

05-May-2020

West Pharmaceutical Services, Inc. (WST)

Annual General Meeting

CORPORATE PARTICIPANTS

Quintin John Lai

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

George Lloyd Miller

*Senior Vice President, General Counsel & Secretary, West
Pharmaceutical Services, Inc.*

Eric Mark Green

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

MANAGEMENT DISCUSSION SECTION

[Abrupt Start]

Operator: ...everyone. Welcome to the West Pharmaceutical Services' Annual Shareholders' Meeting. My name is Ashley, and I'll be your operator. At this time, all participants are in a listen-only mode.

I will now turn the call over to Quintin Lai. Mr. Lai, you may begin.

Quintin John Lai

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

Thank you, Ashley. Welcome, everyone, to West Pharmaceutical Services' Annual Shareholders' Meeting. I'm Quintin Lai, Vice President of Corporate Development, Strategy, and Investor Relations. Thank you very much for joining us today for this virtual meeting of the shareholders of West. While we would have preferred to host you in person given the circumstances, this virtual approach is the safest for all of us.

Before we begin today, I want to point you to our forward-looking statement detail on this slide being presented on the virtual meeting portal with Broadridge at www.virtualshareholdermeeting.com/wst2020 and also available on our website. I also want to make – to take a moment to remind you of the annual meeting rules of conduct, which are summarized on the virtual shareholder meeting portal and also on our own website.

The polls for voting on the annual meeting proposals, which closed at 11:59 PM Eastern Time – Daylight Time are now reopened. You may change – you may vote or change your vote if you wish using the online portal. The polls will close on the announcement by Mr. Green. We will now start the meeting which will be followed by a short presentation on the status of our company and its business.

I now turn the call over to our President and CEO, Eric Green.

Eric Mark Green

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

Great. Thank you, Quintin, and good afternoon. At the request of the board of directors, I will act as chair of this annual meeting of shareholders. I now call the meeting to order in accordance with the notice of the annual meeting provided to all the company's shareholders as of the record date. At this point in the proceedings, I usually welcome past directors and members of the West family. The virtual meeting format makes it difficult to identify who is attending, so I do hope some of you have joined us today. We very much welcome you in attendance.

George Miller, our General Counsel and Corporate Secretary, has been appointed secretary of the meeting; and Chad Winters, our Corporate Controller, has been appointed the judge of elections. Here is a picture of our directors, all of whom are attending this meeting virtually. I want to take this opportunity to thank each director for their leadership and valuable contributions towards our mission. As a CEO, I'm very fortunate to have such a strong board of directors. I would also like to extend a welcome to our newest director, Rob Friel, who most recently served as the Chief Executive Officer and Chair of the Board of Directors of PerkinElmer. Adding Rob to our already accomplished board of directors should benefit our shareholders and all stakeholders.

You see before you the executive management team of West, all of whom are in virtual attendance as well. The newest members of our leadership team are Cindy Reiss-Clark, Chris Ryan, and Andy Polywacz. These three joined the executive management team towards the end of last year. Cindy serves as the Senior Vice President of Global Market Units and Commercial Solutions and is responsible for leading the market-led strategies for West's three market units: Biologics, Pharma, Generics, and the Contract Manufacturing segment. In her role, she oversees West's overall sales strategy as well as our scientific affairs and technical customer service teams. Cindy also manages West's commercial strategic partnerships and business development efforts.

Chris serves as Senior Vice President of Commercial Products and Emerging Markets and is responsible for leading the product management, marketing operations in the commercial shared service teams. He's also responsible for leading the company's teams in the Asia Pacific and Latin American regions as well as the West team responsible for the strategic business partnership of our close partner, Daikyo Seiko, in Japan.

Finally, Andy serves as Vice President of Quality and is responsible for overseeing the global quality team. Andy focuses on West's priority of delivering high-quality products that meet the product specifications and quality standards customers require and expect in the interest of patient safety. I want to formally welcome them to their first West annual shareholders' meeting in their new roles. In addition, I want to thank the entire executive management team for their leadership, passion and resolve to continue to drive for success in our mission to improve patients' health.

At this time, I would also like to introduce Bob Fell, who is a representative of PricewaterhouseCoopers, the company's independent public accounting firm.

I will now ask George Miller for the report on the shares present at the meeting. George?

George Lloyd Miller

Senior Vice President, General Counsel & Secretary, West Pharmaceutical Services, Inc.

Thank you, Eric. Only holders of common stock on the record date are entitled to vote at this meeting. As of the record date, March 10, 2020, 73,844,575 shares of common stock were outstanding. The judge of elections has confirmed that more than 50% of the outstanding shares are present either in person or by proxy, so we do have a quorum. One housekeeping note, on the virtual shareholder meeting portal via hyperlink, we have available for examination by any shareholder or duly designated proxy several things: the list of shareholders as of the record date, as well as copies of the notice of the meeting, the proxy statement, and the company's annual report for the

year ended December 31, 2019, together with an affidavit that the materials were made available to each shareholder of record.

