



BRUKER CORPORATION (NASDAQ: BRKR)

# Q1 2023 Earnings Presentation

## May 4, 2023

---

Frank H. Laukien, President & Chief Executive Officer

Gerald Herman, Executive Vice President & Chief Financial Officer

Justin Ward, Senior Director, Investor Relations & Corporate Development



# Safe Harbor Statement

---

Any statements contained in this press release which do not describe historical facts may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding our fiscal year 2023 financial outlook, our outlook for reported revenue growth, organic revenue growth, M&A revenue growth contributions, constant currency revenue growth, foreign currency translation revenue growth, non-GAAP operating margin, non-GAAP EPS and non-GAAP tax rate; management's expectations for the impact of foreign currency and acquisitions, and for future financial and operational performance and business outlook; future economic conditions; the duration and impact of supply chain and geopolitical challenges; strategic investments; and statements found under the "Use of Non-GAAP Financial Measures" section of this release. Any forward-looking statements contained herein are based on current expectations, but are subject to risks and uncertainties that could cause actual results to differ materially from those indicated, including, but not limited to, risks and uncertainties relating to COVID-19, the length and severity of any recession and the impact on global economic conditions, the impact of supply chain challenges, including inflationary pressures, the impact of geopolitical tensions and any sanctions, including any reduction in natural gas exports from Russia resulting from its ongoing conflict with Ukraine and resulting market disruptions, such as higher prices for and reduced availability of key metals used in our products, continued volatility in the capital markets, the impact of increased interest rates, the integration and assumption of liabilities of businesses we have acquired or may acquire in the future, our restructuring and cost-control initiatives, changing technologies, product development and market acceptance of our products, the cost and pricing of our products, manufacturing and outsourcing, competition, dependence on collaborative partners, key suppliers and third party distributors, capital spending and government funding policies, changes in governmental regulations, intellectual property rights, litigation, exposure to foreign currency fluctuations, the impact of foreign currency exchange rates, our ability to service our debt obligations and fund our anticipated cash needs, the effect of a concentrated ownership of our common stock, loss of key personnel, payment of future dividends and other risk factors discussed from time to time in our filings with the Securities and Exchange Commission, or SEC. These and other factors are identified and described in more detail in our filings with the SEC, including, without limitation, our annual report on Form 10-K for the year ended December 31, 2022, as may be updated by our quarterly reports on Form 10-Q. We expressly disclaim any intent or obligation to update these forward-looking statements other than as required by law.

Q1 2023

# Business Update

---



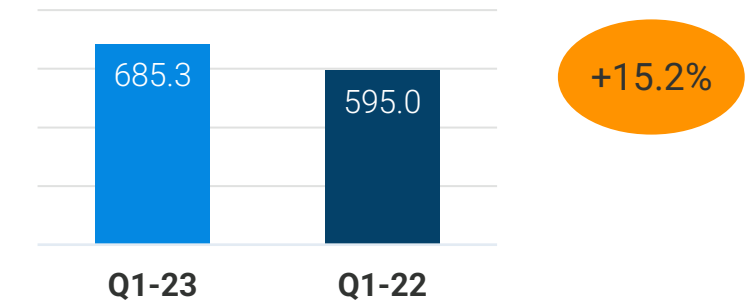
# Q1 2023: Strong Organic Order and Revenue Growth, Margin Expansion and EPS Growth Providing a Solid Start for 2023

