Equity Research

Company Update | **Capital Goods** | **Italy** | **27 September 2010**

Datalogic

Upbeat 1H10 leads us to raise 2010 estimates

Datalogic's 1H10 results were once again well above our estimates and consensus numbers. In 2010 and 2011, we expect the stabilization of the reference market coupled with the restructuring program launched by the management in 2009 to allow Datalogic to achieve strong top-line growth (we forecast 19.3% yoy growth for the current year and 7% for next year) and increase profitability to pre-crisis levels (we forecast EBITDA to reach EUR 48mn in 2010 and EUR 54mn in 2011). We confirm our Buy rating and EUR 4.7 12M target price.

- **Buy rating and TP of EUR 4.7 confirmed.** We reiterate our positive stance on Datalogic with a Buy rating and confirm our 12M target price of EUR 4.7 based on a REP ratio and peer group multiples methodologies. Given the good visibility on 2010 numbers, we believe investors should now focus on 2011, which should see the stabilization of the reference market and also good momentum for Datalogic, thanks to the Vietnamese plant that we expect to play an important role in the recovery of the group's profitability.

- **Signs of improvement in 1H10 lead us to raise our 2010 estimates.** 1H10 showed growth trends in line with those seen in 1Q10 and 4Q09. Moreover, the company's focus on efficiency and cost cutting has helped increase profitability dramatically compared with 2009, which we believe can be considered Datalogic's bottom of the cycle. We increase our 2010 estimate for EBITDA by around 15% (i.e. from EUR 42mn to EUR 48mn) and for the EBITDA margin to ca. 13% (from ca. 12%). Moreover, we raise our 2010 net profit estimate by roughly 36% (to EUR 16mn from EUR 12mn).

	2008	2009	2010E	2011E	2012E
Sales (EUR mn)	379.8	312.0	372.2	398.1	416.8
EBITDA (EUR mn)	47.8	19.6	47.9	53.6	58.2
EBIT (EUR mn)	30.7	-5.6	30.0	35.1	39.4
Group Net Profit (EUR mn)	17.8	-12.2	15.7	19.3	22.7
EPS Reported (EUR)	0.31	-0.21	0.27	0.33	0.39
DPS (EUR)	0.04	0.00	0.08	0.10	0.12
After tax ROIC (%)	8.3	n.m.	9.2	10.1	11.3
P/E (x)	16.1	n.m.	15.6	12.7	10.8
P/CF (x)	n.a.	n.a.	7.2	7.2	6.5
EV/EBITDA (x)	8.4	17.5	7.4	6.4	5.5
EV/EBIT (x)	13.1	n.m.	11.8	9.8	8.1
Free cash flow yield (%)	n.m.	3.3	0.5	7.6	11.5
Dividend yield (%)	0.7	0.0	1.9	2.4	2.8

Source: Datalogic, UniCredit Research estimates

Buy (prev. Buy)

Price on 27 September 2010	**EUR 4.27**
Target price (prev. EUR 4.70)	**EUR 4.70**
Upside to TP	10.0%
Cost of equity	8.8%
High/Low (12M)	4.50/2.98

INVESTMENT HIGHLIGHTS

- **One of the major players worldwide in the automatic data capture (ADC) market**
- **2010 should witness a cycle recovery for Datalogic**

STOCK TRIGGERS

- **2009 can be considered the '*annus horribilis*' for the company; visibility increased dramatically and management expects double-digit top-line growth in 2010**
- **Ongoing restructuring and efficiency program should allow Datalogic to achieve margin recovery**
- **Vietnamese factory should increase profitability as early as 2010**

STOCK DATA

Reuters/Bloomberg	DAL.MI/DAL IM
Average daily volume (tds.)	18.4
Free float (%)	21.1
Market capitalization (EUR bn)	0.23
No. of shares in issue (mn)	58.4
Shareholders	Hydra SpA 67% Tamburi Investment Partners SpA 6.4% Own shares 5.5%

UPCOMING EVENTS

9M/Q3	8 Nov 2010

Source: Thomson Datastream

STOCK PERFORMANCE (% CHG.)

	1M	3M	6M
absolute	17.0	-1.0	-5.0
rel. to FTSE Italia	14.0	11.0	7.0
rel. to ES Insurance	16.8	-0.6	-10.6

Pierluigi Amoruso, Equity Analyst (UniCredit Bank Milan)
+39 02 8862 8586
pierluigi.amoruso@unicreditgroup.de

Roberto Odierna (UniCredit Bank Milan)
Head of Equity Research Italy
+39 02 8862 8912
roberto.odierna@unicreditgroup.de

Contents

Change in estimates to factor in a better-than-expected 1H10

Reference market is recovering and margins are increasing

Datalogic's very strong set of 1H10 numbers were above our and consensus estimates. In the first half, the company continued to register the same growth trend and profitability recovery seen in the last few quarters. It is worth mentioning that 2Q10 revenues showed a return to pre-crisis levels, but we highlight that the increase in profitability is also the result of the management's focus on efficiency and control of structural costs.

