Third Quarter 2019 Earnings Call

NOVEMBER 5, 2019

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Disclaimer

FORWARD-LOOKING STATEMENTS

- This presentation contains forward-looking statements. All statements other than statements of historical fact included in this presentation are forward-looking statements, including our goals for long-term growth and our full year 2019 outlook. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. These statements may be preceded by, followed by or include the words “aim,” “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “outlook,” “plan,” “potential,” “projection,” “continue,” “goal,” “objective,” “opportunity,” “near-term,” “long-term,” “assumption,” “project,” “guidance,” “target,” “trend,” “seek,” “can,” “could,” “may,” “should,” “would,” “will,” the negatives thereof and other words and terms of similar meaning.
- Forward-looking statements are inherently subject to risks, uncertainties and assumptions; they are not guarantees of performance. You should not place undue reliance on these statements. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that our assumptions made in connection with the forward-looking statements are reasonable, we cannot assure you that the assumptions and expectations will prove to be correct. Factors that could contribute to these risks, uncertainties and assumptions include, but are not limited to, the factors described in “Risk Factors” in our recently filed Registration Statement on Form S-1 and our Form 10-Q that will be filed later today. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. In addition, all forward-looking statements speak only as of the date of this presentation. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise other than as required under the federal securities laws.

NON-GAAP FINANCIAL MEASURES

- To evaluate our performance, we monitor a number of key indicators at the consolidated level and, in certain cases, at the segment level. As appropriate, we supplement our results of operations determined in accordance with U.S. generally accepted accounting principles (“GAAP”) with certain non-GAAP financial measurements that are used by management, and which we believe are useful to investors, as supplemental operational measurements to evaluate our financial performance. These measurements should not be considered in isolation or as a substitute for reported GAAP results because they may include or exclude certain items as compared to similar GAAP-based measurements, and such measurements may not be comparable to similarly-titled measurements reported by other companies. Rather, these measurements should be considered as an additional way of viewing aspects of our operations that provide a more complete understanding of our business. We strongly encourage investors to review our consolidated financial statements in their entirety and not rely solely on any one, single financial measurement. See “Use of Non-GAAP Financial Measures” in our press release issued today. A reconciliation of non-GAAP measures can be found at the back of the deck.

Third quarter performance

	Q3	Q3 YTD	FYE	
Organic revenue growth	2.4%	5.4%	~5.5%	– Biopharma: ~7% growth Q3 – ~ 200 bps sales growth dilution in Q3 from PY one-off
Adj. EBITDA margin expansion	(38) bps	83 bps	~100 bps	– Growth, leverage and synergies on track – FX and mix headwinds ~100 bps
Adjusted EPS growth	49%	51%	~50%	– Adjusted EBITDA growth, deleveraging and tax rate – Normalized share count (642.7M shares)
Unlevered free cash flow	$206.1M	$403.8M	~$550M	– Q3 growth 48% – YTD growth 34%
Leverage	4.8X *(down 0.2X)*	4.8X *(down 2.2X)*	~4.5X	– 2019 YTD deleveraging from 7.0X to 4.8X – 0.6X of 2.2X decline organic; remainder IPO

Third quarter highlights

ORGANIC REVENUE GROWTH

2.4%

SYNERGY RUN RATE

$247 M

ADJUSTED EPS GROWTH

49%

DELEVERAGING

5.0X → 4.8X

PERFORMANCE HIGHLIGHTS

- Consistent growth trends offset by challenging comps and discrete Q3’18 growth elements
- HSD growth in biopharma reflects continued momentum
- On track to capture $300M of VWR integration synergies
- Earnings growth supported by operating performance and continuing interest expense benefits
- Strong cash flow enables continued deleveraging

BUSINESS HIGHLIGHTS

- Attained multi-year contract extensions with several top tier biopharma accounts with no significant losses in the quarter
- Acquired several notable customers, particularly in the CRO and education space
- Initiated investments to expand innovation center and manufacturing capacity to strengthen bioproduction capabilities
- Onboarded Tanya Foxe as new EVP, Global Operations and Supply Chain

