

Cognex Q3 2025 Earnings

October 29, 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 inability to manage direct and indirect disruptions to our supply chain, which could cause delays in obtaining components for our products at reasonable prices; (12) the failure to manufacture and deliver products in a timely manner; (13) the inability to obtain, or the delay in obtaining, components for our products at reasonable prices; (14) the inability to design and manufacture high-quality products; (15) the loss of, or curtailment of purchases by, large customers in the logistics, consumer electronics, or automotive industries; (16) challenges in accurately forecasting our financial results due to seasonal and cyclical variations in customer purchasing patterns and economic and market volatility; (17) potential impairment charges with respect to our investments or acquired intangible assets; (18) exposure to additional tax liabilities, increases and fluctuations in our effective tax rate, and other tax matters; (19) fluctuations in foreign currency exchange rates and the use of derivative instruments; (20) unfavorable global economic conditions, including, without limitation, increases in interest rates, elevated inflation rates, and recession risks; (21) business disruptions from natural or man-made disasters, public health crises, or other events outside our control; (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, 2024, as updated by Part II - Item 1A of this Quarterly Report on Form 10-Q. 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 2025 Highlights

As reported

Progress on strategic objectives:

- Salesforce transformation fueling revenue growth in Packaging
- Advancing our technology leadership in AI with the launch of vision tools for the Logistics vertical

Revenue up 18% Y/Y, +16% Y/Y constant-currency growth

- Fifth consecutive quarter of Y/Y organic growth
- Seventh consecutive quarter of Y/Y Logistics revenue growth
- Factory Automation stronger in Q3 driven by Consumer Electronics and Packaging

Commitment to bottom-line profitability:

- Adjusted EBITDA increased 67% Y/Y; Adjusted EPS grew 69% Y/Y
- Adjusted EBITDA margin of 24.9%; up 730 bps Y/Y and highest level since Q2 2023

Q3 2025 Revenue

\$277 Million

+18% Y/Y

Q3 2025 Adj. EBITDA Margin

24.9%

+730bps Y/Y

Q3 2025 Free Cash Flow

\$86 Million

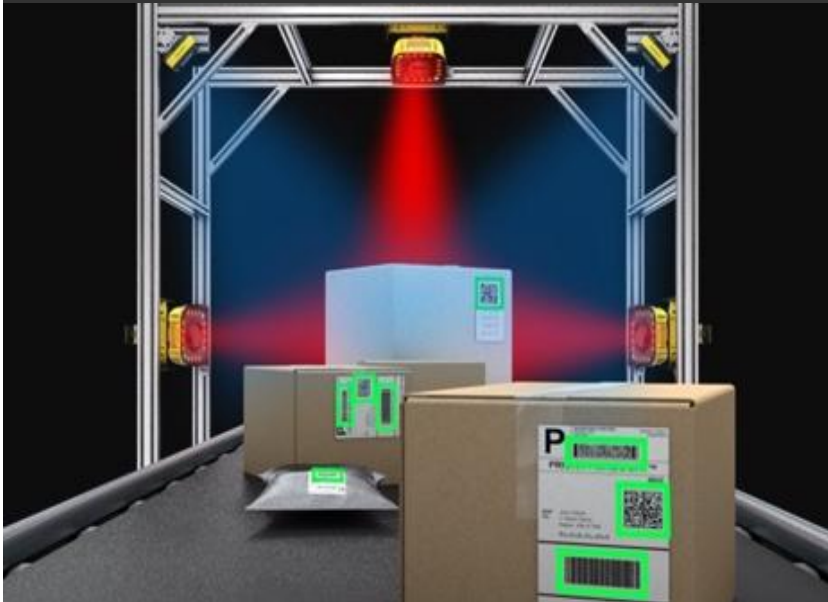
+66% Y/Y



SLX: AI Vision in Logistics at

TAKING CUSTOMERS BEYOND THE BARCODE

Adding Vision to the best ID performance



Advanced machine vision for logistics applications

SLX IN ACTION: ERROR DETECTION

Advanced package detection



Reduces costs associated with sortation errors

RESULT

Happy customer, good for Cognex

- Reduces expenses and improves efficiency of customer operations
- Demonstrates power of AI-driven package detection with out-of-box set-up
- Drives penetration of new high-value machine vision use cases

