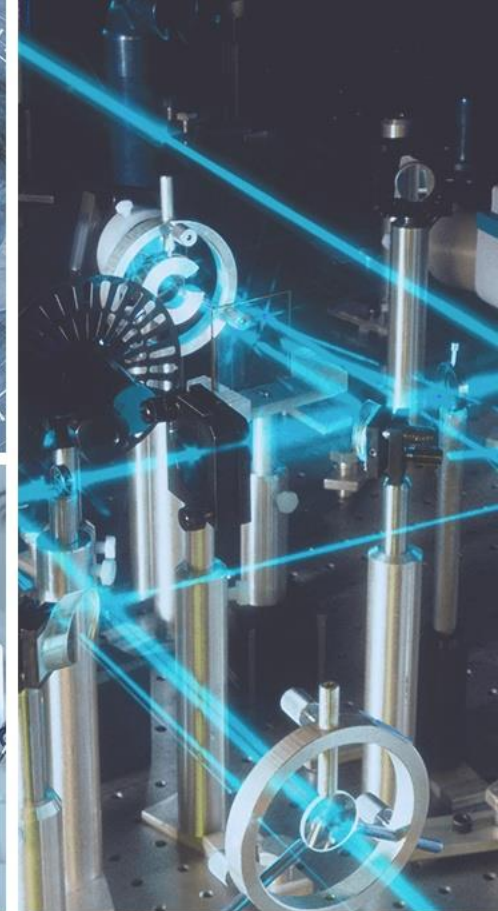
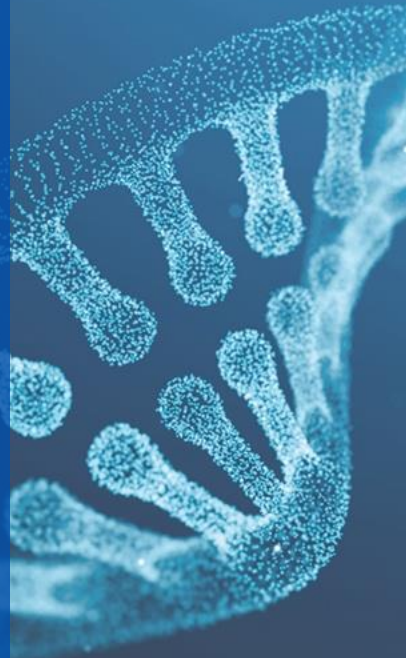




A Trusted Technology Partner
to Medical and Advanced
Technology Equipment
Manufacturers

June 2019

Nasdaq: NOVT



SAFE HARBOR STATEMENT

The statements in this presentation that relate to guidance, pro forma presentations, future plans, goals, business opportunities, and future events or performance are forward-looking statements that involve risks and uncertainties, including risks associated with business and economic conditions, failure to achieve expected benefits of acquisitions, failure to comply with the Food and Drug Administration regulations, customer and/or supplier contract cancellations, manufacturing risks, competitive factors, ability to successfully introduce new products, uncertainties pertaining to customer orders, demand for products and services, growth and development of markets for the Company's products and services, and other risks identified in our filings made with the Securities and Exchange Commission ("SEC"). Actual results, events and performance may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. The Company disclaims any obligation to update these forward-looking statements as a result of developments occurring after the date of this presentation. Readers are encouraged to refer to the risk disclosures included in the Company's Form 10-K for the year ended December 31, 2018 and subsequent quarterly filings with the SEC, as applicable. Please see "Safe Harbor and Forward-Looking Information" in the Company's most recent quarterly earnings release Form 8-K filing for more information.

In this presentation, we present the non-GAAP financial measures of Adjusted Revenue, Adjusted Diluted EPS, and Adjusted EBITDA. Please see "Use of Non-GAAP Financial Measures" in the accompanying appendix and our first quarter 2019 earnings press release for the reasons why we use these measures, a reconciliation of these measures to the most directly comparable GAAP measures, and other information relating to these measures.

The Company neither updates nor confirms any guidance regarding the future operating results of the Company which may have been given prior to this presentation.

