



Conference Call Brooks Automation Second Quarter FY17 Financial Results

April 27, 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 first quarter financial results press release issued on April 27, 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

Second Quarter Ending March 31, 2017



| \$ millions, except EPS | GAAP | | non - GAAP | |
|----------------------------|--------------|------------------|--------------|----------------|
| | Q2'17 | Vs Q1 | Q2'17 | Vs Q1 |
| Revenue | 169 | 9.4 | 169 | 9.4 |
| Gross profit | 65 | 7.6 | 66 | 8.0 |
| <i>Gross profit margin</i> | <i>38.1%</i> | <i>2.5 pts</i> | <i>39.0%</i> | <i>2.7 pts</i> |
| R&D expenses | 11 | 0.5 | 11 | 0.5 |
| SG&A expenses | 38 | 5.6 | 33 | 4.6 |
| Restructuring | 1 | (0.1) | - | - |
| Operating income | 15 | 1.6 | 21 | 2.8 |
| <i>Operating margin</i> | <i>8.7%</i> | <i>0.5 pts</i> | <i>12.6%</i> | <i>1.0 pts</i> |
| Other income (expense) | (0.2) | (1.7) | (0.2) | 0.1 |
| Tax benefit (provision) | (3.4) | (0.6) | (4.1) | (1.0) |
| JV earnings | 2.8 | 0.8 | 2.8 | 0.6 |
| Net income | 14.0 | 0.1 | 19.8 | 2.5 |
| <i>Net income margin</i> | <i>8.3%</i> | <i>(0.4) pts</i> | <i>11.7%</i> | <i>0.9 pts</i> |
| Diluted EPS | 0.20 | 0.00 | 0.28 | 0.03 |
| <i>Adjusted EBITDA</i> | | | <i>31</i> | <i>5.2</i> |

- Revenue growth of 6% sequentially and 25% YtY supported by both segments
- Adjusted EBITDA improvement of \$5 million sequentially and \$20 million YtY supported by growth and significant cost reductions

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

Brooks Life Science Systems – Sequential Performance



| \$ millions | Q1'17 | Q2'17 | Change |
|------------------------------|--------------|--------------|----------------|
| Revenue | 33 | 35 | 1.3 |
| Gross profit * | 12 | 14 | 2.0 |
| <i>Gross profit margin *</i> | <i>35.7%</i> | <i>40.1%</i> | <i>4.3 pts</i> |
| Operating expenses | 11 | 12 | 0.5 |
| Operating income * | 0.5 | 2.0 | 1.4 |
| <i>Operating margin *</i> | <i>1.6%</i> | <i>5.7%</i> | <i>4.1 pts</i> |

- 4% sequential revenue growth and \$48 million of new contracts signed
 - Gross margin improvement driven by lower mix of Genomic Services
- 31% Year to Year growth in Q2
 - Organic growth of 31% with \$1.2M from acquisitions, and -\$1.3M currency

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

Brooks Semiconductor Solutions – Sequential Performance



| \$ millions | Q1'17 | Q2'17 | Change |
|------------------------------|--------------|--------------|----------------|
| Revenue | 127 | 135 | 8.0 |
| Gross profit * | 46 | 52 | 6.0 |
| <i>Gross profit margin *</i> | <i>36.4%</i> | <i>38.7%</i> | <i>2.3 pts</i> |
| Operating expenses | 28 | 31 | 3.2 |
| Operating income * | 18 | 21 | 2.8 |
| <i>Operating margin *</i> | <i>14.2%</i> | <i>15.4%</i> | <i>1.2 pts</i> |

- 6% Sequential growth with expansion from every product area
 - 21% growth in Cryogenic Pump products
 - Gross margin expansion on higher volumes and reduced fixed cost
- 24% Year to Year growth in Q2

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

Summary Balance Sheet



| \$ millions | Q1'17 | Q2'17 |
|---|--------------|--------------|
| Cash and marketable securities | 89 | 110 |
| Accounts receivable, net | 114 | 115 |
| Inventories | 93 | 99 |
| Other current assets | 15 | 17 |
| Accounts payable | (52) | (50) |
| Deferred revenue | (25) | (29) |
| Other current liabilities | (51) | (61) |
| Net working capital | 94 | 92 |
| Property, plant and equipment | 54 | 53 |
| Goodwill and intangible assets | 294 | 290 |
| Net long-term deferred tax assets (liabilities) | (1) | (1) |
| Other net long-term assets (liabilities) | 22 | 27 |
| Net assets | 553 | 571 |

