

**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): February 27, 2023

EMERGENT BIOSOLUTIONS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33137
(Commission File Number)

14-1902018
(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 February 27, 2023, Emergent BioSolutions Inc. (the "Company") announced financial and operating results for the period ended December 31, 2022. The Company will also use presentation materials in connection with its fourth quarter conference call ("Earnings Call Slides"), which will be posted on the Company's website at www.emergentbiosolutions.com. Copies of the 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 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Earnings press release issued by the Company on February 27, 2023.
99.2	Earnings Call Slides, dated February 27, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: February 27, 2023

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

EMERGENT BIOSOLUTIONS REPORTS FINANCIAL RESULTS FOR FOURTH QUARTER 2022

- Reports Q4 2022 total revenues of \$331M resulting in FY 2022 total revenues of \$1,121M, in line with prior guidance
- Reports Q4 2022 net loss of \$88M and FY 2022 net loss of \$224M
- Reports Q4 2022 adjusted EBITDA of \$34M and FY 2022 adjusted EBITDA of \$26M, in line with prior guidance
- Reports Q4 2022 adjusted gross margin of 48% and FY 2022 adjusted gross margin of 41%
- For FY 2023, expects continued stability of revenues and further improvements in operations and normalizing of cost structure leading to guidance of total revenues of \$1,150M, adjusted EBITDA of \$100M, and adjusted gross margin of 43%, all at the midpoint

GAITHERSBURG, Md., February 27, 2023—Emergent BioSolutions Inc. (NYSE: EBS) today reported financial results for the fourth quarter and year ended December 31, 2022.

"Our 2022 performance reflects the transition the company is undergoing and, together with our 2023 forecast, stands as a baseline from which we will grow post-pandemic," said Robert G. Kramer, president and CEO of Emergent BioSolutions. "Moving forward, our strategy will continue to put patients and customers first and support governments and their public health preparedness and response capabilities while returning Emergent to sustainable long-term growth and profitability."

FINANCIAL HIGHLIGHTS ⁽¹⁾

Q4 2022 vs. Q4 2021

(\$ in millions, except per share amounts)	Q4 2022	Q4 2021	% Change
Total Revenues	\$330.7	\$723.2	(54)%
Net Income (Loss)	\$(88.0)	\$189.3	*
Net Income (Loss) per Diluted Share	\$(1.76)	\$3.50	*
Adjusted Net Income (Loss) ⁽²⁾	\$(15.1)	\$243.4	*
Adjusted Net Income (Loss) ⁽²⁾ per Diluted Share	\$(0.31)	\$4.50	*
Adjusted EBITDA ⁽²⁾	\$34.2	\$191.5	(82)%
Gross Margin %	32%	67%	NM
Adjusted Gross Margin % ⁽²⁾	48%	67%	NM

* % change is greater than +/- 100%
 NM - Not Meaningful

Full Year 2022 vs. Full Year 2021

(\$ in millions, except per share amounts)	Full Year 2022	Full Year 2021	% Change
Total Revenues	\$1,120.9	\$1,792.7	(37)%
Net Income (Loss)	\$(223.8)	\$230.9	*
Net Income (Loss) per Diluted Share	\$(4.47)	\$4.27	*
Adjusted Net Income (Loss) ⁽²⁾	\$(111.9)	\$325.7	*
Adjusted Net Income (Loss) ⁽²⁾ per Diluted Share	\$(2.23)	\$6.02	*
Adjusted EBITDA ⁽²⁾	\$26.1	\$517.6	(95)%
Gross Margin %	36%	54%	NM
Adjusted Gross Margin % ⁽²⁾	41%	55%	NM

* % change is greater than +/- 100%
 NM - Not Meaningful

SELECT Q4 2022 AND OTHER RECENT BUSINESS UPDATES

- Announced U.S. Food and Drug Administration (FDA) acceptance and priority review of supplemental New Drug Application for NARCAN® (naloxone HCl) Nasal Spray 4 mg as an over-the-counter (OTC) emergency treatment for known or suspected opioid overdose
- Announced unanimous vote by the FDA Nonprescription Drugs and Anesthetic and Analgesic Drug Products Advisory Committees in favor of NARCAN® Nasal Spray for OTC use
- Announced agreement to sell travel health business to Bavarian Nordic for up to \$380.0 million
- Awarded a five-year, indefinite-delivery, indefinite-quantity procurement contract to supply RSDL (Reactive Skin Decontamination Lotion Kit) to the U.S. Department of Defense (DoD) valued at up to \$379.6 million
- Announced a research award by the DoD Congressionally Directed Medical Research Programs to evaluate efficacy of the Company's single-dose chikungunya virus virus-like particle vaccine candidate in a post-approval field efficacy study in areas with active chikungunya virus transmission
- Announced organization changes as part of sharpened strategic focus comprising the formation of a newly created Science and Development function and the elimination of 132 positions with an anticipated annualized savings of over \$60.0 million when fully implemented

Q4 2022 FINANCIAL PERFORMANCE ⁽¹⁾

Revenues

(\$ in millions)	Q4 2022	Q4 2021	% Change
Product sales, net ⁽³⁾ :			
• Anthrax vaccines	\$50.9	\$137.7	(63)%
• ACAM2000®	\$—	\$125.8	(100)%
• Nasal naloxone products	\$91.1	\$120.6	(24)%
• TEMBEXA®	\$117.6	\$—	NM
• Other ⁽⁴⁾	\$46.1	\$50.2	(8)%
Total product sales, net	\$305.7	\$434.3	(30)%
Contract development and manufacturing (CDMO):			
• Services	\$17.7	\$51.2	(65)%
• Leases	\$0.2	\$167.1	(100)%
Total CDMO	\$17.9	\$218.3	(92)%
Contracts and grants	\$7.1	\$70.6	(90)%
Total revenues	\$330.7	\$723.2	(54)%

NM - Not Meaningful

Product Sales, net

Anthrax vaccines

For Q4 2022, revenues from anthrax vaccines decreased \$86.8 million as compared with Q4 2021. The decrease was largely driven by a decrease in deliveries of AV7909 (Anthrax Vaccine Adsorbed, Adjuvanted) to the U.S. government (USG), specifically the Strategic National Stockpile (SNS).

ACAM2000

For Q4 2022, revenues from ACAM2000® (Smallpox (Vaccinia) Vaccine, Live) decreased \$125.8 million to \$0.0 as compared with Q4 2021. The decrease was driven by the timing of deliveries to the USG.

Nasal naloxone products

For Q4 2022, revenues from nasal naloxone products decreased \$29.5 million as compared with Q4 2021. The decrease was primarily driven by a reduction in commercial retail sales and a decrease in the price per unit following

the launch of a generic version of NARCAN Nasal Spray 4mg in December 2021, partially offset by an increase in U.S. public interest and Canadian sales.

TEMBEXA

TEMBEXA® (brincidofovir) sales, following the Company's September 2022 acquisition of worldwide rights to TEMBEXA®, contributed \$117.6 million in revenues for Q4 2022.

Other⁽⁴⁾

For Q4 2022, revenues from other product sales decreased \$4.1 million as compared with Q4 2021. The decrease was primarily due to lower sales of two of the Company's Government/Medical Countermeasure (MCM) products: i) BAT® [Botulism Antitoxin Heptavalent (A, B, C, D, E, F, G) - (Equine)], driven by timing of deliveries to the SNS and to international customers; and, ii) VIGIV [Vaccinia Immune Globulin Intravenous (Human)], driven by timing of deliveries to the SNS and international customers. These were partially offset by an increase in sales of Vivotif® (Typhoid Vaccine Live Oral Ty21a) and Anthrasil® [Anthrax Immune Globulin Intravenous (human)].

CDMO

CDMO Services

For Q4 2022, revenues from contract development and manufacturing services decreased \$33.5 million as compared with Q4 2021. This decrease was largely due to no revenues in the quarter from the AstraZeneca and Janssen contracts both of which contributed combined revenues of \$31.8 million in Q4 2021. Specifically, there was a cessation of manufacturing activities under the AstraZeneca contract at the Company's Bayview facility in 2021, and a pause and eventual cessation of manufacturing activities under the Janssen contract initiated in Q1 2022. The decrease also reflects reduced production at the Camden facility in the quarter driven by additional investments in strengthening quality and compliance that restricted the Company's ability to optimally utilize the existing capacity at the site. These declines in revenues were partially offset by an increase in services revenues earned at the Company's Winnipeg facility.

