

Third-Quarter 2021



Third Quarter Overall Net Sales

\$706.5M | ↑ 28.9%

Diluted Earnings Per Share: \$2.31 | ↑ 112%

Adjusted Diluted Earnings Per Share: \$2.06 | ↑ 79%



“We had robust growth in all three of our Proprietary Products market units, led by the sales of components in our High-Value Product (HVP) portfolio.

This quarter’s strong performance came from both our base business, especially in the Biologics market unit, and COVID-19 related sales. Demand continues to grow for our premium offerings, such as NovaPure and FluroTec components, and, as a result, we are again increasing our planned capital expenditures, commencing next year, to expand HVP capacity at existing sites.”

Eric M. Green
President and Chief Executive Officer
West Pharmaceutical Services, Inc.

OVERALL ORGANIC SALES GROWTH

Proprietary Products Q3 2021 organic sales growth of 35.7%, led by sales of high-value products, which grew double digits

Q3
27.9%



BIOLOGICS

DD



GENERICS

DD



PHARMA

DD



CONTRACT MANUFACTURING

LSD

Abbreviations: LSD – low-single digit; MSD – mid-single digit; HSD – high-single digit; DD – double digit

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

Bernard J. Birkett

Senior Vice President & CFO

Third-Quarter Results 2021 Analyst Conference Call
9 a.m. Eastern Time | October 28, 2021





West Analyst Conference Call

9 a.m. Eastern Time

October 28, 2021

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, please dial:

**877-930-8295 (U.S.)
253-336-8738 (International)
The conference ID is 5587559**

An online archive of the broadcast will be available at the website three hours after the live call and will be available through Thursday, November 4, 2021 by dialing:

**855-859-2056 (U.S.)
404-537-3406 (International)
The conference ID is 5587559**

These presentation materials are intended to accompany today's press release announcing the Company's results for the third quarter 2021 and management's discussion of those results during today's conference call.

Safe Harbor Statement

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Trademarks

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® are registered trademarks of Daikyo Seiko, Ltd.

Q3 Highlights



FINANCIALS

- Third quarter 2021 net sales of \$706.5 million grew 28.9%; organic sales growth was 27.9%
- Third quarter 2021 reported-diluted EPS of \$2.31 increased 112%; adjusted-diluted EPS of \$2.06 increased 79%
- Raising net sales and adjusted-diluted EPS guidance for full-year 2021
- Declaring dividend increase - 29th consecutive annual raise



MARKET-LED
STRATEGY

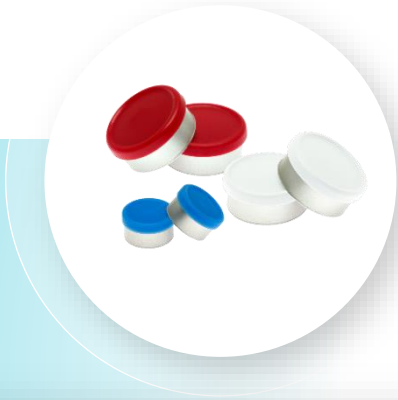


GLOBALIZATION OF
MANUFACTURING NETWORK



COVID-19 PANDEMIC
EFFORTS

Q3 Drivers of Growth in our High-Value Product (HVP) portfolio



Westar RS
Ready-to-Sterilize Components

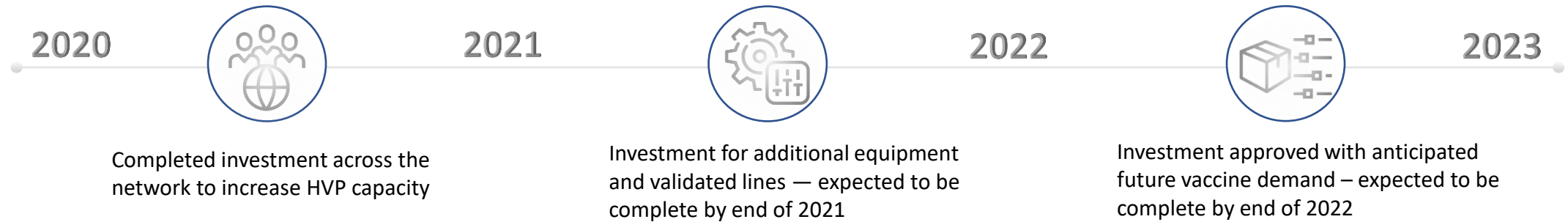
Westar RU
STERILE
Ready-to-Use Components

