



BROOKS AUTOMATION REPORTS FOURTH QUARTER AND YEAR-END RESULTS OF FISCAL YEAR 2019, ENDED SEPTEMBER 30, 2019, AND ANNOUNCES QUARTERLY CASH DIVIDEND

Revenue Growth at 24% Caps Off a Transformative Year of High Growth and Margin Expansion

CHELMSFORD, Mass., Nov. 6, 2019 /PRNewswire/ -- Brooks Automation, Inc. (Nasdaq: BRKS), a leader in automation solutions for the semiconductor manufacturing and life sciences industries, today reported financial results for the fourth quarter and the fiscal year ended September 30, 2019.

Financial Results Summary

| | Quarter Ended | | | Year Ended | | |
|--|---------------|---------------|--------|---------------|---------------|--------|
| | September 30, | September 30, | Change | September 30, | September 30, | Change |
| | 2019 | 2018 | | 2019 | 2018 | |
| Dollars in millions, except per share data | | | | | | |
| Revenue | \$ 200 | \$ 160 | 25 % | \$ 782 | \$ 632 | 24 % |
| Semiconductor Solutions Group | \$ 106 | \$ 109 | (3) % | \$ 448 | \$ 435 | 3 % |
| Life Sciences | \$ 94 | \$ 51 | 85 % | \$ 334 | \$ 197 | 70 % |
| Diluted EPS Continuing Operations | \$ 0.08 | \$ (0.02) | | \$ 0.14 | \$ 0.95 | |
| Diluted EPS Total | \$ 5.69 | \$ 0.15 | | \$ 6.05 | \$ 1.64 | |
| Non-GAAP Diluted EPS Cont. Operations | \$ 0.24 | \$ 0.17 | 43 % | \$ 0.77 | \$ 0.64 | 20 % |
| Adjusted EBITDA | \$ 31 | \$ 22 | 39 % | \$ 128 | \$ 93 | 37 % |

On July 1, 2019, the Company announced that it had completed the sale of its Semiconductor Cryogenics business to Edwards Vacuum LLC (a member of the Atlas Copco Group). In accordance with GAAP, the Company reports the results of the Semiconductor Cryogenics business as discontinued operations for all periods presented.

Management Comments

"In the fourth quarter we delivered continued growth in our Life Sciences business, solid performance in our Semiconductor business, and one of our highest quarters in cash generation," commented Steve Schwartz, CEO of Brooks Automation. "We capped off a year in which all areas of the business provided growth and margin expansion. It was truly a transformative year for us as our team successfully completed the acquisition of GENEWIZ and closed the sale of the Semiconductor Cryogenics business. We have good momentum in Life Sciences revenue, strong bookings in the Semiconductor Solutions business, and a solid balance sheet that supports additional investments. We have set the stage for a strong 2020 fiscal year."

Summary of GAAP Results

Fourth Quarter, Fiscal 2019

- Revenue of \$200 million was up 25% year over year, driven by the Life Sciences segment growth of 85% and slightly offset by a decline of 3% in Semiconductor Solutions. Sequentially, quarterly revenue declined 2% driven by lower Semiconductor Solutions revenue which was down 9%, offset by Life Sciences revenue, up 7% compared to the third quarter of fiscal 2019.
- Life Sciences revenue of \$94 million grew 85% year over year, inclusive of 10% organic growth, all attributable to Sample Management. GENEWIZ, acquired in November of 2018, contributed \$40 million of revenue in the fourth quarter.

- Semiconductor Solutions revenue of \$106 million was down 3% year over year, yet stable relative to the overall semiconductor capital equipment market.
- GAAP diluted EPS was \$5.69 compared to \$0.15 in the fourth quarter of 2018. Discontinued operations provided \$5.61 earnings per share supported by a \$409 million gain on the sale of the Semiconductor Cryogenics business. Continuing operations yielded \$0.08 in the quarter compared to (\$0.02) in the fourth quarter a year ago.
- GAAP operating income was \$11 million, compared to \$4 million in the fourth quarter of 2018.
- Net interest expense for the fourth fiscal quarter was \$0.3 million, down from \$2.0 million in the fourth quarter of 2018 and down from \$7.9 million in the third fiscal quarter of 2019, as a result of the reduction of \$495 million of debt on July 1, 2019. The divestiture generated \$662 million of cash in the quarter.
- Cash flow from operations was \$33 million in the quarter, inclusive of \$13 million of transaction fees paid, stemming from the closure of the Cryogenics sale. Excluding these one-time cash outflows, our operating cash flow was \$46 million. The ending balance of total debt was \$51 million and the balance of cash, cash equivalents, restricted cash, and marketable securities was \$342 million.

