



Conference Call Brooks Automation Second Quarter FY18 Financial Results

May 1, 2018

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, 2017. 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 second quarter financial results press release issued on May 1, 2018 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

Second Quarter Ending March 31, 2018



\$ millions, except EPS	GAAP		non – GAAP	
	Q2'18	QtQ	Q2'18	QtQ
Revenue	207	17.9	207	17.9
Gross profit	84	9.0	85	7.9
<i>Gross profit margin</i>	<i>40.6%</i>	<i>0.9 pts.</i>	<i>41.1%</i>	<i>0.3 pts.</i>
R&D	13	(0.1)	13	(0.1)
SG&A	47	6.1	40	4.0
Restructuring	0	0.0	-	-
Operating income	24	3.0	32	4.0
<i>Operating margin</i>	<i>11.5%</i>	<i>0.5 pts.</i>	<i>15.5%</i>	<i>0.7 pts.</i>
Interest income (expense), net	(1.8)	0.2	(1.8)	0.2
Other income (expense), net	(0.3)	1.4	(0.3)	1.4
Tax provision	43.9	46.7	(3.2)	0.9
JV earnings	1.4	(0.8)	1.4	(0.8)
Net income	67.0	50.5	28.3	5.8
<i>Net income margin</i>	<i>32.3%</i>	<i>23.6 pts.</i>	<i>13.6%</i>	<i>1.8 pts.</i>
Diluted EPS	0.95	308%	0.40	26%
<i>Adjusted EBITDA</i>			<i>42.1</i>	<i>5.7</i>

- Revenue growth and improved Life Sciences profit drive margin expansion
- GAAP Net Income reflects \$46M reversal of valuation allowance on tax line

Brooks Life Sciences Performance



\$ millions	Q2'18	QtQ
Revenue	49	1.1
Gross profit *	19	2.0
<i>Gross profit margin *</i>	<i>39.8%</i>	<i>3.4 pts</i>
Operating expenses	16	0.3
Operating income *	3.1	1.7
<i>Operating margin *</i>	<i>6.4%</i>	<i>3.4 pts</i>

- Continued Growth:
 - 2% QtQ: Eleventh consecutive quarter of revenue expansion
 - 40% YtY: 16% or \$6M organic, \$7M from acquisitions, and \$1M from currency
 - \$54 million of new bookings value
- Operating Margin Expansion:
 - Improved gross margins from infrastructure products and mix benefit within services

Brooks Semiconductor Solutions Performance



\$ millions	Q2'18	QtQ
Revenue	159	16.8
Gross profit *	66	5.9
<i>Gross profit margin *</i>	<i>41.5%</i>	<i>(0.8) pts</i>
Operating expenses	34	1.4
Operating income *	31	4.5
<i>Operating margin *</i>	<i>19.8%</i>	<i>0.8 pts</i>

- Continued Growth:
 - 12% QtQ: Sequential growth on all product lines
 - 18% YtY: Growth on all products, except Contamination Control Solutions
- Operating Margin Expansion:
 - Softer margin mix of shipments was offset by leverage of OpEx structure

Summary Balance Sheet



\$ millions	Q1'18	Q2'18	QtQ
Cash and marketable securities	232	245	13.3
Accounts receivable, net	139	142	2.5
Inventories	115	127	11.6
Other current assets	24	27	2.6
Accounts payable	(54)	(65)	(10.9)
Deferred revenue	(26)	(22)	3.6
Other current liabilities	(69)	(71)	(1.8)
Net working capital	129	136	7.6
Property, plant and equipment	60	61	0.4
Goodwill and intangible assets	378	377	(1.1)
Long-term debt	(195)	(195)	0.4
Net long-term deferred tax assets (liabilities)	(7)	41	47.9
Other net long-term assets (liabilities)	28	32	3.3
Net assets	626	698	71.8

- Receivables supporting efficiency in working capital, while Inventory and Payables increase to support growth amid tight supply chain
- Cash balance expansion of \$13M with zero net debt