WestFluroTec

DAIKYO
Crystal Zenith[®]
THE CLEAR SOLUTION

NOVAPURE
Unrivalled quality...by design

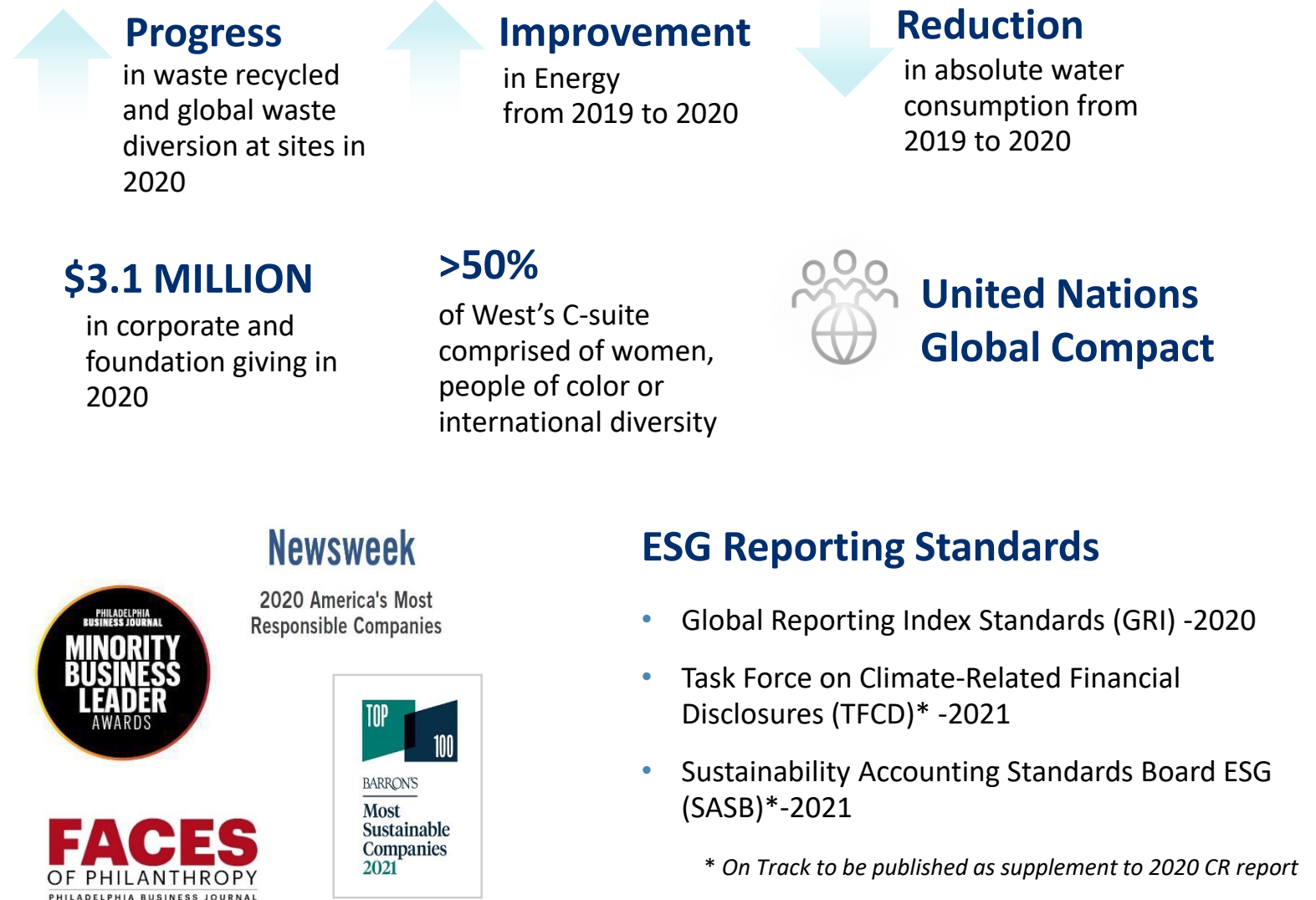
Continue to accelerate multi-phased investments to meet HVP demand



West is Driving Sustainable Business Practices

Six Pillars:

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



Third-Quarter 2021 Summary Results

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



	Three Months Ended September 30	
	2021	2020
Reported Net Sales	\$706.5	\$548.0
Gross Profit Margin	40.8%	35.5%
Reported Operating Profit	\$181.4	\$99.2
Adjusted Operating Profit ⁽¹⁾	\$182.8	\$103.9
Reported Operating Profit Margin	25.7%	18.1%
Adjusted Operating Profit Margin ⁽¹⁾	25.9%	19.0%
Reported-Diluted EPS	\$2.31	\$1.09
Adjusted-Diluted EPS ⁽¹⁾	\$2.06	\$1.15

