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Setting science in motion to create a better world



39th Annual J.P. Morgan Healthcare Conference

SPEAKER
Michael Stubblefield
PRESIDENT AND CHIEF EXECUTIVE OFFICER

January 11, 2021

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.

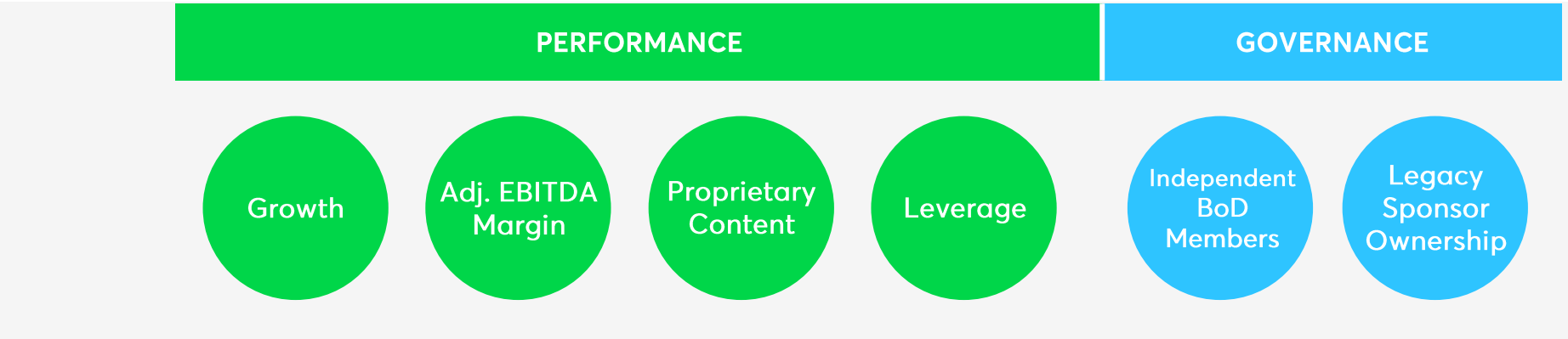
Forward-looking statements are inherently subject to risks, uncertainties and assumptions; they are not guarantees of performance. You should not place undue reliance on these statements. We have based these forward-looking statements on our current expectations and projections about future events. Although 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 2019 Annual Report on Form 10-K, and our quarterly reports on Form 10-Q for the first, second and third quarters of 2020. 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 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 press release issued today. A reconciliation of non-GAAP measures can be found at the back of the deck.


Science moves the world forward.
That's what we do.
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Avantor has transformed significantly…



	Growth	Adj. EBITDA Margin	Proprietary Content	Leverage	Independent BoD Members	Legacy Sponsor Ownership
LEGACY	~3%[1]	~10%[1]	~20%[1]	9.0x[2]	2[2]	>80%[2]
CURRENT	~6%[3]	17.9%[4]	~50%[5]	4.2x[4]	8[6]	<5%[6]

1. 2016 VWR Form 10-K
2. As of 11/21/17 transaction
3. FY18-FY20 organic revenue CAGR
4. Q3'20 Actual
5. Estimate for 2020
6. As of 1/1/21

…and is now a global life sciences leader

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ENTERPRISE VALUE OF
~$23B[1]

REVENUE OF
~$6.4B[1]

CASH GENERATION OF
>$850M[1]

~70%
OF REVENUE IN LIFE SCIENCES



1. FY20 estimate

We deliver mission-critical products and services to enable scientific breakthroughs

