



NEWS RELEASE

Aptar Enters into Agreement with Weihai Hengyu Medical Products to Add Elastomeric and Plastic Component Manufacturing Capabilities in China for Injectable Drug Delivery

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CRYSTAL LAKE, Ill.--(BUSINESS WIRE)-- AptarGroup, Inc. (NYSE: ATR), a global leader in drug delivery, consumer product dispensing and active material science solutions, announced today that it has entered into an agreement to acquire 80% of the equity interests of Weihai Hengyu Medical Products Co., Ltd., a leading Chinese manufacturer of elastomeric and plastic components used in injectable drug delivery.

(Photo: Getty Images)

This acquisition supports Aptar's strategic priority to strengthen capabilities in high-growth economies such as China, and enhances the company's ability to respond to changing local market needs, which include regional manufacturing, a well-integrated supply chain and close proximity to customers and their patients. By adding local manufacturing capacity, this acquisition positions Aptar to capitalize on the growth potential in the Asian region, while further strengthening the company's ability to serve local and global customers in the injectable drug market with best-in-class products and services, competitive lead times and technical support, all while leveraging Aptar's global network.

Commenting on the transaction, Stephan B. Tanda, Aptar President and CEO, said, "This majority equity investment is a strategic step that strengthens our competitive position in Asia and in the high-growth injectable drug delivery market. This transaction will meet our disciplined investment approach and Hengyu's capabilities are complementary to our growing portfolio of injectable solutions."

Added Xiangwei Gong, President of Aptar Asia, "Acquiring Hengyu will be another critical milestone in the execution of the Aptar strategy in Asia, which is targeting growth in all our core markets including the injectable drug delivery



market. We expect strong and long-term sustainable growth in this critical application field in Asia as more and more patients are prescribed medications in an injectable format for their safety, efficacy, availability and affordability.”

Wang Yingye, Co-Founder of Hengyu, stated, “Aptar is a world leader in drug delivery solutions. Hengyu shares the same vision as Aptar - to be a drug delivery expert, providing unique, high quality products to the healthcare industry. We are excited to have Hengyu join Aptar’s significant manufacturing footprint in China and in Asia.”

Gael Touya, President of Aptar Pharma, commented, “We look forward to adding Hengyu’s manufacturing capacity, capabilities and expertise to our global manufacturing network to continue to be close to customers and their patients as they deliver critical life-saving and life-improving treatments every day. Together with the expertise of the Aptar Pharma and Hengyu teams, we will be establishing a new center of excellence in the region.”

Located in Weihai, a coastal city in Shandong Province of eastern China, Hengyu designs and manufactures elastomeric and plastic components used in delivering injectable drugs. Hengyu was founded in 1998 and has approximately 150 employees at its facility in Weihai.

Under the terms of the agreement, Aptar will have the option to acquire the remaining 20% of the equity of Hengyu upon the fifth anniversary of the closing of the initial majority equity investment. The transaction is subject to customary regulatory approvals and is expected to close by the end of the third quarter of 2021. The transaction is not expected to have a material impact on adjusted earnings per share in 2021 or 2022¹. The purchase will be funded with available cash on hand.

¹Adjusted earnings per share is a non-GAAP financial measure. Additional information regarding this measure is available on the Company’s website at www.aptar.com on the Investor’s page (click on Events & Presentations for a Reconciliation of non-GAAP Financial Measures).

About Aptar

Aptar is a global leader in the design and manufacturing of a broad range of drug delivery, consumer product dispensing and active material science solutions. Aptar’s innovative solutions and services serve a variety of end markets including pharmaceutical, beauty, personal care, home, food and beverage. Using insights, proprietary design, engineering and science to create dispensing, dosing and protective technologies for many of the world’s leading brands, Aptar in turn makes a meaningful difference in the lives, looks, health and homes of millions of patients and consumers around the world. Aptar is headquartered in Crystal Lake, Illinois and has 13,000 dedicated employees in 20 countries. For more information, visit www.aptar.com.

This press release contains forward-looking statements, including regarding the potential acquisition of Hengyu and the anticipated effects of the acquisition. Expressions of future or conditional verbs such as “will,” “would” and “expects” are intended to identify such forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are based on our beliefs as well as assumptions made by and information currently available to us. Accordingly, our actual results may differ materially from those expressed or implied in such forward-looking statements due to known or unknown risks and uncertainties that exist in our operations and business environment including, but not limited to: the satisfaction of the conditions to closing the acquisition; the expected benefits of the acquisition; the successful integration of Hengyu; the regulatory environment; and competition, including technological advances. For additional information on these and other risks and uncertainties, please see Aptar’s filings with the Securities and Exchange Commission, including the discussion under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Aptar’s Form 10-K and Form 10-Qs. Aptar undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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