



# perceptron

## Company Profile

Perceptron, Inc. (NASDAQ: PRCP) was founded in 1981 as a supplier of high technology, laser-based, non-contact measurement systems for industrial manufacturers to reduce process variation that occurs in the manufacturing process. Today Perceptron has two diverse lines of business – the Industrial Business Unit and the Commercial Products Business Unit.

## Industrial Business Unit

The Industrial Business Unit includes several product offerings that are used by manufacturers of complex assembled parts to reduce variation that occurs in the manufacturing process, improving quality and reducing cost.

AutoGauge® systems are used in the assembly and fabrication plants of many of the world's leading auto manufacturers and their suppliers to contain, correct and control the quality of body structures. These systems provide automotive manufacturers the flexibility to measure multiple vehicle styles or part types on a single manufacturing line while maintaining their high-speed production rates.

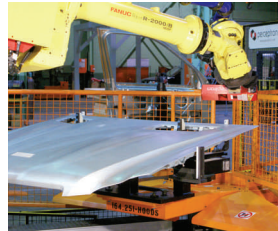
AutoGuide® robot guidance systems utilize Perceptron sensors and measurement technology to improve the accuracy of robotic assembly operations. AutoGuide® systems calculate the difference between theoretical and actual relationships of a robot and the part being assembled and send compensation data, in six axes, to the robot. Robotic applications supported by AutoGuide® include windshield insertion, roof loading, hinge mounting, door attachment, sealant application and many others.

AutoScan® systems provide a fast, non-contact method of gathering data for the analysis of the surface contour of a part or product such as automotive closure panels including doors, deck lids, and hoods. The AutoScan® system uses robot-mounted sensors to collect the "point cloud data" required for contour analysis and dimensional feature extraction. This allows for the part's shape to be automatically scanned and compared to a computer-generated design and to report specific measurements on the part.

AutoFit® systems are used in automotive manufacturing plants to contain, correct and control the fit of exterior body panels. The system automatically measures, records and displays the gap and flushness of parts most visible to the automobile consumer such as gaps between front and rear doors, hoods and fenders, deck lids and rear quarter panels. AutoFit® has the ability to measure vehicles while in motion along the assembly line or in a stationary position.

ScanWorks®, ScanTrak®, and WheelWorks® are sold as components to other companies who combine them with their own products and sell to the end customer. ScanWorks® allows its users to add scanning capabilities to their machines or systems for use in reverse engineering and inspections. WheelWorks® offers a fast, accurate, non-contact method of measuring wheel position for use in automated wheel alignment machines in automotive assembly plants.

Value Added Services - include training, field service, launch support services, consulting services, maintenance agreements, repairs and software tools.



## Commercial Products Business Unit

The Commercial Products Business Unit represents an exciting growth opportunity for the Company. Perceptron's first commercial product was initially launched in the spring of 2007. Perceptron sells visual inspection products and a line of accessories through strategic partners. Our visual inspection products are used by electricians, plumbers, heating & cooling contractors, mechanics, and numerous other trades people along with do-it-yourself homeowners. Our products are used to easily perform visual inspections in hard to reach and difficult to see areas without the need for time consuming and costly disassembly or tear out.



## QUICK FACTS

(as of 12/31/09)

WEBSITE: [WWW.PERCEPTRON.COM](http://WWW.PERCEPTRON.COM)

NASDAQ SYMBOL: PRCP

MARKET CAP: \$29.4M

STOCK PRICE: \$3.30

SHARES OUTSTANDING: 8.9M

52-WEEK PRICE RANGE: \$2.41-\$5.15

FISCAL YEAR END: JUNE 30

BOOK VALUE: \$6.19

CASH PER SHARE: \$2.37

## INVESTMENT HIGHLIGHTS

- STRONG BALANCE SHEET
  - \$21 MILLION IN CASH, SHORT TERM INVESTMENTS AND NO DEBT
- FY10 COSTS REDUCED BY \$5M
- EXPERIENCED MANAGEMENT TEAM
- SIGNIFICANT MARKET OPPORTUNITY FOR EXISTING PRODUCTS AND NEW PRODUCTS BEING DEVELOPED
- AUTOMATED SYSTEMS REVENUES NOT DEPENDENT ON CUSTOMER UNIT VOLUME
- GLOBAL AUTOMOTIVE CAPABILITY – THE ONLY COMPANY IN OUR INDUSTRY WITH GLOBAL REACH ACROSS ALL PRODUCTS

