



FY 2015 Conference Call

March 4th, 2016

Agenda

- FY 2015
- Outlook

FY 2015

2015 Key Factors

FOCUS ON CLIENT

- **Anticipate clients' needs** offering new products to improve their efficiency and productivity
 - **Focus on innovation:** 25 new products launched
 - 27% of revenues comes from new products* (21% in 2014)
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MARKET EXPANSION

- Expansion in **fast growing markets** with double digit increase of revenues
 - Strengthening of the presence in China:
 - New R&D and Procurement centre
 - Opening of a new branch in South Africa
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ORGANISATION

- **Centralization of Procurement**
 - **Rationalisation of footprint:** new Hungarian plant for IA to be opened by early 2016
 - **Change of the GO TO MARKET model** in US and China: new approach by verticals
-

* Are considered new products the products announced in the last 24 months

Highlights 4Q 2015

Revenues

- +15.5% YoY to 143.8 mln Euro (+7.9% at constant exchange rate) mainly thanks to North America and Asia Pacific markets in Retail and T&L
- New products* accounted for 27.7% of quarterly revenues

EBITDA

- +18.5% YoY to 20.7 mln Euro (+22.0% at constant exchange rate)
- EBITDA margin at 14.4% (15.8% at constant exchange rate)

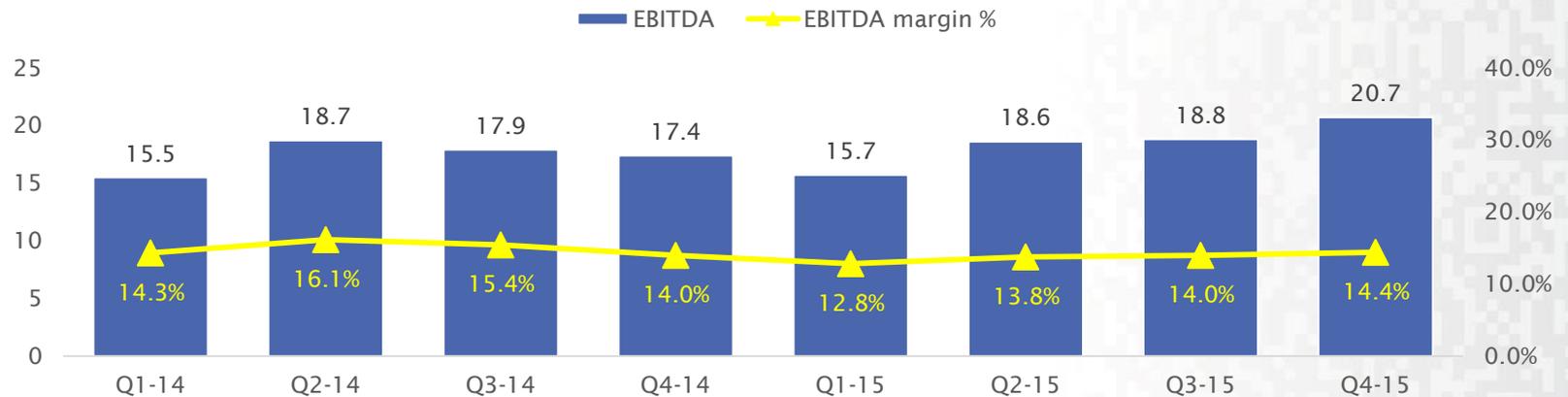
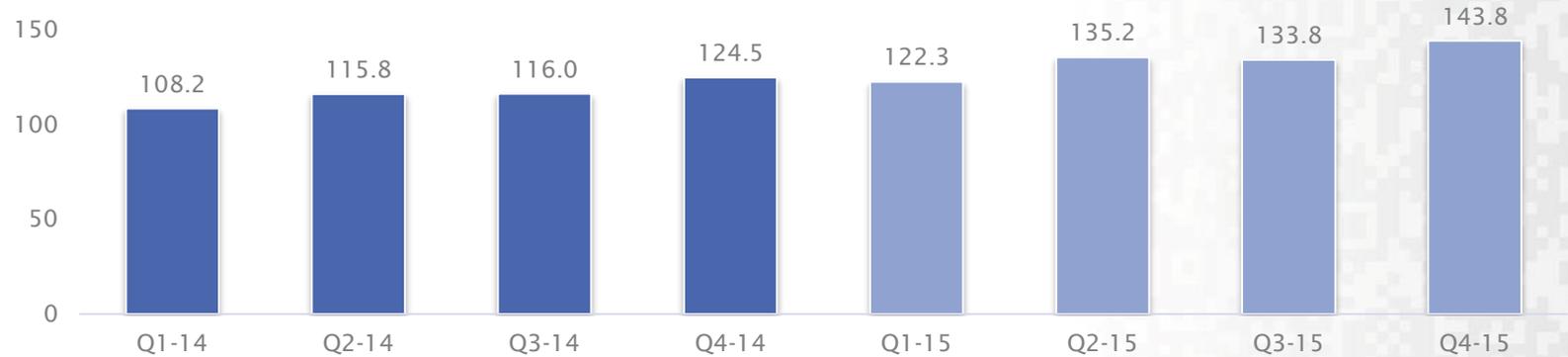
Net Profit

