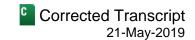


21-May-2019

West Pharmaceutical Services, Inc. (WST)

UBS Global Healthcare Conference



CORPORATE PARTICIPANTS

Quintin John Lai

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

Bernard J. Birkett

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

OTHER PARTICIPANTS

Daniel Gregory Brennan

Analyst, UBS Securities LLC

MANAGEMENT DISCUSSION SECTION

Daniel Gregory Brennan

Analyst, UBS Securities LLC

My name is Dan Brennan and I cover Tools, Diagnostics and Pharma Services. Pleased to be joined on stage with senior management from West Pharma. To my left, I have Bernard Birkett who is the CFO and Treasurer; and to his left is Quintin Lai who is VP of Corporate Development, Strategy & IR.

Before we get started, just I want to direct you to the UBS website, ww.ubs.com where you can view all the analysts' disclaimer information. So I think we're going to do this -- I think management or maybe Quintin – management is going to provide a brief introduction of the business. And then with that, I'll go into a series of questions and I'll stop periodically, look up and would love some audience participation, so don't be shy.

So, with that, gentlemen thank you for coming. And Quintin if you want to kick it off.

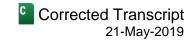
Quintin John Lai

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

Well, Dan first of all, thank you and thank UBS for the invitation to participate. Also participating with us but not on the podium is Karen Flynn, our Chief Commercial Officer. West is a company that has been around for 95 years. We've helped pioneer the primary containment of injectable drugs using elastomer components. We are now the worldwide leader. We make 42 billion, 43 billion components a year. We do that in most geographies around the world. 48% of our sales – so in 2018, we did about \$1.72 billion of sales with 48% of that coming from North America, 44% in the EMEA region and about 8% from rest of the world, including Asia-Pacific and South America, Latin America.

We have a very diverse customer base. We have over 2,000 customers. We don't have real high customer concentration. Our largest customer is about 7% of our overall sales. When you look at our revenue breakdown by the market units that we call out, it's pretty well evenly distributed with about 21%, 22% of our sales go into biologic customers, which are customers that are working on large molecule injectable therapies, about 22% in

UBS Global Healthcare Conference



generics. We have a contract manufacturing business, which I'll go into a little bit later which is about 24% of sales and then the balance of it is large pharma and other medical and healthcare companies that would provide components.

If you look at what we do and there are two primary segments that we have. One is our Proprietary Product segment and one of them is Contract Manufacturing. In the Proprietary Product segment, our leading products are involved with the primary containment of injectable drugs. This means that we are there where the actual material could come in contact with the drug and so when it is stored in its final form, whether it will be in a vial or a cartridge or syringe, there is a potential for the drug to interact with that material. Because of that, there's a lot of regulations, a lot of testing and requirements go into that primary package in order to be that final package for the drug.

And so our components typically are spec'd in very early. Drug companies will take a look to make sure that our materials are compatible with the drug. The drug typically selects the material. We have the widest range of formulations as well as geometries as well as high-value processing to address the complex nature of a lot of these injectable drugs. And then when the drug gets finally approved, it gets spec'd into that drug formulation.

So when you take a look at the sales on our Proprietary Product segment, which is about 33 billion pieces a year, you first start off with what we would call core or standard products. These are elastomeric products that we would make, we would compound, we would mold, would trim and then we send to the customer. At that form, that is what we call our standard product. And still the majority of what we sell, which is about 80% of our volume in Proprietary is in that standard area.

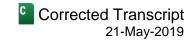
But over the last 10, 15 years, we have been adding extra high value processing. So we will do specialized washing with a proprietary process that we call Westar to wash with water for injections – water to get it to a ready-to-sterilize format. That first step of high value processing increases the average selling price, increases the margin and, more importantly, increases the value that the customer gets because it takes away that step that the customer would have to do themselves. We can move it up another step in our high value process ladder by going to sterilization. So as Westar, are you ready to use. And again that movement up again increases the price, increases the margin for us, but more importantly, increases the value for our customer because that's another step that they don't have to use.

