



BROOKS AUTOMATION REPORTS RESULTS OF ITS SECOND QUARTER OF FISCAL 2020, ENDED MARCH 31, 2020, AND ANNOUNCES QUARTERLY CASH DIVIDEND

Double-digit Revenue Growth in Both Segments Supports High Growth in EPS

CHELMSFORD, Mass., April 30, 2020 /PRNewswire/ -- Brooks Automation, Inc. (Nasdaq: BRKS), today reported financial results for the second fiscal quarter, ended March 31, 2020.

Financial Results Summary

| <i>Dollars in millions, except per share data</i> | Quarter Ended | | | | |
|---|---------------|--------------|-----------|------------|------------|
| | March 31, | December 31, | March 31, | Change vs. | |
| | 2020 | 2019 | 2019 | Prior Qtr | Prior Year |
| Revenue | \$ 220 | \$ 210 | \$ 198 | 5 % | 11 % |
| Semiconductor Solutions | \$ 125 | \$ 119 | \$ 113 | 5 % | 11 % |
| Life Sciences | \$ 95 | \$ 92 | \$ 86 | 4 % | 11 % |
| Diluted EPS Continuing Operations | \$ 0.12 | \$ 0.18 | \$ (0.04) | (30) % | NM |
| Diluted EPS Total | \$ 0.12 | \$ 0.18 | \$ 0.05 | (30) % | 161 % |
| Non-GAAP Diluted EPS Cont. Operations | \$ 0.25 | \$ 0.23 | \$ 0.17 | 11 % | 48 % |

Management Comments

"We performed well in the second quarter as we met our customers' needs in each business," commented Steve Schwartz, CEO of Brooks Automation. "Our Life Sciences business overcame some COVID-19 headwinds at various stages of the quarter, including temporary closure of our China operations. Despite the challenges, our dedicated team delivered strong growth across both businesses. We are particularly proud that our Life Sciences products and services have satisfied urgent demand from our customers involved with COVID-19 research. Strong demand for our Semiconductor products continued throughout the quarter as chip manufacturers maintained their spending plans."

Summary of GAAP Results for Continuing Operations

- Revenue of \$220 million grew 11% year over year and diluted EPS from continuing operations was \$0.12 per share compared to a loss of (\$0.04) per share in the second quarter of 2019.
- Life Sciences revenue of \$95 million grew 11% year over year and 4% sequentially. Year-over-year organic growth was 11%.
- Semiconductor Solutions revenue was \$125 million, an increase of 11% year over year and 5%

sequentially. Increased shipments for Automation Systems and another record revenue quarter from Contamination Control Solutions drove the sequential growth.

- GAAP operating income was \$15 million, compared to \$14 million in the second quarter of 2019. The increase was driven by higher revenue and a 40 basis point improvement in gross margins. GAAP operating margins were lower in the second quarter, compared with the prior year, on higher R&D and SG&A expense.
- Net interest expense was \$0.6 million for the quarter, a \$7.1 million reduction from the second quarter of 2019.

Summary of Non-GAAP Results for Continuing Operations

- Diluted EPS from continuing operations for the second quarter was \$0.25, up 11% from the first quarter of 2020 and up 48% over the prior year.
- Operating income was \$26 million, an increase of 10% year over year and 17% sequentially. Sequential revenue growth of 5% and gross margin improvement of 60 basis points drove the higher operating margin higher by 120 basis points.
- Gross margin was 42.2%, an increase of 20 basis points from the second quarter of 2019 and 60 basis points from the first quarter of 2020. Continued gross margin expansion in Life Sciences drove the improvement year over year and sequentially.
- Life Sciences operating margin was 8.5%, up 260 basis points year over year and 200 basis points sequentially. Gross margin performance of 45.8%, up 330 basis points year over year and 150 basis points sequentially, was the primary driver. Sample Management gross margin improvement of 570 basis points year over year was the primary driver. Year-over-year improvement was evident in each product area of large stores systems, cryogenic systems, BioStorage services, and consumables.
- The Semiconductor Solutions operating margin was 13.4%, a decline of 340 basis points from the prior year and up 70 basis points from the first quarter of 2020. A heavier mix of revenue from Tier 1 customers resulted in softer gross margins in the quarter. Sequential revenue growth of 5% with stable gross margins contributed to the sequential operating margin expansion.
- Adjusted EBITDA was \$34.8 million, up 6% from the second quarter of 2019 and 9% sequentially.

