

First Quarter 2016
Results Summary



The World's **Sixth Sense™**

Disclaimer

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Q1 2016 Q1 Summary

Revenue	EPS	Operating Margin
\$379 million <i>Up 10% vs PY</i> <i>(Up ~12% vs PY constant currency)</i>	\$0.01 \$0.30 Adj* <i>Down \$0.33 vs PY</i> <i>Down 12% vs PY</i>	15% <i>Operating Income Down 13% vs PY</i>

- Commercial products revenue +4%
- Government products revenue +20%
- Highest first quarter order flow in over 5 years
 - Surveillance orders up 50% year-over-year
- Ending backlog of \$613 million, up 10% over the prior year and highest level since 2008
- New Boson camera core represents a new size/weight/price and performance paradigm for VGA and QVGA thermal sensors
- Announced first smartphone OEM customer (CAT Phone)

* Adjusted to exclude \$40M discrete tax reserve expense in Q1'16.



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Q1 2016

Full Year 2016 Outlook

- Continue to expect revenue of \$1.60 – \$1.65 billion
 - An increase of approximately 3% to 6% over 2015
- Continue to expect EPS of \$1.60 – \$1.70
 - Excludes impact of discrete tax items
 - Range represents an increase of approximately 3% to 9% over 2015 (excluding 2015 restructuring, investment gain, and discrete tax items)
 - Gross margins expected to improve in second half of the year
 - Continued focus on operating cost control to absorb near-term gross margin softness
- Announced quarterly dividend of \$0.12 per share, payable on June 3rd to shareholders of record as of May 20th



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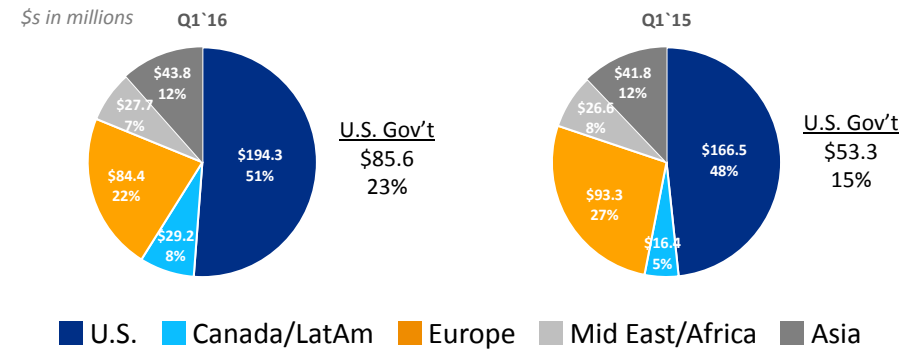
Q1 2016

Q1 Financials Review

(\$s in millions, except per share amounts)

	Q1 2016	Q1 2015	YoY Chg %
Revenue	\$379.5	\$344.5	10%
Gross Profit	177.7	175.9	1%
Gross Margin %	47%	51%	-423 bps
Operating Income	\$57.4	\$65.8	(13%)
Operating Margin %	15%	19%	-397 bps
Net Income	\$1.1	\$47.9	(98%)
Tax Reserves Expense	40.0	0.0	
Adjusted Net Income	\$41.2	\$47.9	(14%)
Diluted Share Count	138.8	141.5	
EPS	\$0.01	\$0.34	(97%)
Adjusted EPS	\$0.30	\$0.34	(12%)
Cash Flow from Operations	\$44.9	\$74.9	(40%)

Revenue by Geography



Key Cash Flow Items

\$s in millions

	Q1 2016	Q1 2015	YoY Chg %
Cash Flow from Operations	\$44.9	\$74.9	(40%)
Capital Expenditures	(10.0)	(13.2)	
Share Repurchases	0.0	0.0	
Dividends	(16.5)	(15.4)	
Net Change in Cash	37.8	16.4	
Ending Cash Balance	510.6	547.8	(7%)



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Q1 2016 Segments Summary

(\$s in millions)