All operating divisions and areas achieved impressive growth in both 1H10 and in 2Q10 in terms of sales and profitability, showing acceleration in 2Q10.

DATALOGIC – 1H10 VERSUS 1H09 REVENUES BY DIVISION

EUR mn	*% of total revenues*	1H09	1H10	*chg. (%)*
Datalogic Mobile	*22*	30.9	41.9	*35.7*
Datalogic Automation	*23*	32.5	43.4	*33.5*
Datalogic Scanning	*47*	71.5	89.3	*24.9*
Informatics	*9*	14.6	16.6	*13.8*
Datalogic S.p.A.	*4*	6.6	6.9	*5.1*
Adjustments	*-4*	-6.9	-7.2	*5.0*
Total		**149.1**	**190.8**	***28.0***

Source: Datalogic

DATALOGIC – 1H10 VERSUS 1H09 REVENUES BY AREA

EUR mn	*% of total revenues*	1H09	1H10	*chg. (%)*
Italy	*11*	20.1	21.6	*7.5*
Europe	*37*	57.4	69.7	*21.5*
North America	*27*	44.3	52.3	*18.1*
Asia Pacific	*12*	14.0	22.9	*63.5*
RoW	*13*	13.4	24.3	*82.1*
Total		**149.1**	**190.8**	***28.0***

Source: Datalogic

As already highlighted, the results confirm the soundness of the efficiency and cost cutting program implemented by the management as well as the recovery in the reference market.

In light of the company's very strong 1H10 results, we have increased our estimates significantly (see table below).

DATALOGIC – OUR NEW AND OLD ESTIMATES (FY10, FY11 AND FY12)

EUR mn	FY10	FY10	*New /*	FY11	FY11	*New /*	FY12	FY12	*New /*
	New	Old	*Old*	New	Old	*Old*	New	Old	*Old*
Sales	372	354	*5.1*	398	379	*5.1*	417	405	*2.9*
yoy chg. (%)	*19.3*	*13.5*	-	*7.0*	*7.0*	-	*4.7*	*7.0*	-
EBITDA	48	42	*14.6*	54	50	*7.7*	58	56	*3.3*
yoy % chg	*144.0*	*112.9*	-	*11.9*	*19.1*	-	*8.5*	*13.1*	-
EBITDA margin (%)	*12.9*	*11.8*	-	*13.5*	*13.1*	-	*14.0*	*13.9*	-
Net profit	16	12	*35.9*	19	16	*18.1*	23	21	*8.2*
yoy chg. (%)	*n.m.*	*n.m.*	-	*22.8*	*41.2*	-	*17.5*	*28.3*	-

Source: UniCredit Research estimates

Our estimates are now above consensus numbers: we believe consensus estimates may be increased further, especially at the profitability and net profit levels.

DATALOGIC – OUR ESTIMATES VERSUS CONSENSUS (FY10, FY11 AND FY12)

EUR mn	FY10 Est.	FY10 Cons.	*Est. / Cons.*	FY11 Est.	FY11 Cons.	*Est. / Cons.*	FY12 Est.	FY12 Cons.	*Est. / Cons.*
Sales	372	362	*2.8*	398	383	*3.9*	417	408	*2.3*
yoy chg. (%)	*19.3*	*16.0*	-	*7.0*	*5.8*	-	*4.7*	*6.4*	-
EBITDA	48	42	*14.1*	54	50	*7.2*	58	56	*4.8*
yoy chg. (%)	*144.0*	*113.9*	-	*11.9*	*19.0*	-	*8.5*	*11.0*	-
EBITDA margin (%)	*12.9*	*11.6*	-	*13.5*	*13.1*	-	*14.0*	*13.6*	-
Net profit	16	14	*12.4*	19	18	*7.3*	23	21	*8.1*
yoy chg. (%)	*n.m.*	*n.m.*	-	*22.8*	*28.6*	-	*17.5*	*16.7*	-

Source: FactSet, UniCredit Research estimates

Financial statements

Growth in 2010 driven by market recovery

As highlighted previously, 1H10 results showed healthy signs of growth, in trend with 1Q10 results. In our opinion, the reference market will continue to stabilize in 2H10: we forecast yoy top-line sales of about 20%, with Informatics posting the strongest growth (i.e. around 20% yoy).