COMPANY OVERVIEW

Leader in Mission Critical Technologies
to Medical & Advanced Industrial Markets



+\$645M

annual revenue
~50% each in medical &
advanced industrial end markets



+\$131M

adjusted EBITDA
+\$2.36 adjusted diluted EPS



+\$4.5B

addressable market
with 5%–7% CAGR

Novanta Operating Model

DIFFERENTIATED OEM BUSINESS MODEL



FOCUS ON CASH RETURNS



HIGH PERFORMANCE GROWTH CULTURE



Highly engineered “sticky” solutions based on proprietary technology

Imbedded in ~10 year customer platforms

Diversified across +40 end-market applications

Novanta Growth System: operational excellence

Disciplined capital allocation based on ROIC

Strategic and disciplined M&A

Novanta Growth System: innovation & commercial excellence

Owner mindset through autonomous business units

Collaborative and performance based culture

Value Creation Approach

Multiple growth and value drivers

FOCUS ON HIGH GROWTH MARKETS

Niche leadership in secular growth markets
Balanced across multiple end markets

DRIVE CONSISTENT ORGANIC GROWTH

Product innovation
Global presence
Increasing content with OEMs



EXECUTE ON VALUE-CREATING M&A

Disciplined and cash returns-focused

OPERATE "THE NOVANTA WAY"

Novanta Growth System
Culture & people

Focus on High Growth Markets

INDUSTRY 4.0: FACTORY OF THE FUTURE

Key Secular Growth Drivers

Factory floor and warehouse automation
High precision production technologies
Quality control & characterization

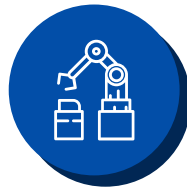
MEDICAL: VALUE BASED HEALTHCARE

Personalized medicine
Lower costs with better outcomes
Greater accuracy and higher throughput

Example End Markets



Metals Additive Manufacturing



Robotics & Automation



Metrology & Inspection



Minimally Invasive Surgery



Robotic Surgery



DNA Sequencing

HIGH GROWTH MARKETS + REGULATORY REQUIREMENTS + WORKFLOW EFFICIENCY

Drive Consistent Organic Growth

LEVERAGE GROWTH CAPABILITIES

Product Innovation



+400 engineers
~9% of revenue invested in R&D
+400 Patents

Global Presence



Application & engineering focused salesforce in key local markets
Opportunity for deepening presence outside the U.S.
Global manufacturing & global R&D footprint

Increasing Content with OEMs



Forward integration, from component to sub-system, in OEM platforms
Driving additional component / technology content from breadth of portfolio

Execute on Value-Creating M&A



Novanta Operating Groups and Businesses

Pro Forma for completed acquisitions



40%
PHOTONICS



40%
VISION



20%
**PRECISION
MOTION**



Galvanometer
Optical scanners
Scanhead solutions



Visible CW lasers
Laser beam
delivery sub-systems



Low-power CO2 lasers for
fine material processing

DETECTION & ANALYSIS



RFID, barcode scanning
and machine vision

MINIMALLY INVASIVE SURGERY



Insufflators, pumps
and disposables



Endoscopic visualization
Integrated OR solutions



Position detection
sensors
Integrated motion
solutions

How We Win in Attractive End Markets



ROBOTIC SURGERY

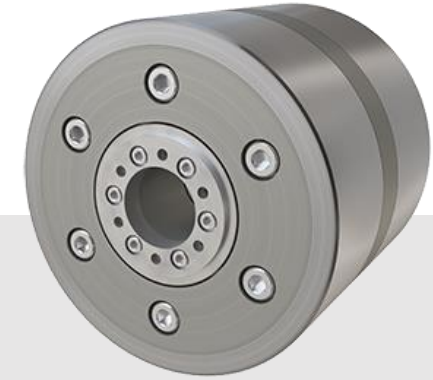
+\$1 Billion Systems Market

+10% growth market

Variety of surgical procedures performed by robots increasing

Motion control of robots is critical to patient outcomes

NOVANTA SOLUTION



High precision optical encoder technology, combined with specialized motors, results in robotic joint sub-systems, customized to the OEMs exact specifications



COMPONENTS

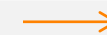


SUB-SYSTEMS



SOFTWARE & CONTROLS

INCREASE IN VALUE CHAIN



How We Win in Attractive End Markets



ENDOSCOPIC SURGERY

~\$30 Billion Systems Market

~6% growth market

MSD to HSD Patient procedural growth rates continue to drive secular demand for more sophisticated and integrated OR equipment

