Bruker Corporation (Nasdaq: BRKR)

Q2 2020 Earnings Presentation

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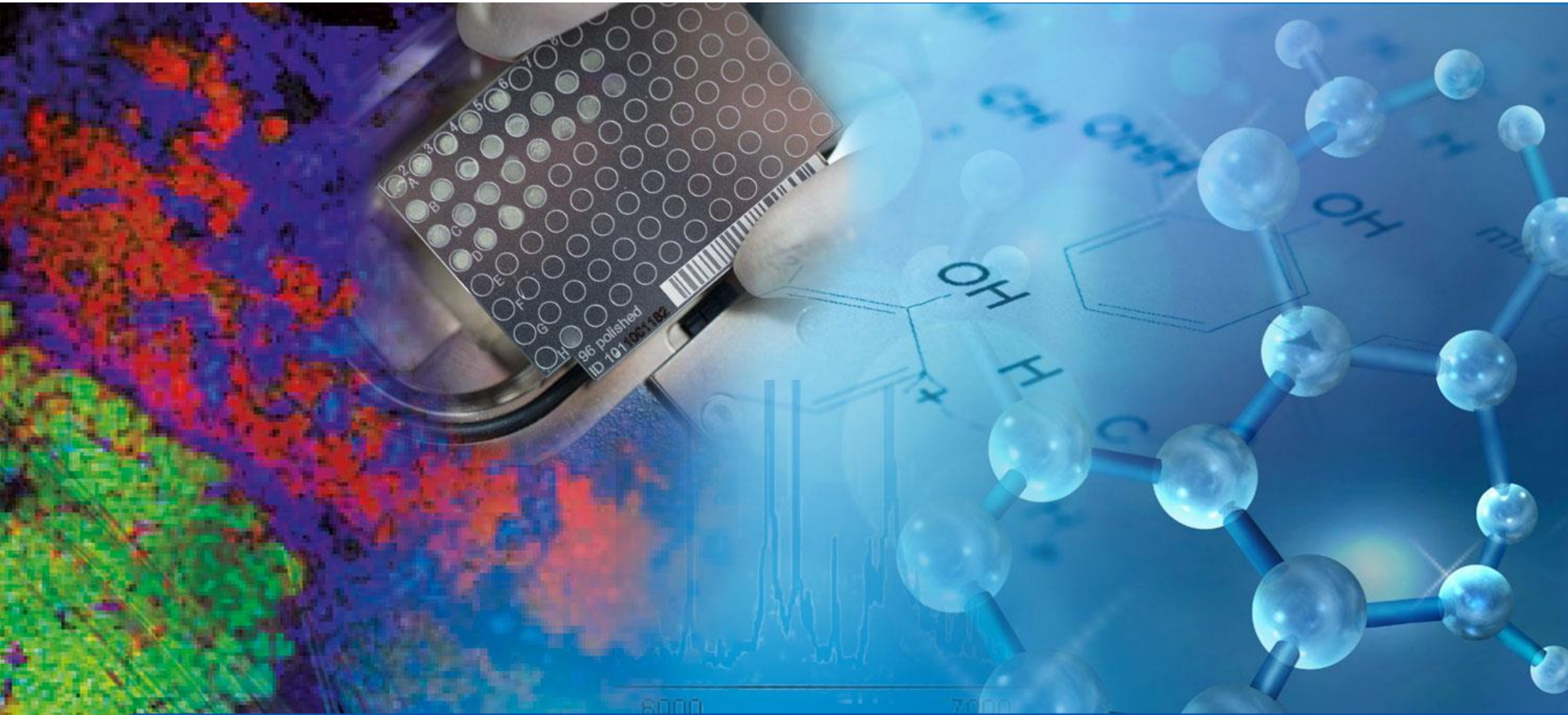
August 3, 2020



