

Q3 2023 Earnings

EARNINGS PRESENTATION

October 27, 2023

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Disclaimer

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and are subject to the safe harbor created thereby under the Private Securities Litigation Reform Act of 1995. 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.

Q3 highlights



STRONG EXECUTION IN DYNAMIC ENVIRONMENT

- Revenue, adjusted EBITDA and adjusted EPS in line with guidance
- Strong free cash flow conversion of >110%, >\$650M of debt paydown YTD
- Leveraging Avantor Business System to offset persistent headwinds



ACTIONS TO DRIVE GROWTH AND PERFORMANCE

- Enhanced commercial intensity drove new contract wins and significant renewals
- Continued innovation focus including creation of Scientific Advisory Board
- Sustained focus on productivity and operational efficiency



LOOKING AHEAD

- Expect similar market conditions in Q4
- Reaffirming FY23 revenue guidance, modifying adjusted EPS range, and raising free cash flow guidance
- Confident in long-term outlook driven by solid end market fundamentals, proven platform and targeted growth strategy



Q3 adjusted P&L

USD in millions

	Q3'23	Q3'22	COMMENTS
Reported Revenue	\$1,720.2	\$1,856.5	<ul style="list-style-type: none"> Inventory destocking and cautious spending impacting end market demand Biomaterials & higher education delivering strong year over year growth
<i>Core organic growth</i>	-7.9%	7.8%	
Adj. Gross Profit	\$578.6	\$650.7	<ul style="list-style-type: none"> Unfavorable mix from continued headwinds in bioproduction and AT/AM Continued volume-related under absorption
<i>Adj. Gross Profit %</i>	33.6%	35.0%	
Adj. EBITDA	\$317.8	\$384.0	<ul style="list-style-type: none"> Reflects lower gross profit and negative fixed cost leverage Persistent inflation partially offset by productivity and SG&A cost controls
<i>Adj. EBITDA %</i>	18.5%	20.7%	
Adj. Earnings Per Share	\$0.25	\$0.34	<ul style="list-style-type: none"> Flow through of adj. EBITDA performance Interest and tax expense in line with expectations
Free Cash Flow	\$193.0	\$219.3	<ul style="list-style-type: none"> FCF conversion of >110% in Q3 2023; ~95% YTD¹ Positive impact from working capital initiatives
Adj. Net Leverage	3.9X²	3.6X²	<ul style="list-style-type: none"> Paid down >\$650M of debt year to date Adj. net leverage impacted by reduction in TTM adjusted EBITDA

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.

1. Conversion: Free Cash Flow / Adj. Net Income.

2. Represents Adj. Net Leverage as of September 30, 2023 and September 30, 2022, respectively.

Q3 revenue

TOTAL REVENUE

Reported revenue in \$M

(X.X)%

Reported revenue growth



Core organic growth	-7.9%
COVID-19 impact	-1.7%
Organic growth	-9.6%
FX impact	+2.3%
Reported growth	-7.3%

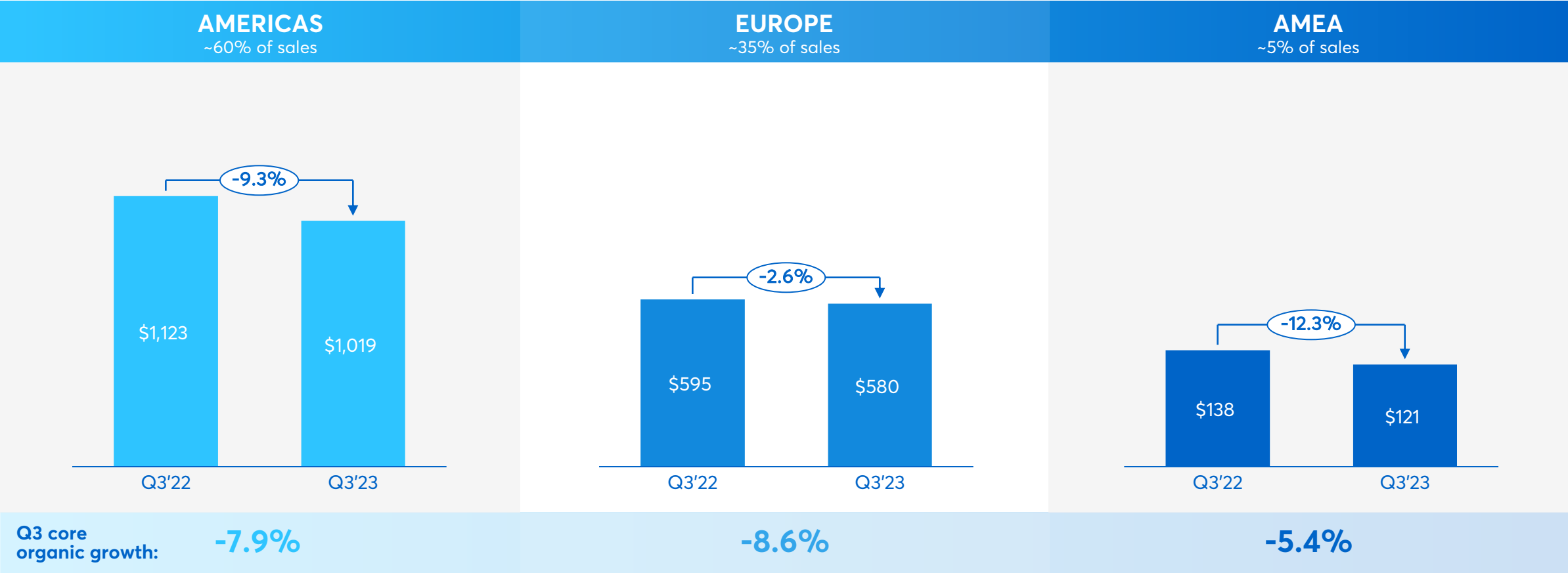


Q3 revenue by region









Reported revenue in \$M

X.X%

Reported revenue growth



Q3 core organic revenue change by end market & product

BY END MARKET			BY PRODUCT				
		% OF TOTAL SALES	Q3'23		% OF TOTAL SALES	Q3'23	
	Biopharma	~55%	-HSD		Proprietary materials & consumables	~40%	-LDD
	Healthcare	~10%	-HSD		Third-party materials & consumables	~40%	-HSD
	Education & government	~10%	+LSD		Services & specialty procurement	~10%	+MSD
	Advanced tech & applied materials	~25%	-LDD		Equipment & instrumentation	~10%	-HSD

2023 full-year guidance



METRIC	FY 2023 GUIDANCE AS OF Q2 2023	FY 2023 GUIDANCE CURRENT
Core Organic Revenue Growth	-6.5% to -4.5% (-9% to -7% organic)	-6.0% to -5.0% (-8.5% to -7.5% organic)
Adj. EBITDA Margin Expansion	-200 to -150 bps (18.9% – 19.4% margin)	-240 to -215 bps (18.5% – 18.8% margin)
Adj. EPS¹	\$1.04 - \$1.12	\$1.02 - \$1.06
Free Cash Flow	\$600 - \$675M	\$625 - \$675M



Investor Day

December 8, 2023
9 a.m. – 12 p.m. ET

New York Stock Exchange and
Webcast on Investor Relations website

Register at ir.avantorsciences.com

