



COGNEX CORPORATION

Investor Overview | Q2 2020

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, the expected impact of the COVID-19 pandemic on Cognex’s business and results of operations, customer order rates and timing of related revenue, future product mix, restructuring and other cost savings initiatives, research and development activities, investments, liquidity, strategic plans, 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 impact, duration and severity of the COVID-19 pandemic; (2) current and future conditions in the global economy, including the impact of the COVID-19 pandemic and the imposition of tariffs or export controls; (3) the loss of, or curtailment of purchases by, a large customer; (4) the reliance on revenue from the consumer electronics or automotive industries; (5) the inability to penetrate the logistics industry and other new markets; (6) the inability to achieve significant international revenue; (7) fluctuations in foreign currency exchange rates and the use of derivative instruments; (8) information security breaches or business system disruptions; (9) the inability to attract and retain skilled employees; (10) the failure to effectively manage our growth; (11) the reliance upon key suppliers to manufacture and deliver critical components for our products; (12) the failure to effectively manage product transitions or accurately forecast customer demand; (13) the inability to design and manufacture high-quality products; (14) the technological obsolescence of current products and the inability to develop new products; (15) the failure to properly manage the distribution of products and services; (16) the inability to protect our proprietary technology and intellectual property; (17) our involvement in time-consuming and costly litigation; (18) the impact of competitive pressures; (19) the challenges in integrating and achieving expected results from acquired businesses, including the recent acquisition of Sualab; (20) potential impairment charges with respect to our investments or for acquired intangible assets or goodwill; (21) exposure to additional tax liabilities; and (22) potential disruptions to our business due to restructuring activities and the failure of such activities to generate the anticipated cost savings; and the other risks detailed in Cognex reports filed with the SEC, including its Form 10-K for the fiscal year ended December 31, 2019 and Form 10-Q for the fiscal quarter ended June 28, 2020. 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