As far as profitability is concerned, we expect the 2010 EBITDA margin to reach ca. 13% (or EUR 48mn) from 6.3% in 2009, thanks to the top-line increase and the cost-cutting and efficiency programs implemented in 2009. This boost in margin would translate into a net profit of EUR 16mn: it is worth mentioning that our assumed tax rate of 30% (or –EUR 7mn of taxes) could however turn out to be overly pessimistic, given that Datalogic posted a loss of around EUR 12mn in 2009 and could carry some losses forward, thereby lowering its tax rate.

For 2011 onwards, we expect Datalogic's profitability to increase further thanks both to its new factory in Vietnam and its cost efficiency programs, which should allow the company to enjoy a lower cost base going forward.

The following table summarizes our profit and loss estimates for Datalogic.

DATALOGIC – 2005-2013E PROFIT AND LOSS

EUR mn	2005	2006	2007	2008	2009	2010E	2011E	2012E	2013E
Net Sales	**206**	**382**	**404**	**380**	**312**	**372**	**398**	**417**	**432**
Yoy growth (%)	***40.8***	***85.3***	***5.9***	***-6.0***	***-17.9***	***19.3***	***7.0***	***4.7***	***3.7***
Cost of Sales	-107	-215	-224	-212	-182	-201	-214	-223	-227
Gross profit	**99**	**167**	**180**	**168**	**130**	**171**	**184**	**193**	**205**
% of sales	***48.3***	***43.8***	***44.5***	***44.2***	***41.8***	***46.0***	***46.3***	***46.4***	***47.5***
Other revenues	3	3	2	10	2	4	4	4	4
Research and development expenses	-15	-26	-25	-25	-25	-25	-27	-28	-29
Distribution expenses	-36	-84	-78	-77	-68	-76	-82	-85	-89
General and administrative expenses	-24	-29	-38	-39	-30	-33	-34	-33	-35
Other operating costs	-2	-5	-3	-2	-4	-6	-6	-6	-6
Total operating costs and other costs	**-75**	**-141**	**-142**	**-133**	**-124**	**-137**	**-144**	**-149**	**-155**
% of sales	***-36.2***	***-37.0***	***-35.1***	***-34.9***	***-39.8***	***-36.8***	***-36.3***	***-35.8***	***-35.8***
EBIT before non-recurring costs/revenues	25	26	38	35	6	34	40	44	51
%. of sales	*12.0*	*6.8*	*9.4*	*9.3*	*2.0*	*9.3*	*10.0*	*10.7*	*11.8*
Non-recurring costs and revenues	-5	-6	-3	-1	-8	-1	-1	-1	-1
Depreciation and amortization due to acquisitions		-4	-4	-4	-4	-4	-4	-4	-4
EBIT	**20**	**15**	**31**	**31**	**-6**	**30**	**35**	**39**	**46**
% of sales	***9.8***	***4.0***	***7.7***	***8.1***	***-1.8***	***8.1***	***8.8***	***9.5***	***10.6***
Finance income/expenses	2	-5	-5	-6	-6	-6	-6	-6	-5
Subsidiaries' earnings/losses	0	0	0	0	0	0	0	0	0
Foreign exchange earnings/losses	0	-1	0	1	-1	-1	-1	-1	-1
Net income before taxes	23	9	27	26	-13	22	28	32	40
Taxes	-10	-5	-9	-8	1	-7	-8	-10	-12
Tax rate (%)	*-41.9*	*-52.8*	*-32.1*	*-31.1*	*-5.2*	*-30.0*	*-30.0*	*-30.0*	*-30.0*
Net income after taxes	13	4	18	18	-12	16	19	23	28
Minorities	0	0	0	0	0	0	0	0	0
Net profit	**13**	**4**	**18**	**18**	**-12**	**16**	**19**	**23**	**28**
% of sales	***6.4***	***1.1***	***4.5***	***4.7***	***-3.9***	***4.2***	***4.9***	***5.4***	***6.4***
Depreciation and write-downs of property plant and equipment	-5	-8	-8	-8	-9	-9	-9	-9	-9
Amortization and write-downs of intangible assets	-2	-4	-5	-4	-5	-5	-5	-5	-5
EBITDA	**32**	**38**	**50**	**48**	**20**	**48**	**54**	**58**	**65**
% of sales	***15.3***	***10.0***	***12.4***	***12.6***	***6.3***	***12.9***	***13.5***	***14.0***	***15.0***

Source: Datalogic, UniCredit Research estimates

2010 net debt to increase mainly due to the acquisition

Thanks to the good performance we expect Datalogic to post in 2010, we forecast that the company's 2010E net financial position should be substantially in line with 2009. We highlight that the deterioration we expect at the net financial position level is mainly due to the acquisition completed at the beginning of July 2010: this was funded with debt and resulted in an increase of intangibles and debt, leaving all other factors unchanged. Finally, in 2H10, we expect Datalogic's management to focus on working capital management, which we estimate to be in line with 2009 (i.e. around EUR 40mn).

