



Fourth Quarter and Year End 2016 Earnings

February 21, 2017

Forward-Looking Statements

This presentation and oral statements made by the Company may contain forward-looking statements. The statements include all estimates and forecasts for full year 2017 and statements regarding, among other things, the expected financial impact and synergies of our acquired businesses. The words “outlook”, “guidance”, “anticipates”, “believes”, “expects”, “may”, “plans”, “predicts”, “will”, “potential”, “goal”, “target”, and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Readers should not place undue reliance on these forward-looking statements, as they involve a number of risks and uncertainties, including those discussed in the press release issued today and in the Company’s filings with the Securities and Exchange Commission. The financial guidance offered by the Company with respect to 2017 represents a point-in-time estimate and is based on information as of the date of this presentation. The Company has made numerous assumptions in providing this guidance which, while believed to be reasonable, may not prove to be accurate. Numerous factors could cause actual results to differ materially from any future performance suggested herein. The Company undertakes no obligation to release publicly the results of any revisions to these forward-looking statements to reflect events or circumstances arising after the date hereof.

Non-GAAP Financial Measures

To supplement our financial results prepared in accordance with U.S. GAAP, we have presented non-GAAP measures of contract gross profit, contract gross margin, gross profit, gross margin, net income, and earnings per diluted share, adjusted to exclude certain charges (and gains when applicable) that relate to specific events or transactions, such as impairment charges, restructuring charges, executive transition costs, business acquisition costs, realized and unrealized gains and losses on foreign currency transactions related to business acquisitions, non-recurring professional fees, ERP implementation costs, insurance recoveries on business interruption events, and gains on sales of facilities in the 2016 and 2015 periods presented. Management typically excludes these amounts when evaluating our operating performance and believes that the resulting non-GAAP measures provide investors with a consistent basis for comparison across periods and, therefore, are useful to investors in assessing our operating performance.

Our U.S. GAAP measures are also adjusted to exclude certain non-cash charges (and gains when applicable) such as non-cash debt interest and amortization charges, share-based compensation expense, acquisition accounting inventory adjustments, and acquisition accounting depreciation and amortization for the periods presented for 2016 and 2015. Management typically excludes the amounts described above when evaluating our operating performance and believes that the resulting non-GAAP measures are useful to investors in assessing our operating performance.

We have also presented the non-GAAP measure of adjusted EBITDA, which in addition to the items excluded above, further excludes the impact of interest income and expense, depreciation and amortization expense, and income tax expense or benefit.

We believe presentation of our non-GAAP measures enhances an overall understanding of our historical financial performance because we believe these measures are an indication of the performance of our base business. Management uses these non-GAAP measures as a basis for evaluating our financial performance as well as for budgeting and forecasting of future periods. For these reasons, we believe they can be useful to investors. The presentation of this additional information should not be considered in isolation or as a substitute for the related GAAP measures. Reconciliations of these non-GAAP measures to the most directly comparable GAAP financial measures are set forth in the appendix.

A reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP reported financial measures has been included in the appendix.

2016 Highlights

- Strengthened our service offerings in complex science through key acquisitions and organic initiatives
- Expanded global footprint to 3,100 employees worldwide
- Increased capacity to address the growing trend in outsourcing
- Achieved scale, positioning AMRI as a partner of choice to pharmaceutical and biotechnology companies

4Q Financial Highlights*

(\$ millions)	4Q 2016 GAAP	4Q 2016 Non-GAAP	4Q 2015 GAAP	4Q 2015 Non-GAAP	Δ PY % GAAP	Δ PY % Non-GAAP
Contract revenue	189.5		123.0		54%	
Recurring Royalty Revenue	1.8		3.4		(46%)	
Total Revenue	191.3		126.4		51%	
Contract Margin	20%	30%	25%	30%	(5 PPT)	0 PPT
R&D Expense	4.8	5.0	2.7	2.2	78%	138%
SG&A	32.3	24.8	22.2	16.3	46%	52%
% of Contract Revenue	17%	13%	18%	13%	(1 PPT)	0 PPT
Adjusted EBITDA		36.7		26.7		38%
% of Revenue		19%		21%		(2 PPT)
Diluted EPS	(0.37)	0.34	0.05	0.40	NM	(15%)

*Please refer to tables at the end of the presentation for a reconciliation of non-GAAP items.

FY 2016 Financial Highlights*

<i>(\$ millions)</i>	FY 2016 GAAP	FY 2016 Non-GAAP	FY 2015 GAAP	FY 2015 Non-GAAP	Δ PY % GAAP	Δ PY % Non-GAAP
Contract revenue	560.4		384.7		46%	
Recurring Royalty Revenue	10.0		17.6		(43%)	
Total Revenue	570.5		402.3		42%	
Contract Margin	22%	30%	23%	26%	(1 PPT)	4 PPT
R&D Expense	16.3	16.1	5.5	6.0	198%	49%
SG&A	122.1	86.2	77.4	58.5	58%	47%
<i>% of Contract Revenue</i>	22%	15%	20%	15%	2 PPT	0 PPT
Adjusted EBITDA		102.0		75.2		36%
<i>% of Revenue</i>		18%		19%		(1 PPT)
Diluted EPS	(1.83)	0.95	(0.07)	0.96	(2514%)	(1%)

