



1H 2016 Conference Call

August 4th, 2016

Agenda

- 1H 2016
- Outlook

1H 2016

2Q 2016 Key Factors

FOCUS ON CLIENT

- Improved customer penetration in US Retail and Europe Factory Automation
 - **27.4% of revenues** comes from new products* (26.4% in 2015)
-

MARKET

- Reaffirmed leadership in Europe and strong growth 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**
 - Imaging Scan Engine Insourcing
-

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

Highlights 2Q 2016

Revenues

- +8.4% YoY to 146.5 mln Euro (+9.4% at constant exchange rate) mainly thanks to North America both in ADC and IA and to Europe in IA

EBITDA

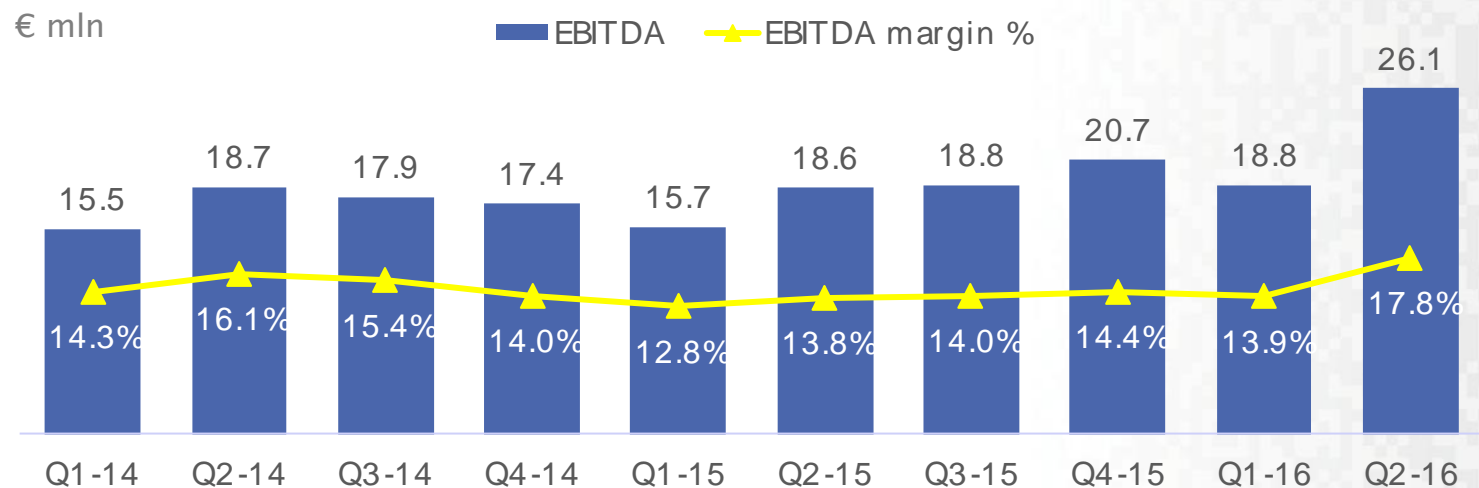
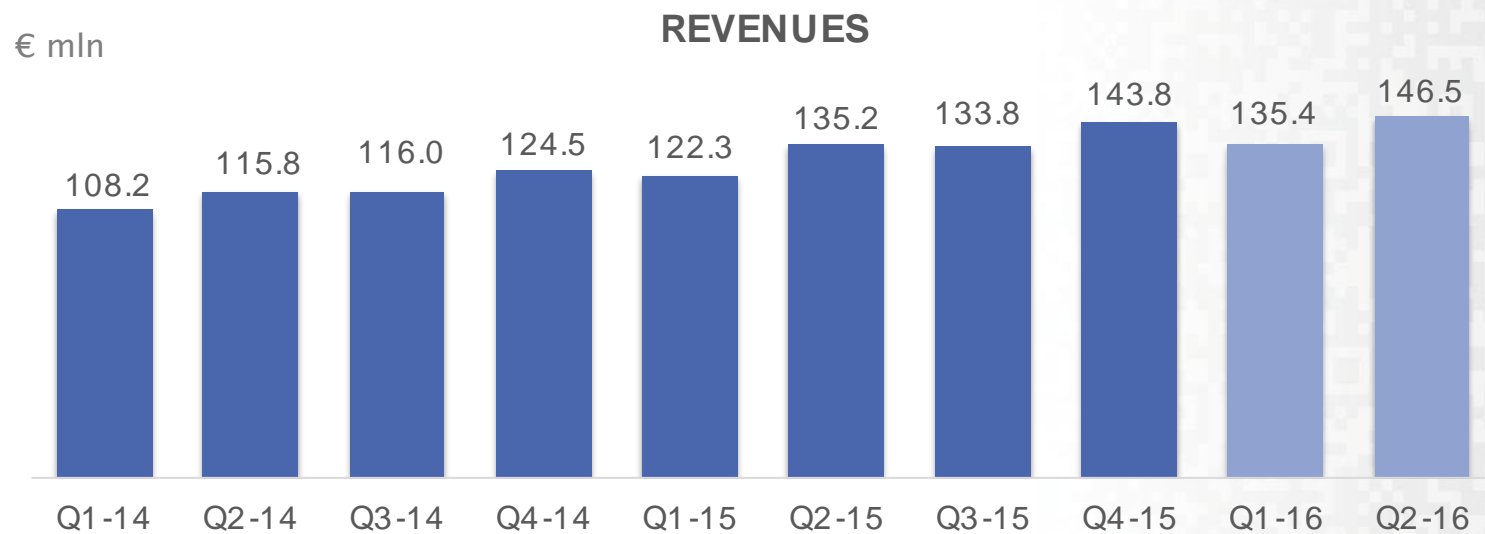
- +40.3% YoY to 26.1 mln Euro (+38.8% at constant exchange rate) thanks to operating cost reduction and to the shift of some R&D expenses (R&D costs +3.1% YoY, equal to 8.3% of revenues)
- EBITDA margin at 17.8% (17.5% at constant exchange rate)

