

## Second Quarter Overall Net Sales

\$771.3M | ↑ 6.6%

Diluted Earnings Per Share: \$2.48

Adjusted Diluted Earnings Per Share: \$2.47



“We delivered excellent second-quarter results with Proprietary Products organic net sales growth in the high-teens, led by demand for our high-value products (HVPs).”

“Our base business continues to be strong, reflecting our team’s successful execution of strategic initiatives and dedication to improving patient lives. In the quarter, COVID-19 related net sales slightly declined. While we expect further declines in COVID-19 related demand over the next two quarters, we also anticipate a more robust base business. We remain on track to expand our global HVP manufacturing capacity to support increased demand across our Biologics, Generics and Pharma market units.”

**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 Results 2022 Analyst Conference Call  
9 a.m. Eastern Time | July 28, 2022



# West Analyst Conference Call

9 a.m. Eastern Time

July 28, 2022

**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://bit.ly/3z4iU0g>.**

**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

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## Trademarks

Trademarks and registered trademarks used in this report are the property of West Pharmaceutical Services, Inc. or its subsidiaries, in the United States and other jurisdictions, unless noted otherwise.

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 2022 net sales of \$771.3 million grew 6.6%; organic net sales growth was 13.1%
- Second quarter 2022 reported-diluted EPS of \$2.48 compared to \$2.47 in the same period last year; adjusted-diluted EPS of \$2.47 compared to \$2.46 in the same period last year



# Advancing the Standard of Care for Patients

Execute. Innovate. Grow.



**NovaPure<sup>®</sup>  
Components**



**Daikyo<sup>®</sup> Crystal Zenith<sup>®</sup>  
1 & 2.25mL Insert  
Needle System**

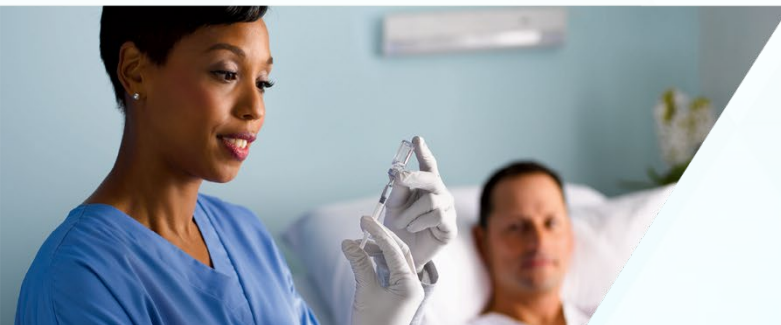


**SmartDose<sup>®</sup> On-Body  
Delivery System**

# Purpose. Driven.



2021 Corporate Responsibility Report published in June



**Progress** in waste recycled and global waste diversion at sites

**Improvement** in energy intensity

**Reduction** in water intensity

**250+** charitable organizations that West partnered with across the globe

**3,600** Volunteer hours by West team members at charitable organizations

**64%** of West's C-suite comprised of women, people of color or international diversity

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



Corporate Social Responsibility



 **United Nations Global Compact**

## ESG Reporting Standards

- Global Reporting Index Standards (GRI)
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Sustainability Accounting Standards Board ESG (SASB)

# Second-Quarter 2022 Summary Results

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



	Three Months Ended June 30	
	2022	2021
<b>Reported Net Sales</b>	<b>\$771.3</b>	<b>\$723.6</b>
<b>Gross Profit Margin</b>	<b>41.7%</b>	<b>43.5%</b>
<b>Reported Operating Profit</b>	<b>\$228.4</b>	<b>\$211.3</b>
<b>Adjusted Operating Profit <sup>(1)</sup></b>	<b>\$227.0</b>	<b>\$211.2</b>
<b>Reported Operating Profit Margin</b>	<b>29.6%</b>	<b>29.2%</b>
<b>Adjusted Operating Profit Margin <sup>(1)</sup></b>	<b>29.4%</b>	<b>29.2%</b>
<b>Reported-Diluted EPS</b>	<b>\$2.48</b>	<b>\$2.47</b>
<b>Adjusted-Diluted EPS <sup>(1)</sup></b>	<b>\$2.47</b>	<b>\$2.46</b>

(1) “Adjusted Operating Profit,” “Adjusted Operating Profit Margin” and “Adjusted-Diluted EPS” are Non-U.S. GAAP financial measures. See slides 17-20 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 2022 Organic Net Sales Growth



**Overall Organic Net Sales Growth – 13.1% (Q2 2022)**

*Proprietary Products Q2 2022 organic net sales growth of 18.3% led by sales of high-value products, which grew double digits*