CDMO Leases

For Q4 2022, revenues from contract development and manufacturing leases decreased \$166.9 million as compared with Q4 2021. This decrease was largely due to no revenues in the quarter from the lease components of the contracts with the Center for Innovation in Advanced Development and Manufacturing ("CIADM") and Janssen, which contributed a combined \$167.1 million in revenues in Q4 2021.

Contracts and Grants

For Q4 2022, revenues from contracts and grants decreased \$63.5 million as compared with Q4 2021. The decrease was a result of \$59.7 million being recognized in Q4 2021, primarily deferred revenue, which was lower in Q4 2022 as a result of the termination of the base CIADM contract coupled with decreases in third party development activities.

Operating Expenses

(\$ in millions)	Q4 2022	Q4 2021	% Change
Cost of product sales	\$167.3	\$145.0	15%
Cost of CDMO	\$52.1	\$67.9	(23)%
Research and development	\$57.6	\$83.0	(31)%
Selling, general and administrative	\$94.2	\$94.2	—%
Goodwill impairment	\$6.7	\$41.7	(84)%
Amortization of intangible assets	\$17.9	\$14.0	28%
Total operating expenses	\$395.8	\$445.8	(11)%

Cost of Product Sales

For Q4 2022, cost of product sales increased \$22.3 million as compared with Q4 2021. The increase was primarily due to an increase in product sales for TEMBEXA and inventory write offs related to AV7909, partially offset by decreases in product sales for ACAM2000 and generic and branded nasal naloxone products.

Cost of CDMO

For Q4 2022, cost of CDMO decreased \$15.8 million as compared with Q4 2021. The decrease is primarily due to reduced production activities across the Company's CDMO network in Q4 2022 compared to Q4 2021. These decreases were partially offset by increased costs at the Company's Camden facility due to additional investments in quality enhancement and improvement initiatives.

Research and Development ⁽²⁾

For Q4 2022, research and development expenses decreased \$25.4 million as compared with Q4 2021. The decrease is primarily due to the non-cash write-off of \$38.0 million associated with a contract asset balance resulting from the 2021 CIADM contract termination, partially offset by an increase in costs associated with the Company's Phase 3 R&D efforts in chikungunya. Net of contracts and grants revenue, which consists primarily of reimbursements against development investments, adjusted research and development expenses were \$50.5 million for Q4 2022.

Selling, General and Administrative

For Q4 2022, selling, general and administrative expenses were consistent with Q4 2021.

Goodwill Impairment

During Q4 2022, as part of its annual goodwill impairment testing, the Company recognized a \$6.7 million impairment charge to goodwill in the CDMO Services reporting unit reducing the reporting unit's goodwill balance to zero as of December 31, 2022.

Capital Expenditures

(\$ in millions)	Q4 2022	Q4 2021	% Change
Gross capital expenditures	\$23.6	\$46.7	(49)%
Less: capital expenditures reimbursed	\$2.5	\$60.5	(96)%
Net capital expenditures	\$21.1	\$(13.8)	*
Gross capital expenditures as a % of total revenues	7%	6%	100 bps
Net capital expenditures as a % of total revenues	6%	(2)%	800 bps

* % change is greater than +/- 100%

For Q4 2022, gross capital expenditures decreased largely due to lower spending associated with the expansion project at the Company's Rockville facility, which was completed in 2021.

Segment Information

During Q1 2022, the Company began assessing its operating performance by focusing on two reportable segments: 1) a products segment (Products) consisting of the MCM and Commercial products and 2) a services segment (Services) consisting of CDMO business services. The Company evaluates the performance of these segments based on revenue and adjusted gross margin. Segment revenue includes external customer sales but does not include inter-segment services. The Company does not allocate contracts and grants, R&D, SG&A, amortization of intangible assets, interest and other income (expense) or taxes to its evaluation of the performance of these segments.

(\$ in millions)	Products			Services		
	Three Months Ended December 31,			Three Months Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Revenues	\$305.7	\$434.3	(30)%	\$17.9	\$218.3	(92)%
Cost of sales	\$167.3	\$145.0	15%	\$52.1	\$67.9	(23)%
Less: Changes in fair value of contingent consideration	\$0.2	\$0.3	(33)%	\$—	\$—	NM
Less: Inventory step-up provision	\$51.4	\$—	NM	\$—	\$—	NM
Adjusted cost of sales **	\$115.7	\$144.7	(20)%	\$52.1	\$67.9	(23)%
Gross margin ***	\$138.4	\$289.3	(52)%	\$(34.2)	\$150.4	*
Gross margin % ***	45%	67%	NM	(191)%	69%	NM
Adjusted gross margin ****	\$190.0	\$289.6	(34)%	\$(34.2)	\$150.4	*
Adjusted gross margin % ****	62%	67%	NM	(191)%	69%	NM

* % change is greater than +/- 100%

** Adjusted cost of sales, which is a non-GAAP financial measure, is calculated as cost of sales less changes in fair value of contingent consideration and inventory step-up provision, both of which are non-cash items.

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

**** Adjusted gross margin, which is a non-GAAP financial measure, is calculated as revenues less Adjusted cost of sales. Adjusted gross margin %, which is a non-GAAP financial measure, is calculated as Adjusted gross margin divided by revenues.

NM - Not Meaningful

For Q4 2022, Product gross margin and Product adjusted gross margin decreased \$150.9 million and \$99.6 million, respectively, as compared with Q4 2021. The decrease in Product gross margin and Product adjusted gross margin was primarily due to decreased sales volumes and inventory write-offs combined with a less favorable mix weighted more heavily to lower margin products.

For Q4 2022, Services gross margin and Services adjusted gross margin each decreased \$184.6 million, as compared with Q4 2021. The decreases are primarily due to the decline in revenue at the Company's Bayview facility as a result of the completion of the Company's arrangement with BARDA, the cessation of manufacturing activities related to the AstraZeneca and Janssen contracts, and the decrease in margins at the Company's Camden facility due to additional investments in quality enhancement and improvement initiatives, including an increase in professional services costs.

SELECT FULL YEAR 2022 FINANCIAL INFORMATION

Revenues

(\$ in millions)	Full Year 2022	Full Year 2021	% Change
Product sales, net ⁽³⁾ :			
• Nasal naloxone products	\$373.7	\$434.3	(14)%
• ACAM2000®	\$63.4	\$206.5	(69)%
• Anthrax vaccines	\$274.3	\$259.8	6%
• TEMBEXA®	\$117.6	\$—	NM
• Other ⁽⁴⁾	\$137.2	\$123.3	11%
Total product sales, net	\$966.2	\$1,023.9	(6)%
CDMO:			
• Services	\$108.4	\$334.9	(68)%
• Leases	\$4.9	\$299.7	(98)%
Total CDMO	\$113.3	\$634.6	(82)%
Contracts and grants	\$41.4	\$134.2	(69)%
Total revenues	\$1,120.9	\$1,792.7	(37)%

NM - Not Meaningful

Operating Expenses

(\$ in millions)	Full Year 2022	Full Year 2021	% Change
Cost of product sales	\$424.1	\$382.0	11%
Cost of CDMO	\$269.6	\$375.5	(28)%
Research and development	\$193.0	\$234.0	(18)%
Selling, general and administrative	\$340.3	\$348.4	(2)%
Goodwill impairment	\$6.7	\$41.7	(84)%
Amortization of intangible assets	\$59.9	\$58.5	2%
Total operating expenses	\$1,293.6	\$1,440.1	(10)%

Net of contracts and grants revenue, which consists primarily of reimbursements against development investments, adjusted research and development expenses were \$151.6 million for full year 2022. ⁽²⁾

