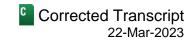


22-Mar-2023

West Pharmaceutical Services, Inc. (WST)

KeyBanc Life Sciences & MedTech Forum



CORPORATE PARTICIPANTS

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

Bernard J. Birkett

Senior Vice President & Chief Financial and Operations Officer, West Pharmaceutical Services, Inc.

Quintin John Lai

Vice President-Strategy & Investor Relations, West Pharmaceutical Services. Inc.

OTHER PARTICIPANTS

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

MANAGEMENT DISCUSSION SECTION

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Good morning. This is Paul Knight, the analyst covering West Pharmaceutical. I'm the analyst covering life science technology at KeyBanc. It's a real pleasure to have with us the management from West here today. Eric Green, CEO; Bernard Birkett, Chief Financial Officer; and Quintin Lai, Investor Relations.

We have a group of questions we're ready to go with. The audience can ask as well. Now, there's a spot on your screen where you can raise your hand and you put in a question or you can e-mail me at paul.r.knight as well.

But we'll kind of have Eric say a few comments first, if that's good for you, Eric, and then we'll start to jump into some questions as well. But if you want to give an overview of West and your view on the world today.

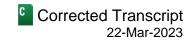
Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

Yeah, great. Paul, thank you for hosting us today and we're looking forward to the conversation, Bernard, I and Quintin. Actually, 24 hours ago, we had a very special event that we participated and opened up the New York Stock Exchange. So it's great recognition of 100 years for West, which started in 1923 by a gentleman named Herman O. West. So we had a great opportunity with about 100-plus of our colleagues around the world and different plants come join us in New York on that special occasion.

And what's interesting, to kind of reflect back a little bit where we came from and where we are, but more importantly, where we're going. The portfolio itself is very robust. If you think about the – our global leadership in primary containment and the devices for injectable medicines, it continues to prove out the high-value product thesis that we've been driving, which has given us accelerated growth and also margin expansion through a mix shift effect.

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And we're extremely pleased on how we are – continues to do really well in biologics, which if you think about it about four or five years ago, that was roughly around 20% of our overall sales. Now it's over 40% of our sales, growing very strong double digits.

And in the generics, we continue to gain market share in that space. And as you know, Paul, we started this journey a few years ago with a lower market share in that particular space. But by applying the value proposition, market-led approach, we're able to gain more traction, we gain more share – meaningful share in that particular space. And then in the pharma, the small molecule space, we continue to have a very strong position in that area.

So very confident of where we are, but also where we're going. And really have [ph] – it's great to, well, (00:02:56) reflect on what we have accomplished, but more important where we're going. And for those that have not visited our sites, next time, there's a roadshow. I'd encourage you to sign up because it's a great way to get to understand what we do at West each and every day, how we produce 47 billion components each day, and each one has a patient name on it.

So that's our focus, that's our purpose and we continue to deliver and execute on the plan we have in front of us.

QUESTION AND ANSWER SECTION

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Eric, I know you've – I don't know if you call it Six Sigma actually there, but I know you are a student of it. Are you done with where you – your, I guess, implementation of Six Sigma within West?

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

No, I wouldn't say – Paul, I wouldn't say we're done. And you're right, there's – part of the DNA of West really is around how do we drive more efficiency and more productivity not just in the manufacturing environment, but everything we do, all touch points we have...

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah.

Eric Mark Green

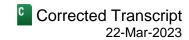
Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

...in our organization, what we call is One West. It's one of our core values here at West. We think about the three core values, the passion for customers, leadership and quality and One West team. And what that One West team has done for us is it's allowed us to globalize our organization and better align with our customers who are global. They require consistent service and products and service and quality levels across the globe. And this model of One West and leveraging the West business system has given us that platform that continues to accelerate.

So, Paul, I would say there's much more we can do and we have significant – well, we have several initiatives in place to allow us to execute around that One West. And one area I'm actually quite excited about is around



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automation. We've been talking about this. We've been moving in that direction. And I believe you see one of our plants with some of that automation installed, but we continue to have opportunities to invest further around automation, give us more higher quality, better safety, better yield and actually, better productivity of our cost base. So a lot more to come, Paul.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

And what does that translate into in terms of your margin goal, Bernard?

