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A COMPANY WITH
VISION

Cognex Q3-2024 Financial Results

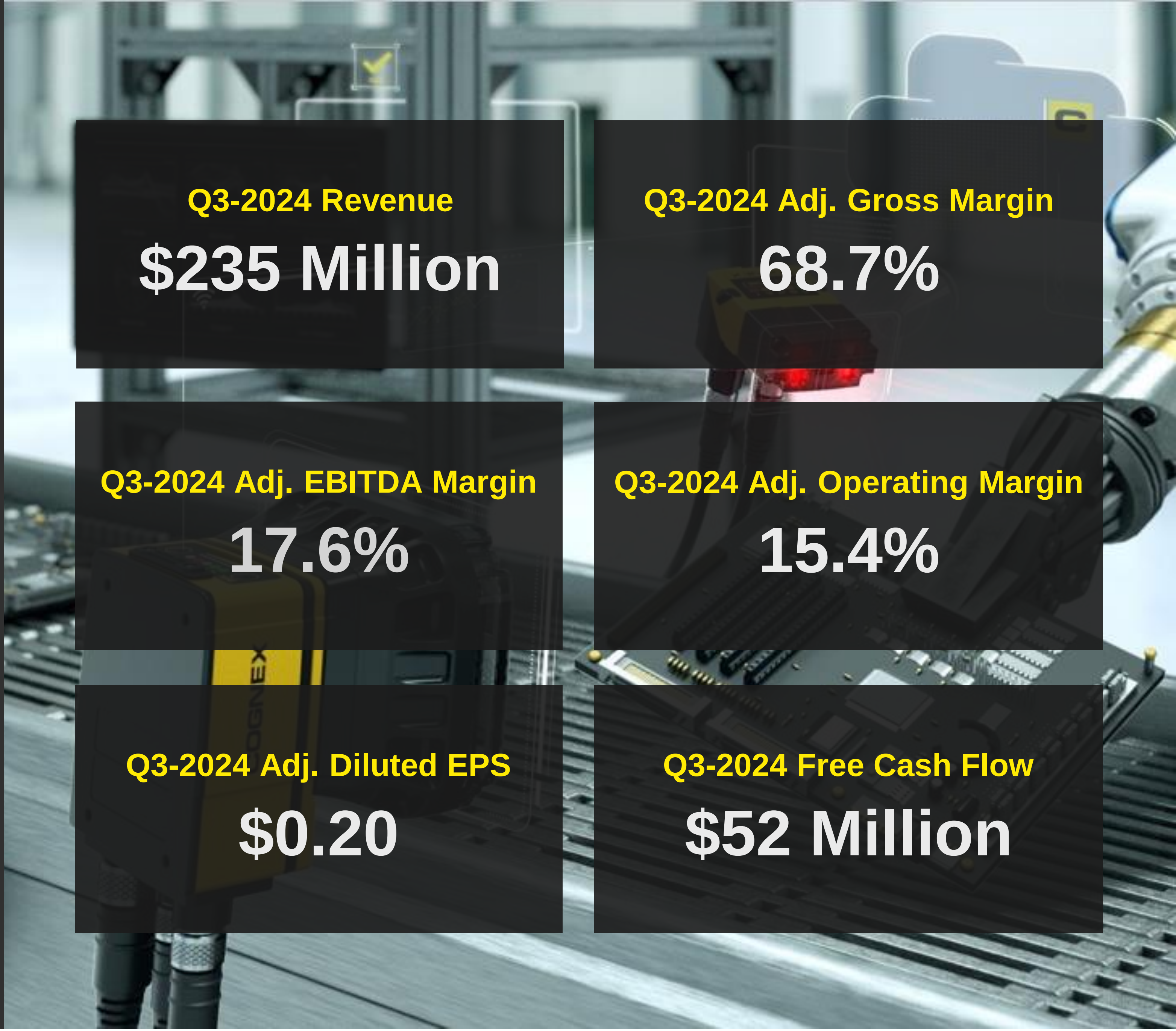
October 30, 2024

Forward Looking Statements

Certain statements made in this presentation, as well as oral statements made by the Company from time to time, constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers can identify these forward-looking statements by our use of the words “expects,” “anticipates,” “estimates,” "potential," “believes,” “projects,” “intends,” “plans,” “will,” “may,” “shall,” “could,” “should,” "opportunity," "goal" and similar words and other statements of a similar sense. These statements are based on our current estimates and expectations as to prospective events and circumstances, which may or may not be in our control and as to which there can be no firm assurances given. These forward-looking statements, which include statements regarding business and market trends, future financial performance and financial targets, customer demand and order rates and timing of related revenue, future product or revenue mix, research and development activities, sales and marketing activities (including our "Emerging Customer" sales initiative), new product offerings, innovation and product development activities, customer acceptance of our products, capital expenditures, cost and working capital management activities, investments, liquidity, dividends and stock repurchases, strategic and growth plans and opportunities, acquisitions, and estimated tax benefits and expenses and other tax matters, 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 technological obsolescence of current products and the inability to develop new products, particularly in connection with emerging artificial intelligence technologies; (2) the impact of competitive pressures, including the potential decrease in demand or prices for our products; (3) the inability to attract and retain skilled employees and maintain our unique corporate culture; (4) the failure to properly manage the distribution of products and services; (5) economic, political, and other risks associated with international sales and operations, including the impact of trade disputes, the economic climate in China, and the wars involving Ukraine and Israel; (6) the challenges in integrating and achieving expected results from acquired businesses, including our acquisition of Moritex Corporation; (7) information security breaches and other cybersecurity risks; (8) the failure to comply with laws or regulations relating to data privacy or data protection; (9) the inability to protect our proprietary technology and intellectual property; (10) the failure to manufacture and deliver products in a timely manner; (11) the inability to obtain, or the delay in obtaining, components for our products at reasonable