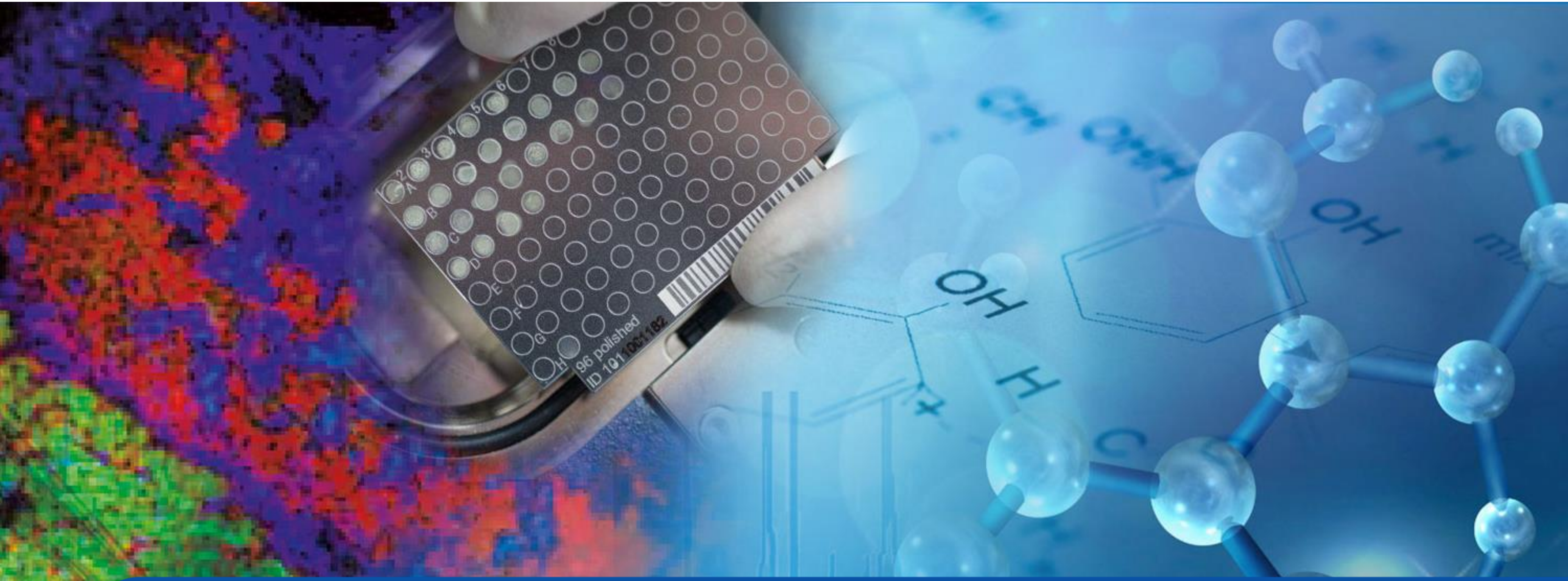
Bruker Corporation (Nasdaq: BRKR)

Q4 2020 Earnings Presentation

February 16, 2021

Frank Laukien, President & CEO
Gerald Herman, Chief Financial Officer
Miroslava Minkova, Director of Investor Relations & Corporate Development



Safe Harbor Statement

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 our fiscal year 2021 financial outlook, including our outlook for revenue growth, non-GAAP operating margin, non-GAAP EPS and non-GAAP tax rate; management's expectations for future financial and operational performance, expected growth, and business outlook; statements regarding our business focus and expected market growth; the impact of COVID-19 on our business and our responses to the pandemic, including cost reduction initiatives; our portfolio transformation; share count; tax rate; and product performance. 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 ability to successfully implement our restructuring initiatives and other cost reduction initiatives, changing technologies, product development and market acceptance of our products, the success of our R&D investment initiatives, 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, 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. We expressly disclaim any intent or obligation to update these forward-looking statements other than as required by law.

