UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 29, 2021

EMERGENT BIOSOLUTIONS INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-33137**	**14-1902018**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

400 Professional Drive, Suite 400,
Gaithersburg, Maryland 20879
(Address of principal executive offices, including zip code)

(240) 631-3200
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.001 per share	EBS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On July 29, 2021, Emergent BioSolutions Inc. (the "Company") announced financial and operating results for the three- and six-month periods ended June 30, 2021. The Company will also use presentation materials in connection with the conference call scheduled for the same day to discuss these results ("Earnings Call Slides"). Such presentation materials will be posted on the Company's website at www.emergentbiosolutions.com. Copies of the earnings press release and Earnings Call Slides are furnished as Exhibit 99.1 and Exhibit 99.2 to this Current Report on Form 8-K, respectively, and are incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

The disclosure contained in Item 2.02 of this Current Report on Form 8-K is incorporated herein by reference.

Item 8.01 Other Events.

Also on July 29, 2021, the Company issued a press release announcing that the U.S. Food and Drug Administration is allowing the Company's Bayview manufacturing facility to resume production of Johnson & Johnson's Covid-19 vaccine bulk drug substance. A copy of that press release is attached hereto as Exhibit 99.3 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Earnings Press release issued by the Company on July 29, 2021.
99.2	Earnings Call Slides, dated July 29, 2021.
99.3	Press release issued by the Company on July 29, 2021.
101	Emergent BioSolutions Inc. Current Report on Form 8-K, dated July 29, 2021 formatted in XBRL (Extensible Business Reporting Language): Cover Page. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EMERGENT BIOSOLUTIONS INC.

Dated: July 29, 2021

By: /s/ RICHARD S. LINDAHL
Name: Richard S. Lindahl
Title: Executive Vice President, Chief Financial Officer and Treasurer

EMERGENT BIOSOLUTIONS REPORTS FINANCIAL RESULTS FOR SECOND QUARTER 2021

- Reaffirms 2021 Full Year Forecast for Revenues and Profit

GAITHERSBURG, Md., July 29, 2021—Emergent BioSolutions Inc. (NYSE: EBS) today reported financial results for the second quarter ended June 30, 2021.

“Our second quarter performance demonstrates the strength of our strategy and diversified business model,” said Robert G. Kramer, president and chief executive officer of Emergent BioSolutions. “Through continued investment and innovation, we will play an important role in helping deliver solutions to the public health threats we face. We are proud to be resuming production of COVID-19 vaccine batches following additional reviews and collaboration with the Food and Drug Administration and our manufacturing partner.”

Kramer added, “I am thankful for the relentless determination of our Emergent team across the globe to deliver for our patients, customers and partners.”

FINANCIAL HIGHLIGHTS (1)

($ in millions, except per share amounts)	Q2 2021	Q2 2020	% Change
Total revenues	$397.5	$394.7	1%
Net income	$4.6	$92.7	(95)%
Net income per diluted share	$0.09	$1.73	(95)%
Adjusted net income *(2)*	$18.0	$105.7	(83)%
Adjusted net income *(2)* per diluted share	$0.33	$1.98	(83)%
Adjusted EBITDA *(2)*	$49.5	$156.1	(68)%

($ in millions, except per share amounts)	YTD 2021	YTD 2020	% Change
Total revenues	$740.5	$587.2	26%
Net income	$74.3	$80.2	(7)%
Net income per diluted share	$1.37	$1.51	(9)%
Adjusted net income *(2)*	$101.6	$106.0	(4)%
Adjusted net income *(2)* per diluted share	$1.87	$1.99	(6)%
Adjusted EBITDA *(2)*	$173.0	$171.4	1%

Q2 2021 AND OTHER RECENT BUSINESS ACCOMPLISHMENTS

- Announced that the U.S. Food and Drug Administration (FDA) has informed the Company that it can resume production of Johnson & Johnson’s COVID-19 vaccine bulk drug substance at the Company's Bayview manufacturing facility.
- Supporting the U.S. government’s smallpox preparedness efforts under contract options exercised by the Department of Health and Human Services (HHS) valued at approximately $182 million and $56 million to deliver ACAM2000® (Smallpox (Vaccinia) Vaccine, Live) and VIGIV [Vaccinia Immune Globulin Intravenous (Human)] (VIGIV), respectively.
- Supporting the Canadian government’s anthrax preparedness efforts under a new contract with the Public Health Agency Canada (PHAC) to deliver Anthrasil® (Anthrax Immune Globulin Intravenous [human]) through March 2023.
- Received approval from the Federal Agency for Medicines and Health Products (FAMHP) of Belgium for Trobigard® Auto-injector (atropine sulfate 2mg/obidoxime chloride 220mg; solution for injection), an

emergency treatment product for known or suspected exposure to nerve agents or toxic organophosphates in adults over 18 years of age.

2021 FINANCIAL PERFORMANCE (1)

(I) Quarter Ended June 30, 2021 (Q2)

Revenues

($ in millions)	Q2 2021	Q2 2020	% Change
Product sales, net (3):			
• NARCAN® Nasal Spray	$106.2	$72.8	46%
• Anthrax vaccines	$51.5	$132.3	(61)%
• ACAM2000	$—	$70.0	(100)%
• Other (4)	$23.5	$23.4	—%
Total product sales, net	$181.2	$298.5	(39)%
Contract development and manufacturing (CDMO) services	$190.9	$72.6	*
Contracts and grants	$25.4	$23.6	8%
Total revenues	$397.5	$394.7	1%
* % change is greater than 100%			

Product Sales, net

NARCAN Nasal Spray

For Q2 2021, revenues from NARCAN® (naloxone HCl) Nasal Spray increased $33.4 million as compared to Q2 2020. The increase is largely driven by a growth in sales to the U.S. public interest and commercial retail markets as well as an increase in sales to customer channels in Canada.

Anthrax vaccines

For Q2 2021, revenues from Anthrax vaccines decreased $80.8 million as compared to Q2 2020. The decrease is largely driven by timing of deliveries to the U.S. government.

ACAM2000

For Q2 2021, revenues from ACAM2000 decreased $70.0 million as compared to Q2 2020. The decrease is largely driven by the timing of deliveries to the U.S. government; the most recent option exercise was received in July 2021 valued at approximately $182 million, the entire amount of which is expected to be delivered in fiscal year 2021.

Other (4)

For Q2 2021, revenues from other product sales were consistent as compared to Q2 2020.

Contract Development and Manufacturing (CDMO) Services

For Q2 2021, revenue from contract development and manufacturing services increased $118.3 million, as compared to Q2 2020. The increase is due to the public-private partnership with the Biomedical Advanced Research and Development Authority (BARDA) and arrangements with pharma/biotech innovators to address the COVID-19 pandemic. These arrangements were entered into during the second and third quarters of 2020.