Net Profit

- Positive trend of financial costs continues
- Net profit + 39.3% to 16.1 mln Euro

€ mln	2Q2016	2Q2015	YoY%	1Q2016	QoQ %
Revenues	146.5	135.2	8.4%	135.4	8.2%
Gross Operating Profit	68.9	63.6	8.4%	62.1	10.9%
EBITDA	26.1	18.6	40.3%	18.8	38.9%
<i>EBITDA Margin</i>	<i>17.8%</i>	<i>13.8%</i>		<i>13.9%</i>	
EBIT	21.1	13.9	51.8%	14.2	48.5%
Net Profit	16.1	11.6	39.3%	10.1	59.9%

2Q 2016: Best quarter over two years



2Q new products: DL-Axist

FULL TOUCH ANDROID RUGGED PDA

5 inch HD multi-touch screen with Corning® Gorilla® Glass 3



802.11 a/b/g/n with MIMO technology (first terminal adopting MIMO in the industry) and Cisco CCX v4 certified

IP67 rating and 1.8 m / 6.0 ft drop resistance



Bluetooth® wireless technology v4.0 with BLE for beacons



Enterprise Class Assisted GPS for location-based applications

NFC for configuration and pairing

3G/4G cellular for voice and data communication

Highlights 1H 2016

Revenues

- +9.5% YoY to 281.8 mln Euro (+9.5% net FX effect)
- Growth driven by ADC in North and Latin America thanks to robust investments by retailers and the launch of technologically advanced products
- Industrial Automation strongly grew in Europe and Greater China
- Strong improvement of the orders intake : +7.2% YoY to 288.2 mln Euro

EBITDA

- +31.0% YoY to 45.0 mln Euro (+31.1% net FX effect); EBITDA margin to 16.0% (16.0% net FX effect) from 13.3% in 1H2015
- Administrative costs down 5.8% as effect of recovery in efficiency thanks to Management actions:
 - Opening of the new Hungarian Plant
 - Centralization of Procurement

