



Bruker Corporation Reports Second Quarter 2013 Financial Results

Company's financial results rebound after slow start to the year

BILLERICA, Mass. – July 31, 2013 – Bruker Corporation (NASDAQ: BRKR) today reported financial results for its second quarter ended June 30, 2013.

Revenues for the second quarter of 2013 grew by 8.1 percent to \$454.9 million, compared to \$420.7 million in the second quarter of 2012. Excluding a 0.8 percent negative effect from changes in foreign exchange rates and a 0.6 percent net negative effect from acquisitions and divestitures, Bruker generated organic revenue growth of 9.5 percent in the second quarter of 2013.

Bruker reported second quarter 2013 GAAP operating income of \$43.5 million, or 9.6% of revenues, compared to \$22.1 million, or 5.3% of revenues in the second quarter of 2012. Second quarter 2013 GAAP earnings per diluted share (EPS) were \$0.14, compared to EPS of \$0.06 in the second quarter of 2012.

On a non-GAAP basis, Bruker reported second quarter 2013 operating income of \$53.3 million, or 11.7% of revenues, compared to \$33.0 million, or 7.8% of revenues, in the second quarter of 2012. Second quarter 2013 non-GAAP EPS were \$0.18, compared to \$0.12 in the second quarter of 2012. A reconciliation of GAAP to non-GAAP financial measures is provided in the Company's financial tables accompanying this press release.

For the first six months of 2013, Bruker's revenues grew 2.7 percent to \$848.3 million, compared to \$826.3 million in the first six months of 2012. Excluding a 1.1 percent unfavorable impact from changes in foreign exchange rates and a 0.5 percent net negative effect from acquisitions and divestitures, the Company generated 4.3 percent organic revenue growth for the first six months of 2013.

Bruker reported GAAP operating income of \$55.7 million, or 6.6% of revenues, for the first six months of 2013, compared to \$56.5 million, or 6.8% of revenues, for the first six months of 2012. The Company's GAAP EPS for the first six months of 2013 were \$0.17, compared to \$0.15 in the first six months of 2012.

On a non-GAAP basis, Bruker reported operating income of \$76.9 million, or 9.1% of revenues, for the first six months of 2013, compared to \$76.6 million, or 9.3% of revenues, for the first six months of 2012. Non-GAAP EPS for the first six months of 2013 were \$0.26, which was unchanged from the first six months of 2012.

"Our growth and profitability rebounded in the second quarter, after a weak first quarter of 2013," said Frank Laukien, President and CEO of Bruker. "We continue to experience significant variability in our businesses and markets, with weakness in some key markets partially offset by diversified pockets of growth. At the mid-point of the year, we believe we are on track to deliver our full-year 2013 guidance for revenue growth and EPS, and we remain focused on implementing programs that will drive operational improvement and profitable growth."

From a segment perspective, Bruker Scientific Instruments (BSI) reported organic year-over-year revenue growth of 7.7 percent in the second quarter of 2013, while Bruker's Energy and Superconducting Technologies (BEST) segment reported organic revenue growth of 40.0 percent. BEST's revenue and operating margin performance in the second quarter of 2013 reflects \$5.7 million of license milestone revenue related to the previously announced Rosatom contract.

“Bruker’s strong growth in second quarter operating profitability was the result of controlled operating spending and a return to revenue growth after a slow start to the year,” said Charles Wagner, Chief Financial Officer of Bruker. “For the first six months of 2013, our non-GAAP operating margin was slightly lower year-over-year due primarily to the negative effects of foreign currency. As we move into the second half of the year, we are focused on delivering the benefits from the productivity initiatives we announced earlier in the year, as well as identifying new programs to improve our profitability in the future.”

Bruker is maintaining its updated financial guidance for 2013, issued on May 2, 2013. The Company expects to generate reported revenue growth of 2 to 3 percent for the full year 2013. Full year 2013 non-GAAP EPS is expected to be in the range of \$0.80 to \$0.83, with a significant portion of the earnings occurring in the fourth quarter.

Quarterly Earnings Call

Bruker will host a conference call and webcast to discuss its financial results, business outlook, and related corporate and financial matters at 4:45 p.m. Eastern Time today. To listen to the webcast, investors can go to <http://ir.bruker.com> and click on the live webcast hyperlink. A slide presentation that will be referenced during the webcast will be posted to the Company’s website shortly before the webcast begins. Investors can also listen to the earnings webcast via telephone by dialing 1-877-270-2148 or +1-412-902-6510, and referencing “Bruker’s 2nd Quarter Earnings Conference Call”. A telephone replay of the conference call will be available by dialing 1-877-344-7529 or +1-412-317-0088 and entering conference Number: 10030762. The replay will be available beginning one hour after the end of the conference through August 2, 2013 at 5:00 pm ET.

Use of Non-GAAP Financial Measures

The non-GAAP financial measures used by Bruker Corporation in this press release are non-GAAP gross profit; non-GAAP gross profit margin; non-GAAP operating income; non-GAAP operating margin; non-GAAP interest and other income (expense) net; non-GAAP profit before tax; non-GAAP tax rate; non-GAAP net income; non-GAAP earnings per share; and free cash flow. These non-GAAP measures exclude costs related to restructuring costs, acquisition and related integration expenses, amortization of acquired intangible assets and other costs that are non-recurring in nature. There are limitations in using non-GAAP financial measures as they are not prepared in accordance with U.S. generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies.

We believe that the non-GAAP financial measures provide useful and supplementary information to investors regarding our quarterly and annual performance. It is our belief that these non-GAAP financial measures are particularly important as Bruker initiates restructuring activities to expand operating margins. The financial impact of these activities, particularly restructuring activities, can be large and may adversely affect the comparability of our results from period-to-period. We define free cash flow as net cash provided by operating activities less additions to property, plant, and equipment. We believe free cash flow is a useful measure to evaluate our business as it indicates the amount of cash generated after additions to property, plant, and equipment that is available for, among other things, strategic acquisitions, investments in our business, and repayment of debt.

We regularly use non-GAAP financial measures internally to understand, manage, and evaluate our business results and make operating decisions. We also measure our employees and compensate them, in part, based on such non-GAAP measures. For the same reasons, we also use this information for our forecasting activities.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. The non-GAAP financial measures are meant to supplement, and to be viewed in conjunction with, GAAP financial measures. They are limited in value because they exclude charges that have a material effect on our reported results and, therefore, should not be relied upon as the sole financial measures to evaluate our financial results. Investors are encouraged to review the reconciliation of the financial measures to their most directly comparable GAAP financial measures as provided in the tables accompanying this press release.

Forward Looking Statements

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. 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 projected, including, but not limited to, risks and uncertainties relating to adverse changes in conditions in the global economy and volatility in the capital markets, the integration of businesses we have acquired or may acquire in the future, changing technologies, product development and market acceptance of our products, the cost and pricing of our products, manufacturing, competition, dependence on collaborative partners and key suppliers, capital spending and government funding policies, the outcome of any actions that may be taken by government agencies in connection with FCPA compliance matters we have disclosed to them, changes in governmental regulations, realization of anticipated benefits from economic stimulus programs, intellectual property rights, litigation, exposure to foreign currency fluctuations and other risk factors discussed from time to time in our filings with the Securities and Exchange Commission. 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, 2012, our most recent quarterly report on Form 10-Q and our current reports on Form 8-K. We expressly disclaim any intent or obligation to update these forward-looking statements other than as required by law.

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