- Positive trend of **financial costs** due to refinancing
- Net profit almost doubled

€000	4Q2015	4Q2014	YoY%	3Q2015	QoQ %
Revenues	143,773	124,482	15.5%	133,810	7.4%
Gross Operating Profit	65,869	60,714	8.5%	62,963	4.6%
EBITDA	20,670	17,436	18.5%	18,752	10.2%
<i>EBITDA Margin</i>	14.4%	14.0%		14.0%	
EBIT	14,856	9,756	52.3%	13,404	10.8%
Net Profit	10,125	5,177	95.6%	8,972	12.8%

2015: 4Q Best quarter in a row

REVENUES



Highlights FY 2015

Revenues

- +15.2% YoY to 535.1 mln Euro (+5.9% at constant exchange rate)
 - **Growth driven by ADC in North America, Greater China and Europe** thanks to robust investments by retailers and the launch of technologically advanced products
 - **Industrial Automation** exploits growth opportunities in **Europe and Asia Pacific**
 - Strong increase of the booking : **+17.6% YoY at 563.3 mln Euro**
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EBITDA

- +6.2% YoY to 73.7 mln Euro (+8.6% at constant exchange rate)
 - EBITDA margin at **13.8% (15.3% at constant exchange rate)** vs 14.9% in 2014
 - Investment in R&D grew by 11.9% YoY with an incidence of 9% on revenues, continued to be crucial for the development of the Group
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Net Profit

- Strong improvement of financial costs thanks to a cheaper financing contract
- Tax rate at around 21%
- **Robust growth of net income**