Full Year, Fiscal 2019

- Revenue for fiscal 2019 was \$782 million, an increase of 24% compared to fiscal 2018. Growth was supported by both segments. Life Sciences revenue of \$334 million was 70% higher than fiscal 2018, inclusive of 8% organic growth. Semiconductor revenue was \$448 million was an increase of 3% over the prior year.
- GAAP diluted EPS was \$6.05 compared to \$1.64 in fiscal 2018. Discontinued operations provided \$5.91 primarily from the \$409 million gain on the sale of the Semiconductor Cryogenics business. Continuing operations provided \$0.14 compared to \$0.95 in fiscal 2018, which included a tax benefit of \$43 million for the reversal of a valuation allowance reserve. Fiscal year 2019 results included \$11 million of additional amortization of intangibles driven by the acquisition of GENEWIZ and \$14 million in charges for the extinguishment of debt.
- GAAP operating income was \$47 million, an increase of 48% compared to fiscal 2018.
- Cash flow from operations was \$91 million, a 23% increase compared to \$74 million in fiscal 2018. Excluding transaction fees paid upon the closure of the Cryogenics sale, cash flow from operations was \$104 million, a 41% increase from 2018.

Summary of Non-GAAP Results for Continuing Operations

Fourth Quarter, Fiscal 2019

- Non-GAAP diluted EPS from continuing operations for the quarter was \$0.24, a 43% increase compared to the fourth quarter of 2018.
- Non-GAAP operating margin was 10.8%, higher by 140 basis points compared to the fourth quarter of 2018. The improvement was driven by non-GAAP gross margin performance, which was 41.8% and 160 basis points higher year over year, driven by Life Sciences adjusted gross margin of 42.6% which was higher by 480 basis points year over year. The improvement reflects 220 basis points improvement in Sample Management operations and the favorable mix of adding GENEWIZ to the business. Operating expense increased 26% year over year, consistent with revenue and reflecting the incremental structure of GENEWIZ and an increase in Semiconductor R&D spending.
- Adjusted EBITDA in the quarter increased 39% year over year to \$31 million, up from \$22 million in the prior year quarter. The adjusted EBITDA margin improved to 15.7% from 14.1% in the fourth quarter of fiscal 2018.

Full Year, Fiscal 2019

- Non-GAAP diluted EPS from continuing operations for 2019 was \$0.77, a 20% increase compared to \$0.64 in 2018. The increase reflects the 24% revenue growth and improvement in operating margin of 130 basis points, partially offset by higher interest expense.
- Operating income was \$91 million, a 39% increase from 2018. The increase was supported by non-GAAP gross margins of 41.9%, which improved 190 basis points compared to 2018. Life Sciences gross margins were 42.4%, up 440 basis points from last year driven by the inclusion of GENEWIZ results and 40 basis points of improvement in Sample Management. The Semiconductor Solutions business gross margin improved 60 basis points from last year to 41.5%.

A reconciliation of non-GAAP measures to the most nearly comparable GAAP measures follows the consolidated balance sheets, statements of operations and statements of cash flows included in this release.

Quarterly Cash Dividend

The Company additionally announced that the Board of Directors has reiterated a dividend of \$0.10 per share payable on December 20, 2019 to stockholders of record on December 6, 2019. Future dividend declarations, as well as the record and payment dates for such dividends, are subject to the final determination of the Company's Board of Directors.

Guidance for Fiscal First Quarter 2020

The Company announced revenue and earnings guidance for the first quarter of fiscal 2020. Revenue is expected to be in the range of \$204 million to \$214 million and non-GAAP diluted earnings per share is expected to be in the range of \$0.20 to \$0.27. GAAP diluted earnings per share for the first quarter is expected to be in the range of \$0.09 to \$0.17.

Conference Call

Brooks management will webcast its fourth quarter and year-end earnings conference call today at 4:30 p.m. Eastern Time. During the call, Company management will respond to questions concerning, but not limited to, the Company's financial performance, business conditions and industry outlook. Management's responses could contain information that has not been previously disclosed.

The call will be broadcast live over the Internet and, together with presentation materials referenced on the call, will be hosted at the Investor Relations section of Brooks' website at <https://brooks.investorroom.com/events>, and will be archived online on this website for convenient on-demand replay. In addition, you may call 877-256-3275 (US & Canada only) or +1-212-231-2938 for international callers to listen to the live webcast.

Regulation G - Use of Non-GAAP financial Measures

The Company supplements its GAAP financial measures with certain non-GAAP financial measures to provide investors a better perspective on the results of business operations, which the Company believes is more comparable to the similar analysis provided by its peers. These measures are not presented in accordance with, nor are they a substitute for, U.S. generally accepted accounting principles, or GAAP. These measures should always be considered in conjunction with appropriate GAAP measures. A reconciliation of non-GAAP measures to the most nearly comparable GAAP measures is included at the end of this release following the consolidated balance sheets, statements of operations and statements of cash flows.

