

## September 2019



**EBS**  
**LISTED**  
**NYSE**

# Forward-Looking Statements / Non-GAAP Financial Measures / Trademarks

## Safe-Harbor Statement

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements, other than statements of historical fact, including, without limitation, our financial guidance, statements regarding product sales, continued contract manufacturing and contracts & grants revenue as well as continued investment in discretionary funding development projects and any other statements containing the words “will,” “believes,” “expects,” “anticipates,” “intends” “plans,” “targets,” “forecasts,” “estimates” and similar expressions in conjunction with, among other things, discussions of the Company's outlook, financial performance or financial condition, financial and operation goals, strategic goals, growth strategy, product sales, government development or procurement contracts or awards, government appropriations, manufacturing capabilities, and Emergency Use Authorization (EUA) and the timing of other regulatory approvals or expenditures are forward-looking statements. These forward-looking statements are based on our current intentions, beliefs and expectations regarding future events. We cannot guarantee that any forward-looking statement will be accurate. Investors should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. Investors are, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date of this press release, and, except as required by law, we do not undertake to update any forward-looking statement to reflect new information, events or circumstances.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated by such forward-looking statements, including the availability of funding and the exercise of options under our BioThrax and AV7909 contracts; appropriations for the procurement of our products; our ability to commence deliveries of AV7909 based on BARDA's procurement for the SNS; our ability to secure EUA designation and eventual licensure of AV7909 from the FDA within the anticipated timeframe, if at all; availability of funding for our U.S. government grants and contracts; our ability to successfully integrate and develop the operations, products or product candidates, programs, and personnel of any entities, businesses or products that we acquire, including our acquisitions of PaxVax and Adapt; our ability to complete expected deliveries of BioThrax, and raxibacumab; our ability to establish a multi-year follow-on contract for ACAM2000; our ability to advance the technology transfer of raxibacumab to the Company's Bayview facility; our ability to identify and acquire or in-license products or product candidates that satisfy our selection criteria; our ability and the ability of our collaborators to defend underlying patents from infringement by generic naloxone entrants; whether anticipated synergies and benefits from an acquisition or in-license will be realized within expected time periods, if at all; our ability to utilize our manufacturing facilities and expand our capabilities; our ability and the ability of our contractors and suppliers to maintain compliance with Current Good Manufacturing Practices and other regulatory obligations; the results of regulatory inspections; the success of our ongoing and planned development programs; the timing and results of clinical trials; the timing of and our ability to obtain and maintain regulatory approvals for our product candidates; and our commercialization, marketing and manufacturing capabilities and strategy. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from our expectations in any forward-looking statement. Investors should consider this cautionary statement as well as the risk factors identified in our periodic reports filed with the Securities and Exchange Commission when evaluating our forward-looking statements.

## Non-GAAP Financial Measures

This presentation contains three financial measures (Adjusted Net Income, EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) and Adjusted EBTIDA) that are considered “non-GAAP” financial measures under applicable Securities and Exchange Commission rules and regulations. These non-GAAP financial measures should be considered supplemental to and not a substitute for financial information prepared in accordance with generally accepted accounting principles. The Company's definition of these non-GAAP measures may differ from similarly titled measures used by others. Adjusted Net Income adjusts for specified items that can be highly variable or difficult to predict, or reflect the non-cash impact of charges resulting from purchase accounting. EBITDA reflects net income excluding the impact of depreciation, amortization, interest expense and provision for income taxes. Adjusted EBITDA also excludes specified items that can be highly variable and the non-cash impact of certain purchase accounting adjustments (which are tax effected utilizing the statutory tax rate for the US). The Company views these non-GAAP financial measures as a means to facilitate management's financial and operational decision-making, including evaluation of the Company's historical operating results and comparison to competitors' operating results. These non-GAAP financial measures reflect an additional way of viewing aspects of the Company's operations that, when viewed with GAAP results and the reconciliations to the corresponding GAAP financial measure, may provide a more complete understanding of factors and trends affecting the Company's business. 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. Because non-GAAP financial measures exclude the effect of items that will increase or decrease the Company's reported results of operations, management strongly encourages investors to review the Company's consolidated financial statements and publicly filed reports in their entirety.

## Trademarks

BioThrax® (Anthrax Vaccine Adsorbed), RSDL® (Reactive Skin Decontamination Lotion Kit), BAT® [Botulism Antitoxin Heptavalent (A,B,C,D,E,F,G)-(Equine)], Anthrasil® (Anthrax Immune Globulin Intravenous [human]), VIGIV [Vaccinia Immune Globulin Intravenous (Human)], Trobigard® (atropine sulfate, obidoxime chloride), ACAM2000®, (Smallpox (Vaccinia) Vaccine, Live), raxibacumab (Anthrax Monoclonal), Vivotif® (Typhoid Vaccine Live Oral Ty21a), Vaxchora® (Cholera Vaccine, Live, Oral), NARCAN® (naloxone HCl) Nasal Spray 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.



