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West Pharmaceutical Services, Inc. (WST)

KeyBanc Capital Markets Life Sciences & MedTech Forum

CORPORATE PARTICIPANTS

Eric Mark Green

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Bernard J. Birkett

Senior Vice President & Chief Financial Officer, 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, analyst at KeyBanc Capital Markets on the life science industry. We have with us today West Pharmaceutical, Eric Green, CEO; Bernard Birkett, Chief Financial Officer and Quintin Lai, who's Director of Investor Relations. The format is going to be, I think Eric is going to have a few opening comments. If you have questions, you can ask them any time, there's a chat you can put those questions into or on my email paul.r.knight@key.com.

And with that, Eric, we appreciate your time today and I'll let you start it off.

Eric Mark Green

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

Yeah. Great. Well, good morning, Paul, and good morning, everyone. Thank you for the invitation [ph] in order (00:00:53) to come together and talk about West and where we are, but more importantly, where we're going. It's exciting time here at West. Obviously, we will probably talk a little bit further in the Q&A session around the pandemic, but if we think about our purpose, it has not been a more meaningful time for us over the last couple of years as we think how is West served to improve patient lives. And I think we were in the forefront with several others during the pandemic.

Our mission is to continue to deliver injectable therapies that improve patient lives. And as we think about our core values that we use each and every day to drive towards our mission. It is [indiscernible] (00:01:33) passion for our customers, it's leadership in quality, it's also the One West team and that really echoed and magnified quite well over the last several years. But more importantly, this positioned us really well going forward.

I'm excited because we have a business operating off of a very strong foundation as you think about a criticality in some of the fastest-growing markets in injectable medicine space. Our participation rate in biologics remains extremely high, ourselves and our partner Daikyo, out of Japan. And also we are heavily involved with moving

more in towards devices which we're finding and combination devices being more meaningful as you think long-term into the future.

We have a very clear strategy in this company and we've shifted from a manufacturing product-led to a market-led organization that has given us the strength and the momentum that we've seen over the last few years. I think one of the changes we made strategically that really positioned us well to be able to handle the volume that has been asked for West to respond to is from that globalization, particularly on the operations in the network.

So our strategy is very clear and three pillars, execute, innovate and grow. And we'll continue to drive market-led, we'll continue to do globalization, move is coming from analog to digital, we're well on that journey and driving more automation. And innovate, we're excited about the work that we have going on in R&D, whether it's internal or externally we continue to [indiscernible] (00:03:12) some great momentum in that area. And then grow is really around our people, develop talent and develop in the future leaders of this organization, but also ways to better deploy our capital as we think about near-term, mid-term and long-term for West.

So at the end of the day, our focus is making the impact on all stakeholders that we touch whether it's the millions of patients each day, whether it's 10,000 team members across the globe, whether it's the communities that we operate, work and play, and it's also important with our investors, our investment community that they trust and the direction this company is going.

So on that, Paul, I just thank you for giving me a couple of minutes. I really am excited about our future and we're in a better position today than we've ever been.

QUESTION AND ANSWER SECTION

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

Just talking a little bit about where you've been, Eric, I know you really deployed the principles of Six Sigma, when you came on as CEO, it is obviously an ongoing effort, but where do you think you are with your operations today?

Eric Mark Green

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

A

Yeah, I would say that we're actually still very early, even though a lot of benefits have been observed [indiscernible] (00:04:27) through the margin expansion that not all of it stood strictly to the operations. But when we talk about globalization, it isn't just about the 25 manufacturing plants around the world working simultaneously on consistency across the globe and leveraging the skills and the capabilities [indiscernible] (00:04:46) be more deliberate and focused we're going to make the investments, so that we do have centers of excellence. That's paying off and we'll continue to feel that. So we're leveraging our assets much more effectively today than what we have. And so we're on – we're very strong on that journey.

The areas about globalizing the rest of the organization is in flight, while we've done it, it's how – there's much more we can leverage and we'll see that as we continue to go forward. So, it's a continuous process, which is exciting, because we're continuously finding ways to be more effective, more productive, higher safety, higher quality, higher yield and more efficient with our resources.

One thing to share with you, what I'm really excited about is automation. We're seeing initial signs of success. And Paul, you've been in a couple of our manufacturing plants, and we have tremendous knowhow and legacy, but [indiscernible] (00:05:42) moving that forward to become an highly automated [indiscernible] (00:05:46) our team members are more focused on the outputs versus the actual manual labor to get the product done.

