DATALOGIC
THE VISION IS YOURS

FY 2016
Conference Call

March 10th, 2017

Disclaimer

This document has been prepared by Datalogic S.p.A. (the "Company") for use during meetings with investors and financial analysts and is solely for information purposes. The information set out herein has not been verified by an independent audit company.

Neither the Company nor any of its subsidiaries, affiliates, branches, representative offices (the “Group”), as well as any of their directors, officers, employees, advisers or agents (the “Group Representatives”) accepts any responsibility for/or makes any representation or warranty, express or implied, as to the accuracy, timeliness or completeness of the information set out herein or any other related information regarding the Group, whether written, oral or in visual or electronic form, transmitted or made available.

This document may contain forward-looking statements about the Company and/or the Group based on current expectations and opinions developed by the Company, as well as based on current plans, estimates, projections and projects of the Group. These forward-looking statements are subject to significant risks and uncertainties (many of which are outside the control of the Company and/or the Group) which could cause a material difference between forward-looking information and actual future results.

The information set out in this document is provided as of the date indicated herein. Except as required by applicable laws and regulations, the Company assumes no obligation to provide updates of any of the aforesaid forward-looking statements.

Under no circumstances shall the Group and/or any of the Group Representatives be held liable (for negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise in connection with the document or the aforesaid forward-looking statements.

This document does not constitute an offer to sell or a solicitation to buy or subscribe to Company shares and neither this entire document or a portion of it may constitute a recommendation to effect any transaction or to conclude any legal act of any kind whatsoever.

This document may not be reproduced or distributed, in whole or in part, by any person other than the Company.

By viewing and/or accepting a copy of this document, you agree to be bound by the foregoing limitations.

DATALOGIC

2016 Highlights

NEW ORGANIZATION

- **New organization** effective from 1st January 2017
- **4 Customer Centric Industries** – Retail, T&L, Manufacturing and Healthcare – within **ONE DATALOGIC**
- BU Systems spin off already executed from 1st October 2016: **Solution Net Systems Inc. established**
- 3 different Businesses within the Group: **Datalogic, Informatics and Solution Net Systems**

FINANCIALS

- **Revenues up 7.7% YoY to 576.5 mln Euro** well above market average
- **EBITDA at the highest ever : 90.4 mln Euro (+22.5% YoY)**
- **EBITDA Margin at 15.7%**
- **Back to a positive PFN: +3.5 mln Euro**

INNOVATION

- **Continuous emphasis on innovation** with increasing investments in R&D (+4.5% YoY)
- **24.3% of revenues** from new products*
- Breakthrough innovation presented at the New York NRF
- **45 patent applications** protecting new innovations were filed in 2016 for a **total patent portfolio of more than 1,200 patents and pending patent applications**

** new products refer to products announced in the last 24 months*

New Organization

A unique player across two markets

Automatic Data Capture

ZEBRA

Honeywell

COGNEX

KEYENCE

SICK
Sensor Intelligence.

Industrial Automation

DATALOGIC

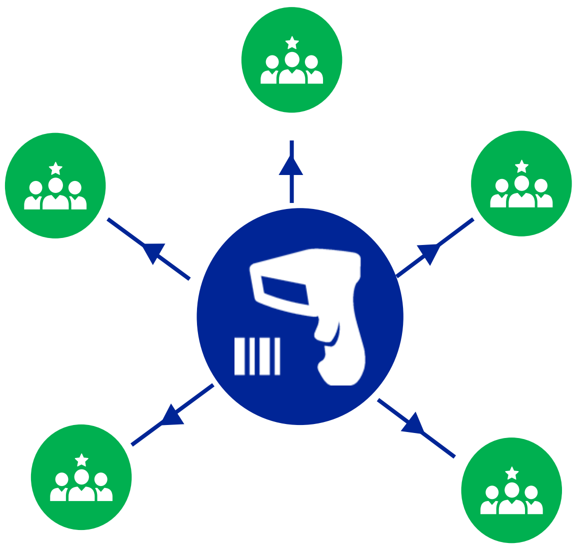
DATALOGIC is a unicum in the Global competitive landscape originated by a

- **Consolidated experience in IA** dating back to the foundation of the company in Italy
- **Leadership in ADC** deriving from the acquisition of PSC USA (former Spectra Physics)

From products to customers

From

Product-oriented company



- **Vendor:** Proactive and reactive sales of products to meet existing **Customer needs**

