



# West Pharmaceutical Services, Inc.

**Eric M. Green**

President & CEO



JP Morgan Conference | January 10, 2022

# Safe Harbor Statement

## **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.

## **Trademarks**

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## OUR PURPOSE

We serve to improve patient lives.



## OUR MISSION

We contain and deliver injectable therapies that improve patient lives.



## OUR VISION

To be the world leader in the integrated containment and delivery of injectable medicines.



## OUR CORE VALUES

Passion for Customers

Leadership in Quality

One West Team

— ENTERPRISE STRATEGIC PLAN —

**EXECUTE | INNOVATE | GROW**



**MAKING AN IMPACT  
TO OUR  
STAKEHOLDERS**

# West is a Global Leader in Containment and Delivery of Injectable Medicines



*In 2021, we produced nearly 45 billion components impacting the lives of billions of patients around the world.*



**VIAL CONTAINMENT  
& SYRINGE  
COMPONENTS**



**ADMINISTRATION &  
RECONSTITUTION**



**DRUG DELIVERY  
& DIAGNOSTIC  
DEVICES**

# Our Journey



## STRUCTURED FOR SUCCESS

## TRANSFORMATION

## GROWTH & EXPANSION

## COVID & BEYOND

COVID-19 PANDEMIC

**2015**  
Full Review of Enterprise Strategic Plan

**2016**

- Established Vision, Mission and Values
- Market-Led approach & Market Units established
- Moved from Region-Led to Global enterprise
- People Strategy developed

**2017**

- Launched first CR report & ESG 5-year goals
- Globalization of Operations & Supply Chain
- Expanded Dublin Facility

**2018**

- Created Digital Transformation function and Digital Journey began
- Opened Waterford Manufacturing Facility
- Bernard Birkett joins West as CFO
- Silji Abraham joins West as Chief D&T Officer

**2019**

- Established Bangalore Digital Technology Center, Korea Sales and Scottsdale Development Center
- Increased Equity Stake in Daikyo Seiko Ltd.
- Surpassed ESG 5-year goals

**2020**

- Established Taiwan Digital Technology Center
- Commercial reorganization / appointed Cindy Reiss-Clark and Chris Ryan
- Kim MacKay joins West as Sr VP General Counsel
- Named to S&P 500 Index and S&P 500 Dividend Aristocrats
- Named 4th in Top 50 ESG companies

**2021**

**2022+**

## BY THE NUMBERS

**2016**

**Employees** 7,269  
**Net Sales** \$1.5B  
**Market Cap** \$5B

**2017**

**Employees** 7,505  
**Net Sales** \$1.6B  
**Market Cap** \$7B

**2018**

**Employees** 7,703  
**Net Sales** \$1.7B  
**Market Cap** \$7B

**2019**

**Employees** 8,205  
**Net Sales** \$1.8B  
**Market Cap** \$11B

**2020**

**Employees** 9,200  
**Net Sales** \$2.1B  
**Market Cap** \$21B

**2021**

**Employees** 10,065  
**Net Sales** Through Q3: \$2.1B  
**Market Cap** \$30B (as of 01/06/2022)

# 2021 was a year of many proud accomplishments...



Shipped close to  
**45 billion components**  
touching billions of patients



Rose to the challenge of being a  
**critical supplier for majority of vaccines**  
around globe



**Expanded capacity**  
at 13 existing sites with 30  
major facility modifications  
and over 400 pieces of  
equipment, ALL while keeping  
pace with  
the growing demand



**865+ new**  
team members join West



**Donated over \$2.5M**  
to our local communities to help  
those in greatest need



**Delivered over 50 scientific presentations**, and published  
over 55  
peer-reviewed and  
industry publications



**Advanced our Digital Journey**  
with new global ERP system  
across sites, refreshed  
Westpharma.com and  
virtual experience



