



**Moving
ahead**

**Datalogic doubles its
presence in the Industrial
Automation Industry
through
Accu-Sort Systems**

22nd November, 2011

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✦ TRANSACTION SNAPSHOT

✦ COMPANY OVERVIEW

✦ INVESTMENT HIGHLIGHTS

The acquisition of Accu-Sort Systems allows Datalogic to:

- ✦ Double its presence in the Industrial Automation Industry
- ✦ Increase presence in US
- ✦ Improve expertise in T&L solutions
- ✦ Improve technology and R&D platform
- ✦ Good financial performance and strong profitability
- ✦ No major overlapping with current business

Price	<ul style="list-style-type: none">✦ USD 135 million purchase price (on a cash-free debt-free basis) that includes estimated tax benefits for Datalogic resulting from an election to be made by the parties under section 338(h)(10) of the U.S. Internal Revenue Code to treat the stock purchase as an asset purchase for U.S. federal income tax purposes
Consideration	<ul style="list-style-type: none">✦ 100% cash
Sources	<ul style="list-style-type: none">✦ No need of capital increase✦ Existing internal resources (cash on hand and unused credit lines)✦ Net Financial Position/EBITDA ratio expected to be kept around 1.5x-1.6x by end 2012✦ Negotiations with primary credit institutions are under way for the issuance of a bridge loan of approximately USD 120 million to be subsequently converted into a mid- long-term loan
Structure	<ul style="list-style-type: none">✦ Datalogic SpA directly or through US subsidiary
Timing	<ul style="list-style-type: none">✦ The transaction is subject to customary closing conditions, including expiration or termination of the waiting period U.S. Hart-Scott-Rodino Antitrust Improvements Act✦ Subject to satisfaction or waiver of all closing conditions, the closing of the transaction is expected to occur in the first quarter of 2012



- ✦ TRANSACTION SNAPSHOT
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- ✦ **Accu-Sort Systems, Inc.** is an industry leader engaged in the desing, manufacture, integration and servicing of Automatic Identification (Auto-ID) and material handling solutions
- ✦ It offers a **complete range of technical solutions, including Auto-ID products** (laser and camera-based), dimensioning systems, print/apply solutions, small items sortation systems and system integration capabilities
- ✦ It serves the **leading players in parcel, postal and retail distribution** and it **offers field-proven solutions** for airport baggage handling, beverage, entertainment, automotive and meat/poultry industries
- ✦ Founded in 1971 and headquartered in **Telford, Pennsylvania, Usa**
- ✦ 2010 Revenues at \$ 92,280M
- ✦ Over 250 employees
- ✦ **One production factory** in the U.S., **two research centers** (U.S. and Europe), and **eight sales offices**

PRODUCTS, SERVICES & SOLUTIONS

(63% of 2010 Sales)

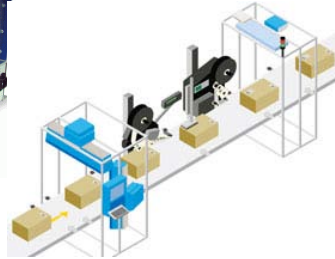
Bar code scanners, dimensioning systems and islands of automation for customers in transportation and logistics



Bar Code Scanners



Dimensioning systems



Print/Apply solutions

Key Differentiators

- ✦ Emphasis on customer specific solutions
- ✦ Easiest to install and maintain
- ✦ Best durability and reliability

POSTAL MATERIAL HANDLING SOLUTIONS

(37% of 2010 Sales)

System design, engineering, project management, installation and support for material handling systems in postal facilities

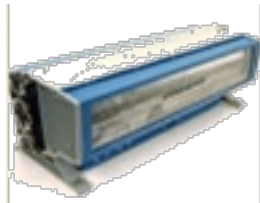


Postal Integration Systems

Key Differentiators

- ✦ Experienced with tray handling systems
- ✦ Flexible solutions that address specific needs
- ✦ Best value for customers

Long-Range Scanners (34% of total sales)



- ✦ Sortation, revenue recovery and cubing applications

Mid-Range Scanners (7% of total sales)



- ✦ Verification, picking and sortation applications

Short-Range Scanners (2% of total sales)



