

THE BOARD OF DIRECTORS APPROVED THE DRAFT OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31ST DECEMBER 2016

STRONG GROWTH IN REVENUES AND EBITDA: REVENUES AT 576.5 MILLION (+7.7%) AND EBITDA AT 90.4 MILLION (+22.5%)

ACHIEVED THE BEST RESULTS IN THE LAST YEARS: EBITDA MARGIN AT 15.7% AND NET FINANCIAL POSITION POSITIVE AT 3.5 MILLION

- Sales revenues at 576.5 million, an increase of 7.7% from 535.1 million in the previous year (excluding exchange rate effect)
- EBITDA at 90.4 million, an increase of 22.5% from 73.7 million in 2015 (+22.2% net of exchange rate effect)
- Net profit of 45.8 million, an increase of 13.1% from 40.5 million in the previous year
- Net financial position once again positive at 3.5 million, due to increased cash generation compared to before the dividend distribution, compared to a net indebtedness of 21 million reported at 31 December 2015
- The Board of Directors proposes to the Shareholders' Meeting to pay a dividend, before legal withdrawal, of 0.30 per share, an increase of 20.0% over the dividend from last year

Bologna, 10th March 2017 – Datalogic S.p.A. (Borsa Italiana S.p.A.: DAL), a company listed in the STAR segment of the Italian Stock Exchange managed by Borsa Italiana S.p.A. ("Datalogic"), a global leader in Automatic Data Capture and Industrial Automation markets, and global leader in the automatic data capture and industrial automation markets, specialized in the designing and production of bar code readers, mobile computing devices for detection, measurement and safety, RFID vision and laser marking systems, approved yesterday the Consolidated Financial Statements as of 31st December 2016.

The company saw a strong growth in all economic indicators during 2016 and, in particular, improved its profitability, with an EBITDA in progress of more than 22% at 90.4 million and achieving an EBITDA margin of 15.7%, and in terms of cash, with the net financial position returning to a positive balance at 3.5 million compared to negative 21 million last year.

This growth is the result of continuous product investment that allowed the Company to propose innovative solutions to customers and improve its competitive positioning in the reference market.

The CEO of Datalogic Group, Valentina Volta, commented, "We are extremely satisfied with the results of the year just concluded, the best in the Group's history, which confirm the soundness of the strategy implemented in recent years and the continuous technological innovation, engine of our growth. In 2016 was the year in which we defined the new Datalogic strategy and launched a new organisation to achieve our goals."

became operational on 1st January 2017. This strategy is based on a unique offer of products and services as a result of the combination of two divisions, Industrial Automation and Automatic Data Capture, able to address the needs of customers across the entire value chain.”

Sales revenues were 576.5 million in 2016, an increase of 7.7% from 535.1 million in the previous year. At a constant euro/dollar exchange rate, the increase would have been 7.6%. Booking for the year, or orders received, reached 586 million, up 4% from 2015. The impact of new products (launched in the last 24 months) on turnover was 24.3%.

The Gross Operating Margin, equivalent to 265.3 million, grew 6.7% from 248.6 million of the prior year (at a constant euro/dollar exchange rate), while its impact on revenues declined slightly from 46.5% in 2015 to 46.2% in 2016, mainly due to the physiological erosion of prices that was not completely offset by improved product mix and purchasing efficiencies.

Operating costs, equivalent to 192.4 million, show growth of less than 1% compared to 190.9 million in 2015, a considerable improvement as a percentage of turnover, dropping from 35.7% to 33.4%. The high level of Research and Development activities should be noted, amounting to 50.4 million, up 4.5% over 2015, having invested in 2015 and representing 8.7% of revenues, essentially in line with 9% in 2015. Distribution, general and administrative expenses posted an improvement both in terms of percentage of turnover, dropping from 24.1% in 2015 to 24.1% in 2016, as well as in absolute terms, from 140.6 million in 2015 to 139.0 million in 2016.