\$726

MILLION

2019 REVENUE

74%

GROSS MARGIN

20%

OPERATING MARGIN

OVER 39

YEARS IN THE BUSINESS

2,300,000+

SYSTEMS SHIPPED

TECHNOLOGY LEADERSHIP



16% OF REVENUE INTO
R&D

>1K

US & INTERNATIONAL
PATENTS
Issued & Pending



PLAY HARD

WORK HARD



MOVE FAST

Cognex Culture

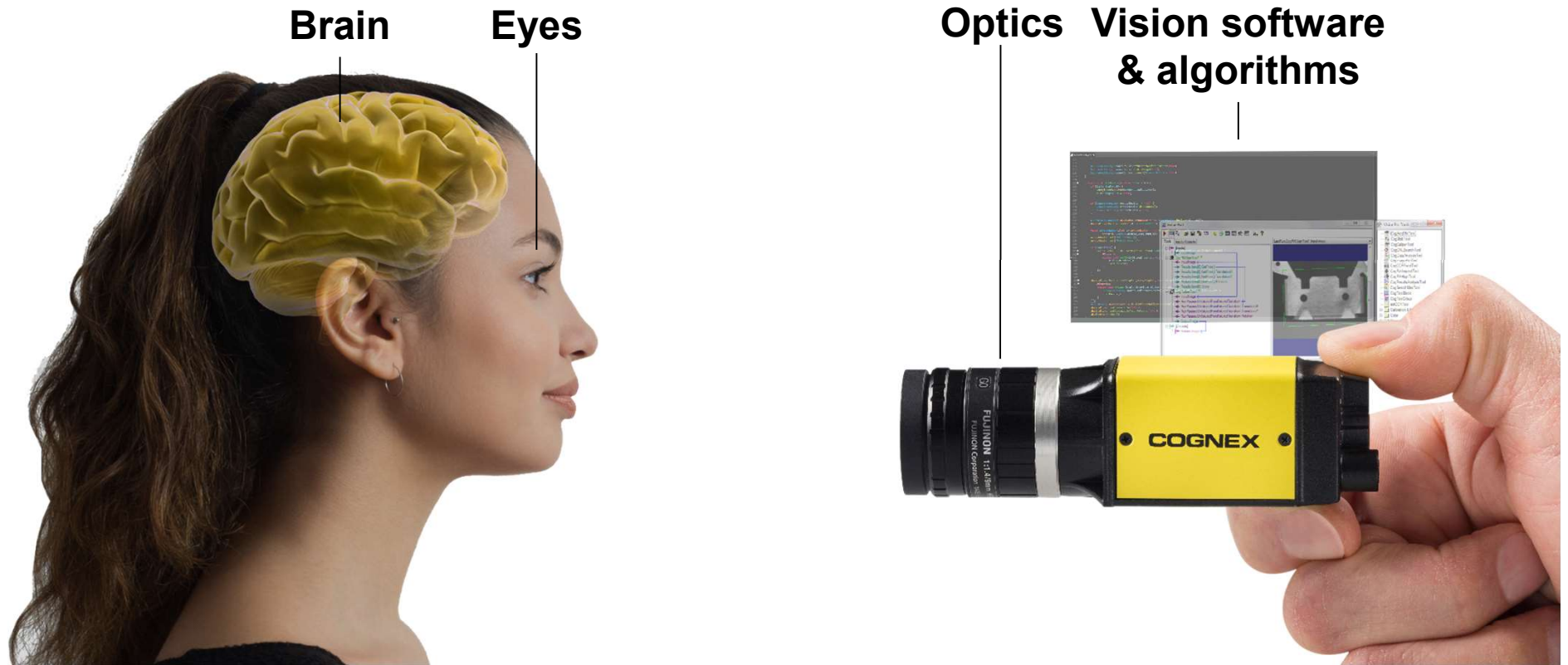
Culture

Sales
Growth

Engineering
Excellence



WHAT IS MACHINE VISION?





**What does
machine
vision do?**

GUIDE



**IDENTIFY
GAUGE
INSPECT**



**What does
machine
vision do?**

GUIDE

IDENTIFY

GAUGE

INSPECT

STROKE WIDTH VARIATIONS & SKEW

J 3 4 D R T 0 0

J 3 4 D R T 0 0

**What does
machine
vision do?**

GUIDE

IDENTIFY

GAUGE

INSPECT

SERIAL N° J34DRT001FRD
MODEL LOT6233TX
MFG. DATE 09/05/2015
TYPE CV-45-THD6



**What does
machine
vision do?**

GUIDE

IDENTIFY

GAUGE

INSPECT



**What does
machine
vision do?**

GUIDE

IDENTIFY

GAUGE

INSPECT



MACHINE VISION IS A GREAT MARKET

360 MILLION
FACTORY WORKERS WORLDWIDE

35 MILLION
VISUAL INSPECTORS

Source: Estimates based on internal data and data from International Labor Organization & World Bank

