



1Q2016 Conference Call

May 13th, 2016

Agenda

- 1Q 2016
- Outlook



1Q 2016

1Q2016 Key Factors

FOCUS ON CLIENT

- The new approach to customers is paying off: **growth above market and major peers**
 - **Continuous focus on innovation** and introduction of new products
 - **27.6% of revenues** comes from new products* (25% in 2015)
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MARKET

- **Reaffirmed leadership in Europe** and improving penetration in US
 - Some impact from economic uncertainties in fast growing markets
-

ORGANISATION

- **Centralization of Procurement**
 - Rationalisation of footprint: **new Hungarian plant for IA opened in April**
 - **Change of the GO TO MARKET model in China:** “ONE Datalogic” is up and running
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** new products refer to products announced in the last 24 months*

1Q 2016 Highlights

Revenues

- **+10.7% YoY to 135.4 mln Euro** (+9.6% at constant exchange rate) mainly thanks to Europe and North America, the primary markets for the Group
- **Booking at 140 mln Euro**

EBITDA

- **+19.9% YoY to 18.8 mln Euro** (+21.8% at constant exchange rate)
- EBITDA margin at 13.9% (14.3% at constant exchange rate)
- Investment in R&D grew by 4.4% YoY with an incidence of 9% on revenues

Net Profit

- Financial costs almost halved due to refinancing
- Around 1 mln Euro loss on exchange rate vs a 4 mln Euro gain in 1Q 2015
- Net profit is in line with last year result

€000	1Q2016	1Q2015	YoY%	4Q2015	QoQ %
Revenues	135,353	122,316	10.7%	143,773	(5.9%)
Gross Operating Profit	62,127	57,887	7.3%	65,869	(5.7%)
EBITDA	18,820	15,689	19.9%	20,670	(9.0%)
EBITDA Margin	13.9%	12.8%		14.4%	
EBIT	14,210	10,785	31.8%	14,856	(4.3%)
Net Profit	10,073	9,893	1.8%	10,125	(0.5%)

1Q 2016 New Products

Identification

AV7000

High Performance Linear Camera

- New generation CMOS sensor with 40% greater sensitivity
- Pulsed Lighting System (PLS), patented technology
- The only camera in the Auto-ID industry able to collect high quality “single shot” complete images on large conveyors avoiding “puzzle effect”



Machine Vision

11.8 IMPACT SW Release

New Camera calibration modes

- Pin Point Pattern Find tool improvements
- IMPACT SDK
- Extended camera support



Machine Vision

MX-E Series

- New line of Vision Processors powered by IMPACT Software.
- Ethernet (GigE Vision) connectivity and multi-camera support



