



Virtual STAR Conference

23 MARCH 2021

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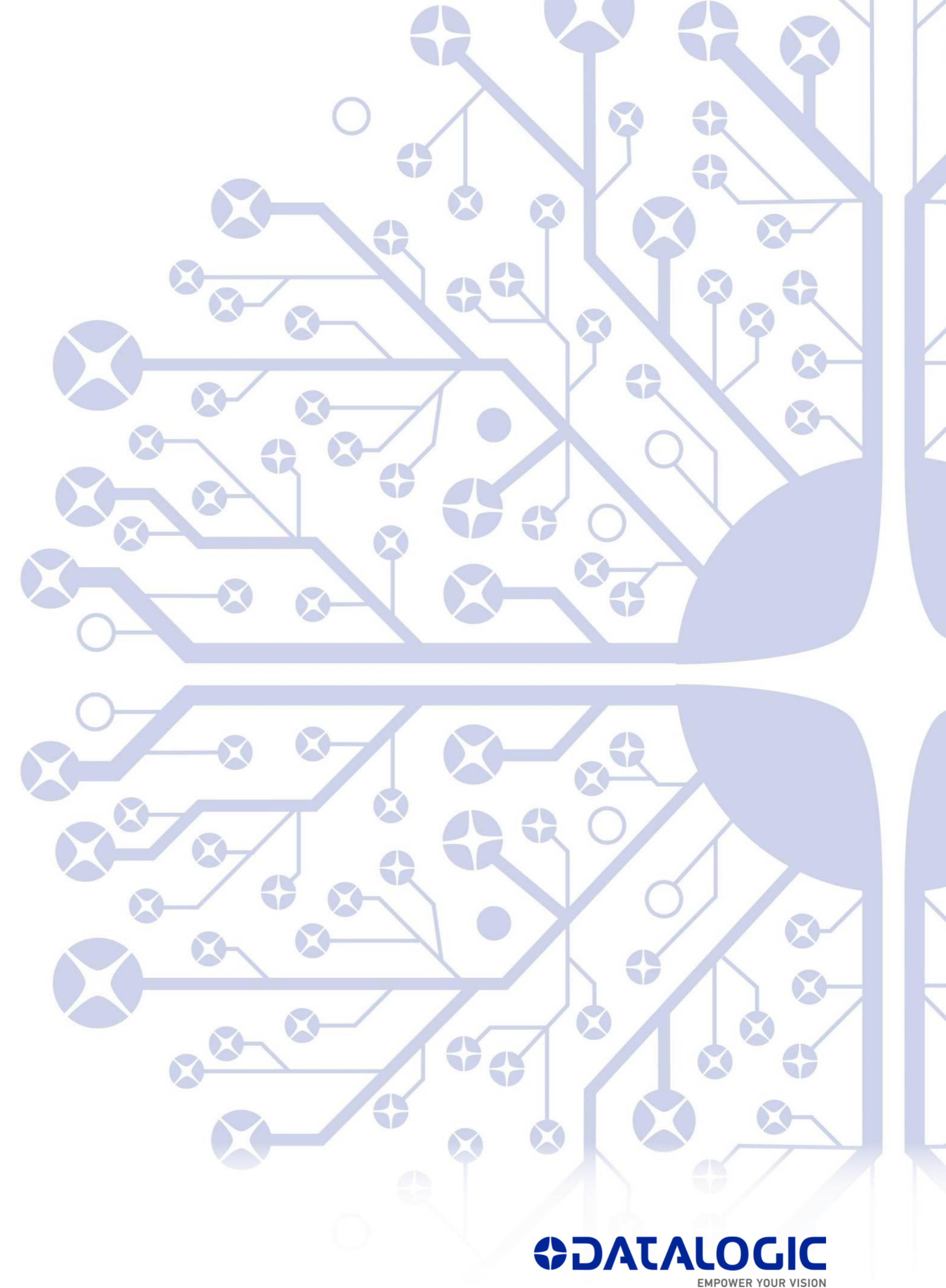
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Corporate Overview



Datalogic at a glance



Global technology leader in the **automatic data capture** and **industrial 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



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



2,826 Employees in 28 countries:
18% Americas, 56% EMEA, 26% APAC



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

Core Advantages

1

STRONG POSITIONING IN THE
INDUSTRY

2

INNOVATION

3

SOUND PROSPECTS

4

EFFICIENCY AND PRODUCTIVITY

- **Worldwide leader** in the **ADC** and **IA** markets
- **Balanced presence** across markets / segments
- **External growth** through M&A activities mainly in **the IA market**

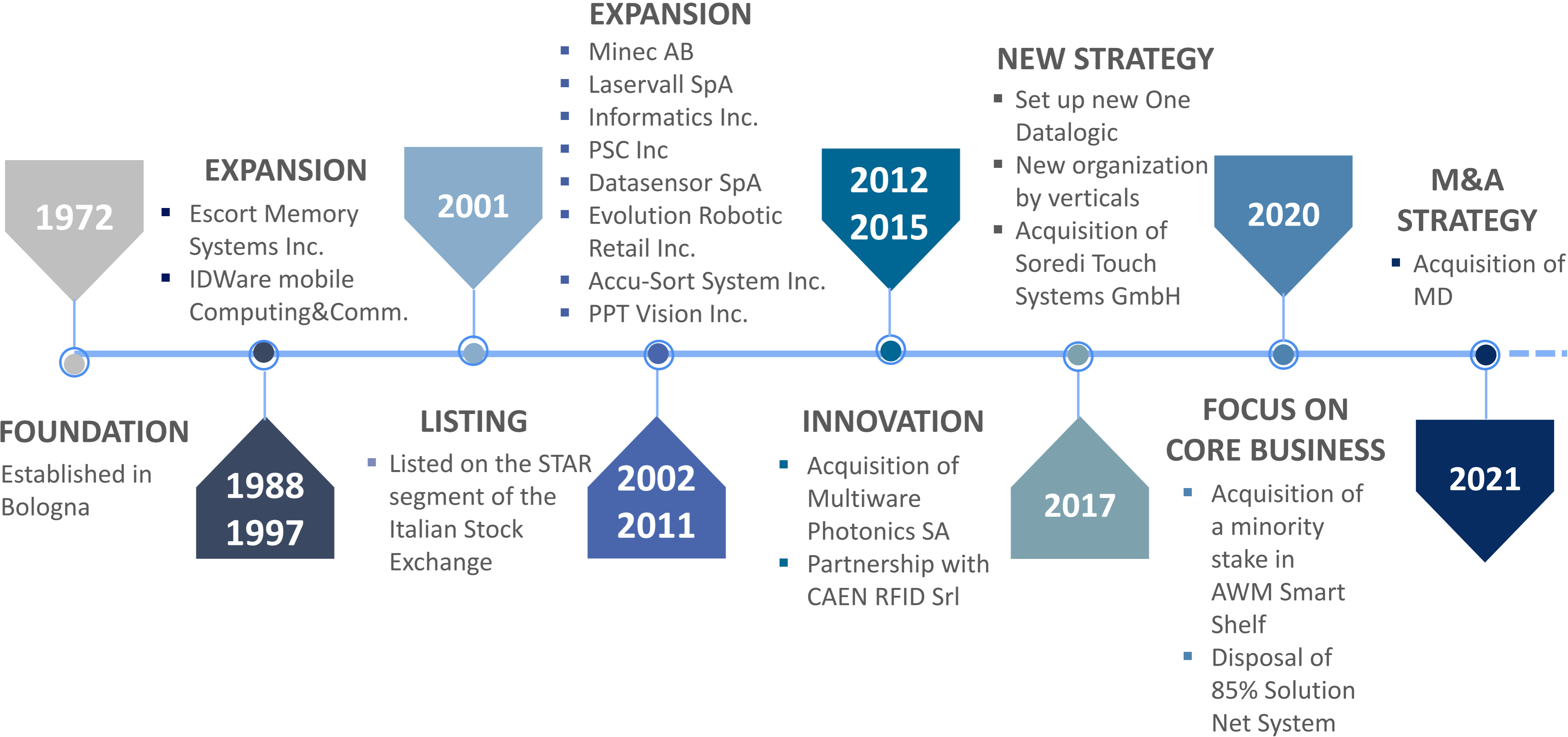
- **Leadership** in **FRS** and **SIS**
- **Focus on technology innovation** thru R&D Investment **11-13%**
- **20%** of sales from **new products***

- **Financial strength** positioning for future growth
- Sound **profitability** and **cash generation**
- **Acquisitive** in key segments

- Solid **operational efficiency** and leverage **global** industrial footprint
- High potential from **economy of scale**
- Proven **cost flexibility**

