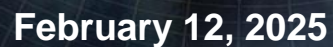




COGNEX
A COMPANY WITH
VISION



**Cognex Q4-2024
Financial Results**



February 12, 2025

Forward Looking Statements

Certain statements made in this report, 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 Exchange Act. 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, 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; (2) the impact of competitive pressures; (3) the inability to attract and retain skilled employees, effectively plan for succession, 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 on the economic climate in China; (6) the challenges in integrating and achieving expected results from acquired businesses; (7) uncertainty surrounding our future capital needs; (8) information security breaches; (9) the failure to comply with laws or regulations relating to data privacy or data protection; (10) the inability to protect our proprietary technology and intellectual property; (11) the failure to manufacture and deliver products in a timely manner; (12) the inability to obtain, or the delay in obtaining, components for our products at reasonable prices; (13) the inability to design and manufacture high-quality products; (14) the loss of, or curtailment of purchases by, large customers in the logistics, consumer electronics, or automotive industries; (15) challenges in accurately forecasting our financial results due to seasonal and cyclical variations in customer purchasing patterns; (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 increases in interest rates and elevated inflation rates; (20) business disruptions from natural or man-made disasters, public health crises, or other events outside our control; (21) exposure to potential liabilities, increased costs, reputational harm, and other adverse effects 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 our Annual Report on Form 10-K. 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.

2024 Highlights

- Significant progress on 2024 strategic priorities:
 - 1) Launched new products with powerful AI
 - 2) Expanded and transformed our sales force, which grew and broadened our customer base
 - 3) Successfully integrated Moritex, our largest acquisition ever, which was accretive to adj. EPS
- Revenue increased 9% Y/Y as reported or 1% Y/Y excluding Moritex.
 - Logistics and Semi grew materially
 - Automotive was significantly below original expectations
 - Other factory automation end markets stabilized, but remained soft.
- Accelerated Free Cash Flow generation and returned \$119 million to our shareholders.