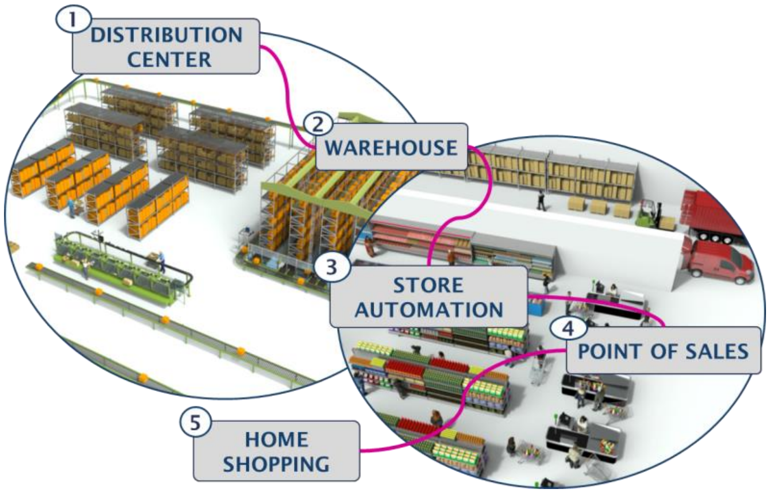
To

Customer-centric organization

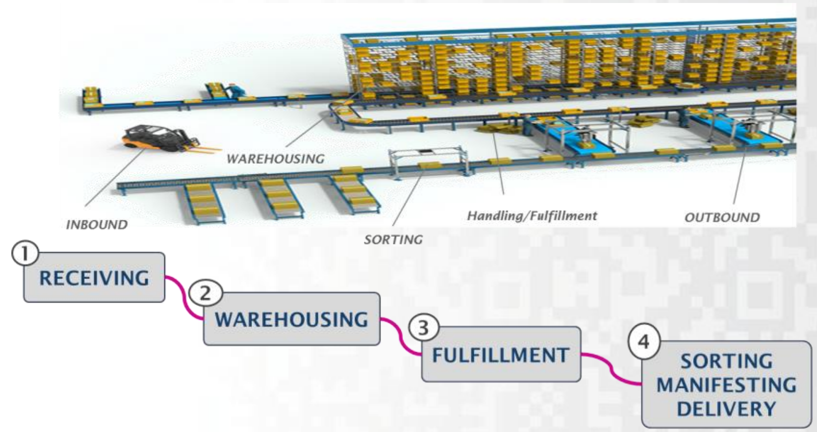
- **Partner**: Long term partnership based on a symbiotic relationship with our Customers aimed at addressing their explicit and unexpressed needs

Datalogic's offer along the value chain

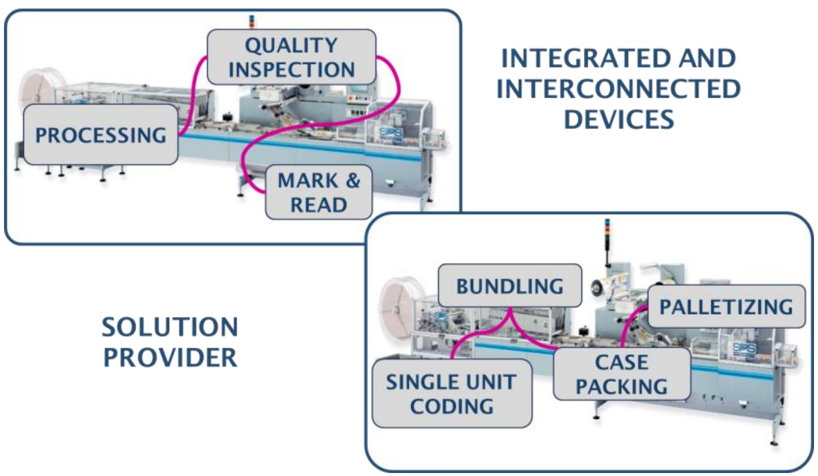
Retail Flows and Applications



T&L Flows and Applications



Manufacturing Flows and Applications



Healthcare Flows and Applications

New one DATALOGIC group organization

Group CEO

- Informatics
- Solution Net Systems Inc.*

Operations | Finance
Human Resources | Business Development
Customer Service | Quality
Technology/Product Innovation/R&D | IT
Group Marketing | Legal