As customers have become even more aware of the potential for particulates or contamination to cause, for example, end of line rejects and the drugs, let's say, are very expensive and end of line rejects are costly; they may opt for Envision processes where we take that same component, this wash and sterilize, and then we do Envision and we inspect every single piece using a proprietary camera and software system that can examine for any defects and further lower the potential for end of line rejects; again, another opportunity for high value capture.

And then when you take a look at the biologics area, large molecules can be very sensitive to the drug packaging and so very often many of them require a specialized coating. We and our partner Daikyo offer a FluroTec, fluoropolymer-based coating that is now considered the industry standard for biologic drugs, and there is another area for high value processing.

For the emerging biologics who are now coming up with even the most complicated drugs, they are very often opting for our NovaPure line, which offers the highest level of quality that we come in, with quality by design at every step of the manufacturing process. And so it then takes the best of everything that we do. And again that takes us to the highest level of high value processing.

UBS Global Healthcare Conference



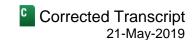
And today, that's about 20% of our – when you take a look at the components that we make, that's about 20%. And a few years ago that was – let's say about four years ago, it was about 16%. So, approximately about 1 percentage point of volume has been converted per year over the last four years.

In addition to the primary packaging, we also supply components for – we have a cyclic olefin polymer container that is an alternative to glass. It's called Crystal Zenith, again through our partner Daikyo. And here this container is used for places where glass is inappropriate for the storage of some of these drugs whether it be high pH, whether it'd be cold storage, whether it'd be drugs that may be sensitive to silicone oil. And so we're starting to see a nice adoption here of that technology.

And then also in an emerging area, we have a line of our own proprietary self-injection platforms. We have a wearable technology called SmartDose which through – along with a customer, it's one of the first FDA approved wearable injectors that was patient filled. And we've had a lot of success with that first generation. And you've probably seen over the last few months, other partners have publicly-announced that they're using it and then we have even more of those who are evaluating that haven't publicly announced.

And then finally, we have SelfDose, which is a patient-powered auto injector, again which was introduced a couple of years ago and is starting to get traction with customers that are looking for ways to differentiate the delivery of drugs beyond just prefilled syringe or spring powered auto injector.

On contract manufacturing, just to finish that out, that's about 25% of our business and that contract manufacturing business is where we manufacture, we do high value, high quality plastic injection molding for customers that have the IP for a device or a diagnostic device and we manufacture on behalf of them. So that's kind of the overall business in a very high level, Dan.



QUESTION AND ANSWER SECTION

Daniel Gregory Brennan

Analyst, UBS Securities LLC

Q

Great. No, thanks, Quintin. I thought I thought I'd start off with just a question. Obviously, you kind of laid out your leading position, spec'd into a lot of products, long customer relationships. That said, like over the past couple of years you have had some more volatility in your business than one might anticipate given some issues that don't seem to be kind of being sustained in 2019, maybe just, Bernard, if you wouldn't mind, speak to kind of your 2019 outlook and kind of maybe some of those issues that maybe caused more volatility in the prior years and whether or not those are now in the rearview mirror?

Bernard J. Birkett

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



Yeah. There were a number of areas that impacted us over the last number of years particularly through 2015 and 2016, 2017 and 2018. And part of it was driven by lead times where we had very high lead times which really encourage or force our customers to place a lot of orders to get into the queue to get product and that puts a level of strain on the business and that impact us how we were able to deliver product and when we were able to deliver product.

As you can see over the last number of years particularly in our generics and pharma sections of our business, that level of volatility started to decrease in 2018 as we were able to bring our lead times down considerably through really looking at our supply chain and how we were delivering to our customer and which plants we were sourcing our products from. The other area where we do see a level of volatility and particularly in 2018 within our Biologics Division which was primarily driven by customers who had been stocking up a lot of product, building for product launches and then the reorder pattern was a little bit different than what we would have expected. And a lot of that comes down to really how well or what sort of traction the drug gets in the market. So we did see some impact of that in 2018 and we believe that we have a higher level of visibility into the market now.