# Who We Are

Our mission is simple –  
**To Protect and  
Enhance Life**

As a global life sciences company, Emergent is focused on providing specialty products for civilian and military populations that address accidental, deliberate and naturally occurring public health threats





19

Global  
Locations

10

Marketed  
Products

>15

Pipeline  
Products\*

4

Platform  
Technologies

Multiple  
CDMO  
Services

20  
SINCE 1998  
EMERGENT  
BIOSOLUTIONS

# Global Public Health Threats<sup>1</sup>

## CHEMICAL:

Nerve agents,  
cyanide, chlorine,  
toxic industrial chemicals

## BIOLOGICAL:

Anthrax, smallpox,  
botulism, Ebola, other  
category A threats

## RADIOLOGICAL/ NUCLEAR:

Nuclear, radiological  
agents

## EXPLOSIVE:

Trauma, burn,  
wound care

## OPIOIDS:

Addiction treatment  
Overdose response

CBRNE

Opioids

Public  
Health  
Threats

Travelers'  
Diseases

EID

## EMERGING INFECTIOUS DISEASES:

Adenovirus  
Burkholderia  
Chikungunya  
Dengue  
Gram-negative organisms  
Lassa  
Marburg  
MERS  
Multi-drug resistant pathogens  
Nipah  
Pandemic influenza  
SARS  
Zika

## TRAVELERS' DISEASES:

Cholera  
ETEC  
Hepatitis A/Hepatitis B  
Japanese encephalitis  
Malaria  
Polio  
Rabies  
Shigella  
Typhoid  
Yellow fever



# U.S. Government Commitment to the Public Health Threat Market

## Enhanced Regulatory Process

- Priority Review Vouchers
- Breakthrough Designation
- Accelerated Approval
- Fast Track
- Emergency Use Authorization
- FDA and Pentagon Breakthrough Designation Agreement

## Supportive Bi-Partisan Legislation

- Increased Labor-HHS Appropriations
- 21<sup>st</sup> Century Cures Act
- PAHPA/PAHPRA/PAHPAI
- Project BioShield Act
- PREP Act
- Safety Act
- First Responder Anthrax Preparedness Act
- National Biodefense Strategy Act

## Government Partners



# Business Unit Structure Drives Strategy Execution

## Vaccines



## Antibody Therapeutics



## Devices



## CDMO



- Focused leadership teams
- Tailored strategies and plans
- Revenue-generating products/services
- Unique development programs
- Distinctive core competencies
- Streamlined operations

Our Business

# Product Portfolio

Vaccines



Antibody  
Therapeutics



Devices



|  |   |  |  |
|--|---|--|--|
|  <p><b>ACAM2000<sup>®</sup></b><br/>(Smallpox (Vaccinia) Vaccine, Live)</p>            |  <p><b>BioThrax<sup>®</sup></b><br/>(Anthrax Vaccine Adsorbed)</p>                                   |  <p><b>Vaxchora<sup>®</sup></b><br/>(Cholera Vaccine, Live, Oral)</p>           |  <p><b>Vivotif<sup>®</sup></b><br/>(Typhoid Vaccine Live Oral Ty21a)</p>                            |
|  <p><b>Anthraxil<sup>®</sup></b><br/>[Anthrax Immune Globulin Intravenous (human)]</p> |  <p><b>BAT<sup>®</sup></b><br/>[Botulism Antitoxin Heptavalent (A, B, C, D, E, F, G) - (Equine)]</p> |  <p><b>Raxibacumab injection</b><br/>A fully human monoclonal antibody</p>      |  <p><b>VIGIV CNJ-016<sup>®</sup></b><br/>[Vaccinia Immune Globulin Intravenous (Human)] (VIGIV)</p> |
|  <p><b>NARCAN<sup>®</sup></b><br/>(naloxone HCl) Nasal Spray</p>                      |   |  <p><b>RSDL<sup>®</sup></b><br/>(Reactive Skin Decontamination Lotion Kit)</p> |  |



## Recent Key Accomplishments Supporting Base Business

### Anthrax Franchise

- ✓ 5/15/19 Secured approval to initiate shipments of AV7909, next generation anthrax vaccine, into the US SNS under existing BARDA contract
- ✓ 7/30/19 Secured exercise by BARDA of first contract option, valued at \$261M, to procure 10M doses of AV7909 over 1-year period for inclusion into the US SNS in support of anthrax preparedness

### Smallpox Franchise

- ✓ 6/3/19 Secured new 10-year, \$535M VIGIV procurement contract to supply licensed therapeutic for smallpox vaccination for placement in the US SNS in support of smallpox preparedness
- ✓ 9/3/19 Secured new 10-year, \$2B ACAM2000 procurement contract to supply licensed single-dose vaccine for placement in the US SNS in support of smallpox preparedness

# Development Pipeline | Key Programs

## Vaccines



## Antibody Therapeutics



## Devices



| Development Candidate  | Pre-Clinical      | Clinical Phase      |    |                   |
|--|-------------------|---------------------|----|-------------------|
|  |                   | I                   | II | III               |
| <b>AV7909*</b><br><i>(anthrax vaccine adsorbed with CPG 7909 adjuvant)</i>       |                   |                     |    |                   |
| <b>CHIKV-VLP</b><br><i>(Chikungunya virus VLP vaccine)</i>                       |                   |                     |    | 2020 <sup>1</sup> |
| <b>FLU-IGIV</b><br><i>(Seasonal Influenza A virus therapeutic)</i>               |                   |                     |    | 2020 <sup>1</sup> |
| <b>ZIKV-IG</b><br><i>(Zika virus therapeutic)</i>                                |                   |                     |    |                   |
| Development Candidate  | Formative Studies | Registration Trials |    |                   |
| <b>D4*</b><br><i>(2PAM/Atropine)</i>   |                   |                     |    |                   |
| <b>SIAN*</b><br><i>(Stabilized Isoamyl Nitrite)</i>                              |                   |                     |    |                   |
| <b>Trobigard®</b><br><i>(atropine sulfate, obidoxime chloride auto-injector)</i> |                   |                     |    |                   |
| <b>Naloxone Pre-Filled Syringe</b>   |                   |                     |    |                   |
| <b>Naloxone Multi-Dose Spray</b>   |                   |                     |    |                   |