2024 Revenue

\$915 Million

2024 Adj. Gross Margin

69.3%

2024 Adj. EBITDA Margin

17.1%

2024 Adj. Diluted EPS

\$0.74

2024 Free Cash Flow

\$134 Million

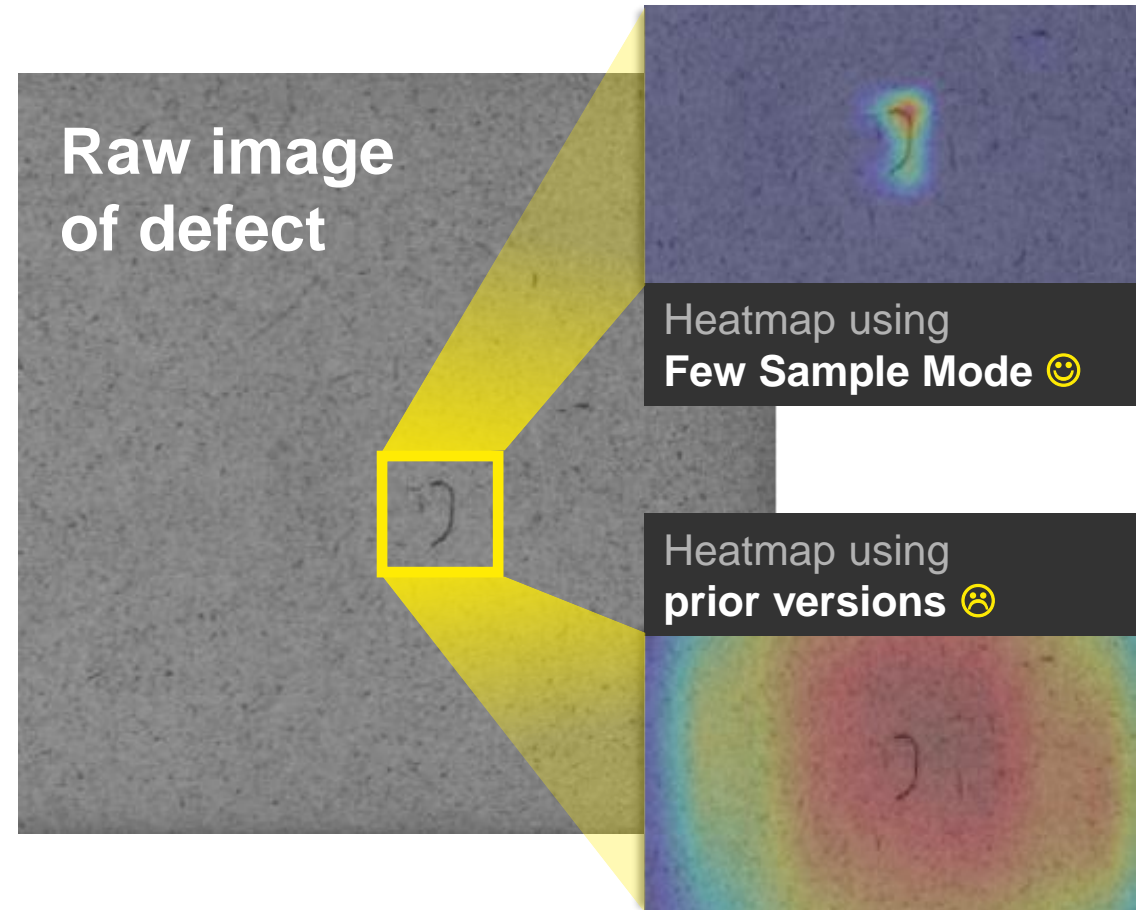
Net Cash & Investments

\$587 Million

VisionPro Deep Learning 4.0: Train Models Up to 10x Faster

Cognex's first product featuring breakthrough AI Transformer models

- Our new **Few Sample Mode** technology is powered by a completely new architecture and provides powerful results using only a few images per class – a reduction of over 10x previous requirements
- This mode significantly reduces development time and can be used with both small and large datasets
- **Few Sample Mode** produces highly precise and detailed heatmaps and improves in accuracy with more data

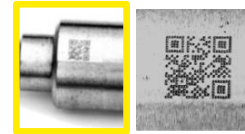


New DataMan Series: Cognex's First AI-Enabled ID Readers



A user-friendly web interface with guided setup enables non-technical users to go from unboxing to scanning in minutes.

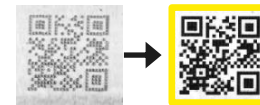
FIND



AI-guided positioning and tuning

Real-time positioning feedback ensures the code is at the optimal distance from the reader. Then, easily find the right settings with automated tuning.

ENHANCE



AI-enhanced decoding

Increase image quality and decode damaged or low-quality codes for more reliable code reading.

READ



AI-powered analysis

Read all code types, including occluded, distorted, or challenging codes with industry-proven decoding algorithms.

Investment In Sales Transformation and Expansion

2024 TARGETS FOR NEW SALES COHORT

Expanded 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

Incorporated Early Learnings

- Expanded product portfolio sold by new entry-level Salesnoids
- Combined sales forces under a unified management structure in each geography to optimize overall sales coverage
- Extended new Salesnoids' focus to also serve new buyers at existing accounts

~80K
CUSTOMER VISITS

~3K
NEW CUSTOMERS

~\$25m
Y/Y OPEX INCREASE

>75%
GROSS MARGIN

2024 FULL YEAR RESULTS



Exceeded 80,000 customer visits in 2024.



New Salesnoids as part of our sales transformation added over 3,000 new customers in 2024.







Increase in Y/Y operating expense came in slightly lower for the year, at \$23 million.



High margin value-added suite of products, smaller average deal size and attractive end market mix drove > 75% gross margin.

2024 End Market Results

END MARKET	% OF REVENUE* (Incl. Moritex)	2024 Y/Y (Ex-Moritex)	DRIVERS
 Logistics	23%	+20%	<ul style="list-style-type: none"> ↑ Investments by large e-commerce players and further penetration of broader logistics market
 Automotive	22%	-14%	<ul style="list-style-type: none"> ↓ Base auto headwinds ↓ EV battery demand much lower than expectations
 Consumer Electronics	17%	-5%	<ul style="list-style-type: none"> ↓ Limited changes to form factors and conservative capex spending across the market
 Other	38%	+5%	<ul style="list-style-type: none"> ↑ Strong growth in Semi ↓ Modest declines in Packaging¹ and Medical-related

*For the year ending December 31, 2024

1) Includes Consumer Products and Food & Beverage.

Q4-2024 Financial Highlights

All figures in \$ million, except per share amounts

	Q4-2024	Q4-2023	Y/Y
Revenue	230	197	+17%
Adjusted Gross Profit	159	139	+15%
Adjusted Gross Margin	69.4%	70.7%	(130) bps
Adjusted Operating Expenses	122	119	+3%
Adjusted EBITDA	42	25	+71%
Adjusted EBITDA Margin	18.5%	12.6%	+580 bps
Adjusted Net Income	35	19	+84%
Adjusted Diluted EPS	0.20	0.11	+84%
Free Cash Flow	49	7	+560%

1. Revenue increased 17% as reported and 12% excluding Moritex.
2. Excluding Moritex, revenue was up materially in all geographies except Europe, where it declined slightly.
3. Adjusted gross margin contracted 130 basis points due to the dilutive effect of Moritex, negative mix and, to a lesser extent, pricing.
4. Adjusted EBITDA margin was expanded 580 basis points. Revenue growth and tight cost management drove positive operating leverage.
5. Adjusted diluted EPS increased by \$0.09 or 84% due to the increase in EBITDA and operating margins.
6. Generated \$49 million of Free Cash Flow in the quarter and returned \$57 million to shareholders.