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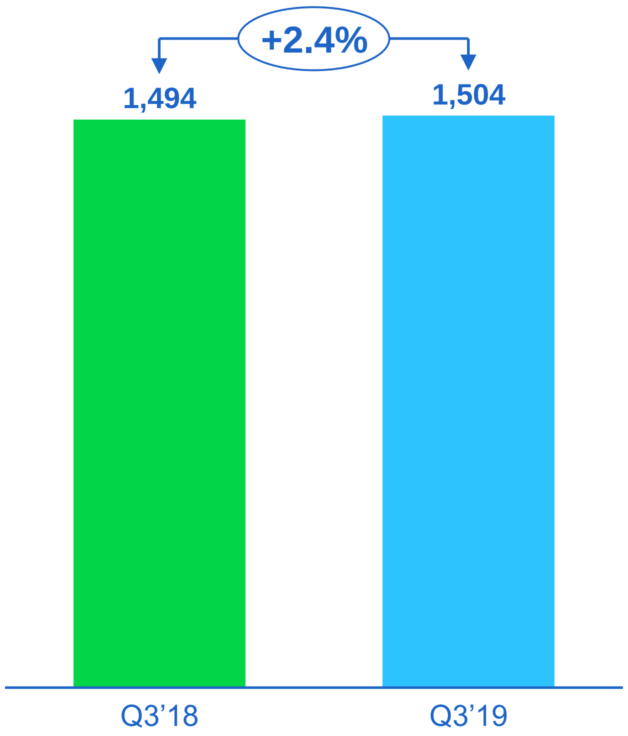
Q3 organic revenue growth by region

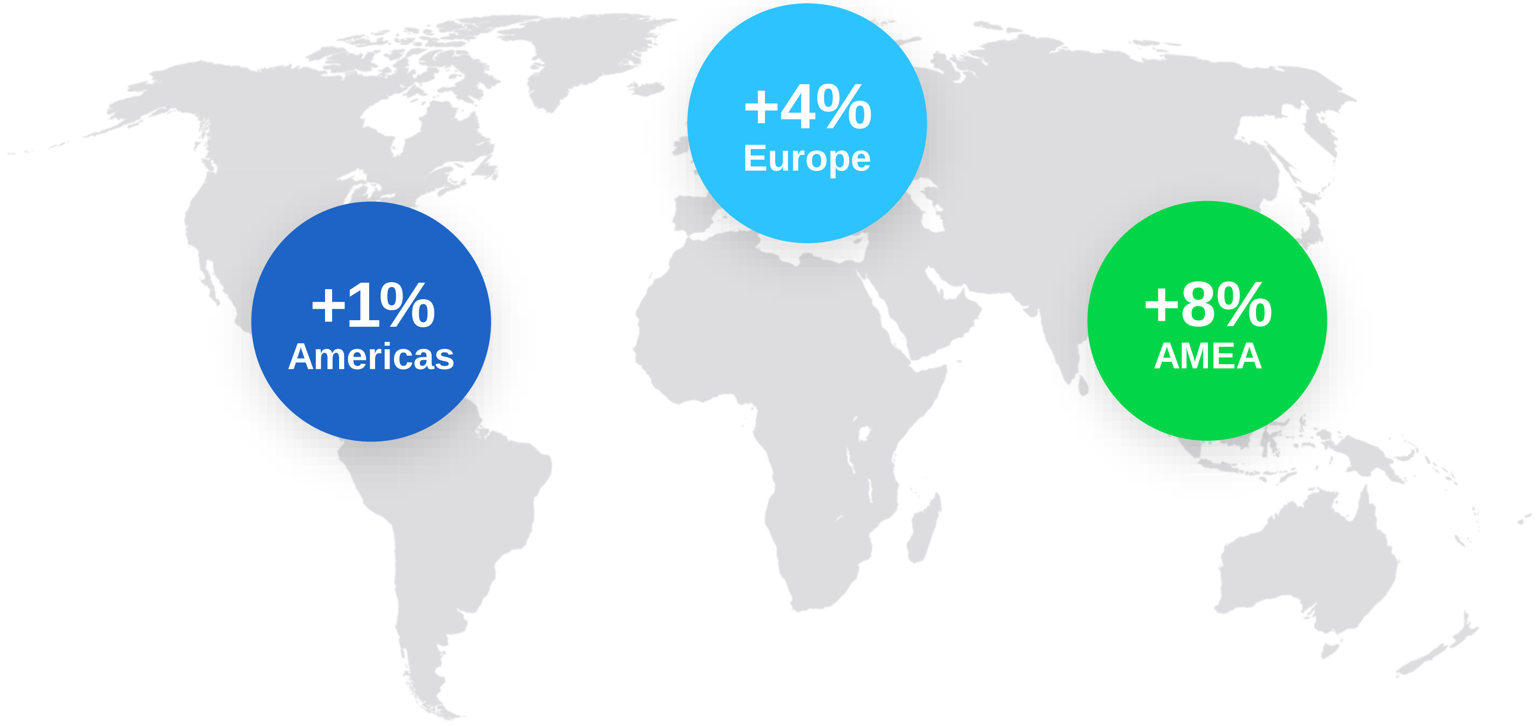
($M)

