



July 31, 2017

## VWR Corporation Reports Second Quarter 2017 Financial Results

RADNOR, Pa., July 31, 2017 /PRNewswire/ -- VWR Corporation (NASDAQ: VWR), the leading global independent provider of product and service solutions to laboratory and production customers, today reported its financial results for the second quarter ended June 30, 2017.



### Highlights:

- | *Second quarter record quarterly net sales of \$1.18 billion, up 2.2% year-over-year, and up 2.3% on an organic basis.*
- | *2Q17 EMEA-APAC net sales declined 1.3%, but were up 2.7% on an organic basis.*
- | *2Q17 Americas net sales increased 4.5%, up 2.1% on an organic basis.*
- | *GAAP diluted EPS was \$0.28 in 2Q17 compared to \$0.32 in 2Q16. 2Q17 quarterly Adjusted EPS of \$0.49, up 16.7% compared to \$0.42 in the prior year quarter.*

Previously, VWR announced that it entered into a definitive agreement with Avantor, under which Avantor will acquire VWR for \$33.25 per share in cash. In light of the agreement, VWR no longer provides or updates financial guidance and will not hold an investor conference call on second quarter 2017 results. Pending completion of the European Commission review, we now anticipate the deal to close in the fourth quarter of 2017.

Manuel Brocke-Benz, President and Chief Executive Officer of VWR, commented: "The second quarter highlights our ongoing solid execution. Despite the timing of the Easter holiday, which reduced EMEA-APAC by more than two billing days in the second quarter, total Company organic revenues still increased by 2.3%. Our financial results highlight how we have continued to benefit from ongoing R&D spend, consolidation and the globalization of our customers."

### Second Quarter 2017 - Consolidated Results

Net sales were \$1.18 billion, up \$25.8 million, or 2.2% compared to the prior year. Foreign exchange reduced net sales by \$18.3 million, or 1.6%, while recent acquisitions, net of dispositions, increased net sales by an additional \$17.5 million, or 1.5%. On an organic basis, net sales increased \$26.6 million or 2.3%.

Operating income was \$80.7 million, down \$3.9 million compared to the prior year. GAAP diluted EPS was \$0.28 compared to \$0.32 in the prior year quarter, while Adjusted EPS increased 16.7% year-over-year to \$0.49, up from \$0.42 in the prior year quarter.

### Second Quarter 2017 - Segment Results

#### Americas

Net sales were \$726.4 million, up \$31.5 million, or 4.5% compared to prior year, and up 2.1% on an organic basis. The increase in the Americas net sales was driven by strong sales of equipment and instrumentation.

Operating income was \$42.2 million, down \$1.4 million or 3.2% compared to prior year. Second quarter 2017 operating income includes \$0.9 million of restructuring charges, \$9.0 million of acquisition related costs, \$2.5 million earn-out adjustment loss, and \$0.5 million of purchase accounting adjustment charges.

#### EMEA-APAC

Net sales were \$448.9 million, down \$5.7 million, or 1.3% year-over-year. Foreign currency reduced net sales by \$16.4 million, or 3.6%, while acquisitions less dispositions reduced revenues by \$1.4 million, or 0.3%. On an organic basis, net sales increased 2.7%.

Operating income was \$38.5 million, down \$2.5 million compared to prior year. Second quarter 2017 operating income

included \$1.8 million of restructuring charges, \$1.6 million earn-out adjustment gain, and \$1.3 million of transaction costs.

Greg Cowan, Senior Vice President and Chief Financial Officer, commented: "The transaction with Avantor continues to progress. The combined company's suite of products, services and solutions will enable us to generate a higher degree of relevance with Biopharma and Industrial customers. In addition, the move creates a robust product and service offering for production-scale biopharma and gives VWR access to an expanded geographic footprint, particularly in the Asia-Pacific region. Finally, the combination is anticipated to generate significant synergies over the next three years. We look forward to consummating the transaction, which we believe will drive significant value for our customers, shareholders and our employees."

### **Use of Non-GAAP Financial Measures**

As appropriate, we supplement our results of operations determined in accordance with U.S. generally accepted accounting principles ("GAAP") with certain non-GAAP financial measurements that are used by management, and which we believe are useful to investors, as supplemental operational measurements to evaluate our financial performance. These measurements should not be considered in isolation or as a substitute for reported GAAP results because they may include or exclude certain items as compared to similar GAAP-based measurements, and such measurements may not be comparable to similarly-titled measurements reported by other companies. Rather, these measurements should be considered as an additional way of viewing aspects of our operations that provide a more complete understanding of our business. We strongly encourage investors to review our consolidated financial statements included in publicly filed reports in their entirety and not rely solely on any one, single financial measurement or communication.

The non-GAAP measurements used in this press release are Adjusted EPS and organic net sales:

- 1 Adjusted EPS is a non-GAAP financial measurement that eliminates the effect of the amortization of acquired intangible assets, restructuring charges, impairment charges, changes in foreign currency exchange rates related to financing decisions and certain other items. We then add or subtract an estimated incremental income tax effect applicable to those items. We believe that this measurement is useful to investors as an additional way to analyze the underlying trends in our business consistently across the periods presented. This measurement is used by our management for the same reason.
- 1 Organic net sales is a non-GAAP financial measurement that eliminates the contribution from recently acquired businesses and the impact of changes in foreign currency exchange rates from our reported net sales. We believe that this measurement is useful to investors as a way to measure and evaluate our underlying commercial operating performance consistently across the periods presented. This measurement is used by our management for the same reason.