Bernard J. Birkett

Senior Vice President & Chief Financial and Operations Officer, West Pharmaceutical Services, Inc.

Well, it feeds into the continued margin expansion that we've built into our long-term construct, so that 100 basis points plus. So it is a – it's not – it doesn't have the same impact as mix has on that 100 basis point improvement, but it's an integral part of continuing to support that. And as customers' expectations change, also the – our supply chain network has changed and we've seen that as we've come out of COVID, how we are utilizing our network and particularly around high-value products.

It feeds into that. So it continues to help us at greater levels of [indiscernible] (00:06:13) higher levels of volume and higher levels of quality, and as Eric said, greater levels of productivity and also bringing our lead times back down to more acceptable ranges and what our customers actually expect of us. So it drives a lot of things, but part of that is into that margin improvement.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Hey, Eric, what was it like to run such a mission-critical company during COVID? And what have you learned from going through that world crisis in terms of how you think about your business today and learning – what did you learn from that? What was that like and what did you learn from that?

Eric Mark Green

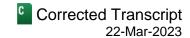
Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

A lot of learnings, Paul. And I would say Bernard, and Quintin and I and other leaders, we are extremely proud on how our 11,000 team members across the globe reacted and responded. When we first got called and brought into the conversation in early 2020, we started to have visibility of the requirements and to be able to provide the necessary components for primary packaging of these necessary vaccines to go global.

And what I find interesting, it just reinforce the criticality of West in healthcare. And we talk about that. We don't take that for granted. And you think about how West participated in a very short period of time to scale and to produce close – to be able to support, let's call it, 8 billion doses of vaccines in a very short period of time is actually quite impressive.

But that reinforce, Paul, really, when you think about what is the differentiation of West in the marketplace. One is around the technology. We had the platform that enabled us to be able to provide the necessary components to be able to contain pretty advanced biologics. Two was scale, the ability to flex our global network, particularly on the high-value product portfolio in our high-value product plants to be able to handle that type of scale, while we continue to support the core business growing at or above our financial construct.

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In fact, I think there was a chart we showed publicly in the last couple of months, where during 2020 on every quarter, our rolling forward curve, rolling performance of the revenue without COVID was still in the double digits. And that was driven by proprietary, not contract manufacturing. And so that was – that's the other aspect.

And the third is just the trust with our customers to put in our hands and be able to drive it. So it taught us a lot. It taught us a lot about how we can better leverage our existing operating network and we can accelerate that even further. And those are plans we have in place. Level older facilities more effectively. It show the resiliency and just the level of engagement of our employees across the globe willing to come in during uncertain times and know that their value and the purpose that they bring to the table is actually quite critical. And actually, also just reinforce with our customers that West is there to support them and enable to deliver on some pretty tight timelines.

I think one last comment, Paul. I think it does change some of the optics – well not optics, the lens and how we think about launches. And how can we scale with our customers faster so that we can support them on these drug launches. And that's proven in a very short period of time. It can be done. And so I'm very proud of the – how the team responded during COVID.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

And I guess it also begs the question. We see a lot of major approvals, like some of the diabetes treatments, a lot of our biologic approvals last year from the FDA, in fact, a record. What's the market telling you that they need in the years ahead, and what are you doing? Are you having to do continuing \$300-plus million CapEx? So kind of your view on how the horizon looks would be helpful, Eric?

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.



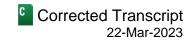
Let me start and then, Bernard, if you can step in on this also, is that there's two ways of looking at it, one is from the market perspective. And you're absolutely right, Paul, the significant focus around large molecule and our criticality and our high participation rate is due to continuously advancing the technology, continuously advancing the scale, particularly on higher end of HVP, which is NovaPure particularly.

So there's a pull effect right now. And if you think about the obesity, diabetes market, that's an opportunity that we can participate in from two different angles. One is from the [indiscernible] (00:11:35) high-value product plungers for pre-filled syringes and also from the delivery device perspective through our contract manufacturing business.