Organic revenue growth %

Revenue



Organic growth by region



Q3 organic revenue growth by end market and product group

By end market	
Biopharma	HSD
Healthcare	Flat
Education & government	(LSD)
Advanced technologies & applied materials	Flat

By product group	
Proprietary materials & consumables	(LSD)
Third-party materials & consumables	MSD
Services & specialty procurement	LDD
Equipment & instrumentation	LSD

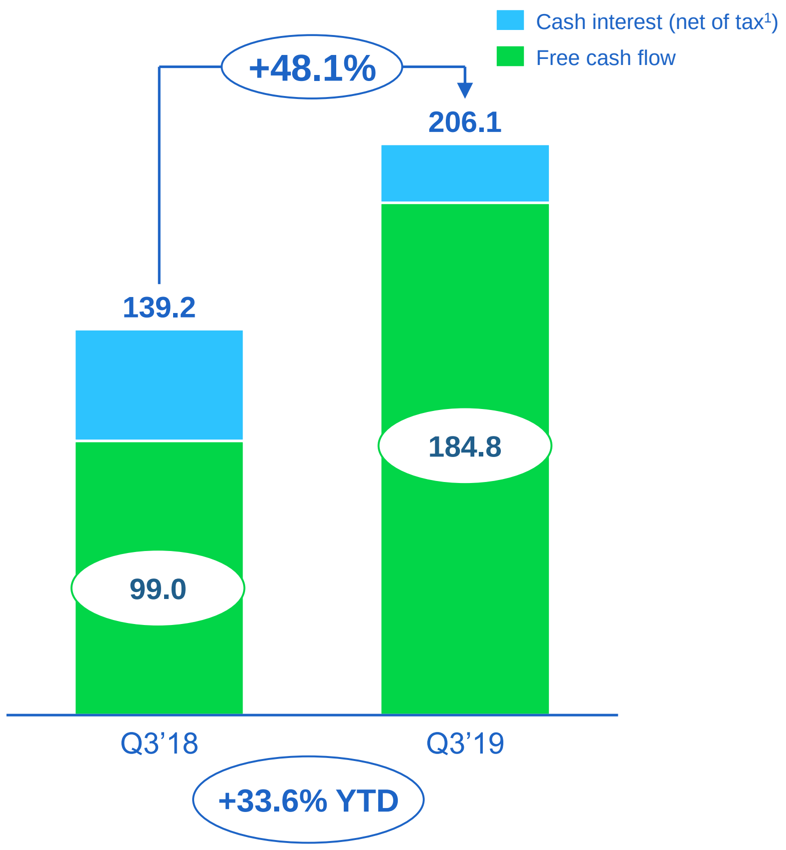
LSD = Low Single Digit, MSD = Mid Single Digit, HSD = High Single Digit, LDD = Low Double Digit

Q3 performance

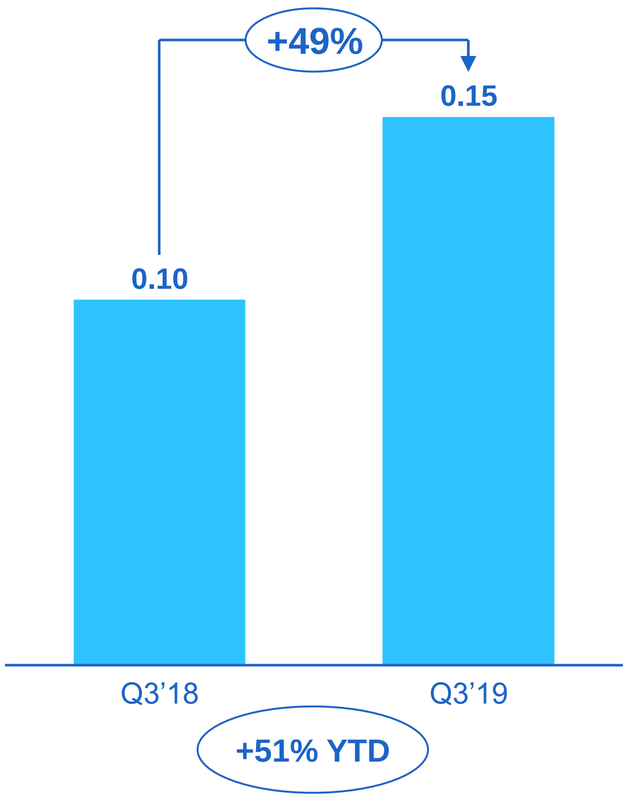
($M, except per share data)

Adjusted EBITDA

Unlevered free cash flow



Adjusted EPS (Normalized share count)[2]