Summary Cash Flow



\$ millions	Q2'18	YTD
Net income	67.0	83.5
Deferred income tax benefit	(48.5)	(49.2)
Depreciation & Amortization	9.1	17.6
Stock compensation	5.3	10.1
Change in working capital	(10.3)	(34.2)
Other operating items	(2.4)	(4.5)
Cash flow from operations	20.2	23.4
Capital expenditures	(3.0)	(5.7)
Acquisitions	0.1	(65.0)
Net proceeds (payments) of debt	(0.5)	197.1
Dividends	(7.1)	(14.1)
Other	3.5	5.2
Net change in cash and marketable sec.	13.3	140.9
Cash and marketable securities	245.2	245.2

- \$20M in Q2 operating cash flow reflects strong earnings and investment in working capital

Acquisitions Closed in April



Tec-Sem Acquisition closed April 6, 2018

Addition to the Semiconductor Solutions Group segment
as an expansion of Contamination Control Solutions

- Provider of Reticle Stockers and Reticle Transfer Pods
- Based in Switzerland, near the Contamination Control Solutions operations in Germany
- 93% acquired on April 6 with remaining 7% to be completed in near term with minority holders
- Purchase price of approximately \$14 million in total
- LTM revenue of \$14 million
- Anticipating profits are accretive to non-GAAP EPS by Q4 2018 and non-GAAP gross margins to be greater than 40% in 2019

BioSpeciMan Acquisition closed April 24, 2018

Addition to the Life Sciences segment
as an expansion of BioStorage Storage Services

- Provider of biological sample storage services
- Based in Canada with operations in Montreal and Pennsylvania
- Purchase price of approximately \$5 million
- LTM revenue of \$2 million
- Anticipating profits are immediately accretive to non-GAAP EPS and non-GAAP gross margins to be greater than 40% in 2019

Summary and Guidance



\$ millions, except EPS	Q2'18	Guidance Q3'18
Revenue	207.3	215 - 225
Adjusted EBITDA*	42.1	43 - 49
Non-GAAP diluted EPS*	0.40	\$0.40 - \$0.46
GAAP diluted EPS	0.95	\$0.28 - \$0.34

- Q2 GAAP EPS reflects one time \$46M reversal of tax valuation allowance



GAAP to Non-GAAP Reconciliations

GAAP to Non-GAAP Reconciliation Quarterly Operating Performance



\$ millions, except EPS

	Q1 FY18					Q2 FY18				
	GAAP Results Q1 FY18	Merger and Acquisition Costs	Amortization Expense	Tax Reform	Non-GAAP Results Q1 FY18	GAAP Results Q2 FY18	Merger and Acquisition Costs	Amortization Expense	Tax Related Adjustments	Non-GAAP Results Q2 FY18
Revenue	189.3	-	-	-	189.3	207.3	-	-	-	207.3
Gross profit	75.2	1.2	0.9	-	77.3	84.2	-	1.0	-	85.2
<i>Gross profit margin</i>	<i>39.7%</i>				<i>40.8%</i>	<i>40.6%</i>				<i>41.1%</i>
Operating Expenses	(54.4)	0.6	4.6	-	(49.2)	(60.4)	2.7	4.6	-	(53.1)
Restructuring charges	-	-	-	-	-	(0.0)	-	-	-	-
Operating profit	20.8	1.8	5.5	-	28.1	23.8	2.7	5.6	-	32.1
<i>Operating profit margin</i>	<i>11.0%</i>				<i>14.8%</i>	<i>11.5%</i>				<i>15.5%</i>
Interest income, net	(2.0)	-	-	-	(2.0)	(1.8)	-	-	-	(1.8)
Other income, net	(1.7)	-	-	-	(1.7)	(0.3)	-	-	-	(0.3)
Income tax benefit (provision)	(2.8)	(0.3)	(0.3)	(0.7)	(4.1)	43.9	(0.3)	(0.6)	(46.2)	(3.2)
JV and noncontrolling interests	2.2	-	-	-	2.2	1.4	-	-	-	1.4
Net Income	16.5	1.5	5.2	(0.7)	22.5	67.0	2.4	5.0	(46.2)	28.3
Diluted earnings per share	0.23	0.02	0.07	(0.01)	0.32	0.95	0.03	0.07	(0.65)	0.40

