

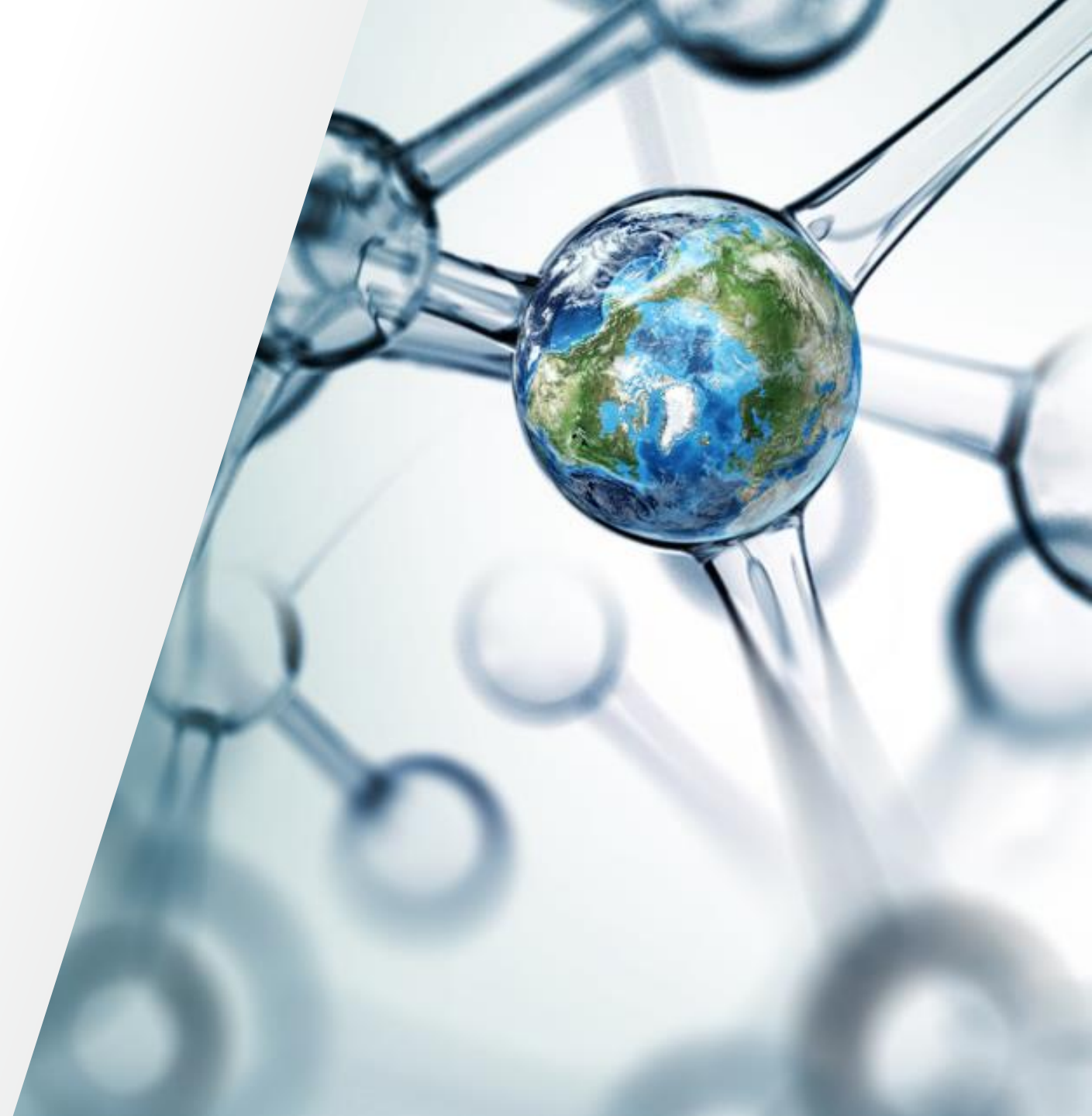
# Medical and Research Supply Chain Market Impact

October 11, 2022

**Presenter:**

Amy Baudino, Vice President, Portfolio Management  
Fisher Scientific, part of Thermo Fisher Scientific

