



Brooks Automation Conference Call

FY'20 Fourth Quarter Financial Results

November 10th, 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 fourth quarter financial results press release issued on November 10, 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 Q4 and Year-End FY 2020 Overview



- ✓ **Q4 finished strong with 24% YtY revenue growth and 100% growth in Non-GAAP EPS**
 - 15% growth in Life Sciences revenue, 900 bps operating margin expansion
 - 31% growth in Semiconductor Solutions revenue, 720 bps operating margin expansion
- ✓ **FY'20 revenue growth, up 15% YtY and Non-GAAP EPS \$1.26, up 65%**
 - Operating margin expansion of 210 bps on gross margin expansion of 170 bps
 - GAAP EPS of \$0.88, up \$0.75 YtY on continuing operations
- ✓ **Operating cash flow of \$52M in Q4, and \$129M in the fiscal year**
 - \$306M total cash, equivalents, and marketable securities, \$255M net cash
- ✓ **Growth momentum supports continued confidence in 2022 target model**



Brooks Automation Operating Performance

Quarter ended September 30, 2020



\$ millions, except EPS

	GAAP		non-GAAP		
	Q4'20	QtQ	Q4'20	QtQ	YtY
Revenue	246	12%	246	12%	24%
Gross profit	112	21%	115	20%	38%
%	45.5%	3.4 pts.	46.6%	3.1 pts.	4.9 pts.
R&D	15	10%	15	10%	3%
SG&A	62	4%	55	5%	16%
Operating Income	34	79%	45	51%	112%
%	13.9%	5.2 pts.	18.2%	4.7 pts.	7.6 pts.
Interest Income (Expense)	(0.7)	\$0	(0.7)	\$0	\$0
Other Income (Expense)	(0.1)	(\$1)	(0.1)	(\$1)	\$0
Tax Benefit (Provision)	(4.4)	\$1	(9.5)	(\$3)	(\$6)
Net Income - continuing ops	29	112%	35	48%	104%
%	11.8%	5.6 pts.	14.0%	3.4 pts.	5.5 pts.
Continuing Ops - Diluted EPS	\$ 0.39	111%	\$ 0.47	48%	100%
Discontinued Ops - Diluted EPS	\$ 0.00	\$ 0.00			
Total Brooks - Diluted EPS	\$ 0.39	\$ 0.21			
Adjusted EBITDA			54.0	34%	75%
%			21.9%	3.7 pts.	6.4 pts.

- YtY 24% revenue growth and 760 bps expansion in non-GAAP operating margin drives 100% growth of non-GAAP EPS

Brooks Automation Operating Performance

Year Ended September 30, 2020



\$ millions, except EPS

	GAAP		non-GAAP		
	FY'20	YtY	FY'19	FY'20	YtY
Revenue	897	15%	781	897	15%
Gross profit	380	20%	327	391	20%
%	42.4%	1.9 pts.	41.9%	43.6%	1.7 pts.
R&D	59	5%	56	59	5%
SG&A	241	14%	181	210	16%
Restructuring	1	(28%)	-	-	n/a
Operating Income	78	70%	90	122	36%
%	8.7%	2.8 pts.	11.6%	13.6%	2.1 pts.
Interest Income (Expense)	(2.1)	\$19	(20.8)	(2.1)	\$19
Loss on Debt Extinguishment	-	\$14	-	-	n/a
Other Income (Expense)	(1.4)	\$0	(1.5)	(1.4)	\$0
Tax Benefit (Expense)	(9.9)	(\$10)	(12.7)	(26.0)	(\$13)
Net Income	65	581%	55	93	68%
%	7.2%	6.0 pts.	7.1%	10.4%	3.3 pts.
Continuing - Diluted EPS	\$ 0.88	567%	0.76	\$ 1.26	65%
Discontinued Ops - Diluted EPS	\$ 0.00	\$ (5.91)			
Total Brooks - Diluted EPS	0.88	\$ (5.16)			
Adjusted EBITDA			127.6	161.0	26%
%			16.3%	17.9%	1.6 pts.

- 65% growth in non-GAAP EPS on 210 basis point expansion in non-GAAP operating margin

Brooks Life Sciences Performance



\$ millions
non-GAAP

	Q4'20	QtQ	YtY	FY'20	YtY
Revenue	108	16%	15%	389	16%
<i>Organic growth</i>			17%		10%
Gross profit	55	31%	36%	181	27%
%	50.5%	5.8 pts.	7.9 pts.	46.5%	4.1 pts.
Operating expenses	37	6%	11%	142	18%
Operating income	18	166%	159%	38	85%
%	16.2%	9.1 pts.	9.0 pts.	9.8%	3.7 pts.