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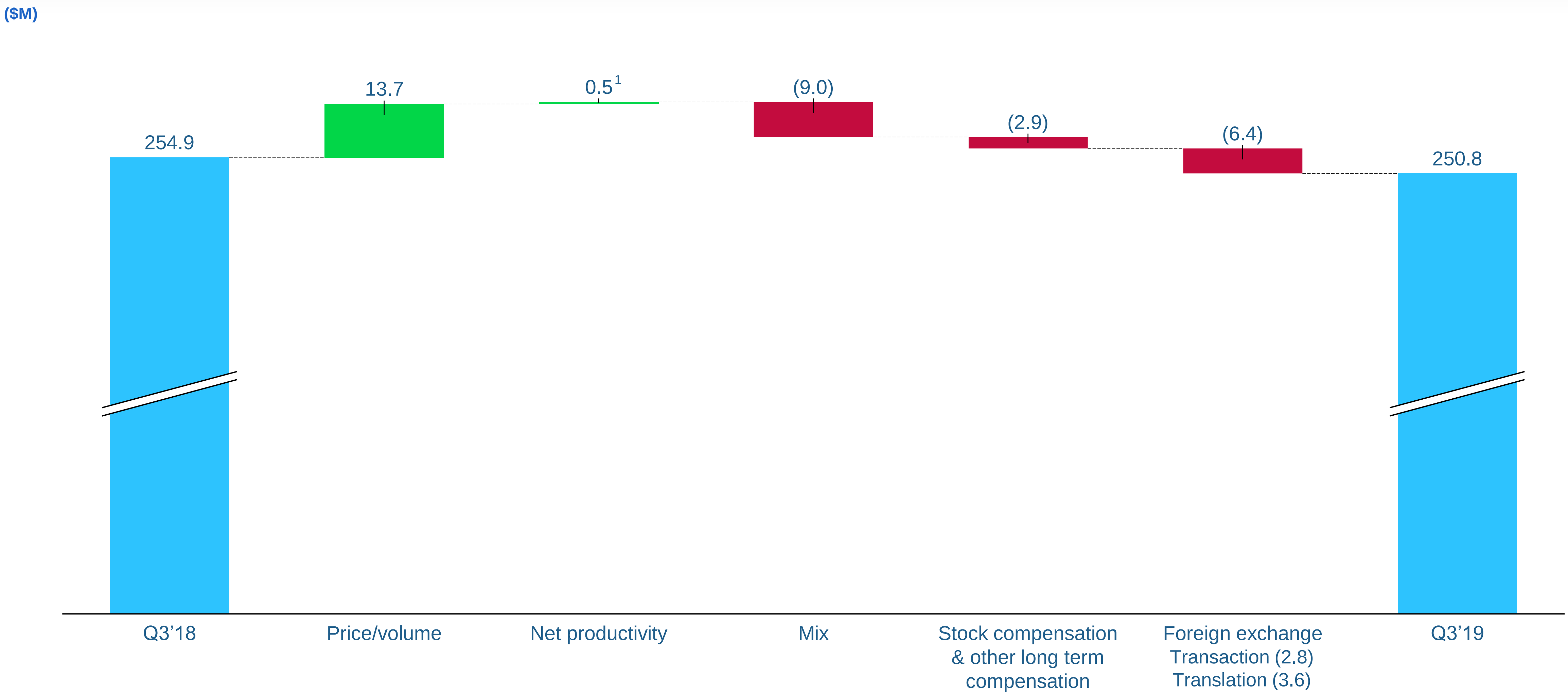
1 Cash interest tax-effected using a 32% tax rate for Q3 2018 and 30% tax rate for Q3 2019
2 Assumes fully diluted average weighted shares outstanding of 642.7M for both periods