Innovation with Integrity

Safe Harbor

Any statements contained in this presentation 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 management's expectations for future financial and operational performance, expected growth, and business outlook; statements regarding our business focus; statements regarding the potential impact of COVID-19 on our business and our responses to the pandemic, including cost reduction initiatives; our fiscal year 2020 outlook; our portfolio transformation; share count; tax rate; product performance; our expectations regarding our future revenue declines. 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 the length and severity of the COVID-19 pandemic, the impact of the pandemic on global economic conditions and the length and severity of any resulting recession, continued volatility in the capital markets, the integration and assumption of liabilities of businesses we have acquired or may acquire in the future, fluctuations in foreign currency exchange rates, our material weaknesses in internal controls, our ability to successfully implement our restructuring initiatives and other cost reduction initiatives, changing technologies, product development and market acceptance of our products, the cost and pricing of our products, manufacturing, competition, loss of key personnel, dependence on collaborative partners, key suppliers and contract manufacturers, capital spending and government funding policies, changes in governmental regulations, international trade disputes, the use and protection of intellectual property rights, litigation, 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, 2019, 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.

With Four Main Areas of Focus

I. Health & Safety of our employees, customers and partners

II. Business continuity and high service levels for customers; Support for essential priorities of our society

III. Temporary cost reductions; Continued investments in *Project Accelerate* and Operational Excellence

IV. Enabling LS tools for COVID-19 disease, pharma and vaccine R&D; New diagnostic tests to fight COVID-19

Q2 2020 & H1 2020

Business Update

Q2 2020 Negatively Affected by COVID-19 Disruption and Softer Demand

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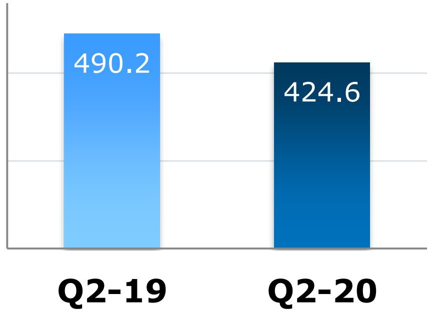
Q2 2020 Performance Year-over-Year

- Revenues decreased -$66M, or -13.4%
  - Organic decline of -12.7% on COVID-19 disruption and softer instrument demand
  - Acquisitions add +0.4%
  - Negative FX translation of -1.1%
- Non-GAAP gross margin of 45.1%, down -440 bps
- Non-GAAP operating margin of 11.5%, down -350 bps
  - Lower revenues partially offset by opex control and cost reduction measures
- GAAP EPS of $0.16, compared to $0.23 in Q2-19
- Non-GAAP EPS of $0.21, compared to $0.33 in Q2-19

Q2 Financials

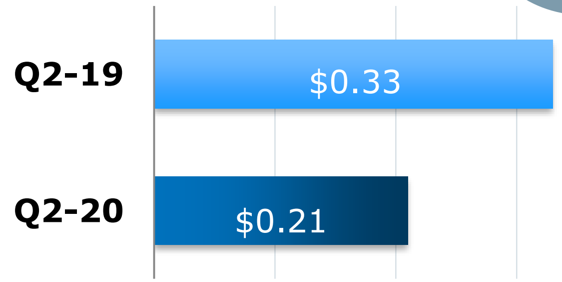
Revenues [$M]

-13.4%



Non-GAAP EPS

-36%



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

H1 2020 Negatively Affected by COVID-19 Disruption and Softer Demand

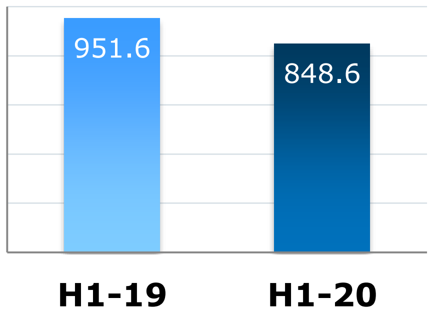
H1 2020 Performance Year-over-Year

- Revenues decreased -$103M, or -10.8%
  - Organic decline of -10.3% due to COVID-19 disruption and softer instrument demand
  - Acquisitions add +0.6%
  - Negative FX translation of -1.1%
- Non-GAAP gross margin of 45.9%, down -330 bps
- Non-GAAP operating margin of 9.6%, down -470 bps
- GAAP EPS of $0.22, compared to $0.43 in H1-19
- Non-GAAP EPS of $0.35, compared to $0.61 in H1-19