\* Funding for development by US Government partners

<sup>1</sup> Target date for First Subject Enrollment

# Robust and Growing CDMO Service Business

## Marketed Services

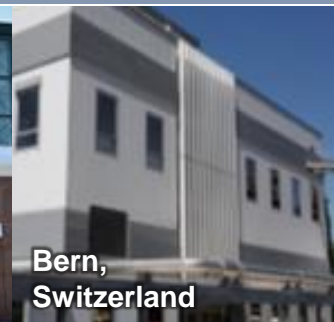
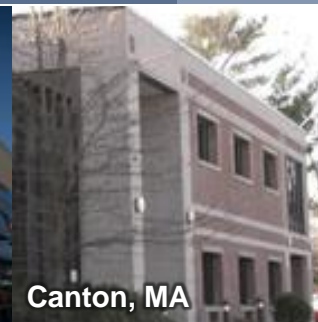
- Clinical and commercial scale
- Process development
- Analytical and laboratory services
- cGMP bulk drug substance
- cGMP final drug product
- Fill/finish + label/pack + distribution
- Bacterial + viral + mammalian
- Sporeformer/Non-sporeformer change-over
- BSL3 containment
- Stainless steel + single-use
- Regulatory + quality

## Experienced Service Provider

- Producing or supporting manufacture of **>30** commercial products
- Contributed to development, production of **>200** clinical products
- Inspected by:
  - U.S. Food and Drug Administration (FDA)
  - Health Canada
  - European Medicines Agency (EMA)
  - Medicines and Healthcare Products Regulatory Agency U.K. (MHRA)
  - Federal Ministry of Health Germany (BMGS)
  - National Health Surveillance Agency Brazil (ANVISA)
  - Pharmaceuticals and Medical Devices Agency (PMDA)
  - Gulf Cooperation Council (GCC)

## Government-Selected Solutions Provider: CIADM

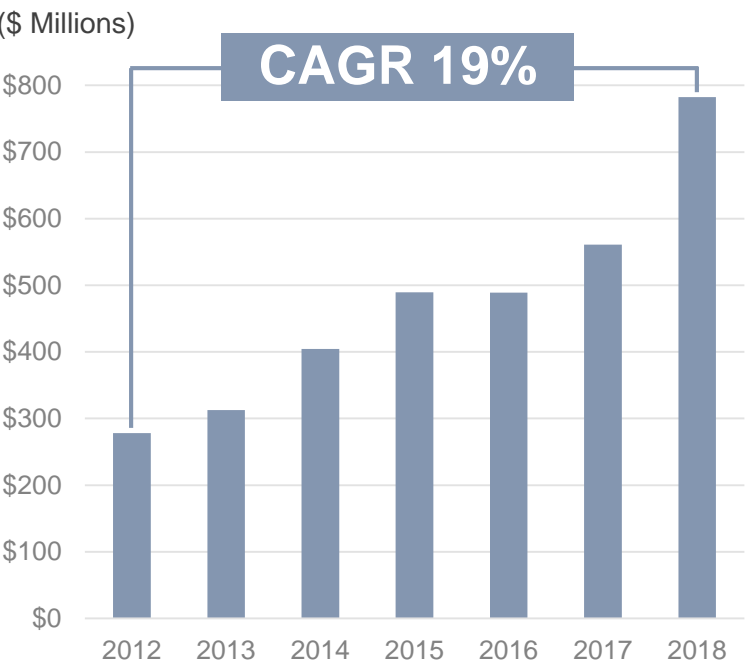
- One of three Centers for Innovation in Advanced Development and Manufacturing (CIADM) in the U.S.
- Public-private partnership with BARDA
- Surge-capacity ready, infrastructure for biologics-based MCMs
- Flexible manufacturing addresses biological threats, EIDs



