

avantor™

Setting science in motion to create a better world

41st Annual J.P. Morgan Healthcare Conference

Michael Stubblefield
PRESIDENT AND CHIEF EXECUTIVE OFFICER

January 9, 2023

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 2021 Annual Report on Form 10-K, and our quarterly reports on Form 10-Q for the first, second and third quarters of 2022. 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. A reconciliation of non-GAAP measures can be found at the back of the deck.



Supporting science from discovery to delivery

~$7.5B
2022E REVENUE

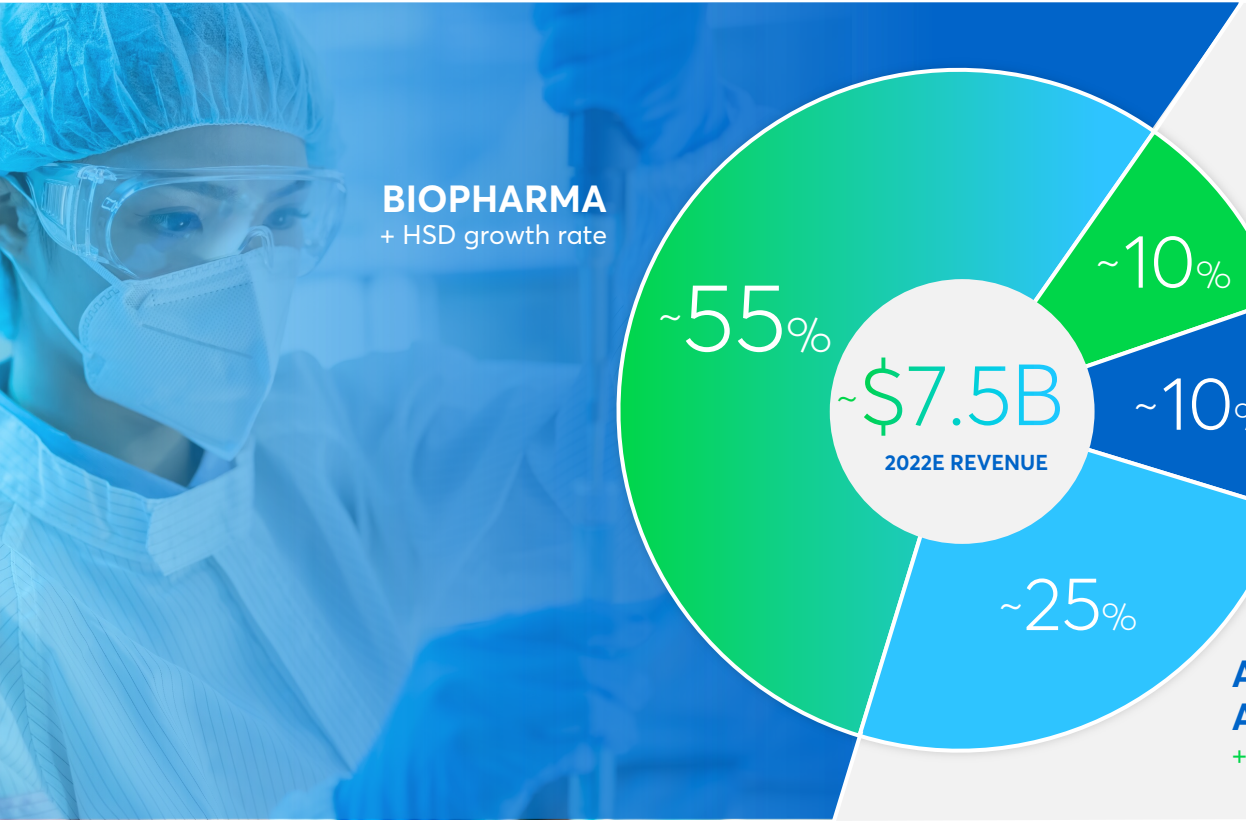
>85%
RECURRING REVENUE

>70%
LIFE SCIENCE EXPOSURE

>55%
PROPRIETARY CONTENT

Note: 2022E data based on full year guidance as of Q3 earnings call.
All other figures represent management estimates for FY 2022.

