



Conference Call Brooks Automation Fourth Quarter FY17 Financial Results

November 9, 2017

Safe Harbor Statement



“Safe Harbor” Statement under the U.S. Private Securities Litigation Reform Act of 1995; certain matters in this presentation, including forecasts of future demand and future Company performance, are forward-looking statements that are subject to risks and uncertainties that could cause actual results to materially differ, either better or worse, from those projected. Further discussions of risk factors are available in the Company’s most recent SEC filings including form 10-K for the fiscal year ended September 30, 2016. The Company assumes no obligation to update the information in this presentation.

Regulation G

This presentation contains certain non-GAAP measures which are provided to assist in an understanding of the Brooks business and its operational performance. These measures should always be considered in conjunction with the appropriate GAAP measure. Reconciliations of all non-GAAP amounts to the relevant GAAP amount are provided in either an attachment to our fourth quarter financial results press release issued on November 9, 2017 or as an attachment to call slides used to accompany prepared comments made during our financial results conference call of the same date. Both documents are available on our website at www.brooks.com.

Quarterly Operating Performance

Fourth Quarter Ending September 30, 2017



\$ millions, except EPS	GAAP		non - GAAP	
	Q4'17	QtQ	Q4'17	QtQ
Revenue	182	0.2	182	0.2
Gross profit	74	2.8	75	2.5
<i>Gross profit margin</i>	<i>40.9%</i>	<i>1.3 pts</i>	<i>41.3%</i>	<i>1.3 pts</i>
R&D expenses	13	0.9	13	0.9
SG&A expenses	44	3.5	37	3.4
Restructuring	1	(0.3)	-	-
Operating income	17	(1.4)	26	(1.8)
<i>Operating margin</i>	<i>9.6%</i>	<i>(0.8) pts</i>	<i>14.2%</i>	<i>(1.0) pts</i>
Other income	0.1	0.4	0.1	0.4
Tax provision	(2.2)	(1.4)	(3.5)	(1.0)
JV earnings	2.1	(0.4)	2.1	(0.4)
Net income	17.4	0.0	24.5	(0.8)
<i>Net income margin</i>	<i>9.6%</i>	<i>0.0 pts</i>	<i>13.5%</i>	<i>(0.5) pts</i>
Diluted EPS	0.25	(0.00)	0.35	(0.01)
<i>Adjusted EBITDA</i>			<i>37</i>	<i>0.8</i>

- Revenue, steady compared to Q3, is 15% higher than one year earlier
- Gross margins at 41%, a new high point for more than a decade
- Adjusted EBITDA grew 2% sequentially and is 51% higher than one year earlier

See Appendix to this presentation for a reconciliation of GAAP to non-GAAP.

Full-Year Operating Performance

Fiscal Year 2017



\$ millions, except EPS	GAAP		non - GAAP	
	FY17	YtY	FY17	YtY
Revenue	693	132.6	693	132.6
Gross profit	267	69.3	272	69.0
<i>Gross profit margin</i>	<i>38.6%</i>	<i>3.2 pts</i>	<i>39.2%</i>	<i>3.0 pts</i>
R&D expenses	47	(4.5)	47	(4.5)
SG&A expenses	153	22.8	132	16.2
Restructuring	3	(8.8)	-	-
Operating income	64	59.9	93	57.3
<i>Operating margin</i>	<i>9.3%</i>	<i>8.5 pts</i>	<i>13.5%</i>	<i>7.0 pts</i>
Other income (expense)	1.3	1.5	(0.6)	(0.2)
Tax benefit (provision)	(12.1)	(63.7)	(15.3)	9.8
JV earnings	9.4	7.0	9.6	7.2
Net income	62.6	132.1	87.0	54.4
<i>Net income margin</i>	<i>9.0%</i>	<i>21.4 pts</i>	<i>12.6%</i>	<i>6.7 pts</i>
Diluted EPS	0.89	1.90	1.23	0.76
<i>Adjusted EBITDA</i>			<i>131</i>	<i>67.9</i>

- Revenue growth of 24%, driven by organic growth of 22%
- Gross margin expansion of 3 percentage points
- Adjusted EBITDA doubled to \$131 million, 19% of revenue

See Appendix to this presentation for a reconciliation of GAAP to non-GAAP.