Q3 2025 End Market Results

END MARKET	% OF REVENUE Full-year 2024	Q3 DRIVERS ¹	2025 TRENDS
Logistics	23%	↑ Strong growth driven by large customers	↑ Continued momentum driven by e-commerce
Automotive	22%	↓ Continued softness as expected	↓ Decline driven by lower project activity and investment levels
Packaging*	21%	↑ Solid growth across most geos	↑ Positive trend; penetration opportunity enabled by sales transformation
Consumer Electronics	17%	↑ Broad-based strong growth	↑ Improved growth outlook; first growth year since 2022
Semiconductor	11%	↑ Modest growth	↔ Cautious outlook due to uncertainty from trade policy
OTHER	6%		

Q3 2025 Revenue Bridge

All figures in \$ million

	Q3 2025	Q3 2024	Y/Y Change	Y/Y CC Change	
Revenue – as reported	\$277	\$235	+18%	+16%	→ Refer to slide 7
One-time benefit from Commercial Partnership	(\$13)	--	--		
Revenue – ex Commercial Partnership	\$264	\$235	+13%	+10%	
Moritex additional month	--	(\$5)	--		
Revenue – ex Commercial Partnership, Moritex additional month	\$264	\$230	+15%	+13%	→ Refer to slides 8 & 9

Q3 2025 Financial Highlights

As reported

All figures in \$ million, except per share amounts

	Q3 2025	Q3 2024	Y/Y Change
Revenue	\$277	\$235	+18%
Adjusted Gross Profit	189	161	+17%
Adjusted Gross Margin	68.4%	68.7%	-30 bps
Adjusted Operating Expenses	125	125	0%
Adjusted EBITDA	69	41	+67%
Adjusted EBITDA Margin	24.9%	17.6%	+730 bps
Adjusted Net Income	56	34	+65%
Adjusted Diluted EPS	\$0.33	\$0.20	+69%
Free Cash Flow	86	52	+66%

- 1.** Revenue increased 18% as reported and 16% on a constant currency basis.
- 2.** Adjusted Gross Margin contracted 30 basis points, as expected, due to unfavorable mix and tariffs, partially offset by the one-time benefit.
- 3.** Adjusted EBITDA Margin expanded 730 basis points driven by operating leverage and disciplined cost management.
- 4.** Adjusted diluted EPS increased by \$0.13, or 69%, due to the increase in Adjusted EBITDA.
- 5.** Continued strong cash generation with \$86 million of Free Cash Flow, an increase of 66% year over year.

Q3 2025 Financial Highlights

excluding Commercial Partnership and additional month of Moritex

Adj. EBITDA Margin

22.1%

+450bps Y/Y
Highest level since Q2 2023

Adj. Diluted EPS

\$0.28

+47% Y/Y
Fifth consecutive quarter of growth

Free Cash Flow Conversion¹

133%

Trailing twelve-month rate

1) Defined as Free Cash Flow divided by Adjusted Net Income; not adjusted for the Commercial Partnership (immaterial cash flow impact) in Q3 2025 or the additional month of Moritex in Q3 2024. Please see the appendix of this presentation for a description of certain Non-GAAP measures and a full GAAP to Non-GAAP reconciliation