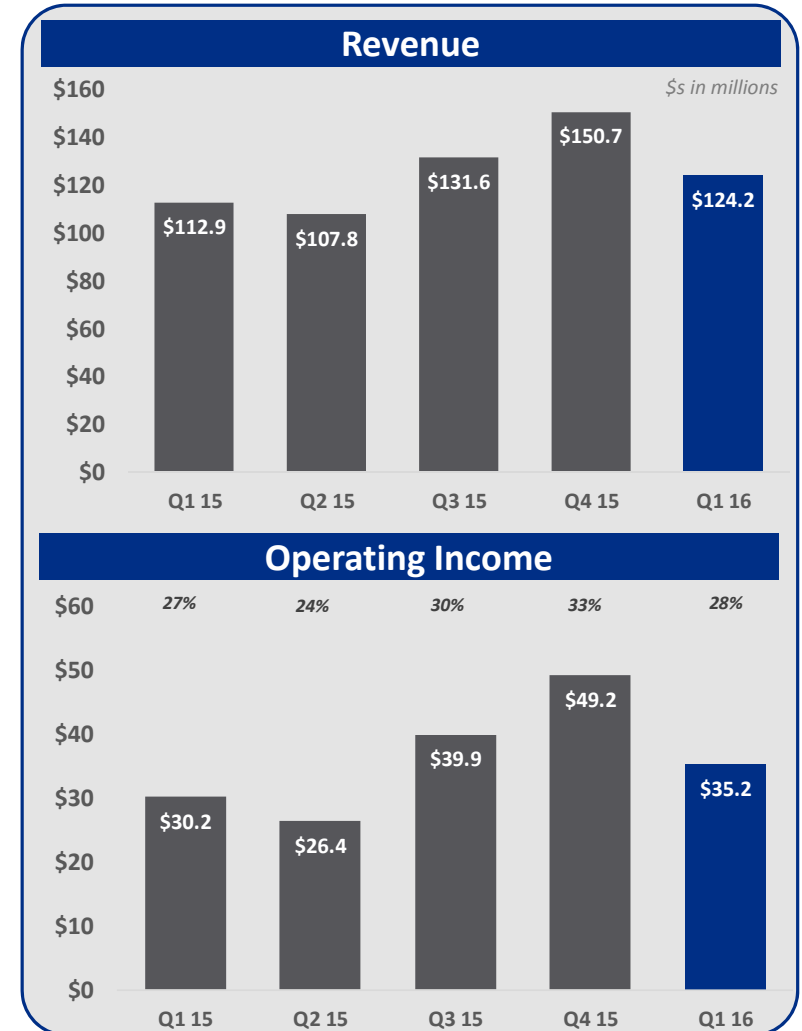
	Q1 2016	Q1 2015	YoY Chg %	YoY Chg % <i>Constant Currency</i>
Revenue				
Surveillance	\$124.2	\$112.9	10%	10%
Instruments	79.4	83.8	(5%)	(3%)
Security	47.1	38.8	21%	22%
OEM & Emerging	47.8	39.8	20%	21%
Maritime	51.7	51.0	1%	5%
Detection	29.3	18.2	61%	61%
Total Revenue	\$379.5	\$344.5	10%	12%
Operating Income				
Surveillance	\$35.2	\$30.2	17%	
Instruments	19.5	28.1	(31%)	
Security	(3.6)	3.8	(196%)	
OEM & Emerging	10.0	8.8	14%	
Maritime	5.0	4.8	4%	
Detection	7.9	2.7	194%	
Segment Operating Income	\$74.0	\$78.3	(5%)	
<i>Segment Operating Margin %</i>	20%	23%	-322 bps	
Corporate Expenses	(16.6)	(12.5)	33%	
Total Operating Income	\$57.4	\$65.8	(13%)	
<i>Total Operating Margin %</i>	15%	19%	-397 bps	



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Q1 2016 Surveillance

- Q1 revenue up 10% vs prior year
 - Strength in Man Portable and Maritime product lines
- Q1 operating income growth of 17% over prior year
 - Operating margin improved ~170 basis points year-over-year driven by reduced operating expenses
- Q1 ending backlog of \$314 million, an increase of 16% vs Q1`15 and increase of 2% vs end of 2015
 - Q1 book-to-bill of 1.1x
 - Bookings growth of 50% over Q1`15