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.

Cash and Liquidity

- Cash flow from operations was (\$66) million for the second quarter. During the quarter the Company paid \$92 million to settle taxes related to the 2019 gain on sale of the Semiconductor Cryogenics business. Excluding this payment, cash flow from operations was \$26 million. On a year-to-date basis, the cash flow from operations, excluding the noted tax payments, was \$51 million, an increase of \$29 million compared to the first half of the 2019 fiscal year.
- During the quarter, the Company acquired RURO, Inc, a life sciences informatics company, for a cash purchase price of approximately \$16 million, net of cash acquired. The Company ended the quarter with a total balance of cash, cash equivalents, restricted cash, and marketable securities of \$249 million. With total debt of \$51 million, net cash was \$198 million.

Quarterly Cash Dividend

The Company additionally announced that the Board of Directors has reiterated a dividend of \$0.10 per share payable on June 26, 2020 to stockholders of record on June 5, 2020. 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 Third Quarter Fiscal 2020

The Company announced revenue and earnings guidance for the third quarter of fiscal 2020. Revenue is expected to be in the range of \$200 million to \$215 million and non-GAAP diluted earnings per share is expected to be in the range of \$0.16 to \$0.24. GAAP diluted earnings per share for the third fiscal quarter is expected to be in the range of \$0.04 to \$0.12.

Conference Call and Webcast

Brooks management will webcast its second quarter 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 www.brooks.investorroom.com, and will be archived online on this website for convenient on-demand replay. In addition, you may call 800-906-5934 (US & Canada only) or +1-212-231-2904 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 about our revenue and earnings expectations, our ability to increase our profitability, our ability to improve or retain our market position, and our ability to deliver financial success in the future. Factors that could cause results to differ from our expectations include the following: the impact of the COVID-19 global pandemic on the markets we serve, including our supply chain, and on the global economy generally, 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

Brooks is a leading provider of life science sample-based solutions and semiconductor manufacturing solutions worldwide. The Company's Life Sciences business provides a full suite of reliable cold-chain sample management solutions and genomic services across areas such as drug development, clinical research and advanced cell therapies for the industry's top pharmaceutical, biotech, academic and healthcare institutions globally. Brooks Life Sciences' GENEWIZ division is a leading provider of DNA gene sequencing and gene synthesis services. With over 40 years as a partner to the semiconductor manufacturing industry, Brooks is a provider of industry-leading precision vacuum robotics, integrated automation systems and contamination control solutions to the world's leading semiconductor chip makers and equipment manufacturers. 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 | | Six Months Ended | |
|--|--------------------|------------|------------------|------------|
| | March 31, | | March 31, | |
| | 2020 | 2019 | 2020 | 2019 |
| Revenue | | | | |
| Products | \$ 139,144 | \$ 128,056 | \$ 271,006 | \$ 253,430 |
| Services | 81,083 | 70,334 | 159,721 | 124,327 |
| Total revenue | 220,227 | 198,390 | 430,727 | 377,757 |
| Cost of revenue | | | | |
| Products | 83,970 | 77,803 | 163,941 | 152,376 |
| Services | 45,976 | 40,071 | 91,519 | 72,785 |
| Total cost of revenue | 129,946 | 117,874 | 255,460 | 225,161 |
| Gross profit | 90,281 | 80,516 | 175,267 | 152,596 |
| Operating expenses | | | | |
| Research and development | 15,322 | 14,101 | 29,723 | 27,249 |
| Selling, general and administrative | 59,809 | 52,373 | 119,152 | 105,914 |
| Restructuring charges | 578 | 370 | 1,154 | 429 |
| Total operating expenses | 75,709 | 66,844 | 150,029 | 133,592 |
| Operating income | 14,572 | 13,672 | 25,238 | 19,004 |
| Interest income | 137 | 316 | 836 | 739 |
| Interest expense | (718) | (8,018) | (1,455) | (13,308) |
| Loss on extinguishment of debt | — | (9,051) | — | (9,051) |
| Other expenses, net | (1,399) | (778) | (1,816) | (807) |
| Income (loss) before income taxes | 12,592 | (3,859) | 22,803 | (3,423) |
| Income tax benefit | 3,400 | (1,030) | 437 | (6,860) |
| Income (loss) from continuing operations | 9,192 | (2,829) | 22,366 | 3,437 |
| (Loss) income from discontinued operations, net of tax | (65) | 6,250 | (182) | 14,399 |
| Net income | \$ 9,127 | \$ 3,421 | \$ 22,184 | \$ 17,836 |
| <u>Basic net income per share:</u> | | | | |
| Income (loss) from continuing operations | \$ 0.12 | \$ (0.04) | \$ 0.30 | \$ 0.05 |
| (Loss) income from discontinued operations, net of tax | (0.00) | 0.09 | (0.00) | 0.20 |
| Basic net income per share | \$ 0.12 | \$ 0.05 | \$ 0.30 | \$ 0.25 |
| <u>Diluted net income per share:</u> | | | | |
| Income (loss) from continuing operations | \$ 0.12 | \$ (0.04) | \$ 0.30 | \$ 0.05 |
| (Loss) income from discontinued operations, net of tax | (0.00) | 0.09 | (0.00) | 0.20 |

