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Q2 2023 Earnings

EARNINGS PRESENTATION

July 28, 2023

AVTR
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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,” “prospects,” “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 most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. 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 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.

Q2 2023 highlights

MANAGING THROUGH CHALLENGING ENVIRONMENT

- Q2 results reflect challenging market trends, especially in biopharma
- Sustained focus on productivity and cost control to mitigate demand softness
- Strong 1H free cash flow conversion and improving working capital

ACTIONS TO DRIVE GROWTH AND IMPROVE PERFORMANCE

- Accelerating high-growth initiatives, including new product introductions and digital transformation
- Intensified focus on productivity and operational excellence
- Progressing ESG strategy, including responsible supplier program and SBTi submission

LOOKING AHEAD

- Revising FY23 guidance to reflect continuation of Q2 market conditions
- All free cash flow directed to deleveraging; targeting adjusted net leverage <3.0X
- New CFO appointed from life sciences sector, bringing track record of transformation
- Confident in long-term outlook driven by solid end market fundamentals, proven platform and targeted growth strategy

CFO transition update

BRENT JONES

Assuming role of **EVP & Chief Financial Officer** on August 7, 2023

"I am excited to join Avantor during this important period in the company's trajectory and will be partnering closely with the leadership team and finance organization to harness Avantor's unique value proposition, execute its growth strategy, and create shareholder value."

- Significant experience as CFO in life science sector
- Most recently EVP, CFO and COO at LifeScan Global Corp.
- Track record of enhancing operational and financial results, building teams, and leading financial transformations

Q2 adjusted P&L

USD in millions

	Q2'23	Q2'22	COMMENTS
Reported Revenue	**$1,743.9**	**$1,910.5**	– Softening customer demand and ongoing destocking in biopharma – Declines in Advanced Tech/Applied Materials driven by semiconductor end market
Core organic growth	*-6.5%*	*6.4%*	
Adj. Gross Profit	**$590.0**	**$661.5**	– Negative volume and mix – Headwinds partially offset by productivity and lower distribution costs
Adj. Gross Profit %	*33.8%*	*34.6%*	
Adj. EBITDA	**$343.0**	**$404.1**	– Reflects lower gross profit – Headwinds partially offset by productivity and cost controls
Adj. EBITDA %	*19.7%*	*21.2%*	
Adj. Earnings Per Share	**$0.28**	**$0.37**	– Flow through of adj. EBITDA performance – Interest in line with expectations, tax expense modestly higher
Free Cash Flow	**$138.1**	**$191.2**	– FCF conversion of ~85% in 1H 2023[1] – Positive impact from working capital initiatives
Adj. Net Leverage	**3.9X[2]**	**3.9X[2]**	– Paid down >$400M of debt in 1H 2023 – Increase in leverage from Q1 driven by reduction in TTM adjusted EBITDA

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

1. Conversion: Free Cash Flow / Adj. Net Income.
2. Represents Adj. Net Leverage as of June 30, 2023 and June 30, 2022, respectively.

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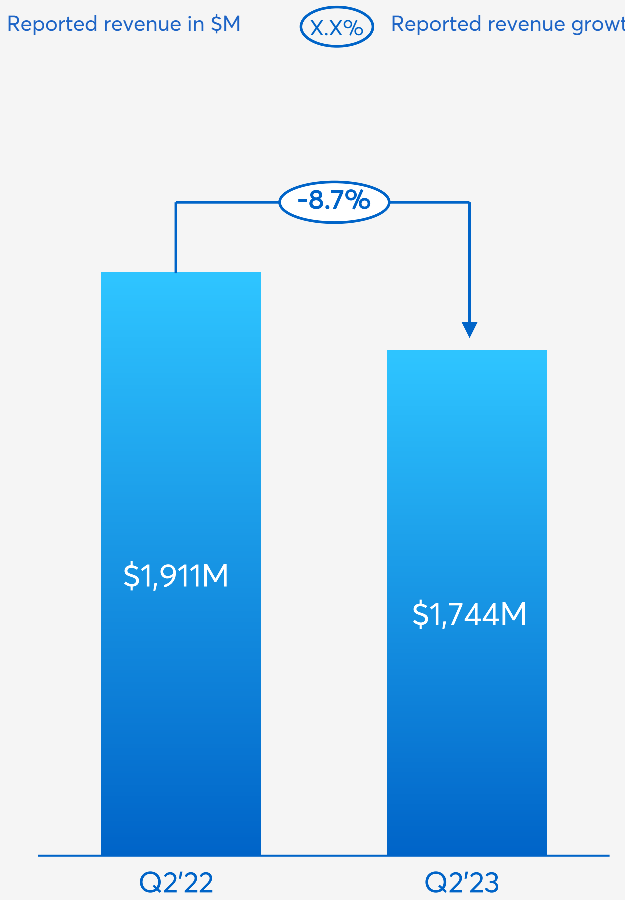
Q2 revenue