EBITDA posted significant improvement, up 22.5% to 90.4 million compared to 73.7 million in 2015 (at a constant euro/dollar exchange rate). As a percentage of revenue (EBITDA Margin), the figure grew 1.9 percentage points to 15.7%, the best result in the last 12 years, compared to 13.8% in the previous year, mainly due to the containment of operating costs, which were essentially in line with 2015.

Operating Result (EBIT) increased 32.7% to 70.2 million from 52.9 million (+32.2% at constant euro/dollar exchange rate).

Financial income was negative for 3.0 million compared to a negative 1.5 million in the previous year, mainly as a result of a less favourable trend in exchange differences, while bank expenses decreased by 1.5 million.

Group Net Profit grew 13.1% to 45.8 million, compared to 40.5 million achieved in the prior year, despite the increase in tax burden in 2016 compared to 2015 due to recent changes in the legislation.

The net financial position is positive, with a balance of 3.5 million, posting an improvement over the net debt in 2015 of 21 million, attributable to continuous and robust cash generation, also after dividend distribution.

Trade working capital as at 31st December 2016 is 53.2 million (equivalent to 9.2% of revenues), up from 48.5 million as at 31st December 2015 (6.8% of revenues), principally due to growth in demand.

Q4 2016 TRENDS

The fourth quarter of 2016 was the best fourth quarter in the Group's history in terms of revenues and operating

The Company saw an acceleration over the fourth quarter of the previous year, with revenues reaching 23.7 million (+7.6% over the fourth quarter of 2015 and +10.6% compared to the third quarter of 2016) and orders already acquired, was 161 million, up 1.7% over the fourth quarter of 2015 and 16 third quarter of 2016.

Confronto quarto trimestre 2016 e quarto trimestre 2015

€000	4° trimestre 2016		4° trimestre 2015		Var.
TOTALE RICAVI	154.729	100,0%	143.773	100,0%	10.956
M.O.I. (EBITDA)	23.727	15,3%	20.670	14,4%	3.057
RISULTATO OPERATIVO (EBIT)	17.495	11,3%	14.856	10,3%	2.639

Confronto quarto trimestre 2016 e terzo trimestre 2016

€000	4° trimestre 2016		3° trimestre 2016		Var.
TOTALE RICAVI	154.729	100,0%	139.911	100,0%	14.818
M.O.I. (EBITDA)	23.727	15,3%	21.682	15,5%	2.045
RISULTATO OPERATIVO (EBIT)	17.495	11,3%	17.437	12,5%	58

PERFORMANCE BY DIVISION

For purposes of segment disclosure, the data as at 31st December 2016 includes the new company Systems Inc., established on 1st October 2016, within the IA Division, consistent with the first three quarters of 2016 and the previous year.

	Ricavi			EBITDA*	
€000	2016	2015	Var. %	2016	2015
Datalogic ADC	397.647	363.966	9,3%	95.755	81.199
Datalogic IA	158.536	146.084	8,5%	11.196	8.564
Informatics	24.365	27.383	(11,0%)	(1.533)	(14)
Datalogic S.p.A.	41.578	36.451	14,1%	13.671	7.483
Rettifiche	(45.644)	(38.816)	17,6%	(28.723)	(23.484)
Totale	576.482	535.068	7,7%	90.366	73.748

(*) Ai fini di dare una rappresentazione puntuale delle performance economiche dei settori operativi, si è ritenuto opportuno riportare il Divisional EBITDA quale KPI di monitoraggio.

The ADC (Automatic Data Capture) Division, specialized in the design and production of fixed retail and professional handheld readers and mobile computers, posted growth of 9.3% in turnover, to 397.6 million compared to 364 million in 2015 (+9.1% at constant euro/dollar exchange rate), led principally by sales of handheld scanners and mobile computers for the retail market, both in Europe and the Americas.