PRODUCTS
ACROSS
ALL
INDUSTRIES

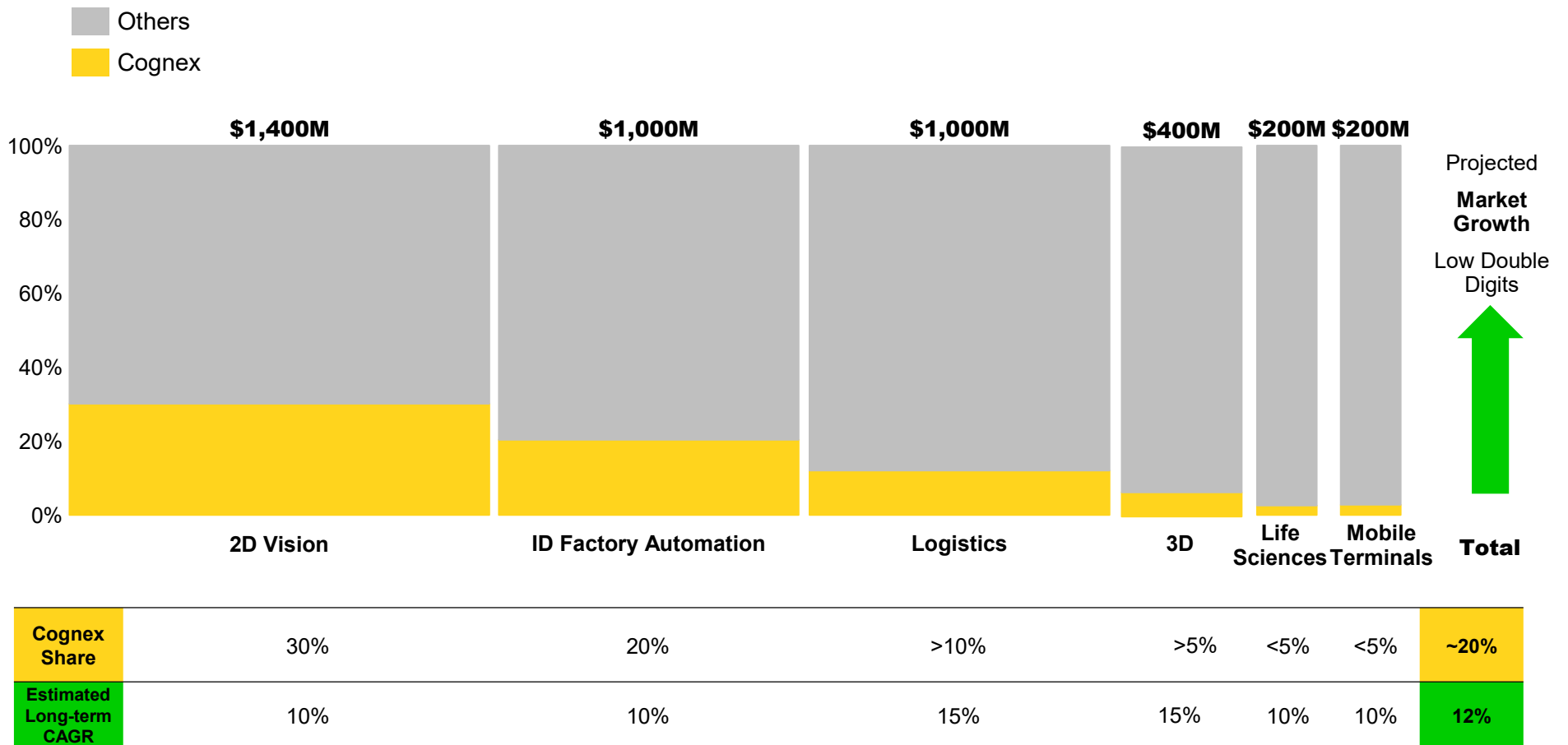


ARE MADE BETTER AND
AT LOWER COST WITH
COGNEX VISION

COGNEX PRODUCTS



COGNEX'S \$4.2 BILLION SERVED MARKET



Source: Cognex estimates based on full year 2018 market data

2D VISION

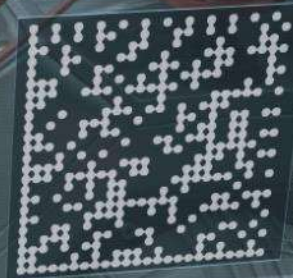
- Cognex's core market
- Recognized market leader
- Preeminent brand
- Powerful vision toolset



ID FACTORY AUTOMATION

- Broadest portfolio of industrial image-based barcode readers
- Read rates matter
- Strong prospects for continued share gain