Brooks Life Science Systems Performance



\$ millions	<u>Q4'17</u>	<u>QtQ</u>	<u>FY17</u>	<u>YtY</u>
Revenue	44	7.2	149	40.6
Gross profit *	17	2.8	57	16.0
<i>Gross profit margin *</i>	<i>38.2%</i>	<i>0.1 pts</i>	<i>38.0%</i>	<i>0.5 pts</i>
Operating expenses	14	2.1	50	4.5
Operating income *	2.3	0.7	6.5	11.5
<i>Operating margin *</i>	<i>5.3%</i>	<i>0.9 pts</i>	<i>4.4%</i>	<i>9.0 pts</i>

- Q4 – Revenue growth of 20% sequentially, 39% YtY with 25% organic growth
 - Bookings were \$35 million in the quarter
 - Operating margins expanded to 5.3%
- Full Year '17 – Annual revenue growth of 38% with 27% organic growth
 - Profit in every quarter, and \$11.5 million of improved profits year over year
 - Total bookings of \$189 million through the year
- Acquisitions during the quarter contributed \$3.5 million of revenue in Q4;
- 4titude acquisition completed on October 5

* Non-GAAP measure. See Appendix to this presentation for a reconciliation to the appropriate GAAP measure.

Brooks Semiconductor Solutions Performance



\$ millions	<u>Q4'17</u>	<u>QtQ</u>	<u>FY17</u>	<u>YtY</u>
Revenue	138	(7.0)	544	92.0
Gross profit *	58	(0.3)	215	52.9
<i>Gross profit margin *</i>	<i>42.3%</i>	<i>1.8 pts</i>	<i>39.6%</i>	<i>3.7 pts</i>
Operating expenses	35	2.7	126	4.8
Operating income *	24	(3.0)	89	48.1
<i>Operating margin *</i>	<i>17.2%</i>	<i>(1.3) pts</i>	<i>16.4%</i>	<i>7.3 pts</i>

- Q4 – Revenue decline of 5% sequentially
 - Gross margin of 42.3% from strong portfolio mix and cost improvement
 - Operating expense increase driven by higher comp
- Full Year '17 – Annual revenue growth of 20%
 - Growth across all major products, driven by high value offerings
 - Operating margins expand 7.3 pts on cost reductions and volume leverage

* Non-GAAP measure. See Appendix to this presentation for a reconciliation to the appropriate GAAP measure.

Summary Balance Sheet



\$ millions	As of Sept 30, 2017	QtQ	YtY
Cash and marketable securities	104	(15.4)	13.1
Accounts receivable, net	121	0.1	14.5
Inventories	106	1.1	13.8
Other current assets	23	0.7	7.6
Accounts payable	(49)	0.9	(8.0)
Deferred revenue	(24)	8.8	(9.3)
Other current liabilities	(73)	(11.2)	(9.7)
Net working capital	103	0.3	8.9
Property, plant and equipment	58	5.5	3.6
Goodwill and intangible assets	317	31.1	33.2
Net long-term deferred tax assets (liabilities)	(2)	(0.6)	(1.1)
Other net long-term assets (liabilities)	26	(3.1)	(3.7)
Net assets	608	17.9	54.0

- \$104 million of cash at year end, up \$13 million from prior year
- Improved efficiency in working capital in 2017
- ROIC of 12.9%

