

 **DATALOGIC**  
THE VISION IS YOURS

# 1H 2015 Conference Call

July 30<sup>th</sup>, 2015

# Agenda

- 1H 2015
- Outlook



# 1H 2015

# Highlights 2Q 2015

- Revenues up 16.7% to 135.2 mln Euro (+6.1% at constant exchange rate) thanks to growth in European and Asia Pacific markets
- New products\* accounted for 26.4% of quarterly revenues
- EBITDA margin at 13.8% impacted by Forex effect
- Strong reduction of financial costs due to Q1 refinancing
- Recover at net profit level: net profit up 39.4% to 11.6 mln Euro

€000	2Q2015	2Q2014	YoY%	1Q2015	QoQ %
Revenues	135,169	115,782	16.7%	122,316	10.5%
Gross Operating Profit	62,687	56,458	11.0%	57,099	9.8%
EBITDA	18,636	18,688	(0.3%)	15,690	18.8%
EBIT	13,900	12,165	14.3%	10,785	28.9%
Net Profit	11,558	8,293	39.4%	9,893	16.8%

\* New products are products launched in the last 24 months

# 2Q 2015 New Products: ADC



## Magellan 9400i and Magellan 9300i scanners

Equipped with digital imager technology in all planes, read both 1D and 2D bar codes.

Available with a dedicated Customer Service Scanner (CSS) for reading cell phones, coupons and loyalty cards.



## QuickScan QBT2131 and QM2131 Linear Imagers

Entry level wireless scanners for linear bar code scanning applications with QuickScan product family look.

The QuickScan QBT2131 reader employs Bluetooth® Wireless Technology.

# 2Q 2015 New Products:IA



## Identification: XRF410N

The XRF410N, named for its eXtended Reading Field, is a solution based on the new Matrix 410N platform for material handling and sortation in the logistics industry.



## Machine Vision: MX-U Series

New line of Vision Processors powered by IMPACT Software, available in three different models.

It features the state of the art USB 3.0 connectivity.



## Identification: Matrix 210N

Ultra-compact 2D imager

- 60 frames per second @ WVGA resolution
- Electronic focus control
- Embedded multi-source illuminator for optimized DPM reading
- Embedded Ethernet, EtherNet/IP, industrial PROFINET

## Identification: DS8110 and DX8210

DS8110 is the new laser bar code reader offering top class reading performance at any operative conditions.

DX8210 offers an ALL-IN-ONE solution for omnidirectional reading stations.



# Highlights 1H 2015

- Revenues growth driven by ADC in Europe, North America and fast growing markets thanks to robust investments by retailers and the launch of technologically advanced products
- Signs of recovery of Industrial Automation in Europe and APAC while North America still affected by the BU Systems
- Order from Royal Mail to implement a new Parcel Sorting System in UK. The total value of the deal is around 29 mln Euro.
- Investment in R&D continues to be crucial for the development of the Group
- EBITDA margin affected by forex
- Strong improvement of financial costs thanks to a cheaper financing contract
- Robust growth of net income