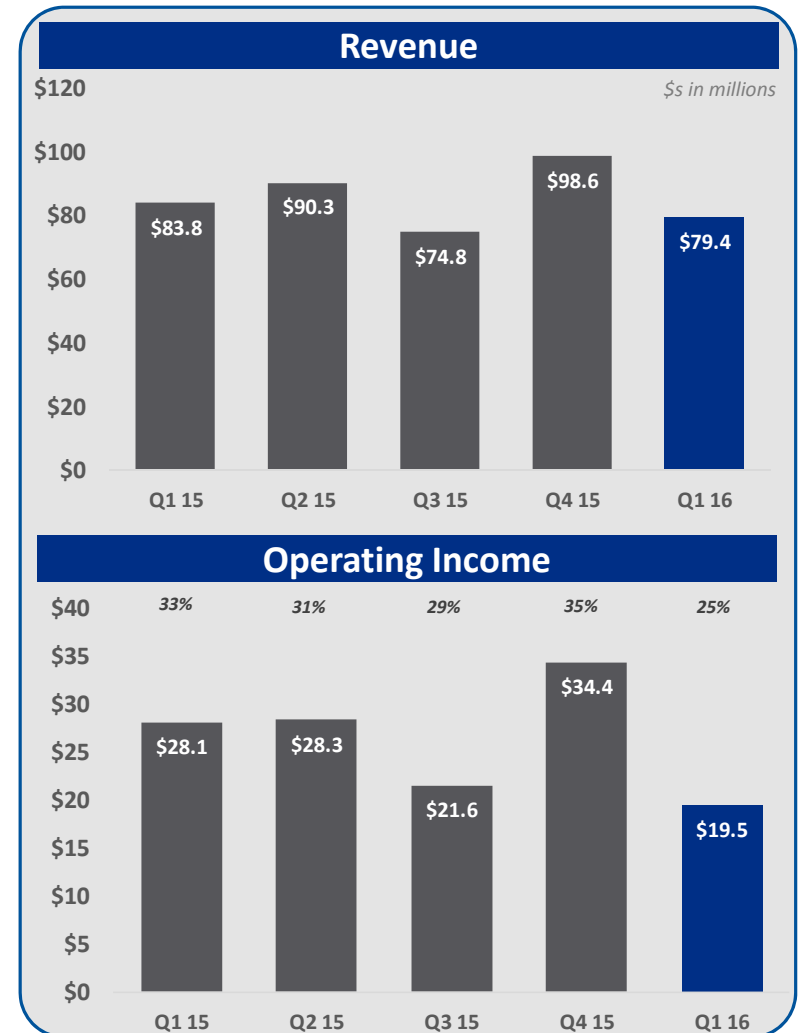
Q1 2016 Instruments

- Q1 revenue down 5% vs prior year
 - Foreign exchange negatively impacted revenue by approximately \$2 million, or 2 percentage points
 - Softness in mid-range Building & Predictive Maintenance products
 - New products for mid-range currently under development
- Q1 operating income down 31% vs prior year
 - Increased operating expenses
 - Higher production costs related to declines in mid-range products and investments in optics capabilities
 - Negative impact of inventory adjustments

Introduced Five New Firefighting Solutions (April 2016)



- Expanding product value ladder with products for new applications:
 - K33 and K53 handheld thermal cameras
 - Firefighting industry's first thermal camera designed for fire engine ladders, the KF6
 - Two FLIR Aerial First Responder Kits featuring the DJI Zenmuse XT powered by FLIR