prices; (12) the failure to effectively manage product transitions or accurately forecast customer demand; (13) the inability to manage disruptions to our distribution centers or to our key suppliers; (14) the inability to design and manufacture high-quality products; (15) the loss of, or curtailment of or delays in purchases by, large customers in the logistics, consumer electronics, or automotive industries; (16) potential impairment charges with respect to our investments or acquired intangible assets; (17) exposure to additional tax liabilities, increases and fluctuations in our effective tax rate, and other tax matters; (18) fluctuations in foreign currency exchange rates and the use of derivative instruments; (19) unfavorable global economic conditions, including high interest rates and fluctuating inflation rates; (20) business disruptions from natural or man-made disasters, such as fire, floods, or public health issues; (21) exposure to potential liabilities, increased costs (including regulatory compliance costs), reputational harm, and other potential impacts associated with expectations relating to environmental, social, and governance considerations; (22) stock price volatility; and (23) our involvement in time-consuming and costly litigation or activist shareholder activities. The foregoing list should not be construed as exhaustive and we encourage readers to refer to the detailed discussion of risk factors included in Part I - Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as updated by Part II - Item 1A of the Company's most recent Quarterly Report on Form 10-Q, as well as the other risks detailed in reports filed by the Company with the SEC. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company disclaims any obligation to subsequently revise forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date such statements are made.

Q3-2024 Highlights

- Continue to operate in a challenging, yet stable environment, while making progress on strategic initiatives.
- Revenue increased 19% Y/Y as reported or 7% Y/Y excluding Moritex and FX. Logistics, Consumer Electronics & Semi grew. Automotive and Other Packaging were down.
- Adj. EBITDA Margin was similar Y/Y as higher revenue was offset by lower adjusted gross margins and investment in our Emerging Customer initiative.
- Emerging Customer initiative on track for 80,000+ customer visits, ~3,000 new customers, and >75% gross margin in 2024.
- Free Cash Flow of $52M, highest quarterly total since Q4-2022.



Q3-2024 Revenue
$235 Million

Q3-2024 Adj. Gross Margin
68.7%

Q3-2024 Adj. EBITDA Margin
17.6%

Q3-2024 Adj. Operating Margin
15.4%

Q3-2024 Adj. Diluted EPS
$0.20

Q3-2024 Free Cash Flow
$52 Million

Please see the appendix of this presentation for a description of certain Non-GAAP measures and a full GAAP to Non-GAAP reconciliation