Capital Expenditures

(\$ in millions)	Full Year 2022	Full Year 2021	% Change
Gross capital expenditures	\$115.8	\$225.0	(49)%
Less: capital expenditures reimbursed	\$2.5	\$84.8	(97)%
Net capital expenditures	\$113.3	\$140.2	(19)%
Gross capital expenditures as a % of total revenues	10%	13%	(300) bps
Net capital expenditures as a % of total revenues	10%	8%	200 bps

Segment Information

Full Year 2022 Segment Information

(\$ in millions)	Products			Services		
	Year Ended December 31,			Year Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Revenues	\$966.2	\$1,023.9	(6)%	\$113.3	\$634.6	(82)%
Cost of sales	\$424.1	\$382.0	11%	\$269.6	\$375.5	(28)%
Less: Changes in fair value of contingent consideration	\$2.6	\$2.9	(10)%	\$—	\$—	NM
Less: Inventory step-up provision	\$51.4	\$—	NM	\$—	\$—	NM
Adjusted cost of sales**	\$370.1	\$379.1	(2)%	\$269.6	\$375.5	(28)%
Gross margin ***	\$542.1	\$641.9	(16)%	\$(156.3)	\$259.1	*
Gross margin % ***	56%	63%	-700	(138)%	41%	NM
Adjusted gross margin ****	\$596.1	\$644.8	(8)%	\$(156.3)	\$259.1	*
Adjusted gross margin % ****	62%	63%	-100	(138)%	41%	NM

* % change is greater than +/- 100%

** Adjusted cost of sales, which is a non-GAAP financial measure, is calculated as cost of sales less changes in fair value of contingent consideration and inventory step-up provision, both of which are non-cash items.

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

**** Adjusted gross margin, which is a non-GAAP financial measure, is calculated as revenues less Adjusted cost of sales. Adjusted gross margin %, which is a non-GAAP financial measure, is calculated as Adjusted gross margin divided by revenues.

NM - Not Meaningful

For 2022, Product gross margin and Product adjusted gross margin decreased \$99.8 million and \$48.7 million, respectively as compared with 2021. The decrease in Product gross margin and Product adjusted gross margin are primarily due to decreased sales volumes and inventory write-offs combined with a less favorable mix weighted more heavily to lower margin products.

For 2022, Services gross margin and Services adjusted gross margin each decreased \$415.4 million as compared with 2021. The decrease was primarily due to the decline in revenue at the Company's Bayview facility as a result of the completion of the Company's arrangement with BARDA, the cessation of manufacturing activities related to the AstraZeneca and Janssen contracts, and the decrease in margins at the Company's Camden facility due to additional investments in quality enhancement and improvement initiatives, including an increase in professional services costs.

2023 FINANCIAL FORECAST

The Company provides the following financial forecast for full year 2023 and Q1 2023, in both instances reflecting management's expectations based on the most current information available.

Full Year 2023

Beginning in 2023, the Company is revising the categories used in discussing product/service level revenues. The new categories will be as follows:

- Anthrax Medical Countermeasures (Anthrax MCM) — comprises potential contributions from AV7909, BioThrax, Anthrasil and raxibacumab
- NARCAN — comprises contributions from NARCAN Nasal Spray
- Smallpox Medical Countermeasures (Smallpox MCM) — comprises potential contributions from ACAM2000, VIGIV and TEMBEXA
- CDMO — comprises service and lease revenues from the contract development and manufacturing business
- Other Products — includes potential contributions from BAT, RSDL, Trobigard, Vaxchora and Vivotif

(\$ in millions)	Full Year 2022 Actual	Full Year 2023 Forecast
Total Revenues	\$1,120.9	\$1,100 - \$1,200
Net Loss	\$(223.8)	\$(180) - \$(130)
Adjusted Net Loss ⁽²⁾	\$(111.9)	\$(80) - \$(30)
Adjusted EBITDA ⁽²⁾	\$26.1	\$75 - \$125
Adjusted Gross Margin % ⁽²⁾	36%	41% - 44%
Product/Service Level Revenue		
• Anthrax MCM	\$290.1	\$260 - \$280
• NARCAN	\$373.7	\$290 - \$310
• Smallpox MCM	\$234.4	\$235 - \$255
• CDMO	\$113.3	\$115 - \$135
• Other Products	\$137.2	\$165 - \$185

The full year 2023 financial forecast reflects the following key considerations.

- Excludes the potential impact of the sale of the travel health business to Bavarian Nordic first announced on 02/15/2023; the Company will update the full year 2023 forecast to reflect the impact of this transaction once it has closed, which is anticipated in Q2 2023.
- Reflects an assumed approval for over-the-counter NARCAN Nasal Spray, subsequent launch by the end of the summer 2023 and continued strong demand in the U.S. public interest (PIP) channel and Canada.
- Reflects continued procurement and delivery of the Company's anthrax, smallpox and other related medical countermeasures (MCM) products to the U.S. and allied governments.
- Reflects the continued re-baselining of the CDMO services business overall as well as the impact of reduced production output from the Camden facility.

Q1 2023

The Q1 2023 total revenue forecast reflects management's expectation for revenues and profitability in 2023 to be weighted towards the second half of the year.

(\$ in millions)	Q1 2023 Forecast
Total Revenues	\$130 - \$150

FOOTNOTES

⁽¹⁾ All financial information incorporated within this release is unaudited.

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

⁽³⁾ Product sales, net are reported net of variable consideration including returns, rebates, wholesaler fees and prompt pay discounts in accordance with U.S. generally accepted accounting principles.

⁽⁴⁾ Other can include a combination of sales of any of the following products: BAT, VIGIV, Anthrasil, raxibacumab, RSDL, Trobigard, Vivotif, and Vaxchora.

⁽⁵⁾ Other income (expense), net item adjustments to reconcile Net Income (Loss) to Adjusted EBITDA are related to the expense of the release of an indemnified uncertain tax position, which was recorded to other income (expense), net during the year ended December 31, 2022.

CONFERENCE CALL, PRESENTATION SUPPLEMENT AND WEBCAST INFORMATION

Company management will host a conference call at 5:00 pm eastern time today, February 27, 2023, to discuss these financial results. The conference call and presentation supplement can be accessed from the Company's website or through the following:

By phone

Advance registration is required. Visit <https://register.vevent.com/register/B1f83fa739007e4d0fa961e56cb781b14f> to register and receive an email with the dial-in number, passcode and registrant ID.

By webcast

Visit <https://edge.media-server.com/mmc/p/i7sj2imq>.

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

ABOUT EMERGENT BIOSOLUTIONS INC.

At Emergent, our mission is to protect and enhance life. We develop, manufacture, and deliver protections against public health threats through a pipeline of innovative vaccines and therapeutics. For over 20 years, we've been at work defending people from things we hope will never happen—so that we're prepared just in case they ever do. We do what we do because we see the opportunity to create a better, more secure world. One where preparedness empowers protection from the threats we face. And peace of mind prevails. 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 (Loss)**, **Adjusted Net Income (Loss) per Diluted Shares**, **Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)**, **Adjusted Gross Margin**, **Adjusted Gross Margin %**, **Adjusted Revenues**, **Adjusted Cost of Sales and Adjusted 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 (Loss) and Net Income (Loss) per Diluted Share to Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share," "Reconciliation of Net Income (Loss) to Adjusted EBITDA,"