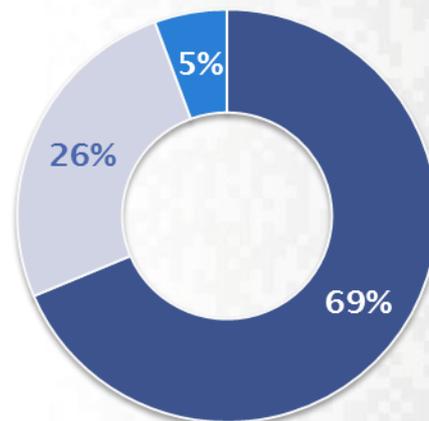
# 1H 2015 Profit and Loss

000€	1H2015		1H2014		Var %
Revenues	257,485	100.0%	224,028	100.0%	14.9%
COGS	(137,699)	(53.5%)	(114,950)	(51.3%)	
<b>Gross Operating Margin</b>	<b>119,786</b>	<b>46.5%</b>	<b>109,078</b>	<b>48.7%</b>	<b>9.8%</b>
Other revenues	1,209	0.5%	760	0.3%	
R&D	(23,449)	(9.1%)	(19,848)	(8.9%)	
Distribution Costs	(48,479)	(18.8%)	(40,350)	(18.0%)	
Administrative expenses	(19,691)	(7.6%)	(19,961)	(8.9%)	
Other operating expenses	(1,042)	(0.4%)	(1,058)	(0.5%)	
<b>Total operating expenses and others</b>	<b>(92,661)</b>	<b>(36.0%)</b>	<b>(81,217)</b>	<b>(36.3%)</b>	<b>14.1%</b>
Non recurring costs/rev	(750)	(0.3%)	(2,392)	(1.1%)	
Amort. Intang. Assets from acquis.	(2,899)	(1.1%)	(2,775)	(1.2%)	
<b>Operating Profit (EBIT)</b>	<b>24,685</b>	<b>9.6%</b>	<b>23,454</b>	<b>10.5%</b>	<b>5.2%</b>
Financial (costs)/rev.	(3,162)	(1.2%)	(4,835)	(2.2%)	
Results from equity investments	97	0.0%	(58)	0.0%	
Foreign exchange (costs)/rev.	3,390	1.3%	203	0.1%	
<b>EBT</b>	<b>25,010</b>	<b>9.7%</b>	<b>18,764</b>	<b>8.4%</b>	<b>33.3%</b>
Taxes	(3,559)	(1.4%)	(3,520)	(1.6%)	
<b>Net Income</b>	<b>21,451</b>	<b>8.3%</b>	<b>15,244</b>	<b>6.8%</b>	<b>40.7%</b>
Depreciation	(3,694)	(1.4%)	(3,471)	(1.5%)	
Amortization	(2,298)	(0.9%)	(2,061)	(0.9%)	
<b>EBITDA</b>	<b>34,326</b>	<b>13.3%</b>	<b>34,153</b>	<b>15.2%</b>	<b>0.5%</b>
<i>Exchange rate</i>	<i>1.1158</i>		<i>1.3703</i>		

# Revenues Trend by Division

- ADC Division continues to be the driver of the growth in all the reference markets (+19.0%, +8.8% at constant exchange rate).
- Strong contribution of the new products launched like Falcon X3+ mobile and PowerScan 9500 mobile
- The Industrial Automation division up +6.2% (-0.9% at constant exchange rates) but net of the result of the Systems Business Unit, **the division's revenue increased by 11.0%** (+4.6% at constant exchange rates)
- Improved trend of sales of new products based on imaging technology for the logistics and factory automation sectors

REVENUES BY DIVISION (%)



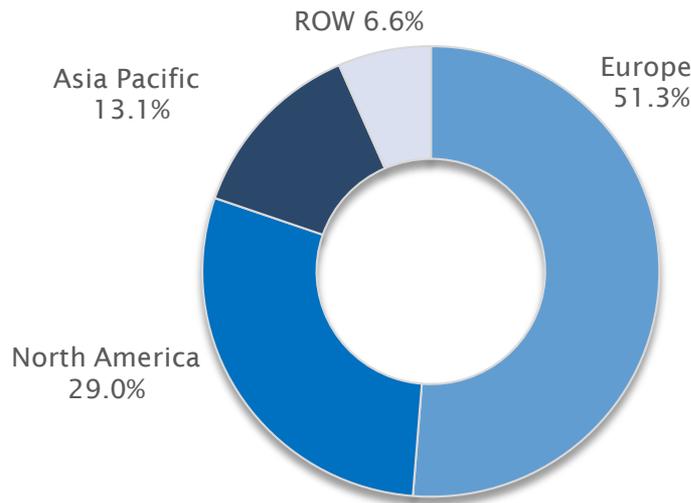
■ ADC ■ IA ■ Informatics

REVENUES BY DIVISION

€mln	1H2015	1H2014	Var %
ADC	177.4	149.1	19.0%
IA	66.6	62.7	6.2%
- IA excluding BU Systems	60.4	54.4	11.0%
Informatics	14.5	13.1	10.7%
Corporate and Adjustments	(1.0)	(0.8)	n.m.
<b>Total revenues</b>	<b>257.5</b>	<b>224.0</b>	<b>14.9%</b>