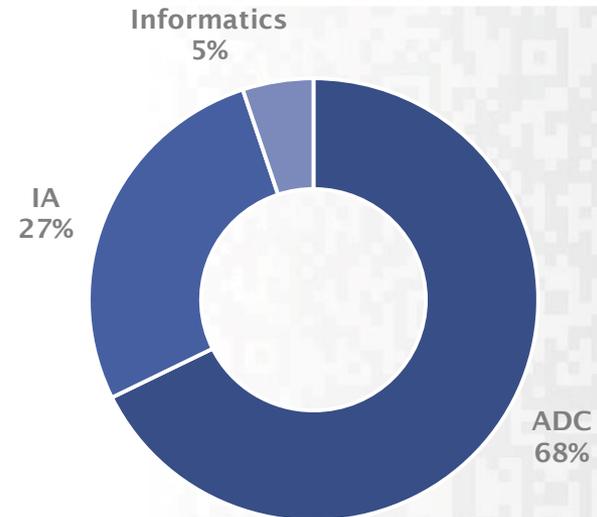
FY 2015 Profit and Loss

(€000)	FY2015		FY2014		Var %
Revenues	535,068	100.0%	464,546	100.0%	15.2%
COGS	(286,450)	(53.5%)	(236,101)	(50.8%)	21.3%
Gross Operating Profit	248,618	46.5%	228,445	49.2%	8.8%
Other Revenues	3,504	0.7%	2,239	0.5%	56.5%
R&D	(48,244)	(9.0%)	(43,108)	(9.3%)	11.9%
Distribution Costs	(101,095)	(18.9%)	(88,205)	(19.0%)	14.6%
Administrative Expensive	(39,521)	(7.4%)	(39,146)	(8.4%)	1.0%
Other operating expensive	(2,041)	(0.4%)	(2,206)	(0.5%)	(7.5%)
Total Operating expenses and other	(190,901)	(35.7%)	(172,665)	(37.2%)	10.6%
Depreciation	(7,812)	(1.5%)	(7,199)	(1.5%)	8.5%
Ammortisation	(4,715)	(0.9%)	(4,225)	(0.9%)	11.6%
EBITDA	73,748	13.8%	69,443	14.9%	6.2%
Non recurring costs/rev	(2,564)	(0.5%)	(5,618)	(1.2%)	(54.4%)
Amort. Intang. Assets from acquis.	(5,712)	(1.1%)	(5,493)	(1.2%)	4.0%
Operating Profit (EBIT)	52,945	9.9%	46,908	10.1%	12.9%
Financial (costs)/rev.	(4,448)	(0.8%)	(8,086)	(1.7%)	(45.0%)
Foreign exchange (cost)/rev	3,087	0.6%	357	0.1%	n.m
EBT	51,584	9.6%	39,179	8.4%	31.7%
Taxes	(11,037)	(2.1%)	(8,322)	(1.8%)	32.6%
Net Income	40,547	7.6%	30,857	6.6%	31.4%
<i>Exchange Rate</i>	<i>1.1095</i>		<i>1.3285</i>		

Revenues Trend by Division

- ADC Division is the driver of the growth in all the reference markets (+17.5%, +8.2% 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 +12.1% (+4.7% at constant exchange rates) and net of the BU Systems, **the division's revenues increased by 12.6%** (+6.2% at constant exchange rates)
- BU Systems: revenues from Royal Mail's order to implement a new Parcel Sorting System (totaled €29 M) in UK started in 4Q.

REVENUES BY DIVISION (%)

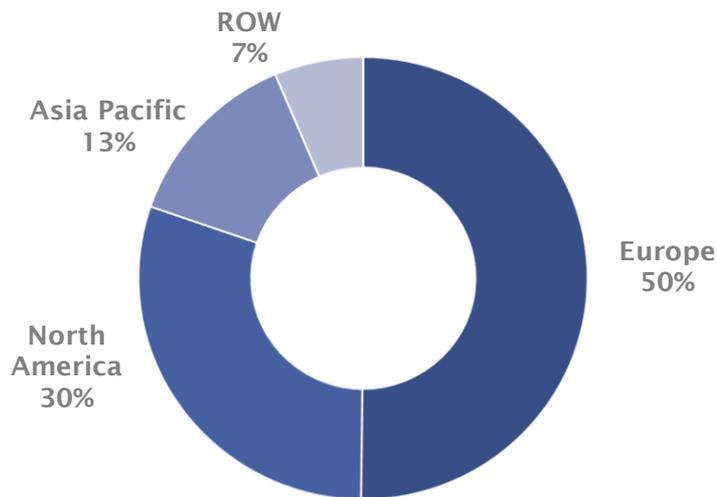


REVENUES BY DIVISION

€mln	2015	2014	Var %
ADC	364.0	309.7	17.5%
IA	146.1	130.3	12.1%
- IA ex BU Systems	129.0	114.5	12.6%
Informatics	27.4	26.1	4.8%
Corporate and Adj.	(2.4)	(1.6)	n.m.
Total Revenues	535.1	464.5	15.2%

