



# Company Overview

August 2020



# Safe Harbor Statement

Certain statements made or incorporated by reference in this presentation reflect management's estimates and beliefs and are intended to be, and are hereby identified as, "Forward-Looking Statements" for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements often include words such as "believe", "expect", "anticipate", "intend", "plan", "estimate" or similar expressions. These statements are based on certain assumptions that FARO has made in light of its experience in the industry as well as its perspective of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. Actual results may differ materially from the anticipated results because of certain risks and uncertainties. These risks and uncertainties are set forth in FARO's Annual Report on Form 10-K and other filings from time to time with the Securities and Exchange Commission.

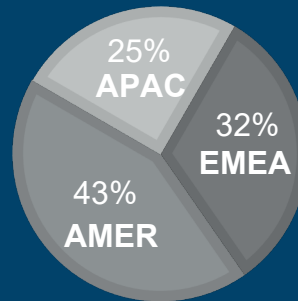
# FARO at-a-Glance

2019 Revenue

**\$387.6\* M**

Gross Margin\*

**57%**



**15,000 Customers**

3D Hardware

Image Capture

3D Software

Image Process

Unlocking Value

**New Strategic Plan**

Annualized Cost Reductions

**\$40 Million**

**Markets**

3D Metrology

Architecture, Engineering & Construction (AEC)

Public Safety Analytics

# FARO at-a-Glance

## Manufacturing

USA & Germany

40-Years of Innovation

**1,300**  
Employees

Intellectual Property

**430**  
Active Patents

Strong Balance Sheet\*

**\$174M Cash**  
**\$0 Debt**

\* As of June 30, 2020.

# Focus: Large & Growing Markets

Market Size  
(TAM)

**3D  
Metrology**

**\$4.2B**

**Architecture, Engineering  
Construction (AEC)**

**\$1.1B**

**Public Safety  
Analytics**

**\$6.0B**

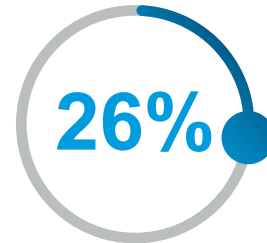
CAGR  
Through 2022

**6%**

**6%**

**16%**

2019 % of  
Revenue



# 3D Metrology

## KEY PRODUCTS



### Quantum & Gage FaroArm® & ScanArm



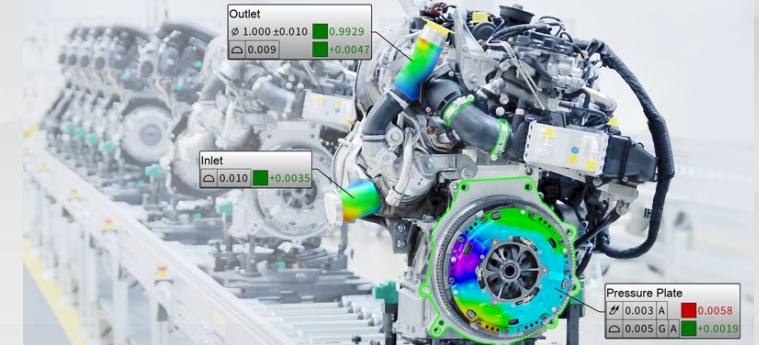
- Portable coordinate measuring machine
- CAD-to-part analysis, machine calibration, reverse engineering



### Vantage Laser Tracker



- High accuracy, portable large volume measurement up to 80 meters
- Large part inspection, assembly alignment, machine calibration



### Software: Design – Assemble – Inspect

- **Design:** Software tools for efficient scan to meshing workflows
- **Assembly:** Automated and accurate tool and assembly guidance
- **Inspection:** Smart 3D measurement tools with automation and CAD-to-part analysis with real-time reporting

