



COGNEX CORPORATION

Raymond James Institutional Investors Conference | March 6, 2018

John J. Curran | Senior Vice President, Chief Financial Officer and Treasurer

COGNEX

FORWARD-LOOKING STATEMENTS

Certain statements made in this presentation and oral statements made by Cognex® that do not relate solely to historical matters are forward-looking statements. These statements can be identified by use of the words “expects,” “anticipates,” “estimates,” “believes,” “projects,” “intends,” “plans,” “will,” “may,” “shall,” “could,” “should,” and similar words and other statements of a similar sense. These forward-looking statements, which include statements regarding business and market trends, future financial performance, customer order rates, expected areas of growth, anticipated tax rates, estimated impact of U.S. tax reform, future product mix, research and development activities, further stock repurchases, investments, and strategic plans, involve known and unknown risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include: (1) the loss of a large customer; (2) current and future conditions in the global economy; (3) the reliance on revenue from the consumer electronics or automotive industries; (4) the inability to penetrate new markets; (5) the inability to achieve significant international revenue; (6) fluctuations in foreign currency exchange rates and the use of derivative instruments; (7) information security breaches or business system disruptions; (8) the inability to attract and retain skilled employees; (9) the failure to effectively manage our growth; (10) the reliance upon key suppliers to manufacture and deliver critical components for our products; (11) the failure to effectively manage product transitions or accurately forecast customer demand; (12) the inability to design and manufacture high-quality products; (13) the technological obsolescence of current products and the inability to develop new products; (14) the failure to properly manage the distribution of products and services; (15) the inability to protect our proprietary technology and intellectual property; (16) our involvement in time-consuming and costly litigation; (17) the impact of competitive pressures; (18) the challenges in integrating and achieving expected results from acquired businesses; (19) potential impairment charges with respect to our investments or for acquired intangible assets or goodwill; (20) exposure to additional tax liabilities; and (21) the other risks detailed in Cognex reports filed with the SEC, including its Form 10-K for the fiscal year ended December 31, 2017. You should not place undue reliance upon any such forward-looking statements, which speak only as of the date made. Cognex disclaims any obligation to update forward-looking statements after the date of such statements.

COGNEX

\$748

MILLION

2017 REVENUE

77%

GROSS MARGIN

35%

OPERATING MARGIN

OVER 37

YEARS IN THE BUSINESS

1,500,000+

SYSTEMS SHIPPED

TECHNOLOGY LEADER



13% OF REVENUE INTO
R&D

>1K

US & INTERNATIONAL
PATENTS
Issued & Pending



PLAY HARD

WORK HARD



MOVE FAST

Cognex Culture

WHAT IS MACHINE VISION?

The camera lens and sensor capture images...



Cognex advanced vision software interprets what's being seen

WHAT DOES MACHINE VISION DO?