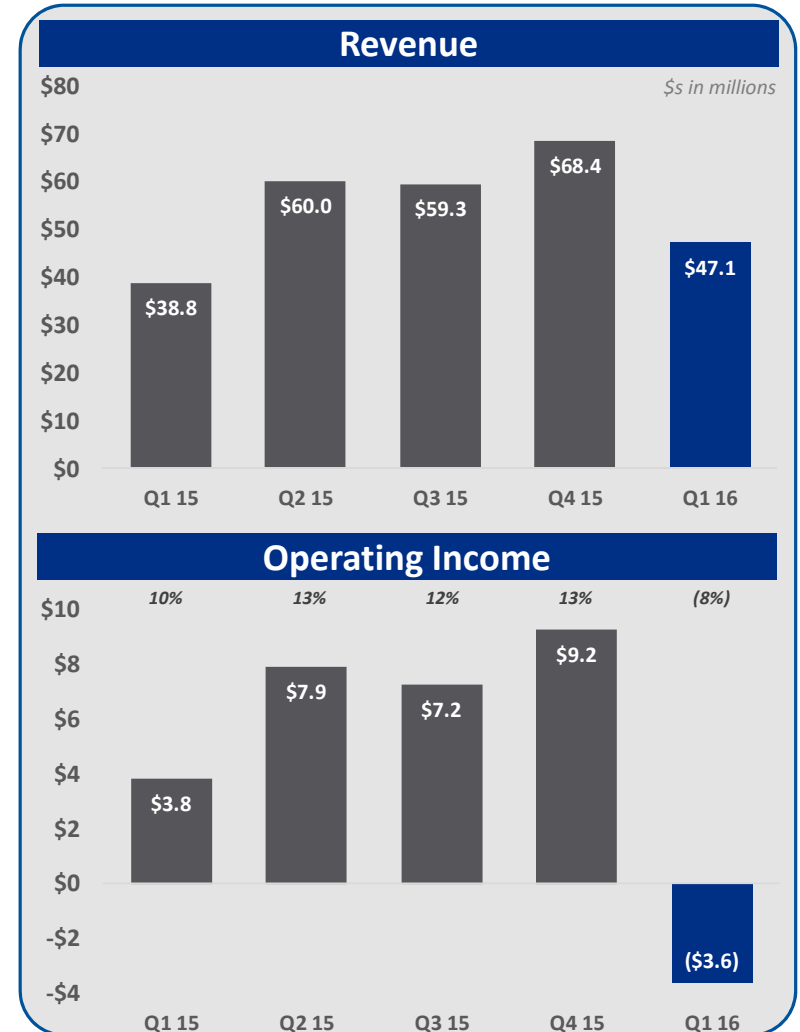
Q1 2016 Security

- Q1 revenue up 21% vs prior year
 - Visible spectrum camera products up 37%
 - Thermal spectrum security products down 6%
 - Driven by cooled thermal camera products softness
- Q1 operating income down \$7.5M vs prior year
 - Gross margin pressure due to slow moving Lorex inventory at retail
 - Product mix shifts to lower-margin visible spectrum offerings
 - Higher operating expenses from DVTel with a measured integration ramp

Released FLIR ioi Analytics Camera (Feb. 2016)



- 2.1MP HD visible-spectrum analytic bullet camera
- Combines military-grade video analytics with broadcast-quality IP camera technology



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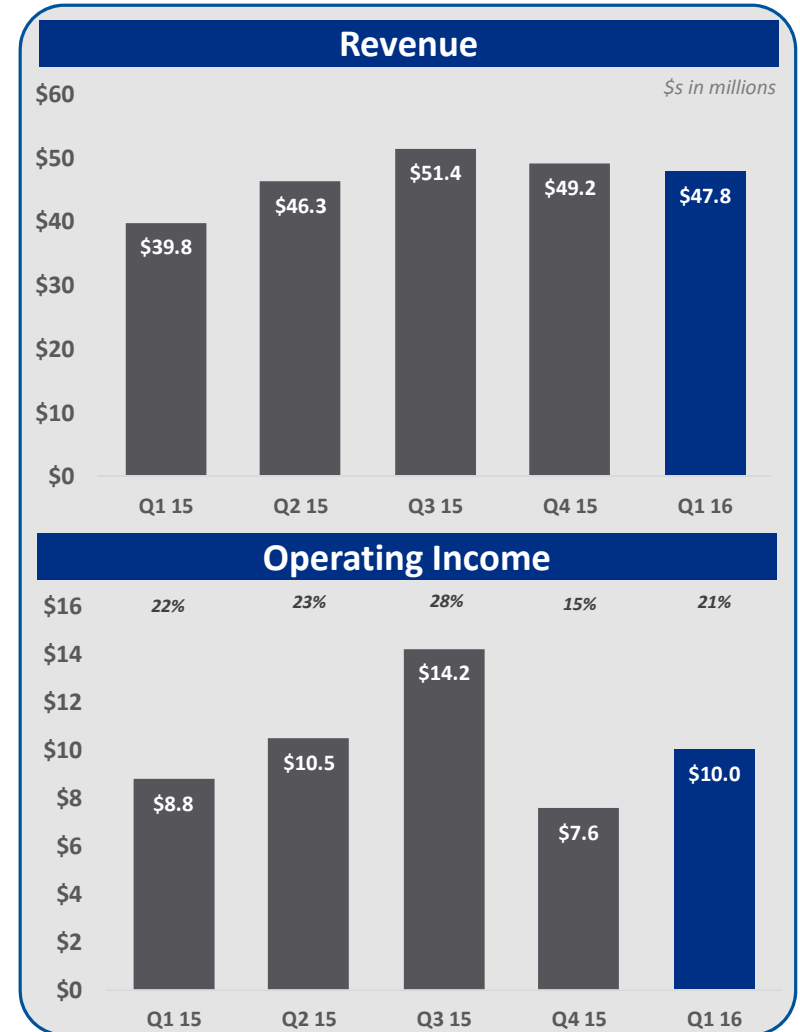
Q1 2016 OEM & Emerging

