

Investor Presentation

RAYMOND JAMES INSTITUTIONAL INVESTORS CONFERENCE
March 6, 2023

Thomas Szlosek
Chief Financial Officer

AVTR
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NYSE

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 most recent annual report on Form 10-K. 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. A reconciliation of non-GAAP measures is included in the appendix of this presentation.



Supporting science from discovery to delivery

$7.5B
2022 REVENUE

>85%
RECURRING REVENUE

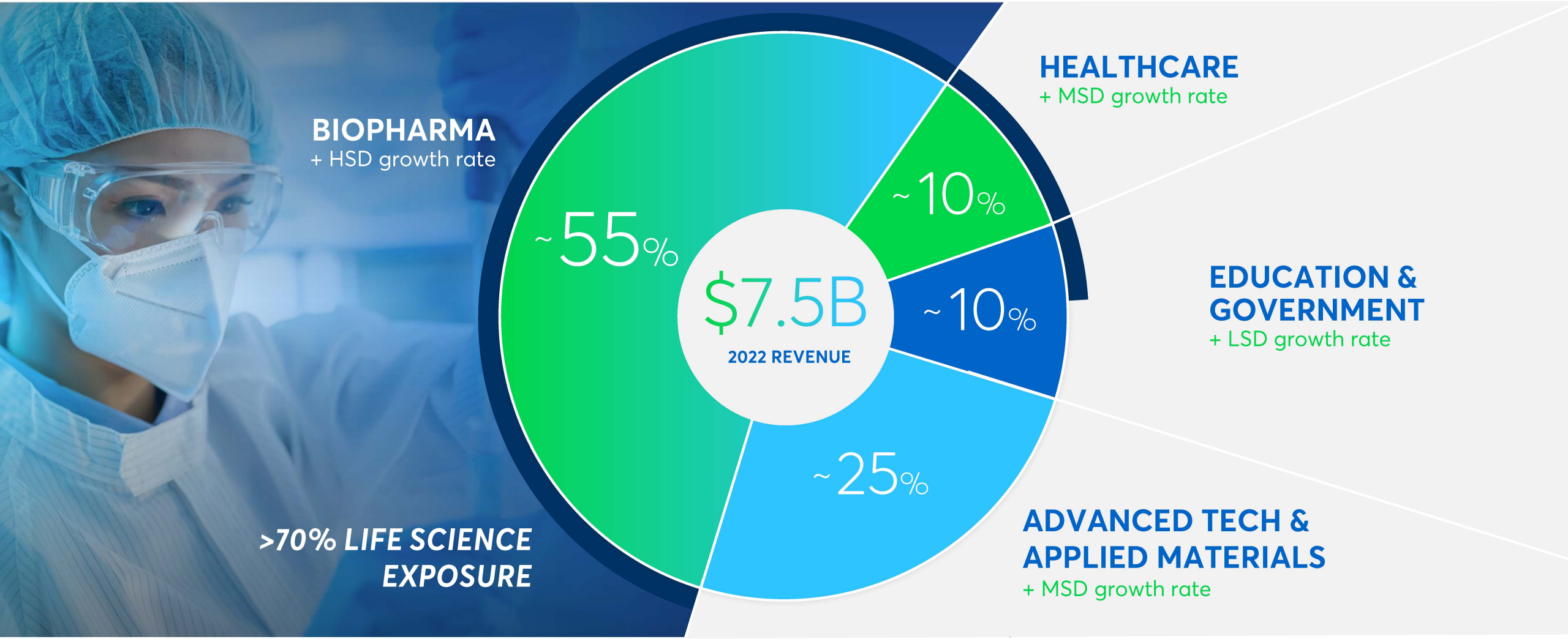
>70%
LIFE SCIENCE EXPOSURE

>55%
PROPRIETARY CONTENT

Note: Data based on full year 2022 results.

Exposed to attractive end markets

TOTAL ADDRESSABLE MARKET >$80B



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All growth rates represent expected long-term growth rates. HSD = 7-9%; MSD = 4-6%; LSD = 1-3%
2022 data based on full year results.

