HUNT J B TRANSPORT SERVICES INC
Form SC 13G/A
February 10, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment)

NAME OF ISSUER	HUNT (JB) TRANSPRT SVCS INC
TITLE OF CLASS OF SECURITIES	Common
CUSIP NUMBER	445658107

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 445658107 Page 2 of 10 Page

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1. Name of reporting person
S.S. or I.R.S. identification no. of above person

Marsh & McLennan Companies, Inc.
36-2668272

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2. Check the appropriate box if a member of a group*
(a) ( ) (b) ( )

---

3. SEC use only

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4. Citizenship or place of organization

Delaware

Number of shares Beneficially Owned by each Reporting Person with:	5. Sole Voting Power	NONE
	6. Shared Voting Power	NONE
	7. Sole Dispositive Power	NONE
	8. Shared Dispositive Power	NONE

---

9. Aggregate amount beneficially owned by each reporting person

NONE

---

10. Check box if the aggregate amount in row (9) excludes certain shares*

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11. Percent of class represented by amount in row 9

NONE

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12. Type of Reporting person*

HC

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1. Name of reporting person
S.S. or I.R.S. identification no. of above person

Putnam, LLC. d/b/a/ Putnam Investments
36-4488942

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2. Check the appropriate box if a member of a group*
(a) ( ) (b) ( )

---

3. SEC use only

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--------------------------------------------------------------------------------
4.      Citizenship or place of organization

                Delaware
--------------------------------------------------------------------------------
                                5.      Sole Voting Power

                                                NONE
Number of        shares )                       ------------------------------
Beneficially    )       6.      Shared Voting Power
owned by each   )
                                                188070

Reporting               )
Person with:    )                       ------------------------------
                                7.      Sole Dispositive Power

                                                NONE
                                        ------------------------------
                                8.      Shared Dispositive Power

                                                871724
--------------------------------------------------------------------------------
9.      Aggregate amount beneficially owned by each reporting person

                871724

--------------------------------------------------------------------------------
10.     Check box if the aggregate amount in row (9) excludes certain shares*

--------------------------------------------------------------------------------
11.     Percent of class represented by amount in row 9

                0.6%
--------------------------------------------------------------------------------
12.     Type of Reporting person*

        HC
--------------------------------------------------------------------------------


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--------------------------------------------------------------------------------
1.      Name of reporting person
        S.S. or I.R.S. identification no. of above person

        Putnam Investment Management, LLC.
        04-2471937
--------------------------------------------------------------------------------
2.      Check the appropriate box if a member of a group*
                (a)(   )                (b)(   )
--------------------------------------------------------------------------------
3.      SEC use only

--------------------------------------------------------------------------------
4.      Citizenship or place of organization

        Delaware
--------------------------------------------------------------------------------
                                5.      Sole Voting Power
```

```
                                          NONE
Number of        shares )                 -----------------------------
Beneficially    )       6.      Shared Voting Power
Owned by each   )
Reporting               )                 NONE
Person with:    )               -----------------------------
                                7.      Sole Dispositive Power

                                          NONE
                                -----------------------------
                        8.      Shared Dispositive Power

                                          594700
------------------------------------------------------------------------------
9.      Aggregate amount beneficially owned by each reporting person

                594700
------------------------------------------------------------------------------
10.     Check box if the aggregate amount in row (9) excludes certain shares*

------------------------------------------------------------------------------
11.     Percent of class represented by amount in row 9

                0.4%
------------------------------------------------------------------------------
12.     Type of Reporting person*

        IA
------------------------------------------------------------------------------


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1.      Name of reporting person
        S.S. or I.R.S. identification no. of above person

        The Putnam Advisory Company, LLC.
        04-6187127
------------------------------------------------------------------------------
2.      Check the appropriate box if a member of a group*
                (a)(   )                (b)(   )
------------------------------------------------------------------------------
3.      SEC use only

------------------------------------------------------------------------------
4.      Citizenship or place of organization

                Delaware
------------------------------------------------------------------------------
                                5.      Sole Voting Power

                                          NONE
Number of        shares )                 -----------------------------
Beneficially    )       6.      Shared Voting Power
Owned by each   )
Reporting               )                 188070
Person with:    )               -----------------------------
                                7.      Sole Dispositive Power

                                          NONE
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                                        -----------------------------
                               8.       Shared Dispositive Power

                                                277024
------------------------------------------------------------------------------
9.      Aggregate amount beneficially owned by each reporting person

                277024
------------------------------------------------------------------------------
10.     Check box if the aggregate amount in row (9) excludes certain shares*

------------------------------------------------------------------------------
11.     Percent of class represented by amount in row 9

        0.2%
------------------------------------------------------------------------------
12.     Type of Reporting person*

        IA
------------------------------------------------------------------------------
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SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 1)

Item 1(a)   Name of Issuer: HUNT (JB) TRANSPRT SVCS INC

Item 1(b)   Address of Issuer's Principal Executive Offices:

615 JB HUNT CORPORATE DR, LOWELL, AR 72745,

Item 2(a)	Item 2(b)
Name of Person Filing:	Address or Principal Office or, if NONE, Residence:
Putnam, LLC d/b/a Putnam Investments ("PI") on behalf of itself and:	One Post Office Square Boston, Massachusetts 02109
*Marsh & McLennan Companies, Inc. ("MMC")	1166 Avenue of the Americas New York, NY 10036
Putnam Investment Management, LLC. ("PIM")	One Post Office Square Boston, Massachusetts 02109
The Putnam Advisory Company, LLC. ("PAC")	One Post Office Square Boston, Massachusetts 02109

Item 2(c)   Citizenship: PI, PIM and PAC are limited liability companies organized under Delaware law. The citizenship of other persons identified in Item 2(a) is designated as follows:

* Corporation - Delaware law
** Voluntary association known as Massachusetts business trust - Massachusetts law

Item 2(d) Title of Class of Securities: Common

Item 2(e) Cusip Number: 445658107

Item 3. If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b), check whether the person filing is a:

(a)( ) Broker or Dealer registered under Section 15 of the Act

(b)( ) Bank as defined in Section 3(a)(6) of the Act

(c)( ) Insurance Company as defined in Section 3(a)(19) of the Act

(d)( ) Investment Company registered under Section 8 of the Investment Company Act

(e)(X) Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940

(f)( ) Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund; see (Section 240.13d-1(b)(1)(ii)(F)

(g)(X) Parent Holding Company, in accordance with Section 240.13d-1(b)(ii)(G)

(h)( ) Group, in accordance with Section 240.13d-1(b)(1)(ii)(H)

Item 4.
Ownership.

	M&MC ----- (Parent holding company to PI)	PIM* ----- (Investment advisers & subsidiaries of PI)

(a)	Amount Beneficially Owned:	NONE	594700 +	277024 =
(b)	Percent of Class:	NONE	0.4%	+
(c)	Number of shares as to which such person has:			
(1)	sole power to vote or to direct the vote; (but see Item 7)	NONE	NONE	
(2)	shared power to vote or to direct the vote; (but see Item 7)	NONE	NONE	1
(3)	sole power to dispose or to direct the disposition of; (but see Item 7)	NONE	NONE	
(4)	shared power to dispose or to direct the disposition of; (but see Item 7)	NONE	ALL	

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Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date thereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following (X)

Item 6. Ownership of More than Five/Ten Percent on Behalf of Another Person:
No persons other than the persons filing this Schedule 13G have an economic interest in the securities reported on which relates to more than five percent of the class of securities. Securities reported on this Schedule 13G as being beneficially owned by M&MC and PI consist of securities beneficially owned by subsidiaries of PI which are registered investment advisers, which in turn include securities beneficially owned by clients of such investment advisers, which clients may include investment companies registered under the Investment Company Act and/or employee benefit plans, pension funds, endowment funds or other institutional clients.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

PI, which is a wholly-owned subsidiary of M&MC, wholly owns two registered investment advisers: Putnam Investment Management, LLC., which is the investment adviser to the Putnam family of mutual funds and The Putnam Advisory Company, LLC., which is the investment adviser to Putnam's institutional clients. Both subsidiaries have dispository power over the shares as investment managers, but each of the mutual fund's trustees have voting power over the shares held by each fund, and The Putnam Advisory Company, LLC. has shared voting power over the shares held by the institutional clients. Pursuant to Rule 13d-4, M&MC and PI declare that the filing of this Schedule 13G shall not be deemed an admission by either or both of them that they are, for the purposes of Section 13(d) or 13(g) the beneficial owner of any securities covered by this Section 13G, and further state that neither of them have any power to vote or dispose of, or direct the voting or disposition of, any of the securities covered by this Schedule 13G.

Item 8. Identification and Classification of Members of the Group:
Not applicable.

Item 9. Notice of Dissolution of Group:

Not applicable.

Item 10. Certification.

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By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business, were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

PUTNAM, LLC.

/s/ Harold P. Short Jr.
BY: ---
Signature

Name/Title: Harold P. Short Jr.
Managing Director and Director of Investment Compliance

Date: February 2, 2006

For this and all future filings, reference is made to Power of Attorney dated May 27, 2004, with respect to duly authorized signatures on behalf of Marsh & McLennan Companies, Inc., Putnam Investments, LLC., Putnam Investment Management, LLC., The Putnam Advisory Company, LLC. and any Putnam Fund wherever applicable.

For this and all future filings, reference is made to an Agreement dated June 28, 1990, with respect to one filing of Schedule 13G on behalf of said entities, pursuant to Rule 13d-1(f)(1).

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	3.8
Other current assets	
	0.2
Property, plant and equipment	
	0.6
Intangible assets:	
Customer relationships	
	5.8
Existing technology	
	4.7
Trade name	
	1.2

Other		0.6
Goodwill		16.6
Deferred taxes, net		(4.1)
Capital lease		(0.2)
Liabilities assumed		(3.4)
Total consideration allocated	$	28.8

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The amortization period for intangible assets acquired in connection with Hysitron is seven years for customer relationships, trademarks and other intangibles and five years for existing technology.

The results of Hysitron, including the amount allocated to goodwill that is attributable to expected synergies and not expected to be deductible for tax purposes, have been included in the BSI Segment from the date of acquisition. Pro forma financial information reflecting the acquisition of Hysitron has not been presented because the impact on revenues, net income and total assets is not material.

4. Stock-Based Compensation

On May 14, 2010, the Bruker Corporation 2010 Incentive Compensation Plan (the 2010 Plan) was approved by the Company s stockholders. The 2010 Plan provided for the issuance of up to 8,000,000 shares of the Company s common stock. The 2010 Plan allowed a committee of the Board of Directors (the Compensation Committee) to grant incentive stock options, non-qualified stock options and restricted stock awards. The Compensation Committee had the authority to determine which employees would receive the awards, the amount of the awards and other terms and conditions of any awards. Awards granted under the 2010 Plan typically were made subject to a vesting period of three to five years.

On May 20, 2016, the Bruker Corporation 2016 Incentive Compensation Plan (the 2016 Plan) was approved by the Company s stockholders. With the approval of the 2016 Plan, no further grants will be made under the 2010 Plan. The 2016 Plan provides for the issuance of up to 9,500,000 shares of the Company s common stock and permits the grant of awards of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, unrestricted stock, restricted stock units, performance shares and performance units, as well as cash-based awards. The 2016 Plan is administered by the Compensation Committee. The Compensation Committee has the authority to determine which employees will receive awards, the amount of any awards, and other terms and conditions of such awards. Awards granted under the 2016 Plan typically vest over a period of one to four years.

The Company recorded stock-based compensation expense as follows in the unaudited condensed consolidated statements of income and comprehensive income (dollars in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Stock options	$ 1.2	$ 1.8	$ 3.2	$ 5.2
Restricted stock awards	0.3	0.4	0.7	1.1
Restricted stock units	1.8	0.9	4.3	2.1
Total stock-based compensation	$ 3.3	$ 3.1	$ 8.2	$ 8.4

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Costs of product revenue	$ 0.5	$ 0.5	$ 1.2	$ 1.3
Selling, general and administrative	2.3	2.1	5.8	5.8
Research and development	0.5	0.5	1.2	1.3
Total stock-based compensation	$ 3.3	$ 3.1	$ 8.2	$ 8.4

Stock-based compensation expense is recognized on a straight-line basis over the underlying requisite service period of the stock-based award.

Stock options to purchase the Company s common stock are periodically awarded to executive officers and other employees of the Company subject to a vesting period of three to four years. The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. Assumptions for the nine months ended September 30, 2018 and 2017 regarding volatility, expected life, dividend yield and risk-free interest rates are required for the Black-Scholes model and are presented in the table below:

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	2018	2017
Risk-free interest rates	2.80%	1.78% - 2.09%
Expected life	5.38 years	5.56 years
Volatility	28.46%	30.78% - 34.13%
Expected dividend yield	0.47%	0.55% - 0.74%

Stock option activity for the nine months ended September 30, 2018 was as follows:

	Shares Subject to Options	Weighted Average Option Price	Weighted Average Remaining Contractual Term (Yrs)	Aggregate Intrinsic Value (in millions) (b)
Outstanding at December 31, 2017	3,235,673	$ 20.16		
Granted	126,260	35.86		
Exercised	(529,357)	18.03		
Forfeited	(186,263)	20.19		
Outstanding at September 30, 2018	2,646,313	$ 21.33	5.8	$ 32.4
Exercisable at September 30, 2018	1,653,296	$ 19.35	5.2	$ 23.3
Exercisable and expected to vest at September 30, 2018 (a)	2,571,939	$ 21.23	5.8	$ 31.7

(a) In addition to the options that are vested at September 30, 2018, the Company expects a portion of the unvested options to vest in the future. Options expected to vest in the future are determined by applying an estimated forfeiture rate to the options that are unvested as of September 30, 2018.

(b) The aggregate intrinsic value is based on the positive difference between the fair value of the Company s common stock price of $33.45 on September 30, 2018 and the exercise price of the underlying stock options.

The weighted average fair value of options granted was $9.50 and $7.61 per share during the nine months ended September 30, 2018 and 2017, respectively.

The total intrinsic value of options exercised was $7.2 million and $10.9 million for the nine months ended September 30, 2018 and 2017, respectively.

Restricted stock award activity for the nine months ended September 30, 2018 was as follows:

	Shares Subject to Restriction	Weighted Average Grant Date Fair Value

Outstanding at December 31, 2017	85,529	$	20.39
Vested	(54,343)		20.12
Forfeited	(6,553)		24.80
Outstanding at September 30, 2018	24,633	$	19.82

The total fair value of restricted stock vested was $1.1 million and $1.5 million in the nine months ended September 30, 2018 and 2017, respectively.