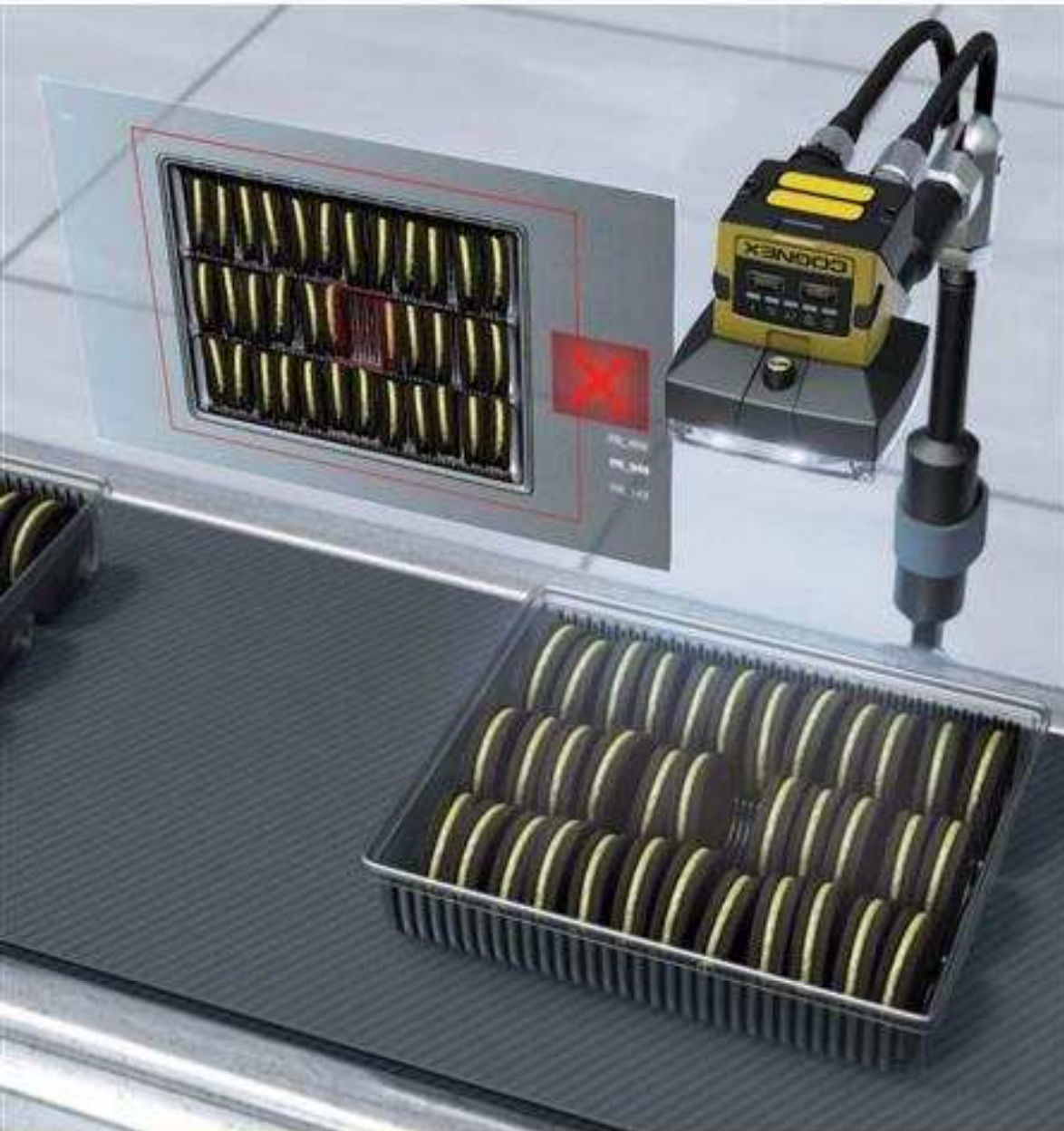
GUIDE INSPECT GAUGE IDENTIFY

GUIDE EQUIPMENT & ROBOTIC DEVICES

- **Accurately locate** an object in real time
- Synchronize **motion control** systems
- Seamlessly communicate **meaningful data**