Q4 2020 & FY 2020

Business Update

Q4 2020: Sequential Recovery in Revenues, Margins and EPS

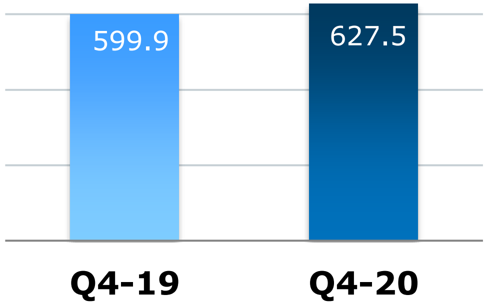
➢ *Non-GAAP Gross Margin, Operating Margin and EPS Higher Year-Over-Year*

Q4 2020 Performance Year-over-Year

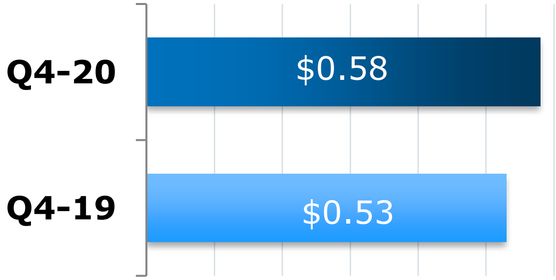
- Revenues increase $27.6M, or +4.6%
  - Organic decline of -0.4%, with BSI flat and BEST down -6.8%
  - Acquisitions add +0.4%
  - Favorable FX translation of +4.6%
- Non-GAAP gross margin of 51.7%, up 80 bps
- Non-GAAP operating margin of 22.5%, up 40 bps
  - Improved gross margin and SG&A expense control more than offset an FX headwind to operating margin of ~80 bps
- GAAP EPS of $0.45, compared to $0.44 in Q4-19
- Non-GAAP EPS of $0.58, up 9.4% compared to $0.53 in Q4-19

Q4 Financials

Revenues [$M] — +4.6%



Non-GAAP EPS — +9.4%



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

FY 2020: Pandemic and Economic Slowdown Drive Dip in Revenue and Earnings in H1 2020, with Sequential Recovery in H2 2020

➢ *Project Accelerate Initiatives Generate >50% of Revenues in 2020*

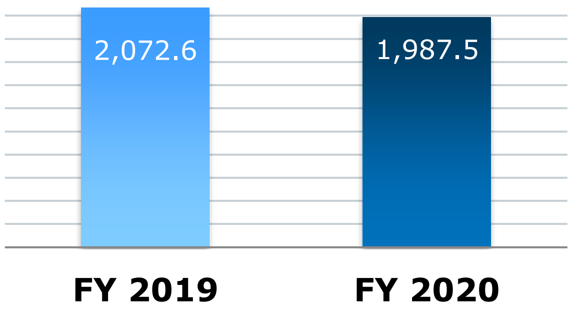
FY 2020 Performance Year-over-Year

- Revenues decrease $85.1M, or -4.1%
  - Organic decline of -6.0%, with BSI down -5.5% and BEST down -11.0%
  - Acquisitions add +0.5%
  - Favorable FX translation of +1.4%
- Non-GAAP gross margin of 48.7%, down 130 bps
- Non-GAAP operating margin of 16.0%, down 160 bps
  - Lower volume and revenues, partially offset by OPEX control and cost reduction measures
- GAAP EPS of $1.02, compared to $1.26 in FY 2019
- Non-GAAP EPS of $1.35, compared to $1.57 in FY 2019

FY 2020 Financials

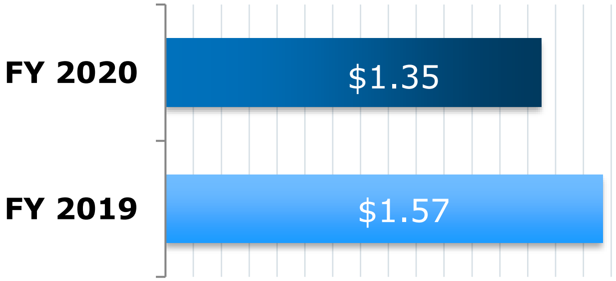
Revenues [$M]

