

# Aptar Enters into Agreement with Weihai Hengyu Medical Products

Adding Elastomeric and Plastic Component Manufacturing Capabilities in China for Injectable Drug Delivery

July 28, 2021



# Forward Looking Statements & Non-GAAP Financial Measures



This press release contains forward-looking statements, including regarding the potential acquisition of Hengyu and the anticipated effects of the acquisition. Expressions or future or conditional verbs such as “will,” “would” and “expects” are intended to identify such forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are based on our beliefs as well as assumptions made by and information currently available to us. Accordingly, our actual results may differ materially from those expressed or implied in such forward-looking statements due to known or unknown risks and uncertainties that exist in our operations and business environment including, but not limited to: the satisfaction of the conditions to closing the acquisition; the expected benefits of the acquisition; the successful integration of Hengyu; the regulatory environment; and competition, including technological advances. For additional information on these and other risks and uncertainties, please see Aptar’s filings with the Securities and Exchange Commission, including the discussion under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Aptar’s Form 10-K and Form 10-Qs. Aptar undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

# Weihai Hengyu Transaction Rationale

*“We remain committed to growing our business in Asia and to creating an even stronger local presence in the region. This strategic acquisition strengthens our position to serve high growth regional markets.”*

*- Stephan Tanda, Aptar President and CEO*

- **Components and devices** market for injectable drugs in China is forecasted to have double-digit growth<sup>1</sup>
- **Regulatory support and safety** supporting trend towards high quality components
- **Vaccine development (due to COVID-19)** placing further emphasis on injectables as the main delivery format
- **Aptar’s strategic priority** is to add capabilities and capacity in high growth markets (Asia/Elastomer Components)
- **Hengyu provides local Chinese production** with close proximity to Chinese customers
- **Hengyu has over 23 years of experience** developing new elastomeric and plastic component solutions for the injectable drug delivery market



<sup>1</sup> Source: IQVIA 2020, Internal models

# Weihai Hengyu Profile



## Key supplier of elastomer & plastic components for injectable drug delivery

<b>Location:</b>	Weihai (Shandong), China
<b>Proximity:</b>	~1,000 km from Shanghai & Suzhou
<b>Employees:</b>	~150
<b>Core Products:</b>	Rigid Needle Shields Plungers Tip Caps





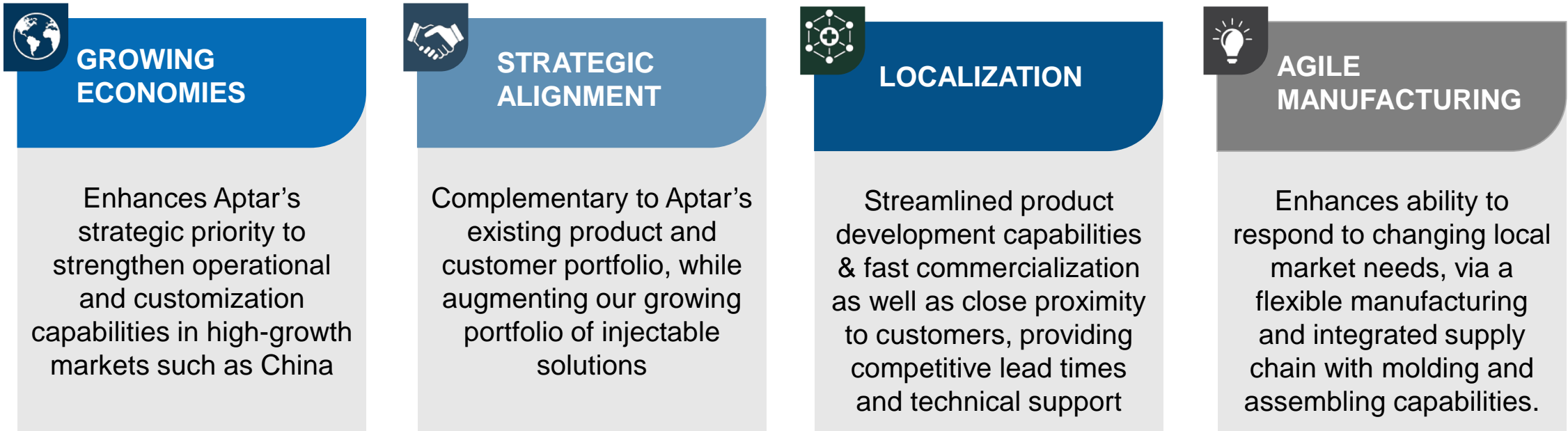
- **Purchase Price:** Under the contemplated transaction, and subject to the conditions described in the press release, Aptar would acquire 80% ownership interest
- **Value:** Enterprise valuation on a 100% cash and debt free basis of approximately \$77 million
- **Option:** Under the terms of the deal, Aptar has the option to acquire the remaining 20% after a 5-year lock up period
- **Financial Impact:** The transaction is not expected to have a material impact on adjusted earnings per share in 2021 or 2022<sup>1</sup>
- **Financing:** Funded with cash on hand

<sup>1</sup>Adjusted earnings per share is a non-GAAP financial measure. Additional information regarding this measure is available on the Company's website at [www.aptar.com](http://www.aptar.com) on the Investor's page (click on Events & Presentations for a Reconciliation of non-GAAP Financial Measures).

# In Summary

Potential to Expand Injectables Business in Asian geographies

## Aptar + Weihai Hengyu



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