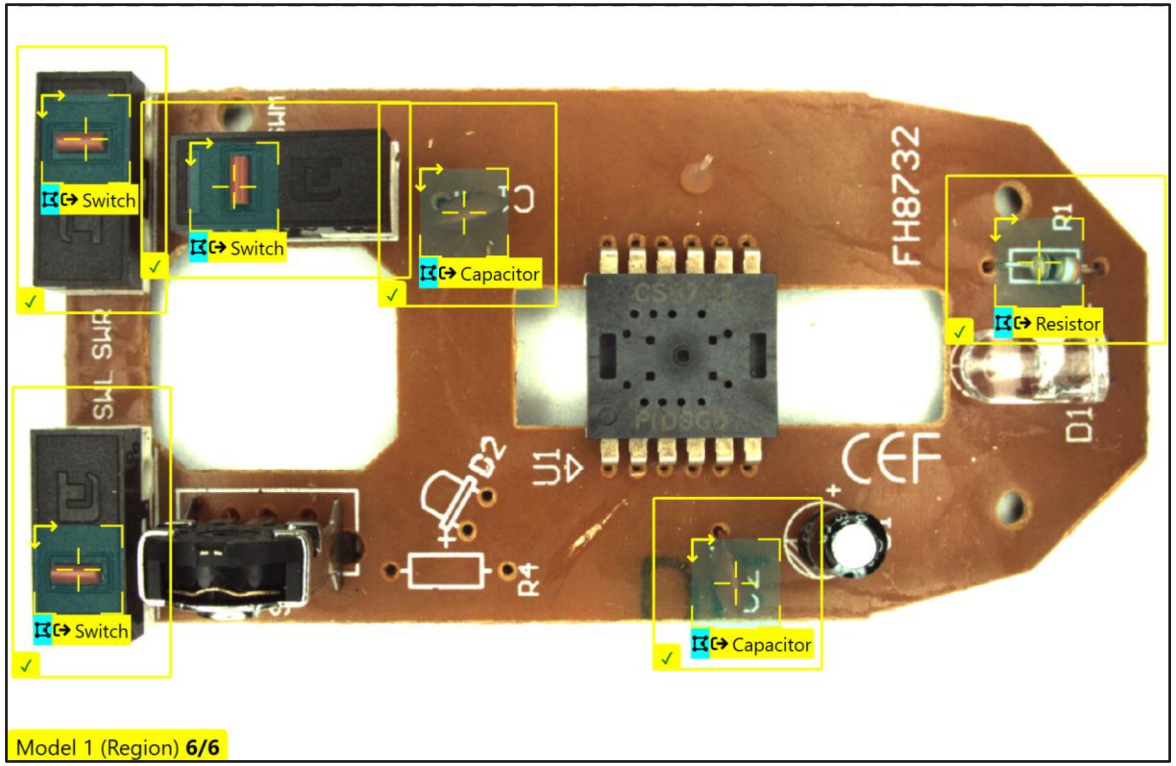
AI Driving Product Innovation

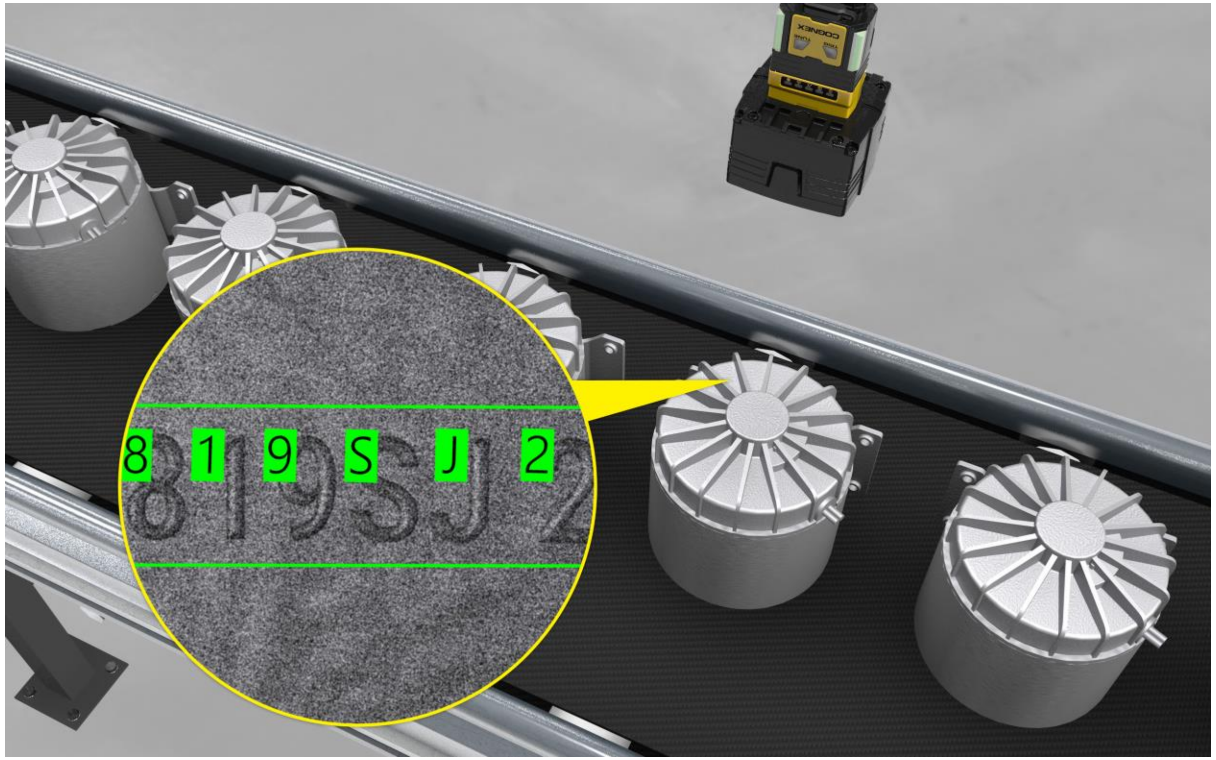
AI-Assisted Labeling in Vision Pro Deep Learning

- Cuts the labeling process time in deep learning models by as much as 90%
- Model can cut out any object, in any image, with a single click

AI-Driven Optical Character Recognition (OCR)

- New out-of-the-box AI-driven OCR functionality with no set-up required
- Industry leading read rates and performance





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Emerging Customer Initiative

Expanding Sales Force to Reach Underpenetrated Customers

- Simplicity of new products driven by AI-enabled Edge Learning leading to ability to target a broader base of customers
- Expanding customer base is expected to support long-term growth
- Investing in new type of sales resources to reach more customers

Early Learnings

- Expanding product portfolio sold by Emerging Customer Salesnoids
- Combining sales forces under a unified management structure in each geography to optimize overall sales coverage
- Extending Emerging Customer Salesnoids' focus to also serve buyers at existing accounts

2024 EXPECTATIONS

~80K CUSTOMER VISITS	~3K NEW CUSTOMERS	~$25m Y/Y OPEX INCREASE	>75% GROSS MARGIN
On target to exceed 80,000 customer visits in 2024.	Emerging Customer Salesnoids are on pace to add around 3,000 new customers in 2024.	Full-year of first Emerging Customer cohort plus ramping of second cohort.	High margin value-added suite of products, smaller average deal size and attractive end market mix.