## Q1 2023 Performance Year-over-Year

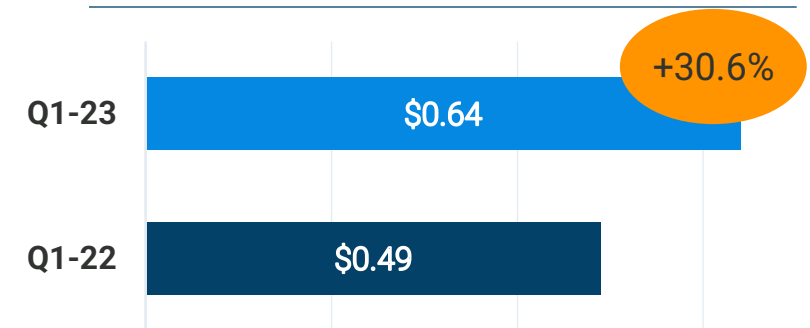
- ❖ Revenue increased \$90.3M, or +15.2%
  - **Organic growth of +17.6%**; BSI up +18.4% and BEST up +9.7% organically, all compared to a strong Q1-22
  - Acquisitions add +2.1%; Constant currency (CC) growth of 19.7%
  - FX headwind of (4.5%)
- ❖ Non-GAAP gross margin of 53.4%, up +70 bps
- ❖ Non-GAAP operating margin of 20.3%, up +80 bps
- ❖ GAAP EPS of \$0.52, up +26.8%
- ❖ **Non-GAAP EPS of \$0.64, up +30.6%**
- ❖ Non-GAAP ROIC of 24.0% for trailing twelve months

## Q1 Financials

Revenues [\$M]



Non-GAAP EPS



Reconciliations of non-GAAP to GAAP financial measures are available in our earnings press release and at the end of this presentation. Y-o-y: year over year. Bps: basis points

# Constant Currency Q1 2023 Revenue Performance Year-over-Year<sup>(1)</sup>



## Bruker BioSpin Group

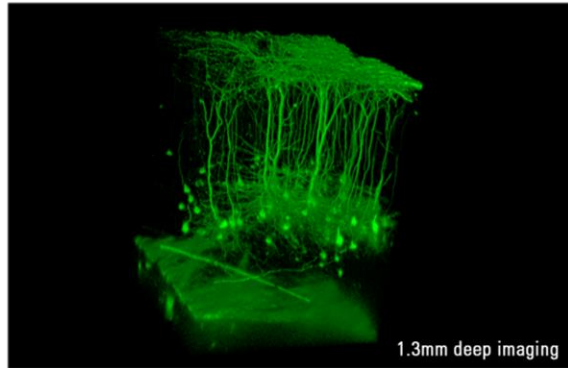
- BioSpin up high-teens %, on solid customer demand and aftermarket growth; bookings stronger than revenues, including strong China bookings
- Solid performance in NMR, even without any GHz-class systems in Q1-23 revenue. Now expect 3-4 GHz-class NMRs in H2-23 revenue, with none in H1-23 revenue.
- Preclinical Imaging with strong revenue growth



## Bruker CALID Group

- CALID up low-20s% range, driven by robust life science mass spectrometry; bookings stronger than revenues
- Life science mass spectrometry driven by proteomics demand for timsTOF
- Bruker Optics with strong growth, especially in China
- Microbiology & Infection Diagnostics (MID) down slightly on strong Q1-22; aftermarket strength partially offset by slower instrument revenue

# Constant Currency Q1 2023 Revenue Performance Year-over-Year<sup>(1)</sup>



## Bruker NANO Group

- NANO up low-20s% range, driven by strength in industrial research, greentech and semicon/microelectronics business; APAC and Americas strength
- Nano Surfaces & Metrology division drove NANO Group growth
- Advanced X-Ray Systems and Nano Analysis divisions both grew high teens
- Fluorescence Microscopy up significantly; including contribution from Inscopix acquisition

## BEST Segment

- BEST up high-single digits %, net of intercompany eliminations, driven by 'big science' projects and superconductor demand from clinical MRI manufacturers
- BEST superconductor demand strong, albeit with challenging supply chain dynamics



# Two New Orders for 1.2 GHz NMRs to Advance Life-Science and Green-Tech Research in the UK

- ❖ University of Warwick and University of Birmingham expanding fundamental research infrastructure with orders for two 1.2 GHz Avance™ NMR spectrometers
- ❖ Each institution already has a Bruker 1.0 GHz NMR and will advance their research into **energy storage and biofuels**, as well as **biomolecules such as proteins, nucleic acids, carbohydrates, lipids, and metabolites**

## University of Warwick

*“The linking of the new 1.2 GHz spectrometer at the University of Warwick to the 850 MHz and 1 GHz systems of the UK High-Field Solid-State NMR Facility will enable UK scientists to push forward frontiers in diverse fields from batteries and catalysts to pharmaceuticals and plant biomass.”*