"Safe Harbor Statement" under Section 21E of the Securities Exchange Act of 1934

Some statements in this release are forward-looking statements made under Section 21E of the Securities Exchange Act of 1934. These statements are neither promises nor guarantees but involve risks and uncertainties, both known and unknown, that could cause Brooks' financial and business results to differ materially from our expectations. They are based on the facts known to management at the time they are made. These forward-looking statements include but are not limited to statements our revenue and earnings expectations, our ability to increase our profitability, our ability to improve or retain our market position, the expected financial results from our recently acquired GENEWIZ business and our ability to deliver financial success in the future. Factors that could cause results to differ from our expectations include the following: the volatility of the industries the Company serves, particularly the semiconductor industry; our possible inability to meet demand for our products due to difficulties in obtaining components and materials from our suppliers in required quantities and of required quality; the inability of customers to make payments to us when due; the timing and effectiveness of cost reduction and cost control measures; price competition; disputes concerning intellectual property; uncertainties in global political and economic conditions, and other factors and other risks, including those that we have described in our filings with the Securities and Exchange Commission, including but not limited to our Annual Report on Form 10-K, current reports on Form 8-K and our quarterly reports on Form 10-Q. As a result, we can provide no assurance that our future results will not be materially different from those projected. Brooks expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statement to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based. Brooks undertakes no obligation to update the information contained in this press release.

About Brooks Automation, Inc.

Brooks is a leading provider of life science and semiconductor manufacturing automation solutions worldwide. The Company applies its automation and cryogenics expertise to provide a full suite of reliable cold-chain sample management solutions across life sciences in areas such as drug development, clinical research and advanced cell therapies. Brooks recently added global capability for gene sequencing and gene synthesis services through its strategic acquisition of GENEWIZ, expanding its sample-based services offerings. With over 40 years as a partner to the semiconductor manufacturing industry, Brooks is a provider of industry-leading precision robotics, integrated automation systems and services. Brooks is headquartered in Chelmsford, MA, with operations in North America, Europe and Asia. For more information, visit www.brooks.com.

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BROOKS AUTOMATION, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(In thousands, except per share data)

| | Three Months Ended | | Year Ended | |
|--------------------------|--------------------|------------|---------------|------------|
| | September 30, | | September 30, | |
| | 2019 | 2018 | 2019 | 2018 |
| Revenue | | | | |
| Products | \$ 123,219 | \$ 120,307 | \$ 505,046 | \$ 482,389 |
| Services | 77,009 | 39,339 | 276,819 | 149,171 |
| Total revenue | 200,228 | 159,646 | 781,865 | 631,560 |
| Cost of revenue | | | | |
| Products | 73,177 | 71,820 | 302,757 | 288,323 |
| Services | 46,400 | 25,206 | 162,351 | 97,156 |
| Total cost of revenue | 119,577 | 97,026 | 465,108 | 385,479 |
| Gross profit | 80,651 | 62,620 | 316,757 | 246,081 |
| Operating expenses | | | | |
| Research and development | 14,883 | 12,138 | 56,368 | 46,936 |

| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Selling, general and administrative | 53,451 | 46,281 | 211,960 | 167,022 |
| Restructuring charges | 1,209 | 585 | 1,894 | 714 |
| Total operating expenses | <u>69,542</u> | <u>59,004</u> | <u>270,222</u> | <u>214,672</u> |
| Operating income | <u>11,109</u> | <u>3,616</u> | <u>46,535</u> | <u>31,409</u> |
| Interest income | 602 | 688 | 1,449 | 1,881 |
| Interest expense | (902) | (2,679) | (22,250) | (9,520) |
| Loss on extinguishment of debt | (5,288) | — | (14,339) | — |
| Other expenses, net | (339) | (257) | (1,455) | (3,304) |
| Income before income taxes | <u>5,182</u> | <u>1,368</u> | <u>9,940</u> | <u>20,466</u> |
| Income tax provision (benefit) | (350) | 2,580 | 50 | (47,251) |
| Income (loss) from continuing operations | <u>\$ 5,532</u> | <u>\$ (1,212)</u> | <u>\$ 9,890</u> | <u>\$ 67,717</u> |
| Income from discontinued operations, net of tax | 407,131 | 11,563 | 427,862 | 48,747 |
| Net income | <u>\$ 412,663</u> | <u>\$ 10,351</u> | <u>\$ 437,752</u> | <u>\$ 116,464</u> |
| Net loss attributable to noncontrolling interest | — | — | — | 111 |
| Net income attributable to Brooks Automation, Inc. | <u>\$ 412,663</u> | <u>\$ 10,351</u> | <u>\$ 437,752</u> | <u>\$ 116,575</u> |
| <u>Basic net income per share:</u> | | | | |
| Basic net income per share from continuing operations | \$ 0.08 | \$ (0.02) | \$ 0.14 | \$ 0.96 |
| Basic net income per share from discontinued operations | 5.63 | 0.16 | 5.94 | 0.69 |
| Basic net income per share | <u>\$ 5.71</u> | <u>\$ 0.15</u> | <u>\$ 6.08</u> | <u>\$ 1.65</u> |
| <u>Diluted net income per share:</u> | | | | |
| Diluted net income per share from continuing operations | \$ 0.08 | \$ (0.02) | \$ 0.14 | \$ 0.95 |
| Diluted net income per share from discontinued operations | 5.61 | 0.16 | 5.91 | 0.69 |
| Diluted net income per share | <u>\$ 5.69</u> | <u>\$ 0.15</u> | <u>\$ 6.05</u> | <u>\$ 1.64</u> |
| Weighted average shares outstanding used in computing net income per share: | | | | |
| Basic | 72,273 | 70,681 | 71,992 | 70,489 |
| Diluted | 72,558 | 71,085 | 72,386 | 70,937 |