**New Products: products launched in the last 24 months*

Nearly 50 years of Technological Innovation



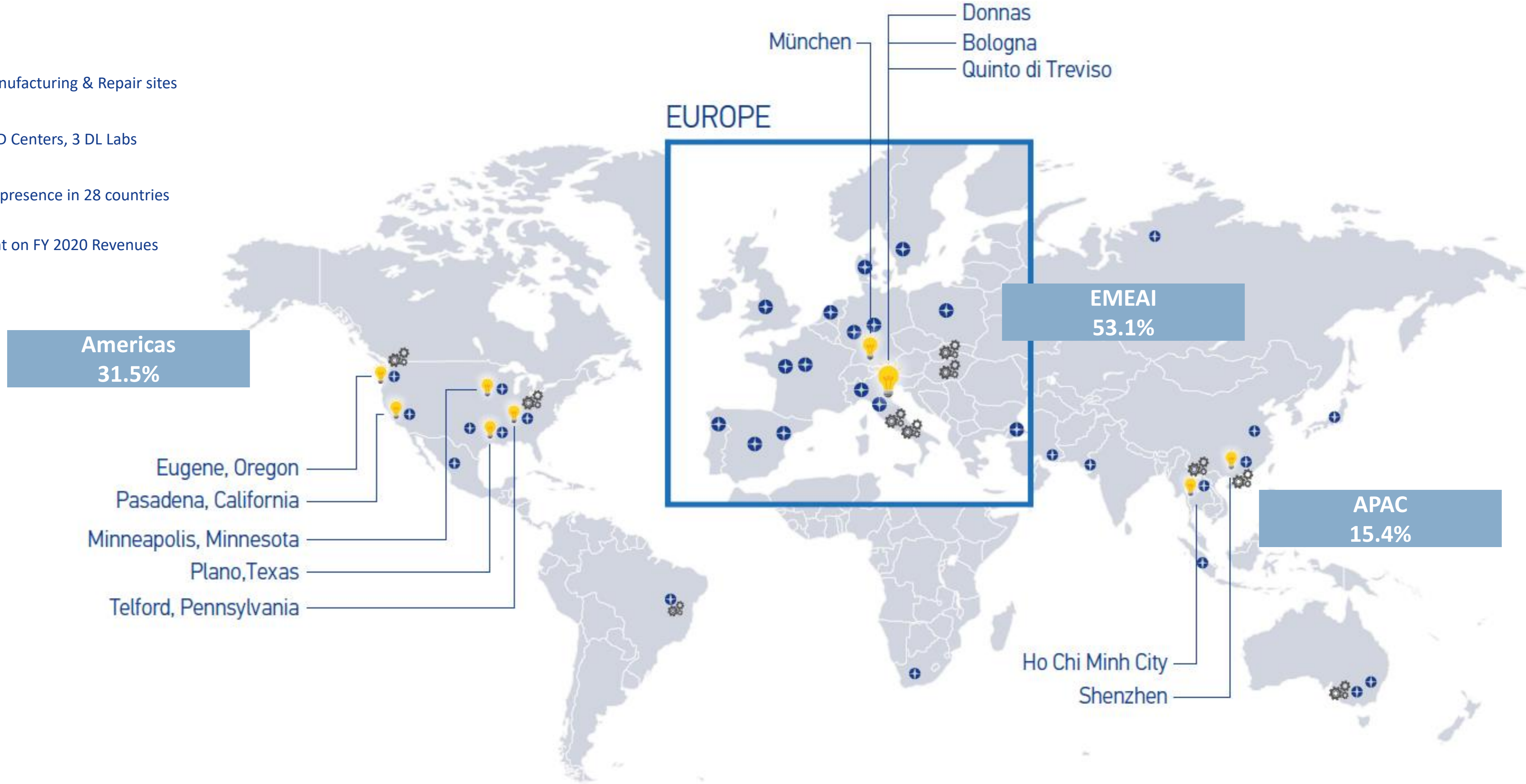
A Wide Geographical Footprint

 10 Manufacturing & Repair sites

 11 R&D Centers, 3 DL Labs

 Direct presence in 28 countries

 Percent on FY 2020 Revenues



Data refer to YE 2020

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

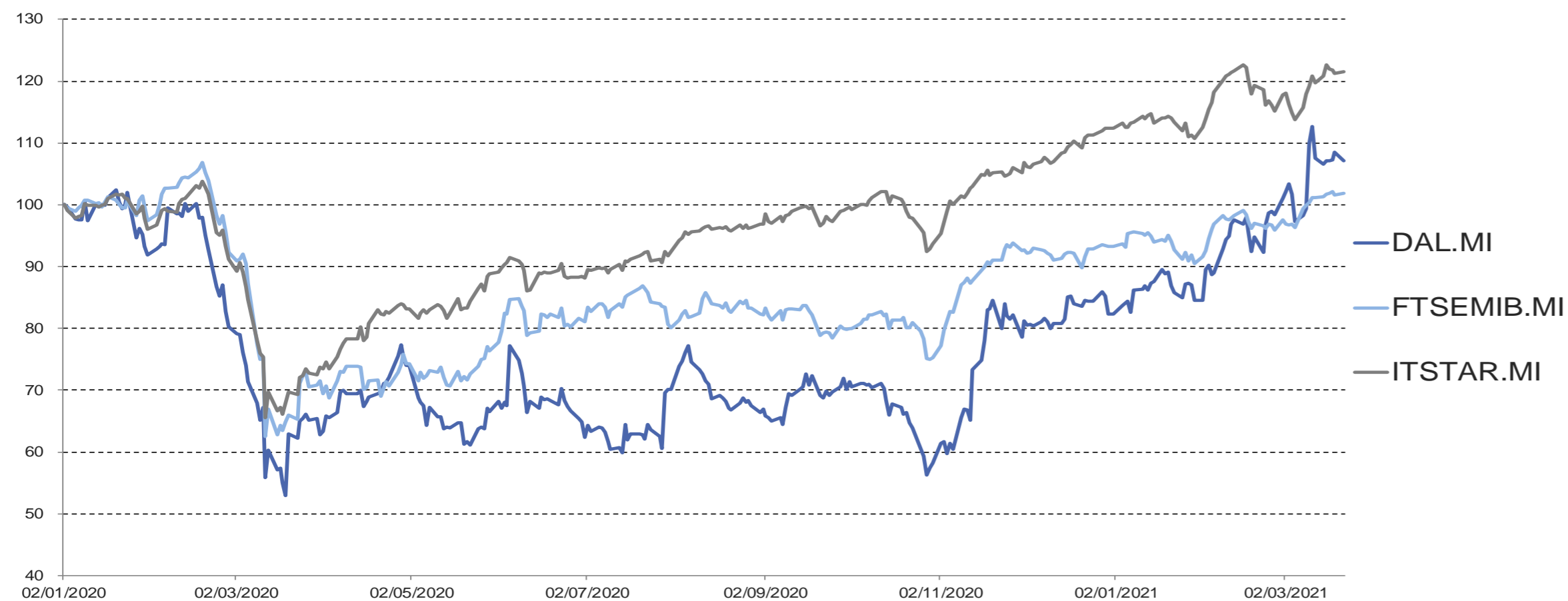
Ticker: DAL

Price (March 22, 2021): 18.21 Euro

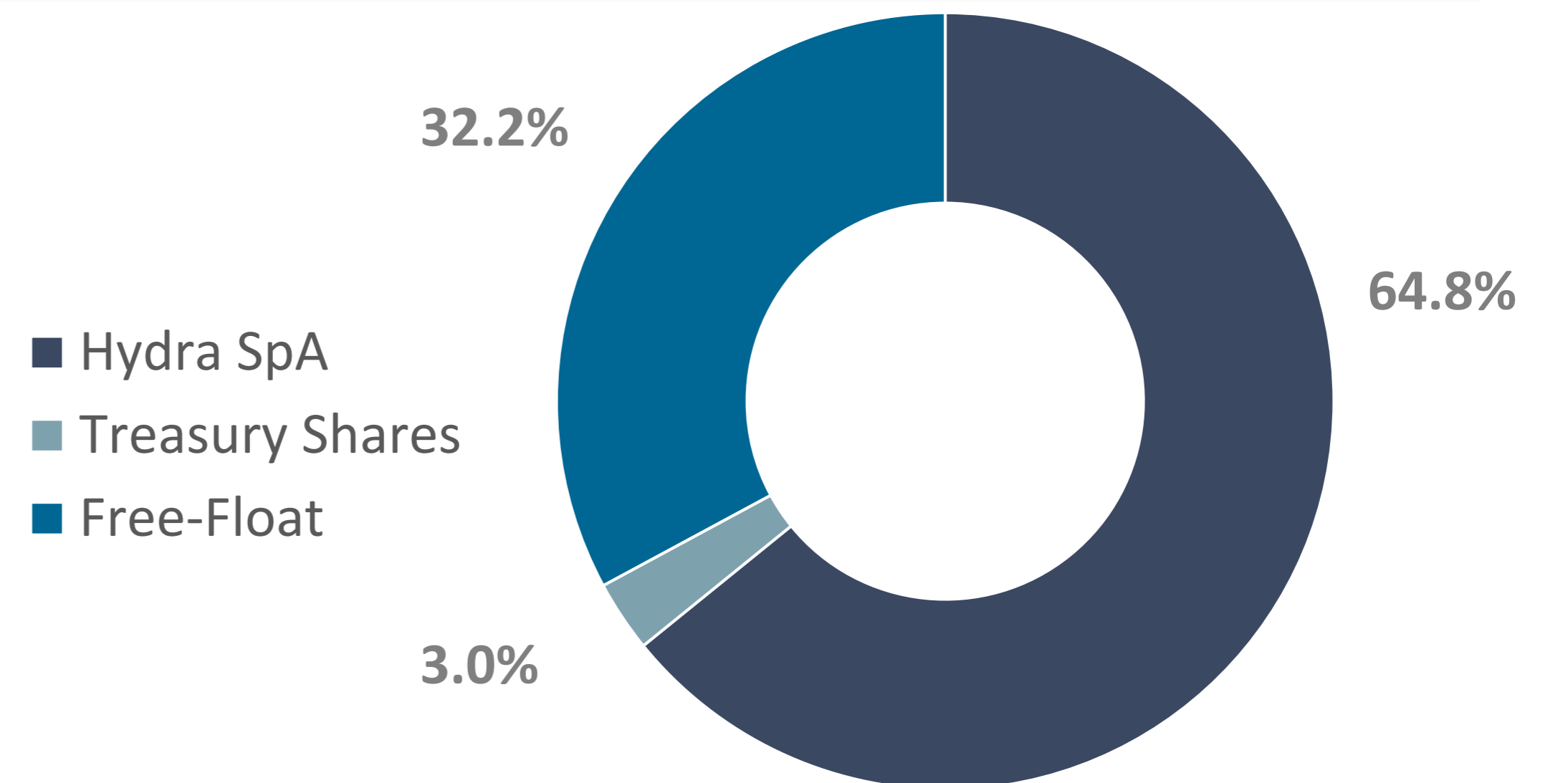
Market Cap (March 22, 2021): 1,070 mln Euro

