

Third Quarter Overall Net Sales

\$747.4M | ↑ 8.8%

Diluted Earnings Per Share: \$2.14

Adjusted Diluted Earnings Per Share: \$2.16



“We had a solid quarter of organic net sales growth, driven by our Proprietary Products’ high-value product (HVP) and strong Contract Manufacturing components. We are observing a slowdown in restocking trends by large Pharma and Generic customers, which is reflected in our revised guidance. As we look to the fourth-quarter 2023, we anticipate double-digit base, non-COVID-19-related organic sales growth, fueled by strong HVP component demand with certain customers and therapeutic categories.”

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

Third-Quarter 2023 Analyst Conference Call
9 a.m. Eastern Time | October 26, 2023



West Analyst Conference Call

9 a.m. Eastern Time

October 26, 2023

A webcast of today's call can be accessed in the "Investors" section of the Company's website: www.westpharma.com

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

<https://register.vevent.com/register/BI035b5026267348e8a9e6a05f7c90c015>

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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Financial Highlights



- Third quarter 2023 net sales of \$747.4 million grew 8.8%; organic net sales increased 5.7%
- Third quarter 2023 reported-diluted EPS of \$2.14 compared to \$1.59 in the same period last year; adjusted-diluted EPS of \$2.16 compared to \$2.03 in the same period last year



Execute. Innovate. Grow.



A commitment and focus to deliver superior value to our customers and patients



HVP Components & Delivery Systems



Global Capacity Expansion



Showcasing our Scientific Leadership & Technical Expertise

Third-Quarter 2023 Summary Results

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



	Three Months Ended September 30	
	2023	2022
Reported Net Sales	\$747.4	\$686.9
Gross Profit Margin	38.6%	39.0%
Reported Operating Profit	\$177.3	\$186.2
Adjusted Operating Profit ⁽¹⁾	\$180.8	\$186.4
Reported Operating Profit Margin	23.7%	27.1%
Adjusted Operating Profit Margin ⁽¹⁾	24.2%	27.1%
Reported-Diluted EPS	\$2.14	\$1.59
Adjusted-Diluted EPS ⁽¹⁾	\$2.16	\$2.03

(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.

Third-Quarter 2023 Organic Net Sales Growth



Overall Organic Net Sales Increase: 5.7% (Q3 2023)

Proprietary Products Q3 2023 organic net sales increased 3.2% driven by growth in all three market units

BIOLOGICS

Low-Single Digit

Sales led by high-value products, including Flurotec® components and self-injection delivery devices