## EXECUTIVE OFFICERS

**HARRY T. RITTENOUR**  
PRESIDENT & CHIEF EXECUTIVE OFFICER

**JOHN H. LOWRY III**  
VICE PRESIDENT & CHIEF FINANCIAL OFFICER

**MARK S. HOEFING**  
SENIOR VICE PRESIDENT,  
INDUSTRIAL BUSINESS UNIT

**RICHARD PRICE**  
VICE PRESIDENT,  
COMMERCIAL PRODUCTS BUSINESS UNIT

## Income Statement

## Second Quarter Fiscal Year 2010

(in \$000 except per share amounts)	2Q10	2Q09
Revenues	\$11,751	\$19,851
Gross profit	\$4,807	\$7,637
Engineering R&D	\$1,554	\$2,008
Sales General & Administrative	\$3,966	\$4,477
Profit/(loss) before tax	\$ (675)	\$ 1,678
Basic earnings/(loss) per share	\$ (0.05)	\$0.12

Please refer to the press release dated February 10, 2010 and the Company's quarterly financial report filed on Form 10-Q with the Securities and Exchange Commission on February 16, 2010.

The Company operates its business into two operating segments, the Industrial Business Unit ("IBU") and the Commercial Products Business Unit ("CBU"). The Company's reportable segments are strategic business units that have separate management teams focused on different marketing strategies.

Second quarter financial results continued to improve over recent quarters. Sales in the second quarter increased 8.7% over the first quarter of fiscal 2010. This increase followed a first quarter sales increase of 17.2% over sales in the fourth quarter of fiscal 2009. The Company's cost cutting actions in fiscal 2009 continued to have a significant, positive impact on its quarterly results in the first two quarters of this fiscal year. The Company's gross margin percentage was 40.9% compared to 38.5% in the second quarter of fiscal 2009. Second quarter bookings and backlog were the best the Company has experienced in more than a year. In particular, both the Industrial Business Unit's (IBU) and Commercial Products Business Unit's (CBU) bookings improved 50% over the first quarter of fiscal 2010. Although it has not been reflected in bookings to date, during the second quarter, CBU entered into supply agreements with two new strategic vertical partners and expects initial sales to occur before the end of fiscal 2010.

The Company had an operating loss of \$713,000 in the second quarter of fiscal 2010. The loss was \$751,000, or 51%, lower than the first quarter loss of \$1.5 million. The first quarter operating loss in fiscal 2010 decreased \$2.2 million or 60% from the fourth quarter operating loss in fiscal 2009. The second quarter net loss of \$414,000 was 49% less than the first quarter loss of \$813,000 and the first quarter loss was 56% lower than the fiscal 2009 fourth quarter loss of \$1.9 million.

The Company began to significantly see the impact of the severe decline that occurred in the automotive industry on its business in its third quarter of fiscal year 2009. As a result, comparisons between the first and second quarters of fiscal year 2010 and the first and second quarters of fiscal 2009 are unfavorable.

### Second Quarter Highlights:

- Sales declined \$8.1 from the second quarter of fiscal year 2009 primarily because the previous year had a high ramp up of sales in the CBU for two new products. The significant decline in the automotive industry and broader economy in general also had not yet fully impacted sales in the second quarter of fiscal 2009.
- Gross margin percent improved to 40.9% from 38.5% a year ago despite lower sales, largely due to the cost cutting actions undertaken by the Company in January and July 2009.
- Engineering expenses were reduced by \$454,000, or 22.6%, compared to last year.
- Sales, General & Administrative expenses were reduced by \$511,000, or 11.4%, compared to last year.
- Net loss was \$414,000, or \$0.05 per share, compared to net income of \$1.1 million, or \$0.12 per share, in the second quarter of fiscal year 2009.

## Balance Sheet

(in \$000)	12/31/09	12/31/08
Cash and S.T. Investments	\$21,115	\$23,273
Working Capital	\$38,658	\$45,728
Total assets	\$63,627	\$73,450
Total liabilities	\$8,485	\$14,318
Total stockholders' Equity	\$55,142	\$59,132

## Contacts

### HEADQUARTERS

47827 HALYARD DR.  
PLYMOUTH, MICHIGAN 48170  
734-414-6100

WWW.PERCEPTRON.COM

JACK LOWRY, CHIEF FINANCIAL OFFICER  
JLOWRY@PERCEPTRON.COM

### INVESTOR RELATIONS

LAMBERT, EDWARDS & ASSOCIATES  
616-233-0500

JEFF TRYKA

JTRYKA@LAMBERT-EDWARDS.COM

KAREN KELLER

KKELLER@LAMBERT-EDWARDS.COM

## Competitive Advantages

### Commercial Products Business Unit:

- Low cost, high tech products
- First to market
- Very large market size



### Industrial Business Unit:

- Global reach and capability
- Established reputation as high quality, excellent service provider
- Broadest product offerings in our market segment
- Strong customer relationships