**Professor Steven Brown, U. of Warwick Solid-State NMR Group**



## University of Birmingham

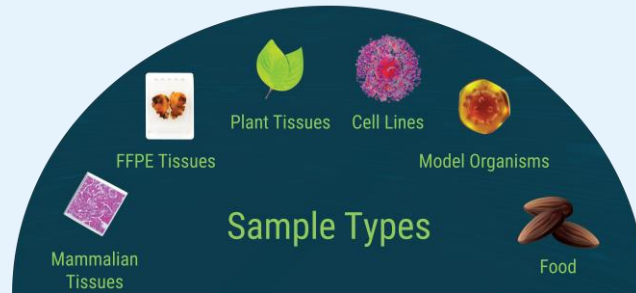
*“NMR plays a unique and key role in the understanding of molecular mechanisms in health and disease contexts. This is in particular because of its ability to deal with dynamics and disorder, which are often responsible for the regulation of these mechanisms. We are excited to add the 1.2 GHz NMR from Bruker to our research infrastructure and push our biomolecular research beyond current boundaries.”*

**Teresa Carlomagno, Professor and Academic Lead of HWB-NMR U. of Birmingham**

# Innovations in Tissue Proteomics Sample Prep and Immunopeptidomics

## PREOMICS

### Novel *BeatBox* FFPE Workflow



“This breakthrough allows us to process large cohorts of FFPE tissue quickly, reproducibly, and with greater precision, enabling large-scale biobank projects. By leveraging BeatBox technology, we uncover deep proteomics insights in tissue pathology research.”

**Dr. Michael Wierer, Director Proteomics Research Infrastructure, University of Copenhagen**

## Novel AI-Bioinformatics for *timsTOF SCP*-based Immunopeptidomics

- Unmatched sensitivity of *timsTOF SCP* coupled to *PaSER Novor* algorithm delivers **significant performance boost for immunopeptidomics**, for **small tumor biopsy samples**
- *PaSER Novor* derives **peptide sequences de novo** after **training with >1.7M *timsTOF* data sets for real-time** GPU-enabled proteomics



Q1 2023

# Financial Update

---





## Q1 2023 Non-GAAP Financial Performance

[\$M, except EPS]	Q1 2023	Q1 2022	Δ
Revenues	\$685.3	\$595.0	+15.2%
Operating Income	\$139.4	\$115.8	+20.4%
<i>Operating Margin (%)</i>	20.3%	19.5%	+80 bps
EPS	\$0.64	\$0.49	+30.6%
Free Cash Flow	\$62.5	\$58.8	+\$3.7

[\$M]	Mar 31, 2023	Dec 31, 2022	Δ
Cash, Equivalents & Short-term Investments	\$597.9	\$645.5	-7.4%
Net (Debt)/ Cash	(\$632.8)	(\$575.4)	+10.0%
WC-to-revenue ratio*	\$0.43	\$0.43	flat

\* On trailing twelve months revenue.

Reconciliations of non-GAAP to GAAP financial measures are available in our earnings press release and at the end of this presentation.

### Comments (year-over-year)

- Reported revenue growth of +15.2%, despite FX headwind of (4.5%)
- Organic revenue growth of +17.6%; excellent execution from all groups with gradually improving supply chain
- Non-GAAP operating margin up +80 bps; solid non-GAAP gross margin expansion and OPEX volume leverage, partially offset by *Project Accelerate 2.0* investments
- Non-GAAP EPS \$0.64, up +30.6%, on strong operating income growth, share buybacks and a lower tax rate
- Free cash flow up +\$3.7M, on improved profitability
- Cash and investments down on capital expenditures, acquisitions/investments, and share repurchases

