



STEPHENS NON-DEAL ROADSHOW PREP PACKET

Catalent (CTLT) – Virtual NDR

June 18, 2020

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Questions/Topics of Discussion

- There has been talk of insourcing U.S. pharmaceutical manufacturing. What are you hearing from the government in terms of bringing back pharma manufacturing to the US? Does this effort make any areas of manufacturing more interesting to you?
- How many COVID projects is CTLT currently involved in? How are these spread across your various segments? Do projects include both small molecule therapies and biologic therapies? What about gene therapies?
- Is it fair to assume the Janssen and AstraZeneca vaccines are the largest potential opportunities? Is it possible to size the potential revenues from these arrangements? How do vaccine margins compare to consolidated margins?
- How much capacity is set aside for Janssen in Bloomington? If this opportunity doesn't pan out - what do you plan to do with this excess capacity? If a different drug developer is successful in commercializing a COVID-19 vaccine, could there be an opportunity for you to use the Janssen capacity for that opportunity? Can you compare and contrast your agreement with Janssen/AstraZeneca to your agreement with Arcturus? How do the economics compare on drugs product vs. drug substance work? AstraZeneca has suggested that their vaccine may only provide protection for a year. Could this be a recurring revenue stream?
- Will COVID related work be additive to your outlook or are these opportunities backfilling other opportunities that are being delayed from COVID?
- Have you seen a resumption in clinical trials that were delayed due to COVID? Do you think we have already seen these bottom?
- You are coming up on more difficult comps in SOT. How should we think about the near-term growth outlook for this segment relative to the long-term target for 3%-5%?
- When will you lap the impact from the delay in OSD approvals? Could you elaborate on what these delays were and how they are expected to affect FY20 growth of this business segment? What does the development pipeline for OSD look like today? Perrigo received approval for a generic version of ProAir, how meaningful could this be to top line growth? A lot of commentary around spray drying capabilities – what is the opportunity here? How big is this business currently and what are your expectations around how big this business can become?
- Paragon - how many suites are up and running currently? How many are expected to be running by the end of the year? How are Paragon's customer relationships structured - reservation fees, take or pay agreements, any minimal volume commitments? You acquired a facility in Anagni, Italy earlier this year. What are its capabilities and what kind of revenues is it generating? How much capacity is available? How much is being utilized?
- Could you walk us through the strategic rationale for the MaSTherCell acquisition? What kind of programs is it working on? What does the integration process entail? Is it as simple as investing capital into their current and future footprint? Are there any capabilities that you think you need to add? How integrated is it with Paragon today? What are the longer-term synergies between the two companies?
- On your clinical supply services segment - what drove the strength in 3Q? How is 4Q trending in light of clinical trial delays/pauses?
- How much of your 2020 CapEx spend went to fund additional capacity at Blooming/Madison? How much has been allocated to Paragon? What investments are you making at Paragon? What are your capital investment plans at MaSTherCell? Looking forward, how should we think about capex trends? Will most capex be geared towards the biologics segment? Can you remind us what maintenance capex runs as a percentage of revenues?
- On your target for 200-300 bps of margin expansion - how much has been realized to date? What are the key incremental drivers going forward for margin expansion - just increased biologics exposure?
- Following last week's capital raise, should we expect these funds to be geared towards organic or inorganic opportunities? On your M&A strategy, what capabilities would you like to add? Where would you rank organic vs. inorganic opportunities across your segments?

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Stephens CTLT Reports:

[First Look: CTLT Signs Agreement to Manufacture AZN/Oxford COVID-19 Vaccine](#)

[COVID Highlights Value of Biologics Assets, CTLT Remains Best Idea, PT to \\$82](#)

[Diving Into the Viral Vector & Cell Therapy Opportunity at CTLT](#)

[Paragon Should Drive Organic Growth, Multiple Expansion; Naming CTLT Best Idea](#)

[ISCT Takeaways: \(More\) Thoughts on Cell/Gene Therapy](#)

Stephens CTLT Model:

[Click Here for Model](#)

Additional Companies Mentioned:

Arcturus Therapeutics Holdings Inc. (ARCT - \$29.82)

AstraZeneca (AZN - \$54.23)

Janssen Biotech (a Johnson & Johnson Company; JNJ - \$146.77)

Perrigo Company (PRGO - \$57.73)

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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