



Quarterly Earnings Conference Call

Fourth Quarter and Year-End FY19 Financial Results

November 6, 2019

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, 2018. 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 6, 2019 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 Q4 and Year-End 2019 Overview



- ✓ **FY2019 Revenue Growth, up 24% YtY, on Strength in Semiconductor and Life Science Transformation**
 - Operating margin expansion supported with improvement in both segments
 - GAAP EPS of \$6.05 driven by gain on the sale of the Semiconductor Cryo business
- ✓ **Q4 Revenue Growth, up 25% YtY; Non-GAAP Op Margin Expansion of 140 bps**
 - Solid Life Sciences growth on 10% organic growth in Sample Management and continued expansion of genomic services with GENEWIZ
 - Semiconductor stability continues on strength of CCS and Tier 1 OEM ramp
- ✓ **Strong operating cash flow in Q4 on strength of continuing operations**
 - Adjusted operating cash flow of \$46M in Q4
 - \$291 million net cash with ample debt capacity for future investment opportunities
- ✓ **Poised for continued profitable growth in FY'20**
 - Increased confidence on strength of the Semiconductor equipment market
 - Life Sciences business continues expansion throughout the year



Brooks Automation Operating Performance

Quarter Ended September 30, 2019



\$ millions, except EPS

	GAAP		non-GAAP		
	Q4'19	QtQ	Q4'19	QtQ	YtY
Revenue	200	(2%)	200	(2%)	25%
Gross profit	81	(3%)	84	(3%)	31%
%	40.3%	(0.7) pts.	41.8%	(0.6) pts.	1.6 pts.
R&D	15	5%	15	5%	23%
SG&A	53	2%	47	2%	28%
Restructuring	1	372%	-	n/a	n/a
Operating Income	11	(32%)	22	(16%)	44%
%	5.5%	(2.5) pts.	10.8%	(1.9) pts.	1.4 pts.
Interest Income (Expense)	(0.3)	\$8	(0.3)	\$8	\$2
Loss on Debt Extinguishment	(5.3)	(\$5)	-	n/a	n/a
Other Income (Expense)	(0.3)	(\$0)	(0.3)	(\$0)	(\$0)
Tax Benefit (Expense)	0.4	\$8	(3.8)	(\$0)	(\$3)
Continuing Ops - Net Income	5.5	\$5	17.2	20%	46%
%	2.8%	2.3 pts.	8.6%	1.6 pts.	1.2 pts.
Continuing Ops - Diluted EPS	\$ 0.08	\$ 0.06	\$ 0.24	\$ 0.04	\$ 0.07
Discontinued Ops - Diluted EPS	\$ 5.61	\$ 5.52			
Total Brooks - Diluted EPS	\$ 5.69	\$ 5.59			
Adjusted EBITDA			31.4	(13%)	39%

- YtY expansion in revenue and non-GAAP measures of operating margin, EBITDA, and EPS
- Sequentially, Life Sciences revenue grew +7% largely offsetting -9% Semiconductor decline
- Reduction of debt and interest expense supported sequential non-GAAP EPS growth

Brooks Automation Operating Performance

Year Ended September 30, 2019



\$ millions, except EPS

	GAAP		non-GAAP	
	FY'19	YtY	FY'19	YtY
Revenue	782	24%	782	24%
Gross profit	317	29%	328	30%
%	40.5%	1.5 pts.	41.9%	1.9 pts.
R&D	56	20%	56	20%
SG&A	212	27%	181	28%
Restructuring	2	165%	-	n/a
Operating Income	47	48%	91	39%
%	6.0%	1.0 pts.	11.6%	1.3 pts.
Interest Income (Expense)	(20.8)	(\$13)	(20.8)	(\$13)
Loss on Debt Extinguishment	(14.3)	(\$14)	-	n/a
Other Income (Expense)	(1.5)	\$2	(1.5)	\$2
Tax Benefit (Expense)	(0.0)	(\$47)	(12.8)	(\$4)
Continuing Ops - Net Income	9.9	(\$58)	55.7	23%
%	1.3%	(9.5) pts.	7.1%	(0.0) pts.
Continuing Ops - Diluted EPS	\$ 0.14	\$(0.81)	\$ 0.77	\$ 0.13
Discontinued Ops - Diluted EPS	\$ 5.91	\$ 5.22		
Total Brooks - Diluted EPS	\$ 6.05	\$ 4.40		
Adjusted EBITDA			128.1	37%