Restricted stock unit activity for the nine months ended September 30, 2018 was as follows:

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	Shares Subject to Restriction		Weighted Average Grant Date Fair Value
Outstanding at December 31, 2017	652,123	$	25.47
Granted	412,097		33.86
Vested	(145,356)		25.62
Forfeited	(55,357)		26.44
Outstanding at September 30, 2018	863,507	$	29.39

The total fair value of restricted stock units vested was $3.7 million and $0.2 million for the nine months ended September 30, 2018 and 2017, respectively.

At September 30, 2018, the Company expects to recognize pre-tax stock-based compensation expense of $5.3 million associated with outstanding stock option awards granted under the Company s stock plans over the weighted average remaining service period of 2.21 years. The Company expects to recognize additional pre-tax stock-based compensation expense of $0.4 million associated with outstanding restricted stock awards granted under the Company s stock plans over the weighted average remaining service period of 0.85 year. The Company also expects to recognize additional pre-tax stock-based compensation expense of $20.7 million associated with outstanding restricted stock units granted under the 2016 Plan over the weighted average remaining service period of 3.25 years.

5. Earnings Per Share

Net income per common share attributable to Bruker Corporation shareholders is calculated by dividing net income attributable to Bruker Corporation by the weighted-average shares outstanding during the period. The diluted net income per share computation includes the effect of shares that would be issuable upon the exercise of outstanding stock options and the vesting of restricted stock, reduced by the number of shares that are assumed to be purchased by the Company under the treasury stock method.

The following table sets forth the computation of basic and diluted weighted average shares outstanding and net income per common share attributable to Bruker shareholders (dollars in millions, except per share amounts):

	Three Months Ended September 30,				Nine Months Ended September 30,			
		2018		2017		2018		2017
Net income attributable to Bruker Corporation, as reported	$	43.4	$	37.0	$	101.6	$	82.0
Weighted average shares outstanding:								
Weighted average shares outstanding-basic		156.4		157.5		156.1		158.9
Effect of dilutive securities:								
Stock options and restricted stock awards and units		1.0		1.2		1.1		1.0
		157.4		158.7		157.2		159.9
Net income per common share attributable to Bruker Corporation shareholders:								

Basic	$	0.28	$	0.23	$	0.65	$	0.52
Diluted	$	0.28	$	0.23	$	0.65	$	0.51

Stock options to purchase approximately 0.6 million shares and 1.0 million shares were excluded from the computation of diluted earnings per share in the three months ended September 30, 2018 and 2017, respectively, as their effect would have been anti-dilutive. Approximately 0.6 million shares and 1.7 million shares were excluded from the computation of diluted earnings per share in the nine months ended September 30, 2018 and 2017, respectively, as their effect would have been anti-dilutive.

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6. Fair Value of Financial Instruments

The Company applies the following hierarchy to determine the fair value of financial instruments, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The levels in the hierarchy are defined as follows:

- *Level 1:* Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- *Level 2:* Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- *Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The valuation techniques that may be used by the Company to determine the fair value of Level 2 and Level 3 financial instruments are the market approach, the income approach and the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value based on current market expectations about those future amounts, including present value techniques, option-pricing models and the excess earnings method. The cost approach is based on the amount that would be required to replace the service capacity of an asset (replacement cost).

The following tables set forth the Company s financial instruments that are measured at fair value on a recurring basis and presents them within the fair value hierarchy using the lowest level of input that is significant to the fair value measurement at September 30, 2018 and December 31, 2017 (dollars in millions):

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September 30, 2018	Total	Quoted Prices in Active Markets Available (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Embedded derivatives in purchase and delivery contracts	$ 0.6	$	$ 0.6	$
Foreign exchange contracts	0.4		0.4	
Total assets recorded at fair value	$ 1.0	$	$ 1.0	$
Liabilities:				
Contingent consideration	$ 16.9	$	$	$ 16.9
Foreign exchange contracts	2.7		2.7	
Embedded derivatives in purchase and delivery contracts	1.3		1.3	
Fixed price commodity contracts	0.4		0.4	
Total liabilities recorded at fair value	$ 21.3	$	$ 4.4	$ 16.9

December 31, 2017	Total	Quoted Prices in Active Markets Available (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Foreign exchange contracts	$ 4.5	$	$ 4.5	$
Embedded derivatives in purchase and delivery contracts	0.9		0.9	
Fixed price commodity contracts	0.8		0.8	
Total assets recorded at fair value	$ 6.2	$	$ 6.2	$
Liabilities:				
Contingent consideration	$ 12.7	$	$	$ 12.7
Foreign exchange contracts	0.1		0.1	
Embedded derivatives in purchase and delivery contracts	2.9		2.9	
Total liabilities recorded at fair value	$ 15.7	$	$ 3.0	$ 12.7

The Company s financial instruments consist primarily of cash equivalents, short-term investments, restricted cash, derivative instruments consisting of foreign exchange contracts, commodity contracts, derivatives embedded in certain purchase and sale contracts, accounts receivable, borrowings under a revolving credit agreement, accounts payable, contingent consideration and long-term debt. The carrying amounts of the Company s cash equivalents, short-term investments and restricted cash, accounts receivable, borrowings under a revolving credit agreement and accounts payable approximate fair value because of their short-term nature. Derivative assets and liabilities are measured at fair value on a recurring basis. The Company s long-term debt consists principally of a private placement arrangement entered into in 2012 with various fixed interest rates based on the maturity date. The fair value of the long-term fixed interest rate debt, which has been classified as Level 2, was $228.9 million and $231.3 million at September 30, 2018 and December 31, 2017, respectively, based on the outstanding amount at September 30, 2018 and December 31, 2017, market prices and observable sources with similar maturity dates.

The Company measures certain assets and liabilities at fair value with changes in fair value recognized in earnings. Fair value treatment may be elected either upon initial recognition of an eligible asset or liability or, for an existing asset or liability, if an event triggers a new basis of accounting. The Company did not elect to remeasure any of its existing financial assets or

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liabilities and did not elect the fair value option for any financial assets or liabilities which originated during the three or nine months ended September 30, 2018 or 2017.

Excluded from the table above are restricted cash and short-term investments related to time and call deposits. The Company has a program to enter into time deposits with varying maturity dates ranging from one to twelve months, as well as call deposits for which the Company has the ability to redeem the invested amounts over a period of 95 days. The Company has classified these investments within cash and cash equivalents or short-term investments within the consolidated balance sheets based on call and maturity dates and these are not subject to fair value measurement. The following tables set forth the balances of restricted cash and short-term investments as of September 30, 2018 and December 31, 2017 (dollars in millions):

	September 30, 2018	December 31, 2017
Restricted Cash	$ 4.7	$ 3.9
Short-term Investments		114.2

As part of certain acquisitions, the Company recorded contingent consideration liabilities that have been classified as Level 3 in the fair value hierarchy. The contingent consideration represents the estimated fair value of future payments to the former shareholders of certain acquired companies based on the applicable acquired company achieving annual revenue and gross margin targets in certain years as specified in the relevant purchase and sale agreement. The Company initially values the contingent considerations by using a Monte Carlo simulation or an income approach method. The Monte Carlo method models future revenue and costs of goods sold projections and discounts the average results to present value. The income approach method involves calculating the earnout payment based on the forecasted cash flows, adjusting the future earnout payment for the risk of reaching the projected financials, and then discounting the future payments to present value by the counterparty risk. The counterparty risk considers the risk of the buyer having the cash to make the earnout payments and is commensurate with a cost of debt over an appropriate term.

The following table sets forth the changes in contingent consideration liabilities for the nine months ended September 30, 2018 (dollars in millions):

Balance at December 31, 2017	$ 12.7
Current period additions	9.9
Current period adjustments	(0.1)
Current period settlements	(5.5)
Foreign currency effect	(0.1)
Balance at September 30, 2018	$ 16.9

7. Restricted Cash

Restricted cash is included as a component of cash, cash equivalents, and restricted cash on the Company s unaudited condensed consolidated statement of cash flows. The Company has certain subsidiaries that are required by local laws and regulations to maintain restricted cash balances to cover future employee benefit payments. Restricted cash balances are classified as non-current unless, under the terms of the applicable agreements, the funds will be released from restrictions within one year from the balance sheet date. The current and non-current portion of restricted cash is recorded within other current assets and other long-term assets, respectively, in the accompanying consolidated balance sheets.

The inclusion of restricted cash increased the balances of the unaudited condensed consolidated statement of cash flows as follows (dollars in millions):

	Nine Months Ended September 30, 2018	2017
Beginning Balance	$ 3.9	$ 3.5
Ending Balance	4.7	3.9

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8. Inventories

Inventories consisted of the following (in millions):

	September 30, 2018	December 31, 2017
Raw materials	$ 156.1	$ 152.0
Work-in-process	208.7	183.1
Finished goods	89.5	96.6
Demonstration units	64.3	54.5
Inventories	$ 518.6	$ 486.2

Finished goods include in-transit systems that have been shipped to the Company s customers, but not yet installed and accepted by the customer. As of September 30, 2018 and December 31, 2017, the value of inventory-in-transit was $25.5 million and $41.4 million, respectively.

9. Goodwill and Intangible Assets

The following table sets forth the changes in the carrying amount of goodwill for the nine months ended September 30, 2018 (dollars in millions):

Balance at December 31, 2017	$ 169.8
Current period additions	32.3
Current period adjustments	(0.3)
Foreign currency effect	(1.9)
Balance at September 30, 2018	$ 199.9

The following is a summary of intangible assets, excluding goodwill (dollars in millions):

	September 30, 2018			December 31, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Existing technology and related patents	$ 215.3	$ (156.0)	$ 59.3	$ 195.4	$ (138.9)	$ 56.5
Customer relationships	49.6	(16.2)	33.4	34.6	(12.9)	21.7
Non compete contracts	1.8	(1.8)		1.8	(1.5)	0.3
Trade names	5.4	(1.4)	4.0	4.2	(0.9)	3.3
Other	2.8	(1.4)	1.4			
Intangible assets subject to amortization	274.9	(176.8)	98.1	236.0	(154.2)	81.8
	0.6		0.6	0.6		0.6

In-process research and development												
Intangible assets	$	275.5	$	(176.8)	$	98.7	$	236.6	$	(154.2)	$	82.4

For the three months ended September 30, 2018 and 2017, the Company recorded amortization expense of $6.9 million and $8.2 million, respectively, related to intangible assets subject to amortization. For the nine months ended September 30, 2018 and 2017, the Company recorded amortization expense of $21.5 million and $22.6 million, respectively, related to intangible assets subject to amortization.

The goodwill and intangible assets acquired in the nine months ended September 30, 2018 related primarily to the Anasys and JPK acquisitions. Please see Note 3   Acquisitions, for additional details on the goodwill and intangibles acquired.

10. Debt

The Company   s debt obligations as of September 30, 2018 and December 31, 2017 consisted of the following (dollars in millions):

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	September 30, 2018	December 31, 2017
US Dollar revolving loan under the 2015 Credit Agreement	$ 20.0	$ 195.0
US Dollar notes under the Note Purchase Agreement	220.0	220.0
Unamortized debt issuance costs under the Note Purchase Agreement	(0.6)	(0.7)
Capital lease obligations and other loans	1.2	1.3
Total debt	240.6	415.6
Current portion of long-term debt	(15.4)	
Total long-term debt, less current portion	$ 225.2	$ 415.6

On October 27, 2015, the Company entered into a new revolving credit agreement, referred to as the 2015 Credit Agreement. The 2015 Credit Agreement provides a maximum commitment on the Company s revolving credit line of $500 million and a maturity date of October 2020. Borrowings under the revolving credit line of the 2015 Credit Agreement accrue interest, at the Company s option, at either (a) the greatest of (i) the prime rate, (ii) the federal funds rate plus 0.50% and (iii) adjusted LIBOR plus 1.00%, plus margins ranging from 0.00% to 0.30% or (b) LIBOR, plus margins ranging from 0.90% to 1.30%. There is also a facility fee ranging from 0.10% to 0.20%.

Borrowings under the 2015 Credit Agreement are secured by guarantees from certain material subsidiaries, as defined in the 2015 Credit Agreement. The 2015 Credit Agreement also requires the Company to maintain certain financial ratios related to maximum leverage and minimum interest coverage (as defined in the 2015 Credit Agreement). Specifically, the Company s leverage ratio cannot exceed 3.5 and the Company s interest coverage ratio cannot be less than 2.5. In addition to the financial ratios, the 2015 Credit Agreement contains negative covenants, including among others, restrictions on liens, indebtedness of the Company and its subsidiaries, asset sales, dividends and transactions with affiliates. Failure to comply with any of these restrictions or covenants may result in an event of default on the 2015 Credit Agreement, which could permit acceleration of the debt and require the Company to prepay the debt before its scheduled due date.

The following is a summary of the maximum commitments and the net amounts available to the Company under the 2015 Credit Agreement and other lines of credit with various financial institutions located primarily in Germany and Switzerland that are unsecured and typically due upon demand with interest payable monthly, at September 30, 2018 (dollars in millions):

	Weighted Average Interest Rate	Total Amount Committed by Lenders	Outstanding Borrowings	Outstanding Letters of Credit	Total Amount Available
2015 Credit Agreement	3.2%	$ 500.0	$ 20.0	$ 1.1	$ 478.9
Other lines of credit		250.8		119.6	131.2
Total revolving lines of credit		$ 750.8	$ 20.0	$ 120.7	$ 610.1

In January 2012, the Company entered into a note purchase agreement, referred to as the Note Purchase Agreement, with a group of accredited institutional investors. Pursuant to the Note Purchase Agreement, the Company issued and sold $240.0 million of senior notes, referred to as the Senior Notes, which consisted of the following:

- $20.0 million 3.16% Series 2012A Senior Notes, Tranche A, due January 18, 2017;

- $15.0 million 3.74% Series 2012A Senior Notes, Tranche B, due January 18, 2019;

- $105.0 million 4.31% Series 2012A Senior Notes, Tranche C, due January 18, 2022; and

- $100.0 million 4.46% Series 2012A Senior Notes, Tranche D, due January 18, 2024.

On January 18, 2017, the outstanding $20.0 million principal amount of Tranche A of the Senior Notes was repaid in accordance with the terms of the Note Purchase Agreement.

