



Emergent BioSolutions Reports Third Quarter 2025 Financial Results

October 29, 2025

- Third Quarter 2025 Total Revenues of \$231.1 million, above the high end of Q3 guidance by \$21.0 million
- Third Quarter 2025 Net Income of \$51.2 million and Net Income Margin of 22%
- Third Quarter 2025 Gross Margin % of 54% and Adjusted Gross Margin % of 61%, an expansion of 300 bps and 200 bps, respectively, versus prior year
- Third Quarter 2025 Adjusted EBITDA of \$87.8 million and Adjusted EBITDA Margin of 38%
- Raising the Full Year 2025 Revenue and Profitability Guidance
- Strong Sequential Naloxone Revenue Growth, Primarily Driven by NARCAN® Nasal Spray, QoQ Through Q3 2025

GAITHERSBURG, Md., Oct. 29, 2025 (GLOBE NEWSWIRE) -- Emergent BioSolutions Inc. (NYSE: EBS) today reported financial results for the third quarter ended September 30, 2025.

"Following a strong second quarter, we are proud to again beat the high end of our third quarter 2025 revenue guidance by \$21 million, with continued margin expansion that gives us confidence in meeting the higher end of our adjusted EBITDA guidance for 2025," said Joe Papa, president and CEO of Emergent. "We remain confident in our products business as evidenced by the sequential growth of our naloxone franchise, where pricing has stabilized for NARCAN® Nasal Spray, as well as continued demand from our international customers, who represent 34% of our medical countermeasures orders year to date. The Company has now secured eleven MCM contract modifications and product orders in 2025, highlighting the consistent global demand for medical countermeasures products, in a world where biological threats represent a growing risk. Our balance sheet is healthy, and we are judiciously deploying our capital to create shareholder value and build a long-term growth trajectory."

FINANCIAL HIGHLIGHTS ⁽¹⁾

Q3 2025 vs. Q3 2024

(\$ in millions, except per share amounts)	Q3 2025	Q3 2024	% Change
Total Revenues	\$ 231.1	\$ 293.8	(21)%
Net Income	\$ 51.2	\$ 114.8	(55)%
Net Income per Diluted Share	\$ 0.91	\$ 2.06	(56)%
Adjusted Net Income ⁽²⁾	\$ 60.4	\$ 76.2	(21)%
Adjusted Net Income per Diluted Share ⁽²⁾	\$ 1.06	\$ 1.37	(23)%
Adjusted EBITDA ⁽²⁾	\$ 87.8	\$ 105.3	(17)%
Net Income Margin	22%	39%	
Adjusted EBITDA Margin ⁽²⁾	38%	36%	
Gross Margin %	54%	51%	
Adjusted Gross Margin % ⁽²⁾	61%	59%	

Year to Date ("YTD") 2025 vs YTD 2024

(\$ in millions, except per share amounts)	YTD 2025	YTD 2024	% Change
Total Revenues	\$ 594.2	\$ 848.9	(30)%
Net Income (Loss)	\$ 107.2	\$ (159.3)	167%
Net Income (Loss) per Diluted Share	\$ 1.89	\$ (3.03)	162%
Adjusted Net Income (Loss) ⁽²⁾	\$ 109.6	\$ (14.7)	846%
Adjusted Net Income (Loss) per Diluted Share ⁽²⁾	\$ 1.93	\$ (0.28)	787%
Adjusted EBITDA ⁽²⁾	\$ 193.9	\$ 162.1	20%
Net Income (Loss) Margin	18%	(19) %	
Adjusted EBITDA Margin ⁽²⁾	33%	19%	
Gross Margin %	48%	26%	
Adjusted Gross Margin % ⁽²⁾	57%	46%	

RECENT BUSINESS UPDATES

- Received \$29 Million in MCM product orders from international government partner
- Secured \$17 Million contract modification for Oral Suspension TEMBEXA® (brincidofovir)

- Secured \$56 Million contract modification for ACAM2000® (Smallpox and Mpox (Vaccinia) Vaccine, Live)
- Secured \$30 Million contract modification for CYFENDUS® (Anthrax Vaccine Adsorbed, Adjuvanted)
- Secured \$52 Million contract modification award for CNJ-016® (Vaccinia Immune Globulin Intravenous, Human (VIGIV))
- Updated proprietary distribution platform, NARCANDirect®, to offer KLOXXADO® Nasal Spray 8 mg and Convenience Kits
- Recognized multiple naloxone awareness days throughout the quarter, and applauded the over-the-counter availability of naloxone in U.S. House of Representatives buildings
- New Publication in *Expert Review of Anti-infective Therapy* Evaluates Brincidofovir as Potential Antiviral Treatment for Mpox

THIRD QUARTER 2025 FINANCIAL PERFORMANCE ⁽¹⁾

Revenues

The Company uses the following categories in discussing revenues:

- **Naloxone** — comprises contributions from NARCAN® Nasal Spray and KLOXXADO® Nasal Spray
- **Anthrax MCM** — comprises contributions from CYFENDUS®, previously known as AV7909, BioThrax®, Anthrasil® and Raxibacumab
- **Smallpox MCM** — comprises contributions from ACAM2000®, CNJ-016® (VIGIV) and TEMBEXA®
- **Other Products** — comprises contributions from BAT® and RSDL® ⁽³⁾
- **All Other Revenues** — comprises revenues from the Services operating segment and contracts and grants revenues

(\$ in millions)	Q3 2025	Q3 2024	% Change
Product sales, net: ⁽⁴⁾			
Naloxone	\$ 74.9	\$ 95.3	(21)%
Anthrax MCM	1.4	11.4	(88)%
Smallpox MCM	83.6	132.7	(37)%
Other Products	57.5	30.1	91%
Total Product sales, net	\$ 217.4	\$ 269.5	(19)%
All other revenues	\$ 13.7	\$ 24.3	(44)%
Total revenues	\$ 231.1	\$ 293.8	(21)%

Product Sales, net ⁽⁴⁾

Naloxone

For Q3 2025, revenues from Naloxone products decreased \$20.4 million, or 21%, as compared with Q3 2024. The decrease was primarily driven by lower sales of OTC NARCAN® and lower Canadian sales of branded NARCAN®, primarily driven by an unfavorable price and volume mix, partially offset by an increase in KLOXXADO® sales.

