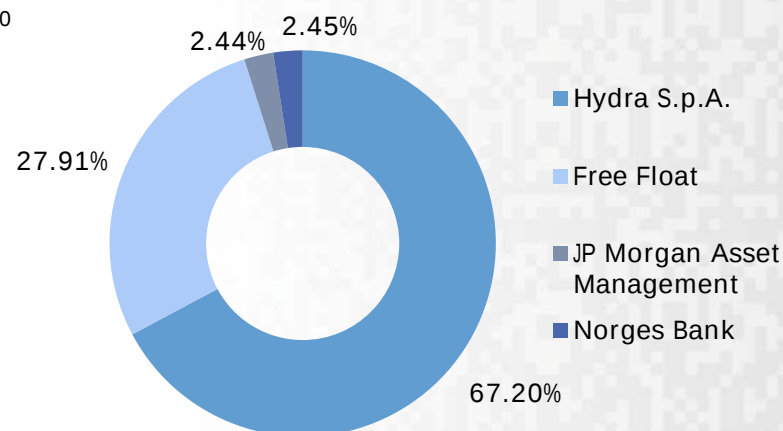
Specialist: Intermonte SIM

Auditing Company: Reconta Ernst & Young

DATALOGIC PRICE PERFORMANCE



SHAREHOLDERS' STRUCTURE



Outlook and key points

- Recovery started last year has been confirmed by 1Q results and is expected to continue in 2014
- 1Q booking of 116 M Euro confirms this trend and provides optimism going forward
- **Strong investments in innovation continues** without any impact on overall profitability
- **Major focus on emerging markets** with large growth potential

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