Q3 2025 Financial Highlights

Q3 2025 excluding Commercial Partnership

Q3 2024 excluding additional month of Moritex

All figures in \$ million, except per share amounts

	Q3 2025	Q3 2024	Y/Y Change
Revenue	\$264	\$230	+15%
Adjusted Gross Profit	179	159	+12%
Adjusted Gross Margin	67.7%	69.4%	-170 bps
Adjusted Operating Expenses	125	124	+1%
Adjusted EBITDA	58	40	+44%
Adjusted EBITDA Margin	22.1%	17.6%	+450 bps
Adjusted Net Income	48	33	+43%
Adjusted Diluted EPS	\$0.28	\$0.19	+47%
Free Cash Flow¹	86	52	+66%

1. Revenue increased 15% and 13% on a constant currency basis.
2. Adjusted gross margin contracted 170 basis points, as expected, due to unfavorable mix and tariffs.
3. Adjusted EBITDA Margin expanded 450 basis points driven by operating leverage and disciplined cost management.
4. Adjusted diluted EPS increased by \$0.09, or 47%, due to the increase in Adjusted EBITDA.
5. Continued strong cash generation with \$86 million of Free Cash Flow, an increase of 66% year over year.

1) Free cash flow not adjusted for the Commercial Partnership (immaterial cash flow impact) in Q3 2025 or the additional month of Moritex in Q3 2024.

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

Q4 2025 Outlook

All figures in \$ million, unless specified

	Q4 2025 Guidance	Q4 2024 Results	Y/Y Change**
Revenue	\$230 – \$245	\$230	+3%
Adjusted EBITDA Margin %	17.0% – 20.0%	18.5%	Flat
Adjusted Earnings per Share (diluted)	\$0.19 – \$0.24	\$0.20	+7.5%