Net Profit

- Improvement of financial costs thanks to a cheaper financing contract and to the presence, in H12015, of up front fees connected to the early repayment of previous loans
- Tax rate at around 20%
- Robust growth of net income: + 22% to 26.2 mln Euro

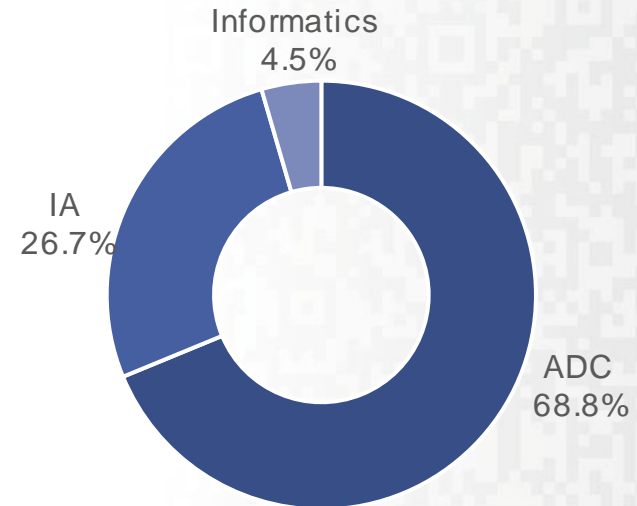
1 H 2016 Profit and Loss

€ 000	1H2016		1H2015		Var %
Revenues	281,842	100.0%	257,485	100.0%	9.5%
COGS	(150,822)	(53.5%)	(136,046)	(52.8%)	10.9%
Gross Operating Margin	131,020	46.5%	121,439	47.2%	7.9%
Other Revenues	2,038	0.7%	1,209	0.5%	68.6%
R&D	(24,317)	(8.6%)	(23,449)	(9.1%)	3.7%
Distribution Costs	(51,189)	(18.2%)	(50,132)	(19.5%)	2.1%
Administrative Expenses	(18,541)	(6.6%)	(19,691)	(7.6%)	(5.8%)
Other operating expenses	(891)	(0.3%)	(1,042)	(0.4%)	(14.5%)
Total Operating expenses and others	(94,938)	(33.7%)	(94,314)	(36.6%)	0.7%
Non recurring costs/ rev	(370)	(0.1%)	(750)	(0.3%)	(50.7%)
Amort. Intang. Assets from acquis.	(2,437)	(0.9%)	(2,899)	(1.1%)	(15.9%)
Operating Profit (EBIT)	35,313	12.5%	24,685	9.6%	43.1%
Financial (costs)/ rev.	(1,877)	(0.7%)	(3,162)	(1.2%)	(40.6%)
Results from equity investments	(402)	(0.1%)	97	0.0%	n.a.
Foreign exchange (costs)/ rev.	(283)	(0.1%)	3,390	1.3%	n.a.
EBT	32,751	11.6%	25,010	9.7%	31.0%
Taxes	(6,575)	(2.3%)	(3,559)	(1.4%)	84.7%
Net Income	26,176	9.3%	21,451	8.3%	22.0%
Depreciation	(4,357)	(1.5%)	(3,694)	(1.4%)	17.9%
Amortization	(2,480)	(0.9%)	(2,298)	(0.9%)	7.9%
EBITDA	44,957	16.0%	34,326	13.3%	31.0%
<i>Exchange Rate</i>	<i>1.1159</i>		<i>1.1158</i>		

Revenues Trend by Division

- ADC Division grew by 9.8% to 194.8 million Euro
- POS check out fixed scanners with the new imaging technology is driving growth in Retail
- The new DL-Axist, a Full Touch Android rugged PDA launched in May is pushing sales of mobile computers
- The Industrial Automation division improved by +13.7% to 75.7 million Euro
- Strong growth in volume of ID products sold in particular thanks to Matrix family and Safety Barriers
- BU Systems, that benefits from several new orders, among which Royal Mail, grew by 61.4%