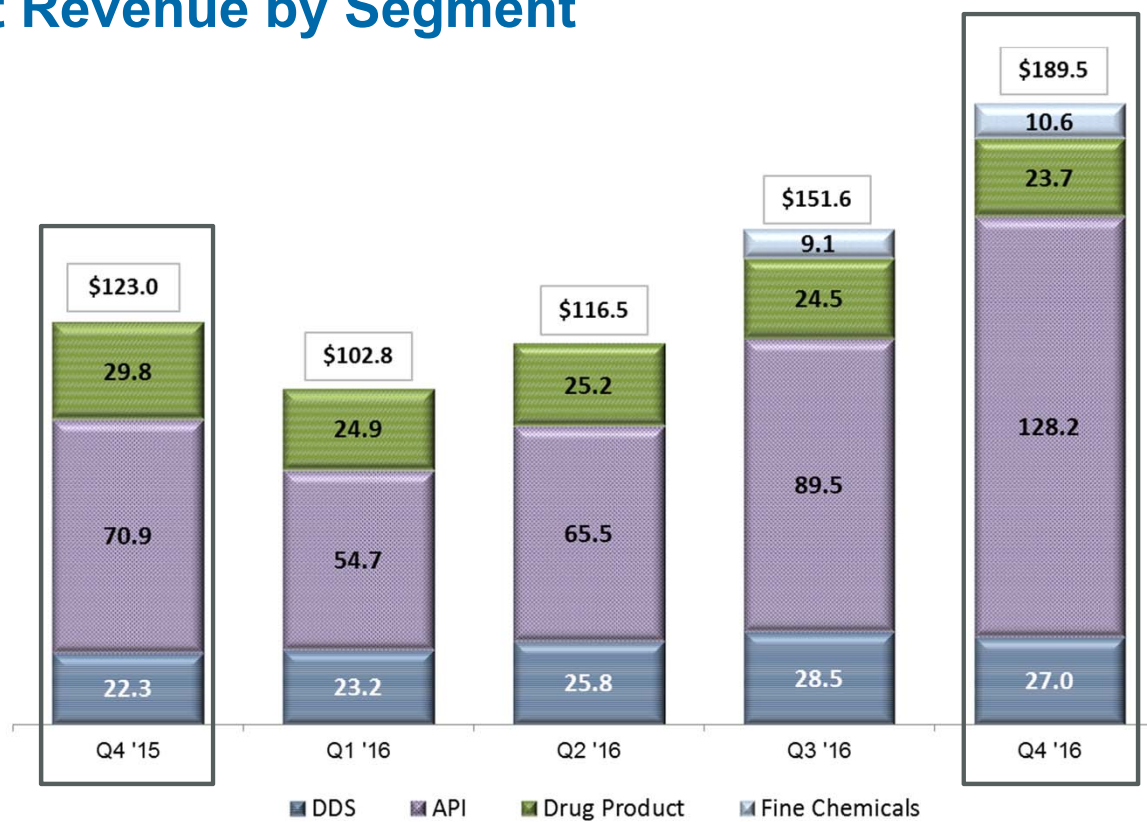
*Please refer to tables at the end of the presentation for a reconciliation of non-GAAP items.

4Q 2016 Highlights

- API - Capital improvements at Rensselaer site not completed on time; operational output below expectations
- Drug Product - Customer supplied materials with impurity or formulation issues, created manufacturing productivity challenges
- First co-development product, nitroprusside, approved and launched
- New co-development agreement with Ferrer and Accord
- Strong non-GAAP contract margins at 30%*
- Operating expenses lower than forecast; acquisition synergies partially offset lower revenue
- Adjusted EBITDA up 38% vs 4Q 2015*
- Adjusted EBITDA margins at 19% exiting 2016*

**Please refer to the appendix and 4th quarter/full year 2016 earnings press release for a reconciliation of non-GAAP items*

2016 Contract Revenue by Segment



- Acquisitions contributed \$82.2M in revenue vs. PY (\$81.6M Euticals, \$0.6M Whitehouse Labs)

Discovery and Development Services (DDS) Performance

(\$ in millions)	Q4 2016	Q4 2015	% Change Y/Y	FY 2016	FY 2015	% Change Y/Y
DDS Contract Revenue	\$26.9	\$22.3	21%	\$104.5	\$83.1	26%
Contract Gross Profit	\$10.3	\$6.3	65%	\$34.0	\$21.9	56%
Contract Gross Margin	38%	28%	10 PPT	33%	26%	7 PPT
Non-GAAP Contract Gross Profit	\$10.5	\$6.7	55%	\$35.7	\$23.5	52%
Non-GAAP Contract Gross Margin	39%	30%	9 PPT	34%	28%	6 PPT

Financial

- Discovery revenue: \$11.0M
- Development and small scale revenue: \$6.2M
- Analytical revenue: \$9.8M

Commercial

- Launched extractable and leachable testing service
- Compound Library Consortium in India providing growth
- New integrated discovery projects in Buffalo; strategic alliance with Bruker and High Res Biosciences for high throughput MALDI mass spec

*Please refer to the appendix and 4th quarter/full year 2016 earnings press release for a reconciliation of non-GAAP items



Active Pharmaceutical Ingredients (API) Performance

(\$ in millions)	Q4 2016	Q4 2015	% Change Y/Y	FY 2016	FY 2015	% Change Y/Y
API Royalty Revenue	\$1.2	\$3.4	(63%)	\$9.4	\$12.1	(22%)
API Contract Revenue	\$128.1	\$70.9	81%	\$337.8	\$204.9	65%
API Total Revenue	\$129.4	\$74.2	74%	\$347.2	\$216.9	60%
Contract Gross Profit	\$20.5	\$16.6	23%	\$65.0	\$50.2	29%
Contract Gross Margin	16%	24%	(8 PPT)	19%	25%	(6 PPT)
Non-GAAP Contract Gross Profit	\$40.0	\$21.7	84%	\$91.5	\$59.2	55%
Non-GAAP Contract Gross Margin	32%	31%	(1 PPT)	27%	29%	(2 PPT)

Financial

- Acquisitions contributed \$69M million to API revenue in 4Q; \$186M for FY 2016
- API demand very strong; backlog at Rensselaer up \$30M vs. 2015
- Capital improvements at Rensselaer site not completed on time; operational output at site below expectations

Commercial

- Product transfers from Holywell, UK to scale up in 2017
- Expected synergies to contribute to API performance in 2017
- 240 commercial APIs; 31 generic APIs and 31 late-stage innovator APIs

*Please refer to the appendix and 4th quarter/full year 2016 earnings press release for a reconciliation of non-GAAP items



Drug Product (DP) Performance

(\$ in millions)	Q4 2016	Q4 2015	% Change Y/Y	FY 2016	FY 2015	% Change Y/Y
DP Royalty Revenue	\$0.6	\$0.0		\$0.6	\$0.0	
DP Contract Revenue	\$23.7	\$29.8	(21%)	\$98.4	\$96.8	2%
DP Total Revenue	\$24.3	\$29.8	(18%)	\$99.0	\$96.8	2%
Contract Gross Profit	\$4.1	\$7.6	(47%)	\$22.0	\$17.1	29%
Contract Gross Margin	18%	26%	(8 PPT)	22%	18%	4 PPT
Non-GAAP Contract Gross Profit	\$4.2	\$7.9	(47%)	\$22.7	\$16.6	36%
Non-GAAP Contract Gross Margin	18%	27%	(9 PPT)	23%	17%	6 PPT

Key Points

- Began receiving profit sharing revenue on sales of nitroprusside, our first commercialized co-development product
- Glasgow, UK site continues to outperform on early stage programs
- 10 New customers in the fourth quarter
- Customer supplied materials with impurity or formulation issues, created manufacturing productivity challenges