Under the terms of the Note Purchase Agreement, the Company may issue and sell additional senior notes up to an aggregate principal amount of $600 million, subject to certain conditions. Interest on the Senior Notes is payable semi-annually

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on January 18 and July 18 of each year. The Senior Notes are unsecured obligations of the Company and are fully and unconditionally guaranteed by certain of the Company s direct and indirect subsidiaries. The Senior Notes rank pari passu in right of repayment with the Company s other senior unsecured indebtedness. The Company may prepay some or all of the Senior Notes at any time in an amount not less than 10% of the original aggregate principal amount of the Senior Notes to be prepaid, at a price equal to the sum of (a) 100% of the principal amount thereof, plus accrued and unpaid interest, and (b) the applicable make-whole amount, upon not less than 30 and no more than 60 days written notice to the holders of the Senior Notes. In the event of a change in control of the Company, as defined in the Note Purchase Agreement, the Company may be required to prepay the Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest.

The Note Purchase Agreement contains affirmative covenants, including, without limitation, maintenance of corporate existence, compliance with laws, maintenance of insurance and properties, payment of taxes, addition of subsidiary guarantors and furnishing notices and other information. The Note Purchase Agreement also contains certain restrictive covenants that restrict the Company s ability to, among other things, incur liens, transfer or sell assets, engage in certain mergers and consolidations and enter into transactions with affiliates. The Note Purchase Agreement also includes customary representations and warranties and events of default. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding Senior Notes will become due and payable immediately without further action or notice. In the case of a payment events of defaults, any holder of Senior Notes affected thereby may declare all Senior Notes held by it due and payable immediately. In the case of any other event of default, a majority of the holders of the Senior Notes may declare all the Senior Notes to be due and payable immediately. Pursuant to the Note Purchase Agreement, so long as any Senior Notes are outstanding the Company will not permit (i) its leverage ratio, as determined pursuant to the Note Purchase Agreement, to exceed 3.50 to 1.00 as of the end of any fiscal quarter, (ii) its interest coverage ratio, as determined pursuant to the Note Purchase Agreement, to be less than 2.50 to 1 as of the end of any fiscal quarter for any period of four consecutive fiscal quarters or (iii) priority debt at any time to exceed 25% of consolidated net worth, as determined pursuant to the Note Purchase Agreement.

As of September 30, 2018, the Company was in compliance with the covenants of the Note Purchase Agreement and the 2015 Credit Agreement. The Company s leverage ratio (as defined in the respective agreements) was 0.68 and interest coverage ratio (as defined in the respective agreements) was 20.9.

11. Derivative Instruments and Hedging Activities

Interest Rate Risks

The Company s exposure to interest rate risk relates primarily to outstanding variable rate debt and adverse movements in the related short-term market rates. Typically, the most significant component of the Company s interest rate risk relates to amounts outstanding under the 2015 Credit Agreement, which totaled $20.0 million at September 30, 2018. The Company currently has a higher level of fixed rate debt than variable rate debt, which limits the exposure to adverse movements in interest rates.

Foreign Exchange Rate Risk Management

The Company generates a substantial portion of its revenues and expenses in international markets, principally Germany and other countries in the European Union and Switzerland, which subjects its operations to the exposure of exchange rate fluctuations. The impact of currency exchange rate movement can be positive or negative in any period. The Company periodically enters into foreign currency contracts in order to minimize the volatility that fluctuations in currency translation have on its monetary transactions. Under these arrangements, the Company typically agrees to purchase a fixed amount of a foreign currency in exchange for a fixed amount of U.S. Dollars or other currencies on specified dates with maturities of less than twelve months, with some agreements extending to longer periods. These transactions do not qualify for hedge accounting and, accordingly, the instrument is recorded at fair value with the corresponding gains and losses recorded in the consolidated statements of income and comprehensive income. The Company had the following notional amounts outstanding under foreign exchange contracts at September 30, 2018 and December 31, 2017 (in millions):

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Buy	Notional Amount in Buy Currency	Sell	Maturity		Notional Amount in U.S. Dollars		Fair Value of Assets		Fair Value of Liabilities
September 30, 2018:									
Chinese Renminbi	38.6	U.S. Dollars	October 2018	$	5.6	$		$	
Euro	36.6	U.S. Dollars	October 2018 to January 2019		45.4				2.7
Great Britain Pound	19.3	Euro	October 2018		25.0		0.2		
Swiss Francs	12.4	U.S. Dollars	October 2018		12.5		0.2		
Euro	11.4	Great Britain Pound	October 2018 to October 2020		13.3				
U.S. Dollars	8.3	Euro	October 2018		8.3				
Singapore Dollar	2.2	U.S. Dollars	October 2018		1.6				
U.S. Dollars	1.6	Swiss Francs	October 2018		1.6				
				$	113.3	$	0.4	$	2.7
December 31, 2017:									
Euro	59.5	U.S. Dollars	January 2018	$	67.0	$	4.5	$	
Swiss Francs	11.0	U.S. Dollars	January 2018		11.3				
Singapore Dollar	4.9	U.S. Dollars	January 2018		3.6				
Euro	1.8	Polish Zloty	January 2018		2.3				0.1
				$	84.2	$	4.5	$	0.1

In addition, the Company periodically enters into purchase and sales contracts denominated in currencies other than the functional currency of the parties to the transaction. The Company accounts for these transactions separately valuing the embedded derivative component of these contracts. The contracts, denominated in currencies other than the functional currency of the transacting parties, amounted to $108.6 million for the delivery of products and $4.1 million for the purchase of products at September 30, 2018 and $98.3 million for the delivery of products and $3.6 million for the purchase of products at December 31, 2017. The changes in the fair value of these embedded derivatives are recorded in interest and other income (expense), net in the consolidated statements of income and comprehensive income.

Commodity Price Risk Management

The Company has arrangements with certain customers under which it has a firm commitment to deliver copper based superconductor wire at a fixed price. In order to minimize the volatility that fluctuations in the price of copper have on the Company s sales of these commodities, the Company enters into commodity hedge contracts. At September 30, 2018 and December 31, 2017, the Company had fixed price commodity contracts with notional amounts aggregating $7.5 million and $3.0 million, respectively. The changes in the fair value of these commodity contracts are recorded within interest and other income (expense), net in the unaudited condensed consolidated statements of income and comprehensive income.

The fair value of the derivative instruments described above is recorded in the unaudited condensed consolidated balance sheets for the periods as follows (dollars in millions):

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	Balance Sheet Location	September 30, 2018	December 31, 2017
Derivative assets:			
Foreign exchange contracts	Other current assets	$ 0.4	$ 4.5
Embedded derivatives in purchase and delivery contracts	Other current assets	0.5	0.9
Fixed price commodity contracts	Other current assets		0.8
Embedded derivatives in purchase and delivery contracts	Other long-term assets	0.1	
Derivative liabilities:			
Foreign exchange contracts	Other current liabilities	$ 2.7	$ 0.1
Embedded derivatives in purchase and delivery contracts	Other current liabilities	0.6	1.5
Fixed price commodity contracts	Other current liabilities	0.4	
Embedded derivatives in purchase and delivery contracts	Other long-term liabilities	0.7	1.4

The impact on net income of unrealized gains and losses resulting from changes in the fair value of derivative instruments not designated as hedging instruments are as follows (dollars in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Foreign exchange contracts	$ 1.4	$ (1.5)	$ (6.7)	$ 5.5
Embedded derivatives in purchase and delivery contracts		(1.3)	1.3	(5.0)
Fixed price commodity contracts	(0.3)	0.3	(1.2)	0.5
Net impact to interest and other income (expense)	$ 1.1	$ (2.5)	$ (6.6)	$ 1.0

The amounts related to derivative instruments not designated as hedging instruments are recorded within interest and other income (expense), net in the unaudited condensed consolidated statements of income and comprehensive income.

12. Provision for Income Taxes

On December 22, 2017 (the Enactment Date), the President of the United States signed tax reform legislation (the 2017 Tax Act), which enacted a wide range of changes to the U.S. corporate income tax system, many of which differ significantly from the provisions of the previous U.S. tax law. Also on December 22, 2017, the SEC issued Staff Accounting Bulletin No. 118, which provides companies with additional guidance on how to implement the provisions of the 2017 Tax Act in their financial statements. The guidance provides for a measurement period, up to one year from the Enactment Date, in which provisional amounts may be adjusted when additional information is obtained, prepared or analyzed about facts and circumstances that existed as of the Enactment Date, if known, which would have impacted the amounts that were initially recorded by the Company.

The Company has not yet completed the assessment of the tax effects associated with the enactment of the 2017 Tax Act; however, a reasonable estimate has been made of the effects on the existing deferred tax balances and the one-time transition tax. Changes in the tax rates and laws are accounted for in the period of enactment. The Company expects to finalize the provisional estimates before the end of 2018 after completing the review and analysis, including reviews and analyses of any interpretations issued during this measurement period.

The 2017 Tax Act also transitions international taxation from a worldwide system to a modified territorial system and includes base erosion prevention measures on non-U.S. earnings, which has the effect of subjecting certain earnings of the Company s foreign subsidiaries to U.S. taxation as global intangible low-taxed income (GILTI). These changes became effective beginning in 2018. The Company does not recognize deferred taxes for the basis differences expected to reverse as GILTI is incurred. The Company instead accounts for any taxes assessed as period costs.

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The actual results of the implementation of the 2017 Tax Act may materially differ from the Company s current estimate due to, among other things, further guidance that may be issued by U.S. tax authorities or regulatory bodies including the SEC and the FASB to interpret the 2017 Tax Act. The Company will continue to analyze the 2017 Tax Act and any additional guidance that may be issued and finalize the full effects of applying the new legislation in the measurement period.

The Company accounts for income taxes using the asset and liability approach by recognizing deferred tax assets and liabilities for the expected future tax consequences of differences between the financial statement basis and the tax basis of assets and liabilities, calculated using enacted tax rates in effect for the year in which the differences are expected to be reflected in the tax return. The Company records a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized. In addition, the Company accounts for uncertain tax positions that have reached a minimum recognition threshold.

The income tax provision for the three months ended September 30, 2018 and 2017 was $21.2 million and $9.8 million, respectively, representing effective tax rates of 32.4% and 20.7%, respectively. The income tax provision for the nine months ended September 30, 2018 and 2017 was $41.4 million and $25.9 million, respectively, representing effective tax rates of 28.7% and 23.7%, respectively. The increase in the Company s effective tax rate for the three and nine months ended September 30, 2018, compared to the same period in 2017, was primarily due to the recording of items related to the refinement of a one-time tax on the mandatory deemed repatriation of post-1986 untaxed foreign earnings and profits (the toll charge) assessed under the 2017 Tax Act during the measurement period. The Company s effective tax rate may change over time as the amount or mix of income and taxes changes among the jurisdictions in which the Company is subject to tax.

As of September 30, 2018 and December 31, 2017, the Company had unrecognized tax benefits, excluding penalties and interest, of approximately $4.4 million which, if recognized, would result in a reduction of the Company s effective tax rate. The Company recognizes penalties and interest related to unrecognized tax benefits in the provision for income taxes. As of September 30, 2018 and December 31, 2017, approximately $0.5 million and $0.2 million, respectively, of accrued interest and penalties related to uncertain tax positions was included in other long-term liabilities on the Company s unaudited condensed consolidated balance sheets. No penalties and interest were recorded in the provision for income taxes for unrecognized tax benefits during the three and nine months ended September 30, 2018 or September 30, 2017.

The Company files tax returns in the United States, which includes federal, state and local jurisdictions, and many foreign jurisdictions with varying statutes of limitations. The Company considers Germany, the United States and Switzerland to be its significant tax jurisdictions. The majority of the Company s earnings are derived in Germany and Switzerland. Accounting for the various federal and local taxing authorities, the statutory rates for 2018 are approximately 30.0% and 20.0% for Germany and Switzerland, respectively. The mix of earnings in those two jurisdictions resulted in an increase of 4.0% from the U.S. statutory rate of 21.0% in the nine months ended September 30, 2018. The Company has not been a party to any tax holiday agreements. The tax years 2013 to 2017 are open to examination in Germany and Switzerland. Tax years 2011 to 2017 remain open for examination in the United States.

13. Commitments and Contingencies

In accordance with ASC Topic 450, Contingencies, the Company accrues anticipated costs of settlement, damages or other costs to the extent specific losses are probable and estimable.

Litigation and Related Contingencies

Lawsuits, claims and proceedings of a nature considered normal to its businesses may be pending from time to time against the Company. Third parties might allege that the Company or its collaborators are infringing their patent rights or that the Company is otherwise violating their intellectual property rights. Loss contingency provisions are recorded if the potential loss from any claim, asserted or unasserted, or legal proceeding is considered probable and the amount can be reasonably estimated or a range of loss can be determined. These accruals represent management s best estimate of probable loss. Disclosure is also provided when it is reasonably possible that a loss will be incurred or when it is reasonably possible that the amount of a loss will exceed the recorded provision. The Company believes the outcome of pending proceedings, individually and in the aggregate, will not have a material impact on the Company s financial statements. As of September 30, 2018 and December 31, 2017, no material accruals have been recorded for potential contingencies.

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Governmental Investigations

The Company is subject to regulation by national, state and local government agencies in the United States and other countries in which it operates. From time to time, the Company is the subject of governmental investigations often involving regulatory, marketing and other business practices. These governmental investigations may result in the commencement of civil and criminal proceedings, fines, penalties and administrative remedies which could have a material adverse effect on our financial position, results of operations and/or liquidity.

In August 2018, the Korea Fair Trade Commission (KFTC) informed the Company that it is conducting an investigation into the public tender bidding activities of a number of life science instrument companies operating in Korea, including Bruker Korea Co., Ltd. The Company is cooperating fully with the KFTC regarding this matter and is unable to predict the timing or outcome of this investigation at this time. Revenues from Korea represent less than 3% of the Company s consolidated revenue for the nine-month period ended September 30, 2018.

On October 19, 2017, the Company received a notice of investigation and subpoena to produce documents from the Division of Enforcement of the SEC. The subpoena seeks information related to an employee terminated as part of a restructuring and certain matters involving the Company s policies and accounting practices related to revenue recognition and restructuring activities, as well as related financial reporting, disclosure and compliance matters, since January 1, 2013. The subpoena also seeks information concerning, among other things, the Company s previously identified material weakness in internal controls over the accounting for income taxes, related financial reporting matters and certain payments for non-employee travel expenses. The Company is producing documents in response to the subpoena and intends to continue to cooperate fully with the SEC s investigation. Additionally, the Audit Committee of the Company s Board of Directors, with the assistance of outside counsel, is conducting an internal investigation into practices of certain business partners in China and into the conduct of former employees of the Bruker Optics division in China which raised questions of compliance with laws, including the U.S. Foreign Corrupt Practices Act, and/or compliance with the Company s business policies and code of conduct. The Company has voluntarily disclosed this matter to the SEC and U.S. Department of Justice. At this time, the Company is unable to predict the duration, scope or outcome of these investigations.