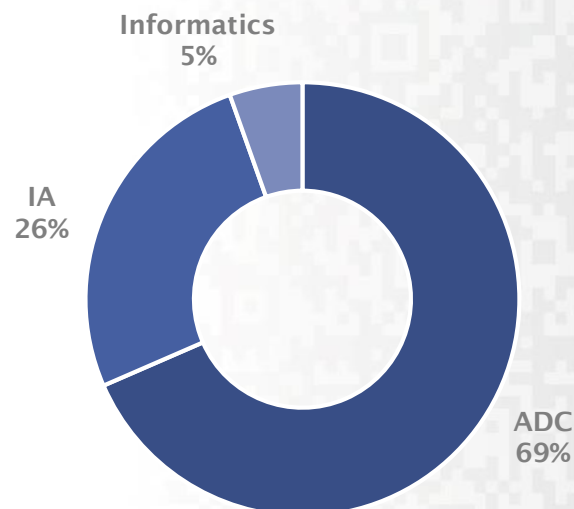
1Q 2016 Profit and Loss

€000	1Q2016		1Q2015		Var %
Revenues	135,353	100.0%	122,316	100.0%	10.7%
COGS	(73,226)	(54.1%)	(64,430)	(52.7%)	13.7%
Gross Operating Profit	62,127	45.9%	57,886	47.3%	7.3%
Other Revenues	372	0.3%	691	0.6%	
R&D	(12,100)	(8.9%)	(11,594)	(9.5%)	4.4%
Distribution Costs	(25,162)	(18.6%)	(24,008)	(19.6%)	4.8%
Administrative Expensives	(9,466)	(7.0%)	(9,776)	(8.0%)	(3.2%)
Other operating expenses	(327)	(0.2%)	(458)	(0.4%)	
Total Operating expenses and others	(47,055)	(34.8%)	(45,836)	(37.5%)	2.7%
Non recurring costs/rev	-	-	(462)	(0.4%)	
Amort. Intang. Assets from acquis.	(1,234)	(0.9%)	(1,495)	(1.2%)	(17.5%)
Operating Profit (EBIT)	14,210	10.5%	10,785	8.8%	31.8%
Financial (costs)/rev.	(1,032)	(0.8%)	(2,421)	(2.0%)	(57.4%)
Foreign exchange (costs)/rev	(919)	(0.7%)	3,944	3.2%	
EBT	12,259	9.1%	12,308	10.1%	(0.4%)
Taxes	(2,186)	(1.6%)	(2,415)	(2.0%)	
Net Income	10,073	7.4%	9,893	8.1%	1.8%
Depreciation	(2,145)	(1.6%)	(1,808)	(1.5%)	18.6%
Ammortization	(1,231)	(0.9%)	(1,140)	(0.9%)	8.0%
EBITDA	18,820	13.9%	15,690	12.8%	19.9%
<i>Exchange Rate</i>	<i>1.102</i>		<i>1.1261</i>		

Revenues Trend by Division

- **ADC Division** is the driver in Europe and in North America (+10.9%, +9.9% at constant exchange rate)
- POS check out fixed scanners with the new imaging technology and hand held scanners are driving growth in Retail
- **The Industrial Automation division** is improving +11.8% (+10.9% at constant exchange rates) and net of the BU Systems, the division's revenues increased by 6.5% (+5.9% at constant exchange rates)
- **BU Systems:** revenues +65.2% thanks to new orders from major clients like Royal Mail and others in the postal and retail markets (print and apply solutions)

REVENUES BY DIVISION (%)

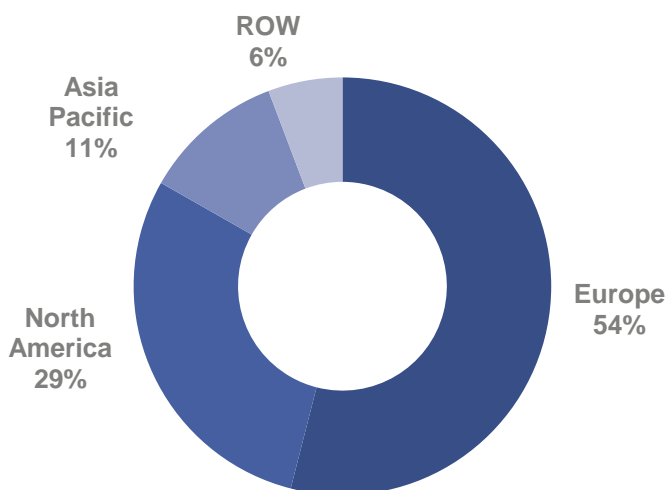


REVENUES BY DIVISION

€mIn	1Q 2016	1Q 2015	Var %
ADC	93.2	84.0	10.9%
IA	35.5	31.7	11.8%
- IA ex BU Systems	30.7	28.9	6.5%
Informatics	7.4	7.0	4.7%
Corporate and Adj.	(0.7)	(0.5)	n.m.
Total Revenues	135.4	122.3	10.7%