REVENUES BY DIVISION (%)

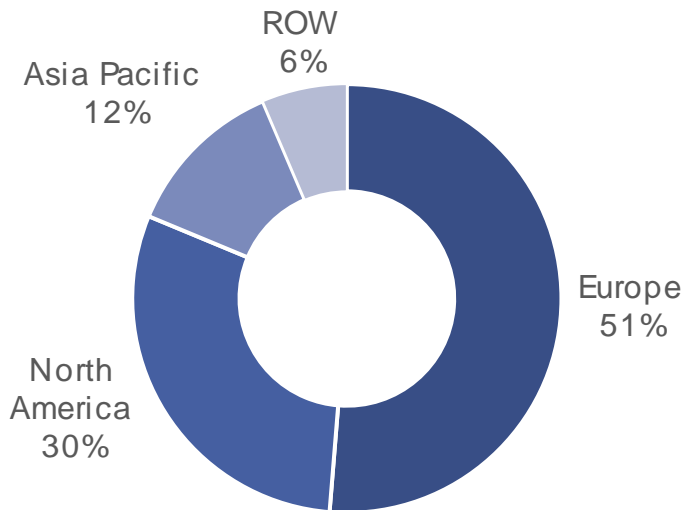


REVENUES BY DIVISION

€mIn	1H 2016	1H 2015	Var %
ADC	194.8	177.4	9.8%
IA	75.7	66.6	13.7%
- IA ex BU Systems	65.8	60.4	8.9%
Informatics	12.8	14.5	(11.8%)
Corporate and Adj.	(1.5)	(1.0)	50.0%
Total Revenues	281.8	257.5	9.4%

Revenues Trend by Country

REVENUES BY GEOGRAPHIC AREA			
€mln	1H 2016	1H 2015	Var %
Europe	144.5	133.0	8.7%
North America	84.5	73.6	14.8%
Asia Pacific	34.7	33.9	2.4%
ROW	18.1	16.9	6.7%
Total Revenues	281.8	257.5	9.5%



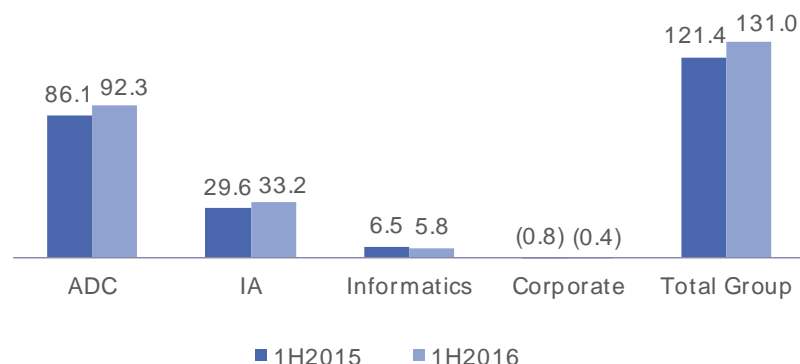
* IA excluding BU Systems

- **Europe** continues to generate robust growth in particular in IA* (+11.8%) and in ADC (+7.6%), confirming the leadership of the Group
- **North America:** strong growth of ADC (+22%) and slight improvement in IA* (+1.1%) thanks to growth in 2Q (+12.5%), reflecting the efforts made in distribution.
- **China** grew by 13.1% mainly driven by IA and a strong recover in Q2