Anthrax MCM

For Q3 2025, revenues from Anthrax MCM products decreased \$10.0 million, or 88%, as compared with Q3 2024. The decrease primarily reflects the impact of timing of USG sales of BioThrax® as well as timing of international sales of CYFENDUS® in the prior year period. Anthrax vaccine product sales are primarily made under annual purchase options exercised by the U.S. Government ("USG"). Fluctuations in revenues result from the timing of the exercise of annual purchase options, the timing of USG purchases, the availability of governmental funding and Company delivery of orders that follow.

Smallpox MCM

For Q3 2025, revenues from Smallpox MCM products decreased \$49.1 million, or 37%, as compared with Q3 2024. The decrease was primarily due to lower USG ACAM2000® and CNJ-016® (VIGIV) sales due to timing, partially offset by an increase in international CNJ-016® (VIGIV), ACAM2000®, and TEMBEXA® sales. Fluctuations in revenues from Smallpox MCM result from the timing of the exercise of annual purchase options in the existing procurement contracts, the timing of USG purchases, the availability of governmental funding and Company delivery of orders that follow.

Other Products

For Q3 2025, revenues from Other Product sales increased \$27.4 million, or 91%, as compared with Q3 2024. The increase was primarily due to higher USG BAT® sales due to timing, partially offset by a decrease in international sales orders.

All Other Revenues

Services

For Q3 2025, revenues from Services decreased \$9.7 million, or 68%, as compared with Q3 2024. The decrease was primarily attributable to the decrease in revenue from the Company's Camden facility in the current year period, which was sold to Bora Pharmaceuticals in the third quarter of 2024, partially offset by an increase in production at the Company's Winnipeg facility.

Contracts and Grants

For Q3 2025, revenues from contracts and grants decreased \$0.9 million, or 9%, as compared with Q3 2024. The decrease was due to declines in overall funded R&D projects, partially offset by an increase in development work in connection with Ebanga™.

Operating Expenses

(\$ in millions)	Q3 2025	Q3 2024	% Change
Cost of product and services sales, net	\$ 85.9	\$ 122.6	(30)%
Research and development ("R&D")	13.5	13.8	(2)%
Selling, general and administrative ("SG&A")	38.9	76.6	(49)%
Amortization of intangible assets	16.3	16.3	—%
Total operating expenses	\$ 154.6	\$ 229.3	(33)%

Cost of Product and Services Sales, Net

For Q3 2025, cost of product and services sales, net decreased \$36.7 million, or 30%, as compared with Q3 2024. The decrease was driven by decreases in cost of Services of \$16.2 million, cost of MCM Product sales of \$15.9 million and cost of Commercial Product sales of \$4.6 million.

Research and Development Expenses

For Q3 2025, R&D expenses decreased \$0.3 million, or 2% as compared with Q3 2024. The decrease was primarily due to decreases in overhead and severance related costs, partially offset by an increase in unfunded R&D project spend and in Ebanga™ related development work.

Selling, General and Administrative Expenses

For Q3 2025, SG&A expenses decreased \$37.7 million, or 49%, as compared with Q3 2024. The decrease was primarily due to the absence of a one-time expense of \$10.0 million recognized in the prior year period and the receipt of a one-time reimbursement of \$10.5 million in the current year period related to settlements of our securities and shareholder litigation matters. These non-recurring items were coupled with decreases in compensation and other employee related expenses as a result of the restructuring initiatives that began during the first quarter of 2023, and lower marketing, professional services and legal expenses.

ADDITIONAL FINANCIAL INFORMATION⁽¹⁾

Capital Expenditures

(\$ in millions)	Q3 2025	Q3 2024	% Change
Capital expenditures	\$ 3.4	\$ 5.8	(41)%
Capital expenditures as a % of total revenues	1%	2%	

For Q3 2025, capital expenditures decreased largely due to lower development activities across the Company's facilities.

REPORTABLE SEGMENT INFORMATION

The Company manages the business with a focus on three operating segments: (1) a Commercial Products segment consisting of NARCAN® Nasal Spray and KLOXXADO® Nasal Spray, which product is currently being integrated into our distribution network, NARCANDirect®; (2) a MCM Products segment consisting of Anthrax - MCM, Smallpox - MCM and Other products and (3) a services segment consisting of our Bioservices offerings ("Services"). Commercial Products and MCM Products are our two reportable segments. In the first quarter of 2025, the Company's determined that its Services operating segment no longer meets the quantitative thresholds of a reportable segment and did not meet the aggregation criteria set forth in Accounting Standards Codification 280, Segment Reporting, and as such is categorized within "All other revenues" along with "Contracts and Grants". The Company evaluates the performance of these reportable segments based on revenues and segment adjusted gross margin, which is a non-GAAP financial measure. Segment revenue includes external customer sales, but does not include inter-segment services. The Company does not allocate contracts and grants revenue, R&D, SG&A, amortization of intangible assets, interest and other income (expense) or taxes to its evaluation of the performance of these segments.

THIRD QUARTER 2025 REPORTABLE SEGMENT RESULTS

(\$ in millions)	Commercial Products			
	Quarter Ended September 30,			
	2025	2024	\$ Change	% Change
Revenues	\$ 74.9	\$ 95.3	\$ (20.4)	(21)%
Cost of sales	42.6	47.2	(4.6)	(10)%
Intangible asset amortization	9.4	9.4	—	—%
Gross margin**	\$ 22.9	\$ 38.7	\$ (15.8)	(41)%

Gross margin %**	31%	41%		
Add back:				
Intangible asset amortization	\$ 9.4	\$ 9.4	\$ —	—%
Segment adjusted gross margin⁽²⁾	<u>\$ 32.3</u>	<u>\$ 48.1</u>	<u>\$ (15.8)</u>	<u>(33)%</u>
Segment adjusted gross margin %⁽²⁾	43%	50%		

** Gross margin is calculated as revenues less cost of sales and intangible asset amortization. Gross margin % is calculated as gross margin divided by revenues.