H1 2020 Financials

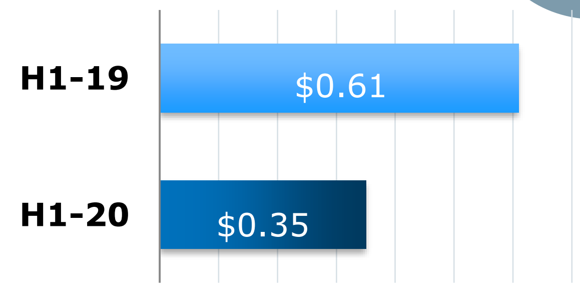
Revenues [$M]

-10.8%



Non-GAAP EPS

-43%



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GROUP OVERVIEW:

H1 2020 Revenue Performance Year-over-Year[(1)]

Bruker BIOSPIN Group

- BIOSPIN down low double digits due to COVID-19 pandemic-related customer lab closures and installation delays, as well as some temporary BioSpin facility closures
- NMR and PCI systems significantly lower, as certain deliveries and installations were delayed
- Aftermarket steady, with scientific software higher

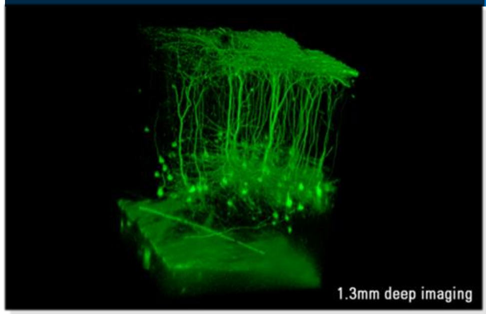
Bruker CALID Group

- CALID down low single digits, as significant decline in molecular spectroscopy offset growth in microbiology and mass spectrometry
- Microbiology, nucleic acid extraction and COVID-19 PCR assay consumables significantly higher
- Continued solid performance of timsTOF proteomics business
- Molecular spectroscopy (FTIR/NIR) down due to weaker demand, temporary factory slowdown and customer disruptions

[(1)]All in constant currency and in comparison to the six months ended June 30, 2019.

GROUP OVERVIEW:

H1 2020 Revenue Performance Year-over-Year[1]



Bruker NANO Group

- NANO down mid-teens due to temporary facility closures, worldwide COVID-19 academic customer closures and weaker industrial demand
- X-ray, Nano Surface and Nano Analysis tools lower due to academic customer closures and significantly slower industrial demand
- Semi metrology market recovering

BEST Segment

- BEST down high single digits, net of intercompany eliminations, on weakening superconductor demand by MRI companies and government research lab disruptions

[1] All in constant currency and in comparison to the six months ended June 30, 2019.

PROJECT ACCELERATE

TimsTOF Innovations at *ASMS 2020*

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- Novel **MALDI-2** source for *timsTOF fleX™*
  - ✓ 1x-2x orders of magnitude increase in sensitivity for many small molecules and lipids
  - ✓ Increases applications range of MALDI mass spectrometry and MS imaging

- New **4D Proteomics** workflows:
  - ✓ prm-PASEF
  - ✓ short-gradient dia-PASEF
  - ✓ glycosylation analysis, e.g. of viral antigens
  - ✓ Large-scale, accurate CCS
  - ✓ 'Run & Done' IP2/GPU 4D proteomics analysis software

"In the last 35 years, MALDI has become a unique and rapid analytical tool for a wide variety of applications. We developed MALDI-2 to significantly extend the technique by providing much higher sensitivity for small molecules, and the inclusion of chemical classes that did not ionize efficiently with MALDI. The MALDI-2 powered timsTOF fleX will take MALDI to new scientific and analytical frontiers."