- Q1 revenue up 20% vs prior year
 - Growth across nearly all product lines
 - Particular strength in Uncooled Cores, Mobile, and UAS
- Q1 operating income growth of 14% vs prior year
 - Margin of 21% vs 22% in the prior year

Introduction of Cadillac “Night Vision” Powered by FLIR Thermal Camera Cores



- Cadillac began shipments of Night Vision in CT6 vehicles
- Thermal camera mounted in the front vehicle grille
- Night Vision detects animals and people as far as 100 yards ahead of the vehicle, well beyond headlight range



New Products

FLIR Boson[®] Camera Core (April 2016)

- Next generation high-performance uncooled thermal camera core
- Sized between Tau[®] and Lepton[®]
- Incorporates powerful System-on-Chip low-power multi-core vision processor
- Enables advanced on-board processing for image enhancement, video analytics, and artificial intelligence

CAT S60 with FLIR Thermal Imager (Feb. 2016)



- World's first thermal imaging integrated smartphone
- Android-based smartphone with Lepton[®] thermal camera core
- Partnership with Caterpillar and Bullitt Group
- Targeted for industrial users
- Shipments expected to begin in Q3 2016

Scott Sight Firefighter Mask with FLIR Thermal Imager (April 2016)



- Firefighting face mask which includes an integrated thermal camera and display
- Partnership with Tyco's Scott Safety division
- Hands-free thermal technology for firefighters
- Image appears inside mask and in user's peripheral vision

FLIR TraqiOne Traffic Sensor (April 2016)



- Low cost thermal imaging traffic sensor
- Features Lepton[®] camera core
- Incorporates Wi-Fi tracking technology to capture detailed traffic flow data
- Helps traffic engineers improve traffic flows, reduce vehicle idling time, monitor congestion, collect data, and measure travel & delay times

Q1 2016 Maritime

- Q1 revenue up 1% vs prior year
 - Foreign exchange negatively impacted revenue by approximately \$2 million, or 4 percentage points
- Q1 operating income up 4% vs prior year
 - Operating margin up one percentage point vs prior year
 - FX negatively impacted operating margin by 1%

Introduced Raymarine Dragonfly 7 PRO (January 2016)

