

**COGNEX**

# Introduction to Cognex

KeyBanc Capital Markets Technology Leadership Forum

Dennis Fehr | Chief Financial Officer

August 11, 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.

# What is Machine Vision?

**Optics**



**Vision Software  
& AI tools**

## INVESTMENT THESIS

# Well positioned to capture expansive market opportunity

### TECHNOLOGY LEADER

Strong brand with deep domain expertise and continuous investment into AI.

### LARGE GROWTH MARKET

\$7B<sup>1</sup> market across diverse set of verticals with ~10%-11% CAGR<sup>2</sup> through-cycle.

### DIRECT SALES AS A COMPETITIVE EDGE

Work with customers at every step of the customer journey to create sticky relationships.

### TOP-TIER CUSTOMER BASE

Leader with sophisticated tech users and opportunity to significantly expand # of served customers.

### HIGH-MARGIN BUSINESS

Software embedded on-device.

### CAPITAL LIGHT BUSINESS MODEL

Enabling consistent cash generation and strong balance sheet.

## UNIQUE COMPANY CULTURE

# New Senior Leadership Team (July 2025)



**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

# Cognex snapshot (NASDAQ: CGNX)

**\$915M**

2024 REVENUE

**28%**

ADJ. EBITDA MARGIN  
10-YR HISTORICAL AVERAGE

**~1,400**

PATENTS ISSUED & PENDING

**40+**

YEARS OF MACHINE  
VISION LEADERSHIP

**COGNEX GLOBAL HQ**  
NATICK, MA, USA



**2,900+**

Cognoids globally

Other Asia

20%

Americas

38%

Greater  
China

18%

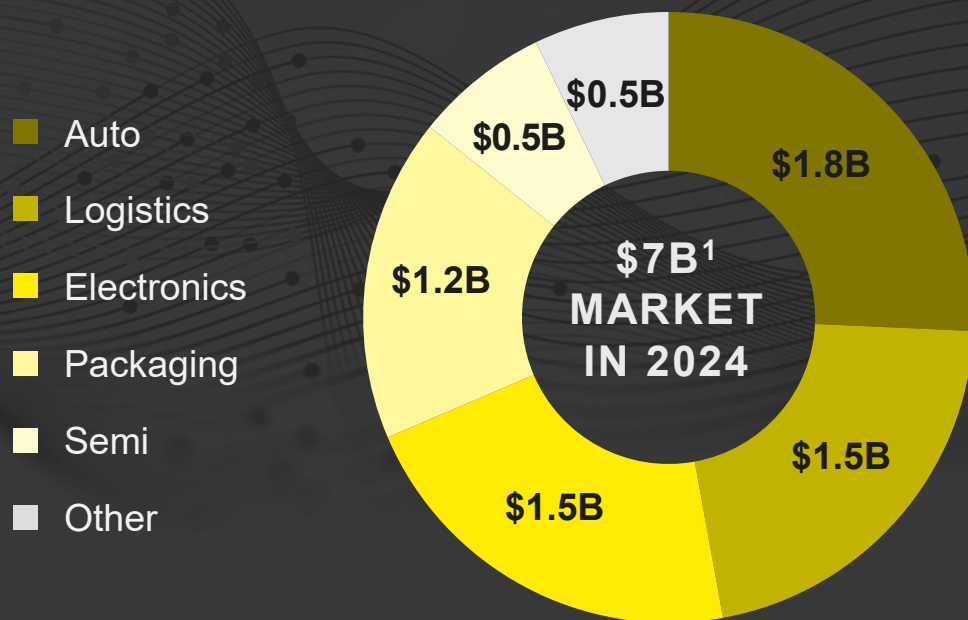
Geographic  
Revenue Mix  
2024

24%

Europe

# We serve a ~\$7B machine vision market with overall market share in the mid-teens

## SERVED MARKET BY VERTICAL



## \$7B MARKET TODAY VS \$6.5B AT 2022 INVESTOR DAY

- Moritex added \$0.5B to our served market
- Logistics peak in 2021/22 due to post-COVID e-commerce boom

## OPTIMIZED PRESENTATION OF VERTICALS

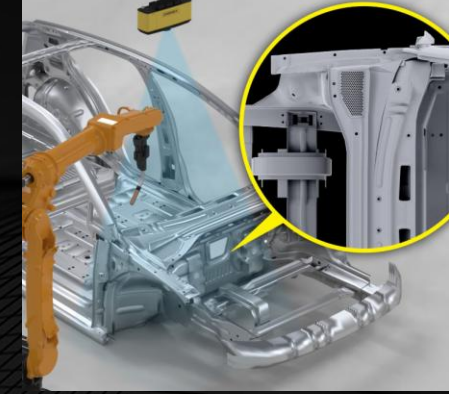
- EV now included in Auto
- Packaging includes FMCG and Healthcare
- Semi split out from Consumer Electronics