Professor Klaus Dreisewerd, Leader Section for Biomedical Mass Spectrometry at the University of Muenster, Germany

Second 1.2 GHz Accepted / NMR in COVID-19 Research

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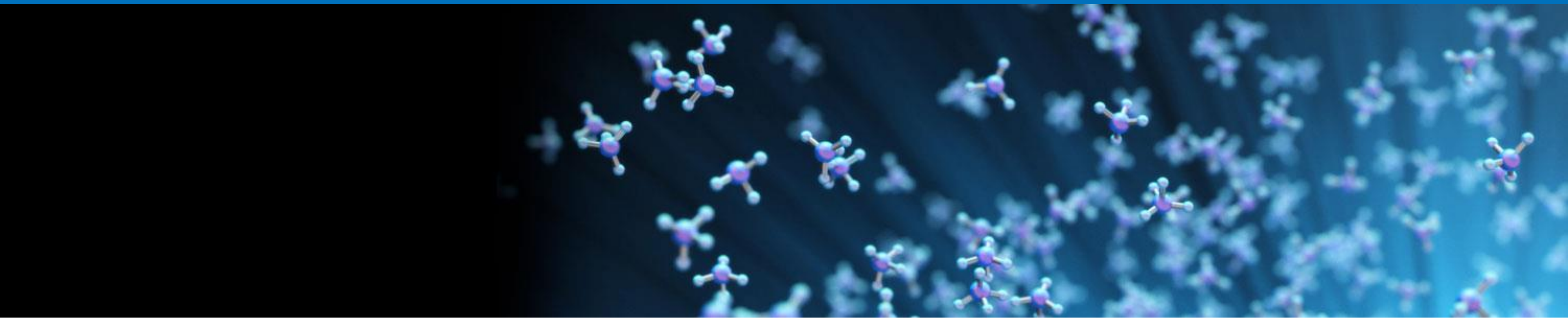
- **Second 1.2 GHz NMR acceptance** at ETH (July 2020)
  - ✓ Solid-state NMR for study of materials and biological systems, e.g. protein fibrils
  - ✓ Methods for in-cell *structural biology*
  - ✓ Catalysts and functional materials for energy conversion and data storage
- Bruker **ramping GHz-class** production in Switzerland
- International **Covid19-NMR Consortium** (covid19-nmr.de/) for structure-function and inhibitor binding investigations of SARS-CoV-2 RNA and proteins
- Australian National Phenome Center investigating **post COVID-19 syndrome** with unique NMR & MS plasma metabolomics methods

1.2 GHz NMR at Eidgenössische Technische Hochschule (ETH Zuerich)

"We are very excited to have the world's first 1.2 GHz solid-state NMR spectrometer successfully installed in our lab. The system was delivered just a couple of months ago and the installation and energizing of the NMR magnet went exceptionally well. The completion of the installation marks the culmination of a project that we started with Bruker almost a decade ago. We are very much looking forward to our first ultra-high field solid-state NMR experiments."

Professors Beat Meier, Matthias Ernst and Alexander Barnes at ETH Zürich, Switzerland



Q2 2020 & H1 2020

Financial Update

NON-GAAP FINANCIAL PERFORMANCE:

Q2 2020 Overview

[$ m, except EPS]	Q2 2020	Q2 2019	Δ
Revenues	424.6	490.2	-13.4%
Operating Profit	49.0	73.7	-33.5%
Operating Margin (%)	*11.5%*	*15.0%*	*-350 bps*
Non-GAAP EPS	$0.21	$0.33	-36.4%
Free Cash Flow	-8.5	-7.4	-1.1M

[$ m]	June 30, 2020	June 30, 2019	Δ
Cash, Equivalents & Short-term Investments	796.8	288.8	+176%
Net (Debt)/ Cash	-228.1	-205.4	-11%
WC-to-revenue ratio*	$0.44	$0.42	*+5%*

COMMENTS

- Reported revenue -13.4%, organic revenue -12.7%
- Operating profit -34%
- Operating margin -350 bps due to lower revenue and gross margins, partially offset by cost control and cost reduction measures
- June 30, 2020 cash & equivalents of $796.8M, following Dec. 2019 debt financing and Q1 2020 partial drawdown of revolver

*Represents the ratio of working capital (WC) over trailing twelve months revenue. WC = (Accounts Receivable + Inventory - Accounts Payable)