Auditing Company: Deloitte

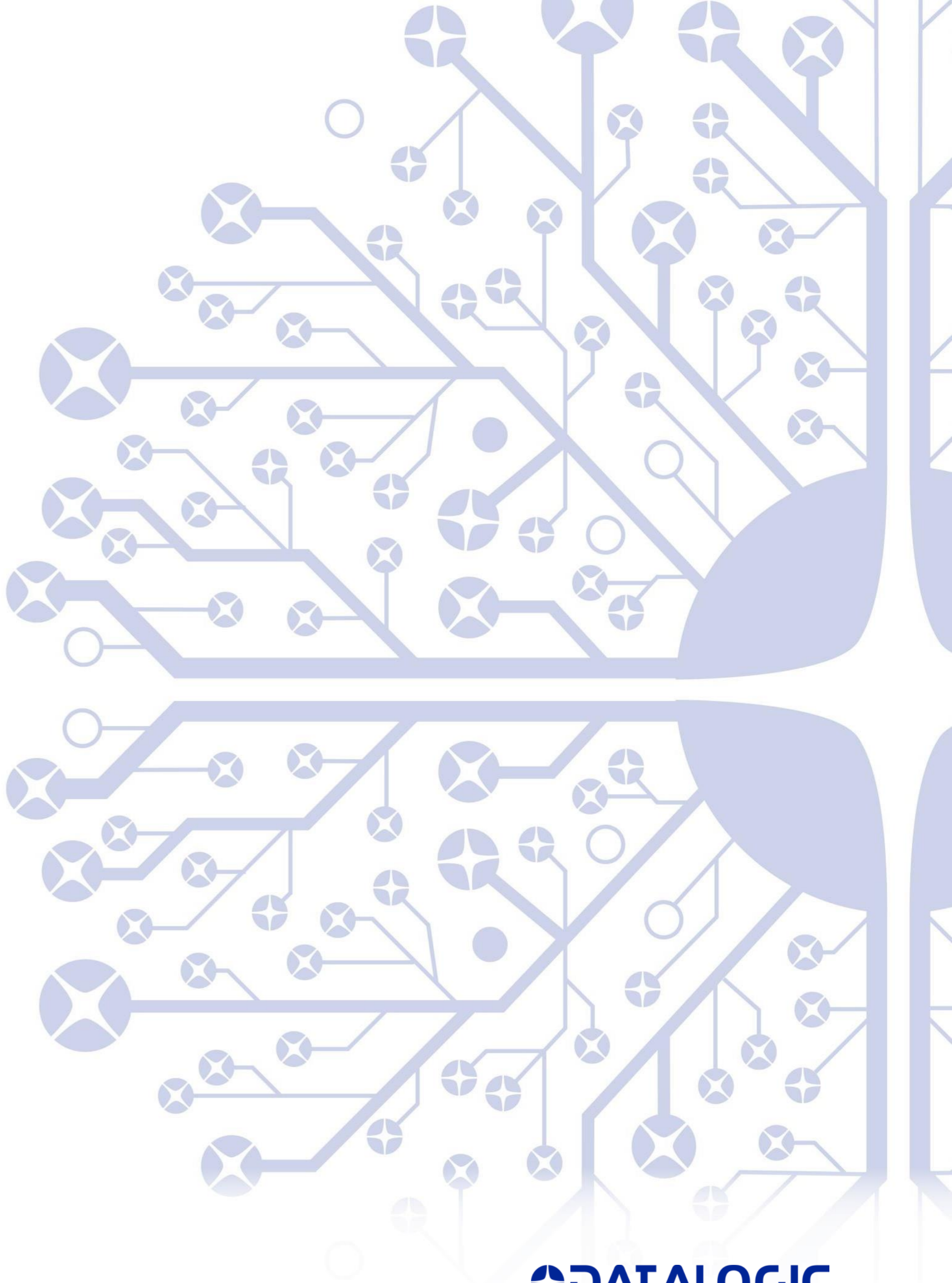
DATALOGIC SHARE PERFORMANCE vs. INDICES



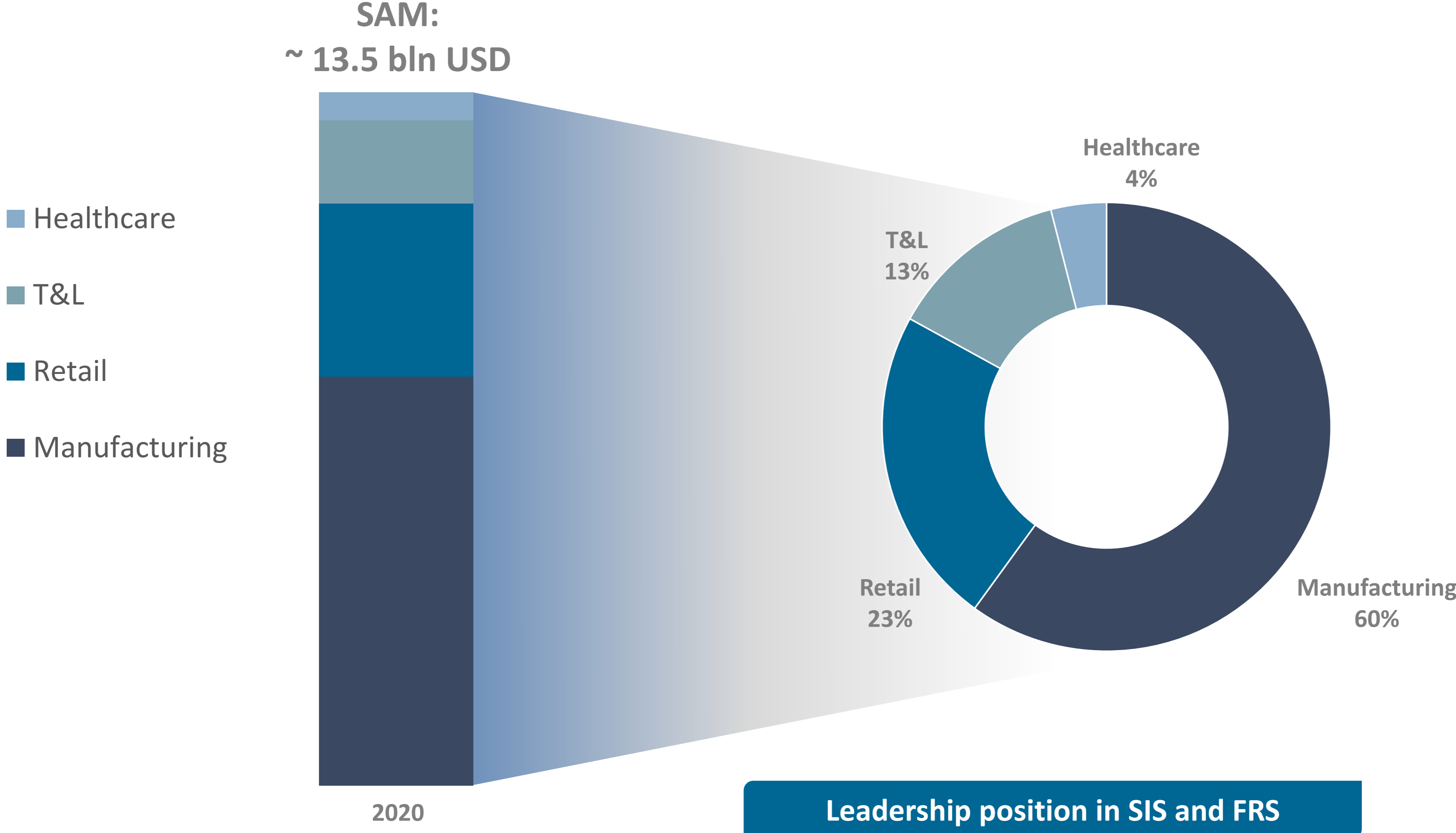
SHAREHOLDERS' STRUCTURE



Strategy



Serviceable Available Market



Source market data: VDC 2020,ARC 2020,HEXA 2018,RAIN 2020

A wide range of products that is able to fulfill our customers' needs for both data collection and process automation

Most complete offer of barcode readers: from retail to industrial scanners, from hand held to mobile



Undisputed leadership on barcode readers

Complementary/Open doors products in the MFG Industry



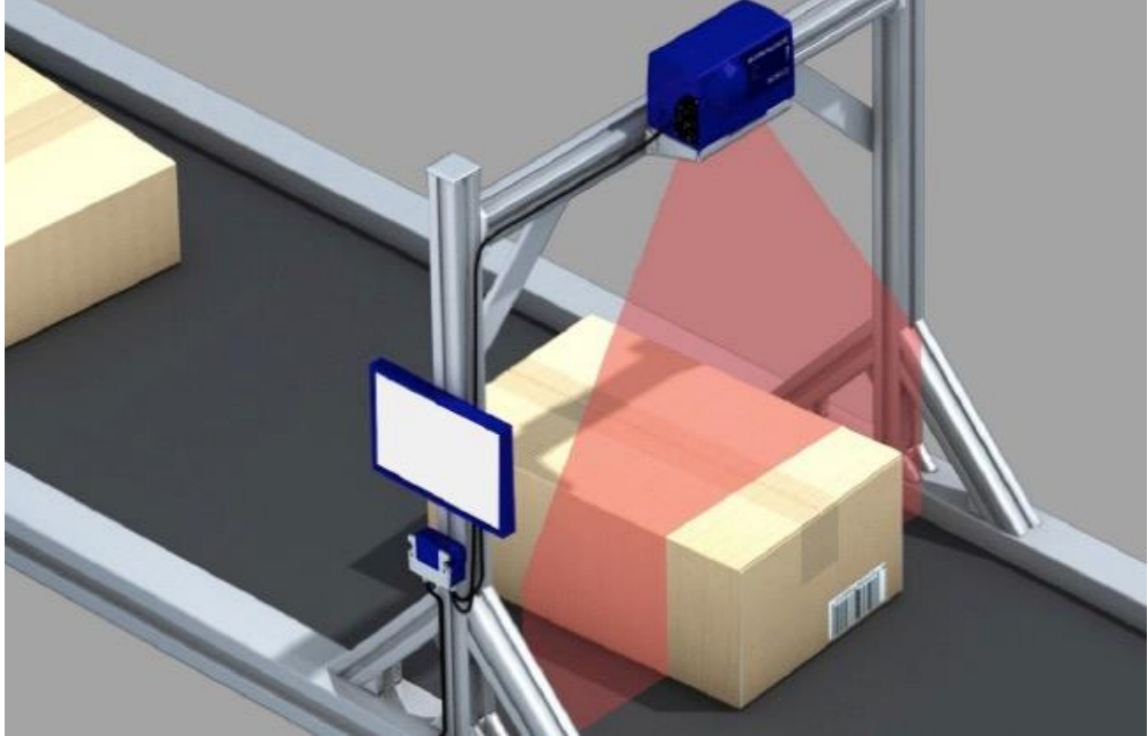
Our products are key enablers of critical applications along our customers' supply chain