INDUSTRY UNITS

Retail | Manufacturing | T&L | HealthCare | Group Channel

**The newco Solution Net Systems Inc. is the result from the spin-off of the Systems Business Unit.*

Financials

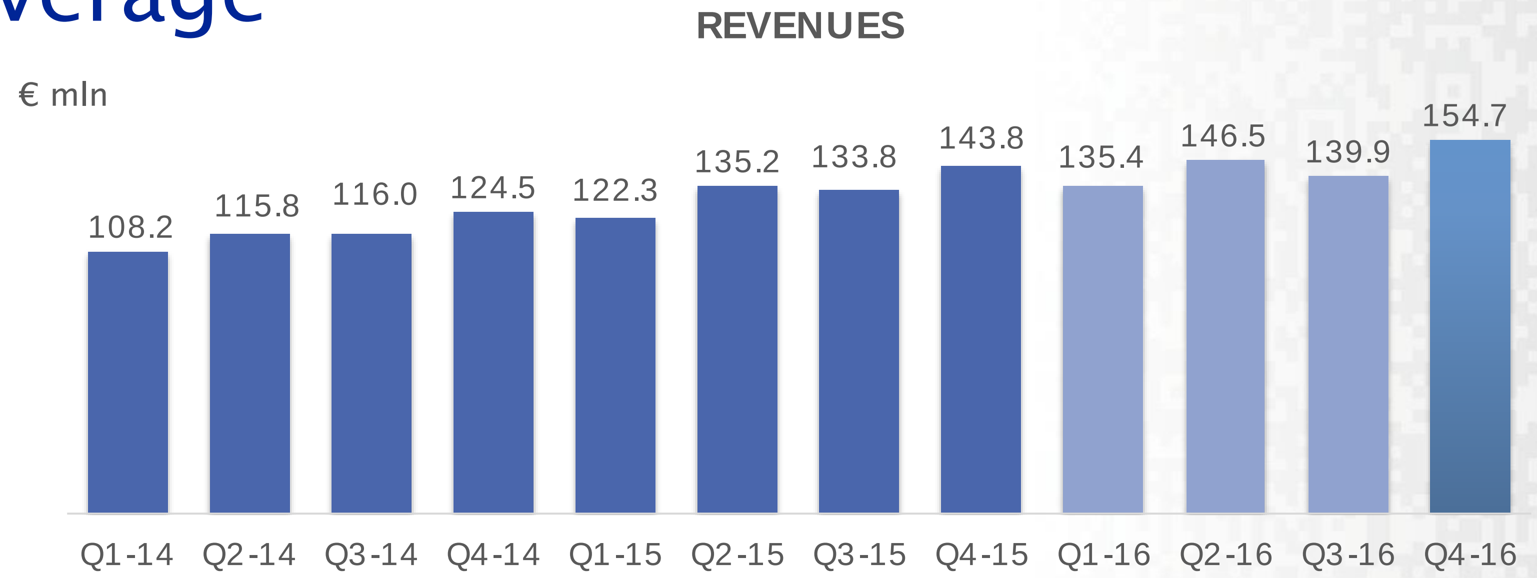
The best Q4 in Datalogic's history

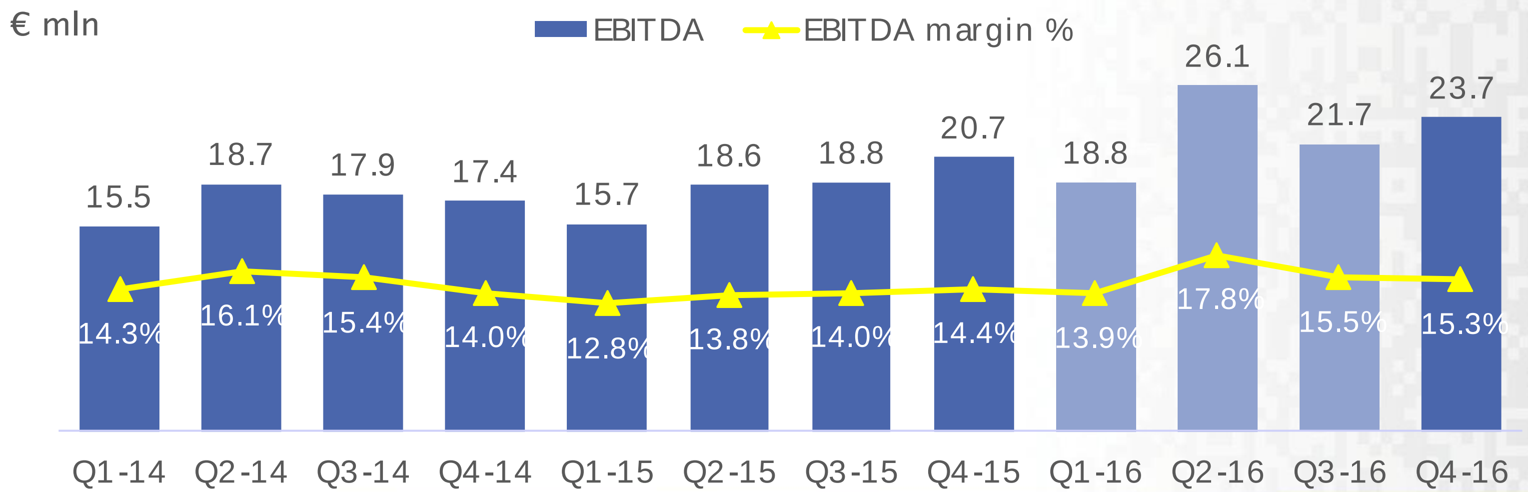
€ mln	Q42016	Q42015	Var%
Revenues	154.7	143.8	7.6%
Gross Operating Profit	70.8	65.9	7.5%
%in Revenues	*45.8%*	*45.8%*	
Operating expenses	51.9	50.5	2.8%
%in Revenues	*33.5%*	*35.1%*	
EBITDA	23.7	20.7	14.8%
EBITDA Margin	*15.3%*	*14.4%*	
EBIT	17.5	14.9	17.8%
EBIT Margin	*11.3%*	*10.3%*	

- **Revenues +7.6% YoY to 154.7 mln Euro**
- Balanced growth among the two divisions
- **R&D costs at 8.9%** of revenues
- **Ebitda** up **14.8% YoY** to **23.7 mln Euro**
- **EBITDA margin at 15.3%** vs 14.4%