FY Segment Reporting: GOP and EBITDA

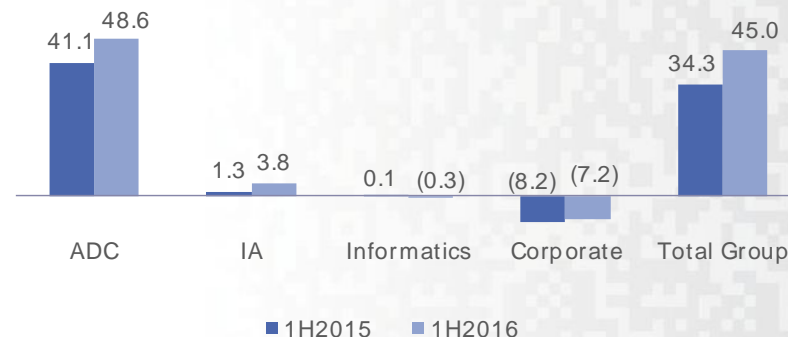
GOP BY DIVISION

€ mln



EBITDA* BY DIVISION

€ mln



€ mln

Gross Operating Margin	1H2016	1H2015
ADC	47.4%	48.6%
Industrial Automation	43.9%	44.5%
- IA ex BU Systems	48.7%	50.1%
Informatics	45.7%	44.8%
Total Group	46.5%	47.2%

€ mln

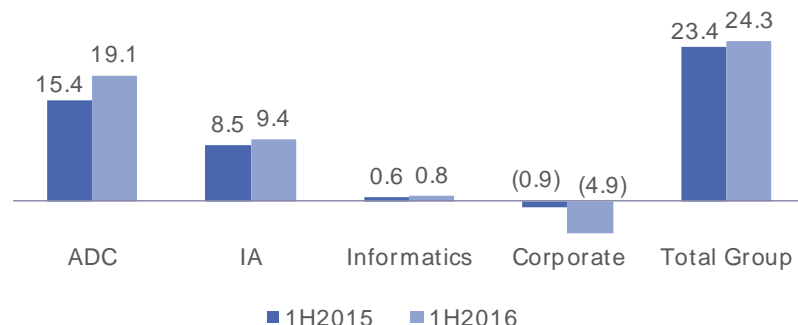
EBITDA Margin	1H2016	1H2015
ADC	24.9%	23.1%
Industrial Automation	5.1%	2.0%
- IA ex BU Systems	7.2%	7.4%
Informatics	(2.3%)	0.8%
Total Group	16.0%	13.3%