NOVANTA SOLUTION



Technology leader of endoscopic pumps and insufflators, and associated medical consumables

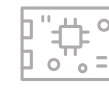
By providing expertise in specific components of the endoscopic tower, it allows our OEM partners to focus more on other key technologies needed for successful patient outcomes



COMPONENTS

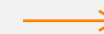


SUB-SYSTEMS



SOFTWARE & CONTROLS

INCREASE IN VALUE CHAIN

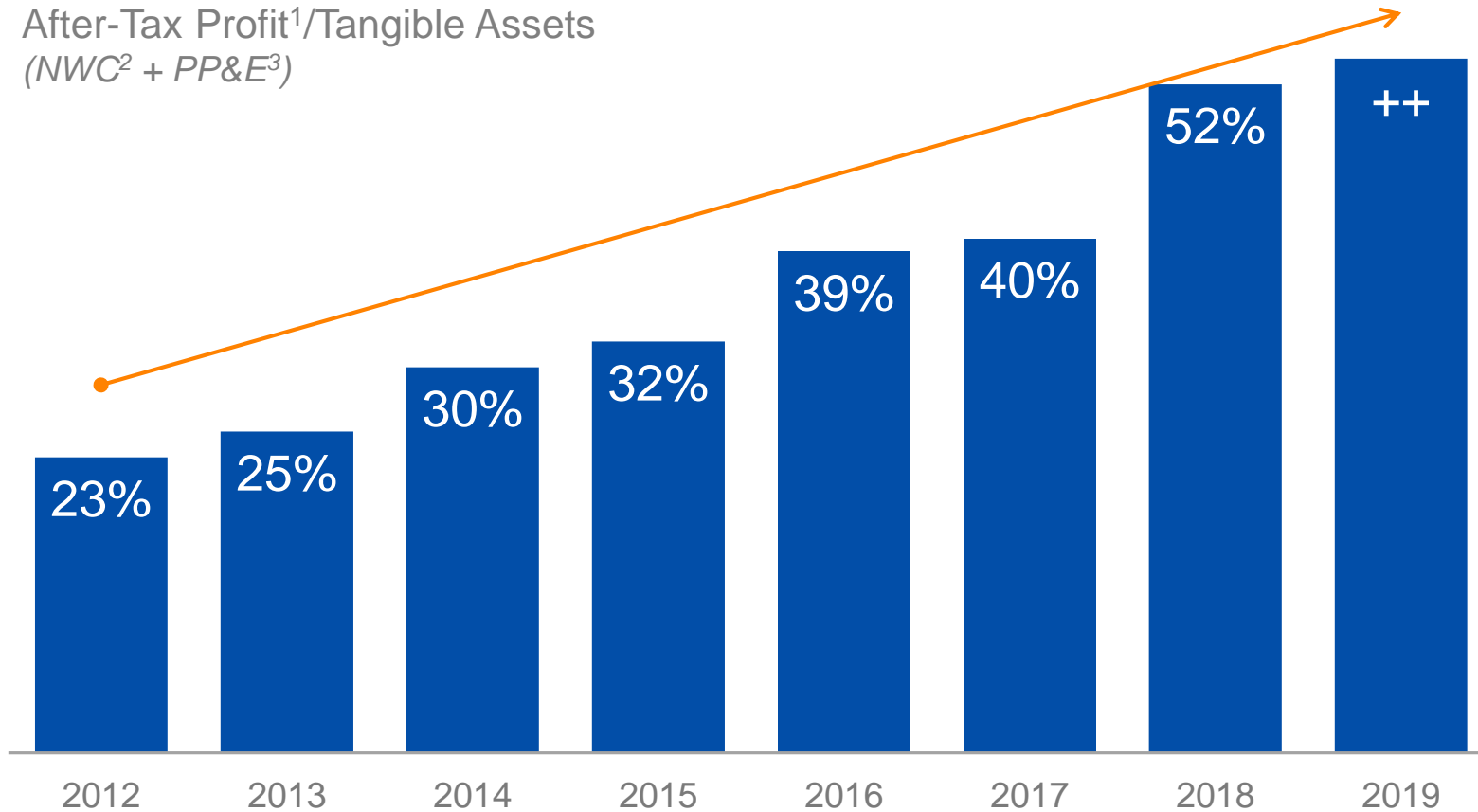


Drive Cash Flow Returns

Cash Return on Investment

After-Tax Profit¹/Tangible Assets

($NWC^2 + PP\&E^3$)



