



The World's **Sixth Sense**®



FLIR Systems Overview

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March 2017

Disclaimer and Use of Non-GAAP Measures

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements regarding expectations for FLIR's performance are based on current expectations, estimates, and projections about FLIR's business based, in part, on assumptions made by management and involve certain risks and uncertainties. Actual results could materially differ due to factors in the presentation and in the risk factors section of our Form 10-K and other reports and filings with the Securities and Exchange Commission. FLIR does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, or for changes made to this document by external parties.

FLIR reports financial results in accordance with U.S. generally accepted accounting principles (GAAP) and additionally on a non-GAAP basis. The terms "adjusted" and "adj" in this presentation refer to adjusted results, which is a non-GAAP measure. See GAAP to non-GAAP reconciliations in the Appendix to this presentation. These non-GAAP measures of financial performance are not prepared in accordance with GAAP and computational methods may differ from those used by other companies. These non-GAAP metrics remove certain non-core items (including gains and losses) that FLIR management believes are not reflective of ongoing operating performance, such as restructuring charges, gains and losses on disposal of non-core assets, discrete tax items, business acquisition-related expenses, and amortization expense related to acquired intangible assets. FLIR management believes these adjusted earnings metrics provide a view of the Company's core ongoing operating results and facilitate consistent comparison of financial results over time. A full reconciliation of GAAP to non-GAAP financial data can be found in FLIR's Q4 2016 earnings release issued on February 14, 2017, and in appendix, which should be reviewed in conjunction with this presentation.

Our Vision

The World's Sixth Sense

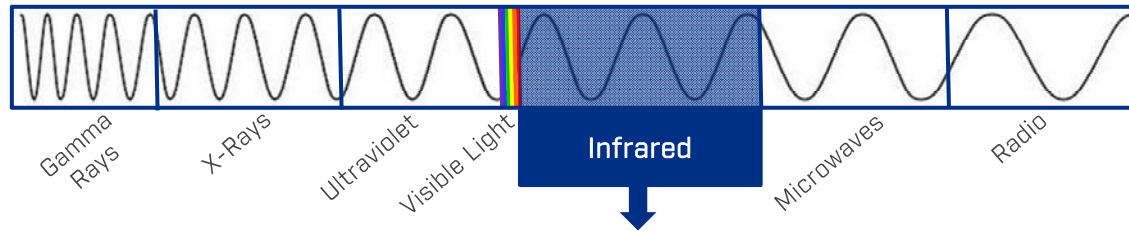
FLIR will be the world's sixth sense, improving the way we live by bringing innovative sensing technologies into **daily life**.

FLIR technology will help keep our world **safe and aware**, our environment **clean and preserved**, our communities **healthy and entertained**, and our economies **efficient and productive**.

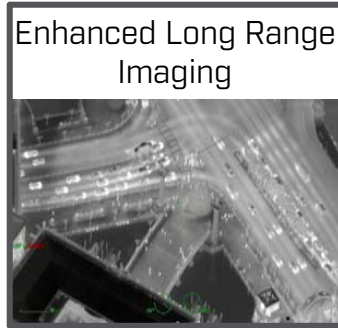
FLIR products will be **everywhere**, our **innovation** renowned, our **brand** ubiquitous, our **reputation** impeccable, and our **performance** admired.

What We Do

Leveraging an Area of the Electromagnetic Energy Spectrum Beyond Our Eyesight



To Develop Imaging Solutions That Enhance Perception and Awareness



Our Strategy



Control the
Corners



Lower Costs,
Increase
Awareness



Identify
Needs



Brand,
Distribution
& Innovation








Build
Trust




Financial
Discipline

Market Potential


Surveillance	
 Border Security \$1.6 B  Man Portable \$0.9 B  Airborne \$0.9 B  Other Land \$0.4 B  Naval \$0.2 B	TAM*: \$4.0 Billion Growth Rate**: 3%
Detection	
 Aviation Security \$1.3 B  Critical Infrastructure \$1.0 B  Defense \$1.0 B  Ports & Borders \$0.8 B  First Response \$0.6 B	TAM: \$4.7 Billion Growth Rate: 6%
Maritime	
 Light Commercial \$1.5 B  Fishfinders \$0.3 B  MFDs \$0.3 B  Sonars, Radars & Cameras \$0.3 B  Instruments & Autopilots \$0.1 B	TAM: \$2.6 Billion Growth Rate: 2%