GENERIC

High-Single Digit

Sales led by high-value products, including Westar® components and Admin Systems

PHARMA

Low-Single Digit

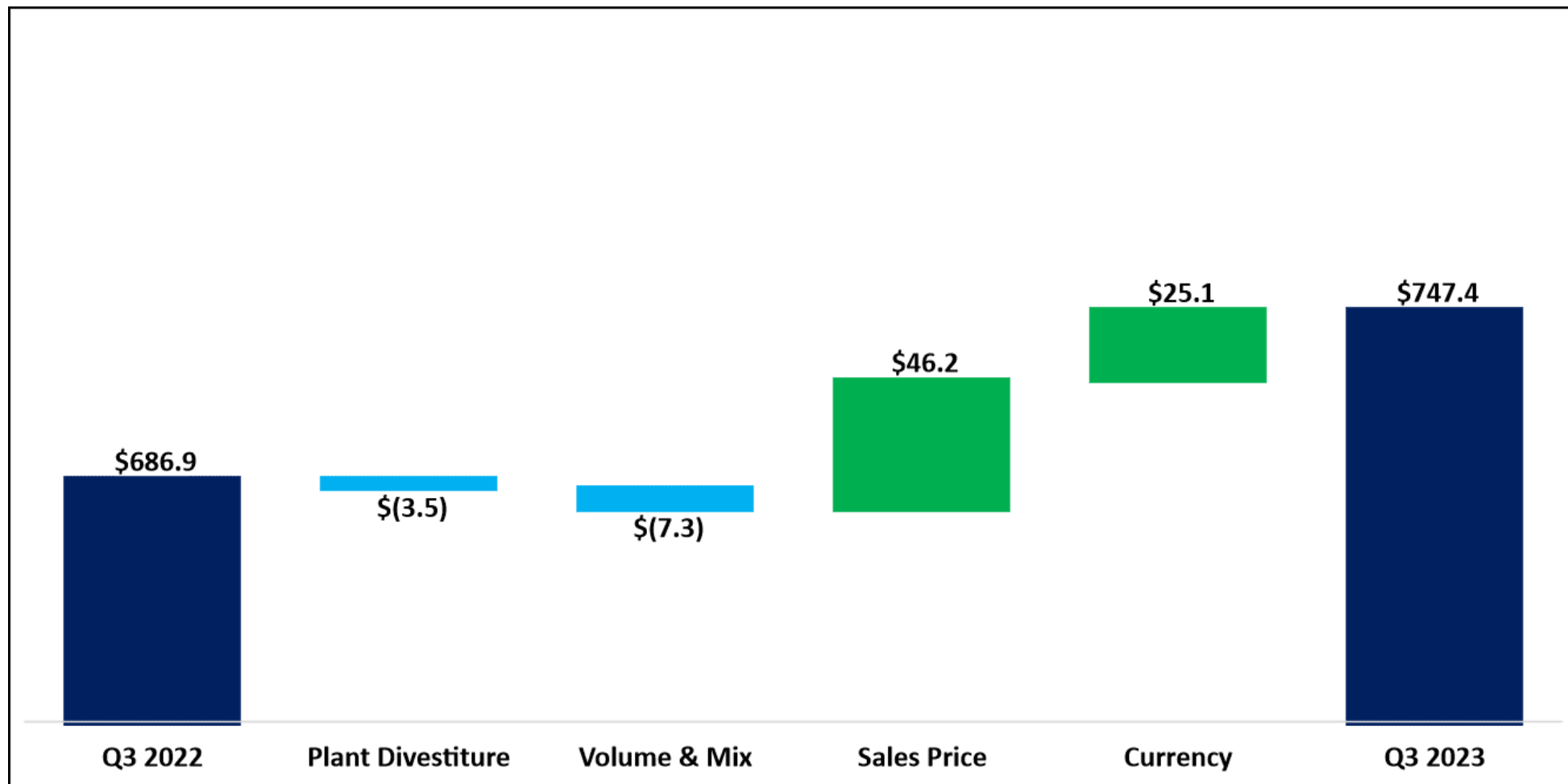
Sales led by high-value products, including Westar® components and Admin Systems

CONTRACT MANUFACTURING

Double Digit

Organic sales growth of 17.4%, led by increase in sales of components associated with injection-related and healthcare diagnostic devices

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



Gross Profit Update

(\$ millions)



	Three Months Ended September 30,	
	2023	2022
Proprietary Products Gross Profit	\$261.4	\$247.3
Proprietary Products Gross Profit Margin	43.4%	43.6%
Contract-Manufactured Products Gross Profit	\$26.9	\$20.7
Contract-Manufactured Products Gross Profit Margin	18.6%	17.3%
Reported Consolidated Gross Profit	\$288.3	\$268.0
Reported Consolidated Gross Profit Margin	38.6%	39.0%

Cash Flow and Balance Sheet Metrics

(\$ millions)



Cash Flow Items		
	YTD Q3 2023	YTD Q3 2022
Depreciation and Amortization	\$101.4	\$89.5
Operating Cash Flow	\$537.4	\$493.2
Capital Expenditures	\$253.3	\$189.7
Free Cash Flow	\$284.1	\$303.5

Financial Condition		
	September 30, 2023	December 31, 2022
Cash and Cash Equivalents	\$898.6	\$894.3
Debt	\$207.3	\$208.9
Equity	\$2,868.2	\$2,684.9
Working Capital	\$1,438.8	\$1,400.5

2023 Full-Year Guidance

Consolidated Net Sales	\$2.950 - \$2.960 billion
Adjusted-Diluted EPS	\$7.95 to \$8.00

