



**Moving  
ahead**

# **9 months 2011 Conference Call**

**9<sup>th</sup> November, 2011**

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✦ HIGHLIGHTS

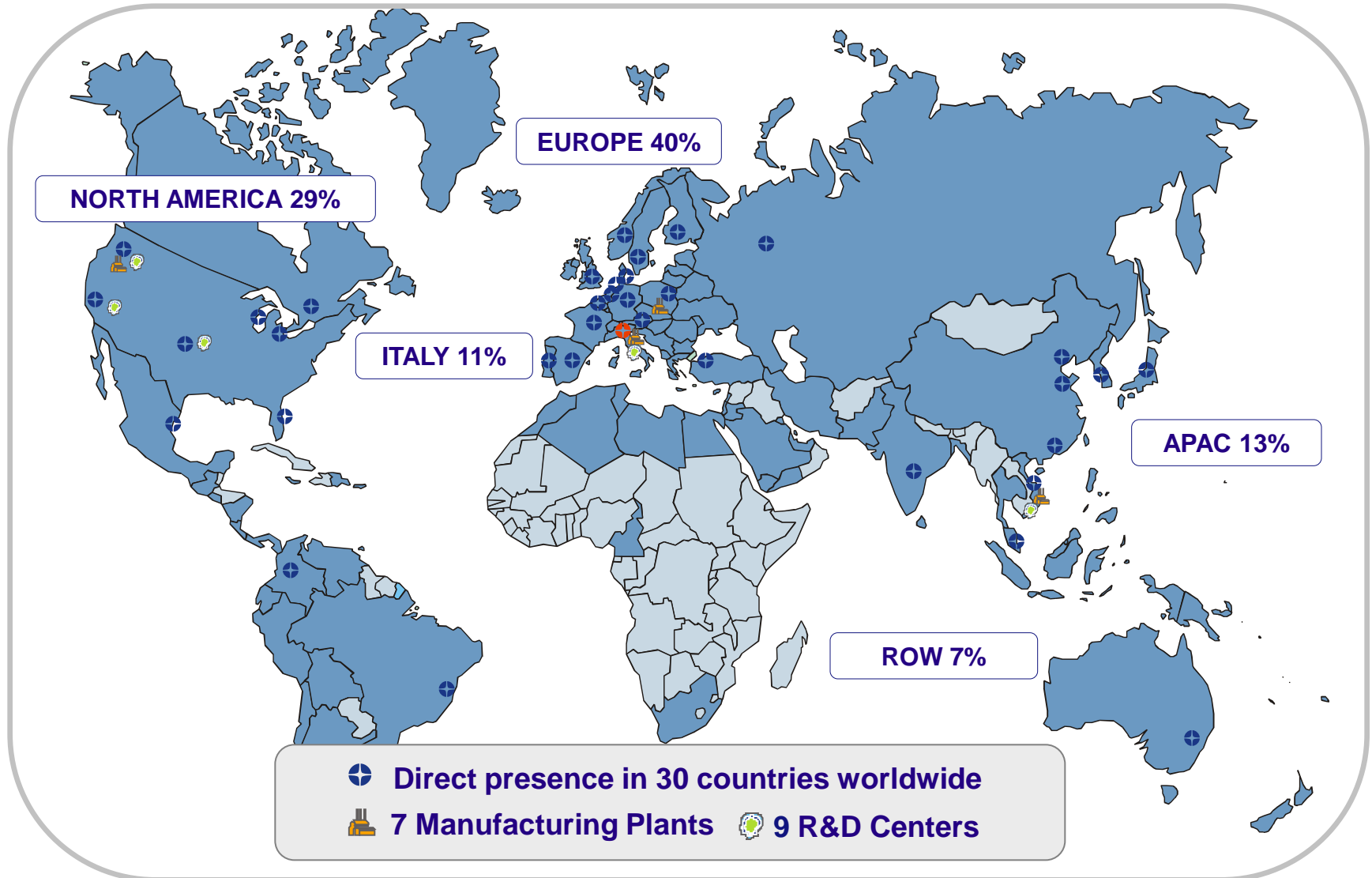
✦ 3Q11 RESULTS

✦ OUTLOOK



- ✦ World-class producer of **bar code readers, data collection mobile computers, RFID and vision systems**
- ✦ Datalogic offers **innovative solutions** for a comprehensive range of applications in **the manufacturing, retail, transportation & logistics markets**
- ✦ **2010 Revenues at €393M** of which **68% in the ADC Market** and **23% in the Industrial Automation Market**
- ✦ Founded in **1972** in **Bologna, Italy**
- ✦ **Listed** on the STAR Segment of the Italian Stock Exchange **since 2001**
- ✦ Over **2,000 employees**
- ✦ Direct presence in **30 countries** worldwide **selling to +100 countries**
- ✦ **+1,000 partners** worldwide