BROOKS AUTOMATION, INC.

CONSOLIDATED BALANCE SHEETS

(unaudited)

(In thousands, except share and per share data)

| | September 30, 2019 | September 30, 2018 |
|---------------------------|-----------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 301,642 | \$ 197,708 |
| Marketable securities | 34,124 | 46,281 |
| Accounts receivable, net | 166,657 | 125,192 |

| | | |
|--|--------------|--------------|
| Inventories | 99,445 | 96,986 |
| Prepaid expenses and other current assets | 46,331 | 31,741 |
| Current assets held for sale | — | 66,148 |
| Total current assets | 648,199 | 564,056 |
| Property, plant and equipment, net | 100,669 | 59,988 |
| Long-term marketable securities | 2,845 | 7,237 |
| Long-term deferred tax assets | 5,064 | 43,798 |
| Goodwill | 488,602 | 255,876 |
| Intangible assets, net | 251,168 | 99,956 |
| Other assets | 20,507 | 5,294 |
| Non-current assets held for sale | — | 59,052 |
| Total assets | \$ 1,517,054 | \$ 1,095,257 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 829 | \$ 2,000 |
| Accounts payable | 59,437 | 44,724 |
| Deferred revenue | 29,477 | 25,884 |
| Accrued warranty and retrofit costs | 7,175 | 6,340 |
| Accrued compensation and benefits | 31,375 | 29,322 |
| Accrued restructuring costs | 1,040 | 659 |
| Accrued income taxes payable | 99,423 | 6,746 |
| Accrued expenses and other current liabilities | 44,234 | 30,405 |
| Current liabilities held for sale | — | 18,537 |
| Total current liabilities | 272,990 | 164,617 |
| Long-term debt | 50,315 | 194,071 |
| Long-term tax reserves | 18,273 | 1,102 |
| Long-term deferred tax liabilities | 20,636 | 7,135 |
| Long-term pension liabilities | 5,338 | 4,255 |
| Other long-term liabilities | 10,212 | 5,547 |
| Non-current liabilities held for sale | — | 698 |
| Total liabilities | 377,764 | 377,425 |
| Stockholders' Equity | | |
| Preferred stock, \$0.01 par value - 1,000,000 shares authorized, no shares issued or outstanding | — | — |
| Common stock, \$0.01 par value - 125,000,000 shares authorized, 85,759,700 shares issued and 72,297,831 shares outstanding at September 30, 2019, 84,164,130 shares issued and 70,702,261 shares outstanding at September 30, 2018 | 857 | 841 |
| Additional paid-in capital | 1,921,954 | 1,898,434 |
| Accumulated other comprehensive income | 3,510 | 13,587 |
| Treasury stock at cost - 13,461,869 shares | (200,956) | (200,956) |
| Accumulated deficit | (586,075) | (994,074) |
| Total stockholders' equity | 1,139,290 | 717,832 |
| Total liabilities and stockholders' equity | \$ 1,517,054 | \$ 1,095,257 |