(* 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

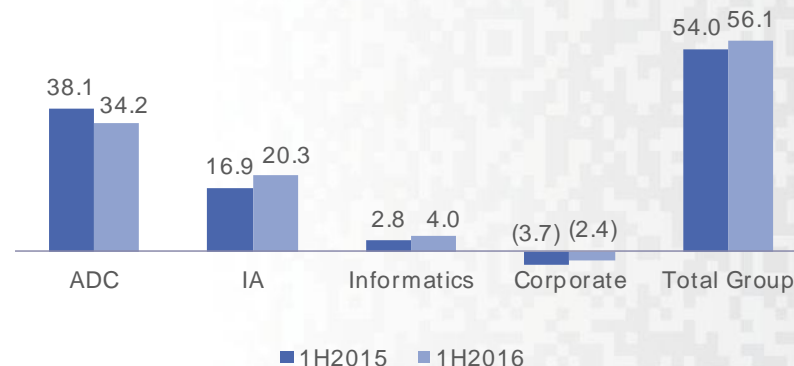
R&D BY DIVISION

€ mln



TWC BY DIVISION

€ mln



€ mln

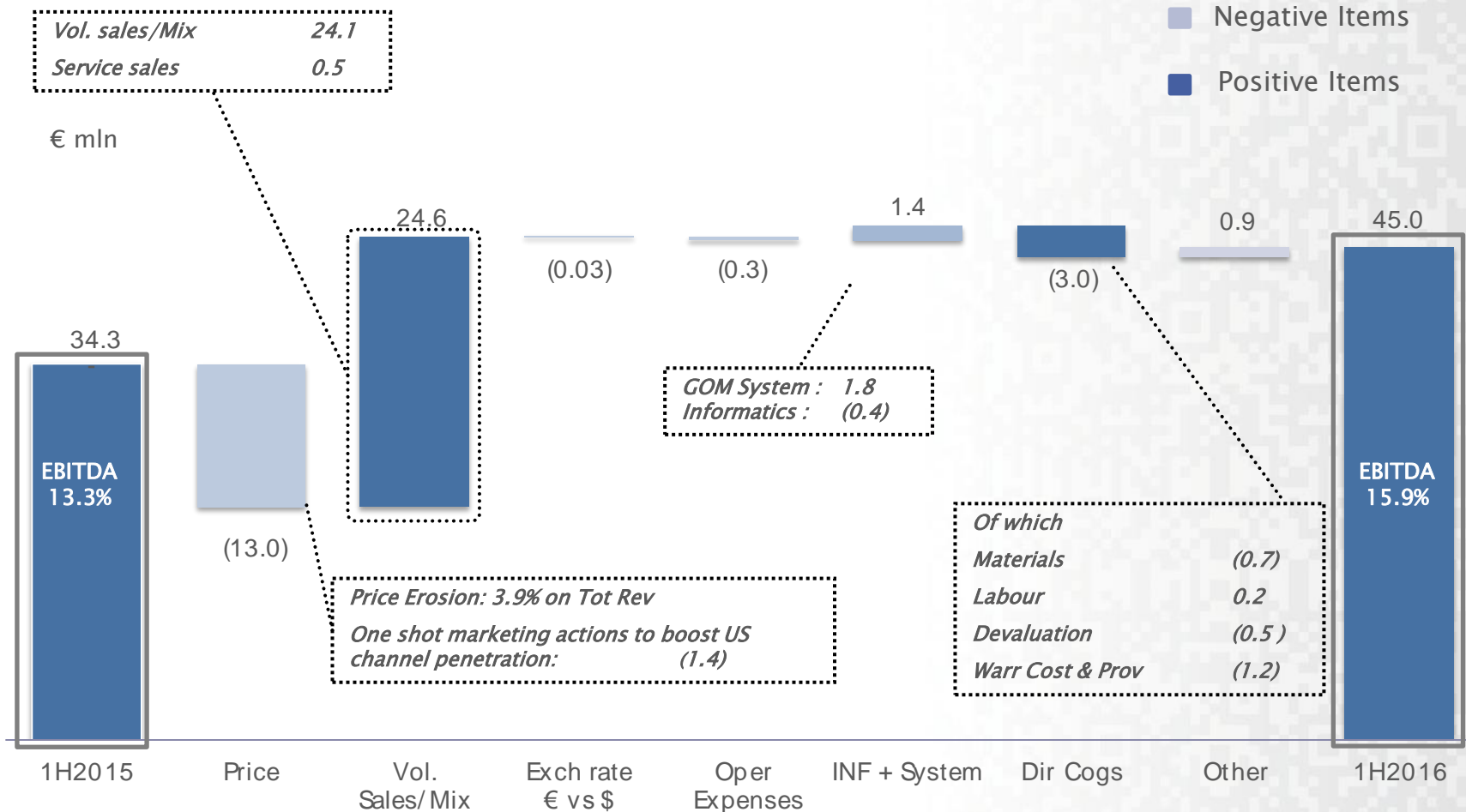
R&D/Revenues	1H2016	1H2015
ADC	9.8%	8.7%
Industrial Automation	12.4%	12.7%
Informatics	5.9%	3.9%
Total Group	8.6%	9.1%

€ mln

TWC/Revenues	1H2016	1H2015
ADC	8.8%	10.7%
Industrial Automation	13.4%	12.7%
Informatics	15.6%	9.6%
Total Group	9.9%	10.5%