Fine Chemicals (FC) Performance

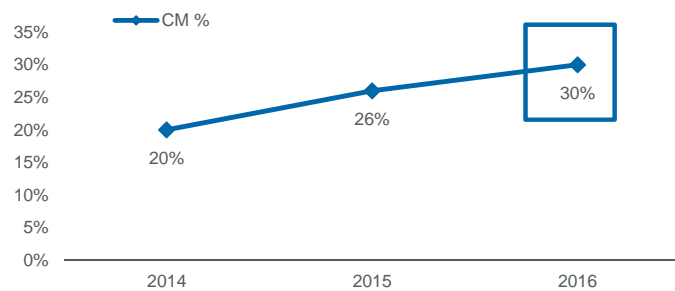
(\$ in millions)	Q4 2016	Q4 2015	FY 2016	FY 2015
FC Contract Revenue	\$10.6	N/A	\$19.7	N/A
Contract Gross Profit	\$2.0	N/A	\$1.7	N/A
Contract Gross Margin	19%	N/A	9%	N/A
Non-GAAP Contract Gross Profit	\$2.6	N/A	\$2.3	N/A
Non-GAAP Contract Gross Margin	24%	N/A	12%	N/A

Key Points

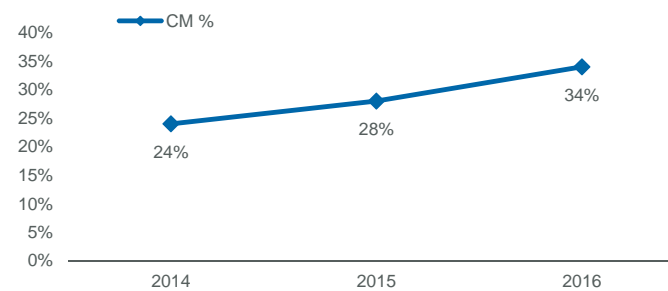
- Fine Chemicals (FC) is a new reporting segment for AMRI resulting from the acquisition of Euticals
- Non-GAAP contract gross profit and margin reflect the impact of acquisition accounting adjustments associated with the acquisition of Euticals

Non-GAAP Contract Margins – FY14 – FY16

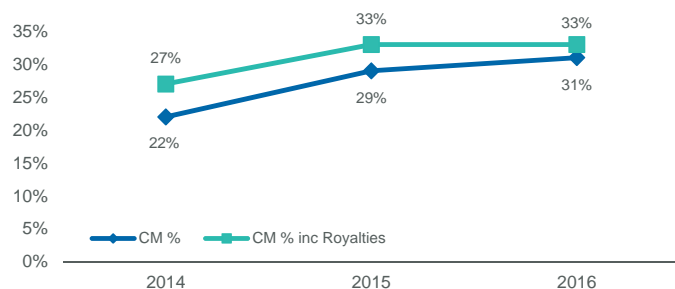
Total AMRI



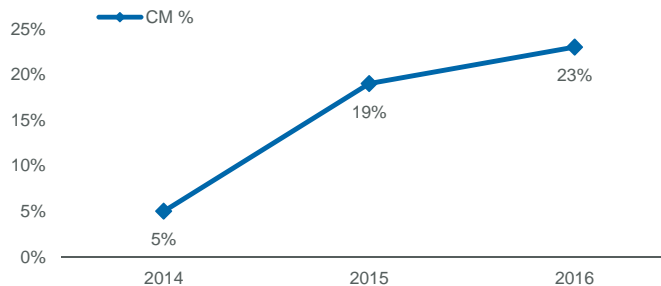
DDS



API



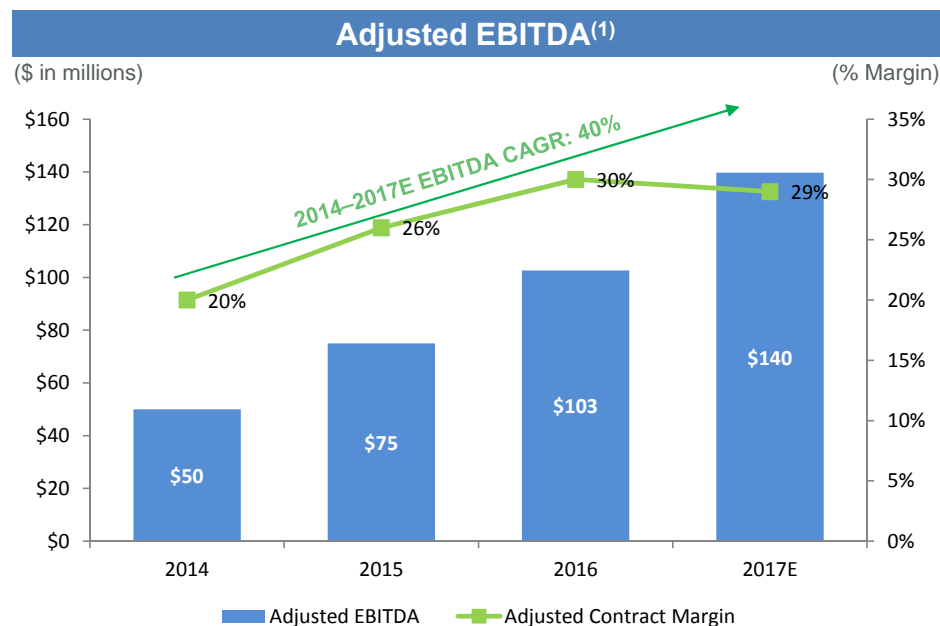
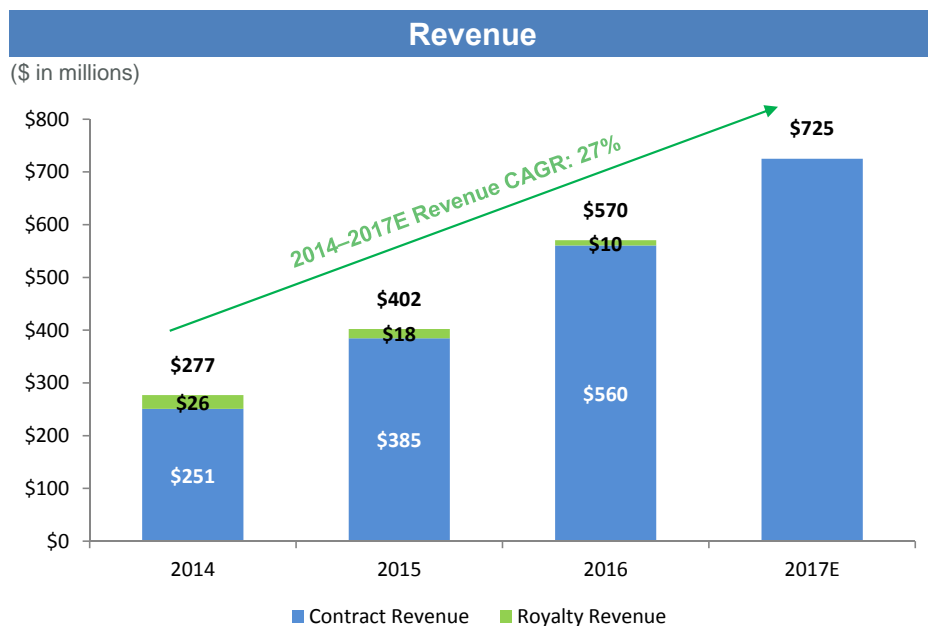
Drug Product



Fine Chemicals FY16 Non-GAAP Contract Margin: 25%



AMRI Revenue and EBITDA Trends



2017E represents midpoint of guidance as of 2/21/17.

