



Conference Call Brooks Automation

First Quarter FY'20 Financial Results

February 6, 2020

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, 2019. 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 first quarter financial results press release issued on February 6, 2020 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.

Brooks Q1 FY 2020 Overview



- ✓ **Q1 FY'20 revenue growth of 17% YtY and 6% QtQ on strength in Semiconductor and Life Sciences**
 - Life Sciences 38% growth YtY, with organic growth of 22% for GENEWIZ and 3% for Sample Management
 - Semiconductor 5% growth YtY and 13% sequential expansion with record shipments in Contamination Control Solutions
- ✓ **Non-GAAP EPS of \$0.23, up \$0.06 YtY on overall revenue growth and margin expansion in Life Sciences**
 - Sample Management performance improvement continues with gross margins up 340 basis points YtY
- ✓ **Strong operating cash flow of \$26M in the quarter, \$16M free cash flow**
 - \$210M cash net of debt and tax obligations associated with the gain on sale of Semiconductor Cryogenics business



Brooks Automation Operating Performance

Quarter Ended December 31, 2019



\$ millions, except EPS

	GAAP		non-GAAP		
	Q1'20	QtQ	Q1'20	QtQ	YtY
Revenue	210	6%	210	6%	17%
Gross profit	85	6%	88	5%	18%
%	40.4%	0.1 pts.	41.6%	(0.1) pts.	0.2 pts.
R&D	14	(3%)	14	(3%)	10%
SG&A	59	11%	51	9%	24%
Restructuring	1	(52%)	-	n/a	n/a
Operating Income	10.7	1%	22	4%	12%
%	5.1%	(0.3) pts.	10.5%	(0.2) pts.	(0.5) pts.
Interest Income (Expense)	(0.0)	\$0	(0.0)	\$0	\$5
Loss on Debt Extinguishment	-	\$5	-	n/a	n/a
Other Income (Expense)	(0.4)	(\$0)	(0.4)	(\$0)	(\$0)
Tax Benefit (Expense)	3.0	\$2	(4.9)	(\$1)	(\$2)
Net Income - continuing ops	13.2	\$8	16.6	-1%	40%
%	6.3%	3.7 pts.	7.9%	(0.6) pts.	1.3 pts.
Diluted EPS - continuing ops	\$ 0.18	\$ 0.11	\$ 0.23	\$ (0.01)	\$ 0.06
Adjusted EBITDA			31.9	3%	14%

- Revenue growth YtY driven by both Life Sciences and Semiconductor segments
- Earnings momentum with 37% YtY improvement in non-GAAP EPS with a headwind in the current quarter on higher professional fees

Brooks Life Sciences Performance



\$ millions
non-GAAP

	<u>Q1'20</u>	<u>QtQ</u>	<u>YtY</u>
Revenue	92	(3%)	38%
<i>Organic</i>			8%
Gross profit	41	1%	49%
%	44.3%	1.8 pts.	3.5 pts.
Operating expenses	<u>35</u>	<u>4%</u>	<u>41%</u>
Operating income	6	(12%)	125%
%	6.5%	(0.7) pts.	2.5 pts.

- YtY reported revenue growth of 38%
 - GENEWIZ drove 22% organic growth on strength across all services
 - Sample Management drove 3% organic growth
- Operating margin expansion driven by gross margin improvements
 - Sample Management up 340 basis points YtY
 - Full quarter of GENEWIZ adds favorable mix YtY

Brooks Semiconductor Solutions Performance



\$ millions

Continuing Operations – non-GAAP

	<u>Q1'20</u>	<u>QtQ</u>	<u>YtY</u>
Revenue	119	13%	5%
<i>Organic</i>			6%
Gross profit	47	9%	(0%)
%	39.6%	<i>(1.5) pts.</i>	<i>(2.1) pts.</i>
Operating expenses	32	8%	8%
Operating income	15	10%	(13%)
%	12.6%	<i>(0.3) pts.</i>	<i>(2.7) pts.</i>

- Revenue growth of 13% QtQ and 5% YtY driven by continued strength in Contamination Control Solutions and Vacuum Robots
- Operating and gross margins affected by increased mix toward Tier 1 customers

Summary Cash Flow



\$ millions

	<u>Q1'20</u>
Net income	13
Deferred income tax benefit	(8)
Depreciation & amortization	16
Stock compensation	4
Change in working capital	<u>(1)</u>
Cash flow from operations	26
Capital expenditures	(10)
Free Cash Flow	16
Payments of debt	(0)
Dividends	(7)
Other	<u>3</u>
Net change in cash and marketable sec.	11
Cash and marketable securities - Ending	353

- \$26 million of cash flow from operations
- Approximately \$70 million of adjusted operating cash flow over the last six months, since the divestiture of the Semiconductor Cryogenics business