So we have really strong visibility of that particular market. And the learnings of COVID has given us confidence we're able to scale it at the right pace with our customers as they launch new molecules that could have quite meaningful impact on society and volume requirements around that.

I think the other aspect that's [ph] fed (00:12:13) from the market perspective, there's a pull effect, there's more biologics in the pipeline. You know our position. We are very focused on early-stage with our — whether it's small, medium, large customers, so we can help see the market. We are continuously advancing technologies and partnerships that look beyond just components and moving towards systems. I know that's been used quite frequently in the industry, but we're down that path. We have the technical data to support this and the competency and the capabilities.

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So I'm really excited about the direction we're going around the technology. But it does require investments. And maybe, Bernard, you can speak a little bit to that around the capital and how it's been allocated and how we're focused?

Bernard J. Birkett

Senior Vice President & Chief Financial and Operations Officer, West Pharmaceutical Services, Inc.

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Yeah. So, Paul, when we look at our CapEx and we compare the breakdown of our CapEx to a number of years ago, what we're seeing is approximately 70% of the CapEx investment we're making now are growth focused and based on the demand that we're hearing from – seeing from our customers.

And so, when I look back like, say, three, four years ago, like that was about 50% of the CapEx employed was on growth and 50% on maintenance. So that there is a shift. So the return that we're getting on the CapEx is a lot quicker than we would have seen in the past. The opportunities are close at hands, again, than we would have seen before this.

So we continue to see that need for elevated levels of CapEx investment at is time. But as you'll see, even over the last number of years, our return on invested capital has improved, even though we've had accelerated levels or higher levels of CapEx. And we would expect that to continue over the next number of years.

What we would expect to see over time, that we would expect that CapEx come more in line with our concert of 6% to 7%. Obviously, that's not going to be the case this year, but, again, the investments are demand-driven. So it's not really speculative. So it's a different experience than what we have seen in the past.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

What are your major site expansions going on right now? I know you ramped one up in Michigan this year early. What else is significant on the site finish and project work?

Bernard J. Birkett

Senior Vice President & Chief Financial and Operations Officer, West Pharmaceutical Services, Inc.



So the biggest one that we have coming online right now is in our Kinston facility, and we've been layering in the high-value product capacity there, particularly focusing on plungers. And we expect that capacity to start coming online at the back end of the second quarter, and that will then ramp up as we get through here and the final validations around those processes and that equipment.

We continue to invest in our high-value plants, and that's predominantly Eschweiler, Germany, Singapore, Waterford in Ireland, Jersey Shore and Kinston here in the US. Again, a lot of that 70% growth that we're talking about with the investment is really focused on high-value products. And then much of that is around plungers where we're seeing essentially demand coming from. That's the focus right now.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

C

Are you – well, should we expect the contract manufacturing business to be a slower growth business as you utilize time and talent for high-value add product work?

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

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Corrected Transcript
22-Mar-2023

Yes is the short answer.

Bernard J. Birkett

Senior Vice President & Chief Financial and Operations Officer, West Pharmaceutical Services, Inc.

A

Yes, we would forecast the contract manufacturing business to grow mid-single digits. [ph] It's to step (00:16:16) back a little bit from that in 2022 when we did call out the reasons around that. So we – but we would expect that mid-single-digit growth rate for that business. And so we're pretty selective on the contracts that we're taking here.

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

А

And Paul, we are selective, as Bernard said, but we're also very focused at when we engage with the customer.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah.

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.



We mentioned the expansion in Grand Rapids, Michigan is that you will get the West experience. You will get the ability to scale, do mass manufacturing, a high-level quality consistently, we're dedicated to that. And so we do have customers that leverage – are working with us, both on primary containment and delivery devices, and does come together quite nicely. But as Bernard said, we want to be very selective. And the resource allocation is disproportionately towards proprietary high-value products.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.



And Eric, could you talk to the Corning joint venture capital invested, the background on that JV, when we could expect revenue from that JV?