Revenues Trend by Country

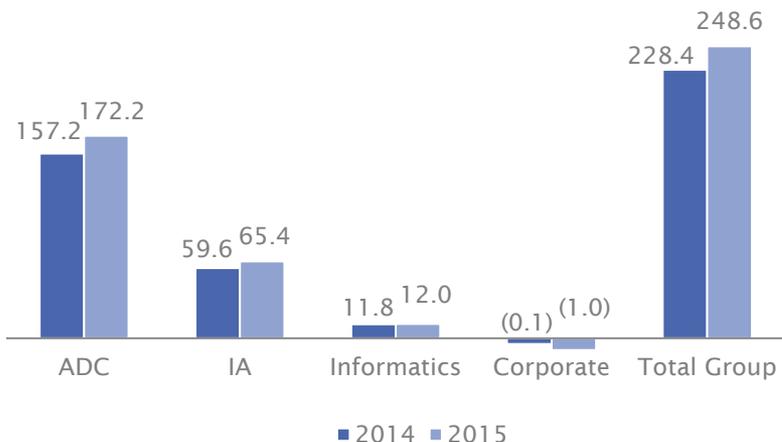
REVENUES BY GEOGRAPHIC AREA			
€mIn	2015	2014	Var %
Europe	268.5	244.0	10.0%
North America	161.1	132.6	21.4%
Asia Pacific	71.5	57.3	24.7%
ROW	34.0	30.6	11.0%
Total Revenues	535.1	464.5	15.2%



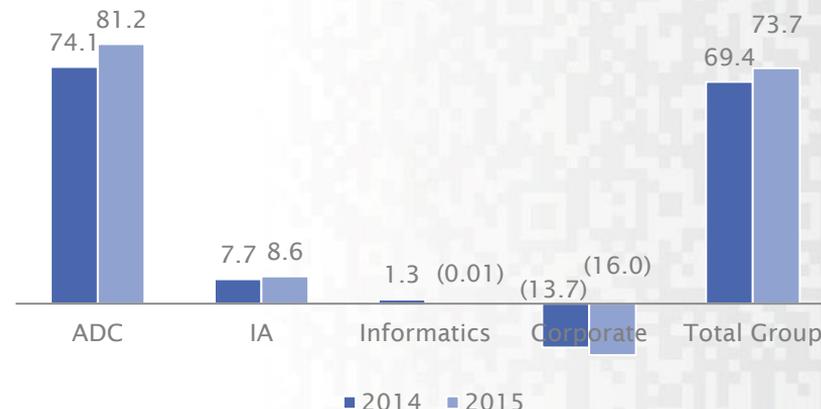
- **Europe** continues to generate robust growth both in in ADC and IA, confirming the leadership of the Group
- **North America:** strong growth of ADC (+ 38.7%, + 15.9% at constant exchange rate) and recovery in IA in the second half of the year thanks to the launch of new products in FA and T&L
- Expansion in Asia Pacific continues with the launch of dedicated products
- Focus on **Greater China** up 37.1% (22.8% at constant exchange rate), with good performance in both divisions
- ROW driven by South Africa and Arab Emirates (over 50% growth), Russia (over 30%) partially offset by the economic downturn in Brasil

FY Segment Reporting: GOP and EBITDA

GOP BY DIVISION



EBITDA* BY DIVISION



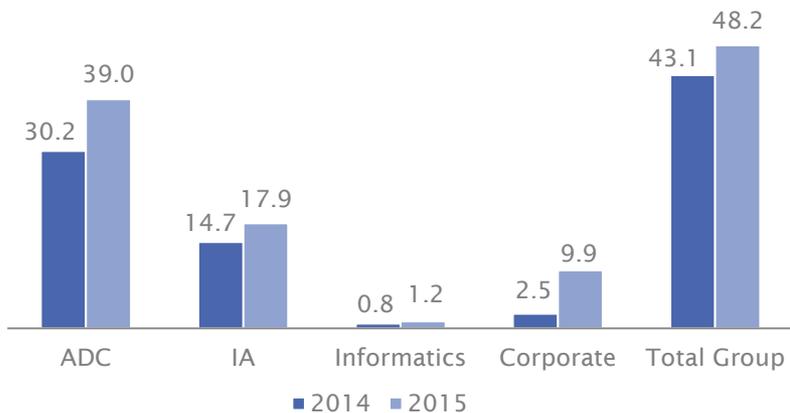
Gross Operating Profit	2015	2014
ADC	47.3%	50.8%
Industrial Automation	44.8%	45.7%
- IA ex BU Systems	50.1%	49.6%
Informatics	43.7%	45.1%
Total Group	46.5%	49.2%

