



December 13, 2017

Dear Fellow Stockholders,

At Brooks Automation, we take great pride in being the leader in two distinct market segments: automation and cryogenic vacuum solutions for the semiconductor capital equipment sector; and comprehensive sample management solutions that serve life sciences customers. In both of these markets, we believe we provide the most comprehensive and advanced offerings to our customers, who routinely seek us out to help solve some of their biggest challenges. The combination of our market-leading capabilities and significant market growth is a recipe for transformative results. This is exactly what we saw in fiscal year 2017.

***Our addressable markets and revenue expanded significantly in 2017***

***Growth in Semiconductor***

The boom in the semiconductor capital equipment market has been a topic of much reporting, as market size estimates for wafer front end (WFE) capital equipment have moved from \$34 billion of total spend in 2016, to an estimated range of \$42-46 billion in 2017. Some equipment companies and industry analysts define the annual \$40+ billion WFE spend levels as the 'new normal' level of capital intensity that will be required to provide the technologies for more capable and more battery-efficient mobile devices, intelligent automobiles, artificial intelligence, cloud computing, and the vast Internet of Things. As we wrote to you last year, we positioned ourselves to lead and benefit from this market expansion. In fiscal year 2017, our total Semiconductor revenue grew 20% (27% if we exclude prior year revenue from distribution agreement and IP license income that ceased during 2016). Our three high growth drivers continue to be: (1) vacuum automation, which is integral to deposition and etching process equipment, (2) contamination control solutions for yield improvement for our leading edge fab customers; and (3) automation systems for advanced packaging technologies for integrated circuits. In 2017, we achieved record revenue in each of these areas, which in total expanded 39% over the previous year. In the semiconductor capital equipment market we are better positioned than ever before with revenue from these high growth segments now comprising more than 50% of our Semiconductor revenue.

***Growth in Life Sciences***

The life sciences market is in the middle of one of the most exciting periods of scientific and medical breakthroughs of the past century. Over the past year the cost to sequence the whole genome dropped to less than \$1,000, making results from this breakthrough technology accessible to vast end markets and applications. Early innovators have obtained approval for the first clinical genetic treatments, which transform an individual's cells and reintroduce them to the body, providing breakthrough treatment and results. The potential and promise of these cell therapy treatments, combined with the reduced cost of mapping the individual genome, set the stage for additional growth in an already robust life sciences market. Add to this the dramatic increase in capability to mine, manage and analyze big data, and it is clear that the enormous number of biological cell samples will be valuable scientific assets for years to come. As the leading provider of comprehensive solutions for management of biological and compound samples, we are uniquely positioned to continue to define and capture this growth opportunity. Our Life Sciences segment revenue grew 39% in 2017, propelled by 27% organic growth, which according to certain industry analysts was the "fastest in the industry". We attribute our current growth and near term opportunity to three key drivers in Life Sciences: (1) the overall growth rate of the number of samples collected and held for research, which we estimate to be in the double-digits; (2) the increased sensitivity to the integrity and care of samples which includes a dependable, unbroken and verifiable cold chain of custody; and (3) the increasing rate at which our customers are turning to outsourced solutions to help manage their samples.

***New Additions to Brooks***

Our growth path is not limited to the offerings we have today. In 2017, we significantly enhanced our portfolio with new product offerings sourced from organic investments in new product development and through acquisitions. From internal research and development, we:

- Commercialized our own life sciences enterprise software that is capable of managing the largest sample collections in the industry;

- Introduced smaller-sized life sciences sample store systems to meet the need for automation at smaller scale operations;
- Achieved \$5 million in revenue from the automated cryogenic sample store, the BioStore™ III Cryo, which operates at -190°C;
- Launched genomic mapping laboratory services capabilities at our European life sciences operations;
- Expanded our Semiconductor Contamination Control Solutions capability with an inspection station for wafer carrier containers; and
- Won 8 new designs for the Magnatran® LEAP vacuum robot family of products, our highest performance robot in a long legacy of market-leading silicon wafer handling robots.

We were once again active in the acquisition of capabilities aimed to accelerate our portfolio transformation. In fiscal year 2017 we:

- Acquired the Cool Lab segment of BioCision products designed to preserve sample temperature on the lab bench;
- Acquired Pacific Bio Material Management, Inc (PBMMI), a biosample storage service company with operations in California and New York;
- Acquired FreezerPro™ software assets of Ruro, capability that assists customers of all sizes to manage sample inventories; and
- Secured a \$200 million term loan to allow for future acquisitions.

Consistent with the strategic path that we have been focused on for the past few years, we have transformed our Semiconductor portfolio so that it is aligned for growth, and we expanded our Life Sciences solutions portfolio. Our acquisitions and research and development investments are specifically targeted to further enhance those offerings. We offer Life Sciences customers a complete sample management solution that includes a full line of storage systems, storage services, consumables and instruments, and informatics solutions. To our Semiconductor customers we deliver advanced and efficient automation for wafer handling in fabs that produce all types of semiconductor devices.

Fiscal year 2017 was another year of expansion that was driven by solid execution of our strategy. The improvements that we have made to our operations, our new product development and acquisitions, and the robust markets we serve combined to yield 24% annual revenue growth and 163% growth in Non-GAAP earnings per share.\* The expansion was pervasive across both segments and we finished 2017 with a lower fixed cost base and stronger portfolios in each business.

### **Looking Forward**

As we enter 2018, we are positioned to benefit from continued strength in the Semiconductor capital equipment market and from additional expansion of Life Sciences, both of which should further improve our operating profit - but we are not content. We have more opportunity to grow, more cost to remove, and more efficiency to gain. We at Brooks are proud of our fiscal 2017 results and we are driven to improve again in 2018. On behalf of our Board of Directors and the entire global Brooks team, we thank each of our stockholders for their continued support and confidence.

Sincerely,



Steve Schwartz  
Chief Executive Officer

\*See <http://www.brooks.com/company/investors/investor-presentations> for GAAP/Non-GAAP reconciliation tables