



Conference Call Brooks Automation Third Quarter FY17 Financial Results

August 2, 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 third quarter financial results press release issued on August 2, 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

Third Quarter Ending June 30, 2017



\$ millions, except EPS	GAAP		non - GAAP	
	Q3'17	Vs Q2	Q3'17	Vs Q2
Revenue	182	12.4	182	12.4
Gross profit	72	7.0	73	6.7
<i>Gross profit margin</i>	<i>39.4%</i>	<i>1.3 pts</i>	<i>40.0%</i>	<i>1.0 pts</i>
R&D expenses	12	0.6	12	0.6
SG&A expenses	40	2.5	33	(0.2)
Restructuring	1	(0.0)	-	-
Operating income	19	4.0	28	6
<i>Operating margin</i>	<i>10.3%</i>	<i>1.6 pts</i>	<i>15.2%</i>	<i>2.6 pts</i>
Other income (expense)	(0.3)	(0.1)	(0.3)	(0.1)
Tax benefit (provision)	(3.7)	(0.3)	(4.6)	(0.4)
JV earnings	2.5	(0.2)	2.5	(0.2)
Net income	17.4	3.3	25.4	5.5
<i>Net income margin</i>	<i>9.5%</i>	<i>1.3 pts</i>	<i>14.0%</i>	<i>2.2 pts</i>
Diluted EPS	0.25	0.05	0.36	0.08
Adjusted EBITDA			37	5.8

- Revenue growth of 7% sequentially and 23% YtY
- Adjusted EBITDA improvement of \$6 million sequentially and \$18 million YtY

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

Brooks Life Science Systems – Sequential Performance



\$ millions	<u>Q2'17</u>	<u>Q3'17</u>	<u>Change</u>
Revenue	35	37	2.1
Gross profit *	14	14	0.1
<i>Gross profit margin *</i>	<i>40.1%</i>	<i>38.0%</i>	<i>(2.0) pts</i>
Operating expenses	12	12	0.4
Operating income *	2.0	1.6	(0.4)
<i>Operating margin *</i>	<i>5.7%</i>	<i>4.4%</i>	<i>(1.3) pts</i>

- 6% sequential revenue growth and \$42 million of new contracts signed
 - Gross margin softer due to infrastructure projects and a higher mix of genomic services
- 26% Year to Year growth in Q3
 - Organic growth also at 26% with \$1.1M from acquisitions, and -\$1.1M currency

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

Brooks Semiconductor Solutions – Sequential Performance



\$ millions	Q2'17	Q3'17	Change
Revenue	135	145	10.3
Gross profit *	52	59	6.6
<i>Gross profit margin *</i>	<i>38.7%</i>	<i>40.5%</i>	<i>1.8 pts</i>
Operating expenses	31	32	0.6
Operating income *	21	27	6.1
<i>Operating margin *</i>	<i>15.4%</i>	<i>18.5%</i>	<i>3.1 pts</i>

- 8% Sequential Revenue
 - Double digit growth across the core automation and cryo lines
 - Operating margins benefitting from 60% drop through profit
- 22% Year to Year growth in Q3

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

Summary Balance Sheet



\$ millions	Q2'17	Q3'17
Cash and marketable securities	110	120
Accounts receivable, net	115	121
Inventories	99	105
Other current assets	17	22
Accounts payable	(50)	(50)
Deferred revenue	(29)	(33)
Other current liabilities	(61)	(62)
Net working capital	92	103
Property, plant and equipment	53	53
Goodwill and intangible assets	290	286
Net long-term deferred tax assets (liabilities)	(1)	(1)
Other net long-term assets (liabilities)	27	30
Net assets	571	590

- \$120 million Cash, Equivalents, and Marketable Securities with no debt

Q3 2017 Cash Flow



\$ millions	<u>Q3 FY'17</u>
Net income	17.4
Depreciation & Amortization	6.9
Stock compensation	4.2
Change in working capital	(8.0)
Deferred income tax benefit	0.2
Other operating items	(2.5)
Cash flow from operations	<u>18.1</u>
Capital expenditures	(1.7)
Dividends	(7.0)
Other	<u>0.2</u>
Net change in cash and marketable sec.	9.6
Cash and marketable securities	<u>119.7</u>

- \$18 million Operating Cash driven by net income
- YTD Operating Cash flow of \$61 million and Free Cash Flow of \$55 million

Summary and Guidance



\$ millions, except EPS	Q3'17	Guidance Q4'17	Guidance FY'17
Revenue	182	172 - 178	683 - 689
Adjusted EBITDA*	37	30 - 33	123 - 126
Non-GAAP diluted EPS*	0.36	\$ 0.27 - \$ 0.31	\$ 1.16 - \$ 1.20
GAAP diluted EPS	0.25	\$ 0.17 - \$ 0.21	\$ 0.81 - \$ 0.85