TARGETS

~4%

Net productivity
per year

15%

of sales
net working capital

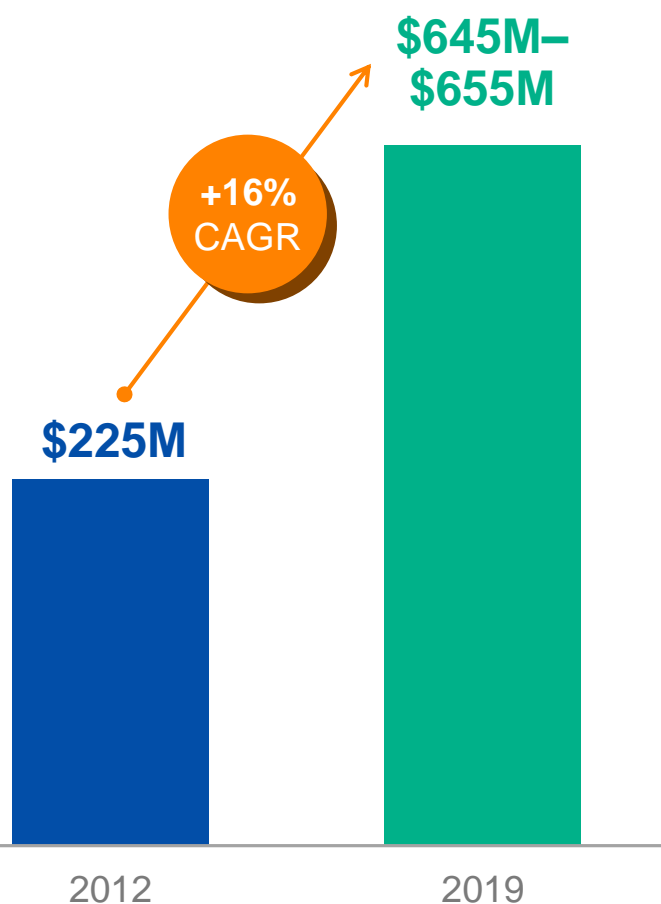
¹ After-Tax Profit is a non-GAAP measure, which excludes depreciation and amortization costs

² Defined as Inventory, Accounts Receivable and Accounts Payable

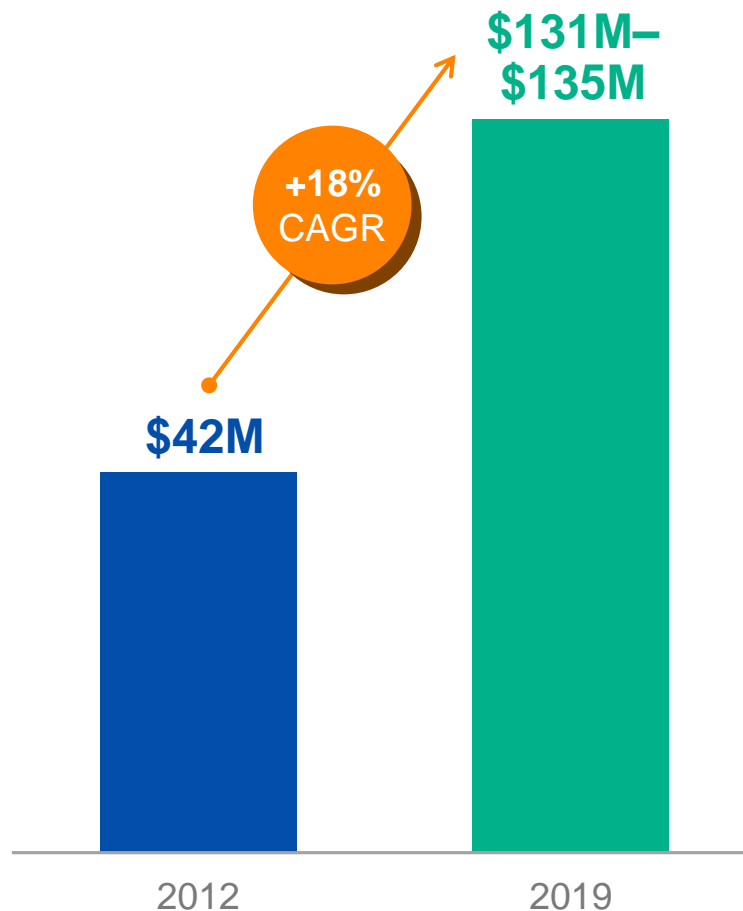
³ Property, plant and equipment, excluding capital leases