-4.1%



Non-GAAP EPS

-14.0%



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

GROUP OVERVIEW:
FY 2020 Revenue Performance Year-over-Year(1)

Bruker BIOSPIN Group

- BIOSPIN down mid single digits, due to COVID-19 customer disruptions and delays, primarily in H1 2020
- NMR and PCI system revenues lower, due to delayed orders and installations
- Aftermarket revenue slightly higher
- Scientific software revenue grows significantly from a low base

Bruker CALID Group

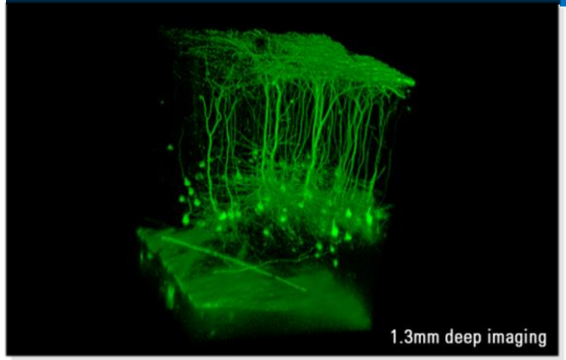
- CALID up mid single digits, as strong growth in microbiology & molecular diagnostics and mass spectrometry more than offset a decline in molecular spectroscopy
- Aftermarket revenue, including nucleic acid extraction, SARS-CoV-2 PCR kits and MALDI Biotyper consumables, significantly higher
- Strong growth in timsTOF proteomics business
- Molecular spectroscopy (FTIR/NIR) down due to weak demand in H1 2020

(1)All in constant currency and in comparison to fiscal year 2019

GROUP OVERVIEW:

FY 2020 Revenue Performance Year-over-Year(1)

Bruker NANO Group



- NANO down low teens, due to COVID-19 related academic market slowdown and weakened industrial and industrial research demand
- X-ray, Nano-surface and Nano-analysis tools lower with reduced academic and industrial research demand
- Microelectronics and semiconductor metrology revenues grow double digits

BEST Segment

- BEST down low double digits, net of intercompany eliminations, on reduced superconductor demand for MRI, partially offset by growth in 'big science' projects

(1) All in constant currency and in comparison to fiscal year 2019

PROJECT *ACCELERATE 2.0*

Faster growth from six expanded high-growth, high-margin initiatives

Consumables, Software, Service & Aftermarket

Consumables, assays, services, libraries & scientific software

Next-gen Nanomaterials Research & Semi Metrology

Enabling R&D and QC of next-gen logic, memory, displays, renewable energy, nanotools and nanomaterials

Spatial Biology & Single-Cell Targeted Multiomics

Next-gen super-res microscopy & cytometry for immunology, oncology, single-cell and spatial biology, targeted multiomics

Unbiased 4D Proteomics & 4D Multiomics, *Functional* Structural Biology

MS and NMR solutions for proteomics, multiomics, tissue SpatialOMx, *functional* structural biology, biomolecular condensates

Biopharma & Applied

High-value NMR, MS and FTIR/NIR solutions for drug discovery, development and pharma PAT; Applied food analysis and forensics

Microbiology, Viral & Molecular Diagnostics

High-value solutions for faster, accurate and broadly scalable infectious disease diagnostics, now including viral MDx

PROJECT *ACCELERATE 2.0*

timsTOF: enabling the transformative power of ***unbiased 4D proteomics***

GHz-class NMR: ***functional*** structural biology and ***biomolecular condensates***