Paul Richard Knight*Analyst, KeyBanc Capital Markets, Inc.*

Q

And Eric, you mentioned earlier, you kind of went from market – manufacturing to market led. What do you mean by that?

Eric Mark Green*President, Chief Executive Officer & Director, West Pharmaceutical Services, Inc.*

A

Yeah, what's [indiscernible] (00:06:05) are, we broke our business into really four discrete areas is, biologics, small molecules, which is basically [indiscernible] (00:06:13), which is small molecules, which is basically the branded innovative small molecules and then generics for the small molecules. The fourth is our contract manufacturing. And what we are identifying, what we have identified, particularly in the biologic space is where do we have the right to play? And maybe where do we need to invest more internally or externally to strengthen that position, because we know where we are as far as participation rates are really high, but how do we have more of the share, when you think about the complete solution?

Hence, the recent agreement with Corning is one of the elements that came out of that market led approach is how do we holistically supply a solution, a system to our customers versus components. And that's what's the thesis in the basis of how we're making our strategic decisions on where we want to invest and how do we feel each area independently. There is some overlap, but mostly how do we make sure that [ph] we're filled (00:07:22) in each area, because there's opportunities in all four buckets.

Paul Richard Knight*Analyst, KeyBanc Capital Markets, Inc.*

Q

And can you talk to your Corning collaboration, how you see that rolling out in the years ahead?

Eric Mark Green*President, Chief Executive Officer & Director, West Pharmaceutical Services, Inc.*

A

Yeah, I'm going to start and maybe get Bernard into the conversation a little bit. But, I'm – this is a great example, Paul, where the history of West working with our customers and truly understand some of the issues that they're faced with.

So give you an example. I think you've been to our headquarters [indiscernible] (00:07:55) a tour of our analytical labs, [indiscernible] (00:07:57) a lot of drug compounds, while you don't actually see it, but we share with you there is drug compounds of our customers, there's different packaging configurations that they were looking at using. And when you look at the totality of the complete system, West is a component of it. But we've been asked by our customers in several years is to characterize, is to help us – help them identify what is the right solution. So when they go to market, they have the highest quality product that is available for their precious molecule. And so this pull effect that's one aspect, customers are asking us how do you have more influence on the entire system?

Second is there is a movement with the regulatory bodies towards more systems or combination devices. And our customers manage that today. And the success of West has been taking some of those elements off the

shoulders of our customers, we take it in whether it's as simple as washing sterilization and final ready to use packaging configuration. And how can we create that system? And with the Corning relationship, the vision is truly having a one system that is fully characterized, one drug master file that our customers have to point to as they do their filings and one point of contact to ensure not just the successful launch, but long-term viability of that product beyond the market.

So that that's the vision where we're going with Corning in this relationship the way it's been structured and the way that we're paying capital into the manufacturing processes gives us the ability to control the process to ultimately get to a single DMF. So I don't know Bernard, if you want to add any other context to that?

Bernard J. Birkett

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

A

I think that the one DMF is important then providing end-to-end support to customers from West as they develop their drugs and go to their packaging manufacturing process and providing with the single product is really important. I think on the timing, Paul, it's going to take a number of years as different stages that we're going to go through. And as we roll out the portfolio for the glass elastomer container system and West will initially be offering violent stopper systems that combine more industry leading NovaPure technology with the industry leading glass from Corning. And then this will be followed by an offering that includes FluroTec and NovaPure elastomers with Corning syringe barrels to develop the next generation PFS system. So the system potentially will be the first-in-class, best-in-class elastomer glasses to build from the ground up. So there's a lot of excitement around this within West and Corning and within the industry, the feedback we're getting from customers is very, very positive.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

What your initial capital is want on this project, Bernard? And where will manufacturing ultimately be?

Bernard J. Birkett

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

A

So our estimate for this year is approximately \$50 million in CapEx from the West side and then the manufacturing will be on the East Coast, so it will be within the US.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

Okay. Manufacturing not at West, but Corning or separate site?

Bernard J. Birkett

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

A

Yeah. And...

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

And – sorry.

Bernard J. Birkett

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

A

...not at West, it will be at their site initially.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

Okay. And, Eric, as a common thing that we're hearing in the industry is the clear desire to go to prefilled syringes for the biotechnology industry, would you agree with that? And why is that the trend?