Deliver Consistent Financial Results

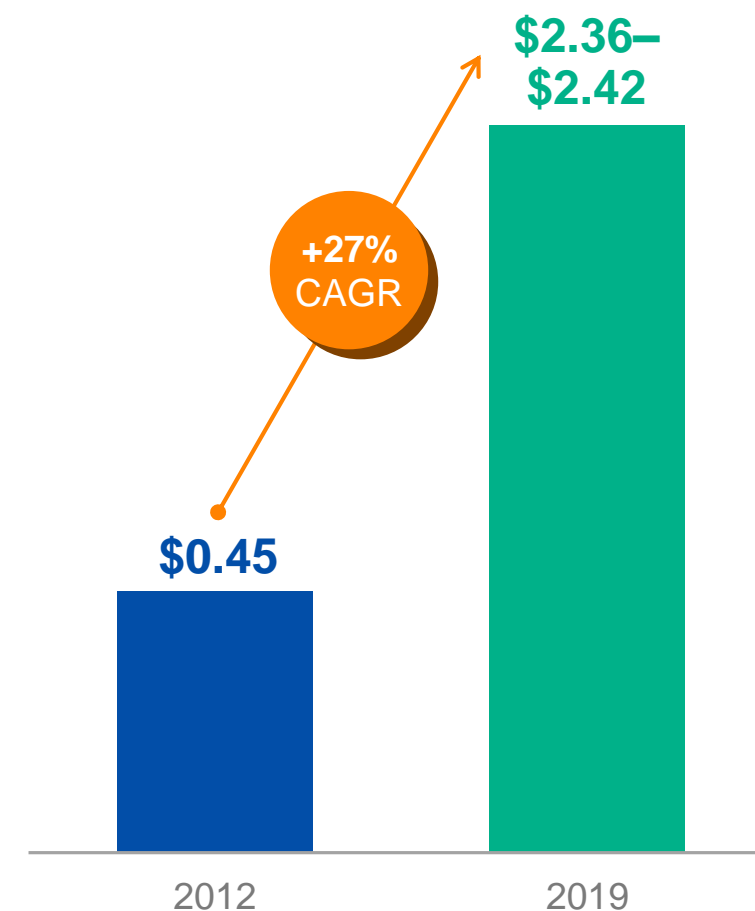
ADJUSTED REVENUE



ADJUSTED EBITDA



ADJUSTED DILUTED EPS



2020 Strategic Direction

*Leader in intelligent
mission critical and
enabling technologies*

1

BREAKTHROUGH SCALE

Double annual revenue to \$750M

2

GLOBAL MARKET LEADERSHIP

“Top 2” share position globally

3

SUPERIOR PROFITABILITY

Deliver +20% adjusted EBITDA, with diversified businesses

4

CONSISTENT GROWTH

5–7% organic growth and +50% of revenue in medical markets

5

REPUTATION FOR EXCELLENCE

Widely recognized as a world class operating company

ABOUT NOVANTA

Novanta is a leading global supplier of core technology solutions that give medical and advanced industrial original equipment manufacturers (“OEMs”) a competitive advantage. We combine deep proprietary technology expertise and competencies in photonics, vision, and precision motion with a proven ability to solve complex technical challenges. This enables Novanta to engineer core components and sub-systems that deliver extreme precision and performance, tailored to our customers' demanding applications. The driving force behind our growth is the team of innovative professionals who share a commitment to innovation and customer success. Novanta's common shares are quoted on Nasdaq under the ticker symbol “NOVT.”



APPENDIX

Nasdaq: NOVT

USE OF NON-GAAP

The non-GAAP financial measures used in this presentation are non-GAAP Adjusted Revenue, Adjusted EBITDA, and Adjusted Diluted EPS from continuing operations.