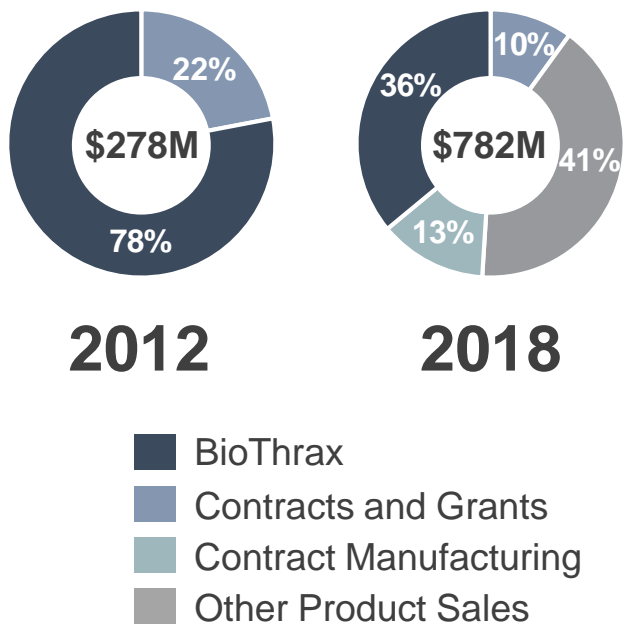


# Track Record of Profitable, Diversified Growth (2012-2018)

## Revenue Growth

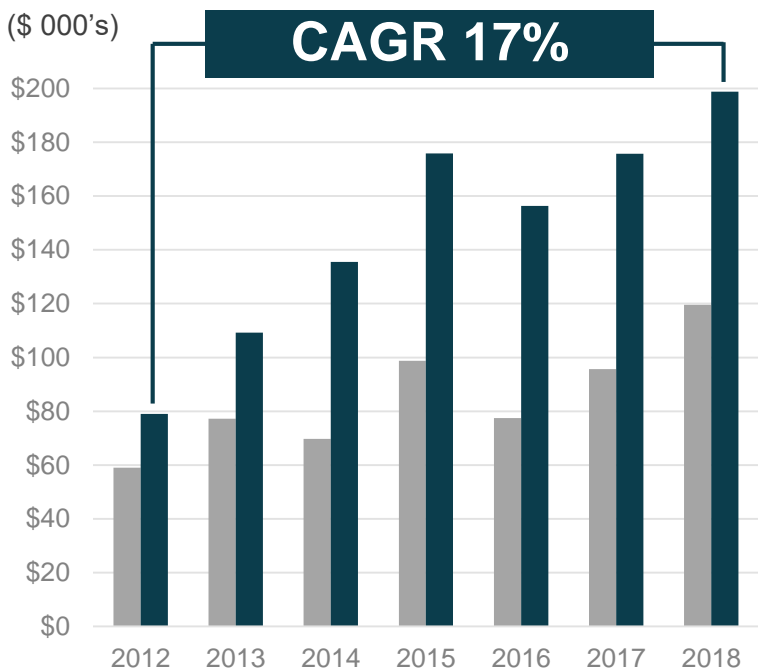


## Revenue Diversification



## Growth in Profitability

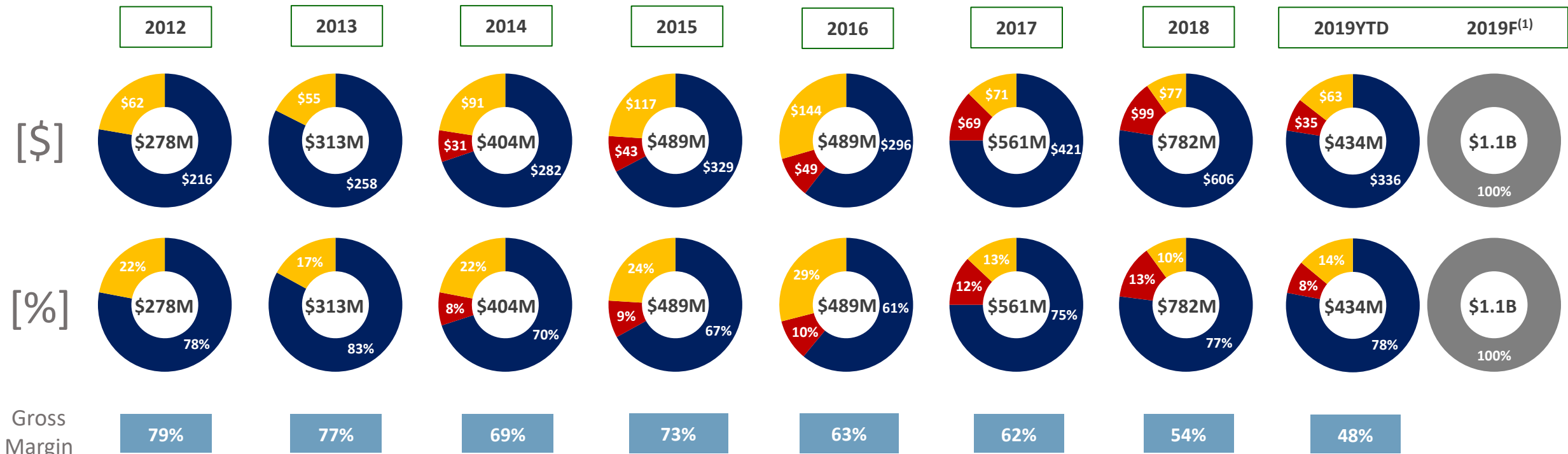
Adj. Net Income<sup>1</sup>  
Adj. EBITDA<sup>1</sup>



<sup>1</sup> See the Appendix for non-GAAP reconciliation tables.

