

## Second Quarter Overall Net Sales

\$753.8M | ↓ 2.3%

Diluted Earnings Per Share: \$2.06

Adjusted Diluted Earnings Per Share: \$2.11



“We had a solid first-half of 2023, and with the momentum of our high-value product capacity expansion projects, we are well positioned for an even better second-half of the year. While COVID-19 related sales continued to decline as expected, our base Proprietary Products business again organically grew double digits. We see continued stability in both near- and long-term demand trends for our HVP components, devices and systems, and our team members remain focused on creating value-added solutions for our customers.”

**Eric M. Green**

President and Chief Executive Officer

Chair of the Board

West Pharmaceutical Services, Inc.

### Cautionary Statement Under the Private Securities Litigation Reform Act of 1995

This presentation and any accompanying management commentary contain “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about product development and operational performance. Each of these statements is based on preliminary information, and actual results could differ from any preliminary estimates. We caution investors that the risk factors listed under “Cautionary Statement” in our press releases, as well as those set forth under the caption “Risk Factors” in our most recent Annual Report on Form 10-K as filed with the Securities and Exchange Commission and as revised or supplemented by our quarterly reports on Form 10-Q, could cause our actual results to differ materially from those estimated or predicted in the forward-looking statements. You should evaluate any statement in light of these important factors. Except as required by law or regulation, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

### Non-U.S. GAAP Financial Measures

Certain financial measures included in these presentation materials, or which may be referred to in management’s discussion of the Company’s results and outlook, have not been calculated in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), and therefore are referred to as non-U.S. GAAP financial measures. Non-U.S. GAAP financial measures should not be considered in isolation or as an alternative to such measures determined in accordance with U.S. GAAP. Please refer to “Reconciliation of Non-U.S. GAAP Financial Measures” at the end of these materials for more information.



# West Pharmaceutical Services, Inc.

**Eric M. Green**

President & CEO, Chair of the Board

**Bernard J. Birkett**

Senior VP & Chief Financial and Operations Officer

Second-Quarter 2023 Analyst Conference Call  
9 a.m. Eastern Time | July 27, 2023



# West Analyst Conference Call

9 a.m. Eastern Time

July 27, 2023

**A webcast of today's call can be accessed in the "Investors" section of the Company's website: [www.westpharma.com](http://www.westpharma.com)**

**To participate on the call by asking questions to Management, please register in advance at:**

**<https://register.vevent.com/register/B1e7c5497da46b40a883a63bbba191c9a6>**

**Upon registration, all telephone participants will receive the dial-in number along with a unique PIN number that will be used to access the call.**

*A replay of the conference call and webcast will be available on the Company's website for 30 days.*

# Safe Harbor Statement

## Cautionary Statement Under the Private Securities Litigation Reform Act of 1995

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We caution investors that the risk factors listed under our “Forward Looking Statements” in our press releases, as well as those set forth under the caption “Risk Factors” in our most recent Annual Report on Form 10-K as filed with the Securities and Exchange Commission and as revised or supplemented by our quarterly reports on Form 10-Q, could cause our actual results to differ materially from those estimated or predicted in the forward-looking statements. You should evaluate any statement in light of these important factors. Except as required by law or regulation, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

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## Trademarks

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Daikyo Crystal Zenith® and Daikyo CZ® are registered trademarks of Daikyo Seiko, Ltd. Daikyo Crystal Zenith technologies are licensed from Daikyo Seiko, Ltd.

# Financial Highlights



- Second quarter 2023 net sales of \$753.8 million declined 2.3%; organic net sales declined 2.5%
- Second quarter 2023 reported-diluted EPS of \$2.06 compared to \$2.48 in the same period last year; adjusted-diluted EPS of \$2.11 compared to \$2.47 in the same period last year



# Delivering unique value to Customers and Patients



Execute. Innovate. Grow.



**HVP Components & Delivery Systems**



**Global Capacity Expansion**



## 2022 Environmental Social Governance (ESG) Report published in June

### Progress

in waste recycled and global waste diversion at sites

**250+**

charitable organizations that West partnered with across the globe

### Improvement

in energy intensity enabling us to be more efficient

**50**

scholarships funded for underrepresented students

### Reduction

in water intensity helping to make processes more sustainable

**44%**

of West's Senior Leadership are women and/or minorities

## Recognized for supporting a healthy planet for everyone



**Newsweek**  
2022 America's Most Responsible Companies



Global Public Service Award 2022



Proud Sustainability Partner to the Philadelphia Eagles



Corporate Societal Excellence - Singapore

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## 2023 Full-Year Guidance

<b>Consolidated Net Sales</b>	<b>\$2.970 - \$2.995 billion</b>
<b>Adjusted-Diluted EPS</b>	<b>\$7.65 to \$7.80</b>