Self-Shopping



Mark & Read



Dimensioning & Weighing Systems



Complete Traceability

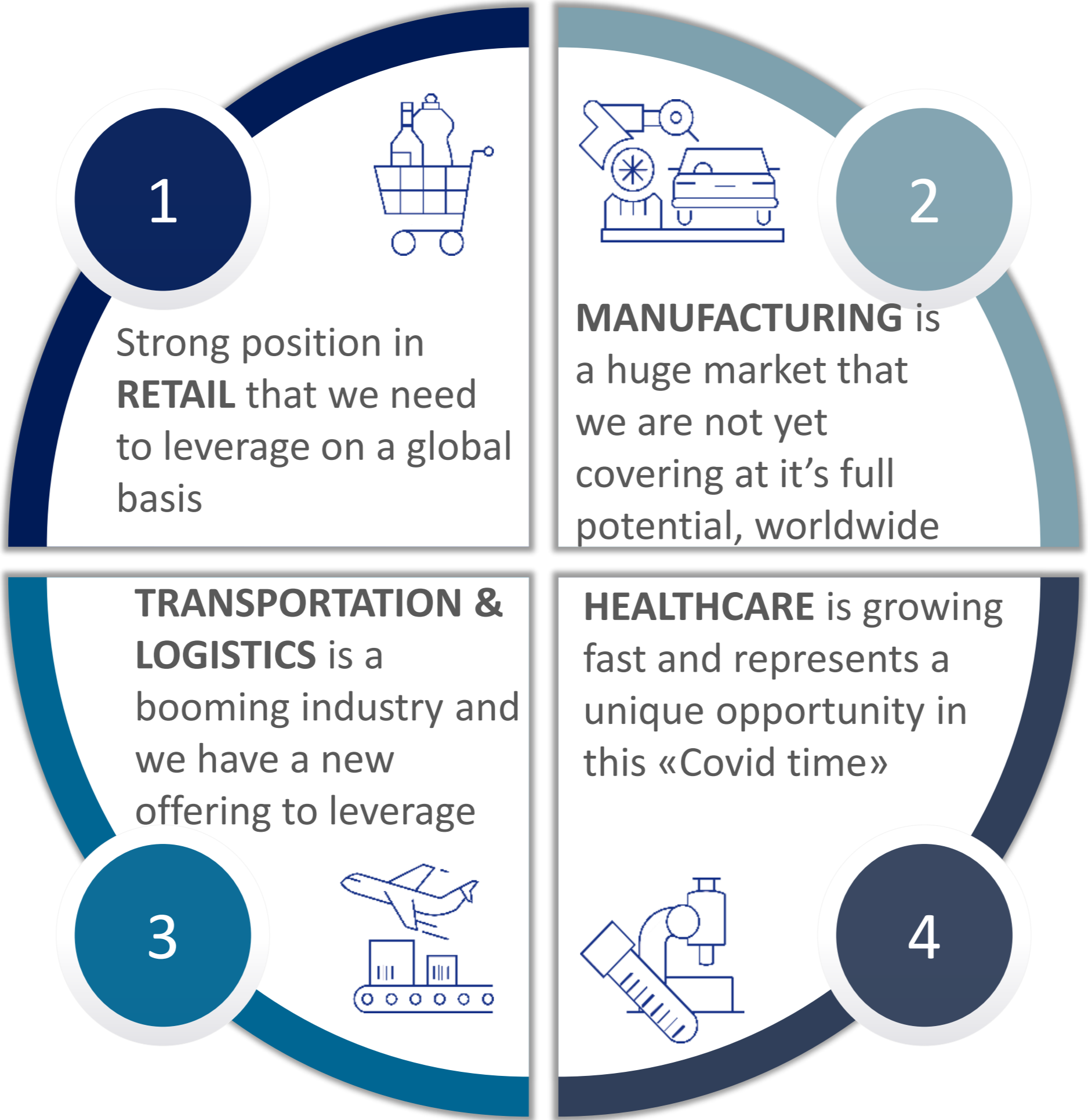


Mark & Trace

Our market by industry

- E-commerce, dark stores
- New physical stores / omni-channel
- Contactless requirements in stores
- Vision and robotic solutions (AI)

- E-commerce – micro hubs and micro-fulfilment centers
- Robotics and automation
- Last mile delivery
- Airports' cargo business



- Automotive and tire
- Hybrid/electric cars
- Agility and lean production pushing intralogistics and traceability
- Continued effort to diversify supply chains to avoid disruption in case of local crisis

- COVID-19 pushing tracking and digitalization
- Distribution, storage and injection of COVID-19 vaccines
- Drugs regulations and traceability

Retail

Food and Self Check-out are the main drivers

Datalogic Proposition

- We meet the needs of retailers globally, from the distribution centers, through check-out, to the customer's home
- **Market Leader** along the **Retail supply chain** from 1974 with the **first scanner** ever sold to a grocery store in Troy, Ohio
- Excellence in productivity and customer experience for self-checkout and attended lanes for both Grocery and Non-Food with FRS and HHS product portfolio
- Artificial Intelligence adoption to be ready for the next checkout POS investment cycle

Market Outlook

- The main international players are experimenting new products and solutions to **satisfy new shoppers' needs and improve efficiency of their operations**: click & collect, drive & collect, online verification, in real time, of the availability and exact position within the shelves of the products in the store or in the warehouse, assisted selling, self scanning and self check-out
- Retailers are more and more interested in collecting **customers' data to do analytics to better serve them**
- Increase of **distribution centers advanced automated logistics** solutions to optimize online shopping and last mile order fulfilment



Manufacturing

All the thrust of industry 4.0

Datalogic Proposition

- Leader in traceability thanks to the most complete and performing offer of stationary industrial scanners
- 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, Packaging and Intralogistics**

Market Outlook

- 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
- **Robot and AGV:** the Industrial Robotics Market stands at 13.9 billion USD with an 11.8% growth **
- Automotive and tire: **new segments due to new technology** - hybrid and electric cars
- **Agility and lean production** is pushing intralogistics and traceability
- Continued effort to **diversify supply chain to avoid disruption** in case of local crisis



* Source: IoT Analytics

** Source: International Federal of Robotics (IFR) data and Loup Ventures

Transportation & Logistics

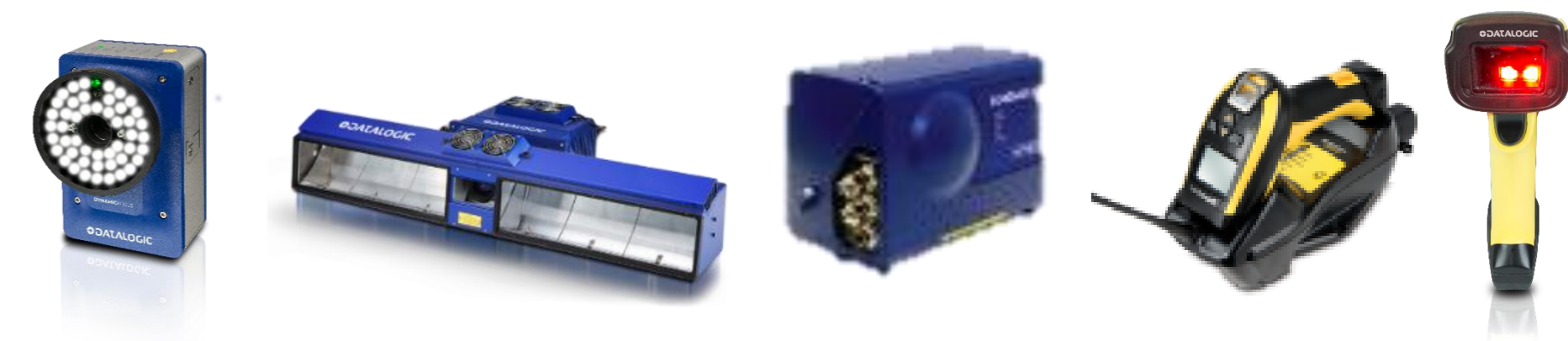
E-commerce is the market driver

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 contracts on 4 of the 5 main airports worldwide (source SkyTrax rating)
- Historically leader in stationary industrial scanners, Datalogic provides top performing solutions for High-Speed sorting to all the main CEPs and 3PLs
- Datalogic has a big opportunity to seize in the T&L mobility space, especially with the new PDT Skorpio X5 and a complete offer o PDAs (Memor family)

Market Outlook

- Growth is **driven by e-commerce**: order fulfillment is the core process, while high speed sorting and the added ability to manage any size of parcel, is driving the industry growth.
- **The omnichannel** concept of retailers is evolving towards online orders: dark stores micro fulfillment and last mile delivery as new relevant applications.
- The **baggage handling system** market is projected to reach pre-covid numbers in 2023-4, cargo applications keep the pace of 3-4% growth Y/Y (*)
- Strong demand for **solutions beyond barcode**, image-based diagnostics and big data management
- **Robotics & Automation**: higher productivity, zero-defects, less manual operations



*Source: IATA

Healthcare

Health protection as a top priority



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










Market Outlook

- COVID-19 pushing **tracking and digitalization** in particular for the distribution, storage and injection of COVID-19 vaccines
- **Drugs regulations and traceability**
- Hospital **investments in patient safety** are expected to grow significantly in the next 5 years: technology adoption to secure proper patients traceability and drug administration
- **EMR/EHR adoption/expansion** in hospitals/clinics (Electronic Medical/Health Record)
- Telemedicine/Telehealth. Health systems are more and more using **digital health tools and telehealth platforms** to better take care of patients after they leave the hospital



2020 New Product Launches and Innovation

Mobile Computer		Fix Retail Scanners	Hand Held Scanners	Industrial Automation		T & L
				Manufacturing	Sensors	
 <p>Skorpio X5</p>	 <p>Memor K</p>	 <p>DSM004XX Scan Module</p>	 <p>PowerScan 95X1-AR</p>	 <p>HANDSCANNER™</p>	 <p>Matrix 120 AGV</p>	 <p>Smart Vision Sensor</p>
 <p>JOYA™ TOUCH A6 WITH ANDROID™ 8.1 OREO</p>	 <p>Memor 20</p>	 <p>MAGELLAN™ 1500i OEM</p>	 <p>Gryphon 4500 ANTIMICROBIAL</p>	 <p>Gryphon 4200 Series</p>	 <p>S8 Series IO Link</p>	 <p>AV900 Industrial Reader</p>

- ❑ **Vitality Index (New products*/ sales) at 20.0%** in line with 20.1% in 2019
- ❑ **R&D spending****, amounted to approximately € 63.0 m, reaching **13.1%** as a percentage of Revenues compared to 10.8% in the 2019

*New Products: products launched in the last 24 months
 ** Including capitalized R&D

Key Growth and Strategic Drivers

Industry

- Keep focus on all of our verticals
- MFG (\$8 bln): expand into new sectors
- RTL (\$ 3 bln): check out evolution, cross sell mobile, watch distribution centers carefully
- T&L (\$2 bln): cross sell – complete offer SIS, Mobile, HHS

Products

- Protect our leadership in SIS
- Mobile: increase market share completing and widening our offer of portable data terminal (PDT) and portable data assistant (PDA)
- HHS: lead the shift to 2D technology