As of September 30, 2018 and December 31, 2017, no material accruals have been recorded for potential contingencies related to these matters.

Letters of Credit and Guarantees

At September 30, 2018 and December 31, 2017, the Company had bank guarantees of $120.7 million and $138.8 million, respectively, related primarily to customer advances. These arrangements guarantee the refund of advance payments received from customers in the event that the merchandise is not delivered or warranty obligations are not fulfilled in compliance with the terms of the contract. These guarantees affect the availability of the Company s lines of credit.

14. Shareholders Equity

Share Repurchase Program

In May 2017, the Company s Board of Directors approved a share repurchase program under which repurchases of common stock up to $225.0 million may occur from time to time, in amounts, at prices, and at such times as the Company deems appropriate, subject to market conditions, legal requirements and other considerations. No repurchases occurred in the three and nine months ended September 30, 2018. Any future repurchases will be funded from cash on hand, future cash flows from operations and available borrowings under the revolving credit facility.

Cash Dividends on Shares of Common Stock

On February 22, 2016, the Company announced the establishment of a dividend policy and the declaration by its Board of Directors of an initial quarterly cash dividend in the amount of $0.04 per share of the Company s issued and outstanding common stock. Under the dividend policy, the Company will target a cash dividend to the Company s shareholders in the amount of $0.16 per share per annum, payable in equal quarterly installments. The following is a summary of the dividends paid in the periods ended September 30, 2018 and 2017 (dollars in millions):

	2018		
Dividends Paid on	March 23	June 22	September 21
Shareholders of Record as of	March 6	June 4	September 4
Aggregate Cost	$ 6.3	$ 6.2	$ 6.3

	2017		
Dividends Paid on	March 24	June 23	September 22
Shareholders of Record as of	March 8	June 5	September 5
Aggregate Cost	$ 6.4	$ 6.4	$ 6.3

Subsequent dividend declarations and the establishment of record and payment dates for such future dividend payments, if any, are subject to the Board of Directors continuing determination that the dividend policy is in the best interests of the Company s shareholders. The dividend policy may be suspended or cancelled at the discretion of the Board of Directors at any time.

Accumulated Other Comprehensive Income

Comprehensive income refers to revenues, expenses, gains and losses that under U.S. GAAP are included in other comprehensive income, but excluded from net income as these amounts are recorded directly as an adjustment to shareholders equity, net of tax. The Company s other comprehensive income is composed primarily of foreign currency translation adjustments and changes in the funded status of defined benefit pension plans. The following is a summary of comprehensive income (dollars in millions):

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Consolidated net income	$ 44.2	$ 37.6	$ 103.1	$ 83.3
Foreign currency translation adjustments	(2.5)	21.9	(17.1)	87.0
Pension liability adjustments, net of tax	0.2	1.7	2.3	
Net comprehensive income	41.9	61.2	88.3	170.3
Less: Comprehensive income attributable to noncontrolling interests	0.5	0.7	0.9	1.9
Comprehensive income attributable to Bruker Corporation	$ 41.4	$ 60.5	$ 87.4	$ 168.4

The following is a summary of the components of accumulated other comprehensive income, net of tax, at September 30, 2018 (dollars in millions):

	Foreign Currency Translation	Pension Liability Adjustment	Accumulated Other Comprehensive Income
Balance at December 31, 2017	$ 72.2	$ (45.2)	$ 27.0
Other comprehensive income (loss) before reclassifications	(16.6)	0.4	(16.2)
Amounts reclassified from other comprehensive income (loss), net of tax of $0.3 million		1.9	1.9
Net current period other comprehensive income (loss)	(16.6)	2.3	(14.3)
Balance at September 30, 2018	$ 55.6	$ (42.9)	$ 12.7

15. Noncontrolling Interests

Noncontrolling interests represent the minority shareholders proportionate share of the Company s majority owned subsidiaries. The following table sets forth the changes in noncontrolling interests (dollars in millions):

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	Three Months Ended September 30,				Nine Months Ended September 30,			
	2018		2017		2018		2017	
Balance at beginning of period	$	8.7	$	7.4	$	8.1	$	6.7
Net income		0.8		0.6		1.5		1.3
Foreign currency translation adjustments		(0.3)		0.1		(0.6)		0.6
Cash payments to noncontrolling interests		(0.9)				(0.9)		(0.5)
Impact of ASC 606 adoption						0.2		
Balance at end of period	$	8.3	$	8.1	$	8.3	$	8.1

16. Other Charges, Net

The components of other charges, net were as follows (dollars in millions):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2018		2017		2018		2017	
Information technology transformation costs	$	1.1	$	0.8	$	3.5	$	2.9
Restructuring charges		2.0		3.0		5.9		6.9
Acquisition-related charges		1.2		0.5		2.3		3.8
Other		0.9				3.5		0.2
Other charges, net	$	5.2	$	4.3	$	15.2	$	13.8

Restructuring Initiatives

Restructuring charges for the three and nine month periods ended September 30, 2018 included charges for various programs that were recorded in the accompanying unaudited condensed consolidated statements of income and comprehensive income. The charges for the three and nine month periods ended September 30, 2017 related primarily to the previously reported and completed 2016 and 2015 restructuring plans. The following table sets forth the restructuring charges for the three and nine months ended September 30, 2018 and 2017 (dollars in millions):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2018		2017		2018		2017	
Cost of revenues	$	0.5	$	1.6	$	0.8	$	1.6
Other charges, net		2.0		3.0		5.9		6.9
	$	2.5	$	4.6	$	6.7	$	8.5

The following table sets forth the changes in restructuring reserves for the nine months ended September 30, 2018 (dollars in millions):

	Total		Severance		Exit Costs		Provisions for Excess Inventory	
Balance at December 31, 2017	$	10.8	$	2.0	$	2.1	$	6.7
Restructuring charges		6.7		2.5		4.2		
Cash payments		(7.5)		(3.9)		(3.6)		

Other, non-cash adjustments and foreign currency effect	(2.7)	0.3	(0.7)	(2.3)
Balance at September 30, 2018	$ 7.3	$ 0.9	$ 2.0	$ 4.4

17. Interest and Other Income (Expense), Net

The components of interest and other income (expense), net, were as follows (dollars in millions):

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Interest expense, net	$ (2.3)	$ (3.6)	$ (8.3)	$ (11.1)
Exchange (losses) gains on foreign currency transactions	(0.6)	0.3	(1.6)	(3.9)
Pension components	(0.9)	(1.4)	(2.2)	(3.2)
Other	0.1	0.8	0.6	3.2
Interest and other income (expense), net	$ (3.7)	$ (3.9)	$ (11.5)	$ (15.0)

Pension components represents the amortization of prior service costs and actuarial gains/losses, interest costs and the return on plan assets. The current year service cost is included within cost of sales and operating expenses in the unaudited condensed consolidated statements of income and comprehensive income.

18. Business Segment Information

The Company has two reportable segments, BSI and BEST, as discussed in Note 1 to the unaudited condensed consolidated financial statements.

Revenue and operating income by reportable segment are presented below (dollars in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenue:				
BSI	$ 417.1	$ 390.6	$ 1,206.5	$ 1,099.5
BEST	50.9	46.1	139.2	140.2
Eliminations (a)	(1.4)	(1.1)	(3.7)	(4.3)
Total revenue	$ 466.6	$ 435.6	$ 1,342.0	$ 1,235.4
Operating Income (loss)				
BSI	$ 63.6	$ 44.5	$ 146.5	$ 114.9
BEST	5.4	1.8	9.3	4.3
Corporate, eliminations and other (b)	0.1	5.0	0.2	5.0
Total operating income	$ 69.1	$ 51.3	$ 156.0	$ 124.2

(a) Represents product and service revenue between reportable segments.

(b) Represents corporate costs and eliminations not allocated to the reportable segments.

Total assets by reportable segment are as follows (dollars in millions):

	September 30,	December 31,

		2018		2017
Assets:				
BSI	$	1,854.5	$	1,917.8
BEST		37.8		35.6
Eliminations and other (a)		(3.2)		(4.9)
Total assets	$	1,889.1	$	1,948.5

(a) Assets not allocated to the reportable segments and eliminations of intercompany transactions.

19. Recent Accounting Pronouncements

In March 2017, the FASB issued ASU No. 2017-07, *Compensation- Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This new standard intends to improve the presentation of net periodic pension cost and net periodic postretirement benefit cost. The new standard requires the service cost component of net periodic cost be reported in the same line item(s) as other employee compensation costs and all other components of the net periodic cost be reported in the condensed consolidated statements of income and comprehensive income below operating income. The Company adopted this guidance on January 1, 2018 on a retrospective basis. The Company reclassified the non-service pension cost previously reported in operations of $1.4 million and $3.2 million for the three and nine months ended September 30, 2017, respectively. The impact of this for the three and nine months ended September 30, 2018 was $0.9 million and $2.2 million, respectively. These amounts were previously reported in cost of sales, selling, general, and administrative, and research and development expenses in the unaudited condensed consolidated statements of income and comprehensive income.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.* The new standard simplifies the subsequent measurement of goodwill by eliminating the second step of the goodwill impairment test. This ASU will be applied prospectively and is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. The adoption of this standard is not expected to have a material impact on the Company s financial position, results of operations or statements of cash flows upon adoption.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business.* This new standard clarifies the definition of a business and provides a screen to determine when an integrated set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This new standard was adopted as of the effective date of January 1, 2018. The Company has evaluated the provisions of this standard and has determined that the impact of adoption of ASU No. 2017-01 was not material to the Company s consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740) Intra-Entity Transfer of Assets Other than Inventory*. The new standard requires recognition of current and deferred income taxes resulting from an intra-entity transfer of any asset (excluding inventory) when the transfer occurs. This is a change from existing U.S. GAAP which prohibits recognition of current and deferred income taxes until the asset is sold to a third party. This new standard was adopted as of the effective date of January 1, 2018. The Company has evaluated the provisions of this standard and has determined that the impact of adoption of ASU No. 2016-16 was not material to the Company s consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard provides guidance on the recognition, measurement, presentation and disclosure of leases. The new standard supersedes present U.S. GAAP guidance on leases and requires substantially all leases to be reported on the balance sheet as right-of-use assets and lease liabilities, as well as additional disclosures. The new standard is effective as of January 1, 2019, and early adoption is permitted. Under ASU No. 2016-02, companies are required to transition to the new standard in the period of adoption at the beginning of the earliest period presented in the financial statements (January 1, 2017 for the Company). In July 2018, the FASB issued ASU No. 2018-11 as an update to ASU No. 2016-02, which in part provided companies the option of transitioning to the new standard as of the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The Company expects to adopt the new standard as of January 1, 2019 using the alternative transition method under ASU No. 2018-11. The Company is continuing to evaluate the provisions of the new standard, but currently expects that it will have a material impact on its consolidated balance sheet due to the recognition of right-of-use assets and lease liabilities for substantially all leases currently accounted for as operating leases.

20. Subsequent Event

On October 15, 2018, the Company acquired an 80% interest in Hain Lifescience GmbH (Hain), a privately held Company, for a purchase price of EUR 66 million (approximately $76.4 million), with an option to acquire the remaining 20% equity interest, which is exercisable in or after 2022. Hain is an infectious disease specialist with a broad range of molecular diagnostics solutions for the detection of microbial and viral pathogens, as well as for molecular antibiotic resistance testing. Hain is located in Nehren, Germany and will be integrated into the Bruker CALID Group within the BSI Segment. The purchase accounting for this acquisition will be finalized within the measurement period.

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our interim unaudited condensed consolidated financial statements and the notes to those statements included in Part 1, Item 1 of this Quarterly Report on Form 10-Q, and in conjunction with the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2017.

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Statements contained in Management s Discussion and Analysis of Financial Condition and Results of Operations, which express that we believe, anticipate, plan, expect, seek, estimate, or should, as well as other statements which are not historical fact, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from those set forth in forward-looking statements. Certain factors that might cause such a difference are discussed in Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2017.

Although our unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP), we believe describing revenue and expenses, excluding the effects of foreign currency, acquisitions and divestitures, as well as certain other charges, net, provides meaningful supplemental information regarding our performance. Specifically, management believes that free cash flow and organic revenue, both non-GAAP financial measures, as well as non-GAAP gross profit margin and non-GAAP operating margin, provide relevant and useful information that is widely used by equity analysts, investors and competitors in our industry, as well as by our management, in assessing both consolidated and business unit performance. We define the term organic revenue as GAAP revenue excluding the effect of foreign currency translation changes and the effect of acquisitions and divestitures. We define the term non-GAAP gross profit margin as GAAP gross profit margin with certain non-GAAP measures excluded and non-GAAP operating margin as GAAP operating margin with certain non-GAAP measures excluded. These non-GAAP measures exclude costs related to restructuring actions, acquisition and related integration expenses, amortization of acquired intangible assets, costs associated with our global information technology transition initiative, and other non-operational costs that are infrequent or non-recurring in nature and we believe these are useful measures to evaluate our continuing business. 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 which is available for, among other things, investments in our business, acquisitions, share repurchases, dividends and repayment of debt. We use these non-GAAP financial measures to evaluate our period-over-period operating performance because our management believes they provide more comparable measures of our continuing business because they adjust for certain items that are not reflective of the underlying performance of our business. These measures may also be useful to investors in evaluating the underlying operating performance of our business. We regularly use these 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 and use this information for our planning and forecasting activities. The presentation of these non-GAAP financial measures is not intended to be a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP and may be different from non-GAAP financial measures used by other companies, and therefore, may not be comparable among companies.

OVERVIEW

Bruker Corporation, together with its consolidated subsidiaries (Bruker, the Company, we, us or our), develops, manufactures and distributes high-performance scientific instruments and analytical and diagnostic solutions that enable its customers to explore life and materials at microscopic, molecular and cellular levels. Many of our products are used to detect, measure and visualize structural characteristics of chemical, biological and industrial material samples. Our products address the rapidly evolving needs of a diverse array of customers in life science research, pharmaceuticals, biotechnology, applied markets, cell biology, clinical research, microbiology, in-vitro diagnostics, nanotechnology and materials science research.