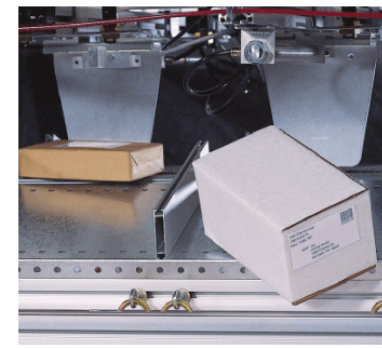
- ✦ Verification applications

Print / Apply Solutions (13% of total sales)



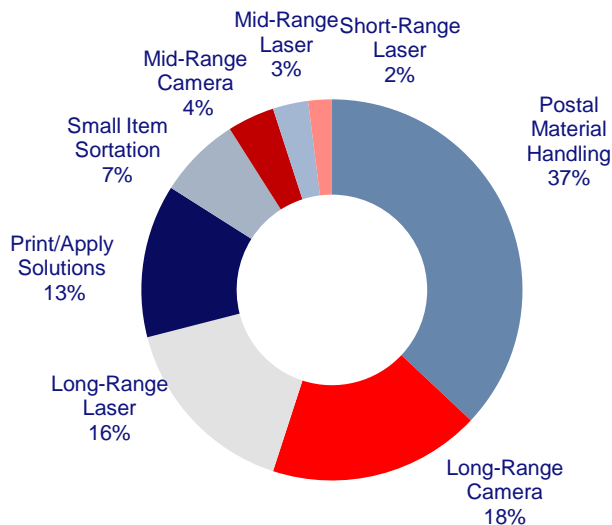
- ✦ Software, controls, bar code scanners and third party equipment
- ✦ Receiving and shipping / manifestation applications

Small Item Sortation (7% of total sales)



- ✦ Software, controls, bar code scanners and third party equipment
- ✦ Sortation and picking applications

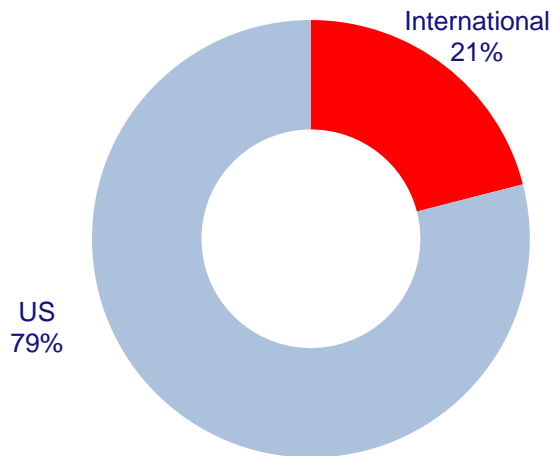
Sales By Product 2010



✦ **Leading position in long-range scanners**

✦ Leveraging increased product development and new channel strategies to grow revenue across product types

Sales By Geography 2010

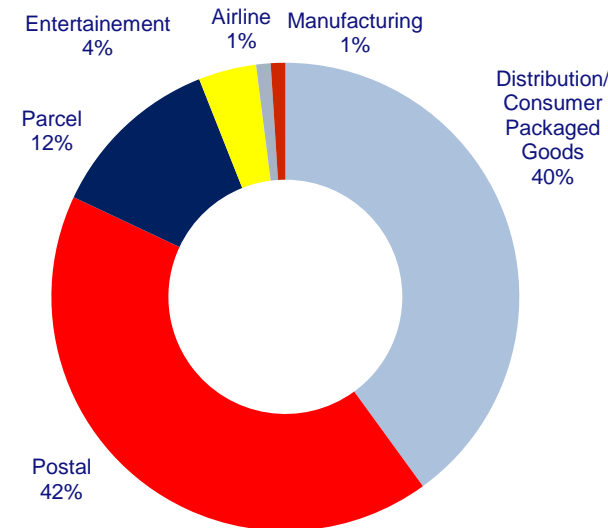


✦ Both postal and products segments are **leaders in North America**

✦ International growth opportunities include:

- ✦ Building organization in emerging markets
- ✦ Pursuing international postal opportunities