$750M
SAM*

Expect SAM* to more than double

>250 timsTOF systems installed base

Large-cohort plasma proteomics, PTMs

Tissue & cell culture proteomics, PTMs

Biopharma proteomics, PTMs, mAbs, ADC, HCPs

Liquid biopsy cancer proteomics, PTMs, glycomics

H2-21: Quantitative, true single-cell proteomics

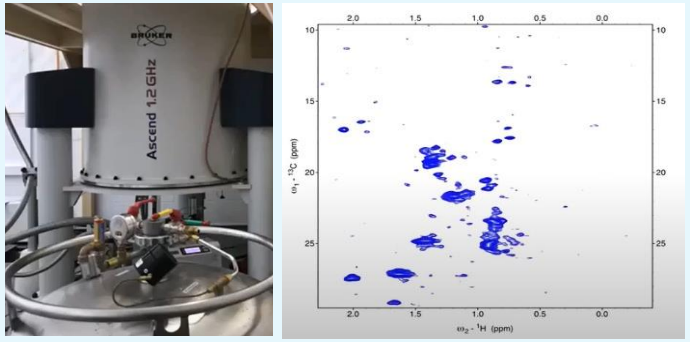
*Bruker internal estimates.

GHz-class NMR capabilities:

- Dynamics, function & binding of globular proteins
- Intrinsically disordered proteins and protein regions
- Ubiquitous biomolecular condensates in cell biology

For disease research: COVID-19, Alzheimer's, CVD and Cancer

- 3x 1.2 GHz NMRs accepted in 2020
- 4-5 GHz-class NMR acceptances expected in 2021



***Intrinsically disordered regions of SARS-CoV-2 N (nucleocapsid) protein**, acquired on 1.2 GHz NMR, Markus Zweckstetter et al., MPI Goettingen*

Q4 2020 & FY 2020

Financial Update

NON-GAAP FINANCIAL PERFORMANCE:
Q4 2020 Overview

[$ m, except EPS]	Q4 2020	Q4 2019	Δ
Revenues	$627.5	$599.9	+4.6%
Operating Income	$141.1	$132.5	+6.5%
Operating Margin (%)	*22.5%*	*22.1%*	*+40 bps*
Non-GAAP EPS	$0.58	$0.53	+9.4%
Free Cash Flow	$174.2	$108.0	+$66.2M

[$ m]	Dec 31, 2020	Dec 31, 2019	Δ
Cash, Equivalents & Short-term Investments	$731.8	$684.9	+6.8%
Net (Debt)/ Cash	($112.7)	($128.4)	-12.2%
WC-to-revenue ratio*	$0.45	$0.40	+13.4%

COMMENTS

- Reported revenue +4.6%, organic revenue -0.4%
- Operating profit grows +6.5%
- Operating margin up +40 bps as improved gross margin and SG&A expense control more than offset an ~80 bps FX headwind
- Non-GAAP EPS up 9.4%
- Free cash flow up $66.2M
- Working capital ratio up on higher inventory to manage supply chain risks and set up for FY 2021 growth

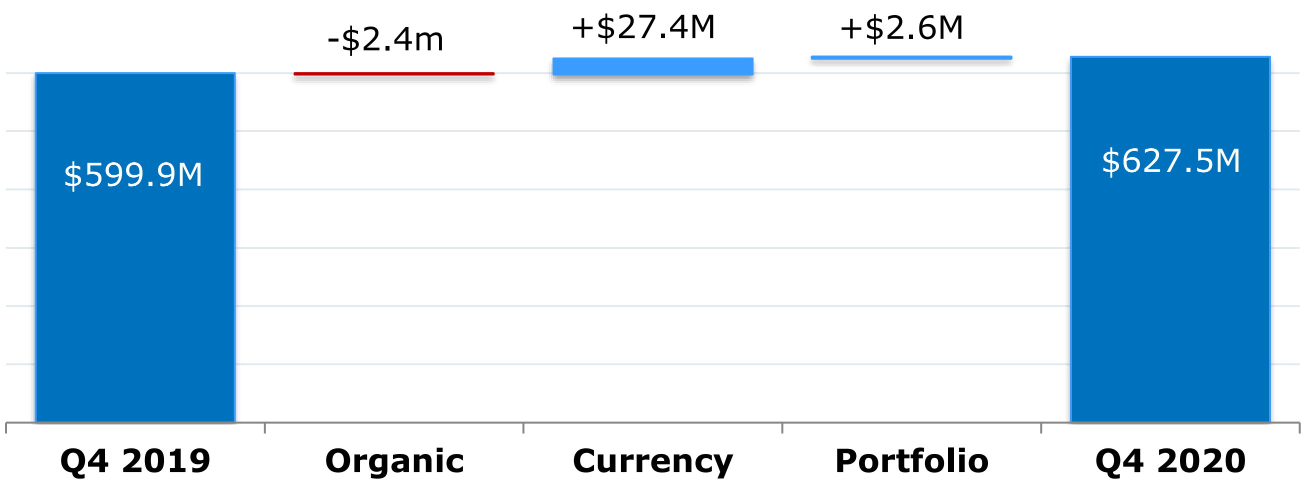
*Represents the ratio of working capital (WC) over trailing twelve months revenue. WC = (Accounts Receivable + Inventory - Accounts Payable)

