

29-Apr-2021

# West Pharmaceutical Services, Inc. (WST)

Q1 2021 Earnings Call

### CORPORATE PARTICIPANTS

#### Quintin John Lai

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

#### **Eric Mark Green**

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

#### Bernard J. Birkett

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

### OTHER PARTICIPANTS

Juan E. Avendano

Analyst, BofA Securities, Inc.

**Paul Richard Knight** 

Analyst, KeyBanc Capital Markets

Jacob Johnson

Analyst, Stephens, Inc.

**David Howard Windley** 

Analyst, Jefferies LLC

### MANAGEMENT DISCUSSION SECTION

**Operator**: Good day and thank you for standing by. Welcome to the Q1 2021 West Pharmaceutical Services Earnings Conference Call. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. [Operator Instructions] Please be advised that today's conference is being recorded. [Operator Instructions]

I would now like to hand today's conference over to your speaker, Quintin Lai, Vice President of Investor Relations. Please go ahead.

#### **Ouintin John Lai**

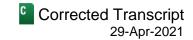
Vice President-Corporate Development, Strategy & Investor Relations, West Pharmaceutical Services, Inc.

Thank you, Stephenie. Good morning and welcome to West's first quarter 2021 conference call. We issued our financial results this morning and the release has been posted in the Investors section on the company's website located at westpharma.com.

This morning, CEO, Eric Green; and CFO, Bernard Birkett will review our financial results, provide an update on our business, and present an update on our full-year 2021 financial guidance. There is a slide presentation that accompanies today's call, and a copy of that presentation is available on the Investors section of our website.

On slide 4 is our Safe Harbor statement. Statements made by management on this call and in the accompanying presentation contain forward-looking statements within the meaning of US federal securities law. These statements are based on our beliefs and assumptions, current expectations, estimates and forecasts. The company's future results are influenced by many factors beyond the control of the company. Actual results could differ materially from past results, as well as those expressed or implied in any forward-looking statement made

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here. Please refer to today's press release, as well as any other disclosures made by the company regarding the risk to which it is subject, including our 10-K, 10-Q and 8-K reports.

During today's call, management will make reference to non-GAAP financial measures, including organic sales growth, adjusted operating profit, adjusted operating profit margin, and adjusted diluted EPS. Reconciliations and limitations of the non-GAAP financial measures to the most comparable financial results prepared in conformity to GAAP are provided in this morning's earnings release.

I now turn the call over to West's CEO and President, Eric Green.

#### **Eric Mark Green**

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

Great. Thank you, Quintin, and good morning, everyone, and thank you for joining us today.

Starting on slide 5, I am pleased to report that we had an exceptional first quarter. This was driven by strong organic sales growth in both our base business and the accelerating demand for products associated with COVID-19. Our high-value products continue to fuel increased growth and operating margins. Together, this has resulted in record EPS for the first quarter. The strength of our performance is demonstrated in our ability to execute the market-led strategy, leverage the power of our global manufacturing network and rally as a One West Team to meet the increased market demand. I am proud of how our team members have focused on our priorities and emphasized the importance of our purpose and values during these times.

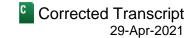
Turning to slide 6, we have highlighted the key drivers of growth in Q1. We continue to see strong uptake of HVP components, including Westar, FluroTec, Envision and NovaPure offerings, as well as Daikyo's Crystal Zenith. Our Biologics customers are seeking to use these best-in-industry components to ensure the highest degree of quality and safety for their vaccines and injectable medicines. This has resulted in strong double-digit growth, excluding COVID sales, and continued demand growth for FluroTec and NovaPure in our Biologics business. Through the first four months of 2021, our participation rate in recently approved new molecular entities in the US and Europe continues to be strong with over 95% of these approvals using either West or Daikyo components.

In addition, we experienced strong growth in Westar ready-to-use components with customers seeking the value quality and convenience of our Westar washed and sterilized products. And for Envision, we also had significant growth with customers looking for a higher quality and better production yields by using our Envision-inspected components. Another highlight was strong sales growth in Daikyo CZ syringes and vials. Customers prefer CZ for its compatibility with their sensitive molecules and its outstanding track record of quality and reliability.

