



Q3 2024 Earnings

EARNINGS PRESENTATION

October 25, 2024



AVTR
LISTED
NYSE

Disclaimer

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and are subject to the safe harbor created thereby under the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this presentation are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, including our cost transformation initiative, objectives, future performance and business. These statements may be preceded by, followed by or include the words "aim," "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "outlook," "plan," "potential," "projection," "prospects," "continue," "goal," "objective," "opportunity," "near-term," "long-term," "assumption," "project," "guidance," "target," "trend," "seek," "can," "could," "may," "should," "would," "will," the negatives thereof and other words and terms of similar meaning.

Forward-looking statements are inherently subject to risks, uncertainties and assumptions; they are not guarantees of performance. You should not place undue reliance on these statements. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that our assumptions made in connection with the forward-looking statements are reasonable, we cannot assure you that the assumptions and expectations will prove to be correct. Factors that could contribute to these risks, uncertainties and assumptions include, but are not limited to, the factors described in "Risk Factors" in our most recent annual report on Form 10-K, and subsequent quarterly reports on Form 10-Q. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. In addition, all forward-looking statements speak only as of the date of this presentation. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise other than as required under the federal securities laws.

NON-GAAP FINANCIAL MEASURES

To evaluate our performance, we monitor a number of key indicators at the consolidated level and, in certain cases, at the segment level. As appropriate, we supplement our results of operations determined in accordance with U.S. generally accepted accounting principles ("GAAP") with certain non-GAAP financial measures that are used by management, and which we believe are useful to investors, as supplemental operational measures to evaluate our financial performance. These measures should not be considered in isolation or as a substitute for reported GAAP results because they may include or exclude certain items as compared to similar GAAP-based measures, and such measures may not be comparable to similarly-titled measures reported by other companies. Rather, these measures should be considered as an additional way of viewing aspects of our operations that provide a more complete understanding of our business. We do not provide GAAP financial measures on a forward-looking basis because we are unable to predict with reasonable certainty and without unreasonable effort items such as acquisition-related charges, the costs associated with integrating acquired businesses, the timing and amount of future restructuring actions, and the early retirement of debt.

We strongly encourage investors to review our consolidated financial statements in their entirety and not rely solely on any one, single financial measure. See "Use of Non-GAAP Financial Measures" in our accompanying press release. A reconciliation of non-GAAP measures is included in the supplemental disclosures package at the [embedded hyperlink](#) and on our investor relations website at ir.avantorsciences.com.

Q3'24 highlights

REPORTED
REVENUE

\$1.71B

ADJUSTED
EBITDA MARGIN

17.6%

ADJUSTED
EARNINGS PER SHARE

\$0.26

FREE CASH FLOW¹

\$204M

Continued bioprocessing outperformance and order momentum

Return to growth in Laboratory Solutions

Cost transformation initiative delivering ahead of plan

Sequential growth in Adjusted EPS

YTD Free Cash Flow conversion >100%

1. Q3'24 Free Cash Flow includes cash costs related to cost transformation initiative.

Q3'24 financial results

	Q2'24	Q3'24	Q3'23
Reported Revenue <i>Organic growth</i>	\$1,703M -2.0%	\$1,714M -0.7%	\$1,720M -9.6%
Adj. Gross Profit <i>% of revenues</i>	\$583M 34.2%	\$573M 33.4%	\$579M 33.6%
Adj. EBITDA <i>% of revenues</i>	\$306M 17.9%	\$303M 17.6%	\$318M 18.5%
Adj. Operating Income <i>% of revenues</i>	\$277M 16.3%	\$275M 16.0%	\$295M 17.1%
Adj. Earnings Per Share	\$0.25	\$0.26	\$0.25
Free Cash Flow¹	\$235M	\$204M	\$193M
Adj. Net Leverage²	3.9X	3.8X	3.9X

- **LABORATORY SOLUTIONS:**
Stable market conditions, segment grew year over year and sequentially
- **BIOSCIENCE PRODUCTION:**
Continued momentum in bioprocessing
- Sequential profitability impacted by mix with positive offsets from cost transformation initiative
- Q3 FCF conversion of >115%³

1. Q2'24 and Q3'24 Free Cash Flow **includes** cash costs related to cost transformation initiative.

2. Reflects adjusted net leverage as of the final day of each quarter.

3. Free Cash Flow conversion = Free Cash Flow / Adjusted Net Income.

Q3'24 performance by segment

LABORATORY SOLUTIONS



BIOSCIENCE PRODUCTION



REPORTED
REVENUE

\$1,172M

ORGANIC
GROWTH: +0.6%

ADJUSTED
OPERATING INCOME

\$152M

ADJ.
OPERATING
MARGIN: 12.9%

REPORTED
REVENUE

\$543M

ORGANIC
GROWTH: -3.5%

ADJUSTED
OPERATING INCOME

\$138M

ADJ.
OPERATING
MARGIN: 25.4%


Reiterating full year guidance net of divestiture impact, raising free cash flow guidance



GUIDANCE METRICS	PRIOR	ADJUSTMENT	CURRENT
ORGANIC REVENUE GROWTH	-2% to +1%	NO CHANGE	-2% to +1%
ADJ. EBITDA MARGIN	17.4% to 17.9%	-0.1% for divestiture	17.3% to 17.8%
ADJ. EPS	\$0.96 to \$1.04	-\$0.01 for divestiture	\$0.95 to \$1.03
FREE CASH FLOW¹	\$600 to \$650M	+\$100 to \$150M	\$750M+
OTHER FY FIGURES			
Reported revenue	\$6.85B to \$7.06B	-\$50M for divestiture	\$6.80 to \$7.01B
Reported growth	-1.7% to +1.3%	-0.7% for divestiture	-2.4% to +0.6%
Adjusted EBITDA	\$1.19 to \$1.26B	-\$15M for divestiture	\$1.17 to \$1.24B
Net interest expense	~\$250M	-\$30M for divest & financing strategy	~\$220M

Note: Other FY assumptions remain unchanged. FX: +0.3% (FY blended USD/EUR exchange rate of 1.08), adjusted tax rate: ~22.5%, average shares outstanding: ~680M. "Divestiture" refers to Clinical Services divestiture, which closed on 10/17/2024.

1. Excludes cash costs related to cost transformation initiative (FY 2024 cash cost estimate: ~\$100M) and tax on gain from divestiture of Clinical Services.

A young girl with blonde hair in a ponytail, wearing a white sweater, is smiling broadly and looking to the left. She has a cochlear implant on her left ear. The background is a blurred indoor setting with a blue tint.

Setting science in
motion to create
a better world.