



Conference Call Brooks Automation Fourth Quarter FY14 Financial Results

November 12, 2014

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, 2013. 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 12, 2014 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.

Key 2014 Milestones

COMMITTED

DELIVERED

- Continued improvement in margin



- + 274 *basis points*

- Breakeven Life Sciences business



- *Breakeven one quarter early*

- Life Sciences Revenue
– Steady growth at +25% YtY



- +46% YtY

- Life Science Backlog
– High growth at +40% YtY



- +40% YtY

- Tier 1 OEM / End User /
Other OEM Design Wins: 12

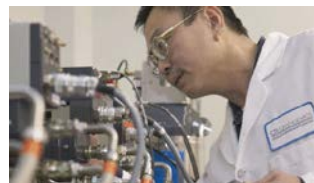


- *17 Key Design Wins*

- + Increased quarterly dividend
to \$0.10 per share



- + *Shareholder rewards*



Quarterly Operating Performance



Dollars in millions, except earnings per share

	Q3 FY14	Q4 FY14	Change
Revenue	\$ 117	\$ 123	\$ 5.2
Gross profit *	42	44	2.1
<i>Gross profit margin</i> *	36.1%	36.3%	0.2 pts
R&D expenses	13	14	0.6
SG&A expenses *	25	25	(0.8)
Operating income *	\$ 3.5	\$ 5.8	\$ 2.3
<i>Operating margin</i> *	2.9%	4.7%	1.8 pts
GAAP diluted earnings per share	\$ 0.36	\$ -	\$ (0.36)
Non-GAAP diluted earnings per share *	\$ 0.05	\$ 0.07	\$ 0.02
Adjusted EBITDA *	\$ 9.2	\$ 10.9	\$ 1.7

- 4% sequential revenue growth with 67% increase in operating income
- \$0.07 Non-GAAP EPS, with ~\$0.01 dilution from CCS acquisition

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

Quarterly Revenue Performance



<i>Dollars in millions</i>	Q3 FY14	Q4 FY14	Change
Consolidated Revenue	\$ 117	\$ 123	\$ 5.2
Brooks Product Solutions	75	79	3.5
Brooks Global Services	24	24	0.1
Brooks Life Science Systems	18	20	1.6

Sequential growth in all segments

- Brooks Product Solutions growth driven by CCS growth of \$3.5 million
- 9% Life Science Systems growth

Brooks Product Solutions – Sequential Performance



<i>Dollars in millions</i>	Q3 FY14	Q4 FY14	Change
Revenue	\$ 75	\$ 79	\$ 3.5
Gross profit *	27	28	1.3
Gross profit margin *	35.5%	35.5%	0.1 pts
Operating expenses	25	26	0.1
Operating income *	\$ 1.3	\$ 2.5	\$ 1.1

- 5% sequential revenue growth with 85% improved income
- Gross margins sustained with CCS revenue of \$4.5 million and margins of 19%

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

Brooks Global Services – Sequential Performance



<i>Dollars in millions</i>	Q3 FY14	Q4 FY14	Change
Revenue	\$ 24	\$ 24	\$ 0.1
Gross profit *	9	8	(0.1)
Gross profit margin *	36.2%	35.5%	(0.7) pts
Operating expenses	5	5	0.1
Operating income *	\$ 3.9	\$ 3.7	\$ (0.2)

- Margins above 35% target - results in line with expectations

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

Brooks Life Science Systems – Sequential Performance



<i>Dollars in millions</i>	Q3 FY14	Q4 FY14	Change
Revenue	\$ 18	\$ 20	\$ 1.6
Gross profit *	7	8	1.0
<i>Gross profit margin *</i>	38.4%	40.2%	1.7 pts
Operating expenses	8	8	0.3
Operating income *	\$ (0.6)	\$ 0.1	\$ 0.6

- 9% sequential revenue growth fueled by new Twinbank installations
- Break-even operating income
- Total backlog of \$44 million and 12-month backlog of \$34 million

FluidX was acquired October 1, following the quarter closing.

