Intermonte

Milan, 05 August 2025

Italian Equity Research – 2Q25 Results

DATALOGIC

OUTPERFORM

Sector: Industrials

Price: Eu4.06 - **Target: Eu6.90**

1H25 in Line but Outlook Trimmed. Target Eu6.9 from Eu8.0

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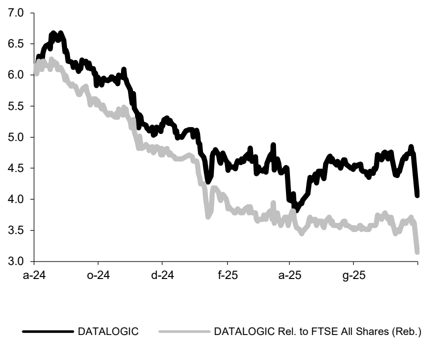
- **2Q25 results in line.** Datalogic reported 2Q25 sales of Eu128mn. down 3.7% YoY or 1.4% ex. ForEx (down 0.7% ex. ForEx in 1H25), in line with our estimate of Eu129mn. The gross profit margin was flat YoY at 42.6% (1H25 up 220bp to 42.9%). EBITDA came to Eu14.0mn, up 5% YoY in line with our estimate (Eu14.3mn), with a 10.9% margin vs. 10.0% in 2Q25 and 6.0% in 1Q25 (1H25 margin 8.6%, up 230bp vs. 1H24). Below the EBITDA line, EBIT was Eu3.8mn (Eu5.0mn expected), with net profit in line at Eu5.1mn (Eu5.4mn expected). Net debt was down Eu9mn in the quarter (from Eu27mn to Eu18mn), with net working capital on trailing 12-month sales flat vs. December 2024 (13.3% vs. 13.0%) and down 3pp vs. 1H24. The geographical breakdown shows flat 2Q25 sales in EMEAI (+0.3%) and Americas (+0.3%), and a 13% drop in the APAC region.
- **FY25 sales outlook trimmed from +3-6% to flat (with bookings up mid-single digit).** At Data Capture, sales were down 3.3% YoY ex. ForEx (up 9.2% in 1Q25) as anticipated by management during the 1Q call in mid-May. Conversely, Industrial Automation was up 2.7% YoY ex. ForEx in 2Q25 after falling -13.9% in 1Q25. The key point in the call was on the 2H outlook, after sales guidance was cut by Eu20-25mn (FY25 seen broadly flat vs. Eu494mn reported in FY24, from +3-6% previously) with a slightly lower margin (EBITDA margin indicated better than the 9.0% reported in FY24, from previous guidance of a double-digit margin). This implies 2H25 sales staying flat /rising slightly YoY despite bookings indicated up mid-single-digit for both divisions again in 2Q25 after reportedly rising 20% in Industrial Automation and >30% in Data Capture in 1Q25. Management said sales in mobile and fixed scanners are performing well (technology efforts paying off), and geographically, Europe is growing in both divisions, with shifting order conversion in the US market blamed for weaker 2H25 sales vs. initial expectations. They also confirmed the impact from tariffs is manageable (50bp impact on margins).
- **Change in estimates:** we are cutting FY25-27 estimates by 5% for sales and 8% for EBITDA, with EPS cut by 22% in FY25E and 10% in FY26/27E. Our FY25 estimates are aligned to new management guidance. Apart from top line issues, margins are holding up/improving and the company maintains efficient working capital management, with the net financial position close to breakeven.
- **OUTPERFORM; target cut from Eu8.0 to Eu6.9.** Our new target price of Eu6.9 (from the previous Eu8.0) reflects the cut in estimates as well as a cut in the EV/EBITDA target multiple from 8.0x to 7.0x (rolled over to FY26E). At target, we value Datalogic at 28x P/E 2025E and 23x P/E 2026E, with FCF yields at 4.9% and 5.4% respectively. As estimates have gone down (sales -20% and EBITDA -50% vs. average FY17-22 figures), multiples are not at a huge discount to history (except for EV/sales <0.5x) and need support from a recovery of growth which is not materializing despite positive booking.

Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 8.00 to 6.90
	2025E	2026E	2027E
Chg in Adj EPS	-22.3%	-11.3%	-8.5%

DATALOGIC - 12M Performance



Stock Data			
Reuters code:			DAL.MI
Bloomberg code:			DAL IM
Performance	**1M**	**3M**	**12M**
Absolute	-14.7%	-8.8%	-26.3%
Relative	-17.4%	-15.1%	-52.9%
12M (H/L)			6.68/3.81
3M Average Volume (th):			74.48

Shareholder Data	
No. of Ord shares (mn):	58
Total no. of shares (mn):	58
Mkt Cap Ord (Eu mn):	237
Total Mkt Cap (Eu mn):	237
Mkt Float - Ord (Eu mn):	84
Mkt Float (in %):	35.4%
Main Shareholder:	
Hydra	64.7%

Balance Sheet Data	
Book Value (Eu mn):	431
BVPS (Eu):	7.37
P/BV:	0.6
Net Financial Position (Eu mn):	3
Enterprise Value (Eu mn):	242

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	519	494	496	528	565
EBITDA Adj (Eu mn)	46	44	50	56	64
Net Profit Adj (Eu mn)	12	20	15	18	23
EPS New Adj (Eu)	0.209	0.350	0.250	0.300	0.396
EPS Old Adj (Eu)	0.209	0.350	0.322	0.338	0.433
DPS (Eu)	0.120	0.120	0.120	0.150	0.170
EV/EBITDA Adj	9.9	8.0	4.8	4.1	3.3
EV/EBIT Adj	nm	nm	18.4	13.4	8.8
P/E Adj	19.4	11.6	16.2	13.5	10.3
Div. Yield	3.0%	3.0%	3.0%	3.7%	4.2%
Net Debt/EBITDA Adj	0.8	0.2	-0.1	-0.3	-0.5

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (**DCF**) model or similar methods such as a dividend discount model (**DDM**)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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As at 5 August 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.09%
OUTPERFORM:	36.57%
NEUTRAL:	31.34%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (79 in total) is as follows:

BUY:	51.90%
OUTPERFORM:	29.11%
NEUTRAL:	18.99%
UNDERPERFORM:	00.00%
SELL:	00.00%

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