Exposed to attractive end markets



BIOPHARMA
+ HSD growth rate

HEALTHCARE
+ MSD growth rate

EDUCATION & GOVERNMENT
+ LSD growth rate

ADVANCED TECH & APPLIED MATERIALS
+ MSD growth rate

All growth rates represent expected long-term growth rates HSD = 7-9%; MSD = 4-6%; LSD = 1-3%
2022E data based on full year guidance as of Q3 earnings call.
All other figures represent management estimates for FY 2022.

Enabling scientific breakthroughs with comprehensive offering



WORKFLOW SOLUTIONS
for laboratories

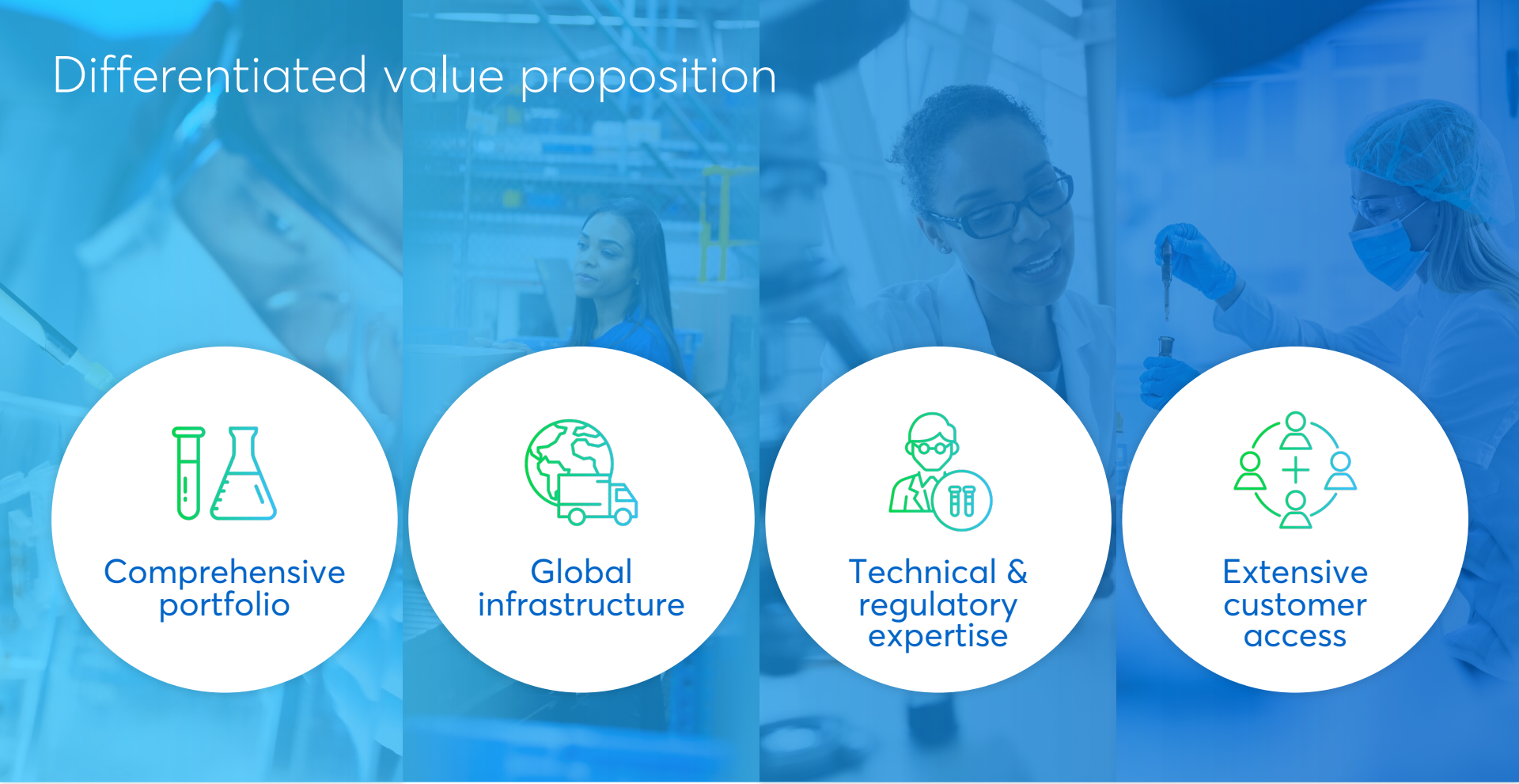
Enabling scientists to achieve precise analytical results