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

Quarterly GAAP and Adjusted Earnings



Dollars in millions, except earnings per share

	Q3 FY14	Q4 FY14	Change
Revenue	\$ 117	\$ 123	\$ 5.2
Operating income *	3.5	5.8	2.3
Operating margin *	2.9%	4.7%	1.8 pts
Amortization	(3)	(3)	(0.1)
Special charges *	(7)	(4)	3.1
Other income (expense), net	0	(0)	(0.3)
Income tax benefit	3	1	(1.8)
Noncontrolling and joint venture earnings	0	(0)	(0.2)
GAAP net income from continuing operations	\$ (2.8)	\$ 0.2	\$ 3.0
Discontinued operations, net of tax	\$ 27.3	\$ -	\$ (27.3)
GAAP diluted earnings per share	\$ 0.36	\$ -	\$ (0.36)
Non-GAAP diluted earnings per share *	\$ 0.05	\$ 0.07	\$ 0.02

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

Fiscal 2014 Q4 and FY Cash and Cash Flow



Dollars in millions

	<u>Q4 FY14</u>	<u>FY14</u>
Adjusted EBITDA *	\$ 10.9	\$ 45.4
Decrease in working capital	6	17
Dividends received from joint ventures	1	1
Other operating items	(4)	(10)
Cash flow from operations	<u>13.4</u>	<u>53.8</u>
Capital expenditures	(2)	(6)
Dividends paid to shareholders	(7)	(23)
Other financing and investing items	(3)	47
Net change in cash and marketable securities	\$ 1.7	\$ 72.1
Cash and marketable securities at September 30, 2014		\$ 245.5

- Second year of operating cash of \$54 million
- Dividend payout ratio of 43% to cash flow from operations for the full year
- Other financing primarily driven by M&A activity

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

Summary Balance Sheet



<i>Dollars in millions</i>	September 30,		Balance Sheet Highlights
	2013	2014	
Cash and marketable securities	\$ 173	\$ 245	<ul style="list-style-type: none"> • Cash increase \$72 million • Inventory flat while absorbing ~\$10 million of acquired inventory with CCS
Accounts receivable, net	77	80	
Inventories	94	94	
Accounts payable	(35)	(34)	
Deferred revenue	(20)	(26)	
Other current liabilities, net	(12)	(15)	
Net working capital	<u>105</u>	<u>98</u>	<ul style="list-style-type: none"> • Deferred revenue driven by Life Sciences bookings • Net deferred tax assets of \$83 million
Property, plant and equipment	48	50	
Goodwill and intangible assets	158	169	
Other long-term assets, net	121	80	
Stockholders' equity	<u>\$ 605</u>	<u>\$ 643</u>	

Annual Operating Performance



Dollars in millions, except earnings per share

	FY13	FY14	Change
Revenue	\$ 422	\$ 483	\$ 60.4
Gross profit *	141	175	33.4
<i>Gross profit margin</i> *	33.5%	36.2%	2.7 pts
R&D expenses	46	53	6.4
SG&A expenses *	90	102	11.8
Operating income *	\$ 5.3	\$ 20.5	\$ 15.2
<i>Operating margin</i> *	1.2%	4.2%	3.0 pts
Non-GAAP diluted earnings per share *	\$ 0.12	\$ 0.25	\$ 0.13
Adjusted EBITDA *	\$ 29.1	\$ 45.4	\$ 16.3

- 14% revenue growth; 46% in Life Science Systems
- 274 basis point improvement in gross margin
- \$18 million increase in operating expenses

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

Annual Revenue and Operating Margin Performance



<i>Dollars in millions</i>	FY13	FY14	Change
Consolidated Revenue	\$ 422	\$ 483	\$ 60.4
Operating income *	5	20	15.2
<i>Operating margin *</i>	1.2%	4.2%	3.0 pts
Brooks Product Solutions	291	326	35.1
<i>Operating margin *</i>	1.4%	4.6%	3.2 pts
Brooks Global Services	89	94	5.4
<i>Operating margin *</i>	13.0%	13.9%	0.9 pts
Brooks Life Science Systems	43	63	19.9
<i>Operating margin *</i>	(19.1%)	(9.4%)	9.7 pts

- Growth in all segments with margin expansion

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

Operating Performance and Guidance



\$ Millions	Results FY14	Results Q4 FY14	Guidance Q1 FY15
Brooks Revenue	\$483	\$123	\$125-130
<i>Gross Margin %*</i>	36%	36%	37%
Adjusted EBITDA*	\$45	\$11	\$10-14
Operating Cash Flow	\$54	\$13	
Non-GAAP Diluted EPS*	\$0.25	\$0.07	\$0.05-\$0.07
Dividends Per Share Returned to Shareholders	\$0.34	\$0.10	\$0.10**

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

** Dividend approved by the Board of Directors to be paid on December 26, 2014 to common stockholders of record on December 5, 2014.