STATUS AS OF Q3-2024

✓	✓	✓	✓

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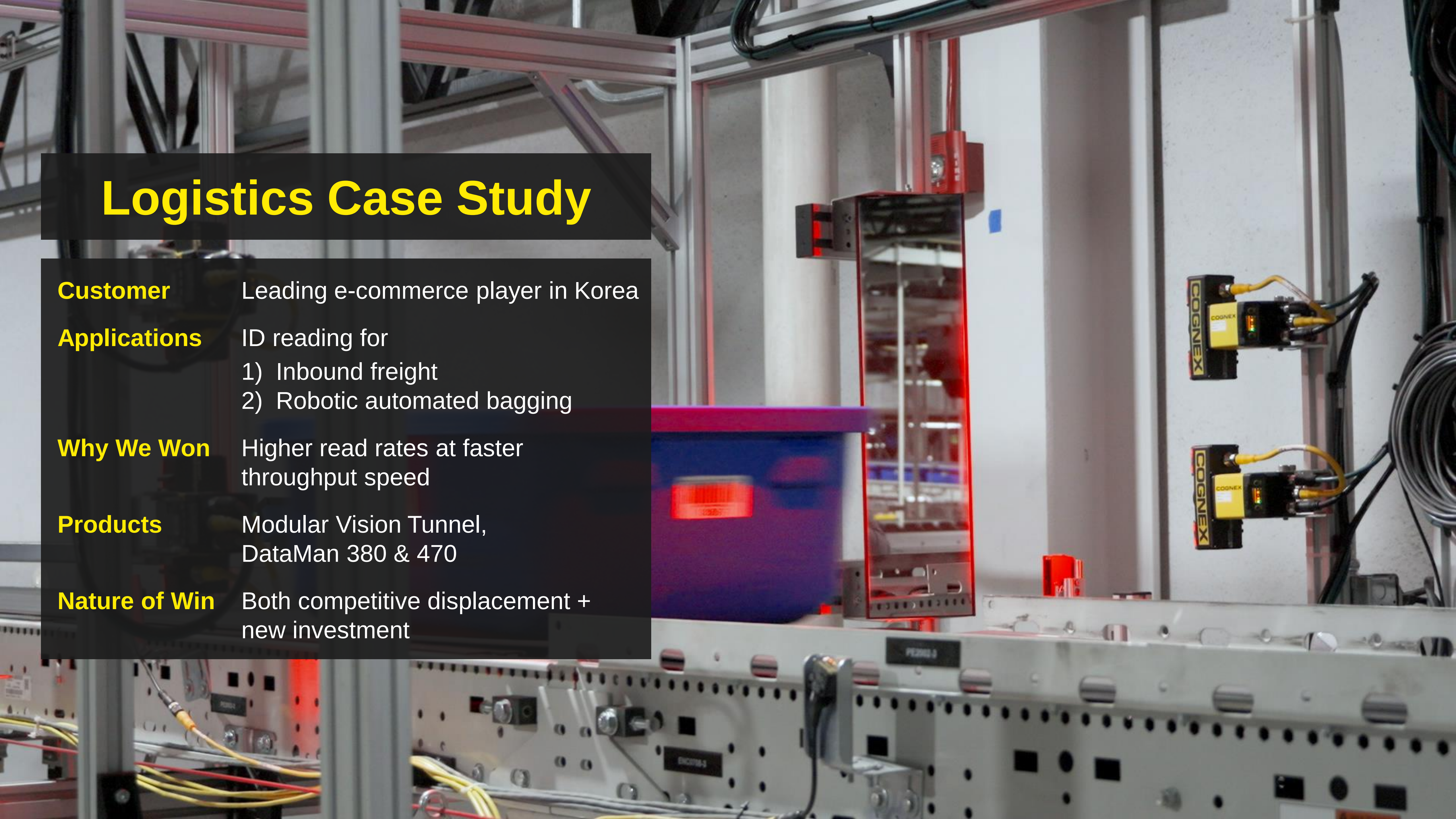
Q3-2024 End Market Results (excluding Moritex)

END MARKET	% OF REVENUE as of FY2023		Q3 DRIVERS		FULL YEAR 2024 EXPECTATIONS
Automotive	25%	↓	Headwinds in both base auto and EV Battery	↓	Double-digit decline driven by EV battery projects and base auto weakness
Logistics	20%	↑	Broad-based momentum	↑	Strong double-digit growth
Consumer Electronics	20%	↑	Project timing of large customers in 2023 more heavy towards Q2	↓	Decline driven by lower project activity and investment levels
Other	35%	↑ ↑ ↓	Semi Medical-related Other Packaging end markets[1]	↑ ↔	Strong double-digit growth in Semi Other factory automation markets mixed, influenced by PMI

1) Includes Consumer Products and Food & Beverage.

Logistics Case Study

Customer	Leading e-commerce player in Korea
Applications	ID reading for 1) Inbound freight 2) Robotic automated bagging
Why We Won	Higher read rates at faster throughput speed
Products	Modular Vision Tunnel, DataMan 380 & 470
Nature of Win	Both competitive displacement + new investment



Q3-2024 Financial Highlights*

All figures in $ million, except per share amounts	Q3-2024	Q2-2024	Q3-2023
Revenue	**235**	**239**	**197**
Adjusted Gross Profit	**161**	**168**	**143**
Adjusted Gross Margin	68.7%	70.3%	72.7%
Adjusted Operating Expenses	125	126	113
Adjusted EBITDA	**41**	**48**	**34**
Adjusted EBITDA Margin	17.6%	19.9%	17.4%
Adjusted Net Income	**34**	**39**	**29**
Adjusted Diluted EPS	**0.20**	**0.23**	**0.17**
Free Cash Flow	**52**	**23**	**35**