- 20% growth in non-GAAP EPS on 24% revenue growth and margin expansion overcoming higher interest expense

Brooks Life Sciences Performance



\$ millions
non-GAAP

	<u>Q4'19</u>	<u>QtQ</u>	<u>YtY</u>	<u>FY'19</u>	<u>YtY</u>
Revenue	94	7%	85%	334	70%
<i>Organic</i>			10%		8%
Gross profit	40	5%	109%	142	90%
%	<i>42.6%</i>	<i>(0.7) pts.</i>	<i>4.8 pts.</i>	<i>42.4%</i>	<i>4.4 pts.</i>
Operating expenses	<u>33</u>	<u>5%</u>	<u>80%</u>	<u>121</u>	<u>71%</u>
Operating income	7	9%	844%	21	444%
%	<i>7.2%</i>	<i>0.1 pts.</i>	<i>5.8 pts.</i>	<i>6.2%</i>	<i>4.2 pts.</i>

- Q4 Growth in both Sample Management and GENEWIZ
 - GENEWIZ 29% YtY proforma growth on strength across all service lines
 - Sample Management drove organic growth of 10% YtY
 - \$1.5M headwind from currency and ASC606
- Q4 and FY'19 operating margin expansion supported by improved gross margins in Sample Management and the addition of GENEWIZ

Brooks Semiconductor Solutions Performance



\$ millions

Continuing Operations – non-GAAP

	<u>Q4'19</u>	<u>QtQ</u>	<u>YtY</u>	<u>FY'19</u>	<u>YtY</u>
Revenue	106	(9%)	(3%)	448	3%
<i>Organic</i>			(2%)		1%
Gross profit	44	(10%)	(3%)	186	4%
%	<i>41.1%</i>	<i>(0.6) pts.</i>	<i>(0.2) pts.</i>	<i>41.5%</i>	<i>0.6 pts.</i>
Operating expenses	30	5%	(3%)	115	(0%)
Operating income	14	(30%)	(3%)	70	13%
%	<i>13.3%</i>	<i>(4.1) pts.</i>	<i>(0.0) pts.</i>	<i>15.7%</i>	<i>1.4 pts.</i>

- 3% YtY growth in FY'19, outperforming in a weak semiconductor environment
 - Q4 lower by 3%, first decline in FY'19
 - Return to growth expected in Q1 FY'20
- FY19 operating margin expansion on revenue growth and cost management

Summary Cash Flow



\$ millions

	<u>Q4'19</u>	<u>FY'19</u>
Net income	413	438
Gain on sale	(409)	(409)
Deferred income tax benefit	(6)	(15)
Depreciation & amortization	14	54
Stock compensation	5	20
Change in working capital	24	6
Loss on extinguishment of debt	5	14
Other operating items	(1)	(5)
Adjusted operating cash flow	46	104
Contingent fees paid - Cryo sale	(13)	(13)
Cash flow from operations	33	91
Capital expenditures	(8)	(24)
Free Cash Flow	24	67
Divestitures	662	662
Acquisitions	-	(443)
Net proceeds (payments) of debt	(495)	(164)
Dividends	(7)	(29)
Other	(1)	(2)
Net change in cash, restricted cash, and marketable securities	182	91

- Q4'19 adjusted operating cash flow of \$46M and full year \$104M
- \$29 million of dividends paid in 2019 for a total of \$210M since 2011

Summary Balance Sheet

Year Ended September 30, 2019



\$ millions

	as of Sept 30, 2018	as of Sept 30, 2019	YtY
Cash, restricted cash, and marketable securities	251	342	91
Accounts receivable, net	125	167	41
Inventories	97	99	2
Other current assets	32	43	11
Accounts payable	(45)	(59)	(15)
Deferred revenue	(26)	(29)	(4)
Short-term debt	(2)	(1)	1
Other current liabilities	(73)	(183)	(110)
Net assets held for sale	48	-	(48)
Net working capital	155	36	(120)
Property, plant and equipment	60	101	41
Goodwill and intangible assets	356	740	384
Long-term debt	(194)	(50)	144
Net long-term deferred tax assets (liabilities)	37	(16)	(52)
Other net long-term assets (liabilities)	(6)	(13)	(8)
Net assets held for sale	58	-	(58)
Net assets	718	1,139	421

- \$291M net cash, up \$236M YtY
 - Increase of \$91M in cash and \$145M reduction of debt
 - \$95M of taxes payable in early CY'20 associated with sale of Semi Cryo business

