

Cognex Q2 2025 Earnings

July 30, 2025

Forward Looking Statements

Certain statements made in this presentation, as well as oral statements made by Cognex Corporation ("Cognex", "we", "us", "our", or 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 (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, the impact of tariffs, 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, commercial partnerships, capital expenditures, cost management activities, investments, liquidity, dividends and stock repurchases, strategic and growth plans and opportunities, acquisitions, and estimated tax benefits and expenses, changes in tax legislation, 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 including managing the change of our Chief Executive Officer, all while maintaining 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 imposition of tariffs, the economic climate in China, and the wars involving Ukraine and Israel; (6) the challenges in integrating and achieving expected results from acquired businesses; (7) uncertainty surrounding our future capital needs; (8) information security breaches and other cybersecurity threats; (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 and economic and market volatility; (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, without limitation, increases in interest rates, elevated inflation rates, and recession risks; (20) business disruptions from natural or man-made disasters, public health crises, or other events outside our control; (21) stock price volatility; and (22) 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, 2024, our Quarterly Reports on Form 10-Q, and other filings with the Securities and Exchange Commission. 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.

Five-Year Strategic Objectives

#1

AI technology for industrial
machine vision applications

#1

in Customer Experience
across the industry

2x

Customers served

#1 or #2

Market Position in all major markets¹

New Senior Leadership Team



Matt Moschner
President and
Chief Executive Officer



Carl Gerst
Executive Vice President
Global Sales & Products



Dennis Fehr
Chief Financial Officer



Sheila DiPalma
Executive Vice President
Employee Services
Chief Culture Officer



Reto Wyss
Vice President
Vision Engineering



Shirin Saleem
Vice President
Software Engineering



Richard Reuter
Senior Director
Hardware Engineering



Mike Bowdoin
Vice President
Operations



Darren Long
Vice President
Customer Success



Mark Fennell
Chief Legal Officer
Corporate Secretary

Q2 2025 Highlights

Progress on strategic objectives:

- Launched OneVision – cloud platform for AI-powered machine vision
- Salesforce transformation fueling revenue growth in Packaging

Revenue up 4% Y/Y, +3% Y/Y in constant currency

- Fourth consecutive quarter of Y/Y organic growth
- Six consecutive quarters of Y/Y Logistics revenue growth
- Factory Automation stronger in Q2 driven by Consumer Electronics and Packaging

Commitment to bottom-line profitability:

- Adjusted EBITDA increased 9% Y/Y; Adjusted EPS grew 12% Y/Y
- Adjusted EBITDA margin of 20.7%; up 80 bps Y/Y and highest level since Q2 2023

