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# First Quarter 2023 Earnings

EARNINGS PRESENTATION

April 28, 2023

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NYSE

# 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.  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.

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## 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 do not provide GAAP financial measures on a forward-looking basis because we are unable to predict with reasonable certainty and without unreasonable effort items such as acquisition-related charges, the costs associated with integrating acquired businesses, the timing and amount of future restructuring actions, and the early retirement of debt.

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 accompanying press release. A reconciliation of non-GAAP measures is included in the supplemental disclosures package at the embedded hyperlink and on our investor relations website at ir.avantorsciences.com.

# Q1 2023 highlights

## ONGOING BUSINESS MOMENTUM

- First quarter results in line with plan and guidance
- Transitory headwinds played out as anticipated
- Delivering on commercial excellence and productivity

## INVESTING FOR GROWTH

- Continuing to expand hydration capabilities for bioproduction customers
- Enhancing portfolio with proprietary products and services launches
- Expanding digital solutions to enrich customer experience

## LOOKING AHEAD

- Focused on growth, commercial excellence and execution
- Expanding supply chain and digital infrastructure to meet customer demand
- Revising 2023 guidance to reflect market dynamics

# Q1 adjusted P&L

*USD in millions*

| | Q1'23 | Q1'22 | COMMENTS |
|---|---|---|---|
| **Reported Revenue** | **$1,780.3** | **$1,950.4** | – Low single-digit core organic growth of bioproduction and >20% growth in biomaterials |
| *Core organic growth* | *-1.8%* | *7.3%* | – Inventory destocking in line with expectations |
| **Adj. Gross Profit** | **$624.8** | **$689.9** | – Continued momentum in commercial excellence |
| *Adj. Gross Profit %* | *35.1%* | *35.4%* | – Roll off of high margin COVID-19 revenues and inventory destocking |
| **Adj. EBITDA** | **$346.2** | **$423.1** | – Active pipeline of productivity initiatives |
| *Adj. EBITDA %* | *19.4%* | *21.7%* | – SG&A increase driven by wage inflation and growth investments |
| **Adj. Earnings Per Share** | **$0.29** | **$0.38** | – Interest and tax expense in line with expectations<br>– COVID-19, FX[1] and interest expense represented ~$0.06 headwind to adj. EPS |
| **Free Cash Flow** | **$191.5** | **$127.7** | – FCF conversion of ~100% in Q1 2023[2]<br>– Positive impact from working capital initiatives |
| **Adj. Net Leverage** | **3.8X[3]** | **4.0X[3]** | – >$200M of debt paydown in Q1<br>– Within target leverage of 2X – 4X |

**Note: Core organic growth is organic growth net of COVID-19 impact.**

1. Represents foreign exchange translation exposure, primarily from European business (~35% of sales).
2. Conversion: Free Cash Flow / Adj. Net Income.
3. Represents Adj. Net Leverage as of March 31, 2023 and March 31, 2022, respectively.

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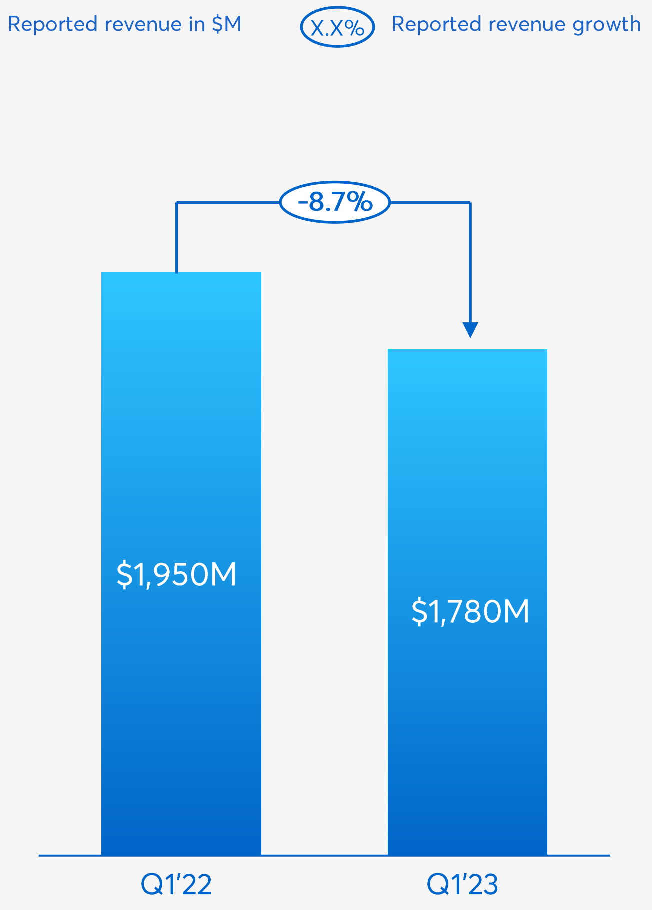
# Q1 revenue growth