Fiscal 2017 Cash Flow



\$ millions	<u>Q4'17</u>	<u>FY17</u>	<u>YtY</u>
Net income	17.4	62.6	132.1
Depreciation & Amortization	7.5	28.1	0.1
Stock compensation	6.2	17.3	5.5
Change in working capital	1.0	(5.9)	(4.7)
Dividends from joint ventures	5.2	5.2	3.8
Deferred income tax benefit	0.0	0.5	(69.8)
Other operating items	(2.5)	(11.6)	(10.4)
Cash flow from operations	<u>34.8</u>	<u>96.2</u>	<u>56.7</u>
Capital expenditures	(5.9)	(12.7)	0.2
Acquisitions	(39.4)	(44.8)	80.5
Dividends	(7.0)	(27.9)	(0.4)
Other	2.0	2.2	(1.0)
Net change in cash and marketable sec.	<u>(15.4)</u>	<u>13.1</u>	<u>135.9</u>
Cash and marketable securities	104.3	104.3	13.1

- Fiscal year operating cash flow of \$96 million includes a strong Q4 finish
- \$13 million of cash expansion in the year after paying \$27 million in dividends and \$45 million for acquisitions

Summary and Guidance



\$ millions, except EPS	Q4'17	Guidance Q1'18
Revenue	182	182 - 188
Adjusted EBITDA*	37	34 - 38
Non-GAAP diluted EPS*	0.35	0.27 - 0.32
GAAP diluted EPS	0.25	0.19 - 0.24

- Interest expense on newly established debt is estimated to be \$2.2 million in the Q1 '18 guidance, driving approximately \$0.03 lower EPS in both GAAP and Non-GAAP diluted EPS.

* Non-GAAP measure. See Appendix to this presentation for a reconciliation to the appropriate GAAP measure.

2019 Total Target Model Updated



Updated**

\$M	FY 2013	FY 2015	FY 2017	FY 2019
Total Revenue	\$422M	\$553M	\$693M	\$800-\$870M
<i>Semi</i>	<i>\$379M</i>	<i>\$485M</i>	<i>\$544M</i>	<i>\$560-\$630M</i>
<i>Life Sciences</i>	<i>\$43M</i>	<i>\$68M</i>	<i>\$149M</i>	<i>\$240M</i>
<i>% of total</i>	<i>10%</i>	<i>12%</i>	<i>21%</i>	<i>~30%</i>
Gross Margin*	33.5%	35.4%	39.2%	~41%
Operating Expenses*	\$136M	\$159M	\$179M	\$190-\$200M
% of Revenue	32.2%	28.8%	25.8%	~24%
Operating Income*	\$5M	\$37M	\$93M	\$135-165M
% of Revenue	1.2%	6.7%	13.5%	~18%
EBITDA*	\$29M	\$64M	\$131M	\$170-\$200M
EPS*	\$0.12	\$0.45	\$1.23	\$1.50-\$1.80

**** Excludes the impact of future acquisitions.**

* Non-GAAP financial measures. Projections exclude intangibles amortization, restructuring expense, and other special charges.



GAAP to Non-GAAP Reconciliations

GAAP to Non-GAAP Reconciliation Quarterly Operating Performance



\$ millions, except EPS

	Q3'17					Q4'17				
	GAAP Results Q3 FY17	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Non-GAAP Results Q3 FY17	GAAP Results Q4 FY17	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Non-GAAP Results Q4 FY17
Revenue	181.7	-	-	-	181.7	181.9	-	-	-	181.9
Gross profit	71.6	0.1	1.1	-	72.7	74.4	-	0.8	-	75.2
<i>Gross profit margin</i>	<i>39.4%</i>				<i>40.0%</i>	<i>40.9%</i>				<i>41.3%</i>
Operating Expenses	(52.0)	3.7	3.3	-	(45.0)	(56.4)	3.5	3.6	-	(49.4)
Restructuring charges	(0.8)	-	-	0.8	-	(0.6)	-	-	0.6	-
Operating profit	18.8	3.7	4.3	0.8	27.7	17.4	3.5	4.4	0.6	25.8
<i>Operating profit margin</i>	<i>10.3%</i>				<i>15.2%</i>	<i>9.6%</i>				<i>14.2%</i>
Interest income, net	0.0	-	-	-	0.0	0.1	-	-	-	0.1
Other income (expense), net	(0.3)	-	-	-	(0.3)	0.0	-	-	-	0.0
Income tax provision	(3.7)	(0.4)	(0.4)	(0.1)	(4.6)	(2.2)	(0.5)	(0.7)	(0.1)	(3.5)
JV and noncontrolling interests	2.5	-	-	-	2.5	2.1	-	-	-	2.1
Net Income	17.4	3.4	3.9	0.7	25.4	17.4	3.4	3.9	0.7	24.5
Diluted earnings per share	0.25	0.05	0.06	0.01	0.36	0.25	0.04	0.05	0.01	0.35