Summary and Guidance



\$ millions, except EPS

	Q4'19	Guidance Q1'20
Revenue	\$200	\$204 - \$214
Adjusted EBITDA*	\$31	\$29 - \$35
Non-GAAP diluted EPS*	\$0.24	\$0.20 - \$0.27
GAAP diluted EPS - Total Brooks	\$5.69	\$0.09 - \$0.17

Additional guidance for fiscal year 2020

- Non-GAAP tax rate of 21–25%
- CAPEX \$50–60M including \$20M for GENEWIZ China building project



GAAP to Non-GAAP Bridges

Reconciliation of GAAP to Non-GAAP – Q4'19

Continuing Operations



\$ millions, except EPS

	Q4'19								Non-GAAP Results Q4 FY19
	GAAP Results Q4 FY19	Merger and Acquisition Costs	Amortization Expense	Restructuring & Related Charges	Loss on debt extinguishment	Tax Effect on Adjustments	Other Tax Items		
Revenue	200.2	-	-	-	-	-	-	-	200.2
Gross profit	80.7	-	2.8	0.3	-	-	-	-	83.7
<i>Gross profit margin</i>	<i>40.3%</i>								<i>41.8%</i>
Operating expenses	(68.3)	0.1	6.2	-	-	-	-	-	(62.0)
Restructuring charges	(1.2)	-	-	1.2	-	-	-	-	-
Operating profit	11.1	0.1	8.9	1.5	-	-	-	-	21.7
<i>Operating profit margin</i>	<i>5.5%</i>								<i>10.8%</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)	0.4	-	-	-	-	(3.9)	(0.2)		(3.8)
Net Income	5.5	0.1	8.9	1.5	5.3	(3.9)	(0.2)		17.2
Diluted earnings per share	0.08	0.00	0.12	0.02	0.07	(0.05)	(0.00)		0.24

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	106.1	-	-	106.1
Gross profit	42.8	0.9	-	43.6
<i>Gross profit margin</i>	<i>40.3%</i>			<i>41.1%</i>
Operating expenses	(29.5)			(29.5)
Operating profit	13.2	0.9	-	14.1
<i>Operating profit margin</i>	<i>12.5%</i>			<i>13.3%</i>
BLS				
Revenue	94.2	-	-	94.2
Gross profit	37.9	1.9	0.3	40.1
<i>Gross profit margin</i>	<i>40.2%</i>			<i>42.6%</i>
Operating expenses	(33.3)			(33.3)
Operating profit	4.6	1.9	0.3	6.8
<i>Operating profit margin</i>	<i>4.9%</i>			<i>7.2%</i>

GAAP to Non-GAAP Reconciliation

Q3'19 – Continuing Operations



\$ millions, except EPS

	Q3'19							Non-GAAP Results Q3 FY19
	GAAP Results Q3 FY19	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Tax Effect on Adjustments	Other Tax Items	Transition Tax	
Revenue	203.9	-	-	-	-	-	-	203.9
Gross profit	83.5	-	2.9	-	-	-	-	86.4
<i>Gross profit margin</i>	<i>41.0%</i>							<i>42.4%</i>
Operating expenses	(66.8)	0.2	6.2	-	-	-	-	(60.5)
Restructuring charges	(0.3)	-	-	0.3	-	-	-	-
Operating profit	16.4	0.2	9.0	0.3	-	-	-	25.9
<i>Operating profit margin</i>	<i>8.1%</i>							<i>12.7%</i>
Interest income, net	(7.9)	-	-	-	-	-	-	(7.9)
Other income, net	(0.3)	-	-	-	-	-	-	(0.3)
Income tax benefit (provision)	(7.3)	-	-	-	(1.3)	1.0	4.3	(3.3)
Net Income	0.9	0.2	9.0	0.3	(1.3)	1.0	4.3	14.3
Diluted earnings per share	0.01	0.00	0.12	0.00	(0.02)	0.01	0.06	0.20

GAAP to Non-GAAP Reconciliation

Q3'19 Segments – Continuing Operations



\$ millions

	Q3'19		
	GAAP Results Q3 FY19	Amortization Expense	Non-GAAP Results Q3 FY19
BSSG			
Revenue	116.0	-	116.0
Gross profit	47.5	0.9	48.4
<i>Gross profit margin</i>	<i>40.9%</i>		<i>41.7%</i>
Operating expenses	(28.2)		(28.2)
Operating profit	19.3	0.9	20.2
<i>Operating profit margin</i>	<i>16.7%</i>		<i>17.4%</i>
BLS			
Revenue	87.8	-	87.8
Gross profit	36.0	2.0	38.0
<i>Gross profit margin</i>	<i>41.0%</i>		<i>43.3%</i>
Operating expenses	(31.8)		(31.8)
Operating profit	4.2	2.0	6.2
<i>Operating profit margin</i>	<i>4.8%</i>		<i>7.0%</i>