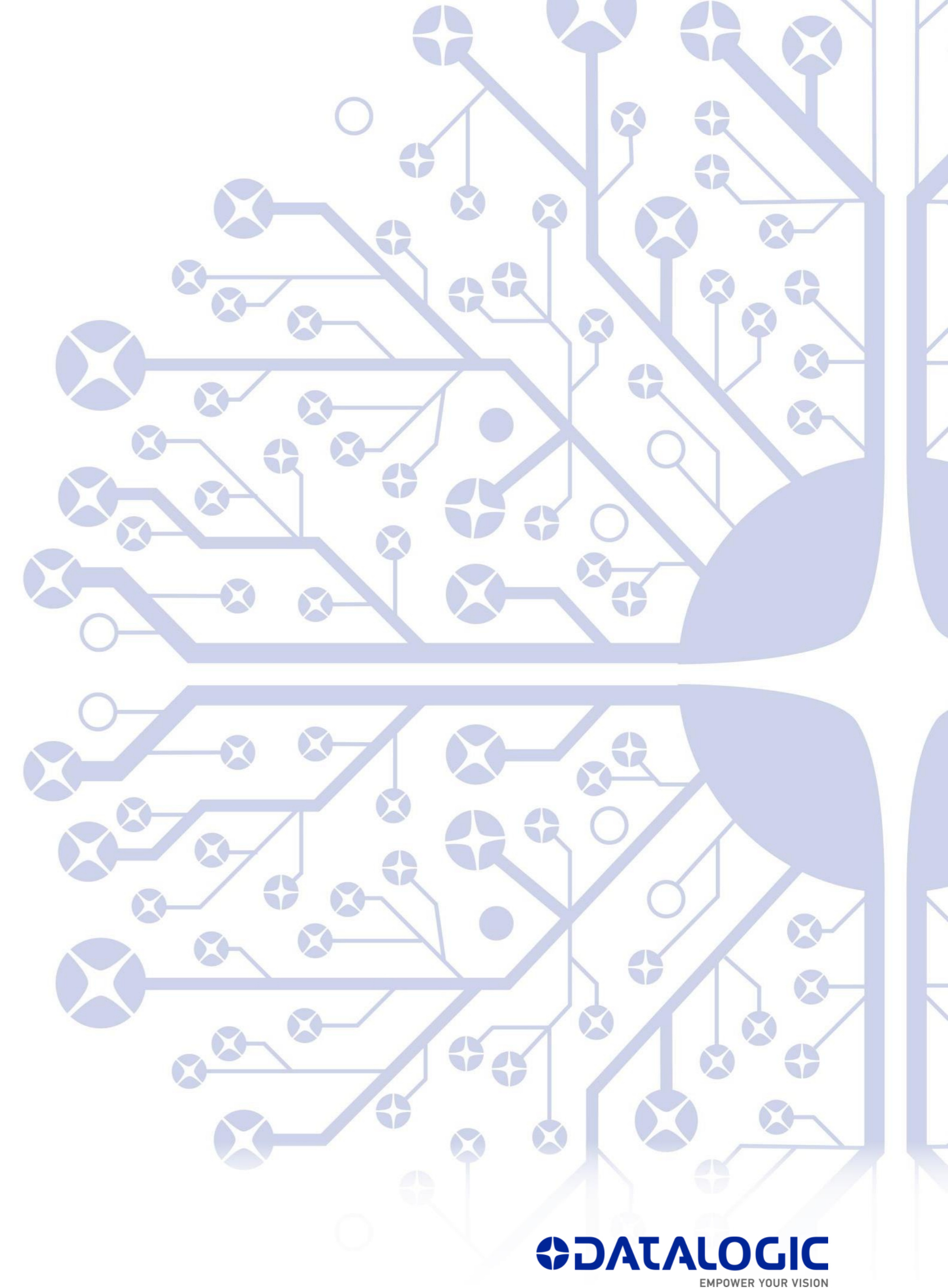
M&A

- Selected target to accelerate our growth particularly in the manufacturing sector

Technology

- Continuous improvement of core technology (bar code reading) e.g. optics, decoding
- Investing in complimentary technologies:
 - Vision / Machine learning
 - RFID
 - Digital watermarking
- Investing in Android

M.D. Acquisition



MD Group

DL Industrial Automation Market

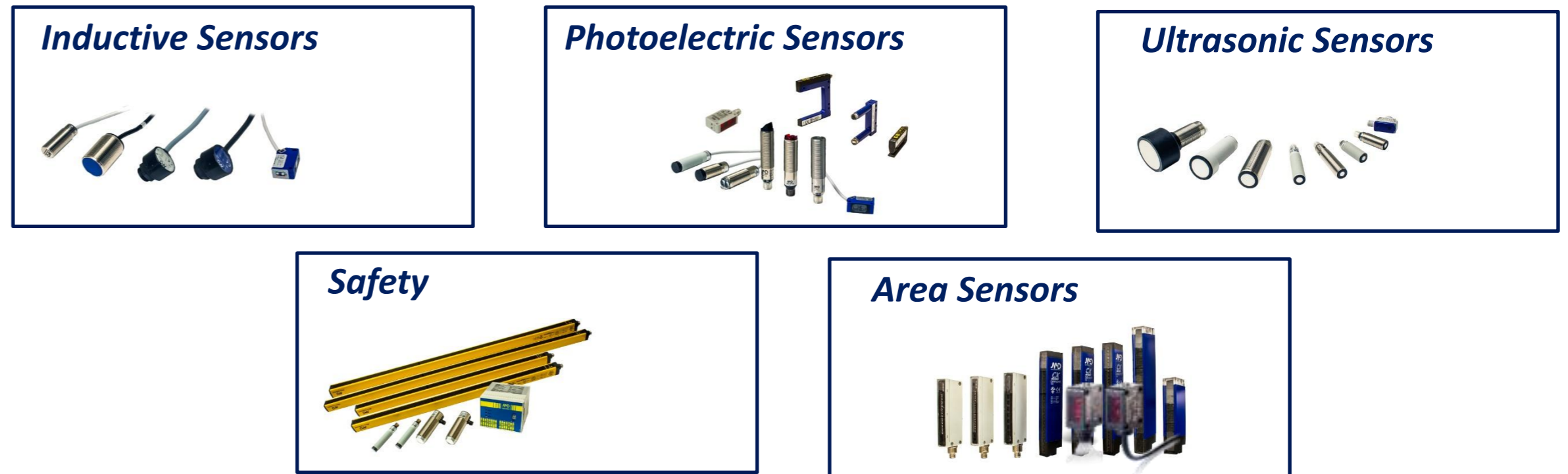
- Large market \$7.7bn
- Industry 4.0 driving solid growth prospect



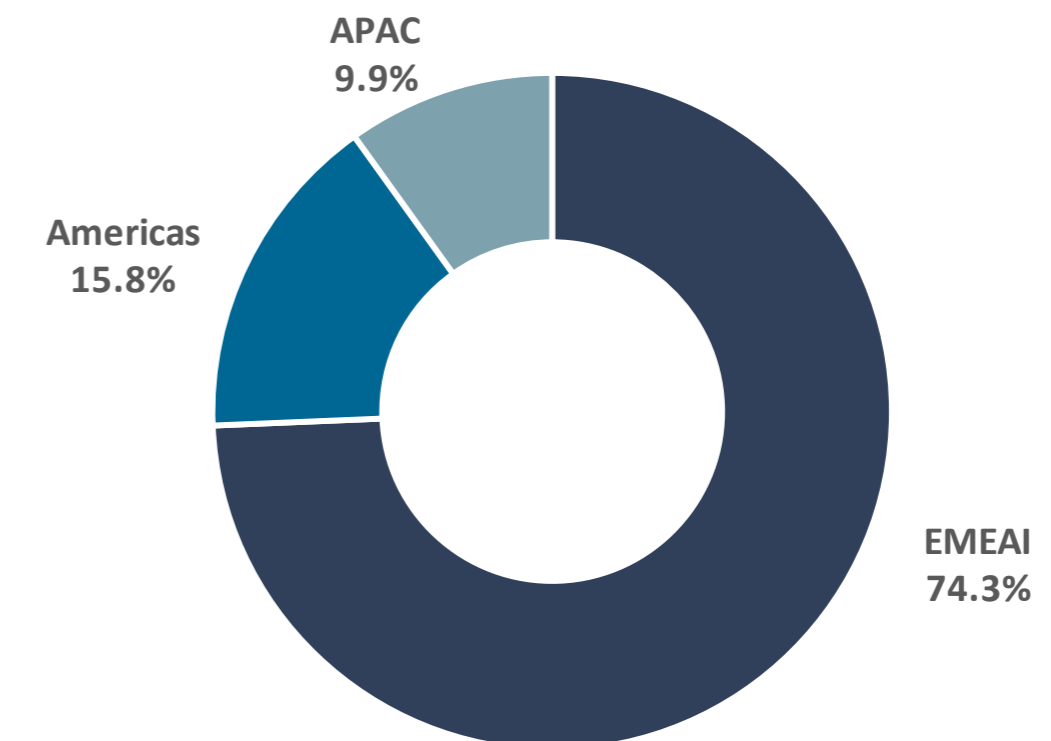
MD Acquisition

- Group Headquartered in Italy
- € 25M Revenue and €4m Ebitda in 2020
- Complementary Sensors offers for Industrial Automation applications and Synergetic distribution network