(1) 2014 based upon reported Adj. EBITDA plus add-back for non-cash stock-based compensation.



2017 Financial Forecast⁽³⁾

(\$ millions)	2017 Forecast	2016 Proforma Actuals ⁽¹⁾	V PY %
Total Revenue	710 - 740	684	7%
DDS Contract revenue growth, organic			12%
API Contract revenue growth, organic			8%
DP Contract revenue growth, organic			8%
FC Contract revenue growth, organic			(28%)
Non-GAAP Contract Margin ⁽³⁾	~29%	30%	~(1) ppt
Non-GAAP R&D Expense ⁽³⁾	~2%	~3.5%	~(1.5) ppt
Non-GAAP SG&A Expense as a % of Revenue ⁽³⁾	~15%	~15%	~ ppt
Adjusted EBITDA ⁽³⁾	135 to 145	108	30%
Adjusted EBITDA% ⁽³⁾	19% to 20%	16%	3 pts
Non-GAAP Diluted EPS ^{(2) (3)}	1.08 – 1.20	1.02	12%
Capital Expenditures	35 to 40	55	(36)%
Cash Interest Expense ⁽⁴⁾	30	30	~%

(1) Proforma includes a full year of Euticals for 2016.

(2) Assumes tax rate of approximately 28% and 44 million shares outstanding.

(3) Please refer to the appendix and 4th quarter/full year 2016 earnings press release for a reconciliation of non-GAAP items.

(4) Cash Interest Expense is non-proforma.



A Clear Path to Becoming a Top 5 Global CDMO -- Future Drivers of AMRI's Continued Growth



Outsourcing for API and drug product manufacturing **still in its infancy**



43 Phase 3 programs fuel pipeline for commercial contracts



12 co-development deals with partners create \$150-200M in royalty opportunity through 2020



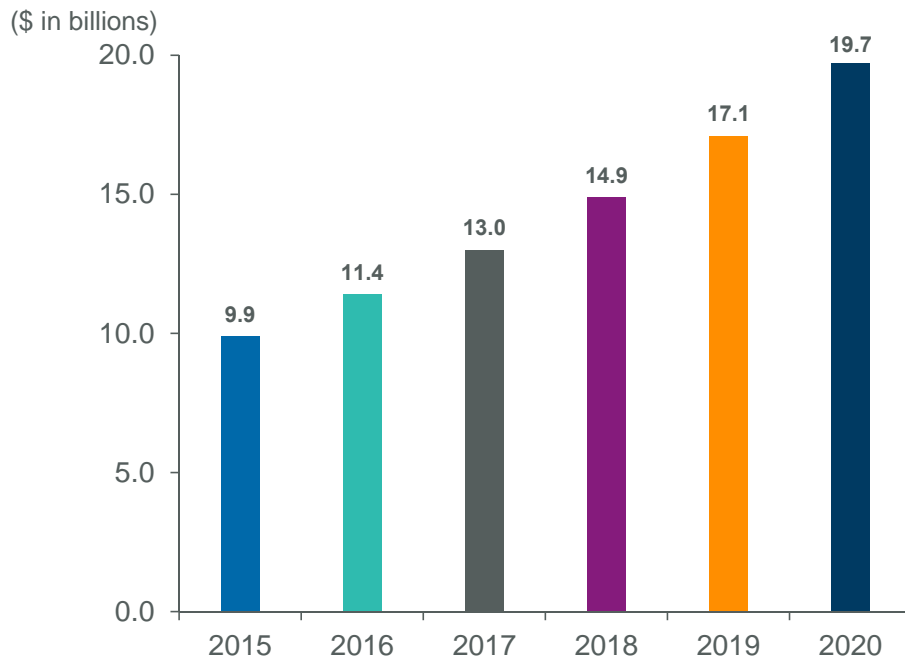
M&A strategy focused on expanding capabilities in complex science



Targeting \$1B in revenues in 2018

Positioned to Capitalize on Market Trends

High Potency API Global Revenue Projected to Double from 2015-2020



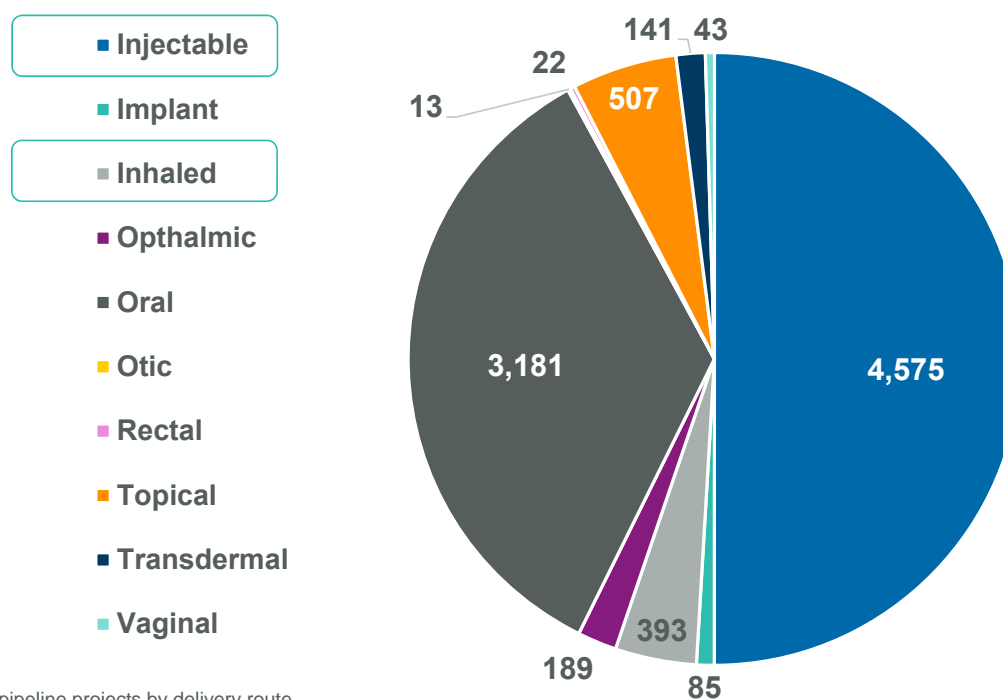
Euticals Acquisition Elevates AMRI to a Top Player in API