"Reconciliation of Total Revenues to Adjusted Revenues, Cost of Sales to Adjusted Cost of Sales, and Gross Margin and Gross Margin % to Adjusted Gross Margin and Adjusted Gross Margin %," and "Reconciliation of Research and Development Expenses to Adjusted 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. All statements, other than statements of historical fact, including statements regarding the future performance of the Company or our business strategy, future operations, future financial position, future revenues and earnings, projected costs, prospects, plans and objectives of management and the ongoing impact of the COVID-19 pandemic, are forward-looking statements. We generally identify forward-looking statements by using words like "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "plan," "should," "will," "would," and similar expressions or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements. 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. You should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. You are, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, 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, among others, the availability of USG funding for contracts related to procurement of our medical countermeasures, including AV7909 (Anthrax Vaccine Adsorbed (AVA), Adjuvanted), BioThrax® (Anthrax Vaccine Adsorbed) and ACAM2000®, (Smallpox (Vaccinia Vaccine, Live), among others, as well as contracts related to development of medical countermeasures; our ability to meet our commitments to quality and compliance in all of our manufacturing operations; our ability to negotiate additional USG procurement or follow-on contracts for our medical countermeasures products that have expired or will be expiring; failure to obtain, or delays in obtaining, approval by the U.S. Food and Drug Administration of NARCAN® (naloxone HCl) Nasal Spray for over-the-counter use; the impact of the generic marketplace on NARCAN® (naloxone HCl) Nasal Spray and future NARCAN sales; our ability to perform under our contracts with the USG, including the timing of and specifications relating to deliveries; our ability to provide CDMO services for the development and/or manufacture of product and/or product candidates of our customers at required levels and on required timelines; the ability of our contractors and suppliers to maintain compliance with current good manufacturing practices and other regulatory obligations; our ability to negotiate new CDMO contracts and the negotiation of further commitments related to the collaboration and deployment of capacity toward future commercial manufacturing under our existing CDMO contracts; our ability to collect reimbursement for raw materials and payment of services fees from our CDMO customers; the results of pending shareholder litigation and government investigations and their potential impact on our business; 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; our ability to refinance our senior secured credit facilities prior to their maturity in October 2023; the procurement of our product candidates by USG entities under regulatory authorities that permit government procurement of certain medical products prior to U.S. Food and Drug Administration marketing authorization, and corresponding procurement by government entities outside of the United States; the full impact of the COVID-19 pandemic on our markets, operations and employees as well as those of our customers and suppliers; the impact on our revenues from and duration of declines in sales of our vaccine products that target travelers due to the reduction of international travel caused by the COVID-19 pandemic; the ability of the Company and Bavarian Nordic to consummate the transactions contemplated under the agreement pursuant to which we agreed to sell our travel health business, to meet expectations regarding the conditions, timing and completion of the transactions, and to realize the potential benefits of the transactions; the impact of the organizational changes we announced in January 2023 on our business; our ability to identify and acquire companies, businesses, products or product candidates that satisfy our selection criteria; 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. When evaluating our forward-looking statements, you should consider this cautionary statement along with the risks identified in our reports filed with the SEC. New factors emerge from time to time and it is not possible for management to predict all such factors, nor can it assess the impact of any such factor on the business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

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

	December 31,	
	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 642.6	\$ 576.1
Restricted cash	—	0.2
Accounts receivable, net	158.4	274.7
Inventories, net	351.8	350.8
Prepaid expenses and other current assets	57.9	70.3
Total current assets	<u>1,210.7</u>	<u>1,272.1</u>
Property, plant and equipment, net	817.6	800.1
Intangible assets, net	728.8	604.6
Goodwill	218.2	224.9
Other assets	191.3	57.3
Total assets	<u>\$ 3,166.6</u>	<u>\$ 2,959.0</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 103.5	\$ 128.9
Accrued expenses	34.9	51.7
Accrued compensation	88.3	88.7
Debt, current portion	957.3	31.6
Other current liabilities	45.9	72.9
Total current liabilities	<u>1,229.9</u>	<u>373.8</u>
Debt, net of current portion	448.5	809.4
Deferred tax liability	71.8	94.9
Other liabilities	33.4	1,340
Total liabilities	<u>\$ 1,783.6</u>	<u>\$ 1,340.0</u>
Stockholders' equity:		
Preferred stock, \$0.001 par value; 15.0 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.001 par value; 200.0 shares authorized, 55.7 and 55.1 shares issued; 50.1 and 51.3 shares outstanding, respectively	0.1	0.1
Treasury stock, at cost, 5.6 and 3.8 common shares, respectively	(227.7)	(152.2)
Additional paid-in capital	873.5	829.4
Accumulated other comprehensive income (loss), net	3.1	(16.1)
Retained earnings	734.0	957.8
Total stockholders' equity	<u>\$ 1,383.0</u>	<u>\$ 1,619.0</u>
Total liabilities and stockholders' equity	<u>\$ 3,166.6</u>	<u>\$ 2,959.0</u>

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

	Three Months Ended December 31,	
	2022	2021
Revenues:		
Product sales, net	\$ 305.7	\$ 434.3
CDMO:		
Services	17.7	51.2
Leases	0.2	167.1
Total CDMO	17.9	218.3
Contracts and grants	7.1	70.6
Total revenues	<u>330.7</u>	<u>723.2</u>
Operating expenses:		
Cost of product sales	167.3	145.0
Cost of CDMO	52.1	67.9
Research and development	57.6	83.0
Selling, general and administrative	94.2	94.2
Goodwill impairment	6.7	41.7
Amortization of intangible assets	17.9	14.0
Total operating expenses	<u>395.8</u>	<u>445.8</u>
Income (loss) from operations	(65.1)	277.4
Other income (expense):		
Interest expense	(12.8)	(9.0)
Other, net	6.7	(0.9)
Total other income (expense), net	<u>(6.1)</u>	<u>(9.9)</u>
Income (loss) before income taxes	(71.2)	267.5
Income tax provision (benefit)	(16.8)	78.2
Net income (loss)	<u>\$ (88.0)</u>	<u>\$ 189.3</u>
Net income (loss) per common share		
Basic	\$ (1.76)	\$ 3.54
Diluted	\$ (1.76)	\$ 3.50
Shares used in computing net income (loss) per share		
Basic	49.9	53.5
Diluted	49.9	54.1

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

	Year Ended December 31,	
	2022	2021
Revenues:		
Product sales, net	\$ 966.2	\$ 1,023.9
CDMO:		
Services	108.4	334.9
Leases	4.9	299.7
Total CDMO	113.3	634.6
Contracts and grants	41.4	134.2
Total revenues	<u>1,120.9</u>	<u>1,792.7</u>
Operating expenses:		
Cost of product sales	424.1	382.0
Cost of CDMO	269.6	375.5
Research and development	193.0	234.0
Selling, general and administrative	340.3	348.4
Goodwill impairment	6.7	41.7
Amortization of intangible assets	59.9	58.5
Total operating expenses	<u>1,293.6</u>	<u>1,440.1</u>
Income (loss) from operations	(172.7)	352.6
Other income (expense):		
Interest expense	(37.3)	(34.5)
Other, net	(11.7)	(3.7)
Total other income (expense), net	<u>(49.0)</u>	<u>(38.2)</u>
Income (loss) before income taxes	(221.7)	314.4
Income tax provision	2.1	83.5
Net income (loss)	<u>\$ (223.8)</u>	<u>\$ 230.9</u>
Net income (loss) per common share		
Basic	\$ (4.47)	\$ 4.32
Diluted	\$ (4.47)	\$ 4.27
Shares used in computing net income (loss) per share		
Basic	50.1	53.5
Diluted	50.1	54.1