Launched  
**DeltaCube™**

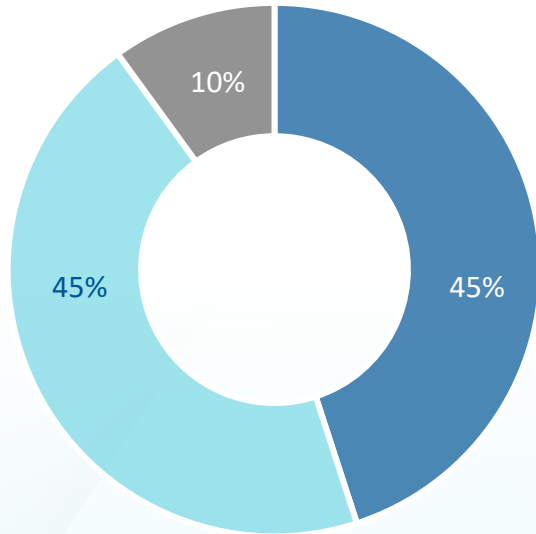


Launched  
**five HVP product extensions**

# A Growing Business Well-Positioned for Success

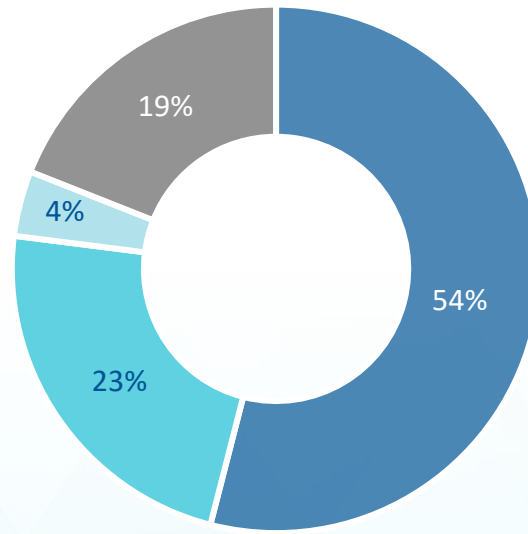


Net Sales\* by  
GEOGRAPHY



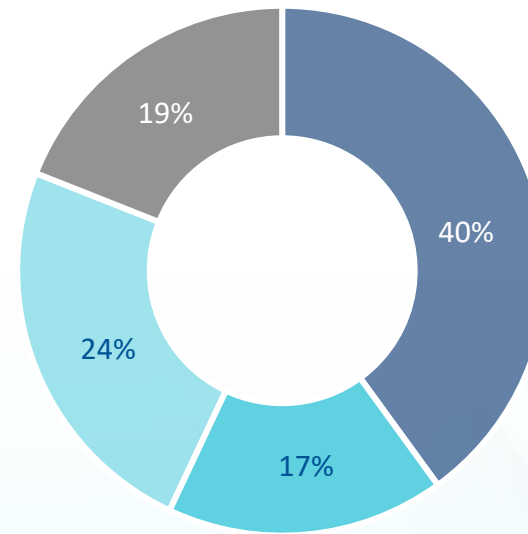
- Americas
- Europe, Middle East, Africa
- Asia Pacific

Net Sales\* by  
PRODUCT CATEGORY



- High-Value Product Components
  - Standard Packaging
  - High-Value Product Delivery Devices
  - Contract-Manufactured Products
- PROPRIETARY PRODUCTS

Net Sales\* by  
MARKET GROUP



- Biologics
  - Generics
  - Pharma
  - Contract-Manufactured Products
- PROPRIETARY PRODUCTS

Team Members  
**10,000+**  
Globally

Locations  
**50**  
25 Manufacturing Sites

Customers  
**>2,000**  
Across Healthcare Industry

Products  
**>123M**  
Components Daily

\* September 2021 YTD

# Our Market-Led Journey is Generating Success and Positions Us Well for the Future



## **COMMERCIAL & PRODUCT MANAGEMENT**

Customer-facing market units in Proprietary Products segment and Contract Manufacturing that focus on providing products to healthcare companies from concept to patient

## **R&D AND TECHNICAL EXPERTISE**

Expanding High-Value Product offerings aligned to ever-changing market needs with new technology, services, solutions and capabilities

## **GLOBAL OPERATIONS**

Globalized network that has increased capacity, quality and throughput while optimizing our 25 manufacturing sites to support the increased base and COVID-19 demand



# Delivering Customer Needs with High-Value Products & Services



SELF-INJECTION

CONTAINMENT

QUALITY BY DESIGN

CAMERA INSPECTED

COATED

ADMINISTERED

STERILIZED

WASHED

SMARTDOSE<sup>®</sup>



DAIKYO  
Crystal Zenith<sup>®</sup>  
THE CLEAR SOLUTION

WEST EnVision<sup>™</sup>

MULTI-COMPONENT  
ASSEMBLY

WestFlurotec.