Moving to slide 7, the power of our global manufacturing network continues to support our growth trajectory. We are uniquely positioned as a result of the global operations strategy implemented a few years ago. This has enabled the right capabilities, scale and flexibility to keep in pace with the increase in demand. As a result of the recent capital investments, we have expanded our manufacturing capacity across our high-value product portfolio with additional equipment and validated lines to support our highest HVP growth areas: Westar, FluroTec and NovaPure.

We have accelerated the timeline for capacity builds within our existing footprint by working closely with our equipment suppliers and staging installations around the 24/7 plant schedules. Our first phase, which began at the start of the pandemic, is about 75% installed and operational, with expected completion in the second half of the year.

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Our second phase will see equipment arriving in the back end of the year and operational in 2022. And we are evaluating additional investments for a third expansion phase in response to an increasing possibility of COVID-19 boosters and annual vaccinations required over the next few years. When this occurs, we think that future COVID-19 vaccines could likely be fewer doses per vial and/or in single dose prefilled syringes. As a result, it may mean higher volume demand of our HVP components compared to what we are experiencing today.

I am pleased to share that from my recent visit to our Scottsdale, Arizona facility, we are on schedule with our fully automated line for CZ Insert Needle Syringes. We're in the process of validating the line which is targeted to commence commercial production for our customers' committed orders during the third quarter of this year. This is our third automated line with another line scheduled for delivery in late 2021.

Turning to slide 8, core to our values at West has been a strong corporate citizen. In 2019, we exceeded our initial five-year Environmental, Social and Governance, or ESG, initiatives set in 2017 and raised the bar higher with a new set of five-year goals. I'm proud to say that we continue to make significant progress on our ESG priorities with good momentum towards our stated reduction goals for waste, energy and water usage.

We continue to reaffirm our commitment to live by our One West Team value that calls on us to respect each other, drive collaboration, and to embrace diversity and inclusion in our workplace. We continue to make strides in this area from new team members hired at all levels in our manufacturing sites to the diverse representation on our executive leadership team at West. And we continuously look for ways to improve sustainability of our business and the rigor of our ESP – ESG reporting continues to evolve. Last year, we published a supplement or later this year we will publish a supplement to our 2020 CR report incorporating the SASB ESG standards.

Now, I'll turn it over to our CFO, Bernard Birkett, who will provide more detail on our financial performance. Bernard?

#### Bernard J. Birkett

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

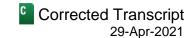
Thank you, Eric, and good morning. Let's review the numbers in more detail. We'll first look at Q1 2021 revenues and profits where we saw continued strong sales and EPS growth, led by strong revenue performance primarily in our Biologics, Pharma and Generic market units. I will take you through the margin growth we saw in the quarter as well as some balance sheet takeaways. And finally, we will provide an update to our 2021 guidance.

First up Q1. Our financial results are summarized on slide 9 and the reconciliation of non-US GAAP measures are described in slide 17 to 20. We recorded net sales of \$670.7 million, representing organic sales growth of 31.1%.

COVID-related net revenues are estimated to have been approximately \$102.9 million in the quarter. These net revenues include our assessment of components associated with vaccines, treatment and diagnosis of COVID-19 patients, offset by lower sales to customers affected by lower volumes due to the pandemic.

Looking at slide 10, Proprietary Products sales grew organically by 39.6% in the quarter. High-value products, which made up more than 70% of Proprietary Products sales in the quarter, grew double digits and had solid momentum across all market units throughout Q1. Looking at the performance of the market units, Biologics market unit delivered strong double-digit growth. We continue to work with many biotech and biopharma customers who are using West and Daikyo high-value product offerings. The Generics market unit also experienced strong double-digit growth led by sales of FluroTec components.

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Our Pharma market unit saw strong double-digit growth with sales led by high-value products including Westar and FluroTec components, and Contract Manufacturing had mid-single-digit organic sales growth for the first quarter, led once again by sales of diagnostic and healthcare-related injection devices.

We continue to see improvement in gross profit. We recorded \$271.9 million in gross profit, \$104.9 million or 62.8% above Q1 of last year. And our gross profit margin of 40.5% was a 650-basis-point expansion from the same period last year. We saw improvement in adjusted operating profit with \$179.2 million recorded this quarter compared to \$88 million in the same period last year for a 103.6% increase. Our adjusted operating profit margin of 26.7% was an 880-basis-point increase from the same period last year.