- \$110 million Cash, Equivalents, and Marketable Securities with no debt

Q2 2017 Cash Flow



| \$ millions | <u>Q2 FY'17</u> |
|--|------------------------|
| Net income | 14.0 |
| Depreciation & Amortization | 7.0 |
| Stock compensation | 4.4 |
| Change in working capital | 1.3 |
| Deferred income tax benefit | 0.8 |
| Other operating items | (2.8) |
| Cash flow from operations | <u>24.6</u> |
| Capital expenditures | (1.4) |
| Dividends | (7.0) |
| Other | <u>4.9</u> |
| Net change in cash and marketable sec. | 21.1 |
| Cash and marketable securities | <u>110.1</u> |

- \$25 million Operating Cash driven on strong net income and lower working capital

Summary and Guidance



| \$ millions, except EPS | Q2'17 | Guidance Q3'17 |
|--------------------------------|--------------|---------------------------|
| Revenue | 169 | 175-180 |
| Adjusted EBITDA* | 31 | 32-35 |
| Non-GAAP diluted EPS* | \$0.28 | \$0.29 - \$0.33 |
| GAAP diluted EPS | \$0.20 | \$0.21 - \$0.25 |

* 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 | Q1 FY17 | | | | | | Q2 FY17 | | | | | | | |
|---------------------------------|--------------|------|------------------------------|----------------------|-----------------------|---------------------------------|--------------------------|--------------|------|------------------------------|----------------------|-----------------------|-------------------------------|--------------------------|
| | GAAP Results | | Merger and Acquisition Costs | Amortization Expense | Restructuring Charges | * Other Special (Gains) Charges | Non-GAAP Results Q1 FY17 | GAAP Results | | Merger and Acquisition Costs | Amortization Expense | Restructuring Charges | Other Special (Gains) Charges | Non-GAAP Results Q2 FY17 |
| | Q1 | FY17 | | | | | | Q2 | FY17 | | | | | |
| Revenue | 160.0 | | - | - | - | - | 160.0 | 169.3 | | - | - | - | - | 169.3 |
| Gross profit | 56.9 | | 0.1 | 1.0 | - | - | 58.0 | 64.5 | | 0.4 | 1.1 | - | - | 66.0 |
| <i>Gross profit margin</i> | <i>35.6%</i> | | | | | | <i>36.3%</i> | <i>38.1%</i> | | | | | | <i>39.0%</i> |
| Operating Expenses | (42.8) | | 0.2 | 3.1 | - | - | (39.5) | (48.9) | | 0.9 | 3.3 | - | - | (44.6) |
| Restructuring charges | (1.0) | | - | - | 1.0 | - | - | (0.9) | | - | - | 0.9 | - | - |
| Operating profit | 13.2 | | 0.3 | 4.1 | 1.0 | - | 18.5 | 14.8 | | 1.3 | 4.4 | 0.9 | - | 21.3 |
| <i>Operating profit margin</i> | <i>8.2%</i> | | | | | | <i>11.6%</i> | <i>8.7%</i> | | | | | | <i>12.6%</i> |
| Interest income, net | (0.0) | | - | - | - | - | (0.0) | 0.1 | | - | - | - | - | 0.1 |
| Other income, net | 1.6 | | - | - | - | (1.8) | (0.3) | (0.3) | | - | - | - | - | (0.3) |
| Income tax benefit (provision) | (2.8) | | (0.0) | (0.3) | (0.1) | 0.1 | (3.1) | (3.4) | | (0.1) | (0.5) | (0.1) | - | (4.1) |
| JV and noncontrolling interests | 1.9 | | - | - | - | 0.2 | 2.1 | 2.8 | | - | - | - | - | 2.8 |
| Net Income | 13.9 | | 0.3 | 3.8 | 0.9 | (1.5) | 17.3 | 14.0 | | 1.2 | 3.9 | 0.8 | - | 19.8 |
| Diluted earnings per share | 0.20 | | 0.00 | 0.05 | 0.01 | (0.02) | 0.25 | 0.20 | | 0.02 | 0.06 | 0.01 | - | 0.28 |