# Revenues Trend by Country

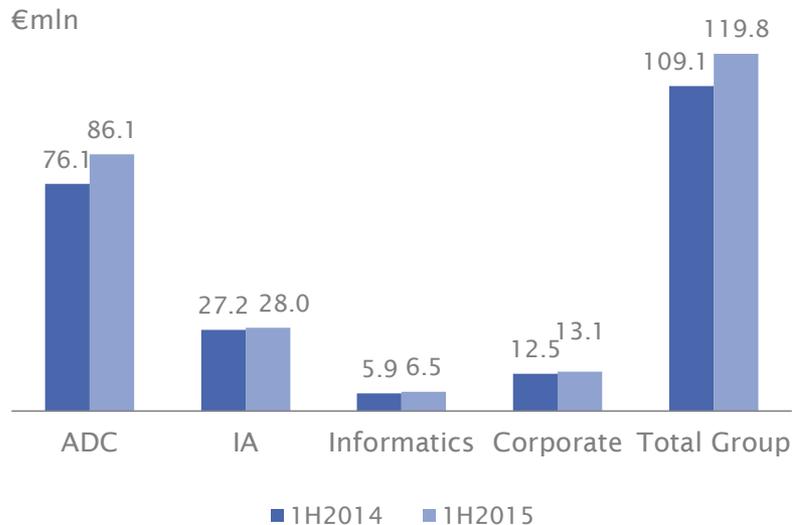
REVENUES BY GEOGRAPHIC AREA			
€000	1H2015	1H2014	Var %
Europe	131,976	117,680	12.1%
North America	74,750	64,605	15.7%
Asia Pacific	33,828	26,001	30.1%
ROW	16,931	15,742	7.6%
<b>Total Revenues</b>	<b>257,485</b>	<b>224,028</b>	<b>14.9%</b>



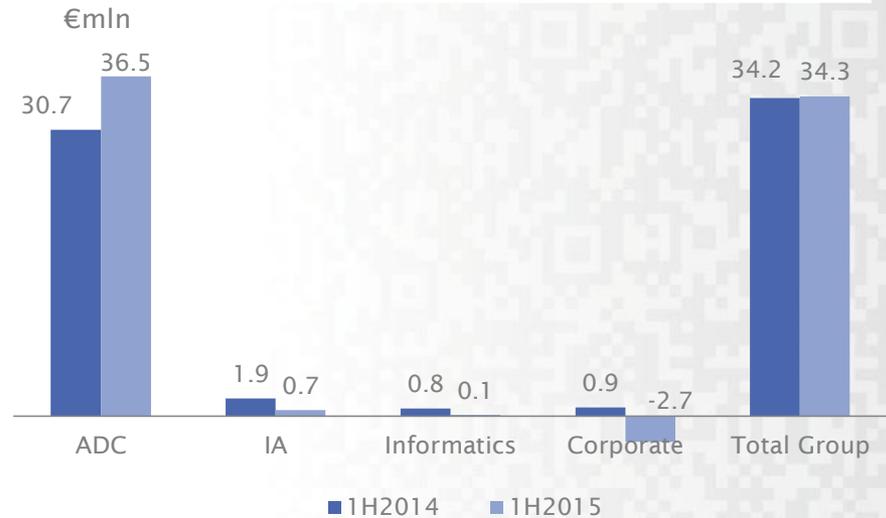
- **Europe** continues to be the driver with a double digit growth both in in ADC and IA
- **North America:** good recovery of ADC driven by **Retail with large orders in HHS e FRS (+8% at constant exchange rate)** while IA still suffering mainly due to cyclical trend of Postal segment
- Positive booking in North America at 86.1 mln Euro
- Expansion in Asia Pacific continues with the launch of dedicated products
- Focus on Greater China up 50.5% (33.2% at constant exchange rate), with ADC sales almost doubled
- ROW driven by South Africa and Arab Emirates