DATALOGIC THE VISION IS YOURS

Q4 2016: performance above historical average





DATALOGIC THE VISION IS YOURS

FY 2016 P&L

€ mln	FY2016	FY2015	Var%
Revenues	**576.5**	**535.1**	*7.7%*
Gross Operating Profit	265.3	248.6	*6.7%*
%on Revenues	*46.0%*	*46.5%*	
Operating expenses	192.4	190.9	*0.8%*
%on Revenues	*33.4%*	*35.7%*	
EBITDA	**90.4**	**73.7**	*22.5%*
Ebitda margin	*15.7%*	*13.8%*	
EBIT	**70.2**	**52.9**	*32.7%*
Ebit margin	*12.2%*	*9.9%*	
EBT	**66.9**	**51.6**	*29.7%*
Taxes	21.0	11.0	
Net Income	**45.8**	**40.5**	*13.1%*
%on Revenues	*8.0%*	*7.6%*	
Exchange Rate	*1.1069*	*1.1095*	

- **Sales FY16 increase by 7.7% YoY** to 576.5 mln Euro
- **Booking continues to growth**: +4% YoY at 586 mln Euro
- Robust growth of **EBITDA** by **+22.5% YoY to 90.4 mln Euro**
- **EBITDA margin at the highest level since 2004: 15.7%**
- **Tax Rate** increased due to changes in tax regulation
- **Net Income +13.1%** to 45.8 mln Euro
- **Proposal dividend of 0.30 Euro per share**, +20% YoY

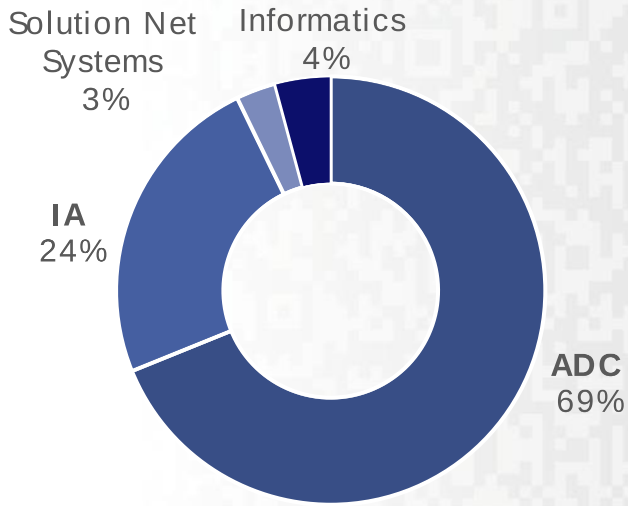
Revenues trend by division

- **ADC Division**: +9.3% to 397.6 mln Euro YoY (+9.1% at constant exchange rate), growth driven by fixed retail and mobile computers in retail sector in Europe and US

- **IA Division benefited** from sustained growth in both in T&L and Manufacturing. Boost of T&L in the US in the last quarter

- Industrial Automation division ex BU Systems: + 7.7% to 138.9 million Euro

REVENUES BY DIVISION (%)



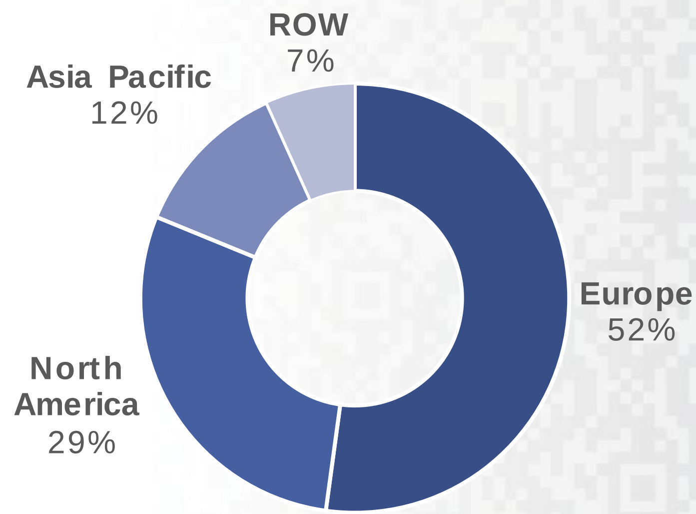
€ mln	FY2016	FY2015	Var%
ADC	397.6	364.0	9.3%
IA	158.5	146.1	8.5%
– IA ex BU Systems	138.9	129.0	7.7%
Informatics	24.4	27.4	(11.0%)
Corporate and Adj.	(4.0)	(2.4)	70.8%
Total Revenues	**576.5**	**535.1**	**7.7%**

Revenues trend by country

REVENUES BY GEOGRAPHIC AREA

€ mln	FY2016	FY2015	Var%
Europe	300.7	268.5	12.0%
North America	167.3	161.1	3.9%
Asia Pacific	69.6	71.5	(2.7%)
ROW	38.9	34.0	14.4%
Total Revenues	576.5	535.1	7.7%