Eric Mark Green

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

A

Yeah. There is that trend. If you think about just think about where we are right now in the vaccine market, we're at a stage now where traditionally flu vaccines are delivered mostly, it's a combination of small vials or prefilled syringes, and it's just convenience for the physicians and the patients. So the other aspect is in the biologic space, there is a significant push more towards prefilled syringes. And again, it's touching both along the characteristics of if you think about the type of technology used for the COVID vaccines, it's very similar to what is required in the biologic space. So there's tremendous movement towards prefilled syringes. It will be the largest, it's the fastest-growing segment of that space going forward.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

And we at a company yesterday, say, that 40% of investor questions are around COVID, that they spend about 10% of their time internally working or talking COVID, is that kind of the way you feel about it right now?

Eric Mark Green

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

A

I probably won't characterize the same percentages, but I would say, yes, the last two years, frankly, it's just – it's a lot about COVID. But what I'm very proud of the team, Paul, is that we didn't take the eye off of the core, knowing that we are critical in several drug launches that are happening as we speak, particularly in the biologic space. And so yes, I think there's a lot more questions we get from the investment community around COVID than the types of conversations we're having with our customers saying that though both to us are very important.

As we think about on the COVID vaccine side, how that will transition over the next several years, and then obviously, making sure that we are continuing to be partnered with the high participation rate, with their customers, with the several drug launches that have been and will be done over the next one or two years.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

A question from on the investment side and regarding CapEx, Bernard, that's in 2022, isn't – is this CapEx spoken for in terms of when it's billed, it'll be filled or majority filled? What's the – what's the demand look like for that capacity?

Bernard J. Birkett

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

A

Yeah, so what we're seeing right now is that as soon as we have equipment coming online and being validated in or hitting our factory floors, it's straight into production and the utilization rates are very high. So the demand is there. And to support this additional CapEx and most of this CapEx, over 70% of that is growth focused and really targeted on supporting high-value products. So, NovaPure, FluroTec and products like CZ. So what we are seeing is strong demand within our core business and around supporting COVID vaccine business. So, it's happening on a number of fronts for us.

And then this ties back into the comments, Eric made earlier about the market-led strategy and where our business has been focused and the trajectory we've been on over the last number of, and you can see that in the growth, particularly within biologics where we're seeing like double-digit growth for the last number of years with and without COVID. And the uptake in high-value products both from volume growth and also some conversion. And we're seeing some of that also in the generics at pharma market. So there isn't an immediate need for the CapEx we're layering in.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

And the question two is, were customers already pairing Corning in West technology?

Eric Mark Green

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

A

Well, I would say customers are pairing West with many other technologies. So we're agnostic, frankly, to whether it's the glass or [ph] COP (00:16:37) technology. We're also agnostic to the fill-finish process and we will remain as such. Because really the thesis is the – it's driven by the customer. The customers – we want our customers make the decision because we're really comfortable on the pull effect, frankly. But we are looking at offering an alternative solution that is fully characterized, we do think we're very unique now in this position to do this. But again, we will support our customers, however, they need to be supported.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

Okay. And I know, Bernard, you've raised your growth rate guidance a little bit here over, I think, recently. Can you speak to that?

Bernard J. Birkett

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

A

Yeah, so based on the demand that we're seeing and the order book that we have in place right now, it gave us confidence to raise the growth rate from 6% to 8% to 7% to 9% within that long-term construct. In 2022, we've guided slightly above that at the higher end, again based on current demand, but it's – again a lot of it comes back to where we're seeing the growth, how we are participating within the biologics market, we're participating very early on with customers in phase 1 and phase 2 of the clinical process. And what we're seeing is the work that was done a number of years ago to do that is actually coming to fruition now, where a lot of those molecules are coming to market and getting traction.

And again the pipeline for us is very, very robust around biologics. So five years ago it was the smallest market unit, now it's the largest market unit within West and the most profitable. But we're also seeing strong growth within generics over the last number of years, we expect that to continue and our pharma market segment, as we're seeing the same, although it grows at a slower rate, but it's still very sustainable growth. And again the pipeline is very robust. And so all of that combined give us the confidence to be able to raise that long-term construct.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

West does seem to have very good insight into the future of therapeutics. What are you seeing in stability trials in Phase 1, Eric, are you seeing [indiscernible] (00:19:16) programs, cell therapy? What's different about early-stage today than maybe three years ago?

Eric Mark Green

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

A

I think it's the quantity, the amount and the frequency of customers moving in that direction – the velocity moving into that direction. If I kind of think back and we do have all the pretty interesting analytics as we look back several years ago, and actually it kind of correlate with our business. In the biologic space it was little bit ebbs and flows. And now it's a higher percentage of the pipeline is consumed by the technologies that you discussed. I mean, our participation rate obviously is very high, but when we think about therapies between cell and gene, we tend to be more on the cell.