# 1 H Segment Reporting: GOP and EBITDA

## GOP BY DIVISION



## EBITDA BY DIVISION

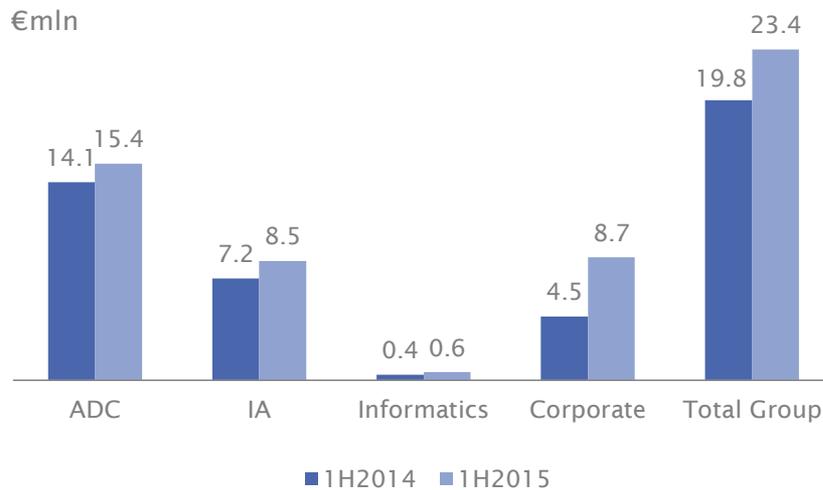


Gross Operating Margin	1H2015	1H2014
ADC	48.6%	51.0%
Industrial Automation	42.0%	43.4%
Informatics	44.8%	45.1%
Total Group	46.5%	48.7%

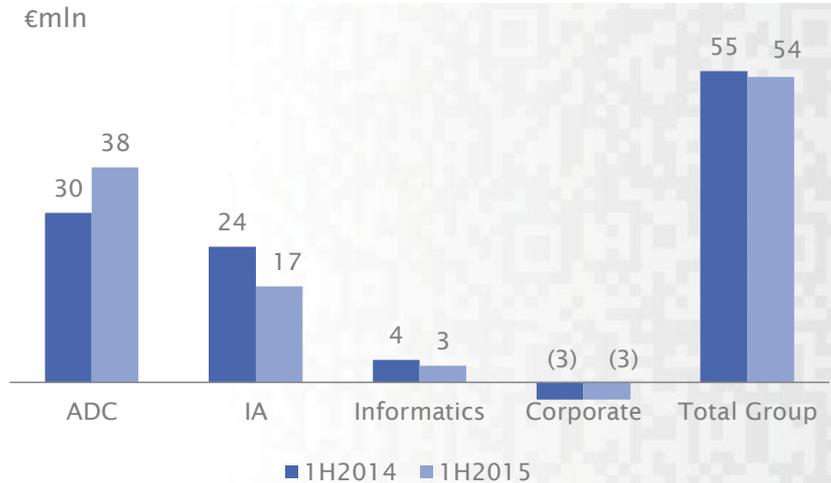
EBITDA Margin	1H2015	1H2014
ADC	20.5%	20.6%
Industrial Automation	1.0%	3.0%
Informatics	0.8%	6.2%
Total Group	13.3%	15.2%