GAAP to Non-GAAP Reconciliation

Quarterly Segment Gross Profit and Operating Profit



	Q3'17					Q4'17				
	GAAP Results Q3 FY17	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Non-GAAP Results Q3 FY17	GAAP Results Q4 FY17	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Non-GAAP Results Q4 FY17
BSSG										
Revenue	145.0	-	-	-	145.0	137.9	-	-	-	137.9
Gross profit	58.1	-	0.6	-	58.7	57.8	-	0.6	-	58.4
<i>Gross profit margin</i>	40.1%				40.5%	41.9%				42.3%
Operating Expenses	(31.9)				(31.9)	(34.6)				(34.6)
Operating profit	26.2	-	0.6	-	26.8	23.2	-	0.6	-	23.8
<i>Operating profit margin</i>	18.1%				18.5%	16.8%				17.2%
BLSS										
Revenue	36.8	-	-	-	36.8	43.9	-	-	-	43.9
Gross profit	13.5	0.1	0.4	-	14.0	16.6	-	0.2	-	16.8
<i>Gross profit margin</i>	36.7%				38.0%	37.7%				38.2%
Operating Expenses	(12.4)				(12.4)	(14.4)				(14.4)
Operating profit	1.1	0.1	0.4	-	1.6	2.2	-	0.2	-	2.3
<i>Operating profit margin</i>	3.1%				4.4%	4.9%				5.3%
Unallocated Corporate										
Revenue	-	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-	-
<i>Gross profit margin</i>	-	-	-	-	-	-	-	-	-	-
Operating Expenses	(8.6)	3.7	3.3	0.8	(0.8)	(7.9)	3.5	3.6	0.6	(0.3)
Operating (loss) profit	(8.6)	3.7	3.3	0.8	(0.8)	(7.9)	3.5	3.6	0.6	(0.3)
Brooks Consolidated										
Revenue	181.7	-	-	-	181.7	181.9	-	-	-	181.9
Gross profit	71.6	0.1	1.1	-	72.7	74.4	-	0.8	-	75.2
<i>Gross profit margin</i>	39.4%				40.0%	40.9%				41.3%
Operating Expenses	(52.8)	3.7	3.3	0.8	(45.0)	(57.0)	3.5	3.6	0.6	(49.4)
Operating profit	18.8	3.7	4.3	0.8	27.7	17.4	3.5	4.4	0.6	25.8
<i>Operating profit margin</i>	10.3%				15.2%	9.6%				14.2%