Q4 2020 Revenue Bridge

Q4 2020 Revenue Performance Year-over-Year

Organic	Currency	Portfolio	Total
-0.4%	+4.6%	+0.4%	+4.6%

Q4 2020 Revenue Bridge [$M]



Q4 2020 DRIVERS

- Reported revenue +4.6%
- Organic revenue -0.4%
  - BSI approximately flat organically
  - BEST down -6.8% organic (net of intercompany eliminations)
- Acquisitions add +0.4%
- FX tailwind of +4.6%

Q4 2020 Non-GAAP Results Year-over-Year

[$ m, except EPS]	Q4 2020	Q4 2019	Δ
Total Revenues	**627.5**	**599.9**	**+4.6%**
Gross Profit *Margin (% of revenues)*	324.4 *51.7%*	305.5 *50.9%*	+6.2% *+80 bps*
SG&A *(% of revenues)*	-126.2 *20.1%*	-126.3 *21.1%*	-0.1%
R&D *(% of revenues)*	-57.1 *9.1%*	-46.7 *7.8%*	+22.3%
Operating Profit *(% of revenues)*	141.1 *22.5%*	132.5 *22.1%*	+6.5% *+40 bps*
Tax Rate	*31.9%*	*34.4%*	*-250 bps*
Net Income*	88.9	82.5	+7.8%
Non-GAAP EPS	**$0.58**	**$0.53**	**+9.4%**
Shares Outstanding	153.8	155.4	*-1.0%*

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

COMMENTS

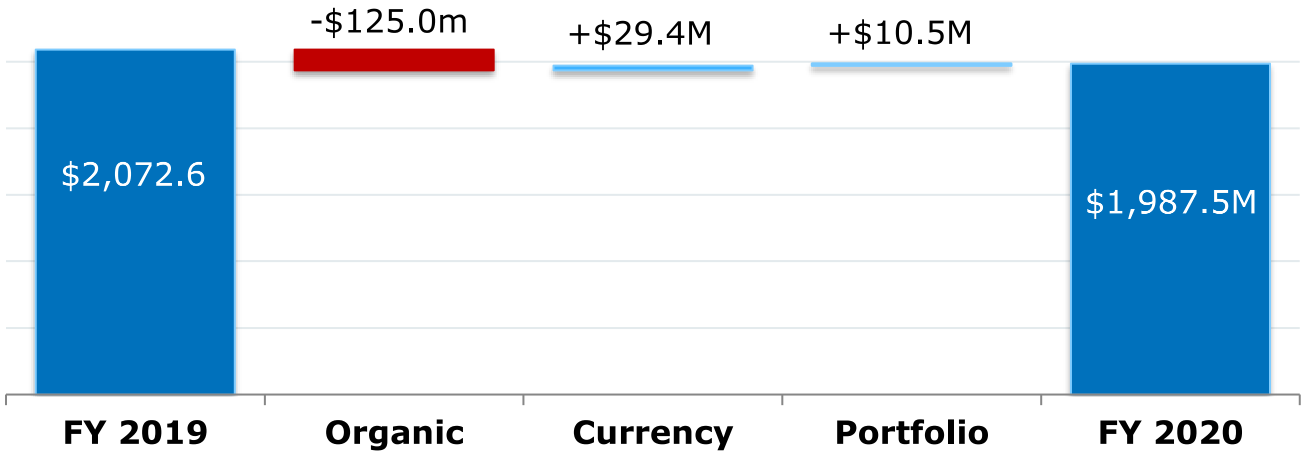
- Gross margin +80 bps, despite unfavorable FX translation
- OPEX higher on select R&D investments; SG&A flat, despite unfavorable FX
- Operating margin +40 bps as improved gross margins and SG&A expense control more than offset an ~80 bps FX margin headwind
- Q4-20 tax rate of 31.9%, principally impacted by jurisdictional mix
- Non-GAAP EPS up 9.4%, on favorable margins and lower tax rate
- Share count down 1.0%