Q3 adjusted EBITDA

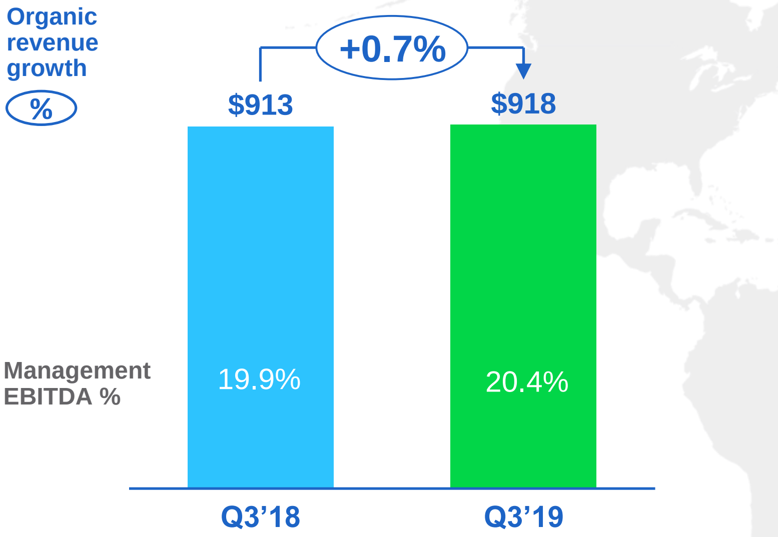


1 Reflects productivity and synergies from VWR acquisition offset by strategic investments and inflation.

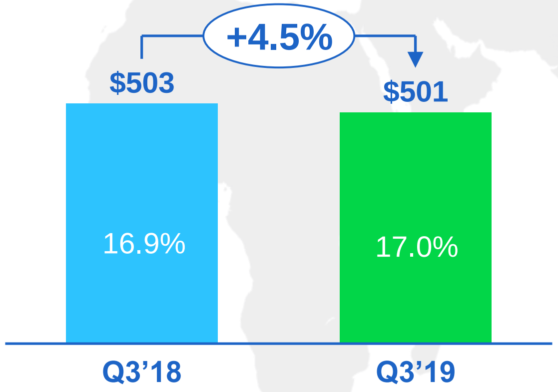
Q3 segment performance

Revenue, $M

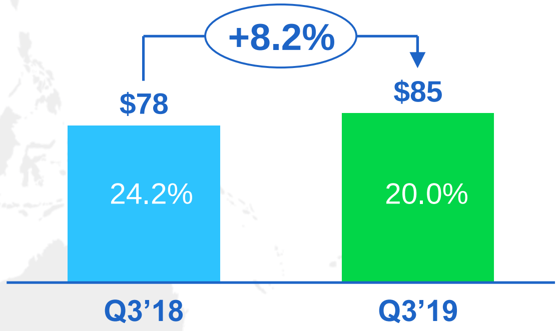
Americas



Europe



AMEA



Key Drivers

Americas

- Biopharma MSD: strong volume on research and development and LDD production growth.
- Education & government MSD contraction: non-recurrence of 2018 discrete volume.
- Improved Management EBITDA % from strong price over product cost inflation offset by lower volume and adverse mix.

Europe

- Biopharma HSD: broad-based growth in strategic accounts and new customer wins.
- Advanced technologies & applied materials LSD: strength in materials and consumables offset by softness in equipment & instrumentation.
- Improved Management EBITDA % from price over product cost inflation, volume leverage, and SGA productivity offset by timing of supplier rebates and FX.

AMEA

- Biopharma LDD: volume growth in lab products offset by timing on production campaigns.
- Advanced technologies & applied materials MSD: strength in materials and consumables.
- Lower Management EBITDA %: positive volume impacts more than offset by investments in customer-facing resources and new supply chain facilities.

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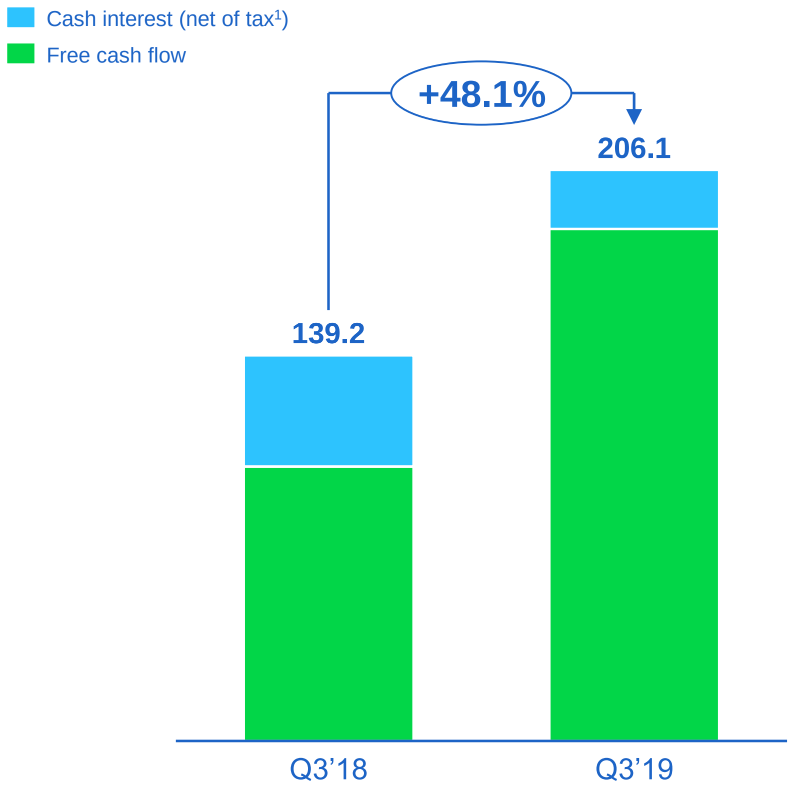
Q3 free cash flow generation