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

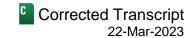


Yeah. Well, that's going to take some time as we continuously develop different systems and provide all the technical data to support. I mean, we did have a launch earlier this quarter with a Ready Pack solution that is the Valor Glass of Corning around vials and our NovaPure stoppers, seals and [indiscernible] (00:17:56) the new technology we came out with.

And so that's the first entry point. And just to kind of frame up what – why is that important, going back to my earlier conversation about is to get the high participation rates that we are experiencing, we have experienced and we are experiencing today. Particularly around biologics, we are seeding the market.

In order to seed cede the market, this Ready Pack solution is really critical as a complete package that is going to our customers in early stage, so they lock in on their solution. And so this program will evolve and we're investing – both firms are investing nicely. We're constantly monitoring what we can do to continue to accelerate. We are in active discussions with customers.

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And talking about the pull effect, and the regulatory authorities, too, they you want to see this movement occur. So that is a higher quality, higher predictability on the effectiveness of the drug in the primary containment.

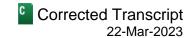
And so it's going to take some time, Paul. It's going to take multiple years to get to where we want to be. But just think about the NovaPure journey we were on, Paul. We started that several years ago, but we technically didn't really launch the commercial sign until 2016. It takes our customers a couple of years to do stability tests and working with materials to be comfortable.

And then now, right now, as we sit here and talk is that's meaningful. It's material. And these investments we're making in our Kinston or Waterford or other locations in high-value products, NovaPure is the front and center of the focal point. And that is going to be – continue to be a major shift – mix shift effect not just on revenues, but also the margins.

So more work to be done, but we're proud of where we are, but we have a journey ahead of us.

Paul Richard Knight Analyst, KeyBanc Capital Markets, Inc.	Q			
One question from an investor is the – apparently, your new proxy flags PSRU sales target of a 9.1% CAGR, 2022 to 2024. This person thinks the analyst community is closer to 6%. Any thoughts on that compound growth rate?				
Eric Mark Green Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.	A			
I'm sorry, Paul. [ph] Is it PFAS? (00:20:21)				
Paul Richard Knight Analyst, KeyBanc Capital Markets, Inc.	Q			
So it's in the proxy, it flags a PSRU sales compound growth rate.				
Quintin John Lai Vice President-Strategy & Investor Relations, West Pharmaceutical Services, Inc.	A			
Yeah. So it's just the overall compounded growth versus – are you asking versus the long	g-term construct?			
Paul Richard Knight Analyst, KeyBanc Capital Markets, Inc.	Q			
Yeah.				
Quintin John Lai Vice President-Strategy & Investor Relations, West Pharmaceutical Services, Inc.	A			
Yeah. So how – describe what we're doing and how the growth has performed versus the	e long-term contract?			
Eric Mark Green Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.	A			
Yeah. So we have been performing above the long-term construct. If you think about the grown – the CAGR has been around 14%.	last five years, we've			

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Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah.

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

And we went from approximately \$1.7 billion to \$2.9 billion, round numbers. And over that period of time – and that's really all organic, just to be very clear on that.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Sure.

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

...puts and takes with the currency and so forth. But what's driving that growth? And it's a really good question because when you think about the markets, the markets are driven by volume, right, number of injections or drugs administered, and this is exceeding on aggregate. We know that generics is probably mid-single; pharma, small molecule low single; but biologics from a volume perspective is high single. And our performance is on the higher end of all those three categories. It is really driven – the major driver of that is biologics. And we know that contract manufacturing has been up and down slightly, but overall mid-single. But biologics is our fastest-growing segment.

If you step back in 2016, it was the smallest market unit amongst the four that we speak of with the strongest growth. In 2022, it's the largest market we have with greater than 40% of our sales at West...

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah.

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

...and with the strongest growth, and that dynamic that's powered our strong consolidated growth get to those CAGRs that we've had.