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

EBITDA*: Actual vs Last Year

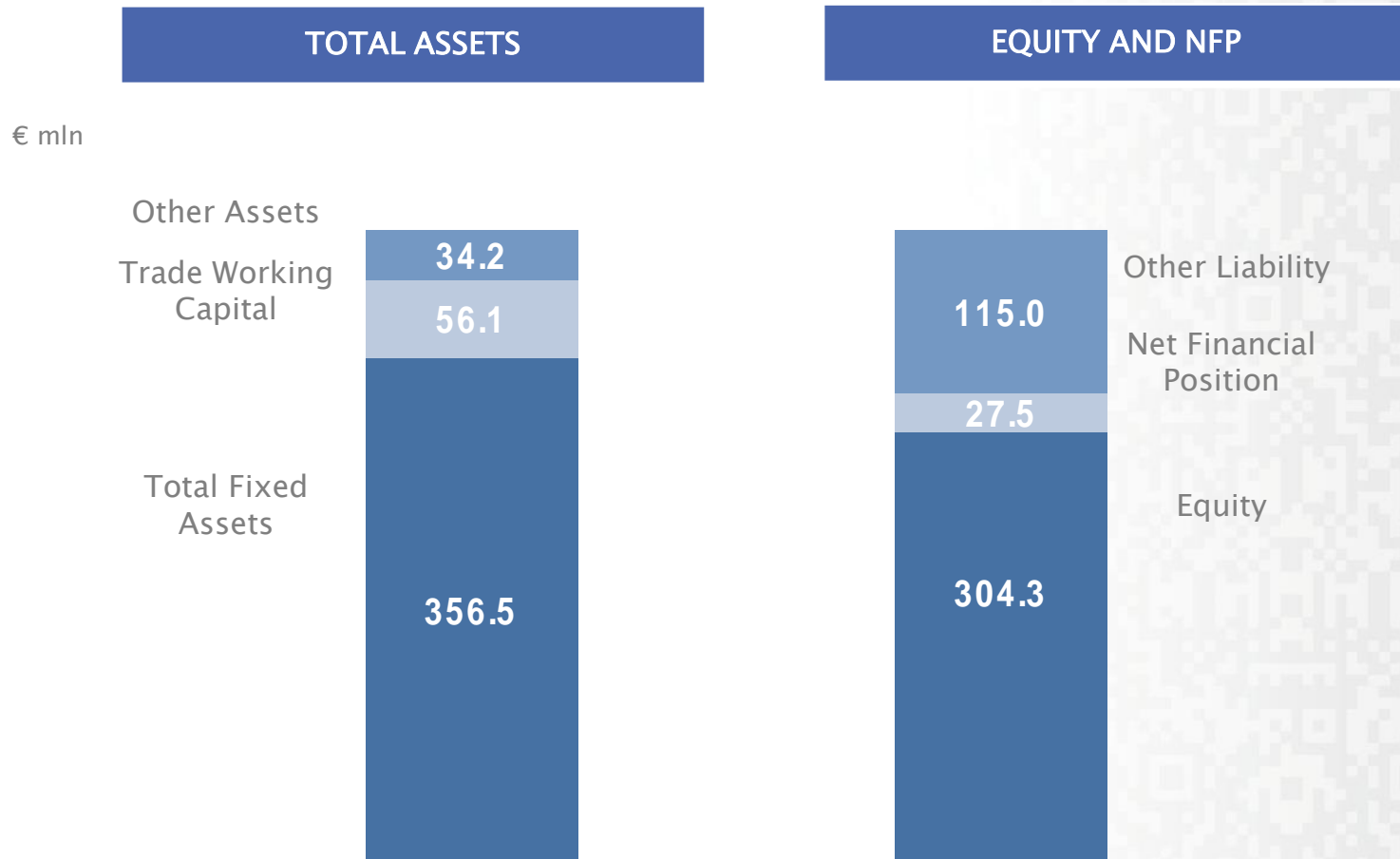


(*) Ordinary Operating Profit before non recurring costs/revenues and depreciation & amortization (EBITDA)