# Second-Quarter 2023 Summary Results

(\$ millions, except earnings-per-share (EPS) data)



	Three Months Ended June 30	
	2023	2022
<b>Reported Net Sales</b>	<b>\$753.8</b>	<b>\$771.3</b>
<b>Gross Profit Margin</b>	<b>38.7%</b>	<b>41.7%</b>
<b>Reported Operating Profit</b>	<b>\$182.5</b>	<b>\$228.4</b>
<b>Adjusted Operating Profit <sup>(1)</sup></b>	<b>\$185.0</b>	<b>\$227.0</b>
<b>Reported Operating Profit Margin</b>	<b>24.2%</b>	<b>29.6%</b>
<b>Adjusted Operating Profit Margin <sup>(1)</sup></b>	<b>24.5%</b>	<b>29.4%</b>
<b>Reported-Diluted EPS</b>	<b>\$2.06</b>	<b>\$2.48</b>
<b>Adjusted-Diluted EPS <sup>(1)</sup></b>	<b>\$2.11</b>	<b>\$2.47</b>

(1) “Adjusted Operating Profit,” “Adjusted Operating Profit Margin” and “Adjusted-Diluted EPS” are Non-U.S. GAAP financial measures. See accompanying slides and the discussion under the heading “Non-U.S. GAAP Financial Measures” in today’s press release for an explanation and reconciliation of these items.

# Second-Quarter 2023 Organic Net Sales Growth



**Overall Organic Net Sales Decline: 2.5% (Q2 2023)**

*Proprietary Products Q2 2023 organic net sales declined 5.5% driven by a reduction in COVID-related sales of approximately \$106 million.*

## **BIOLOGICS**

(Double Digit)

Sales decline due to reduction in sales related to COVID-19 vaccines

## **GENERIC**

High-Single Digit

Sales led by high-value products, including Westar<sup>®</sup> components and delivery devices

## **PHARMA**

Mid-Single Digit

Sales led by high-value products, including Envision<sup>®</sup> and Westar<sup>®</sup> components and Admin Systems

## **CONTRACT MANUFACTURING**

Double Digit

Organic sales growth of 14.3%, led by increase in sales of components associated with injection-related devices

# Change in Consolidated Net Sales Second-Quarter 2022 to 2023 (\$ millions)



# Gross Profit Update

(\$ millions)



	Three Months Ended June 30,	
	2023	2022
<b>Proprietary Products Gross Profit</b>	<b>\$271.4</b>	<b>\$302.3</b>
<b>Proprietary Products Gross Profit Margin</b>	<b>43.9%</b>	<b>46.2%</b>
<b>Contract-Manufactured Products Gross Profit</b>	<b>\$20.9</b>	<b>\$19.2</b>
<b>Contract-Manufactured Products Gross Profit Margin</b>	<b>15.4%</b>	<b>16.3%</b>
<b>Reported Consolidated Gross Profit</b>	<b>\$291.4</b>	<b>\$321.5</b>
<b>Reported Consolidated Gross Profit Margin</b>	<b>38.7%</b>	<b>41.7%</b>

# Cash Flow and Balance Sheet Metrics

(\$ millions)



## Cash Flow Items

	YTD Q2 2023	YTD Q2 2022
Depreciation and Amortization	\$65.7	\$59.7
Operating Cash Flow	\$307.3	\$324.3
Capital Expenditures	\$157.5	\$131.9
Free Cash Flow	\$149.8	\$192.4

## Financial Condition

	June 30, 2023	December 31, 2022
Cash and Cash Equivalents	\$796.3	\$894.3
Debt	\$207.8	\$208.9
Equity	\$2,746.7	\$2,684.9
Working Capital	\$1,362.6	\$1,400.5

# Making a Difference to Patient Health over the next Century



**Execute. Innovate. Grow.**

**Delivering Unique Value to Customers and Patients**

**Global Operational Effectiveness Across the Network**

**Accelerating Investments for the Future**





**Eric M. Green**

*President and  
Chief Executive Officer,  
Chair of the Board*



**Bernard J. Birkett**

*Senior VP and Chief Financial  
and Operations Officer*



**Quintin Lai**

*VP, Corporate Strategy &  
Investor Relations*

## Q & A

# Notes to Non-U.S. GAAP Financial Measures

For the purpose of aiding the comparison of our year-over-year results, we may refer to net sales and other financial results excluding the effects of changes in foreign currency exchange rates.