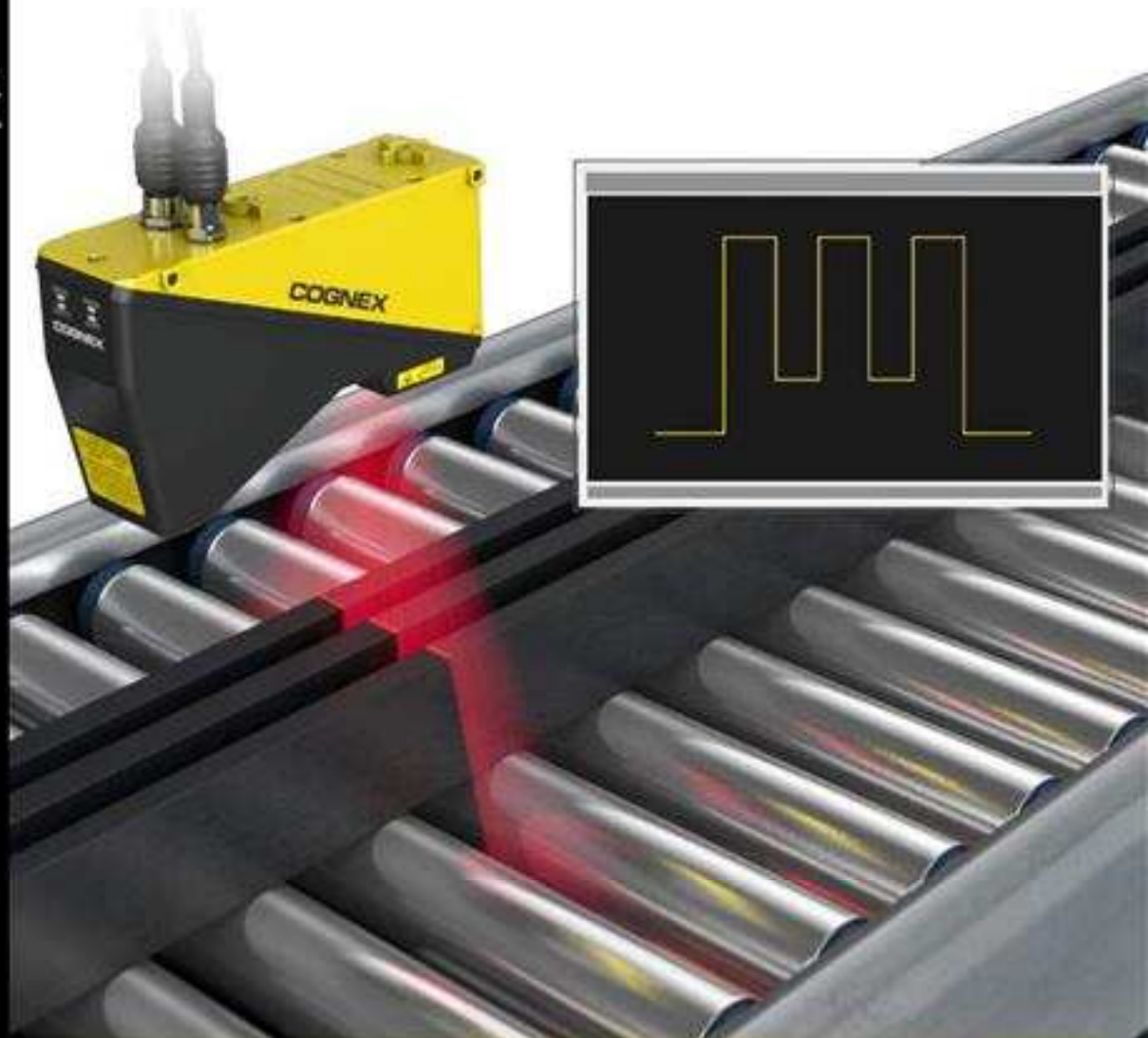
INSPECT FOR ERRORS & DEFECTS



- Ensure **product integrity**
- Verify adherence to rigorous **quality standards**
- **Increase** production yield

GAUGE CRITICAL DIMENSIONS

- High-precision, **non-contact** measurement
- **In-line** production
- Accurate to **microscopic** level