| | | | | |
|------------------------------|---------|---------|---------|---------|
| Diluted net income per share | \$ 0.12 | \$ 0.05 | \$ 0.30 | \$ 0.25 |
|------------------------------|---------|---------|---------|---------|

Weighted average shares outstanding used in computing net income per share:

| | | | | |
|---------|--------|--------|--------|--------|
| Basic | 73,708 | 72,077 | 73,331 | 71,760 |
| Diluted | 73,789 | 72,292 | 73,752 | 72,215 |

BROOKS AUTOMATION, INC.

CONSOLIDATED BALANCE SHEETS

(unaudited)

(In thousands, except share and per share data)

| | March 31, | September 30, |
|---|--------------------|----------------------|
| | 2020 | 2019 |
| | <hr/> | <hr/> |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 242,274 | \$ 301,642 |
| Marketable securities | 162 | 34,124 |
| Accounts receivable, net | 179,014 | 165,602 |
| Inventories | 107,699 | 99,445 |
| Prepaid expenses and other current assets | 43,379 | 46,332 |
| Total current assets | <hr/> 572,528 | <hr/> 647,145 |
| Property, plant and equipment, net | 108,744 | 100,669 |
| Long-term marketable securities | 2,555 | 2,845 |
| Long-term deferred tax assets | 5,080 | 5,064 |
| Goodwill | 498,502 | 488,602 |
| Intangible assets, net | 236,095 | 251,168 |
| Other assets | 55,827 | 20,506 |
| Total assets | <hr/> \$ 1,479,331 | <hr/> \$ 1,515,999 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 828 | \$ 829 |
| Accounts payable | 63,958 | 58,919 |

| | | |
|---|---------------------|---------------------|
| Deferred revenue | 29,090 | 29,435 |
| Accrued warranty and retrofit costs | 7,910 | 7,175 |
| Accrued compensation and benefits | 31,220 | 31,375 |
| Accrued restructuring costs | 935 | 1,040 |
| Accrued income taxes payable | 9,134 | 99,263 |
| Accrued expenses and other current liabilities | 53,960 | 44,234 |
| Total current liabilities | <u>197,035</u> | <u>272,270</u> |
| Long-term debt | 49,951 | 50,315 |
| Long-term tax reserves | 18,841 | 18,274 |
| Long-term deferred tax liabilities | 12,190 | 20,636 |
| Long-term pension liabilities | 5,594 | 5,338 |
| Long-term operating lease liabilities | 27,233 | — |
| Other long-term liabilities | 7,354 | 10,212 |
| Total liabilities | <u>318,198</u> | <u>377,045</u> |
| 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, 87,214,622 shares issued and 73,752,753 shares outstanding at March 31, 2020, 85,759,700 shares issued and 72,297,831 shares outstanding at September 30, 2019 | 872 | 857 |
| Additional paid-in capital | 1,932,893 | 1,921,954 |
| Accumulated other comprehensive income | 7,299 | 3,511 |
| Treasury stock at cost - 13,461,869 shares | (200,956) | (200,956) |
| Accumulated deficit | (578,975) | (586,412) |
| Total stockholders' equity | <u>1,161,133</u> | <u>1,138,954</u> |
| Total liabilities and stockholders' equity | <u>\$ 1,479,331</u> | <u>\$ 1,515,999</u> |

BROOKS AUTOMATION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(In thousands)