NM - Not Meaningful

Cost of Commercial Product sales decreased \$4.6 million, or 10%, to \$42.6 million for the quarter ended September 30, 2025. The decrease was primarily due to lower sales of OTC NARCAN[®] and lower Canadian sales of branded NARCAN[®], partially offset by an increase in KLOXXADO[®] sales

Commercial Products gross margin decreased \$15.8 million, or 41%, to \$22.9 million for the quarter ended September 30, 2025. Commercial Products gross margin percentage decreased 10 percentage points to 31% for the quarter ended September 30, 2025. The decrease was largely due to lower sales of OTC NARCAN[®] and lower branded NARCAN[®] sales, as well as an unfavorable price and volume mix, partially offset by an increase in KLOXXADO[®] sales. Commercial Products segment adjusted gross margin in the current year period excludes the impact of intangible asset amortization of \$9.4 million.

(\$ in millions)	MCM Products			
	Quarter Ended September 30,			
	2025	2024	\$ Change	% Change
Revenues	\$ 142.5	\$ 174.2	\$ (31.7)	(18) %
Cost of sales	38.1	54.0	(15.9)	(29) %
Intangible asset amortization	6.9	6.9	—	—%
Gross margin**	<u>\$ 97.5</u>	<u>\$ 113.3</u>	<u>\$ (15.8)</u>	<u>(14) %</u>
Gross margin %**	68%	65%		
Add back:				
Intangible asset amortization	\$ 6.9	\$ 6.9	\$ —	—%
Inventory step-up provision	—	1.2	(1.2)	(100) %
Restructuring costs	0.2	4.9	(4.7)	(96) %
Segment adjusted gross margin⁽²⁾	<u>\$ 104.6</u>	<u>\$ 126.3</u>	<u>\$ (21.7)</u>	<u>(17) %</u>
Segment adjusted gross margin %⁽²⁾	73%	73%		

** Gross margin is calculated as revenues less cost of sales and intangible asset amortization. Gross margin % is calculated as gross margin divided by revenues.

NM - Not Meaningful

Cost of MCM product sales decreased \$15.9 million, or 29%, to \$38.1 million for the quarter ended September 30, 2025. The decrease was primarily due to lower production costs of ACAM2000[®], BioThrax[®], and CNJ-016[®] (VIGIV), reflecting reduced volumes, combined with favorable manufacturing variances due to lower shut-down and severance costs, partially offset by an increase in costs related to higher BAT[®] sales volume.

MCM Product gross margin decreased \$15.8 million, or 14%, to \$97.5 million for the quarter ended September 30, 2025. MCM Product gross margin percentage increased 3 percentage points to 68% for the quarter ended September 30, 2025. The increase in gross margin percentage was primarily due to a favorable sales mix which was weighted more heavily towards higher margin products and a decrease in shutdown and severance related costs compared with the third quarter of 2024. MCM Product segment adjusted gross margin in the current year period excludes the impacts of intangible asset amortization of \$6.9 million and restructuring costs of \$0.2 million.

YTD 2025 REPORTABLE SEGMENT RESULTS

(\$ in millions)	Commercial Products			
	Nine Months Ended September 30,			
	2025	2024	\$ Change	% Change
Revenues	\$ 187.7	\$ 333.8	\$ (146.1)	(44)%
Cost of sales	103.5	152.7	(49.2)	(32)%
Intangible asset amortization	28.3	28.3	—	—%
Gross margin**	<u>\$ 55.9</u>	<u>\$ 152.8</u>	<u>\$ (96.9)</u>	<u>(63)%</u>
Gross margin %**	30%	46%		
Add back:				
Intangible asset amortization	\$ 28.3	\$ 28.3	\$ —	—%

Restructuring costs	0.2	—	0.2	NM
Segment adjusted gross margin⁽²⁾	\$ 84.4	\$ 181.1	\$ (96.7)	(53)%
Segment adjusted gross margin %⁽²⁾	45%	54%		

** Gross margin is calculated as revenues less cost of sales and intangible asset amortization. Gross margin % is calculated as gross margin divided by revenues.

NM - Not Meaningful

Cost of Commercial Product sales decreased \$49.2 million, or 32%, to \$103.5 million for the nine months ended September 30, 2025. The decrease was primarily due to lower sales of OTC NARCAN[®] and lower Canadian sales of branded NARCAN[®], partially offset by an increase in KLOXXADO[®] sales.

Commercial Products gross margin decreased \$96.9 million, or 63%, to \$55.9 million for the nine months ended September 30, 2025. Commercial Products gross margin percentage decreased 16 percentage points to 30% for the nine months ended September 30, 2025. The decrease was largely due to lower sales of OTC NARCAN[®] and lower branded NARCAN[®] sales, as well as an unfavorable price, volume and product mix, partially offset by an increase in KLOXXADO[®] sales. Commercial Products segment adjusted gross margin in the current year period excludes the impact of intangible asset amortization of \$28.3 million and restructuring costs of \$0.2 million.

(\$ in millions)	MCM Products			
	Nine Months Ended September 30,			
	2025	2024	\$ Change	% Change
Revenues	\$ 357.5	\$ 393.0	\$ (35.5)	(9) %
Cost of sales	114.1	147.3	(33.2)	(23) %
Intangible asset amortization	20.5	20.5	—	—%
Gross margin**	<u>\$ 222.9</u>	<u>\$ 225.2</u>	<u>\$ (2.3)</u>	<u>(1) %</u>
Gross margin %**	62%	57%		
Add back:				
Intangible asset amortization	\$ 20.5	\$ 20.5	\$ —	—%
Changes in fair value of financial instruments	—	0.6	(0.6)	(100) %
Restructuring costs	(1.0)	7.5	(8.5)	(113) %
Inventory step-up provision	1.8	1.2	0.6	50%
Segment adjusted gross margin⁽²⁾	<u>\$ 244.2</u>	<u>\$ 255.0</u>	<u>\$ (10.8)</u>	<u>(4) %</u>
Segment adjusted gross margin %⁽²⁾	68%	65%		

** Gross margin is calculated as revenues less cost of sales and intangible asset amortization. Gross margin % is calculated as gross margin divided by revenues.