Summary Balance Sheet

Quarter Ended December 31, 2019



\$ millions

	as of Sept 30, 2019	as of Dec 31, 2019	QtQ
Cash, restricted cash, and marketable securities	342	353	11
Accounts receivable, net	166	165	(0)
Inventories	99	105	6
Other current assets	43	43	0
Accounts payable	(59)	(65)	(6)
Deferred revenue	(29)	(29)	0
Short-term debt	(1)	(1)	0
Other current liabilities	(183)	(188)	(5)
Net working capital	36	30	(5)
Property, plant and equipment	101	105	5
Goodwill and intangible assets	740	733	(7)
Long-term debt	(50)	(50)	0
Net long-term deferred tax assets (liabilities)	(16)	(8)	8
Other net long-term assets (liabilities)	(13)	(5)	8
Net assets	1,139	1,159	20

- \$353 million of cash and marketable securities
- \$210M of net cash available for operations and investments
 - Net of ~\$51 million of debt and ~\$93 million of tax obligations related to the 2019 gain on sale of Semiconductor Cryogenics business

Summary and Guidance



\$ millions, except EPS

	<u>Q1'20</u>	<u>Guidance Q2'20</u>
Revenue	\$210	\$213 - \$225
Adjusted EBITDA*	\$32	\$32 - \$38
Non-GAAP diluted EPS*	\$0.23	\$0.22 - \$0.28
GAAP diluted EPS - Total Brooks	\$0.18	\$0.09 - \$0.15



GAAP to Non-GAAP Bridges

Reconciliation of GAAP to Non-GAAP – Q1'20

Continuing Operations



\$ millions, except EPS

	Q1'20							Non-GAAP Results Q1 FY20
	GAAP Results Q1 FY20	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Tax Effect on Adjustments	Other Tax Items		
Revenue	210.5	-	-	-	-	-	-	210.5
Gross profit	85.0	-	2.7	-	-	-	-	87.7
<i>Gross profit margin</i>	<i>40.4%</i>							<i>41.6%</i>
Operating Expenses	(73.7)	0.2	7.9	-	-	-	-	(65.6)
Restructuring charges	(0.6)	-	-	0.6	-	-	-	-
Operating profit	10.7	0.2	10.6	0.6	-	-	-	22.0
<i>Operating profit margin</i>	<i>5.1%</i>							<i>10.5%</i>
Interest expense, net	(0.0)	-	-	-	-	-	-	(0.0)
Other income (expense), net	(0.4)	-	-	-	-	-	-	(0.4)
Income tax benefit (provision)	3.0	-	-	-	(2.7)	(5.2)	(4.9)	(4.9)
Net Income	13.2	0.2	10.6	0.6	(2.7)	(5.2)	(5.2)	16.6
Diluted EPS	0.18	0.00	0.14	0.01	(0.04)	(0.07)	(0.07)	0.23

GAAP to Non-GAAP Reconciliation

Q1'20 Segments – Continuing Operations



\$ millions

	Q1'20		
	GAAP Results Q1 FY20	Amortization Expense	Non-GAAP Results Q1 FY20
BSSG			
Revenue	118.8	-	118.8
Gross profit	46.3	0.7	47.0
<i>Gross profit margin</i>	<i>39.0%</i>		<i>39.6%</i>
Operating expenses	(32.0)		(32.0)
Operating profit	14.3	0.7	15.0
<i>Operating profit margin</i>	<i>12.0%</i>		<i>12.6%</i>
BLS			
Revenue	91.7	-	91.7
Gross profit	38.7	1.9	40.6
<i>Gross profit margin</i>	<i>42.2%</i>		<i>44.3%</i>
Operating expenses	(34.7)		(34.7)
Operating profit	4.0	1.9	6.0
<i>Operating profit margin</i>	<i>4.4%</i>		<i>6.5%</i>

Reconciliation of GAAP to Non-GAAP – Q4'19

Continuing Operations



\$ millions, except EPS

	Q4'19							
	GAAP Results Q4 FY19	Merger and Acquisition Costs	Amortization Expense	Restructuring & Related Charges	Loss on debt extinguishment	Tax Effect on Adjustments	Other Tax Items	Non-GAAP Results Q4 FY19
Revenue	199.2	-	-	-	-	-	-	199.2
Gross profit	80.2	-	2.8	0.3	-	-	-	83.2
<i>Gross profit margin</i>	<i>40.2%</i>							<i>41.8%</i>
Operating expenses	(68.3)	0.1	6.2	-	-	-	-	(62.0)
Restructuring charges	(1.2)	-	-	1.2	-	-	-	-
Operating profit	10.6	0.1	8.9	1.5	-	-	-	21.2
<i>Operating profit margin</i>	<i>5.3%</i>							<i>10.6%</i>
Interest income, net	(0.3)	-	-	-	-	-	-	(0.3)
Loss on debt extinguishment	(5.3)	-	-	-	5.3	-	-	-
Other income, net	(0.3)	-	-	-	-	-	-	(0.3)
Income tax benefit (provision)	0.5	-	-	-	-	(3.9)	(0.2)	(3.7)
Net Income	5.2	0.1	8.9	1.5	5.3	(3.9)	(0.2)	16.9
Diluted earnings per share	0.07	0.00	0.12	0.02	0.07	(0.05)	(0.00)	0.23