Six Months Ended

| | March 31, | |
|---|------------------|-------------|
| | 2020 | 2019 |
| Cash flows from operating activities | | |
| Net income | \$ 22,184 | \$ 17,836 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 33,079 | 26,339 |
| Stock-based compensation | 8,624 | 9,717 |
| Amortization of premium on marketable securities and deferred financing costs | 94 | 556 |
| Earnings of equity method investments | — | (3,041) |
| Deferred income taxes | (9,477) | (12,472) |
| Loss on extinguishment of debt | — | 9,051 |
| Other gains on disposals of assets | 125 | 34 |
| Loss on sale of divestiture, net of tax | 319 | — |
| Taxes paid stemming from divestiture | (91,500) | — |
| Changes in operating assets and liabilities, net of acquisitions: | | |
| Accounts receivable | (12,670) | (9,654) |
| Inventories | (9,094) | (9,992) |
| Prepaid expenses and current assets | 5,374 | 1,938 |
| Accounts payable | 5,807 | (6,088) |
| Deferred revenue | (1,478) | 5,410 |
| Accrued warranty and retrofit costs | 735 | 740 |
| Accrued compensation and tax withholdings | (522) | (11,123) |
| Accrued restructuring costs | (112) | (57) |
| Proceeds from recovery on insurance claim | — | 886 |
| Accrued expenses and current liabilities | 8,455 | 2,149 |
| Net cash (used in) provided by operating activities | (40,057) | 22,229 |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (21,170) | (9,676) |
| Purchases of marketable securities | (10,843) | (1,290) |
| Sales of marketable securities | 2,492 | 48,904 |
| Maturities of marketable securities | 42,226 | 2,557 |
| Acquisitions, net of cash acquired | (15,743) | (442,704) |
| Purchase of other investment | (1,000) | — |
| Net cash used in investing activities | (4,038) | (402,209) |
| Cash flows from financing activities | | |

| | | |
|---|------------|------------|
| Proceeds from term loans, net of discount | — | 686,386 |
| Proceeds from issuance of common stock | 2,330 | 1,548 |
| Payments of financing costs | — | (687) |
| Principal payments on debt | (414) | (352,289) |
| Payments of capital leases | (639) | (487) |
| Common stock dividends paid | (14,747) | (14,429) |
| Net cash (used in) provided by financing activities | (13,470) | 320,042 |
| Effects of exchange rate changes on cash and cash equivalents | (1,803) | (553) |
| Net decrease in cash and cash equivalents | (59,368) | (60,491) |
| Cash and cash equivalents and restricted cash, beginning of period | 305,171 | 197,708 |
| Cash and cash equivalents and restricted cash, end of period | \$ 245,803 | \$ 137,217 |
| Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets | | |
| Cash and cash equivalents | \$ 242,274 | \$ 137,168 |
| Restricted cash included in prepaid expenses and other current assets | 3,529 | 49 |
| Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows | \$ 245,803 | \$ 137,217 |

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 | | | | | |
|--|----------------|---------|-------------------|---------|----------------|-----------|
| | March 31, 2020 | | December 31, 2019 | | March 31, 2019 | |
| | per diluted | | per diluted | | per diluted | |
| | \$ | share | \$ | share | \$ | share |
| | \$ 9,192 | \$ 0.12 | \$ 13,174 | \$ 0.18 | \$ (2,829) | \$ (0.04) |

Dollars in thousands, except per share data

Net income from continuing operations

Adjustments:

| | | | | | | |
|---|------------------|----------------|------------------|----------------|------------------|----------------|
| Amortization of intangible assets | 10,355 | 0.14 | 10,584 | 0.14 | 9,405 | 0.13 |
| Restructuring charges | 578 | 0.01 | 576 | 0.01 | 370 | 0.01 |
| Loss on extinguishment of debt | — | — | — | — | 9,051 | 0.13 |
| Merger costs | 279 | 0.00 | 195 | 0.00 | 36 | 0.00 |
| Tax adjustments ⁽¹⁾ | 1,046 | 0.01 | (5,230) | (0.07) | 803 | 0.01 |
| Tax effect of adjustments | (2,997) | (0.04) | (2,662) | (0.04) | (4,593) | (0.06) |
| Non-GAAP adjusted net income from continuing operations | \$ 18,453 | \$ 0.25 | \$ 16,637 | \$ 0.23 | \$ 12,243 | \$ 0.17 |
| <i>Stock based compensation, pre-tax</i> | 4,214 | 0.06 | 4,410 | 0.06 | 5,121 | 0.07 |
| <i>Tax rate</i> | 15 % | — | 15 % | — | 15 % | — |
| Stock-based compensation, net of tax | 3,582 | 0.05 | 3,749 | 0.05 | 4,353 | 0.06 |
| Non-GAAP adjusted net income excluding stock-based compensation - continuing operations | \$ 22,035 | \$ 0.30 | \$ 20,386 | \$ 0.28 | \$ 16,596 | \$ 0.23 |
| Shares used in computing non-GAAP diluted net income per share | — | 73,789 | — | 73,645 | — | 72,292 |