($M)

Unlevered Free Cash Flow

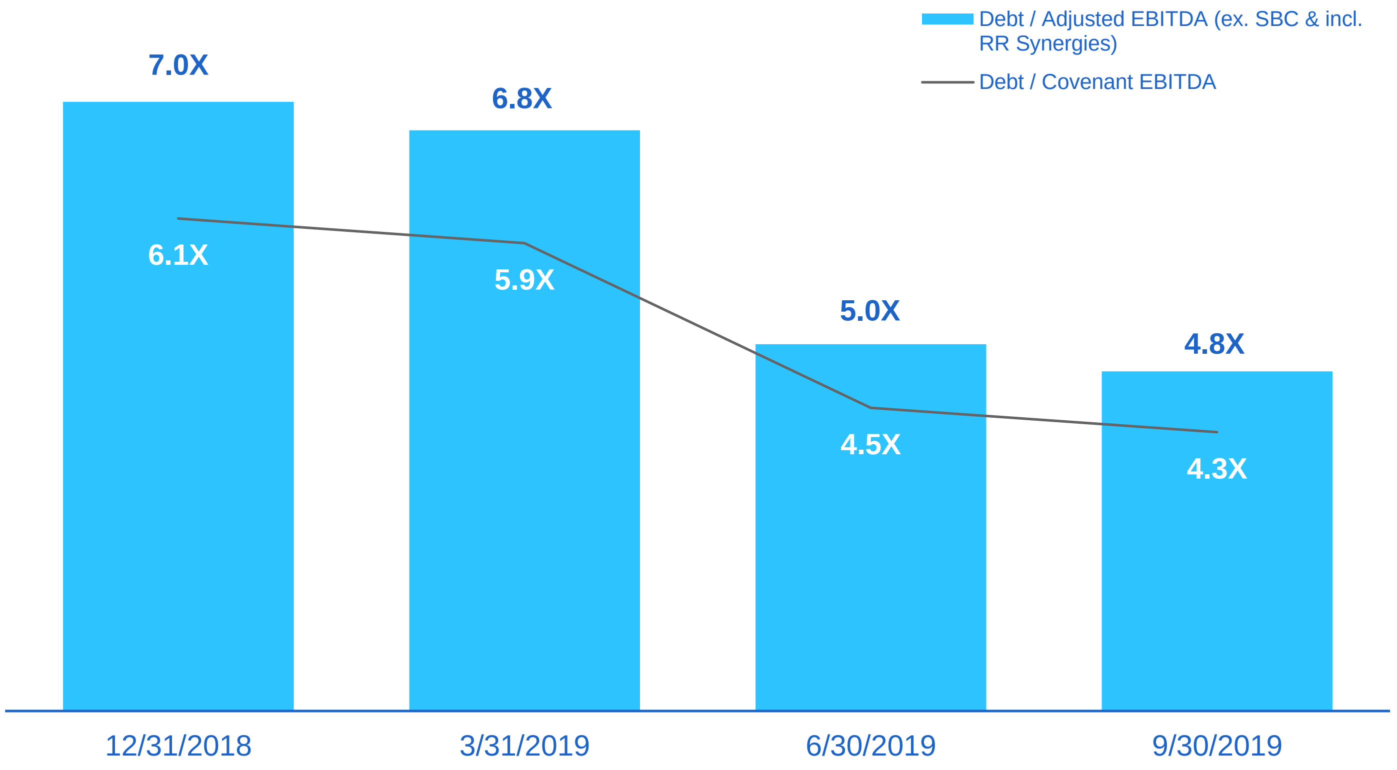


Financial Item	Q3 2018	Q3 2019	Commentary
Adj. net income	**$62.8**	**$93.8**	
Reconciling Items	192.1	157.0	Interest, tax, depreciation
Adj. EBITDA	**254.9**	**250.8**	
Cash interest	(59.1)	(30.4)	Deleveraging and repricing
Cash taxes	(13.0)	(39.7)	Use of NOLs in prior year
Net working capital	(96.7)	(20.5)	Reflects progress from internal initiatives
Other assets / liabilities	22.1	37.7	Timing of payroll accruals and ongoing SBC
Cash provided by operating activities	**108.2**	**197.9**	
Capital expenditures	(9.2)	(13.1)	CapEx light business model
Free cash flow	**99.0**	**184.8**	Q3YTD: $227.5M, up $129.5M
Cash interest (net of tax[1])	40.2	21.3	Deleveraging and repricing
Unlevered free cash flow	**$139.2**	**$206.1**	Q3YTD: $403.8M, up $101.5M