The Company believes that these non-GAAP financial measures provide useful and supplementary information to investors regarding the Company's operating performance. It is management's belief that these non-GAAP financial measures would be particularly useful to investors because of the significant changes that have occurred outside of the Company's day-to-day business in accordance with the execution of the Company's strategy. This strategy includes streamlining the Company's existing operations through site and functional consolidations, strategic divestitures and product line closures, expanding the Company's business through significant internal investments, and broadening the Company's product and service offerings through acquisition of innovative and complementary technologies and solutions. The financial impact of certain elements of these activities, particularly acquisitions, divestitures, and site and functional restructurings, is often large relative to the Company's overall financial performance, which can adversely affect the comparability of its operating results and investors' ability to analyze the business from period to period.

Adjusted Revenue excludes the JK Lasers business to only show the results of ongoing operations of the Company as the JK Lasers business was sold in April 2015. We excluded JK Lasers sales from Adjusted Revenue because divestiture activities can vary between reporting periods and between us and our peers, which we believe make comparisons of long-term performance trends difficult for management and investors, and could result in overstating or understating to our investors the performance of our operations. Additionally, we include estimated revenue from contracts acquired with business acquisitions that will not be fully recognized due to business combination rules. Because GAAP accounting rules require the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities. These non-GAAP adjustments are intended to reflect the full amount of such revenue.

The Company defines Adjusted EBITDA as operating income (loss) from continuing operations before deducting depreciation, amortization, non-cash share-based compensation, restructuring, acquisition, divestiture and other costs, impairment of goodwill and intangible assets, acquisition fair value adjustments, CEO transition costs and inventory related charges associated with product line closures. The Company's Adjusted EBITDA is used by management to evaluate operating performance internally, communicate financial results to the Board of Directors, benchmark results against historical performance and the performance of peers, and evaluate investment opportunities including acquisitions and divestitures. In addition, Adjusted EBITDA is used to determine bonus payments for senior management and employees. Accordingly, the Company believes that this non-GAAP measure provides greater transparency and insight into management's method of analysis.

Adjusted Diluted EPS from Continuing Operations excludes amortization of acquired intangible assets and revenue fair value adjustments related to business acquisitions, restructuring, acquisition, divestiture, and other costs, inventory related charges associated with product line closures, CEO transition costs, the gain on sale of JK Lasers and the related unrealized foreign exchange loss on the U.S. dollar sales proceeds held by our U.K. subsidiary, impairment of goodwill and intangible assets, gain on acquisition of business, significant non-recurring income tax expenses (benefits) related to releases of valuation allowance, effects of changes in tax laws, income tax audit settlements, effects of acquisition related tax planning actions on our effective tax rate, and the income tax effect of non-GAAP adjustments. In addition, the Company excluded the adjustment of redeemable noncontrolling interest to estimated redemption value as: (1) the adjustment was unusual; (2) the amount was noncash; (3) the amount was excluded from the determination of net income attributable to Novanta Inc.; and (4) the Company that investors may benefit from an understanding of the Company's results without giving effect to this adjustment. The Company also uses Adjusted Diluted EPS as a performance measurement for performance shares issued to certain executives.

Non-GAAP financial measures should not be considered as substitutes for, or superior to, measures of financial performance prepared in accordance with GAAP. They are limited in value because they exclude charges that have a material effect on the Company's reported results and, therefore, should not be relied upon as the sole financial measures to evaluate the Company's financial results. The non-GAAP financial measures are meant to supplement, and to be viewed in conjunction with, GAAP financial measures. Investors are encouraged to review the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying this document.