Sales By Vertical 2010

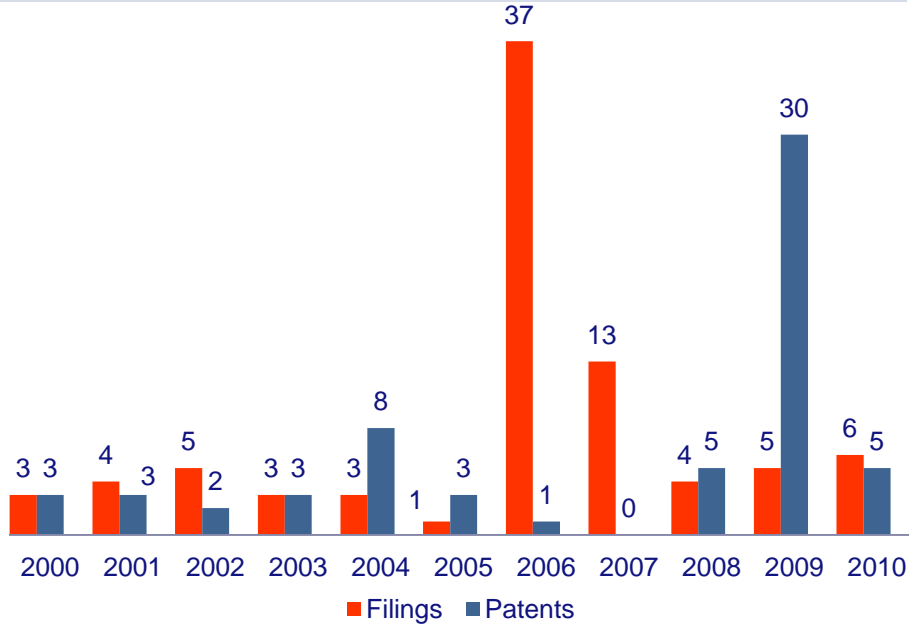


✦ **Postal**
End-to-end material handling system

✦ **Distribution**
Auto-ID systems and automation islands

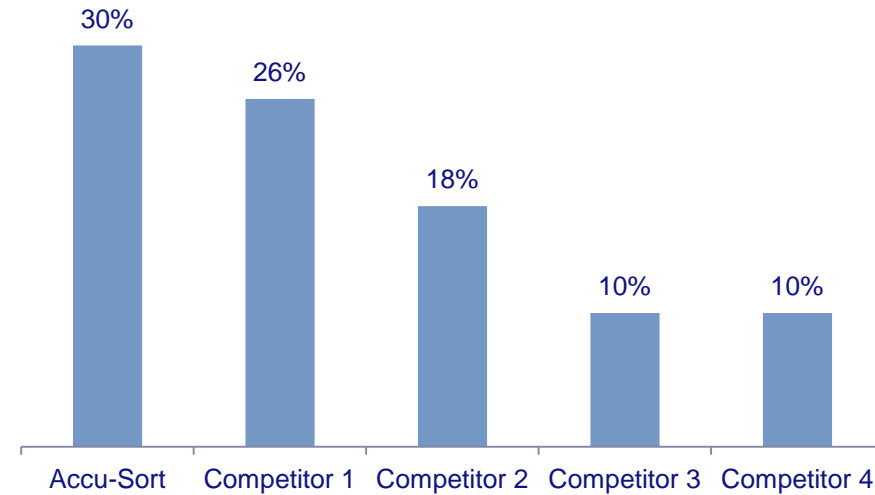
✦ **Parcel**
Auto-ID and revenues recovery solutions

Filings and Patents 2000-2010



- ✦ Very well known for technological leadership
- ✦ 57 issued and in-force US patents; nine filed applications
- ✦ 21 issued and in-force foreign patents; 19 filed applications
- ✦ Robust IP process, averaging approximately five patent filings per year

Customer familiarity with Bar Code Scanner Manufacturers



Source Modem Material Handling Brand awareness survey summary, April 2010

- ✦ Long-standing relationships with blue chips customers
- ✦ Highest level of recognition among its competitors