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

	Year Ended December 31,	
	2022	2021
Operating Activities		
Net income (loss)	\$ (223.8)	\$ 230.9
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Stock-based compensation expense	45.1	42.4
Depreciation and amortization	143.3	123.8
Change in fair value of contingent obligations, net	2.6	2.9
Amortization of deferred financing costs	4.1	4.1
Impairments	6.7	41.7
Deferred income taxes	(19.0)	46.9
Write off of contract asset and liability	—	(17.2)
Other	6.4	2.0
Changes in operating assets and liabilities:		
Accounts receivable	114.7	(48.2)
Inventories	(51.9)	(44.0)
Prepaid expenses and other assets	(19.9)	7.7
Accounts payable	(14.0)	(2.5)
Accrued expenses and other liabilities	(66.7)	(9.2)
Accrued compensation	0.1	4.0
Income taxes receivable and payable, net	28.6	(32.4)
Contract liabilities	9.6	(31.8)
Net cash provided by (used in) operating activities	<u>(34.1)</u>	<u>321.1</u>
Investing Activities		
Purchases of property, plant and equipment	(115.8)	(225.0)
Royalty settlement payment	(21.8)	—
Asset acquisitions	(243.7)	—
Net cash used in investing activities	<u>(381.3)</u>	<u>(225.0)</u>
Financing Activities		
Purchases of treasury stock	(82.1)	(106.0)
Principal payments on convertible senior notes	—	(10.6)
Proceeds from revolving credit facility	598.0	—
Principal payments on term loan facility	(33.8)	(25.3)
Proceeds from stock-based compensation activity	5.0	15.9
Taxes paid for stock-based compensation activity	(5.9)	(13.8)
Contingent consideration payments	—	(1.2)
Net cash provided by (used in) financing activities:	<u>481.2</u>	<u>(141.0)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	0.5	(0.3)
Net change in cash, cash equivalents and restricted cash	<u>66.3</u>	<u>(45.2)</u>
Cash, cash equivalents and restricted cash, beginning of period	576.3	621.5
Cash, cash equivalents and restricted cash, end of period	<u>\$ 642.6</u>	<u>\$ 576.3</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 33.0	\$ 30.4
Cash paid for income taxes	\$ 6.9	\$ 71.6
Supplemental information on non-cash investing and financing activities:		
Purchases of property, plant and equipment unpaid at period end	\$ 9.4	\$ 20.0
Purchase of Treasury Stock unpaid at period end	\$ —	\$ 6.6
Reconciliation of cash and cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 642.6	\$ 576.1
Restricted cash	—	0.2
Total	<u>\$ 642.6</u>	<u>\$ 576.3</u>

Reconciliation of Net Income (Loss) and Net Income (Loss) per Diluted Share to Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share⁽¹⁾

(\$ in millions, except per share value)	Three Months Ended December 31,		
	2022	2021	Source
Net income (loss)	\$(88.0)	\$189.3	
Adjustments:			
Non-cash amortization charges	18.8	15.2	Intangible Asset (IA) Amortization, Other Income
Changes in fair value of contingent consideration	0.2	0.3	Product COGS
Impairments	6.7	41.7	Goodwill impairment/R&D
Inventory Step-up provision	51.4	—	Product COGS
Acquisition-related costs (transaction & integration)	0.7	0.2	SG&A
Tax effect	(4.9)	(3.3)	
Total adjustments:	\$72.9	\$54.1	
Adjusted net income (loss)	\$(15.1)	\$243.4	
Net income (loss) per diluted share	\$(1.76)	\$3.50	
Adjustments:			
Non-cash amortization charges	0.38	0.28	IA)Amortization, Other Income
Changes in fair value of contingent consideration	—	0.01	Product COGS
Impairments	0.13	0.77	Goodwill impairment/R&D
Inventory Step-up provision	1.03	—	Product COGS
Acquisition-related costs (transaction & integration)	0.01	—	SG&A
Tax effect	(0.10)	(0.06)	
Total adjustments:	\$1.45	\$1.00	
Adjusted net income (loss) per diluted share	\$(0.31)	\$4.50	
Diluted shares used in computing adjusted net income (loss) per diluted share	49.9	54.1	

(\$ in millions, except per share value)	Year Ended December 31,		
	2022	2021	Source
Net income (loss)	\$(223.8)	\$230.9	
Adjustments:			
Non-cash amortization charges	64.0	62.7	IA Amortization, Other Income
Changes in fair value of contingent consideration	2.6	2.9	Product COGS
Impairments	6.7	41.7	Goodwill impairment/R&D
Inventory Step-up provision	51.4	—	Product COGS
Acquisition-related costs (transaction & integration)	1.8	0.9	SG&A
Tax effect	(14.6)	(13.4)	
Total adjustments:	\$111.9	\$94.8	
Adjusted Net Income (Loss)	\$(111.9)	\$325.7	
Net income (loss) per diluted share	\$(4.47)	\$4.27	
Adjustments:			
Non-cash amortization charges	1.28	1.16	IA Amortization, Other Income
Changes in fair value of contingent consideration	0.05	0.05	Product COGS
Impairments	0.13	0.77	Goodwill impairment/R&D
Inventory Step-up provision	1.03	—	Product COGS
Acquisition-related costs (transaction & integration)	0.04	0.02	SG&A
Tax effect	(0.29)	(0.25)	
Total adjustments:	\$2.24	\$1.75	
Adjusted net income (loss) per diluted share	\$(2.23)	\$6.02	
Diluted shares used in computing adjusted net income (loss) per diluted share	50.1	54.1	
(\$ in millions)	2023 Full Year Forecast		Source
Net loss	\$(180) - \$(130)		
Adjustments:			
Non-cash amortization charges	75		IA Amortization, Other Income
Changes in fair value of contingent consideration	2		COGS
Acquisition-related costs (transaction & integration)	31		SG&A
Inventory Step-up provision	6		Product COGS
Disposal cost	10		
Tax effect	(24)		
Total adjustments:	\$100		
Adjusted net loss	\$(80) - \$(30)		

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

(\$ in millions)	Three Months Ended December 31,	
	2022	2021
Net income (loss)	\$(88.0)	\$189.3
Adjustments:		
Depreciation & amortization	35.6	29.3
Income taxes	16.8	(78.2)
Total interest expense, net	10.8	8.9
Impairments	6.7	41.7
Inventory Step-up provision	51.4	—
Changes in fair value of contingent consideration	0.2	0.3
Acquisition-related costs (transaction & integration)	0.7	0.2
Total adjustments	\$122.2	\$2.2
Adjusted EBITDA	\$34.2	\$191.5

(\$ in millions)	Year Ended December 31,	
	2022	2021
Net income (loss)	\$(223.8)	\$230.9
Adjustments:		
Depreciation & amortization	143.3	123.8
Income taxes	2.1	83.5
Total interest expense, net	34.0	33.9
Impairments	6.7	41.7
Inventory Step-up provision	51.4	—
Changes in fair value of contingent consideration	2.6	2.9
Acquisition-related costs (transaction & integration)	1.8	0.9
Other income (expense), net item ⁽⁵⁾	8.0	—
Total adjustments	\$249.9	\$286.7
Adjusted EBITDA	\$26.1	\$517.6

(\$ in millions)	2023 Full Year Forecast
Net loss	\$(180) - \$(130)
Adjustments:	
Depreciation & amortization	156
Income Taxes	(23)
Total interest expense, net	73
Changes in fair value of contingent consideration	2
Acquisition-related costs (transaction & integration)	31
Inventory Step-up provision	6
Disposal Cost	10
Total adjustments	\$255
Adjusted EBITDA	\$75 - \$125

Reconciliation of Total Revenues to Adjusted Revenues, Cost of Sales to Adjusted Cost of Sales, and Gross Margin and Gross Margin % to Adjusted Gross Margin and Adjusted Gross Margin % ⁽¹⁾

(\$ in millions)	Three Months Ended December 31,	
	2022	2021
Total revenues	\$330.7	\$723.2
Contract and grants revenues	\$(7.1)	\$(70.6)
Adjusted revenues	\$323.6	\$652.6
Cost of product sales	\$167.3	\$145.0
Cost of contract development and manufacturing	\$52.1	\$67.9
Cost of product sales and cost of contract development and manufacturing services ("COGS")	\$219.4	\$212.9
Changes in fair value of contingent consideration	\$(0.2)	\$(0.3)
Inventory step-up provision	\$(51.4)	\$—
Adjusted COGS	\$167.8	\$212.6
Gross margin (adjusted revenues minus COGS)	\$104.2	\$439.7
Gross margin % (gross margin divided by adjusted revenues)	32%	67%
Adjusted gross margin (adjusted revenues minus adjusted COGS)	\$155.8	\$440.0
Adjusted gross margin % (adjusted gross margin divided by adjusted revenues)	48%	67%

(\$ in millions)	Year Ended December 31,	
	2022	2021
Total revenues	\$1,120.9	\$1,792.7
Contract and grants revenues	\$(41.4)	\$(134.2)
Adjusted revenues	\$1,079.5	\$1,658.5
Cost of product sales	\$424.1	\$382.0
Cost of contract development and manufacturing	\$269.6	\$375.5
Cost of product sales and cost of contract development and manufacturing services ("COGS")	\$693.7	\$757.5
Changes in fair value of contingent consideration	\$(2.6)	\$(2.9)
Inventory step-up provision	\$(51.4)	\$—
Adjusted COGS	\$639.7	\$754.6
Gross margin (adjusted revenues minus COGS)	\$385.8	\$901.0
Gross margin % (gross margin divided by adjusted revenues)	36%	54%
Adjusted gross margin (adjusted revenues minus adjusted COGS)	\$439.8	\$903.9
Adjusted gross margin % (adjusted gross margin divided by adjusted revenues)	41%	55%