ANALYTICAL  
SERVICES

MIXJECT

AccelTRA<sup>®</sup>

West  
Contract  
Manufacturing

Westar SELECT

INJECTION  
MOLDING

Westar RU  
STERILE  
Ready-to-Use Components

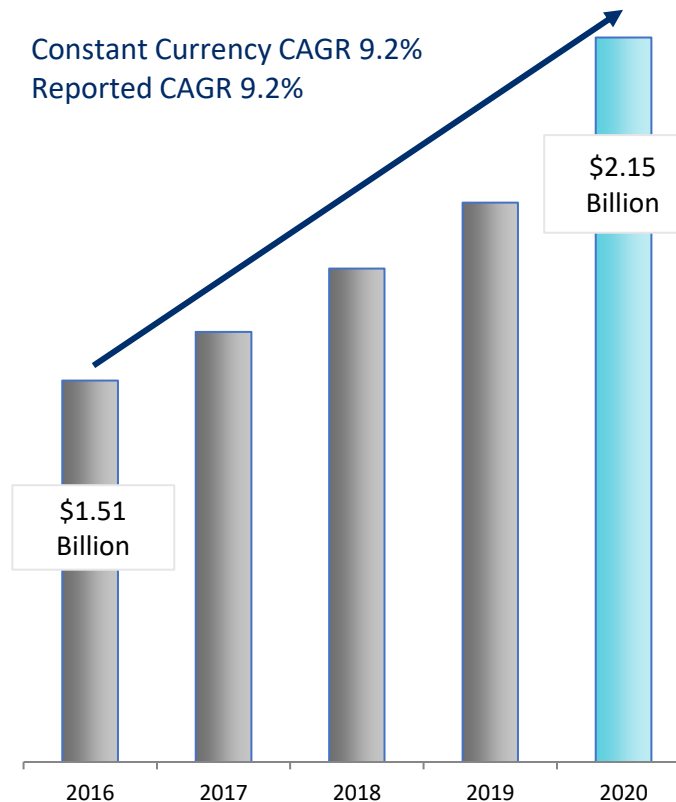
Westar RS  
Ready-to-Sterilize Components

STANDARD



## From 2016-2020:

- Consolidated constant currency growth CAGR was 9.2%
- Proprietary Products constant currency sales CAGR was 8.5%, driven primarily by HVP
- Contract Manufacturing constant currency sales CAGR was 11.8%



Net Sales, as reported

## From January-September 2021:

- Consolidated organic sales growth was 29.8% driven by both double-digit base business as well as COVID-19 related sales
- Proprietary Products organic sales growth was 38.1%, with HVP growth > 50%
- Contract Manufacturing organic sales growth was 3.1%

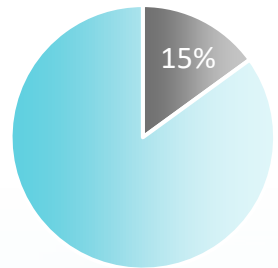
Sources: IR Insight, Company estimates

Please refer to our Q3 2021 Form 10Q, February 18, 2021 Earnings Release on Form 8-K and prior year earnings releases for the reconciliation of Non-U.S. GAAP financial measures.

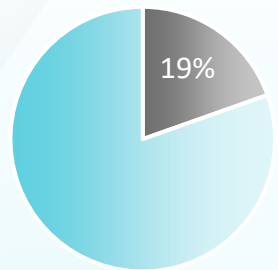
# Product Net Sales and Range of Gross Profit Margin\*



HVP% of Total Units Sold (Proprietary and Contract Mfg.)