EBITDA* Margin	2015	2014
ADC	22.3%	23.9%
Industrial Automation	5.9%	5.9%
- IA ex BU Systems	9.3%	7.8%
Informatics	(0.1%)	4.9%
Total Group	13.8%	14.9%

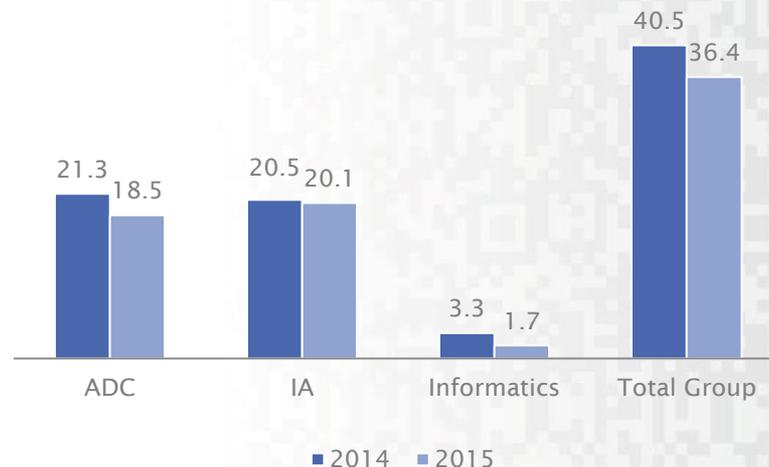
(* With the purpose to better report the operating sectors economic performances, it was deemed appropriate to highlight the Divisional EBITDA as monitoring KPI.