Reconciliations of our non-GAAP measurements to their most directly comparable GAAP-based financial measurements are included at the end of this press release.

### **About VWR Corporation**

VWR (NASDAQ: VWR), headquartered in Radnor, Pennsylvania, is the leading global independent provider of product and service solutions to laboratory and production customers. With sales in excess of \$4.5 billion in 2016, VWR enables science for customers in the pharmaceutical, biotechnology, industrial, education, government and healthcare industries. With more than 160 years of experience, VWR has cultivated a value proposition delivering product choice, operational excellence and differentiated services to improve our customers' productivity from research to production. VWR's differentiated services provide innovative, flexible and customized solutions from scientific research services to custom-manufactured chemical blends. Our dedicated team of more than 10,200 associates is focused on supporting scientists, medical professionals and production engineers to achieve their goals.

### **Forward-Looking Statements**

This press release contains forward-looking statements. All statements other than statements of historical fact included in this press release are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. These statements may be preceded by, followed by or include the words "aim," "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "outlook," "plan," "potential," "project," "projection," "seek," "can," "could," "may," "should," "would," "will," the negatives thereof and other words and terms of similar meaning.

Forward-looking statements are inherently subject to risks, uncertainties and assumptions; they are not guarantees of performance. You should not place undue reliance on these statements. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that our assumptions made in connection with the forward-looking statements are reasonable, we cannot assure you that the assumptions and expectations will prove to be correct. Factors that could contribute to these risks, uncertainties and assumptions include, but are not limited to, the factors described in "Risk Factors" in our most recently filed Annual Report on Form 10-K and our Form 10-Q that will be filed later today.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. In addition, all forward-looking statements speak only as of the date of this press release. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise other than as required under the federal securities laws.

**VWR Corporation and Subsidiaries**  
**Condensed Consolidated Income Statements (Unaudited)**

<i>(in millions, except per share data)</i>	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net sales	\$ 1,175.3	\$ 1,149.5	\$ 2,314.4	\$ 2,247.8
Cost of goods sold	844.8	826.1	1,664.2	1,613.8
Gross profit	330.5	323.4	650.2	634.0
Selling, general and administrative expenses	249.8	238.8	488.0	469.7
Operating income	80.7	84.6	162.2	164.3
Interest expense	(20.6)	(20.7)	(39.3)	(39.9)
Other income (expense), net	(2.8)	0.1	(3.5)	(0.5)
Income before income taxes	57.3	64.0	119.4	123.9
Income tax provision	(20.3)	(22.2)	(43.9)	(43.3)
Net income	\$ 37.0	\$ 41.8	\$ 75.5	\$ 80.6
Earnings per share:				
Basic	\$ 0.28	\$ 0.32	\$ 0.57	\$ 0.61
Diluted	0.28	0.32	0.57	0.61
Weighted average shares outstanding:				
Basic	131.7	131.4	131.7	131.4
Diluted	132.6	131.7	132.3	131.6

**VWR Corporation and Subsidiaries**  
**Condensed Consolidated Balance Sheets (Unaudited)**

<i>(in millions, except per share data)</i>	June 30, 2017	December 31, 2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 112.2	\$ 168.7
Trade accounts receivable, net of reserves of \$11.2 and \$10.5	677.6	607.2
Inventories	503.1	483.1
Other current assets	82.2	93.1
Total current assets	1,375.1	1,352.1
Property and equipment, net of accumulated depreciation of \$281.1 and \$248.9	325.5	253.8
Goodwill	2,011.2	1,844.0
Other intangible assets, net	1,492.3	1,407.8
Other assets	124.4	104.8
Total assets	\$ 5,328.5	\$ 4,962.5
<b>Liabilities, Redeemable Equity and Stockholders' Equity</b>		
Current liabilities:		
Current portion of debt	\$ 387.5	\$ 250.1
Accounts payable	505.7	476.3
Employee-related liabilities	81.7	79.3
Current amount due to Varietal — ITRA	26.0	27.7
Other current liabilities	152.4	152.7
Total current liabilities	1,153.3	986.1
Debt, net of current portion	1,841.3	1,766.9
Amount due to Varietal — ITRA, net of current portion	31.3	57.3
Deferred income tax liabilities	445.0	477.2
Other liabilities	193.3	159.4
Total liabilities	3,664.2	3,446.9
Redeemable equity, at redemption value	35.3	21.2
Stockholders' equity:		
Preferred stock, \$0.01 par value; 50.0 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.01 par value; 750.0 shares authorized, 131.8 and 131.6 shares issued and outstanding	1.3	1.3
Additional paid-in capital	1,762.4	1,766.0
Retained earnings	230.0	154.5
Accumulated other comprehensive loss	(364.7)	(427.4)
Total stockholders' equity	1,629.0	1,494.4