* Includes \$1.8M Gain on settlement of BioCision equity method investment

GAAP to Non-GAAP Reconciliation

Segment Gross Profit and Operating Profit



\$ millions, except EPS

| | Q1 FY17 | | | | | Q2 FY17 | | | | | | |
|--------------------------------|----------------------|-----------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|-----------------------------|----------------------|-----------------------|-----------------------|--------------------------|
| | GAAP Results Q1 FY17 | Merger and Aquisition Costs | Amortization Expense | Restructuring Charges | Other Special Charges | Non-GAAP Results Q1 FY17 | GAAP Results Q2 FY17 | Merger and Aquisition Costs | Amortization Expense | Restructuring Charges | Other Special Charges | Non-GAAP Results Q2 FY17 |
| BSSG | | | | | | | | | | | | |
| Revenue | 126.6 | - | - | - | - | 126.6 | 134.7 | - | - | - | - | 134.7 |
| Gross profit | 45.5 | - | 0.6 | - | - | 46.1 | 51.3 | 0.1 | 0.6 | - | - | 52.1 |
| <i>Gross profit margin</i> | <i>35.9%</i> | | | | | <i>36.4%</i> | <i>38.1%</i> | | | | | <i>38.7%</i> |
| Operating Expenses | (28.1) | | | | | (28.1) | (31.3) | | | | | (31.3) |
| Operating profit | 17.4 | - | 0.6 | - | - | 18.0 | 20.0 | 0.1 | 0.6 | - | - | 20.8 |
| <i>Operating profit margin</i> | <i>13.7%</i> | | | | | <i>14.2%</i> | <i>14.9%</i> | | | | | <i>15.4%</i> |
| BLSS | | | | | | | | | | | | |
| Revenue | 33.3 | - | - | - | - | 33.3 | 34.7 | - | - | - | - | 34.7 |
| Gross profit | 11.5 | 0.1 | 0.4 | - | - | 11.9 | 13.2 | 0.3 | 0.4 | - | - | 13.9 |
| <i>Gross profit margin</i> | <i>34.4%</i> | | | | | <i>35.7%</i> | <i>38.1%</i> | | | | | <i>40.1%</i> |
| Operating Expenses | (11.4) | | | | | (11.4) | (11.9) | | | | | (11.9) |
| Operating profit | 0.1 | 0.1 | 0.4 | - | - | 0.5 | 1.3 | 0.3 | 0.4 | - | - | 2.0 |
| <i>Operating profit margin</i> | <i>0.3%</i> | | | | | <i>1.6%</i> | <i>3.7%</i> | | | | | <i>5.7%</i> |
| Unallocated Corporate | | | | | | | | | | | | |
| Revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross profit | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>Gross profit margin</i> | | | | | | | | | | | | |
| Operating Expenses | (4.3) | 0.2 | 3.1 | 1.0 | - | (0.0) | (6.5) | 0.9 | 3.3 | 0.9 | - | (1.4) |
| Operating profit | (4.3) | 0.2 | 3.1 | 1.0 | - | (0.0) | (6.5) | 0.9 | 3.3 | 0.9 | - | (1.4) |
| Brooks Consolidated | | | | | | | | | | | | |
| Revenue | 160.0 | - | - | - | - | 160.0 | 169.3 | - | - | - | - | 169.3 |
| Gross profit | 56.9 | 0.1 | 1.0 | - | - | 58.0 | 64.5 | 0.4 | 1.1 | - | - | 66.0 |
| <i>Gross profit margin</i> | <i>35.6%</i> | | | | | <i>36.3%</i> | <i>38.1%</i> | | | | | <i>39.0%</i> |
| Operating Expenses | (43.8) | 0.2 | 3.1 | 1.0 | - | (39.5) | (49.7) | 0.9 | 3.3 | 0.9 | - | (44.6) |
| Operating profit | 13.2 | 0.3 | 4.1 | 1.0 | - | 18.5 | 14.8 | 1.3 | 4.4 | 0.9 | - | 21.3 |
| <i>Operating profit margin</i> | <i>8.2%</i> | | | | | <i>11.6%</i> | <i>8.7%</i> | | | | | <i>12.6%</i> |

GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA



| \$ millions | Q1'17 | Q2'17 |
|---|--------------|--------------|
| Net income attributable to Brooks | 13.9 | 14.0 |
| <u>Non-GAAP adjustments:</u> | | |
| Interest income | (0.1) | (0.2) |
| Interest expense | 0.1 | 0.1 |
| Income tax provision | 2.8 | 3.4 |
| Depreciation | 2.7 | 2.6 |
| Amortization of intangible assets | 4.1 | 4.4 |
| EBITDA | 23.5 | 24.3 |
| Purchase accounting impact on inventory and contracts acquired | 0.1 | 0.4 |
| Stock-based compensation | 2.5 | 4.4 |
| Restructuring charges | 1.0 | 0.9 |
| Merger and acquisition costs | 0.2 | 0.9 |
| Gain on BioCision settlement | (1.8) | - |
| BioCision Stub Period Adjustment | 0.2 | - |
| Adjusted EBITDA | 25.6 | 30.8 |