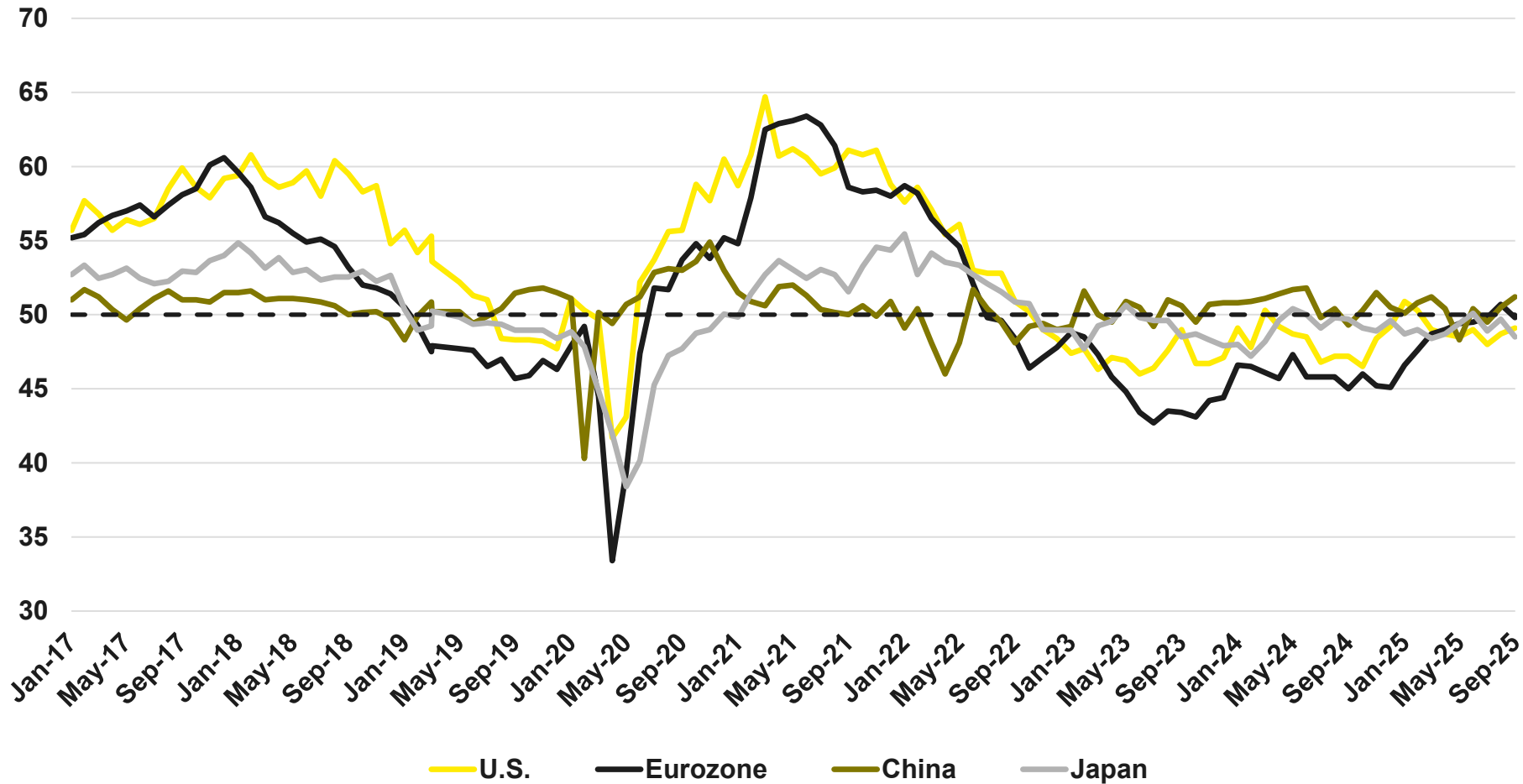
**At the midpoint of guidance

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 Q4 2024 the GAAP operating margin was 13.4% and GAAP earnings per share (diluted) were \$0.16.

4th QUARTER EXPECTATIONS

- 1.** Revenue growth reflects contribution from Logistics and broader Factory Automation businesses.
- 2.** Sequential decline driven by seasonal step-down in Consumer Electronics
- 3.** Adjusted EBITDA margin consistent with the level achieved in the prior year.
- 4.** Adjusted EPS growth driven by revenue growth and reduction in share count.
- 5.** No material impact on Adjusted EPS or Adjusted EBITDA margin expected from tariffs.
- 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.

Purchasing Managers Index (PMI) Historical Data



Average PMI Q3 2025	
U.S.	48.6
Eurozone	50.1
China	50.4
Japan	49.0

Source: U.S. = ISM U.S. Manufacturing PMI / Eurozone = HCOB Eurozone Manufacturing PMI / China = S&P Global China General Manufacturing PMI / Japan = S&P Global Japan Manufacturing PMI

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		Nine-months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Gross profit (GAAP)	\$ 187,290	\$ 159,399	\$ 499,489	\$ 467,935
Acquisition and integration costs	213	281	666	2,082
Amortization of acquisition-related intangible assets	1,379	1,640	4,099	4,457
Reorganization charges	400	-	486	-
Adjusted gross profit	\$ 189,282	\$ 161,320	\$ 504,740	\$ 474,474
GAAP gross margin	67.6%	67.9%	67.3%	68.3%
Adjusted gross margin	68.4%	68.7%	68.0%	69.3%
Operating expense (GAAP)	\$ 129,525	\$ 127,835	\$ 372,199	\$ 383,710
Acquisition and integration costs	(180)	(962)	(977)	(3,468)
Amortization of acquisition-related intangible assets	(1,260)	(1,746)	(3,846)	(4,469)
Reorganization charges	(2,966)	-	(4,588)	-
Adjusted operating expense	\$ 125,119	\$ 125,127	\$ 362,788	\$ 375,773
Operating income (GAAP)	\$ 57,765	\$ 31,564	\$ 127,290	\$ 84,225
Acquisition and integration costs	393	1,243	1,643	5,550
Amortization of acquisition-related intangible assets	2,639	3,386	7,945	8,926
Reorganization charges	3,366	-	5,074	-
Adjusted operating income	\$ 64,163	\$ 36,193	\$ 141,952	\$ 98,701
GAAP operating margin	20.9%	13.4%	17.2%	12.3%
Adjusted operating margin	23.2%	15.4%	19.1%	14.4%
Depreciation (adjusted for amounts included in Acquisition and integration costs)	4,666	5,027	14,844	15,254
Adjusted EBITDA	\$ 68,829	\$ 41,220	\$ 156,796	\$ 113,955
Adjusted EBITDA margin	24.9%	17.6%	21.1%	16.6%