CUSTOMIZED MATERIALS
for production

Creating customized materials for use in highly regulated, demanding applications



Differentiated value proposition



Comprehensive portfolio

Global infrastructure

Technical & regulatory expertise

Extensive customer access

Avantor long-term financial algorithm

ORGANIC REV. GROWTH



4-6%+

ORGANIC GROWTH

ADJ. EBITDA MARGIN



50-100 bps

ANNUAL MARGIN EXPANSION

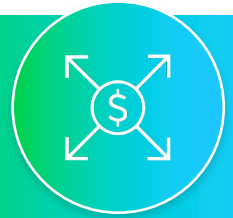
ADJUSTED EPS



Mid-teens+

ADJUSTED EPS GROWTH

FREE CASH FLOW



Capital allocation flexibility

ENABLED BY STRONG FREE CASH FLOW

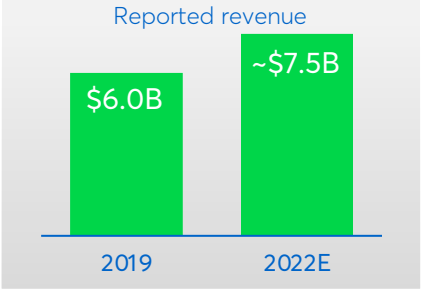
FOSTERED BY AVANTOR BUSINESS SYSTEM

Track record of performance

ORGANIC REV. GROWTH

LT TARGET: 4-6%

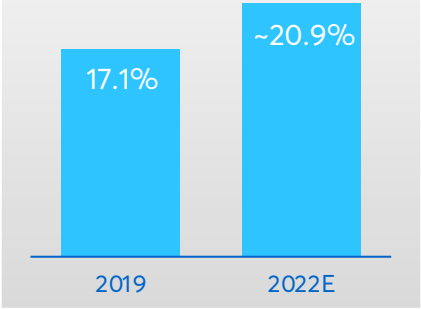
~ 6.5%
Organic CAGR
(2019–2022E)



ADJ. EBITDA MARGIN

LT TARGET: 50 – 100 bps

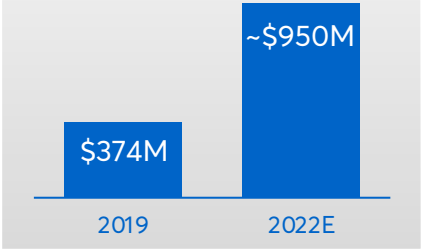
~130
Average bps/ year expansion
(2019 – 2022E)



ADJUSTED NET INCOME

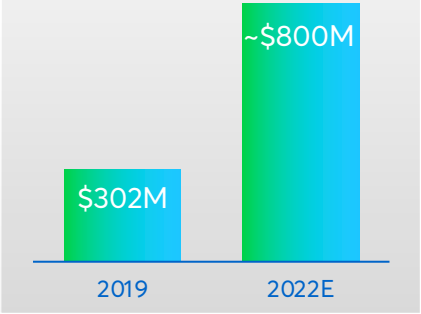
LT TARGET: Mid-teens+

~37%
CAGR
(2019–2022E)