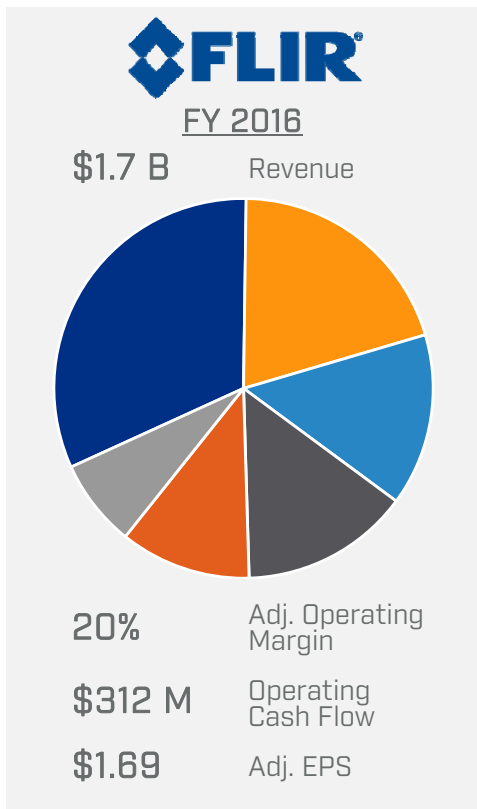
Benefits of Thermal	
	See in Total Darkness
	See Through Obscurants
	Measure Temperature
	Enhanced Long Range Imaging
	Accurately Detect People & Animals
Applications	
<ul style="list-style-type: none"> ✓ Smartphones ✓ Home Automation ✓ Professional Security ✓ First Responders ✓ Industrial Sensing ✓ Outdoor Recreation ✓ Intelligent Transportation ✓ Automotive 	
Total TAM* = \$29 Billion (4% CAGR**)	




Instruments	
 Test & Measurement \$5.2 B  Elec., Mech., Bldg. Diagnostics \$1.4 B  Automation \$0.4 B  Firefighting \$0.3 B  Optical Gas Detection \$0.2 B  R&D Lab Testing \$0.2 B	TAM: \$7.5 Billion Growth Rate: 4%
OEM & Emerging	
 Commercial Uncooled Cores \$0.4 B  Intelligent Traffic \$0.3 B  Mobile Accessories \$0.2 B  Commercial Cooled Cores \$0.2 B  Military Cores \$0.2 B	TAM: \$1.2 Billion Growth Rate: 9%
Security	
 Network \$4.1 B  Recorders \$2.2 B  Video Management Software \$1.0 B  HD Over COAX \$0.6 B  Analog \$0.3 B  Other \$0.9 B	TAM: \$9.1 Billion Growth Rate: 3.0%