BROOKS AUTOMATION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(In thousands)

| | Year Ended | |
|---|---------------|------------|
| | September 30, | |
| | 2019 | 2018 |
| Cash flows from operating activities | | |
| Net income | \$ 437,752 | \$ 116,464 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 54,454 | 37,429 |
| Impairment of property, plant and equipment | 285 | — |
| Stock-based compensation | 20,113 | 19,822 |
| Amortization of premium on marketable securities and deferred financing costs | 1,121 | 710 |
| Earnings of equity method investments | (6,188) | (6,788) |
| Loss recovery on insurance claim | — | (1,103) |
| Deferred income taxes | (15,161) | (45,217) |
| Loss on extinguishment of debt | 14,339 | — |
| Other gains on disposals of assets | 209 | (758) |
| Gain on sale of divestiture, net of tax | (408,575) | — |
| Contingent transaction fees paid stemming from divestiture | (13,388) | — |
| Changes in operating assets and liabilities, net of acquisitions: | | |
| Accounts receivable | (12,504) | (28,463) |
| Inventories | (2,933) | (24,365) |
| Prepaid expenses and current assets | (16,009) | (3,676) |
| Accounts payable | 5,215 | 5,457 |
| Deferred revenue | 4,255 | 2,791 |
| Accrued warranty and retrofit costs | 1,109 | (157) |
| Accrued compensation and tax withholdings | (6,453) | 5,978 |
| Accrued restructuring costs | 399 | (1,080) |
| Proceeds from recovery on insurance claim | 1,082 | — |
| Accrued expenses and current liabilities | 31,776 | (3,080) |
| Net cash provided by operating activities | 90,898 | 73,964 |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (23,861) | (12,787) |
| Purchases of marketable securities | (35,225) | (69,692) |
| Sales of marketable securities | 48,903 | 1,584 |
| Maturities of marketable securities | 2,557 | 17,482 |

| | | |
|---|------------|------------|
| Proceeds from divestiture, net of transaction costs | 661,642 | |
| Acquisitions, net of cash acquired | (442,704) | (85,755) |
| Proceeds from other investments | — | 500 |
| Proceeds from sales of property, plant and equipment | — | 200 |
| Net cash provided by (used) in investing activities | 211,312 | (148,468) |
| Cash flows from financing activities | | |
| Proceeds from term loans, net of discount | 686,386 | 197,554 |
| Proceeds from issuance of common stock | 3,422 | 2,826 |
| Payments of financing costs | (687) | (318) |
| Principal payments on debt | (850,190) | (1,500) |
| Payments of capital leases | (1,197) | — |
| Common stock dividends paid | (28,895) | (28,285) |
| Net cash provided by (used in) financing activities | (191,161) | 170,277 |
| Effects of exchange rate changes on cash and cash equivalents | (3,586) | 313 |
| Net increase in cash and cash equivalents | 107,463 | 96,086 |
| Cash and cash equivalents and restricted cash, beginning of period | 197,708 | 101,622 |
| Cash and cash equivalents and restricted cash, end of period | \$ 305,171 | \$ 197,708 |
| Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets | | |
| Cash and cash equivalents | \$ 301,642 | \$ 197,708 |
| Restricted cash included in prepaid expenses and other current assets | 3,529 | — |
| Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows | \$ 305,171 | \$ 197,708 |

Notes on Non-GAAP Financial Measures:

These financial measures are used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Management adjusted the GAAP results for the impact of amortization of intangible assets, restructuring charges, purchase price accounting adjustments and charges related to M&A to provide investors better perspective on the results of operations which the Company believes is more comparable to the similar analysis provided by its peers. Management also excludes special charges and gains, such as impairment losses, gains and losses from the sale of assets, as well as other gains and charges that are not representative of the normal operations of the business. In this context, the Company has also removed the effect of reversing the valuation allowance reserve on the U.S. deferred income tax assets. Management strongly encourages investors to review our financial statements and publicly-filed reports in their entirety and not rely on any single measure.

| | Quarter Ended | | | | | |
|--|--------------------|---------|---------------|---------|--------------------|-----------|
| | September 30, 2019 | | June 30, 2019 | | September 30, 2018 | |
| | per diluted | | per diluted | | per diluted | |
| | share | | share | | share | |
| Net income (loss) from continuing operations | \$ 5,532 | \$ 0.08 | \$ 921 | \$ 0.01 | \$ (1,212) | \$ (0.02) |
| <u>Adjustments:</u> | | | | | | |
| Amortization of intangible assets | 8,931 | 0.12 | 9,050 | 0.12 | 6,530 | 0.09 |
| Restructuring charges | 1,209 | 0.02 | 256 | 0.00 | 585 | 0.01 |
| Loss on extinguishment of debt | 5,288 | — | — | — | — | — |