*Q3-2024 results include four months of Moritex financials

1. Reported revenue increased 19% Y/Y. Q3 included four months of Moritex financials which added 12% Y/Y.
2. Revenue grew in all regions. Excluding Moritex, revenue was up materially in Europe and slightly in the Americas and Other Asia, both driven by Logistics. China grew significantly due to the timing of 2023 Consumer Electronics revenue.
3. Adjusted gross margin contracted 4 percentage points Y/Y. Decline driven primarily by Moritex.
4. Adjusted EBITDA margin was flattish Y/Y. Positive operating leverage and opex reduction was offset by lower adjusted gross margin and investment in the Emerging Customer initiative. Q3 actions drove sequential reduction in opex despite ramp of Emerging Customer investment.
5. Adjusted EPS increased by $0.03 or 19% Y/Y driven by the contribution of Moritex.
6. Generated $52 million of Free Cash Flow in the quarter and improved our Balance Sheet position with $607 million of cash and investments and no debt.

Please see the appendix of this presentation for a description of certain Non-GAAP measures and a full GAAP to Non-GAAP reconciliation

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Q4-2024 Outlook

All figures in $ million, unless specified	Q4-2024 Guidance	Q3-2024	Q4-2023
Revenue	**210 – 230**	**235**	**197**
Adjusted Gross Margin %	**High 60s%**	**68.7%**	**70.7%**
Adjusted EBITDA Margin %	**14% – 17%**	**17.6%**	**12.6%**
Adjusted Effective Tax Rate	16%	18%	13%

Cognex has provided the forward-looking non-GAAP measures of adjusted gross margin, adjusted EBITDA, and adjusted effective tax rate, but cannot, without unreasonable effort, forecast such items to present or provide a reconciliation to corresponding forecasted GAAP measures. These include special items such as restructuring charges, acquisition and integration charges, and amortization of acquisition-related intangible assets, all of which are subject to limitations in predictability of timing, ultimate outcome and numerous conditions outside of Cognex's control. Additionally, these items are outside of Cognex's normal business operations and not used by management to assess Cognex's operating results. Cognex believes these limitations would result in a range of projected values so broad as to not be meaningful to investors. For these reasons, Cognex believes that the probable significance of such information is low. Please see the appendix of this presentation for a description of certain Non-GAAP measures and a full GAAP to Non-GAAP reconciliation

4TH QUARTER EXPECTATIONS

1. Moderate revenue step down sequentially driven by typical Consumer Electronics seasonality as well as one fewer month of Moritex financials.
2. Moritex expected to return to typical contribution of 6-8% of revenue.
3. Adjusted Gross Margin in the high 60s%, with slight sequential headwinds from mix and pricing offset by 1 ppt of favorability from one fewer month of Moritex financials.
4. A modest step down in Adjusted EBITDA margins sequentially driven primarily by lower revenue, but a material increase Y/Y due to cost management and operating leverage.

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Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including adjusted gross margin, adjusted operating expense, adjusted operating income, adjusted EBITDA, adjusted net income, adjusted earnings per share of common stock, diluted, adjusted effective tax rate, and free cash flow. Cognex defines its non-GAAP metrics as follows:

- *Adjusted gross margin*: Gross margin adjusted for amortization of acquisition-related intangible assets, as well as, if applicable, restructuring charges, acquisition and integration costs and other one-time discrete events, such as loss or recovery related to a fire.
- *Adjusted operating expense*: Operating expense adjusted for amortization of acquisition-related intangible assets, as well as, if applicable, restructuring charges, acquisition and integration costs and other one-time discrete events, such as loss or recovery related to a fire.
- *Adjusted operating income*: Operating income adjusted for amortization of acquisition-related intangible assets, as well as, if applicable, restructuring charges, acquisition and integration costs and other one-time discrete events, such as loss or recovery related to a fire.
- *Adjusted EBITDA*: Operating income adjusted for amortization of acquisition-related intangible assets and depreciation, as well as, if applicable, restructuring charges, acquisition and integration costs and other one-time discrete events, such as loss or recovery related to a fire.
- *Adjusted net income:* Net income adjusted for amortization of acquisition-related intangible assets, as well as, if applicable, restructuring charges, acquisition and integration costs and other one-time discrete events, such as loss or recovery related to a fire or a foreign currency (gain) loss on a forward contract to hedge the Moritex purchase price.
- *Adjusted earnings per share of common stock, diluted:* Adjusted net income divided by diluted weighted average common and common-equivalent shares.
- *Adjusted effective tax rate:* Effective tax rate adjusted for discrete tax items and the net impact of the other non-GAAP adjustments.
- *Free cash flow:* Cash provided by operating activities less cash for capital expenditures.