1 Cash interest tax-effected using a 32% tax rate for Q3 2018 and a 30% tax rate for Q3 2019

Leverage update

Leverage



Deleveraging is our initial capital allocation priority

- Q3 deleveraging driven by strong cash generation
- Deleveraging of ~1.0X per year during integration of VWR (Nov ’17 – Nov ’20)
- Targeted long-term leverage range of 2 – 4X
- Significant future repricing/refinancing opportunities

2019 full year guidance

All amounts in $M except growth, EPS

	Implied Q4'19		FY19	
	Low	High	Low	High
Net sales	$1,504	$1,564	$6,020	$6,080
Organic sales growth %	*5%*	*6%*	*5%*	*6%*
Adjusted EBITDA	$257	$267	$1,025	$1,035
Adjusted EBITDA growth %	*9%*	*13%*	*8%*	*9%*
Adjusted EPS	$0.16	$0.19	$0.55	$0.58
Adjusted EPS growth %	*57%*	*87%*	*52%*	*60%*
Share count for Adjusted EPS	642.7	642.7	642.7	642.7

Note: Guidance assumes September 30th foreign currency exchange rates.

Summary

Growth
- Strong (HSD) growth in Biopharma platform
- YTD organic revenue growth 5.4%; adjusted EBITDA margin expansion > 80 bps

Execution
- VWR synergies on track
- FCF ~2X Adjusted Net Income
- Deleveraging continues on path to <4X by end 2020

Outlook
- On track for solid FY MSD organic growth
- Adjusted EBITDA guidance range $1,025M – $1,035M; free cash flow ~$550M
- Maintaining adjusted EPS guidance $0.55 – $0.58

Appendix

Q3 debt update

	Instrument	Maturity	Principal ($M)	Interest
Working capital	AR facility ($250M)	11/2020	—	L + 1.50%
	Revolver ($250M)	11/2022	—	L + 3.00%
Secured debt	Term loan B	11/2024	742.7	L + 3.00%
	Term loan B (€383M)	11/2024	417.6	E + 3.25%
	Senior secured	10/2024	1,500.0	6.00% fixed
	Senior secured (€500M)	10/2024	545.3	4.75% fixed
Unsecured debt	Senior unsecured	10/2025	2,000.0	9.00% fixed
	Capital leases	—	67.3	—
			5,272.9	

COMMENTARY

- Minimal required debt repayments before 2024
- Additional refinancing opportunity with fixed rate debt

Reconciliations of GAAP to non-GAAP measures

($M)

	2018				2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net (loss) income (GAAP)	**(41.2)**	**(26.9)**	**34.5**	**(53.3)**	**(6.2)**	**(48.7)**	**22.1**
Amortization	82.6	80.5	79.4	78.8	78.6	78.3	77.9
Net foreign currency loss (gain) from financing activities	6.9	(10.1)	3.4	6.3	6.2	(14.3)	8.2
Other share-based compensation (benefit) expense	—	—	—	(0.7)	—	42.7	(9.2)
Restructuring and severance charges	7.5	32.9	16.7	24.1	5.5	0.9	13.4
Loss on extinguishment of debt	—	—	—	—	—	70.2	—
Purchase accounting adjustments	10.3	(3.4)	(4.1)	(3.8)	(0.8)	(3.3)	(3.1)
VWR transaction, integration and planning expenses	7.2	7.1	5.1	16.8	6.3	5.1	5.4
Other	—	4.2	1.2	3.1	—	—	0.2
Adjustment for U.S. tax reform	—	—	(48.8)	21.5	—	—	—
Income tax benefit applicable to pretax adjustments	(25.9)	(27.0)	(24.6)	(27.4)	(21.4)	(39.3)	(21.1)
Adjusted net income (non-GAAP)	**47.4**	**57.3**	**62.8**	**65.4**	**68.2**	**91.6**	**93.8**
Interest expense	128.3	130.2	130.2	135.1	128.6	115.1	98.3
Depreciation	19.2	19.9	21.9	22.3	19.7	24.7	22.4
Income tax provision applicable to adjusted net income	22.0	30.4	40.0	12.9	31.5	37.4	36.3
Adjusted EBITDA (non-GAAP)	**216.9**	**237.8**	**254.9**	**235.7**	**248.0**	**268.8**	**250.8**

Reconciliations of GAAP to non-GAAP measures (continued)

(Shares in M)