- Large portfolio of niche, high barrier to entry APIs
- Expanded global footprint
- Diversified global customer base
- Expanded capabilities in complex science

Source: Grand View Research, "High Potency Active Pharmaceutical Ingredients (HPAPI) Market Worth \$25.86 Billion by 2022" (Summary) – Oct 2015

Pipelines Focused On Our Strengths in Complex Science

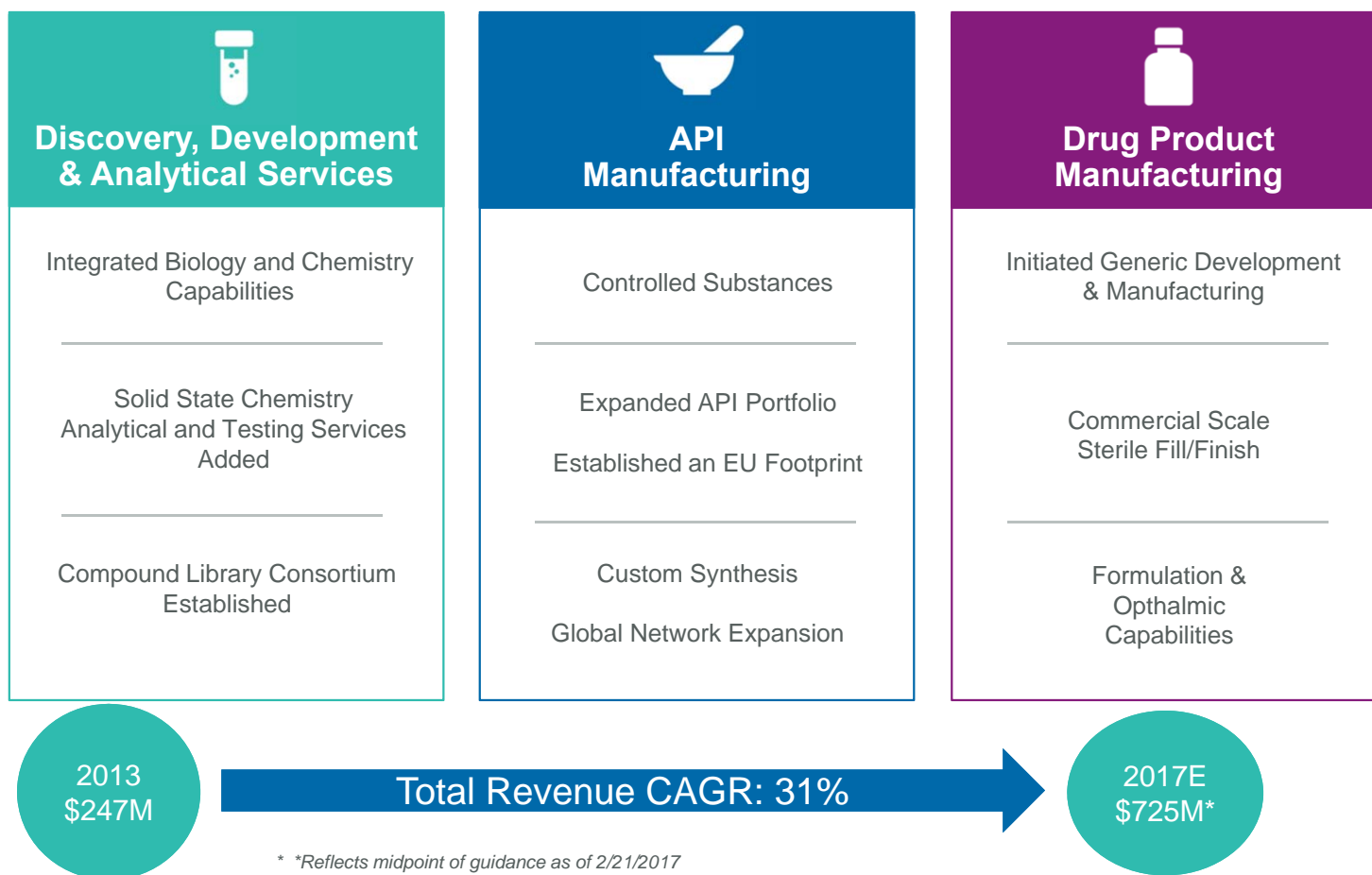
About one-half of pipeline projects are delivered via injectable (4,575) and about one-third (3,181) are delivered orally.



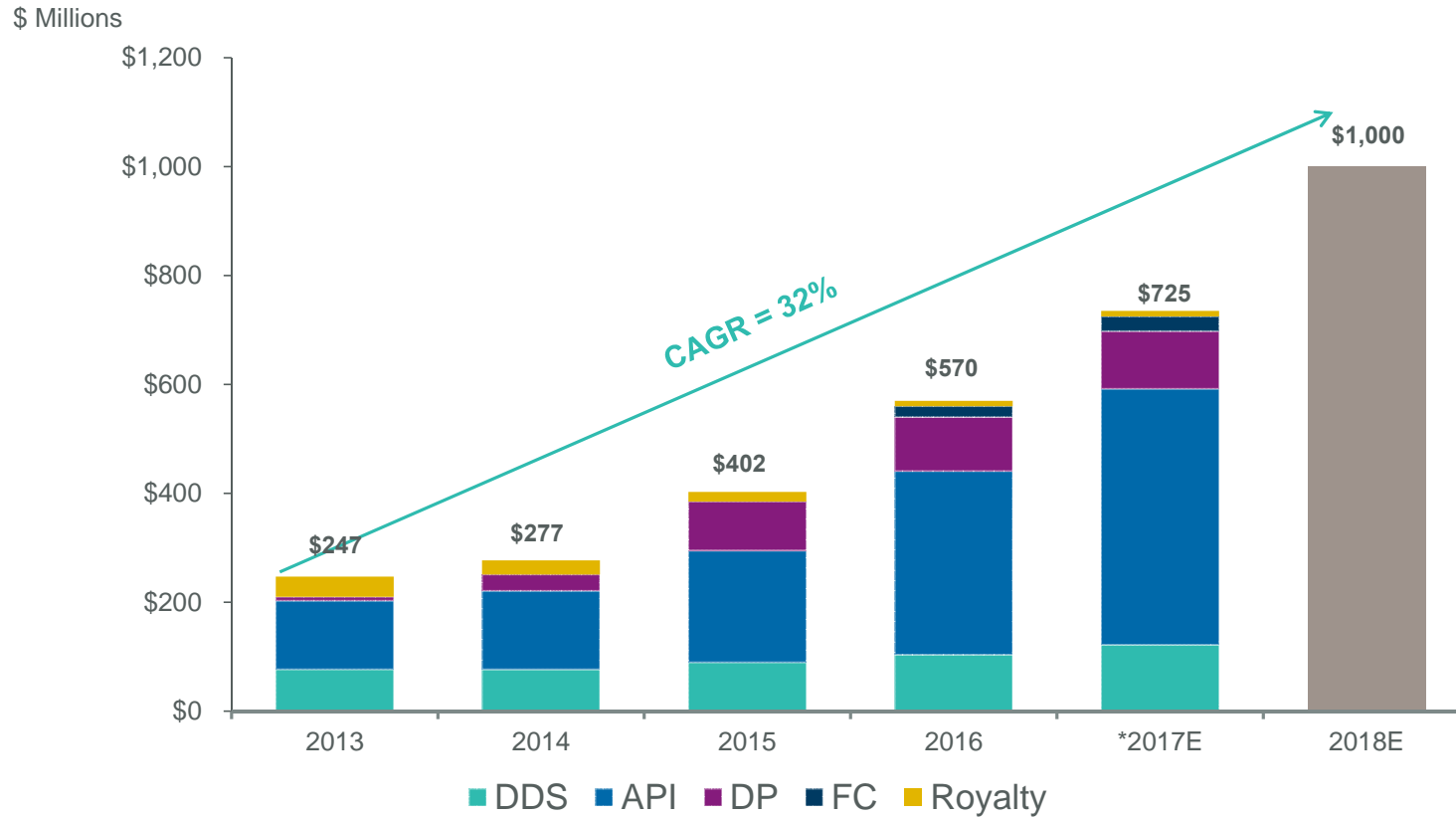
Note: Values represent the number of pipeline projects by delivery route.