Enabling scientific breakthroughs with comprehensive offering



LABORATORY SOLUTIONS

Products & services that enable scientists to achieve precise analytical results

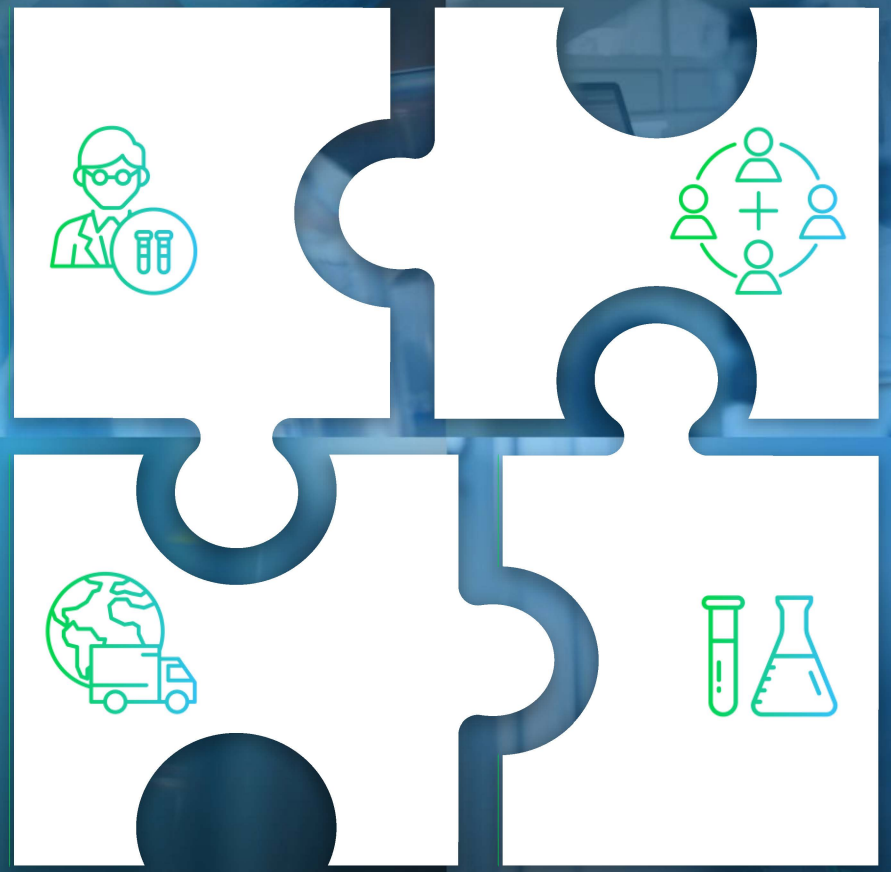
PRODUCTION SOLUTIONS

Custom & specialty materials for use in highly regulated applications



Integrated set of core capabilities

Technical & regulatory expertise



Extensive customer access

Global infrastructure

Comprehensive Portfolio

Positioned for growth



Positioned for growth

1 INNOVATION

- 3X bioproduction revenue from NPIs[1]
- Specified in 85% of top 20 biologics[2]
- Collaboration agreements with Agilent, Cytovance Biologics, GeminiBio and Oxford Nanopore

2 EXPANSION

- Initiated 14 expansion projects[3]
- Invested in digital architecture
- Achieved significant renewal and expansion milestones with top 10 customers

3 M&A

- Integrated Masterflex, Ritter, RIM Bio
- Robust NPI pipeline for 2023
- Actively building M&A pipeline in focus areas

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Note: NPI = New Product Introductions

1. Represents growth in total bioproduction revenues from NPIs from 2020 to 2022E.
2. 2022 data from Evaluate Pharma.
3. Manufacturing and distribution expansions in 2022.

Embedding ESG practices across our business



Governance & Integrity

Community Engagement

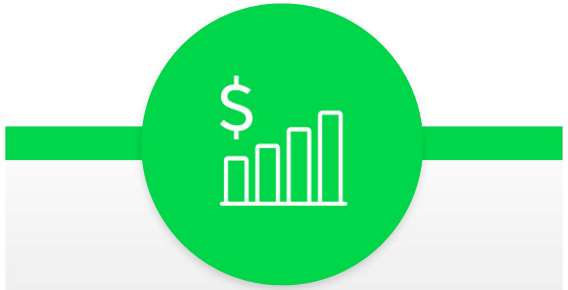
People & Culture

Innovation & Environment

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Avantor long-term financial algorithm