GAAP to Non-GAAP Reconciliation

Q4'19 Segments – Continuing Operations



\$ millions

	Q4'19			
	GAAP Results Q4 FY19	Amortization Expense	Other Special Charges	Non-GAAP Results Q4 FY19
BSSG				
Revenue	105.0	-	-	105.0
Gross profit	42.3	0.9	-	43.1
<i>Gross profit margin</i>	40.2%			41.1%
Operating expenses	(29.5)			(29.5)
Operating profit	12.7	0.9	-	13.6
<i>Operating profit margin</i>	12.1%			12.9%
BLS				
Revenue	94.2	-	-	94.2
Gross profit	37.9	1.9	0.3	40.1
<i>Gross profit margin</i>	40.2%			42.6%
Operating expenses	(33.3)			(33.3)
Operating profit	4.6	1.9	0.3	6.8
<i>Operating profit margin</i>	4.9%			7.2%

Reconciliation of GAAP to Non-GAAP – Q1'19

Continuing Operations



\$ millions, except EPS

	Q1'19							
	GAAP Results Q1 FY19	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Tax Effect on Adjustments	Other Tax Items	Transition Tax	Non-GAAP Results Q1 FY19
Revenue	179.4	-	-	-	-	-	-	179.4
Gross profit	72.1	0.2	2.0	-	-	-	-	74.3
<i>Gross profit margin</i>	<i>40.2%</i>							<i>41.4%</i>
Operating Expenses	(66.7)	6.4	5.8	-	-	-	-	(54.6)
Restructuring charges	(0.1)	-	-	0.1	-	-	-	-
Operating profit	5.3	6.5	7.8	0.1	-	-	-	19.7
<i>Operating profit margin</i>	<i>3.0%</i>							<i>11.0%</i>
Interest expense, net	(4.9)	-	-	-	-	-	-	(4.9)
Other income (expense), net	(0.0)	-	-	-	-	-	-	(0.0)
Income tax benefit (provision)	5.8	-	-	-	(3.2)	(4.4)	(1.1)	(2.9)
Net Income	6.3	6.5	7.8	0.1	(3.2)	(4.4)	(1.1)	11.9
Diluted EPS	0.09	0.09	0.11	0.00	(0.04)	(0.06)	(0.02)	0.17

GAAP to Non-GAAP Reconciliation

Q1'19 Segments – Continuing Operations



\$ millions

	Q1'19			Non-GAAP Results Q1 FY19
	GAAP Results Q1 FY19	Merger and Acquisition Costs	Amortization Expense	
BSSG				
Revenue	112.7	-	-	112.7
Gross profit	45.9	0.2	0.9	47.0
<i>Gross profit margin</i>	<i>40.7%</i>			<i>41.7%</i>
Operating expenses	(29.8)			(29.8)
Operating profit	16.1	0.2	0.9	17.3
<i>Operating profit margin</i>	<i>14.3%</i>			<i>15.3%</i>
BLS				
Revenue	66.7	-	-	66.7
Gross profit	26.2	-	1.1	27.2
<i>Gross profit margin</i>	<i>39.3%</i>			<i>40.9%</i>
Operating expenses	(24.6)			(24.6)
Operating profit	1.6	-	1.1	2.7
<i>Operating profit margin</i>	<i>2.4%</i>			<i>4.0%</i>

Net Income Reconciliation to Adjusted EBITDA

Q1'20 - Continuing Operations



\$ millions

	<u>Q1'19</u>	<u>Q4'19</u>	<u>Q1'20</u>
Net income	14.4	412.3	13.1
Income from discontinued operations, net of tax	(8.1)	(407.1)	0.1
Net income from continuing operations	6.3	5.2	13.2
<u>Adjustments:</u>			
Interest income	(0.4)	(0.6)	(0.7)
Interest expense	5.3	0.9	0.7
Income tax provision (benefit)	(5.8)	(0.5)	(3.0)
Depreciation	4.1	5.1	5.9
Amortization of intangible assets	7.8	8.9	10.6
Loss on extinguishment of debt	-	5.3	-
EBITDA-from Continuing Operations	17.1	24.3	26.7
<u>Non-GAAP adjustments:</u>			
Stock-based compensation	4.2	4.9	4.4
Restructuring charges	0.1	1.2	0.6
Restructuring related charges	-	0.3	-
Merger and acquisition costs / Other	6.4	0.1	0.2
Adjusted EBITDA - from Continuing Operations	27.9	30.9	31.9