- Q4 growth of 20% YtY, excluding revenue from discontinued Alliance in each period
 - 20% Products growth driven by strong demand in consumables and instruments
 - 20% Services growth excluding Alliance
 - Supported by 21% GENEWIZ growth and 18% in Sample Repository Solutions
- Q4 operating margin expansion of 900 bps YtY to 16.2%
 - Higher volume, with cost and utilization management, driving higher gross margins
 - GM% up 790 bps YtY which includes 140 bps from exiting Alliance contract
- Organic growth for the business is 17% YtY in Q4 and 10% in FY20, excluding revenue effects of acquisitions, currency and exiting the Alliance contract

Brooks Semiconductor Solutions Performance



\$ millions

Continuing Operations – non-GAAP

	<u>Q4'20</u>	<u>QtQ</u>	<u>YtY</u>	<u>FY'20</u>	<u>YtY</u>
Revenue	138	9%	31%	509	14%
<i>Organic growth</i>			<i>30%</i>		<i>14%</i>
Gross profit	60	11%	40%	211	14%
%	43.6%	<i>0.9 pts.</i>	<i>2.6 pts.</i>	41.4%	<i>(0.1) pts.</i>
Operating expenses	32	5%	9%	128	11%
Operating income	28	19%	105%	83	19%
%	<i>20.2%</i>	<i>1.7 pts.</i>	<i>7.2 pts.</i>	<i>16.3%</i>	<i>0.6 pts.</i>

- Q4 growth of 31% YtY and 9% QtQ
 - Vacuum automation, including robots and systems, grew 68% YtY
 - Q4 gross margin expansion on higher volumes and favorable mix
 - Q4 operating margin exceeded 20% with top-line growth, GM% expansion, and leverage on operating expense

- FY20 growth added \$62M to the top line, driving leverage on the operating margin
 - Share gains with record year in vacuum automation and CCS revenue
 - 144 Design-in wins with 87 customers, both up substantially year over year, provide continued future growth

Summary Cash Flow



\$ millions

	<u>Q4'20</u>	<u>FY'20</u>
Net income	29	65
Deferred income tax benefit (provision)	4	(5)
Depreciation & amortization	16	65
Stock compensation	4	16
Change in working capital	(1)	(13)
Other operating items	(0)	1
Adjusted operating cash flow	52	129
Income taxes paid on FY'19 Cryo sale	-	(92)
Cash flow from operations	52	38
Capital expenditures	(10)	(40)
Free Cash Flow	42	(2)
Adjusted Free Cash Flow	42	89
Acquisitions	-	(16)
Payments of debt	-	(1)
Dividends	(7)	(30)
Other	8	12
Net change in cash and marketable sec.	42	(36)
Cash, restricted cash and marketable securities - Ending		306

- \$52M of Q4 cash flow from operations, \$42M of free cash flow
 - \$10M of cash for CAPEX primarily for growth
- \$129M of FY'20 adjusted operating cash flow

Summary Balance Sheet

Year Ended September 30, 2020



\$ millions

	Sep 30 2019	Sep 30 2020	YtY
Cash, restricted cash, and marketable securities	342	306	(36)
Accounts receivable, net	166	188	23
Inventories	99	115	15
Other current assets	43	47	4
Accounts payable	(59)	(62)	(3)
Deferred revenue	(29)	(31)	(2)
Short-term debt	(1)	(1)	0
Other current liabilities	(183)	(117)	66
Net working capital	36	139	103
Property, plant and equipment	101	118	17
Goodwill and intangible assets	740	720	(20)
Long-term debt	(50)	(50)	1
Net long-term deferred tax assets (liabilities)	(16)	(13)	3
Other net long-term assets (liabilities)	(13)	(6)	7
Net assets	1,139	1,214	75

- \$306M of cash, restricted cash, marketable securities; \$255M net cash position
 - \$92M of taxes paid in FY'20 associated with FY'19 sale of Semi Cryo business

Summary and Guidance



\$ millions, except EPS

	Q4'20	Guidance Q1'21
Revenue	\$246	\$237 - \$251
Adjusted EBITDA	\$54	\$46 - \$56
Non-GAAP diluted EPS	\$0.47	\$0.37 - \$0.47
GAAP diluted EPS - Total Brooks	\$0.39	\$0.27 - \$0.37