Eric Mark Green

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

Thank you, George. At this time, we'll consider and vote on the items of business on the agenda. After we complete the voting on the outstanding proposals, the meeting will be adjourned, and I'll give a brief presentation on West's business and operation. If any shareholder has a question that relates specifically to the items in the proxy and on the agenda, he or she may submit them through the virtual shareholder meeting portal.

The first matter to be considered is the election of 11 directors. The nominees are: Mark Buthman, Dr. William Feehery, Robert Friel, Thomas Hofmann, Dr. Paula Johnson, Deborah Keller, Dr. Myla Lai-Goldman, Douglas Michels, Paolo Pucci, Patrick Zenner. I'm also honored to be nominated for reelection. Each of the nominees currently serves as a director. No other person has been nominated in accordance with the company's bylaws, so I declare the nominations closed.

The second proposal seeks to conduct an advisory vote to approve the compensation of the company's named executive officers. Details on executive compensation has been sent out in detail in the company's proxy statement. The third proposal seeks to approve an amendment to our articles of incorporation to increase the number of authorized shares from \$100 million to \$200 million. The fourth proposal seeks shareholder ratification of the appointment of PricewaterhouseCoopers as West's independent registered public accounting firm for 2020.

No questions relating to the items on the agenda and in the proxy have been submitted by shareholders or their proxies as of this time. The polls are now closed. We will now hear the report of the secretary of the meeting regarding the results of the election. George?

George Lloyd Miller

Senior Vice President, General Counsel & Secretary, West Pharmaceutical Services, Inc.

Thank you, Eric. The voting results are as follows: each of the director nominees named in the company's proxy statement has received a majority of the votes cast and has been reelected. The second proposal regarding executive compensation approval, the third proposal regarding amending our articles of incorporation to increase the number of authorized shares, and the fourth proposal, ratification of PwC voted on at this meeting have received a majority of the votes cast and have been approved by the shareholders. A full report of today's voting will be filed with the SEC.

Eric Mark Green

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

Thank you, George. Congratulations to the directors, and my thanks to all the shareholders for their support. This concludes the formal portion of the program. I declare the meeting adjourned.

Operator: Ladies and gentlemen, thank you very much. This concludes today's conference. Thank you for participating...

Eric Mark Green

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

One moment. No. One moment.

Operator: No. My apologies.

Eric Mark Green

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

Hold on.

Operator: My apologies.

Eric Mark Green

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

We've got one video, please.

George Lloyd Miller

Senior Vice President, General Counsel & Secretary, West Pharmaceutical Services, Inc.

Video.

[Video Presentation] (00:09:43-00:11:46)

Eric Mark Green

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

Great. I'm proud of all that our West team has accomplished in 2019. And now, I'll provide a brief update on the business. The COVID-19 pandemic has made clear the importance of global health care and the criticality of the role West plays during these unprecedented times. Our mission to improve patient lives could not be any more meaningful than in times like today. Despite the COVID-19 challenges, the West team remains focused on creating and delivering value to all our stakeholders, including you, the shareholders.

Our values at West have driven our two key priorities during these challenging times. First and foremost, we are focused on the well-being and safety of our team members across the globe. Each day, our team is stepping up to deliver critical components to meet the urgent needs of our customers and their patients while looking out for the safety of one another. The dedication and commitments of our team members to West's mission are not only inspirational, this serves as a testament to the collective strength of the One West team, and we're grateful for their unwavering support.

Our second priority is the continuity of manufacturing and supply of components and solutions to our customers. The strong tenets of our market-led strategy and globalization of the manufacturing network are contributing to the resiliency of West's business in today's climate. This is underpinned by our core values of passion for our customers and leadership and quality. Thanks to the solid execution of our market-led strategy, favorable market conditions within our industry and across the regions, we are well positioned for continued success.

Geographically, 48% of our sales are generated in Americas and 44% in Europe and the balance in the Asia Pacific region. In 2019, our market-led strategy delivered strong results. We reported net sales of just over \$1.8 billion. That is 10% organic growth over the prior year. Our product portfolio is very diverse and is led by the high-value products lineup, which makes up more than 60% of sales in our Proprietary Products segment. In 2019, we saw diluted EPS of \$3.1 last year, an increase of 17% over 2018, and our balance sheet continues to be strong.

Lastly, there are more than 8,000 team members working across our globe – across global locations focused on developing and delivering the highest quality products to our customers and the patients we jointly serve. West's product expertise and product offerings are a competitive advantage for our biologic, pharmaceutical, generics, medical device, and diagnostics customers. Although these customers have unique requirements, they have a common need for high-quality components that only West can deliver.

Our biologic and pharma customers continue to come to West and our partner Daikyo as the preferred choice for high-value product offerings and services. Our self-injection delivery platforms are being adopted by not only the biologic customers but also by small molecule generic customers looking to differentiate their drugs with our devices and for contract manufacturing. We continue to deliver value to customers with diagnostic and health care-related injection devices.