DEVELOPMENT & SCALE-UP



RESEARCH & DISCOVERY

MANUFACTURING & DELIVERY

Unique capabilities set Avantor apart

Global channel that offers extraordinary customer access

Customized, high-purity proprietary products specified into regulated platforms

Leading supply chain & digital platform with global footprint expanding in AMEA

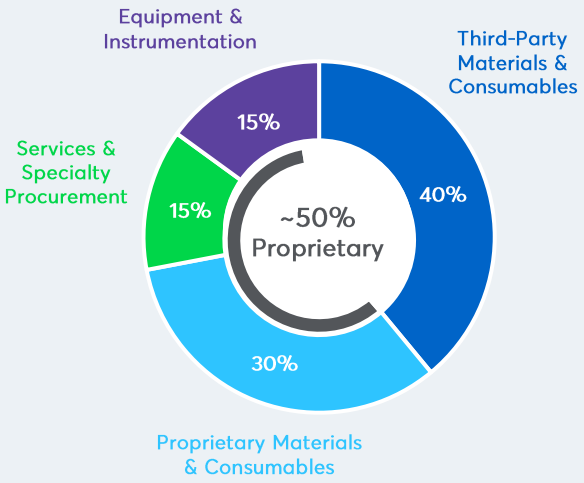
Avantor Business System to drive execution & continuous improvement

Leading services offering for R&D & clinical trials complements product offering

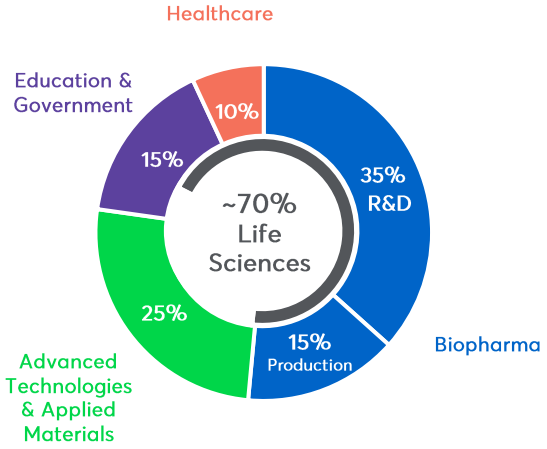
Strategic supplier network enabling comprehensive, workflow-based solutions

Diversified portfolio provides resilient revenue profile[1]

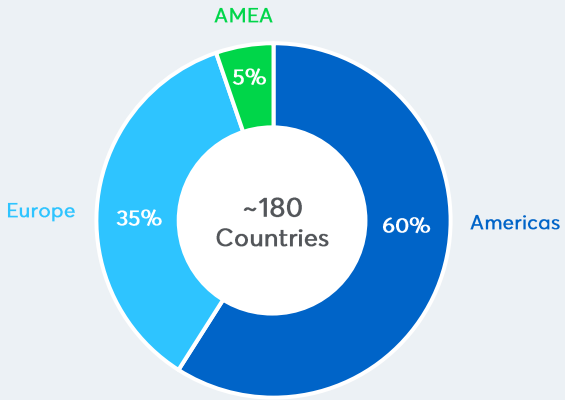
OFFERING



END MARKETS



GEOGRAPHY



~85% RECURRING REVENUE

1. FY20 estimate

Strong execution in challenging environment

	Q4 2020 estimate	FY2020 estimate	Original FY2020 guidance[1]	
ORGANIC GROWTH	~15%	~5%	4-6%	– Core growth 1% plus COVID tailwinds 4% – Improvement in core growth from ~(8%) Q2 to +5% Q4
FREE CASH FLOW	>$270M	>$850M	$450M-$500M	– Strong working capital management – Reduced cost of debt by nearly 50%