## **BIOLOGICS**

Double-Digit

Sales led by high-value products, including NovaPure® components

## **GENERIC**

Double Digit

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

## **PHARMA**

Mid-Single Digit

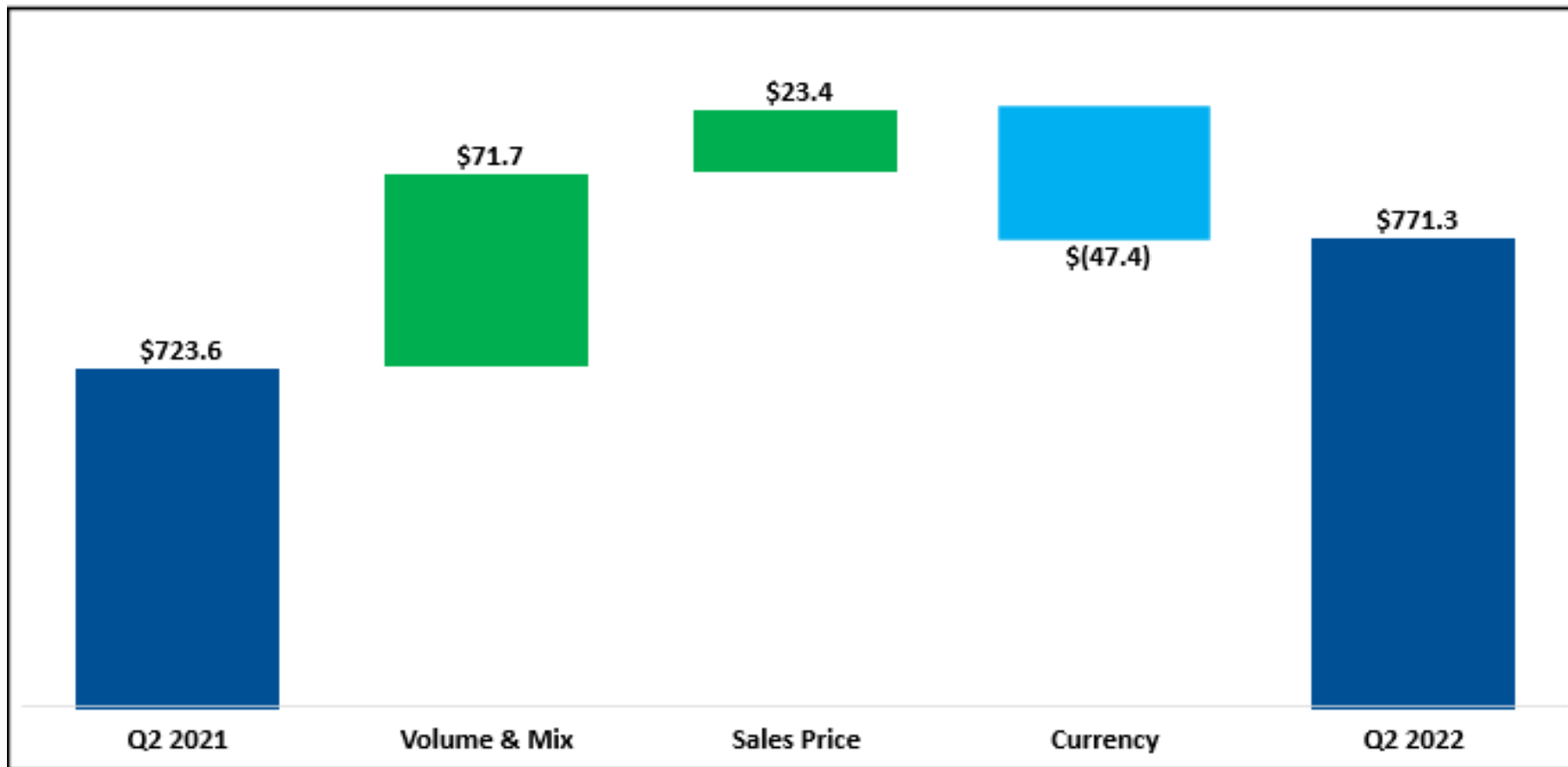
Sales led by high-value products, including NovaPure® components

## **CONTRACT MANUFACTURING**

(High-Single Digit)

Organic sales decline of 8.9%, led by a decrease in sales of components for diagnostic devices

# Change in Consolidated Net Sales Second-quarter 2021 to 2022 (\$ millions)



# Gross Profit Update

(\$ millions)



	Three Months Ended June 30,	
	2022	2021
<b>Proprietary Products Gross Profit</b>	<b>\$302.3</b>	<b>\$292.3</b>
<b>Proprietary Products Gross Profit Margin</b>	<b>46.2%</b>	<b>49.8%</b>
<b>Contract-Manufactured Products Gross Profit</b>	<b>\$19.2</b>	<b>\$22.8</b>
<b>Contract-Manufactured Products Gross Profit Margin</b>	<b>16.3%</b>	<b>16.7%</b>
<b>Consolidated Gross Profit</b>	<b>\$321.5</b>	<b>\$315.1</b>
<b>Consolidated Gross Profit Margin</b>	<b>41.7%</b>	<b>43.5%</b>