DATALOGIC – 2005-2013E BALANCE SHEET

EUR mn	2005	2006	2007	2008	2009	2010E	2011E	2012E	2013E
Working Capital	59	59	62	58	41	46	54	55	59
Fixed Assets	50	50	49	53	51	49	47	46	44
Intangibles	197	154	137	139	127	142	138	134	130
Other Assets and Financial Assets	9	24	21	26	26	26	26	26	26
Capital Employed	**315**	**286**	**269**	**275**	**244**	**264**	**265**	**261**	**259**
Other LT Liabilities	-42	-27	-21	-19	-17	-17	-17	-17	-17
Employee benefits liability	-7	-8	-7	-8	-8	-8	-8	-8	-8
Risk Funds	-5	-6	-6	-6	-4	-4	-4	-4	-4
Total long term liabilities	-53	-41	-34	-33	-30	-30	-30	-30	-30
Net Capital Required	**261**	**246**	**236**	**241**	**214**	**233**	**235**	**231**	**229**
Cash & securities	30	33	55	52	72	72	72	72	72
Short-term Debt	-149	-10	-26	-65	-123	-124	-121	-116	-110
Long-term Debt	-12	-82	-91	-92	-47	-49	-40	-24	-6
Net Cash (Debt) at Y/E	**-131**	**-59**	**-62**	**-105**	**-98**	**-101**	**-88**	**-67**	**-44**
Share Capital	26	33	33	30	30	30	30	30	30
Reserves	104	154	140	105	86	102	117	134	155
Shareholders' Funds	130	187	173	136	117	132	147	164	185

Source: Datalogic, UniCredit Research estimates

DATALOGIC – 2005-2013E CASH FLOW STATEMENT

EUR mn	2005	2006	2007	2008	2009	2010E	2011E	2012E	2013E
Net Profit	13	4	18	18	-12	16	19	23	28
Depreciations and Amortizations	7	12	12	12	13	13	14	14	14
Cash Flow from Operations	**20**	**16**	**30**	**30**	**1**	**29**	**33**	**36**	**42**
Capex & Acquisitions	-188	16	8	-22	0	-27	-8	-8	-8
Capex/Sales (%)	-91.4	4.2	2.0	-5.8	-0.1	-7.2	-2.0	-1.9	-1.9
Dividends Paid	-3	-4	-4	-2	0	-5	-6	-7	-8
Working Capital	-24	0	-4	5	17	-6	-7	-1	-4
Others	30	36	-43	-58	-10	5	1	1	2
Net Free Cash Flow	**-166.4**	**65.0**	**-12.4**	**-47.0**	**7.8**	**-3.5**	**12.9**	**21.3**	**23.2**
Cash at Y/E	30	33	55	52	72	72	72	72	72
Short-term Debt at Y/E	-149	-10	-26	-65	-123	-124	-121	-116	-110
Long-term Debt at Y/E	-12	-82	-91	-92	-47	-49	-40	-24	-6
Net Cash (Debt) at Y/E	**-131**	**-59**	**-62**	**-105**	**-98**	**-101**	**-88**	**-67**	**-44**

Source: Datalogic, UniCredit Research estimates

Valuation: Buy rating and EUR 4.7 TP confirmed

Our valuation is based on REP ratios and peer group multiples: as highlighted in the following paragraphs both methodologies point at a value of around EUR 4.7 per Datalogic share. We highlight that our REP-ratio valuation is focused on 2011, while our comps analysis takes into account 2010E and 2011E multiples, on the latter Datalogic trades at a higher discount compared to current year multiples.

REP ratio and peer comparison point to FV of EUR 4.7 p.s.

Our REP ratio-based valuation gives a fair value of EUR 4.7 per share when applying a WACC of 6.7% based on our 2011 estimates. The REP ratio addresses the relationship between returns over cost of capital and the market value of the enterprise to capital employed, and offers a reasonable indication of the appropriateness of current market valuations, taking the correct relationship between EV/CE and ROCE/WACC to be 1.0x.