ORGANIC REV. GROWTH



4-6%+

ORGANIC GROWTH

ADJ. EBITDA MARGIN



50-100 bps

ANNUAL MARGIN EXPANSION

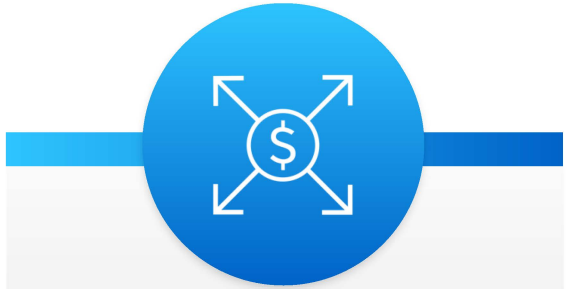
ADJUSTED EPS



Mid-teens+

ADJUSTED EPS GROWTH

FREE CASH FLOW



Capital allocation flexibility

ENABLED BY STRONG FREE CASH FLOW

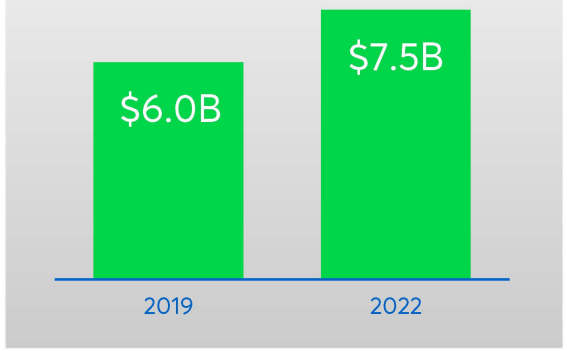
FOSTERED BY AVANTOR BUSINESS SYSTEM

Track record of performance

ORGANIC REV. GROWTH

LT TARGET: 4-6%

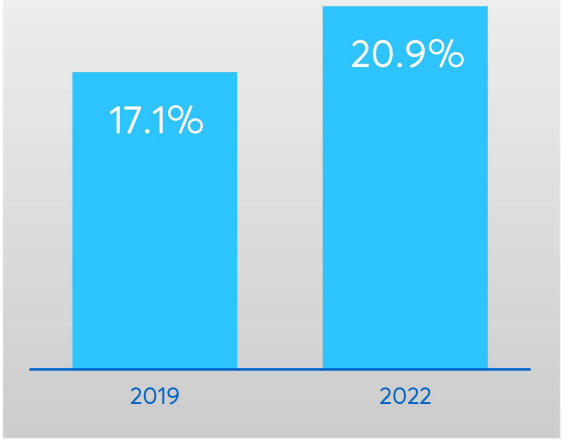
~6.5%
Organic CAGR
(2019–2022)



ADJ. EBITDA MARGIN

LT TARGET: 50 – 100 bps

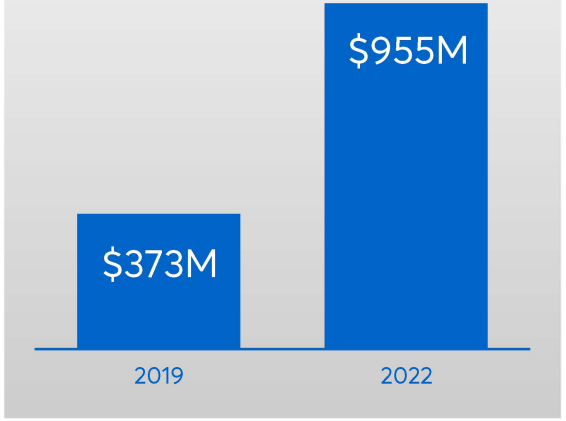
~130
Average bps/ year expansion
(2019 – 2022)



ADJUSTED NET INCOME

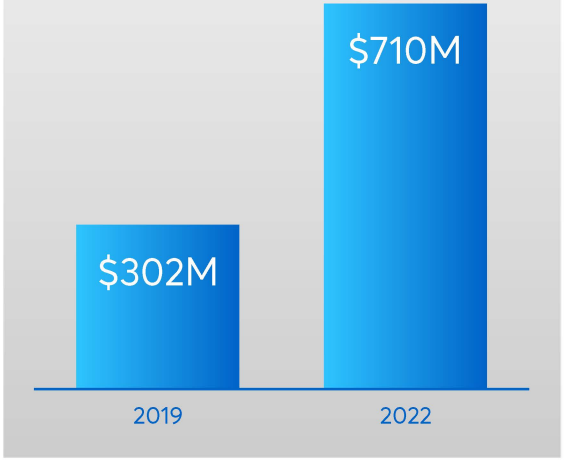
LT TARGET: Mid-teens+

~37%
CAGR
(2019–2022)



