



# STEPHENS NON-DEAL ROADSHOW PREP PACKET

**Avid Bioservices (CDMO) – Virtual NDR**

April 7, 2021

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## Questions/Topics of Discussion

- Where do you play in outsourced pharma manufacturing? What is the end market growing and how fast can you grow?
- How many customers do you have currently? How many new customers have you signed this fiscal year and how does this compare to recent years? What is the outlook for business development going forward?
- On your customer base, how many commercial drugs do you support? What is the outlook for additional commercial revenues in the next year or two?
- There are a number of large biologics CDMOs and we are seeing new capacity come on line, including yours. What is your competitive advantage? Why do customers come to Avid?
- Can you talk about the scale you work with – I think largely 2,000L bioreactors – do you see the market moving in the direction of smaller bioreactors using perfusion and single use products?
- You have two revenue streams – manufacturing and process development – how does process development compliment your manufacturing business?
- Can you walk through where your capacity stands today and your plans to bring additional capacity on line? Does this capacity assume a single shift or does it include the potential benefit from additional shifts?
- Given the demand you are seeing as exemplified by the recent growth in your backlog, how capacity constrained could you be until phase 1 comes on line? Can you talk about your efforts to accelerate these capacity expansions? Are there any ways you could free up additional capacity in the NT?
- On COVID-19, how has this impacted your business and what opportunities has it presented?
- How much of COVID-19 flowed through your backlog in 2Q and 3Q?
- With the recent Humanigen data - how does this impact your potential outlook for revenues from this relationship? How long of a tail could there be to the work with Humanigen?
- We are hearing about significant demand for bioprocessing equipment due to COVID-19 related projects. Can you talk about your ability to purchase raw materials and equipment for manufacturing runs? Are you having to order inventory further ahead of time in this environment?
- Can you talk about your current inventory - have you been building out safety stock? Are you seeing any shortages for inputs into your processes?
- You typically perform annual maintenance in the summer which can lead to some seasonality, what are your preliminary thoughts on the impact this year?
- On the agreements with Argonaut and Aragen - can you talk about the value of these partnerships? It seems like these are co-marketing agreements that serve as additional lead funnels for you all, but can you expand on the strategy with these two partnerships?
- On gross margins - can you talk about the puts/take for gross margins in the NT - how should we think about the impact of incremental revenues that are flowing through and then any gross margins impact from the phase 1&2 capacity expansions as they come on line?
- Nick – you have been CEO for 9 months now. How has the experience compared to your expectations when taking the job? Any surprises whether positive/negative? And then if we look out 3-5 years, what do you think Avid will look like?
- You have announced phase 1 and 2 capacity expansions – could you expand capacity beyond this at this site? Could you look to add to your Myford campus?
- You have \$160 million of cash on your balance sheet. You obviously are adding capacity organically right now. What are your thoughts on M&A? Are you interested in adding capacities or capabilities inorganically?

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### **Stephens CDMO Reports:**

[CDMO 3Q21 Wrap: Strong Backlog Should Translate to Robust Revenue Growth](#)

### **Stephens CDMO Model:**

[Click Here for Model](#)

### **Companies Mentioned:**

Aragen Bioscience (Private)

Argonaut Manufacturing Services (Private)

Humanigen (HGEN - \$18.36)

Stephens Inc. working model and published research report attached.  
For current disclosures on this company, please access the attached research report.

## OTHER DISCLOSURES

Note: The purpose of this document is to suggest questions investors might like to ask company management and to help investors develop their own questions. This document is not intended to express any opinion or investment recommendation.

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