Revenues Trend by Country

REVENUES BY GEOGRAPHIC AREA			
€mln	1Q 2016	1Q 2015	Var %
Europe	73.1	63.9	14.4%
North America	39.6	33.6	17.7%
Asia Pacific	14.9	15.6	(4.5%)
ROW	7.8	9.2	(15.4%)
Total Revenues	135.4	122.3	10.7%

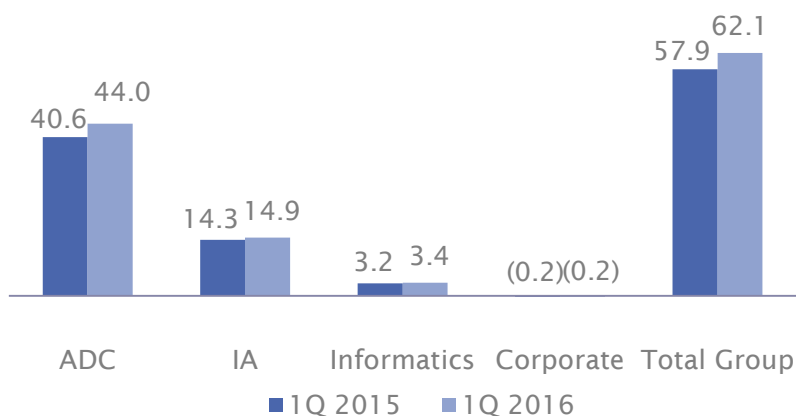


- **Europe** continues to generate robust growth both in ADC (+13.2%) and IA (+19.3%), confirming the leadership of the Group
- **North America:** strong growth of ADC (+ 24.3%, + 21.7% at constant exchange rate) driven by retailers while in IA good improvements of the BU Systems
- **Asia Pacific** experienced a delay in products delivery in Q1 expected to be recovered in Q2 as confirmed by current booking
- **ROW** affected by the economic downturn in Latin America

1Q2016 Segment Reporting: GOP and EBITDA

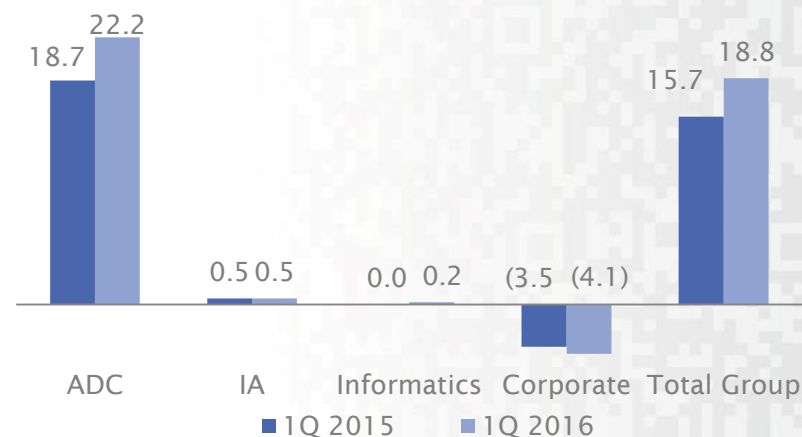
GOP BY DIVISION

€mln



EBITDA* BY DIVISION

€mln



Gross Operating Profit	1Q 2016	1Q 2015
ADC	47.2%	48.4%
Industrial Automation	42.1%	45.0%
- IA ex BU Systems	45.8%	51.6%
Informatics	46.3%	45.3%
Total Group	45.9%	47.3%