# Cash Flow and Balance Sheet Metrics (\$ millions)



<b>Cash Flow Items</b>		
	<b>YTD Q2 2022</b>	<b>YTD Q2 2021</b>
<b>Depreciation and Amortization</b>	\$59.7	\$57.9
<b>Operating Cash Flow</b>	\$324.3	\$233.1
<b>Capital Expenditures</b>	\$131.9	\$111.6
<b>Free Cash Flow</b>	\$192.4	\$121.5

<b>Financial Condition</b>		
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Cash and Cash Equivalents</b>	\$718.5	\$762.6
<b>Debt</b>	\$252.0	\$253.0
<b>Equity</b>	\$2,424.4	\$2,335.4
<b>Working Capital</b>	\$1,206.0	\$1,147.9

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## 2022 Full-Year Guidance

<b>Consolidated Net Sales</b>	<b>\$2.950 - \$2.975 billion</b>
<b>Adjusted-Diluted EPS</b>	<b>\$9.00 - \$9.15</b>

*We are driven by our collective purpose to improve patient lives.*



**Execute. Innovate. Grow.**

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**Delivering Unique Value to Customers & Patients**

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**Global Operational Effectiveness Across the Network**

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**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, 2022</b>				
Reported (U.S. GAAP)	\$228.4	\$44.2	\$188.5	\$2.48
Restructuring and severance related 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

	Operating profit	Income tax expense	Net income	Diluted EPS
<b>Six months ended June 30, 2022</b>				
Reported (U.S. GAAP)	\$418.1	\$65.4	\$363.2	\$4.77
Restructuring and severance related 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



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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, 2021</b>				
Reported (U.S. GAAP)	\$211.3	\$32.3	\$187.3	\$2.47
Restructuring and related charges	1.0	0.3	0.7	0.01
Pension settlement	-	-	0.1	-
Amortization of acquisition-related intangible assets	0.2	-	0.7	0.01
Cost investment activity	(1.3)	(0.3)	(1.0)	(0.01)
Tax law changes	-	1.4	(1.4)	(0.02)
Adjusted (Non-U.S. GAAP)	\$211.2	\$33.7	\$186.4	\$2.46
<b>Six months ended June 30, 2021</b>				
Reported (U.S. GAAP)	\$386.9	\$61.0	\$338.5	\$4.47
Restructuring and related charges	2.2	0.5	1.7	0.02
Pension settlement	-	0.2	0.6	0.01
Amortization of acquisition-related intangible assets	0.4	0.1	1.4	0.02
Cost investment impairment	0.9	(0.3)	1.2	0.01
Tax law changes	-	1.4	(1.4)	(0.02)
Adjusted (Non-U.S. GAAP)	\$390.4	\$62.9	\$342.0	\$4.51

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



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### Reconciliation of Net Sales to Organic Net Sales <sup>(1)</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 changes in currency translation rates	41.0	6.4	-	47.4
<b>Organic net sales (Non-U.S. GAAP) <sup>(1)</sup></b>	<b>\$694.7</b>	<b>\$124.2</b>	<b>\$(0.2)</b>	<b>\$818.7</b>

<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 changes in currency translation rates	61.6	10.0	-	71.6
<b>Organic net sales (Non-U.S. GAAP) <sup>(1)</sup></b>	<b>\$1,316.6</b>	<b>\$246.5</b>	<b>\$(0.2)</b>	<b>\$1,562.9</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.

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

	2021 Actual	2022 Guidance	% Change
Reported-diluted EPS (U.S. GAAP)	\$8.67	\$8.98 to \$9.13	3.6% to 5.3%
Pension settlement	0.02	0.01	
Cost investment activity	0.06	-	
Restructuring and severance related charges	0.02	(0.01)	
Amortization of acquisition-related intangible assets	0.04	0.04	
Asset impairment	0.04	-	
Royalty acceleration	(0.25)	(0.02)	
Tax law changes	(0.02)	-	
Adjusted-diluted EPS (Non-U.S. GAAP) <sup>(1)</sup>	\$8.58	\$9.00 to \$9.15	4.9% to 6.6%

(1) See “Full-year 2022 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 2022 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 2022, tax benefits associated with stock-based compensation increased adjusted-diluted EPS by \$0.13. Any future tax benefits associated with stock-based compensation that we receive in 2022 would provide a positive adjustment to our full-year EPS guidance. In 2021, tax benefits associated with stock-based compensation increased adjusted-diluted EPS by \$0.41.