Investor Relations Presentation
Updated August 2021
Contents

Company Overview

Half-Year 2021 Financial Summary

Business Overview

Divisional Overview

Looking to the future

Organizational Structure

Appendices
Company Overview
Lonza is the preferred global partner to the pharmaceutical, biotech and nutrition markets.

We work to enable a healthier world by supporting our customers to deliver new and innovative medicines that help treat a wide range of diseases. We achieve this by combining technological insight with world-class manufacturing, scientific expertise and process excellence.

Our unparalleled breadth of offerings enables our customers to commercialize their discoveries and innovations in the healthcare sector.

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1 As of 30 June 2021
Where We Came from

1897
Founded in Gampel (CH)

1908
Lonza moves to Visp (CH)

1915
Fertilizer production based on calcium cyanamide

1980s
Start of biotechnology research activities in Visp (CH). Lonza becomes the first company to serve as a custom manufacturer of API

1996
Lonza expands into mammalian cell cultures and monoclonal antibodies through the acquisition of Celltech Biologics

2006
Acquisition of Cambrex’s Research Bioproducts and Microbial Biopharma business

2007
Lonza initiates large-scale production capacity and an innovative technology platform for Antibody Drug Conjugates (ADCs)

2011
The acquisition of Arch Chemicals, Inc., makes Lonza a market leader in microbial control

2017
Lonza integrates UC-II as its largest ingredient in the Nutrition portfolio through the acquisition of InterHealth

2019
Drug Product through the acquisition of Capsugel (oral and inhaled) and creation of Drug Product Services (parenteral)

2020
Lonza launches contract development and manufacturing for live biotherapeutic products to target the microbiome. A new company, Bacthera, is formed through a joint venture with Chr. Hansen

2021
Lonza opens its first development and manufacturing facility to support biologic medicines in China

Lonza completes the divestment of its Specialty Ingredients business and operations

Lonza opens Ibx® Solutions in Visp (CH), consisting of three innovative CDMO offerings - all in one location
Our Five Strategic Priorities

**SERVICE**
Manufacturing and operational excellence to deliver quality, value and “right first time”

**SCOPE**
An unparalleled breadth of offerings across services and modalities

**SUSTAINABILITY**
Delivering long-term value, economically, environmentally and socially

**SOLUTIONS**
Scientific, regulatory and manufacturing expertise to solve our customers’ challenges

**SPEED**
Ability to accelerate the path to commercialization
Our Company Values

**INTEGRITY**
Having the accountability, honesty and courage to speak up and do the right thing

**INCLUSION**
Being supportive, respectful and responsible towards others

**INNOVATION**
Being engaged, curious and enquiring to find the best possible solution

**INITIATIVE**
Being self-driven, motivated and committed to focus and deliver
Sustainability and Safety Are Critical to Our Success

**Sustainability at Lonza**

- **Our People**
  Help our employees develop and grow

- **Value for Society**
  Innovating science-based solutions

- **Our Environment**
  Reduce energy, water and material use

**Safety at Lonza**

- **Compliance and Integrity**
  Ensuring the highest standards of product quality

- **Vision ZERO**
  Incidents, injuries or emissions
Sustainability: 2020 Milestones and Future Targets
2030 goals allow long-term strategy and smart investment

**Milestone 2020**
Baseline 2018 (Per CHF 1 Million Sales)

- **ZERO**
  - Corrective Actions and Accidents (Defined by target)

- **- 6%**
  - CO₂
    - More Renewable Energy

- **- 4%**
  - Energy
  - Waste

**2030 Targets**
Baseline 2018, Total Company (Per CHF 1 Million Sales)

- **ZERO**
  - Zero Lost Time Injuries (Aspiration)

- **- 36%**
  - CO₂
    - e.g. through more renewable electricity

- **- 24%**
  - Energy
  - Waste
Half-Year 2021
Financial Summary
Financial Highlights
Strong business fundamentals support mid-teens growth

Financial Performance Summary
in m CHF

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>Change CER&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Change AER&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,542</td>
<td>14.7%</td>
<td>13.3%</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>847</td>
<td>14.8%</td>
<td>13.1%</td>
</tr>
<tr>
<td>CORE EBITDA margin</td>
<td>33.3%</td>
<td>0.0ppts</td>
<td>(0.1ppts)</td>
</tr>
</tbody>
</table>

<sup>1</sup>Comparison vs. H1 2020
CORE EBITDA Margin Evolution
Productivity improvements and one-offs offset growth project dilution

**CORE EBITDA Margin**
in %

- H1 2020 CORE EBITDA margin: 33.4
- Growth projects dilution: (1.7)
- Operational excellence & productivity: 1.2
- Divisional mix / one-offs: 0.4
- H1 2021 CORE EBITDA margin: 33.3

*1CORE EBITDA margin change vs. H1 2020 at actual exchange rates*
Divisional Performance
Strong sales growth is the common theme across Divisions