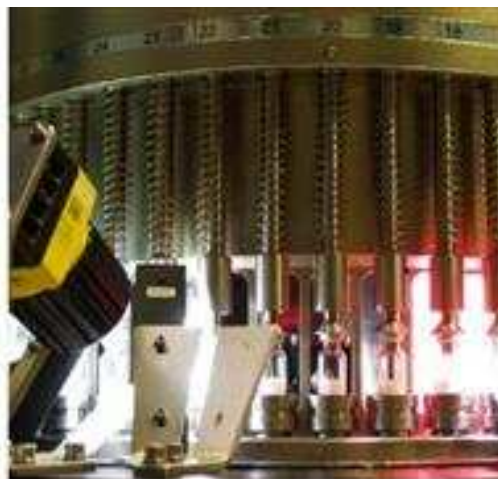


IDENTIFY PARTS & PACKAGES



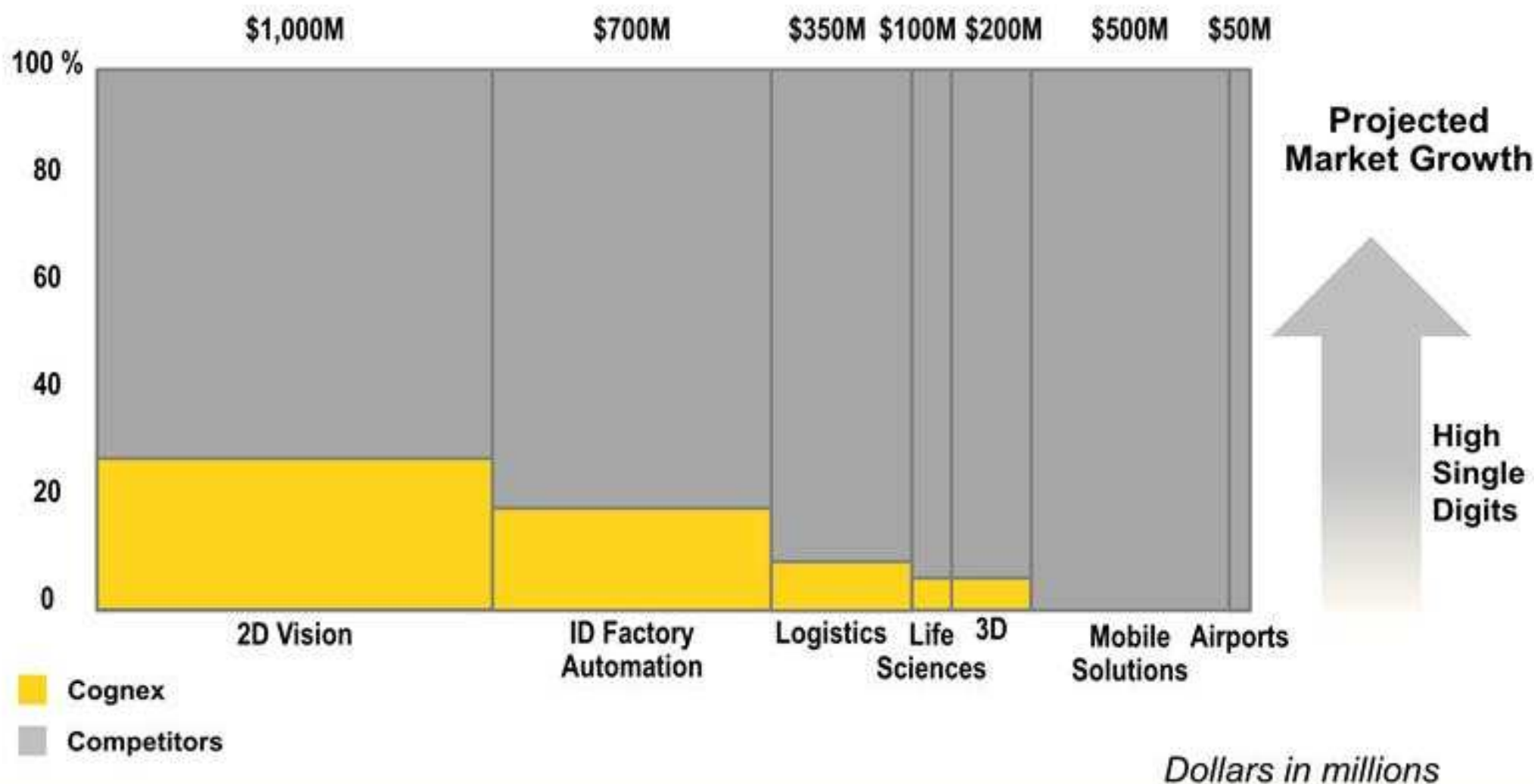
- Reliably read **barcodes and alphanumeric** characters
- Provide **cradle-to-grave** visibility of data
- Achieve **compliance** with traceability standards