- Europe continues to generate robust growth in particular in IA* (+14%) and in ADC (+12%),
- North America growth driven by ADC (+8%)
- Asia Pacific negative on FY but mainly due to retail industry in China not completely offset by manufacturing growth in China

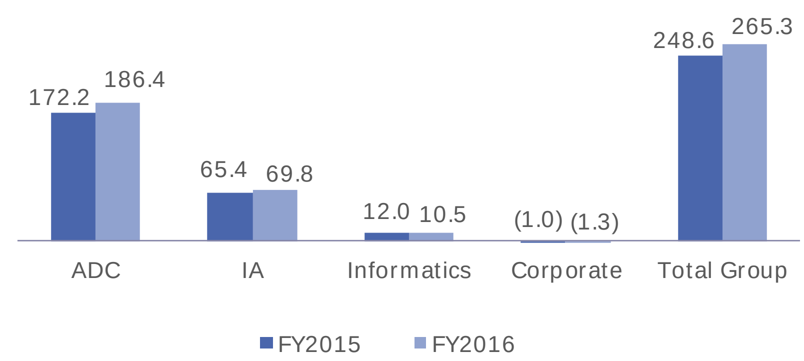


** IA excluding BU Systems*

FY segment reporting: GOP and EBITDA

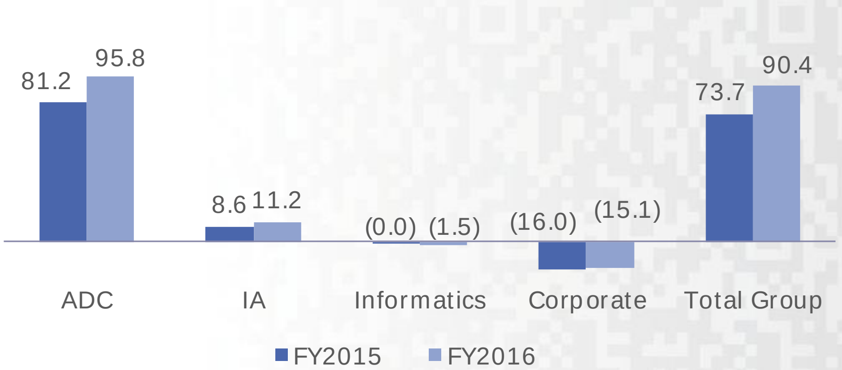
GOP BY DIVISION

€ mln



EBITDA* BY DIVISION

€ mln



GROSS OPERATING MARGIN

	FY2016	FY2015
ADC	46.9%	47.3%
Industrial Automation	44.0%	44.8%
– IA ex BU Systems	48.1%	50.0%
Informatics	43.0%	43.7%
Total Group	**46.0%**	**46.5%**

EBITDA MARGIN

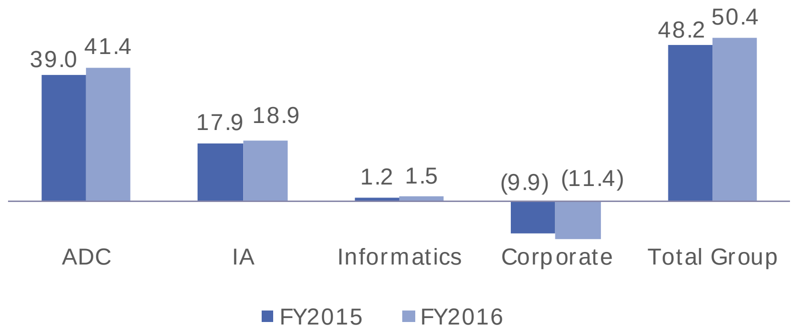
	FY2016	FY2015
ADC	24.1%	22.3%
Industrial Automation	7.1%	5.9%
– IA ex BU Systems	8.8%	9.3%
Informatics	(6.3%)	(0.1%)
Total Group	**15.7%**	**13.8%**

(*) With the purpose to better report the operating sectors economic performances, it was deemed appropriate to highlight the Divisional EBITDA as monitoring KPI.