GAAP to Non-GAAP Reconciliation – FY'17

Operating Performance



\$ millions, except EPS	<u>GAAP Results</u>	<u>Merger and Acquisition Costs</u>	<u>Amortization Expense</u>	<u>Restructuring Charges</u>	<u>Other Special Charges</u>	<u>Non-GAAP Results</u>
Revenue	692.9	-	-	-	-	692.9
Gross profit	267.4	0.5	3.9	-	-	271.8
<i>Gross profit margin</i>	<i>38.6%</i>					<i>39.2%</i>
Operating Expenses	(200.1)	8.3	13.2	-	-	(178.5)
Restructuring charges	(3.2)	-	-	3.2	-	0.0
Operating profit	64.1	8.8	17.1	3.2	-	93.3
<i>Operating profit margin</i>	<i>9.3%</i>					<i>13.5%</i>
Interest income, net	0.1	-	-	-	-	0.1
Other income (expense), net	1.2	-	-	-	(1.8)	(0.6)
Income tax provision	(12.1)	(1.0)	(1.9)	(0.3)	0.1	(15.3)
JV and noncontrolling interests	9.4	-	-	-	0.2	9.6
Net Income	62.6	7.8	15.2	2.9	(1.5)	87.0
Diluted earnings per share	0.89	0.11	0.22	0.04	(0.02)	1.23

GAAP to Non-GAAP Reconciliation – FY'16

Operating Performance



\$ millions, except EPS	GAAP Results	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Tax Valuation Reversal	Other Special Charges	Non-GAAP Results
Revenue	560.3	-	-	-	-	-	560.3
Gross profit	198.1	0.6	4.2	-	-	-	202.9
<i>Gross profit margin</i>	<i>35.4%</i>						<i>36.2%</i>
Operating Expenses	(181.8)	3.4	10.8	-	-	0.8	(166.8)
Restructuring charges	(12.0)	-	-	12.0	-	-	-
Operating profit	4.2	4.0	15.0	12.0	-	0.8	36.1
<i>Operating profit margin</i>	<i>0.8%</i>						<i>6.4%</i>
Interest income, net	0.3	-	-	-	-	-	0.3
Other expense	(0.6)	-	-	-	-	-	(0.6)
Income tax benefit (provision)	(75.8)	(0.8)	(4.9)	(3.0)	79.3	(0.3)	(5.5)
JV and noncontrolling interests	2.4	-	-	-	-	-	2.4
Net (Loss) Income	(69.5)	3.2	10.1	9.0	79.3	0.5	32.6
Diluted (loss) earnings per share	(1.01)	0.05	0.14	0.13	1.15	0.01	0.47

GAAP to Non-GAAP Reconciliation – FY'16 & FY'17

Segment Gross Profit and Operating Profit



	\$ millions, except EPS							
	FY'16				FY'17			
	GAAP Results FY16	Merger and Aquisition Costs	Amortization Expense	Non-GAAP Results FY16	GAAP Results FY17	Merger and Aquisition Costs	Amortization Expense	Non-GAAP Results FY17
BSSG								
Revenue	452.2	-	-	452.2	544.2	-	-	544.2
Gross profit	159.0	0.6	2.7	162.4	212.7	0.1	2.5	215.3
<i>Gross profit margin</i>	35.2%			35.9%	39.1%			39.6%
Operating Expenses	(121.1)			(121.1)	(125.9)			(125.9)
Operating profit	37.9	0.6	2.7	41.3	86.7	0.1	2.5	89.3
<i>Operating profit margin</i>	8.4%			9.1%	15.9%			16.4%
BLSS								
Revenue	108.1	-	-	108.1	148.7	-	-	148.7
Gross profit	39.1	-	1.5	40.5	54.8	0.4	1.4	56.6
<i>Gross profit margin</i>	36.1%			37.5%	36.8%			38.0%
Operating Expenses	(45.5)			(45.5)	(50.1)			(50.1)
Operating profit (loss)	(6.5)	-	1.5	(5.0)	4.7	0.4	1.4	6.5
<i>Operating profit margin</i>	(6.0%)			(4.6%)	3.2%			4.4%