FY Segment Reporting: R&D and TWC

R&D BY DIVISION



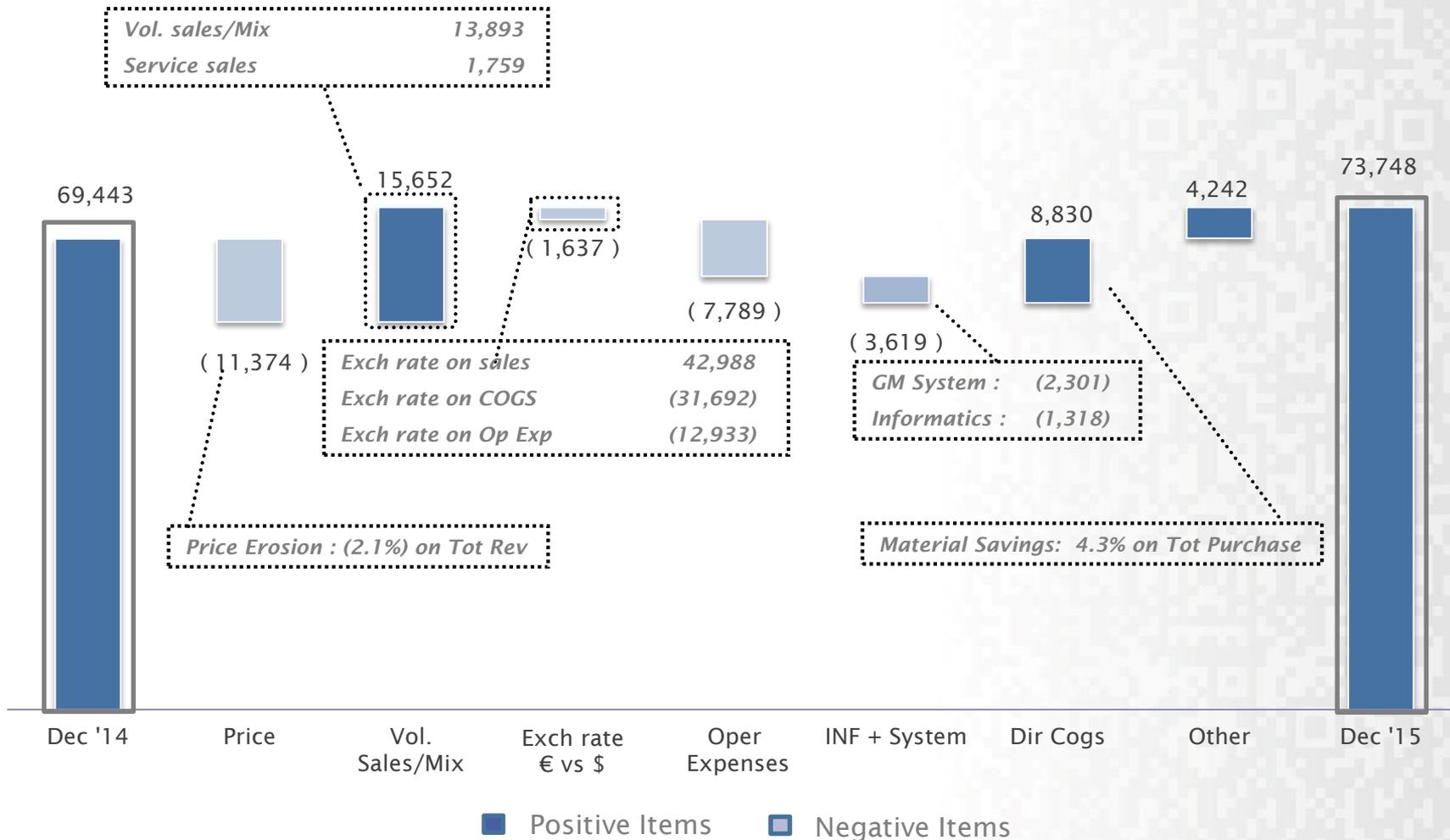
TWC BY DIVISION



R&D/Revenues	2015	2014
ADC	10.7%	9.7%
Industrial Automation	12.3%	11.3%
Informatics	4.3%	2.9%
Total Group	9.0%	9.3%

TWC/Annualized Revenues	2015	2014
ADC	5.1%	6.9%
Industrial Automation	13.7%	15.7%
Informatics	6.1%	12.5%
Total Group	6.8%	8.7%