FY 2020 Revenue Bridge

FY 2020 Revenue Performance Year-over-Year

Organic	Currency	Portfolio	Total
-6.0%	+1.4%	+0.5%	-4.1%

FY 2020 Revenue Bridge [$M]



FY 2020 DRIVERS

- Reported revenue -4.1%
- Organic revenue -6.0%,
  - BSI down -5.5% organic
  - BEST down -11.0% organic (net of intercompany eliminations)
- Acquisitions add +0.5%
- FX tailwind of +1.4%

FY 2020 Non-GAAP Results Year-over-Year

[$ m, except EPS]	FY 2020	FY 2019	Δ
Total Revenues	**1,987.5**	**2,072.6**	**-4.1%**
Gross Profit *Margin (% of revenues)*	968.0 *48.7%*	1,037.0 *50.0%*	-6.7% *-130 bps*
SG&A *(% of revenues)*	-452.8 *22.8%*	-485.3 *23.4%*	-6.7%
R&D *(% of revenues)*	-198.0 *10.0%*	-187.7 *9.1%*	+5.5%
Operating Profit *(% of revenues)*	317.2 *16.0%*	364.0 *17.6%*	-12.9% *-160 bps*
Tax Rate	*28.1%*	*28.1%*	*Flat*
Net Income*	208.2	246.1	-15.4%
Non-GAAP EPS	**$1.35**	**$1.57**	**-14.0%**
Shares Outstanding	154.6	156.6	*-1.3%*

COMMENTS

- Gross margin down -130 bps, on lower volume and reduced productivity, due to COVID-19 and economic slowdown
- OPEX down $22M on cost reduction and control measures
- Operating margin down -160 bps on lower revenues, partially offset by OPEX measures
- FY 2020 tax rate 28.1%
- Non-GAAP EPS down -14.0% on lower revenues and margins
- Share count 1.3% lower

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

FY 2020 Cash Flow Year-over-Year

[$ m]	2020	2019	Δ
GAAP Net Income	**161.4**	**198.0**	**-36.6**
Depreciation & amortization	80.4	75.6	+4.8
Changes in working capital*	-38.1	-51.0	+12.9
Other items	+129.5	-9.2	+138.7
Operating cash flow	**333.2**	**213.4**	**+119.8**
Capital expenditures	-98.2	-73.0	-25.2
Free cash flow (non-GAAP)	**235.0**	**140.4**	**+94.6**

COMMENTS

- FY 2020 free cash flow of $235.0M, compared to $140.4M in FY 2019:
  - Lower net income
  - Continued CAPEX for site consolidation, productivity gains and capacity expansion
  - Increase in inventory to manage supply chain risks, partially offset by improvement in A/R collections
  - Increases in customer advances and favorable other items

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

Sum of items may not total due to rounding

FY 2021 Outlook

FY 2021 Guidance

Strong revenue growth, non-GAAP margin expansion and EPS growth

FY 2021 Guidance	
Revenue Growth y-o-y	+11% to +13%
Non-GAAP Operating Margin Expansion y-o-y[1]	+150 bps to +190 bps
Non-GAAP EPS	$1.72 to $1.77 (+27% to +31% y-o-y)

[1] *From a FY 2020 non-GAAP operating margin of 16.0%, and assuming accelerated R&D investments of approximately 10% of revenue and an FX headwind to operating margin of approximately ~80 bps in FY 2021.*