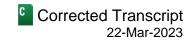
Going forward, we're – our focus is to continue to deliver at or above this 7% to 9% construct we've communicated. I'm very proud of the team. If you take COVID out of the equation, I think that kind of [indiscernible] (00:22:41). For the last two or three years, we've been very transparent in the slides that we provided in the past, that we are growing faster than construct right now. But that's what we're focused on, Paul, and [ph] they'd be accelerating (00:22:54) and will continue to be accelerating these biologics and our high participation rate [ph] on a global basis. (00:22:59)

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Okay. And Eric, we are seeing a lot of new therapeutic types, whether it's cell and gene therapy, antibody-drug conjugates, single interference RNA, et cetera. Are you having to modify your technology offering in light of all of

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the new things we seem to be – that are developing in research and development? How is it changing your offering?

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

Yeah. So if you think about – you're right. So just looking at 2022, just to put on a – level set here. Our participation on all advanced therapies and we were on all advanced therapies and all monoclonal antibodies and most of the biosimilars, giving kind of perspective of our position.

And yes, we're continuously putting investments around R&D, development agreements with our customers outside of – obviously, we're pushing and we're working with our customers around NovaPure. We're looking at Crystal Zenith syringes and/or vial, cartridge configurations. We're also focused on [ph] Ultra co- containments, (00:24:18) additional new delivery platforms and new administration systems. That's a piece of the business with your vial transfer as an example that we're very quite good at.

So we are – as these advanced therapies evolve, and we are continuously looking at ways to enhance the portfolio, broaden the portfolio, but many of them are really being developed conjoined with our customers through development agreements.

Paul	Ric	hard	Kni	ght
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Analyst, KeyBanc Capital Markets, Inc.

Yeah.

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

And then we're allowed to platform that and go out externally. So it's an interesting journey. But the best part about this, Paul, is we're at the table...

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah.

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

...almost in all conversations. That gives us optionality and ability to leverage our technical expertise.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

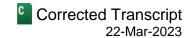
In your conversations with customers, Eric and Bernard, is there – what's it like in terms of the number of conversations or proportion regarding they are looking at a ready-to-use single-dose syringe versus vials? What's that like now versus five years ago?

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

Different.

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Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah.

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Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

Different, and we see it – obviously, because of our position and what we provide, we do see that transition, but it doesn't mean that the vial configuration isn't as important or the cartridge systems are used in devices like our SmartDose device. But you're right, there is a push, and the fastest-growing sector is the pre-filled syringes, right. And that's why if you think about our investment thesis, particularly over the last couple of years, it was coming online what Bernard was talking about in Kinston, the equipment and the capacity we're putting in is all around business.

And we had some investors that actually went through there. We opened the doors for a day. And it's impressive, it's impressive, and that's coming online this year, and we have to do more. So the demand in that area of the business is growing faster than we had originally anticipated, but we're making the investments as we speak.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

Right. Okay. Another question from investors has been is this, everybody – a lot of excitement around GLP-1 drug, obesity therapies. Can you talk about what you perceive as the opportunity with the GLP-1 therapies?

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.



There's two ways of looking at that. One is, first, I'd encourage the – around the impact on patients and the society as a whole, really focused on the drug companies, let them kind of drive that conversation. From a supporting our customers on those launches, we have two different lenses that we have with our customers.

One is – I'll start with the first one is contract manufacturing. And there are – there's requirements for delivery devices, whether it's our injectors or other type of delivery devices, particularly around that space. And we are participating with some of our expansions. But as you know, Paul, we've been very transparent about this and that part of the business, our customers on the IP, and they come to us and say, we would like to invest capital. We have dedicated facilities and space for those investments, and then we scale up, and these are long-term agreements. But they rely on two or three different suppliers to provide that portfolio. Fortunately, West participates, but it's not like our proprietary business where it's somewhat binary, either you're on or you're off the drug.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

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Yeah. Okay.

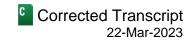
Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.



On the elastomer side, Paul, it's really around – the heavy focus is around pre-filled ranges. And for us, it's the plungers. And that's what's exciting about it, where we are. And fortunately, we've made those investments and

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we'll continue to make those investments to stay ahead of the curve. But the demands there are definitely – we're in conversations today with the customers to be able to fulfill those demands.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Okay. And Bernard, operating margin, we've obviously seen a transition here, as COVID dissipates, you validate other production technology. And then, of course, there's this fight with inflation. Can you talk about – I think margins are guided to increase throughout the year, but if you could talk about the issues around your thinking on margins and why it can improve over time?