Six Months Ended

| | March 31, 2020 | | March 31, 2019 | |
|---|-----------------------|----------------|-----------------------|----------------|
| | per diluted | | per diluted | |
| | \$ | share | \$ | share |
| Net income from continuing operations | \$ 22,366 | \$ 0.30 | \$ 3,437 | \$ 0.05 |
| <u>Adjustments:</u> | | | | |
| Purchase accounting impact on inventory and contracts acquired | — | — | 184 | 0.00 |
| Amortization of intangible assets | 20,940 | 0.28 | 17,180 | 0.24 |
| Restructuring charges | 1,154 | 0.02 | 429 | 0.01 |
| Loss on extinguishment of debt | — | — | 9,051 | — |
| Merger costs | 473 | 0.01 | 6,390 | 0.09 |
| Tax Reform - rate change applied to deferred tax liabilities ⁽²⁾ | — | — | (1,125) | (0.02) |
| Tax adjustments ⁽¹⁾ | (4,167) | (0.06) | (3,608) | (0.05) |
| Tax effect of adjustments | (5,676) | (0.08) | (7,777) | (0.11) |
| Non-GAAP adjusted net income from continuing operations | \$ 35,090 | \$ 0.48 | \$ 24,161 | \$ 0.33 |
| <i>Stock-based compensation, pre-tax</i> | 8,624 | 0.12 | 9,297 | 0.13 |
| <i>Tax rate</i> | 15 % | — | 15 % | — |

Dollars in thousands, except per share data

Net income from continuing operations

Adjustments:

| | | | | |
|---|------------------|----------------|------------------|----------------|
| Purchase accounting impact on inventory and contracts acquired | — | — | 184 | 0.00 |
| Amortization of intangible assets | 20,940 | 0.28 | 17,180 | 0.24 |
| Restructuring charges | 1,154 | 0.02 | 429 | 0.01 |
| Loss on extinguishment of debt | — | — | 9,051 | — |
| Merger costs | 473 | 0.01 | 6,390 | 0.09 |
| Tax Reform - rate change applied to deferred tax liabilities ⁽²⁾ | — | — | (1,125) | (0.02) |
| Tax adjustments ⁽¹⁾ | (4,167) | (0.06) | (3,608) | (0.05) |
| Tax effect of adjustments | (5,676) | (0.08) | (7,777) | (0.11) |
| Non-GAAP adjusted net income from continuing operations | \$ 35,090 | \$ 0.48 | \$ 24,161 | \$ 0.33 |
| <i>Stock-based compensation, pre-tax</i> | 8,624 | 0.12 | 9,297 | 0.13 |
| <i>Tax rate</i> | 15 % | — | 15 % | — |

| | | | | |
|---|------------------|----------------|------------------|----------------|
| Stock-based compensation, net of tax | 7,330 | \$ 0.10 | 7,902 | 0.11 |
| Non-GAAP adjusted net income excluding stock-based compensation - continuing operations | <u>\$ 42,420</u> | <u>\$ 0.58</u> | <u>\$ 32,063</u> | <u>\$ 0.44</u> |
| Shares used in computing non-GAAP diluted net income per share | — | 73,752 | — | 72,215 |

(1) The Company elected to apply the tax benefit related to the stock compensation windfall realized in the quarters ended December 31, 2019 and 2018 to the non-GAAP full year tax rate. The Company elected to exclude a deferred tax benefit realized in the three month period ended December 31, 2019 related to the extension of the 15 percent tax rate incentive in China.