GAAP to Non-GAAP Reconciliation

Q4'18 – Continuing Operations



\$ millions, except EPS

	Q4'18						
	GAAP Results Q4 FY18	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Tax Effect on Adjustments	Other Tax Items	Non-GAAP Results Q4 FY18
Revenue	159.6	-	-	-	-	-	159.6
Gross profit	62.6	-	1.5	-	-	-	64.1
<i>Gross profit margin</i>	<i>39.2%</i>						<i>40.2%</i>
Operating expenses	(58.4)	4.3	5.0	-	-	-	(49.1)
Restructuring charges	(0.6)	-	-	0.6	-	-	-
Operating profit	3.6	4.3	6.5	0.6	-	-	15.0
<i>Operating profit margin</i>	<i>2.3%</i>						<i>9.4%</i>
Interest expense, net	(2.0)	-	-	-	-	-	(2.0)
Other income (expense), net	(0.3)	-	-	-	-	-	(0.3)
Income tax expense	(2.6)	-	-	-	0.9	0.7	(1.0)
Net Income	(1.2)	4.3	6.5	0.6	0.9	0.7	11.8
Diluted earnings (loss) per share	(0.02)	0.06	0.09	0.01	0.01	0.01	0.17

GAAP to Non-GAAP Reconciliation

Q4'18 Segments – Continuing Operations



\$ millions

	Q4'18		
	GAAP Results Q4 FY18	Amortization Expense	Non-GAAP Results Q4 FY18
BSSG			
Revenue	108.8	-	108.8
Gross profit	43.8	1.2	44.9
<i>Gross profit margin</i>	<i>40.2%</i>		<i>41.3%</i>
Operating expenses	(30.5)		(30.5)
Operating profit	13.3	1.2	14.5
<i>Operating profit margin</i>	<i>12.2%</i>		<i>13.3%</i>
BLS			
Revenue	50.9	-	50.9
Gross profit	18.8	0.3	19.2
<i>Gross profit margin</i>	<i>37.1%</i>		<i>37.7%</i>
Operating expenses	(18.5)		(18.5)
Operating profit	0.4	0.3	0.7
<i>Operating profit margin</i>	<i>0.8%</i>		<i>1.4%</i>

GAAP to Non-GAAP Reconciliation FY'19 – Continuing Operations



\$ millions, except EPS

	FY'19							Non-GAAP Results FY19
	GAAP Results FY19	Merger and Acquisition Costs	Amortization Expense	Restructuring & Related Charges	Loss on debt extinguishment	Tax Effect on Adjustments	Other Tax Items	
Revenue	781.9	-	-	-	-	-	-	781.9
Gross profit	316.8	0.2	10.4	0.3	-	-	-	327.6
<i>Gross profit margin</i>	<i>40.5%</i>							<i>41.9%</i>
Operating Expenses	(268.3)	6.7	24.7	-	-	-	-	(236.9)
Restructuring charges	(1.9)	-	-	1.9	-	-	-	-
Operating profit	46.5	6.9	35.2	2.2	-	-	-	90.7
<i>Operating profit margin</i>	<i>6.0%</i>							<i>11.6%</i>
Interest income, net	(20.8)	-	-	-	-	-	-	(20.8)
Loss on debt extinguishment	(14.3)	-	-	-	14.3	-	-	-
Other income, net	(1.5)	-	-	-	-	-	-	(1.5)
Income tax benefit (provision)	(0.0)	-	-	-	-	(14.3)	1.6	(12.8)
Net Income	9.9	6.9	35.2	2.2	14.3	(14.3)	1.6	55.7
Diluted earnings per share	0.14	0.09	0.49	0.03	0.20	(0.20)	0.02	0.77