PRODUCTS
ACROSS
ALL
INDUSTRIES



ARE MADE BETTER AND
AT LOWER COST WITH
COGNEX VISION

COGNEX \$2.9 BILLION SERVED MARKET



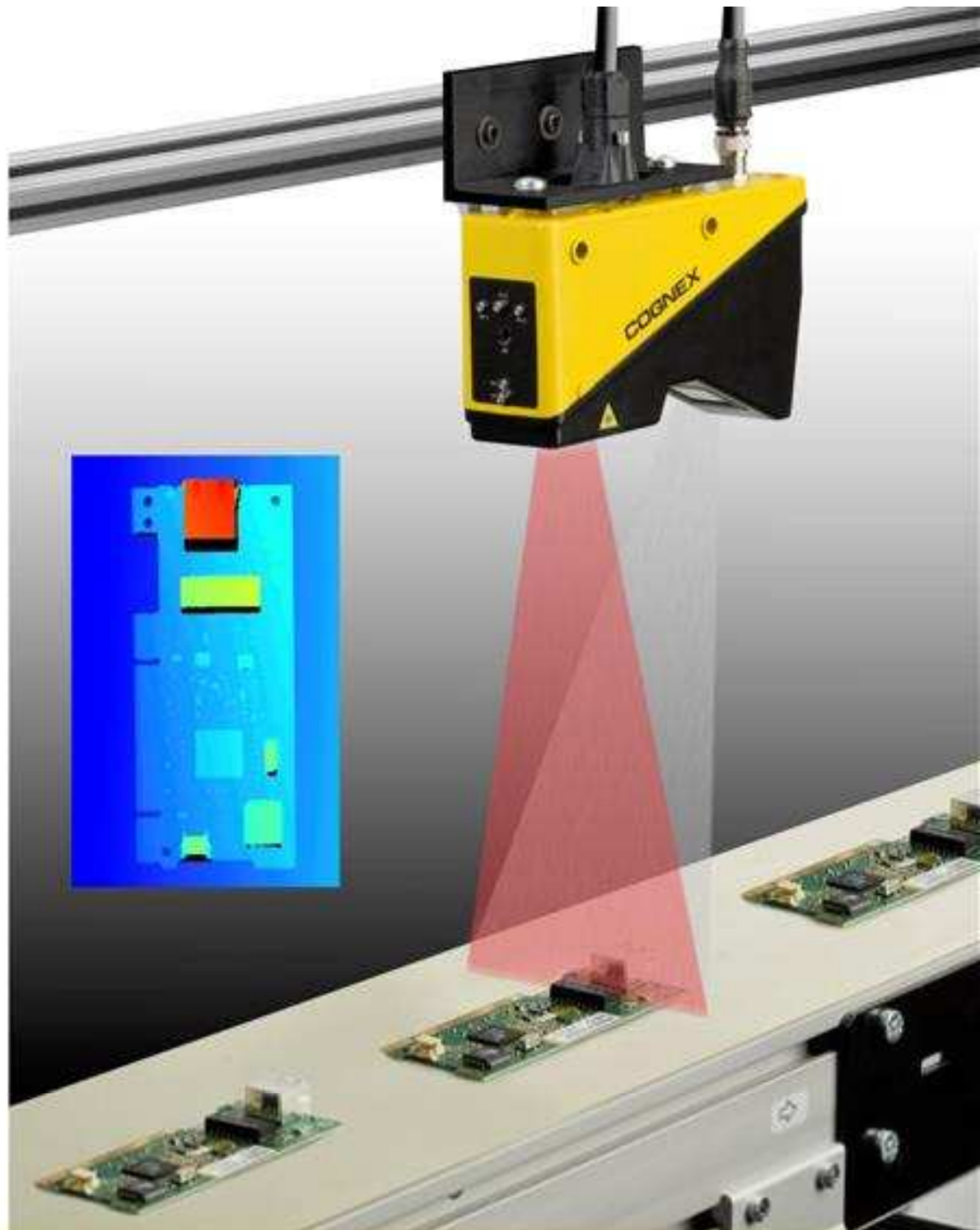
LOGISTICS

- Adjacent market undergoing **rapid change**
- ~10% of Cognex revenue, expected to grow by **50% per year**
- Many new applications in both **Vision and ID**



3D VISION

- Differentiating through **vision tools, optical technologies and engineering talent**
- Recent acquisitions **accelerate** growth potential
- ~5% of Cognex revenue, target growth of **50% per year**



MOBILE SOLUTIONS

- **Large market** ripe for disruption
- Unique integration of smartphones and **high-performance vision tools**
- Mobile scanning from up to **10 meters** away