## 2010 REVENUES – TOTAL €393M - BREAKDOWN BY AREA







◆ HIGHLIGHTS

◆ 3Q11 RESULTS

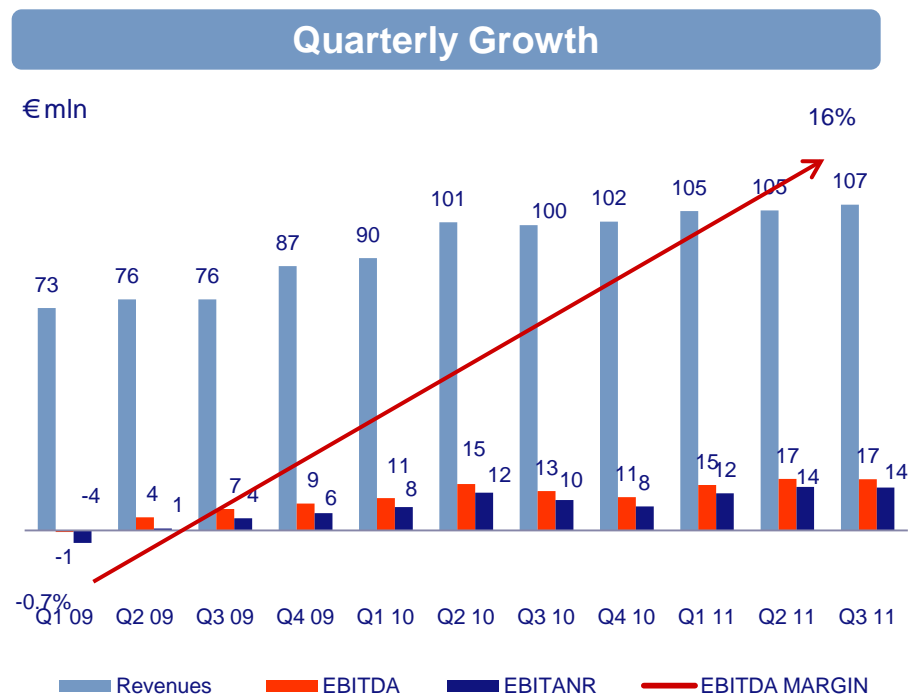
◆ OUTLOOK

## ✦ Robust growth in 3Q11:

- ✦ **The best ever quarter** for Datalogic in terms of revenues: **+6.6% to 107.1 M Euro**
- ✦ EBITDA continues to grow at a strong pace notwithstanding 0.5 M Euro of costs for the new Supply Chain : **+30.2% YOY to 16.8 M Euro**
- ✦ **EBITDA margin confirmed at around 16% (vs. 12.9% in 3Q10)**

€000	3Q10	3Q11	Var %
Revenues	100,397	107,064	6.6%
Gross Operating Margin (GOM)	46,101	49,913	8.3%
Ord. Operating Profit (EBITANR*)	10,033	14,064	40.2%
Operating Profit (EBIT)	8,802	13,069	48.5%
EBT	4,281	13,089	205.7%
Net Income	3,230	9,423	191.7%
EBITDA	12,904	16,802	30.2%

\*Ebitan: earnings before interest, taxes, acquisition and non recurring



- ✦ **Impact of the new Supply Chain already offset in 9M 2011 results**
- ✦ Datalogic Scanning and Datalogic Mobile Operations structure integrated into one redesigned **Global Supply Chain** serving ADC market and insuring **World Class Operations**:
  - ✦ 500+ employees in the Ho Chi Minh plant in Vietnam at the date
  - ✦ manufacturing transition to Vietnam to be completed by the end of the year
- ✦ **EBITDA growth at 25.1%** to 48.6 M Euro and **Net Income up 19%** to 17.2 M Euro
- ✦ Extraordinary costs for around 11 M Euro expected in 2011; payback < 1 year
- ✦ In 9M2011 9.1 M Euro (over 80% of expected extraordinary costs) have been accounted:
  - ✦ 1,6 M Euro accounted as ordinary costs
  - ✦ 7.5 M Euro accounted as non recurring costs

€000	9M2010 (A)	9M2011 (B)	9M2011 w/o Supply Chain (C)	B/A %	C/A %
Supply Chain Operating Costs		(1,576)			
EBITDA	38,827	48,566	50,142	25.1%	29.1%
Non Recurring Costs		(7,541)			
Net Income	14,485	17,241	23,667	19.0%	63.4%