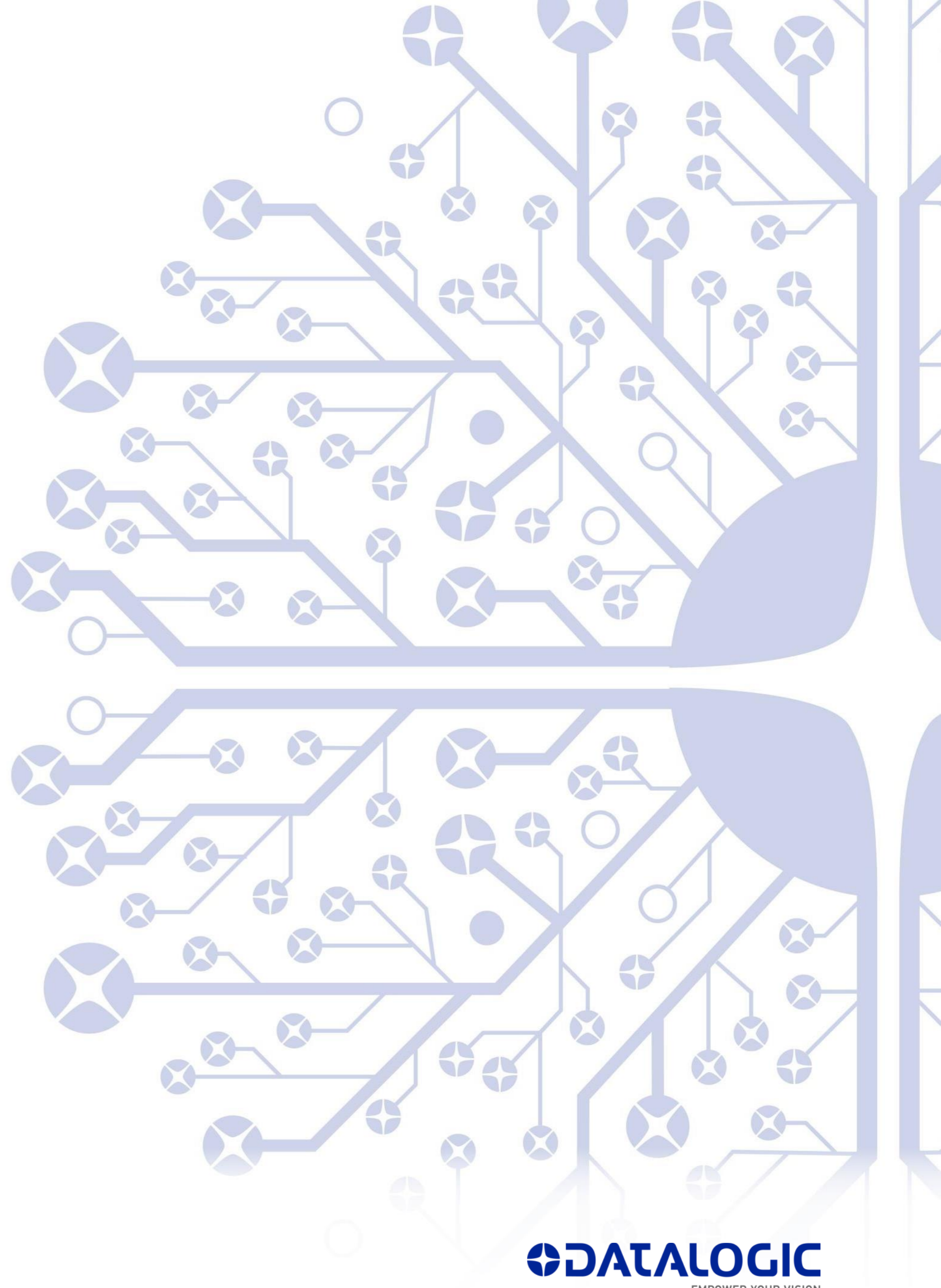
MD Products



MD Geographic Revenue Breakdown



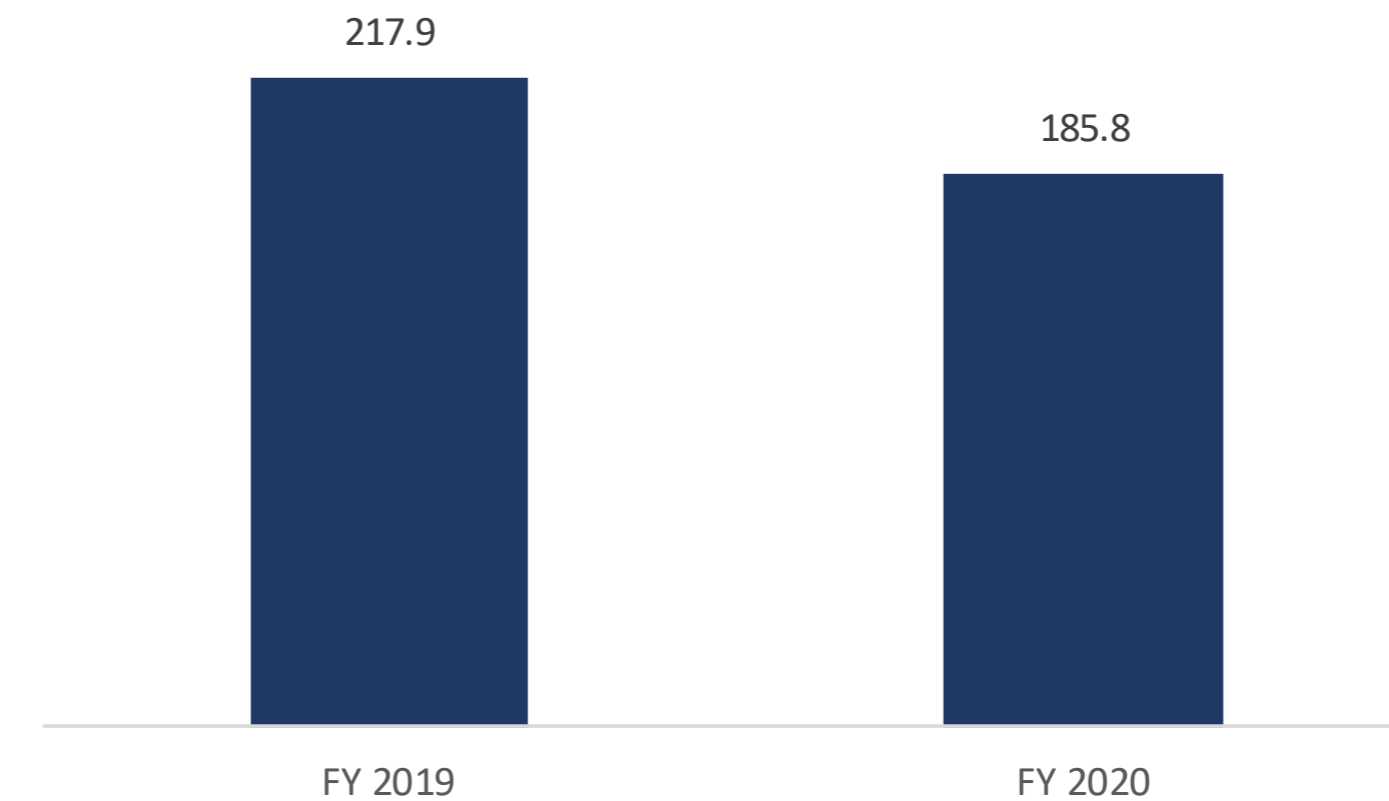
Financials & Outlook



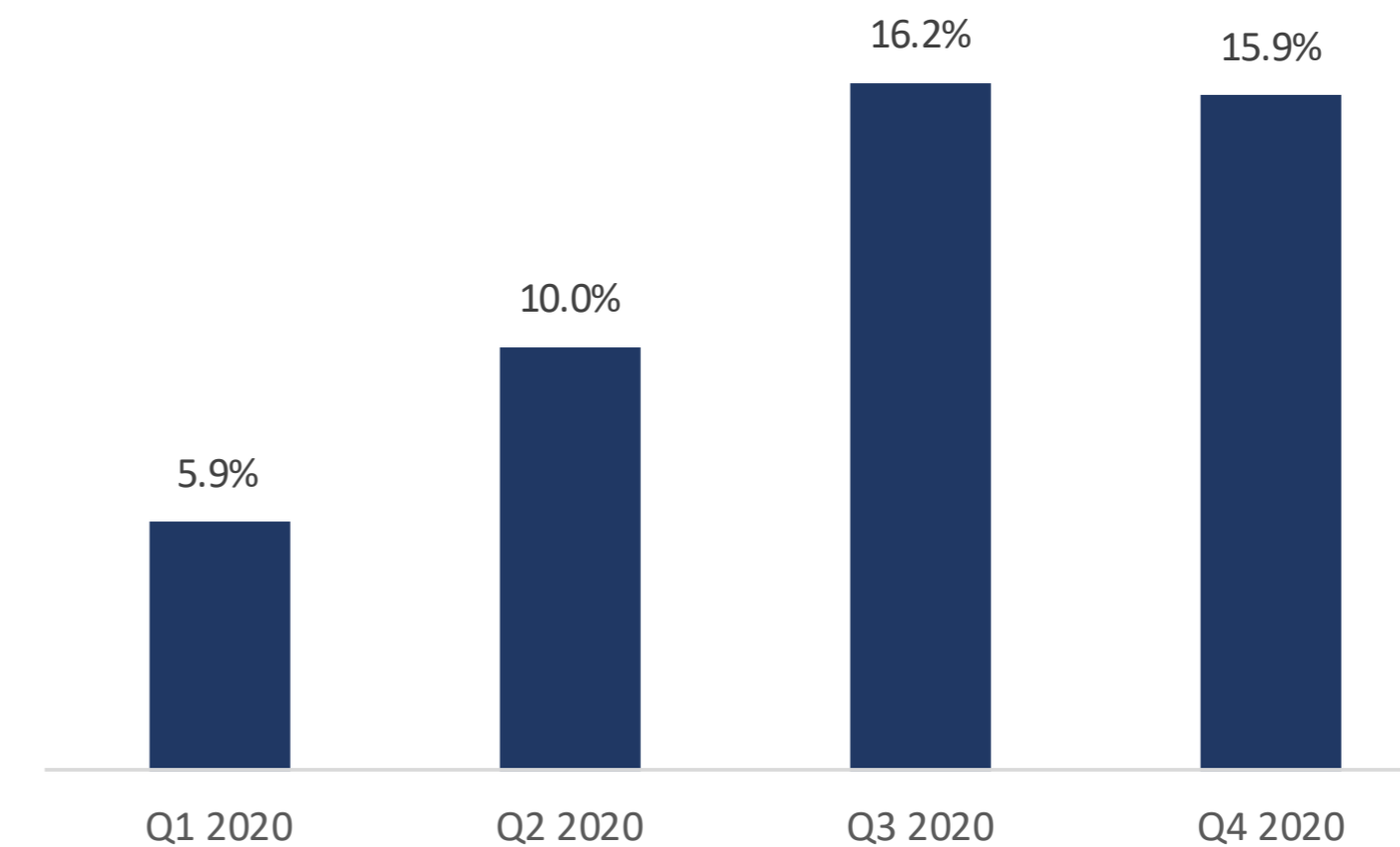
2020 Highlights: Strong Execution in the downturn

- ❑ Progressive Top line improvement during the Pandemic from -26.8% in Q2 to -5.4% in Q4. **EMEA** and **Americas** affected. **Solid Growth** in **APAC**
- ❑ **Strong execution** both on **tactical and operational efficiency** delivering Second-Half **Adj Ebitda margin** back to pre-pandemic level at **16.0%**
- ❑ Protected investment in Innovation with **R&D spending*** at ca. **13.1%** and **Vitality Index** at **20.0%**
- ❑ **Cash Generation** in Q4 delivering Net Financial Position **positive** at 8.2 M€
- ❑ **Sound signs of rebound** starting from **Q4** in all geographies coupled with **leaner cost base** preparing return to **profitable growth**
- ❑ Strengthened position in **Industrial Automation** with the acquisition of **MD Micro Detectors Group** in Q1 2021