NM - Not Meaningful

Cost of MCM product sales decreased \$33.2 million, or 23%, to \$114.1 million for the nine months ended September 30, 2025. The decrease was primarily due to lower productions costs of CYFENDUS[®], BioThrax[®], and ACAM2000[®] reflecting reduced volumes, no RSDL[®] related costs in 2025 due to the sale of RSDL[®] to SERB in the third quarter of 2024, combined with favorable manufacturing variances mostly due to lower shut-down and severance costs and lower Raxibacumab inventory reserves. These decreases were partially offset by higher costs for Anthrasil[®], TEMBEXA[®], CNJ-016[®] (VIGIV) sales due to higher unit volume.

MCM Product gross margin decreased \$2.3 million, or 1%, to \$222.9 million for the nine months ended September 30, 2025. MCM Product gross margin percentage increased 5 percentage points to 62% for the nine months ended September 30, 2025. The increase in gross margin percentage was primarily due to a favorable sales mix which was weighted more heavily towards higher margin products and a decrease in shutdown and severance costs compared with the prior year period. MCM Product segment adjusted gross margin in the current year period excludes the impacts of intangible asset amortization of \$20.5 million, inventory step-up provision of \$1.8 million and restructuring costs of \$(1.0) million.

2025 FINANCIAL FORECAST

The Company provides the following updated financial forecast for full year 2025, reflecting management's expectations based on the most current information available.

METRIC (\$ in millions)	Updated Range (as of 10/29/2025)	Action	Previous Range (as of 08/05/2025)
Total revenues	\$775 - \$835	REVISED	\$765 - \$835
Net income	\$60 - \$75	REVISED	\$40 - \$65
Adjusted net income⁽²⁾	\$70 - \$85	REVISED	\$45 - \$70
Adjusted EBITDA⁽²⁾	\$195 - \$210	REVISED	\$175 - \$200

Adjusted gross margin %⁽²⁾	52% - 54%	REVISED	50% - 52%
Segment Level Revenue			
MCM Products ⁽³⁾	\$450 - \$475	REVISED	\$440 - \$475
Commercial Products ⁽⁵⁾	\$265 - \$300	UNCHANGED	\$265 - \$300

Key Assumptions (\$ and shares in millions)	Updated Range (as of 10/29/2025)
Interest expense	\$55
R&D	~7% to 8% of Revenues
SG&A	~25% to 26% of Revenues
Weighted avg. fully diluted share count	~56
Capex	~\$16
Depreciation & amortization	~\$100

FOOTNOTES

(1) All financial information included in this release is unaudited.

(2) See “Non-GAAP Financial Measures” and the “Reconciliation of Non-GAAP Financial Measures” tables for the definitions and reconciliations of these non-GAAP financial measures to the most closely related GAAP financial measures.

(3) Our MCM Products revenue in 2025 and forecasted revenue excludes revenues related to RSDL[®], which was sold during the third quarter of 2024.

(4) Product sales, net are reported net of variable consideration including returns, rebates, wholesaler fees and prompt pay discounts in accordance with GAAP.

(5) Our Commercial Products forecast consists of revenues for NARCAN[®] Nasal Spray and revenues from distribution of KLOXXADO[®] naloxone HCl nasal spray 8 mg pursuant to an agreement with Hikma Pharmaceuticals PLC in January 2025.

CONFERENCE CALL, PRESENTATION SUPPLEMENT AND WEBCAST INFORMATION

Company management will host a conference call at 5:00 pm eastern time today, October 29, 2025, to discuss these financial results. The conference call and presentation supplement can be accessed from the Company's website or through the following:

By phone

Advanced registration is required.

Visit <https://register-conf.media-server.com/register/B187c9854c104a472e92d2ff019fcc47cf> to register and receive an email with the dial-in number, passcode and registrant ID.

By webcast

Visit <https://edge.media-server.com/mmc/p/azeu358t/>

A replay of the call can be accessed from the Emergent website.

ABOUT EMERGENT BIOSOLUTIONS INC.

At Emergent, our mission is to protect and save lives. For over 25 years, we've been at work preparing those entrusted with protecting public health. We deliver protective and life-saving solutions for health threats like smallpox, mpox, botulism, Ebola, anthrax and opioid overdose emergencies. To learn more about how we help prepare communities around the world for today's health challenges and tomorrow's threats, visit our website and follow us on LinkedIn, X, Instagram, Apple Podcasts and Spotify.

NON-GAAP FINANCIAL MEASURES

In the accompanying analysis of financial information, we sometimes use information derived from consolidated and segment financial information that may not be presented in our financial statements or prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). Certain of these financial measures are considered not in conformity with GAAP (“non-GAAP financial measures”) under the United States Securities and Exchange Commission (“SEC”) rules. Specifically, we have referred to the following non-GAAP financial measures:

- Adjusted Net Income (Loss)
- Adjusted Net Income (Loss) per Diluted Share
- Adjusted EBITDA
- Adjusted EBITDA Margin
- Adjusted Gross Margin
- Adjusted Gross Margin %
- Segment Adjusted Gross Margin
- Segment Adjusted Gross Margin %

We define Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share, which are non-GAAP financial measures, as net income (loss) and net income (loss) per diluted share, respectively, excluding the impact of non-cash amortization charges, impairments, severance and restructuring costs, inventory step-up provision, acquisition and divestiture costs, exit and disposal costs, loss (gain) on sale of business and assets held for sale, settlement charges, net, contingent consideration milestones, changes in fair value of financial instruments, other expense (income) items and tax effects. We use Adjusted Net Income (Loss) for the purpose of calculating Adjusted Net Income (Loss) per Diluted Share. Management uses Adjusted Net Income (Loss) per Diluted Share to assess total Company operating performance on a consistent basis. We believe that these non-GAAP financial measures, when considered together with our GAAP financial results and GAAP financial measures, provide management and investors with an additional understanding of our business operating results, including underlying trends.