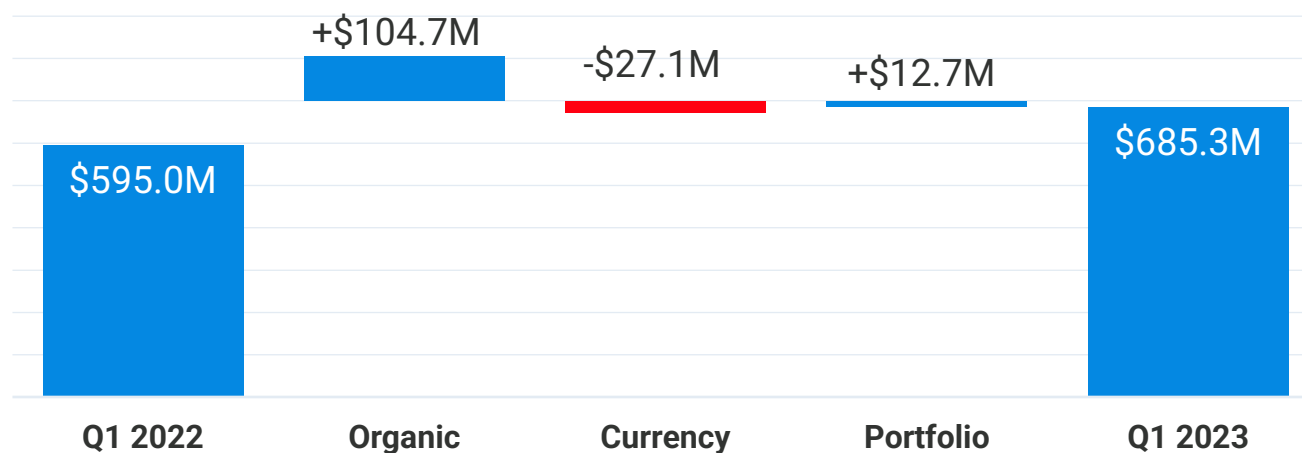


# Q1 2023 Revenue Bridge

## Q1 2023 Revenue Performance Year-over-Year

Organic	Currency	Portfolio	Total
+17.6%	-4.5%	+2.1%	+15.2%

## Q1 2023 Revenue Bridge [\$M]



## Q1 2023 Drivers (year-over-year)

- Reported revenue up +15.2%
- Organic revenue up +17.6%
  - ✓ BSI up +18.4% organic
  - ✓ BEST up +9.7% organic (net of intercompany eliminations)
- Acquisitions add +2.1%
- Constant currency (cc) revenue up +19.7%
- FX headwind of -4.5%

Reconciliations of non-GAAP to GAAP financial measures are available in our earnings press release and at the end of this presentation.



## Q1 2023 Non-GAAP Results Year-over-Year

[\$M, except EPS]	Q1 2023	Q1 2022	△
Total Revenues	685.3	595.0	+15.2%
Gross Profit <i>Margin (% of revenues)</i>	365.9 53.4%	313.3 52.7%	+16.8% +70 bps
SG&A <i>(% of revenues)</i>	(157.4) 23.0%	(140.9) 23.7%	+11.7%
R&D <i>(% of revenues)</i>	(69.0) 10.1%	(56.6) 9.5%	+21.9%
Operating Profit <i>(% of revenues)</i>	139.4 20.3%	115.8 19.5%	+20.4% +80 bps
Tax Rate	27.8%	32.7%	-490 bps
Net Income*	95.1	74.6	+27.5%
EPS	\$0.64	\$0.49	+30.6%
Shares Outstanding	147.6	151.4	-2.5%

### Comments (year-over-year)

- Gross margin up +70 bps on volume leverage, higher *Project Accelerate* mix and pricing, offset in part by inflation and supply chain headwinds
- Non-GAAP operating margin up +80 bps, primarily on gross margin expansion
- Non-GAAP tax rate of 27.8%
- Non-GAAP EPS of \$0.64, up 30.6%
- Reduced share count on share repurchases

\*Attributable to Bruker. Sum of items may not total due to rounding.

Reconciliations of non-GAAP to GAAP financial measures are available in our earnings press release and at the end of this presentation.