In our opinion, as highlighted before, 1H10 results were a reflection of the stabilization of Datalogic's reference market to pre-crisis levels and the restructuring program implemented by the management in 2009, which has allowed the company to achieve higher profitability.

Thanks to the positive momentum and high visibility on 2010 numbers, we believe investors should now focus on 2011 numbers. We believe the reference market is set to grow still further next year, even if at a slower pace than in 2010, which has been characterized by 20%-plus growth rates mainly thanks to an easy comparison base.

The table below summarizes the assumptions factored into our REP ratio valuation methodology.

DATALOGIC – REP RATIO VALUATION

EUR mn	2010E	2011E	2012E
Treasury shares	14	14	14
Net capital employed (yearly average)	254	264	263
Net capital employed less treasury shares	240	251	250
EBIT	30	35	39
EBIT margin (%)	*8.1*	*8.8*	*9.5*
NOPAT	21	25	28
Asset rotation	1.5	1.6	1.7
ROCE (%)	*12.5*	*14.0*	*15.8*
ROCE post tax (%)	*8.7*	*9.8*	*11.1*
ROCE / WACC (x)	1.8	2.0	2.1
ROCE post tax / WACC (x)	1.3	1.4	1.5
EV / CE (x)	1.3	1.2	1.2
REP ratio target (EUR)	**3.9**	**4.7**	**5.4**

Source: UniCredit Research estimates

While we have used a REP ratio methodology to value the stock, we have also carried out a peer analysis in order to better understand the main differences across the sector in terms of multiples. This said, given the peculiarity of the sector and the fact that Datalogic is an Italian small cap engineering company, we have also included a multiples analysis of other small cap stocks which we consider comparable with the company.

DATALOGIC – COMPARABLES ANALYSIS

Company	Price	Curr.	Mcap (mn)	EV/EBIT (x)			EV/EBITDA (x)			P/E (x)			*EBITDA CAGR (%)*	*EBIT CAGR (%)*	*Net profit CAGR (%)*
				2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	*2011/2008E*	*2011/2008E*	*2011/2009E*
NCR Corp.	13.0	USD	2,086	10.6	13.3	7.7	5.3	6.2	4.1	21.7	27.1	16.1	*-7.3*	*-17.8*	*-17.1*
Metrologic Group	30.3	EUR	121	5.1	5.8	5.3	4.7	5.7	5.1	15.7	14.6	14.0	*-5.4*	*-4.6*	*-7.3*
Cognex	21.5	USD	851	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	19.7	20.7	*18.2*	*29.8*	*16.1*
Intermec	11.8	USD	726	n.m.	n.m.	9.3	n.m.	12.1	7.5	n.m.	n.m.	19.6	*-3.0*	*2.3*	*-2.7*
Avg. ref. mkts comps				**7.9**	**9.6**	**7.4**	**5.0**	**8.0**	**5.6**	**18.7**	**20.5**	**17.6**	***0.6***	***2.4***	***-2.8***
Datalogic	**3.8**	**EUR**	**222**	**n.m.**	**11.8**	**9.8**	**17.5**	**7.4**	**6.4**	**n.m.**	**15.6**	**12.7**	***3.9***	***4.5***	***2.7***
Biesse	5.8	EUR	158	n.m.	n.m.	15.0	n.m.	15.0	6.4	n.m.	n.m.	n.m.	*-20.7*	*-29.9*	*-35.7*
Interpump	3.7	EUR	355	19.3	13.6	9.5	12.0	9.2	7.1	24.5	17.9	12.2	*-6.7*	*-10.8*	*-10.3*
SABAF	16.8	EUR	193	12.8	8.9	7.6	7.3	5.9	5.2	16.6	13.2	11.2	*4.7*	*7.1*	*3.2*
Landi Renzo	3.0	EUR	337	13.5	8.9	7.7	10.4	7.0	6.2	15.3	12.5	11.2	*6.4*	*3.4*	*5.8*
Krones	41.5	EUR	1,311	n.m.	19.3	10.6	n.m.	10.4	7.1	n.m.	26.6	15.1	*-4.9*	*-8.9*	*-7.9*
Heidelberger Druckmaschinen	6.0	EUR	468	n.m.	n.m.	11.6	n.m.	9.8	6.1	n.m.	n.m.	n.m.	*-224.2*	*-183.9*	*-140.9*
Carraro	2.4	EUR	112	n.m.	19.6	18.8	n.m.	7.1	6.8	n.m.	17.0	15.3	*-11.9*	*-19.5*	*-16.3*
IMA	14.5	EUR	496	7.8	8.5	7.6	6.4	7.2	6.6	13.4	12.8	11.5	*0.8*	*2.7*	*1.0*
Avg Italian eng. co's				**13.3**	**13.1**	**11.1**	**9.0**	**9.0**	**6.4**	**17.4**	**16.7**	**12.8**	***-32.1***	***-30.0***	***-25.1***
Datalogic	**3.8**	**EUR**	**222**	**n.m.**	**11.8**	**9.8**	**17.5**	**7.4**	**6.4**	**n.m.**	**15.6**	**12.7**	***3.9***	***4.5***	***2.7***
Avg Sample				**11.5**	**12.2**	**10.1**	**7.7**	**8.7**	**6.2**	**17.9**	**17.9**	**14.7**	***-21.2***	***-19.2***	***-17.7***
Datalogic	**3.8**	**EUR**	**222**	**n.m.**	**11.8**	**9.8**	**17.5**	**7.4**	**6.4**	**n.m.**	**15.6**	**12.7**	***3.9***	***4.5***	***2.7***