2-D DPM CODE

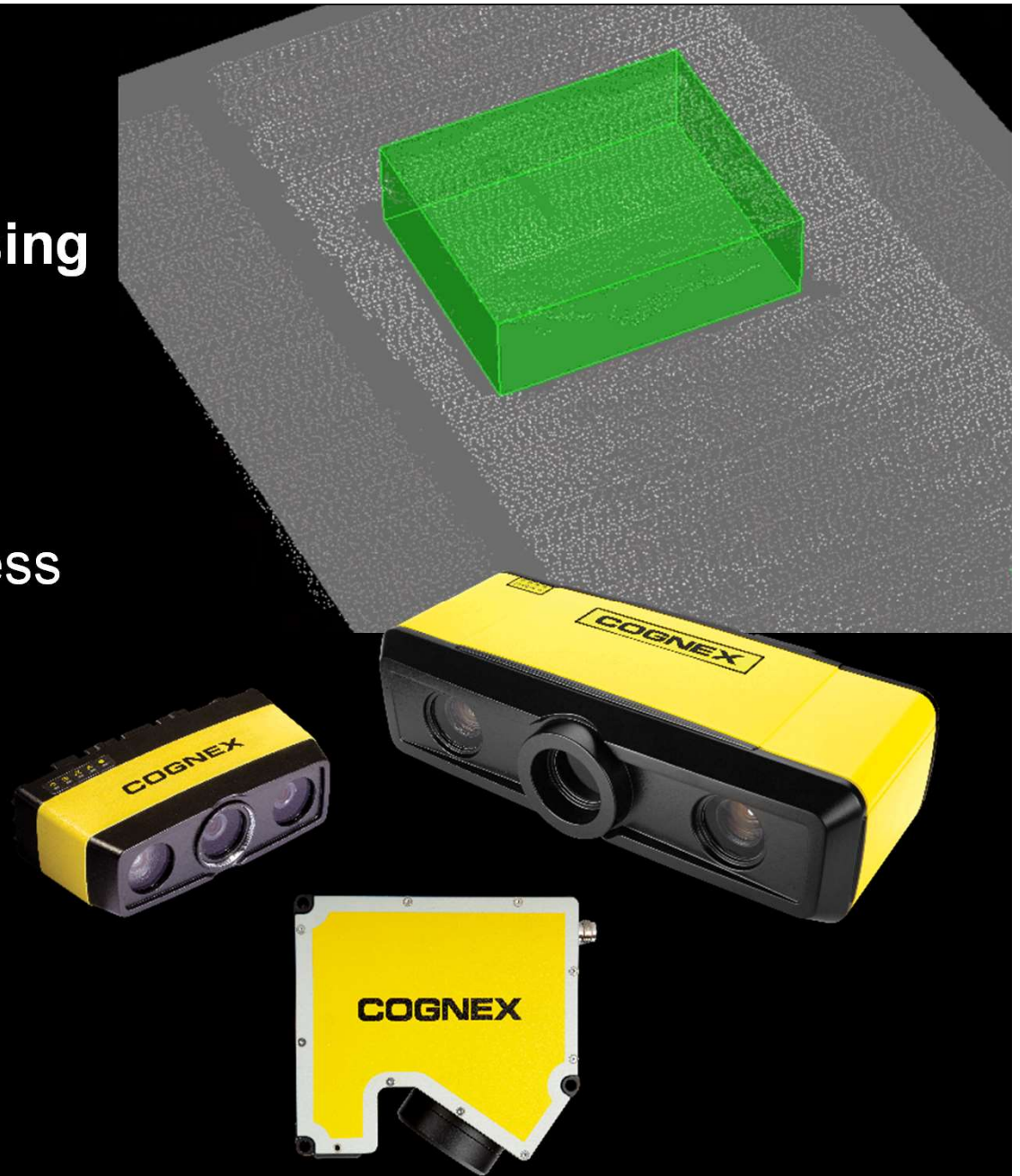


LOGISTICS

- Market undergoing **rapid change**
- Revenue **>15% of company total** in 2019
- Many new applications in both **vision and ID**

3D VISION

- New snap-shot sensing platforms
- Powerful vision tools, including **PatMax 3D**
- Target growth in excess of long-term market rate



LIFE SCIENCES

- **Highly regulated, non-cyclical market**
- **Long product life cycle**
- **20 design wins in 2019**
- **Consistent, stable, fast growing ongoing revenue**