## TOTAL REVENUE GROWTH




| Core organic growth | (1.8%) |
|---|---|
| COVID-19 impact | (4.8%) |
| **Organic growth** | **(6.6%)** |
| FX impact | (2.1%) |
| **Reported growth** | **(8.7%)** |

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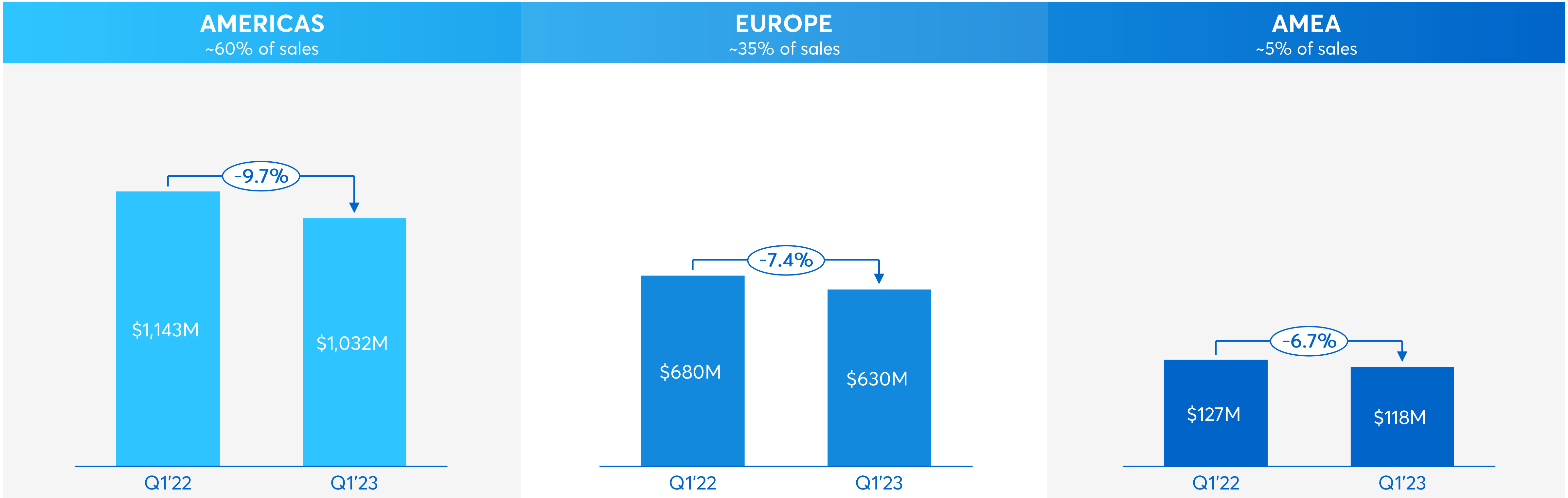
Note: Organic growth is reported revenue growth excluding the impacts from changes in foreign currency exchange rates.
Core organic growth is organic growth net of COVID-19 impact.

# Q1 revenue growth by region

Reported revenue in $M  X.X% Reported revenue growth




| Q1 core organic growth: | Americas | Europe | AMEA |
|---|---|---|---|
| | -3.7% | +1.0% | +1.0% |

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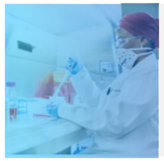
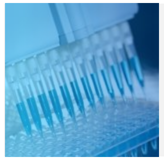
Note: Organic growth is reported revenue growth excluding the impacts from changes in foreign currency exchange rates.
Core organic growth is organic growth net of COVID-19 impact.

# Q1 core organic revenue growth by end market & product

## BY END MARKET

| | | % OF TOTAL SALES | Q1'23 |
|---|---|---|---|
|  | Biopharma | ~55% | -LSD |
|  | Healthcare | ~10% | -MSD |
|  | Education & government | ~10% | +MSD |
|  | Advanced tech & applied materials | ~25% | -LSD |

## BY PRODUCT

| | | % OF TOTAL SALES | Q1'23 |
|---|---|---|---|
|  | Proprietary materials & consumables | ~40% | ±0% |
|  | Third-party materials & consumables | ~40% | -MSD |
|  | Services & specialty procurement | ~10% | +MSD |
|  | Equipment & instrumentation | ~10% | -LSD |

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Note: Organic growth is reported revenue growth excluding the impacts from changes in foreign currency exchange rates.
Core organic growth is organic growth net of COVID-19 impact.

# 2023 full-year guidance

| METRIC | FY 2023 GUIDANCE (ORIGINAL) | FY 2023 GUIDANCE (CURRENT) |
|---|---|---|
| **Core Organic Revenue Growth** | +2.5% to +4.5% | -0.5% to +1.5% |
| **Adj. EBITDA Margin Expansion** | -25 to +25 bps | -75 to -25 bps |
| **Adj. EPS[1]** | \$1.35 - \$1.45 | \$1.28 - \$1.36 |
| **Free Cash Flow** | \$700 - \$800M | \$675 - \$750M |

**Note: All figures based on current estimate for FY blended USD/EUR exchange rate of 1.05**

1. Adj. EPS estimate based on US GAAP diluted share count of ~680M.

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