

# Avantor® to Acquire Ritter GmbH and its Affiliates; Expands Proprietary Offering for Diagnostic and Drug Discovery Workflows

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- Ritter is a fast-growing, technology leader in high-precision consumables
- Combines Ritter's liquid handling consumables platform for clinical diagnostic testing and life sciences research with Avantor's offerings for critical lab automation workflows and leading global customer channel
- Transaction expected to be immediately accretive to Adjusted Earnings per Share (EPS) upon closure and anticipated to enhance Avantor's revenue growth and margin profile

RADNOR, Pa. and SCHWABMÜNCHEN, Germany, April 12, 2021 /PRNewswire/ -- Avantor, Inc. (NYSE: AVTR), a leading global provider of mission-critical products and services to customers in the life sciences and advanced technologies & applied materials industries, announced today that it has entered into a definitive agreement to acquire privately held Ritter GmbH and its affiliates in an all-cash transaction with an upfront equity purchase price of approximately €890 million subject to final adjustments at closing and additional payments based on achieving future business performance milestones.

Headquartered in Schwabmünchen, Germany, Ritter is the fastest growing manufacturer of high-quality robotic and liquid handling consumables, including conductive tips engineered to exacting standards. These mission-critical consumables are used in a variety of molecular screening and diagnostic applications, including real-time polymerase chain reaction (PCR), non-molecular assays such as immunoassays, emerging high-throughput in vitro diagnostics (IVD) technologies including next generation sequencing, and as part of drug discovery and clinical trial testing in pharma and biotech applications. Collectively, these applications represent a nearly \$7 billion addressable market with attractive long-term growth potential.

Ritter's high-precision manufacturing footprint includes 40,000 square meters of specialized production space and

6,000 square meters of ISO Class 8 cleanrooms that provides significant capacity for continued growth. Much of Ritter's current business is focused on serving diagnostic system providers and liquid handling OEMs. The geographic and commercial reach of Avantor's leading global channel and deep customer access will significantly enhance its revenue potential and provide broader aftermarket opportunities.

"The acquisition of Ritter marks the next step in the ongoing transformation of Avantor," said Michael Stubblefield, President and CEO of Avantor. "The combination will significantly expand our proprietary offering to the biopharma and healthcare end markets and significantly enhance Avantor's offerings for critical lab automation workflows. Our combined businesses also share similar characteristics including a highly recurring, specification-driven revenue profile and a consumable-driven portfolio of products produced to exacting standards that enhances our unique customer value proposition."

"This proposed transaction helps both parties, as well as existing and new customers," said Johannes von Stauffenberg, CEO of Ritter. "Avantor's broad portfolio is used by thousands of scientists and laboratories in virtually every stage of the most important research, development and production activities. We are excited about combining our high-precision products and state-of-the-art manufacturing capabilities with Avantor's global reach and strong passion for achieving scientific breakthroughs."

This transaction leverages Avantor's proven track record of M&A success with transactions that range in size from small tuck-ins to large, transformational acquisitions. Since 2011, the company has successfully completed 40 transactions, deployed more than \$8 billion in capital and generated well over \$350 million in EBITDA synergies.

"We look forward to adding Ritter's highly skilled team members in Germany and Slovenia to the Avantor family," Mr. Stubblefield added. "Similar to Avantor, Ritter serves highly regulated, specification-driven applications and relies on a collaboration-based innovation model to serve its customers. Both companies share a strong culture of innovation and excellence, as well as a clear commitment to sustainability."

## Financials and Closing Details

The transaction is expected to be immediately accretive to adjusted earnings per share (EPS) upon closure and is anticipated to enhance Avantor's revenue growth and margin profile.

Avantor expects to finance the all-cash transaction with available cash on hand and use of incremental term loans. The Company expects that its adjusted net leverage ratio at closing will approximate 4.1x net debt to pro forma LTM adjusted EBITDA, with rapid deleveraging thereafter.

The transaction is expected to be completed in the third quarter of 2021, and is subject to customary conditions,



including receipt of applicable regulatory approvals.

## Advisors

Jefferies LLC and Centerview Partners LLC are acting as financial advisors to Avantor, and Schilling, Zutt & Anschutz is serving as legal counsel. Goldman Sachs Bank Europe SE and Carlsquare GmbH are acting as financial advisors to Ritter, and Gleiss Lutz is serving as legal counsel. Fully committed financing of the acquisition has been provided by Citigroup Global Markets Inc.

## Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures, including adjusted EPS and adjusted EBITDA, which exclude certain acquisition-related costs, including charges for the sale of inventories revalued at the date of acquisition and significant transaction costs; restructuring and other costs/income; and amortization of acquisition-related intangible assets. Adjusted EPS also excludes certain other gains and losses that are either isolated or cannot be expected to occur again with any regularity or predictability, tax provisions/benefits related to the previous items, benefits from tax credit carryforwards, the impact of significant tax audits or events and the results of discontinued operations. We exclude the above items because they are outside of our normal operations and/or, in certain cases, are difficult to forecast accurately for future periods. We believe that the use of non-GAAP measures helps investors as an additional way to analyze the underlying trends in our business consistently across the periods presented. These measurements are used by our management for the same reasons. A quantitative reconciliation of adjusted EBITDA and adjusted EPS to the corresponding GAAP information is not provided because the GAAP measures that are excluded are difficult to predict and are primarily dependent on future uncertainties. Items with future uncertainties include the timing and cost of future restructuring activities, charges related to the early retirement of debt, changes in tax rates and other non-recurring items.

## Conference Call

Avantor will host a conference call to discuss the transaction on Monday, April 12, 2021, at 8:00 a.m. EDT. To participate by phone, please dial (866) 211-4132 (domestic) or (647) 689-6615 (international) and use the conference code 8694890. We encourage participants to join 15-20 minutes early to complete the registration process. A live webcast of the call can be accessed on the Investors section of our website, [www.avantorsciences.com](http://www.avantorsciences.com). The transaction press release and slides will also be posted to the website. A replay of the call will be available on the Investors section of the website under "Events & presentations" through May 12, 2021.

## About Avantor

Avantor<sup>®</sup>, a Fortune 500 company, is a leading global provider of mission-critical products and services to customers in the biopharma, healthcare, education & government, and advanced technologies & applied materials industries. Our portfolio is used in virtually every stage of the most important research, development and production activities in the industries we serve. Our global footprint enables us to serve more than 225,000 customer locations and gives us extensive access to research laboratories and scientists in more than 180 countries. We set science in motion to create a better world. For more information, please visit [www.avantorsciences.com](http://www.avantorsciences.com).

## Forward-looking statements

This press release contains forward-looking statements. All statements other than statements of historical fact included in this press release are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our announced transaction with Ritter as well as 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," "project," "projection," "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 2020 Annual Report on Form 10-K for the year ended December 31, 2020, which is on file with the U.S. Securities and Exchange Commission ("SEC") and available in the "Investors" section of Avantor's website, [ir.avantorsciences.com](http://ir.avantorsciences.com), under the heading "SEC Filings," and in any subsequent Quarterly Reports on Form 10-Q and other documents Avantor files with the SEC.

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 press release. 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.

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