	2018				2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Diluted (loss) earnings per share (GAAP)	**$(0.79)**	**$(0.70)**	**$(0.26)**	**$(0.94)**	**$(0.59)**	**$(0.98)**	**$0.01**
Dilutive impact of convertible instruments	0.63	0.60	0.39	0.73	0.57	0.87	0.02
Normalization for shares issued in IPO	0.10	0.06	(0.08)	0.13	0.01	0.03	—
Fully diluted (loss) earnings per share (non-GAAP)	**(0.06)**	**(0.04)**	**0.05**	**(0.08)**	**(0.01)**	**(0.08)**	**0.03**
Amortization	0.13	0.13	0.12	0.12	0.12	0.12	0.12
Net foreign currency loss (gain) from financing activities	0.01	(0.02)	0.01	0.01	0.01	(0.02)	0.01
Other share-based compensation expense (benefit)	—	—	—	—	—	0.07	(0.01)
Restructuring and severance charges	0.01	0.05	0.03	0.04	0.01	—	0.02
Loss on extinguishment of debt	—	—	—	—	—	0.11	—
Purchase accounting adjustments	0.02	(0.01)	(0.01)	(0.01)	—	(0.01)	—
VWR transaction, integration and planning expenses	0.01	0.01	0.01	0.03	0.01	0.01	0.01
Adjustment for U.S. tax reform act	—	—	(0.07)	0.03	—	—	—
Other	(0.01)	0.01	—	—	—	—	—
Income tax benefit applicable to pretax adjustments	(0.04)	(0.04)	(0.04)	(0.04)	(0.03)	(0.06)	(0.03)
Adjusted EPS (non-GAAP)	**$0.07**	**$0.09**	**$0.10**	**$0.10**	**$0.11**	**$0.14**	**$0.15**
Weighted average share count (GAAP)	133	133	133	133	133	323	581
Share count for Adjusted EPS (non-GAAP)	643	643	643	643	643	643	643

Reconciliations of GAAP to non-GAAP measures (continued)

($M)

	2017	2018	2019 Q1	2019 Q2	2019 Q3
Debt, gross	7,396.1	7,162.9	7,021.1	5,472.0	5,272.9
Less: cash and cash equivalents	(185.4)	(184.7)	(143.9)	(164.6)	(173.9)
Numerator of adjusted net leverage	***7,210.7***	***6,978.2***	***6,877.2***	***5,307.4***	***5,099.0***
TTM adjusted EBITDA	289.5	945.3	976.4	1,007.4	1,003.3
TTM ongoing share-based compensation expense	21.6	19.1	19.4	23.2	28.3
Pro forma adjustment for VWR	472.6	—	—	—	—
Pro forma adjustment for projected synergies	—	29.7	17.5	32.2	36.2
Denominator of adjusted net leverage	***783.7***	***994.1***	***1,013.3***	***1,062.8***	***1,067.8***
Adjusted net leverage (non-GAAP)	**9.2X**	**7.0X**	**6.8X**	**5.0X**	**4.8X**
TTM adjusted EBITDA	289.5	945.3	976.4	1,007.4	1,003.3
TTM covenant adjustments	34.5	60.7	70.3	76.1	81.3
Pro forma adjustment for VWR	492.7	—	—	—	—
Pro forma adjustment for projected synergies	219.0	145.1	127.5	108.3	94.2
Denominator of covenant net leverage	***1,035.7***	***1,151.1***	***1,174.2***	***1,191,8***	***1,178.8***
Covenant net leverage (non-GAAP)	**7.0X**	**6.1X**	**5.9X**	**4.5X**	**4.3X**

Reconciliations of GAAP to non-GAAP measures (continued)

($M)

	2018				2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net cash provided by operating activities (GAAP)	**46.2**	**(24.1)**	**108.2**	**69.7**	**75.0**	**(5.9)**	**197.9**
Capital expenditures	(12.3)	(10.8)	(9.2)	(5.4)	(12.4)	(14.0)	(13.1)
Free cash flow (non-GAAP)	**33.9**	**(34.9)**	**99.0**	**64.3**	**62.6**	**(19.9)**	**184.8**
Cash interest, net of taxes[1]	41.6	122.5	40.2	122.9	39.8	115.2	21.3
Unlevered free cash flow (non-GAAP)	**75.5**	**87.6**	**139.2**	**187.2**	**102.4**	**95.3**	**206.1**
Net cash provided by investing activities (GAAP)	**(11.8)**	**(7.2)**	**(4.2)**	**—**	**(7.9)**	**(12.4)**	**(10.4)**
Net cash provided by financing activities (GAAP)	**(77.8)**	**28.1**	**(66.2)**	**(54.4)**	**(106.1)**	**38.3**	**(172.6)**

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1. Cash interest tax-effected using a 32% tax rate through Q2 2019 and a 30% tax rate for Q3 2019