Organic net sales exclude the impact from acquisitions and/or divestitures and translate the current-period reported sales of subsidiaries whose functional currency is other than the U.S. Dollar at the applicable foreign exchange rates in effect during the comparable prior-year period.

We may also refer to financial results excluding the effects of unallocated items.

The re-measured results excluding effects from currency translation, the impact from acquisitions and/or divestitures, and the effects of unallocated items are not in conformity with U.S. GAAP and should not be used as a substitute for the comparable U.S. GAAP financial measures.

The Non-U.S. GAAP financial measures are incorporated into our discussion and analysis as management uses them in evaluating our results of operations and believes that this information provides users a valuable insight into our overall performance and financial position.

A reconciliation of these adjusted Non-U.S. GAAP financial measures to the comparable U.S. GAAP financial measures is included in the accompanying tables.

# Notes to Non-U.S. GAAP Financial Measures



## RECONCILIATION OF NON-U.S. GAAP FINANCIAL MEASURES (UNAUDITED)

See “Notes to Non-U.S. GAAP Financial Measures”, “Safe Harbor Statement” (Slide 4) and today’s press release for an explanation and reconciliation of these items.

### Reconciliation of Reported and Adjusted Operating Profit, Net Income and Diluted EPS

(\$ millions, except EPS data)

	Operating profit	Income tax expense	Net income	Diluted EPS
<b>Three months ended June 30, 2023</b>				
Reported (U.S. GAAP)	\$182.5	\$34.8	\$155.1	\$2.06
Unallocated items:				
Loss on disposal of plant	2.2	(0.7)	2.9	0.04
Restructuring and other charges	0.1	(0.3)	0.4	-
Amortization of acquisition-related intangible assets	0.2	-	0.7	0.01
Adjusted (Non-U.S. GAAP)	\$185.0	\$33.8	\$159.1	\$2.11

	Operating profit	Income tax expense	Net income	Diluted EPS
<b>Six months ended June 30, 2023</b>				
Reported (U.S. GAAP)	\$337.8	\$58.4	\$295.1	\$3.91
Unallocated items:				
Loss on disposal of plant	11.6	(0.7)	12.3	0.16
Restructuring and other charges	0.1	(0.3)	0.4	-
Amortization of acquisition-related intangible assets	0.4	-	1.4	0.02
Adjusted (Non-U.S. GAAP)	\$349.9	\$57.4	\$309.2	\$4.09

# Notes to Non-U.S. GAAP Financial Measures



## RECONCILIATION OF NON-U.S. GAAP FINANCIAL MEASURES (UNAUDITED)

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### Reconciliation of Reported and Adjusted Operating Profit, Net Income and Diluted EPS

(\$ millions, except EPS data)

	Operating profit	Income tax expense	Net income	Diluted EPS
<b>Three months ended June 30, 2022</b>				
Reported (U.S. GAAP)	\$228.4	\$44.2	\$188.5	\$2.48
Unallocated items:				
Restructuring and other charges	(1.6)	(0.4)	(1.2)	(0.01)
Pension settlement	-	0.2	0.4	0.01
Amortization of acquisition-related intangible assets	0.2	-	0.7	0.01
Royalty acceleration	-	1.3	(1.3)	(0.02)
Adjusted (Non-U.S. GAAP)	\$227.0	\$45.3	\$187.1	\$2.47
<b>Six months ended June 30, 2022</b>				
Reported (U.S. GAAP)	\$418.1	\$65.4	\$362.3	\$4.77
Unallocated items:				
Restructuring and other charges	(1.6)	(0.4)	(1.2)	(0.01)
Pension settlement	-	0.3	0.9	0.01
Amortization of acquisition-related intangible assets	0.4	-	1.4	0.02
Royalty acceleration	-	1.3	(1.3)	(0.02)
Adjusted (Non-U.S. GAAP)	\$416.9	\$66.6	\$362.1	\$4.77

# Notes to Non-U.S. GAAP Financial Measures



## RECONCILIATION OF NON-U.S. GAAP FINANCIAL MEASURES (UNAUDITED)

See “Notes to Non-U.S. GAAP Financial Measures”, “Safe Harbor Statement” (Slide 4) and today’s press release for an explanation and reconciliation of these items.