2016

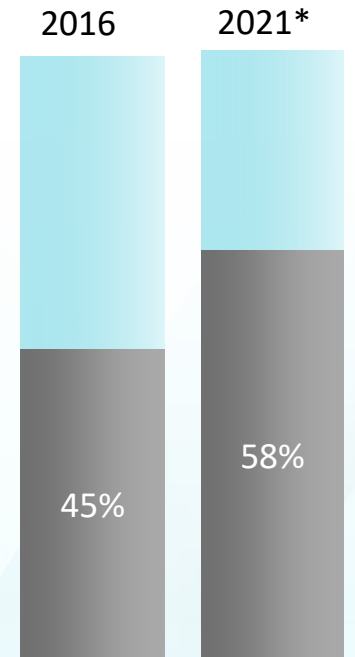


2021\*

Range of Gross Margins within Product Categories

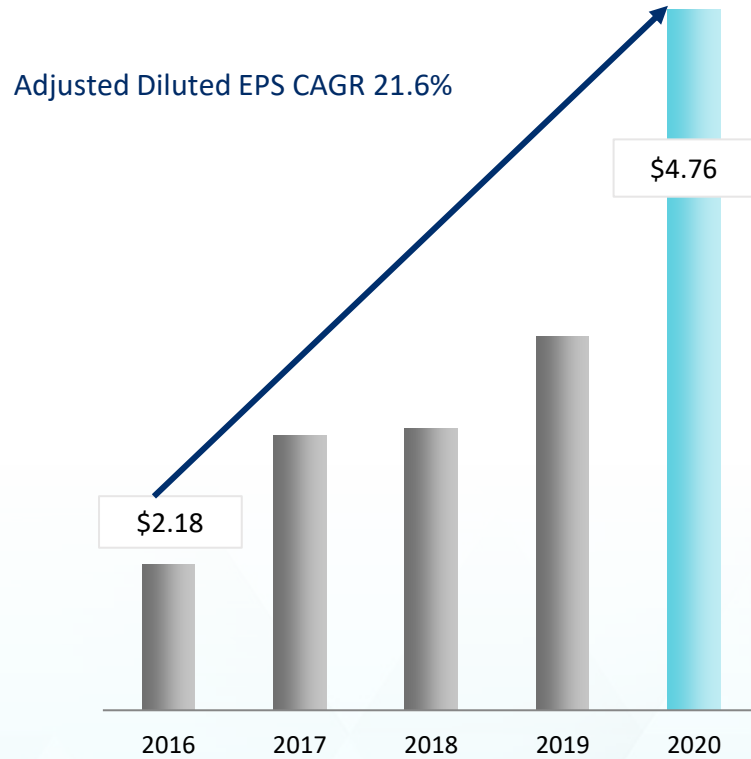


HVP% of Consolidated Net Sales

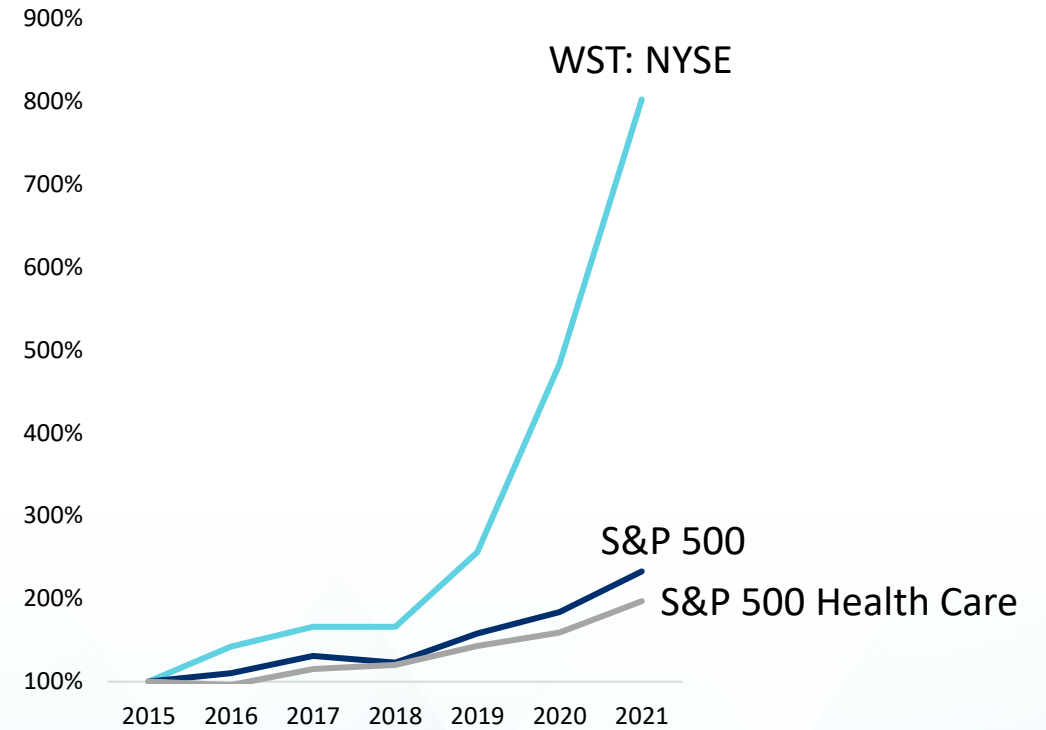


\* September 2021 YTD

# Sustained Growth and Value Creation



Adjusted-Diluted EPS  
(Non-U.S. GAAP)



Comparison of Cumulative  
Six-Year Total Return  
(Dec. 31, 2015 - Dec. 31, 2021)

Sources: IR Insight, Company estimates

Please refer to our February 18, 2021 Earnings Release on Form 8-K and prior year earnings releases for the reconciliation of Non-U.S. GAAP financial measures.