Contracts and Grants

For Q2 2021, revenues from contracts and grants were consistent as compared to Q2 2020.

Operating Expenses

($ in millions)	Q2 2021	Q2 2020	% Change
Cost of product sales and CDMO services	$227.8	$129.8	76%
Research and development	$48.9	$47.9	2%
Selling, general and administrative	$91.2	$76.0	20%
Amortization of intangible assets	$15.1	$15.0	1%

Cost of Product Sales and CDMO Services

For Q2 2021, cost of product sales and contract development and manufacturing services increased $98.0 million as compared to Q2 2020. The increase primarily consists of an increase in costs associated with the Company's contract development and manufacturing services due to higher volume of CDMO services, a majority of which were in support of the Company's arrangements to address the COVID-19 pandemic. Additionally, during the quarter the Company had inventory write-offs of $41.5 million associated with raw materials and in-process batches manufactured at the Company's Bayview facility that it plans to discard as they were deemed unusable. These increases were partially offset by decreases in the cost of product sales due to less volume.

Research and Development

For Q2 2021, research and development expenses were consistent as compared to Q2 2020.

Selling, General and Administrative

For Q2 2021, selling, general and administrative expenses increased $15.2 million as compared to Q2 2020. The increase is primarily due to an increase in costs related to defending and supporting the Company's corporate reputation.

Additional Financial Information

Gross Margin (2)

($ in millions)	Q2 2021	Q2 2020	% Change
Gross margin	$144.3	$241.3	(40)%
Gross margin % (gross margin divided by adjusted revenues (2))	39%	65%	(26)%

For Q2 2021, gross margin decreased $97.0 million as compared to Q2 2020. The decrease is primarily due to the increase in the cost of product sales and CDMO services, specifically $41.5 million associated with the inventory write-offs, $43.1 million associated with product and service revenue mix which was weighted more heavily to lower margin products and services, and $12.4 million associated with costs incurred to remediate and strengthen manufacturing processes at the Company's Bayview facility, many of which are considered temporary in nature.

CDMO Metrics

CDMO Backlog Rollforward	($ in millions)
Beginning backlog (3/31/2021) (5)	$1,342.8
Revenue recognized during Q2 2021	($190.9)
New Business - Initial value of contracts secured during Q2 2021 (6)	$53.2
New Business - Incremental value of existing contracts modified during Q2 2021 (6)	($108.1)
Ending backlog (6/30/2021) (5)	$1,097.0

($ in millions)	June 30, 2021	March 31, 2021	% Change
CDMO services backlog (5)	$1,097.0	$1,342.8	(18)%
CDMO services opportunity funnel (7)	$672.0	$807.1	(17)%

For Q2 2021, CDMO services backlog decreased $245.8 million as compared to Q1 2021. The decrease is primarily due to revenue realized in the quarter of $190.9 million, $108.1 million of negative contract modifications and other adjustments offset by $53.2 million of positive new business generation during the quarter.

For Q2 2021, CDMO services opportunity funnel decreased $135.1 million as compared to Q1 2021. The decrease is primarily due to the exclusion of opportunities at the Company's Bayview facility as all manufacturing activities at that facility are currently prioritized to support the Johnson & Johnson COVID-19 vaccine.

Capital Expenditures

($ in millions)	Q2 2021	Q2 2020	% Change
Gross capital expenditures	$67.0	$35.1	91%
- Capital expenditures reimbursed	$11.4	$—	—%
Net capital expenditures	$55.6	$35.1	58%
Gross capital expenditures as a % of total revenues	17%	9%	8%
Net capital expenditures as a % of total revenues	14%	9%	5%

For Q2 2021, capital expenditures increased largely due to the Company's continued investments associated with increased capacity and capabilities at the Company's Rockville and Bayview facilities. The increase in gross capital expenditures was offset by reimbursements of $11.4 million related to arrangements funded by the U.S. government.

2021 FINANCIAL FORECAST

For full year 2021, the Company's forecast includes the following financial metrics:

($ in millions)	2021 Forecast	
Total revenues	$1,700 - $1,900	Reaffirmed
• NARCAN® Nasal Spray	$305 - $325	Reaffirmed
• Anthrax vaccines	$280 - $310	Reaffirmed
• ACAM2000®	$185 - $205	Reaffirmed
• CDMO services	$765 - $875	Reaffirmed
Adjusted EBITDA (2)	$620 - $720	Reaffirmed
Adjusted net income (2)	$395 - $470	Reaffirmed
Gross margin (2)	61% - 63%	Revised**
** Previous forecasted gross margin was 63% to 65%.		

The Company's financial forecast for 2021 includes the following additional considerations:

Revised Considerations

- Gross margin reflects the impact of the Q2 2021 performance as well as expectations for the remainder of the year.

Unchanged Considerations

- Narcan® Nasal Spray revenues assume the naloxone market remains competitive and incorporates the impact of at least one new branded entrant into the market by year end, as well as that no generic entrant will enter the market prior to the anticipated appellate decision related to the pending patent litigation, which is expected in the second half of 2021.

- Anthrax vaccines revenues are expected to continue to primarily reflect procurement of AV7909 (Anthrax Vaccine Adsorbed, Adjuvanted) under the terms of the Company's existing contract with BARDA at a more normalized annual level.
- ACAM2000®, (Smallpox (Vaccinia) Vaccine, Live) vaccine revenues incorporate the expected full delivery of product under the $182 million option exercise received in July 2021 as well as other international sales.
- CDMO services revenue reflects the successful manufacturing of Johnson & Johnson's COVID-19 vaccine bulk drug substance. On July 29, the Company announced that it was informed by the FDA that it can resume production at its Bayview manufacturing facility.
- Total revenues, specifically other product sales, are expected to be impacted due to the Company's assumption that a new raxibacumab contract will be awarded later than previously planned.
- R&D expenses are expected to reflect continued pipeline progress across the vaccines, therapeutics, and devices portfolios, including the assumption of at least one Phase 3 launch and one Biologics License Application (BLA)/Emergency Use Authorization (EUA) filing.
- Capital expenditures, net of reimbursement, are expected to be in a range of 8% to 9% of total revenues, reflecting ongoing investments in capacity and capability expansions in support of the Company's CDMO services business and product portfolio.

Q3 2021 REVENUE FORECAST

For Q3 2021, the Company expects total revenues of $400 million to $500 million.

