



Conference Call Brooks Automation Fourth Quarter FY15 Financial Results

November 5, 2015

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, 2015. 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 November 5, 2015 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



\$ millions, except EPS	Q3'15	Q4'15	Change
Revenue	145	146	0.9
Gross profit*	52	54	1.6
<i>Gross profit margin*</i>	<i>36.2%</i>	<i>37.1%</i>	<i>0.9 pts</i>
R&D expenses	13	13	0.4
SG&A expenses*	26	26	0.4
Operating income *	14	15	0.9
<i>Operating margin*</i>	<i>9.5%</i>	<i>10.0%</i>	<i>0.5 pts</i>
Other income (expense)*	1	(0)	(0.7)
Tax benefit (provision)*	(4)	(3)	1.0
JV earnings (losses)*	0	0	(0.1)
Net income*	10	11	1.1
<i>Net income margin*</i>	<i>7.1%</i>	<i>7.8%</i>	<i>0.7 pts</i>
Diluted GAAP EPS	0.11	0.10	(0.02)
Diluted Non-GAAP EPS*	0.15	0.17	0.02
Adjusted EBITDA*	20	20	0.3

- Improved gross margins drive higher operating income
- Write-down of building held for sale impacted GAAP EPS by \$0.02

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

Quarterly Revenue Performance



\$ millions	Q3'15	Q4'15	Change
Consolidated Revenue	145	146	0.9
Brooks Product Solutions	105	104	(0.8)
Brooks Global Services	24	25	1.4
Brooks Life Science Systems	17	17	0.3

Brooks Product Solutions – Sequential Performance



\$ millions, except EPS	Q3'15	Q4'15	Change
Revenue	105	104	(0.8)
Gross profit *	39	40	1.0
<i>Gross profit margin</i> *	<i>37.3%</i>	<i>38.5%</i>	<i>1.2 pts</i>
Operating expenses	25	25	0.6
Operating income *	14	15	0.4
<i>Operating margin</i> *	<i>13.6%</i>	<i>14.1%</i>	<i>0.5 pts</i>

- 53% increase in CCS business
- Declines in sales of automation products for 200mm applications and cryogenic pumps to industrial market
- Gross margin expansion driving operating margin improvement

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

Brooks Global Services – Sequential Performance



\$ millions, except EPS	Q3'15	Q4'15	Change
Revenue	24	25	1.4
Gross profit *	8	9	1.0
<i>Gross profit margin *</i>	<i>35.6%</i>	<i>37.5%</i>	<i>1.9 pts</i>
Operating expenses	5	5	0.1
Operating income *	4	5	0.9
<i>Operating margin *</i>	<i>16.3%</i>	<i>18.9%</i>	<i>2.6 pts</i>

- Margin improvement on improved utilization with higher revenue

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

Brooks Life Science Systems – Sequential Performance



\$ millions, except EPS	Q3'15	Q4'15	Change
Revenue	17	17	0.3
Gross profit *	5	5	(0.3)
<i>Gross profit margin *</i>	<i>30.2%</i>	<i>27.9%</i>	<i>(2.2) pts</i>
Operating expenses	9	9	0.1
Operating income *	(4)	(5)	(0.4)
<i>Operating margin *</i>	<i>-25.3%</i>	<i>-27.1%</i>	<i>(1.7) pts</i>

- Manufacturing site consolidation completed

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

Fiscal 2015 Q4 Cash Flow



\$ millions, except EPS	<u>Q4 FY'15</u>	<u>FY'15</u>
Adjusted EBITDA *	20	64
Change in working capital	5	(7)
Other operating items	(3)	(13)
Cash flow from operations	<u>22</u>	<u>44</u>
Capital expenditures	(10)	(16)
Dividends paid to shareholders	(7)	(27)
Acquisitions, net of cash acquired	3	(14)
Repayment of debt assumed in acquisition	(9)	(9)
Other financing and investing items	<u>0</u>	<u>(9)</u>
Net change in cash and marketable securities	(1)	(31)
Cash and marketable securities at September 30, 2015	214	214

- \$31 million net use of cash in FY 15 includes \$23 million for acquisitions
 - Q1 - \$16 million for FluidX in Life Sciences
 - Q4 - \$6 million for Contact in Product Solutions – CCS
- Q4 Capex driven by \$8.4 million purchase of leased building

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

Summary Balance Sheet



\$ millions, except EPS	FY'14	FY'15
Cash and marketable securities	245	214
Accounts receivable, net	80	86
Inventories	94	101
Accounts payable	(34)	(45)
Deferred revenue	(26)	(18)
Other current liabilities, net	(15)	(19)
Net working capital	98	106
Assets Held for Sale	-	3
Property, plant and equipment	50	42
Goodwill and intangible assets	169	177
Other long-term assets, net	80	91
Stockholders' equity	643	632

- Annual inventory turns improved to 3.6 from 3.4
- DSO improved to 56 days from 60 days