# 1 H Segment Reporting: R&D and TWC

## R&D BY DIVISION



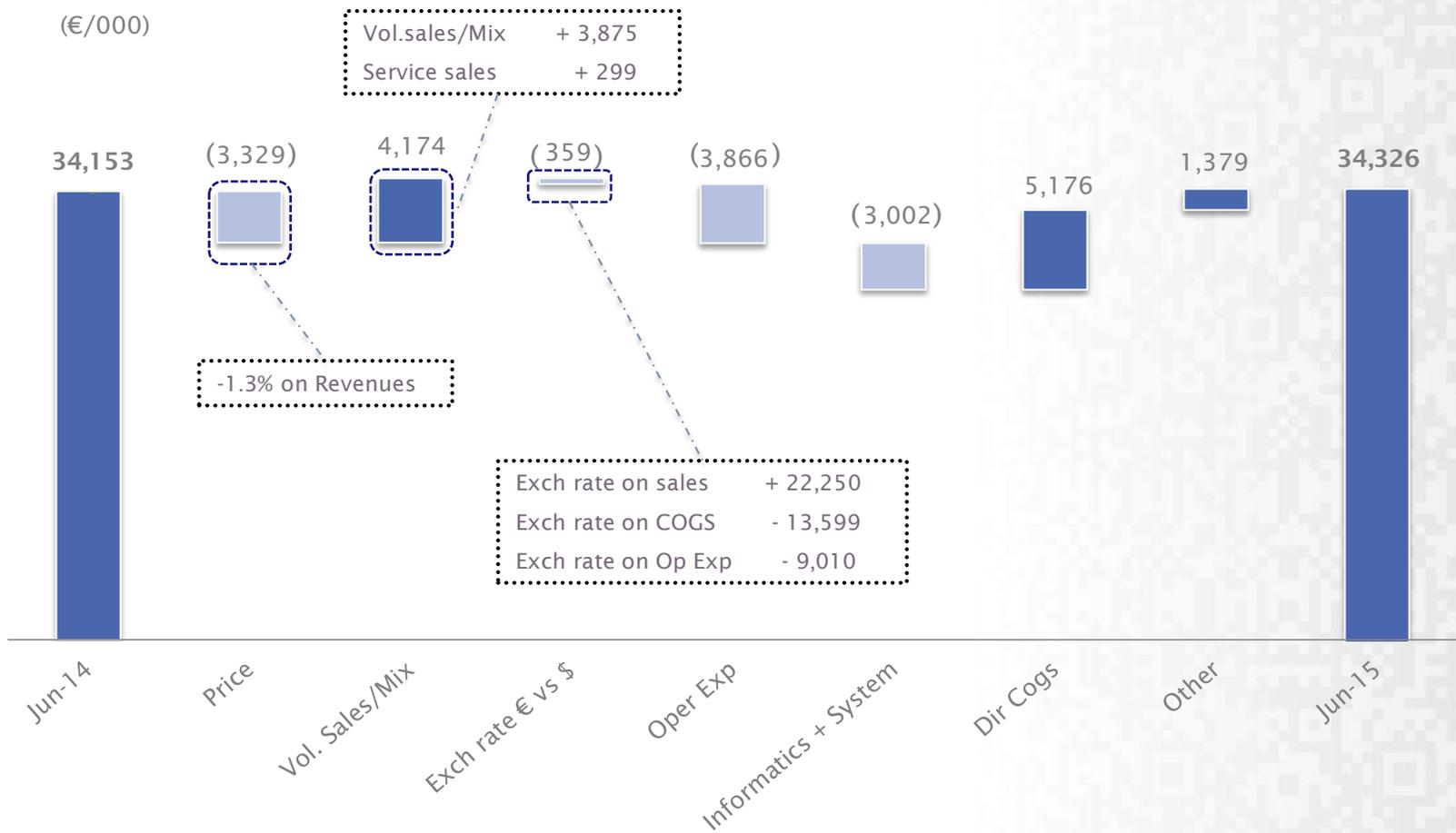
## TWC BY DIVISION



R&D/Revenues	1H2015	1H2014
ADC	8.7%	9.4%
Industrial Automation	12.7%	11.5%
Informatics	3.9%	2.9%
<b>Total Group</b>	<b>9.1%</b>	<b>8.9%</b>