(1) “Adjusted Operating Profit,” “Adjusted Operating Profit Margin” and “Adjusted-Diluted EPS” are Non-U.S. GAAP financial measures. See slides 17-21 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 2021 Organic Sales Growth



Overall Organic Sales Growth – 27.9% (Q3 2021)

Proprietary Products Q3 2021 organic sales growth of 35.7% led by sales of high-value products, which grew double digits

BIOLOGICS

Double-Digit

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

GENERICS

Double-Digit

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

PHARMA

Double-Digit

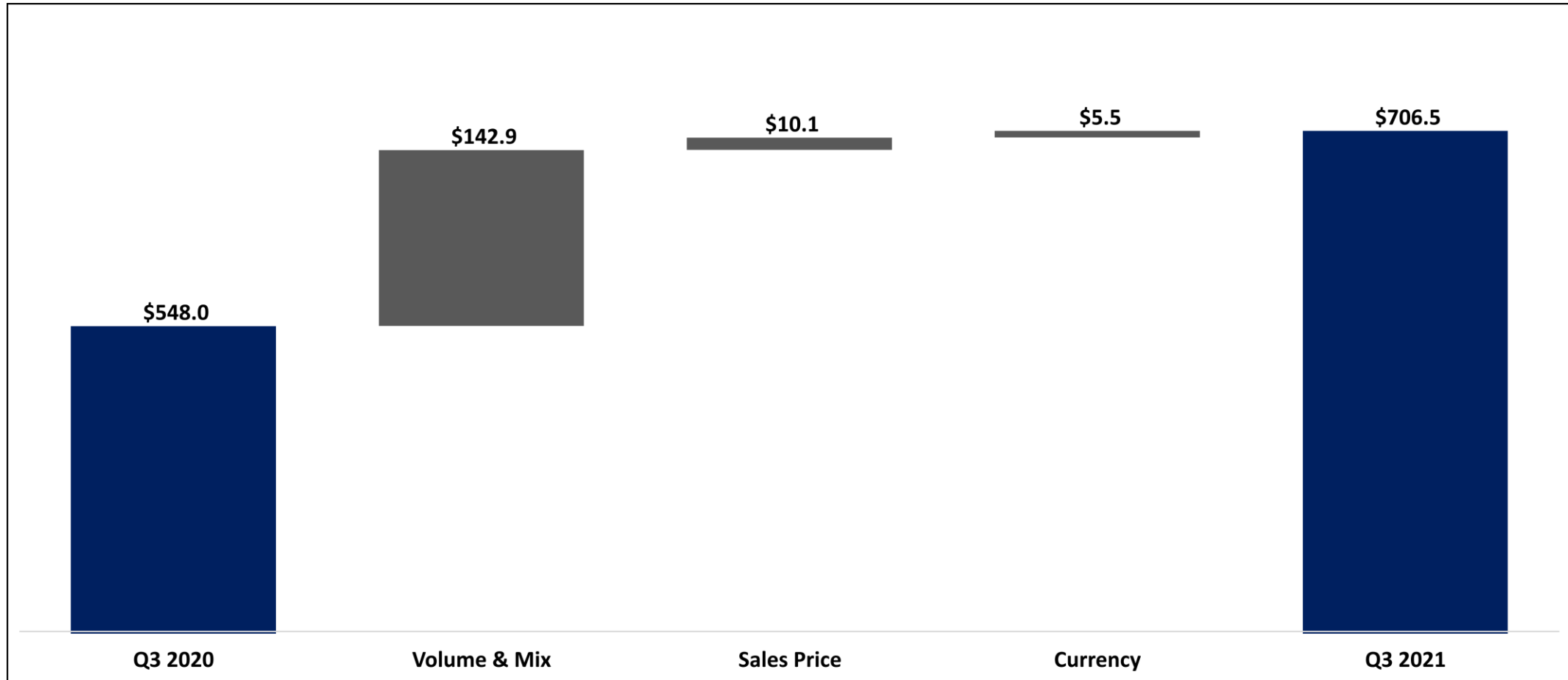
Sales led by high-value products, including FluroTec®, Westar® and NovaPure® components

CONTRACT MANUFACTURING

Low-Single Digit

Organic sales growth of 2.1%, led by sales of healthcare-related medical devices

Change in Consolidated Net Sales Third-quarter 2020 to 2021 (\$ millions)



Gross Profit Update

(\$ millions)