FREE CASH FLOW

~2.3x
Growth
(2019–2022)



ABOVE LONG-TERM PLAN ACROSS ALL METRICS

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2023 full-year guidance



METRIC	FY 2023 GUIDANCE
Core Organic Revenue Growth	2.5 – 4.5%
Adj. EBITDA Margin Expansion	-25 to +25 bps
Adj. EPS[1]	$1.35 - $1.45
Free Cash Flow	~$700 - $800M

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Note: All figures based on current estimate for FY blended USD/EUR exchange rate of 1.05
1. Adj. EPS estimate based on US GAAP diluted share count of ~680M.

Summary



Attractive
end markets



Integrated
core capabilities



Robust
financial algorithm



Investing
for growth


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Setting science in motion to create a better world.
avantorsciences.com

Reconciliations of GAAP to non-GAAP measures

($M)

	Full Year 2019		Full Year 2020		Full Year 2021		Full Year 2022	
Net sales growth (GAAP)	**$176.0**	**3.0%**	**$353.3**	**5.8%**	**$992.5**	**15.5%**	**$126.3**	**1.7%**
Foreign currency impact	(123.3)	(2.1)%	16.5	0.2%	130.3	2.0%	(317.1)	(4.3)%
Sales from acquired companies	—	—	—	—	143.0	2.2%	268.2	3.6%
Organic net sales growth (non-GAAP)	**$299.3**	**5.1%**	**$336.8**	**5.6%**	**$719.2**	**11.3%**	**$175.2**	**2.4%**

Reconciliations of GAAP to non-GAAP measures (continued)

($M)

	Full Year 2019	Full Year 2020	Full Year 2021	Full Year 2022
Net income (GAAP)	**$37.8**	**$116.6**	**$572.6**	**$686.5**
Amortization	312.3	307.5	290.8	318.3
Loss on extinguishment of debt	73.7	346.8	12.4	12.5
Net foreign currency loss (gain) from financing activities	1.9	(0.7)	1.3	7.0
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	19.2
Purchase accounting adjustments	(10.7)	—	6.3	9.4
Restructuring and severance charges	24.3	11.8	5.3	3.5
Receipt of disgorgement penalty	—	—	(13.0)	—
Income tax (benefit) applicable to pretax adjustments	(128.2)	(225.2)	(65.1)	(97.6)
Adjusted net income (non-GAAP)	**373.6**	**575.2**	**907.3**	**955.5**
Interest expense	440.0	307.6	217.4	265.8
Depreciation	86.6	87.9	88.4	87.2
Income tax provision applicable to Adjusted net income	131.0	170.9	245.5	262.2
Adjusted EBITDA (non-GAAP)	**$1,031.2**	**$1,141.6**	**$1,458.6**	$1,570.7

Reconciliations of GAAP to non-GAAP measures (continued)

(Shares in M)

	Full Year 2019	Full Year 2020	Full Year 2021	Full Year 2022
Diluted (loss) earnings per share (GAAP)	**$(0.84)**	**$0.09**	**$0.85**	**$1.01**
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**	**1.01**
Amortization	0.49	0.48	0.45	0.47
Loss on extinguishment of debt	0.11	0.54	0.03	0.01
Net foreign currency loss (gain) from financing activities	—	—	—	0.01
Other stock-based compensation expense (benefit)	0.06	—	—	—
Acquisition-related expenses	—	—	0.12	—
Integration-related expenses and other	0.04	0.03	0.03	0.03
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)	(0.14)
Adjusted EPS (non-GAAP)	**$0.58**	**$0.89**	**$1.41**	**$1.41**
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)

	Full Year 2019	Full Year 2020	Full Year 2021	Full Year 2022
Net cash provided by operating activities (GAAP)	$354.0	$929.8	$953.6	$843.6
Capital expenditures	(51.6)	(61.6)	(111.1)	(133.4)
Acquisition-related expenses paid	—	—	77.8	—
Free cash flow (non-GAAP)	**$302.4**	**$868.2**	**$920.3**	**$710.2**