Finally, adjusted diluted EPS grew 103% for Q1. Excluding stock-based compensation tax benefit of \$0.15 in Q1, EPS grew by approximately 102%.

So, let's review the growth drivers in both revenue and profit. On slide 11, we show the contribution to sales growth in the quarter. Volume and mix contributed \$146.7 million or 29.8 percentage points of growth, including approximately \$102.9 million of volume driven by COVID-19-related net demand. Sales price increases contributed \$6 million or 1.2 percentage points of growth, and changes in foreign currency exchange rates increased sales by \$26.5 million or an increase of 5.4 percentage points.

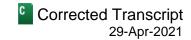
Looking at margin performance, slide 12 shows our consolidated gross profit margin of 40.5% for Q1 2021, up from 34% in Q1 2020. Proprietary Products' first quarter gross profit margin of 46.3% was a 610 basis points above the margin achieved in the first quarter of 2020. The key drivers for the continued improvement in Proprietary Products gross profit margin were: favorable mix of products sold, driven by growth in high-value products; production efficiencies; one-time fees associated with certain canceled COVID supply agreements of approximately \$11.8 million; and sales price increases, partially offset by increased overhead costs, inclusive of compensation. Contract Manufacturing first quarter profit gross margin of 15.7% was 140 basis points above the margin achieved in the first quarter of 2020. This is a result of improved efficiencies and plant utilization.

Now, let's look at our balance sheet and review how we've done in terms of generating more cash for the business. On slide 13, we have listed some key cash flow metrics. Operating cash flow was \$88.7 million for the first quarter of 2021, an increase of \$31.6 million compared to the same period last year or a 55.3% increase. Our first quarter 2021 capital spending was \$54.7 million, \$22.6 million higher than the same period last year and in line with guidance. Working capital of \$844.2 million at March 31, 2021 declined slightly by \$26.1 million from December 31, 2020. Our cash balance at March 31 of \$483.7 million was \$131.8 million less than our December 2020 balance, primarily due to our share repurchase program activity offset by the positive operating results.

Turning to guidance, slide 14 provides a high level summary. Full-year 2021 net sales are expected to be in a range of \$2.63 billion and \$2.655 billion compared to prior guidance range of \$2.5 billion and \$2.525 billion. This guidance includes estimated net COVID incremental revenues of approximately \$345 million. There is an estimated benefit of \$75 million based on current foreign exchange rates. We expect organic sales growth to be approximately 19% to 20%.

We expect our full-year 2021 adjusted diluted EPS guidance to be in a range of \$6.95 to \$7.10 compared to a prior range of \$6 to \$6.15. We continue to expand our HVP manufacturing capacity at our existing sites to meet anticipated core growth and COVID vaccine demand. We are keeping our CapEx guidance at \$230 million to \$240 million, but continue to evaluate the levels needed to support our continued growth. There are some key elements I want to bring your attention to as you review our guidance. Estimated FX benefit on EPS has an

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impact of approximately \$0.23 based on current foreign currency exchange rates. And our guidance excludes future tax benefits from stock-based compensation.

So, to summarize the key takeaways for the first quarter: strong top line growth in Proprietary, gross profit margin improvement; growth in operating profit margin; growth in adjusted diluted EPS; and growth in operating and free cash flow delivering in line with our pillars of Execute, Innovate and Grow.

I'd now like to turn the call back over to Eric.

#### **Eric Mark Green**

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

Thank you, Bernard. To summarize on slide 15, in this dynamic changing environment, we remain committed to our customers and patients we serve together. Our focus remains within the strategic pillars which allow us to be more responsive, leverage our assets more effectively and support the trends that are happening in the industry today.

We're working from a position of strength and we believe we have a long horizon of continued organic sales growth and margin expansion.

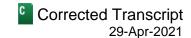
Today, more than ever, we're enabling our customers' ability to support patient health and it's not taken for granted. West products are needed by patients across the globe and in many cases for the administration of lifesaving medicines. As the market leader, we know that West will continue to play an integral role with our customers as they develop and bring new medicines to market for a brighter future.