## Q1 2023 Cash Flow Year-over-Year

[\$M]	Q1 2023	Q1 2022	Δ
GAAP Net Income	77.4	62.1	+15.3
Depreciation & amortization	25.1	21.7	+3.4
Changes in working capital*	(32.2)	(36.7)	+4.5
Other items	17.2	30.7	-13.5
Operating cash flow	87.5	77.8	+9.7
Capital expenditures	(25.0)	(19.0)	-6.0
Free cash flow (non-GAAP)	62.5	58.8	+3.7

### Comments (year-over-year)

- Operating cash flow (OCF) up ~\$10M on higher profitability;
- Q1-23 free cash flow (FCF) \$62.5M, compared to Q1-22 FCF of \$58.8M:
  - Higher profitability, slightly lower working capital investment, despite continued buffer inventories for supply chain risks
  - Increased CAPEX on productivity optimization and capacity expansion

\*WC = (Accounts Receivable + Inventory - Accounts Payable). Sum of items may not total due to rounding.

# FY 2023 Outlook

---



## FY 2023 Outlook

### Increasing FY 2023 Guidance

<b>Revenue (in \$B)</b>	<b>\$2.83 to \$2.88 billion</b> (from \$2.81-\$2.86B)
<b>Reported Growth</b>	<b>12% to 14%</b> (from 11%-13%)
<b>Organic Growth</b>	<b>9% to 11%</b> (from 8%-10%)
<b>Constant Currency Growth</b>	<b>11% to 13%</b> (from 9.5%-11.5%)
<b>Non-GAAP EPS</b>	<b>\$2.55 to \$2.60</b> (from \$2.52 - \$2.57)
<b>Non-GAAP EPS Growth</b>	<b>9% to 11%</b> (from 8%-10%)

### FY 2023 Non-GAAP Assumptions (as of May 4, 2023)

- Operating profit growth 8%-10%;
- Operating margin decline ~70 bps
  - Accelerating R&D to ~10% of revenue, with focus on proteomics and spatial biology
  - Organic operating margin increase ~50 bps
  - Transitory 2023 headwind of ~120 bps to operating margin from FX and acquisitions
- Effective tax rate: 28%
- CAPEX: \$130M
- FX assumptions (rates as of March 31, 2023):  
EUR = 1.086 USD; CHF = 1.094 USD; Yen = 0.0075 USD

# Appendix

---

# Q1 2023 Reconciliation of GAAP Reported Revenue Growth to Organic Revenue Growth

[\$M]	Q1 2023	Q1 2022
Revenue as of the prior comparable period	595.0	554.7
<i>Non-GAAP components:</i>		
Acquisitions and divestures	12.7	5.8
Organic	104.7	58.2
Currency	<u>(27.1)</u>	<u>(23.7)</u>
Revenue as of the current period	685.3	595.0
<i>Revenue growth</i>	15.2%	7.3%
<i>Organic revenue growth</i>	17.6%	10.5%

## Q1 2023 GAAP Results Year-over-Year

[\$M, except EPS]	Q1 2023	Q1 2022	△
Total Revenues	685.3	595.0	+15.2%
Gross Profit	359.7	306.3	+17.4%
<i>Margin (% of revenue)</i>	52.5%	51.5%	
SG&A	(162.7)	(145.7)	+11.7%
<i>(% of revenues)</i>	23.7%	24.5%	
R&D	(69.0)	(56.6)	+21.9%
<i>(% of revenues)</i>	10.1%	9.5%	
Operating Income	122.7	96.5	+27.2%
<i>(% of revenues)</i>	17.9%	16.2%	+170 bps
Net Income*	76.5	61.6	+24.2%
EPS	\$0.52	\$0.41	+26.8%
Diluted Shares Outstanding	147.6	151.4	-2.5%

\*Attributable to Bruker. Sum of items may not total due to rounding.