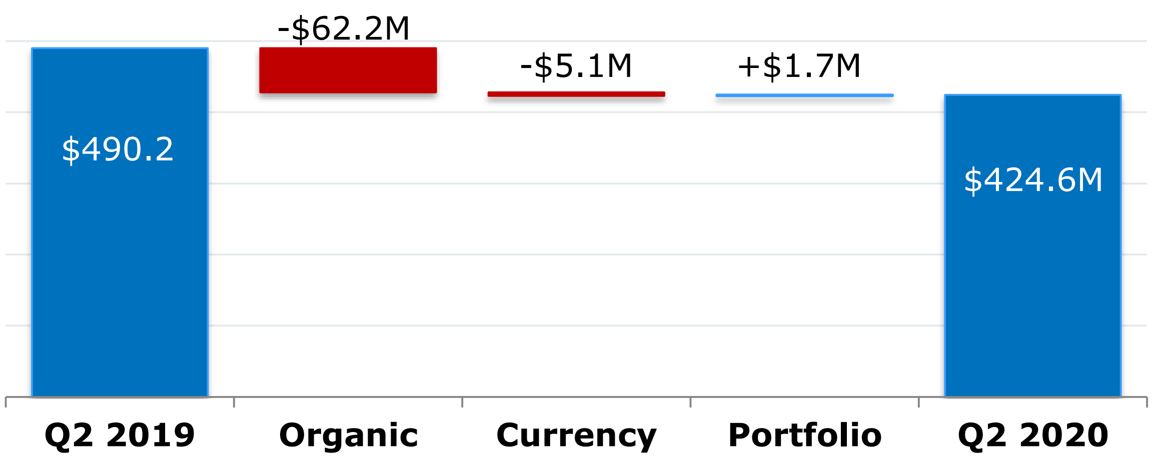
Reconciliations of non-GAAP to GAAP financial measures are available in our earnings press release and at the end of this presentation.

Q2 2020 Revenue Bridge

Q2 2020 Revenue Performance Year-over-Year

Organic	Currency	Portfolio	Total
-12.7%	-1.1%	+0.4%	-13.4%

Q2 2020 Revenue Bridge [$M]



Q2 2020 DRIVERS

- Reported revenue -13.4%
- Organic revenue -12.7%
  - BSI Groups -12.7% organic
  - BEST -12.5% organic (net of intercompany eliminations)
- Acquisitions add +0.4%
- FX headwind of -$5.1M, or -1.1%

Q2 2020 Non-GAAP Results Year-over-Year

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[$ m, except EPS]	Q2 2020	Q2 2019	Δ
Total Revenues	**424.6**	**490.2**	**-13.4%**
Gross Profit *Margin (% of revenues)*	191.7 *45.1%*	242.8 *49.5%*	-21.0% *-440 bps*
SG&A *(% of revenues)*	-98.6 *23.2%*	-120.6 *24.6%*	-18.2%
R&D *(% of revenues)*	-44.1 *10.4%*	-48.5 *9.9%*	-9.1%
Operating Profit *(% of revenues)*	49.0 *11.5%*	73.7 *15.0%*	-33.5% *-350 bps*
Tax Rate	*22.6%*	*23.3%*	-70 bps
Net Income*	32.7	51.5	-36.5%
Non-GAAP EPS	**$0.21**	**$0.33**	**-36.4%**
Shares Outstanding	154.7	157.6	-1.8%

COMMENTS

- Gross margin -440 bps, due to lower volume and productivity on COVID-19 disruptions, partially offset by cost reduction measures
- OPEX -16% on cost reduction and cost control
- Operating margin -350 bps due to lower revenue and gross margins, partially offset by cost control and cost reduction measures
- EPS -36% on lower revenues and margins
- Share count lower on recent buybacks