2024 Financial Highlights

All figures in \$ million, except per share amounts

	2024*	2023	Y/Y
Revenue	915	838	+9%
Adjusted Gross Profit	634	607	+4%
Adjusted Gross Margin	69.3%	72.5%	(320) bps
Adjusted Operating Expenses	498	470	+6%
Adjusted EBITDA	156	155	+1%
Adjusted EBITDA Margin	17.1%	18.5%	(140) bps
Adjusted Net Income	127	127	--
Adjusted Diluted EPS	0.74	0.73	--
Free Cash Flow	134	90	+49%
Cash and Investments	587	576	+11M

*2024 results include 13 months of Moritex financials

1. Revenue increased 9% as reported and 1% excluding Moritex.
2. Excluding Moritex, revenue was up in Other Asia and the Americas, declined slightly in Europe, and declined more materially in Greater China.
3. Adjusted gross margin contracted 320 basis points due to the dilutive effect of Moritex, negative mix and, to a lesser extent, pricing.
4. Adjusted EBITDA margin fell 140 basis points. The decline was due to the fall in gross margin, partially offset by the contribution of Moritex as well as cost management.
5. Adjusted diluted EPS was up slightly as accretion from the Moritex acquisition offset weakness in factory automation markets.
6. Free Cash Flow of \$134 million grew significantly and represented 105% of adjusted net income. We returned \$119 million of capital, nearly 90% of FCF, to shareholders in the year.

Q1-2025 Outlook

All figures in \$ million, unless specified

	Q1-2025 Guidance	Q1-2024	Y/Y
Revenue	200 – 220	211	-5 to +4%
Adjusted Gross Margin %	High 60s%	68.8%	--
Adjusted EBITDA Margin %	12% – 15%	11.9%	+0-300 bps
Adjusted Effective Tax Rate	16%	16%	--

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

1ST QUARTER EXPECTATIONS

1. Continued Logistics and Semiconductor momentum, offset by weaker Automotive and an estimated \$5 million FX headwind at current rates.
2. Sequential step-down in revenue driven partly by the accelerated demand from large customers we saw in Q4 and an estimated \$4 million FX headwind at current rates.
3. Relatively stable adjusted Gross Margin in the high 60s%.
4. Increase of ~150 bps in Adjusted EBITDA margin at the midpoint driven by cost management and operating leverage.

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, reorganization charges, acquisition and integration costs and 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, reorganization charges, acquisition and integration costs and 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, reorganization charges, acquisition and integration costs and 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, reorganization charges, acquisition and integration costs and 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, reorganization charges, acquisition and integration costs, discrete tax items and 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 ended October 1, 2023. Cognex may also disclose results on a constant-currency basis as one measure to evaluate its performance and compare 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			Twelve-months Ended	
	December 31, 2024	September 29, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Gross profit (GAAP)	\$ 157,859	\$ 159,399	\$ 135,044	\$ 625,794	\$ 601,241
Acquisition and integration costs	213	281	2,882	2,295	2,882
Amortization of acquisition-related intangible assets	1,360	1,640	1,126	5,817	2,975
Reorganization charges	18	-	-	18	-
Adjusted gross profit	\$ 159,450	\$ 161,320	\$ 139,052	\$ 633,924	\$ 607,098
GAAP gross margin	68.7%	67.9%	68.7%	68.4%	71.8%
Adjusted gross margin	69.4%	68.7%	70.7%	69.3%	72.5%
Operating expense (GAAP)	\$ 127,019	\$ 127,835	\$ 122,315	\$ 510,729	\$ 470,539
(Loss) recovery from fire	-	-	2,750	-	8,000
Acquisition and integration costs	(761)	(962)	(5,101)	(4,229)	(7,080)
Amortization of acquisition-related intangible assets	(1,132)	(1,746)	(1,053)	(5,601)	(1,635)
Reorganization charges	(2,972)	-	-	(2,972)	-
Adjusted operating expense	\$ 122,154	\$ 125,127	\$ 118,911	\$ 497,927	\$ 469,824
Operating income (GAAP)	\$ 30,840	\$ 31,564	\$ 12,729	\$ 115,065	\$ 130,702
Loss (recovery) from fire	-	-	(2,750)	-	(8,000)
Acquisition and integration costs	974	1,243	7,983	6,524	9,962
Amortization of acquisition-related intangible assets	2,492	3,386	2,179	11,418	4,610
Reorganization charges	2,990	-	-	2,990	-
Adjusted operating income	\$ 37,296	\$ 36,193	\$ 20,141	\$ 135,997	\$ 137,274
GAAP operating margin	13.4%	13.4%	6.5%	12.6%	15.6%
Adjusted operating margin	16.2%	15.4%	10.2%	14.9%	16.4%
Depreciation (adjusted for amounts included in Acquisition and integration costs)	5,139	5,027	4,713	20,393	17,270
Adjusted EBITDA	\$ 42,435	\$ 41,220	\$ 24,854	\$ 156,390	\$ 154,544
Adjusted EBITDA margin	18.5%	17.6%	12.6%	17.1%	18.5%