# Revenue Diversification – Total Revenue By Type (\$/%)+ Gross Margin

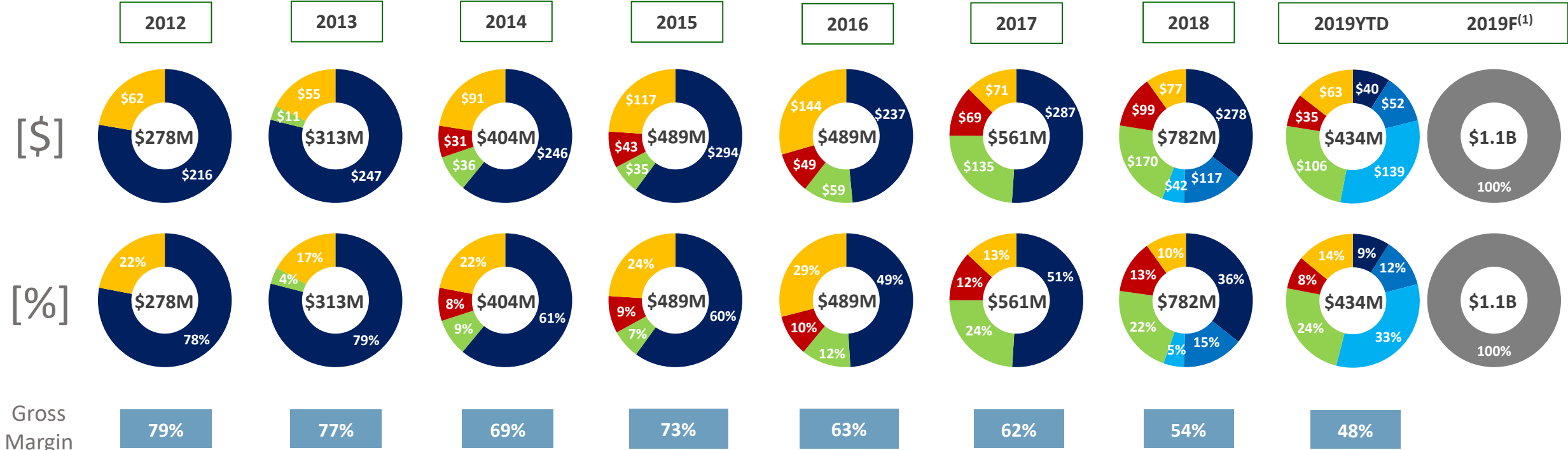
■ Product Sales  
■ Contract Manufacturing  
■ C&G



<sup>1</sup> Calculated using the mid-point of the forecast of **\$1,060 to \$1,140M**, which was reconfirmed on August 1, 2019, and is only effective as of that date.

# Revenue Diversification – Total Revenue By Type (\$/%) + Gross Margin

- BioThrax®
- ACAM2000®
- NARCAN® Nasal Spray
- Other Product Sales
- Contract Manufacturing
- C&G



<sup>1</sup> Calculated using the mid-point of the forecast of \$1,060 to \$1,140M, which was reconfirmed on August 1, 2019, and is only effective as of that date.



# Growth Drivers | Organic Business

**Vaccines**



**Near-Term Drivers**

BioThrax<sup>®</sup>/AV7909 transition, ACAM2000<sup>®</sup> domestic and international demand, travelers' vaccines expanded demand, USG contract renewals, new contracts and grants funding

**Antibody Therapeutics**



Raxibacumab deliveries, Anthrasil<sup>®</sup>, BAT<sup>®</sup> and VIG expanded demand, USG contract renewals, FLU-IGIV and ZIKV-IG progress, new contracts and grants funding

**Devices**



NARCAN<sup>®</sup> Nasal Spray sales, RSDL<sup>®</sup> domestic and international demand, auto-injector platform expansion, new contracts and grants funding

**CDMO**



Capacity expansion, capability build, leverage vertically integrated supply chain

**Long-Term Drivers**

- Platform technologies
- International markets
- Dual-market products
- Priority Review Vouchers
- New Contracts and Grants funding (USG, NGO)
- Novel regulatory pathways (EUA, fast track and breakthrough)
- Expanded manufacturing technology and service offerings

# Growth Drivers | Mergers & Acquisitions

## Vaccines



|  |   |   |   |
|--|---|---|---|
|  2018<br>Company  |  2017<br>Business/Product |  2015<br>Product |  2014<br>Product |
| <b>PaxVax</b><br>Multiple revenue-generating products; travelers' commercial sales infrastructure, commercial sales, manufacturing sites | <b>ACAM2000® Vaccine Business</b><br>Smallpox vaccine business, manufacturing sites                         | <b>Iminosugar</b><br>Series of small molecules  | <b>EV-035</b><br>Family of broad-spectrum antimicrobials  |

## Antibody Therapeutics



|   |   |
|---|---|
|  2017<br>Product |  2014<br>Product      |
| <b>Raxibacumab</b><br>Anthrax monoclonal antibody   | <b>Cangene Corporation</b><br>Multiple revenue-generating products; manufacturing and fill/finish sites |

## Devices



|  |   |  |
|--|---|--|
|  2018<br>Company  |  2015<br>Platform |  2013<br>Division/Product         |
| <b>Adapt Pharma</b><br>First and only FDA approved nasal (non-needle) form of naloxone for opioid overdose (drug/device combination), development pipeline | <b>Auto-Injector Platform</b><br>Military-grade auto-injector platform                              | <b>HPPD</b><br>RSDL drug-device combination for neutralization or decontamination of chemical warfare agents on skin |

## Key M&A Considerations

- Revenue-generating/accretive opportunities
- Dual-market products
- Commercial products that leverage core capabilities
- R&D investing leveraging internal funds
- External funds from governments, NGOs and other partners