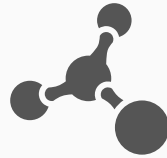
 The world leader in serving science



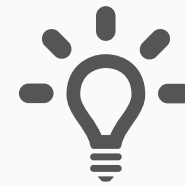
# World leader in serving science



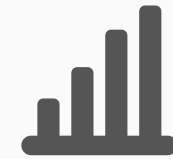
>100,000  
colleagues



5,700  
R&D scientists/engineers



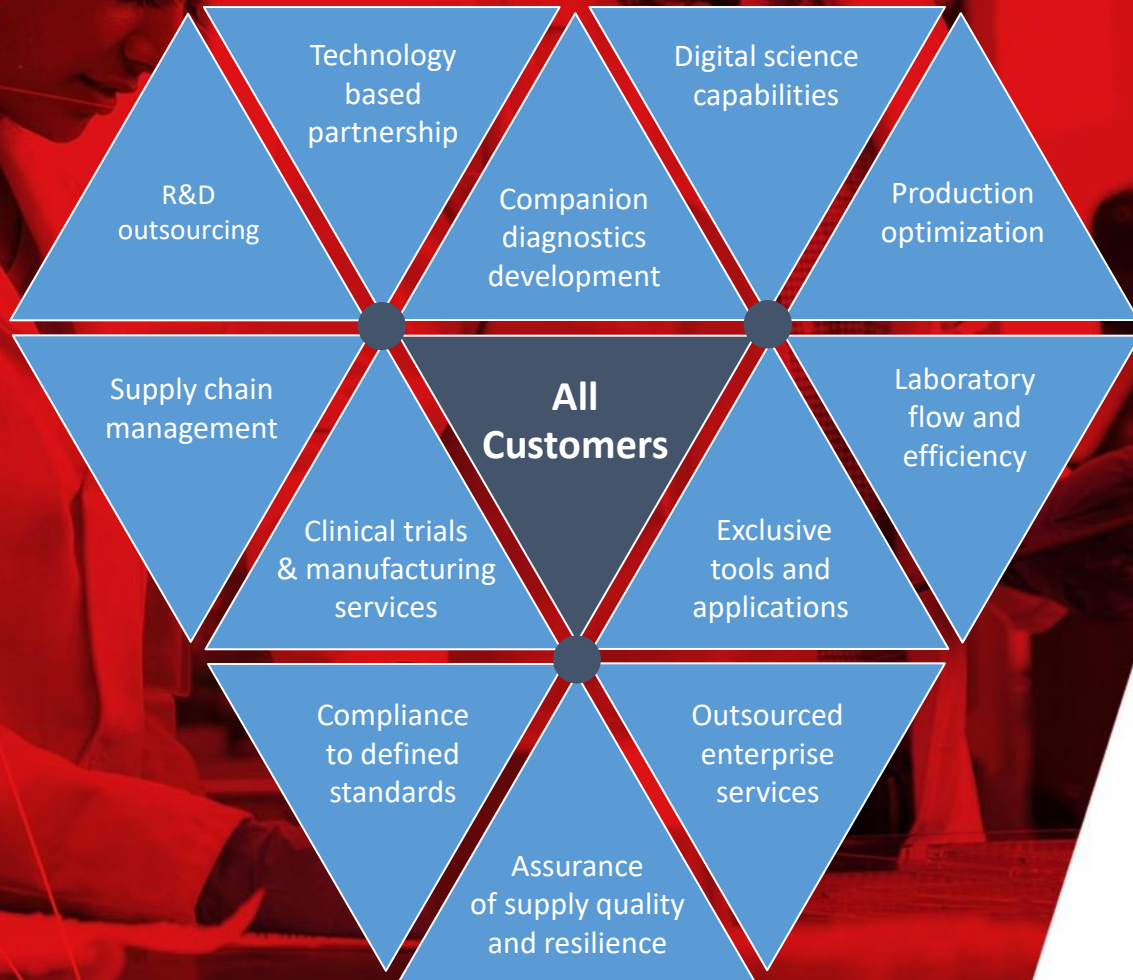
\$1.4B  
invested in R&D



\$40B  
in revenue

We take pride  
in our Mission

We enable our customers  
to make the world healthier,  
cleaner and safer



Our unique customer value proposition

We help our customers accelerate innovation and enhance productivity, underpinned by quality.

# Our leading scientific products, services and workflow solutions

**ThermoFisher**  
SCIENTIFIC

The world leader in serving  
science



# Pandemic Experience Summary

## Circumstances

COVID-19 Demand

Supply chain constraints (raw materials)

Supply chain constraints (supplier inventory issues)

## Response

Allocation process

DPAS customer support/customer tier prioritization

# Consistent Market Monitoring and Customer Communication (example excerpt)

## **Economic, manufacturing and supply chain factors continue to impact Lab and Healthcare markets**

Inflation: To pump the brakes on inflation the U.S. Federal Reserve Board raised its benchmark interest rate by 0.75 points. The Fed chairman signaled that the Board is likely to approve two more rate hikes by December as they try to return inflation to a 2% level, which is projected to occur in 2025. Gas and air travel prices have sharply fallen from June highs, but essential costs (groceries, electricity, rent) continue to rise.

### Supply chain

A strike was averted when twelve U.S. railroad labor unions and the Biden administration reached a tentative deal in mid-September. Two unions have ratified the contract while the remaining nine are still reviewing contract terms. The two largest unions won't tally members' votes until mid-November.....

## **The Ukraine-Russia war continues to have global implications**

### Energy:

Russia's Nord Stream 1 pipeline is shutdown indefinitely following a line rupture on September 26. Additionally, all Russian gas deliveries to France have been halted over a contract dispute. Natural gas is flowing from Russia to Europe through a Ukraine pipeline. The U.S. benchmark oil price fell below \$80/barrel for the first time since January, which is expected to continue to curb gas prices. Global oil prices may rise if the European Union significantly cuts back on Russian oil purchases. Note: Hurricane Ian's effects should not impact U.S. oil and gas production and prices. ....

## Current Manufacturing Mitigation Examples

Thermo Fisher Scientific: New facilities expansion for Plastic consumables production

Kimberly-Clark: North America expansion facilities

Millpore-SIGMA: Expansion line for Amicon filtration



# Thermo Fisher Scientific Portfolio management – current and future state

1. Sourcing
2. Pricing
3. Distribution models
4. *How do you find your best supply chain partner?*