# 9 Months 2011 Consolidated P&L

000€	Last Year 9M 2010	%	Actual 9M2011	%	Var %
<b>Revenues</b>	<b>291,229</b>	<b>100.0%</b>	<b>317,311</b>	<b>100.0%</b>	<b>9.0%</b>
COGS	(157,594)	-54.1%	(168,583)	-53.1%	
<b>Gross Operating Margin</b>	<b>133,635</b>	<b>45.9%</b>	<b>148,728</b>	<b>46.9%</b>	<b>11.3%</b>
Other revenues	949	0.3%	1,869	0.6%	
R&D	(18,983)	-6.5%	(19,424)	-6.1%	
Distribution Costs	(56,146)	-19.3%	(59,126)	-18.6%	
Administrative expenses	(27,848)	-9.6%	(30,262)	-9.5%	
Other operating expenses	(1,429)	-0.5%	(1,207)	-0.4%	
<b>Total operating expenses and others</b>	<b>(104,406)</b>	<b>-35.9%</b>	<b>(110,019)</b>	<b>-34.7%</b>	<b>5.4%</b>
<b>Ordinary Operating Profit (EBITANR) (*)</b>	<b>30,178</b>	<b>10.4%</b>	<b>40,578</b>	<b>12.8%</b>	<b>34.5%</b>
Non recurring costs/rev	338	0.1%	(7,541)	-2.4%	
Amort. Intang. Assets from acquis.	(3,230)	-1.1%	(3,044)	-1.0%	
<b>Operating Profit (EBIT)</b>	<b>27,286</b>	<b>9.4%</b>	<b>29,993</b>	<b>9.5%</b>	<b>9.9%</b>
Financial (costs)/rev.	(4,507)	-1.5%	(5,161)	-1.6%	
Results from equity investments	185	0.1%	312	0.1%	
Foreing exchange (costs)/rev.	(860)	-0.3%	(166)	-0.1%	
<b>EBT</b>	<b>22,104</b>	<b>7.6%</b>	<b>24,978</b>	<b>7.9%</b>	<b>13.0%</b>
Taxes	(7,619)	-2.6%	(7,737)	-2.4%	
<b>Net Income</b>	<b>14,485</b>	<b>5.0%</b>	<b>17,241</b>	<b>5.4%</b>	<b>19.0%</b>
Depreciation	(5,885)	-2.0%	(5,370)	-1.7%	
Amortization	(2,764)	-0.9%	(2,618)	-0.8%	
<b>EBITDA</b>	<b>38,827</b>	<b>13.3%</b>	<b>48,566</b>	<b>15.3%</b>	<b>25.1%</b>
Exchange rate	1.3145		1.4065		

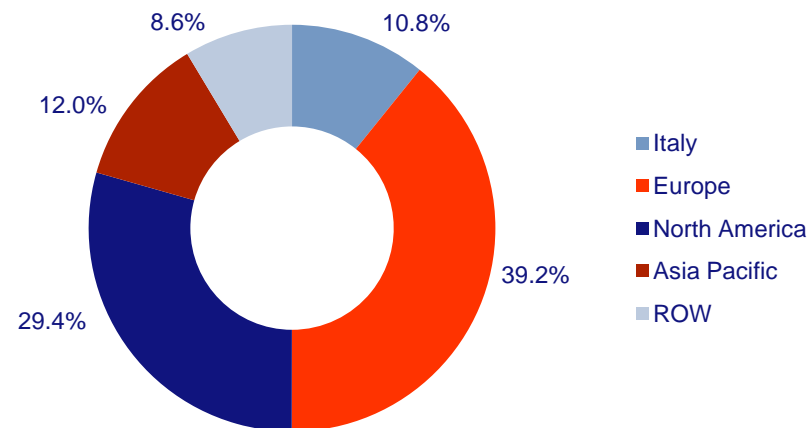
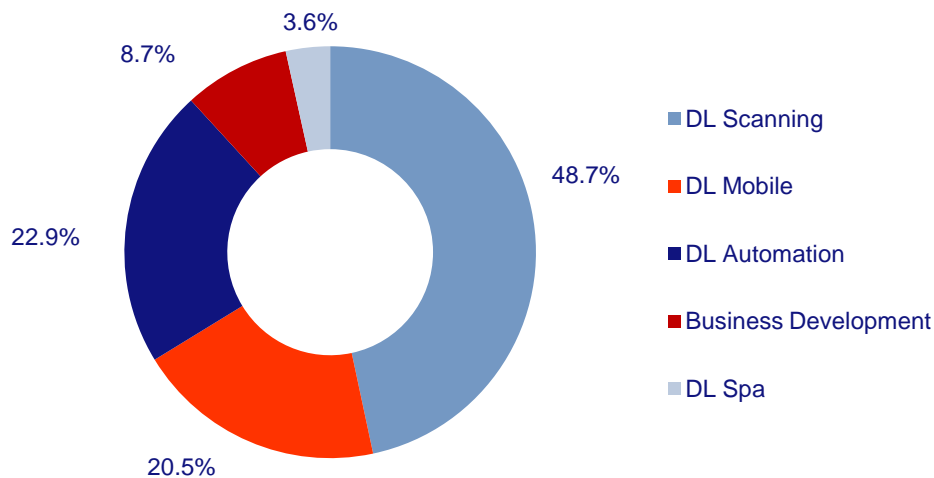
(\*) Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR)