FREE CASH FLOW

~ 2.5x
Growth
(2019–2022E)

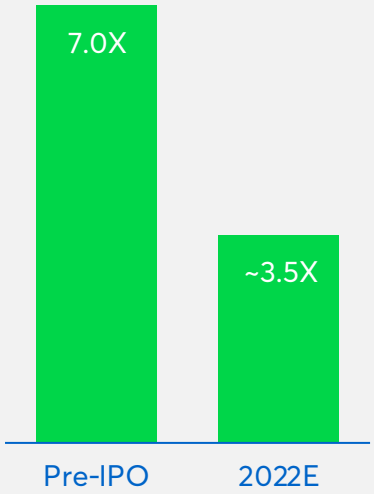


ABOVE LONG-TERM PLAN ACROSS ALL METRICS

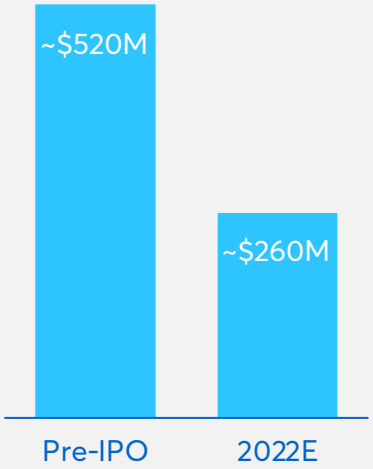
Note: 2022E data based on full year guidance as of Q3 earnings call (midpoint where relevant).

Executing successful deleveraging strategy

NET LEVERAGE



INTEREST EXPENSE





Note: 2022E data based on full year guidance as of Q3 earnings call.

1. Comparing pre-IPO to 2022E based on management estimate.

Combined platform is stronger than ever

	LEGACY [1]	avantor™ [2]
Organic lab growth	2–3%	4–5%
Bioproduction customers	~2,000	~9,000
Presence in top 20 biologic drugs	~80%	~85%



1. Legacy refers to: organic lab growth - average organic revenue growth of legacy VWR from 2010 - 2017, bioproduction customers - legacy Avantor bioproduction customers in 2017, presence in top 20 biologic drugs - legacy Avantor presence in 2017 from Evaluate Pharma.
2. Avantor refers to: organic lab growth - data of combined entity from 2018 – 2022E, bioproduction customers – combined entity in 2022E, presence in top 20 biologic drugs – combined entity presence in 2022 from Evaluate Pharma.
3. Comparing legacy Avantor bioproduction sales in 2017 vs. 2022E bioproduction sales.

Embedding ESG practices across our business

MSCI
SUSTAINALYTICS
a Morningstar company
ecovadis
CDP

Increased ESG ratings in 2022

>50%

Progress towards 2025 GHG reduction goal



Governance & Integrity



Community Engagement



People & Culture



Innovation & Environment

MSCI and Ecovadis are registered trademarks. CDP is a registered trademark of the Carbon Disclosure Project. Sustainalytics is a trademark of Sustainalytics, a Morningstar Company.

Positioned for growth



Innovation enhances growth and resilience

INSIGHTS

13
global innovation centers

More than
300K
customer locations using Avantor products

INNOVATION

1,500+
active customer-requested R&D projects[1]

Investing
MSD
in innovation as % of self-manufactured sales [2]

SPECIFICATIONS

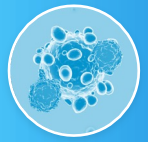
3X
growth in annual bioproduction revenue from NPIs[3]

Specified into
85%
of top 20 biologic drugs[4]