GAAP to Non-GAAP Reconciliation – FY'15

Operating Performance



\$ millions, except EPS	GAAP Results	Acquisition- Related Costs	Amortization Expense	Restructuring Charges	JV Liquidation	Asset Held for Sale	Non-GAAP Results
Revenue	552.7	-	-	-	-	-	552.7
Gross profit	189.1	1.5	5.2	-	-	-	195.8
<i>Gross profit margin</i>	<i>34.2%</i>						<i>35.4%</i>
Research and development	(52.2)	-	-	-	-	-	(52.2)
Selling, general and administrative	(115.3)	0.7	7.7	-	-	-	(106.9)
Restructuring charges	(4.7)	-	-	4.7	-	-	-
Operating profit	16.9	2.2	12.9	4.7	-	-	36.7
<i>Operating profit margin</i>	<i>3.1%</i>						<i>6.6%</i>
Interest income, net	0.5	-	-	-	-	-	0.5
Other income, net	0.4	-	-	-	-	1.9	2.4
Income tax benefit (provision)	(3.4)	(0.4)	(4.0)	(1.5)	-	(0.5)	(9.7)
JV and noncontrolling interests	(0.2)	-	-	-	0.9	-	0.7
Net Income	14.2	1.9	8.9	3.2	0.9	1.5	30.5
Diluted earnings per share	0.21	0.03	0.13	0.05	0.01	0.02	0.45

GAAP to Non-GAAP Reconciliation – FY'13

Operating Performance



\$ millions, except EPS	GAAP Results	Acquisition- Related Costs	Amortization Expense	Restructuring Charges	Impairment Charges	Gain from Asset Disposal	Non-GAAP Results
Revenue	422.4	-	-	-	-	-	422.4
Gross profit	132.3	3.0	4.1	-	1.9	-	141.3
<i>Gross profit margin</i>	<i>31.3%</i>						<i>33.5%</i>
Research and development	(46.2)	-	-	-	-	-	(46.2)
Selling, general and administrative	(96.5)	0.9	5.7	-	0.1	-	(89.8)
Restructuring charges	(6.4)	-	-	6.4	-	-	0.0
Operating profit	(16.8)	4.0	9.8	6.4	2.0	-	5.3
<i>Operating profit margin</i>	<i>(4.0%)</i>						<i>1.3%</i>
Interest income, net	1.0	-	-	-	-	-	1.0
Other income, net	1.2	-	-	-	-	(1.0)	0.2
Income tax benefit (provision)	5.0	(1.1)	(3.0)	(1.8)	(0.7)	0.4	(1.2)
JV and noncontrolling interests	2.4	-	-	-	-	-	2.4
Net (Loss) Income	(7.2)	2.8	6.8	4.6	1.3	(0.7)	7.7
Diluted (loss) earnings per share	(0.11)	0.04	0.10	0.07	0.02	(0.01)	0.12

GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA



\$ millions	<u>Q3'17</u>	<u>Q4'17</u>	<u>FY'16</u>	<u>FY'17</u>
Net income (loss) attributable to Brooks	17.4	17.4	(69.5)	62.6
<u>Non-GAAP adjustments:</u>				
Interest income	(0.1)	(0.0)	(0.5)	(0.5)
Interest expense	0.1	0.1	0.2	0.4
Income tax provision	3.7	2.2	75.8	12.1
Depreciation	2.6	3.1	13.1	11.0
Amortization of intangible assets	4.3	4.4	15.0	17.1
EBITDA	27.9	27.2	34.1	102.8
Purchase accounting impact on inventory and contracts acquired	0.1	-	0.6	0.5
Stock-based compensation	4.2	6.2	11.7	17.3
Restructuring charges	0.8	0.6	12.0	3.2
Merger and acquisition costs	3.7	3.5	3.4	8.3
Adjusted EBITDA	36.7	37.4	62.6	130.5

GAAP to Non-GAAP Reconciliation

Cash Flow From Operations to Free Cash Flow



\$ millions	<u>FY'17</u>
Net income	62.6
Depreciation & Amortization	28.1
Stock compensation	17.3
Change in working capital	(5.9)
Dividends from joint venture	5.2
Deferred income tax (benefit)	0.5
Other items	(11.6)
Cash flow from operations	96.2
Capital expenditures	(12.7)
Free cash flow	83.5