DISCLAIMER

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.
**OPERATING PORTFOLIO**

### Surveillance
- **2014 Revenue ($Millions):** $520
- **2014 Operating Margin:** 25%
- Products:
  - Airborne systems
  - Maritime systems
  - Land systems
  - Border surveillance
  - Tactical vision
  - Command & control software

### Detection
- **2014 Revenue ($Millions):** $86
- **2014 Operating Margin:** 13%
- Products:
  - Radiation detectors
  - Explosives detectors
  - Chemical-biological threat detectors
  - Mass spectrometry systems

### Security
- **2014 Revenue ($Millions):** $179
- **2014 Operating Margin:** 14%
- Products:
  - Thermal security cameras
  - Visible-light security cameras
  - DIY security systems
  - Software and analytics

### Instruments
- **2014 Revenue ($Millions):** $354
- **2014 Operating Margin:** 31%
- Products:
  - Building inspection cameras
  - Electrical / mechanical cameras
  - Lab / R&D cameras
  - Test & measurement tools
  - Firefighting cameras

### OEM & Emerging
- **2014 Revenue ($Millions):** $199
- **2014 Operating Margin:** 25%
- Products:
  - Thermal camera cores & components
  - Intelligent traffic systems
  - Mobile accessories

### Maritime
- **2014 Revenue ($Millions):** $193
- **2014 Operating Margin:** 13%
- Products:
  - Multifunction displays
  - Instruments
  - Sonar
  - Radar
  - Thermal cameras

---

*Income amounts exclude restructuring charges.*

---

$1.5 B Revenue

<table>
<thead>
<tr>
<th>18%</th>
<th>Operating Margin*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$226 M</td>
<td>Operating Cash Flow</td>
</tr>
<tr>
<td>$1.48</td>
<td>EPS*</td>
</tr>
</tbody>
</table>

---

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### OPERATING PERFORMANCE - LAST 12 MONTHS

<table>
<thead>
<tr>
<th></th>
<th>LTM Q1'15</th>
<th>LTM Q1'14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,524 M</td>
<td>$1,499 M</td>
</tr>
<tr>
<td><strong>Gross Profit Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$758 M</td>
<td>$724 M</td>
</tr>
<tr>
<td>Margin: 50%</td>
<td>Margin: 48%</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$291 M</td>
<td>$253 M</td>
</tr>
<tr>
<td>Margin: 19%</td>
<td>Margin: 17%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income Growth</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$225 M</td>
<td>$183 M</td>
</tr>
<tr>
<td>Margin: 15%</td>
<td>Margin: 12%</td>
<td></td>
</tr>
</tbody>
</table>

Income amounts exclude restructuring charges.
HISTORICAL MARKET TRENDS

U.S. (Ex U.S. Gov't)  U.S. Government  Europe  Rest of World

Revenue in millions.

- 21% 5yr CAGR
- 9% 5yr CAGR
- 8% 5yr CAGR
- 12% 5yr CAGR

Revenue in millions.
**Value Proposition**
- Lowest Total Cost of Ownership
- Ability and Time to Deliver
- Global Customer Support
- Common Platforms

**Applications**
- Air & Ground-Based Surveillance
- Search & Rescue
- Border Protection
- Defense and Special Ops

---

**Surveillance**

Integrated Systems
- Star SAFIRE 380HLD
- SeaFLIR 380HD
- Star SAFIRE 380HDC
- SeaFLIR 280HD
- Star SAFIRE 260HLD
- Ranger HRC
- Recon V
- S150 HISS
- ThermoSight R-Series
- Scout II

---

**Instruments**

OEM & Emerging

Maritime

Security

Detection
### Significant Value Proposition for Our Customers

<table>
<thead>
<tr>
<th>Faster fielding</th>
<th>Lower risk with no funding required</th>
<th>Scale / volume benefits apply to all customers</th>
<th>Global deployment and support capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term sustainability</td>
<td>Greater flexibility and optionality</td>
<td>Lower cost</td>
<td>Superior customer service</td>
</tr>
</tbody>
</table>

### Product Development

- New platforms within value ladder
- New applications
- Line extensions
- Merlin tracking software
Value Proposition
• Early Detection of a Multitude of Problems
• A Camera for Every Application
• High Durability
• Training and Support
• Software Eco-System

Applications
• Building Diagnostics
• Electrical & Mechanical Predictive Maintenance
• R&D / Labs
• Gas Imaging
• Factory & Process Automation
• Firefighting
• Electrical & Environmental Test and Measurement
Value Proposition
- Size, Weight, Power, Cost
- Image Quality
- Ease of Integration
- Volume Scalability