FOOTNOTES

(1) All financial information incorporated within this release is unaudited.
(2) See "Reconciliation of Net Income to Adjusted Net Income," "Reconciliation of Net Income to Adjusted EBITDA," "Reconciliation of Gross Margin" and "Reconciliation of Net Research and Development Expenses" for a definition of terms and the reconciliation tables.
(3) Product sales, net are reported net of variable consideration including returns, rebates, wholesaler fees and prompt pay discounts.
(4) Other can include a combination of sales of any of the following products: BAT, VIGIV, Anthrasil, raxibacumab, RSDL, Trobigard, Vivotif, and Vaxchora.
(5) CDMO backlog is defined as estimated remaining contract value as of the indicated period pursuant to signed contracts, the majority of which is expected to be recognized over the next 24 months.
(6) CDMO new business is defined as initial value of contracts secured as well as incremental value of existing contracts modified within the indicated period and is incorporated into Backlog.
(7) CDMO opportunity funnel is defined as proposal values from new work with new customers, new work with existing customers and extensions/expansions of existing contracts with existing customers that, if converted to new business, the majority of which is expected to be realized over the next 24 months. This excludes any value associated with an extension of the commercial supply agreement (CSA) with Johnson & Johnson.

CONFERENCE CALL, PRESENTATION SUPPLEMENT AND WEBCAST INFORMATION

Company management will host a conference call at 5:00 pm (Eastern Time) today, July 29, 2021, to discuss these financial results. The conference call and presentation supplement can be accessed from the Company's website or through the following:

Live Teleconference Information:
Dial in: [US] (855) 766-6521; [International] (262) 912-6157
Conference ID: 1089625

Live Webcast Information:
Visit https://edge.media-server.com/mmc/p/yzfzc7j7 for the webcast.

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

ABOUT EMERGENT BIOSOLUTIONS INC.

Emergent BioSolutions is a global life sciences company whose mission is to protect and enhance life. Through our specialty products and contract development and manufacturing services, we are dedicated to providing solutions that address public health threats. Through social responsibility, we aim to build healthier and safer communities. We aspire to deliver peace of mind to our patients and customers so they can focus on what's most important in their lives. In working together, we envision protecting or enhancing 1 billion lives by 2030. For more information, visit our website and follow us on LinkedIn, Twitter, and Instagram.

RECONCILIATION OF NON-GAAP MEASURES

This press release contains financial measures (**Adjusted Net Income, Adjusted EBITDA (Earnings Before Depreciation and Amortization, Interest and Taxes), Gross Margin, Adjusted Revenues and Net Research and Development expenses**) 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. For its non-GAAP measures, the Company adjusts for specified items that can be highly variable or difficult to predict, or reflect the non-cash impact of charges or accounting changes. As needed, such adjustments are tax effected utilizing the federal statutory tax rate for the U.S., except for changes in the fair value of contingent consideration as the vast majority is non-deductible for tax purposes. 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. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliation of Net Income to Adjusted Net Income," "Reconciliation of Net Income to Adjusted EBITDA," "Reconciliation of Gross Margin" and "Reconciliation of Net Research and Development Expenses" included at the end of this release.

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.

SAFE HARBOR STATEMENT

This press release 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 and related projections and statements regarding our ability to meet such projections in the anticipated timeframe, if at all; statements regarding the strength of our strategy and diversified business model; annual expectations underlying gross margin; continued procurement of AV7909 under our existing contract with BARDA; the full delivery in 2021 of vaccines procured under the July 2021 ACAM2000® option exercise; the potential award of a new procurement contract for raxibacumab; the strength of the naloxone market and the timing and number of naloxone competitor entrants expected by year end; the timing of the anticipated appellate decision on related pending patent litigation; progress across the vaccines, therapeutics, and devices portfolios and anticipated timing and number of regulatory submissions; capacity expansion in our CDMO business portfolio; timing of CDMO revenues; our CDMO backlog and opportunity funnel; capital expenditures and total contract value; 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, product sales, government development or procurement contracts or awards, government appropriations, manufacturing capabilities, and the timing of certain clinical trials and regulatory approvals 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.

The reader 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. Any forward-looking statements speak 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 our actual results to differ materially from those indicated by such forward-looking statements, including the continued exercise of discretion by BARDA to procure additional doses of AV7909 prior to approval by the FDA; our ability to negotiate follow-on procurement contracts for AV7909 and other follow-on procurement contracts for our public health threat products that have expired or will be expiring; the impact on our revenues from the hold of certain COVID-19 vaccine bulk drug substance lots; our ability to meet our commitments to continued quality and manufacturing compliance at our Baltimore Bayview facility and the potential impact on our ability to continue production of bulk drug substance for Johnson & Johnson's COVID-19 vaccine at the facility; the availability of U.S. government funding for procurement of our products and certain product candidates; our ability to perform under our contracts with the U.S. government including the timing of and specifications relating to deliveries; our ability to provide CDMO services for the development and/or manufacture of product candidates of our customers at required levels and on required timelines; our ability and the ability of our contractors and suppliers to maintain compliance with current good manufacturing practices and other regulatory obligations; our ability to obtain and maintain regulatory approvals for our product candidates and the timing of any such approvals; changes to U.S. government priorities for the SNS and the future exercise of all remaining options under our contract for the procurement of ACAM2000® and other government procurement contracts; the negotiation of further commitments or contracts related to the collaboration and deployment of capacity toward future commercial manufacturing under our CDMO contracts; the timing of our submission of an application for and our ability to secure licensure of AV7909 from the FDA within the anticipated timeframe, if at all; our ability to successfully appeal the patent litigation decision related to NARCAN® Nasal Spray 4mg/spray, and the impact of competition from potential generic and branded naloxone entrants on NARCAN® Nasal Spray; the results of pending shareholder litigation and the potential impact on our business; our ability to develop a safe and effective treatment for COVID-19 and obtain authorization for emergency use for or approval of such treatment from the FDA; our ability to identify and acquire companies, businesses, products or product candidates that satisfy our selection criteria; our ability to comply with the operating and financial covenants required by our senior secured credit facilities and our 3.875% Senior Unsecured Notes due 2028; the procurement of products by U.S. government entities under regulatory exemptions prior to approval by the FDA and corresponding procurement by government entities outside of the United States under regulatory exemptions prior to approval by the corresponding regulatory authorities in the applicable country; the full impact of COVID-19 disease on our markets, operations and employees as well as those of our customers and suppliers; the impact on our revenues from short-term declines in sales of our vaccine products that target travelers due to the reduction of international travel caused by the COVID-19 pandemic; the success of our commercialization, marketing and manufacturing capabilities and strategy; and the accuracy of our estimates regarding future revenues, expenses, capital requirements and needs for additional financing. 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. The reader 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.