Profitability also showed strong growth, with EBITDA passing from 81.2 million in 2015 to 95.8 million in 2016 (+17.9%) and an EBITDA Margin of 24.1% compared to 22.3% in 2015.

The Industrial Automation Division, specialized in the design and production of automatic identification solutions for safety, detection and marking solutions for the Industrial Automation market, reported a turnover of 158.5 million at 31st December 2016, up 8.5% from 146.1 million in 2015 (+8.8% at constant euro/dollar exchange rate). The division benefitted from sustained growth in both T&L and Manufacturing in Europe, China, and, particularly in the last quarter, in North America, where it posted double-digit growth.

The division's margins showed considerable improvement from the prior year, +30.7% to 11.2 million, or 7.1% of revenues. Excluding the results of the Systems BU and the newly formed Solution Net Systems divisional EBITDA is 12.2 million, or 8.8% of revenues.

Finally, Informatics reported a turnover of 24.4 million compared to 27.4 million in 2015. Turnover in the last quarter was 5.8 million, up +9.1% (+7.4% at a constant euro/dollar exchange rate) compared to the first quarter of 2015.

PERFORMANCE BY GEOGRAPHIC AREA

With regard to geographic areas, the European market (including Italy), which represents more than 50% of turnover, continues to show considerable growth (+12% YOY) in both divisions. Instead, the lower growth in North America compared to previous quarters is essentially attributable to important projects completed in the first quarter of 2015 by the ADC Division, which were only partially offset by double-digit growth of the IA Division in the same region.

RICAVI PER AREA GEOGRAFICA €000	2016	2015	Variaz
Italia	50.783	45.798	10,
Europa (esclusa Italia)	249.911	222.735	12,
<i>Totale Europa</i>	<i>300.694</i>	<i>268.533</i>	<i>11,9</i>
Nord America	167.332	161.063	3,9
Asia & Pacifico	69.576	71.490	(2,7
Resto del mondo	38.880	33.982	14,
TOTALE	576.482	535.068	7,7

PERIOD EVENTS

On 16th April 2016, a new manufacturing plant was inaugurated in Balatonboglar, Hungary, consisting of a new facility dedicated mainly to the production of factory automation devices. This represents more than 9 million invested between 2014 and 2016 with the aim of expanding the Group's production capacity and ensuring greater efficiency and the highest quality in the production process due to the introduction of three new lines that use modern surface mount technology.

On 1st October 2016, the spin-off of the Systems Business Unit became operational with the consequence of the creation of Datalogic Automation Inc. (the Company's American subsidiary), of a newco known as Solution Net Systems, Inc. The headquarters are located in Quakertown, Pennsylvania (USA) and all of the assets of the Systems Business Unit were transferred to the location. Hence, from that date, Solution Net Systems, Inc. provides customized solutions to the Datalogic Group with integrated solutions for automated distribution in the postal and retail markets previously provided by the Systems BU of the Industrial Automation Division.

On 18th October 2016, Alessandro D'Aniello was appointed new Group CFO and Manager responsible for supervising up the company's financial statements within the Datalogic Group.

On 20th December 2016, the Board of Directors appointed Valentina Volta as Chief Executive Officer of the Group effective 1st January 2017, with all executive powers, excluding the M&A and Real Estate areas which remain the sole responsibility of the Chairman, Romano Volta. Ms. Volta was already a member of the Board of Directors and previously the CEO of the IA Division. Pietro Todescato, formerly CTO of the Group and member of the Company's Board of Directors, was assigned the responsibility for Global Marketing, dedicated to breakthrough product innovation.

SUBSEQUENT EVENTS

The Group's new organisation was launched at the beginning of the year, focusing all business processes on the customer and optimising the corporate structure, which resulted in the activities of the ADC Division (Automated Data Capture) and IA Division (Industrial Automation) being combined in a single legal entity in each country.

which the Group operates. This reorganisation will allow Datalogic customers in the Retail, Transportation & Logistics, Manufacturing and Healthcare segments to further benefit from the utmost quality in terms of effectiveness of offered services.

