

### 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 555 U.S. and international patents, with 455 additional patents pending and allowed.

Cognex has 1,682 employees, with offices and distributors located throughout the Americas, Europe and Asia. The company's corporate headquarters is located in Natick, Massachusetts.

### Recent Developments

Cognex announced the release of **Cognex Explorer™ Real Time Monitoring (RTM)** that optimizes productivity for factory automation and logistics operations. RTM aggregates and reports trends in data captured by DataMan® barcode readers and provides instant facility-wide feedback to identify process errors, minimize no-reads, and maximize throughput. Easy-to-use online dashboards display configuration-based audit logs and heat maps, allowing facility and plant managers to implement immediate corrective action and optimize processes.

Cognex now offers **Deep Learning Vision**, the first ready-to-use deep learning-based software dedicated to industrial image analysis. *Deep Learning Vision* tackles otherwise hard-to-program inspection and classification challenges, resulting in a powerful, flexible and straightforward solution for countless difficult machine vision applications. Successful applications for *Deep Learning Vision* are in the pharmaceutical, medical technology, automotive, textile, printing, and logistics industries.

### Stock Data: October 1, 2017

52 Week High	52 Week Low	Close
\$115.35	\$49.68	\$110.28
Market Capitalization		Shares Outstanding
\$9.5 Billion		86,586,599

### 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	10/1/17	7/2/17	4/2/17	12/31/16	10/2/16
Revenue	\$259,739	\$172,904	\$134,942	\$129,322	\$147,952
Net Income From Continuing Operations	102,348	56,072	45,655	38,253	53,675
Net Income Per Diluted Share From Continuing Operations	1.14	0.63	0.51	0.43	0.61
Cash Dividend Per Common Share	0.085	0.085	0.075	0.075	0.075
Book Value Per Common Share	13.09	12.15	11.67	11.20	11.02
Total Assets	1,258,517	1,160,998	1,096,244	1,038,604	1,020,087
Shareholders' Equity	1,133,523	1,051,976	1,011,212	962,599	943,948
Long-Term Debt	0	0	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	89,677	89,614	89,177	88,251	87,346
Working Capital	535,557	493,444	518,428	460,571	461,754
<b>Selected Ratios</b>					
Operating Profit Margin	42%	34%	28%	31%	37%
Net Income From Continuing Operations	39%	32%	34%	30%	36%

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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