Stephanie, we're ready to take questions. Thank you.

### QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] And your first question is from the line of Juan Avendano of Bank of America. Juan E. Avendano Analyst, BofA Securities, Inc. Hi. Hello. Good morning. Congratulations on the quarter. I guess my... Eric Mark Green President, Chief Executive Officer & Director, West Pharmaceutical Services, Inc. Thank you, Juan. Juan E. Avendano Analyst, BofA Securities, Inc. ...first question was - thank you. My first question was, as we think about the pediatric and potentially the booster opportunity, one of the most significant comments that you made on the call which confirms one of our ideas was, the ratio of packaging components to doses – to dosages perhaps being a little bit more one-to-one then versus the initial rollout. And so, can you elaborate on the visibility on perhaps that you have on the packaging configuration for boosters in the future, and how do you see that opportunity evolving? Eric Mark Green President, Chief Executive Officer & Director, West Pharmaceutical Services, Inc. Juan, you're absolutely correct when you say that there's - we're in discussions with our customers as they look at the various forms of delivery, and there is a - obviously we're involved in discussions about smaller units of doses per vial and/or moving towards the prefilled syringe, which you know in our business that would have an impact on the volume that we would produce and support our customers. Hence, the - some of the investments that we're currently making. The second thing on that – and that will evolve, Juan, over the – if you think about over the next several quarters is, there's a lot - there's still a lot of moving parts. I think secondarily to that, we do have visibility of demand around the vaccines that's pushing into the 2022 timeline. So, we feel really good about where we are, but we know that we need to continuously pivot, if necessary, as the number of doses per unit changes because it will require slightly different product configuration. Juan E. Avendano Analyst, BofA Securities, Inc. Thanks, Eric. I appreciate that. And how would you characterize the inventory management trends across your COVID-19 vaccine customers just specifically? Do you have any concerns about customers stocking up on inventory affecting components, any pull-forward that you see, or would you say that your current sales are pretty well aligned with the pace of vaccine distribution? Eric Mark Green President, Chief Executive Officer & Director, West Pharmaceutical Services, Inc.

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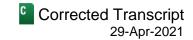
Juan, within the vaccine distribution are paces well in line. In fact, we are engaged with the companies that have vaccines in the market, but also the firms that are working on development, again, approvals to be into the market shortly and those are on a regular basis, so we can stage our demand when it's weekly or monthly as we go forward. But I'm pleased on the team's response and we were able to keep up the demand where we sit today.

Juan E. Avendano Analyst, BofA Securities, Inc.	Q
All right. Thank you. I'll get back in the queue. I'll leave it there for now. Appreciate it. Congrats again	
Eric Mark Green President, Chief Executive Officer & Director, West Pharmaceutical Services, Inc.	Α
Thank you.	
<b>Operator</b> : Your next question is from the line of Paul Knight with KeyBanc. Paul, your line is open. muted, please unmute.	lf you're
Paul Richard Knight Analyst, KeyBanc Capital Markets	Q
Hi. Can you hear me?	
Eric Mark Green President, Chief Executive Officer & Director, West Pharmaceutical Services, Inc.	A
Yes. Hi, Paul.	
Paul Richard Knight Analyst, KeyBanc Capital Markets	Q
Hey, how are you? Question on, are you seeing orders on COVID-related products into 2022 yet? I retheir duration they want to look into at this point, Eric?	nean, what's
Eric Mark Green President, Chief Executive Officer & Director, West Pharmaceutical Services, Inc.	A
Yeah. Paul, when we look at our order book, roughly a third of it is COVID-related and it is extended So, it's obviously of what we're doing today, but the visibility we have is going into the following year.	
Paul Richard Knight Analyst, KeyBanc Capital Markets	Q
Okay. And then, how are you running on capacity at facilities globally? Are you hitting any ceilings ye	et, Eric?
Eric Mark Green President, Chief Executive Officer & Director, West Pharmaceutical Services, Inc.	A
Well, that's – we are – in certain areas, we're getting close to that capacity level. Obviously, as you k running 24/7 multiple facilities, sticking around our high-value products. However, we are – we're lay	

various capital investments. The first wave is – will be completed in the next number of months and that is – it gives a significant lift around our HVP and we have another wave coming in over the next 6 to 12 months. So,

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we're keeping up, but it does require the installation, validation and moving to commercial production immediately with this new equipment we have online.