NB: Market data as of 23 September 2010.

Source: FactSet, UniCredit Research estimates

As shown in the table above, the whole sample, whether considering sector peers or companies within the engineering universe, has been severely hit by the economic crisis. However, we highlight that the effects of Datalogic's turnaround are reflected in our expectations of higher growth rates for the company going forward.

It is worth mentioning that the different D&A policies due to different sub-sectors and countries make it difficult to compare Datalogic with its comps on the EV/EBIT multiple. Moreover, as far as 2011 is concerned, we believe that consensus could increase Datalogic estimates, to factor in the market recovery and the company's 2010 performance, which should also have a positive impact on the following year.

DATALOGIC – KEY DATA

EUR mn	2007	2008	2009	2010E	2011E	2012E
Market data						
Price ord. (EUR)	6.2	4.9	4.1	4.2	4.2	4.2
No. issued shares	63.9	58.4	58.4	58.4	58.4	58.4
Total market cap	393.2	287.9	237.7	245.5	245.5	245.5
P&L						
Group net sales	404.0	379.8	312.0	372.2	398.1	416.8
Change yoy (%)	5.9	n.m.	n.m.	19.3	7.0	4.7
EBITDA	50.1	47.8	19.6	47.9	53.6	58.2
EBITDA margin (%)	12.4	12.6	6.3	12.9	13.5	14.0
EBIT	31.1	30.7	-5.6	30.0	35.1	39.4
EBIT margin (%)	7.7	8.1	n.m.	8.1	8.8	9.5
Pretax	26.6	25.9	-12.8	22.5	27.6	32.4
Group net profit	18.1	17.8	-12.2	15.7	19.3	22.7
Net profit margin (%)	4.5	4.7	n.m.	4.2	4.9	5.4
Adj. group net profit	18.1	17.8	-12.2	15.7	19.3	22.7
Adj. EBITDA	50.1	47.8	19.6	47.9	53.6	58.2
Balance sheet						
Net fixed assets	207.4	217.0	203.9	217.3	211.6	205.9
Net working capital	62.1	57.5	40.5	46.2	53.6	55.0
Long term liabs. and TFR	-33.5	-33.4	-30.1	-30.1	-30.1	-30.1
Net capital required	235.9	241.2	214.3	233.5	235.1	230.8
Shareholders' equity	173.5	135.8	116.7	132.4	147.0	163.9
Net financial debt (Cash)	62.4	105.4	97.6	101.1	88.1	66.8
Cash flow statement						
Operating cash flow	-16.0	-22.8	8.1	28.2	26.8	36.2
Capex	8.0	-22.1	-0.3	-26.9	-8.1	-8.1
Dividends	-4.5	-2.0	0.0	-4.7	-5.8	-6.8
Change in net financial position	-3.5	-42.9	7.8	-3.5	12.9	21.3
Leverage (x)						
Debt/Equity	0.4	0.8	0.8	0.8	0.6	0.4
Debt/EBITDA	1.2	2.2	5.0	2.1	1.6	1.1
EBITDA interest coverage	10.9	8.5	3.1	7.4	8.5	10.0
EV ratios						
EV (EUR mn)	462.2	401.7	343.7	355.0	342.0	320.7
EV/sales (x)	1.1	1.1	1.1	1.0	0.9	0.8
EV/EBITDA (x)	9.2	8.4	17.5	7.4	6.4	5.5
EV/EBIT (x)	14.9	13.1	n.m.	11.8	9.8	8.1
[EV/CE]/[ROCE/WACC] (x)	1.6	1.2	n.a.	1.0	0.9	0.8
Per share data (EUR)						
EPS	0.28	0.31	-0.21	0.27	0.33	0.39
Adj. EPS	0.28	0.31	-0.21	0.27	0.33	0.39
Free CFPS	n.m.	n.m.	0.13	0.02	0.32	0.48
BVPS	2.72	2.32	2.00	2.27	2.52	2.80
DPS ord.	0.07	0.04	0	0.08	0.10	0.12
Valuation ratios						
P/E ord. (x)	21.7	16.1	n.m.	15.6	12.7	10.8
Adj. P/E ord. (x)	21.7	16.1	n.m.	15.6	12.7	10.8
Free cash flow yield (%)	n.m.	n.m.	3.3	0.5	7.6	11.5
Div. yield ord. (%)	1.1	0.7	0	1.9	2.4	2.8