Total liabilities, redeemable equity and stockholders' equity

\$ 5,328.5

\$ 4,962.5

**VWR Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**

<i>(in millions)</i>	<b>Six months ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
Cash flows from operating activities:		
Net income	\$ 75.5	\$ 80.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	71.2	63.4
Net foreign currency remeasurement loss	4.2	3.8
Deferred income tax (benefit) provision	(24.6)	11.9
Other, net	13.5	7.8
Changes in working capital, net of business acquisitions:		
Trade accounts receivable	(34.5)	(40.7)
Inventories	(0.8)	(25.0)
Accounts payable	(5.6)	22.6
Other assets and liabilities	(11.9)	(4.8)
Net cash provided by operating activities	87.0	119.6
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(194.7)	(45.0)
Proceeds from disposition of business, net of cash disposed	6.1	—
Capital expenditures	(25.9)	(29.8)
Net cash used in investing activities	(214.5)	(74.8)
Cash flows from financing activities:		
Proceeds from debt	572.8	363.7
Repayment of debt	(478.6)	(354.6)
Payment to Varietal under ITRA	(27.7)	(78.1)
Payment of contingent consideration	(19.1)	(2.5)
Net change in bank overdrafts	12.4	(0.5)
Other financing activities	4.3	1.3
Net cash provided by (used in) financing activities	64.1	(70.7)
Effect of exchange rate changes on cash	6.9	2.5
Net decrease in cash and cash equivalents	(56.5)	(23.4)
Cash and cash equivalents at beginning of period	168.7	136.3
Cash and cash equivalents at end of period	\$ 112.2	\$ 112.9
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 35.9	\$ 41.7
Cash paid for income taxes, net	53.5	33.5

**VWR Corporation and Subsidiaries**  
**Supplemental Financial Information (Unaudited)**

<i>(dollars in millions)</i>	<b>Three months ended June 30,</b>		<b>Reported change</b>	
	<b>2017</b>	<b>2016</b>	<b>Amount</b>	<b>%</b>
Net sales:				
Americas	\$ 726.4	\$ 694.9	\$ 31.5	4.5 %
EMEA-APAC	448.9	454.6	(5.7)	(1.3) %
Total	1,175.3	1,149.5	25.8	2.2 %
Gross profit	330.5	323.4	7.1	2.2 %
Gross margin	28.1 %	28.1 %	—	basis points
SG&A expenses	\$ 249.8	\$ 238.8	\$ 11.0	4.6 %
% of net sales	21.3 %	20.8 %	50	basis points
Operating income:				
Americas	\$ 42.2	\$ 43.6	\$ (1.4)	(3.2) %
EMEA-APAC	38.5	41.0	(2.5)	(6.1) %
Total	\$ 80.7	\$ 84.6	\$ (3.9)	(4.6) %
Operating income margin:				
Americas	5.8 %	6.3 %	(50)	basis points
EMEA-APAC	8.6 %	9.0 %	(40)	basis points
Total	6.9 %	7.4 %	(50)	basis points

**VWR Corporation and Subsidiaries**  
**Reconciliation of Adjusted EPS (Unaudited)**

Three months ended June 30,

	2017		2016	
	Adjustments in millions	Per share	Adjustments in millions	Per share
Diluted earnings per share (GAAP)		\$ 0.28		\$ 0.32
Adjustments to reconcile diluted earnings per share to Adjusted EPS:				
Amortization of acquired intangible assets	\$ 23.1	0.17	\$ 21.3	0.16
Net foreign currency remeasurement loss (gain) from financing activities	2.8	0.02	(0.1)	—
Restructuring charges	2.7	0.02	—	—
Secondary equity offering costs	—	—	0.4	—
Loss from changes to estimated fair value of contingent consideration	0.9	0.01	—	—
Purchase accounting adjustment charges	0.5	—	—	—
Avantor transaction costs	10.3	0.08	—	—
Income tax benefit applicable to adjustments, net*	(12.4)	(0.09)	(7.5)	(0.06)
Adjusted EPS (non-GAAP)		<u>\$ 0.49</u>		<u>\$ 0.42</u>

\* Represents the estimated income tax effect on the reconciling items, using weighted-average statutory tax rates between 0% and 39%, depending upon the applicable jurisdiction.

**VWR Corporation and Subsidiaries**  
**Reconciliation of Organic Net Sales Growth (Unaudited)**

	Non-GAAP reconciliation							
	June 30,		Reported change		Currency translation	Acquisitions, net of dispositions	Organic net sales growth	
	2017	2016	Amount	%			Amount	%
<i>(dollars in millions)</i>								
Three months ended:								
Americas	\$ 726.4	\$ 694.9	\$ 31.5	4.5 %	\$ (1.9)	\$ 18.9	\$ 14.5	2.1 %
EMEA-APAC	448.9	454.6	(5.7)	(1.3) %	(16.4)	(1.4)	12.1	2.7 %
Total	\$ 1,175.3	\$ 1,149.5	\$ 25.8	2.2 %	\$ (18.3)	\$ 17.5	\$ 26.6	2.3 %

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