*Attributable to Bruker

Sum of items may not total due to rounding

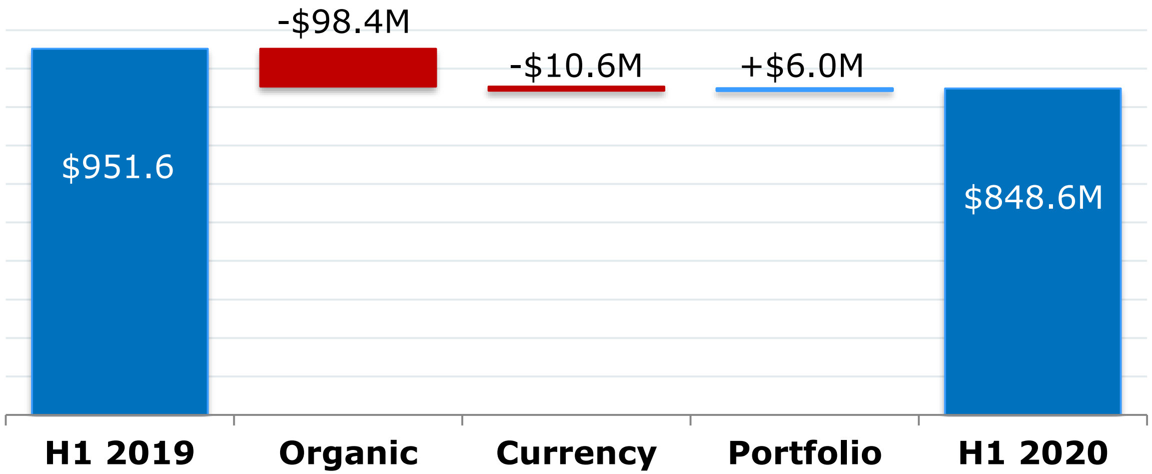
Reconciliations of non-GAAP to GAAP financial measures are available in our earnings press release and at the end of this presentation.

H1 2020 Revenue Bridge

H1 2020 Revenue Performance Year-over-Year

Organic	Currency	Portfolio	Total
-10.3%	-1.1%	+0.6%	-10.8%

H1 2020 Revenue Bridge [$M]



H1 2020 DRIVERS

- Reported revenue -10.8%
- Organic revenue -10.3%
  - BSI Groups down -10.5% organic
  - BEST down -8.5% organic (net of intercompany eliminations)
- Acquisitions add +0.6%
- FX headwind of -$10.6M, or -1.1%

H1 2020 Non-GAAP Results Year-over-Year

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[$ m, except EPS]	H1 2020	H1 2019	Δ
Total Revenues	**848.6**	**951.6**	**-10.8%**
Gross Profit *Margin (% of revenues)*	389.8 *45.9%*	468.3 *49.2%*	-16.8% *-330 bps*
SG&A *(% of revenues)*	-216.0 *25.5%*	-237.4 *24.9%*	-9.0%
R&D *(% of revenues)*	-92.6 *10.9%*	-94.9 *10.0%*	-2.4%
Operating Profit *(% of revenues)*	81.2 *9.6%*	136.0 *14.3%*	-40.3% *-470 bps*
Tax Rate	*23.2%*	*23.9%*	-70 bps
Net Income*	54.9	96.0	-42.8%
Non-GAAP EPS	**$0.35**	**$0.61**	**-42.6%**
Shares Outstanding	155.1	157.7	-1.6%

COMMENTS

- Gross margin -330 bps, due to lower volume, reduced productivity and unfavorable mix with COVID-19 disruptions
- OPEX -7% on cost reduction and cost control measures
- Operating margin -470 bps, due to lower revenue and gross margins, partially offset by cost reduction measures
- EPS -43% on lower revenues and margins
- Share count lower on buybacks

*Attributable to Bruker

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

H1 2020 Cash Flow Year-over-Year

[$ m]	H1 2020	H1 2019	Δ
GAAP Net Income	**34.8**	**67.7**	**-32.9**
Depreciation & amortization	38.2	38.4	-0.2
Changes in working capital*	-71.9	-39.7	-32.2
Other items	45.7	-41.6	+87.3
Operating cash flow	**46.8**	**24.8**	**+22.0**
Capital expenditures	-50.8	-28.6	-22.2
Free cash flow (non-GAAP)	**-4.0**	**-3.8**	**-0.2**

COMMENTS

- Free cash outflow of -$4.0M, vs. -$3.8M in H1-19:
  - Lower net income
  - Continued CAPEX in facilities for site consolidation, productivity gains, capacity expansion
  - Increase in working capital due to COVID-19 disruptions
  - Lower taxable income forecast and favorable timing of cash tax payments
  - Favorable timing of customer advances

*WC = (Accounts Receivable + Inventory - Accounts Payable)

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.