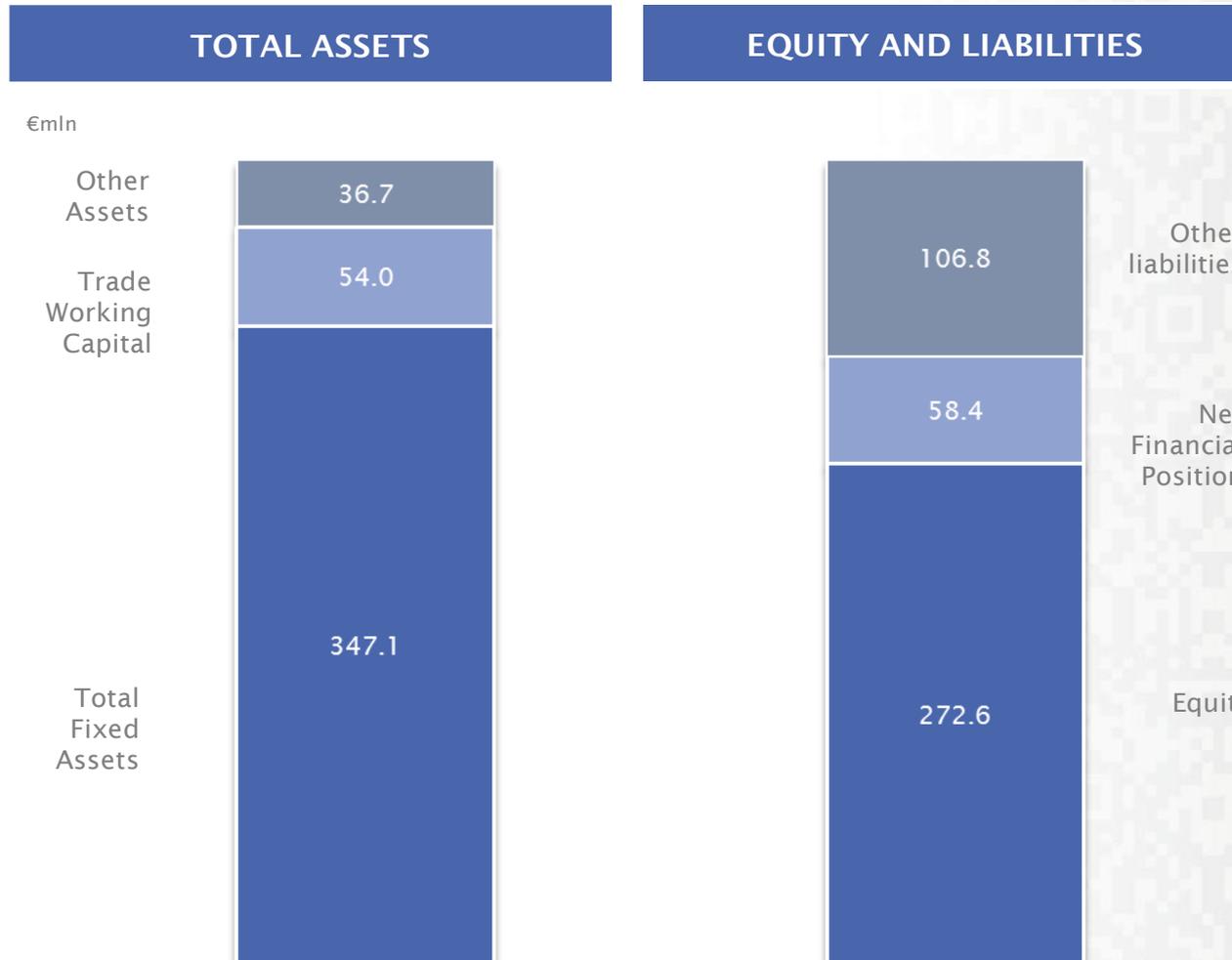
TWC/Annualized Revenues	1H2015	1H2014
ADC	10.7%	10.1%
Industrial Automation	12.8%	19.2%
Informatics	10.4%	15.3%
<b>Total Group</b>	<b>12.3%</b>	<b>10.5%</b>