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



GAAP to Non-GAAP Reconciliations

GAAP to Non-GAAP Reconciliation Quarterly Operating Performance



\$ millions, except EPS

	Q2'17					Non-GAAP Results Q2 FY17	Q3'17					Non-GAAP Results Q3 FY17
	GAAP Results Q2 FY17	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Other Special (Gains) Charges		GAAP Results Q3 FY17	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Other Special Charges	
Revenue	169.3	-	-	-	-	169.3	181.7	-	-	-	-	181.7
Gross profit	64.5	0.4	1.1	-	-	66.0	71.6	0.1	1.1	-	-	72.7
<i>Gross profit margin</i>	<i>38.1%</i>					<i>39.0%</i>	<i>39.4%</i>					<i>40.0%</i>
Operating Expenses	(48.9)	0.9	3.3	-	-	(44.6)	(52.0)	3.7	3.3	-	-	(45.0)
Restructuring charges	(0.9)	-	-	0.9	-	-	(0.8)	-	-	0.8	-	-
Operating profit	14.8	1.3	4.4	0.9	-	21.3	18.8	3.7	4.3	0.8	-	27.7
<i>Operating profit margin</i>	<i>8.7%</i>					<i>12.6%</i>	<i>10.3%</i>					<i>15.2%</i>
Interest income, net	0.1	-	-	-	-	0.1	0.0	-	-	-	-	0.0
Other income, net	(0.3)	-	-	-	-	(0.3)	(0.3)	-	-	-	-	(0.3)
Income tax benefit (provision)	(3.4)	(0.1)	(0.5)	(0.1)	-	(4.1)	(3.7)	(0.4)	(0.4)	(0.1)	-	(4.6)
JV and noncontrolling interests	2.8	-	-	-	-	2.8	2.5	-	-	-	-	2.5
Net Income	14.0	1.2	3.9	0.8	-	19.8	17.4	3.4	3.9	0.7	-	25.4
Diluted earnings per share	0.20	0.02	0.06	0.01	-	0.28	0.25	0.05	0.06	0.01	-	0.36

Quarterly GAAP to Non-GAAP Reconciliation Segment Gross Profit and Operating Profit



	Q2'17					Q3'17				
	GAAP Results Q2 FY17	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Non-GAAP Results Q2 FY17	GAAP Results Q3 FY17	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Non-GAAP Results Q3 FY17
BSSG										
Revenue	134.7	-	-	-	134.7	145.0	-	-	-	145.0
Gross profit	51.3	0.1	0.6	-	52.1	58.1	-	0.6	-	58.7
<i>Gross profit margin</i>	<i>38.1%</i>				<i>38.7%</i>	<i>40.1%</i>				<i>40.5%</i>
Operating Expenses	(31.3)				(31.3)	(31.9)				(31.9)
Operating profit	20.0	0.1	0.6	-	20.8	26.2	-	0.6	-	26.8
<i>Operating profit margin</i>	<i>14.9%</i>				<i>15.4%</i>	<i>18.1%</i>				<i>18.5%</i>
BLSS										
Revenue	34.7	-	-	-	34.7	36.8	-	-	-	36.8
Gross profit	13.2	0.3	0.4	-	13.9	13.5	0.1	0.4	-	14.0
<i>Gross profit margin</i>	<i>38.1%</i>				<i>40.1%</i>	<i>36.7%</i>				<i>38.0%</i>
Operating Expenses	(11.9)				(11.9)	(12.4)				(12.4)
Operating profit	1.3	0.3	0.4	-	2.0	1.1	0.1	0.4	-	1.6
<i>Operating profit margin</i>	<i>3.7%</i>				<i>5.7%</i>	<i>3.1%</i>				<i>4.4%</i>
Unallocated Corporate										
Revenue	-	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-	-
<i>Gross profit margin</i>										
Operating Expenses	(6.5)	0.9	3.3	0.9	(1.4)	(8.6)	3.7	3.3	0.8	(0.8)
Operating profit	(6.5)	0.9	3.3	0.9	(1.4)	(8.6)	3.7	3.3	0.8	(0.8)
Brooks Consolidated										
Revenue	169.3	-	-	-	169.3	181.7	-	-	-	181.7
Gross profit	64.5	0.4	1.1	-	66.0	71.6	0.1	1.1	-	72.7
<i>Gross profit margin</i>	<i>38.1%</i>				<i>39.0%</i>	<i>39.4%</i>				<i>40.0%</i>
Operating Expenses	(49.7)	0.9	3.3	0.9	(44.6)	(52.8)	3.7	3.3	0.8	(45.0)
Operating profit	14.8	1.3	4.4	0.9	21.3	18.8	3.7	4.3	0.8	27.7
<i>Operating profit margin</i>	<i>8.7%</i>				<i>12.6%</i>	<i>10.3%</i>				<i>15.2%</i>

GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA



\$ millions	Q2'17	Q3'17
Net income attributable to Brooks	14.0	17.4
<u>Non-GAAP adjustments:</u>		
Interest income	(0.2)	(0.1)
Interest expense	0.1	0.1
Income tax provision	3.4	3.7
Depreciation	2.6	2.6
Amortization of intangible assets	4.4	4.3
EBITDA	24.3	27.9
Purchase accounting impact on inventory and contracts acquired	0.4	0.1
Stock-based compensation	4.4	4.2
Restructuring charges	0.9	0.8
Merger and acquisition costs	0.9	3.7
Adjusted EBITDA	30.8	36.7

GAAP to Non-GAAP Reconciliation

Cash Flow From Operations to Free Cash Flow



\$ millions	<u>Q3'17 YTD</u>
Net income	45.2
Depreciation & Amortization	20.6
Stock compensation	11.1
Change in working capital	(6.9)
Deferred income tax (benefit)	0.5
Other items	(9.2)
Cash flow from operations	61.4
Capital expenditures	(6.8)
Free cash flow	54.6