OUTLOOK FOR CURRENT YEAR AND SUBSEQUENT EVENTS

Revenue growth at a higher rate than the reference market is expected to continue in 2017, with a particular focus in North America and APAC, while the Group will further consolidate its leadership position in Europe.

The core driver of growth is the new strategy as well as the new operational and organisational model implemented from 1st January 2017: focus on the end customer through new business structures dedicated to the four sectors: Retail, Manufacturing, Transportation & Logistics and Healthcare; Datalogic's ability to offer an array of innovative products and solutions in each of these sectors, as a unique, integrated entity in the competitive context; at the same time, maintaining a strong presence and focus on distribution partners through the newly founded Group Channel Department.

The Group will continue to invest heavily in Research and Development, which has been strengthened by the creation of a new department focusing on breakthrough innovation, and in improving service levels to customers through the new Customer Service Department.

In addition, the continuous optimisation of operations and careful attention to production and operational efficiency will allow the Group, within the context of a relatively stable macroeconomic scenario, to achieve the goal of additional improvement in the financial stability and profitability over the medium/long term.

At the Shareholders Meeting planned to take place on 4th May 2017 the Board of Directors will propose an ordinary unit dividend, gross of legal withholdings, of 30 cents per share (+20.0% compared to the share paid for 2015), for a maximum amount of approximately 17.5 million Euro, with coupon detachable from 1st May 2017 (record date 9th May 2017) and payment from 10th May 2017.

The Board of Directors also approved the Annual Corporate Governance Report. A copy of the report is available to the public in accordance with applicable law.

Note that the auditing of the draft financial statements has not yet been completed and that the auditors' report will be made available within the deadlines set at law. The attached balance sheet statement are reclassified statements, and as such have not been subject to audit.

Finally, the Annual Financial Report (pursuant to article 154-ter of the Testo Unico della Finanza - TUF) of Datalogic S.p.A. will be available to anyone who requests it at the company headquarters or at Borsa Italiana "eMarket STORAGE" instrument, managed by Spafid Connect S.p.A., and may also be consulted on the website www.datalogic.com (Investor Relations section), in accordance with the law and applicable regulations.

The manager responsible for preparing the company's financial reports – Alessandro D'Aniello – declares, pursuant to paragraph 2 of Art. 154-bis of the "Testo Unico della Finanza", that the accounting information contained in the press release corresponds to the document results, books and accounting records.

Reclassified income statement at 31st December 2016 – Euro/1.000

Gruppo Datalogic	31/12/2016		31/12/2015		var
Ricavi totali	576.482	100,00%	535.068	100,00%	41.414
Costo del venduto	-311.192	-54,00%	-286.450	-53,54%	-24.742
Margine lordo di contribuzione	265.290	46,00%	248.618	46,46%	16.672
Altri Ricavi	3.278	0,60%	3.504	0,65%	-226
Spese di Ricerca e Sviluppo	-50.421	-8,70%	-48.244	-9,02%	-2.177
Spese di Distribuzione	-101.208	-17,60%	-101.095	-18,89%	-113
Spese Amministrative e Generali	-37.774	-6,60%	-39.521	-7,39%	1.747
Altri costi operativi	-3.027	-0,50%	-2.041	-0,38%	-986
Totale costi operativi ed altri costi	-192.430	-33,40%	-190.901	-35,68%	-1.529
Costi e ricavi non ricorrenti	-979	-0,20%	-2.564	-0,48%	1.585
Ammortamenti derivanti da acquisizioni	-4.914	-0,90%	-5.712	-1,07%	798
Risultato operativo (EBIT)	70.245	12,20%	52.945	9,90%	17.300
Risultato della gestione finanziaria	-3.055	-0,50%	-4.622	-0,86%	1.567
Utile/(Perdite) da società collegate	-318	-0,10%	174	0,03%	-492
Utile/(Perdite) su cambi	20	0,00%	3.087	0,58%	-3.067
Utile/Perdita ante imposte	66.892	11,60%	51.584	9,64%	15.308
Imposte	-21.046	-3,70%	-11.037	-2,06%	-10.009
UTILE/(PERDITA) NETTO DI GRUPPO	45.846	8,00%	40.547	7,58%	5.299
Ammortamenti Imm. Materiali	-9.363	-1,60%	-7.812	-1,46%	-1.551
Ammortamenti Imm. Immateriali	-4.865	-0,80%	-4.715	-0,88%	-150
Margine operativo lordo (EBITDA) ¹	90.366	15,70%	73.748	13,78%	16.618