* 2015 Total Addressable Market (TAM)
 ** 4-Year Directional Forward Growth Rate

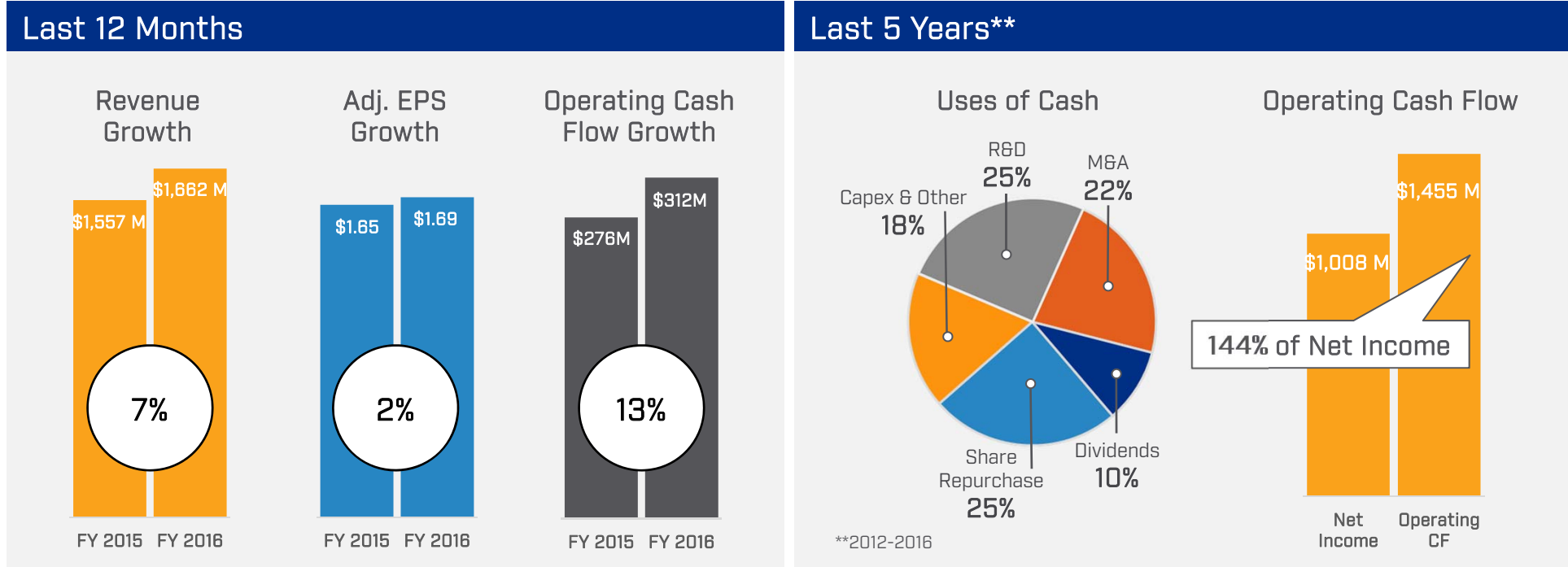
Current Operating Portfolio

	FY 2016 Revenue (\$Millions)	FY 2016 Adj. Operating Margin
Surveillance	\$533	29%
 <ul style="list-style-type: none"> Airborne systems Maritime systems Land systems Border surveillance Tactical vision Command & control software 		
Detection	\$124	28%
 <ul style="list-style-type: none"> Radiation detectors Explosives detectors Chemical-biological threat detectors Mass spectrometry systems 		
Maritime	\$186	10%
 <ul style="list-style-type: none"> Multifunction displays Instruments Sonar Radar Thermal cameras 		



	FY 2016 Revenue (\$Millions)	FY 2016 Adj. Operating Margin
Instruments	\$336	29%
 <ul style="list-style-type: none"> Building inspection cameras Electrical / mechanical cameras Lab / R&D cameras Test & measurement tools Firefighting cameras 		
OEM & Emerging	\$244	27%
 <ul style="list-style-type: none"> Thermal camera cores & components Intelligent traffic systems Mobile accessories Commercial UAS 		
Security	\$240	7%
 <ul style="list-style-type: none"> Thermal security cameras Visible-light security cameras DIY security systems Software and analytics 		

FLIR Performance

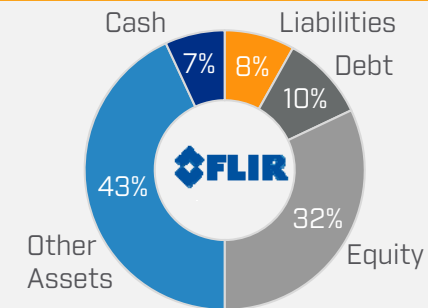


Capital Strategy

Principles

- ❑ Maintain Strong Balance Sheet
 - ✓ Investment Grade Rating
 - ✓ Ample Liquidity
 - ✓ Mitigate Risk
- ❑ Optimize Cost Of Capital
- ❑ Deploy Balanced Capital Allocation Strategy
 - ✓ Invest for Long Term Growth
 - ✓ Maximize Shareholder Returns
 - ✓ Recognize Regional Cash Constraints

