Bruker Reports Third Quarter 2014 Financial Results

BILLERICA, Mass. – **November 6, 2014** – Bruker Corporation (NASDAQ: BRKR) today reported financial results for its third quarter ended September 30, 2014.

Bruker's revenues for the third quarter of 2014 declined by 4.4 percent to $419.8 million, compared to $439.0 million in the third quarter of 2013. Excluding a 0.8 percent net positive effect from acquisitions & divestitures, and a 0.4 percent negative effect from changes in foreign exchange rates, Bruker reported a year-over-year organic revenue decline of 4.8 percent in the third quarter of 2014.

Bruker reported third quarter 2014 GAAP operating income of $4.9 million, or 1.2% of revenues, compared to $31.5 million, or 7.2% of revenues, in the third quarter of 2013. Third quarter 2014 GAAP earnings per diluted share (EPS) were $0.03, compared to EPS of $0.10 in the third quarter of 2013.

On a non-GAAP basis, Bruker reported third quarter 2014 operating income of $35.9 million, or 8.6% of revenues, compared to $47.3 million, or 10.8% of revenues, in the third quarter of 2013. Third quarter 2014 non-GAAP EPS were $0.14, compared to $0.20 in the third quarter of 2013. A reconciliation of GAAP to non-GAAP financial measures is provided in the Company's financial tables accompanying this press release.

For the first nine months of 2014, Bruker's revenues grew 1.1 percent to $1.30 billion, compared to $1.29 billion in the first nine months of 2013. Excluding a 0.8 percent net positive effect from acquisitions & divestitures, and a 0.7 percent positive benefit from changes in foreign exchange rates, Bruker reported a year-over-year organic revenue decline of 0.4 percent in the first nine months of 2014.

Bruker reported GAAP operating income of $60.9 million, or 4.7% of revenues, for the first nine months of 2014, compared to $87.2 million, or 6.8% of revenues, for the first nine months of 2013. The Company's GAAP EPS for the first nine months of 2014 were $0.18, compared to $0.27 in the first nine months of 2013.

On a non-GAAP basis, Bruker reported operating income of $120.7 million, or 9.3% of revenues, for the first nine months of 2014, compared to $124.2 million, or 9.6% of revenues, for the first nine months of 2013. Non-GAAP EPS for the first nine months of 2014 were $0.46, and were unchanged from the first nine months of 2013. Free cash flow for the first nine months of 2014 was $18.3 million, a $46.0 million increase compared to the first nine months of 2013.

"We had previously communicated a reduced outlook for the second half of 2014, and particularly for our third quarter," said Frank Laukien, President and CEO of Bruker. "In Q3 2014, we experienced weaker than expected demand for NMR products, and from semiconductor, data storage and certain other industrial customers.

"Additionally, since the July 2014 announcement of our Chemical & Applied Markets (CAM) division's restructuring plan, we have completed the divestitures of two CAM product lines. As a result, our third quarter CAM revenues declined significantly year-over-year, and we expect further declines in the fourth quarter. We are in the process of integrating our remaining CAM product lines into our Life Science & Clinical division, and we are closing our Fremont, California factory. We expect to complete these restructuring actions in the first half of 2015."

Laukien continued: "As a result of changes in foreign exchange rates and the factors noted above, we now anticipate full year 2014 revenue to be in a range between $1.81 and $1.84 billion, and non-GAAP EPS to be in a range between $0.72 and $0.78. In addition to our ongoing strategic initiatives, we also expect to implement additional cost reductions in the first half of 2015."

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 Standard Time today. To listen to the webcast, investors can go to http://ir.bruker.com and click on the "Events & Presentations" 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 Third Quarter 2014 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: 10054990. The replay will be available beginning one hour after the end of the conference through November 13, 2014.

About Bruker Corporation

Bruker Corporation is a leading provider of high-performance, scientific instruments and solutions for molecular, cellular and materials research, as well as diagnostics, industrial, clinical research and applied analysis. For more information, please visit www.bruker.com.

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 implements restructuring initiatives 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, our ability to successfully implement our restructuring initiatives, 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, 2013 and our quarterly report on Form 10-Q for the period ended June 30, 2014. We expressly disclaim any intent or obligation to update these forward-looking statements other than as required by law.

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