Source: 2016 Pharmaprojects Pharma R&D Annual Review (April 2016)

Building a Preeminent CDMO for Complex Science



Executing Our Strategy to Achieve \$1B in Total Revenues in 2018

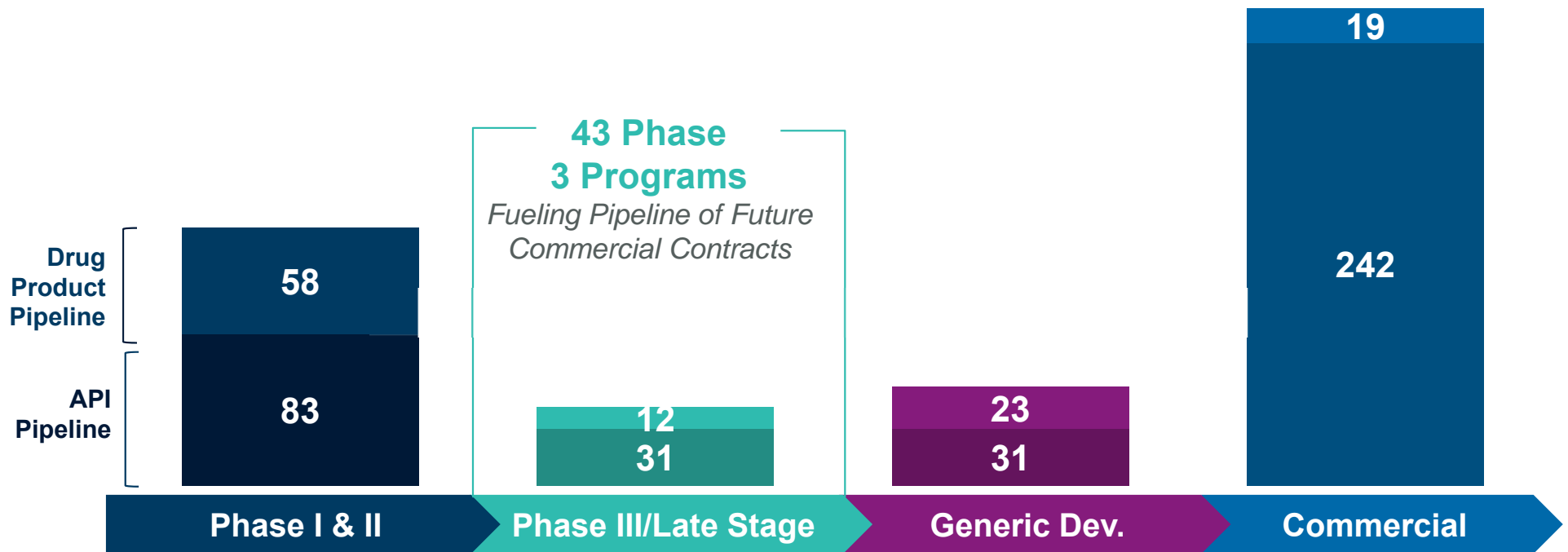


* Reflects midpoint of guidance as of 2/21/2017

Thank You

Appendix

Products at All Stages of Development Create Sticky Customers



Generic Development refers to either 505b2 or ANDA – generics.

AMRI Capitalization and Debt (\$ in millions)

	December 31, 2016	December 31, 2015
Term B Loan ¹	426	200
Seller Notes ²	58	0
2018 Cash Convertible Sr. Notes ³	150	150
Revolver	0	30
Other Debt	49	42
Total Debt	684	422
Cash & Equivalents	51	52
Net Debt	633	369
Leverage	5.5x	4.3x

¹LIBOR plus 4.75% with floor of 1%

²Interest @ 0.25% annually payable in three annual installments beginning in 2019

³Interest @ 2.25% annually

AMRI Key Financial Metrics

\$ millions

	2010A	2011A	2012A	2013A	2014A	2015A	2016A
Total Revenue	\$198.0	\$207.6	\$226.7	\$246.6	\$276.6	\$402.4	\$570.5
<i>% growth</i>	—	4.8%	9.2%	8.8%	12.2%	45.5%	41.8%
Adjusted EBITDA¹	\$9.5	\$5.8	\$31.5	\$49.1	\$50.0	\$75.2	\$102.0
<i>% margin</i>	4.8%	2.8%	13.9%	19.9%	18.1%	18.7%	17.9%
Cash & Equivalents²	\$41.5	\$20.2	\$28.5	\$180.5	\$51.0	\$52.3	\$50.8
Debt	\$13.2	\$5.8	\$8.0	\$163.4	\$187.7	\$421.5	\$683.5
Net Debt	(\$28.3)	(\$14.4)	(\$20.5)	(\$17.1)	\$136.7	\$369.2	\$632.7

Solid financial footing with increasingly attractive profile

1) Please refer to our 4Q and FY 2016 earnings releases for a reconciliation of non-GAAP items: <http://ir.amriglobal.com/results.cfm>

2) Cash and cash equivalents includes restricted cash



Adjusted EBITDA Reconciliation

(Dollars in thousands)