2021 ASSUMPTIONS

- Organic revenue growth: +7% to +9%
- FX revenue tailwind: approximately +4%
- Non-GAAP tax rate: ~28%
- Fully diluted share count: 152M-153M shares
- Capex: ~$100M
- FX assumptions (Dec. 31, 2020 rates):

  USD = 103.3 Yen
  EUR = 1.22 USD
  CHF = 1.13 USD

Appendix

Q4 2020 GAAP Results Year-over-Year

[$M, except EPS]	Q4 2020	Q4 2019	Δ
Total Revenues	**627.5**	**599.9**	**+5%**
Gross Profit *Margin (% of revenue)*	313.0 *49.9%*	296.3 *49.4%*	+6%
SG&A *(% of revenues)*	-130.4 *20.8%*	-130.3 *21.7%*	*Flat*
R&D *(% of revenues)*	-57.1 *9.1%*	-46.7 *7.8%*	+22%
Operating Income *(% of revenues)*	112.8 *18.0%*	117.7 *19.6%*	-4% *-160 bps*
Net Income*	68.9	68.6	0.4%
EPS	**$0.45**	**$0.44**	**+2.3%**
Shares Outstanding	153.8	155.4	*-1.0%*

*Attributable to Bruker

Sum of items may not total due to rounding

Q4 2020 Reconciliation of GAAP and Non-GAAP Results Year-over-Year

[$M, except EPS]	FY 2020	FY 2019
GAAP Operating Income	**112.8**	**117.7**
Restructuring Costs	10.1	2.8
Acquisition-Related Costs	3.7	1.6
Purchased Intangible Amortization	8.9	9.1
Other Costs	5.6	1.3
TOTAL	28.3	14.8
Non-GAAP Operating Income	**141.1**	**132.5**
Non-GAAP Interest & Other Expense, net	-7.1	-6.5
Non-GAAP Profit Before Tax	134.0	126.0
Non-GAAP Income Tax Provision	-42.7	-43.3
Non-GAAP Tax Rate	*31.9%*	*34.4%*
Minority Interest	-2.4	-0.2
Non-GAAP Net Income*	**88.9**	**82.5**

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

FY 2020 GAAP Results Year-over-Year

[$M, except EPS]	FY 2020	FY 2019	Δ
Total Revenues	**1,987.5**	**2,072.6**	**-4%**
Gross Profit	939.8	995.3	-6%
Margin (% of revenue)	*47.3%*	*48.0%*	
SG&A	-468.6	-500.2	-6%
(% of revenues)	*23.6%*	*24.1%*	
R&D	-198.0	-187.7	+6%
(% of revenues)	*10.0%*	*9.1%*	
Operating Income	248.3	300.9	-18%
(% of revenues)	*12.5%*	*14.5%*	*-200 bps*
Net Income*	157.8	197.2	-20.0%
EPS	**$1.02**	**$1.26**	**-19.0%**
Shares Outstanding	154.6	156.6	*-1.3%*

*Attributable to Bruker

Sum of items may not total due to rounding

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

[$M, except EPS]	FY 2020	FY 2019
GAAP Operating Income	**248.3**	**300.9**
Restructuring Costs	15.8	1.4
Acquisition-Related Costs	3.2	16.8
Purchased Intangible Amortization	35.7	38.3
Other Costs	14.2	6.6
TOTAL	68.9	63.1
Non-GAAP Operating Income	**317.2**	**364.0**
Non-GAAP Interest & Other Expense, net	-22.5	-20.5
Non-GAAP Profit Before Tax	294.7	343.5
Non-GAAP Income Tax Provision	-82.9	-96.6
Non-GAAP Tax Rate	*28.1%*	*28.1%*
Minority Interest	-3.6	-0.8
Non-GAAP Net Income*	**208.2**	**246.1**
Non-GAAP EPS	**$1.35**	**$1.57**