Dollars in thousands, except per share data

| | | | | | | |
|---|------------------|----------------|------------------|----------------|------------------|----------------|
| Merger costs | 134 | 0.00 | 156 | 0.00 | 4,309 | 0.06 |
| Restructuring related charges | 285 | | | | | |
| Adjustment of valuation allowance against deferred tax assets | (233) | (0.00) | — | — | 690 | 0.01 |
| Tax Reform - rate change applied to deferred tax liabilities ⁽¹⁾ | — | — | 4,281 | 0.06 | — | — |
| Tax adjustments ⁽²⁾ | — | — | 974 | 0.01 | — | — |
| Tax effect of adjustments | (3,932) | (0.05) | (1,345) | (0.02) | 868 | 0.01 |
| Non-GAAP adjusted net income from continuing operations | \$ 17,214 | \$ 0.24 | \$ 14,293 | \$ 0.20 | \$ 11,770 | \$ 0.17 |
| Stock based compensation, pre-tax | 4,941 | 0.07 | 5,277 | 0.07 | 4,587 | 0.06 |
| Tax rate | 15 % | — | 15 % | — | 9 % | — |
| Stock-based compensation, net of tax | 4,200 | 0.06 | 4,485 | 0.06 | 4,188 | 0.06 |
| Non-GAAP adjusted net income excluding stock-based compensation - continuing operations | \$ 21,414 | \$ 0.30 | \$ 18,778 | \$ 0.26 | \$ 15,958 | \$ 0.22 |
| Shares used in computing non-GAAP diluted net income per share | — | 72,558 | — | 72,470 | — | 71,085 |

| | Year Ended | | | |
|---|--------------------|----------------|--------------------|----------------|
| | September 30, 2019 | | September 30, 2018 | |
| | per diluted | | per diluted | |
| | \$ | share | \$ | share |
| Net income from continuing operations | \$ 9,890 | \$ 0.14 | \$ 67,717 | \$ 0.95 |
| <u>Adjustments:</u> | | | | |
| Purchase accounting impact on inventory and contracts acquired | 184 | 0.00 | 1,896 | 0.03 |
| Amortization of intangible assets | 35,161 | 0.49 | 24,216 | 0.34 |
| Restructuring charges | 1,894 | 0.03 | 714 | 0.01 |
| Loss on extinguishment of debt | 14,339 | — | — | — |
| Merger costs | 6,679 | 0.09 | 6,945 | 0.10 |
| Restructuring related charges | 285 | | | |
| Adjustment of valuation allowance against deferred tax assets | (233) | (0.00) | (43,062) | (0.61) |
| Tax Reform - rate change applied to deferred tax liabilities ⁽¹⁾ | 1,796 | 0.02 | (671) | (0.01) |
| Tax effect of adjustments | (14,328) | (0.20) | (12,481) | (0.18) |
| Non-GAAP adjusted net income from continuing operations | \$ 55,667 | \$ 0.77 | \$ 45,274 | \$ 0.64 |
| Stock-based compensation, pre-tax | 19,516 | 0.27 | 18,856 | 0.27 |
| Tax rate | 15 % | — | 11 % | — |
| Stock-based compensation, net of tax | 16,589 | \$ 0.23 | 16,838 | 0.24 |
| Non-GAAP adjusted net income excluding stock-based compensation - continuing operations | \$ 72,256 | \$ 1.00 | \$ 62,112 | \$ 0.88 |
| Shares used in computing non-GAAP diluted net income per share | — | 72,386 | — | 70,937 |

(1) Adjustments are related to U.S. Federal Tax Reform.

(2) The Company elected to apply the tax benefit related to the stock compensation windfall realized in the quarter ended December 31, 2018 to the non-GAAP full year tax rate and to exclude the

benefit of a change in the deferred tax benefit realized in the three months ended December 31, 2018 related to a change in the Company's state effective tax rate related to the acquisition of GENEWIZ.

| | Quarter Ended | | | Year Ended | |
|--|---------------|-----------|---------------|---------------|---------------|
| | September 30, | June 30, | September 30, | September 30, | September 30, |
| | 2019 | 2019 | 2018 | 2019 | 2018 |
| <i>Dollars in thousands</i> | | | | | |
| GAAP net income attributable to Brooks Automation, Inc. | \$ 412,663 | \$ 7,254 | \$ 10,351 | \$ 437,752 | \$ 116,575 |
| <u>Adjustments:</u> | | | | | |
| Less: Discontinued operations | (407,131) | (6,333) | (11,563) | (427,862) | (48,747) |
| Less: Interest income | (602) | (108) | (688) | (1,449) | (1,881) |
| Add: Interest expense | 902 | 8,041 | 2,679 | 22,250 | 9,520 |
| Add: Income tax provision (benefit) | (350) | 7,260 | 2,580 | 50 | (47,251) |
| Add: Depreciation | 5,094 | 5,037 | 3,122 | 19,289 | 12,470 |
| Add: Amortization of completed technology | 2,764 | 2,863 | 1,487 | 10,424 | 4,877 |
| Add: Amortization of customer relationships and acquired intangible assets | 6,167 | 6,187 | 5,043 | 24,737 | 19,339 |
| Restructuring related charges | 285 | | | 285 | |
| Add: Loss on extinguishment of debt | 5,288 | — | — | 14,339 | — |
| Earnings before interest, taxes, depreciation and amortization | \$ 25,080 | \$ 30,201 | \$ 13,011 | \$ 99,815 | \$ 64,902 |