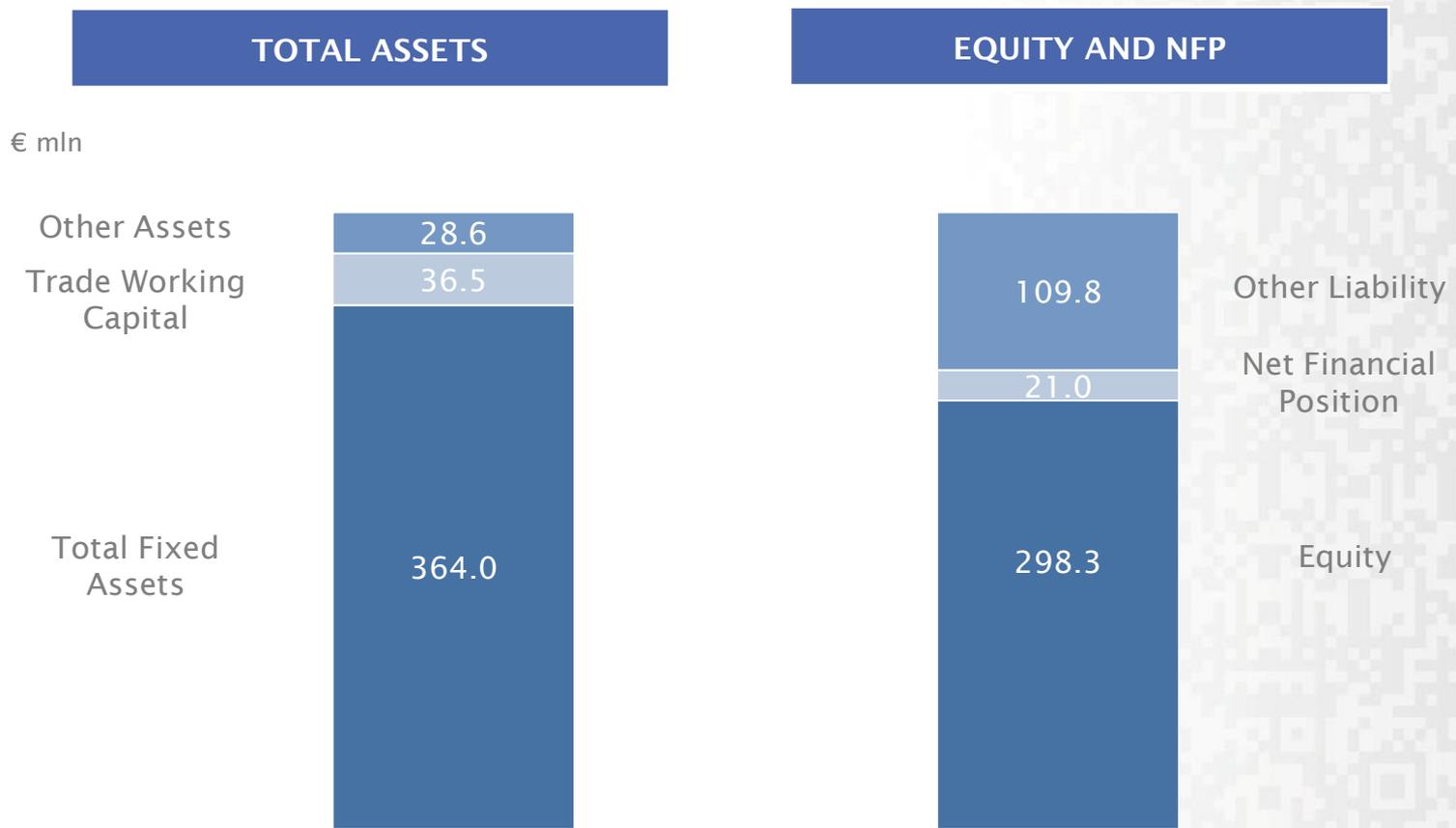
EBITDA: Actual vs Last Year



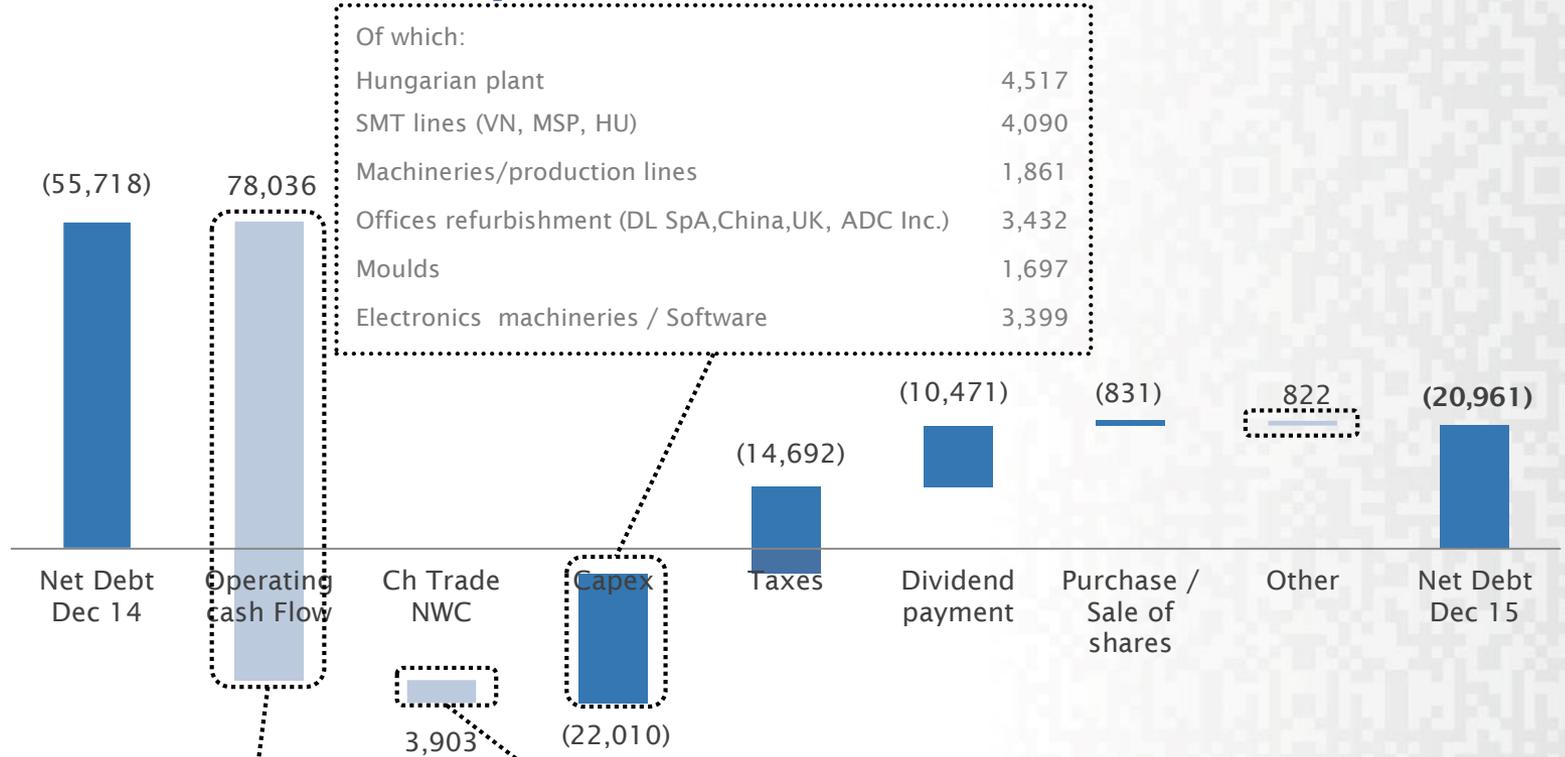
Note:

The Exchange rate variance is the result of the difference between Dec '15 YTD Actual (1.1095) and Dec '14 YTD Actual (1.3285) €/USD exchange rates.

Consolidated Balance Sheet at 31.12.2015



Net Debt Analysis: Dec '14 – Dec'15



Of which:

Hungarian plant	4,517
SMT lines (VN, MSP, HU)	4,090
Machineries/production lines	1,861
Offices refurbishment (DL SpA,China,UK, ADC Inc.)	3,432
Moulds	1,697
Electronics machineries / Software	3,399

Free Cash Flow generated 46.1 M

EBT	51,584
Depreciation & Amortization	18,239
Accruals	8,213

Acc. Receivable	1,419
Inventory	(7,061)
Acc. Payable	9,545

- Positive Cash flow
- Negative Cash Flow

Outlook

2016 Outlook

- **Revenue Growth well above Market Growth**
- **Double Digit Growth in North America and China**, improving Market Share
- **Strong Improvement of Operations Efficiency reducing weight of COGS** on revenues thanks to the new Procurement Centre in China, to plants rationalisation (new Hungharian plant for IA) and insourcing of components
- Investment in R&D to increase up to 9.5% of revenues
- **Strict control of Operating Expenses and reduction of G&A**, thus improving operating leverage
- **Maintain Strong performance on Cash**

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NEXT EVENTS

March 15th, 2016

Star Conference Milan

May 13th, 2016

1Q results

August 4th, 2016

6M results

November 11th, 2016

9M results

DATALOGIC ON LINE

www.datalogic.com

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