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

Q4 2020 Cash Flow Year-over-Year

[$ m]	Q4 2020	Q4 2019	Δ
GAAP Net Income	**71.3**	**68.8**	**+2.5**
Depreciation & amortization	21.7	18.3	+3.4
Changes in working capital*	42.6	22.7	+19.9
Other items	68.4	26.4	+42.0
Operating cash flow	**204.0**	**136.2**	**+67.8**
Capital expenditures	-29.8	-28.2	-1.6
Free cash flow (non-GAAP)	**174.2**	**108.0**	**+66.2**

COMMENTS

- Q4 2020 free cash flow of $174.2M compared to $108.0M in Q4-19:
  - Comparable net income and CAPEX
  - Improvements in working capital
  - Increase in customer advances and favorable other items

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

Sum of items may not total due to rounding

Balance Sheet

[$M]	Dec 31, 2020	Dec 31, 2019
Total Assets	3,047.9	2,771.5
Working Capital*	893.0	821.0
Goodwill, Intangibles, Net & Other Long-Term Assets	660.1	603.5

[$M]	Dec 31, 2020	Dec 31, 2019
Cash, Cash Equivalents & Short-term Investments	731.8	684.9
Financial Debt	844.5	813.3
Net (Debt)/Cash	(112.7)	(128.4)

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

Sum of items may not total due to rounding

Q4 2020 GAAP SEGMENT RESULTS:

BSI and BEST GAAP Performance Year-over-Year

[$ m]	Q4 2020	Q4 2019	Δ
REVENUE			
Scientific Instruments (BSI) *Organic Revenue Growth (%)*	574.7 *+0.2%*	546.6 *+5.8%*	+5%
Energy & Supercon Technologies (BEST)	54.7	57.7	-5%
Corporate Eliminations	-1.9	-4.4	
Energy & Supercon Technologies (BEST), net of Corporate Eliminations *Organic Revenue Growth (%)*	52.8 *-6.8%*	53.3 *-0.5%*	-1%
Total Revenue	**627.5**	**599.9**	**+5%**
OPERATING INCOME			
Scientific Instruments (BSI)	129.4	124.7	+4%
Energy & Supercon Technologies (BEST)	1.1	6.5	-8%
Corporate Eliminations	(17.7)	(13.5)	
Total Operating Income	**112.8**	**117.7**	**-4%**

Sum of items may not total due to rounding

FY 2020 GAAP SEGMENT RESULTS:

BSI and BEST GAAP Performance Year-over-Year

[$ m]	FY 2020	FY 2019	Δ
REVENUE			
Scientific Instruments (BSI)	1,810.0	1,877.6	-4%
Organic Revenue Growth (%)	*-5.5%*	*+5.8%*	
Energy & Supercon Technologies (BEST)	189.5	209.9	-10%
Corporate Eliminations	-12.0	-14.9	
Energy & Supercon Technologies (BEST), net of Corporate Eliminations	177.5	195.0	-9%
Organic Revenue Growth (%)	*-11.0%*	*+4.9%*	
Total Revenue	**1,987.5**	**2,072.6**	-4%
OPERATING INCOME			
Scientific Instruments (BSI)	297.4	330.7	-10%
Energy & Supercon Technologies (BEST)	6.2	16.4	-62%
Corporate Eliminations	(55.3)	(46.2)	
Total Operating Income	**248.3**	**300.9**	-17%

Sum of items may not total due to rounding

FY 2020 Return on Invested Capital

[$M, except EPS]	FY 2020	FY 2019	Δ
Non-GAAP Operating Income	**$317.2**	**$364.0**	-13%
Non-GAAP Income Tax Provision	-82.9	-96.6	-14%
Non-GAAP Operating Income after Tax	234.3	267.4	-12%
Average Total Invested Capital:			
Average Long-Term Debt	827.6	567.7	+46%
Average Current Portion of Long-Term Debt	1.4	9.5	-86%
Average Shareholder's Equity	956.9	933.0	+3%
Less Average Cash and Cash Equivalents	680.1	500.4	+36%
Total Average Invested Capital	1,105.8	1,009.8	+10%
Return on Invested Capital	**21.2%**	**26.5%**	**-20.0%**

Sum of items may not total due to rounding