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

	June 30, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 447.5	$ 621.3
Restricted cash	0.2	0.2
Accounts receivable, net	261.9	230.9
Inventories, net	386.4	307.0
Prepaid expenses and other current assets	66.1	36.5
Total current assets	1,162.1	1,195.9
Property, plant and equipment, net	743.5	644.1
Intangible assets, net	633.1	663.1
Goodwill	266.6	266.7
Other assets	109.9	113.4
Total assets	$ 2,915.2	$ 2,883.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 151.8	$ 136.1
Accrued expenses	33.8	46.9
Accrued compensation	63.2	84.6
Debt, current portion	28.8	33.8
Other current liabilities	100.2	83.1
Total current liabilities	377.8	384.5
Contingent consideration, net of current portion	5.0	34.2
Debt, net of current portion	825.2	841.0
Deferred tax liability	53.2	53.2
Contract liabilities, net of current portion	48.9	55.5
Other liabilities	61.4	67.8
Total liabilities	$ 1,371.5	$ 1,436.2
Stockholders' equity:		
Preferred stock, $0.001 par value; 15.0 shares authorized, no shares issued or outstanding	—	—
Common stock, $0.001 par value; 200.0 shares authorized, 54.9 and 54.3 shares issued; 53.7 and 53.1 shares outstanding, respectively	0.1	0.1
Additional paid-in capital	804.4	784.9
Treasury stock, at cost, 1.2 common shares	(39.6)	(39.6)
Accumulated other comprehensive loss, net	(22.4)	(25.3)
Retained earnings	801.2	726.9
Total stockholders' equity	1,543.7	1,447.0
Total liabilities and stockholders' equity	$ 2,915.2	$ 2,883.2

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues:				
Product sales, net	$ 181.2	$ 298.5	$ 319.1	$ 446.7
Contract development and manufacturing services	190.9	72.6	374.7	94.3
Contracts and grants	25.4	23.6	46.7	46.2
Total revenues	397.5	394.7	740.5	587.2
Operating expenses:				
Cost of product sales and contract development and manufacturing services	227.8	129.8	327.1	206.7
Research and development	48.9	47.9	101.4	90.6
Selling, general and administrative	91.2	76.0	172.1	145.7
Amortization of intangible assets	15.1	15.0	30.0	29.8
Total operating expenses	383.0	268.7	630.6	472.8
Income from operations	14.5	126.0	109.9	114.4
Other income (expense):				
Interest expense	(8.6)	(6.4)	(17.1)	(15.0)
Other, net	1.3	1.1	(0.4)	—
Total other income (expense), net	(7.3)	(5.3)	(17.5)	(15.0)
Income before income taxes	7.2	120.7	92.4	99.4
Income taxes	(2.6)	(28.0)	(18.1)	(19.2)
Net income	$ 4.6	$ 92.7	$ 74.3	$ 80.2
Net income per common share*				
Basic	$ 0.09	$ 1.76	$ 1.40	$ 1.53
Diluted	$ 0.09	$ 1.73	$ 1.37	$ 1.51
Shares used in computing income per share				
Basic	53.6	52.6	53.5	52.3
Diluted	54.0	53.5	54.3	53.2

* Any differences in the calculation of net income per common share is due to rounding.

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

	Six Months Ended June 30,	
	2021	**2020**
Cash flows (used in) provided by operating activities:		
Net income	$ 74.3	$ 80.2
Adjustments to reconcile to net income to net cash (used in) provided by operating activities:		
Share-based compensation expense	21.9	31.0
Depreciation and amortization	61.9	56.8
Change in fair value of contingent consideration, net	1.7	1.1
Amortization of deferred financing costs	2.0	1.5
Deferred income taxes	(3.2)	(3.7)
Other	2.0	1.1
Changes in operating assets and liabilities:		
Accounts receivable	(34.7)	12.1
Inventories	(79.7)	(13.7)
Prepaid expenses and other assets	(2.4)	(16.9)
Accounts payable	8.0	(14.5)
Accrued expenses and other liabilities	(55.4)	25.0
Accrued compensation	(21.4)	(3.4)
Contract liabilities	0.4	29.1
Net cash (used in) provided by operating activities:	(24.6)	185.7
Cash flows used in investing activities:		
Purchases of property, plant and equipment	(123.1)	(59.3)
Milestone payment from prior asset acquisition	—	(10.0)
Net cash used in investing activities:	(123.1)	(69.3)
Cash flows used in financing activities:		
Principal payments on revolving credit facility	—	(20.0)
Principal payments on term loan facility	(11.3)	(5.6)
Principal payments on convertible senior notes	(10.6)	—
Proceeds from share-based compensation activity	10.0	23.1
Taxes paid for share-based compensation activity	(13.0)	(11.7)
Contingent consideration payments	(1.1)	(1.1)
Net cash used in financing activities:	(26.0)	(15.3)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(0.1)	(0.1)
Net change in cash, cash equivalents and restricted cash	(173.8)	101.0
Cash, cash equivalents and restricted cash at beginning of period	621.5	168.0
Cash, cash equivalents and restricted cash at end of period	$ 447.7	$ 269.0

Reconciliation of Net Income to Adjusted Net Income (1)

	Three Months Ended June 30,		
($ in millions, except per share value)	2021	2020	Source
Net income	$4.6	$92.7	
Adjustments:			
+ Non-cash amortization charges	16.1	15.8	Intangible Asset (IA) Amortization, Other Income
+ Changes in fair value of contingent consideration	0.6	0.5	COGS
+ Acquisition-related costs (transaction & integration)	0.1	—	SG&A
Tax effect	(3.4)	(3.3)	
Total adjustments:	$13.4	$13.0	
Adjusted net income	$18.0	$105.7	
Adjusted net income per diluted share	$0.33	$1.98	

	Six Months Ended June 30,		
($ in millions, except per share value)	2021	2020	Source
Net income	$74.3	$80.2	
Adjustments:			
+ Non-cash amortization charges	32.1	31.3	Intangible Asset (IA) Amortization, Other Income
+ Changes in fair value of contingent consideration	1.7	1.1	COGS
+ Acquisition-related costs (transaction & integration)	0.3	—	SG&A
Tax effect	(6.8)	(6.6)	
Total adjustments:	$27.3	$25.8	
Adjusted net income	$101.6	$106.0	
Adjusted net income per diluted share	$1.87	$1.99	

($ in millions)	Reaffirmed 2021 Full Year Forecast	Source
Net income	$340 - $415	
Adjustments:		
+ Non-cash amortization charges	64	IA Amortization, Other Income
+ Changes in fair value of contingent consideration	3	COGS
+ Acquisition-related costs (transaction & integration)	2	SG&A
Tax effect	(14)	
Total adjustments:	$55	
Adjusted net income	$395 - $470	

Reconciliation of Net Income to Adjusted EBITDA (1)

	Three Months Ended June 30,	
($ in millions)	2021	2020
Net income	$4.6	$92.7
Adjustments:		
+ Depreciation & amortization	33.2	28.6
+ Provision for income taxes	2.6	28.0
+ Total interest expense, net	8.4	6.3
+ Changes in fair value of contingent consideration	0.6	0.5
+ Acquisition-related costs (transaction & integration)	0.1	—
Total adjustments	$44.9	$63.4
Adjusted EBITDA	$49.5	$156.1