Applications
- Consumer Electronics
- Automotive Night Vision
- Security and Surveillance Systems
- Robotics / Machine Vision
- UAVs
- Targeting / Missile Warning Systems
Technology Leader

MUON
Simplified OEM Integration

LEPTON
Revolutionary Thermal Imaging Core Technology

FLIR ONE
For Android and iOS Platforms
Thermal Imaging for the Rest of Us

Enabling an Automated and Connected World
**Value Proposition**
- Confidence & Safety while Boating
- Innovative / Integrated Products
- Global Dealer Support Network
- Robust & Reliable

**Applications**
- Navigation
- Situational Awareness
- Fishfinding / Sonar
- Autopilot Control
SOLUTIONS

Instruments
OEM & Emerging
Maritime
Security
Detection

Value Proposition
• True 24/7 Operation
• See Through Obscurants
• See Over Long Distances
• Low False Alarms

Applications
• Perimeter Security
• Commercial Security
• Critical Infrastructure Security
• Home Security / Baby Monitoring

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Identifying Customer Needs in the Security Market

Connected Home
- Consumer Ease of Use

Thermal Security
- Affordable Thermal Technology

MPX
- Cost-Effective Retrofitting to HD
**Value Proposition**
- Field-Ready Form Factor
- Lab Quality Capability
- Multi-Threat Detection / Identification
- Ease of Use

**Applications**
- Chemical Threat Spectrometry
- Radiation Detection
- Biological Agent Detection
- Explosives Detection
- Multi-Point Sensor Systems
## THE BENEFITS OF THERMAL SENSORS

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Smartphones</th>
<th>Home Automation</th>
<th>Professional Security</th>
<th>First Responders</th>
<th>Industrial Sensing</th>
<th>Outdoor Recreation</th>
<th>Intelligent Transportation</th>
<th>Automotive</th>
</tr>
</thead>
<tbody>
<tr>
<td>See in Total Darkness</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>See Through Obscurants</td>
<td>✅</td>
<td></td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>Measure Temperature</td>
<td>✅</td>
<td></td>
<td></td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>Enhanced Long Range Imaging</td>
<td></td>
<td></td>
<td></td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
</tr>
<tr>
<td>Accurately Detect People &amp; Animals</td>
<td>✅</td>
<td></td>
<td></td>
<td>✅</td>
<td>✅</td>
<td>✅</td>
<td></td>
<td>✅</td>
</tr>
</tbody>
</table>

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THERMAL AS A SOLUTION FOR MANY MARKETS

As of 2014

Viable

Not Viable

Not Known

Known

• Lowering costs
• Extend utility beyond the image
• Differentiated value proposition
• New applications emerging

Viability of Thermal

• Well known in Military markets
• Rapidly gaining traction in Security
• Lower prices driving volumes in Industrial

Awareness of Thermal

Note: Size of bubble represents relative market opportunity based on FLIR estimates.
OUR STRATEGY

- Control the Corners
- Lower Costs, Increase Awareness
- Identify Needs
- Brand, Distribution & Innovation
- Build Trust
- Financial Discipline
Own the **entry-level** and **high-performance** price points in each market to **serve the entire customer base** and create significant **competitive advantage**.

**Control the Corners**

- Technology leadership
- Domain knowledge
- Intellectual property

---

**Continuous cost reduction**

**Innovate next-generation technologies**

**Create virtuous cycles of demand**

---

**Price**

<table>
<thead>
<tr>
<th>UNITS</th>
<th>Few</th>
<th>Many</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$$$</td>
</tr>
</tbody>
</table>

**Strong value ladders**

**Defensible competitive position**

**Vertical integration**

- Channel breadth
- Economies of scale
Thermal is our growth driver and core

Develop broad-scale awareness of thermal imaging

Lower Costs, Increase Awareness

Aggressively **lower the cost** and **increase awareness** of IR technology to **enable high-volume markets**

**Lower Costs, Increase Awareness**

- Nearly 200 patent assets
- $10^6$ production capacity today
- Wafer-level optic
- FLIR ASIC
- MSX® image enhancement

**Lead in cost**
Identify customer needs that are best solved by our capabilities then open and **attack** every viable market.