	Three months ended December 31, 2016	Three months ended December 31, 2015	Twelve months ended December 31, 2016	Twelve months ended December 31, 2015
Net (loss) income, as reported	\$ (15,412)	\$ 1,785	\$ (70,171)	\$ (2,301)
Income tax expense (benefit)	2,920	(2,030)	10,212	(1,168)
Interest expense, net	13,009	6,806	39,923	19,338
Depreciation and amortization	17,774	8,421	47,865	27,091
EBITDA	18,292	14,982	27,829	42,960
Impairment charges	2,925	615	3,126	3,770
Restructuring and other charges	4,158	1,382	10,252	5,210
Executive transition costs	-	7	7	1,412
Business acquisition costs	1,304	2,362	13,559	5,664
Purchase accounting inventory adjustments	13,766	5,026	33,347	8,107
ERP Implementation costs	1,012	660	4,661	1,425
Non-recurring professional fees	130	66	730	892
Share-based compensation expense	2,066	1,555	8,430	6,371
Insurance recovery	(7,385)	-	(7,385)	(600)
Gain on sale of facility	-	-	(158)	-
Foreign exchange loss on acquisition	-	-	7,180	-
Legal settlement	406	-	406	-
Adjusted EBITDA	\$ 36,675	\$ 26,655	\$ 101,985	\$ 75,211

Reconciliation of Contract Gross Profit and Contract Gross Margin

(Dollars in thousands)

Non-GAAP Measures (Dollars in thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Consolidated Contract Revenue, as reported	\$ 189,454	\$ 123,032	\$ 560,430	\$ 384,738
Consolidated Cost of Contract Revenue, as reported	152,586	92,516	437,649	295,527
Consolidated Contract Gross Profit, as reported	36,868	30,516	122,781	89,211
add: Share-based compensation expense	239	213	1,159	936
add: Acquisition accounting inventory adjustments	13,766	5,026	33,347	8,107
add: Acquisition accounting depreciation	6,276	615	11,785	2,661
add: Business acquisition costs	-	289	-	289
Non-GAAP Consolidated Contract Gross Profit	\$ 57,150	\$ 36,659	\$ 169,073	\$ 101,204
Consolidated Contract Gross Margin, as reported	19.5%	24.8%	21.9%	23.2%
Non-GAAP Consolidated Contract Gross Margin	30.2%	29.8%	30.2%	26.3%
DDS Segment Contract Revenue, as reported	\$ 26,984	\$ 22,325	\$ 104,472	\$ 83,059
DDS Segment Cost of Contract Revenue, as reported	16,652	16,045	70,430	61,180
DDS Segment Contract Gross Profit, as reported	10,332	6,280	34,042	21,879
add: Share-based compensation expense	130	146	882	595
add: Acquisition accounting inventory adjustments	(253)	-	(54)	-
add: Acquisition accounting depreciation	299	310	1,104	1,023
Non-GAAP DDS Segment Contract Gross Profit	\$ 10,468	\$ 6,736	\$ 35,974	\$ 23,497
DDS Segment Contract Gross Margin, as reported	38.3%	28.1%	32.6%	26.3%
Non-GAAP DDS Segment Contract Gross Margin	38.8%	30.2%	34.4%	28.3%
API Segment Contract Revenue, as reported	\$ 128,120	\$ 70,867	\$ 337,835	\$ 204,868
API Segment Cost of Contract Revenue, as reported	107,640	54,243	272,867	154,670
API Segment Contract Gross Profit, as reported	20,479	16,624	64,967	50,198
add: Share-based compensation expense	62	41	231	230
add: Acquisition accounting inventory adjustments	14,090	5,026	31,111	8,107
add: Acquisition accounting depreciation	5,323	48	8,882	665
Non-GAAP API Segment Contract Gross Profit	\$ 39,954	\$ 21,739	\$ 105,191	\$ 59,200
API Segment Contract Gross Margin, as reported	16.0%	23.5%	19.2%	24.5%
Non-GAAP API Segment Contract Gross Margin	31.2%	30.7%	31.1%	28.9%
DP Segment Contract Revenue, as reported	\$ 23,705	\$ 29,841	\$ 98,377	\$ 96,810
DP Segment Cost of Contract Revenue, as reported	19,643	22,228	76,343	79,677
DP Segment Contract Gross Profit, as reported	4,062	7,613	22,033	17,133
add: Share-based compensation expense	47	26	122	111
add: Acquisition accounting depreciation	63	257	545	973
add: Business acquisition costs	-	289	-	289
Non-GAAP DP Segment Contract Gross Profit	\$ 4,173	\$ 8,185	\$ 22,701	\$ 18,506
DP Segment Contract Gross Margin, as reported	17.1%	25.5%	22.4%	17.7%
Non-GAAP DP Segment Contract Gross Margin	17.6%	27.4%	23.1%	19.1%
FC Segment Contract Revenue, as reported	\$ 10,644	\$ -	\$ 19,745	\$ -
FC Segment Cost of Contract Revenue, as reported	8,650	-	18,008	-
FC Segment Contract Gross Profit, as reported	1,994	-	1,736	-
add: Acquisition accounting inventory adjustments	(71)	-	2,290	-
add: Acquisition accounting depreciation	630	-	913	-
Non-GAAP FC Segment Contract Gross Profit	\$ 2,554	\$ -	\$ 4,940	\$ -
FC Segment Contract Gross Margin, as reported	18.7%	-	8.8%	-
Non-GAAP FC Segment Contract Gross Margin	24.0%	-	25.0%	-

