

### Corporate Profile

Cognex Corporation (NASDAQ: CGNX) is the world's leading supplier of machine vision products for manufacturing and industrial identification. Cognex vision and ID systems are used throughout the production and distribution process to optimize product quality, reduce manufacturing costs and track items throughout the supply chain. Since its founding in 1981, Cognex has:

- Generated over \$5 billion in cumulative revenue;
- Shipped more than 1.5 million vision systems;
- Received 527 U.S. and international patents, with 416 additional patents pending and allowed.

Cognex has 1,452 employees, with offices and distributors located throughout the Americas, Europe and Asia. The company's corporate headquarters is located in Natick, Massachusetts.

### Recent Developments

#### January

Cognex announced the acquisition of two technology companies; Chiaro Technologies, a maker of an innovative 3D machine vision sensor called Cloudburst™, and Webscan, a leader in barcode verification solutions. The Cloudburst sensor enables Cognex to address a wider range of applications and price points in the fast-growing 3D vision market. Webscan's barcode verification software, combined with Cognex's DataMan® product line, allows Cognex to provide the industry's broadest range of high-performance and easy-to-use verification solutions.

#### February

Cognex announced the retirement of Richard A. Morin, Executive Vice President of Finance and Administration and Chief Financial Officer, after 18 years with the company. John J. Curran, Cognex's Senior Vice President of Finance, succeeded Mr. Morin as CFO on February 17, 2017. Mr. Curran joined Cognex in September 2016 after a 21-year career at EMC Corporation, where he most recently served as Senior Vice President of Finance and Corporate Controller. He holds a Bachelor of Science degree in Accounting and an MBA from Babson College.

#### March

Cognex held local Annual Meetings for employees that included the recognition of Cognex President's Award winners (those Cognoids whose extraordinary achievements and contributions exceeded Cognex's already high expectations for excellence) and the introduction of Cognex's Sherlock Holmes-inspired 2016 Annual Report, "The Case of the Disappearing Defects."

### Stock Data: April 2, 2017

52 Week High	52 Week Low	Close
\$84.61	\$35.15	\$83.95
Market Capitalization		Shares Outstanding
\$7.3 Billion		86,646,379

### Strategy

Cognex offers a full range of vision products that meet customer needs across a variety of applications and industries. Products range from low-cost presence and measurement sensors to hardware-independent vision software. Cognex also offers a range of ID code readers that deliver fast and accurate reading of both 1-D and 2-D barcodes.

Cognex products are used across the industrial sector, which Cognex believes provides the greatest growth potential for the company over the long term. The core opportunity for Cognex machine vision is manufacturing, where the technology is widely recognized as an essential component of automated production and quality assurance. Outside of manufacturing, customers are also increasingly turning to machine vision to improve warehousing and distribution efficiency, such as using ID products in logistics automation for package sorting and distribution.

### Applications

Typical applications for Cognex machine vision include:

- Reading unique ID codes marked directly on items such as engine parts and semiconductor wafers
- Guiding robots that manipulate car body panels
- Ensuring that safety seals are present on pharmaceutical packaging
- Verifying the fill level on beverage containers
- Guiding placement of electronic components onto printed circuit boards
- High-speed reading of 1-D barcodes on parcels

## Financial Highlights<sup>(1)</sup> (In thousands, except per share amounts)

Year Ended December 31	2016	2015	2014
Revenue	\$520,753	\$450,557	\$426,449
Net Income From Continuing Operations	149,827	107,664	110,841
Net Income Per Diluted Share From Continuing Operations	1.72	1.22	1.24
Cash Dividend Per Common Share	0.30	0.21	0.00
Book Value Per Common Share	11.20	9.73	8.51
Total Assets	1,038,604	887,756	821,734
Shareholders' Equity	962,599	825,667	736,437
Long-Term Debt	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	87,072	87,991	89,071
Working Capital	460,571	390,806	182,252
<b>Selected Ratios</b>			
Percent Growth Revenue	16%	6%	39%
Gross Margin	78%	77%	78%
Operating Profit Margin	31%	27%	30%
Net Income From Continuing Operations	29%	24%	26%

Quarter Ended	4/2/17	12/31/16	10/2/16	7/3/16	4/3/16
Revenue	\$134,942	\$129,322	\$147,952	\$147,274	\$96,205
Net Income From Continuing Operations	45,655	38,253	53,675	43,014	14,885
Net Income Per Diluted Share From Continuing Operations	0.51	0.43	0.61	0.50	0.17
Cash Dividend Per Common Share	0.075	0.075	0.075	0.075	0.070
Book Value Per Common Share	11.67	11.20	11.02	10.42	10.00
Total Assets	1,096,244	1,038,604	1,020,087	964,440	913,637
Shareholders' Equity	1,011,212	962,599	943,948	886,644	850,719
Long-Term Debt	0	0	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	89,177	88,251	87,346	86,806	86,541
Working Capital	518,428	460,571	461,754	416,535	438,625
<b>Selected Ratios</b>					
Operating Profit Margin	28%	31%	37%	34%	17%
Net Income From Continuing Operations	34%	30%	36%	29%	15%

1) The Financial Highlights do not include "Net Income from Discontinued Operations," which relates to the company's Surface Inspection Systems Division that was sold on July 6, 2015.

### Cognex Senior Management:

**Robert J. Shillman**  
Chairman

**Robert J. Willett**  
President and  
Chief Executive Officer

**John J. Curran**  
Chief Financial Officer

### NASDAQ Listing:

CGNX

# COGNEX

Companies around the world rely on Cognex vision and barcode reading to optimize quality, drive down costs and control traceability.

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