Bernard J. Birkett

Senior Vice President & Chief Financial and Operations Officer, West Pharmaceutical Services, Inc.

Yeah. So for 2023, we approached it from a number of different angles. Obviously, I said we did have the inflation pressures and it's – that has kind of [ph] helped device (00:29:37) what our pricing strategy should be as we move into 2023. And that's reflected in our really kind of higher than normal price [ph] again (00:29:48) that we would particularly see in our business. And we moved from 1% to 2% in previous year and we were close to 3% to 4% last year. And this year, we're forecasting 5% to 6%, and a lot of those conversations already taken with most of our – taken place with customers.

And the other piece that we've seen is that the transition from COVID vaccine business and changes that we're seeing there. Obviously, we're selling a lot of high-value products into that area. And we've had to offset some of those margin headwinds again...

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah.

Bernard J. Birkett

Senior Vice President & Chief Financial and Operations Officer, West Pharmaceutical Services, Inc.

...but we're looking at the cost base within our business. We've made adjustments to our cost structures, both from a manufacturing perspective and within OpEx. And again, that was something that we were working through as we got to the back of 2022. And also, Paul, we are continuing to see the mix shift that we have really embedded into our long-term construct from a revenue growth perspective and an operating margin expansion perspective. And that has been taken place [ph] within some of that (00:31:03) COVID as we moved through 2020 and 2021. We were seeing that operating margin expansion in our core business.

And so that, together with the opportunities that we've been talking about just here and the investments that we're making, that informs how we're looking at the long-term construct and what we expect to see over the next number of years. And that continued operating margin expansion that builds into what we've talked about. So it's really more of what we've seen in the past. It's that mix shift to continue to execute on our operating plans and then pretty tight controls around our cost base within our business.

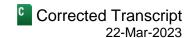
So it's more of what we've seen over the last number of years. The demand...

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Right.

KeyBanc Life Sciences & MedTech Forum



Bernard J. Birkett

Senior Vice President & Chief Financial and Operations Officer, West Pharmaceutical Services, Inc.

A

...that's a positive thing, but the underlying demand, they are particularly around the high-value products and mix shift.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Okay.

Bernard J. Birkett

Senior Vice President & Chief Financial and Operations Officer, West Pharmaceutical Services, Inc.

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So that's what's informing [ph] our whole process at West. (00:32:05)

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.



And then kind of wrapping up, with COVID, are the container formats changing? Are we down to 5 dose vials? Are we now at single-dose syringe, where is technology on COVID delivery right now, Eric?

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.



Yeah, just a couple of things I could update on COVID. I mean, last year, we did about \$388 million of material to the market. And this year, we guided a while back to about \$85 million for 2023. And we will obviously update guidance at the end of the guarter. But that's what we're focused on is we'll deliver for our customers there.

We are seeing sales for 2022. We think about those large and small stoppers, you want to call it, the 20-millimeter and the 13-millimeter, which implies moving towards smaller vial configuration. And so we are seeing that, but I won't get into specifics around volumes and so forth.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.



Yeah.

Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.



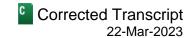
But we are seeing that shift. And one thing, just a reminder, just to really comment on, I guess, is that our assets that we put in place to respond to this pandemic are not dedicated to a customer or to a product, right? So what we're able to do, particularly on high-value products, and I think this is what the team did a great job at is bring our customers to our high-value products is fungible, the way to look at it. We'll support all customers around the high-value product portfolio. So we'll leverage our assets. If there's more demand required, we'll be able to respond. If it's less, we'll be able to redeploy it.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Got it. Okay. Super. With that, we are done with adequate time, but appreciate your presence here, Bernard, Eric, Quintin. As usual, a great conversation and look forward to many more here in 2023.

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Eric Mark Green

Chairman, President & Chief Executive Officer, West Pharmaceutical Services, Inc.

Great. Thank you, Paul, for your time.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Okay. Take care.

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