GAAP to Non-GAAP Reconciliation

FY'19 Segments – Continuing Operations



\$ millions

	FY'19			
	GAAP Results FY19	Amortization Expense	Other Special Charges	Non-GAAP Results FY19
BSSG				
Revenue	447.7	-	-	447.7
Gross profit	182.2	3.6	-	185.8
<i>Gross profit margin</i>	<i>40.7%</i>			<i>41.5%</i>
Operating expenses	(115.5)			(115.5)
Operating profit	66.7	3.6	-	70.3
<i>Operating profit margin</i>	<i>14.9%</i>			<i>15.7%</i>
BLS				
Revenue	334.2	-	-	334.2
Gross profit	134.6	6.8	0.3	141.7
<i>Gross profit margin</i>	<i>40.3%</i>			<i>42.4%</i>
Operating expenses	(121.1)			(121.1)
Operating profit	13.5	6.8	0.3	20.6
<i>Operating profit margin</i>	<i>4.0%</i>			<i>6.2%</i>

GAAP to Non-GAAP Reconciliation

FY'18 – Continuing Operations



\$ millions, except EPS

	FY'18							
	GAAP Results FY18	Merger and Acquisition Costs	Amortization Expense	Restructuring Charges	Noncontrolling Interest	Tax Effect on Adjustments	Other Tax Items	Non-GAAP Results FY18
Revenue	631.6	-	-	-	-	-	-	631.6
Gross profit	246.1	1.9	4.9	-	-	-	-	252.9
<i>Gross profit margin</i>	<i>39.0%</i>							<i>40.0%</i>
Operating expenses	(214.0)	6.9	19.3	-	-	-	-	(187.7)
Restructuring charges	(0.7)	-	-	0.7	-	-	-	-
Operating profit	31.4	8.8	24.2	0.7	-	-	-	65.2
<i>Operating profit margin</i>	<i>5.0%</i>							<i>10.3%</i>
Interest expense, net	(7.6)	-	-	-	-	-	-	(7.6)
Other income (expense), net	(3.3)	-	-	-	-	-	-	(3.3)
Income tax provision (expense)	47.3	-	-	-	-	(12.5)	(43.7)	(9.0)
Income from noncontrolling interest	0.1	-	-	-	(0.1)	-	-	-
Net Income	67.8	8.8	24.2	0.7	(0.1)	(12.5)	(43.7)	45.3
Diluted earnings per share	0.95	0.12	0.34	0.01	(0.00)	(0.18)	(0.62)	0.64

GAAP to Non-GAAP Reconciliation

FY'18 Segments – Continuing Operations



\$ millions

	FY'18			Non-GAAP Results FY18
	GAAP Results FY18	Merger and Acquisition Costs	Amortization Expense	
BSSG				
Revenue	435.0	-	-	435.0
Gross profit	174.0	0.7	3.4	178.1
<i>Gross profit margin</i>	<i>40.0%</i>			<i>40.9%</i>
Operating expenses	(115.6)			(115.6)
Operating profit	58.4	0.7	3.4	62.5
<i>Operating profit margin</i>	<i>13.4%</i>			<i>14.4%</i>
BLS				
Revenue	196.5	-	-	196.5
Gross profit	72.1	1.2	1.5	74.8
<i>Gross profit margin</i>	<i>36.7%</i>			<i>38.0%</i>
Operating expenses	(71.0)			(71.0)
Operating profit	1.2	1.2	1.5	3.8
<i>Operating profit margin</i>	<i>0.6%</i>			<i>1.9%</i>

Net Income Reconciliation to Adjusted EBITDA

Q4'19 - Continuing Operations



\$ millions

	<u>Q4'18</u>	<u>Q3'19</u>	<u>Q4'19</u>
Net income attributable to Brooks Automation, Inc.	10.4	7.3	412.7
Income from discontinued operations, net of tax	<u>(11.6)</u>	<u>(6.3)</u>	<u>(407.1)</u>
Net income (loss) from continuing operations	(1.2)	0.9	5.5
<u>Adjustments:</u>			
Interest income	(0.7)	(0.1)	(0.6)
Interest expense	2.7	8.0	0.9
Income tax provision (benefit)	2.6	7.3	(0.4)
Depreciation	3.1	5.0	5.1
Amortization of intangible assets	6.5	9.0	8.9
Restructuring related charges	-	-	0.3
Loss on extinguishment of debt	-	-	5.3
EBITDA-from Continuing Operations	13.0	30.2	25.1
<u>Non-GAAP adjustments:</u>			
Stock-based compensation	4.6	5.3	4.9
Restructuring charges	0.6	0.3	1.2
Merger and acquisition costs / Other	<u>4.3</u>	<u>0.2</u>	<u>0.1</u>
Adjusted EBITDA - from Continuing Operations	22.5	35.9	31.4