Reconciliation of Research and Development Expenses and Adjusted Research and Development Expenses ⁽⁴⁾

(\$ in millions)	Three Months Ended December 31,	
	2022	2021
Research and development expenses	\$57.6	\$83.0
Adjustments:		
Contracts and grants revenue	\$(7.1)	\$(70.6)
Adjusted research and development expenses	\$50.5	\$12.4
Adjusted Revenue (Total Revenue less Contracts and Grants Revenue)	323.6	\$652.6
Adjusted R&D as % of Adjusted Revenue	16%	2%

(\$ in millions)	Year Ended December 31,	
	2022	2021
Research and development expenses	\$193.0	\$234.0
Adjustments:		
Contracts and grants revenue	\$(41.4)	\$(134.2)
Adjusted research and development expenses	\$151.6	\$99.8
Adjusted Revenue (Total Revenue less Contracts and Grants Revenue)	1,079.5	\$1658.5
Adjusted R&D as % of Adjusted Revenue	14%	6%

Q4FY 2022 Financial Results Update

February 27, 2023

EMERGENT[®]



Introduction

Bob Burrows
Vice President, Investor Relations Officer



Safe Harbor Statement/Trademarks

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Trademarks

Emergent®, BioThrax® (Anthrax Vaccine Adsorbed), RSDL® (Reactive Skin Decontamination Lotion Kit), BAT® (Botulinum Antitoxin Heptavalent (A,B,C,D,E,F and G)-[Equine]), Anthrasi® (Anthrax Immune Globulin Intravenous (Human)), VIGIV (Vaccinia Immune Globulin Intravenous (Human)), Trobriqard® (atropine sulfate, ebidoxime chloride), ACAM2000® (Smallpox (Vaccinia) Vaccine, Live), Vivotti® (Typhoid Vaccine Live Oral Ty21a), Vaxchora® (Cholera Vaccine, Live, Oral), NARCAN® (naloxone HCl) Nasal Spray, TEMBEXA® (brincidofovir) and any and all Emergent BioSolutions Inc. brands, products, services and feature names, logos and slogans are trademarks or registered trademarks of Emergent BioSolutions Inc. or its subsidiaries in the United States or other countries. All other brands, products, services and feature names or trademarks are the property of their respective owners.

INTRODUCTION

Non-GAAP Financial Measures

This presentation contains financial measures (Adjusted Net Income (Loss), Adjusted Net Income (Loss) per Diluted Share, Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), Adjusted Gross Margin, Adjusted Gross Margin %, Adjusted Revenues and Adjusted Cost of Sales) 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 (Loss) and Net Income (Loss) per Diluted Share to Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share," "Reconciliation of Net Income (Loss) to Adjusted EBITDA," and "Reconciliation of Total Revenues to Adjusted Revenues, Cost of Sales to Adjusted Cost of Sales, and Gross Margin and Gross Margin % to Adjusted Gross Margin and Adjusted Gross Margin %" 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. For additional information on the non-GAAP financial measures noted here, please refer to the reconciliation tables provide in the Appendix to this presentation as well as the associated press release which can be found on the Company's website at www.emergentbiosolutions.com.

INTRODUCTION

Agenda



State of the Company:
-- Q4 2022
-- FY 2022
-- Key 2023 Priorities

• Bob Kramer, CEO



Financial Results:
-- Q4 2022 vs. Q4 2021
-- FY 2022 vs. FY 2021

• Rich Lindahl, CFO



Financial Forecast:
-- FY 2023
-- Q1 2023

• Rich Lindahl, CFO



Q&A

• Bob Kramer, CEO
• Rich Lindahl, CFO
• Other members of the senior management team, as needed



State of the Company

Bob Kramer
President and Chief Executive Officer



Overview of Q4 and FY 2022; Focus Areas for FY 2023

- 2022 results and 2023 guidance serve as baseline for growth in line with pre-COVID trends
- Update to long-term view, informed by sharpened strategic focus underway, anticipated by YE23

- 2023 Focus Areas
 1. Prioritize foundational MCM and NARCAN products
 2. Strengthen quality, compliance and manufacturing capabilities
 3. Make capital structure and expenditure decisions that build enterprise value
 4. Manage our balance sheet and extend debt maturities



Financials

Rich Lindahl
Executive Vice President and
Chief Financial Officer

4QFY 2022 Investor Update



Financial Principles and Implications of Sharpened Strategic Focus

1. Sustained revenue growth and improved profitability
2. Addressing near term challenges to credit profile

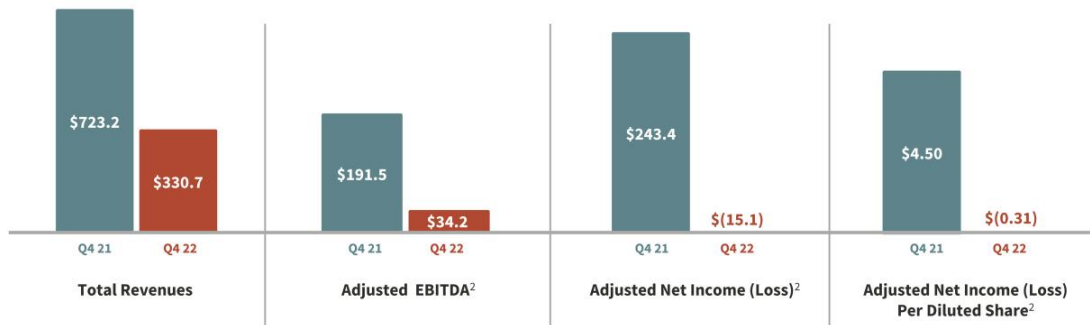
Q4 22 Summary Points

- Performance overall was mixed
 - + Total revenues in line with guidance
 - + Products segment delivered solid contributions – notably NARCAN Nasal Spray, TEMBEXA, Other Products
 - Disappointing circumstances regarding ACAM2000
 - Services segment continued to be modest contributor
 - Profitability remains under pressure

FINANCIAL RESULTS

Key Financial Performance Metrics Q4 22 vs. Q4 21¹

(\$ IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

■ Q4 21 ■ Q4 22


1. All financial information incorporated within this presentation is unaudited.
 Q4FY 2022 Investor Update 2. See the Appendix for a definition of non-GAAP terms and reconciliation tables.

FINANCIAL RESULTS

Key Financial Performance Metrics Q4 22 vs. Q4 21

(\$ IN MILLIONS)

■ Q4 21 ■ Q4 22


Q4FY 2022 Investor Update

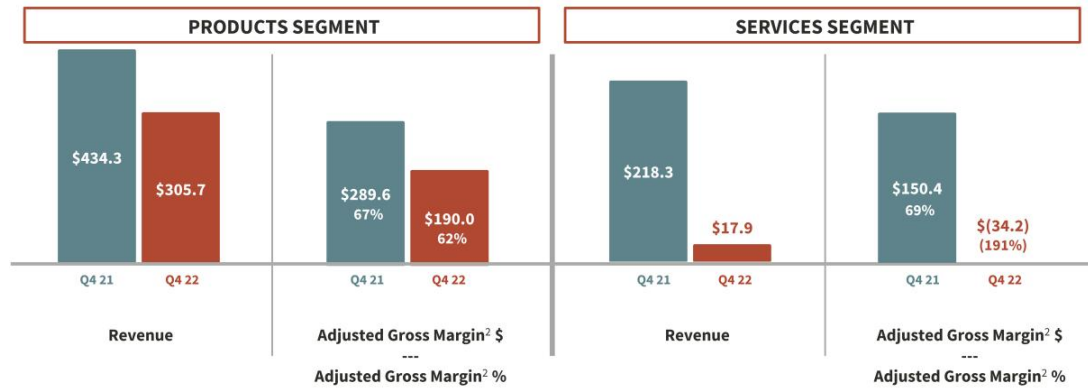
1. R&D Margin is calculated as Gross R&D Expense divided by Total Revenues.
 2. SG&A Margin is calculated as Gross SG&A Expense divided by Total Revenues.
 3. See the Appendix for a definition of non-GAAP terms and reconciliation tables.