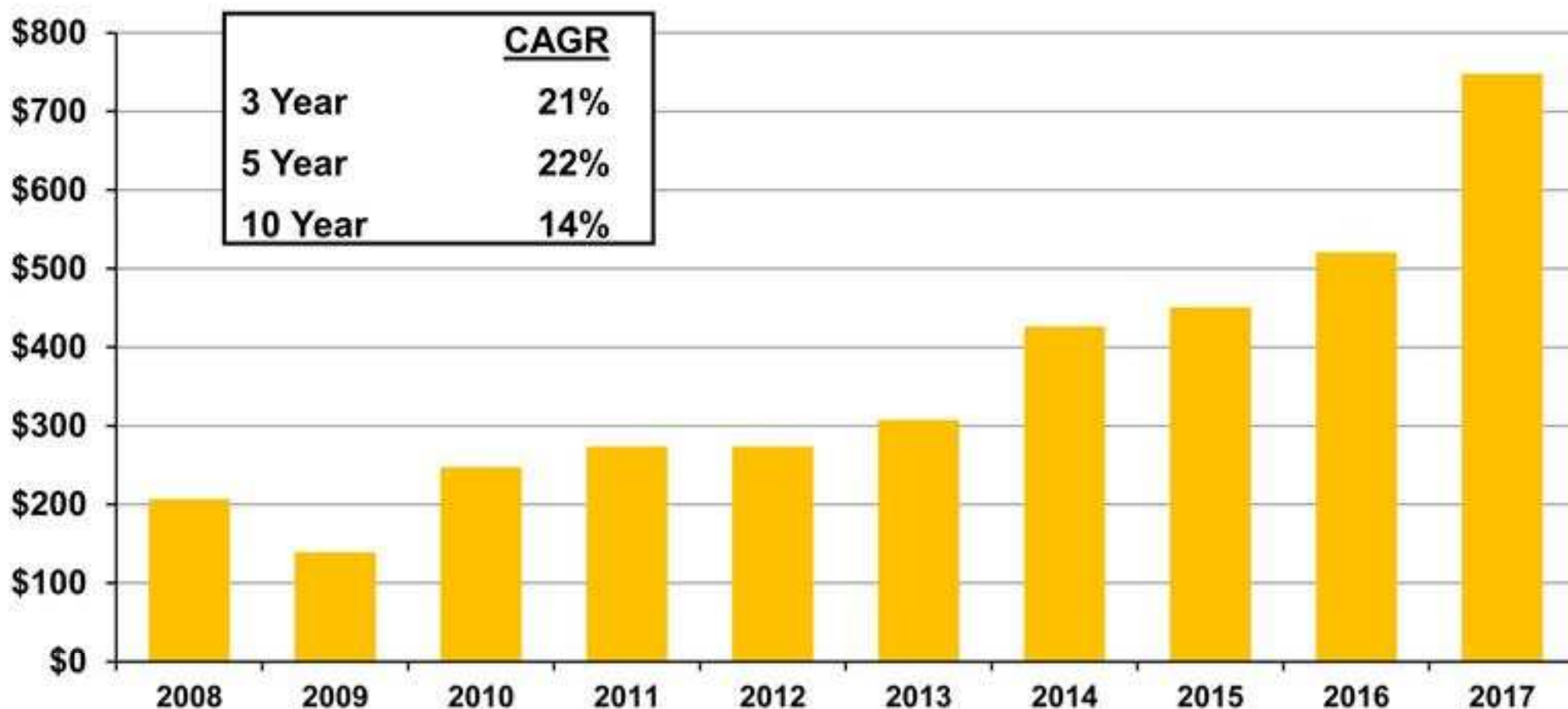


FINANCIAL REVIEW

VISION MARKET LEADER