	Six Months Ended June 30,	
($ in millions)	2021	2020
Net income	$74.3	$80.2
Adjustments:		
+ Depreciation & amortization	61.9	56.8
+ Provision for income taxes	18.1	19.2
+ Total interest expense, net	16.7	14.1
+ Changes in fair value of contingent consideration	1.7	1.1
+ Acquisition-related costs (transaction & integration)	0.3	—
Total adjustments	$98.7	$91.2
Adjusted EBITDA	$173.0	$171.4

($ in millions)	Reaffirmed 2021 Full Year Forecast
Net income	$340 - $415
Adjustments:	
+ Depreciation & amortization	129
+ Provision for income taxes	114-139
+ Total interest expense, net	32
+ Changes in fair value of contingent consideration	3
+ Acquisition-related costs (transaction & integration)	2
Total adjustments	$280 - $305
Adjusted EBITDA	$620 - $720

Reconciliation of Gross Margin (1)

	Three Months Ended June 30,	
($ in millions)	2021	2020
Total revenues	$397.5	$394.7
- Contract and grants revenues	(25.4)	(23.6)
Adjusted revenues	$372.1	$371.1
Cost of product sales and contract development and manufacturing services ("COGS")	$227.8	$129.8
Gross margin (adjusted revenues minus COGS)	$144.3	$241.3
Gross margin % (gross margin divided by adjusted revenues)	39%	65%

	Six Months Ended June 30,	
($ in millions)	2021	2020
Total revenues	$740.5	$587.2
- Contract and grants revenues	(46.7)	(46.2)
Adjusted revenues	$693.8	$541.0
Cost of product sales and contract development and manufacturing services ("COGS")	$327.1	$206.7
Gross margin (adjusted revenues minus COGS)	$366.7	$334.3
Gross margin % (gross margin divided by adjusted revenues)	53%	62%

Reconciliation of Net Research and Development Expenses (1)

	Three Months Ended June 30,	
($ in millions)	2021	2020
Research and Development Expenses	$48.9	$47.9
Adjustments:		
- Contracts and Grants Revenue	(25.4)	(23.6)
Net Research and Development Expenses	23.5	$24.3
Adjusted Revenue (Total Revenue less Contracts and Grants Revenue)	372.1	$371.1
Net R&D as % of Adjusted Revenue (Net R&D Margin)	6%	7%

	Six Months Ended June 30,	
($ in millions)	2021	2020
Research and Development Expenses	$101.4	$90.6
Adjustments:		
- Contracts and Grants Revenue	(46.7)	(46.2)
Net Research and Development Expenses	54.7	$44.4
Adjusted Revenue (Total Revenue less Contracts and Grants Revenue)	693.8	$541.0
Net R&D as % of Adjusted Revenue (Net R&D Margin)	8%	8%


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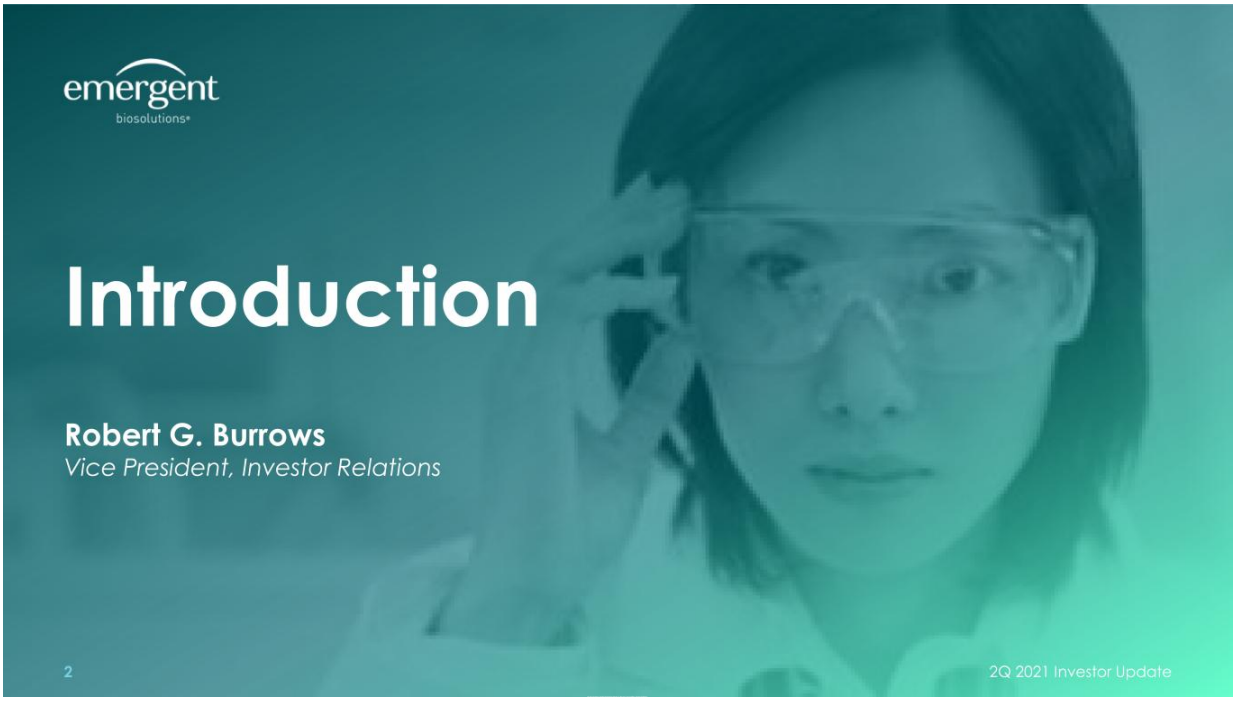
2Q21
Investor
Update
July 29, 2021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Introduction
Robert G. Burrows
Vice President, Investor Relations
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2Q 2021 Investor Update