1. Guidance issued February 7, 2020, withdrawn on April 29, 2020

Robust value creation framework



4-6%
organic
growth



50-100 bps
of annual
margin expansion



Mid-teens+
EPS
growth



Capital allocation
enabled by strong
free cash flow

FOSTERED BY AVANTOR BUSINESS SYSTEM

Serving attractive end markets

>$75B TAM growing mid-single digits

BIOPHARMA

50% of revenue

$34B TAM

+HSD growth

Enabling life-altering, breakthrough treatments for patients



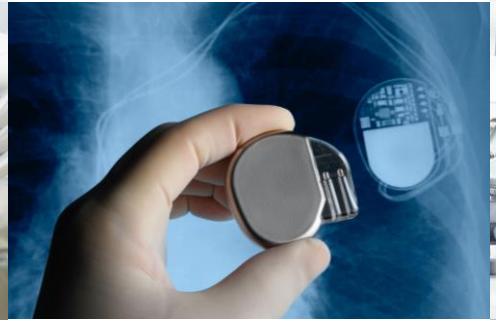
HEALTHCARE

10% of revenue

$10B TAM

+MSD growth

Helping protect the health and well-being of people across the globe



EDUCATION & GOVERNMENT

15% of revenue

$16B TAM

+LSD growth

Helping move science forward with precise, reliable research products



ADVANCED TECHNOLOGIES

25% of revenue

$16B TAM

+MSD growth

Providing ultra-high-purity solutions essential for the world's most demanding environments



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LSD = low-single digit
MSD = mid-single digit
HSD = high-single digit
TAM = total addressable market

Business model gives us access to high-growth production applications

EARLY PHASE DISCOVERY/R&D

- **Extraordinary access** to early-stage pipelines
- **Scale and infrastructure** to collaborate and engage with customers
- **Customization capability** via 11 strategically located regional innovation centers

SCALE-UP/ REGULATORY APPROVAL

- **Commitment to quality** via comprehensive systems, change management and audit programs
- **Deep regulatory expertise** with fully compliant documentation systems, 785+ DMF applications

PRODUCTION

- **Ultra-high-purity products** with up to part-per-trillion impurity levels
- **Transparency and security of supply** via robust documentation and supply chain protocols
- **GMP manufacturing** on three continents

40%

OF REVENUE

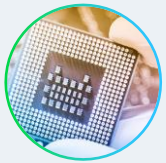
in growing production applications[1]



Biopharma



Medical devices



Semiconductor production



Space-grade silicones

1. FY19 estimate

Biopharma offering drives half of Avantor's revenue

RESEARCH & DEVELOPMENT



MSD Growth Rate

~50% of Biopharma Revenue[1]

- Unparalleled access
- Extensive portfolio
- Onsite service associates
- Collaboration that seeds bioproduction

CLINICAL & BIOREPOSITORY



HSD-DD Growth Rate

~15% of Biopharma Revenue[1]

- Scale-up and clinical trial services
- Custom kitting, packaging
- Equipment sourcing, deployment and management
- Storage and archiving for regulated environments

BIOPRODUCTION



DD Growth Rate

~35% of Biopharma Revenue[1]

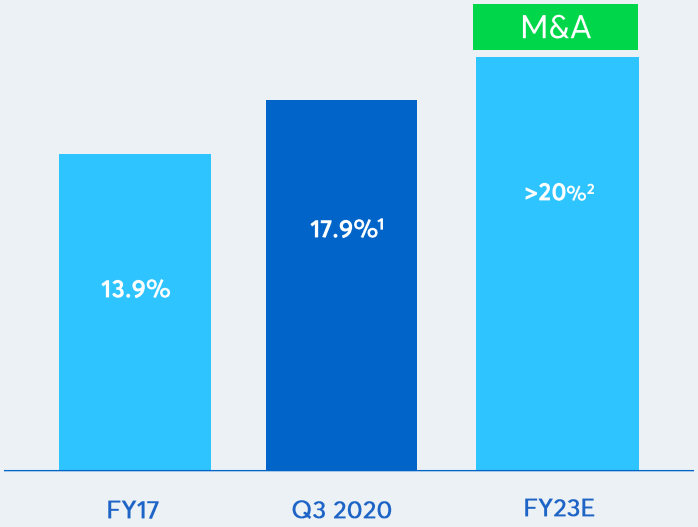
- Collaboration to support process optimization
- Broad range of GMP materials
- Highly characterized chromatography resins, solutions
- Robust pipeline