## 2019 Financial and Operational Goals

| Full Year Financial Goals <sup>1</sup>                        |                                    | Operational Goals   |
|---|------------------------------------|---|
| Total Revenue   | <b>\$1,060M-\$1,140M</b>           | <ul style="list-style-type: none"> <li>✓ Secure EUA approval for AV7909                             <ul style="list-style-type: none"> <li>▪ Complete deliveries of AV7909 under existing BARDA contract</li> </ul> </li> <li>✓ Secure new multi-year ACAM2000<sup>®</sup> procurement contract to enable continuous deliveries to Strategic National Stockpile                             <ul style="list-style-type: none"> <li>▪ Secure new multi-year raxibacumab procurement contract to enable continuous deliveries to Strategic National Stockpile</li> <li>▪ Continue programs to support awareness, availability and affordability of NARCAN<sup>®</sup> Nasal Spray 4 mg</li> <li>▪ Progress 3 products into phase 3 or beyond</li> </ul> </li> </ul> |
| Adjusted Net Income <sup>2</sup><br><i>Margin<sup>3</sup></i> | <b>\$150M-\$180M</b><br><b>15%</b> |   |
| Adjusted EBITDA <sup>2</sup><br><i>Margin<sup>3</sup></i>     | <b>\$280M-\$310M</b><br><b>27%</b> |   |

<sup>1</sup> The financial forecast for 2019 shown in this presentation is only effective as of August 1, 2019, the date it was originally provided. Please see the appendix for non-GAAP reconciliation tables.

<sup>2</sup> See the Appendix for non-GAAP reconciliation tables.

<sup>3</sup> Assumes the midpoint of the forecasted range for each of the relevant inputs supporting this calculation.



# Staged Approach to Growth

## Stage 1

### Build

2012-2015

## Stage 2

### Diversify

2016-2020

## Stage 3

### Accelerate

2020-2024

### Vision

#### Protecting and Enhancing Life

- Expand in attractive Biodefense market
- Diversify into specialty markets

- Diversify portfolio with 10+ products, CMO Services
- Add 6 advanced pipeline programs (3+ dual-market)

#### Living Our Values

- Enhance focus on corporate culture
- Strengthen talent of senior leadership

- Strengthen ownership/ accountability at all levels
- Create an environment of well-being
- Foster principled SLT leadership

#### Driving Innovation

- Drive organic revenue growth
- Acquire revenue-generating assets

- Increase manufacturing strength
- Focus on USG contracts
- Grow through acquisition

#### Fortune 500 Company

- Focus on externally funded R&D
- Achieve >\$500M revenue
- Attain >15% CAGR NI margin
- Add 3 marketed products

- Achieve > \$1B rev, ≥ 10% int'l
- Attain >14% net income margin

Work in Progress

- Market dozens of products + services
- Cement OIC, BIC reputation
- Realize worldwide impact

- Show world class Leadership
- Foster Diversity at all levels
- Win recognition as best place to work

- Nurture cutting edge science
- Apply novel technologies

- Realize attractive profit margins
- Establish global footprint

# Experienced Leadership Team to Execute Strategy



**Robert G.  
Kramer, Sr.**

President and Chief  
Executive Officer

**19 Years with Emergent**

Previous Companies

- Pharmacia Corp.
- Upjohn Company
- Pfizer Inc.



**Adam R.  
Havey**

Executive Vice President,  
Business Operations

**16 Years with Emergent**

Previous Companies

- Eli Lilly
- QuestOne
- International Paper



**Sean M.  
Kirk**

Executive Vice President,  
Manufacturing and  
Technical Operations

**16 Years with Emergent**

Previous Companies

- Merial



**Richard S.  
Lindahl**

Executive Vice President,  
Chief Financial Officer and  
Treasurer

**1 Year with Emergent**

Previous Companies

- CEB Inc.
- Sprint Nextel Corp.
- Nextel Comms., Inc.
- MCI Comms. Corp.
- Deloitte & Touche LLP



