



# Q1 2025 Earnings

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Earnings Presentation

April 25, 2025



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## Forward-looking statements

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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 measures that are used by management, and which we believe are useful to investors, as supplemental operational measures to evaluate our financial performance. These measures 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 measures, and such measures may not be comparable to similarly-titled measures reported by other companies. Rather, these measures 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 measure. 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 on our investor relations website at [ir.avantorsciences.com](http://ir.avantorsciences.com).

# Q1 Summary



## Controlling the controllables amid ongoing macro volatility

- Delivered margin and earnings in-line with plan
- Another quarter of growth in bioprocessing and order book momentum continues



## Executing strategy to accelerate growth in Laboratory Solutions Segment

- Corey Walker, President of Lab Solutions, fully onboarded and conducting deep dive into business strategy and execution
- Accelerated investment and focus on delivery excellence, digital enhancements and pricing capabilities
- Successfully expanding our portfolio with the addition of several high-impact platforms during Q1



## Enhancing cost structure

- Maintaining relentless focus on efficiency and cost discipline while investing for growth; on-track to deliver our run-rate target of \$300M exiting 2026
- Identified additional opportunities to expand initiative - increasing target to \$400M exiting 2027



# Q1 2025 performance highlights

Reported  
Revenue<sup>1</sup>

\$1.58B

Adjusted  
EBITDA margin

17.0%

Adjusted  
Earnings per share<sup>1</sup>

\$0.23

Free cash flow<sup>2</sup>

\$82M

- **Laboratory Solutions:** Organic revenue declined LSD driven by funding and policy-related headwinds, particularly in Education and Government end market
- **Bioscience Production:** Flat organic revenue as DD growth in single-use offset by decline in controlled environment consumables
- Cost actions driving margin expansion and earnings

1. The divestiture of the Clinical Services business was ~\$44M headwind to Revenue, ~\$14M headwind to Adj. EBITDA and \$0.01 headwind to Adj. EPS

2. Free Cash Flow **includes** cash costs related to cost transformation initiative and **excludes** direct transaction costs and income taxes paid related to the divestiture of the Clinical Services business.

# Q1'25 financial results

	Q1'25	Q1'24
<b>Reported revenue</b> Organic growth	<b>\$1,581M</b> -2%	<b>\$1,680M</b> -6%
<b>Adj. gross profit</b> % of revenues	<b>\$535M</b> 33.8%	<b>\$572M</b> 34.0%
<b>Adj. EBITDA</b> % of revenues	<b>\$270M</b> 17.0%	<b>\$283M</b> 16.8%
<b>Adj. operating income</b> % of revenues	<b>\$243M</b> 15.4%	<b>\$258M</b> 15.4%
<b>Adj. earnings per share</b>	<b>\$0.23</b>	<b>\$0.22</b>
<b>Free cash flow<sup>1</sup></b>	<b>\$82M</b>	<b>\$107M</b>
<b>Adj. net leverage<sup>2</sup></b>	<b>3.2x</b>	<b>4.0x</b>

1. Free Cash Flow **includes** cash costs related to cost transformation initiative and **excludes** direct transaction costs and income taxes paid related to the divestiture of the Clinical Services business.

2. Reflects adjusted net leverage as of the final day of each quarter.

# Q1'25 performance by segment

## Laboratory Solutions



Reported Revenue

\$1,065M

Organic Growth: -3%

Adjusted Operating income

\$139M

Adj. Operating Margin: 13.1%

## Bioscience Production



Reported Revenue

\$516M

Organic Growth: Flat

Adjusted Operating income

\$123M

Adj. Operating Margin: 23.9%

Note: Page does not include "Corporate" Adjusted Operating Income of (\$20M) in Q1'25.

# 2025 full-year guidance<sup>1,2</sup>



Metric	FY 2025 guidance (original)	FY 2025 guidance (current)
<b>Organic Revenue Growth</b>	+1% to +3%	-1% to +1%
<b>Adj. EBITDA Margin</b>	18% to 19%	17.5% to 18.5%
<b>Adj. EPS<sup>3</sup></b>	\$1.02 - \$1.10	\$1.02 - \$1.10
<b>Free Cash Flow<sup>4</sup></b>	\$650 - \$700M	\$650 - \$700M

1. For reconciliation from impact of Clinical Services divestiture, see Appendix
2. Reported revenue range is -2% to 0%, reflecting 1% FX tailwind and a 2% headwind from our Clinical Services divestiture. (1Q25 EUR/USD FX rate of 1.05. 1.12 for balance of FY25. Rate blends to 1.10 for the full year)
3. Adjusted tax rate 22.5%, interest expense \$170M-\$180M and average shares outstanding ~685M
4. Excludes cash costs related to cost transformation initiative



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# Appendix

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# Clinical Services divestiture impact<sup>1,2,3</sup>

## FIRST QUARTER IMPACT

~\$44M

Reported revenue headwind

Reported YoY Growth Headwind ~2.6%

~\$14M

Adjusted EBITDA headwind

Adj. EBITDA Margin Headwind ~40bps

~\$0.01

Adjusted EPS dilution

Net Interest Expense Reduction \$7M

~\$7M

Free cash flow headwind

## FULL YEAR IMPACT

~\$150M

Reported revenue headwind

Reported YoY Growth Headwind ~2%

~\$50M

Adjusted EBITDA headwind

Adj. EBITDA Margin Headwind ~40bps

\$0.03

Adjusted EPS dilution

Net Interest Expense Reduction \$20M

\$20M

Free cash flow headwind

<sup>1</sup>Figures represent the Clinical Services business performance in FY24 up to the point of divestiture

<sup>2</sup>Divestiture does not impact organic growth

<sup>3</sup>EPS dilution net of impact of incremental debt paydown from proceeds



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