# Market-Led: Meeting the Changing Needs in the Market



*Taking a customer-centric approach to addressing customer segment needs.*



## Biologics

Packaging solutions for sensitive molecules and self-injection technologies



## Generics

Manufacturing efficiency and differentiation beyond the molecule



## Pharma

Total cost of ownership and life cycle management



## Contract Manufacturing

Quality manufacturing and design for manufacturing

**In 2016, Biologics was 22% of total sales.  
In 2021 (first 9 months), Biologics grew to 40% of total sales.**

# Global Operational Effectiveness



*Every Component Has a Patient Name on It.*



## Enable and Support Business Growth

Leverage our global scale and core competencies



## Global Manufacturing Operations Strategy

Execute our West manufacturing strategy



## Global Supply Chain Maturity

Continue to mature our integrated global supply chain capability



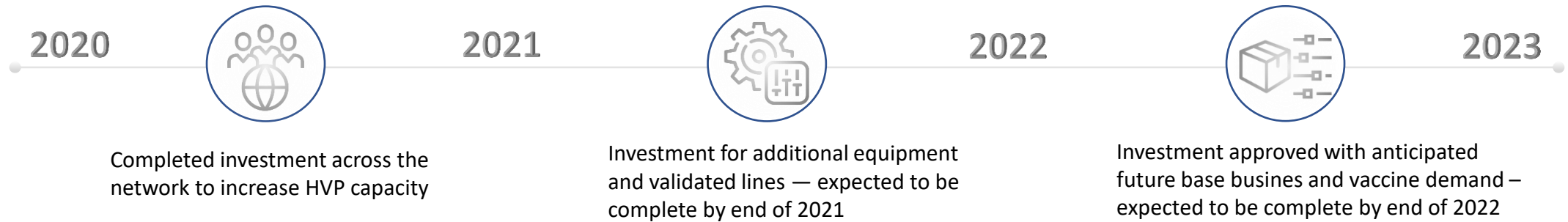
## Advanced Manufacturing Technology

Ensure product superiority through manufacturing and quality excellence

# Customers Trust During the Pandemic



*We continue to accelerate multi-phased investments to meet HVP demand.*



## West is Driving Sustainable Business Practices

### Six Pillars:

- Compliance & Ethics
- Philanthropy
- Health & Safety
- Diversity & Talent
- Environmental Sustainability
- Quality

**Progress**  
in waste recycled and global waste diversion at sites in 2020

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

**Improvement**  
in Energy from 2019 to 2020

**>65%**  
of West's C-suite comprised of women, people of color or international diversity

**Reduction**  
in absolute water consumption from 2019 to 2020



**United Nations Global Compact**

### Newsweek

2022 America's Most Responsible Companies



Corporate Social Responsibility



### ESG Reporting Standards

- Global Reporting Index Standards (GRI) -2020
- Task Force on Climate-Related Financial Disclosures (TCFD)\* -2021
- Sustainability Accounting Standards Board ESG (SASB)\*- 2021

\* Published as supplement to 2020 CR report



*We enable our customers' ability to support patient health and fuel a brighter future with product innovation.*

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**Strong Base Business**

**Delivering Unique Value Propositions**

**Global Operational Effectiveness**

**Accelerating Investments for the Future**

# 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).



## Reconciliation of Reported and Adjusted Operating Profit, Net Income and Diluted EPS (\$ millions, except EPS data)

Nine months ended September 30, 2021	Operating profit	Income tax expense	Net income	Diluted EPS
Reported (U.S. GAAP)	\$568.3	\$73.0	\$514.1	\$6.78
Restructuring and related charges	2.5	0.6	1.9	0.02
Pension settlement	-	0.2	0.6	0.01
Amortization of Acquisition-related Intangible Assets	0.6	0.1	2.1	0.03
Cost investment activity	1.8	(0.1)	1.9	0.02
Tax law changes	-	1.4	(1.4)	(0.02)
Royalty acceleration	-	20.4	(20.4)	(0.27)
Adjusted (Non-U.S. GAAP)	\$573.2	\$95.6	\$498.8	\$6.57

See the “Notes to Non-U.S. GAAP Financial Measures” (Slide 18) for an explanation and reconciliation of these items.

# Notes to Non-U.S. GAAP Financial Measures: Reconciliation of Non-U.S. GAAP Financial Measures (Unaudited).



## Reconciliation of Net Sales to Organic Net Sales (\$ millions)

Nine months ended September 30, 2021	Proprietary	CM	Eliminations	Total
Reported net sales (U.S. GAAP)	\$1,708.0	\$393.2	\$(0.4)	\$2,100.8
<u>Effect of changes in currency translation rates</u>	<u>(57.9)</u>	<u>(9.3)</u>	=	<u>(67.2)</u>
Organic net sales (Non-U.S. GAAP) <sup>(1)</sup>	\$1,650.1	\$383.9	\$(0.4)	\$2,033.6

(1) See the "Notes to Non-U.S. GAAP Financial Measures" (Slide 18) for an explanation and reconciliation of these items