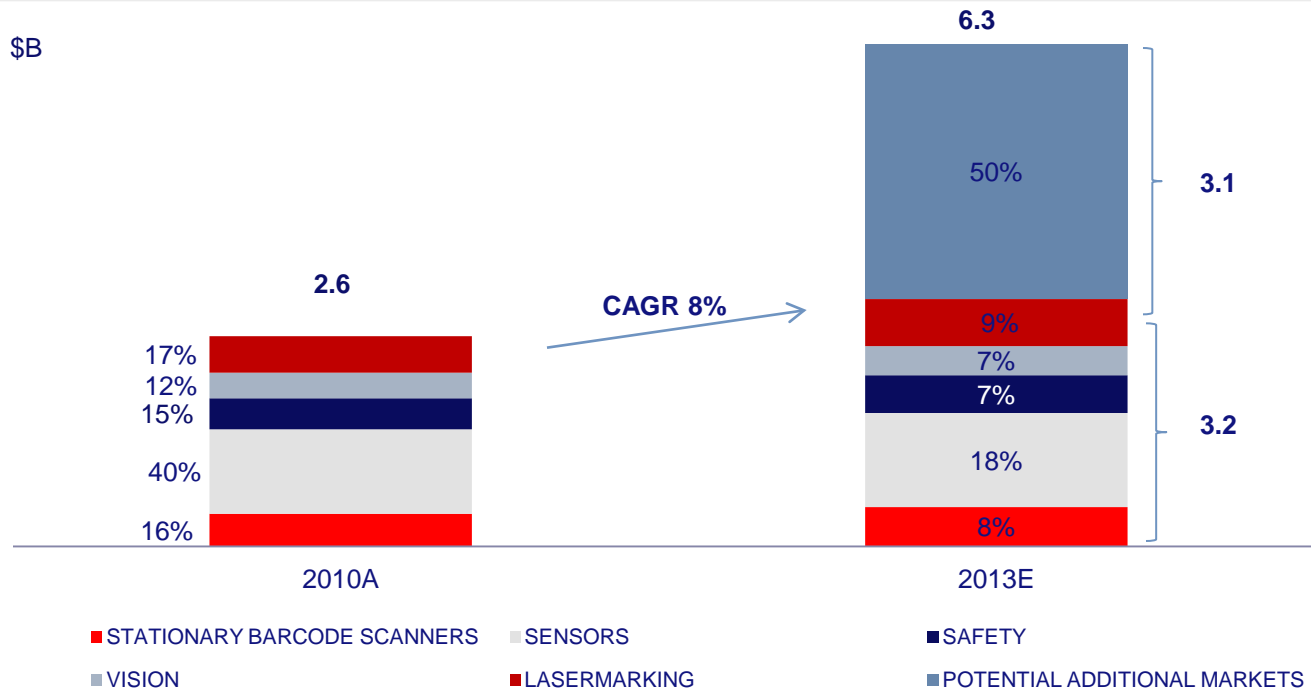
✦ TRANSACTION SNAPSHOT

✦ COMPANY OVERVIEW

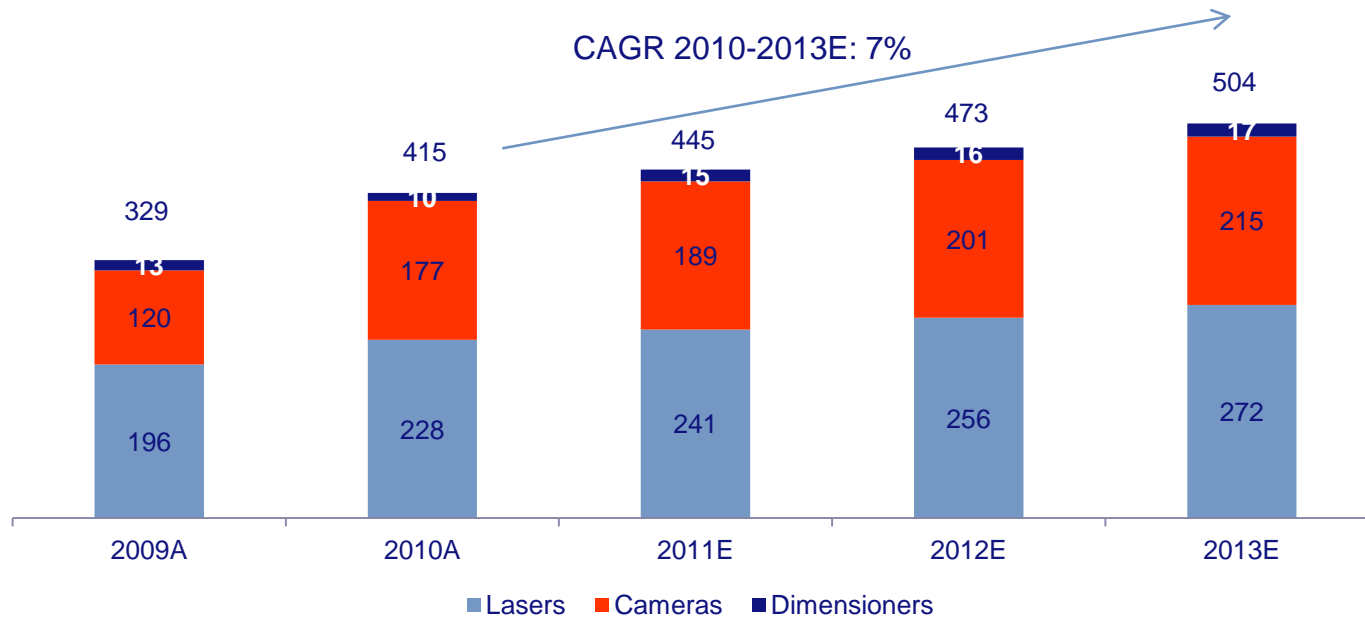
✦ INVESTMENT HIGHLIGHTS

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