We've seen in generics and pharma that the level of volatility is decreasing. In biologics, we expected it to decrease but not fully go away that biologics, by its nature, is a volatile part of our industry and it's not just for West. So based on the research that we would have done both internal and external, that level of volatility is seen with our customers as well given the nature of the market and waiting for drugs to be launched and then for them to get traction in the market.

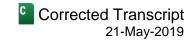
So we are seeing it dissipate again generics, pharma, even within contract manufacturing, we would expect to see that normalize. In biologics, we expect the volatility to decrease but there will be some level of it within that division. But what we're investing in is really to improve the level of our visibility to each of those market units and also to get closer to our customers so we understand what's going on there. And by also developing models and predictive analytics, really understanding before the volatility happens that it's going to happen. And to be able to communicate that to the street proactively, so it's not an after the fact event and people are getting shocked and then trying to figure out what happened. So that's an ongoing process for us. I believe we're getting a lot better. We've made some progress, but we still have some room to go.

Daniel Gregory Brennan

Analyst, UBS Securities LLC



UBS Global Healthcare Conference



Okay. Great. And maybe when we think about trying to identify important customer demand drivers for West, would it be the volume of injectable doses? If so, can you give us some flavor for a kind of – how we track that, kind of what that's growing at?

Bernard J. Birkett

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

A

We're seeing a lot of increased demand in our biologics space. We've seen that within the first quarter. We reflected that in the guidance that we gave for the remainder of 2019. It's coming from a number of different sources. It's coming from the number of DAs that we're doing with customers, development agreements. Within the wearable space, we're seeing a lot of traction, a lot of interest, particularly for our SmartDose device.

But again, it's for us to continuously monitor the market we're on, the vast majority of new drugs that are being trialed within the space and being launched. So again, we are somewhat reliant on those drugs being successful and how quickly they get traction. But it is something that we monitor very closely. We have seen a lot of positivity and demand increase.

Daniel Gregory Brennan

Analyst, UBS Securities LLC



So could you discuss some of your 2019 guidance in the context of kind of your longer term guidance, kind of how that fits in, is this a normal year for you versus how you aspire to grow over the long-term?

Bernard J. Birkett

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



Yeah. So over the long-term, we have the 6% to 8% organic growth concept and we continue to strongly believe in that. And it's not just within the biologics space. We're seeing this across our CM business or generics business and within pharma. So all of those combined lead us to believe – strongly believe – that we will deliver 6% to 8% over the coming years.

What we're also forecasting is an uptick in operating margin of about 100 basis points per year. And again that's driven by that 6% to 8% organic growth rate, mix shift within sales moving towards high value products and also leveraging the infrastructure that we've put in place over the last number of years, so improving our operational efficiency and utilization of the plants that we've invested in to deliver that overall increase in profitability and shareholder value.

Daniel Gregory Brennan

Analyst, UBS Securities LLC



And when you think about like the way you've guided for this year, I think biotech low double, generics high single, pharma low single and contract manufacturing mid-single. When you think about those growth rates, typically, kind of year-to-year, is there much volatility in those growth rates? And if there are, what are some of the biggest drivers? And maybe to your point which you've already raised here, the level of success of some of the drug programs that you're affiliated with? But maybe could you just speak to – as kind of growth may deviate what are some of the bigger factors which you are aware of?

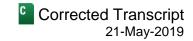
Bernard J. Birkett

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



Yeah. When we look at our forecasts, pharma will be probably the low single digit growth rate. And particularly within 2019, as we have this impact of [indiscernible] (16:05) on that division. On generics, probably we're looking

UBS Global Healthcare Conference



mid-single to high single digits there. Biologics is really only a high single digit grower for us, if not double digit grower. And because we've seen the market stabilize, particularly as we moved into 2019, and some of the issues that we experienced in 2018 obviously are now behind us, that's the [ph] construct (16:28) we would expect to see. And then contract manufacturing, mid-single digit growth.

Daniel Gregory Brennan

Analyst, UBS Securities LLC

Okay. And then I know Asia, you're still fairly underrepresented in Asia, I think it's less than 10% of your revenues. How do we think about the opportunity in Asia for you to expand that significantly?