### KEY CUSTOMERS

AIRBUS



# Architecture, Engineering & Construction

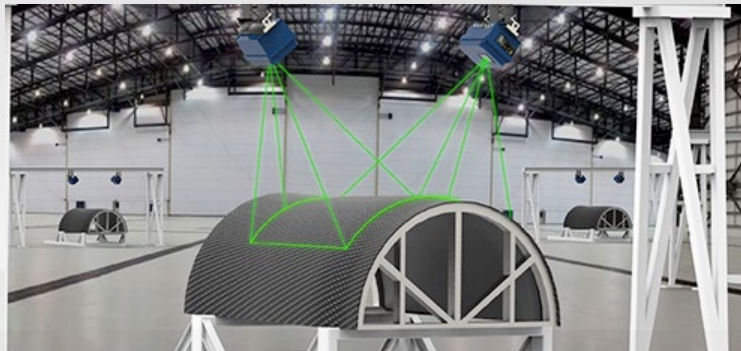
## KEY PRODUCTS



### Focus Laser Scanner & Swift Solution



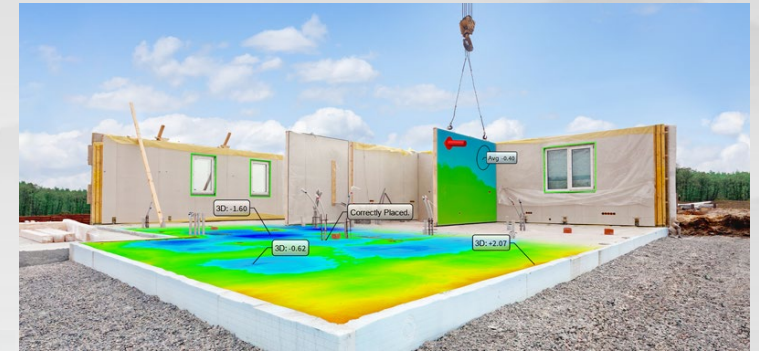
- Fast and accurate 3D measurements for digital reproduction
- Indoor and outdoor, color capability with HDR imaging, mobile scanning integration



### Tracer<sup>C</sup> Laser Projector



- 3D laser projection visualization of complex design contour information to site
- Easy set-up and transport for on-site construction workflows



### Software Suite: Design – Build – Operate

- **Design:** Generate as-built CAD models from 3D scan data with automation and object detection tools
- **Build:** On-site, accurate validation of builds to design for better quality control
- **Operate:** Real-time online cloud access to 3D data for improved collaboration; data sync to workflow applications

## KEY CUSTOMERS





# Digital Twin

Accurate 3D documentation of facilities and fixtures

- 3D scans accurately capture and document the entire site quickly
- Cloud-based processing and real-time multi-user access to 3D data
- Ability to use data to
  - Simulate manufacturing processes
  - Retrofit existing site with new equipment
  - Easily update site to expand capacity or accommodate new models
  - Detect clashes and optimize layouts
- Targeted at automotive and other capital-intensive precision manufacturing environments

# Public Safety Analytics

## KEY PRODUCTS



### Focus Laser Scanner



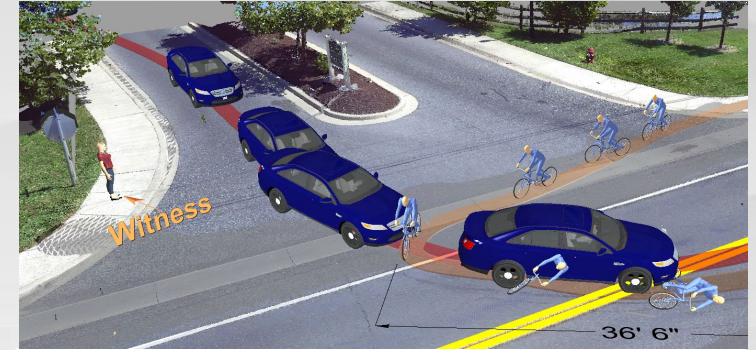
- Fast and accurate 3D measurements for digital reproduction and scene analysis
- Indoor and outdoor, color capability with on-site registration and HDR imaging