NPI EXAMPLES



Viral inactivation for Monoclonal Antibodies



Cell lysis for Cell & Gene therapy

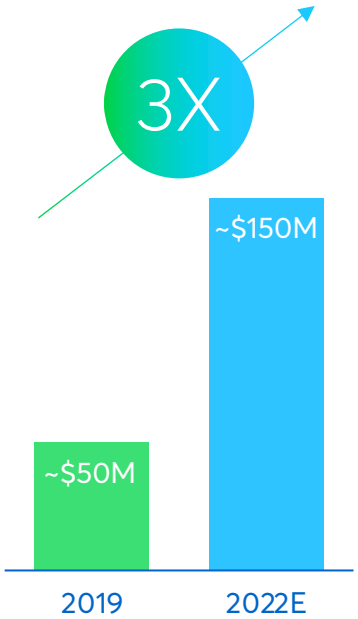


Synthetic lipids for mRNA

1. Active R&D projects tied to specific customer opportunity.
2. Includes all R&D personnel, innovation center expenses and other R&D spend as a % of self-manufactured proprietary revenue.
3. Represents growth in total bioproduction revenues from NPIs from 2020 to 2022E.
4. 2022 data from Evaluate Pharma.

Expansion supports growth engine

CAPEX INVESTMENTS[1]



INCREMENTAL CAPACITY, GEOGRAPHIC REACH, NEW PRODUCT LINES

- Single use expansions, Netherlands & Massachusetts
- Acetonitrile expansion, Connecticut
- Salt buffers expansion, New Jersey & Kentucky
- Amino Acids & hydration expansion, Ohio
- New distribution center, Ireland
- New manufacturing & distribution hub, Singapore

DIGITAL INFRASTRUCTURE

- ERP consolidation
- SAP warehouse management
- Global CRM system
- eCommerce content enrichment
- Pricing AI
- Quality management platform

Note: 2022E data based on management estimates as of Q3 earnings call.

1. Represents total capital expenditures.

M&A accelerates proprietary growth

APPROACH

Expanded team of strategy and BD experts

Evolving our method for target identification and diligence

Robust pipeline augmented by connection to supplier and customer technologies

~$8B **M&A capacity** through 2025

FOCUS AREAS



Biopharma production



Life science research



Services


We set science in motion
to create a better world

Appendix

Reconciliations of GAAP to non-GAAP measures

($M)

	Full Year 2019		Full Year 2020		Full Year 2021		9 months ended 9/30/2022	
Net sales growth (GAAP)	**$176.0**	**3.0%**	**$353.3**	**5.8%**	**$992.5**	**15.5%**	**$238.9**	**4.4%**
Foreign currency impact	(123.3)	(2.1)%	16.5	0.2%	130.3	2.0%	(230.5)	(4.1)%
Sales from acquired companies	—	—	—	—	143.0	2.2%	254.2	4.6%
Organic net sales growth (non-GAAP)	**$299.3**	**5.1%**	**$336.8**	**5.6%**	**$719.2**	**11.3%**	**$215.2**	**3.9%**

Reconciliations of GAAP to non-GAAP measures (continued)

($M)

	Full Year 2019	Full Year 2020	Full Year 2021	9 months ended 9/30/2022
Net income (GAAP)	**$37.8**	**$116.6**	**$572.6**	**$544.8**
Amortization	312.3	307.5	290.8	239.8
Loss on extinguishment of debt	73.7	346.8	12.4	10.8
Net foreign currency loss (gain) from financing activities	1.9	(0.7)	1.3	(0.2)
Other stock-based compensation expense (benefit)	36.8	1.3	3.0	(3.3)
Acquisition-related expenses	—	—	77.8	—
Integration-related expenses and other	25.7	17.1	15.9	13.6
Purchase accounting adjustments	(10.7)	—	6.3	9.4
Restructuring and severance charges	24.3	11.8	5.3	3.7
Receipt of disgorgement penalty	—	—	(13.0)	—
Income tax (benefit) applicable to pretax adjustments	(128.2)	(225.2)	(65.1)	(77.1)
Adjusted net income (non-GAAP)	**373.6**	**575.2**	**907.3**	**741.5**
Interest expense	440.0	307.6	217.4	196.0
Depreciation	86.6	87.9	88.4	65.0
Income tax provision applicable to Adjusted net income	131.0	170.9	245.5	208.7
Adjusted EBITDA (non-GAAP)	**$1,031.2**	**$1,141.6**	**$1,458.6**	**$1,211.2**