- Additional guidance for fiscal year 2021
 - Non-GAAP tax rate of 22–26%
 - CAPEX \$60–70M with \$25M for the GENEWIZ China building



GAAP to Non-GAAP Bridges

Reconciliation of GAAP to Non-GAAP Continuing Operations



\$ millions, except EPS

	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY19	FY20
Revenue	199	210	220	220	246	\$ 781	\$ 897
GAAP gross profit	80	85	90	93	112	316	380
Merger and acquisition costs	-	-	-	-	-	0	-
Amortization expense	3	3	3	3	3	10	11
Restructuring and related charges	0	-	-	0	-	0	0
Non-GAAP gross profit	83	88	93	96	115	327	391
<i>Gross profit margin</i>	<i>40%</i>	<i>40%</i>	<i>41%</i>	<i>42%</i>	<i>45%</i>	<i>41%</i>	<i>42%</i>
<i>Non-GAAP gross profit margin</i>	<i>42%</i>	<i>42%</i>	<i>42%</i>	<i>44%</i>	<i>47%</i>	<i>42%</i>	<i>44%</i>
GAAP operating expenses	(70)	(74)	(76)	(74)	(78)	(270)	(302)
Merger and acquisition costs	0	0	0	0	0	7	1
Amortization expense	6	8	8	8	8	25	31
Restructuring and related charges	1	1	1	(0)	0	2	1
Non-GAAP operating expenses	(62)	(66)	(67)	(66)	(70)	(237)	(269)
GAAP operating profit	11	11	15	19	34	46	78
Non-GAAP operating profit	21	22	26	30	45	90	122
<i>Operating profit margin</i>	<i>5%</i>	<i>5%</i>	<i>7%</i>	<i>9%</i>	<i>14%</i>	<i>6%</i>	<i>9%</i>
<i>Non-GAAP operating profit margin</i>	<i>11%</i>	<i>10%</i>	<i>12%</i>	<i>14%</i>	<i>18%</i>	<i>12%</i>	<i>14%</i>
GAAP net income	5	13	9	14	29	10	65
Merger and acquisition costs	0	0	0	0	0	7	1
Amortization expense	9	11	10	10	10	35	42
Restructuring and related charges	1	1	1	0	0	2	2
Loss on extinguishment of debt	5	-	-	-	-	14	-
Tax related adjustments	(0)	(5)	1	2	(1)	0	(4)
Tax effect of adjustments	(4)	(3)	(3)	(3)	(4)	(13)	(13)
Non-GAAP net income	17	17	18	23	35	55	93
<i>Diluted earnings per share</i>	<i>0.07</i>	<i>0.18</i>	<i>0.12</i>	<i>0.19</i>	<i>0.39</i>	<i>0.13</i>	<i>0.88</i>
<i>Non-GAAP diluted earnings per share</i>	<i>0.23</i>	<i>0.23</i>	<i>0.25</i>	<i>0.32</i>	<i>0.47</i>	<i>0.76</i>	<i>1.26</i>
Diluted shares outstanding	72.6	73.6	73.8	73.9	74.0	72.4	73.9

Segment Reconciliation of GAAP to Non-GAAP Continuing Operations



\$ millions

	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY19	FY20
Semiconductor Solutions							
Revenue	\$ 105	\$ 119	\$ 125	\$ 127	\$ 138	\$ 447	\$ 509
GAAP gross profit	42	46	49	54	59	182	208
Amortization expense	1	1	1	1	1	4	3
Non-GAAP gross profit	43	47	49	54	60	185	211
Gross profit margin	40%	39%	39%	42%	43%	41%	41%
Non-GAAP gross profit margin	41%	40%	40%	43%	44%	42%	41%
Operating expenses	(30)	(32)	(33)	(31)	(32)	(115)	(128)
GAAP operating profit	13	14	16	23	27	66	80
Non-GAAP operating profit	14	15	17	23	28	70	83
Operating profit margin	12%	12%	13%	18%	20%	15%	16%
Non-GAAP operating profit margin	13%	13%	13%	18%	20%	16%	16%
Life Sciences							
Revenue	\$ 94	\$ 92	\$ 95	\$ 93	\$ 108	\$ 334	\$ 389
GAAP gross profit	38	39	42	39	53	135	172
Amortization expense	2	2	2	2	2	7	8
Other special charges	0	-	-	0	-	0	0
Non-GAAP gross profit	40	41	44	42	55	142	181
Gross profit margin	40%	42%	44%	42%	49%	40%	44%
Non-GAAP gross profit margin	43%	44%	46%	45%	50%	42%	46%
Operating expenses	(33)	(35)	(36)	(35)	(37)	(121)	(142)
GAAP operating profit	5	4	6	4	15	14	30
Non-GAAP operating profit	7	6	8	7	18	21	38
Operating profit margin	5%	4%	6%	5%	14%	4%	8%
Non-GAAP operating profit margin	7%	7%	9%	7%	16%	6%	10%