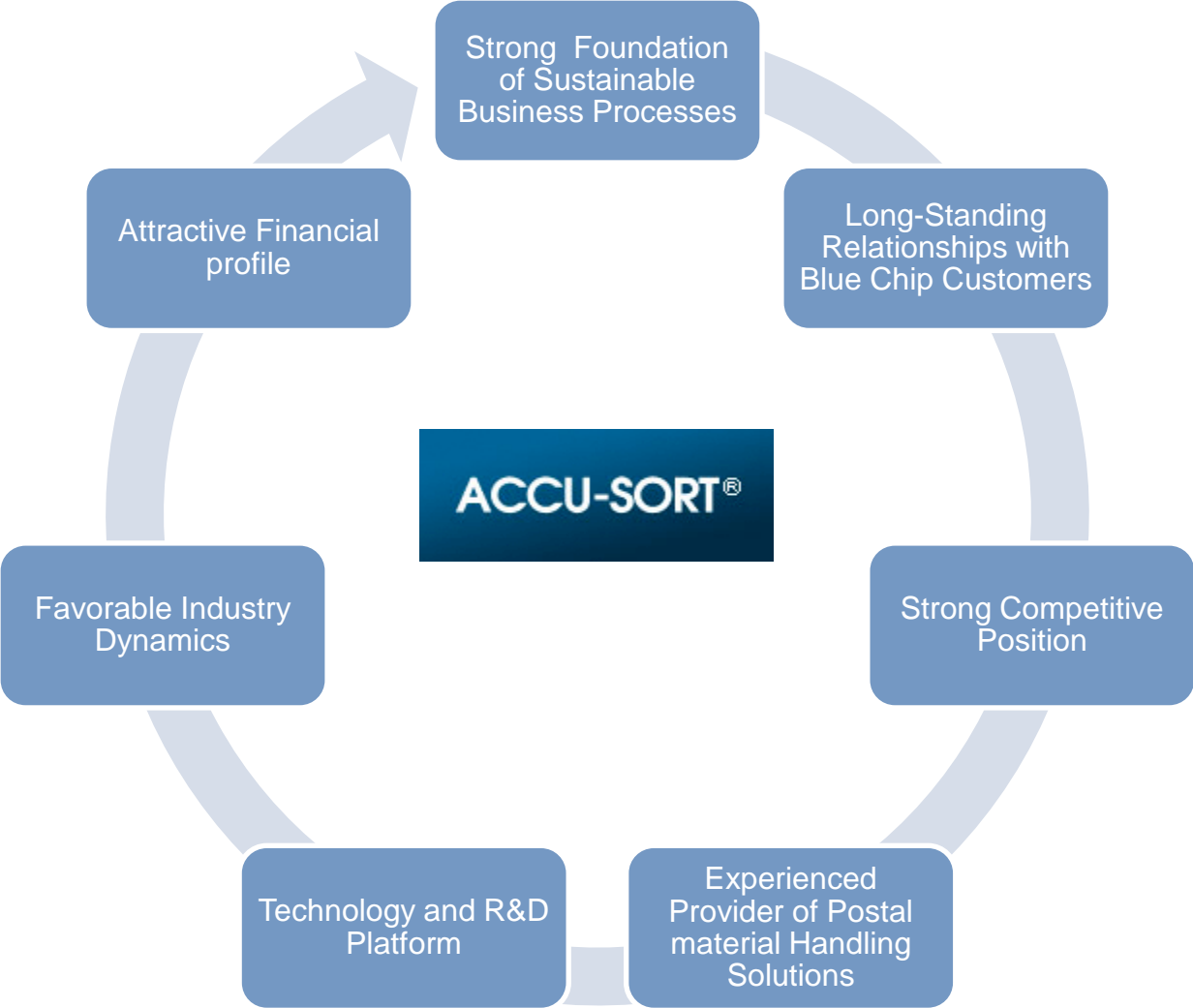


Stationary Bar Code Scanners account for 16% in the Industrial Automation Market
 (worth \$ 2.6 BN in 2010)