# Q1 2023 Reconciliation of GAAP and Non-GAAP Results

## Year-over-Year

[\$M]	Q1 2023	Q1 2022
GAAP Operating Income	122.7	96.5
Restructuring Costs	0.5	0.4
Acquisition-Related Costs	3.0	5.3
Purchased Intangible Amortization	10.7	9.3
Other Costs	2.5	4.3
TOTAL	16.7	19.3
<b>Non-GAAP Operating Income</b>	<b>139.4</b>	<b>115.8</b>
Non-GAAP Interest & Other Expense, net	(6.5)	(4.2)
Non-GAAP Profit Before Tax	132.9	111.6
Non-GAAP Income Tax Provision	(36.9)	(36.5)
<i>Non-GAAP Tax Rate</i>	27.8%	32.7%
Minority Interest	(0.9)	(0.5)
<b>Non-GAAP Net Income*</b>	<b>95.1</b>	<b>74.6</b>

\*Attributable to Bruker. Sum of items may not total due to rounding.

## Balance Sheet

[\$M]	Mar 31, 2023	Dec 31, 2022
Total Assets	3,763.9	3,611.8
Working Capital*	1,134.3	1,094.4
Goodwill, Intangibles, Net & Other Long-Term Assets	1,117.0	1,011.6

[\$M]	Mar 31, 2023	Dec 31, 2022
Cash, Cash Equivalents & Short-term Investments	597.9	645.5
Financial Debt	1,230.7	1,220.9
Net (Debt)/Cash	(632.8)	(575.4)

\*WC = (Accounts Receivable + Inventory - Accounts Payable). Sum of items may not total due to rounding.

## Q1 2023 BSI and BEST GAAP Performance Year-over-Year

[\$M]	Q1 2023	Q1 2022	Δ
<b>REVENUE</b>			
Scientific Instruments (BSI)	626.6	539.5	+16%
<i>Organic Revenue Growth (%)</i>	+18.4%	+9.5%	
Energy & Supercon Technologies (BEST)	62.2	59.7	+4%
Corporate Eliminations	<u>(3.5)</u>	<u>(4.2)</u>	
Energy & Supercon Technologies (BEST), net of Corporate Eliminations	58.7	55.5	+6%
<i>Organic Revenue Growth (%)</i>	+9.7%	+21.0%	
<b>Total Revenue</b>	<b>685.3</b>	<b>595.0</b>	<b>+15%</b>
<b>OPERATING INCOME</b>			
Scientific Instruments (BSI)	134.4	108.2	+24%
Energy & Supercon Technologies (BEST)	8.0	6.6	+21%
Corporate Eliminations	(19.7)	(18.3)	
<b>Total Operating Income</b>	<b>122.7</b>	<b>96.5</b>	<b>+27%</b>

Sum of items may not total due to rounding.

## Trailing Twelve Months Return on Invested Capital

[\$M]	Trailing Twelve Months Ended March 31, 2023	Trailing Twelve Months Ended March 31, 2022
Non-GAAP Operating Income	\$529.2	\$483.8
Non-GAAP Income Tax Provision	(134.8)	(132.0)
Non-GAAP Operating Income after Tax	394.4	351.8
<b>Average Total Invested Capital:</b>		
Average Long-Term Debt	\$1,159.0	\$962.7
Average Current Portion of Long-Term Debt	65.6	59.7
Average Shareholder's Equity	1,124.5	1,009.9
Less Average Cash and Cash Equivalents	(707.0)	(756.5)
Total Average Invested Capital	1,642.1	1,275.8
<b>Return on Invested Capital</b>	<b>24.0%</b>	<b>27.6%</b>

## Q1 2023 EBITDA

[\$M]	Mar 31, 2023	Mar 31, 2022	Δ
Non-GAAP Net Income*	\$95.1	\$74.6	+28%
GAAP Interest Expense, Net	2.8	3.9	-28%
Non-GAAP Income Tax Provision	36.9	36.5	+1%
GAAP Depreciation Expense	14.3	12.2	+17%
Amortization Expense**	(0.1)	(0.2)	
Total	53.8	52.4	+3%
<b>Non-GAAP EBITDA</b>	<b>\$149.0</b>	<b>\$127.0</b>	<b>+17%</b>
<i>Margin (% of revenue)</i>	21.7%	21.3%	

\*Attributable to Bruker. Sum of items may not total due to rounding.

\*\*GAAP depreciation and amortization, with purchased intangible amortization \$10.7 million 2023 and \$9.3 million 2022 is already adjusted out of non-GAAP net income. See slide 19.