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FINANCIAL RESULTS

Segment Reporting Q4 22 vs. Q4 21¹

(\$ IN MILLIONS)

■ Q4 21 ■ Q4 22


Q4FY 2022 Investor Update

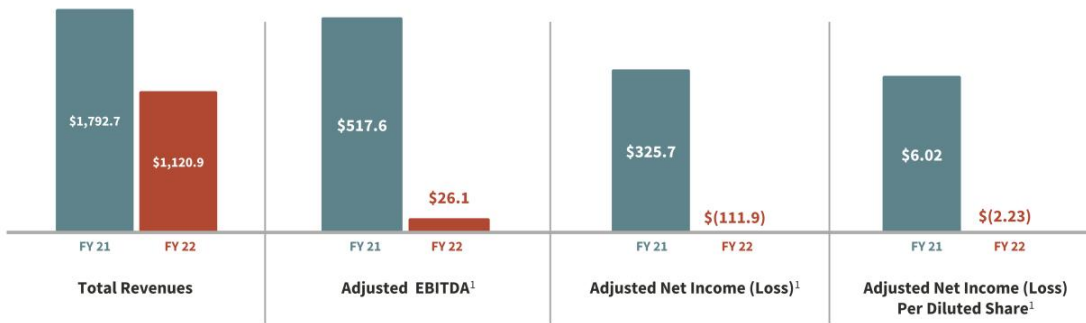
1. For additional detail related to the method and specific inputs by which both revenue and adjusted gross margin are calculated, please refer to the table in the section entitled "Additional Financial Information" found in the press release issued by the Company on February 27, 2023.
 2. See the Appendix for a definition of non-GAAP terms and reconciliation tables.

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FINANCIAL RESULTS

Key Financial Performance Metrics FY 22 vs. FY 21

(\$ IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

■ FY 21 ■ FY 22


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

FINANCIAL RESULTS

Key Financial Performance Metrics FY 22 vs. FY 21

(\$ IN MILLIONS)

■ FY 21 ■ FY 22



Q4FY 2022 Investor Update

1. R&D Margin is calculated as Gross R&D Expense divided by Total Revenues.
 2. SG&A Margin is calculated as Gross SG&A Expense divided by Total Revenues.
 3. See the Appendix for a definition of non-GAAP terms and reconciliation tables.

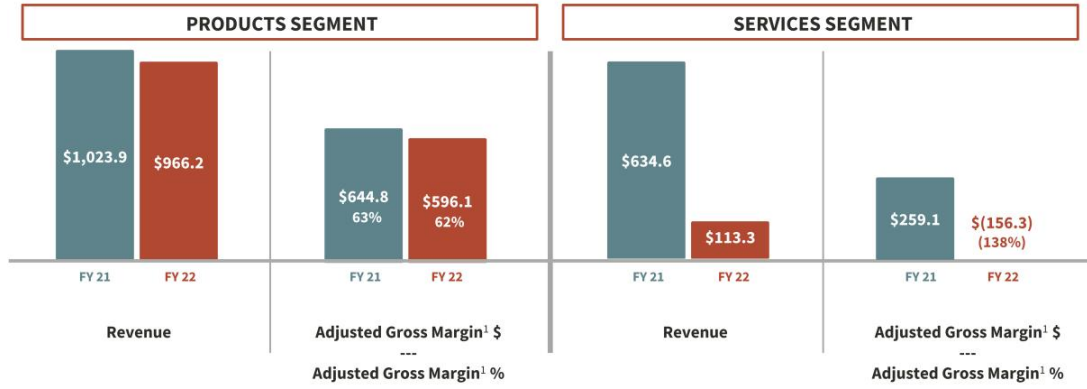
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FINANCIAL RESULTS

Segment Reporting FY 22 vs. FY 21

(\$ IN MILLIONS)

■ FY 21 ■ FY 22



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

FINANCIAL RESULTS

Balance Sheet & Cash Flow Metrics

(\$ IN MILLIONS)

As of December 31, 2022

CASH	\$642.6
ACCOUNTS RECEIVABLE	\$158.4
NET DEBT POSITION ^{1,2}	\$771.0

For the Twelve Months Ended December 31, 2022

OPERATING CASH FLOW	\$(34.1)
CAPITAL EXPENDITURES	\$115.8 (Gross) \$113.3 (Net³)

Q4FY 2022 Investor Update

1. Debt amount indicated on the Company's balance sheet is net of unamortized debt issuance costs of \$8.0M.
2. Net Debt is calculated as Total Debt minus Cash (\$1,414M - \$643M = \$771M).
3. Net Capital Expenditures includes reimbursements of \$2.5M.

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FINANCIAL RESULTS

2023 Forecast – Initial Disclosure

(\$ IN MILLIONS)

METRIC	FULL YEAR 2023 ¹
Total Revenues	\$1,100 - \$1,200
Product/Service Level Revenue	
• Anthrax MCM ²	\$260 - \$280
• NARCAN	\$290 - \$310
• Smallpox MCM ³	\$235 - \$255
• CDMO	\$115 - \$135
• Other Products ⁴	\$165 - \$185
Net Loss	\$(180) - \$(130)
Adjusted Net Loss⁵	\$(80) - \$(30)
Adjusted EBITDA⁵	\$75 - \$125
Adjusted Gross Margin %⁵	41% - 44%
Q1 23 Total Revenues (initial disclosure)	\$130 - \$150

1. Full year 2023 forecast does not reflect the anticipated impact of the sale of the Company's travel health business to Bavarian Nordic, first announced on February 15, 2023.

2. Anthrax MCMs comprises potential revenue contributions from BioThrax, AV7909, Anthrasil and raxibacumab.

3. Smallpox MCMs comprises potential revenue contributions from ACAM2000, VIGIV and TEMBEXA.

4. Other Products comprises potential revenue contributions from BAT, RSDL, Trobigard, Vivotif and Vaxchora.

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

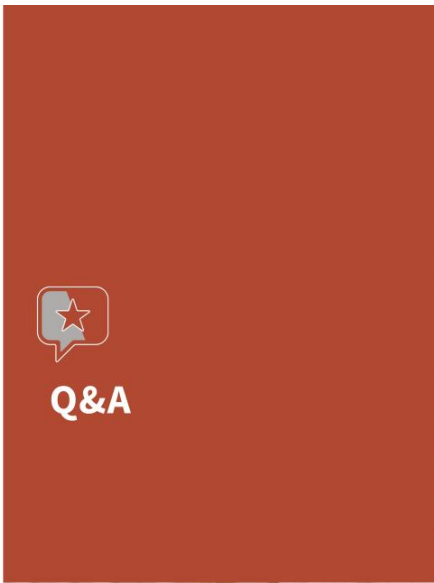
2023 Forecast – Key Assumptions

- Excludes the potential impact of the sale of our Travel Health business; we will update our guidance accordingly after the transaction closes which is anticipated in the 2nd quarter;
- Assumes the over-the-counter launch of NARCAN by the end of the summer with continued strong demand in the US public interest (PIP) channel as well as continuing demand in Canada;
- Continued procurement and delivery of our Anthrax, Smallpox and other medical countermeasure products to the US and allied governments;
- And, continued re-baselining of the CDMO services business overall and the impact of reduced production output from the Camden facility.

Note: Revenues and profits in 2023 are expected to be weighted towards the second half of the year.