Full Year Operating Performance



\$ millions, except EPS	FY'14	FY'15	Change	
Revenue	483	553	69.9	
Gross profit*	175	196	21.1	
<i>Gross profit margin*</i>	<i>36.2%</i>	<i>35.4%</i>	<i>(0.8)</i>	<i>pts</i>
R&D expenses	53	52	(0.4)	
SG&A expenses*	102	107	5.3	
Operating income *	20	37	16.2	
<i>Operating margin*</i>	<i>4.2%</i>	<i>6.6%</i>	<i>2.4</i>	<i>pts</i>
Other income (expense)*	1	3	1.9	
Tax benefit (provision)*	(5)	(10)	(4.3)	
JV and noncontrolling interests*	1	1	(0.3)	
Net income*	17	31	13.4	
<i>Net income margin*</i>	<i>3.6%</i>	<i>5.5%</i>	<i>2.0</i>	<i>pts</i>
Diluted GAAP EPS	0.46	0.21	(0.26)	
Diluted Non-GAAP EPS*	0.25	0.45	0.19	
Adjusted EBITDA*	45	64	18.8	

- 14% revenue growth; 41% EBITDA growth; 76% Non-GAAP EPS growth
- FY 2014 GAAP EPS includes \$0.44 from the gain on sale of Granville Phillips

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

Yearly Revenue and Operating Performance



\$ millions	FY'14	FY'15	Change
Consolidated Revenue	483	553	69.9
Operating income *	20	37	16.2
<i>Operating margin *</i>	<i>4.2%</i>	<i>6.6%</i>	<i>2.4 pts</i>
Brooks Product Solutions	326	390	64.5
<i>Operating margin *</i>	<i>4.6%</i>	<i>10.1%</i>	<i>5.4 pts</i>
Brooks Global Services	94	95	0.4
<i>Operating margin *</i>	<i>13.9%</i>	<i>15.4%</i>	<i>1.5 pts</i>
Brooks Life Science Systems	63	68	4.9
<i>Operating margin *</i>	<i>(9.4%)</i>	<i>(25.0%)</i>	<i>(15.6) pts</i>

- Annual operating performance improvement driven by strength in the offerings to the Semiconductor market

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

Key Fiscal 2015 Milestones

COMMITTED

- High growth

Semi growth faster than industry

Life Sciences double-digit growth

Non-GAAP EPS growth faster than revenue



- Launch Automated Cryo Storage Life Sciences Product



- Capture 15 Key Semi Design Wins for Tier 1 OEMs and End Users



- Drive recently acquired businesses to become accretive to income*



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

Brooks Expands Life Sciences Offerings With BioStorage Technologies



- Largest pure play bio-storage service provider
- Steady, repeatable services stream
- Annual revenue of \$40 million
- Multiple synergies
- Closing expected in December

Summary and Guidance



\$ millions, except EPS	Q4'15	Guidance Q1'16
Revenue	146	110 - 117
Adjusted EBITDA*	20	4 - 8
Non-GAAP diluted EPS*	0.17	(0.03) - 0.01

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



GAAP to Non-GAAP Reconciliations

Q4'15 GAAP to Non-GAAP Reconciliation Consolidated Results



\$ millions, except EPS	<u>GAAP Results</u>	<u>Acquisition- Related Costs</u>	<u>Amortization Expense</u>	<u>Restructuring</u>	<u>JV Liquidation</u>	<u>Asset Held for Sale</u>	<u>Non-GAAP Results</u>
Revenue	145.8	-	-	-	-		145.8
Gross profit	52.8	-	1.3	-	-	-	54.1
<i>Gross profit margin</i>	<i>36.2%</i>						<i>37.1%</i>
Research and development	(13.2)	-	-	-	-	-	(13.2)
Selling, general and administrative	(28.4)	0.3	1.9	-	-	-	(26.2)
Restructuring charges	(1.0)	-	-	1.0	-	-	-
Operating profit	10.1	0.3	3.2	1.0	-	-	14.6
<i>Operating profit margin</i>	<i>7.0%</i>						<i>10.0%</i>
Interest income, net	0.1	-	-	-	-		0.1
Other income, net	(2.2)	-	-	-		1.9	(0.3)
Income tax benefit (provision)	(1.6)	-	(1.0)	(0.3)	-	(0.5)	(3.4)
JV and noncontrolling interests	0.1	-	-		0.2	-	0.3
Net Income	6.6	0.3	2.2	0.7	0.2	1.5	11.4
Diluted earnings per share	0.10	0.00	0.03	0.01	0.00	0.02	0.17