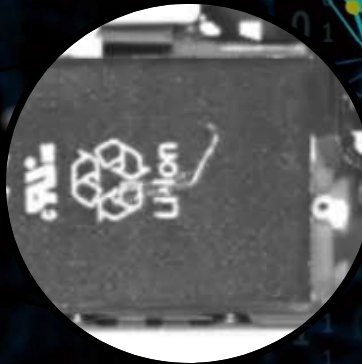
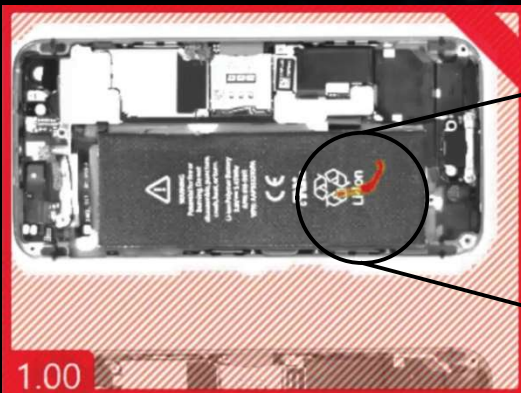
MOBILE TERMINALS

- Target market ripe for **disruption**
- Unique integration of smartphones and **high-performance vision tools**



DEEP LEARNING

- **Neural network** trained by example
- Specific to **industrial machine vision**
- Human-like judgement for **ambiguous problems**