Non-GAAP Reconciliation

	Twelve Months Ended							Three Months Ended
	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	March 29, 2019
ADJUSTED REVENUE	<i>(in thousands of dollars)</i>							
Revenue (GAAP)	\$243,796	\$316,910	\$364,706	\$373,598	\$384,758	\$521,290	\$614,337	\$157,186
JK Lasers divestiture	(19,200)	(19,051)	(22,425)	(5,731)	-	-	-	-
Acquisition fair value adjustments	-	275	220	143	32	-	-	-
Adjusted Revenue (Non-GAAP)	\$224,596	\$298,134	\$342,501	\$368,010	\$384,790	\$521,290	\$614,337	\$157,186
	Twelve Months Ended							Three Months Ended
	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	March 29, 2019
ADJUSTED EBITDA	<i>(in thousands of dollars)</i>							
Operating income (loss) from continuing operations (GAAP)	\$20,798	\$19,951	\$(16,729)	\$29,304	\$32,955	\$57,566	\$71,013	\$14,393
Depreciation and amortization	12,458	19,570	23,797	19,114	20,357	30,758	37,052	9,074
Share-based compensation	4,534	5,442	4,329	4,387	4,293	5,493	7,647	2,727
Impairment of goodwill and intangible assets	-	-	41,442	-	-	-	-	-
Restructuring, acquisition, divestiture and other costs	4,369	5,387	3,091	8,273	7,945	7,542	8,041	2,054
Inventory related charges for discontinuation of radiology products	-	-	-	-	1,370	-	-	-
Acquisition fair value adjustments	-	965	596	358	205	4,754	-	-
CEO transition costs	-	-	-	-	1,306	-	-	-
Adjusted EBITDA (Non-GAAP)	\$42,159	\$51,315	\$56,526	\$61,436	\$68,431	\$106,113	\$123,753	\$28,248

Non-GAAP Reconciliation

	Twelve Months Ended							Three Months Ended
	December 31, 2012*	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	March 29, 2019
ADJUSTED DILUTED EARNINGS PER SHARE								
<i>(in thousands of dollars or shares, except per share amounts)</i>								
Net income (loss) attributable to Novanta Inc. (GAAP)	\$22,474	\$9,977	\$(16,909)	\$35,628	\$22,003	\$60,051	\$49,109	\$12,253
Less: Adjustment of redeemable noncontrolling interest to estimated redemption value	-	-	-	-	-	(20,244)	1,781	-
Net income (loss) attributable to Novanta Inc. after adjustment of redeemable noncontrolling interest to estimated redemption value	\$22,474	\$9,977	\$(16,909)	\$35,628	\$22,003	\$39,807	\$50,890	\$12,253
Diluted EPS from Continuing Operations (GAAP)	\$0.66	\$0.29	\$(0.49)	\$1.02	\$0.63	\$1.13	\$1.43	\$0.35
Adjustment of redeemable noncontrolling interest to estimated redemption value	-	-	-	-	-	20,244	(1,781)	-
Net income (loss) attributable to Novanta Inc.	\$22,474	\$9,977	\$(16,909)	\$35,628	\$22,003	\$60,051	\$49,109	\$12,253
Non-GAAP adjustments:								
Amortization of intangible assets	5,815	12,550	16,405	12,323	12,415	20,920	25,610	6,309
Restructuring, divestiture and other costs	8,051	3,757	1,570	6,970	2,970	346	2,025	1,236
Acquisition related costs	791	1,630	1,522	1,303	4,975	7,196	6,016	818
Acquisition fair value adjustments	-	965	596	358	205	4,754	-	-
Inventory related charges for discontinuation of radiology products	-	-	-	-	1,370	-	-	-
CEO transition costs	-	-	-	-	1,306	-	-	-
Impairment of goodwill and intangible assets	-	-	41,442	-	-	-	-	-
Gain on JK Lasers sale	-	-	-	(19,629)	-	-	-	-
Unrealized foreign currency loss on JK Lasers sales process	-	-	-	1,350	-	-	-	-
Gain on acquisition of business	-	-	-	-	-	(26,409)	-	-
Total Non-GAAP adjustments before income taxes	14,657	18,902	61,535	2,675	23,241	6,807	33,651	8,363
Tax effect of Non-GAAP adjustments	(5,654)	(6,665)	(15,717)	(4,636)	(5,668)	(9,641)	(5,920)	(1,647)
Non-GAAP tax adjustments	(16,004)	(858)	(871)	(1,171)	(1,465)	(759)	(377)	(80)
Adjusted Income from Continuing Operations (Non-GAAP)	\$15,473	\$21,356	\$28,038	\$32,496	\$38,111	\$56,458	\$76,463	\$18,889
Adjusted Diluted EPS from Continuing Operations (Non-GAAP)	\$0.45	\$0.62	\$0.81	\$0.93	\$1.09	\$1.60	\$2.16	\$0.53
Weighted-average shares outstanding, Diluted	33,936	34,396	34,769	34,827	34,914	35,280	35,473	35,474