Revenue for the three month period ended September 30, 2018 was $466.6 million, an increase of $31.0 million, or 7.1%, from the three month period ended September 30, 2017. Revenue from companies acquired within the past twelve months represented $6.4 million, or 1.5%, of the increase, and the unfavorable foreign currency translation effect of a stronger U.S. dollar relative to the Euro and other currencies represented a $5.8 million, or 1.4%, decline. Excluding these effects, organic revenue, a non-GAAP measure, increased by $30.4 million, or 7.0%. Revenues increased on an organic basis at all three groups within the BSI Segment (the Bruker BioSpin, Bruker CALID and Bruker Nano Groups), and at the BEST Segment. From a geographic perspective, revenues increased in the Americas and the Asia Pacific region, while revenues in Europe were below the prior year third quarter.

Revenue for the nine month period ended September 30, 2018 was $1,342.0 million, an increase of $106.6 million, or 8.6%, from the nine month period ended September 30, 2017. Revenue from companies acquired within the past twelve months represented $11.2 million, or 0.9%, of the increase, and the favorable foreign currency translation effect of a weaker U.S. dollar relative primarily to the Euro represented $37.6 million, or 3.0%, of the increase. Excluding these effects, organic revenue, a non-GAAP measure, increased by $57.8 million, or 4.7%. Continued growth at our Bruker CALID and the Bruker Nano Group within the BSI Segment, and more modest growth at the Bruker BioSpin Group within the BSI Segment, were offset in part by an organic revenue decline at our BEST Segment. Strong demand for mass spectrometry products in clinical microbiology markets as well as for academic and biopharmaceutical research applications, and continued demand for infrared and Raman molecular spectroscopy products, drove the Bruker CALID Group results. The primary drivers of growth within the Bruker Nano Group were strong demand for advanced X-ray and nano analysis products in industrial research and academic research markets. From a geographic perspective, for the nine months ended September 30, 2018, organic revenue showed positive growth in the Americas and Asia Pacific regions and a more modest increase in Europe.

Our gross profit margin increased to 47.7% during the three months ended September 30, 2018 compared to 45.7% for the three months ended September 30, 2017. Our gross profit margin increased to 46.7% during the nine months ended September 30, 2018 from 45.3% during the nine months ended September 30, 2017. The increase in gross profit margin in both periods resulted primarily from strong operating leverage, favorable product mix and the impact of operational improvements. For the first nine months of 2018, these positive effects were partially offset by unfavorable foreign currency translation.

Our operating margin increased to 14.8% for the three months ended September 30, 2018 compared to 11.8% during the three months ended September 30, 2017. Our operating margin increased to 11.6% for the nine months ended September 30, 2018 from 10.1% during the nine months ended September 30, 2017. The operating margin expansion was primarily due to the favorable impact of higher volumes and operational improvements. For the first nine months of 2018, these positive effects were partially offset by unfavorable foreign currency translation.

The income tax provision in the three month periods ended September 30, 2018 and 2017 was $21.2 million and $9.8 million, respectively, representing effective tax rates of 32.4% and 20.7%, respectively. The income tax provision in the nine month periods ended September 30, 2018 and 2017 was $41.4 million and $25.9 million, respectively, representing effective tax rates of 28.7% and 23.7%, respectively. The increase in our effective tax rate was primarily due to the recording of items related to the refinement of a one-time tax on the mandatory deemed repatriation of post-1986 untaxed foreign earnings and profits (the toll charge) assessed under the 2017 Tax Act during the measurement period.

Diluted earnings per share for the three month period ended September 30, 2018 were $0.28, an increase of $0.05 compared to $0.23 per share in the three month period ended September 30, 2017. Earnings per share increased from $0.51 to $0.65 per diluted share for the nine months ended September 30, 2018 compared to the same period in 2017. The increase was primarily due to revenue growth, higher gross and operating profit and a lower number of shares outstanding resulting from our share repurchase activity in 2017.

Operating cash flow for the nine month period ended September 30, 2018 was a source of cash of $107.4 million. For the nine month period ended September 30, 2018, our free cash flow, a non-GAAP measure, was $78.5 million, calculated as follows (dollars in millions):

	Nine Months Ended September 30, 2018		2017	
Net cash provided by operating activities	$	107.4	$	50.7
Less: Purchases of property, plant and equipment		28.9		31.3
Free Cash Flow	$	78.5	$	19.4

In July 2018, China responded to new and proposed U.S. tariffs on certain Chinese products imported into the U.S by announcing retaliatory tariffs on certain U.S. products imported into China. One round of Chinese tariffs went into effect in July 2018 and other tariffs on additional

U.S. products have also been proposed by the Chinese government. While we do not expect the first round of Chinese tariffs to materially impact our operations, we are taking supply chain and other operating actions to mitigate the potential impact on our operating results should additional tariffs be imposed by China on our products. Additional Chinese tariffs could potentially increase the cost of our products or adversely impact the competitiveness of our products and our operating results in the future.

In May 2017, our Board of Directors approved a share repurchase program (the Repurchase Program) that authorized repurchases of up to $225.0 million of common stock. No repurchases occurred in the three and nine months ended September 30, 2018. The remaining authorization under the Repurchase Program is $72.8 million as of September 30, 2018.

We can experience quarter-to-quarter fluctuations in our operating results as a result of various factors, some of which are outside our control, such as:

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- the timing of governmental stimulus programs and academic research budgets;
- the time it takes between the date customer orders and deposits are received, systems are shipped and accepted by our customers and full payment is received;
- the time it takes to satisfy local customs requirements and other export/import requirements;
- the time it takes for customers to construct or prepare their facilities for our products; and
- the time required to obtain governmental licenses.

These factors have in the past affected the amount and timing of revenue recognized on sales of our products and receipt of related payments and will continue to do so in the future. Accordingly, our operating results in any particular quarter may not necessarily be an indication of any future quarter s operating performance.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

This discussion and analysis of our financial condition and results of operations is based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. We base our estimates and judgments on our historical experience, current market and economic conditions, industry trends, and other assumptions that we believe are reasonable and form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

We believe the following critical accounting policies and estimates to be both those most important to the portrayal of our financial position and results of operations and those that require the most estimation and subjective judgment:

- Revenue recognition;
- Income taxes;
- Inventories; and
- Goodwill, other intangible assets and other long-lived assets.

For a further discussion of our critical accounting policies, please refer to our Annual Report on Form 10-K for the year ended December 31, 2017. There were no significant changes to our critical accounting policies for the three and nine months ended September 30, 2018, except as discussed below related to the adoption of ASC 606 (as defined below) as of January 1, 2018.

Revenue Recognition

We recognize revenue in accordance with Accounting Standards Codification 606, *Revenue from Contracts with Customers* (ASC 606). The key elements of ASC 606 are: 1) identifying a contract with the customer; 2) identifying the performance obligations in the contract; 3) determining the transaction price; 4) allocating the transaction price to the performance obligations in the contract; and 5) recognizing revenue when (or as) each performance obligation is satisfied.

We recognize revenue from systems sales upon transfer of control in an amount that reflects the consideration we expect to receive. Transfer of control generally occurs upon shipment, or for certain systems, based upon customer acceptance for a system once delivered and installed at a customer facility. For systems that include customer-specific acceptance criteria, we are required to assess when it can demonstrate the acceptance criteria has been met, which generally is upon successful factory acceptance testing or customer acceptance and evidence of installation. For systems that require installation and where system revenue is recognized upon shipment, the fair value of installation is deferred until customer acceptance.

When products are sold through an independent distributor or a strategic distribution partner, we recognize the system sale upon transfer of control which is typically on shipment. When we are responsible for installation, the fair value of installation is deferred until customer acceptance. Our distributors do not have price protection rights or rights of return; however, our products are typically warranted to be free from defect for a period of one year.

For contracts that include multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative standalone selling prices of the goods and services being provided to the customer. Our best

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evidence of standalone selling price is its normal selling pricing and discounting practices for the specific product or service when sold on a standalone basis. Alternatively, we may determine standalone selling price using an expected cost plus a margin approach.

We analyze our selling prices used in the allocation of the transaction price, at a minimum, on an annual basis. Selling prices will be analyzed more frequently if a significant change in our business or other factors necessitate more frequent analysis or we experience significant variances in our selling prices.

Revenue from accessories and parts is generally recognized based on shipment. Service revenue is recognized as the services are performed or ratably over the contractual obligation and includes maintenance contracts, extended warranties, training, application support and on-demand services.

For performance obligations recognized over time, revenue is measured by progress toward completion of the performance obligation that reflects the transfer of control. In particular, we have certain contracts recognized over time for which we apply the cost-to-cost method based on costs incurred to date relative to the total estimated costs for the contract upon completion. Application of the cost-to-cost method requires us to make reasonable estimates of the extent of progress toward completion and the total costs we will incur. Losses are recorded immediately when we estimate that contracts will ultimately result in a loss. Changes in the estimates could affect the timing of revenue recognition.

All taxes assessed by a governmental authority related to revenue producing transactions and collected by us from a customer are excluded from the determination of the transaction price.

Contract Assets and Liabilities

Contract assets represent unbilled receivables when revenue recognized exceeds the amount billed to the customer, and the right to payment is not just subject to the passage of time. Contract assets typically result from system revenue recorded where a portion of the transaction price is not billable until a future event, such as customer acceptance, or from contracts recognized on a cost-to-cost or cost-plus-fixed-fee basis as revenue exceeds the amount billed to the customer. Amounts may not exceed their net realizable value. Contract assets are generally classified as current.

Contract liabilities consist of customer advances, deferred revenue and billings in excess of revenue from contracts recognized on a cost-to-cost or cost-plus-fixed-fee basis. Contract liabilities are classified as current or long-term based on the timing of when the Company expects to recognize revenue. Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2018 compared to the Three Months Ended September 30, 2017

Consolidated Results

The following table presents our results for the three months ended September 30, 2018 and 2017 (dollars in millions, except per share data):

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	Three Months Ended September 30, 2018	2017
Product revenue	$ 385.5	$ 364.4
Service revenue	79.6	70.0
Other revenue	1.5	1.2
Total revenue	466.6	435.6
Cost of product revenue	197.3	195.6
Cost of service revenue	46.6	40.5
Cost of other revenue	0.1	0.6
Total cost of revenue	244.0	236.7
Gross profit	222.6	198.9
Operating expenses:		
Selling, general and administrative	106.5	102.7
Research and development	41.8	40.6
Other charges, net	5.2	4.3
Total operating expenses	153.5	147.6
Operating income	69.1	51.3
Interest and other income (expense), net	(3.7)	(3.9)
Income before income taxes and noncontrolling interest in consolidated subsidiaries	65.4	47.4
Income tax provision	21.2	9.8
Consolidated net income	44.2	37.6
Net income attributable to noncontrolling interest in consolidated subsidiaries	0.8	0.6
Net income attributable to Bruker Corporation	$ 43.4	$ 37.0
Net income per common share attributable to Bruker Corporation shareholders:		
Basic	$ 0.28	$ 0.23
Diluted	$ 0.28	$ 0.23
Weighted average common shares outstanding:		
Basic	156.4	157.5
Diluted	157.4	158.7

Revenue

For the three months ended September 30, 2018, our revenue increased $31.0 million, or 7.1%, to $466.6 million, compared to $435.6 million for the comparable period in 2017. Included in revenue was an increase of approximately $6.4 million from acquisitions and a decrease of $5.8 million from foreign currency translation. Excluding the effects of foreign currency translation and our recent acquisitions, our organic revenue, a non-GAAP measure, increased by $30.4 million, or 7.0%.

BSI Segment revenue increased by $26.5 million, or 6.8%, to $417.1 million for the three months ended September 30, 2018, compared to $390.6 million for the three months ended September 30, 2017. BEST Segment revenue increased by $4.8 million, or 10.4%, to $50.9 million for the three months ended September 30, 2018, compared to $46.1 million for the three months ended September 30, 2017.

Please see the Segment Results section later in this section for additional discussion of our financial results by segment.

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Gross Profit

Gross profit for the three months ended September 30, 2018 was $222.6 million, or 47.7% of revenue, compared to $198.9 million, or 45.7% of revenue, for the three months ended September 30, 2017. Included in gross profit were various charges for amortization of acquisition-related intangible assets and other acquisition-related costs and restructuring costs totaling $7.2 million and $9.4 million for the three months ended September 30, 2018 and 2017, respectively. Excluding these charges, our non-GAAP gross profit margins for the three months ended September 30, 2018 and 2017 were 49.2% and 47.8%, respectively. The increase in gross profit margin resulted primarily from growth in revenue, favorable product mix and the impact of operational improvements.

Selling, General and Administrative

Our selling, general and administrative expenses for the three months ended September 30, 2018 increased to $106.5 million, or 22.8% of total revenue, from $102.7 million, or 23.6% of total revenue, for the comparable period in 2017. The decrease as a percentage of revenue was a result of growth in revenue and disciplined expense management even after the assumption of expenses associated with acquisitions.

Research and Development

Our research and development expenses for the three months ended September 30, 2018 increased to $41.8 million, or 9.0% of total revenue, from $40.6 million, or 9.3% of total revenue, for the comparable period in 2017. The decrease as a percentage of revenue was a result of the increase in revenue.

Other Charges, Net

Other charges, net of $5.2 million recorded for the three months ended September 30, 2018 were primarily related to the BSI Segment and consisted of $2.0 million of restructuring costs related to closing facilities and implementing outsourcing and other restructuring initiatives, $0.9 million related to professional fees, $1.1 million of costs associated with our global information technology (IT) transformation initiative and $1.2 million of acquisition-related charges related to acquisitions completed in 2018 and 2017. The IT transformation initiative is a multi-year project aimed at updating and integrating our global enterprise resource planning and human resource information systems.

Other charges, net of $4.3 million for the three months ended September 30, 2017 were primarily related to the BSI Segment and consisted primarily of $3.0 million of restructuring costs related to closing facilities and implementing outsourcing and other restructuring initiatives, $0.8 million of costs associated with our global IT transformation initiative and $0.5 million of acquisition-related charges related to acquisitions completed in 2016 and 2017.

Operating Income

Operating income for the three months ended September 30, 2018 was $69.1 million, resulting in an operating margin of 14.8%, compared to operating income of $51.3 million, and an operating margin of 11.8%, for the three months ended September 30, 2017. Included in operating income were various charges for amortization of acquisition-related intangible assets and other acquisition-related costs and restructuring costs totaling $14.2 million and $14.5 million for the three months ended September 30, 2018 and 2017, respectively. Excluding these charges, our non-GAAP operating margins for the three months ended September 30, 2018 and 2017 were 17.9% and 15.1%, respectively. The operating margin expansion was primarily due to increased revenue and a favorable product mix at the BSI and BEST Segments, as well as ongoing operational improvements.