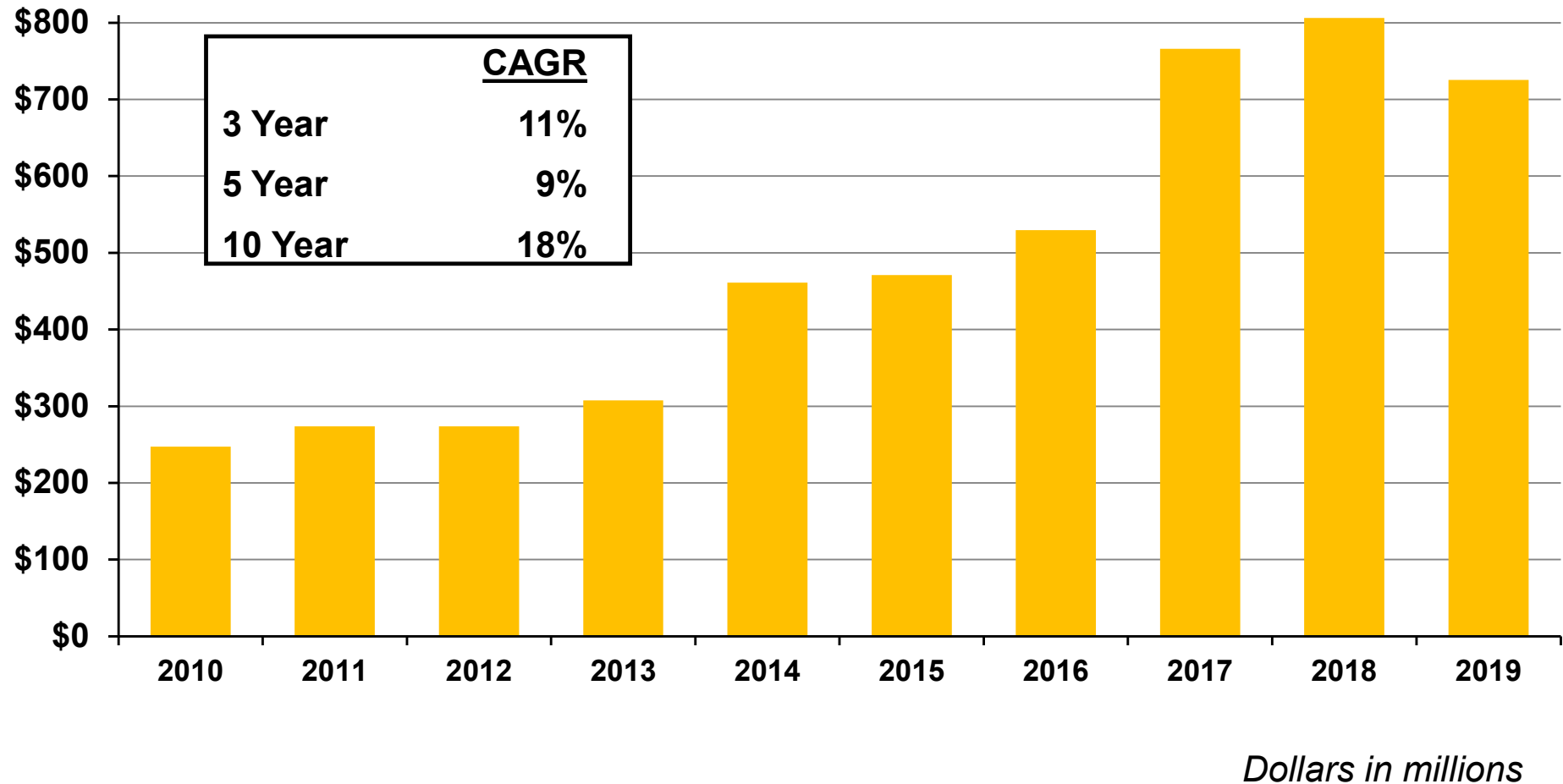


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FINANCIAL REVIEW

COGNEX 10-YEAR REVENUE*



* From continuing operations.

Q2 2020 INCOME STATEMENT (AS REPORTED UNDER GAAP)

	Q2 2020	% of Revenue		Q2 2019	% of Revenue		% Change	
Revenue	\$169,097	100	%	\$199,047	100	%	(15)	%
Gross Margin	118,777	70		148,080	74		(20)	
R, D & E	30,397	18		28,079	14		8	
S, G & A	60,153	36		68,245	34		(12)	
Restructuring Charge	14,798	9		-	-		N/A	
Intangible Asset Impairment Charge	19,571	12		-	-		N/A	
Operating Income	(6,142)	(4)		51,756	26		(112)	
Net Income	(1,142)	(1)		48,749	24		(102)	
Earnings Per Share	(0.01)			0.28			(104)	

Dollars in thousands, except per share amounts

Q2 2020 INCOME STATEMENT*

(NON-GAAP)

	Q2 2020	% of Revenue		Q2 2019	% of Revenue		% Change	
Revenue	\$169,097	100	%	\$199,047	100	%	(15)	%
Gross Margin	126,495	75		149,013	75		(15)	
R, D & E	30,397	18		28,079	14		8	
S, G & A	60,153	36		68,245	34		(12)	
Operating Income	35,945	21		52,689	26		(32)	
Net Income	32,217	19		48,275	24		(33)	
Earnings Per Share	0.18			0.28			(36)	

Dollars in thousands, except per share amounts

- Excludes restructuring and intangible asset impairment charges in Q2 2020 and provisions for excess & obsolete inventory and tax adjustments in both periods presented. See reconciliation of GAAP to non-GAAP in Cognex earnings release issued on 7/29/2020.

Q2 2020 BALANCE SHEET

Assets	6/28/2020	12/31/2019
Cash and Investments	\$896,192	\$845,353
Accounts Receivable	111,671	103,447
Inventories	52,953	60,261
Deferred Tax Assets	443,732	449,519
Other Assets	430,316	427,355
Total Assets	\$1,934,864	\$1,885,935
Liabilities and Shareholders' Equity		
Accounts Payable and Accrued Liabilities	\$84,263	\$70,065
Income Taxes and Deferred Tax Liabilities	393,464	425,353
Other Liabilities	80,659	34,807
Total Shareholders' Equity	1,376,478	1,355,710
Total Liabilities and Equity	\$1,934,864	\$1,885,935

Dollars in thousands

COGNEX

INDUSTRY
LEADER
VERSATILE CORE TECHNOLOGY

CONSISTENT
CASH GENERATOR

EARNINGS
LEVERAGE

EXPERIENCED
MANAGEMENT

TRACK RECORD OF
SUCCESS

STRONG
BALANCE SHEET