Reconciliations of GAAP to non-GAAP measures (continued)

(Shares in M)

	Full Year 2019	Full Year 2020	Full Year 2021	9 months ended 9/30/2022
Diluted (loss) earnings per share (GAAP)	**$(0.84)**	**$0.09**	**$0.85**	**$0.80**
Dilutive impact of convertible instruments	0.19	0.09	0.04	—
Normalization for shares issued in IPO	0.71	—	—	—
Fully diluted earnings per share (non-GAAP)	**0.06**	**0.18**	**0.89**	**0.80**
Amortization	0.49	0.48	0.45	0.35
Loss on extinguishment of debt	0.11	0.54	0.03	0.01
Net foreign currency loss (gain) from financing activities	—	—	—	—
Other stock-based compensation expense (benefit)	0.06	—	—	—
Acquisition-related expenses	—	—	0.12	—
Integration-related expenses and other	0.04	0.03	0.03	0.02
Purchase accounting adjustments	(0.02)	—	0.01	0.01
Restructuring and severance charges	0.04	0.01	—	0.01
Receipt of disgorgement penalty	—	—	(0.02)	—
Income tax (benefit) applicable to pretax adjustments	(0.20)	(0.35)	(0.10)	(0.11)
Adjusted EPS (non-GAAP)	**$0.58**	**$0.89**	**$1.41**	**$1.09**
Diluted weighted average share count (GAAP)	401	583	600	680
Share count for Adjusted EPS (non-GAAP)	643	643	643	680

Reconciliations of GAAP to non-GAAP measures (continued)

($M)

	2019	2020	2021	Q3 2022
Debt, gross	$5,249.4	$4,972.2	$7,113.2	6,253.3
Less: cash and cash equivalents	(186.7)	(286.6)	(301.7)	(265.6)
Numerator of adjusted net leverage	**5,062.7**	**4,685.6**	**6,811.5**	**5,987.7**
TTM adjusted EBITDA[1]	1,031.2	1,141.6	1,587.3	1,589.7
TTM ongoing share-based compensation expense	31.1	42.4	47.7	52.6
Pro forma adjustment for projected synergies	26.8	1.6	—	—
Denominator of adjusted net leverage	**$1,089.1**	**$1,185.6**	**$1,635.0**	**$1,642.3**
Adjusted net leverage (non-GAAP)	**4.6X**	**4.0X**	**4.2X**	**3.6X**

1. Represents the Adjusted EBITDA of Avantor for the trailing twelve-month period plus management's best estimates of the incremental results attributable to acquired companies as if such acquisitions had been completed on the first day of such trailing twelve-month period, as permitted by our debt covenants. Such estimates and financial information for acquired companies may or may not have been audited, and in certain instances may have been prepared on a basis other than U.S. GAAP though we believe these differences in the basis of accounting to be immaterial for the purpose of presenting Adjusted net leverage.

Reconciliations of GAAP to non-GAAP measures (continued)

($M)

	Full Year 2019	Full Year 2020	Full Year 2021	9 months ended 9/30/2022
Net cash provided by operating activities (GAAP)	$354.0	$929.8	$953.6	$638.0
Capital expenditures	(51.6)	(61.6)	(111.1)	(99.8)
Acquisition-related expenses paid	—	—	77.8	—
Free cash flow (non-GAAP)	**$302.4**	**$868.2**	**$920.3**	**$538.2**