Operating costs



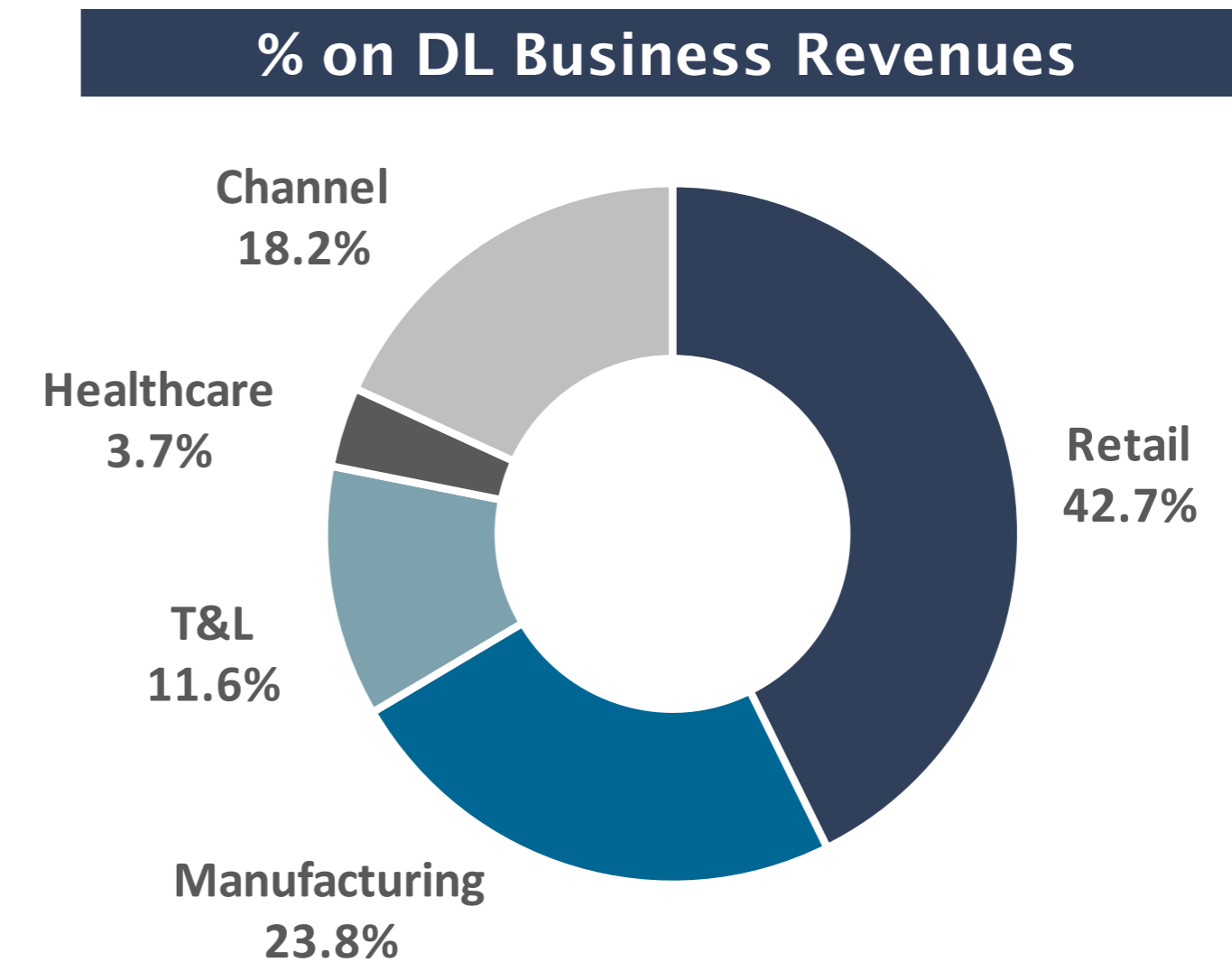
Ebitda Margin



* Including capitalized R&D expenses and excluding D&A

Group Revenues by Segment

€m	FY 2020	FY 2019 Restated*	Var % vs. FY 2019
Retail	198.3	231.1	(14.2%)
Manufacturing	110.7	117.7	(5.9%)
Transportation & Logistics	53.9	74.4	(27.6%)
Healthcare	17.2	17.7	(2.6%)
Channel	84.5	127.3	(33.6%)
Total DL Business	464.6	568.1	(18.2%)
Informatics	16.4	18.7	(12.3%)
Intra division	(1.2)	(1.1)	7.4%
Total Datalogic	479.8	585.8	(18.1%)

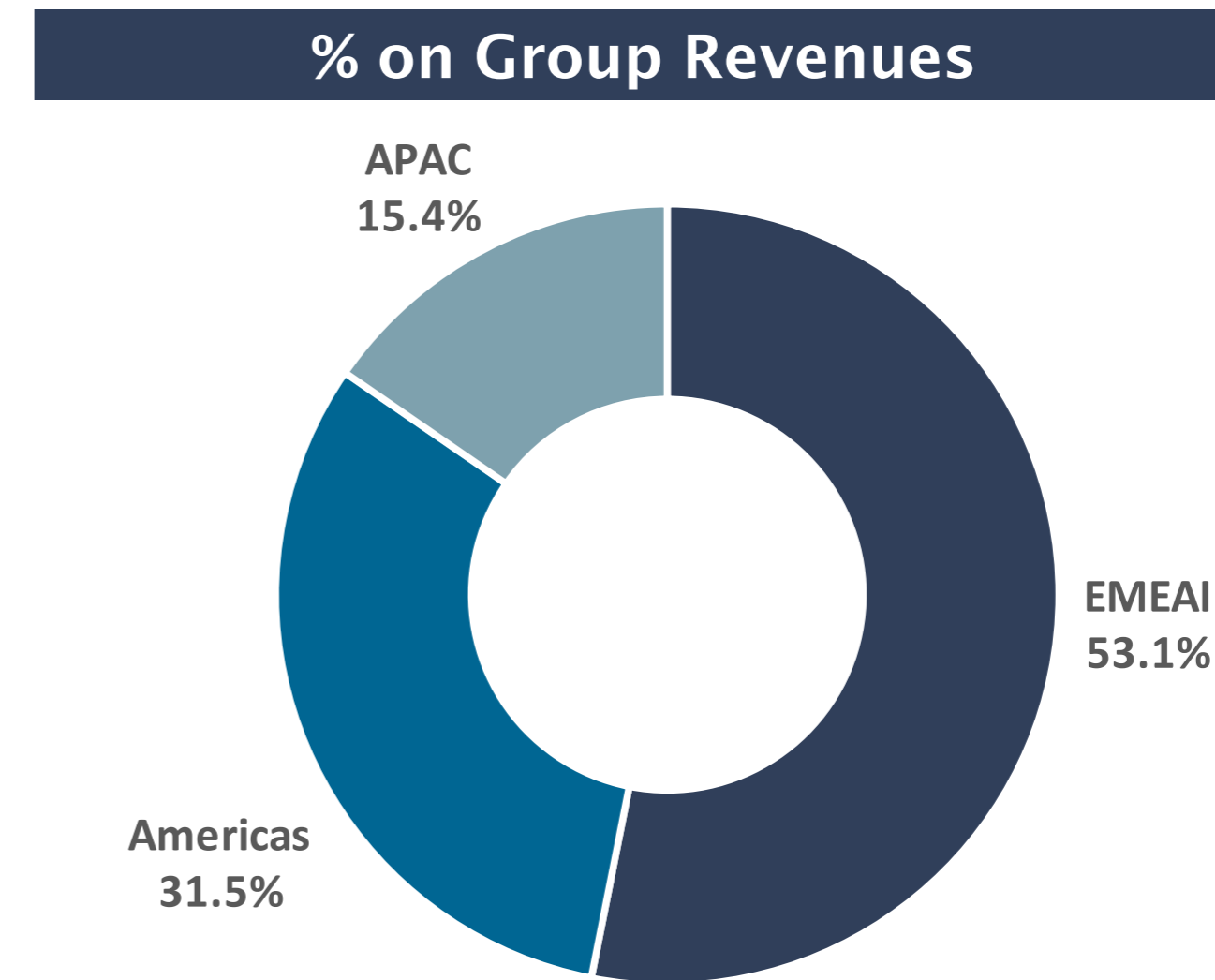


- ❑ **Retail:** Decline driven mainly by Americas and base effect from end of major FRS Roll-outs in 2019
- ❑ **Manufacturing:** 40.3% growth in APAC. EMEAI and Americas impacted by Covid particularly in Automotive
- ❑ **T&L:** Double digit growth in APAC . Tough comparison in Americas due to the conclusion of important multi-year contracts
- ❑ **Healthcare:** double digit growth in APAC, slight decrease in EMEAI and North America
- ❑ **Channel:** Distributors destocking and small/medium size business decline during the pandemic

* December 31, 2019 comparative data have been restated to reflect the new allocation of Group's revenues to geographic areas and business sectors, as redefined by the "New Sales Organization" model launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5.

Group Revenues by Geography

€m	FY 2020	FY 2019 Restated*	Var % vs. FY 2019
EMEI	254.8	307.1	(17.0%)
Americas	151.2	210.1	(28.0%)
APAC	73.8	68.5	7.7%
Total Datalogic	479.8	585.8	(18.1%)



- **EMEI:** performance affected by Covid-19 and phase-out of major Fixed Retail Scanners roll-outs. Signs of recovery in H2, with Q4 returning to growth driven by Italy achieving +12.4% vs Q4-2019 pre-Covid.
- **Americas:** Most affected market during the pandemic. Restriction to mobility severely affected the development of the customer base
- **APAC:** Double digit growth in the second part of the year driven mainly by China in T&L and Manufacturing.

* December 31, 2019 comparative data have been restated to reflect the new allocation of Group's revenues to geographic areas and business sectors, as redefined by the "New Sales Organization" model launched in 2020 and the classification of Solution Net Systems Inc. as discontinued operation according to IFRS 5.

FY 2020 P&L*

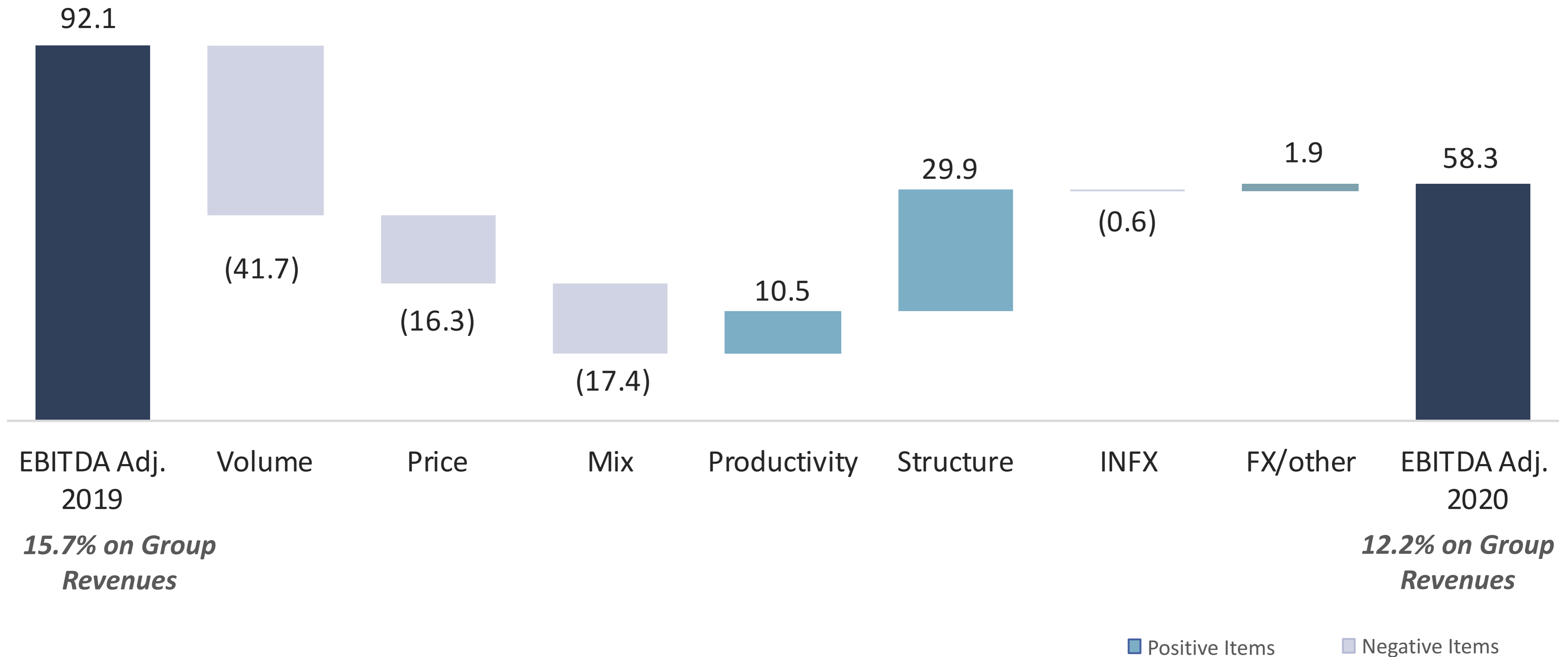
€ m	FY 2020	FY 2019 Restated	Variance Reported	Constant FX
Revenues	479.8	585.8	(18.1%)	(17.0%)
Gross Margin	219.9	288.1		
<i>% on Revenues</i>	45.8%	49.2%	-3.4 pp	
Operating expenses	(185.8)	(217.9)		
<i>% on Revenues</i>	(38.7%)	(37.2%)	-1.5 pp	
Adjusted EBITDA	58.3	92.1		
<i>% Adj. Ebitda margin</i>	12.2%	15.7%	-3.5 pp	
EBIT	18.4	62.7		
<i>% Ebit margin</i>	3.8%	10.7%	-6.9 pp	
Net Result	13.9	50.3		
<i>% on Revenues</i>	2.9%	8.6%	-5.7 pp	