We define Adjusted EBITDA, which is a non-GAAP financial measure, as net income (loss) before depreciation and amortization, income tax provision, interest expense, net, excluding the impact of changes in fair value of financial instruments, acquisition and divestiture costs, severance and restructuring costs, loss (gain) on sale of business and assets held for sale, inventory step-up provision, contingent consideration milestones, impairments, settlement charges, net, exit and disposal costs and other expense (income) items. We define Adjusted EBITDA Margin, which is a non-GAAP financial measure, as Adjusted EBITDA divided by Total Revenues. We believe that these non-GAAP financial measures, when considered together with our GAAP financial results and GAAP financial measures, provide management and investors with a more complete understanding of our operating results, including underlying trends. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry, although it may be defined differently by different companies. Therefore, we also believe that this non-GAAP financial measure, considered along with corresponding GAAP financial measures, provides management and investors with additional information for comparison of our operating results with the operating results of other companies.

We define Adjusted Gross Margin, which is a non-GAAP financial measure, as Gross Margin, excluding the impact of intangible asset amortization, restructuring costs, changes in the fair value of financial instruments, settlement charges, net and inventory step-up provision. We define Adjusted Gross Margin %, which is a non-GAAP financial measure, as Adjusted Gross Margin as a percentage of Products and services sales, net.

We define Segment Adjusted Gross Margin, which is a non-GAAP financial measure, as a segment's Gross Margin excluding the respective impact of intangible asset amortization, restructuring costs, changes in the fair value of financial instruments and inventory step-up provision. We define Segment Adjusted Gross Margin %, which is a non-GAAP financial measure, as Segment Adjusted Gross Margin as a percentage of a segment's revenues.

Non-GAAP financial measures are not defined in the same manner by all companies and may not be comparable with other similarly titled measures of other companies. The determination of the amounts that are excluded from these non-GAAP financial measures are a matter of management judgment and depend upon, among other factors, the nature of the underlying expense or income amounts. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our Consolidated Statements of Operations and Consolidated Statements of Cash Flows. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the financial tables accompanying this press release.

SAFE HARBOR STATEMENT

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements, other than statements of historical fact, including statements regarding the future performance of the Company or any of our businesses, our business strategy, future operations, future financial position, future revenues and earnings, our ability to achieve the objectives of our restructuring initiatives and divestitures, including our future results, projected costs, prospects, plans and objectives of management, are forward-looking statements. We generally identify forward-looking statements by using words like "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "confident," "commit," "forecast," "future," "outlook," "goal," "intend," "may," "plan," "position," "possible," "potential," "predict," "project," "should," "target," "will," "would," and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements. These forward-looking statements are based on our current intentions, beliefs, assumptions and expectations regarding future events based on information that is currently available. You should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. Readers are, therefore, cautioned not to place undue reliance on any forward-looking statement contained herein. Any such forward-looking statement speaks only as of the date of this press release, and, except as required by law, we do not undertake any obligation to update any forward-looking statement to reflect new information, events or circumstances.

There are a number of important factors that could cause our actual results to differ materially from those indicated by such forward-looking statements, including, among others, the availability of USG funding for contracts related to procurement of our medical countermeasure ("MCM") products, including CYFENDUS® (Anthrax Vaccine Adsorbed (AVA) Adjuvanted), previously known as AV7909, ACAM2000® (Smallpox (Vaccinia) Vaccine, Live), CNJ-016® (Vaccinia Immune Globulin Intravenous (Human) (VIGIV)), BAT® (Botulism Antitoxin Heptavalent (A,B,C,D,E,F,G)-(Equine)), BioThrax® (Anthrax Vaccine Adsorbed) Ebanga™ (ansuvimab-zykl) and/or TEMBEXA® (brincidofovir) among others, as well as contracts related to development of medical countermeasures; our ability to meet our commitments to quality and compliance in all of our manufacturing operations; our ability to negotiate additional USG procurement or follow-on contracts for our MCM products that have expired or will be expiring; the commercial availability and impact of a generic and competitive marketplace on future sales of NARCAN® (naloxone HCL) Nasal Spray and over-the-counter NARCAN® Nasal Spray; our ability to perform under our contracts with the USG, including the timing of and specifications relating to deliveries; the ability of our contractors and suppliers to maintain compliance with current good manufacturing practices and other regulatory obligations; our ability to negotiate new or further commitments related to the collaboration and deployment of capacity toward future commercial manufacturing related to our bioservices and under existing Bioservices contracts; our ability to collect reimbursement for raw materials and payment of service fees from our Bioservices customers; the results of pending government investigations and their potential impact on our business; our ability to satisfy the conditions of our litigation settlement agreements, and the potential impact of such agreements, including the funds to resolve related litigation, on our business; our ability to comply with the operating and financial covenants required by (i) our term loan facility under a credit agreement, dated August 30, 2024, among the Company, the lenders from time to time party thereto and OHA Agency LLC, as administrative agent, (ii) our revolving credit facility under a credit agreement, dated September 30, 2024, among the Company, certain subsidiary borrowers, the lenders from time to time party thereto and Wells Fargo, National Association, as Agent, and (iii) our 3.875% Senior Unsecured Notes due 2028; our ability to maintain adequate internal control over financial reporting and to prepare accurate financial statements in a timely manner; our ability to maintain sufficient cash flow from our operations to pay our substantial debt, both now and in the future; our ability to invest in our business operations as a