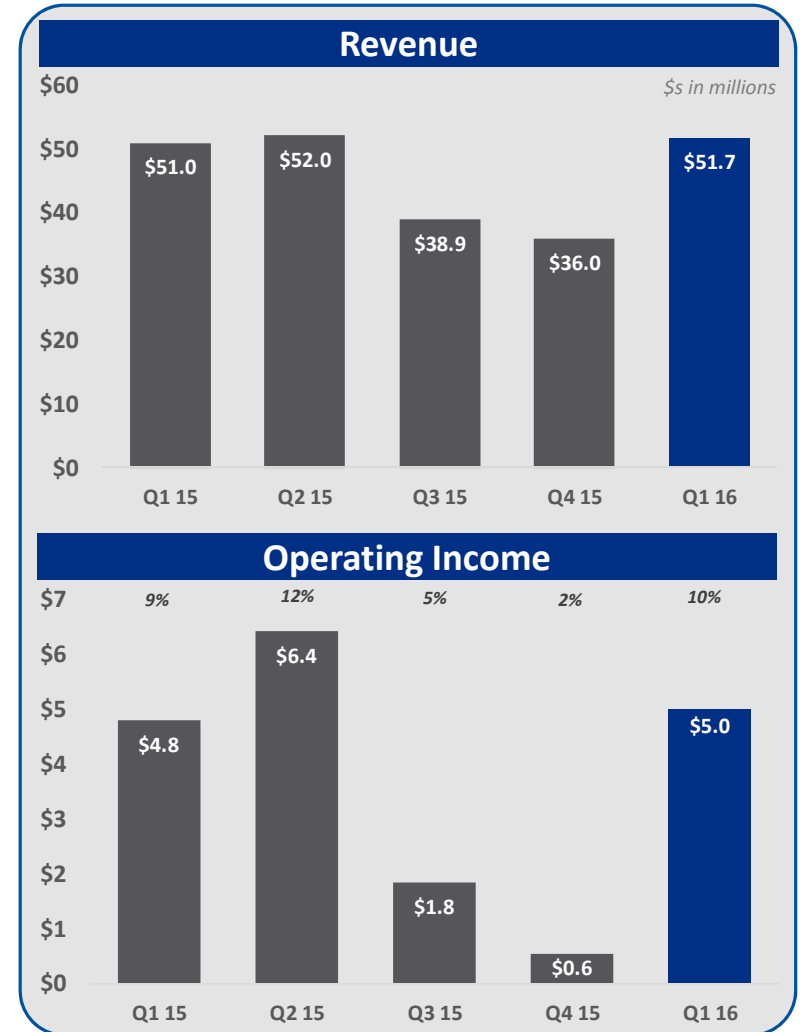


- Sonar and GPS MFD for fresh and coastal saltwater fishing
- Equipped with DownVision™ wide spectrum CHIRP sonar technology
- Extra large 7" display
- Starting MSRP of \$649.99

Introduced Ocean Scout TK (February 2016)



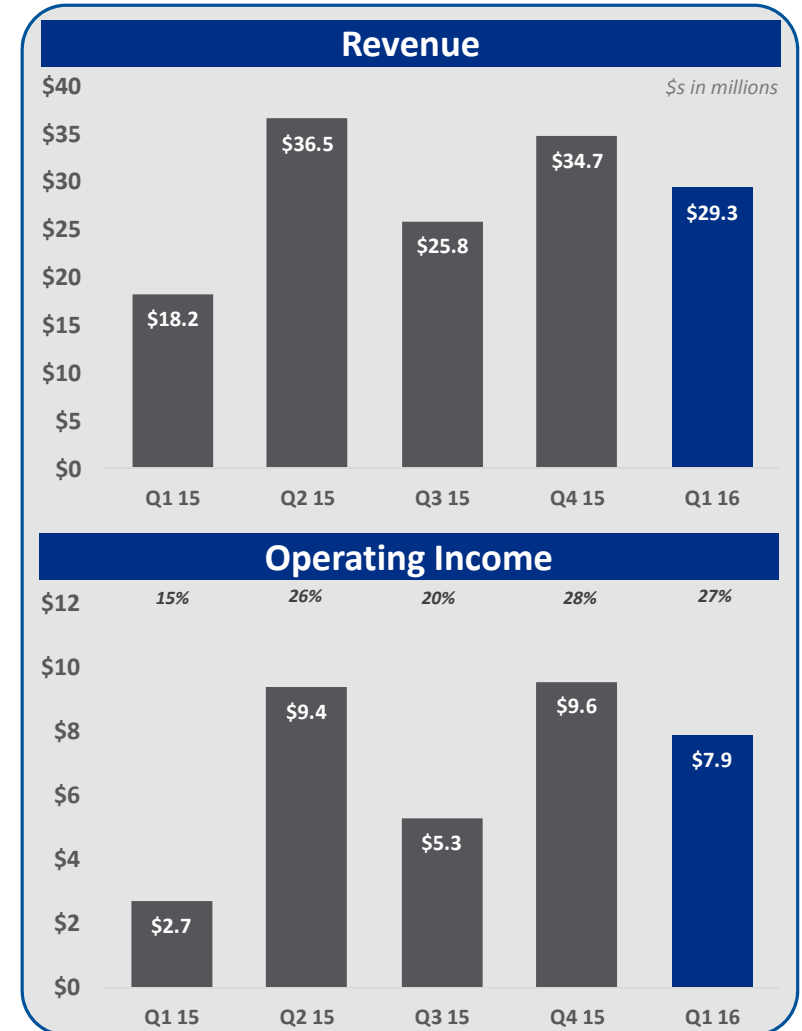
- Pocket-sized thermal vision monocular for boaters
- Lepton® camera core
- Starting MSRP of \$599



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Q1 2016 Detection

- Q1 revenue up 61% vs prior year
 - Growth in all product categories
 - DR SKO program grew 3X due to timing of shipments
- Q1 operating income up 194% vs prior year
 - Operating margin improved ~1,200 basis points year-over-year driven by higher gross margin and largely flat operating expenses
- Q1 ending backlog of \$97 million
 - Increase of \$15 million over end of 2015
 - Flat with Q1`15





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