Bernard J. Birkett

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

Yeah, so that's an area we've targeted for high growth over the coming year. So it will become a bigger part of our business. From an infrastructure point of view, we have invested in China where we have manufacturing facilities. We have manufacturing facilities in Singapore and India.

We're continuing to invest in our sales force in China, Asia-Pac. We recently acquired a distributor in South Korea to help us further develop that market, so moving from wholesale to retail and to get closer to our customer within the South Korean market and there are some very big players in that area.

And given all of the regulatory changes that are taking place, particularly in China, and also throughout Asia, that creates another opportunity for West, given the high level of quality that we can deliver through our products and also the regulatory and scientific affairs expertise that we bring, plus the relationship that we already have with a lot of the customers who are expanding in those areas. So we've targeted, on a number of different fronts, for that to be a high growth area for us.

Daniel Gregory Brennan

Analyst, UBS Securities LLC

In terms of the competition, is there much competition locally in China that might be different in the rest of the world as you try to enter that market more aggressively?

Bernard J. Birkett

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

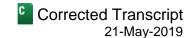
Yeah. There is competition there. And we take competition very seriously. But the focus for West is delivering the highest quality product and also the breadth of product that we can deliver so right through our AGP curve through our standard products and then being able to support customers with contract manufacturing where necessary also. It gives us a -- we're operating from a position of strength. But we continue to develop higher quality levels, greater regulatory support and reducing our lead times, better customer service, so again we're continuously targeting to improve in a number of different areas to both to compete with local manufacturers and manufacturers outside of China.

Daniel Gregory Brennan

Analyst, UBS Securities LLC

And then if you think on the competitive front with some of your bigger global player – competitors, excuse me, Aptar and Dockweiler, like when a customer chooses one of those competitors over you, like what are some of the reasons why they would go with them?

UBS Global Healthcare Conference



Bernard J. Birkett

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

Sometimes, we may not offer this specific custom product those customers are looking for. And again we're focused on our business and we have to make sure that we're doing things as efficient as possible and delivering what our customer wants and creating value for them. And again it is keeping ahead of competition. And so these are formidable competitors and but we believe we have the wherewithal to protect our position in the market and growth.

Daniel Gregory Brennan

Analyst, UBS Securities LLC

Okay, we have about 5 minutes left. I just want to look around to see if there are any questions in the audience. All right, great, maybe we could switch over to focus a little bit more specifically on the high value products which I think about 20% of revenues today or maybe a little higher than that.

Bernard J. Birkett

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

The high value products are 60% of our proprietary revenues, they are 20% of the volumes.

Daniel Gregory Brennan

Analyst, UBS Securities LLC

Of volume - excuse me.

Bernard J. Birkett

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

Of volume.

Daniel Gregory Brennan

Analyst, UBS Securities LLC

Right. So when we think about how high that penetration can go, like I know it's come up pretty materially over the last I think it's about a point a year maybe or so in terms of volume like how do we think about the future, say, next five years for high-value products, is it linearly from where we are or to anything move the needle more similarly?

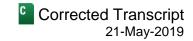
Bernard J. Birkett

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

Well, there's two elements to the expansion of high-value products. One is converting standard product to high value product and that's usually about a 100 basis points a year. And given that we're at 20%, we still have a lot of opportunity there, and that's one area that we do target.

The second area is really looking on the HV – the high-value product curve itself. So when somebody converts to a high-value product, they may convert to the lower end of that curve and what we do over time is move customers up upon that curve so you're getting a higher ASP and a higher margin and you're also delivering a higher level of quality. So there's two areas that we focus on, and then within the business divisions, Biologics, Generics and Pharma, those different areas we target within those market units also and there's different levels of penetration.

UBS Global Healthcare Conference



It also takes time, given the industry that we're in, to convert customers over, so it doesn't happen instantaneously and that's why when we look at the volume that we can convert each year, that 100 basis points, we know that that's there for a number of years for us to do that. And then it's also for us to keep innovating and developing newer products and newer offerings [ph] that aren't (21:13) within that high-value curve.