### ScanPlan™ & Freestyle 2 Handheld Scanners



- Photorealistic and high accuracy, portable handheld reality capture
- Quickly document 2D floor plans or 3D scans of hard to access areas and small pieces of evidence



### Crash, Crime & Fire Investigation Software

- 2D and 3D diagramming of crash, crime and fire scenes
- Create 3D animations of objects traveling through a 3D point cloud
- Perform bullet trajectory, blood spatter and crash analysis for court-room presentations

## KEY CUSTOMERS



# Increased Software Focus



2020

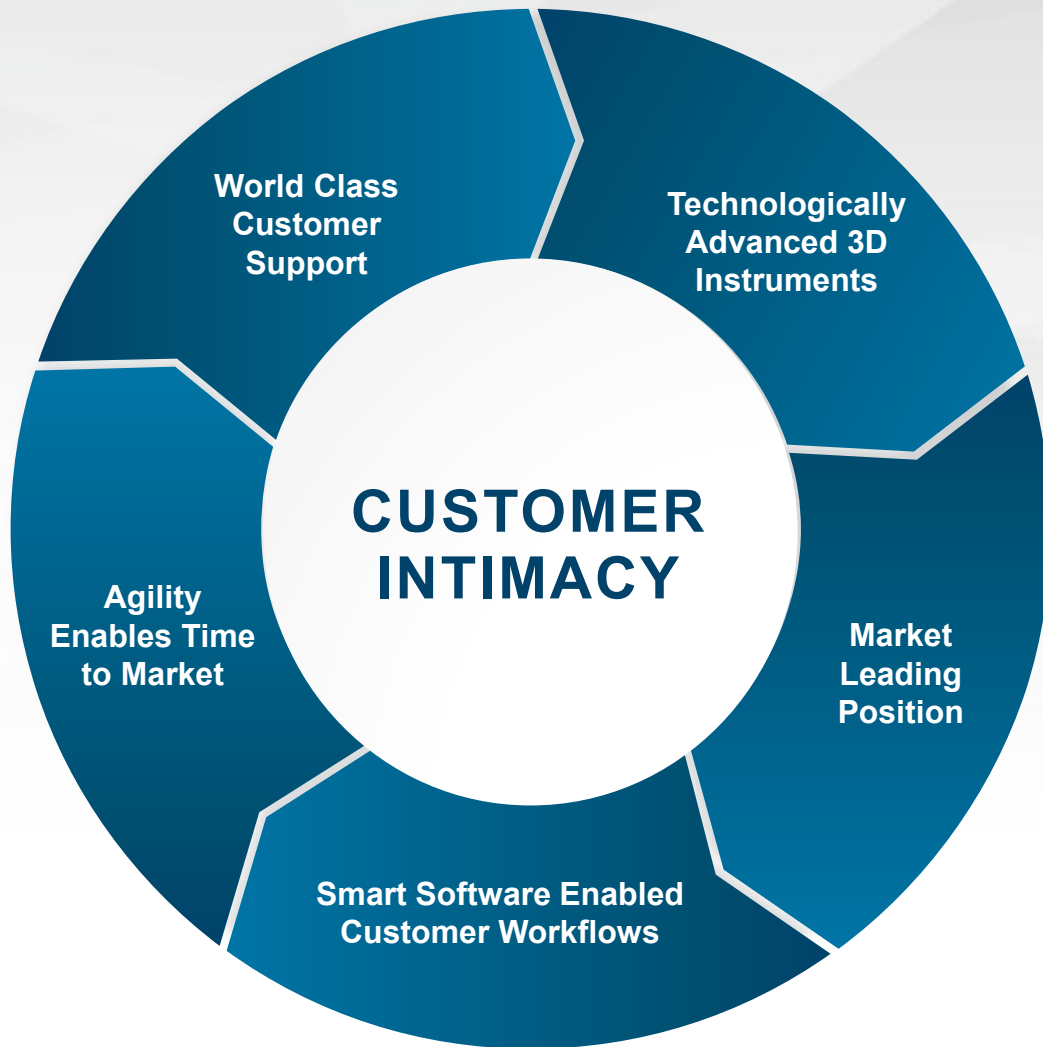
2021

2022

Convert multi-platform software products into cloud environment

Transition perpetual license to SaaS

# Why We Win

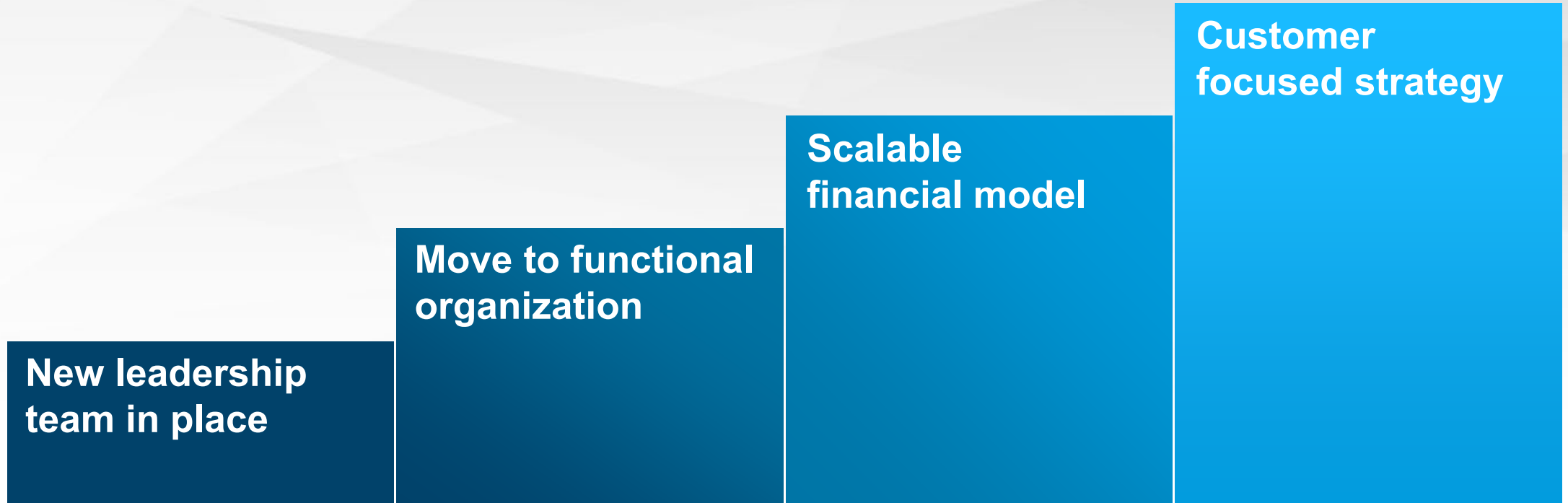


## Commitment to Improving Our Customer's Time to Decision

- ✓ **Better Data, Faster**
  - High Accuracy LIDAR Technology
  - Integrated Workflows
- ✓ **More Data, Automated**
  - Localization and Mapping
  - Improved ROI with Lower TCO
- ✓ **Smart SW, Everywhere**
  - Advanced Analysis Algorithms
  - Augmented Reality and Automation

# Unlocking Value – Business Transformation

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# Scalable Financial Model

	Q2 2020	2019	Success Model
Revenue	\$61.2M	\$387.6M	
Gross Margin %	48%	57%	55-60%
Operating Expense%	62%	53%	40-43%
Adj. EBITDA %	(8%)	8%	20%

- Achieved targeted \$40M annualized savings in Q2 2020
  - 6 months earlier than expected
- Pandemic conditions resulted in Q2 2020 38% YoY revenue reduction
- On-track to achieve Success Model when market conditions normalize

\*Financial measures shown on an adjusted non-GAAP basis which exclude the effects of stock compensation expenses, acquisition related intangible amortization expenses and certain material non-recurring items

# Q&A