Beginning in the fourth quarter of 2023, we updated the calculation of our non-GAAP measures to exclude acquisition and integration costs and amortization of acquisition-related intangible assets. These changes have been applied retrospectively to the third quarter of 2023 and the nine month period ending October 1, 2023. Cognex also uses results on a constant-currency basis as one measure to evaluate its performance and compares results between periods as if the exchange rates had remained constant period-over-period.

Cognex believes these non-GAAP financial measures are helpful because they allow investors to more accurately compare results over multiple periods using the same methodology that management employs in its budgeting process, in its review of operating results, and for forecasting and planning for future periods. Cognex's definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Furthermore, these measures have certain limitations in that they do not include the impact of certain non-recurring expenses that are reflected in our consolidated statement of operations that are necessary to run our business. Thus, our non-GAAP financial measures should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with GAAP.

GAAP to Non-GAAP Tables

USD $ in 000s unless noted as per share	Three-months Ended September 29, 2024	Three-months Ended June 30, 2024	Three-months Ended October 1, 2023	Nine-months Ended September 29, 2024	Nine-months Ended October 1, 2023
Gross margin (GAAP)	**$ 159,399**	$ 166,599	$ 142,774	**$ 467,935**	$ 466,197
Restructuring charges	**-**	-	-	**-**	-
Loss (recovery) from fire	**-**	-	-	**-**	-
Acquisition and integration costs	**281**	233	-	**2,082**	-
Amortization of acquisition-related intangible assets	**1,640**	1,388	550	**4,457**	1,849
Adjusted gross margin	**$ 161,320**	$ 168,220	$ 143,324	**$ 474,474**	$ 468,046
GAAP gross margin percent of revenue	**67.9%**	69.6%	72.4%	**68.3%**	72.7%
Adjusted gross margin percent of revenue	**68.7%**	70.3%	72.7%	**69.3%**	73.0%
Operating expense (GAAP)	**$ 127,835**	$ 128,142	$ 112,137	**$ 383,710**	$ 348,224
Restructuring charges	**-**	-	-	**-**	-
(Loss) recovery from fire	**-**	-	2,750	**-**	5,250
Acquisition and integration costs	**(962)**	(1,203)	(1,241)	**(3,468)**	(1,979)
Amortization of acquisition-related intangible assets	**(1,746)**	(1,339)	(193)	**(4,469)**	(579)
Adjusted operating expense	**$ 125,127**	$ 125,600	$ 113,453	**$ 375,773**	$ 350,916
Operating income (GAAP)	**$ 31,564**	$ 38,457	$ 30,637	**$ 84,225**	$ 117,973
Restructuring charges	**-**	-	$ -	**-**	-
Loss (recovery) from fire	**-**	-	(2,750)	**-**	(5,250)
Acquisition and integration costs	**1,243**	1,436	1,241	**5,550**	1,979
Amortization of acquisition-related intangible assets	**3,386**	2,727	743	**8,926**	2,428
Adjusted operating income	**$ 36,193**	$ 42,620	$ 29,871	**$ 98,701**	$ 117,130
GAAP operating income percent of revenue	**13.4%**	16.1%	15.5%	**12.3%**	18.4%
Adjusted operating income percent of revenue	**15.4%**	17.8%	15.1%	**14.4%**	18.3%
Depreciation (adjusted for amounts included in Acquisition and integration costs)	**5,027**	4,948	4,380	**15,254**	12,557
Adjusted EBITDA	**$ 41,220**	$ 47,568	$ 34,251	**$ 113,955**	$ 129,687
Adjusted EBITDA margin percent of revenue	**17.6%**	19.9%	17.4%	**16.6%**	20.2%