## REVENUES BY DIVISION

€000	9M10	9M11	Var %
Datalogic Scanning	138,141	154,679	12.0%
Datalogic Mobile (*)	63,136	64,986	2.9%
Datalogic Automation	64,844	72,737	12.2%
Business Development	25,637	27,650	7.9%
Datalogic S.p.A.	10,378	11,504	10.9%
Adjustments	(10,907)	(14,245)	30.6%
<b>Total revenues</b>	<b>291,229</b>	<b>317,311</b>	<b>9.0%</b>

## REVENUES BY AREA

€000	9M10	9M11	Var %
Italy	30,785	34,262	11.3%
Europe	114,884	124,471	8.3%
North America	84,526	93,246	10.3%
Asia Pacific	36,412	37,976	4.3%
ROW	24,622	27,356	11.1%
<b>Total revenues</b>	<b>291,229</b>	<b>317,311</b>	<b>9.0%</b>

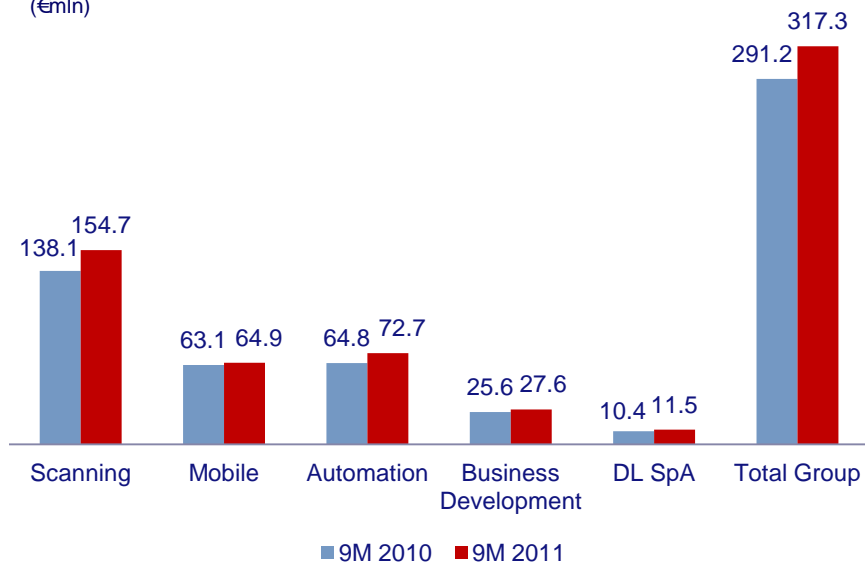


(\*) Datalogic Mobile includes Enterprise Business Solutions BU

(\*\*) % figures calculated on total net of adjustment

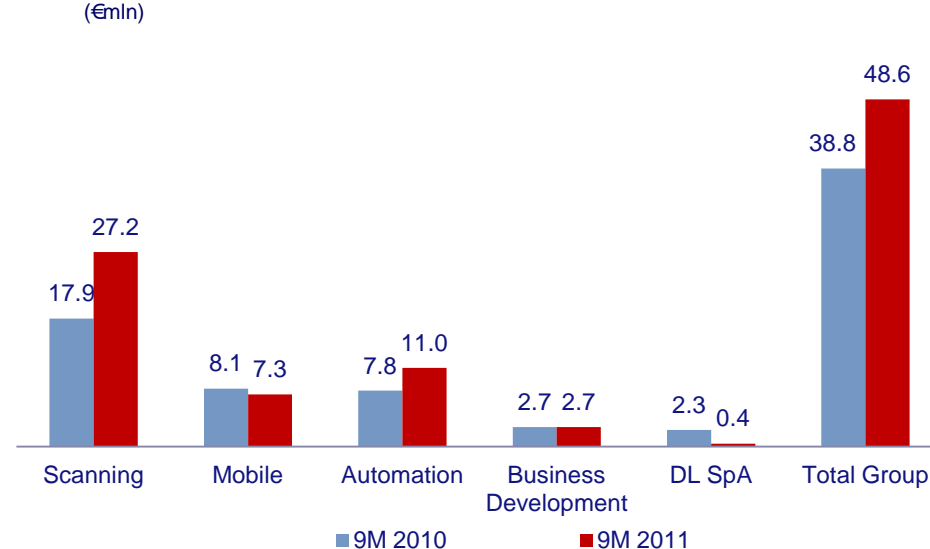
## REVENUES

(€ln)



## EBITDA

(€ln)