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

| | Quarter Ended | | | Six Months Ended | |
|--|------------------|------------------|------------------|------------------|------------------|
| | March 31, | December 31, | March 31, | March 31, | March 31, |
| | 2020 | 2019 | 2019 | 2020 | 2019 |
| <i>Dollars in thousands</i> | | | | | |
| GAAP net income | <u>\$ 9,127</u> | <u>\$ 13,057</u> | <u>\$ 3,421</u> | <u>\$ 22,184</u> | <u>\$ 17,836</u> |
| <u>Adjustments:</u> | | | | | |
| Less: Loss (income) from discontinued operations | 65 | 117 | (6,250) | 182 | (14,399) |
| Less: Interest income | (137) | (699) | (316) | (836) | (739) |
| Add: Interest expense | 718 | 737 | 8,018 | 1,455 | 13,308 |
| Add: Income tax benefit | 3,400 | (2,963) | (1,030) | 437 | (6,860) |
| Add: Depreciation | 6,247 | 5,891 | 5,099 | 12,139 | 9,159 |
| Add: Amortization of completed technology | 2,740 | 2,674 | 2,791 | 5,415 | 4,798 |
| Add: Amortization of customer relationships and acquired intangible assets | 7,615 | 7,910 | 6,614 | 15,525 | 12,382 |
| Add: Loss on extinguishment of debt | — | — | 9,051 | — | 9,051 |
| Earnings before interest, taxes, depreciation and amortization | <u>\$ 29,775</u> | <u>\$ 26,724</u> | <u>\$ 27,398</u> | <u>\$ 56,501</u> | <u>\$ 44,536</u> |

| | Quarter Ended | | | Six Months Ended | |
|--|------------------|------------------|------------------|------------------|------------------|
| | March 31, | December 31, | March 31, | March 31, | March 31, |
| | 2020 | 2019 | 2019 | 2020 | 2019 |
| <i>Dollars in thousands</i> | | | | | |
| Earnings before interest, taxes, depreciation and amortization | <u>\$ 29,775</u> | <u>\$ 26,724</u> | <u>\$ 27,398</u> | <u>\$ 56,501</u> | <u>\$ 44,536</u> |

Adjustments:

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Add: Stock-based compensation | 4,214 | 4,410 | 5,121 | 8,624 | 9,297 |
| Add: Restructuring charges | 578 | 576 | 370 | 1,154 | 429 |
| Add: Purchase accounting impact on inventory and contracts acquired | — | — | — | — | 184 |
| Add: Merger costs | 279 | 195 | 36 | 473 | 6,390 |
| Adjusted earnings before interest, taxes, depreciation and amortization | <u>\$ 34,846</u> | <u>\$ 31,905</u> | <u>\$ 32,925</u> | <u>\$ 66,752</u> | <u>\$ 60,836</u> |

Quarter Ended*Dollars in thousands*

| | March 31, 2020 | | December 31, 2019 | | March 31, 2019 | |
|-------------------------------------|-----------------------|---------------|--------------------------|---------------|-----------------------|---------------|
| GAAP gross profit/margin percentage | <u>\$ 90,281</u> | <u>41.0 %</u> | <u>\$ 84,986</u> | <u>40.4 %</u> | <u>\$ 80,516</u> | <u>40.6 %</u> |

Adjustments:

| | | | | | | |
|--|------------------|---------------|------------------|---------------|------------------|---------------|
| Amortization of completed technology | 2,740 | 1.2 | 2,674 | 1.3 | 2,791 | 1.4 |
| Non-GAAP adjusted gross profit/gross margin percentage | <u>\$ 93,021</u> | <u>42.2 %</u> | <u>\$ 87,660</u> | <u>41.6 %</u> | <u>\$ 83,307</u> | <u>42.0 %</u> |

Six Months Ended*Dollars in thousands*

| | March 31, 2020 | | March 31, 2019 | |
|-------------------------------------|-----------------------|---------------|-----------------------|---------------|
| GAAP gross profit/margin percentage | <u>\$ 175,267</u> | <u>40.7 %</u> | <u>\$ 152,596</u> | <u>40.4 %</u> |

Adjustments:

| | | | | |
|--|-------------------|---------------|-------------------|---------------|
| Amortization of completed technology | 5,415 | 1.3 | 4,798 | 1.3 |
| Purchase accounting impact on inventory and contracts acquired | — | — | 184 | 0.0 |
| Non-GAAP adjusted gross profit/gross margin percentage | <u>\$ 180,682</u> | <u>41.9 %</u> | <u>\$ 157,578</u> | <u>41.7 %</u> |