✦ **Factors driving demand:**

- ✦ Emerging Markets
- ✦ Enhanced Scanning Features
- ✦ Growth of E-Commerce
- ✦ Regulation
- ✦ Prevalence of Direct Part Marking (DPM)



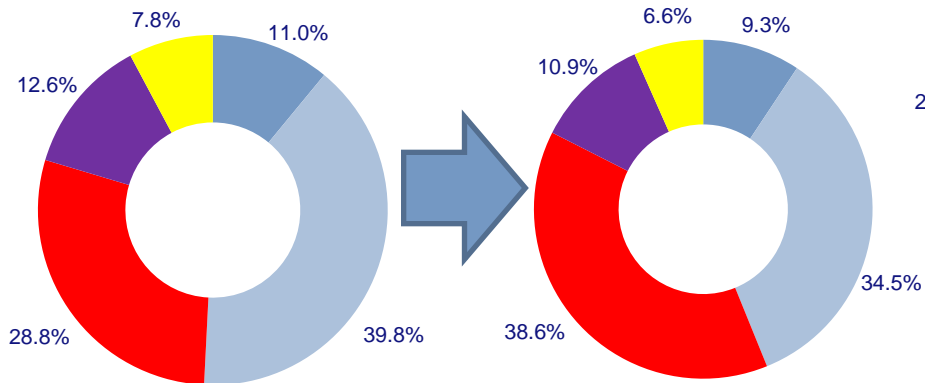
- ✦ **Highly attractive margin profile** with products that are positioned at the high-end of the market
- ✦ Continuous **improvement of margins** thanks to a combination of restructuring, sales force initiatives and cost control

Accu-Sort key figures \$MN	2010A	H1 2011A
Revenues	92.3	51.4
EBITDA	17.8	11.3
<i>EBITDA margin %</i>	<i>19.3%</i>	<i>21.9%</i>
Operating Profit (EBIT)	17.1	11.0
<i>EBIT Margin (%)</i>	<i>18.5%</i>	<i>21.4%</i>
Net Income	6.1	

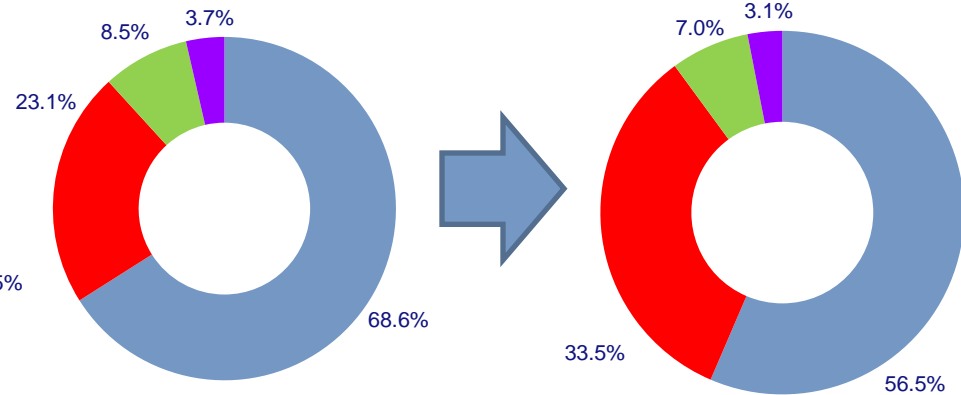
- ✦ The agreed purchase price made on a **cash-free debt-free basis**
- ✦ Net financial position equal to zero
- ✦ **Strong operating cash flow generation** with low capital expenditure requirements

Accu-Sort key figures \$MN	2010A	H1 2011A
Total Assets	68.7	69.2
Total Current Liabilities	23.2	18.7
Net Asset Value	45.5	50.5
Working Capital	2.5	5.3

2010 Revenues by Area before and after acquisition



2010 Revenues by Division before and after acquisition



■ Italy
 ■ Europe
 ■ North America
 ■ Asia Pacific
 ■ ROW

■ Datalogic ADC
 ■ Datalogic Automation
 ■ Business Development
 ■ Datalogic S.p.a.

- ✦ Increased **weight of North America**, strong potential for Asia Pacific and ROW
- ✦ **Profitability expected to be enhanced** by improved margin profile

Thank You!

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We Welcome Your Questions!