result of our current indebtedness; the impact of our share and debt repurchase programs; the procurement of our product candidates by USG entities under regulatory authorities that permit government procurement of certain medical products prior to FDA marketing authorization, and corresponding procurement by government entities outside the United States; our ability to realize the expected benefits of the sale of our travel health business to Bavarian Nordic, the sale of our Drug Product facility in Baltimore-Camden to Bora Pharmaceuticals Injectables Inc., a subsidiary of Bora Pharmaceuticals Co., Ltd., the sale of RSDL® to BTG International Inc., a subsidiary of SERB Pharmaceuticals and the sale of our Baltimore-Bayview drug substance manufacturing facility to Syngene International; our ability to realize the expected benefits from divestitures and restructuring activities; the success of our commercialization, marketing and manufacturing capabilities and strategy; our ability to identify and acquire companies, businesses, products or product candidates that satisfy our selection criteria; our ability to attract and retain qualified personnel; our ability to adequately secure and protect our intellectual property rights; our ability to realize the full benefits from our divestitures and sales of assets; the impact of cybersecurity incidents, including the risks from the unauthorized access, interruption, failure or compromise of our information systems or those of our business partners, collaborators or other third parties; and the accuracy of our estimates regarding future revenues, expenses, capital requirements and need for additional financing. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ materially from our expectations in any forward-looking statement. In addition, other risks and uncertainties not presently known to us or that we currently believe to be immaterial could affect the accuracy of any forward-looking statements. Readers should consider this cautionary statement, as well as the risks identified in our periodic reports filed with the Securities and Exchange Commission, when evaluating our forward-looking statements.

Trademarks

Emergent®, BioThrax®, BaciThrax®, BAT®, Trobigard®, Anthrasil®, CNJ-016®, ACAM2000®, NARCAN®, CYFENDUS®, TEMBEXA® and any and all Emergent BioSolutions Inc. brands, products, services and feature names, logos and slogans are trademarks or registered trademarks of Emergent BioSolutions Inc. or its subsidiaries in the United States or other countries. All other brands, products, services and feature names or trademarks are the property of their respective owners, including KLOXXADO®, which is a registered trademark of Hikma Pharmaceuticals USA Inc.

Investor Contact

Rich Lindahl
Executive Vice President, Chief Financial Officer
lindahlr@ebsi.com

Media Contact

Assal Hellmer
Vice President, Communications
mediarelations@ebsi.com

Emergent BioSolutions Inc. Consolidated Balance Sheets (in millions, except per share data)

	September 30, 2025 (unaudited)	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 245.5	\$ 99.5
Restricted cash	3.7	6.1
Accounts receivable, net	149.5	154.5
Inventories, net	356.3	311.7
Prepaid expenses and other current assets	25.6	26.9
Assets held for sale	6.3	—
Total current assets	786.9	598.7
Property, plant and equipment, net	209.8	270.6
Intangible assets, net	452.7	501.5
Other assets	11.6	18.9
Total assets	\$ 1,461.0	\$ 1,389.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 57.4	\$ 60.9
Accrued expenses	13.9	17.7
Accrued compensation	36.6	56.1
Other current liabilities	24.1	27.7
Liabilities held for sale	4.5	—
Total current liabilities	136.5	162.4
Debt	663.1	663.7
Deferred tax liability	36.3	41.7
Other liabilities	42.6	39.1
Total liabilities	\$ 878.5	\$ 906.9

Stockholders' equity:

Preferred stock, \$0.001 par value per share; 15.0 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.001 par value per share; 200.0 shares authorized, 60.6 and 59.9 shares issued; 52.7 and 54.3 shares outstanding, respectively.	0.1	0.1
Treasury stock, at cost, 7.9 and 5.6 common shares, respectively	(243.5)	(227.7)
Additional paid-in capital	938.6	928.0
Accumulated other comprehensive loss, net	(7.5)	(5.2)
Accumulated deficit	(105.2)	(212.4)
Total stockholders' equity	\$ 582.5	\$ 482.8
Total liabilities and stockholders' equity	\$ 1,461.0	\$ 1,389.7

Emergent BioSolutions Inc.
Consolidated Statements of Operations
(unaudited, in millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues:				
Product and services sales, net	\$ 222.0	\$ 283.8	\$ 561.4	\$ 824.3
Contracts and grants	9.1	10.0	32.8	24.6
Total revenues	231.1	293.8	594.2	848.9
Operating expenses:				
Cost of product and services sales, net ⁽¹⁾	85.9	122.6	241.3	563.3
Research and development	13.5	13.8	41.1	61.6
Selling, general and administrative	38.9	76.6	135.0	247.2
Amortization of intangible assets	16.3	16.3	48.8	48.8
Impairment of long-lived assets	—	—	—	27.2
Total operating expenses	154.6	229.3	466.2	948.1
Income (loss) from operations	76.5	64.5	128.0	(99.2)
Other income (expense):				
Interest expense	(15.2)	(8.3)	(44.6)	(56.2)
Gain (loss) on sale of business and assets held for sale	—	64.3	(12.2)	24.3
Other, net	(3.7)	21.9	62.3	15.8
Total other income (expense), net	(18.9)	77.9	5.5	(16.1)
Income (loss) before income taxes	57.6	142.4	133.5	(115.3)
Income tax provision	6.4	27.6	26.3	44.0
Net income (loss)	<u>\$ 51.2</u>	<u>\$ 114.8</u>	<u>\$ 107.2</u>	<u>\$ (159.3)</u>
Earnings (loss) per common share				
Basic	\$ 0.96	\$ 2.16	\$ 1.99	\$ (3.03)
Diluted	\$ 0.91	\$ 2.06	\$ 1.89	\$ (3.03)
Weighted average shares outstanding				
Basic	53.2	53.1	53.9	52.6
Diluted	56.5	55.6	56.7	52.6

⁽¹⁾Exclusive of intangible asset amortization

Emergent BioSolutions Inc.
Consolidated Statements of Cash Flows
(unaudited, in millions)