I'm sorry, we're more on the gene side, less on the cell side. And so as we think about our opportunities, again, it's the highest level HVPs for West with NovaPure and Crystal Zenith. And we have a research team really focused on that whole containment delivery spectrum and how do we have a more meaningful impact for our customers, and so that's our area of focus. But you're right we're seeing it higher number of opportunities, just to put it that way, with more companies, and it's no longer just the large and it gives back to our strategy on the front-end, the commercial strategy of biologics, the whole emerging biotech space has been very strong for us for a number of years, and we continue to leverage the technical competency to be in front of those customers, which give us the advantage of participating quite highly with them.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

And vaccines pre-COVID I wouldn't classify as an exciting growth area, but it seems to be getting a lot of attention, such as Sanofi, what's your thought on the future of vaccine development, [ph] mRNA (00:21:30) has promised, but what are your thoughts?

Eric Mark Green

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

A

It's exciting. It really is exciting, because I think the effectiveness has really increased significantly. And, I mean, obviously, our customers are in a better position to speak to it, and we'll let them speak on their behalf. But I think if we think about our participation, particularly using those type of technologies as a platform, whether it's a combination, whether it's still specifically for different types of vaccine purposes, we are very well-positioned. And, again, when we move into that area that goes from it, that basically is using our highest value products. And our participation rate, to be candid is that, as historically in the flu vaccines is extremely low. It's not an area that we were heavily focused on, and that's historic. And I think that was probably the right rationale at the time. But as you think about the complexity [indiscernible] (00:22:27) required now to contain and deliver, it's a different environment with the new technologies that's been used. And again, that's where West comes in. So it is a net positive situation for us.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

Yeah. Like, you're saying that mRNA vaccine, for example, is for COVID, it's a more challenging containment and delivery problem for the pharmaceutical.

Eric Mark Green

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

Basic issue for us, basically is going from a standard product to a FluroTec coded...

A

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah.

Q

Eric Mark Green

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

...right away, now you're moving into the high value products and there's additional processes that are applied and therefore different economics for West.

A

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah. And, question is, you talked about greater NovaPure adoption over the years. And how is traction of NovaPure for you maybe three years ago?

Q

Eric Mark Green

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

Very different. I mean, we launched I know this work doesn't prior to it, but 2016 was really when we started to through training through technical seminars, through different avenues started to have customers start to take a look and to start doing stability tests and so forth, which takes a few years. But the accelerant to get where we are today and NovaPure was really due to the COVID vaccines. And to a point where our investments that we're making right now that we communicated around capital are in that category.

A

So it's NovaPure stoppers and plungers. And frankly, we need to make more. And so we are learning capital as fast as we can, we're training team members to make sure that it's a different process as you think about quality by design than our other processes. So we're making sure that we're ready as soon as the equipment hits, as Bernard indicated earlier, this equipment is fully utilized, as soon as it's validated and now we're on commercialization.

So NovaPure has been a great success. Yes, it's been aided by the pandemic. However, the number of new drug launches that are occurring today and expect [indiscernible] (00:25:02) are picking – ramping up adoption market relies on the NovaPure both stopper and plunger configuration. It's exciting platform. Yeah.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Sorry. Sorry.

Q

Eric Mark Green

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

Go ahead Paul. Sorry.

A

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

And then a couple of questions have been asked as well is, biotech fundings lower, any risk perceived there the supply chain I know you've been dealing with it, handling it, but any other thoughts on those two topics?

Eric Mark Green

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

A

Yeah, I'll take the biotech and then ask Bernard to talk about supply chain and I know that both have involved in that. the biotech funding, absolutely we know what is occurring, where I mean just to put it in perspective from our view is that our participation with biotechs early on in the R&D phase is very, very little. I mean our business is really on the commercial side. However, it'd be cognizant of the fact how many new molecules are being developed and will go into the pipeline. So we're aware and keeping an eye on that. But right now we don't see an impact to our business on the variability of the funding in biotech today. On the supply chain, Bernard you want to cover that?

Bernard J. Birkett

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

A

Yeah sure. Yeah, the supply chain has brought us a number of challenges over the last number of years. But to this point, we've been able to respond from a component sourcing point of view, we've managed that really well with a couple of challenges that came up what we were able to deal with them did not interrupt supply to customers. Obviously, we're seeing cost increases around some materials at the moment we have some hedges in place to counteract that. And then there are some other opportunities for us to pass some of those costs on to customers either through increased pricing or specific surcharges.