Strong Balance Sheet



Debt / Equity	31%
Leverage Ratio	1.4x
Interest Coverage	21x
Rating	BBB
Cash - US	\$98
Cash - RoW	\$263

Working Capital Management

- ❑ Improve Collections Process
 - ✓ Improved DSO by ~10%
- ❑ Optimize Payment Terms
 - ✓ Doubled std. payment terms to 60 days
- ❑ Increase Inventory Turns
 - ✓ Improved turns by ~5%

Focused Reviews & Special Initiatives

..... to Drive Improved Cash Conversion Cycle

Long Term Capital Deployment

- ❑ Organic Investments
 - ✓ R&D: 8% to 10% of Revenue
 - ✓ Capex: 3% to 4% of Revenue
- ❑ Deploy 100% Free Cash Flow
 - ✓ M&A: Based on Opportunities & Returns
 - ✓ Dividend Payout: ~30% of Net Income
 - ✓ Share Repurchases: Based on Opportunities & Returns

Strategic Acquisitions



- Acquired DVTEL, Inc. for \$92 million in November 2015
- Leader in software and hardware technologies for advanced video surveillance
- Adds enterprise-class security cameras and video management system software capabilities to FLIR's security product suite
- Complimentary software, hardware, and channels to market
- Heavy software component, including advanced VMS and video analytics



- Acquired Armasight, Inc. for \$41 million in June 2016
- Leading developer of precision sporting, hunting, and military night vision and thermal optics products
- Enhances FLIR's recreational and tactical scopes and sights business to better serve outdoor sporting, law enforcement, and military markets
- To combine with FLIR's PVS business to create "Outdoor & Tactical Systems" line of business within the Surveillance segment



- Acquired Point Grey Research Inc. for \$253 million in October 2016
- Leading developer of machine vision cameras for use in industrial, retail, scientific, traffic, mapping, and other advanced imaging applications
- Expands FLIR's presence in machine vision, intelligent imaging for retail analytics, and visible spectrum camera solutions
- Creates platform for thermal technology integration into underpenetrated industrial vision markets



- Acquired Prox Dynamics AS for \$134 million in November 2016
- Leading developer and manufacturer of nano-class unmanned aerial systems (UAS) for military and para-military intelligence, surveillance, and reconnaissance applications
- Highly differentiated nano-aerial sensing platform
- Leverages Lepton capabilities
- Strong fit with FLIR's CDMQ model
- Platform for innovating next-generation nano-drone solutions





The World's **Sixth Sense**®

APPENDIX

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

\$ in thousands

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2015	2016
GAAP Gross Profit	\$ 175,897	\$ 189,615	\$ 180,739	\$ 207,310	\$ 177,690	\$ 183,322	\$ 191,376	\$ 214,733	\$ 753,561	\$ 767,121
Amortization of acquired intangibles assets	1,801	1,721	1,544	1,516	2,442	2,211	2,157	2,730	6,582	9,540
Purchase accounting adjustments	-	-	-	-	-	-	-	3,093	-	3,093
Other	-	-	-	-	-	-	2,000	500	-	2,500
Adjusted Gross Profit	\$ 177,698	\$ 191,336	\$ 182,283	\$ 208,826	\$ 180,132	\$ 185,533	\$ 195,533	\$ 221,056	\$ 760,143	\$ 782,254
GAAP Gross Margin	51.1%	48.3%	47.3%	47.4%	46.8%	45.5%	47.2%	45.2%	48.4%	46.2%
Cumulative effect of non-GAAP Adjustments	0.5%	0.4%	0.4%	0.3%	0.7%	0.6%	1.1%	1.4%	0.4%	0.9%
Adjusted Gross Margin	51.6%	48.7%	47.7%	47.7%	47.5%	46.1%	48.3%	46.6%	48.8%	47.1%
GAAP Operating Income	\$ 65,754	\$ 70,531	\$ 75,982	\$ 93,497	\$ 57,377	\$ 65,213	\$ 80,849	\$ 92,280	\$ 305,764	\$ 295,718
Amortization of acquired intangibles assets	4,071	4,507	3,927	3,895	4,237	3,956	4,359	5,831	16,400	18,383
Purchase accounting adjustments	-	-	-	-	-	-	-	3,093	-	3,093
Restructuring charges	314	454	327	266	196	133	888	214	1,361	1,431
Other	-	-	-	-	-	-	2,000	500	-	2,500
Acquisition related expenses	113	333	15	1,007	433	829	949	1,353	1,468	3,564
Adjusted Operating Income	\$ 70,252	\$ 75,825	\$ 80,251	\$ 98,665	\$ 62,243	\$ 70,131	\$ 89,045	\$ 103,271	\$ 324,993	\$ 324,689
GAAP Operating Margin	19.1%	17.9%	19.9%	21.4%	15.1%	16.2%	20.0%	19.4%	19.6%	17.8%
Cumulative effect of non-GAAP Adjustments	1.3%	1.3%	1.1%	1.1%	1.3%	1.2%	2.0%	2.4%	1.3%	1.7%
Adjusted Operating Margin	20.4%	19.3%	21.0%	22.5%	16.4%	17.4%	22.0%	21.8%	20.9%	19.5%