Reconciliation of Non-GAAP Measures

(Dollars in thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Consolidated net (loss) income, as reported	\$ (15,412)	\$ 1,785	\$ (70,171)	\$ (2,301)
Share-based compensation expense	2,066	1,555	8,430	6,371
Acquisition accounting inventory adjustments	13,766	5,026	33,347	8,107
Acquisition accounting depreciation and amortization	8,884	2,337	21,038	7,094
Intellectual property impairment	-	-	201	-
Income tax effects of Non-GAAP adjustments	(2,084)	(5,180)	(12,365)	(13,785)
Non-recurring income tax adjustments	-	-	8,467	-
Non-cash interest and amortization charges	5,067	2,712	15,972	8,932
Foreign exchange loss on business acquisition	-	-	7,180	-
Gain on sale of Syracuse facility	-	-	(158)	-
Insurance recovery	(7,385)	-	(7,385)	(600)
Restructuring and other charges	7,094	2,775	13,188	9,758
Business acquisition costs	1,304	2,362	13,559	5,664
Executive transition charges	-	7	7	1,412
ERP implementation costs	1,012	660	4,661	1,425
Non-recurring professional fees	130	66	730	892
Legal settlement	406	-	406	-
Non-GAAP net income	<u>\$ 14,848</u>	<u>\$ 14,105</u>	<u>\$ 37,106</u>	<u>\$ 32,969</u>
Consolidated Basic (loss) earnings per share, as reported	\$ (0.37)	\$ 0.05	\$ (1.83)	\$ (0.07)
Effects of Non-GAAP adjustments	0.72	0.36	2.80	1.06
Non-GAAP Basic earnings per share	<u>\$ 0.35</u>	<u>\$ 0.41</u>	<u>\$ 0.97</u>	<u>\$ 0.99</u>
Consolidated Diluted (loss) earnings per share, as reported	\$ (0.37)	\$ 0.05	\$ (1.83)	\$ (0.07)
Effects of Non-GAAP adjustments	0.71	0.35	2.78	1.03
Non-GAAP Diluted earnings per share	<u>\$ 0.34</u>	<u>\$ 0.40</u>	<u>\$ 0.95</u>	<u>\$ 0.96</u>
Consolidated Cost of Contract Revenue, as reported	\$ 152,586	\$ 92,516	\$ 437,649	\$ 295,527
Share-based compensation expense	(239)	(213)	(1,159)	(936)
Acquisition accounting inventory adjustments	(13,766)	(5,026)	(33,347)	(8,107)
Acquisition accounting depreciation and amortization	(6,276)	(615)	(11,785)	(2,661)
Business acquisition costs	-	(289)	-	(289)
Non-GAAP Cost of Contract Revenue	<u>\$ 132,304</u>	<u>\$ 86,373</u>	<u>\$ 391,357</u>	<u>\$ 283,534</u>

Reconciliation of Non-GAAP Measures (Cont'd)

(Dollars in thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Consolidated Research and Development, as reported	\$ 4,757	\$ 2,160	\$ 10,252	\$ 5,988
Acquisition accounting depreciation and amortization	173	-	64	-
Non-GAAP Research and development	<u>\$ 4,930</u>	<u>\$ 2,160</u>	<u>\$ 10,316</u>	<u>\$ 5,988</u>
Consolidated Selling, general and administrative, as reported	\$ 32,308	\$ 22,183	\$ 122,136	\$ 77,394
Acquisition accounting depreciation and amortization	(2,780)	(1,722)	(9,316)	(4,433)
Share-based compensation expense	(1,827)	(1,342)	(7,271)	(5,435)
Business acquisition costs	(1,306)	(2,073)	(13,561)	(5,375)
Executive transition charges	-	(7)	(7)	(1,412)
ERP implementation costs	(1,012)	(660)	(4,661)	(1,425)
Non-recurring professional fees	(130)	(66)	(730)	(892)
Legal settlement	(406)	-	(406)	-
Non-GAAP Selling, general and administrative	<u>\$ 24,847</u>	<u>\$ 16,313</u>	<u>\$ 86,184</u>	<u>\$ 58,422</u>
Consolidated Interest expense, as reported	\$ (13,009)	\$ (6,806)	\$ (39,923)	\$ (19,338)
Non-cash interest and amortization charges	5,067	2,712	15,972	8,932
Non-GAAP Interest expense	<u>\$ (7,943)</u>	<u>\$ (4,094)</u>	<u>\$ (23,952)</u>	<u>\$ (10,406)</u>
Consolidated Other income (expense), as reported	\$ 5,930	\$ 319	\$ (1,276)	\$ 2,220
Foreign exchange loss on business acquisition	-	-	7,180	-
Gain on sale of Syracuse facility	-	-	(158)	-
Insurance recovery	(7,387)	-	(7,387)	(600)
Non-GAAP Other (expense) income	<u>\$ (1,457)</u>	<u>\$ 319</u>	<u>\$ (1,641)</u>	<u>\$ 1,620</u>

Reconciliation of Forward-Looking Non-GAAP Financial Measures to Forward-Looking GAAP Financial Measures (Dollars in thousands, except per share data)

Reconciliation of GAAP net loss and GAAP diluted loss per share to non-GAAP net income and non-GAAP diluted earnings per share (Dollars in millions)

	<u>Low</u>	<u>High</u>
GAAP net loss	\$ (12)	\$ (7)
Reconciling items (a)	\$ (59)	\$ (59)
Non-GAAP net income	<u>\$ 47</u>	<u>\$ 52</u>
GAAP diluted loss per share	<u>\$ (0.28)</u>	<u>\$ (0.16)</u>
Non-GAAP diluted earnings per share	<u>\$ 1.08</u>	<u>\$ 1.20</u>

(a) Reconciling items primarily include restructuring costs, acquisition accounting depreciation and amortization, share-based compensation, non-cash debt interest and amortization charges and the tax effect for such items.

Reconciliation of GAAP net loss to Adjusted EBITDA (Dollars in millions)

	<u>Low</u>	<u>High</u>
GAAP net loss	\$ (12)	\$ (7)
Income tax (benefit) expense	\$ 12	\$ 13
Interest expense, net	\$ 48	\$ 48
Depreciation and amortization	\$ 62	\$ 66
EBITDA	\$ 110	\$ 121
Reconciling items (b)	\$ 24	\$ 24
Adjusted EBITDA	<u>\$ 135</u>	<u>\$ 145</u>

(b) Reconciling items primarily include restructuring costs, share-based compensation charges and the tax effect of all non-gaap reconciling items.

Reconciliation of GAAP contract gross margin to non-GAAP contract gross margin

GAAP contract gross margin	26%
Add: acquisition accounting depreciation and share-based compensation	<u>3%</u>
Non-GAAP contract gross margin	<u>29%</u>

Reconciliation of GAAP SG&A as a percentage of contract revenue to non-GAAP SG&A as a percentage of contract revenue

GAAP Selling, General and Administrative Expense	18%
Reconciling items (c)	<u>(3%)</u>
Non-GAAP Selling, General, and Administrative Expense	<u>15%</u>

(c) Reconciling items primarily include acquisition accounting depreciation and amortization and share-based compensation.

About AMRI

Albany Molecular Research Inc. (AMRI) is a global contract research and manufacturing organization that has been working with the Life Sciences industry to improve patient outcomes and the quality of life for more than two decades. With locations in North America, Europe and Asia, our key business segments include Discovery and Development Services (DDS), Active Pharmaceutical Ingredients (API), Drug Product (DP) and Fine Chemicals (FC). Our DDS segment provides comprehensive services from hit identification to IND, including expertise with diverse chemistry, library design and synthesis, *in vitro* biology and pharmacology, drug metabolism and pharmacokinetics, as well as natural products. API Manufacturing supports the chemical development and cGMP manufacture of complex API, including potent, controlled substances, biologics, peptides, steroids, and cytotoxic compounds. Drug Product Manufacturing supports pre-clinical through commercial scale production of complex liquid-filled and lyophilized parenteral formulations. For more information about AMRI, please visit our website at www.amriglobal.com or follow us on Twitter (@amriglobal).

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