Q3'15 GAAP to Non-GAAP Reconciliation Consolidated Results



\$ millions, except EPS	<u>GAAP Results</u>	<u>Acquisition- Related Costs</u>	<u>Amortization Expense</u>	<u>Restructuring Charges</u>	<u>JV Liquidation</u>	<u>Non-GAAP Results</u>
Revenue	144.9	-	-	-	-	144.9
Gross profit	51.2	-	1.3	-	-	52.5
<i>Gross profit margin</i>	<i>35.3%</i>					<i>36.2%</i>
Research and development	(12.8)	-	-	-	-	(12.8)
Selling, general and administrative	(27.8)	0.0	1.9	-	-	(25.9)
Restructuring charges	(0.4)	-	-	0.4	-	-
Operating profit	10.2	0.0	3.2	0.4	-	13.8
<i>Operating profit margin</i>	<i>7.0%</i>					<i>9.5%</i>
Interest income, net	0.1	-	-	-	-	0.1
Other income, net	0.5	-	-	-	-	0.5
Income tax benefit (provision)	(3.3)	0.0	(1.0)	(0.1)	-	(4.4)
JV and noncontrolling interests	0.3	-	-	-	0.1	0.4
Net Income	7.7	0.0	2.2	0.3	0.1	10.3
Diluted earnings per share	0.11	0.00	0.03	0.00	0.00	0.15

FY'15 GAAP to Non-GAAP Reconciliation Consolidated Results



\$ millions, except EPS	GAAP Results	Acquisition- Related Costs	Amortization Expense	Restructuring	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

FY'14 GAAP to Non-GAAP Reconciliation Consolidated Results



\$ millions, except EPS	GAAP Results	Acquisition- Related Costs	Amortization Expense	Restructuring & Special Charges	Impairment Charges	Discontinued Operations	Non-GAAP Results
Revenue	482.8	-	-	-	-	-	482.8
Gross profit	167.3	2.3	4.4	0.3	0.4	-	174.8
<i>Gross profit margin</i>	<i>34.7%</i>						<i>36.2%</i>
Research and development	(52.6)	-	-	-	-	-	(52.6)
Selling, general and administrative	(111.1)	0.7	6.2	-	2.6	-	(101.6)
Restructuring charges	(6.3)	-	-	6.3	-	-	-
Operating profit	(2.7)	3.0	10.6	6.6	3.0	-	20.5
<i>Operating profit margin</i>	<i>(0.6%)</i>						<i>4.2%</i>
Interest income, net	0.7	-	-	-	-	-	0.7
Other income, net	0.3	-	-	-	-	-	0.3
Income tax benefit (provision)	2.0	(0.8)	(3.5)	(2.1)	(1.1)	-	(5.4)
JV and noncontrolling interests	1.1	-	-	-	-	-	1.1
Income from discontinued operations	30.0	-	-	-	-	(30.0)	-
Net Income	31.4	2.2	7.1	4.5	2.0	(30.0)	17.2
Diluted earnings per share	0.46	0.03	0.10	0.07	0.03	(0.44)	0.25

GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA



\$ millions	<u>Q3'15</u>	<u>Q4'15</u>	<u>FY'15</u>
Net income attributable to Brooks	7.7	6.6	14.2
<u>Non-GAAP adjustments:</u>			
Interest income	(0.2)	(0.2)	(0.9)
Interest expense	0.1	0.1	0.4
Income tax provision	3.3	1.6	3.4
Depreciation	3.0	3.0	12.3
Amortization of intangible assets	3.2	3.2	12.9
EBITDA	<u>17.1</u>	<u>14.3</u>	<u>42.3</u>
Stock-based compensation	2.4	2.7	12.2
Restructuring charges	0.4	1.0	4.7
Merger costs	0.0	0.3	0.7
Disolution of Joint Venture	0.1	0.2	0.2
Loss on Assets held for Sale	-	1.9	1.9
Impairment of Equity Investment	-	-	0.7
Adjusted EBITDA	<u>20.0</u>	<u>20.3</u>	<u>64.2</u>

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



\$ millions	Brooks Product Solutions		Brooks Global Services		Brooks Life Science Systems	
	Q3'15	Q4'15	Q3'15	Q4'15	Q3'15	Q4'15
GAAP gross profit	38.3	39.2	8.2	9.2	4.7	4.4
<u>Non-GAAP adjustments:</u>						
Amortization of intangible assets	0.7	0.7	0.2	0.2	0.4	0.4
Non-GAAP gross profit	39.0	40.0	8.4	9.4	5.1	4.8
Operating expenses	24.8	25.4	4.5	4.6	9.3	9.4
Non-GAAP operating profit	14.2	14.6	3.8	4.7	(4.3)	(4.6)

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



\$ millions	Brooks Product Solutions		Brooks Global Services		Brooks Life Science Systems	
	FY'14	FY'15	FY'14	FY'15	FY'14	FY'15
GAAP gross profit	111.7	138.4	32.2	32.9	23.4	17.7
<u>Non-GAAP adjustments:</u>						
Amortization of intangible assets	2.2	3.0	0.6	0.6	1.6	1.6
Purchase accounting impact on inventory and contracts acquired	1.9	0.6	-	-	0.4	1.0
Inventory write-downs related to restructuring programs	0.1	-	-	-	0.2	-
Impairment of completed technology	-	-	-	-	0.4	-
Non-GAAP gross profit	116.0	142.0	32.8	33.6	25.9	20.3
Operating expenses	100.9	102.7	19.7	19.0	31.9	37.3
Non-GAAP operating profit	15.1	39.3	13.1	14.5	(5.9)	(17.0)