	Nine Months Ended September 30,	
	2025	2024
Operating Activities		
Net income (loss)	\$ 107.2	\$ (159.3)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Share-based compensation expense	10.9	13.7
Depreciation and amortization	72.3	82.8
Change in fair value of contingent obligations, net	—	0.6
Amortization of deferred financing costs	7.2	5.2
Deferred income taxes	(5.5)	(5.1)
Loss (gain) on sale of business and assets held for sale	12.2	(32.2)
Change in fair value of warrant liability	(1.8)	(1.1)
Impairment of long-lived assets	—	27.2
Loss on disposal of assets	3.5	28.9
Other	(8.7)	3.9
Changes in operating assets and liabilities:		
Accounts receivable	(26.4)	52.7
Inventories	(44.5)	(35.5)
Prepaid expenses and other assets	27.1	146.3
Accounts payable	(19.8)	(22.8)
Accrued expenses and other liabilities	(27.0)	32.9
Long-term incentive plan accrual	2.3	2.5
Accrued compensation	(21.8)	(9.9)
Income taxes receivable and payable, net	4.6	26.6
Contract liabilities	1.1	(18.8)
Net cash provided by operating activities	<u>92.9</u>	<u>138.6</u>
Investing Activities		
Purchases of property, plant and equipment	(9.9)	(21.2)
Proceeds from sale of property, plant and equipment	38.2	7.6
Milestone payments from prior asset divestiture	50.0	—
Proceeds from sale of business	—	110.2
Purchase of convertible note receivable	(5.0)	—
Net cash provided by investing activities	<u>73.3</u>	<u>96.6</u>
Financing Activities		
Proceeds from the issuance of debt, net of lender fees	—	219.0
Proceeds allocated to warrants issued in conjunction with debt	—	13.4
Proceeds allocated to common stock issued in conjunction with debt	—	9.3
Principal payments on term loan facility	—	(198.2)
Proceeds from revolving credit facility	—	65.0
Principal payments on revolving credit facility	—	(284.2)
Proceeds from issuance of common stock upon exercise of stock options	1.0	—
Repurchase of debt	(6.9)	—
Purchases of treasury stock	(15.8)	—
Debt issuance costs	—	(14.6)
Proceeds from share-based compensation activity	—	0.7
Taxes paid for share-based compensation activity	(1.0)	(0.9)
Net cash used in financing activities:	<u>(22.7)</u>	<u>(190.5)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	0.1	—
Net change in cash, cash equivalents and restricted cash	143.6	44.7
Cash, cash equivalents and restricted cash, beginning of period	105.6	111.7
Cash, cash equivalents and restricted cash, end of period	<u>\$ 249.2</u>	<u>\$ 156.4</u>
Supplemental cash flow disclosures:		
Cash paid for interest	\$ 41.7	\$ 55.8
Cash paid for income taxes, net of refunds	\$ 27.5	\$ 35.5
Non-cash investing and financing activities:		
Purchases of property, plant and equipment unpaid at period end	\$ 1.8	\$ 1.6
Gain on extinguishment of debt	\$ 1.1	\$ 0.6
Issuance of common stock in conjunction with debt	\$ —	\$ 7.7
Excise tax liability accrued for common stock repurchases	\$ 0.2	\$ —
Reconciliation of cash and cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 245.5	\$ 149.9

Restricted cash		3.7	6.5
Total	\$	249.2	\$ 156.4

Emergent BioSolutions, Inc.
Reconciliation of Non-GAAP Financial Measures
Reconciliation of Net Income (Loss) and Net Income (Loss) per Diluted Share to Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share⁽¹⁾

(\$ in millions, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,		Source
	2025	2024	2025	2024	
Net income (loss)	\$ 51.2	\$ 114.8	\$ 107.2	\$ (159.3)	
Adjustments:					
Non-cash amortization charges	\$ 18.8	\$ 9.7	\$ 56.0	\$ 54.0	Amortization of intangible assets ("IA"), Other Income
Impairments	—	—	—	27.2	Impairment of long-lived assets
Severance and restructuring costs	—	6.3	(0.8)	22.9	Cost of product and services sales, net, SG&A and R&D
Inventory step-up provision	—	1.2	1.8	1.2	Cost of product and services sales, net
Acquisition and divestiture costs	—	—	0.2	—	SG&A
Exit and disposal costs	—	—	—	13.3	R&D
Loss (gain) on sale of business and assets held for sale	—	(64.3)	12.2	(24.3)	Other Income (Expense)
Settlement charges, net	(10.5)	10.0	(10.5)	120.2	Cost of product and services sales, net
Contingent consideration milestones	—	(30.0)	(50.0)	(30.0)	Other Income (Expense)
Changes in fair value of financial instruments	4.8	(1.1)	(1.8)	(0.5)	Cost of product and services sales, net and Other Income (Expense)
Other expense (income), net items	(1.1)	6.7	(4.0)	9.8	Other Income (Expense)
Tax effect	(2.8)	22.9	(0.7)	(49.2)	
Total adjustments:	\$ 9.2	\$ (38.6)	\$ 2.4	\$ 144.6	
Adjusted net income (loss)	\$ 60.4	\$ 76.2	\$ 109.6	\$ (14.7)	
Net income (loss) per diluted share	\$ 0.91	\$ 2.06	\$ 1.89	\$ (3.03)	
Adjustments:					
Non-cash amortization charges	\$ 0.33	\$ 0.17	\$ 0.99	\$ 1.03	Amortization of IA, Other Income
Impairments	—	—	—	0.52	Impairment of long-lived assets
Severance and restructuring costs	—	0.12	(0.01)	0.44	Cost of product and services sales, net, SG&A and R&D
Inventory step-up provision	—	0.02	0.03	0.02	Cost of product and services sales, net
Acquisition and divestiture costs	—	—	—	—	SG&A
Exit and disposal costs	—	—	—	0.25	R&D
Loss (gain) on sale of business and assets held for sale	—	(1.16)	0.22	(0.46)	Other Income (Expense)
Settlement charges, net	(0.19)	0.18	(0.19)	2.29	Cost of product and services sales, net
Contingent consideration milestones	—	(0.54)	(0.88)	(0.57)	Other Income (Expense)
Changes in fair value of financial instruments	0.08	(0.02)	(0.03)	(0.01)	Cost of product and services sales, net and Other Income (Expense)

Other expense (income), net items	(0.02)	0.12	(0.07)	0.19	Other Income (Expense)
Tax effect	(0.05)	0.42	(0.02)	(0.95)	
Total adjustments:	\$ 0.15	\$ (0.69)	\$ 0.04	\$ 2.75	
Adjusted net income (loss) per diluted share	\$ 1.06	\$ 1.37	\$ 1.93	\$ (0.28)	
Diluted shares used in computing Adjusted net income (loss) per diluted share	56.5	55.6	56.7	52.6	

Emergent BioSolutions, Inc.