Daniel Gregory Brennan

Analyst, UBS Securities LLC

Q

What are you most excited – I mean, if you look at the next three years, I might be asking you to pick one of your children, but what are you most excited about within your HVP portfolio that could be maybe a little bit more of a significant driver towards growth or conversion?

Bernard J. Birkett

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



When I look at the interest we're getting in our NovaPure product and that product has been there for a number of years. We started to see some traction last year, we've seen an uptick in that interest and conversion this year. And so again, that's a very exciting opportunity for us and we believe that we'll deliver considerable revenues over the next number of years.

But again, it takes time. These things don't happen instantaneously. And that's one of the exciting parts of being in this industry, when sometimes we look at it and we think, oh it's slow, why didn't it happen overnight? But once it starts, it's like a snowball effect and it builds year over year.

The other thing that really excites us is we can grow mix and we can grow high value product, but the opportunity we have to make ourselves more efficient within our operations to deliver again higher value, higher quality products, we're seeing a lot of traction and a lot of improvement in that area. And you can start to see that flow through, probably since the second quarter of 2018 we're on the margin expansion front. So we're having a number of different levers we can pull now to drive overall increases in profitability. So it's not a high value product is the mainstay or the main driver. There are a number of other drivers within that to help sustain the 100 basis points improvement over the next number of years.

Daniel Gregory Brennan

Analyst, UBS Securities LLC

Maybe one that's further down the question list because we have two minutes left. Maybe why don't we touch upon that then, since you brought it up? So kind of walk us through a little bit of what are some of the key initiatives, company-specific, besides mix that are going to drive this margin expansion? And within that, does kind of utilization on these existing facilities, is that going to be part of the driver of this margin expansion?

Bernard J. Birkett

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



Yeah, it is already part of the driver. We globalized our operations back in, I think, 2016, 2017. We've introduced a lot of lean initiatives across all of our plants, started to standardize a lot of the processes which creates a lot of efficiencies. There's a big drive on productivity and increased utilization. So we've started to rationalize our plant base. Within our contract manufacturing business, we've reduced it by one and we're looking at two within our proprietary business and they will be completed by the end of this year.

That journey continues for us. And it's also looking at introducing levels of automation within our business to increase the levels of productivity. So again, within operations, there's a number of drivers. And we've also looked

UBS Global Healthcare Conference



at how we're managing OpEx. And really, for particularly within SG&A and R&D to say, okay what are the returns on the investments that we're making in those areas and making sure that they're delivering to that operating margin expansion as well. So it's not just – it's revenue mix, it's operations and then it's actually managing our cost base to make sure that we're driving the right behaviors.

Daniel Gregory Brennan

Analyst, UBS Securities LLC

Q

Maybe a final one, we're almost out of time, but this might be – it might take more than the 20 seconds left. So your contract manufacturing business is around 25% of your revenues, I think, but how does that fit within the total context of West?

Bernard J. Birkett

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



So the contract manufacturing business, as you said, is about 25% of the revenues. It's grown double digit growth rate in 2017 and 2018. We would expect that to modify and come back to mid-single digit growth rates, which will be normal for that business. It has an important part – an important role to play within our business because it can provide the link between somebody who wants contract manufacturing done from older parts or devices and also gives us a cross-selling opportunity then for elastomers into that space. And then that brings us even closer to our customer by being able to provide those services.

So it's really – when people talk about it, they look at contract manufacturing in isolation. For us, it's not just that, it can broaden the whole offering that we're making to our customers. One of the things that we have to improve within contract manufacturing is really the margin that we take from that business. We saw it decline in 2018. We have a lot of efforts in place to increase that through 2019 and into 2020. And it's really taken the learnings that we've had in our proprietary business from an operations point of view and moving that into our contract manufacturing business to see that margin improvement.

So I think it did get a lot of focus over the last number of years because of the growth rate of revenue was outpacing the proprietary growth rate. But we would expect those to become pretty similar over the next number of years.

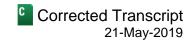
Daniel Gregory Brennan

Analyst, UBS Securities LLC

Great. Well, I think with that we're out of time. So thank you very much...

[Abrupt End]

UBS Global Healthcare Conference



Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2019 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.