GAAP to Non-GAAP Tables

USD \$ in 000s unless noted as per share

	Three-months Ended			Twelve-months Ended	
	December 31, 2024	September 29, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net income (GAAP)	\$ 28,346	\$ 29,591	\$ 11,229	\$ 106,171	\$ 113,234
Loss (recovery) from fire	-	-	(2,750)	-	(8,000)
Acquisition and integration costs	974	1,243	7,983	6,524	9,962
Amortization of acquisition-related intangible assets	2,492	3,386	2,179	11,418	4,610
Foreign currency (gain) loss on forward contract to hedge Moritex purchase price	-	-	-	-	8,456
Reorganization charges	2,990	-	-	2,990	-
Discrete tax (benefit) expense	2,220	889	1,498	5,731	2,338
Tax impact of reconciling items	(2,008)	(1,176)	(1,134)	(5,571)	(3,207)
Adjusted net income	\$ 35,014	\$ 33,933	\$ 19,006	\$ 127,263	\$ 127,393
Earnings per share of common stock, diluted (GAAP)	\$ 0.16	\$ 0.17	\$ 0.07	\$ 0.62	\$ 0.65
Loss (recovery) from fire	-	-	(0.02)	-	(0.05)
Acquisition and integration costs	0.01	0.01	0.05	0.04	0.06
Amortization of acquisition-related intangible assets	0.01	0.02	0.01	0.07	0.03
Foreign currency (gain) loss on forward contract to hedge Moritex purchase price	-	-	-	-	0.05
Reorganization charges	0.02	-	-	0.02	-
Discrete tax (benefit) expense	0.01	0.01	0.01	0.03	0.01
Tax impact of reconciling items	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)
Adjusted earnings per share of common stock, diluted	\$ 0.20	\$ 0.20	\$ 0.11	\$ 0.74	\$ 0.73
Effective tax rate (GAAP)	20.8%	19.1%	21.8%	19.3%	16.3%
Discrete tax benefit (expense)	-6.2%	-2.4%	-10.4%	-4.4%	-1.7%
Net Impact of other reconciling items	2.5%	1.0%	1.4%	1.6%	0.7%
Adjusted effective tax rate	17.1%	17.6%	12.7%	16.5%	15.3%
Cash provided by operating activities (GAAP)	\$ 51,404	\$ 56,271	\$ 14,491	\$ 149,081	\$ 112,916
Capital expenditures	(2,073)	(4,399)	(7,015)	(15,043)	(23,077)
Free cash flow	\$ 49,331	\$ 51,872	\$ 7,476	\$ 134,038	\$ 89,839

Description of Certain Adjustments

1. Depreciation

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

2. Loss (recovery) from fire

On June 7, 2022, the Company's primary contract manufacturer experienced a fire at its plant in Indonesia. During the twelve-month period ended December 31, 2023, the Company recorded recoveries related to the fire of \$8,000,000 consisting of \$2,500,000 for proceeds received from the Company's insurance carrier in relation to a business interruption claim and \$5,500,000 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.

3. Acquisition and integration costs

The Company has incurred charges related to the purchase and integration of acquired businesses. During the twelve-month period ended December 31, 2024, these costs were primarily related to the ongoing integration of Moritex Corporation.

4. 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.

5. Reorganization charges

The Company has incurred charges related to the reorganization of its employees. During the twelve-month period ended December 31, 2024, these costs consisted primarily of severance.

6. 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, adjustments to previously recorded reserves for uncertain tax positions, and establishments and adjustments of valuation allowances. We estimate the tax effect of items identified in the reconciliation by applying the statutory tax rate to the pre-tax amount.

Investor Relations Team & Upcoming Activity



**Nathan
McCurren**

HEAD OF IR &
TREASURER



**Jordan
Bertier**

SENIOR
MANAGER, IR

INVESTOR RELATIONS CONTACT:

ir@cognex.com

Save the Date!

2025 Cognex Investor Day
June 9-10
Natick, MA Headquarters



Upcoming Conferences

March	Raymond James Institutional Investors	Orlando
March	Cantor Fitzgerald Technology	NYC
May	Truist Securities Industrials	Philadelphia
May	KeyBanc Industrials & Materials	Boston
May	Bernstein Strategic Decisions	NYC
May	TD Cowen TMT	NYC