GAAP to Non-GAAP Reconciliations

GAAP to Non-GAAP Reconciliation

Consolidated Gross Profit and Gross Profit Margin



<i>Dollars in millions</i>	Q3 FY14		Q4 FY14	
	\$	%	\$	%
GAAP gross profit	\$ 40.7	34.7%	\$ 41.4	33.8%
<u>Non-GAAP adjustments:</u>				
Amortization of intangible assets	1.1	1.0%	1.2	1.0%
Purchase accounting impact on inventory and contracts acquired	0.1	0.1%	1.8	1.5%
Inventory write-downs related to restructuring programs	0.3	0.3%	-	--%
Non-GAAP gross profit	\$ 42.3	36.1%	\$ 44.5	36.3%

GAAP to Non-GAAP Reconciliation

Consolidated Gross Profit and Gross Profit Margin



<i>Dollars in millions</i>	FY13		FY14	
	\$	%	\$	%
GAAP gross profit	\$ 132.3	31.3%	\$ 167.3	34.7%
<u>Non-GAAP adjustments:</u>				
Amortization of intangible assets	4.1	1.0%	4.4	0.9%
Purchase accounting impact on inventory and contracts acquired	3.0	0.7%	2.3	0.5%
Impairment of completed technology intangible assets	1.9	0.5%	0.4	0.1%
Inventory write-downs related to restructuring programs	-	--%	0.3	0.1%
Non-GAAP gross profit	\$ 141.3	33.5%	\$ 174.8	36.2%

GAAP to Non-GAAP Reconciliation

Consolidated Operating Profit and Operating Margin



<i>Dollars in millions</i>	Q3 FY14		Q4 FY14	
	\$	%	\$	%
GAAP operating profit	\$ (5.9)	(5.0%)	\$ (0.6)	(0.5%)
<u>Non-GAAP adjustments:</u>				
Amortization of intangible assets	2.7	2.3%	2.9	2.4%
Purchase accounting impact on inventory and contracts acquired	0.1	0.1%	1.8	1.5%
Inventory write-downs related to restructuring programs	0.3	0.3%	-	--%
Impairment of note receivable	2.6	2.2%	-	--%
Restructuring charges	3.1	2.7%	1.6	1.3%
Merger costs	0.4	0.4%	0.1	0.1%
Non-GAAP operating profit	\$ 3.5	2.9%	\$ 5.8	4.7%

GAAP to Non-GAAP Reconciliation

Consolidated Operating Profit and Operating Margin



<i>Dollars in millions</i>	FY13		FY14	
	\$	%	\$	%
GAAP operating profit	\$ (16.8)	(4.0%)	\$ (2.7)	(0.6%)
<u>Non-GAAP adjustments:</u>				
Amortization of intangible assets	9.8	2.3%	10.6	2.2%
Impairment of intangible assets	2.0	0.5%	0.4	0.1%
Purchase accounting impact on inventory and contracts acquired	3.0	0.7%	2.3	0.5%
Inventory write-downs related to restructuring programs	-	--%	0.3	0.1%
Impairment of note receivable	-	--%	2.6	0.5%
Restructuring charges	6.4	1.5%	6.3	1.3%
Merger costs	0.9	0.2%	0.7	0.1%
Non-GAAP operating profit	\$ 5.3	1.2%	\$ 20.5	4.2%

GAAP to Non-GAAP Reconciliation

Net Income and Earnings per Share



	Q3 FY14		Q4 FY14	
	\$	per diluted share	\$	per diluted share
<i>Dollars in millions, except earnings per share</i>				
Net income attributable to Brooks	\$ 24.5	\$ 0.36	\$ 0.2	\$ -
<u>Non-GAAP adjustments, net of tax:</u>				
Income from discontinued operations	(27.3)	(0.40)	-	-
Amortization of intangible assets	1.9	0.03	2.0	0.03
Purchase accounting impact on inventory and contracts acquired	0.1	-	1.3	0.02
Inventory write-downs related to restructuring programs	0.2	-	-	-
Impairment of note receivable	1.7	0.03	-	-
Restructuring charges	2.1	0.03	1.2	0.02
Merger costs	0.4	0.01	0.1	-
Non-GAAP net income	\$ 3.6	\$ 0.05	\$ 4.7	\$ 0.07