At West, we have a strong and growing business that has consistently outperformed the market over the past five years. These graphs depict five-year compound annual growth rate or CAGR trends of the business. We have generated sales CAGR of greater than 7% and an adjusted diluted earnings per share CAGR of greater than 15%. And our total share return has outperformed the S&P 500, S&P MidCap, and S&P 400 indices over this time period.

We are passionate about addressing our customers' needs through both the products we offer as well as our desire to constantly innovate for the future. We are proud that over 150 patents were issued to West in 2019. What differentiates West from our competition are two things: the scientific expertise and technical knowledge that we offer our customers, and the highest quality components and devices for the administration of injectable medicines. Our regulatory team assists our customers as they pursue approvals for injectable medicines. Our components are a critical part of this process as evidenced by more than 2,000 requests for regulatory support we received last year.

Our customers and many of the regulatory bodies we interact with consider West to be the experts in primary containment for injectable medicines. Our scientific experts are featured speakers at the industry's leading venues offering their expertise and collaborating within the industry to advance the science, driving better and safer drug containment. We aim to simplify the journey of drug development with our Integrated Solutions program that brings together West's primary packaging, devices, analytical, regulatory and contract manufacturing expertise into a single-source solution.

Despite the challenges that our business arises out of that COVID-19 pandemic, so far, we have been able to maintain operations at normal capacity. For the benefit of our customers, we have been able to leverage our world-class global manufacturing network by enabling the right capabilities, scale, and flexibility to keep up with the increase in demand for our products.

Operating with the excellence in efficiency that's inherited in our One West, system has enabled our success and growth over the past year and will do so for the foreseeable future. Our global operations team is focused on continuous improvements relative to service levels for our customers, quality in our products and safety for our team members while at the same time driving efficiency gains.

Last year, we completed a restructuring program that reduced our global manufacturing sites to 25. We are improving productivity, making more informed choices in capital investments and have set the stage for the next phase of improvements through automation and advanced manufacturing systems. The efficiencies we have

gained by employing this new global operating system has meant we have additional cash available to reinvest in the business.

Our digitization journey aims to improve a customer-grade experience, or consumer-grade experience, that delivers value for our stakeholders. In 2019, we enhanced our global digital capabilities with the opening of our Digital Technology Center in Bangalore. The DTC serves as center of excellence for our global digital transformation team, supporting many areas of our business including digital marketing, data analytics, and supporting the future of digital manufacturing and automation capabilities.

Driving sustainable business practices has been a long-standing imperative at West. In 2018, we received several accolades for our efforts across the six pillars of our Corporate Responsibility Program. At West, we're committed to nurturing a culture of diversity and inclusion along with supporting the communities in which our team members live and work through both philanthropy and sustainable business practices. We made great strides in both areas in 2019. Today, more than ever, the pursuit of our mission is a priority. 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 are working hard to provide continuity of supply to our customers around the globe. In addition, we are supporting our many customers that are developing potential solutions to address COVID-19 with components for diagnostics, antiviral therapeutics, and vaccines. We are making significant progress on many fronts. We remain confident in our long-term growth strategy. Our market-led strategy is delivering unique value propositions to our customers. Our global operations team has delivered efficiencies and improvements in service and quality, and we're reinvesting in our business with digital technology, automation across our operations, and strategic partnerships to fuel our future growth.

As we look to the future, we know that West will continue to play integral role as our customers develop and bring new medicines to market. I want to personally thank each and every one of our team members who remain positive and dedicated to doing what we can to support the health care industry as it works to resolve this global pandemic.

I would now like to welcome any questions from the meeting attendees.

QUESTION AND ANSWER SECTION

George Lloyd Miller

Senior Vice President, General Counsel & Secretary, West Pharmaceutical Services, Inc.

A

We have one question that has been submitted. The question is, what has been West's participation given the customers looking to develop – working with customers to develop therapies and vaccines for COVID-19?

Eric Mark Green

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

A

So, West has continued to position ourselves in a way that we're participating with many of the current developments underway for whether it's in diagnostics or there's an antiviral therapeutics and also in vaccines. So, we're well positioned. When you think about we have the scale, we have the flexibility of the global operations, we have the broadest range of products suited for the vast array of vaccines or therapeutics that are going to be introduced into the market, so very well positioned to support our many customers as we pursue a solution to this pandemic.

George Lloyd Miller

Senior Vice President, General Counsel & Secretary, West Pharmaceutical Services, Inc.

A

Thank you. There are no further questions.

Eric Mark Green

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

Okay. So, thank you for all – for your time and for your continued support of West. On behalf of all the team members at West, it is our wish that you stay healthy and safe in the days ahead. Ashley, I'll turn it back to you.

Operator: Thank you very much, sir. I appreciate it. Thank you, ladies and gentlemen. This concludes today's conference. Appreciate you participating. You may now disconnect. Have a great day, and stay safe.

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