From a logistical point of view, again, we've managed that quite well and we had good relationships with all of our logistic providers. And so we were able to overcome the difficulties that arose and making sure we could get product in and more importantly get product out to customers. We have also seen increased costs in that area. Again, we've been on the outbound. We've been able to pass that on to customers. And then on other inflationary pressures, we're seeing right now in part of that is taken care of within price increases, we can pass on through contractual arrangements. And another is we are reviewing to see how much will we pass on to customers over the coming months based on the impacts that we're seeing and also trying to assess how long those impacts will last.

And then from our perspective it's seen how much more efficient we can get to absorb some of those costs. And what do we do with our own cost base to realign to make sure that we still meet the margin objectives that we've committed to ourselves and committed to the Street. And so that – it's an ongoing process it's very, very fluid, but we're on top of it. We have teams looking at us and I believe at this point we're in good shape, but it's challenging environment.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

And Eric, a question on high value products. Are you seeing existing customers convert to high value products? And or is it new customers coming in on the HVP side, I guess how are you faring with existing versus new one, HVP gains?

Eric Mark Green

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

A

Yes, so it's two categories, the existing molecules in the marketplace today in all three buckets of biologics, basically all biologics are on high value products. Let's put that aside, but in the pharma and the generic side, the transition to high value products tends to be a more of a platform decision and that isn't frequent, that is not frequent. So when there are molecules on the market commercialized it's difficult to change, it's a cost for everybody. But when there are issues around quality or there's performance issues that's where when we get involved through the analytical labs providing advice, that's where we are moving them up in high value products, taking the opportunity to move them to really mitigate and to reduce risk for our customers.

When we think about biologics we have a number of new molecules we're working on and a customer maybe comfortable using maybe it's called FluroTec or Westar ready to use technology and after discussions we'll move them up to NovaPure. So that transition does occur, but that's actually within the HVP corridor already. So you won't see that new volume within HVP, but you'll see higher economics for West. So it's a combination of both, but absolutely all new molecules in the pipeline conversations all around high value products and various degrees.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

Even if you're a small molecule developer, are you thinking about high value-add product solution versus maybe not years ago?

Eric Mark Green

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

A

Yes, it's all about taking risk out of the equation. It really is. And you think about the benefit for our customers and patients [indiscernible] (00:30:59) what's called the additional cost. If you want to say cost, but it's really a total cost of ownership, it's reduction for customers and it's an excellent way to risk mitigate. And as we goes down the workflow with our customers as they get into fill-finish, you see higher yields, all that is a net benefit for our customers and ultimately the patients. So, yes, we're seeing even small molecules moving into HVP.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Q

Okay. And the manufacturing in the future. There are some questions over the conferences being more local sourcing, meaning if you're US, it's US sourced, et cetera. Well, your capacity expansions follow this trend, will you build more to match up depending upon [indiscernible] (00:31:58), Eric?

Eric Mark Green

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

A

Yeah, Paul, it's exactly the framework we started with a few years ago with this whole consolidation of our global operations to really globalize it. And so [indiscernible] (00:32:12) compete against one another, it's literally leveraged into 25 sites around the globe. So, what you're driving at is exactly the thesis of our network is where are the centers of excellence. How do we ensure that they are strategically placed, co-located in some respect to our customers across the globe. And a lot of our customers are global, so they're looking for this anyways. And so we have centers of excellence in the US, Wilkinson, Jersey Shore as two prime locations an example Waterford [indiscernible] (00:32:45) are two great examples in Europe. And by the way, Paul, when you see Waterford from last time, you're there, it is different.

You talked about filling an asset through the brim, and we're actually having discussions of building out wings, which is exactly the purpose of that site. My predecessor did a great job on thinking vision long term. We have lot of land, it's built to be able to expand easily, because the utility is the core, the center of it is can be leveraged through your cost per square foot is significantly less going forward, I'm excited. But just to finish the thought, Singapore is the other center of excellence for us and we leveraged Daikyo in Japan. So Paul, that was really critical for us and now as we think about our suppliers Tier 1 primary, secondary and tertiary, ensuring and then their supply base is that we understand the ecosystem and it's close enough that we don't have issues and products sitting on an ocean freight in the middle of the ocean, so.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Yeah. Yeah. Good. Well, I think this ramps up our time. I know you're doing some meetings today, so good luck with that. Really appreciate your time and looking forward to talking about a lot of other things in the future, except COVID.

Eric Mark Green

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

Exactly, Paul. I'm with you. Thank you so much for the opportunity and stay well.

Paul Richard Knight

Analyst, KeyBanc Capital Markets, Inc.

Okay. Thank you.

Bernard J. Birkett

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

Thank you.

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