FY 2020 Outlook

FY 2020 Outlook

FY 2020 Guidance Remains Suspended

- On March 27, 2020, Bruker suspended its FY 2020 guidance due to the uncertain business conditions created by COVID-19.

Potential Q3 2020 Scenarios

- Bruker anticipates a sequential improvement in financial results from the second quarter to the third quarter of 2020.
- Potential scenarios for Q3 2020 year-over-year revenue declines are in the range between -6% to -10%. Actual results could differ.
- Disciplined cost management in Q3 2020, while we continue to invest in key priorities.

Appendix

Q2 2020 GAAP Results Year-over-Year

[$M, except EPS]	Q2 2020	Q2 2019	Δ
Total Revenues	**424.6**	**490.2**	**-13%**
Gross Profit	186.2	230.4	-19%
Margin (% of sales)	*43.9%*	*47.0%*	
SG&A	-102.4	-124.5	-18%
(% of revenues)	*24.1%*	*25.4%*	
R&D	-44.1	-48.5	-9%
(% of revenues)	*10.4%*	*9.9%*	
Operating Income	37.9	53.5	-29%
(% of revenues)	*8.9%*	*10.9%*	*-200 bps*
Net Income*	24.1	36.5	-34%
EPS	**$0.16**	**$0.23**	**-30%**
Shares Outstanding	154.7	157.6	*-1.8%*

*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.

Q2 2020 Reconciliation of GAAP and Non-GAAP Results Year-over-Year

[$M, except EPS]	Q2 2020	Q2 2019
GAAP Operating Income	**37.9**	**53.5**
Restructuring Costs	1.5	1.4
Acquisition-Related Costs	-0.8	6.2
Purchased Intangible Amortization	9.0	9.9
Other Costs	1.4	2.7
TOTAL	11.1	20.2
Non-GAAP Operating Income	**49.0**	**73.7**
Non-GAAP Interest & Other Expense, net	-6.6	-5.9
Non GAAP Profit Before Tax	42.4	67.8
Non-GAAP Income Tax Provision	-9.6	-15.8
Non-GAAP Tax Rate	*22.6%*	*23.3%*
Minority Interest	-0.1	-0.5
Non-GAAP Net Income*	**32.7**	**51.5**
Non-GAAP EPS	**$0.21**	**$0.33**

*Attributable to Bruker

Sum of items may not total due to rounding

H1 2020 GAAP Results Year-over-Year

[$M, except EPS]	H1 2020	H1 2019	Δ
Total Revenues	**848.6**	**951.6**	**-11%**
Gross Profit *Margin (% of sales)*	378.5 *44.6%*	445.1 *46.8%*	-15%
SG&A *(% of revenues)*	-223.6 *26.3%*	-244.6 *25.7%*	-9%
R&D *(% of revenues)*	-92.6 *10.9%*	-94.9 *10.0%*	-2%
Operating Income *(% of revenues)*	54.3 *6.4%*	95.4 *10.0%*	-43% *-360 bps*
Net Income*	34.6	67.3	-49%
EPS	**$0.22**	**$0.43**	**-49%**
Shares Outstanding	155.1	157.7	*-2%*

*Attributable to Bruker

Sum of items may not total due to rounding

H1 2020 Reconciliation of GAAP and Non-GAAP Results Year-over-Year

[$M, except EPS]	H1 2020	H1 2019
GAAP Operating Income	**54.3**	**95.4**
Restructuring Costs	3.8	5.4
Acquisition-Related Costs	-1.9	11.1
Purchased Intangible Amortization	17.7	20.0
Other Costs	7.3	4.1
TOTAL	26.9	40.6
Non-GAAP Operating Income	**81.2**	**136.0**
Non-GAAP Interest & Other Expense, net	-9.5	-9.4
Non GAAP Profit Before Tax	71.7	126.6
Non-GAAP Income Tax Provision	-16.6	-30.2
Non-GAAP Tax Rate	*23.2%*	*23.9%*
Minority Interest	-0.2	-0.4
Non-GAAP Net Income*	**54.9**	**96.0**
Non-GAAP EPS	**$0.35**	**$0.61**