Q2 2025 Revenue

\$249 Million

+4% Y/Y

Q2 2025 Adj. EBITDA Margin

20.7%

+80bps Y/Y

Q2 2025 Free Cash Flow

\$40 Million

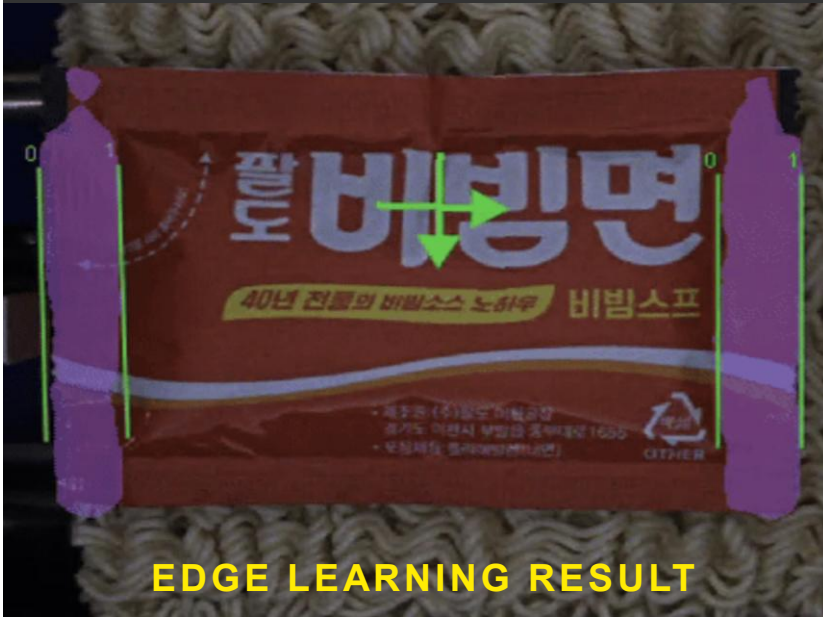
+74% Y/Y



OneVision: Enhancing Packaging Inspection at Paldo

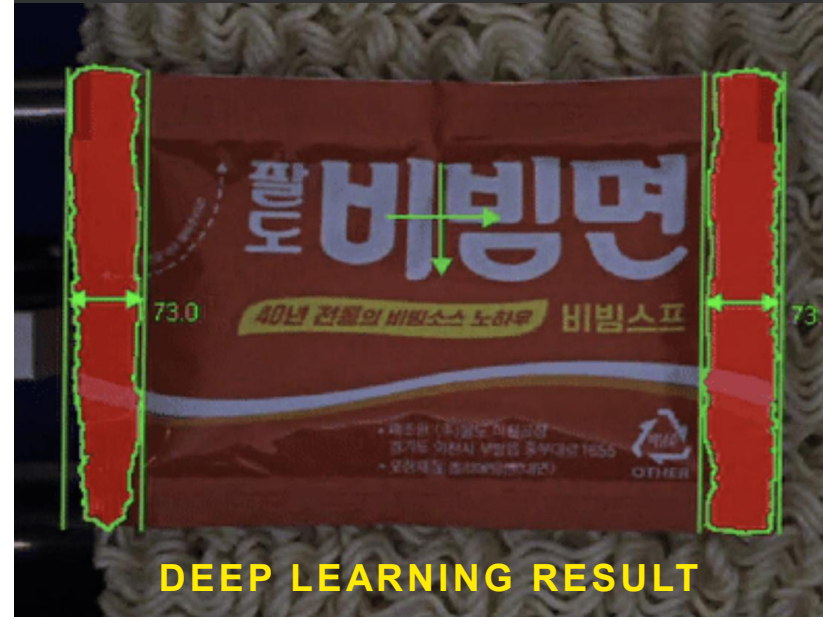
CUSTOMER OPPORTUNITY

Continuous improvement
of quality control



COGNEX SOLUTION

Seamlessly deployed AI
model from OneVision



RESULT

Happy customer,
good for Cognex

- Reduced false rejections without complex PC-based system
- Expanded device footprint and positioned Cognex for future line expansions
- Demonstrated power of cloud-to-edge AI deployment

Q2 2025 End Market Results

END MARKET	% OF REVENUE Full-year 2024	Q2 DRIVERS	2025 TRENDS
Logistics	23%	↑ Broad-based growth	↑ Continued momentum driven by e-commerce
Automotive	22%	↓ Continued softness as expected	↓ Decline driven by lower project activity and investment levels
Packaging*	21%	↑ Growth in FMCG and healthcare	↑ Positive trend; penetration opportunity enabled by sales transformation
Consumer Electronics	17%	↑ Broad-based strong growth	↑ Improved growth outlook; revenue similar in Q2 and Q3
Semiconductor	11%	↔ Modest slowdown	↔ Cautious outlook due to uncertainty from trade policy
OTHER	6%		

Q2 2025 Financial Highlights

Adj. EBITDA Margin

20.7%

+80bps Y/Y
Highest level since Q2 2023

Adj. EPS

\$0.25

+12% Y/Y
Fourth consecutive quarter of growth

Free Cash Flow Conversion¹

130%

Trailing twelve-month rate

¹) Defined as Free Cash Flow divided by Adjusted Net Income

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

Q2 2025 Financial Highlights

<i>All figures in \$ million, except per share amounts</i>	Q2 2025	Q2 2024	Y/Y Change
Revenue	\$249	\$239	+4%
Adjusted Gross Profit	169	168	+1%
Adjusted Gross Margin	68.0%	70.3%	-230 bps
Adjusted Operating Expenses	123	126	-2%
Adjusted EBITDA	52	48	+9%
Adjusted EBITDA Margin	20.7%	19.9%	+80 bps
Adjusted Net Income	43	39	+9%
Adjusted Diluted EPS	\$0.25	\$0.23	+12%
Free Cash Flow	40	23	+74%

1. Revenue increased 4% as reported and 3% on a constant currency basis.
2. Adjusted gross margin contracted 230 basis points primarily due to less favorable industry mix and to a lesser extent, the impact of tariffs.
3. Adjusted EBITDA margin expanded 80 basis points primarily due to disciplined cost management.
4. Adjusted diluted EPS increased by \$0.02, or 12%, due to the increase in Adjusted EBITDA.
5. Continued strong cash generation with \$40 million of Free Cash Flow, an increase of 74% year over year.