**Atul  
Saran**

Executive Vice President,  
Corporate Development,  
and General Counsel

**2 Years with Emergent**

Previous Companies

- MacroGenics
- AstraZeneca and  
MedImmune
- Hogan Lovells



**Katherine  
Strei**

Executive Vice President,  
Chief Human Resources  
Officer

**3 Years with Emergent**

Previous Companies

- AstraZeneca and  
MedImmune
- Fannie Mae
- ManorCare Health  
Services

# Key Takeaways

## We will continue to

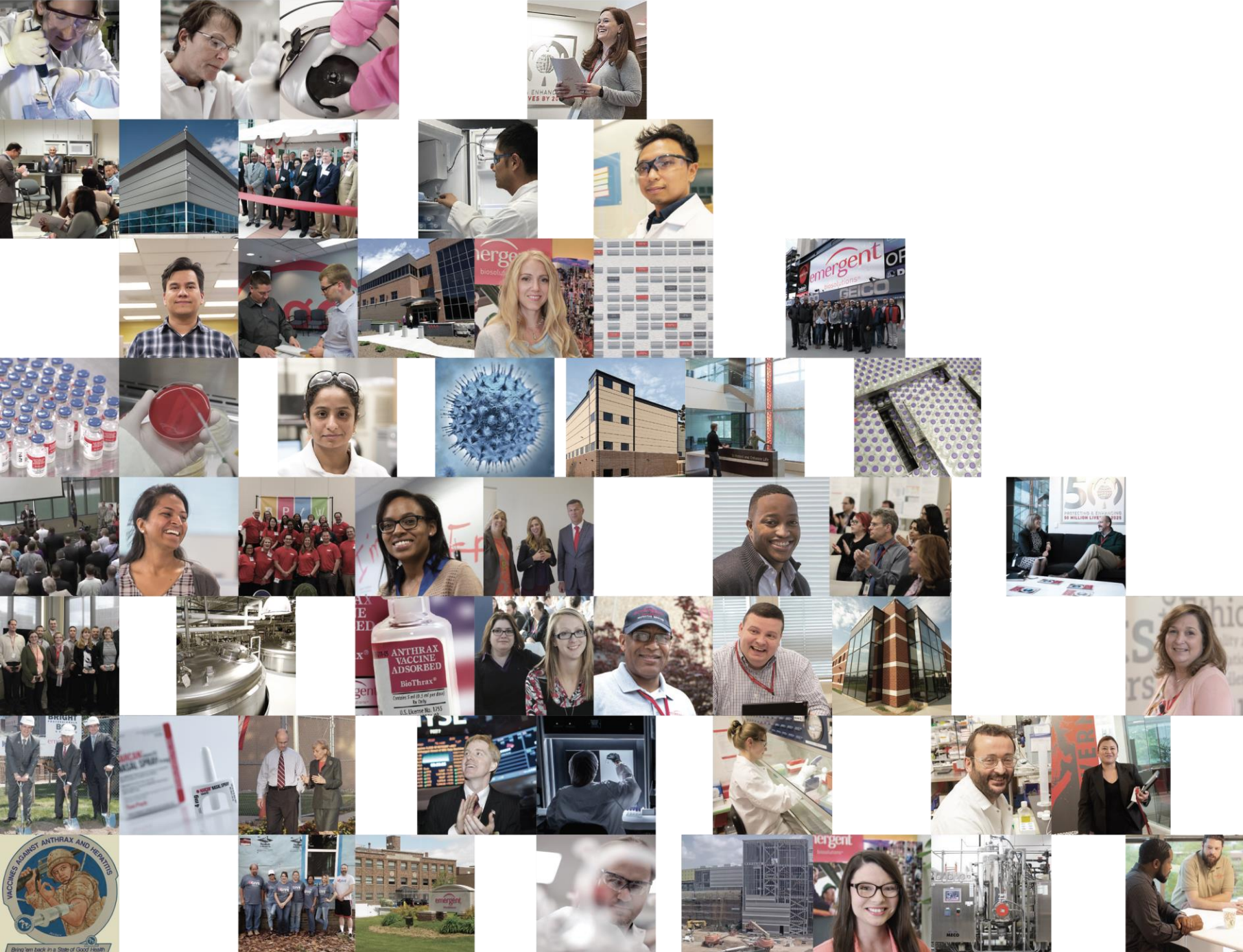
- **Expand leadership position in select public health markets**
  - Leverage broadened product portfolio and extend into new and adjacent markets
  - Capture dual-market and commercial product opportunities
  - Further develop pipeline
  - Complement organic growth with acquisitions
- **Drive material top- and bottom-line growth in 2019**
  - Revenue > \$1 billion, an increase of over 40% versus 2018
  - Adjusted Net Income growth ~ 40%
- **Leverage strong organizational culture and focused operational execution to continue to drive shareholder value**

## Vision for the Future

Fortune 500 global life sciences company recognized for protecting and enhancing life, driving innovation and living our values







# APPENDIX



# Glossary of Terms

| Term   | Definition  |
|--------|---|
| ANVISA | National Health Surveillance Agency Brazil  |
| BARDA  | Biomedical Advanced Research and Development Authority  |
| BMGS   | Federal Ministry of Health Germany  |
| BSL3   | A biosafety level of biocontainment precautions required to isolate dangerous agents in an enclosed laboratory facility |
| CAGR   | Compound annual growth rate   |
| CBRNE  | Chemical, Biological, Radiological, Nuclear, and Explosives   |
| CDC    | Centers for Disease Control and Prevention  |
| CDMO   | Contract development and manufacturing organization   |
| CEPI   | Coalition for Epidemic Preparedness Innovations   |
| cGMP   | Certified Good Manufacturing Practices  |
| DHS    | U.S. Department of Homeland Security  |
| DoD    | U.S. Department of Defense  |
| DOS    | U.S. Department of State  |
| DTRA   | U.S. Defense Threat Reduction Agency  |
| EBITDA | Earnings before interest, tax, depreciation and amortization  |
| EID    | Emerging Infectious Disease   |



# Glossary of Terms

| Term | Definition   |
|------|--|
| EMA  | European Medicines Agency                                |
| EUA  | Emergency Use Authorization                              |
| FDA  | U.S. Food and Drug Administration                        |
| GAAP | U.S. Generally Accepted Accounting Principles            |
| HHS  | U.S. Department of Health and Human Services             |
| M&A  | Mergers and acquisitions                                 |
| MCS  | Medical Countermeasure Systems                           |
| MCMs | Medical countermeasures                                  |
| MHRA | Medicines and Healthcare Products Regulatory Agency U.K. |
| MRMC | Medical Research and Materiel Command                    |
| NGOs | Non-governmental organizations                           |
| PMDA | Pharmaceuticals and Medical Devices Agency               |
| SwRI | Southwest Research Institute                             |
| USG  | United States Government                                 |