FY segment reporting: R&D and TWC

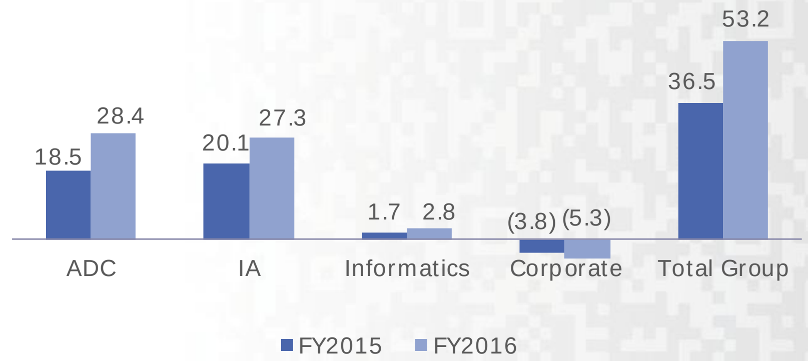
R&D BY DIVISION

€ mln



TWC BY DIVISION

€ mln



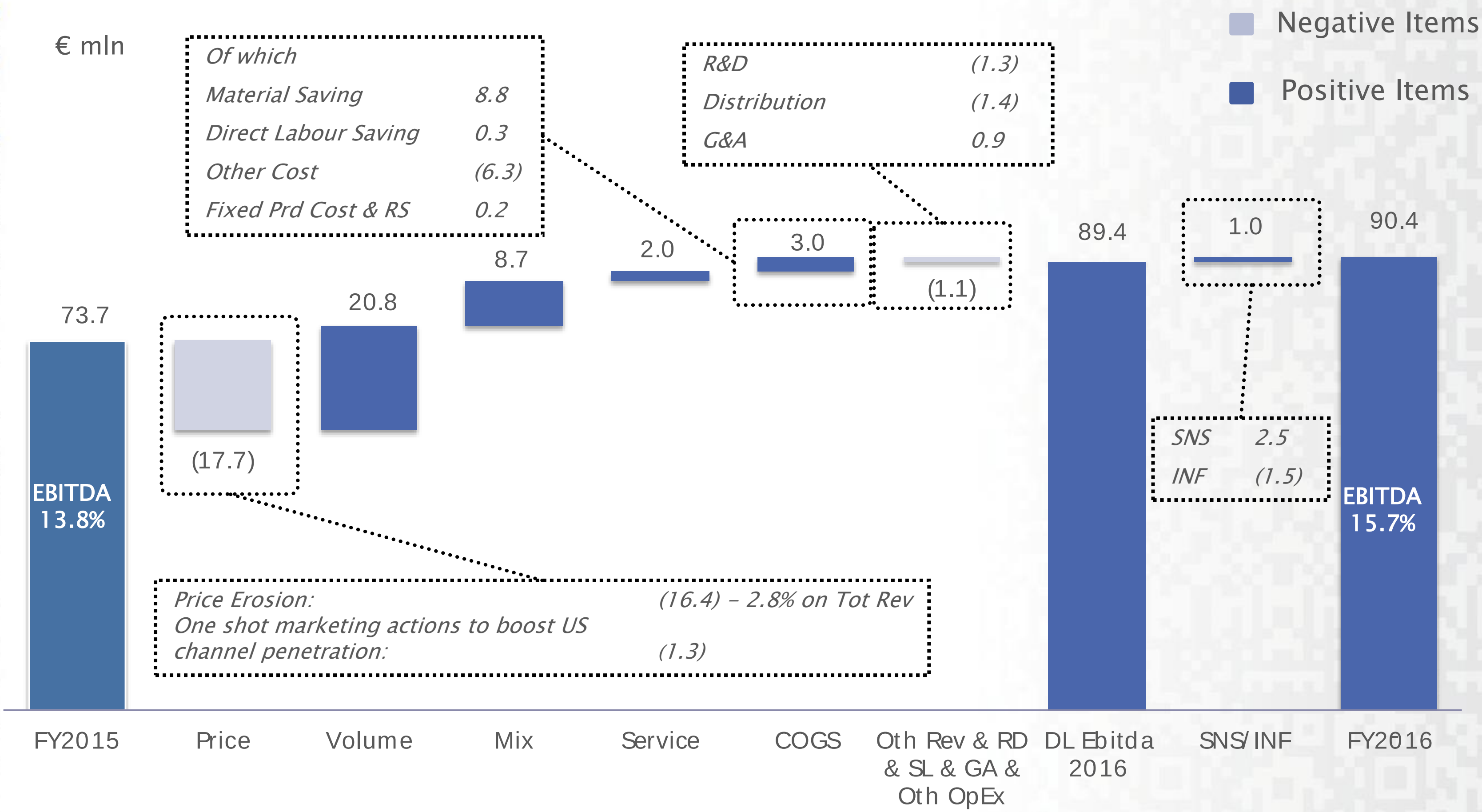
R&D/Revenues

	FY2016	FY2015
ADC	10.4%	10.7%
Industrial Automation	11.9%	12.3%
Informatics	6.1%	4.3%
Total Group	**8.7%**	**9.0%**

TWC/Revenues

	FY2016	FY2015
ADC	7.2%	5.1%
Industrial Automation	13.9%	13.7%
Informatics	11.4%	6.1%
Total Group	**9.2%**	**6.8%**

EBITDA*: actual vs last year



(*) Ordinary Operating: Profit before non recurring costs/revenues and depreciation & amortization (EBITDA)

Note:

The Exchange rate variance is the result of the difference between Dec'16 YTD Actual (1.107) and Dec'15 YTD Actual (1.110) €/USD exchange rates.