GAAP to Non-GAAP Reconciliation

Quarterly Segment Gross Profit and Operating Profit



\$ millions, except EPS

Q1 FY18

Q2 FY18

	GAAP Results Q1 FY18	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Non-GAAP Results Q1 FY18	GAAP Results Q2 FY18	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Non-GAAP Results Q2 FY18
BSSG										
Revenue	141.9	-	-	-	141.9	158.7	-	-	-	158.7
Gross profit	59.5	-	0.5	-	60.0	65.3	-	0.6	-	65.9
<i>Gross profit margin</i>	<i>41.9%</i>				<i>42.3%</i>	<i>41.1%</i>				<i>41.5%</i>
Operating Expenses	(33.1)				(33.1)	(34.5)				(34.5)
Operating profit	26.4	-	0.5	-	26.9	30.8	-	0.6	-	31.4
<i>Operating profit margin</i>	<i>18.6%</i>				<i>19.0%</i>	<i>19.4%</i>				<i>19.8%</i>
BLS										
Revenue	47.4	-	-	-	47.4	48.5	-	-	-	48.5
Gross profit	15.8	1.2	0.4	-	17.3	18.9	-	0.4	-	19.3
<i>Gross profit margin</i>	<i>33.2%</i>				<i>36.5%</i>	<i>39.0%</i>				<i>39.8%</i>
Operating Expenses	(15.9)				(15.9)	(16.2)				(16.2)
Operating profit (loss)	(0.1)	1.2	0.4	-	1.4	2.7	-	0.4	-	3.1
<i>Operating profit margin</i>	<i>(0.3%)</i>				<i>2.9%</i>	<i>5.5%</i>				<i>6.4%</i>
Unallocated Corporate										
Revenue	-	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-	-
<i>Gross profit margin</i>	-	-	-	-	-	-	-	-	-	-
Operating Expenses	(5.4)	0.6	4.6	-	(0.2)	(9.7)	2.7	4.6	0.0	(2.4)
Operating profit (loss)	(5.4)	0.6	4.6	-	(0.2)	(9.7)	2.7	4.6	0.0	(2.4)
Brooks Consolidated										
Revenue	189.3	-	-	-	189.3	207.3	-	-	-	207.3
Gross profit	75.2	1.2	0.9	-	77.3	84.2	-	1.0	-	85.2
<i>Gross profit margin</i>	<i>39.7%</i>				<i>40.8%</i>	<i>40.6%</i>				<i>41.1%</i>
Operating Expenses	(54.4)	0.6	4.6	-	(49.2)	(60.4)	2.7	4.6	0.0	(53.1)
Operating profit	20.8	1.8	5.5	-	28.1	23.8	2.7	5.6	0.0	32.1
<i>Operating profit margin</i>	<i>11.0%</i>				<i>14.8%</i>	<i>11.5%</i>				<i>15.5%</i>

GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA



\$ millions	<u>Q1'18</u>	<u>Q2'18</u>
Net income	16.5	67.0
<u>Non-GAAP adjustments:</u>		
Interest income	(0.1)	(0.4)
Interest expense	2.2	2.2
Income tax provision	2.8	(43.9)
Depreciation	3.0	3.5
Amortization of intangible assets	5.5	5.6
EBITDA	29.9	34.1
Purchase accounting impact on inventory and contracts acquired	1.2	-
Stock-based compensation	4.8	5.3
Restructuring charges	-	0.0
Merger and acquisition costs	0.6	2.7
Adjusted EBITDA	36.5	42.1

GAAP to Non-GAAP Reconciliation

Cash Flow From Operations to Free Cash Flow



\$ millions	<u>Q2'18</u>
Net income	67.0
Depreciation & amortization	9.1
Stock compensation	5.3
Change in working capital	(10.3)
Deferred income tax (benefit)	(48.5)
Other items	<u>(2.4)</u>
Cash flow from operations	20.2
Capital expenditures	<u>(3.0)</u>
Free cash flow	17.2