Cognex Revenue*

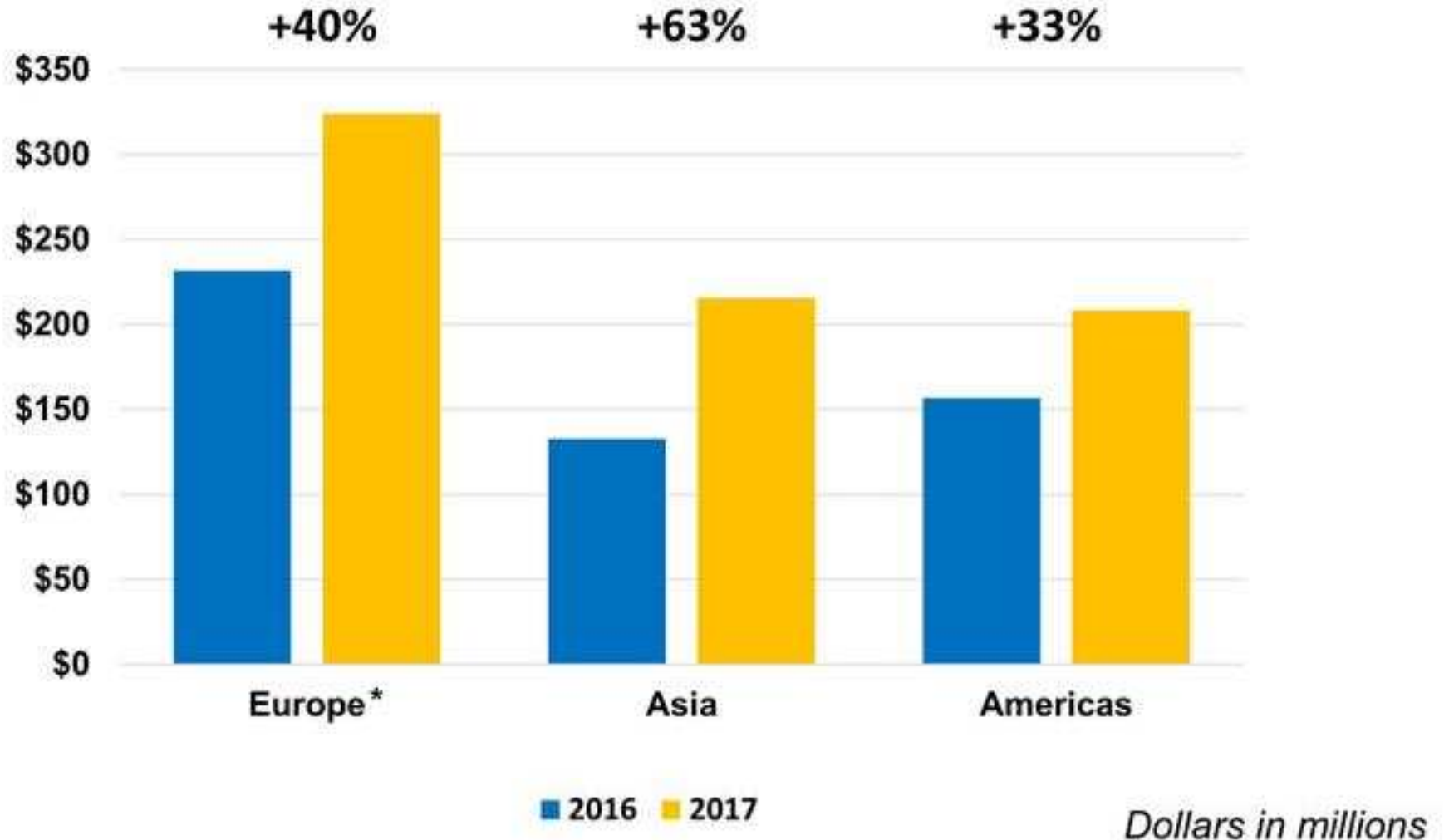
(Dollars in Millions)