Brooks Semiconductor Solutions Group**Quarter Ended***Dollars in thousands*

| | March 31, 2020 | | December 31, 2019 | | March 31, 2019 | |
|-------------------------------------|-----------------------|---------------|--------------------------|---------------|-----------------------|---------------|
| GAAP gross profit/margin percentage | <u>\$ 48,637</u> | <u>38.9 %</u> | <u>\$ 46,300</u> | <u>39.0 %</u> | <u>\$ 45,987</u> | <u>40.7 %</u> |

Adjustments:

| | | | | | | |
|--|------------------|---------------|------------------|---------------|------------------|---------------|
| Amortization of completed technology | 722 | 0.6 | 732 | 0.6 | 916 | 0.8 |
| Non-GAAP adjusted gross profit/margin percentage | <u>\$ 49,359</u> | <u>39.5 %</u> | <u>\$ 47,032</u> | <u>39.6 %</u> | <u>\$ 46,903</u> | <u>41.6 %</u> |

Brooks Life Sciences**Quarter Ended***Dollars in thousands*

| | March 31, 2020 | | December 31, 2019 | | March 31, 2019 | |
|-------------------------------------|-----------------------|---------------|--------------------------|---------------|-----------------------|---------------|
| GAAP gross profit/margin percentage | <u>\$ 41,663</u> | <u>43.7 %</u> | <u>\$ 38,686</u> | <u>42.2 %</u> | <u>\$ 34,529</u> | <u>40.4 %</u> |

Adjustments:

| | | | | | | |
|--|------------------|---------------|------------------|---------------|------------------|---------------|
| Amortization of completed technology | 2,017 | 2.1 | 1,942 | 2.1 | 1,875 | 2.2 |
| Non-GAAP adjusted gross profit/margin percentage | <u>\$ 43,680</u> | <u>45.8 %</u> | <u>\$ 40,628</u> | <u>44.3 %</u> | <u>\$ 36,404</u> | <u>42.6 %</u> |

Brooks Semiconductor Solutions Group**Six Months Ended***Dollars in thousands*

| | March 31, 2020 | | March 31, 2019 | |
|-------------------------------------|-----------------------|---------------|-----------------------|---------------|
| GAAP gross profit/margin percentage | <u>\$ 94,936</u> | <u>39.0 %</u> | <u>\$ 91,901</u> | <u>40.7 %</u> |

Adjustments:

| | | | | |
|--|------------------|---------------|------------------|---------------|
| Amortization of completed technology | 1,455 | 0.6 | 1,853 | 0.8 |
| Purchase accounting impact on inventory and contracts acquired | — | — | 184 | 0.1 |
| Non-GAAP adjusted gross profit/margin percentage | <u>\$ 96,391</u> | <u>39.5 %</u> | <u>\$ 93,938</u> | <u>41.6 %</u> |

Brooks Life Sciences**Six Months Ended***Dollars in thousands*

| | March 31, 2020 | | March 31, 2019 | |
|-------------------------------------|-----------------------|---------------|-----------------------|---------------|
| GAAP gross profit/margin percentage | <u>\$ 80,348</u> | <u>43.0 %</u> | <u>\$ 60,695</u> | <u>39.9 %</u> |

Adjustments:

| | | | | |
|--|------------------|---------------|------------------|---------------|
| Amortization of completed technology | 3,960 | 2.1 | 2,945 | 1.9 |
| Non-GAAP adjusted gross profit/margin percentage | <u>\$ 84,308</u> | <u>45.1 %</u> | <u>\$ 63,640</u> | <u>41.8 %</u> |

| | Brooks Semiconductor Solutions Group | | | Brooks Life Sciences | | | Total Segments | | |
|--------------------------------------|--------------------------------------|--------------|-------------|----------------------|--------------|-------------|----------------|--------------|-------------|
| | Quarter Ended | | | Quarter Ended | | | Quarter Ended | | |
| | March 31, | December 31, | March 31, | March 31, | December 31, | March 31, | March 31, | December 31, | March 31, |
| <i>Dollars in thousands</i> | 2020 | 2019 | 2019 | 2020 | 2019 | 2019 | 2020 | 2019 | 2019 |
| GAAP operating profit | \$ 15,984 | \$ 14,268 | \$ 17,987 | \$ 6,100 | \$ 4,032 | \$ 3,143 | \$ 22,084 | \$ 18,300 | \$ 21,130 |
| <u>Adjustments:</u> | | | | | | | | | |
| Amortization of completed technology | 722 | 732 | 916 | 2,017 | 1,942 | 1,875 | 2,739 | 2,674 | 2,791 |
| Non-GAAP adjusted operating profit | \$ 16,706 | \$ 15,000 | \$ 18,903 | \$ 8,117 | \$ 5,974 | \$ 5,018 | \$ 24,823 | \$ 20,974 | \$ 23,921 |