[1] EBITDA - Earnings before interest, taxes, depreciation and amortization. The EBITDA is used by Management to monitor and assess the operational performance of the Group and is not an accounting item within IFRS. Given that the composition of this measure is not regulated by the accounting standards, it is not subject to any audit procedure by the Independent Auditors.

Reclassified Balance Sheet at 31st December 2016 ⁽²⁾ – Euro/1.000

Gruppo Datalogic	31/12/2016	31/
Immobilizzazioni Immateriali Nette	51.997	
Avviamento	188.934	
Immobilizzazioni Materiali Nette	72.082	
Partecipazioni non consolidate	6.928	
Altre attività immobilizzate	51.807	
Capitale Immobilizzato	371.748	
Crediti Commerciali Netti vs. Clienti	75.477	
Debiti vs. Fornitori	-104.585	-
Rimanenze	82.344	
Capitale circolante netto commerciale	53.236	
Altre Attività Correnti	34.184	
Altre Passività Correnti e fondi per rischi a breve termine	-77.625	
Capitale circolante netto	9.795	
Altre Passività a M/L termine	-30.836	
Passività per benefici ai dipendenti / TFR	-6.647	
Fondi per rischi	-11.169	
Capitale investito netto	332.891	
<i>Patrimonio netto Totale</i>	-336.394	
Posizione Finanziaria Netta	3.503	

² The reclassified Balance Sheet shows measures used by the Management to monitor and assess performances of the Group. Given that the composition of these measures is not regulated by the accounting standards, even if they are directly reconcilable to the IFRS statements, they are not subject to audit procedure by the Independent Auditors.

Net Financial Position at 31st December 2016 – Euro/1.000

Gruppo Datalogic	31/12/2016	31/
A. Cassa e Banche	146.930	
B. Altre disponibilità liquide	47	
<i>b1. Cassa vincolata</i>	47	
C. Titoli detenuti per la negoziazione	0	
<i>c1. Breve termine</i>	0	
<i>c2. Lungo termine</i>	0	
D. Liquidità (A) + (B) + (C)	146.977	
E. Crediti finanziari correnti	0	
F. Altri crediti finanziari correnti	0	
<i>f1. Operazioni di copertura</i>	0	
G. Conti correnti bancari passivi	212	
H. Parte corrente dell'indebitamento non corrente	30.180	
I. Altri debiti finanziari correnti	5.878	
<i>i1. Operazioni di copertura</i>	37	
<i>i2. Debiti per leasing</i>	248	
<i>i3. Debiti finanziari correnti</i>	5.593	
J. Indebitamento finanziario corrente (G) + (H) + (I)	36.270	
K. Indebitamento finanziario corrente netto (J) – (D) – (E) – (F)	-110.707	
L. Debiti bancari non correnti	139.321	
M. Altre attività finanziarie non correnti	32.117	
N. Altri debiti non correnti	0	
<i>n1. Operazioni di copertura</i>	0	
<i>n2. Debiti per leasing</i>	0	
O. Indebitamento finanziario non corrente (L) – (M) + (N)	107.204	
P. Indebitamento finanziario netto (K) + (O)	-3.503	