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 and related projections and statements regarding our ability to meet such projections in the anticipated timeframe, if at all; statements regarding continued procurement of AV7909 under our existing contract with BARDA; the full delivery in 2021 of vaccines procured under the July 2021 ACAM2000® option exercise; the potential award of a new procurement contract for raxibacumab; the strength of the naloxone market and the timing and number of naloxone competitor entrants expected by year end; the timing of the anticipated appellate decision on related pending patent litigation; progress across the vaccines, therapeutics, and devices portfolios and anticipated timing and number of regulatory submissions; the strength of our CDMO business unit and demand for biologics services; capacity expansion in our CDMO business portfolio; timing of CDMO revenues, our CDMO backlog and opportunity funnel; the stability of the U.S. government's priority for procuring solutions to public health threats; the durability of our business and growth potential; remaining on track with respect to our 2024 strategy; capital expenditures and total contract value; 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, product sales, government development or procurement contracts or awards, government appropriations, manufacturing capabilities, and the timing of certain clinical trials and regulatory approvals 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 statements speak only as of the date of this presentation, 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 our actual results to differ materially from those indicated by such forward-looking statements, including the continued exercise of discretion by BARDA to procure additional doses of AV7909 prior to approval by the FDA; our ability to negotiate follow-on procurement contracts for AV7909 and other follow-on procurement contracts for our public health threat products that have expired or will be expiring; the impact on our revenues from the hold of certain COVID-19 vaccine bulk drug substance lots; our ability to meet our commitments to continued quality and manufacturing compliance at our Baltimore Bayview facility identified by the FDA and the potential impact on our ability to continue production of bulk drug substance for Johnson & Johnson's COVID-19 vaccine at the facility; the availability of U.S. government funding for procurement of our products and certain product candidates; our ability to perform under our contracts with the U.S. government including the timing of and specifications relating to deliveries; our ability to provide CDMO services for the development and/or manufacture of product candidates of our customers at required levels and on required timelines; our ability and the ability of our contractors and suppliers to maintain compliance with current good manufacturing practices and other regulatory obligations; our ability to obtain and maintain regulatory approvals for our product candidates and the timing of any such approvals; changes to U.S. government priorities for the SNS and the future exercise of all remaining options under our contract for the procurement of ACAM2000® and other government procurement contracts; the negotiation of further commitments or contracts related to the collaboration and deployment of capacity toward future commercial manufacturing under our CDMO contracts; the timing of our submission of an application for and our ability to secure licensure of AV7909 from the FDA within the anticipated timeframe, if at all; our ability to successfully appeal the patent litigation decision related to NARCAN® Nasal Spray 4mg/spray, and the impact of competition from potential generic and branded naloxone entrants on NARCAN® Nasal Spray; the results of pending shareholder litigation and the potential impact on our business; our ability to develop a safe and effective treatment for COVID-19 and obtain authorization for emergency use for or approval of such treatment from the FDA; our ability to identify and acquire companies, businesses, products or product candidates that satisfy our selection criteria; our ability to comply with the operating and financial covenants required by our senior secured credit facilities and our 3.875% Senior Unsecured Notes due 2028; the procurement of products by U.S. government entities under regulatory exemptions prior to approval by the FDA and corresponding procurement by government entities outside of the United States under regulatory exemptions prior to approval by the corresponding regulatory authorities in the applicable country; the full impact of COVID-19 disease on our markets, operations and employees as well as those of our customers and suppliers; the impact on our revenues from short-term declines in sales of our vaccine products that target travelers due to the reduction of international travel caused by the COVID-19 pandemic; the success of our commercialization, marketing and manufacturing capabilities and strategy; and the accuracy of our estimates regarding future revenues, expenses, capital requirements and needs for additional financing. 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 / Trademarks

NON-GAAP FINANCIAL MEASURES

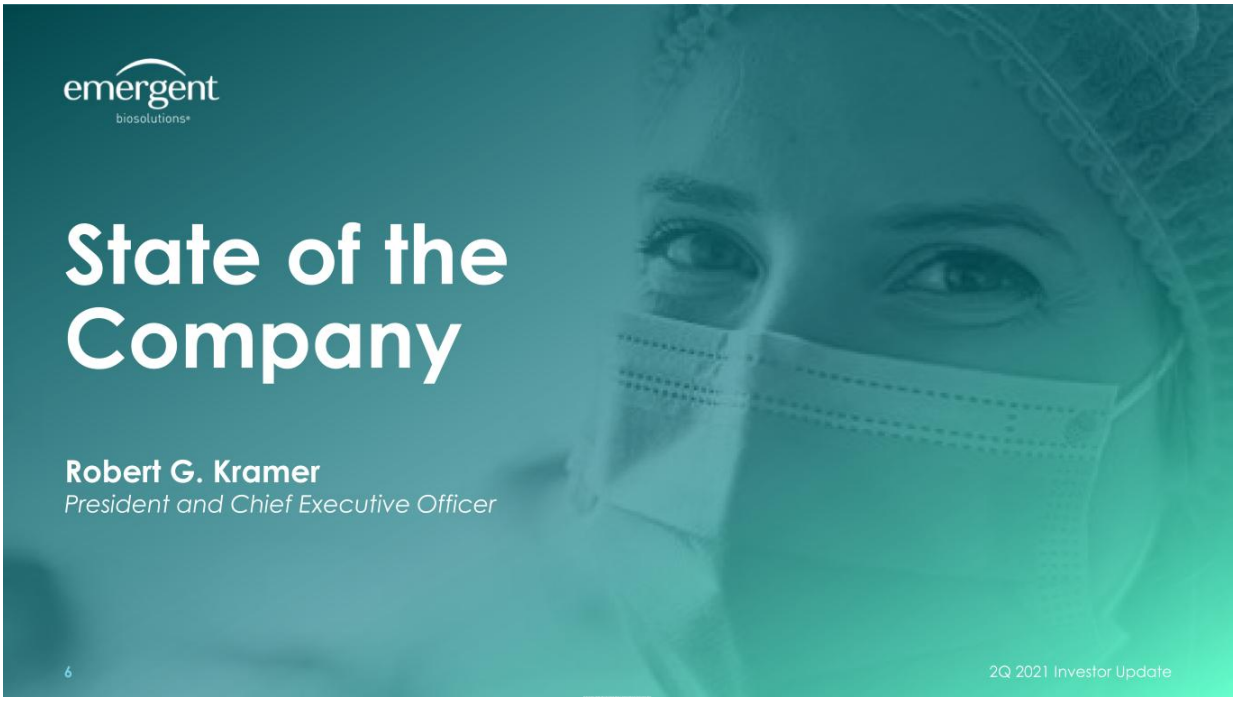
This presentation contains financial measures (Adjusted Net Income, Adjusted Net Income Per Diluted Share, Adjusted EBITDA (Earnings Before Depreciation and Amortization, Interest and Taxes), Gross Margin, Adjusted Revenues and Net Research and Development expenses) that are considered "non-GAAP" financial 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. For its non-GAAP measures, the Company adjusts for specified items that can be highly variable or difficult to predict, or reflect the non-cash impact of charges or accounting changes. As needed, such adjustments are tax effected utilizing the federal statutory tax rate for the US, except for changes in the fair value of contingent consideration as the vast majority is non-deductible for tax purposes. 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. For more information on these non-GAAP financial measures, please see the tables in the Appendix included at the end of this presentation.