Q3 2025 Outlook

<i>All figures in \$ million, unless specified</i>	Q3 2025 Guidance*	Q3 2024 Results	Y/Y Change**
Revenue	\$245 – \$265	\$235	+9%
Adjusted EBITDA Margin %	19.5% – 22.5%	17.6%	+340 bps
Adjusted Earnings per Share (diluted)	\$0.24 – \$0.29	\$0.20	+35%

*Including the one-time benefit from the commercial partnership with a strategic channel partner, the Q3 guidance ranges would be: revenue \$253 - \$279 million, Adjusted EBITDA margin 20.5% - 25.0%, and Adjusted EPS (diluted) \$0.26 - \$0.34. Although this one-time benefit to revenue will be recognized in the third quarter, actual payments are expected to be received through 2030.

**At the midpoint of guidance

Cognex has provided the forward-looking non-GAAP measures of adjusted EBITDA margin, and adjusted earnings per share (diluted), 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 reorganization 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. In Q3 2024 the GAAP operating margin was 13.4% and GAAP earnings per share (diluted) were \$0.17.

3rd QUARTER EXPECTATIONS

1. Revenue growth reflects contribution from Logistics and broader Factory Automation businesses.
2. Consumer Electronics revenue in line with Q2 level.
3. Adjusted EBITDA margin expansion and Adjusted EPS growth driven by revenue growth and cost control.
4. No material impact on Adjusted EPS or Adjusted EBITDA margin expected from tariffs, including recently announced trade agreements with China, Vietnam and Indonesia.
5. Guidance excludes an expected one-time benefit related to a new, strategic channel partnership serving medical lab automation OEMs; revenue benefit is expected to be between \$8 and \$14 million.
6. One Big Beautiful Bill Act (OBBBA) expected to be neutral to Adjusted EPS in 2025; cash tax benefit of \$12 to \$15 million expected in 2025.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including adjusted gross profit and margin, adjusted operating expense, adjusted operating income and margin, adjusted EBITDA and margin, 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 profit and 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.
- *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.
- *Adjusted operating income and margin*: 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.
- *Adjusted EBITDA and margin*: 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.
- *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.
- *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.
- *Free cash flow conversion rate*: Free cash flow divided by adjusted net income.

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		Six-months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Gross profit (GAAP)	\$ 167,876	\$ 166,599	\$ 312,199	\$ 308,536
Acquisition and integration costs	211	233	453	1,801
Amortization of acquisition-related intangible assets	1,382	1,388	2,720	2,817
Reorganization charges	-	-	86	-
Adjusted gross profit	\$ 169,469	\$ 168,220	\$ 315,458	\$ 313,154
GAAP gross margin	67.4%	69.6%	67.1%	68.5%
Adjusted gross margin	68.0%	70.3%	67.8%	69.6%
Operating expense (GAAP)	\$ 124,443	\$ 128,142	\$ 242,674	\$ 255,875
Acquisition and integration costs	(259)	(1,203)	(797)	(2,506)
Amortization of acquisition-related intangible assets	(1,296)	(1,339)	(2,586)	(2,723)
Reorganization charges	-	-	(1,622)	-
Adjusted operating expense	\$ 122,888	\$ 125,600	\$ 237,669	\$ 250,646
Operating income (GAAP)	\$ 43,433	\$ 38,457	\$ 69,525	\$ 52,661
Acquisition and integration costs	470	1,436	1,250	4,307
Amortization of acquisition-related intangible assets	2,678	2,727	5,306	5,540
Reorganization charges	-	-	1,708	-
Adjusted operating income	\$ 46,581	\$ 42,620	\$ 77,789	\$ 62,508
GAAP operating margin	17.4%	16.1%	14.9%	11.7%
Adjusted operating margin	18.7%	17.8%	16.7%	13.9%
Depreciation (adjusted for amounts included in Acquisition and integration costs)	5,095	4,948	10,178	10,227
Adjusted EBITDA	\$ 51,676	\$ 47,568	\$ 87,967	\$ 72,735
Adjusted EBITDA margin	20.7%	19.9%	18.9%	16.2%