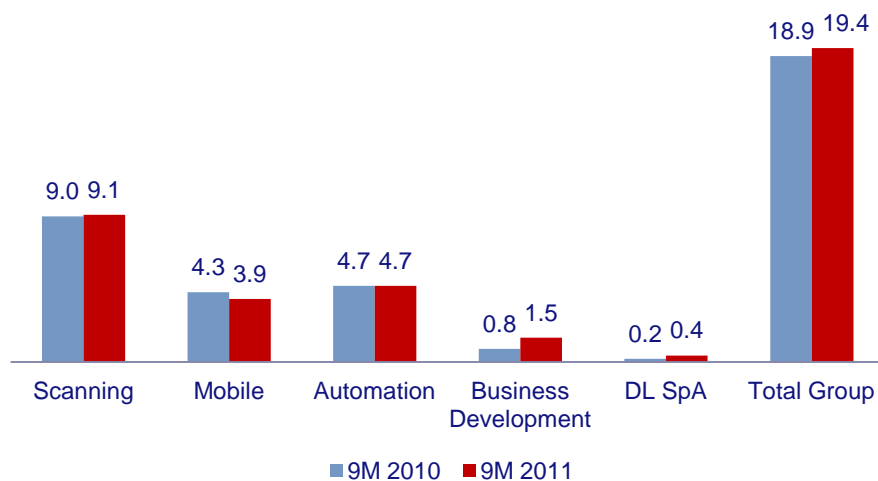
Revenues Growth	9M11/9M10
Scanning	12.0%
Mobile	2.9%
Automation	12.2%
Business Development	7.9%
Datalogic SpA	10.9%
<b>Total Group</b>	<b>9.0%</b>

EBITDA Margin	9M2010	9M2011
Scanning	13.0%	17.6%
Mobile	12.8%	11.2%
Automation	12.0%	15.1%
Business Development	10.5%	9.8%
<b>Total Group</b>	<b>13.3%</b>	<b>15.3%</b>

\* EBITDA on total revenues

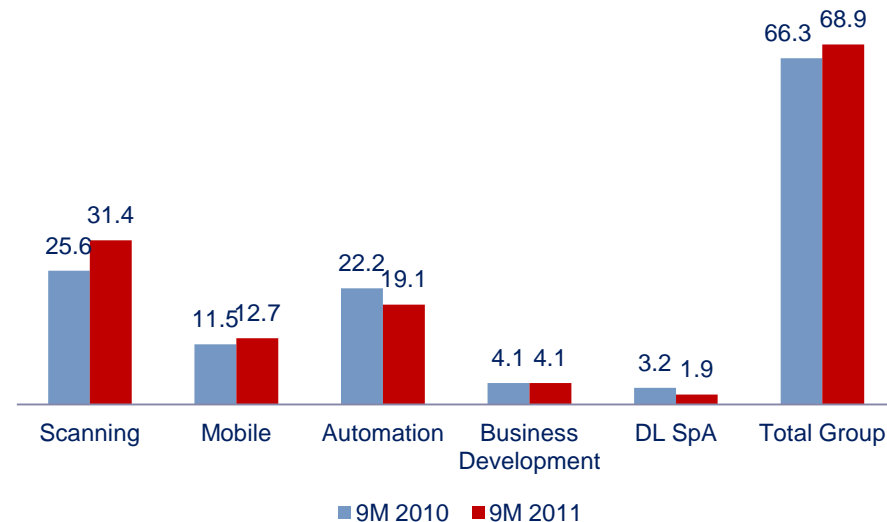
## R&D COSTS

(€m)