| | Total Segments | | | Corporate | | | Total | | |
|---|----------------|--------------|-------------|---------------|--------------|-------------|---------------|--------------|-------------|
| | Quarter Ended | | | Quarter Ended | | | Quarter Ended | | |
| | March 31, | December 31, | March 31, | March 31, | December 31, | March 31, | March 31, | December 31, | March 31, |
| <i>Dollars in thousands</i> | 2020 | 2019 | 2019 | 2020 | 2019 | 2019 | 2020 | 2019 | 2019 |
| GAAP operating profit (loss) | \$ 22,084 | \$ 18,300 | \$ 21,130 | \$ (7,512) | \$ (7,634) | \$ (7,458) | \$ 14,572 | \$ 10,666 | \$ 13,672 |
| <u>Adjustments:</u> | | | | | | | | | |
| Amortization of completed technology | 2,739 | 2,674 | 2,791 | — | — | — | 2,739 | 2,674 | 2,791 |
| Amortization of customer relationships and acquired intangible assets | — | — | — | 7,615 | 7,910 | 6,614 | 7,615 | 7,910 | 6,614 |
| Restructuring charges | — | — | — | 578 | 576 | 370 | 578 | 576 | 370 |
| Merger costs | — | — | — | 279 | 195 | 36 | 279 | 195 | 36 |
| Non-GAAP adjusted operating profit (loss) | \$ 24,823 | \$ 20,974 | \$ 23,921 | \$ 960 | \$ 1,047 | \$ (438) | \$ 25,783 | \$ 22,021 | \$ 23,483 |

| | Brooks Semiconductor Solutions Group | | Brooks Life Sciences | | Total Segments | |
|--|---|-----------------------|-----------------------------|-----------------------|-------------------------|-----------------------|
| | Six Months Ended | | Six Months Ended | | Six Months Ended | |
| <i>Dollars in thousands</i> | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| GAAP operating profit | \$ 30,252 | \$ 34,128 | \$ 10,132 | \$ 4,733 | \$ 40,384 | \$ 38,861 |
| <u>Adjustments:</u> | | | | | | |
| Amortization of completed technology | 1,455 | 1,853 | 3,960 | 2,945 | 5,415 | 4,798 |
| Purchase accounting impact on inventory and contracts acquired | — | 184 | — | — | — | 184 |
| Non-GAAP adjusted operating profit | \$ 31,707 | \$ 36,165 | \$ 14,092 | \$ 7,678 | \$ 45,799 | \$ 43,843 |

| | Total Segments | | Corporate | | Total | |
|---|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | Six Months Ended | | Six Months Ended | | Six Months Ended | |
| <i>Dollars in thousands</i> | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| GAAP operating profit (loss) | \$ 40,384 | \$ 38,861 | \$ (15,146) | \$ (19,857) | \$ 25,238 | \$ 19,004 |
| <u>Adjustments:</u> | | | | | | |
| Amortization of completed technology | 5,415 | 4,798 | — | — | 5,415 | 4,798 |
| Amortization of customer relationships and acquired intangible assets | — | — | 15,525 | 12,382 | 15,525 | 12,382 |
| Restructuring charges | — | — | 1,154 | 429 | 1,154 | 429 |
| Purchase accounting impact on inventory and contracts acquired | — | 184 | — | — | — | 184 |
| Merger costs | — | — | 473 | 6,390 | 473 | 6,390 |
| Non-GAAP adjusted operating profit (loss) | \$ 45,799 | \$ 43,843 | \$ 2,006 | \$ (656) | \$ 47,805 | \$ 43,187 |

SOURCE Brooks Automation

<https://brooks.investorroom.com/2020-04-30-Brooks-Automation-Reports-Results-of-its-Second->

[Quarter-of-Fiscal-2020-Ended-March-31-2020-and-Announces-Quarterly-Cash-Dividend](#)