1. FY20 estimate

Multiple levers enabling continued margin expansion

Target 50-100 bps of annual margin expansion

ADJUSTED EBITDA MARGIN EXPANSION



DRIVERS

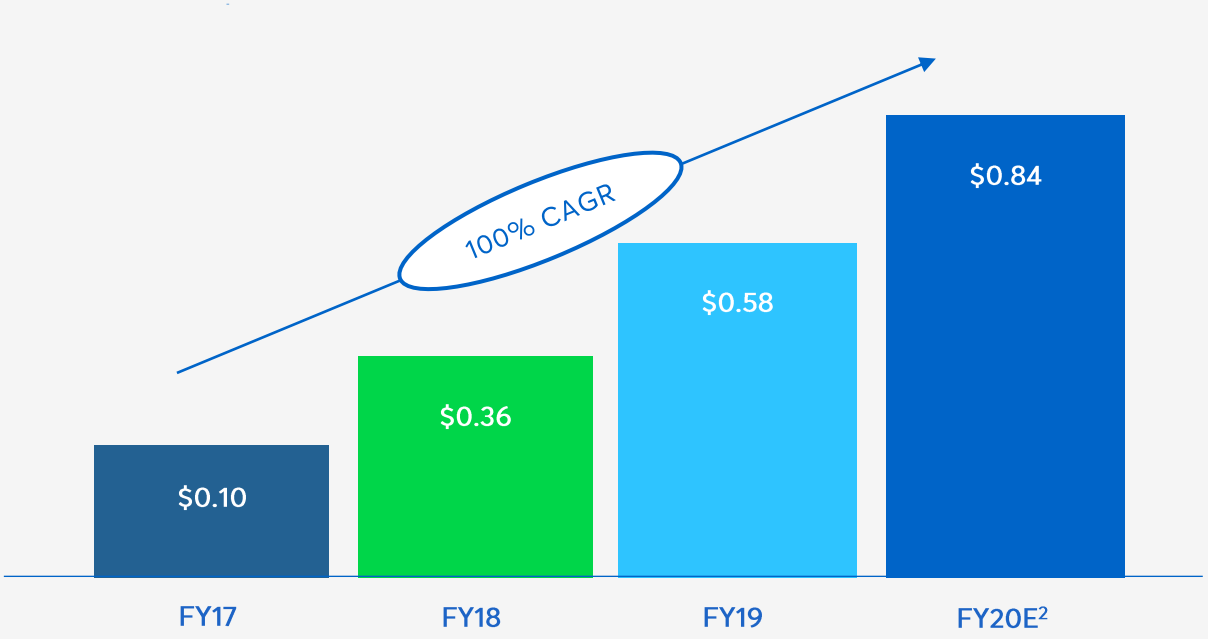


AVANTOR BUSINESS SYSTEM UNDERPINS EXECUTION

1. Q3'20 Actual
2. Management estimates

Annual EPS growth expected to continue at mid-teens rate

ADJUSTED EPS[1]



LOOKING AHEAD

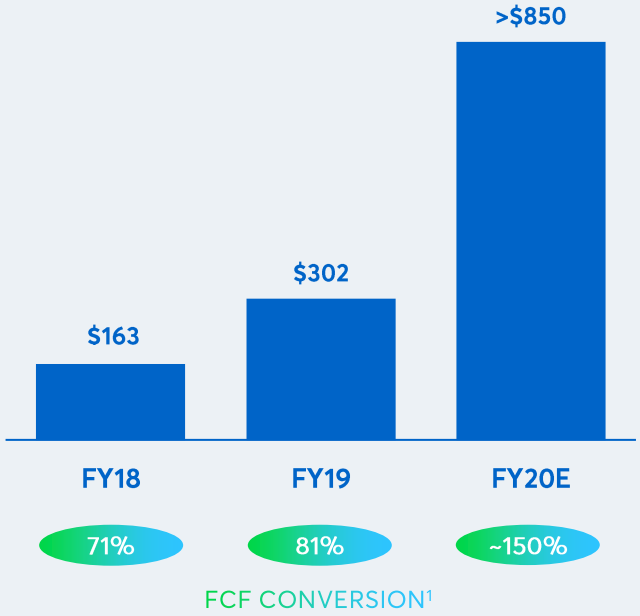
- Strong operational performance (EBITDA growth 1.5-2X sales growth)
- Tailwinds from 2020 refinancing
- Efficient tax structuring