Making a Difference to the Future of Patient Health



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
Three months ended September 30, 2023				
Reported (U.S. GAAP)	\$177.3	\$29.4	\$161.3	\$2.14
Unallocated items:				
Cost investment impairment	3.3	-	3.3	0.05
Amortization of acquisition-related intangible assets	0.2	0.1	0.7	0.01
Legal settlement	-	(0.9)	(2.9)	(0.04)
Adjusted (Non-U.S. GAAP)	\$180.8	\$28.6	\$162.4	\$2.16
Nine months ended September 30, 2023				
Reported (U.S. GAAP)	\$515.1	\$87.8	\$456.4	\$6.05
Unallocated items:				
Loss on disposal of plant	11.6	(0.7)	12.3	0.16
Cost investment impairment	3.3	-	3.3	0.05
Restructuring and other charges	0.1	(0.3)	0.4	-
Amortization of acquisition-related intangible assets	0.6	0.1	2.1	0.03
Legal settlement	-	(0.9)	(2.9)	(0.04)
Adjusted (Non-U.S. GAAP)	\$530.7	\$86.0	\$471.6	\$6.25

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
Three months ended September 30, 2022				
Reported (U.S. GAAP)	\$186.2	\$20.4	\$120.6	\$1.59
Unallocated items:				
Pension settlement	-	20.0	29.6	0.39
Amortization of acquisition-related intangible assets	0.2	0.1	0.7	0.01
Tax law changes	-	(3.2)	3.2	0.04
Adjusted (Non-U.S. GAAP)	\$186.4	\$37.3	\$154.1	\$2.03

	Operating Profit	Income tax expense	Net income	Diluted EPS
Nine months ended September 30, 2022				
Reported (U.S. GAAP)	\$604.3	\$85.8	\$482.9	\$6.36
Unallocated items:				
Restructuring and other charges	(1.6)	(0.4)	(1.2)	(0.01)
Pension settlement	-	20.3	30.5	0.40
Amortization of acquisition-related intangible assets	0.6	0.1	2.1	0.03
Tax law changes	-	(3.2)	3.2	0.04
Royalty acceleration	-	1.3	(1.3)	(0.02)
Adjusted (Non-U.S. GAAP)	\$603.3	\$103.9	\$516.2	\$6.80

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 ⁽¹⁾

(\$ millions)

Three months ended September 30, 2023	Proprietary	CM	Eliminations	Total
Reported net sales (U.S. GAAP)	\$602.5	\$144.9	\$-	\$747.4
Effect of changes in currency translation rates	(21.1)	(4.0)	-	(25.1)
Organic net sales (Non-U.S. GAAP) ⁽¹⁾	\$581.4	\$140.9	\$-	\$722.3

Nine months ended September 30, 2023	Proprietary	CM	Eliminations	Total
Reported net sales (U.S. GAAP)	\$1,803.6	\$414.2	\$-	\$2,217.8
Effect of changes in currency translation rates	(6.5)	(2.9)	-	(9.4)
Organic net sales (Non-U.S. GAAP) ⁽¹⁾	\$1,797.1	\$411.3	\$-	\$2,208.4

(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 ^(1 and 2) (\$ millions)

Three months ended September 30, 2022	Proprietary	CM	Eliminations	Total
Reported net sales (U.S. GAAP)	\$567.0	\$120.0	\$(0.1)	\$686.9
Effect of divestitures and/or acquisitions	(3.5)	-	-	(3.5)
Net sales excluding divestiture (Non-U.S. GAAP) ⁽²⁾	\$563.5	\$120.0	\$(0.1)	\$683.4

Nine months ended September 30, 2022	Proprietary	CM	Eliminations	Total
Reported net sales (U.S. GAAP)	\$1,822.0	\$356.5	\$(0.3)	\$2,178.2
Effect of divestitures and/or acquisitions	(6.6)	-	-	(6.6)
Net sales excluding divestiture(Non-U.S. GAAP) ⁽²⁾	\$1,815.4	\$356.5	\$(0.3)	\$2,171.6

- (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 divestitures 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)

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-Diluted EPS Guidance to Adjusted-Diluted EPS Guidance

	2022 Actual	2023 Guidance	% Change
Reported-diluted EPS (U.S. GAAP)	\$7.73	\$7.74 to \$7.79	0.1% to 0.8%
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	0.05	
Royalty acceleration	(0.02)	-	
Tax law changes	0.07	-	
Loss on disposal of plant	-	0.16	
Legal settlement	-	(0.04)	
Adjusted-diluted EPS (Non-U.S. GAAP) ⁽¹⁾	\$8.58	\$7.95 to \$8.00	(7.3%) to (6.8%)

(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 nine months of 2023, tax benefits associated with stock-based compensation increased adjusted-diluted EPS by \$0.41. 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.