## TWC

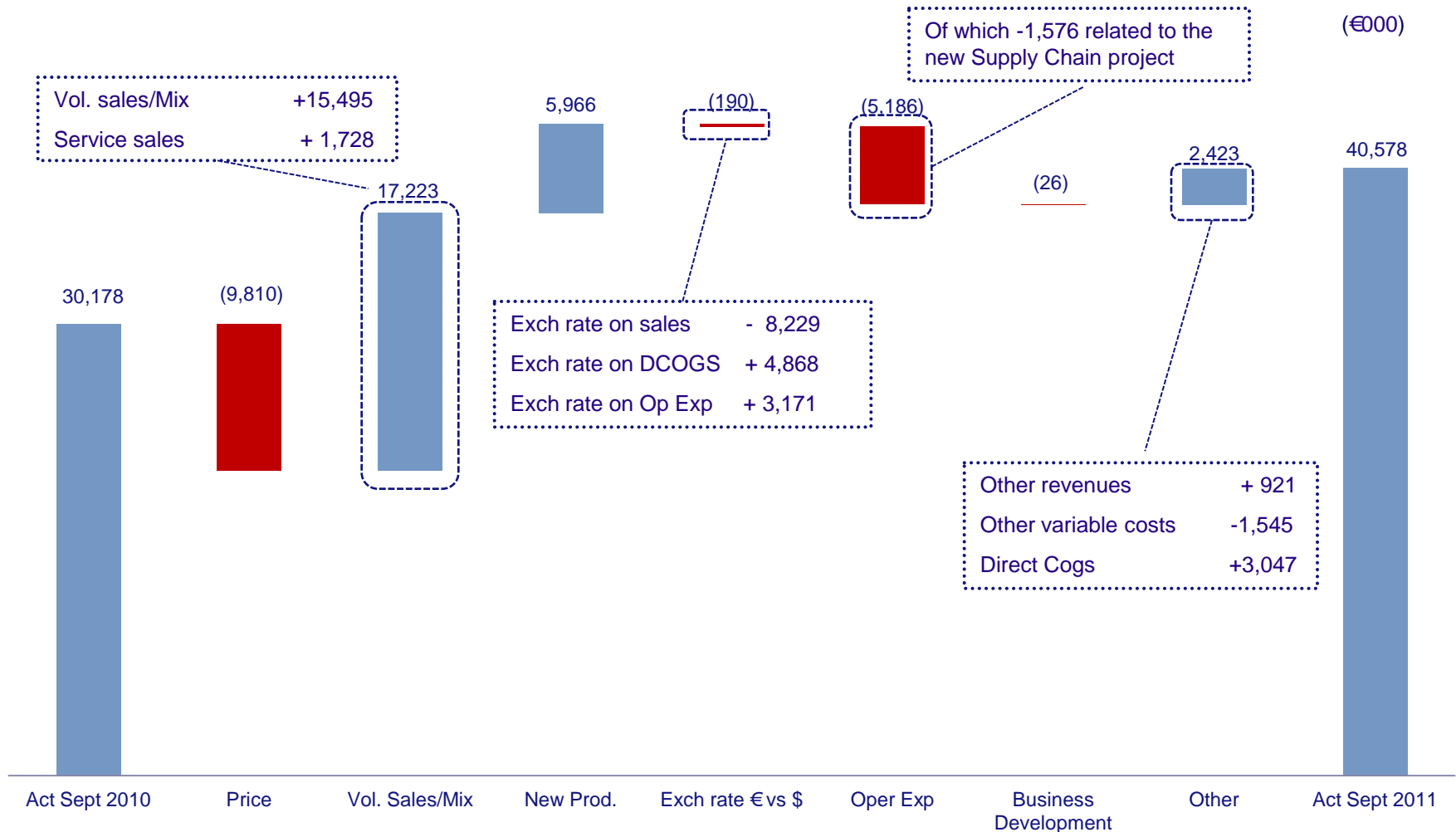
(€m)



R&D/Revenues	9M 2010	9M 2011
Scanning	6.5%	5.9%
Mobile	6.8%	6.0%
Automation	7.3%	6.5%
Business Development	3.3%	5.4%
<b>Total Group</b>	<b>6.5%</b>	<b>6.1%</b>

TWC/Annualised Revenues	9M 2010	9M 2011
Scanning	13.9%	15.2%
Mobile	13.7%	14.7%
Automation	25.7%	19.7%
Business Development	12.0%	11.1%
<b>Total Group</b>	<b>17.1%</b>	<b>16.3%</b>

# EBITANR \* - 9 Months 2011 Actual vs. Last Year DATALOGIC™



(\* Ordinary Operating Profit before non recurring costs/revenues and amortization of intangible assets from acquisition (EBITANR))

**Note:**

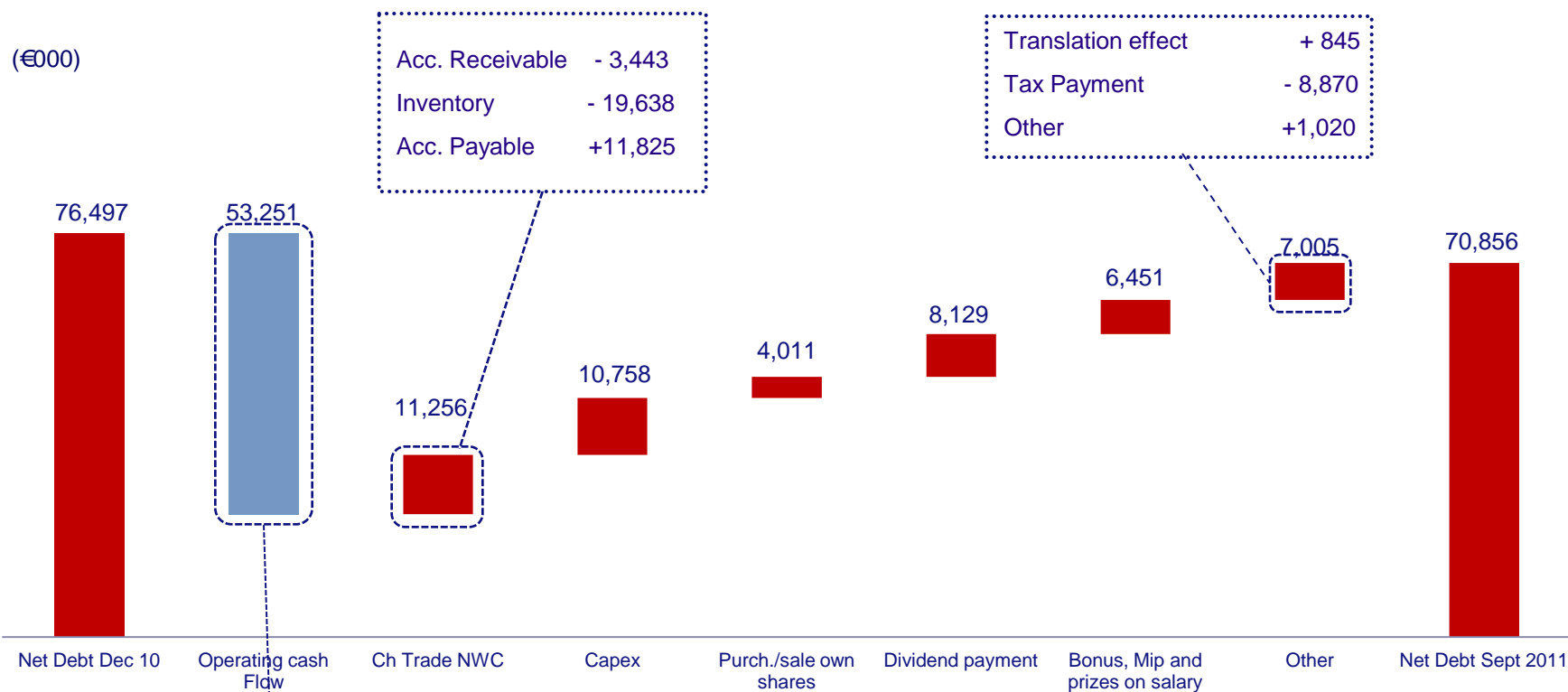
The Exchange rate variance has been calculated on Sales/COGS/Operating expenses originally denominated in USD (\$). The variance was the result of the difference between September'11 Actual (1,4065) and September'10 Actual (1,3145) €/USD exchange rate.