| | Quarter Ended | | | Year Ended | |
|---|---------------|-----------|---------------|---------------|---------------|
| | September 30, | June 30, | September 30, | September 30, | September 30, |
| | 2019 | 2019 | 2018 | 2019 | 2018 |
| <i>Dollars in thousands</i> | | | | | |
| Earnings before interest, taxes, depreciation and amortization | \$ 25,080 | \$ 30,201 | \$ 13,011 | \$ 99,815 | \$ 64,902 |
| <u>Adjustments:</u> | | | | | |
| Add: Stock-based compensation | 4,941 | 5,277 | 4,587 | 19,516 | 18,856 |
| Add: Restructuring charges | 1,209 | 256 | 585 | 1,894 | 714 |
| Add: Purchase accounting impact on inventory and contracts acquired | — | — | — | 184 | 1,896 |
| Add: Merger costs | 134 | 156 | 4,309 | 6,679 | 6,945 |
| Adjusted earnings before interest, taxes, depreciation and amortization | \$ 31,364 | \$ 35,890 | \$ 22,492 | \$ 128,088 | \$ 93,313 |

| | Quarter Ended | | | | | |
|--|--------------------|--------|---------------|--------|--------------------|--------|
| | September 30, 2019 | | June 30, 2019 | | September 30, 2018 | |
| | \$ | % | \$ | % | \$ | % |
| <i>Dollars in thousands</i> | | | | | | |
| GAAP gross profit/gross margin percentage | \$ 80,651 | 40.3 % | \$ 83,510 | 41.0 % | \$ 62,620 | 39.2 % |
| <u>Adjustments:</u> | | | | | | |
| Amortization of completed technology | 2,764 | 1.4 | 2,863 | 1.4 | 1,487 | 0.9 |
| Restructuring related charges | 285 | 0.1 | — | 0.0 | — | 0.0 |
| Non-GAAP adjusted gross profit/gross margin percentage | \$ 83,700 | 41.8 % | \$ 86,373 | 42.4 % | \$ 64,107 | 40.2 % |

Brooks Semiconductor Solutions Group

Quarter Ended

Dollars in thousands

| | September 30, 2019 | | June 30, 2019 | | September 30, 2018 | |
|-------------------------------------|---------------------------|--------|----------------------|--------|---------------------------|--------|
| GAAP gross profit/margin percentage | \$ 42,759 | 40.3 % | \$ 47,493 | 40.9 % | \$ 43,774 | 40.2 % |

Adjustments:

| | | | | | | |
|--|-----------|--------|-----------|--------|-----------|--------|
| Amortization of completed technology | 868 | 0.8 | 879 | 0.8 | 1,152 | 1.1 |
| Non-GAAP adjusted gross profit/margin percentage | \$ 43,627 | 41.1 % | \$ 48,372 | 41.7 % | \$ 44,926 | 41.3 % |

Brooks Life Sciences

Quarter Ended

Dollars in thousands

| | September 30, 2019 | | June 30, 2019 | | September 30, 2018 | |
|-------------------------------------|---------------------------|--------|----------------------|--------|---------------------------|--------|
| GAAP gross profit/margin percentage | \$ 37,891 | 40.2 % | \$ 36,017 | 41.0 % | \$ 18,846 | 37.1 % |

Adjustments:

| | | | | | | |
|--|-----------|--------|-----------|--------|-----------|--------|
| Amortization of completed technology | 1,896 | 2.0 | 1,984 | 2.3 | 335 | 0.7 |
| Restructuring related charges | 285 | 0.3 | — | — | 0 | — |
| Non-GAAP adjusted gross profit/margin percentage | \$ 40,072 | 42.6 % | \$ 38,001 | 43.3 % | \$ 19,181 | 37.7 % |

Brooks Semiconductor Solutions Group

Year Ended

Dollars in thousands

| | September 30, 2019 | | September 30, 2018 | |
|-------------------------------------|---------------------------|--------|---------------------------|--------|
| GAAP gross profit/margin percentage | \$ 182,157 | 40.7 % | \$ 173,954 | 40.0 % |