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GAAP to Non-GAAP Tables

USD $ in 000s unless noted as per share	Three-months Ended			Nine-months Ended	
	September 29, 2024	June 30, 2024	October 1, 2023	**September 29, 2024**	October 1, 2023
Net income (GAAP)	**$ 29,591**	$ 36,212	$ 18,916	**$ 77,825**	$ 102,005
Loss (recovery) from fire	**-**	-	(2,750)	**-**	(5,250)
Acquisition and integration costs	**1,243**	1,436	1,241	**5,550**	1,979
Amortization of acquisition-related intangible assets	**3,386**	2,727	743	**8,926**	2,428
Foreign currency (gain) loss on forward contract to hedge Moritex purchase price	**-**	-	8,456	**-**	8,456
Discrete tax (benefit) expense	**889**	(463)	4,035	**3,511**	840
Tax impact of reconciling items	**(1,176)**	(1,033)	(2,037)	**(3,563)**	(2,072)
Adjusted net income	**$ 33,933**	$ 38,879	$ 28,604	**$ 92,249**	$ 108,386
Earnings per share of common stock, diluted (GAAP)	**$ 0.17**	$ 0.21	$ 0.11	**$ 0.45**	$ 0.59
Restructuring charges	**-**	-	-	**-**	-
Loss (recovery) from fire	**-**	-	(0.02)	**-**	(0.03)
Acquisition and integration costs	**0.01**	0.01	0.01	**0.03**	0.01
Amortization of acquisition-related intangible assets	**0.02**	0.02	0.00	**0.05**	0.01
Foreign currency (gain) loss on forward contract to hedge Moritex purchase price	**-**	-	0.05	**-**	0.05
Discrete tax (benefit) expense	**0.01**	(0.00)	0.02	**0.02**	0.00
Tax impact of reconciling items	**(0.01)**	(0.01)	(0.01)	**(0.02)**	(0.01)
Adjusted earnings per share of common stock, diluted	**$ 0.20**	$ 0.23	$ 0.17	**$ 0.53**	$ 0.62
Effective tax rate (GAAP)	**19.1%**	12.9%	29.9%	**18.7%**	15.7%
Discrete tax benefit (expense)	**-2.4%**	1.1%	-14.9%	**-3.7%**	-0.7%
Net Impact of other reconciling items	**1.0%**	1.0%	2.5%	**1.3%**	0.7%
Adjusted effective tax rate	**17.6%**	15.0%	17.5%	**16.3%**	15.7%
Cash provided by operating activities (GAAP)	**$ 56,271**	$ 27,763	$ 41,023	**$ 97,677**	$ 98,425
Capital expenditures	**(4,399)**	(4,510)	(5,855)	**(12,970)**	(16,062)
Free cash flow	**$ 51,872**	$ 23,253	$ 35,168	**$ 84,707**	$ 82,363

Description of Certain Adjustments

Depreciation:
The company incurs expense related to its normal use of property, plant and equipment

Loss (recovery) from fire: On June 7, 2022, the Company's primary contract manufacturer experienced a fire at its plant in Indonesia. During the nine-month period ended October 1, 2023, the Company recorded recoveries related to the fire of $5,250,000, consisting of $2,500,000 in the second quarter of 2023 for proceeds received from the Company's insurance carrier in relation to a business interruption claim and $2,750,000 during the third quarter of 2023 for proceeds received as part of a financial settlement for lost inventory and other losses incurred as a result of the fire. Management does not anticipate additional recoveries.

Acquisition and integration costs:
The Company has incurred charges related to the purchase and integration of acquired businesses. During the nine-month period ended September 29, 2024, these costs were primarily related to the ongoing integration of Moritex Corporation.

Amortization of acquisition-related intangible assets:
The Company excludes the amortization of acquired intangible assets from non-GAAP expense and income measures. These items are inconsistent in amount and frequency and are significantly impacted by the timing and size of acquisitions, and include the amortization of customer relationships, completed technologies, and trademarks that originated from prior acquisitions. The largest driver of intangible asset amortization was the acquisition of Moritex Corporation.

Discrete tax (benefit) expense:
Items unrelated to current period ordinary income or (loss) that generally relate to changes in tax laws, adjustments to prior period's actual liability determined upon filing tax returns, and adjustments to previously recorded reserves for uncertain tax positions, initially recording or fully reversing valuation allowances.

We estimate the tax effect of items identified in the reconciliation by applying the statutory tax rate to the pre-tax amount.