Interest and Other Income (Expense), Net

Interest and other income (expense), net during the three months ended September 30, 2018 was an expense of $3.7 million compared to an expense of $3.9 million for the comparable period of 2017.

During the three months ended September 30, 2018, the primary components within interest and other income (expense), net were net interest expense of $2.3 million, realized and unrealized losses on foreign currency denominated transactions of $0.6 million and $0.9 million related to pension plan expenses. During the three months ended September 30, 2017, the primary components within interest and other income (expense), net were net interest expense of $3.6 million and $1.4 million related to pension plan expenses offset in part by realized and unrealized gains on foreign currency denominated transactions of $0.3 million and the gain on an acquisition of $1.1 million within the BSI Segment.

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Income Tax Provision

The 2018 and 2017 effective tax rates were estimated using projected annual pre-tax income on a jurisdictional basis. Expected tax benefits, including tax credits and incentives, the impact of changes to valuation allowances and the effect of jurisdictional differences in statutory tax rates were also considered in the calculation.

The income tax provision for the three months ended September 30, 2018 and 2017 was $21.2 million and $9.8 million, respectively, representing effective tax rates of 32.4% and 20.7%, respectively. The increase in our third quarter 2018 effective tax rate was primarily due to the recording of items related to the refinement of the toll charge assessed under the 2017 Tax Act during the measurement period.

The majority of our earnings are derived in Germany and Switzerland. Accounting for the various federal and local taxing authorities, the statutory rates for 2018 are approximately 30.0% and 20.0% for Germany and Switzerland, respectively. The mix of earnings in those two jurisdictions resulted in an increase of 4.0% from the U.S. statutory rate of 21.0% in the three months ended September 30, 2018. We have not been a party to any tax holiday agreements.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests for the three months ended September 30, 2018 and 2017 was $0.8 million and $0.6 million, respectively. The net income attributable to noncontrolling interests represented the minority shareholders proportionate share of the net income recorded by our majority-owned subsidiaries.

Net Income Attributable to Bruker Corporation

Our net income attributable to Bruker for the three months ended September 30, 2018 was $43.4 million, or $0.28 per diluted share, compared to $37.0 million, or $0.23 per diluted share, for the comparable period in 2017. The increase in net income and earnings per diluted share was primarily driven by the increase in revenue and significant year-over-year margin improvements.

Segment Results

For financial reporting purposes, we aggregate the Bruker BioSpin, Bruker CALID and Bruker Nano operating segments into the BSI reportable segment, which represented approximately 89.4% of our revenues during the three months ended September 30, 2018. This aggregation reflects these operating segments similar economic characteristics, production processes, service offerings, types and classes of customers, methods of distribution and regulatory environments. Our BEST Segment is our other reportable segment and represents the remainder of our revenues.

Reportable Segment Revenue

The following table presents revenue, change in revenue and revenue growth by reportable segment (dollars in millions):

	Three Months Ended September 30, 2018	2017	Dollar Change	Percentage Change
BSI	$ 417.1	$ 390.6	$ 26.5	6.8%
BEST	50.9	46.1	4.8	10.4%
Eliminations (a)	(1.4)	(1.1)	(0.3)	
	$ 466.6	$ 435.6	$ 31.0	7.1%

(a) Represents product and service revenue between reportable segments.

BSI Segment Revenue

BSI Segment revenue increased by $26.5 million, or 6.8%, to $417.1 million for the three months ended September 30, 2018, compared to $390.6 million for the three months ended September 30, 2017. Revenue includes approximately $6.4 million attributable to recent acquisitions and approximately $5.3 million from the unfavorable impact of foreign currency translation. Excluding the effects of foreign currency translation and our recent acquisitions, organic revenue, a non-GAAP measure, increased by $25.4 million, or 6.5%.

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The Bruker BioSpin Group revenue increased modestly during the three months ended September 30, 2018 compared to the three months ended September 30, 2017 due to slightly higher shipments of nuclear magnetic resonance products and growth in the service business.

The Bruker CALID Group revenue increased during the three months ended September 30, 2018 compared to the three months ended September 30, 2017, as a result of continued demand for mass spectrometry instruments from academic and biopharmaceutical customers, strong growth of mass spectrometry products, consumables and services in clinical microbiology markets and continued demand for infrared and Raman molecular spectroscopy products. This was slightly offset by lower revenue from radiological/nuclear detectors for CBRNE detection.

The Bruker Nano Group revenue increased during the three months ended September 30, 2018 compared to the three months ended September 30, 2017 primarily as a result of higher revenues from advanced X-Ray and surface analysis products in academic research and industrial research markets and contributions from 2018 acquisitions.

System revenue and aftermarket revenue as a percentage of total BSI Segment revenue were as follows (dollars in millions):

	Three Months Ended September 30,					
	2018			2017		
		Revenue	Percentage of Segment Revenue		Revenue	Percentage of Segment Revenue
System revenue	$	296.3	71.0%	$	281.9	72.2%
Aftermarket revenue		120.8	29.0%		108.7	27.8%
Total revenue	$	417.1	100.0%	$	390.6	100.0%

BEST Segment Revenue

BEST Segment revenue increased $4.8 million, or 10.4%, to $50.9 million for the three months ended September 30, 2018, compared to $46.1 million for the comparable period in 2017. The increase in revenue resulted primarily from the timing of shipments of superconductors and project completion.

System and wire revenue and aftermarket revenue as a percentage of total BEST Segment revenue were as follows (dollars in millions):

	Three Months Ended September 30,					
	2018			2017		
		Revenue	Percentage of Segment Revenue		Revenue	Percentage of Segment Revenue
System and wire revenue	$	50.2	98.6%	$	45.2	98.0%
Aftermarket revenue		0.7	1.4%		0.9	2.0%
Total revenue	$	50.9	100.0%	$	46.1	100.0%

Gross Profit and Operating Expenses

For the three months ended September 30, 2018, gross profit margin in the BSI Segment increased to 51.0% from 47.8% compared to the three months ended September 30, 2017. BEST Segment gross margin increased to 19.4% from 15.6% for the three months ended September 30, 2018 and 2017, respectively.

In the three months ended September 30, 2018, selling, general and administrative expenses and research and development expenses in the BSI Segment increased to $143.8 million, or 34.5% of segment revenue, from $138.2 million, or 35.4% of segment revenue. The decrease as a percentage of revenue was a result of higher revenue and disciplined expense management even after the assumption of expenses associated with acquisitions.

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Selling, general and administrative expenses and research and development expenses in the BEST Segment were $4.5 million, or 8.8% of segment revenue, compared to $5.1 million, or 11.1% of segment revenue, for the comparable period in 2017. The decrease was a result of operational improvements.

Operating Income

The following table presents operating income and operating margins on revenue by reportable segment (dollars in millions):

	Three Months Ended September 30,			
	2018		2017	
	Operating Income	Percentage of Segment Revenue	Operating Income	Percentage of Segment Revenue
BSI	$ 63.6	15.2%	$ 44.5	11.4%
BEST	5.4	10.6%	1.8	3.9%
Corporate, eliminations and other (a)	0.1		5.0	
Total operating income	$ 69.1	14.8%	$ 51.3	11.8%

(a) Represents corporate costs and eliminations not allocated to the reportable segments.

BSI Segment operating income for the three months ended September 30, 2018 was $63.6 million, resulting in an operating margin of 15.2%, compared to operating income of $44.5 million, resulting in an operating margin of 11.4%, for the comparable period in 2017. Operating income included $14.1 million and $14.0 million in the three months ended September 30, 2018 and 2017, respectively, of various charges for amortization of acquisition-related intangible assets and other acquisition-related costs, restructuring costs and costs associated with our global IT transformation initiative. Excluding these charges, non-GAAP operating margins were 18.6% and 15.0% for the three months ended September 30, 2018 and 2017, respectively. GAAP and non-GAAP operating margin increases were primarily a result of increased revenue, favorable product mix and ongoing operational improvements.

BEST Segment operating income increased for the three months ended September 30, 2018 to $5.4 million, resulting in an operating margin of 10.6%, compared to operating income of $1.8 million, resulting in an operating margin of 3.9%, for the comparable period in 2017. Operating income included $0.1 million and $0.4 million for the three months ended September 30, 2018 and 2017, respectively, of various charges for amortization of acquisition-related intangible assets and other acquisition-related costs and restructuring costs. Excluding these charges, non-GAAP operating margins were 10.8% and 4.8% for the three months ended September 30, 2018 and 2017, respectively. GAAP and non-GAAP operating margins increased primarily due to product mix and operational improvements.

Nine Months Ended September 30, 2018 compared to the Nine Months Ended September 30, 2017

Consolidated Results

The following table presents our results for the nine months ended September 30, 2018 and 2017 (dollars in millions, except per share data):

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	Nine Months Ended September 30, 2018	2017
Product revenue	$ 1,105.8	$ 1,029.2
Service revenue	230.8	200.4
Other revenue	5.4	5.8
Total revenue	1,342.0	1,235.4
Cost of product revenue	571.6	559.8
Cost of service revenue	142.2	114.9
Cost of other revenue	1.0	0.9
Total cost of revenue	714.8	675.6
Gross profit	627.2	559.8
Operating expenses:		
Selling, general and administrative	327.4	303.3
Research and development	128.6	118.5
Other charges, net	15.2	13.8
Total operating expenses	471.2	435.6
Operating income	156.0	124.2
Interest and other income (expense), net	(11.5)	(15.0)
Income before income taxes and noncontrolling interest in consolidated subsidiaries	144.5	109.2
Income tax provision	41.4	25.9
Consolidated net income	103.1	83.3
Net income attributable to noncontrolling interest in consolidated subsidiaries	1.5	1.3
Net income attributable to Bruker Corporation	$ 101.6	$ 82.0
Net income per common share attributable to Bruker Corporation shareholders:		
Basic	$ 0.65	$ 0.52
Diluted	$ 0.65	$ 0.51
Weighted average common shares outstanding:		
Basic	156.1	158.9
Diluted	157.2	159.9

Revenue

For the nine months ended September 30, 2018, our revenue increased $106.6 million, or 8.6%, to $1,342.0 million, compared to $1,235.4 million for the comparable period in 2017. Included in revenue was an increase of approximately $11.2 million from acquisitions and a $37.6 million increase caused by foreign currency translation. Excluding the effects of foreign currency translation and our recent acquisitions, our organic revenue, a non-GAAP measure, increased by $57.8 million, or 4.7%.

BSI Segment revenue increased by $107.0 million, or 9.7%, to $1,206.5 million for the nine months ended September 30, 2018, compared to $1,099.5 million for the nine months ended September 30, 2017. BEST Segment revenue decreased by $1.0 million, or 0.7%, to $139.2 million for the nine months ended September 30, 2018, compared to $140.2 million for the nine months ended September 30, 2017.

Please see the Segment Results section later in this section for additional discussion of our financial results by segment.

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Gross Profit

Gross profit for the nine months ended September 30, 2018 was $627.2 million, or 46.7% of revenue, compared to $559.8 million, or 45.3% of revenue, for the nine months ended September 30, 2017. Included in gross profit were various charges for amortization of acquisition-related intangible assets and other acquisition-related costs and restructuring costs totaling $19.0 million and $26.3 million for the nine months ended September 30, 2018 and 2017, respectively. Excluding these charges, our non-GAAP gross profit margins for the nine months ended September 30, 2018 and 2017 were 48.2% and 47.4%, respectively. The increase in gross profit margin resulted primarily from growth in revenue, favorable product mix and the impact of operational improvements, partially offset by a negative impact from foreign currency translation.

Selling, General and Administrative

Our selling, general and administrative expenses for the nine months ended September 30, 2018 increased to $327.4 million, or 24.4% of total revenue, from $303.3 million, or 24.6% of total revenue, for the comparable period in 2017. The increase was primarily the result of foreign currency translation earlier in the year.

Research and Development

Our research and development expenses for the nine months ended September 30, 2018 increased to $128.6 million, or 9.6% of total revenue, from $118.5 million, or 9.6% of total revenue, for the comparable period in 2017. The increase was primarily the result of foreign currency translation earlier in the year.

Other Charges, Net

Other charges, net of $15.2 million recorded for the nine months ended September 30, 2018 were primarily related to the BSI Segment and consisted of $5.9 million of restructuring costs related to closing facilities and implementing outsourcing and other restructuring initiatives, $3.5 million related to professional fees, $3.5 million of costs associated with our global IT transformation initiative and $2.3 million of acquisition-related charges related to acquisitions completed in 2018 and 2017.

Other charges, net of $13.8 million recorded for the nine months ended September 30, 2017 were primarily related to the BSI Segment and consisted of $6.9 million of restructuring costs related to closing facilities and implementing outsourcing and other restructuring initiatives, $3.8 million of acquisition-related charges related to acquisitions completed in 2016 and 2017 and $2.9 million of costs associated with our global IT transformation initiative.

Operating Income

Operating income for the nine months ended September 30, 2018 was $156.0 million, resulting in an operating margin of 11.6%, compared to operating income of $124.2 million, and an operating margin of 10.1%, for the nine months ended September 30, 2017. Included in operating income were various charges for amortization of acquisition-related intangible assets and other acquisition-related costs and restructuring costs totaling $39.1 million and $44.3 million for the nine months ended September 30, 2018 and 2017, respectively. Excluding these charges, our non-GAAP operating margins in the nine months ended September 30, 2018 and 2017 were 14.5% and 13.6%, respectively. The increase in our GAAP and non-GAAP operating margin resulted primarily from higher revenue and operational improvements, which more than offset the negative impact of foreign currency translation.

Interest and Other Income (Expense), Net

Interest and other income (expense), net during the nine months ended September 30, 2018 was an expense of $11.5 million compared to an expense of $15.0 million for the comparable period of 2017.

During the nine months ended September 30, 2018, the primary components within interest and other income (expense), net were net interest expense of $8.3 million, realized and unrealized losses on foreign currency denominated transactions of $1.6 million and $2.2 million related to pension plan expenses. During the nine months ended September 30, 2017, the primary components within interest and other income (expense), net were net interest expense of $11.1 million, and realized and unrealized losses on foreign currency denominated transactions of $3.9 million and $3.2 million, respectively, related to pension plan expenses, offset in part by proceeds from an insurance claim and other miscellaneous income of $3.2 million.