GAAP to Non-GAAP Tables

USD \$ in 000s unless noted as per share

	Three-months Ended		Six-months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net income (GAAP)	\$ 40,511	\$ 36,212	\$ 64,114	\$ 48,234
Acquisition and integration costs	470	1,436	1,250	4,307
Amortization of acquisition-related intangible assets	2,678	2,727	5,306	5,540
Reorganization charges	-	-	1,708	-
Discrete tax (benefit) expense	(211)	(463)	(518)	2,622
Tax impact of reconciling items	(891)	(1,033)	(2,256)	(2,387)
Adjusted net income	\$ 42,557	\$ 38,879	\$ 69,604	\$ 58,316
Earnings per share of common stock, diluted (GAAP)	\$ 0.24	\$ 0.21	\$ 0.38	\$ 0.28
Acquisition and integration costs	0.00	0.01	0.01	0.02
Amortization of acquisition-related intangible assets	0.02	0.02	0.03	0.03
Reorganization charges	-	-	0.01	-
Discrete tax (benefit) expense	(0.00)	(0.00)	(0.00)	0.02
Tax impact of reconciling items	(0.01)	(0.01)	(0.01)	(0.01)
Adjusted earnings per share of common stock, diluted	\$ 0.25	\$ 0.23	\$ 0.41	\$ 0.34
Effective tax rate (GAAP)	15.7%	12.9%	15.5%	18.4%
Discrete tax benefit (expense)	0.4%	1.1%	0.7%	-4.4%
Net Impact of other reconciling items	0.7%	1.0%	1.1%	1.5%
Adjusted effective tax rate	16.9%	15.0%	17.3%	15.5%
Cash provided by operating activities (GAAP)	\$ 42,625	\$ 27,763	\$ 83,127	\$ 41,406
Capital expenditures	(2,194)	(4,510)	(4,695)	(8,571)
Free cash flow	\$ 40,431	\$ 23,253	\$ 78,432	\$ 32,835

Description of Certain Adjustments

1. Depreciation

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

2. Acquisition and integration costs

The Company has incurred charges related to the purchase and integration of acquired businesses. During the periods presented, these costs were primarily related to the ongoing integration of Moritex Corporation, which the Company acquired in the fourth quarter of 2023.

3. Reorganization charges

The Company has incurred charges related to the reorganization of its employees. During the six-month period ended June 29, 2025, these costs consisted primarily of severance.

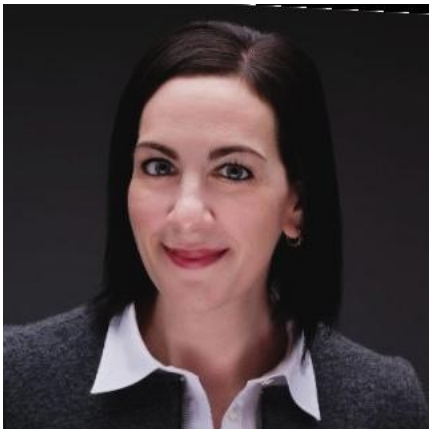
4. Amortization of acquisition-related intangible assets

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. 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, establishments and adjustments of valuation allowances, stock-based compensation, and adjustments to deferred tax positions. 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



**Greer
Aviv**

HEAD OF
INVESTOR RELATIONS



**Jordan
Bertier**

SENIOR
MANAGER, IR

INVESTOR RELATIONS CONTACT:
ir@cognex.com

Upcoming Conferences and Investor Events		
August	KeyBanc Technology Leadership Forum	Deer Valley, UT
August	Raymond James Industrial Showcase	Virtual
September	UBS Non-Deal Roadshow	London, Stockholm, Geneva, Zurich, Frankfurt
September	Vertical Research Partners HQ Visit	Natick, MA
October	BNP Paribas Non-Deal Roadshow	Boston, MA