Amounts may not sum due to rounding

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

\$ in thousands, except per share data

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2015	2016
GAAP Net Income	\$ 47,910	\$ 50,500	\$ 73,072	\$ 70,204	\$ 1,125	\$ 45,368	\$ 58,633	\$ 61,500	\$ 241,686	\$ 166,626
Amortization of acquired intangibles assets	4,071	4,507	3,927	3,895	4,237	3,956	4,359	5,831	16,400	18,383
Purchase accounting adjustments	-	-	-	-	-	-	-	3,093	-	3,093
Restructuring charges	314	454	327	266	196	133	888	214	1,361	1,431
Other	-	-	-	-	-	-	3,261	500	-	3,761
Acquisition related expenses	113	333	15	1,007	433	829	949	1,353	1,468	3,564
Gain or loss on cost-basis investments	-	-	-	(20,200)	-	2,000	-	-	(20,200)	2,000
Estimated tax effect of non-GAAP adjustments	(1,080)	(1,271)	(1,025)	6,234	(1,217)	(1,230)	(2,364)	(2,748)	2,859	(7,558)
Discrete Tax Items	(84)	37	(18,978)	8,213	40,259	299	(100)	2,133	(10,812)	42,591
Adjusted Net Income	\$ 51,244	\$ 54,560	\$ 57,338	\$ 69,619	\$ 45,034	\$ 51,356	\$ 65,626	\$ 71,876	\$ 232,762	\$ 233,891
GAAP EPS	\$ 0.34	\$ 0.36	\$ 0.52	\$ 0.51	\$ 0.01	\$ 0.33	\$ 0.43	\$ 0.45	\$ 1.72	\$ 1.20
Cumulative effect of non-GAAP Adjustments	\$ 0.02	\$ 0.03	\$ (0.11)	\$ (0.01)	\$ 0.31	\$ 0.04	\$ 0.05	\$ 0.07	\$ (0.07)	\$ 0.47
Adjusted EPS	\$ 0.36	\$ 0.39	\$ 0.41	\$ 0.50	\$ 0.32	\$ 0.37	\$ 0.48	\$ 0.52	\$ 1.65	\$ 1.69