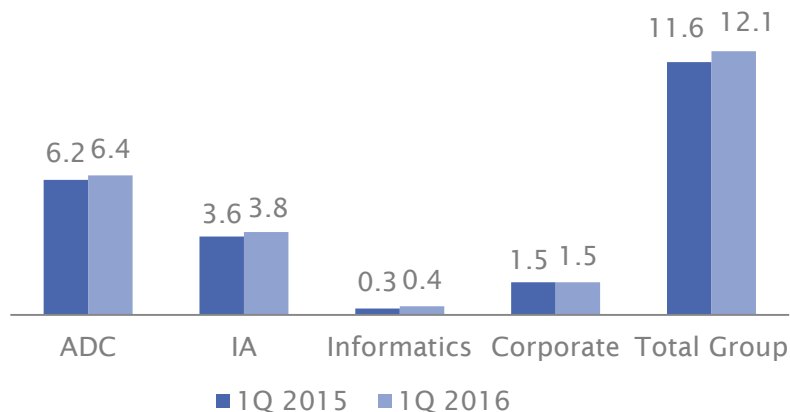
EBITDA* Margin	1Q 2016	1Q 2015
ADC	23.8%	22.1%
Industrial Automation	1.3%	1.6%
- IA ex BU Systems	2.3%	8.1%
Informatics	4.0%	0.5%
Total Group	13.9%	12.8%