… potential M&A creates upside

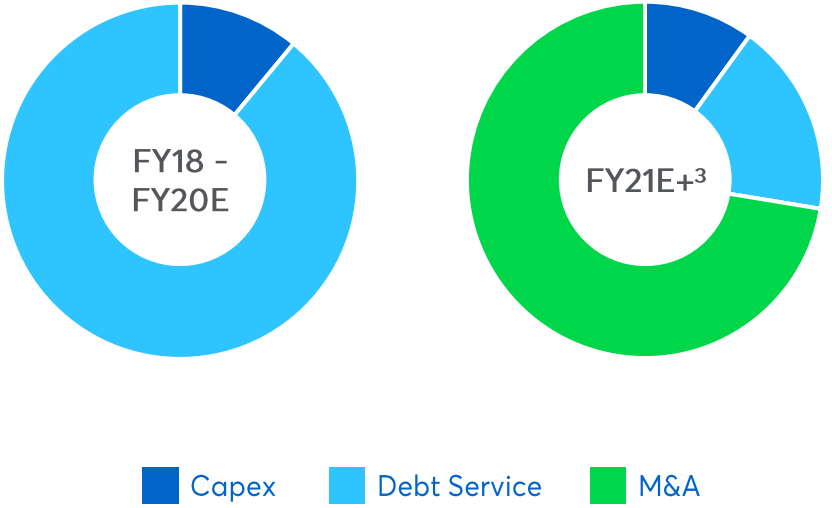
1. Adjusted net income divided by 642.7M outstanding shares
2. FY20 consensus estimates

Robust cash generation creating significant M&A capacity

FREE CASH FLOW ($M)



CAPITAL ALLOCATION[2]



1. Free cash flow as a percentage of adjusted net income
2. Usage of cash flow from operating activities
3. Subject to generation of FCF and availability of deals that meet our criteria

M&A as enhancement to mid-term EPS growth

RIGOROUS FRAMEWORK

Areas of interest:

- Biopharma production
- R&D workflows
- Services
- Geographic expansion

Value metrics:

- Accretive to organic growth, EBITDA margin
- Minimum high-single-digit ROIC
- Rapid leverage recovery

STRONG TRACK RECORD



GROWING CAPACITY & CAPABILITY

- >$1B capacity excluding share issuance
- M&A organization in place, pipeline growing

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1. 2011-2020 including legacy VWR transactions
2. From VWR integration

Avantor's role in helping to end the COVID-19 pandemic

Well-positioned to address dynamics

SUPPORT FOR FAST-TRACK DEVELOPMENT OF THERAPIES AND VACCINES

- Key participant in Operation Warp Speed
- Significant role in development and scale up
- Content across all vaccine modalities
- Clinical trial support

ENABLE FAST, RELIABLE COVID-19 TESTING

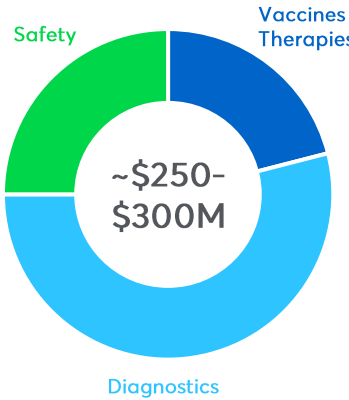
- Onsite supply chain management at testing facilities
- Sample preparation, kitting for PCR tests
- Serological and antigen test kits

PROTECT SAFETY OF PEOPLE, PRODUCTS AND PROCESSES

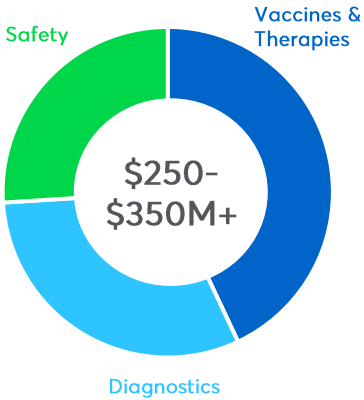
- Full suite of over 100,000 safety and industrial products
- Head-to-toe protection

REVENUE

2020E[1]