For Informatics& Evolution Robotics Retail (Business Development) has been considered their overall impact on the EBITANR



€000	At 31/12/2010	At 30/09/2011
Intangible fixed assets	40,998	40,556
Goodwill	106,088	104,916
Tangible fixed assets	50,042	49,700
Non Consolidated investments	3,286	3,880
Other fixed assets	23,088	24,624
<b>Total Fixed Assets</b>	<b>223,502</b>	<b>223,676</b>
Net trade account receivables	69,353	72,546
ST account payables	(56,688)	(68,513)
Inventory	45,308	64,946
<b>Trade Working Capital</b>	<b>57,973</b>	<b>68,979</b>
Other current receivables	16,827	16,167
Other ST payables and provision for risk & future charges	(47,553)	(55,394)
<b>Net Working Capital</b>	<b>27,247</b>	<b>29,752</b>
Other LT payables	(17,144)	(16,471)
Employees' severance Indemnity	(7,121)	(7,085)
LT provision for risk & future charges	(9,823)	(14,044)
<b>Net Invested Capital</b>	<b>216,661</b>	<b>215,828</b>
<b>Equity</b>	<b>140,164</b>	<b>144,972</b>
<b>Net Financial Position</b>	<b>(76,497)</b>	<b>(70,856)</b>
<i>Exchange rate</i>	1.3362	1.3503

# Net Debt Analysis: Dec. 2010 – Sept. 2011



Acc. Receivable	- 3,443
Inventory	- 19,638
Acc. Payable	+11,825

Translation effect	+ 845
Tax Payment	- 8,870
Other	+1,020

Net Income	+ 17,241
Deprec&Amort	+ 11,306
Provision for bad debt	+ 250
Personnel & admin costs accrual	+ 5,523
Restructuring costs accrual	+ 7,541
LTMIP accrual	+ 3,653
Tax Accrual	+ 7,737

■ Positive Cash flow ■ Negative Cash Flow



◆ HIGHLIGHTS

◆ 3Q11 RESULTS

◆ OUTLOOK

## AUTOMATIC DATA CAPTURE (ADC) ADDRESSABLE MARKET

### ✦ Factors driving demand:

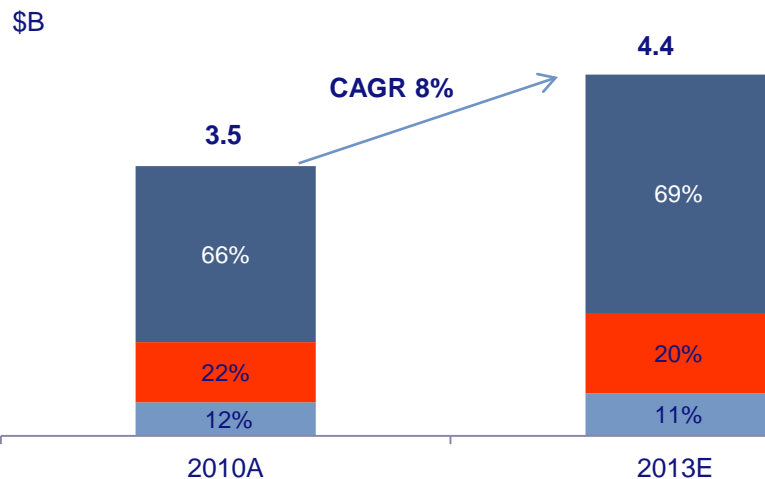
- ✦ shift to field mobility deployments
- ✦ need to increase efficiency and overcome scanning errors at the point of sale
- ✦ growing list of emerging applications in the government, healthcare and retail sectors
- ✦ increased adoption of core retail automation technologies in emerging country markets
- ✦ enterprises require more data than ever to effectively manage their supply chain