	Three Months Ended September 30,	
	2021	2020
Proprietary Products Gross Profit	\$267.3	\$171.9
Proprietary Products Gross Profit Margin	46.3%	40.8%
Contract-Manufactured Products Gross Profit	\$20.9	\$22.7
Contract-Manufactured Products Gross Profit Margin	16.1%	17.9%
Consolidated Gross Profit	\$288.2	\$194.6
Consolidated Gross Profit Margin	40.8%	35.5%

Cash Flow and Balance Sheet Metrics

(\$ millions)



Cash Flow Items

	YTD Q3 2021	YTD Q3 2020
Depreciation and Amortization	\$87.9	\$80.6
Operating Cash Flow	\$423.2	\$323.8
Capital Expenditures	\$176.9	\$116.7

Financial Condition

	September 30, 2021	December 31, 2020
Cash and Cash Equivalents	\$688.0	\$615.5
Debt	\$254.1	\$255.2
Equity	\$2,202.3	\$1,854.5
Working Capital	\$1,039.7	\$870.3

2021 Full-Year Guidance

Consolidated Net Sales	\$2.800 - \$2.810 billion
Adjusted-Diluted EPS	\$8.40 - \$8.50

We are proud to serve as the valuable, trusted partner for customers across the globe to support patient health.



Strong Base Business

Delivering Unique Value Propositions

Global Operational Effectiveness

Accelerating Investments for the Future



Eric M. Green

*President and
Chief Executive Officer*



Bernard J. Birkett

*Senior Vice President and
Chief Financial Officer*



Quintin Lai

*Vice President, 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, 2021				
Reported (U.S. GAAP)	\$181.4	\$12.0	\$175.6	\$2.31
Restructuring and related charges	0.3	0.1	0.2	-
Amortization of Acquisition-related Intangible Assets	0.2	-	0.7	0.01
Cost investment activity	0.9	0.2	0.7	0.01
Royalty acceleration	-	20.4	(20.4)	(0.27)
Adjusted (Non-U.S. GAAP)	\$182.8	\$32.7	\$156.8	\$2.06
	Operating profit	Income tax expense	Net income	Diluted EPS
Nine months ended September 30, 2021				
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

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
Three months ended September 30, 2020				
Reported (U.S. GAAP)	\$99.2	\$21.1	\$82.3	\$1.09
Pension Settlement	-	0.3	0.8	0.01
Restructuring and severance related charges	4.5	1.1	3.4	0.04
Amortization of Acquisition-related Intangible Assets	0.2	-	0.7	0.01
Adjusted (Non-U.S. GAAP)	\$103.9	\$22.5	\$87.2	\$1.15
Nine months ended September 30, 2020				
Reported (U.S. GAAP)	\$290.8	\$52.1	\$247.8	\$3.28
Pension Settlement	-	0.8	2.6	0.03
Restructuring and severance related charges	6.7	1.7	5.0	0.06
Amortization of Acquisition-related Intangible Assets	0.4	0.1	2.9	0.04
Adjusted (Non-U.S. GAAP)	\$297.9	\$54.7	\$258.3	\$3.41

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, 2021	Proprietary	CM	Eliminations	Total
Reported net sales (U.S. GAAP)	\$577.0	\$129.7	\$(0.2)	\$706.5
Effect of changes in currency translation rates	(5.0)	(0.5)	-	(5.5)
Organic net sales (Non-U.S. GAAP) ⁽¹⁾	\$572.0	\$129.2	\$(0.2)	\$701.0

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
Effect of changes in currency translation rates	(57.9)	(9.3)	-	(67.2)
Organic net sales (Non-U.S. GAAP) ⁽¹⁾	\$1,650.1	\$383.9	\$(0.4)	\$2,033.6

- (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.

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

	2020 Actual	2021 Guidance	% Change
Reported-diluted EPS (U.S. GAAP)	\$4.57	\$8.60 to \$8.70	88.2% to 90.4%
Restructuring and related charges	0.07	0.02	
Pension Settlement	0.04	0.01	
Amortization of acquisition-related intangible assets	0.05	0.04	
Cost investment activity	0.03	0.02	
Tax law change	-	(0.02)	
Royalty acceleration	-	(0.27)	
Adjusted-diluted EPS (Non-U.S. GAAP) ⁽¹⁾	\$4.76	\$8.40 to \$8.50	76.5% to 78.6%

(1) See “Full-year 2021 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 2021 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 2021, tax benefits associated with stock-based compensation increased adjusted-diluted EPS by \$0.35. Any future tax benefits associated with stock-based compensation that we receive in 2021 would provide a positive adjustment to our full-year EPS guidance. In 2020, tax benefits associated with stock-based compensation increased adjusted-diluted EPS by \$0.27.