* From continuing operations.

REVENUE BY GEOGRAPHY

All Regions Showed Accelerated Growth Rates



*Includes revenue from a customer in Europe for vision products used in production processes in Asia.

Q4 2017 INCOME STATEMENT*

	Q4 2017	% of Revenue	Q4 2016	% of Revenue	% Change
Revenue	\$180,365	100 %	\$129,322	100 %	39 %
Gross Margin	139,723	77	102,662	79	36
R, D & E	26,980	15	19,440	15	39
S, G & A	60,635	33	42,985	33	41
Operating Income	52,108	29	40,237	31	30
Net Income	(26,897)	(15)	38,253	30	(170)
Earnings Per Share	(0.16)		0.22		(173)

Dollars in thousands, except per share amounts

* From continuing operations. Per share amounts adjusted for 2-for-1 stock split in December 2017.

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S, G & A	60,635	33	42,985	33	41
Operating Income	52,108	29	40,237	31	30
Net Income**	44,283	25	35,417	27	25
EPS**	0.25		0.20		25

Dollars in thousands, except per share amounts

* From continuing operations. Per share amounts adjusted for 2-for-1 stock split in December 2017.

** Excludes tax adjustments. See reconciliation of GAAP to non-GAAP in Cognex earnings release issued on 2/15/18.

2017 INCOME STATEMENT*

	2017	% of Revenue	2016	% of Revenue	% Change
Revenue	\$747,950	100 %	\$520,753	100 %	44 %
Gross Margin	579,252	77	405,163	78	43
R, D & E	99,205	13	78,269	15	27
S, G & A	220,728	29	166,110	32	33
Operating Income	259,319	35	160,784	31	61
Net Income**	218,876	29	138,413	27	58
EPS**	1.22		0.79		54

Dollars in thousands, except per share amounts

* From continuing operations. Per share amounts adjusted for 2-for-1 stock split in December 2017.

** Excludes tax adjustments. See reconciliation of GAAP to non-GAAP in Cognex earnings release issued on 2/15/18.

Q4 2017 BALANCE SHEET

Assets	12/31/2017	12/31/2016
Cash and Investments	\$827,984	\$745,170
Accounts Receivable	119,388	55,438
Unbilled Revenue	7,454	2,217
Inventories	67,923	26,984
Other Assets	265,121	208,795
Total Assets	\$1,287,870	\$1,038,604
Liabilities and Shareholders' Equity		
Accounts Payable and Accrued Liabilities	\$91,712	\$52,369
Income Taxes	84,932	10,554
Other Liabilities	15,873	13,082
Total Shareholders' Equity	1,095,353	962,599
Total Liabilities and Equity	\$1,287,870	\$1,038,604

Dollars in thousands

COGNEX

INDUSTRY
LEADER
VERSATILE CORE TECHNOLOGY

CONSISTENT
CASH GENERATOR

EARNINGS
LEVERAGE

EXPERIENCED
MANAGEMENT

TRACK RECORD OF
SUCCESS

STRONG
BALANCE SHEET