# We sell into a diverse set of attractive verticals

## LOGISTICS



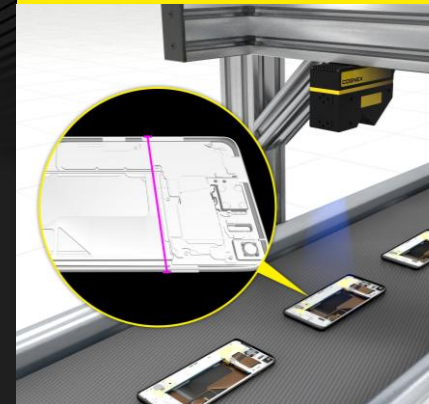
## AUTOMOTIVE



## PACKAGING<sup>2</sup>



## CONSUMER ELECTRONICS

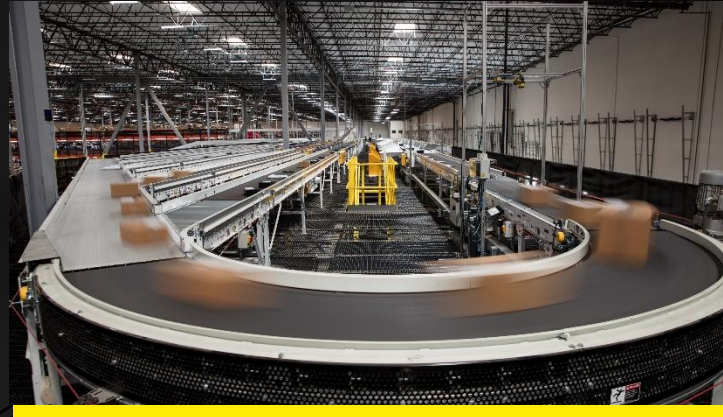


## SEMI



Expect **~10%–11%** market **CAGR<sup>1</sup>** through the cycle

# Secular trends drive machine vision penetration



Continuous cost and quality optimization



Ease-of-use drives penetration



Demographics drive manufacturing labor shortage<sup>1</sup>



Recalibration of global supply chain

1) Source: Deloitte Insights study: Creating pathways for tomorrow's workforce today.

# 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 markets<sup>1</sup>

# We are taking our Right To Win to the next level

## EXISTING RIGHT TO WIN

**Guide, inspect, gauge, and identify** products with speed and precision

Vision inspection ready to deploy today, from **a partner who is there tomorrow**

**Enabling customers to standardize** global operations



**Maintain Leadership**

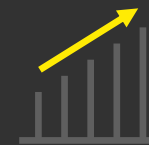


## NEXT LEVEL RIGHT TO WIN

Apply **advanced AI** broadly to unlock **new market opportunities** for inspection applications

**Make it easy to deploy** machine vision, enhancing the **customer experience**

Launch a **comprehensive product ecosystem** with **benefits to standardizing** on Cognex



**Extend Leadership**

# Salesforce transformation and expansion

Increases reach and enables new customer acquisition opportunities

COGNEX TODAY  
~30,000  
customers

OPPORTUNITY TO  
double # of served customers  
over next five years

The most **tech savvy**, large customers with the most **complex** problems

New logos, entering with **easy-to-use** and **easy-to-deploy** products

# Through-cycle financial framework targets drive shareholder value

**13% - 14%**

Revenue CAGR  
incl. 3% Inorganic Growth

**20% - 30%**

Adjusted EBITDA Margin

**>100%**

Free Cash Flow Conversion<sup>1</sup>

**long-term  
Value Creation**

# 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 Y/Y growth

Free Cash Flow Conversion<sup>1</sup>

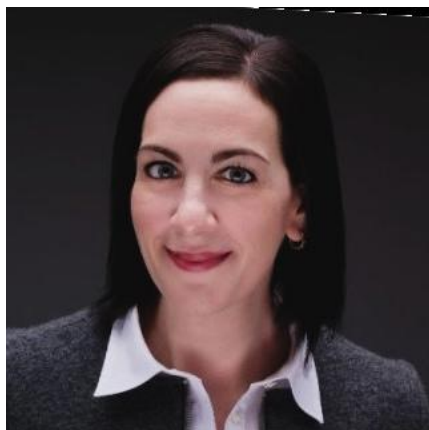
**130%**

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

# 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	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

The background features a complex, abstract pattern of thin, dark lines that form a series of overlapping, wavy bands across the page. Small, dark dots are scattered throughout, often at the intersections of the lines, creating a sense of depth and movement. The overall aesthetic is modern and technical.

# Appendix

# 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.