- **Gross Margin at 45.8%**, decrease driven by lower volumes and price/mix effects
- **Operating expenses at €185.8m** down 14.7% executing cost reduction plans to protect margin:
 - ✓ Continue investing in **R&D** (10.8% on revenues vs 10.0% in 2019)
 - ✓ **S&D** cost decreased by 21.2% due to both tactical savings and efficiencies
- **Adj Ebitda at 12.2%** in 2020 on Revenue, reaching 15.9% in Q4 vs 14.5% in Q4-2019 pre-Covid
- **Net Result at €13.9m** consolidating recovery for three consecutive quarters

* December 31, 2019 economic data were restated following the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.

EBITDA Adj: actual vs last year*

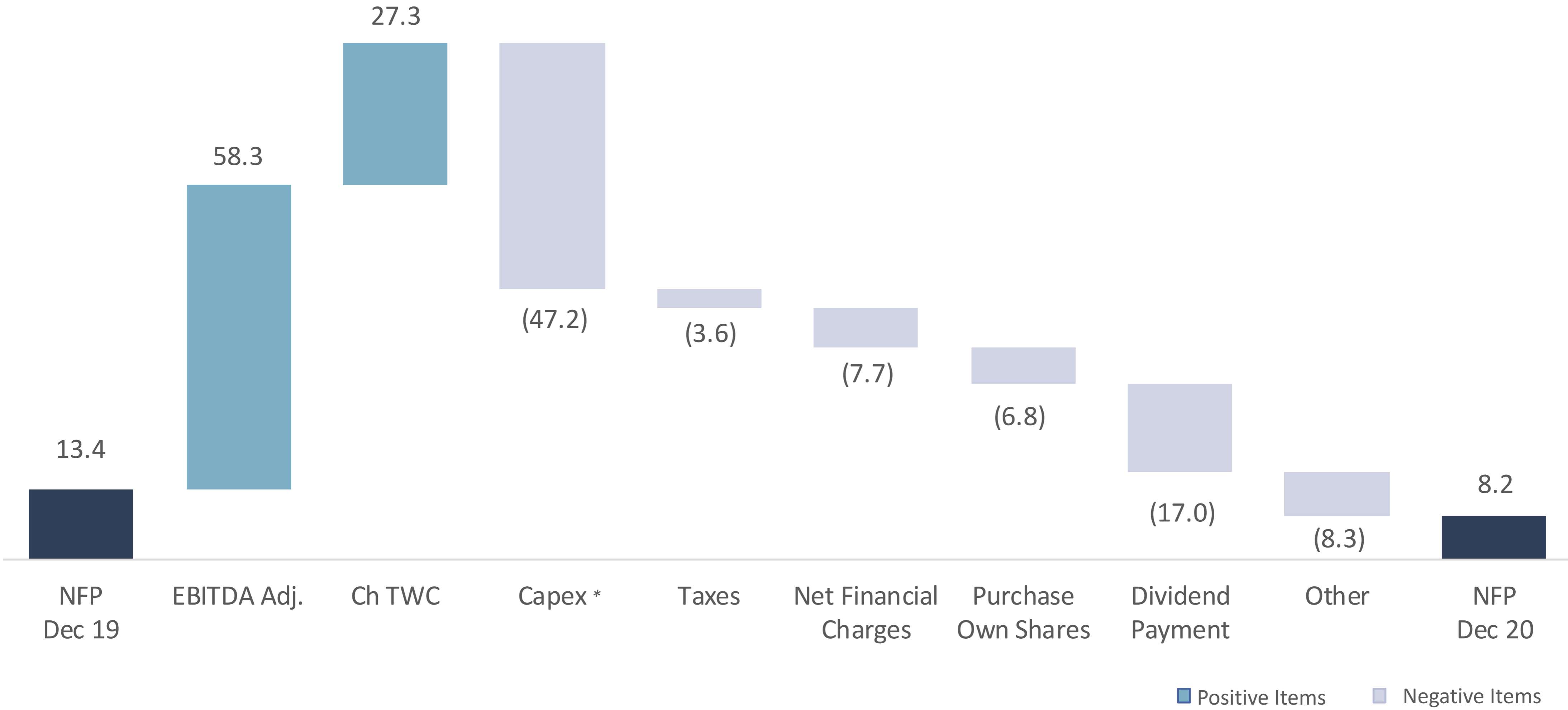
€ m



* December 31, 2019 economic data were restated following the classification of Solution Net Systems Inc. as discontinued operation as required by the accounting standard IFRS 5.

Net Debt & Cash Flow Analysis : Dec'19 – Dec'20

€ m



* Including IFRS 16 impact

2021 Outlook

- In this unprecedented context, the Group has promptly reacted to this fast-moving scenario implementing aggressive cost measures to protect business and profit
- Encouraging signs of end markets recovery in all geographical areas, corroborated by a significantly improved trend in order intake versus early 2020. Despite high levels of uncertainty continuing, under Covid emergency and shortage of some components in the short-term, Datalogic expects to see a gradual recovery in 2021 Revenues and an improvement in the profit margin levels with respect to 2020
- In this context, the Group's strategy confirms its focus on innovation and investment in strategic market segments while consolidating and repositioning its presence in the core markets

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NEXT EVENTS

April 29, 2021

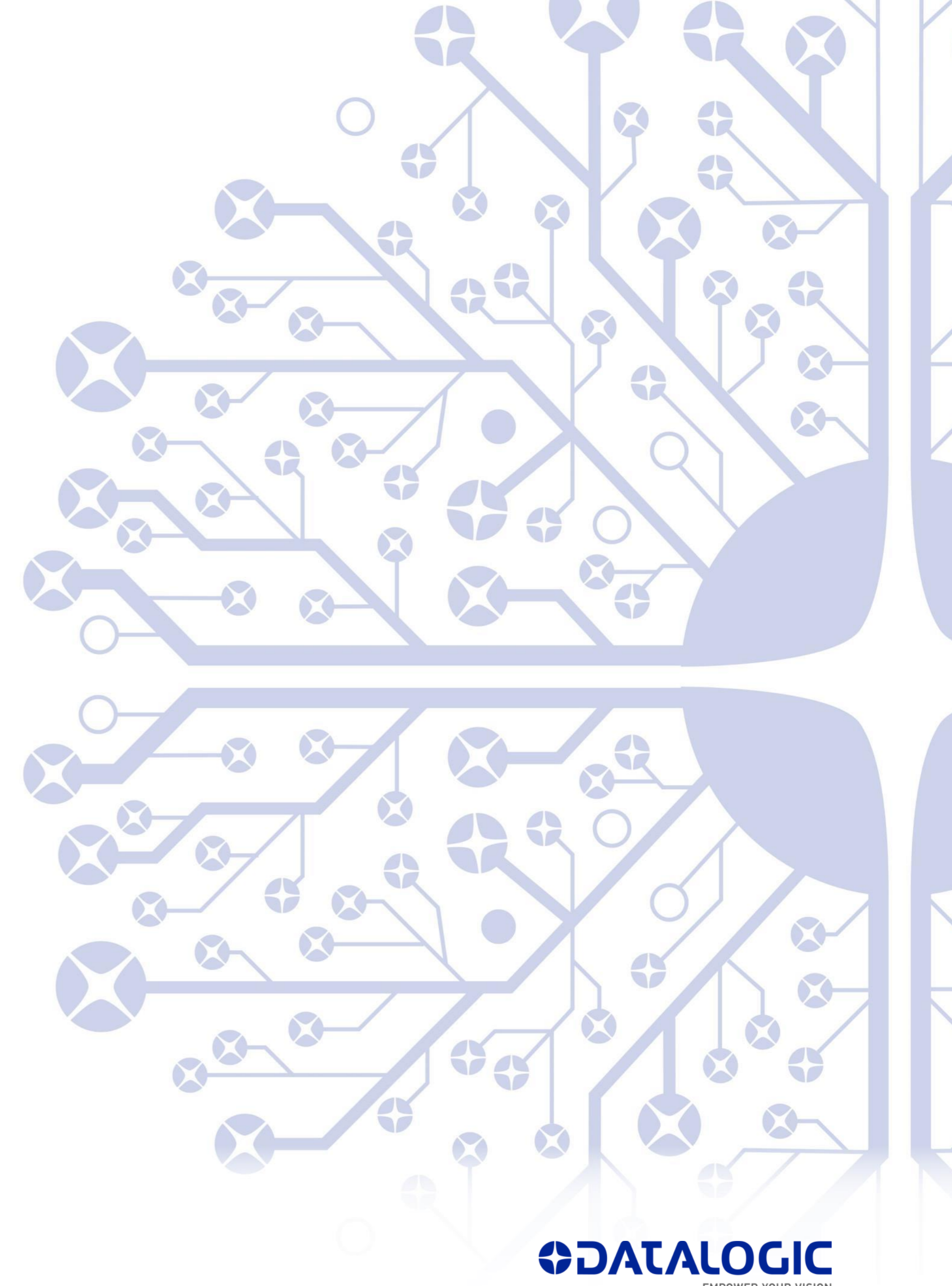
Shareholders' Meeting

May 13, 2021

Q1 2021 Results

DATALOGIC ON LINE

www.datalogic.com



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