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Income Tax Provision

The 2018 and 2017 effective tax rates were estimated using projected annual pre-tax income on a jurisdictional basis. Expected tax benefits, including tax credits and incentives, the impact of changes to valuation allowances and the effect of jurisdictional differences in statutory tax rates were also considered in the calculation.

The income tax provision for the nine months ended September 30, 2018 and 2017 was $41.4 million and $25.9 million, respectively, representing effective tax rates of 28.7% and 23.7% respectively. The increase in our effective tax rate for the nine months ended September 30, 2018 was primarily due to the recording of items related to the refinement of the toll charge assessed under the 2017 Tax Act during the measurement period.

The majority of our earnings are derived in Germany and Switzerland. Accounting for the various federal and local taxing authorities, the statutory rates for 2018 are approximately 30.0% and 20.0% for Germany and Switzerland, respectively. The mix of earnings in those two jurisdictions resulted in an increase of 4.0% from the U.S. statutory rate of 21.0% in the nine months ended September 30, 2018. We have not been a party to any tax holiday agreements.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests in each of the nine months ended September 30, 2018 and 2017 was $1.5 million and $1.3 million, respectively. The net income attributable to noncontrolling interests represented the minority shareholders proportionate share of the net income recorded by our majority-owned subsidiaries.

Net Income Attributable to Bruker Corporation

Our net income attributable to Bruker for the nine months ended September 30, 2018 was $101.6 million, or $0.65 per diluted share, compared to $82.0 million, or $0.51 per diluted share, for the comparable period in 2017. The increase in net income and earnings per diluted share was primarily the result of strong revenue growth, margin expansion and a lower year-over-year share count.

Segment Results

For financial reporting purposes, we aggregate the Bruker BioSpin, Bruker CALID and Bruker Nano operating segments into the reportable BSI Segment, which represented approximately 89.9% of our revenues during the nine months ended September 30, 2018. This aggregation reflects these operating segments similar economic characteristics, production processes, service offerings, types and classes of customers, methods of distribution and regulatory environments. Our BEST Segment is our other reportable segment and represents the remainder of our revenues.

Reportable Segment Revenue

The following table presents revenue, change in revenue and revenue growth by reportable segment (dollars in millions):

	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017	Dollar Change	Percentage Change
BSI	$ 1,206.5	$ 1,099.5	$ 107.0	9.7%
BEST	139.2	140.2	(1.0)	(0.7)%
Eliminations (a)	(3.7)	(4.3)	0.6	
	$ 1,342.0	$ 1,235.4	$ 106.6	8.6%

(a) Represents product and service revenue between reportable segments.

BSI Segment Revenue

BSI Segment revenue increased by $107.0 million, or 9.7%, to $1,206.5 million for the nine months ended September 30, 2018, compared to $1,099.5 million for the nine months ended September 30, 2017. Revenue includes approximately $11.2 million attributable to recent acquisitions and approximately $31.5 million from the favorable impact of foreign currency translation. Excluding the effects of foreign currency translation and our recent acquisitions, organic revenue, a non-GAAP measure, increased by $64.3 million, or 5.8%.

The Bruker BioSpin Group revenue increased during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 due to slightly higher shipments of nuclear magnetic resonance and preclinical imaging products and growth in the service

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business.

The Bruker CALID Group revenue increased during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 as a result of increased demand for mass spectrometry instruments in academic and biopharmaceutical research, strong growth of mass spectrometry products, consumables and services in clinical microbiology markets and continued demand for infrared and Raman molecular spectroscopy products. These increases were slightly offset by lower revenue from radiological/nuclear detectors for CBRNE detection.

The Bruker Nano Group revenue increased during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 primarily as a result of higher industrial research and academic research revenues as well as contributions from 2018 acquisitions.

System revenue and aftermarket revenue as a percentage of total BSI Segment revenue were as follows (dollars in millions):

	Nine Months Ended September 30,					
	2018			2017		
		Revenue	Percentage of Segment Revenue		Revenue	Percentage of Segment Revenue
System revenue	$	858.1	71.1%	$	787.5	71.6%
Aftermarket revenue		348.4	28.9%		312.0	28.4%
Total revenue	$	1,206.5	100.0%	$	1,099.5	100.0%

BEST Segment Revenue

BEST Segment revenue decreased $1.0 million, or 0.7%, to $139.2 million for the nine months ended September 30, 2018, compared to $140.2 million for the comparable period in 2017. The decrease in revenue resulted primarily from lower product deliveries and the timing and mix of projects, partially offset by favorable changes in foreign currency translation, compared to the nine months ended September 30, 2017.

System and wire revenue and aftermarket revenue as a percentage of total BEST Segment revenue were as follows (dollars in millions):

	Nine Months Ended September 30,					
	2018			2017		
		Revenue	Percentage of Segment Revenue		Revenue	Percentage of Segment Revenue
System and wire revenue	$	136.4	98.0%	$	137.6	98.1%
Aftermarket revenue		2.8	2.0%		2.6	1.9%
Total revenue	$	139.2	100.0%	$	140.2	100.0%

Gross Profit and Operating Expenses

For the nine months ended September 30, 2018, gross profit margin in the BSI Segment increased to 50.0% from 48.6% compared to the nine months ended September 30, 2017 due to increased revenue, favorable mix and operational improvements. BEST Segment gross margin increased to 17.4% from 14.8% for the comparable period in 2017 due to certain operational improvements.

In the nine months ended September 30, 2018, selling, general and administrative expenses and research and development expenses in the BSI Segment were $441.2 million, or 36.6% of segment revenue, compared to $406.5 million, or 37.0% of segment revenue. The decrease as a percentage of revenue is primarily due to increased revenue and operational improvements.

Selling, general and administrative expenses and research and development expenses in the BEST Segment decreased to $14.8 million, or 10.6% of segment revenue, from $15.3 million, or 10.9% of segment revenue, for the comparable period in

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2017. The decrease is primarily due to operational improvements.

Operating Income

The following table presents operating income and operating margins on revenue by reportable segment (dollars in millions):

	Nine Months Ended September 30,			
	2018		2017	
	Operating Income	Percentage of Segment Revenue	Operating Income	Percentage of Segment Revenue
BSI	$ 146.5	12.1%	$ 114.9	10.5%
BEST	9.3	6.7%	4.3	3.1%
Corporate, eliminations and other (a)	0.2		5.0	
Total operating income	$ 156.0	11.6%	$ 124.2	10.1%

(a) Represents corporate costs and eliminations not allocated to the reportable segments.

BSI Segment operating income for the nine months ended September 30, 2018 was $146.5 million, resulting in an operating margin of 12.1%, compared to operating income of $114.9 million, resulting in an operating margin of 10.5%, for the comparable period in 2017. Operating income included $38.7 million and $39.7 million for the nine months ended September 30, 2018 and 2017, respectively, of various charges for amortization of acquisition-related intangible assets and other acquisition-related costs, restructuring costs and costs associated with our global IT transformation initiative. Excluding these charges, non-GAAP operating margins were 15.4% and 14.1% in the nine months ended September 30, 2018 and 2017, respectively. The increase in our GAAP and non-GAAP operating margins was primarily due to the favorable impact of higher revenue and operational improvements, partially offset by unfavorable foreign currency translation.

BEST Segment operating income increased for the nine months ended September 30, 2018 to $9.3 million, resulting in an operating margin of 6.7%, compared to an operating income of $4.3 million, resulting in an operating margin of 3.1%, for the comparable period in 2017. Operating income included $0.4 million and $4.6 million for the nine months ended September 30, 2018 and 2017, respectively, of various charges for amortization of acquisition-related intangible assets and other acquisition-related costs and restructuring costs. Excluding these charges, non-GAAP operating margins were 7.0% and 6.3% for the nine months ended September 30, 2018 and 2017, respectively. GAAP and non-GAAP operating margins increased primarily due to reduced production and operating costs.

LIQUIDITY AND CAPITAL RESOURCES

We anticipate that our existing cash and credit facilities will be sufficient to support our operating and investing needs for at least the next twelve months. Our future cash requirements could be affected by acquisitions that we may complete, repurchases of our common stock, or the payment of dividends in the future. Historically, we have financed our growth and liquidity needs through cash flow generation and a combination of debt financings and issuances of common stock. In the future, there are no assurances that we will continue to generate cash flow from operations or that additional financing alternatives will be available to us, if required, or if available, will be obtained on terms favorable to us.

During the nine months ended September 30, 2018, net cash provided by operating activities was $107.4 million, resulting from consolidated net income adjusted for non-cash items of $179.7 million, partially offset by an increase in operating assets and liabilities, net of acquisitions and divestitures of $72.3 million. The increase in operating assets and liabilities, net of acquisitions and divestitures for the nine months ended September 30, 2018 was primarily caused by an increase in inventory for orders in 2018.

During the nine months ended September 30, 2017, net cash provided by operating activities was $50.7 million, resulting from consolidated net income adjusted for non-cash items of $141.0 million, including fewer write-downs of demonstration units, partially offset by an increase in operating assets and liabilities, net of acquisitions and divestitures of $90.3 million. The increase in operating assets and liabilities, net of acquisitions and divestitures for the nine months ended September 30, 2017 was primarily caused by an increase in inventory for orders in 2017, offset in part by inventory reductions as part of our factory consolidations and an increase in customer advances based on the timing of receipts.

During the nine months ended September 30, 2018, net cash provided by investing activities was $32.9 million, compared to net cash used in investing activities of $74.7 million during the nine months ended September 30, 2017. Cash provided by investing activities during the nine months ended September 30, 2018 was primarily caused by the maturities of short-term investments of $117.0 million, offset by the cash paid for acquisitions of $55.3 million and purchases of property, plant and equipment, net of proceeds from the sale of property, plant and equipment, of $28.8 million. Cash used in investing activities during the nine months ended September 30, 2017 was primarily caused by the cash paid for acquisitions, net of cash acquired, of $65.8 million and the purchases of property, plant and equipment, net of proceeds from the sale of property, plant and equipment, of $24.4 million, offset in part, by net purchases and maturities of short-term investments of $15.5 million.

During the nine months ended September 30, 2018, net cash used in financing activities was $189.0 million, compared to net cash used in financing activities of $69.5 million during the nine months ended September 30, 2017. Net cash used in financing activities during the nine months ended September 30, 2018 was primarily attributable to repayment of $202.5 million of borrowings under the 2015 Credit Agreement and $18.8 million used for the payment of dividends. This was offset by $27.5 million in proceeds from borrowings under the 2015 Credit Agreement and $8.9 million of proceeds from the issuance of common stock, net. Net cash used in financing activities during the nine months ended September 30, 2017 was primarily attributable to repayment of $65.0 million of borrowings under the 2015 Credit Agreement; repayment of $20.0 million of Senior Notes; $129.7 million for the repurchase of our common stock; and $19.1 million used for the payment of dividends. These effects were funded in part by borrowings of $154.0 million under the 2015 Credit Agreement and $15.3 million proceeds from the issuance of common stock, net.

In May 2017, our Board of Directors approved the Repurchase Program under which repurchases of common stock in the amount of up to $225.0 million were authorized to occur from time to time, in amounts, at prices, and at such times as we deem appropriate, subject to market conditions, legal requirements and other considerations. No repurchases occurred under this Repurchase Program in the nine months ended September 30, 2018. The remaining authorization as of November 5, 2018 is $72.8 million. We intend to fund any additional repurchases from cash on hand, future cash flows from operations and available borrowings under our revolving credit facility.

The repurchased shares are reflected within Treasury stock in the accompanying consolidated balance sheet at September 30, 2018.

Cash, cash equivalents and short-term investments at September 30, 2018 and December 31, 2017 totaled $270.1 million and $439.2 million, respectively, of which $236.0 million and $405.8 million, respectively, related to foreign cash and short-term investments, most significantly in the Netherlands and Switzerland.

At December 31, 2017 and in accordance with the 2017 Tax Act, we recorded state and foreign withholding taxes, as well as subsequent foreign currency translations on these withholding taxes as they are an obligation of the parent company, on the cash and liquid assets portion of the unremitted earnings and profits (E&P) of foreign subsidiaries expected to be repatriated from our foreign subsidiaries to the United States. We continue to be indefinitely reinvested in the amount of $740.0 million of non-cash E&P that is subject to the 2017 Tax Act deemed repatriation. If this E&P is ultimately distributed to the United States in the form of dividends or otherwise we would likely be subject to additional withholding tax. We will continue to evaluate our assertions on the cumulative historical outside basis differences in our foreign subsidiaries as of December 31, 2017. We expect to finalize this analysis and accounting related to the toll charge and any remaining outside basis differences in our foreign subsidiaries during the measurement period provided under the 2017 Tax Act. We estimate the amount of unrecognized deferred withholding taxes on the undistributed E&P to be approximately $27.0 million at December 31, 2017.

As of September 30, 2018, we had approximately $1.5 million of net operating loss carryforwards available to reduce state taxable income; approximately $79.1 million of net operating losses available to reduce German federal income and trade taxes that are carried forward indefinitely; $3.9 million of other foreign net operating losses available that are carried forward indefinitely and $10.2 million of other foreign net operating losses that are expected to expire at various times beginning in 2019. We also had U.S. state research and development tax credits of $7.4 million. Utilization of these credits and state net operating losses may be subject to annual limitations due to the ownership percentage change limitations provided by the Internal Revenue Code Section 382 and similar state provisions. In the event of a deemed change in control under Internal Revenue Code Section 382, an annual limitation on the utilization of net operating losses and credits may result in the expiration of all or a portion of the net operating loss and credit carryforwards.

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At September 30, 2018, we had outstanding debt totaling $240.6 million, consisting of $220.0 million outstanding under the Note Purchase Agreement; $20.0 million outstanding under the 2015 Credit Agreement; and $1.2 million under capital lease obligations and other loans. These amounts were offset by unamortized debt issuance costs under the Note Purchase Agreement of $0.6 million. At December 31, 2017, we had outstanding debt totaling $415.6 million, consisting of $220.0 million outstanding under the Note Purchase Agreement; $195.0 million outstanding under the 2015 Credit Agreement; and $1.3 million under capital lease obligations and other loans. These amounts were offset by unamortized debt issuance costs under the Note Purchase Agreement of $0.7 million.