Summary Comments

- Fourth quarter results reflect mix of strong performance in certain core areas offset by ongoing challenges
- Committed to sustaining revenue growth and improving profitability
- Addressing near term challenges to our credit profile
- Remain confident in the impact we are having on patients and customers focused on health security and pandemic preparedness



Appendix

APPENDIX

Reconciliation of Net Income (Loss) and Net Income (Loss) per Diluted Share to Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share – Q4 22 vs. Q4 21

(\$ in millions, except per share value)	Three Months Ended December 31,		
	2022	2021	Source
Net income (loss)	\$(88.0)	\$189.3	
Adjustments:			
Non-cash amortization charges	18.8	15.2	Intangible Asset (IA) Amortization, Other income
Changes in fair value of contingent consideration	0.2	0.3	Product COGS
Impairments	6.7	41.7	Goodwill impairment/R&D
Inventory Step-up provision	51.4	—	Product COGS
Acquisition-related costs (transaction & integration)	0.7	0.2	SG&A
Tax effect	(4.9)	(3.3)	
Total adjustments:	\$72.9	\$54.1	
Adjusted net income (loss)	\$(15.1)	\$243.4	
Net income (loss) per diluted share	\$(1.76)	\$3.50	
Adjustments:			
Non-cash amortization charges	0.38	0.28	IA Amortization, Other income
Changes in fair value of contingent consideration	—	0.01	Product COGS
Impairments	0.13	0.77	Goodwill impairment/R&D
Inventory Step-up provision	1.03	—	Product COGS
Acquisition-related costs (transaction & integration)	0.01	—	SG&A
Tax effect	(0.10)	(0.06)	
Total adjustments:	\$1.45	\$1.00	
Adjusted net income (loss) per diluted share	\$(0.31)	\$4.50	
Diluted shares used in computing adjusted net income (loss) per diluted share	49.9	54.1	

APPENDIX

Reconciliation of Net Income (Loss) and Net Income (Loss) per Diluted Share to Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per Diluted Share – FY 22 vs. FY 21

(\$ in millions, except per share value)	Year Ended December 31,		
	2022	2021	Source
Net income (loss)	\$(223.8)	\$230.9	
Adjustments:			
Non-cash amortization charges	64.0	62.7	IA Amortization, Other Income
Changes in fair value of contingent consideration	2.6	2.9	Product COGS
Impairments	6.7	41.7	Goodwill Impairment/R&D
Inventory Step-up provision	51.4	—	Product COGS
Acquisition-related costs (transaction & integration)	1.8	0.9	SG&A
Tax effect	(14.6)	(13.4)	
Total adjustments:	\$111.9	\$94.8	
Adjusted Net Income (Loss)	\$(111.9)	\$325.7	
Net income (loss) per diluted share	\$(4.47)	\$4.27	
Adjustments:			
Non-cash amortization charges	1.28	1.16	IA Amortization, Other Income
Changes in fair value of contingent consideration	0.05	0.05	Product COGS
Impairments	0.13	0.77	Goodwill Impairment/R&D
Inventory Step-up provision	1.03	—	Product COGS
Acquisition-related costs (transaction & integration)	0.04	0.02	SG&A
Tax effect	(0.29)	(0.25)	
Total adjustments:	\$2.24	\$1.75	
Adjusted net income (loss) per diluted share	\$(2.23)	\$6.02	
Diluted shares used in computing adjusted net income (loss) per diluted share	50.1	54.1	

APPENDIX

Reconciliation of Net Loss to Adjusted Net Income – FY 23 Forecast

(\$ in millions)	2023 Full Year Forecast	Source
Net loss	\$(180) - \$(130)	
Adjustments:		
Non-cash amortization charges	75	IA Amortization, Other Income
Changes in fair value of contingent consideration	2	COGS
Acquisition-related costs (transaction & integration)	31	SG&A
Inventory Step-up provision	6	Product COGS
Disposal cost	10	
Tax effect	(24)	
Total adjustments:	\$100	
Adjusted net loss	\$(80) - \$(30)	

APPENDIX

Reconciliation of Net Income (Loss) to Adjusted EBITDA – Q4 22 vs. Q4 21

(\$ in millions)	Three Months Ended December 31,	
	2022	2021
Net income (loss)	\$(88.0)	\$189.3
Adjustments:		
Depreciation & amortization	35.6	29.3
Income taxes	16.8	(78.2)
Total interest expense, net	10.8	8.9
Impairments	6.7	41.7
Inventory Step-up provision	51.4	—
Changes in fair value of contingent consideration	0.2	0.3
Acquisition-related costs (transaction & integration)	0.7	0.2
Total adjustments	\$122.2	\$2.2
Adjusted EBITDA	\$34.2	\$191.5

APPENDIX

Reconciliation of Net Income (Loss) to Adjusted EBITDA – FY 22 vs. FY 21

(\$ in millions)	Year Ended December 31,	
	2022	2021
Net income (loss)	\$(223.8)	\$230.9
Adjustments:		
Depreciation & amortization	143.3	123.8
Income taxes	2.1	83.5
Total interest expense, net	34.0	33.9
Impairments	6.7	41.7
Inventory Step-up provision	51.4	—
Changes in fair value of contingent consideration	2.6	2.9
Acquisition-related costs (transaction & integration)	1.8	0.9
Other income (expense), net item ⁽⁵⁾	8.0	—
Total adjustments	\$249.9	\$286.7
Adjusted EBITDA	\$26.1	\$517.6

APPENDIX

Reconciliation of Net Loss to Adjusted EBITDA – FY 23 Forecast

(\$ in millions)	2023 Full Year Forecast
Net loss	\$(180) - \$(130)
Adjustments:	
Depreciation & amortization	156
Income Taxes	(23)
Total interest expense, net	73
Changes in fair value of contingent consideration	2
Acquisition-related costs (transaction & integration)	31
Inventory Step-up provision	6
Disposal Cost	10
Total adjustments	\$255
Adjusted EBITDA	\$75 - \$125

APPENDIX

Reconciliation of Total Revenues to Adjusted Revenues, Cost of Sales to Adjusted Cost of Sales, and Gross Margin and Gross Margin % to Adjusted Gross Margin and Adjusted Gross Margin % – Q4 22 vs. Q4 21

(\$ in millions)	Three Months Ended December 31,	
	2022	2021
Total revenues	\$330.7	\$723.2
Contract and grants revenues	\$(7.1)	\$(70.6)
Adjusted revenues	\$323.6	\$652.6
Cost of product sales	\$167.3	\$145.0
Cost of contract development and manufacturing	\$52.1	\$67.9
Cost of product sales and cost of contract development and manufacturing services ("COGS")	\$219.4	\$212.9
Changes in fair value of contingent consideration	\$(0.2)	\$(0.3)
Inventory step-up provision	\$(51.4)	\$—
Adjusted COGS	\$167.8	\$212.6
Gross margin (adjusted revenues minus COGS)	\$104.2	\$439.7
Gross margin % (gross margin divided by adjusted revenues)	32%	67%
Adjusted gross margin (adjusted revenues minus adjusted COGS)	\$155.8	\$440.0
Adjusted gross margin % (adjusted gross margin divided by adjusted revenues)	48%	67%

APPENDIX

Reconciliation of Total Revenues to Adjusted Revenues, Cost of Sales to Adjusted Cost of Sales, and Gross Margin and Gross Margin % to Adjusted Gross Margin and Adjusted Gross Margin % – FY 22 vs. FY 21

(\$ in millions)	Year Ended December 31,	
	2022	2021
Total revenues	\$1,120.9	\$1,792.7
Contract and grants revenues	\$(41.4)	\$(134.2)
Adjusted revenues	\$1,079.5	\$1,658.5
Cost of product sales	\$424.1	\$382.0
Cost of contract development and manufacturing	\$269.6	\$375.5
Cost of product sales and cost of contract development and manufacturing services ("COGS")	\$693.7	\$757.5
Changes in fair value of contingent consideration	\$(2.6)	\$(2.9)
Inventory step-up provision	\$(51.4)	\$—
Adjusted COGS	\$639.7	\$754.6
Gross margin (adjusted revenues minus COGS)	\$385.8	\$901.0
Gross margin % (gross margin divided by adjusted revenues)	36%	54%
Adjusted gross margin (adjusted revenues minus adjusted COGS)	\$439.8	\$903.9
Adjusted gross margin % (adjusted gross margin divided by adjusted revenues)	41%	55%

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