## INDUSTRIAL AUTOMATION (IA) ADDRESSABLE MARKET

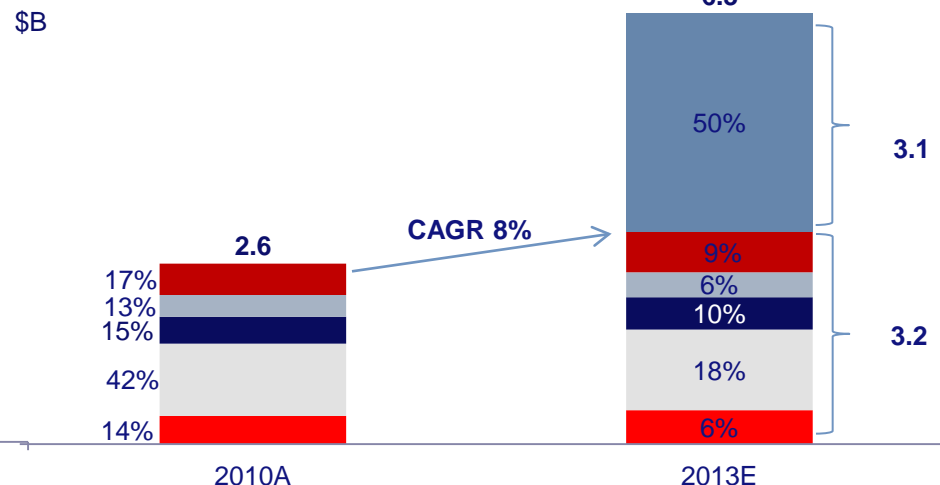
### ✦ Very fragmented industry with **potential additional markets worth \$3B**

### ✦ Factors driving demand:

- ✦ increasing demand for traceability of processes and goods
- ✦ supply chain streamlining
- ✦ new regulations (e.g. traceability, safety and security)
- ✦ increased adoption of technological solutions in emerging markets



■ POS RETAIL SCANNERS ■ HAND HELD SCANNERS  
■ MOBILE COMPUTERS



■ STATIONARY BARCODE SCANNERS ■ SENSORS  
■ SAFETY ■ VISION  
■ LASERMARKING ■ POTENTIAL ADDITIONAL MARKETS

- ✦ Focus on two major pillars of growth: **Automatic Data Capture (ADC)** and **Industrial Automation (IA)** markets
- ✦ Foster external growth through M&A activities, mainly in the Automation market that is very fragmented
- ✦ Expand emerging market presence, through strategic alliances and foreign investments
- ✦ Achieve world class performance through the global adoption of **best in class Supply Chain Management**
- ✦ Drive Datalogic offering from just products to solutions
- ✦ Ensure innovation and product development through relentless R&D activities and investments



## ✦ **More efficient structure and tight cost control:**

- ✦ The new organization model based on two distinct markets: ADC and Industrial Automation – allows **focused marketing and distribution strategies**
- ✦ The new integrated **Supply Chain in the ADC** segment allows strong recovery in efficiency and will generate annual **savings for at least 12.5 M Euro/year**
- ✦ Fully leverage Vietnam plant capability and realize 90% of total production in Vietnam by 2012
- ✦ Implement an efficient, flexible global supply chain management with Trade Working Capital at ~15% on sales

All industrial plan targets confirmed:

- ✦ 2013 organic revenues target in the range of 470-480 mln Euro, CAGR at 11%
- ✦ 2013 EBITDA target in the range of 80-85 mln Euro, CAGR >45%
- ✦ 2013 EBITDA margin in the range of 17%-18%
- ✦ R&D investments between 6%-7% of revenues per year
- ✦ Strong cash generation and expected positive financial position in 2013
- ✦ Investment in capex stable at around 2.5% of revenues per year
- ✦ 2013 ROE target around 23%-24%

# *Thank You!*

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## **Datalogic S.p.A.**

Via Candini, 2

40012 Lippo di Calderara di Reno

Bologna – Italy

Tel. +39 051 3147011 – Fax +39 051 3147205

E-mail [corporate@datalogic.com](mailto:corporate@datalogic.com)

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

# We Welcome Your Questions!