The following is a summary of the maximum commitments and the net amounts available to us under the 2015 Credit Agreement and other lines of credit with various financial institutions located primarily in Germany and Switzerland that are unsecured and typically due upon demand with interest payable monthly, at September 30, 2018 (dollars in millions):

	Weighted Average Interest Rate	Total Amount Committed by Lenders	Outstanding Borrowings	Outstanding Letters of Credit	Total Amount Available
2015 Credit Agreement	3.2%	$ 500.0	$ 20.0	$ 1.1	$ 478.9
Other lines of credit		250.8		119.6	131.2
Total revolving lines of credit		$ 750.8	$ 20.0	$ 120.7	$ 610.1

On October 27, 2015, we entered into the 2015 Credit Agreement, and terminated the prior credit agreement. The 2015 Credit Agreement provides a maximum commitment on the revolving credit line of $500.0 million and a maturity date of October 2020. Borrowings under the revolving credit line accrue interest, at our option, at either (a) the greatest of (i) the prime rate, (ii) the federal funds rate plus 0.50%, and (iii) adjusted LIBOR plus 1.00%, plus margins ranging from 0.00% to 0.30% or (b) LIBOR, plus margins ranging from 0.90% to 1.30%. There is also a facility fee ranging from 0.10% to 0.20%.

Borrowings under the 2015 Credit Agreement are secured by guarantees from certain material subsidiaries, as defined in the 2015 Credit Agreement. The 2015 Credit Agreement also requires us to maintain certain financial ratios related to maximum leverage and minimum interest coverage. Specifically, our leverage ratio cannot exceed 3.5 and our interest coverage ratio cannot be less than 2.5. In addition to the financial ratios, the 2015 Credit Agreement contains negative covenants, including among others, restrictions on liens, indebtedness of the Company and its subsidiaries, asset sales, dividends and transactions with affiliates. Failure to comply with any of these restrictions or covenants may result in an event of default on the 2015 Credit Agreement, which could permit acceleration of the debt and require us to prepay the debt before its scheduled due date.

As of September 30, 2018, we were in compliance with the covenants, as defined by both the 2015 Credit Agreement and the Note Purchase Agreement, as our leverage ratio was 0.68 and our interest coverage ratio was 20.9.

In January 2012, we entered into the Note Purchase Agreement, with a group of accredited institutional investors. Pursuant to the Note Purchase Agreement, we issued and sold $240.0 million of Senior Notes, which consist of the following:

- $20.0 million 3.16% Series 2012A Senior Notes, Tranche A, due January 18, 2017;

- $15.0 million 3.74% Series 2012A Senior Notes, Tranche B, due January 18, 2019;
- $105.0 million 4.31% Series 2012A Senior Notes, Tranche C, due January 18, 2022; and
- $100.0 million 4.46% Series 2012A Senior Notes, Tranche D, due January 18, 2024.

On January 18, 2017, the outstanding $20.0 million principal amount of Tranche A of the Senior Notes was repaid in accordance with the terms of the Note Purchase Agreement.

RECENT ACCOUNTING PRONOUNCEMENTS

In March 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This new standard intends to improve the presentation of net periodic pension cost and net periodic postretirement benefit cost. The new standard requires the service cost component of net periodic cost be reported in the same line item(s) as other employee compensation costs and all other components of the net periodic cost be reported in the condensed consolidated statements of income and comprehensive income below operating income. We adopted this guidance on January 1, 2018 on a retrospective basis. We reclassified the non-service pension cost previously reported in operations of $1.4 million and $3.2 million for the three and nine months ended September 30, 2017, respectively. The impact of this for the three and nine months ended September 30, 2018 was $0.9 million and $2.2 million, respectively. These amounts were previously reported in cost of sales, selling, general, and administrative, and research and development expenses in the unaudited condensed consolidated statements of income and comprehensive income.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.* The new standard simplifies the subsequent measurement of goodwill by eliminating the second step of the goodwill impairment test. This ASU will be applied prospectively and is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. The adoption of this standard is not expected to have a material impact on our financial position, results of operations or statements of cash flows upon adoption.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business.* This new standard clarifies the definition of a business and provides a screen to determine when an integrated set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This new standard was adopted as of the effective date of January 1, 2018. We have evaluated the provisions of this standard and have determined that the impact of adoption of ASU No. 2017-01 was not material to our consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740) Intra-Entity Transfer of Assets Other than Inventory*. The new standard requires recognition of current and deferred income taxes resulting from an intra-entity transfer of any asset (excluding inventory) when the transfer occurs. This is a change from existing U.S. GAAP which prohibits recognition of current and deferred income taxes until the asset is sold to a third party. This new standard was adopted as of the effective date of January 1, 2018. We have evaluated the provisions of this standard and have determined that the impact of adoption of ASU No. 2016-16 was not material to our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard provides guidance on the recognition, measurement, presentation and disclosure of leases. The new standard supersedes present U.S. GAAP guidance on leases and requires substantially all leases to be reported on the balance sheet as right-of-use assets and lease liabilities, as well as additional disclosures. The new standard is effective as of January 1, 2019, and early adoption is permitted. Under ASU No. 2016-02, companies are required to transition to the new standard in the period of adoption at the beginning of the earliest period presented in the financial statements (January 1, 2017 for Bruker). In July 2018, the FASB issued ASU No. 2018-11 as an update to ASU No. 2016-02, which in part provided companies the option of transitioning to the new standard as of the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. We expect to adopt the new standard as of January 1, 2019 using the alternative transition method under ASU No. 2018-11. We are continuing to evaluate the provisions of the new standard, but currently expect that it will have a material impact on our consolidated balance sheet due to the recognition of right-of-use assets and lease liabilities for substantially all leases currently accounted for as operating leases.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are potentially exposed to market risks associated with changes in foreign currency, interest rates and commodity prices. We selectively use financial instruments to reduce these risks. All transactions related to risk management techniques are authorized and executed pursuant to our policies and procedures. Analytical techniques used to manage and monitor foreign currency and interest rate risk include market valuations and sensitivity analysis.

Impact of Foreign Currencies

We generate a substantial portion of our revenues in international markets, principally Germany and other countries in the European Union, Switzerland and Japan, which exposes our operations to the risk of exchange rate fluctuations. The impact of currency exchange rate movement can be positive or negative in any period. Our costs related to sales in foreign currencies are largely denominated in the same respective currencies, reducing our transaction risk exposure. However, for foreign currency denominated sales in certain regions, such as Japan, where we do not incur significant costs denominated in that foreign currency, we are more exposed to the impact of foreign currency fluctuations.

For sales not denominated in U.S. Dollars, if there is an increase in the rate at which a foreign currency is exchanged for U.S. Dollars, it will require more of the foreign currency to equal a specified amount of U.S. Dollars than before the rate increase. In such cases, if we price our products in the foreign currency, we will receive less in U.S. Dollars than we would have received before the rate increase went into effect. If we price our products in U.S. Dollars and competitors price their products in local currency, an increase in the relative strength of the U.S. Dollar could result in our prices not being competitive in a market where business is transacted in the local currency. For example, if the U.S. Dollar strengthened against the Japanese Yen, our Japanese-based competitors would have a greater pricing advantage over us.

Changes in foreign currency translation rates increased our revenue by 3.0% for the nine months ended September 30, 2018 and decreased our revenue by approximately 0.4% for the nine months ended September 30, 2017.

Assets and liabilities of our foreign subsidiaries, where the functional currency is the local currency, are translated into U.S. dollars using period-end exchange rates. Revenues and expenses of foreign subsidiaries are translated at the average exchange rates in effect during the year. Adjustments resulting from financial statement translations are included as a separate component of shareholders equity. For the nine months ended September 30, 2018 and 2017, we recorded net (losses) gains from currency translation adjustments of $(17.1) million and $87.0 million, respectively. Gains and losses resulting from foreign currency transactions are reported in interest and other income (expense), net in the unaudited condensed consolidated statements of income and comprehensive income. Our foreign exchange losses, net were $1.6 million and $3.9 million, for the nine month periods ended September 30, 2018 and 2017, respectively.

From time to time, we have entered into foreign exchange contracts designed to minimize the volatility that fluctuations in foreign currency have on our cash flows related to purchases and sales denominated in foreign currencies. Under these arrangements, we agree to purchase a fixed amount of a foreign currency in exchange for a fixed amount of U.S. Dollars or other currencies on specified dates typically with maturities of less than twelve months with some agreements extending to longer periods. These transactions are recorded at fair value with the corresponding gains and losses recorded in interest and other income (expense), net in the unaudited condensed consolidated statements of income and comprehensive income. At September 30, 2018 and December 31, 2017, we had foreign exchange contracts with notional amounts aggregating $113.3 million and $84.2 million, respectively. We will continue to evaluate our currency risks and in the future may utilize foreign currency contracts more frequently.

Impact of Interest Rates

We regularly invest excess cash in short-term investments that are subject to changes in interest rates. We believe that the market risk arising from holding these financial instruments is minimal because of our policy of investing in short-term financial instruments issued by highly rated financial institutions.

Our exposure related to adverse movements in interest rates is derived primarily from outstanding floating rate debt instruments that are indexed to short-term market rates. We currently have a higher level of fixed rate debt, which limits our exposure to adverse movements in interest rates.

Impact of Commodity Prices

We are exposed to certain commodity risks associated with prices for various raw materials. The prices of copper and certain other raw materials, particularly niobium tin, used to manufacture superconductors have increased significantly over the last decade. Copper and niobium tin are the main components of low temperature superconductors and continued commodity price increases for copper and niobium as well as other raw materials may negatively affect our profitability. Periodically, we enter into commodity forward purchase contracts to minimize the volatility that fluctuations in the price of copper have on our sales of these products. At September 30, 2018 and December 31, 2017, we had fixed price commodity contracts with notional amounts aggregating $7.5 million and $3.0 million, respectively. We will continue to evaluate our commodity risks and may utilize commodity forward purchase contracts more frequently in the future.

Inflation

We do not believe inflation had a material impact on our business or operating results during any of the periods presented.

ITEM 4. CONTROLS AND PROCEDURES

We have established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act) that are designed to ensure that material information relating to us, including our consolidated subsidiaries, is made known to our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer and principal accounting officer) by others within our organization. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of September 30, 2018. Based on this evaluation our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2018 to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms.

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2018 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in lawsuits, claims, and proceedings, including, but not limited to, patent and commercial matters, which arise in the ordinary course of business. There are no such matters pending that we currently believe are reasonably possible of having a material impact on our business or to our consolidated financial statements.

In addition, we are subject to regulation by national, state and local government agencies in the United States and other countries in which it operates. From time to time, we are the subject of governmental investigations often involving regulatory, marketing and other business practices. These governmental investigations may result in the commencement of civil and criminal proceedings, fines, penalties and administrative remedies which could have a material adverse effect on our financial position, results of operations and/or liquidity.

In August 2018, the Korea Fair Trade Commission (KFTC) informed us that it is conducting an investigation into the public tender bidding activities of a number of life science instrument companies operating in Korea, including Bruker Korea Co., Ltd. We are cooperating fully with the KFTC regarding this matter and are unable to predict the timing or outcome of this investigation at this time. Revenues from Korea represent less than 3% of our consolidated revenue for the nine month period ended September 30, 2018.

On October 19, 2017, we received a notice of investigation and subpoena to produce documents from the Division of Enforcement of the SEC. The subpoena seeks information related to an employee terminated as part of a restructuring and certain matters involving our policies and accounting practices related to revenue recognition and restructuring activities, as well as related financial reporting, disclosure and compliance matters, since January 1, 2013. The subpoena also seeks information concerning, among other things, our previously identified material weakness in internal controls over the accounting for income taxes, related financial reporting matters and certain payments for non-employee travel expenses. We are producing documents in response to the subpoena and intends to continue to cooperate fully with the SEC s investigation. Additionally, the Audit Committee of the Company s Board of Directors, with the assistance of outside counsel, is conducting an internal investigation into practices of certain business partners in China and into the conduct of former employees of the Bruker Optics division in China which raised questions of compliance with laws, including the U.S. Foreign Corrupt Practices Act, and/or compliance with our business policies and code of conduct. The Company has voluntarily disclosed this matter to the SEC and U.S. Department of Justice. At this time, we are unable to predict the duration, scope or outcome of these investigations.

ITEM IA. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017, which could materially affect our business, financial condition or future results. The risks described in this report and in our Annual Report

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on Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In May 2017, our Board of Directors approved and we announced the Repurchase Program under which repurchases of our common stock of up to $225.0 million may occur from time to time, in amounts, at prices, and at such times as we deem appropriate, subject to market conditions, legal requirements and other considerations. No repurchases under this program occurred in the three and nine months ended September 30, 2018. As of September 30, 2018, shares of common stock with an aggregate cost of approximately $152.2 million have been repurchased. Any future repurchases will be funded from cash on hand, future cash flows from operations and available borrowings under the revolving credit facility. The remaining authorization under the Repurchase Program is $72.8 million as of November 5, 2018. The Repurchase Program expires May 11, 2019 and can be suspended, modified or terminated at any time without prior notice.

The following table sets forth all purchases made by or on behalf of us or any affiliated purchaser, as defined in Rule 10b-18(a)(3) under the Exchange Act, of shares of our common stock during each month in the third quarter of 2018.

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares (or approximate dollar value) that May Yet Be Purchased Under the Plans or Programs
July 1 - July 31, 2018		$		$ 72,828,939
August 1 - August 31, 2018	4,666	34.74		72,828,939
September 1 - September 30, 2018				72,828,939
	4,666	$ 34.74		

(1) Includes 4,666 shares surrendered by participants under our long-term incentive plans to pay taxes upon vesting of restricted stock awards.

(2) There was no share repurchase activity under the Repurchase Program, as described above, during the three months ended September 30, 2018.

ITEM 6. EXHIBITS

Exhibit No.	**Description**
31.1	Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002(1)
31.2	Certification by Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002(1)
32.1	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(2)
101	The following materials from the Bruker Corporation Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018 formatted in Extensible Business Reporting Language (XBRL): (i) the Unaudited Condensed Consolidated Statements of Income and Comprehensive Income, (ii) the Unaudited Condensed Consolidated Balance Sheets, (iii) the Unaudited Condensed Consolidated Statements of Cash Flows and (iv) Notes to the Unaudited Condensed Consolidated Financial Statements(1)

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(1) Filed herewith.

(2) Furnished herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	BRUKER CORPORATION	
Date: November 9, 2018	By:	/s/ FRANK H. LAUKIEN, PH.D. Frank H. Laukien, Ph.D. *President, Chief Executive Officer and Chairman* *(Principal Executive Officer)*
Date: November 9, 2018	By:	/s/ GERALD N. HERMAN Gerald N. Herman *Chief Financial Officer and Vice President* *(Principal Financial Officer and Principal Accounting Officer)*