2021E[1]



1. FY20 estimate and management estimates

Our commitment to sustainability

Focused on creating positive impacts for all stakeholders

PEOPLE & CULTURE

- Increase management diversity
- Achieve top health & safety performance
- Continually improve employee engagement

INNOVATION & ENVIRONMENT

- Launch Avantor Environmental Sustainability Program
- Finalize environmental targets

COMMUNITY ENGAGEMENT

- Improve global access to healthcare and science education through financial contributions
- Increase associate volunteer hours

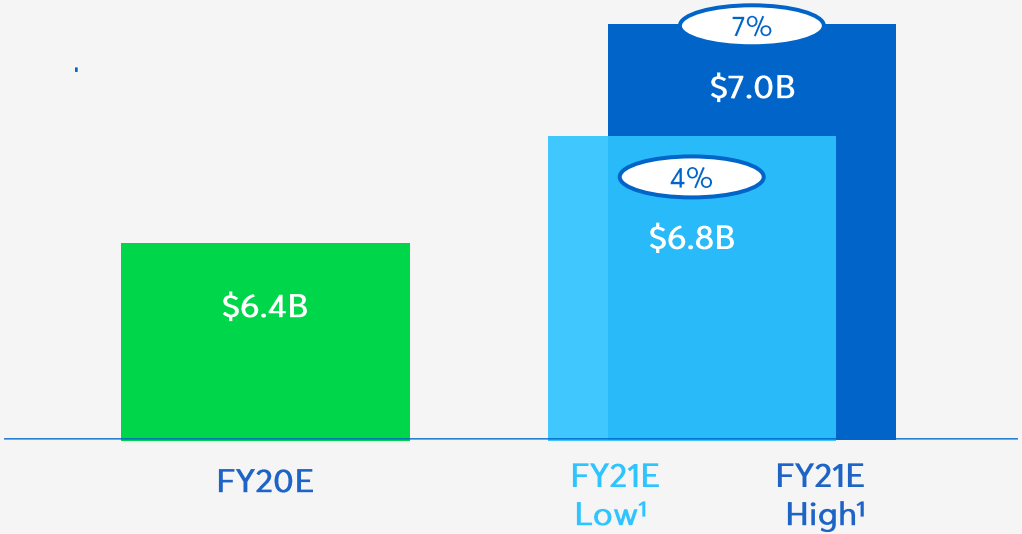
GOVERNANCE & INTEGRITY

- Launch Avantor Responsible Partner Program
- Adopt best-in-class governance provisions



2021 growth considerations

REVENUE SCENARIOS



KEY VARIABLES

- Base lab utilization
- Vaccine and diagnostic trends
- Non-COVID-19 healthcare demand

1. Management estimates

POSITIONED FOR GROWTH

- Global life sciences leader, with unparalleled scale and broad access to research labs
- Ability to serve scientific workflows from discovery to delivery with high-purity products and solutions
- Differentiated collaboration-based approach to innovation drives specification-driven model
- Robust financial performance, strong M&A framework and capacity



Appendix

Reconciliations of GAAP to non-GAAP measures

($M)

	2019		2020 Estimates	
	Q4	FY	Preliminary Q4 Minimum	Preliminary FY Minimum
Net cash provided by operating activities (GAAP)	**87.0**	**354.0**	290.0	913.8
Capital expenditures	(12.1)	(51.6)	(20.0)	(61.4)
Free cash flow (non-GAAP)	**74.9**	**302.4**	**270.0**	**852.4**
Net cash (used in) investing activities (GAAP)	**(11.4)**	**(42.1)**	(20.0)	(60.3)
Net cash (used in) financing activities (GAAP)	**(67.4)**	**(307.8)**	(380.0)	(782.5)

Reconciliations of GAAP to non-GAAP measures

	2020 Estimates	
	Preliminary Q4 Estimate	Preliminary FY Estimate
Net sales growth (GAAP)	~17%	~6%
Foreign currency impact	~(2%)	~(1%)
Organic net sales growth (non-GAAP)	**~15%**	**~5%**