#### Paul Richard Knight

Analyst, KeyBanc Capital Markets

And then, lastly, on the core Biologics demand ex-COVID, obviously, seems to be accelerating, could you talk to that and what your outlook is there?

#### Eric Mark Green

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

Well, that's an area of excitement. I mean, obviously, a lot of areas within our company. But in the Biologics area, it's a combination of two things. One is the number of new molecular entities being approved and our participation rate continues to be very, very strong. And I'm pleased on how our teams are responding, supporting our customers particularly in this time of – during the pandemic.

Also, we're starting to see a – the volume increase on a number of the biologics that have been recently introduced in the marketplace ramping up and, therefore, the volume component on existing molecules in the marketplace we're seeing additional growth there.

One last comment I'll add just because we're seeing really good strong growth in biosimilars in our Asia-Pacific region. So, it's a combination of multiple aspects, Paul, and this is a very bright spot for us outside of the COVID conversation of our core base business.

#### Paul Richard Knight

Analyst, KeyBanc Capital Markets

Great. Okay. Thank you.

**Operator**: Your next question is from the line of John Kreger with William Blair. John, your line is open. If you're muted, please unmute. John, your line is open.

#### Eric Mark Green

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

Good morning, John. Are you there?

Operator: We'll move to the next question. Our next question is from the line of Jacob Johnson with Stephens.

#### **Jacob Johnson**

Analyst, Stephens, Inc.

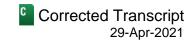
Hey. Good morning, guys. Congrats on the quarter. I guess, my first question is on guidance. If I annualize your first quarter revenues, I get to something above your guidance for the year. What puts or takes could there be in the future quarters that would result in revenues being below this first quarter or maybe more simply, just any seasonality you'd call out this year as we think about modeling?

#### Bernard J. Birkett

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



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Yeah. So we called out in the prepared comments, there was a one-timer in there approximately or just close to about \$12 million which related to some cancellations that we had in there. And that was a one-time fee that we were able to recognize, so that – and that was primarily around COVID. So, you got to back that out when you're putting the run rate together. And I think that gets you pretty close to our guidance.

#### **Jacob Johnson**

Analyst, Stephens, Inc.

Got it. That does make sense, Bernard. Thank you. And then, a question, it seems like a lot of these COVID vaccines are using FluroTec or NovaPure. Is the decision there just based on customer preference or are there any particular types of vaccines that that require NovaPure versus FluroTec?

#### Eric Mark Green

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

Yeah. The types of vaccines that are on the market right now do require that barrier coat which is — which we and our partner Daikyo are very well known for in the Industry with the Fluro — what we call the FluroTec, so a fluoropolymer barrier. And [indiscernible] (00:27:04) the standard in the industry. And, therefore, we're seeing that adoption obviously with the types of vaccines are in the marketplace and/or the ones are being developed as we speak.

In some cases, we're leveraging our NovaPure offering because our customers want that assurance of the highest quality product in the marketplace. So those are the key drivers of that decision from the science and the technology than anything else.

#### **Jacob Johnson**

Analyst, Stephens, Inc.

Got it. Thanks for taking the questions. I'll leave it there.

#### **Eric Mark Green**

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

Great. Thank you.

**Operator**: Your next question is from the line of Dave Windley with Jefferies.

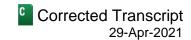
#### David Howard Windley

Analyst, Jefferies LLC

Hi, good morning. Want to thank you for the work you're doing, your organization is doing to get vaccines in arms. I'm a recipient. And Eric, congrats on the ESG focus that you've put on. We noticed in our work that you're very, very highly rated in ESG despite what I would think would be some business model headwinds to overcome in that regard. So congrats on that.

My question is around your HVP. I appreciate you guys always give the market unit growth. It makes me smile to hear Bernard emphasize strong double digits in the context of a 30% top line growth. I suspect it's very strong. I wondered – I may strike out on this. But I wondered if you guys would be willing to give maybe a little bit more precision about what strong double digits means? I mean, again, with 30% top line growth could be a three-handle, four-handle, five-handle. I'm just wondering if you might give us a little bit more precision about where those growth numbers are landing by market unit?