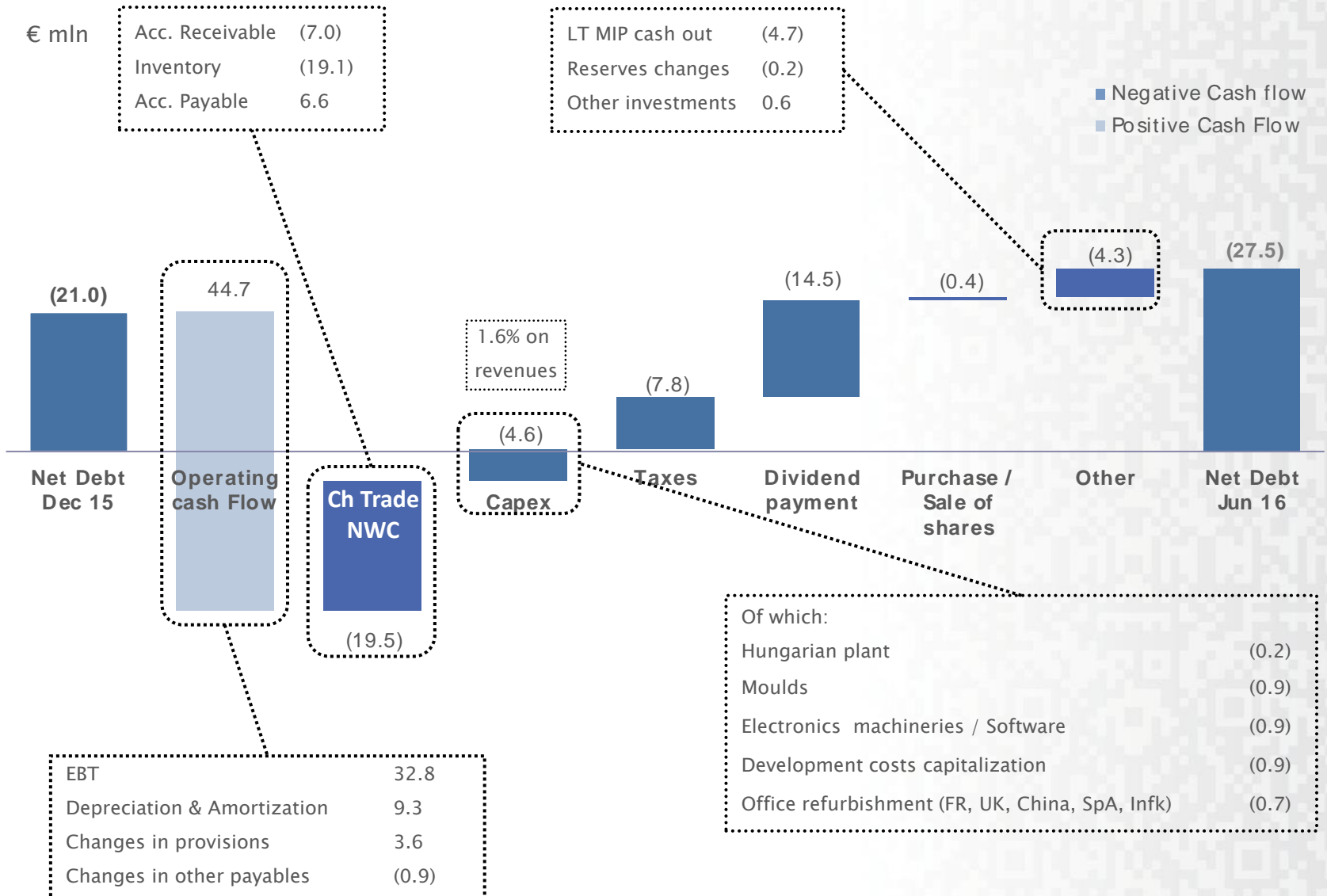
Note:

The Exchange rate variance is the result of the difference between June '16 YTD Actual (1.1159) and June '15 YTD Actual (1.1158) €/USD exchange rates.

Consolidated Balance Sheet at 30.06.2016



Net Debt Analysis: Dec '15 – June '16



Outlook

2016 Outlook

- Maintain the positive trend in Europe and double digit growth in North America and China.
- Improvement of Operations Efficiency reducing weight of COGS thanks to reduction of material costs and insourcing of core components
- R&D investment up to 9.0% of revenues to keep the innovation leadership in the market
- Continuous optimization of Operating Expenses and reduction of G&A, thus indirect procurement costs management
- Maintain Strong performance on Cash

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NEXT EVENTS

October 7th, 2016
STAR Conference - London

November 11th, 2016
9M results

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