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

Agenda

- State of the Company
- Financial Results: 2Q21
- Financial Guidance: Full Year 2021 and 3Q21
- Question and Answer Session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State of the Company
Robert G. Kramer
President and Chief Executive Officer
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2Q 2021 Investor Update

Key Themes for 2Q21 Status of the Company

- We are pleased to be resuming production of Johnson & Johnson's Covid-19 vaccine bulk drug substance.
- We continue to work collaboratively with AstraZeneca to complete all documents related to their batches and enable them to work with the US government on the disposition of those lots.
- We are in year two of our 2020-2024 strategic plan and continue to make progress against that plan.
- Our work supporting the USG's priorities to protect the American public against smallpox, anthrax and other Category A biological agents remains stable.
- The CDMO business unit remains strong; we see strong interest from current/potential clients across all three service pillars; industry demand for biologics manufacturing services continues to grow.
- We continue to focus on the opioid epidemic, supporting public awareness and ongoing affordability and availability of Narcan® Nasal Spray and our role as a provider of solutions against this persistent threat to health and safety.
- We still expect this year to initiate a Phase 3 trial for CHIKV VLP, our Chikungunya virus vaccine candidate, and possibly other Phase 1 studies with candidates addressing other infectious diseases, and to file with FDA our BLA for AV7909, our next generation anthrax vaccine candidate.
- **Our business remains durable, resilient and poised for growth; we are on track with our 2024 strategy; and, we remain well-positioned to play a meaningful role in strengthening our national public health threat preparedness.**


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Financial Results
Richard S. Lindahl
Executive Vice President,
Chief Financial Officer and Treasurer
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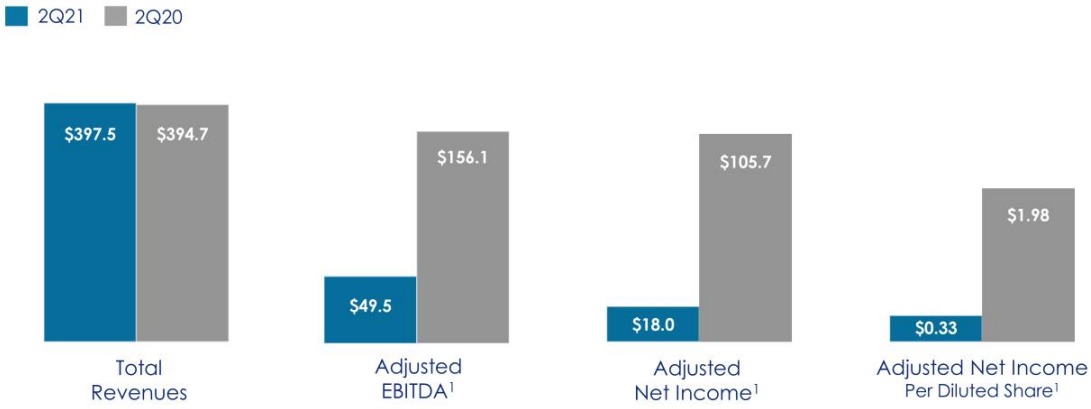
2Q 2021 Investor Update

2Q21 Performance Summary Points

- Solid top-line performance, consistent with expectations.
- Expenses impacted by financial implications stemming from the situation at the Bayview facility.
- Financial condition remains sound with liquidity and financial flexibility to fund operations and pursue opportunistic investments.
- Despite challenges, remain steadfast in commitment to supporting global preparedness and response to public health threats (PHTs).

Primary Metrics: P&L – 2Q21 vs. 2Q20

($ in millions, except per share amounts)



1. See the Appendix for a definition of non-GAAP terms and reconciliation tables.

Additional Information: CDMO Metrics at 2Q21

New Business – Initial Value of Contracts Secured[1]
In 2Q21

Rolling Backlog[2]
As of June 30, 2021

Rolling Opportunity Funnel[3]
As of June 30, 2021

1. *New business is defined as initial value of contracts secured as well as incremental value of existing contracts modified within the indicated period and is incorporated into Backlog.*
2. *Backlog is defined as estimated remaining contract value as of the indicated period pursuant to signed contracts, the majority of which is expected to be realized over the next 24 months.*
3. *Opportunity funnel is defined as the initial proposal values from new work with new customers, new work with existing customers and extensions/expansions of existing contracts with existing customers, that if converted to new business, the majority of such value is expected to be realized over the next 24 months. This excludes any value associated with an extension of the commercial supply agreement (CSA) with Johnson & Johnson.*

Additional Information: CDMO Metrics Trends

($ in millions)

1. *New business is defined as initial value of contracts secured as well as incremental value of existing contracts modified within the indicated period and is incorporated into Backlog.*
2. *Backlog is defined as estimated remaining contract value as of the indicated period pursuant to signed contracts, the majority of which is expected to be realized over the next 24 months.*
3. *Opportunity funnel is defined as the initial proposal values from new work with new customers, new work with existing customers and extensions/expansions of existing contracts with existing customers, that if converted to new business, the majority of such value is expected to be realized over the next 24 months. This excludes any value associated with an extension of the commercial supply agreement (CSA) with Johnson & Johnson.*

Primary Metrics: Balance Sheet & Liquidity – 2Q21

($ in millions)

As of June 30, 2021

Cash	**$447.5**
Accounts Receivable	**$261.9**
Cash + Accounts Receivable	**$709.4**
Net Debt Position[1,2]	**$416.1**

For the Six Months Ended June 30, 2021

Operating Cash Flow	**($24.6)**
Capital Expenditures	**$123.1**

1. *Debt amount indicated on the Company's Balance Sheet is net of unamortized debt issuance costs of $9.6M.*
2. *Net Debt is calculated as Total Debt minus Cash.*

2021 Forecast – Updated as of 07/28/2021

($ in millions)

Metric	Forecast	REAFFIRMED/REVISED
Total revenues	$1,700 - $1,900	REAFFIRMED
-- NARCAN Nasal Spray	$305 - $325	REAFFIRMED
-- Anthrax vaccines	$280 - $310	REAFFIRMED
-- ACAM2000	$185 - $205	REAFFIRMED
-- CDMO services	$765 - $875	REAFFIRMED
Adjusted EBITDA[1]	$620 - $720	REAFFIRMED
Adjusted net income[1]	$395 - $470	REAFFIRMED
Gross margin	61%-63% *[Formerly 63%-65%]*	REVISED

3Q21 forecasted total revenues: $400 to $500

1. See the Appendix for a definition of non-GAAP terms and reconciliation tables.

2021 Forecast: Key Considerations

- Most assumptions remain consistent with those provided with April 30 guidance update, including:
  - No Raxibacumab revenue until 2022
  - At least one new entrant to Naloxone market this year, but no generic competitor prior to resolution of patent litigation
  - CDMO revenue range reflects successful manufacturing of J&J's COVID-19 vaccine at Bayview
- Gross Margin revision reflects impact to FY21 from 2Q21 performance and expectations for the rest of the year.
- Anticipate lower gross margin will be offset by R&D and SG&A cost savings.

Key Takeaways

- Solid financial results in 2Q21 keep us on track with full year outlook.
- YTD total revenues as a percentage of the midpoint of full year guidance in line with prior four years performance.
- Remain confident in the strength of the business.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APPENDIX

FY2021 Financial Forecast Considerations

Revised Considerations

- Gross margin reflects the impact of the Q2 2021 performance as well as expectations for the remainder of the year.