DATALOGIC THE VISION IS YOURS

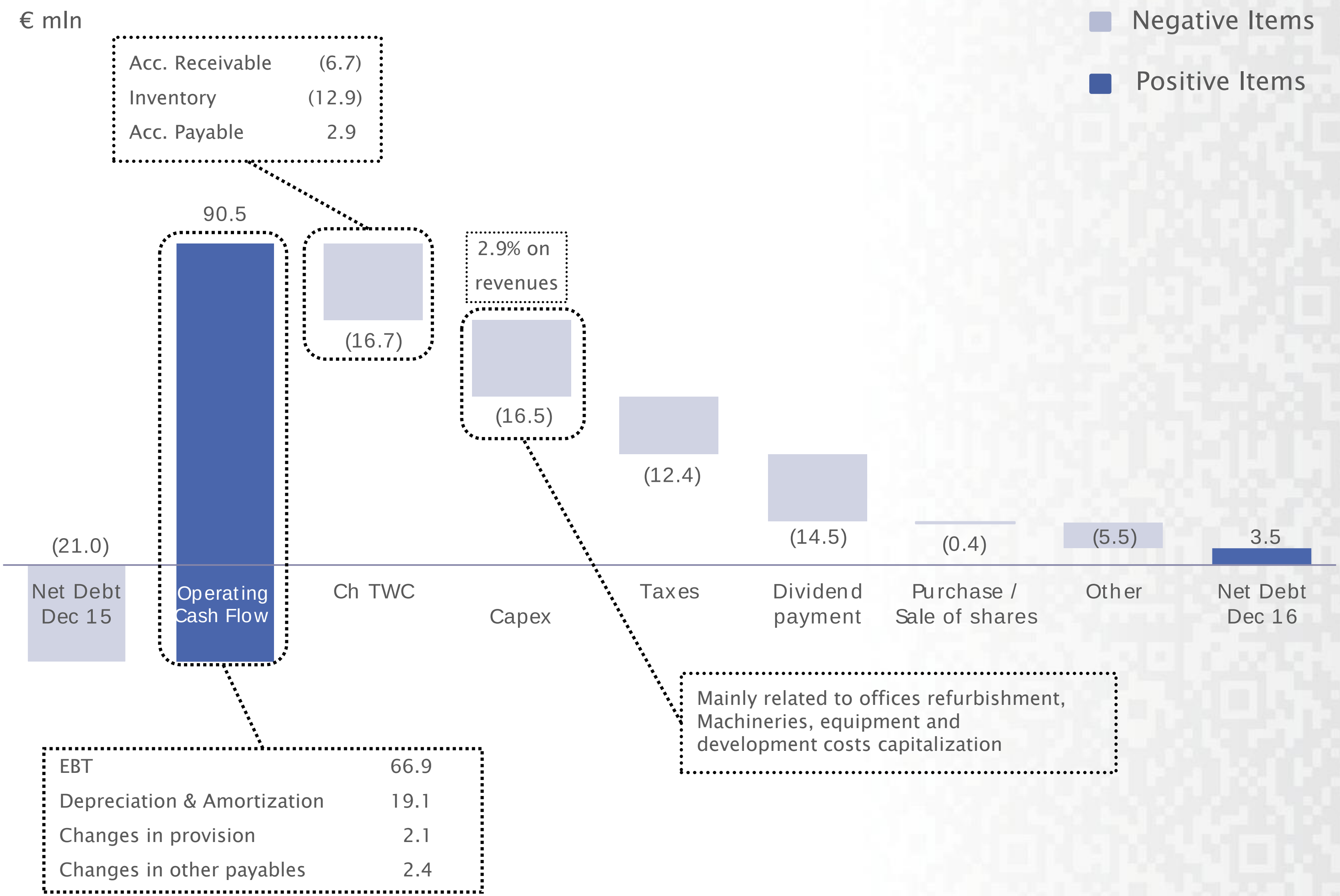
Consolidated balance sheet

€ mln

	FY2016	FY2015
Total Fixed Assets	371.7	363.8
Trade receivables	75.5	68.8
% on 12m rolling sales	*13.1%*	*12.9%*
Inventories	82.3	69.5
% on 12m rolling sales	*14.3%*	*13.0%*
Trade payables	(104.6)	(101.7)
% on 12m rolling sales	*18.1%*	*19.0%*
Trade Working Capital	53.2	36.5
% on 12m rolling sales	*9.2%*	*6.8%*
Other assets/liabilities	(92)	(81)
Net Invested Capital	332.9	319.3

	FY2016	FY2015
Net Financial Position	(3.5)	21.0
Net Equity	336.4	298.3
Total Sources	332.9	319.3

Net debt analysis: dec'15 – dec'16



New products

Main products launched in 2016

Picture	Product name	Launch date	Description
	AV7000	April 28th	High performance long range linear camera
	MX-E Vision Processor	May 5th	MX-E series, a state-of-the-art family of GigE vision processors powered by IMPACT Software
	DL-Axist	May 24th	Rugged Android PDA with full touch 5 inch display
	Joya Touch	July 25th	Joya™ Touch is a multi-purpose retail device that is ideal for various applications such as Self-Shopping, Price Checking, Markdowns, Shelf Replenishment, Inventory, Access Control and more.
	RIDA	November 3rd	RIDA DBT6400 2D area imager is a cordless device with Bluetooth® wireless technology to be used in connection with mobile devices.
	Matrix 120	November 21st	Ultra-compact 2D imager with embedded Ethernet
	PowerScan 9300	December 19th	PowerScan™ 9300 rugged industrial laser scanner series.