GAAP to Non-GAAP Tables

USD \$ in 000s unless noted as per share

	Three-months Ended		Nine-months Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net income (GAAP)	\$ 17,664	\$ 29,591	\$ 81,778	\$ 77,825
Acquisition and integration costs	393	1,243	1,643	5,550
Amortization of acquisition-related intangible assets	2,639	3,386	7,945	8,926
Reorganization charges	3,366	-	5,074	-
Discrete tax (benefit) expense	33,650	889	33,132	3,511
Tax impact of reconciling items	(1,615)	(1,176)	(3,871)	(3,563)
Adjusted net income	\$ 56,097	\$ 33,933	\$ 125,701	\$ 92,249
Earnings per share of common stock, diluted (GAAP)	\$ 0.10	\$ 0.17	\$ 0.48	\$ 0.45
Acquisition and integration costs	0.00	0.01	0.01	0.03
Amortization of acquisition-related intangible assets	0.02	0.02	0.05	0.05
Reorganization charges	0.02	-	0.03	-
Discrete tax (benefit) expense	0.20	0.01	0.20	0.02
Tax impact of reconciling items	(0.01)	(0.01)	(0.02)	(0.02)
Adjusted earnings per share of common stock, diluted	\$ 0.33	\$ 0.20	\$ 0.74	\$ 0.53
Effective tax rate (GAAP)	71.9%	19.1%	41.0%	18.7%
Discrete tax benefit (expense)	-53.5%	-2.4%	-23.9%	-3.7%
Net Impact of other reconciling items	0.6%	1.0%	0.9%	1.3%
Adjusted effective tax rate	19.0%	17.6%	18.0%	16.3%
Cash provided by operating activities (GAAP)	\$ 87,485	\$ 56,271	\$ 170,612	\$ 97,677
Capital expenditures	(1,452)	(4,399)	(6,147)	(12,970)
Free cash flow	\$ 86,033	\$ 51,872	\$ 164,465	\$ 84,707

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 nine-month period ended September 28, 2025, these costs consisted primarily of severance.

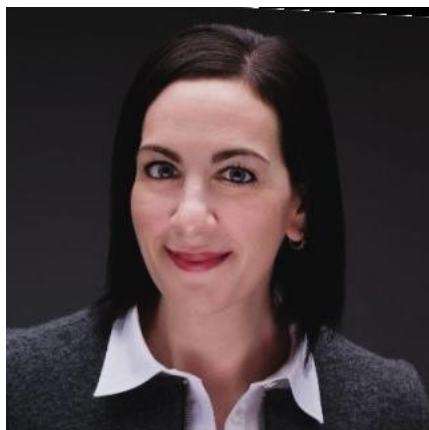
4. Amortization of acquisition-related intangible assets

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 and tax impact of reconciling items

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

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Upcoming Conferences and Investor Events

November	Baird 2025 Global Industrial Conference	Chicago, IL
November	Stephens Annual Investment Conference	Nashville, TN
December	UBS Global Technology & AI Conference	Scottsdale, AZ
December	Goldman Sachs Industrials and Materials Conference 2025	New York, NY
December	Bernstein Insights: 4th Annual Industrials Forum	New York, NY
December	Melius Research Conference	New York, NY
December	Cantor Fitzgerald Non-Deal Roadshow	Baltimore, MD
December	TD Cowen HQ Visit	Natick, MA