TOTAL REVENUE



Core organic growth	(6.5%)
COVID-19 impact	(2.6%)
Organic growth	**(9.1%)**
FX impact	+0.4%
Reported growth	**(8.7%)**

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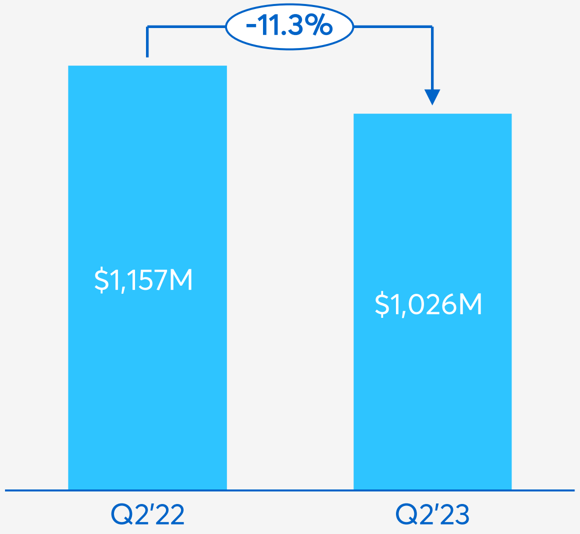
**Note: Organic growth is reported revenue growth excluding the impacts from changes in foreign currency exchange rates.
Core organic growth is organic growth net of COVID-19 impact.**

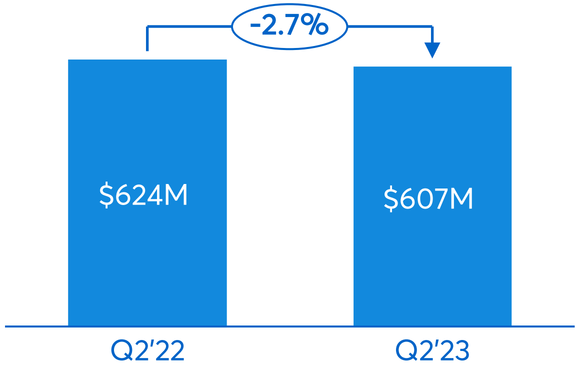
Q2 revenue by region

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

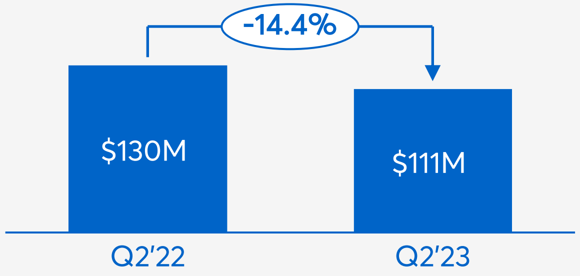
AMERICAS
~60% of sales



EUROPE
~35% of sales



AMEA
~5% of sales



Q2 core organic growth:	Americas	Europe	AMEA
	-8.8%	-1.8%	-8.7%

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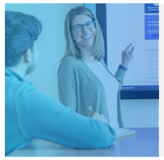
Note: Organic growth is reported revenue growth excluding the impacts from changes in foreign currency exchange rates.
Core organic growth is organic growth net of COVID-19 impact.

Q2 core organic revenue growth by end market & product

BY END MARKET

		% OF TOTAL SALES	Q2'23
	Biopharma	~55%	-HSD
	Healthcare	~10%	+MSD
	Education & government	~10%	+MSD
	Advanced tech & applied materials	~25%	-HSD

BY PRODUCT

		% OF TOTAL SALES	Q2'23
	Proprietary materials & consumables	~40%	-LDD
	Third-party materials & consumables	~40%	-MSD
	Services & specialty procurement	~10%	+MSD
	Equipment & instrumentation	~10%	-MSD

Note: LSD 1-3% / MSD 4-6% / HSD 7-9% / LDD 10-12%. "% of total sales" based on FY 2022 reported revenue.
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 *AS OF Q1 2023*	FY 2023 GUIDANCE *CURRENT*
Core Organic Revenue Growth	-0.5% to +1.5% *(-3% to -1% organic)*	-6.5% to -4.5% *(-9% to -7% organic)*
Adj. EBITDA Margin Expansion	-75 to -25 bps *(20.2% - 20.7% margin)*	-200 to -150 bps *(18.9% – 19.4% margin)*
Adj. EPS[1]	\$1.28 - \$1.36	\$1.04 - \$1.12
Free Cash Flow	\$675 - \$750M	\$600 - \$675M

FY 2023 guidance as of Q1 based on estimate for FY blended USD/EUR exchange rate of 1.05.
FY 2023 guidance (current) based on estimate for FY blended USD/EUR exchange rate of 1.09.

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

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