NRF – Retail's big show 2017

VISITORS

- 655 registered leads

(more than doubled vs. 2016)

TOP VISITED PRODUCTS

- Jade
- Joya Touch

NEW CONCEPT AND PRODUCTS

- Joya Touch Android 6
- Powerscan Retail
- Rida – companion scanner
- RFID indoor Geo-Location
- Digital Tailor – 3D imaging body scanner
- New Single Plane scanners
- New LaneHawk – loss prevention

Outlook

A clear new strategy

THE OBJECTIVE

Keep on constantly growing, above market average, **while significantly improving profitability**

THE SCOPE

Remain a product company with new emphasis on solutions to satisfy the needs of End Users in the following Industries: **Retail, Healthcare, T&L and Manufacturing**

Become a **significant player in North America** and **further establish in APAC with a growing presence in China**

Consolidate our **position in EMEA**

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

2017 Outlook

- **Effective benefits** from the reorganization by industry **expected mainly in the second half of 2017**
- Revenues growth over market average: major focus in NA and APAC, consolidating leadership in Europe
- **Keep on increasing R&D investments** to maintain leadership in the market
- Strong focus on cost control and profitability
- Maintain **Cash Generation**

DATALOGIC
THE VISION IS YOURS

Appendix

FY 2016 Profit and loss

€mln	FY2016		FY2015		Var %
Revenues	**576.5**	***100.0%***	**535.1**	***100.0%***	***7.7%***
COGS	(311.2)	*(54.0%)*	(286.5)	*(53.5%)*	*8.6%*
Gross Operating Profit	**265.3**	***46.0%***	**248.6**	***46.5%***	***6.7%***
Other Revenues	3.3	*0.6%*	3.5	*0.7%*	
R&D	(50.4)	*(8.7%)*	(48.2)	*(9.0%)*	*4.5%*
Distribution Costs	(101.2)	*(17.6%)*	(101.1)	*(18.9%)*	*0.1%*
Administrative Expenses	(37.8)	*(6.6%)*	(39.5)	*(7.4%)*	*(4.4%)*
Other operating expenses	(3.0)	*(0.5%)*	(2.0)	*(0.4%)*	
Total Operating expenses and others	**(192.4)**	***(33.4%)***	**(190.9)**	***(35.7%)***	***0.8%***
Non recurring costs/ rev	(1.0)	*(0.2%)*	(2.6)	*(0.5%)*	
Amort. Intang. Assets from acquis.	(4.9)	*(0.9%)*	(5.7)	*(1.1%)*	*(14.0%)*
EBIT	**70.2**	***12.2%***	**52.9**	***9.9%***	***32.7%***
Financial (costs)/ rev.	(3.1)	*(0.5%)*	(4.6)	*(0.9%)*	
Results from equity investments	(0.3)	*(0.1%)*	0.1	*0.0%*	
Foreign exchange (costs)/ rev.	0.0	*0.0%*	3.1	*0.6%*	
EBT	**66.9**	***11.6%***	**51.6**	***9.6%***	***29.7%***
Taxes	(21.0)	*(3.7%)*	(11.0)	*(2.1%)*	
Net Income	**45.8**	***8.0%***	**40.5**	***7.6%***	***13.1%***
Depreciation	(9.4)	*(1.6%)*	(7.8)	*(1.5%)*	
Amortization	(4.9)	*(0.8%)*	(4.7)	*(0.9%)*	
EBITDA	**90.4**	***15.7%***	**73.7**	***13.8%***	***22.5%***
Exchange Rate	*1.1069*		*1.1095*		

Consolidated balance sheet at 31.12.16

€mln	At 31/12/2016	*At 31/12/2015*
Intangible fixed assets	52.0	56.5
Goodwill	188.9	183.0
Tangible fixed assets	72.1	68.4
Non Consolidated investment	6.9	6.6
Other fixed assets	51.8	49.3
Total Fixed Assets	**371.7**	**363.8**
Net trade account receivables	75.5	68.8
ST account payables	(104.6)	(101.7)
Inventory	82.3	69.5
Trade Working Capital	**53.2**	**36.5**
Other current receivables	34.2	28.6
Other ST payables and provision for risk & future charges	(77.6)	(61.0)
Net Working Capital	**9.8**	**4.1**
Other LT payables	(30.8)	(26.8)
Employees' severance Indemnity	(6.6)	(6.8)
LT provision for risk & future charges	(11.2)	(15.2)
Net Invested Capital	**332.9**	**319.2**
Equity	336.4	298.3
Net Financial Position	**3.5**	**(21.0)**
Exchange Rate	*1.0541*	*1.0887*

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

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

NEXT EVENTS

March 21st–22nd, 2017
Star Conference Milan

May 15th, 2017
1Q results

August 3rd, 2017
6M results

November 13th, 2017
9M results

DATALOGIC ON LINE

www.datalogic.com