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#### Eric Mark Green

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

Yeah. I'll start Dave, if you don't mind and then – so, first of all, thanks for the comments. It takes the entire organization to rally behind the ESG. But that's part of the DNA of West for many, many years.

In regards to HVP you're absolutely correct, majority of the incremental growth that we're experiencing here at West I think in the last quarters, but as we look forward, is within the HVP portfolio. We tried to highlight that. We're excited and encouraged by the uptake of the higher end of that range, as you know, has a more attractive economic profile for West, and not to say it as phenomenal performance for our customers from a value proposition.

But we're seeing [indiscernible] (00:29:49) by over two-thirds of our growth coming in at high-end of our HVP. And so, if you can kind of think about and do the math from there and you get to that number you referenced of 30%. It's a very, very strong growth. In the walls of West, we don't really talk about the percentages in these two lines, like NovaPure, we talk about the number of units and how can you double or triple that portfolio in a very short period of time. So it's about as much context I can give [indiscernible] (00:30:25).

#### Bernard J. Birkett

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

Yeah. I'd rather keep with the way we've been reporting as today [indiscernible] (00:30:31) a lot of – we're seeing a lot of strong growth in Biologics, and Biologics is primarily high-value growth product. And – but we're also seeing is, in Generics and Pharma but not to the same extent. But primarily all of Biologics is high value product growth.

#### **David Howard Windley**

Analyst, Jefferies LLC

Got it. So maybe that was a foul ball, I didn't completely miss the ball. But in terms of your – Eric, your commentary on the high-end, just to be specific, you're talking NovaPure be very highest one or are you talking about a couple?

#### **Eric Mark Green**

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

I'm talking about – that's a good point, Dave. So I'm talking about from FluroTec, Envision, all the way up to NovaPure.

#### **David Howard Windley**

Analyst, Jefferies LLC

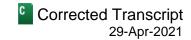
Okay. Got it. Got it. And then maybe another way to come at this is on the margin front. So, going back years, we've talked about high-value as an overall bucket being generating gross margins probably north of 50% versus standard and maybe 30% or lower. Would you be willing to comment on kind of the overall gross margin in high-value and how that evolves as the product demand moves up into the higher end of your high-value product portfolio.

#### Bernard J. Birkett

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

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Yeah. So, I think going back to your last comment as well, if you look at where we're investing and where a lot of our CapEx, the incremental CapEx is going, it's going to products like around FluroTec and NovaPure, so it is tracking to the higher end of high-value products and to support that. And that – now you are starting to see that come through and you can even see it in the margin expansion that we experienced here in Q1 with Proprietary I think in over 40% gross margin that's probably the first time that we've seen that, helps a little bit by that one-timer and that we called out on those COVID-related agreements that we had to account for.

But you're getting north of 50% on the margins now. And as we progress based on the investments that we've made and the growth that we see, that should continue. And this all feeds into the long-term construct that we've rolled out there and that's why we continue to have confidence in that. We're able to continuously expand gross margins and operating margins, and all of this feeds in. So that has been part of the narrative for a long time and now you're seeing it come to fruition on a continuous – on a more sustainable basis.

David	Howard	Windley

Analyst, Jefferies LLC

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Got it. Thank you. I'll drop back in the queue, but thanks for the answers. I appreciate it.

**Eric Mark Green** 

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

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Thanks, Dave.

Operator: And at this time, we have no further questions. I'll turn the call back over to Quintin.

#### **Ouintin John Lai**

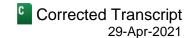
Vice President-Corporate Development, Strategy & Investor Relations, West Pharmaceutical Services, Inc.

Thank you, Stephanie. And we apologize to John Kreger at William Blair for his technical – having technical issues and we'll sort that out later. Thank you for joining us on today's conference call. An online archive of the broadcast will be available on our website at westpharma.com in the Investors section. Additionally, you may access a replay through Thursday, May 6, by using the dial-in numbers and conference ID provided at the end of today's earnings release.

That concludes this call. Have a nice day.

Operator: Thank you. This does conclude today's conference call. You may now disconnect.

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