- Pioneer new thermal applications
- Invest resources efficiently
- Open new markets for our technology

Airborne, Firefighting, Traffic, Building & Electrical Diagnostics, Mobile, Maritime, Man-Portable, Hunting, Freshwater Boating
Leverage #1 market share

Innovate solutions for new markets

Build the top brand in thermal

Prepare for the future of sensors everywhere by driving multiple strategic strengths—top brand, broadest distribution, and most innovative products and services

Brand Distribution and Innovation

Direct Sales

E-Commerce

Through Distributors

Brick and Mortar
Build trust with stakeholders, including current and future customers, shareholders, our fellow employees, and our communities through ethical conduct in all of our business practices.

Trust is our most valuable asset.

Focus on value delivery via product quality and support.

Uncompromising foundation in ethical behavior.
Financial discipline will enable and define our ability to deliver value for stakeholders.
### BUILDING THE BARRIERS TO ENTRY

**FLIR is Uniquely Positioned to Capitalize on the Proliferation of Thermal Technology**

<table>
<thead>
<tr>
<th>Volume Leader</th>
<th>Brand Name</th>
<th>Distribution</th>
<th>IP Portfolio</th>
<th>Growing, Sizable Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Cost to Manufacture Sensors</td>
<td>High-end Heritage, Evolving to Broader Recognition</td>
<td>Established Footprint In Dozens of Industries</td>
<td>1,374 patents, growing at 19% per year</td>
<td>Market Share of Uncooled Focal Plane Arrays and Modules</td>
</tr>
</tbody>
</table>

**Market Share**

<table>
<thead>
<tr>
<th>Year</th>
<th>FLIR Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>23%</td>
</tr>
<tr>
<td>2014</td>
<td>52%</td>
</tr>
</tbody>
</table>

**Volume Leader**

Market share: Maxtech International Inc.
Leverage cost advantage to deepen market penetration
Create and cultivate sockets for advanced low-cost sensors
Add products, capabilities, and channels opportunistically
Invest in brand and sales reach
Leverage cost advantage to deepen market penetration
Continued revenue mix shift towards higher growth segments

DRIVING GROWTH

Revenue Growth Imperatives

Pioneer New Markets
Focus on and solve customer needs with continuous innovation

Enhance Value Proposition
Utilize software and analytics to propel technology adoption

Develop Product Platforms
Create and cultivate sockets for advanced low-cost sensors

Strategic Acquisitions
Add products, capabilities, and channels opportunistically

Broaden Channels to Market
Invest in brand and sales reach

Expand in Existing Markets

Stabilize Government Businesses
Continued revenue mix shift towards higher growth segments
DRIVING EXCESS SHAREHOLDER RETURN

Value Creation Imperatives

- **Strategic M&A**: Acquire when strategy and cash returns clear defined hurdles
- **Disciplined Capital Deployment**: Use cash in a measured and opportunistic fashion
- **Improve Cash Flow**: Continuous improvement of working capital
- **Financial Discipline**: Execute initiatives for cost and process improvement
RETURNING VALUE TO SHAREHOLDERS

Utilizing a balanced, measured, and opportunistic model for cash deployment

- Capital Expenditures as % of Revenue: 4%
- R&D Expense as % of Revenue: 9%
- Dividends since Initiation: $188M
- Shares Repurchased: 57.3M

Revenue in millions.
# M&A Strategy

## M&A Filtering to Find Meaningful Long-Term Value

### Strategic Fit
- **Channel** into a new or existing market for thermal technology
- **Technology** capability that is additive to FLIR’s operations
- **Product** that is complementary to FLIR’s product suite
- **Consolidation** of existing market for scale benefits

### Opportunity
- Ability to **scale-up** Target’s products via FLIR’s infrastructure
- Opportunity to **improve** Target operations / products via FLIR’s guidance
- **Blocking** technology
- **Customer base** for FLIR products
- **Vertical integration** for **lowered costs**

### Financial
- Substantiate a 5 year cash flow IRR several points above WACC

### Management
- Strong management in place or within FLIR to operate

### Integration
- Achievable integration plan

---

**Excess Shareholder Return**
M&A – UNCOVERING OPPORTUNITY

Turning Acquisitions into Better Businesses

- Revamped product lines
- Addition of thermal products
- Rationalized facilities
- Right-sized OH

- Reduced cost-plus contracts
- Reduced facilities footprint
- Streamlined R&D and G&A

- 20%+ revenue CAGR
- Rationalization of product lines

- Addition of thermal products
- G&A leverage

Showing operating margin for the last full year prior to acquisition and first 2 full years after acquisition.
IMPROVING ROE

Note: Amounts exclude restructuring charges.

2014 & Q1 2015
- Margin improvement
- Reduction in equity via repurchases, dividends, and foreign exchange

Continuing Improvement
- Grow revenue
- Maintain margins
- Distribute capital to shareholders