Amounts may not sum due to rounding

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

\$ in thousands

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2015	2016
Surveillance										
Segment operating income as reported	\$ 30,167	\$ 26,378	\$ 39,918	\$ 49,173	\$ 35,240	\$ 26,135	\$ 38,426	\$ 45,104	\$ 145,637	\$ 144,905
Amortization of acquired intangibles assets	1,169	714	923	892	514	514	981	1,415	3,698	3,424
Purchase accounting adjustments	-	-	-	-	-	-	-	579	-	579
Restructuring charges	123	(45)	148	-	109	(52)	21	29	226	107
Other	-	-	-	-	-	-	2,000	500	-	2,500
Adjusted operating income	\$ 31,459	\$ 27,047	\$ 40,989	\$ 50,065	\$ 35,863	\$ 26,597	\$ 41,428	\$ 47,627	\$ 149,561	\$ 151,515
Instruments										
Segment operating income as reported	\$ 28,063	\$ 28,341	\$ 21,555	\$ 34,394	\$ 19,496	\$ 19,133	\$ 27,010	\$ 31,052	\$ 112,353	\$ 96,691
Amortization of acquired intangibles assets	400	398	398	398	398	398	398	398	1,594	1,592
Restructuring charges	187	498	222	264	87	185	149	72	1,169	493
Adjusted operating income	\$ 28,650	\$ 29,237	\$ 22,175	\$ 35,056	\$ 19,981	\$ 19,716	\$ 27,557	\$ 31,522	\$ 115,116	\$ 98,776
Security										
Segment operating income as reported	\$ 3,816	\$ 7,874	\$ 7,222	\$ 9,229	\$ (3,645)	\$ 3,214	\$ 2,958	\$ 7,645	\$ 28,140	\$ 10,172
Amortization of acquired intangibles assets	418	275	268	267	1,476	1,195	1,172	1,102	1,228	4,946
Restructuring charges	-	-	-	-	-	-	655	112	-	766
Adjusted operating income	\$ 4,234	\$ 8,149	\$ 7,490	\$ 9,496	\$ (2,169)	\$ 4,409	\$ 4,785	\$ 8,859	\$ 29,368	\$ 15,884

Amounts may not sum due to rounding

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

\$ in thousands

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2015	2016
OEM & Emerging Markets										
Segment operating income as reported	\$ 8,779	\$ 10,495	\$ 14,233	\$ 7,558	\$ 10,032	\$ 16,094	\$ 19,936	\$ 13,623	\$ 41,065	\$ 59,686
Amortization of acquired intangibles assets	688	680	677	678	680	689	684	1,792	2,723	3,845
Purchase accounting adjustments	-	-	-	-	-	-	-	2,514	-	2,514
Restructuring charges	2	-	(24)	-	-	-	64	1	(22)	65
Acquisition related expenses	-	-	-	-	-	-	-	137	-	137
Adjusted operating income	\$ 9,469	\$ 11,175	\$ 14,886	\$ 8,236	\$ 10,712	\$ 16,783	\$ 20,684	\$ 18,067	\$ 43,766	\$ 66,247
Maritime										
Segment operating income as reported	\$ 4,789	\$ 6,421	\$ 1,848	\$ 553	\$ 4,998	\$ 6,721	\$ 2,391	\$ 1,318	\$ 13,611	\$ 15,428
Amortization of acquired intangibles assets	773	1,369	815	814	808	800	764	764	3,771	3,136
Adjusted operating income	\$ 5,562	\$ 7,790	\$ 2,663	\$ 1,367	\$ 5,806	\$ 7,521	\$ 3,155	\$ 2,082	\$ 17,382	\$ 18,564
Detection										
Segment operating income as reported	\$ 2,680	\$ 9,380	\$ 5,290	\$ 9,555	\$ 7,880	\$ 9,963	\$ 6,641	\$ 9,363	\$ 26,904	\$ 33,847
Amortization of acquired intangibles assets	622	1,070	846	846	360	360	360	360	3,386	1,440
Restructuring charges	3	1	(18)	2	-	-	-	-	(12)	-
Adjusted operating income	\$ 3,305	\$ 10,451	\$ 6,118	\$ 10,403	\$ 8,240	\$ 10,323	\$ 7,001	\$ 9,723	\$ 30,278	\$ 35,287
Other										
Segment operating income as reported	\$ (12,539)	\$ (18,358)	\$ (14,084)	\$ (16,965)	\$ (16,625)	\$ (16,048)	\$ (16,514)	\$ (15,825)	\$ (61,946)	\$ (65,011)
Acquisition related expenses	113	333	15	1,007	433	829	949	1,216	1,468	3,427
Adjusted operating income	\$ (12,426)	\$ (18,025)	\$ (14,069)	\$ (15,958)	\$ (16,192)	\$ (15,219)	\$ (15,565)	\$ (14,609)	\$ (60,478)	\$ (61,584)

Amounts may not sum due to rounding



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