Source: Datalogic, UniCredit Research estimates

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e) UniCredit Securities, Boulevard Ring Office Building, 17/1 Chistoprudni Boulevard, Moscow 101000, Russia
Regulatory authority: Federal Service on Financial Markets, 9 Leninsky prospekt, Moscow 119991, Russia

f) UniCredit Menkul Değerler A.Ş., Büyükdere Cad. No. 195, Büyükdere Plaza Kat. 5, 34394 Levent, Istanbul, Turkey
Regulatory authority: Sermaye Piyasası Kurulu – Capital Markets Board of Turkey, Eskişehir Yolu 8.Km No:156, 06530 Ankara, Turkey

g) Zagrebačka banka, Paromlinska 2, HR-10000 Zagreb, Croatia
Regulatory authority: Croatian Agency for Supervision of Financial Services, Miramarska 24B, 10000 Zagreb, Croatia

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Datalogic	-

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Company	Date	Rating	Currency	Target price
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Datalogic	25/11/2009	BUY	EUR	4.60

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UniCredit Research*

Thorsten Weinelt, CFA
Global Head of Research & Chief Strategist
+49 89 378-15110
thorsten.weinelt@unicreditgroup.de

Dr. Ingo Heimig
Head of Research Operations
+49 89 378-13952
ingo.heimig@unicreditgroup.de

Stefanie Ruehl, CFA
Head of Research Product Development & Marketing
+44 20 7826-7957
stefanie.ruehl@unicreditgroup.de

European Equity Research

Christopher Williams, Head of European Equity Research
+44 20 7826-7889, christopher.williams@unicreditgroup.de

EUROPEAN SECTOR ANALYSTS

Aerospace & Defence/Airlines/ Industrials
Uwe Weinreich
+49 89 378-12640
Gabriele Parini
+39 02 8862-8587

Automobiles & Parts
Georg Stürzer
+49 89 378-18252
Christian Aust, CFA
+49 89 378-11394
Gabriele Parini
+39 02 8862-8587

Banks
Eugenio M. Cicconetti
+44 207 826-7972
Tania Gold
+44 20 7826-7946
James Invine
+44 20 7826-7975
Marketing Analyst
Joseph Champion
+44 20 7826-7887

Capital Goods
James Stettler
+44 20 7826-7909
Alessandro Falcioni
+39 02 8862-2242
Peter Bauernfried, CEFA
+43 50 505-82368
Alasdair Leslie
+44 20 7826-7961
Peter Rothenaicher
+49 89 378-18718
Antonio Vizzari
+39 02 8862-2597
Marketing Analyst
Andy Bell
+44 20 7826-7948

Chemicals & Health Care
Andreas Heine
+49 89 378-16921
Markus Mayer
+49 89 378-18670
Dr. Silke Stegemann
+49 89 378-17101

Construction & Materials
Peter Bauernfried, CEFA
+43 5 05 05-82368
Maurizio Moretti
+39 02 8862-2715

Consumer/HPC
Nicolas Sochovsky
+44 20 7826-7885
Graeme Eadie
+44 20 7826-7899
Katharina Kastenberger
+44 20 7826-7947
Marketing Analyst
Rupert Trotter
+44 20 7826-7890

Fashion & Luxury Goods
Davide Vimercati
+39 02 8862-2456
Volker Bosse
+49 89 378-11398

Insurance/Financial Services
Bernd Müller-Gerberding, CFA
+49 89 378-18706
Marketing Analyst
Joseph Champion
+44 20 7826-7887

Media
Maurizio Moretti
+39 02 8862-2715

Metals & Mining
Christian Obst
+49 89 378-15117
Alexander Hodosi
+43 5 05 05-82359
Jonathan Schroer, CFA
+49 89 378-12416