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

1Q2016 Segment Reporting: R&D and TWC

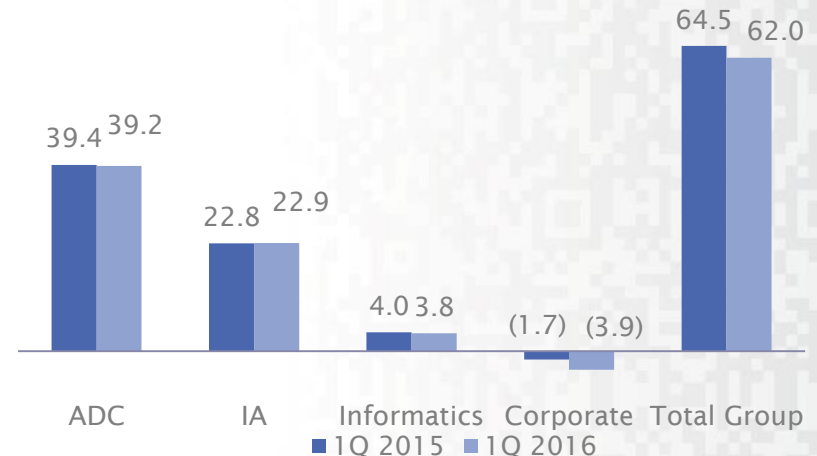
R&D BY DIVISION

€mln



TWC BY DIVISION

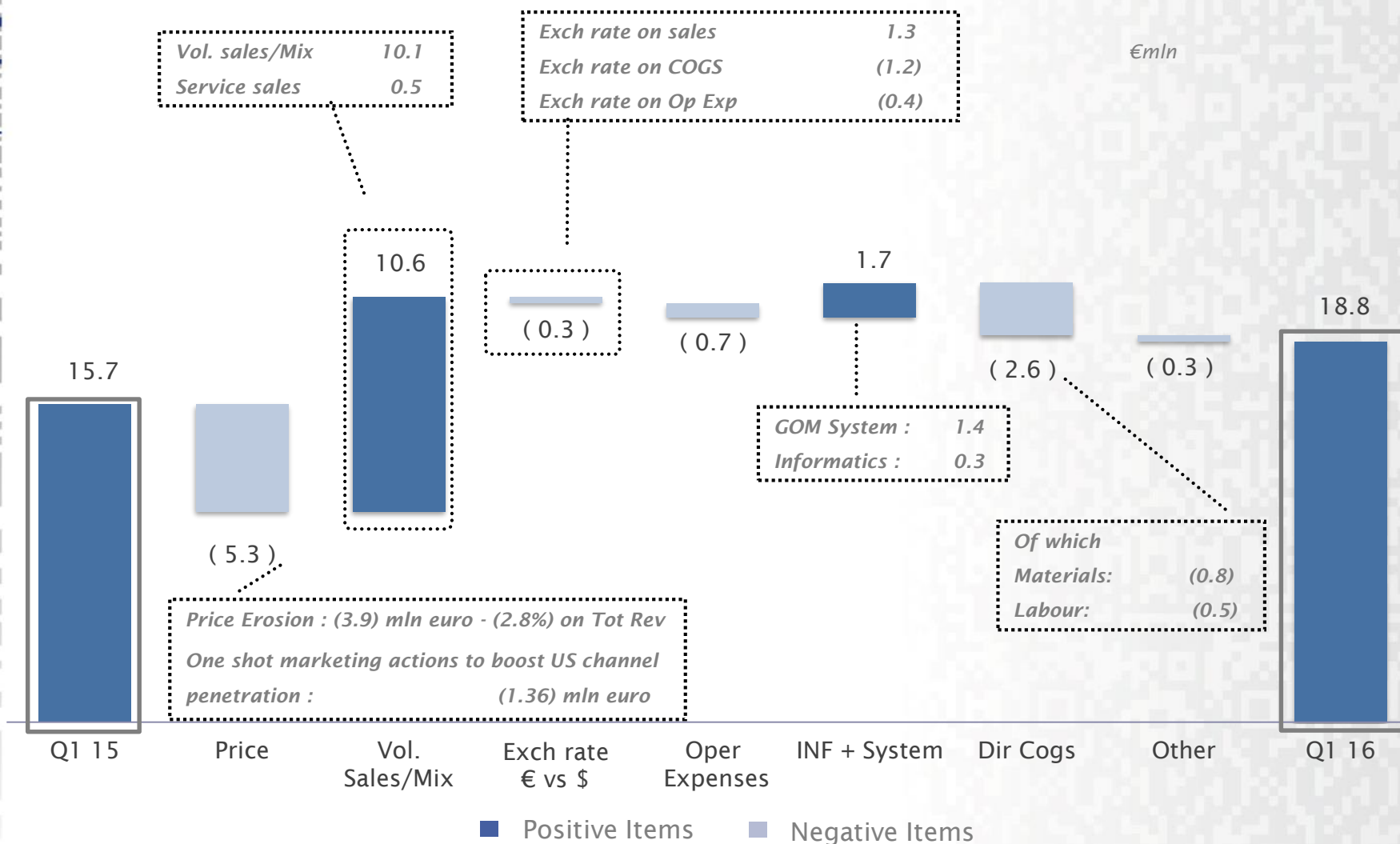
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R&D/Revenues	1Q 2016	1Q 2015
ADC	6.9%	7.4%
Industrial Automation	10.8%	11.3%
Informatics	5.4%	3.8%
Total Group	8.9%	9.5%

TWC/Annualized Revenues	1Q 2016	1Q 2015
ADC	10.5%	11.7%
Industrial Automation	16.1%	18.0%
Informatics	12.9%	14.1%
Total Group	11.5%	13.2%