Reaffirmed Considerations

- Narcan® (naloxone HCl) Nasal Spray revenues assume the naloxone market remains competitive and incorporates the impact of at least one new branded entrant into the market by year end, as well as that no generic entrant will enter the market prior to the anticipated appellate decision related to the pending patent litigation, which is expected in the second half of 2021.
- Anthrax vaccines revenues are expected to continue to primarily reflect procurement of AV7909 under the terms of the Company's existing contract with BARDA at a more normalized annual level.
- ACAM2000®, (Smallpox (Vaccinia) Vaccine, Live) vaccine revenues incorporate the expected full delivery of product under the $182 million option exercise received in July 2021 as well as other international sales.
- CDMO services revenue reflects the successful manufacturing of Johnson & Johnson's COVID-19 vaccine bulk drug substance at the Company's Bayview facility. On July 29, the Company announced that it was informed by the FDA that it can resume production at its Bayview manufacturing facility.
- Total revenues, specifically other product sales, are expected to be impacted due to the Company's assumption that a new raxibacumab contract will be awarded later than previously planned.
- R&D expenses are expected to reflect continued pipeline progress across the vaccines, therapeutics, and devices portfolios, including the assumption of at least one Phase 3 launch and one Biologics License Application (BLA)/Emergency Use Authorization (EUA) filing.
- Capital expenditures, net of reimbursement, are expected to be in a range of 8% to 9% of total revenues, reflecting ongoing investments in capacity and capability expansions in support of the Company's CDMO services business and product portfolio.

Reconciliation of Net Income to Adjusted Net Income – 2Q21 vs. 2Q20

($ in millions, except per share amounts)	Three Months Ended June 30,		
	2021	2020	Source
Net income	$4.6	$92.7	
Adjustments:			
+ Non-cash amortization charges	16.1	15.8	Intangible Asset (IA) Amortization, Other Income
+ Changes in fair value of contingent consideration	0.6	0.5	COGS
+ Acquisition-related costs (transaction & integration)	0.1	—	SG&A
Tax effect	(3.4)	(3.3)	
Total adjustments:	13.4	13.0	
Adjusted net income	$18.0	$105.7	
Adjusted net income per diluted share	$0.33	$1.98	

Reconciliation of Net Income to Adjusted Net Income – 2021 Forecast

($ in millions)	Full Year Forecast	
	2021F	Source
Net income	$340 - $415	
Adjustments:		
+ Non-cash amortization charges	64	Intangible Asset (IA) Amortization, Other Income
+ Changes in fair value of contingent consideration	3	COGS
+ Acquisition-related costs (transaction & integration)	2	SG&A
Tax effect	(14)	
Total adjustments:	$55	
Adjusted net income	$395 - $470	

Reconciliation of Net Income to Adjusted EBITDA – 2Q21 vs. 2Q20

($ in millions)	Three Months Ended June 30,	
	2021	2020
Net income	$4.6	$92.7
Adjustments:		
+ Depreciation & amortization	33.2	28.6
+ Provision for income taxes	2.6	28.0
+ Total interest expense, net	8.4	6.3
+ Change in fair value of contingent consideration	0.6	0.5
+ Acquisition-related costs (transaction & integration)	0.1	—
Total adjustments	$44.9	$63.4
Adjusted EBITDA	$49.5	$156.1

Reconciliation of Net Income to Adjusted EBITDA – 2021 Forecast

($ in millions)	Full Year Forecast
	2021F
Net income	$340 - $415
Adjustments:	
+ Depreciation & amortization	129
+ Income taxes	114 – 139
+ Total interest expense	32
+ Change in fair value of contingent consideration	3
+ Acquisition-related costs (transaction & integration)	2
Total adjustments	$280 – $305
Adjusted EBITDA	$620 – $720

Reconciliation of Gross Margin – 2Q21 vs. 2Q20

(in millions)	Three Months Ended June 30,	
	2021	2020
Total revenues	$397.5	$394.7
- Contract and grants revenues	(25.4)	(23.6)
Adjusted revenues	$372.1	$371.1
Cost of product sales and contract development and manufacturing services ("COGS")	$227.8	$129.8
Gross margin (adjusted revenues minus COGS)	$144.3	$241.3
Gross margin % (gross margin divided by adjusted revenues)	39%	65%

Emergent BioSolutions to Resume Manufacturing Covid-19 Vaccine at Bayview Facility

July 29, 2021

GAITHERSBURG, Md., July 29, 2021 (GLOBE NEWSWIRE) -- Emergent BioSolutions Inc. (NYSE:EBS) announced today that the U.S. Food and Drug Administration (FDA) is allowing Emergent's Bayview manufacturing facility to resume production of Johnson & Johnson's (J&J) Covid-19 vaccine bulk drug substance. This resumption of manufacturing follows extensive reviews by FDA, weeks of diligent work, and close coordination with J&J and FDA to execute on Emergent's quality enhancement plan.

"We are proud to be resuming production of bulk Covid-19 vaccine batches following additional reviews and collaboration with FDA and our manufacturing partners," said Emergent chief executive officer, Robert Kramer. "We are in the unique business of producing life-saving medications for catastrophes that we hope never occur like anthrax attacks, opioid overdoses, and Covid-19."

Since production was paused at Bayview, Emergent has worked closely with FDA and J&J to address quality concerns including developing and executing an action plan and committing extensive resources to bring operations up to FDA's exacting standards. Emergent expects to continue to work with FDA throughout the manufacturing process to help ensure the strength of the J&J Covid-19 vaccine supply chain.

"The American people should have high expectations of the partners its government chooses to help prepare them for disaster, and we have even higher expectations of ourselves," said Kramer. "We have fallen short of those lofty ambitions over the past few months but resumption of manufacturing is a key milestone and we are grateful for the opportunity to help bring this global pandemic to an end. We'd like to thank our government partners as well as Johnson & Johnson for their support."

About Emergent BioSolutions

Emergent BioSolutions is a global life sciences company whose mission is to protect and enhance life. Through Emergent's specialty products and contract development and manufacturing services, Emergent is dedicated to providing solutions that address public health threats. Through social responsibility, Emergent aims to build healthier and safer communities. Emergent aspires to deliver peace of mind to its patients and customers so they can focus on what's most important in their lives. In working together, Emergent envisions protecting or enhancing 1 billion lives by 2030. For additional information, visit Emergent's website and follow Emergent on LinkedIn, Twitter and Instagram.

Safe Harbor Statement

This press release 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 statements regarding our ability to meet the FDA's exacting standards, ensuring the strength of J&J's supply chain, receipt of EUA from the FDA for the Bayview facility and any other statements containing the words "believes," "expects," "anticipates," "intends," "plans," "estimates," and similar expressions, 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. The reader 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. 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 Emergent's actual results to differ materially from those indicated by such forward-looking statements, including our ability to maintain production at FDA standards and receive EUA for our Bayview facility. 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. The reader 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.

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Source: Emergent BioSolutions