Reconciliation of Net Income (Loss) and Net Income (Loss) Margin to Adjusted EBITDA and Adjusted EBITDA Margin⁽¹⁾

	Three Months Ended September 30,		Nine Months Ended September 30,	
(\$ in millions)	2025	2024	2025	2024
Net income (loss)	\$ 51.2	\$ 114.8	\$ 107.2	\$ (159.3)
Adjustments:				
Depreciation & amortization	\$ 23.4	\$ 26.4	\$ 72.3	\$ 82.8
Income taxes	6.4	27.6	26.3	44.0
Total interest expense, net	13.6	7.7	41.0	54.8
Impairments	—	—	—	27.2
Inventory step-up provision	—	1.2	1.8	1.2
Changes in fair value of financial instruments	4.8	(1.1)	(1.8)	(0.5)
Severance and restructuring costs	—	6.3	(0.8)	22.9
Exit and disposal costs	—	—	—	13.3
Acquisition and divestiture costs	—	—	0.2	—
Loss (gain) on sale of business and assets held for sale	—	(64.3)	12.2	(24.3)
Settlement charges, net	(10.5)	10.0	(10.5)	120.2
Contingent consideration milestones	—	(30.0)	(50.0)	(30.0)
Other expense (income), net items	(1.1)	6.7	(4.0)	9.8
Total adjustments	\$ 36.6	\$ (9.5)	\$ 86.7	\$ 321.4
Adjusted EBITDA	\$ 87.8	\$ 105.3	\$ 193.9	\$ 162.1
Total revenues	\$ 231.1	\$ 293.8	\$ 594.2	\$ 848.9
Net income (loss) margin	22%	39%	18%	(19) %
Adjusted EBITDA margin	38%	36%	33%	19%

Emergent BioSolutions, Inc.

Reconciliations of Total Revenues to Product and Services Sales, Net and of Gross Margin and Gross Margin % to Adjusted Gross Margin and Adjusted Gross Margin %⁽¹⁾

	Three Months Ended September 30,		Nine Months Ended September 30,	
(\$ in millions)	2025	2024	2025	2024
Total revenues	\$ 231.1	\$ 293.8	\$ 594.2	\$ 848.9
Contracts and grants	9.1	10.0	32.8	24.6
Product and services sales, net	\$ 222.0	\$ 283.8	\$ 561.4	\$ 824.3
Cost of product and services sales, net	85.9	122.6	241.3	563.3
Intangible asset amortization	16.3	16.3	48.8	48.8
Gross margin	\$ 119.8	\$ 144.9	\$ 271.3	\$ 212.2
Gross margin %	54%	51%	48%	26%
Add back:				
Intangible asset amortization	\$ 16.3	\$ 16.3	\$ 48.8	\$ 48.8
Inventory step-up provision	—	1.2	1.8	1.2
Settlement charges, net	—	—	—	110.2

Restructuring costs	0.2	5.0	(0.8)	7.8
Changes in fair value of financial instruments	—	—	—	0.6
Adjusted gross margin	\$ 136.3	\$ 167.4	\$ 321.1	\$ 380.8
Adjusted gross margin %	61%	59%	57%	46%

Emergent BioSolutions, Inc.
Reconciliation of Net Income Forecast to Adjusted Net Income Forecast

<i>(\$ in millions)</i>	2025 Full Year Forecast	Source
Net income	\$60 - \$75	
Adjustments:		
Non-cash amortization charges	\$65	Amortization of IA and Other Income (Expense)
Changes in fair value of financial instruments	(2)	Other Income (Expense)
Severance and restructuring costs	(1)	Cost of products and services, net, SG&A and R&D
Inventory step-up provision	5	Cost of products and services, net
Loss (gain) on sale of business and assets held for sale	12	Other Income (Expense)
Settlement charges, net	(11)	SG&A
Contingent consideration milestones	(50)	Other Income (Expense)
Other expense (income), net items	(4)	Other Income (Expense)
Tax effect	(4)	
Total adjustments:	<u>\$10</u>	
Adjusted net income	<u><u>\$70 - \$85</u></u>	

Reconciliation of Net Income Forecast to Adjusted EBITDA Forecast

<i>(\$ in millions)</i>	2025 Full Year Forecast
Net income	\$60 - \$75
Adjustments:	
Depreciation & amortization	\$100
Income taxes	31
Total interest expense, net	55
Inventory step-up provision	5
Changes in fair value of financial instruments	(2)
Severance and restructuring costs	(1)
Loss (gain) on sale of business and assets held for sale	12
Settlement charges, net	(11)
Contingent consideration milestones	(50)
Other expense (income), net items	(4)
Total adjustments	<u>\$135</u>
Adjusted EBITDA	<u><u>\$195 - \$210</u></u>

Emergent BioSolutions, Inc.

Reconciliations of Forecasted Total Revenues to Forecasted Product and Services Sales, Net and of Forecasted Gross Margin and Gross Margin % to Forecasted Adjusted Gross Margin and Adjusted Gross Margin %⁽¹⁾

<i>(\$ in millions)</i>	2025 Full Year Forecast
Total revenues	\$775 - \$835
Contracts & Grants	<u>(35) - (35)</u>
Product and services sales, net	<u>\$740 - \$800</u>
Cost of product and services sales, net	\$359 - \$376
Intangible asset amortization	<u>60</u>
Gross margin	<u><u>\$321 - \$364</u></u>

Gross margin %	43% - 46%
Add back:	
Intangible asset amortization	\$60
Inventory step-up provision	5
Restructuring costs	(1)
Adjusted gross margin	\$385 - \$428
Adjusted gross margin %	52% - 54%



Source: Emergent BioSolutions