*Attributable to Bruker

Sum of items may not total due to rounding

Q2 2020 Cash Flow Year-over-Year

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[$ m]	Q2 2020	Q2 2019	Δ
GAAP Net Income	**24.2**	**37.0**	**-12.8**
Depreciation & amortization	19.2	19.4	-0.2
Changes in working capital*	-50.7	-13.7	-37.0
Other items	+19.1	-32.1	+51.2
Operating cash flow	**11.8**	**10.6**	**+1.2**
Capital expenditures	-20.3	-18.0	-2.3
Free cash flow (non-GAAP)	**-8.5**	**-7.4**	**-1.1**

COMMENTS

- Free cash outflow -$8.5M compared to -$7.4M in Q2-19:
  - Lower net income
  - Continued CAPEX in production facilities for productivity gains and expansion
  - Increase in working capital due to COVID-19 disruptions
  - Lower forecast taxable income and favorable timing of cash tax payments
  - Favorable timing of customer advances

*WC = (Accounts Receivable + Inventory - Accounts Payable)

Sum of items may not total due to rounding

Balance Sheet

[$M]	Jun 30, 2020	Dec 31, 2019	Jun 30, 2019
Total Assets	2,943.4	2,771.5	2,349.7
Working Capital*	870.7	821.0	818.9
Intangibles, Net & Other Long-Term Assets	590.3	603.5	586.9

[$M]	Jun 30, 2020	Dec 31, 2019	Jun 30, 2019
Cash, Cash Equivalents & Short-term Investments	796.8	684.9	288.8
Financial Debt	1,024.9	813.3	494.2
Net Cash	-228.1	-128.4	-205.4

* WC = (Accounts Receivable + Inventory - Accounts Payable)

Sum of items may not total due to rounding

Q2 2020 GAAP SEGMENT RESULTS:

BSI and BEST GAAP Performance Year-over-Year

[$ m]	Q2 2020	Q2 2019	Δ
REVENUE			
Scientific Instruments (BSI)	383.3	442.4	-13%
Organic Revenue Growth (%)	*-12.7%*	*+3.4%*	
Energy & Supercon Technologies (BEST)	44.8	51.9	-14%
Corporate Eliminations	-3.5	-4.1	
Energy & Supercon Technologies (BEST), net of Corporate Eliminations	41.3	47.8	-14%
Organic Revenue Growth (%)	*-12.5%*	*+18.2%*	
Total Revenue	**424.6**	**490.2**	**-13%**
OPERATING INCOME			
Scientific Instruments (BSI)	43.6	61.9	-30%
Energy & Supercon Technologies (BEST)	2.3	3.1	-26%
Corporate, eliminations and other	-8.0	-11.5	
Total Operating Income	**37.9**	**53.5**	**-29%**

Sum of items may not total due to rounding

H1 2020 GAAP SEGMENT RESULTS:

BSI and BEST GAAP Performance Year-over-Year

[$ m]	H1 2020	H1 2019	Δ
REVENUE			
Scientific Instruments (BSI)	764.8	859.2	-11%
Organic Revenue Growth (%)	*-10.5%*	*+4.4%*	
Energy & Supercon Technologies (BEST)	91.0	99.7	-9%
Corporate Eliminations	-7.2	-7.3	
Energy & Supercon Technologies (BEST), net of Corporate Eliminations	83.8	92.4	-9%
Organic Revenue Growth (%)	*-8.5%*	*+11.6%*	
Total Revenue	**848.6**	**951.6**	**-11%**
OPERATING INCOME			
Scientific Instruments (BSI)	75.1	112.0	-33%
Energy & Supercon Technologies (BEST)	4.0	6.2	-35%
Corporate, eliminations and other	-24.8	-22.8	
Total Operating Income	**54.3**	**95.4**	**-43%**

Sum of items may not total due to rounding