Adjustments:

| | | | | |
|--|------------|--------|------------|--------|
| Amortization of completed technology | 3,600 | 0.8 | 3,402 | 0.8 |
| Purchase accounting impact on inventory and contracts acquired | 184 | 0.0 | 735 | 0.2 |
| Non-GAAP adjusted gross profit/margin percentage | \$ 185,941 | 41.5 % | \$ 178,091 | 40.9 % |

Brooks Life Sciences

Year Ended

Dollars in thousands

| | September 30, 2019 | | September 30, 2018 | |
|-------------------------------------|---------------------------|--------|---------------------------|--------|
| GAAP gross profit/margin percentage | \$ 134,604 | 40.3 % | \$ 72,127 | 36.7 % |

Adjustments:

| | | | | |
|--|------------|--------|-----------|--------|
| Amortization of completed technology | 6,824 | 2.0 | 1,475 | 0.8 |
| Purchase accounting impact on inventory and contracts acquired | — | — | 1,160 | 0.6 |
| Restructuring related charges | 285 | 0.1 | — | - |
| Non-GAAP adjusted gross profit/margin percentage | \$ 141,713 | 42.4 % | \$ 74,762 | 38.0 % |

Brooks Semiconductor Solutions Group

Brooks Life Sciences

Total Segments

| | Quarter Ended | | | Quarter Ended | | | Quarter Ended | | |
|--------------------------------------|---------------|-----------|---------------|---------------|----------|---------------|---------------|-----------|---------------|
| | September 30, | June 30, | September 30, | September 30, | June 30, | September 30, | September 30, | June 30, | September 30, |
| <i>Dollars in thousands</i> | 2019 | 2019 | 2018 | 2019 | 2019 | 2018 | 2019 | 2019 | 2018 |
| GAAP operating profit | \$ 13,223 | \$ 19,322 | \$ 13,316 | \$ 4,586 | \$ 4,202 | \$ 382 | \$ 17,809 | \$ 23,524 | \$ 13,698 |
| <u>Adjustments:</u> | | | | | | | | | |
| Amortization of completed technology | 868 | 879 | 1,152 | 1,896 | 1,984 | 335 | 2,764 | 2,863 | 1,487 |
| Restructuring related charges | | | | 285 | | | 285 | | |
| Non-GAAP adjusted operating profit | \$ 14,091 | \$ 20,201 | \$ 14,468 | \$ 6,767 | \$ 6,186 | \$ 717 | \$ 20,858 | \$ 26,387 | \$ 15,185 |

| | Brooks Semiconductor Solutions Group | | Brooks Life Sciences | | Total Segments | |
|--|--------------------------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| | Year Ended | | Year Ended | | Year Ended | |
| <i>Dollars in thousands</i> | September 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| GAAP operating profit | \$ 66,673 | \$ 58,373 | \$ 13,522 | \$ 1,160 | \$ 80,195 | \$ 59,533 |
| <u>Adjustments:</u> | | | | | | |
| Amortization of completed technology | 3,600 | 3,402 | 6,824 | 1,475 | 10,425 | 4,877 |
| Purchase accounting impact on inventory and contracts acquired | 184 | 735 | — | 1,160 | 184 | 1,896 |
| Restructuring related charges | — | — | 285 | — | 285 | — |
| Non-GAAP adjusted operating profit | \$ 70,457 | \$ 62,510 | \$ 20,631 | \$ 3,795 | \$ 91,089 | \$ 66,306 |
| | | | | | | |
| | Total Segments | | Corporate | | Total | |
| | Year Ended | | Year Ended | | Year Ended | |

| <i>Dollars in thousands</i> | September 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| GAAP operating profit (loss) | \$ 80,195 | \$ 59,533 | \$ (33,660) | \$ (28,124) | \$ 46,535 | \$ 31,409 |
| <u>Adjustments:</u> | | | | | | |
| Amortization of completed technology | 10,425 | 4,877 | — | — | 10,425 | 4,877 |
| Amortization of customer relationships and acquired intangible assets | — | — | 24,737 | 19,339 | 24,737 | 19,339 |
| Restructuring charges | — | — | 1,894 | 714 | 1,894 | 714 |
| Purchase accounting impact on inventory and contracts acquired | 184 | 1,896 | — | — | 184 | 1,896 |
| Merger costs | — | — | 6,679 | 6,945 | 6,679 | 6,945 |
| Restructuring related charges | 285 | — | — | — | 285 | — |
| Non-GAAP adjusted operating profit (loss) | \$ 91,089 | \$ 66,306 | \$ (350) | \$ (1,126) | \$ 90,739 | \$ 65,180 |

SOURCE Brooks Automation

<https://investors.azenta.com/2019-11-06-Brooks-Automation-Reports-Fourth-Quarter-and-Year-End-Results-of-Fiscal-Year-2019-Ended-September-30-2019-and-Announces-Quarterly-Cash-Dividend>