Segment Reconciliation of GAAP to Non-GAAP Continuing Operations



\$ millions

	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY19	FY20
Life Sciences Products							
Revenue	\$ 32	\$ 30	\$ 31	\$ 30	\$ 39	\$ 119	\$ 130
GAAP gross profit	13	12	13	13	17	44	56
Amortization expense	0	0	0	0	0	1	1
Other special charges	-	-	-	-	-	-	-
Non-GAAP gross profit	13	13	14	14	17	45	57
Gross profit margin	39%	42%	43%	44%	43%	37%	43%
Non-GAAP gross profit margin	40%	43%	44%	45%	44%	38%	44%
Operating expenses	(12)	(12)	(12)	(11)	(13)	(47)	(48)
GAAP operating profit (loss)	1	0	2	2	4	(3)	8
Non-GAAP operating profit (loss)	1	0	2	2	4	(2)	9
Operating profit margin	3%	0%	6%	7%	11%	-3%	6%
Non-GAAP operating profit margin	4%	1%	7%	8%	11%	-2%	7%
Life Sciences Services							
Revenue	\$ 62	\$ 62	\$ 64	\$ 63	\$ 70	\$ 215	\$ 259
GAAP gross profit	25	26	28	26	36	91	116
Amortization expense	2	2	2	2	2	6	7
Other special charges	0	-	-	0	-	0	0
Non-GAAP gross profit	27	28	30	28	38	97	124
Gross profit margin	41%	42%	44%	41%	51%	42%	45%
Non-GAAP gross profit margin	44%	45%	47%	45%	54%	45%	48%
Operating expenses	(22)	(22)	(24)	(24)	(24)	(74)	(95)
GAAP operating profit	4	4	4	2	11	17	22
Non-GAAP operating profit	6	6	6	4	13	22	29
Operating profit margin	6%	6%	7%	3%	16%	8%	8%
Non-GAAP operating profit margin	9%	9%	9%	7%	19%	10%	11%

Net Income Reconciliation to Adjusted EBITDA Continuing Operations



\$ millions

	<u>Q4'19</u>	<u>FY'19</u>	<u>Q1'20</u>	<u>Q2'20</u>	<u>Q3'20</u>	<u>Q4'20</u>	<u>FY'20</u>
Net income attributable to Brooks Automation, Inc.	412.3	437.4	13.1	9.1	13.7	29.0	64.9
Income from discontinued operations, net of tax	<u>(407.1)</u>	<u>(427.9)</u>	<u>0.1</u>	<u>0.1</u>	<u>-</u>	<u>0.0</u>	<u>0.2</u>
Net income from continuing operations	5.2	9.6	13.2	9.2	13.7	29.0	65.0
<u>Adjustments:</u>							
Interest income	(0.6)	(1.4)	(0.7)	(0.1)	(0.0)	0.0	(0.8)
Interest expense	0.9	22.2	0.7	0.7	0.8	0.7	2.9
Income tax provision (benefit)	(0.5)	(0.1)	(3.0)	3.4	5.1	4.4	9.9
Depreciation	5.1	19.3	5.9	6.2	6.3	5.3	23.7
Amortization of intangible assets	8.9	35.2	10.6	10.4	10.4	10.4	41.8
Loss on extinguishment of debt	5.3	14.3	-	-	-	-	-
EBITDA-from Continuing Operations	24.3	99.0	26.7	29.8	36.3	49.8	142.6
<u>Non-GAAP adjustments:</u>							
Restructuring related charges	0.3	0.3	-	-	0.3	-	0.3
Purchase accounting impact on inventory and contracts acquired	-	0.2	-	-	-	-	-
Stock-based compensation	4.9	19.5	4.4	4.2	3.7	4.0	16.3
Restructuring charges	1.2	1.9	0.6	0.6	-	0.2	1.4
Merger and acquisition costs / Other	0.1	6.7	0.2	0.3	0.0	0.0	0.5
Adjusted EBITDA - from Continuing Operations	30.9	127.6	31.9	34.8	40.3	54.0	161.1