GAAP to Non-GAAP Reconciliation

Net Income and Earnings per Share



	FY13		FY14	
	\$	per diluted share	\$	per diluted share
<i>Dollars in millions, except earnings per share</i>				
Net income attributable to Brooks	\$ (2.2)	\$ (0.03)	\$ 31.4	\$ 0.46
<u>Non-GAAP adjustments, net of tax:</u>				
Income from discontinued operations	(5.0)	(0.08)	(30.0)	(0.44)
Amortization of intangible assets	6.8	0.10	7.1	0.11
Impairment of intangible assets	1.3	0.02	0.3	
Purchase accounting impact on inventory and contracts acquired	2.2	0.03	1.6	0.02
Inventory write-downs related to restructuring programs	-	-	0.2	-
Impairment of note receivable	-	-	1.7	0.03
Restructuring charges	4.6	0.07	4.3	0.06
Merger costs	0.6	0.01	0.6	0.01
Gain on sale of real estate	(0.7)	(0.01)	-	-
Non-GAAP net income	\$ 7.7	\$ 0.12	\$ 17.2	\$ 0.25

GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA



<i>Dollars in millions</i>	Q3 FY14	Q4 FY14	FY14
Net income attributable to Brooks	\$ 24.5	\$ 0.2	\$ 31.4
<u>Non-GAAP adjustments:</u>			
Interest income	(0.2)	(0.3)	(1.0)
Interest expense	0.1	0.1	0.2
Income tax provision	(2.8)	(1.1)	(2.0)
Depreciation	3.3	3.3	12.7
Amortization of intangible assets	2.7	2.9	10.6
EBITDA	<u>27.6</u>	<u>5.2</u>	<u>51.9</u>
Income from discontinued operations	(27.3)	-	(30.0)
Impairment of intangible assets	-	-	0.4
Purchase accounting impact on inventory and contracts acquired	0.1	1.8	2.3
Stock-based compensation	2.3	2.1	10.9
Inventory write-downs related to restructuring programs	0.3	-	0.3
Impairment of note receivable	2.6	-	2.6
Restructuring charges	3.1	1.6	6.3
Merger costs	0.4	0.1	0.7
Adjusted EBITDA	<u>\$ 9.2</u>	<u>\$ 10.9</u>	<u>\$ 45.4</u>

GAAP to Non-GAAP Reconciliation

Segment Gross Profit and Operating Profit



<i>Dollars in millions</i>	Brooks Product Solutions		Brooks Global Services		Brooks Life Science Systems	
	Q3 FY14	Q4 FY14	Q3 FY14	Q4 FY14	Q3 FY14	Q4 FY14
GAAP gross profit	\$ 25.8	\$ 25.5	\$ 8.4	\$ 8.3	\$ 6.5	\$ 7.7
<u>Non-GAAP adjustments:</u>						
Amortization of intangible assets	0.6	0.8	0.2	0.2	0.3	0.3
Purchase accounting impact on inventory and contracts acquired	0.1	1.8	-	-	-	-
Inventory write-downs related to restructuring programs	0.1	-	-	-	0.2	-
Non-GAAP gross profit	26.7	28.0	8.6	8.4	7.1	8.0
Operating expenses	25.4	25.5	4.6	4.7	7.6	8.0
Non-GAAP operating profit	\$ 1.3	\$ 2.5	\$ 3.9	\$ 3.7	\$ (0.6)	\$ 0.1

GAAP to Non-GAAP Reconciliation

Segment Gross Profit and Operating Profit



Dollars in millions

	Brooks Product Solutions		Brooks Global Services		Brooks Life Science Systems	
	FY13	FY14	FY13	FY14	FY13	FY14
GAAP gross profit	\$ 91.3	\$ 111.7	\$ 26.9	\$ 32.2	\$ 14.1	\$ 23.4
<u>Non-GAAP adjustments:</u>						
Amortization of intangible assets	1.6	2.2	0.6	0.6	1.8	1.6
Impairment of intangible assets	-	-	-	-	1.9	0.4
Purchase accounting impact on inventory and contracts acquired	1.4	1.9	1.3	-	0.4	0.4
Inventory write-downs related to restructuring programs	-	0.1	-	-	-	0.2
Non-GAAP gross profit	94.2	116.0	28.8	32.8	18.2	25.9
Operating expenses	90.1	100.9	17.3	19.7	26.5	31.9
Non-GAAP operating profit	\$ 4.1	\$ 15.1	\$ 11.5	\$ 13.1	\$ (8.3)	\$ (5.9)