# EBITDA: Actual vs Last Year



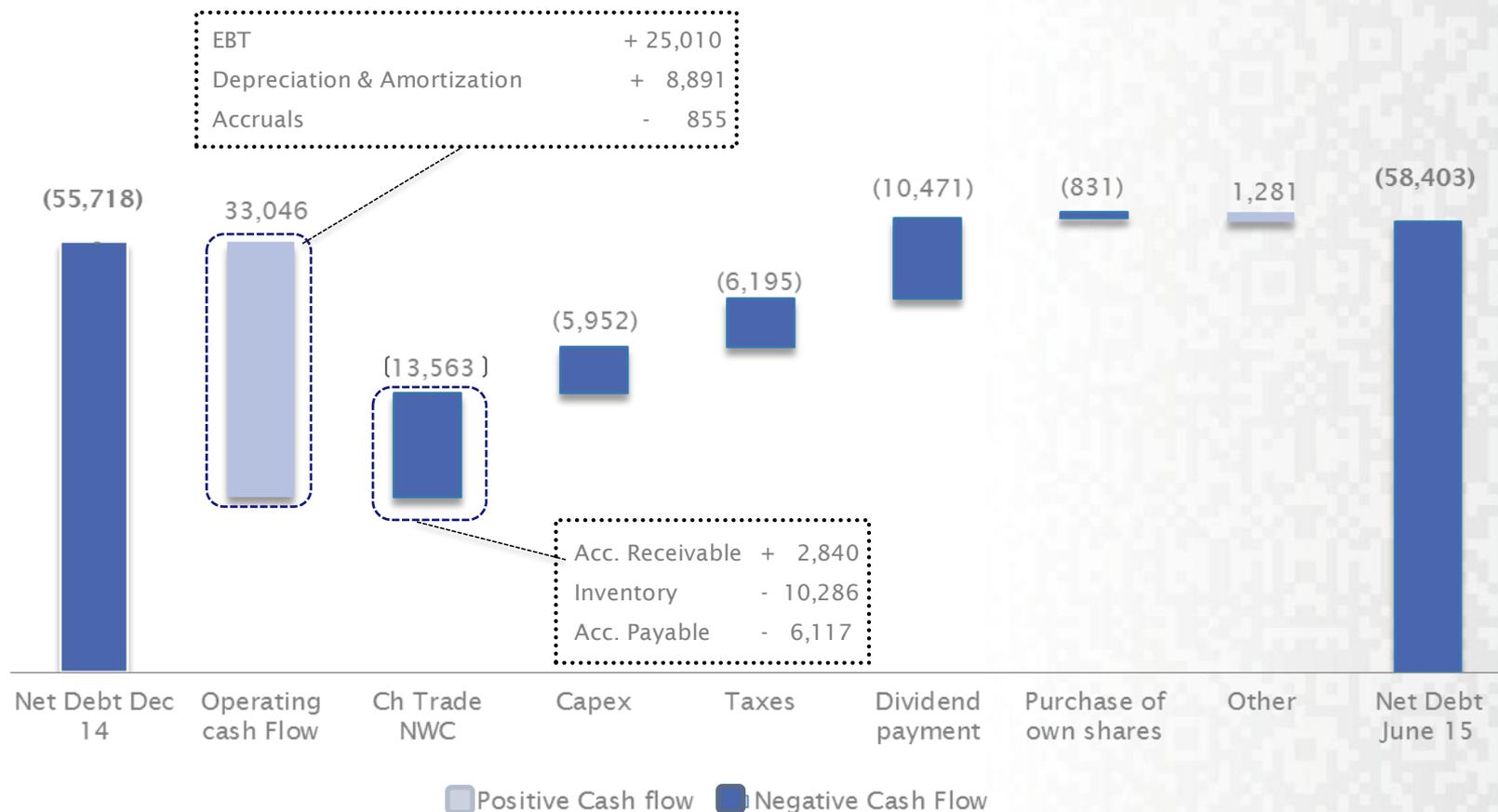
The variance was the result of the difference between June '15 Actual (1.1158) and June '14 Actual (1.3703) €/USD exchange rate

# Consolidated Balance Sheet at 30.06.2015



# Net Debt Analysis

(€/000)



# Outlook

# Outlook for 2015



- H1 results confirm the **positive trend** of the Group in the **European Market**
- **Positive trend in revenue booking in H1 at 271.5 mln Euro, +16.8% compared to the same period of 2014.**
- In H2 2015 **growth in the European and Asian markets** and a market recovery in the United States is expected
- The **Industrial Automation** division would enjoy the benefit of revenue from **projects in the Transportation, Logistics and Postal segments** (contribution of Royal Mail Order) as well as the **Factory Automation** sector thanks to the launching of **new top of the range products in Q3**
- **Strong investments in innovation continue, expected at over 9% on revenues**

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## NEXT EVENTS

### **Star Conference**

London, 5-6<sup>th</sup> October 2015

### **November 5<sup>th</sup>, 2015**

BoD approves 3Q results

## DATALOGIC ON LINE

[www.datalogic.com](http://www.datalogic.com)

# THANK YOU

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