Mid & Small Cap
Roberto Odierna
+39 02 8862-8912
Pierluigi Amoruso
+39 02 8862-2007
Peter Bauernfried, CEFA
+43 5 05 05-82368
Alessandro Falcioni
+39 02 8862-2242
Katharina Kastenberger
+44 20 7826-7947
Maurizio Moretti
+39 02 8862-2715
Peter Rothenaicher
+49 89 378-18718
Antonio Vizzari
+39 02 8862-2597
Christian Weiz
+49 89 378-15229

Oil & Gas
Sergio Molisani
+39 02 8862-8374
David Thomas
+44 20 7826-7895
Stefano Vitali
+39 02 8862-8367
Marketing Analyst
Clay Smith
+44 20 7826-7893

Real Estate
Andre Remke, CFA
+49 89 378-18202
Pierluigi Amoruso
+39 02 8862-8586
Alexander Hodosi
+43 5 05 05-82359

Renewables
Michael Tappeiner
+49 89 378-14163

Retailers (Food)
Volker Bosse
+49 89 378-11398

Semiconductors/ Telecom Equipment/ Technology Hardware
Guenther Hollfelder, CFA
+44 20 7826-7960

Software & IT Services
Knut Woller
+49 89 378-11381
Alexander Rummler
+49 89 378-11335

Telecommunications
Thomas Friedrich, CFA
+49 89 378-12798
Giovanni D'Amico
+39 02 8862-2007

Tourism, Leisure & Services
Christian Obst
+49 89 378-15117
Jonathan Schroer, CFA
+49 89 378-12416

Utilities
Lueder Schumacher
+44 20 7826-7967
Javier Suarez
+39 02 8862-8183
Scott Phillips
+44 20 7826-7898
Vincent Ayral
+44 20 7826-7891
Marketing Analyst
Jenny Ping
+44 20 7826-7966

REGIONAL RESEARCH

Austria
Thomas Neuhold, CFA, Head
+43 5 05 05-82355
Peter Bauernfried, CEFA
+43 5 05 05-82368
Alexander Hodosi
+43 5 05 05-82359
Katharina Kastenberger
+44 20 7826-7947

Italy
Roberto Odierna, Head
+39 02 8862-8912
Pierluigi Amoruso
+39 02 8862-8586
Giovanni D'Amico
+39 02 8862-2007
Alessandro Falcioni
+39 02 8862-2242
Sergio Molisani
+39 02 8862-8374
Maurizio Moretti
+39 02 8862-2715
Gabriele Parini
+39 02 8862-8587
Javier Suarez
+39 02 8862-8183
Davide Vimercati
+39 02 8862-2456
Stefano Vitali
+39 02 8862-8367
Antonio Vizzari
+39 02 8862-2597

Germany
Andreas Heine, Co-Head
+49 89 378-16921
Georg Stürzer, Co-Head
+49 89 378-18252
Christian Aust, CFA
+49 89 378-11394
Volker Bosse
+49 89 378-11398
Thomas Friedrich, CFA
+49 89 378-12798
Guenther Hollfelder, CFA
+44 20 7826-7960
Markus Mayer
+49 89 378-18670
Bernd Müller-Gerberding, CFA
+49 89 378-18706
Christian Obst
+49 89 378-15117
Andre Remke, CFA
+49 89 378-18202
Peter Rothenaicher
+49 89 378-18718
Alexander Rummler
+49 89 378-11335
Jonathan Schroer, CFA
+49 89 378-12416
Dr. Silke Stegemann
+49 89 378-17101
Michael Tappeiner
+49 89 378-14163
Uwe Weinreich
+49 89 378-12640
Christian Weiz
+49 89 378-15229
Knut Woller
+49 89 378-11381

ESG Research
Patrick Berger, CFA
+44 20 7826-7952

Equity Strategy
Gerhard Schwarz, Head
+49 89 378-12421
Volker Bien
+49 89 378-18148
Dr. Tammo Greetfeld
+49 89 378-18361
Christian Stocker
+49 89 378-18603

EQUITY SALES

Equity Sales London
+44 207 826-6949

Equity Sales Milan
+39 02 8862-0643

Equity Sales Munich
+49 89 378-14129

Equity Sales New York
+1 212 672-6140

Equity Sales Vienna
+43 5 05 05-82976

Equity Derivates
+44 207 826-6444

Publication Address

UniCredit Research
Corporate & Investment Banking
UniCredit Bank AG Milan Branch
Via Tommaso Grossi, 10
20121 Milano
Tel. +39 02 8862 2020
Fax +39 02 8862 2273

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Internet
www.research.unicreditgroup.eu

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