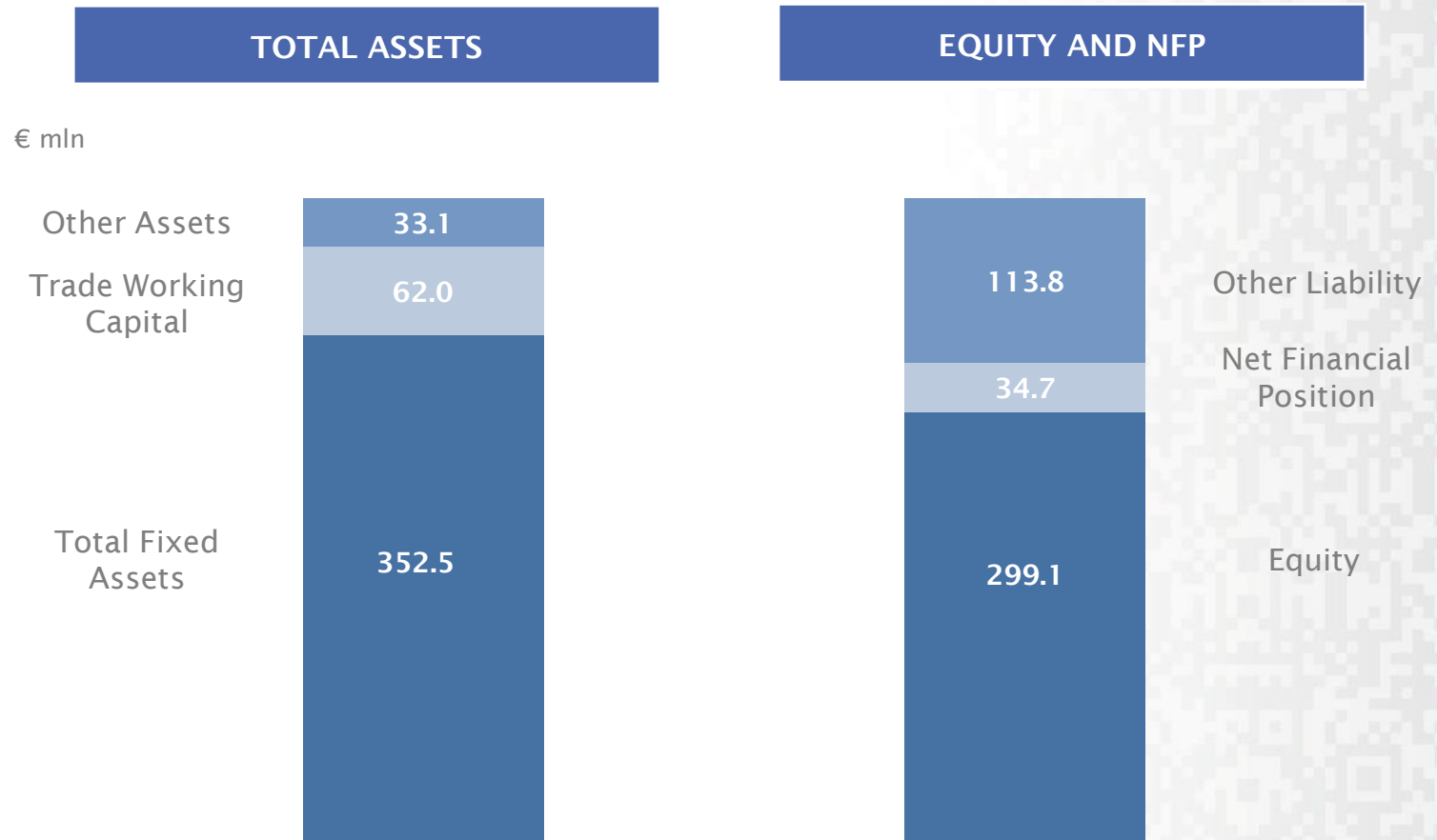
EBITDA: Actual vs Last Year



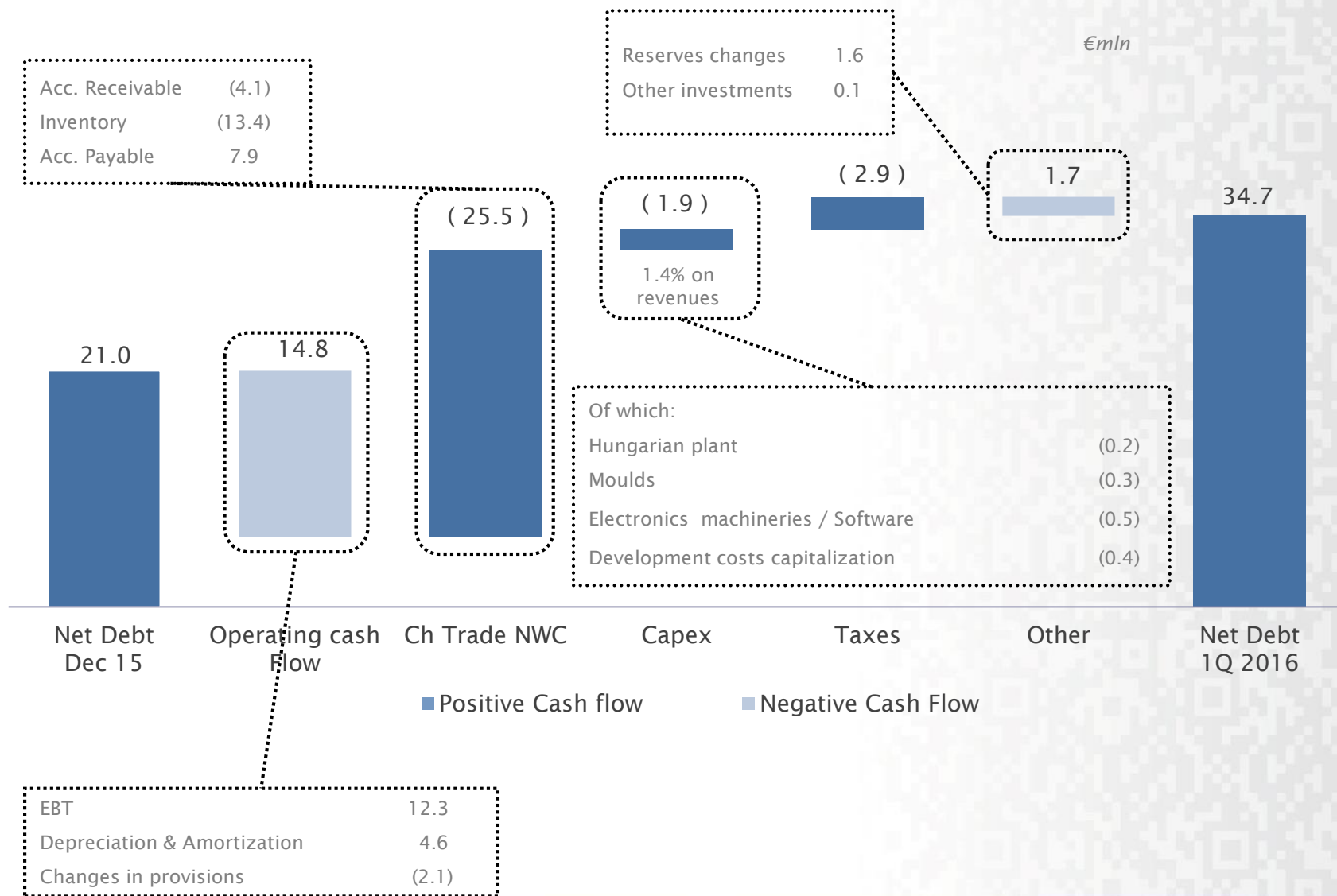
Note:

The Exchange rate variance is the result of the difference between Mar '16 YTD Actual (1,1020) and Mar '15 YTD Actual (1,1261) €/USD exchange rates.

Consolidated Balance Sheet at 31.03.2016



Net Debt Analysis: Dec '15 – March 16



Outlook

2016 Outlook

- **Double Digit Growth in Europe and North America** improving Market Share
- **Expected benefit from the “ONE “ Datalogic approach in China**
- **Expected recovery of Operations Efficiency going forward** thus reducing weight of COGS on revenues thanks to:
 - the new Procurement Centre in China
 - to plants rationalisation (new Hungarian plant for IA)
 - insourcing of components in the second half of 2016
- Continuous focus on R&D and launch of new products
- Maintain **strong performance on cash**

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NEXT EVENTS

August 4th, 2016
6M results

November 11th, 2016
9M results

DATALOGIC ON LINE

www.datalogic.com

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