# Reconciliation: Net Income to Adjusted Net Income – 2012 to 2019F

| <i>(in millions, except per share value)</i>            | Year ended December 31,         |                 |                |                |                |                |                |                | Source                     |
|---|---------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|
|   | 2019<br>(Forecast)              | 2018            | 2017           | 2016           | 2015           | 2014           | 2013           | 2012           |                            |
| <b>Net Income</b>                                       | <b>\$ 80.0 to<br/>\$110.0</b>   | <b>\$ 62.7</b>  | <b>\$ 82.6</b> | <b>\$ 62.5</b> | <b>\$ 91.4</b> | <b>\$ 54.3</b> | <b>\$ 71.2</b> | <b>\$ 58.2</b> | <b>NA</b>                  |
| Adjustments:  |                                 |                 |                |                |                |                |                |                |                            |
| + Acquisition-related costs (transaction & integration) | 14.0                            | 27.3            | 5.6            | 1.7            | 2.1            | 8.1            | 4.6            | 1.3            | SG&A                       |
| + Non-cash amortization charges                         | 64.0                            | 25.9            | 10.3           | 8.4            | 8.9            | 8.4            | 2.0            | --             | IA Amort.,<br>Other Income |
| + Write off of syndicated loans                         | --                              | --              | --             | --             | --             | 1.8            | --             | --             | SG&A                       |
| + Impact of purchase accounting on inventory step-up    | 7.0                             | 18.4            | 2.6            | 1.1            | 0.3            | 3.0            | --             | --             | COGS                       |
| + Exit and disposal costs                               | 4.0                             | 0.4             | 1.5            | 11.7           | --             | 2.6            | 2.8            | --             | SG&A                       |
| Tax effect  | (19.0)                          | (15.1)          | (7.0)          | (8.0)          | (4.0)          | (8.4)          | (3.3)          | (0.5)          | NA                         |
| <b>Total Adjustments</b>                                | <b>70.0</b>                     | <b>56.9</b>     | <b>13.1</b>    | <b>15.0</b>    | <b>7.4</b>     | <b>15.5</b>    | <b>6.1</b>     | <b>0.8</b>     | <b>NA</b>                  |
| <b>Adjusted Net Income</b>                              | <b>\$ 150.0 to<br/>\$ 180.0</b> | <b>\$ 119.6</b> | <b>\$ 95.7</b> | <b>\$ 77.5</b> | <b>\$ 98.8</b> | <b>\$ 69.8</b> | <b>\$ 77.3</b> | <b>\$ 59.0</b> | <b>NA</b>                  |

# Reconciliation: Net Income to EBITDA and Adjusted EBITDA – 2012 to 2019F

| (in millions, except per share value)                | Year ended December 31, |             |             |             |             |             |             |             |
|--|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | 2019<br>(Forecast)      | 2018        | 2017        | 2016        | 2015        | 2014        | 2013        | 2012        |
| Net Income   | \$ 80.0 to<br>\$ 110.0  | \$ 62.7     | \$ 82.6     | \$ 62.5     | \$ 91.4     | \$ 54.3     | \$ 71.2     | \$ 58.2     |
| Adjustments:   |                         |             |             |             |             |             |             |             |
| + Depreciation and amortization                      | 106.0                   | 61.3        | 40.8        | 34.9        | 31.2        | 29.4        | 18.3        | 9.7         |
| + Provision for income taxes                         | 30.0                    | 18.8        | 36.0        | 36.7        | 44.3        | 29.9        | 12.3        | 9.8         |
| + Total interest expense                             | 39.0                    | 9.9         | 6.6         | 7.6         | 6.5         | 8.2         | --          | --          |
| <b>Total Adjustments</b>                             | <b>175.0</b>            | <b>90.0</b> | <b>83.4</b> | <b>79.2</b> | <b>82.0</b> | <b>67.5</b> | <b>30.6</b> | <b>19.5</b> |
| EBITDA   | \$ 255.0 to<br>\$ 285.0 | \$ 152.7    | \$ 166.0    | \$ 141.7    | \$ 173.4    | \$ 121.8    | \$ 101.8    | \$ 77.7     |
| Additional Adjustments:                              |                         |             |             |             |             |             |             |             |
| + Acquisition-related costs                          | 14.0                    | 27.3        | 5.6         | 1.7         | 2.1         | 8.1         | 4.6         | 1.3         |
| + Exit and disposal costs                            | 4.0                     | 0.4         | 1.5         | 11.7        | --          | 2.6         | 2.8         | --          |
| + Impact of purchase accounting on inventory step-up | 7.0                     | 18.4        | 2.6         | 1.1         | 0.3         | 3.0         | --          | --          |
| <b>Total Additional Adjustments</b>                  | <b>25.0</b>             | <b>46.1</b> | <b>9.7</b>  | <b>14.6</b> | <b>2.4</b>  | <b>13.7</b> | <b>7.4</b>  | <b>1.3</b>  |
| Adjusted EBITDA                                      | \$ 280.0 to<br>\$ 310.0 | \$ 198.8    | \$ 175.7    | \$ 156.3    | \$ 175.8    | \$ 135.5    | \$ 109.2    | \$ 79.0     |