### Reconciliation of Net Sales to Organic Net Sales <sup>(1)</sup>

(\$ millions)

<b>Three months ended June 30, 2023</b>	<b>Proprietary</b>	<b>CM</b>	<b>Eliminations</b>	<b>Total</b>
Reported net sales (U.S. GAAP)	\$618.0	\$135.8	\$-	\$753.8
Effect of changes in currency translation rates	(3.2)	(1.2)	-	(4.4)
<b>Organic net sales (Non-U.S. GAAP) <sup>(1)</sup></b>	<b>\$614.8</b>	<b>\$134.6</b>	<b>\$-</b>	<b>\$749.4</b>

<b>Six months ended June 30, 2023</b>	<b>Proprietary</b>	<b>CM</b>	<b>Eliminations</b>	<b>Total</b>
Reported net sales (U.S. GAAP)	\$1,201.1	\$269.3	\$-	\$1,470.4
Effect of changes in currency translation rates	14.6	1.1	-	15.7
<b>Organic net sales (Non-U.S. GAAP) <sup>(1)</sup></b>	<b>\$1,215.7</b>	<b>\$270.4</b>	<b>\$-</b>	<b>\$1,486.1</b>

(1) Organic net sales exclude the impact from acquisitions and/or divestitures and translate the current-period reported sales of subsidiaries whose functional currency is other than the U.S. Dollar at the applicable foreign exchange rates in effect during the comparable prior-year period.

# Notes to Non-U.S. GAAP Financial Measures



## RECONCILIATION OF NON-U.S. GAAP FINANCIAL MEASURES (UNAUDITED)

See “Notes to Non-U.S. GAAP Financial Measures”, “Safe Harbor Statement” (Slide 4) and today’s press release for an explanation and reconciliation of these items.

### Reconciliation of Net Sales to Organic Net Sales <sup>(1 and 2)</sup> (\$ millions)

<b>Three months ended June 30, 2022</b>	<b>Proprietary</b>	<b>CM</b>	<b>Eliminations</b>	<b>Total</b>
Reported net sales (U.S. GAAP)	\$653.7	\$117.8	\$(0.2)	\$771.3
Effect of divestitures and/or acquisitions	(3.1)	-	-	(3.1)
Net sales excluding divestiture (Non-U.S. GAAP) <sup>(2)</sup>	\$650.6	\$117.8	\$(0.2)	\$768.2

<b>Six months ended June 30, 2022</b>	<b>Proprietary</b>	<b>CM</b>	<b>Eliminations</b>	<b>Total</b>
Reported net sales (U.S. GAAP)	\$1,255.0	\$236.5	\$(0.2)	\$1,491.3
Effect of divestitures and/or acquisitions	(3.1)	-	-	(3.1)
Net sales excluding divestiture(Non-U.S. GAAP) <sup>(2)</sup>	\$1,251.9	\$236.5	\$(0.2)	\$1,488.2

- (1) Organic net sales exclude the impact from acquisitions and/or divestitures and translate the current-period reported sales of subsidiaries whose functional currency is other than the U.S. Dollar at the applicable foreign exchange rates in effect during the comparable prior-year period.
- (2) Net sales excluding divestiture represents the 2022 comparative sales figure used in our organic sales growth calculation to eliminate the impact of our 2023 divestiture.

# Notes to Non-U.S. GAAP Financial Measures



## RECONCILIATION OF NON-U.S. GAAP FINANCIAL MEASURES (UNAUDITED)

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### Reconciliation of Reported-Diluted EPS Guidance to Adjusted-Diluted EPS Guidance

	2022 Actual	2023 Guidance	% Change
Reported-diluted EPS (U.S. GAAP)	\$7.73	\$7.45 to \$7.60	(3.6%) to (1.7%)
Restructuring and other charges	0.29	-	
Pension settlement	0.42	-	
Amortization of acquisition-related intangible assets	0.04	0.04	
Cost investment activity	0.05	-	
Royalty acceleration	(0.02)	-	
Tax law changes	0.07		
Loss on disposal of plant	-	0.16	
Adjusted-diluted EPS (Non-U.S. GAAP) <sup>(1)</sup>	\$8.58	\$7.65 to \$7.80	(10.8%) to (9.1%)

(1) See “Full-year 2023 Financial Guidance” and “Non-U.S. GAAP Financial Measures” in today’s press release for additional information regarding adjusted-diluted EPS.

We have opted not to forecast 2023 tax benefits from stock-based compensation in upcoming quarters, as they are out of the Company’s control. Instead, we recognize the benefits as they occur. In the first-half of 2023, tax benefits associated with stock-based compensation increased adjusted-diluted EPS by \$0.26. Any future tax benefits associated with stock-based compensation that we receive in 2023 would provide a positive adjustment to our full-year EPS guidance. In 2022, tax benefits associated with stock-based compensation increased adjusted-diluted EPS by \$0.22.