<table>
<thead>
<tr>
<th>Division</th>
<th>CER Sales growth</th>
<th>CORE EBITDA margin</th>
<th>Change AER¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biologics</td>
<td>16.7%</td>
<td>38.2%</td>
<td>(3.7ppts)</td>
</tr>
<tr>
<td>Small Molecules</td>
<td>16.5%</td>
<td>27.3%</td>
<td>2.5pppts</td>
</tr>
<tr>
<td>Capsules &amp; Health Ingredients (CHI)</td>
<td>5.8%</td>
<td>35.4%</td>
<td>(1.8pppts)</td>
</tr>
<tr>
<td>Cell &amp; Gene</td>
<td>24.7%</td>
<td>16.1%</td>
<td>17.0pppts</td>
</tr>
<tr>
<td>Lonza</td>
<td>14.7%</td>
<td>33.3%</td>
<td>(0.1pppts)</td>
</tr>
</tbody>
</table>

¹CORE EBITDA margin change vs. H1 2020 at actual exchange rates
# Operational Free Cash Flow

Cash generation is robust despite higher investments

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**EBITDA** is impacted by CHF 284m Gamsenried (CH) environmental remediation provision (total provision amounts to CHF 290m)

**NWC improvement** is partially offset by inventory stock build-up to mitigate COVID-related supply challenges

Increased CAPEX will further accelerate in H2

Other cash flow is positively impacted by increased customer pre-payments

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### Operational Free Cash Flow

**Continuing Operations in m CHF**

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>YoY change</th>
<th>H1 2020 restated¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>558</td>
<td>(192)</td>
<td>750</td>
</tr>
<tr>
<td>Change of operating net working capital (NWC)</td>
<td>(237)</td>
<td>34</td>
<td>(271)</td>
</tr>
<tr>
<td>CAPEX</td>
<td>(474)</td>
<td>(96)</td>
<td>(378)</td>
</tr>
<tr>
<td>Other</td>
<td>112</td>
<td>43</td>
<td>69</td>
</tr>
<tr>
<td>Gamsenried environmental remediation cost</td>
<td>284</td>
<td>284</td>
<td>0</td>
</tr>
<tr>
<td><strong>Operational free cash flow²</strong></td>
<td><strong>243</strong></td>
<td><strong>73</strong></td>
<td><strong>170</strong></td>
</tr>
<tr>
<td>NWC as % sales</td>
<td>18.3%</td>
<td>(1.6ppts)</td>
<td>19.9%</td>
</tr>
<tr>
<td>CAPEX as % sales</td>
<td>18.6%</td>
<td>1.7ppts</td>
<td>16.9%</td>
</tr>
</tbody>
</table>

¹Restated to reflect the classification of Specialty Ingredients as discontinued operations
²Operational free cash flow before acquisitions and divestiture
CAPEX Overview
80% of investments support future growth

All Divisions invest behind growth, with mammalian capital intensity being higher.

Investments deliver attractive ROIC and are partly secured by contracted demand and a clearly identified customer pipeline.

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1Cell & Gene division includes Cell & Gene Technologies and Bioscience businesses
Leverage Profile
Strong balance sheet provides optionality

Leverage remains stable despite growth project investments, reflecting strong CORE EBITDA growth and cash generation

LSI proceeds will be deployed in organic growth projects, selected bolt-on M&A and debt repayment

Our balance sheet provides ample headroom for investments within our objective of maintaining strong and stable investment grade rating

**Net Debt/ CORE EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.7</td>
<td>1.6</td>
</tr>
</tbody>
</table>

**H1 2021 PF LSI**

(0.7)

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1Based on Lonza Group figures for FY 2020, H1 2021; based on Lonza Continuing figures PF CHF 4bn LSI proceeds for H1 2021 PF LSI; all ratios based on CORE EBITDA for last twelve months
## ROIC

Growth is accompanied by strong return on invested capital

### ROIC

**Continuing Operations in m CHF**

<table>
<thead>
<tr>
<th></th>
<th>HY 2021</th>
<th>YoY change</th>
<th>HY 2020 restated¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Operating Profit before taxes</strong></td>
<td>606</td>
<td>14%</td>
<td>530</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>(67) (11.2%)</td>
<td>(40%) (2.1ppts)</td>
<td>(48) (9.1%)</td>
</tr>
<tr>
<td><strong>in % of Net Op. Profit Before Taxes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NOPAT</strong></td>
<td>539</td>
<td>12%</td>
<td>482</td>
</tr>
<tr>
<td><strong>Average Inv. Capital</strong></td>
<td>9,382</td>
<td>5%</td>
<td>8,956</td>
</tr>
<tr>
<td><strong>ROIC</strong></td>
<td>11.5%</td>
<td>0.7ppts</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

¹Restated to reflect the classification of Specialty Ingredients as discontinued operations

**ROIC increase reflects Net Operating Profit growing 3x faster than Invested Capital**

Our tax rate remains below our long-term rate of 16-18% due to favorable country mix and Gamsenried provision

ROIC development is expected to reverse in H2 as a result of higher investments
Drivers for H1 and H2 Performance
Our guidance is revised upwards for sales growth and maintained for margin

<table>
<thead>
<tr>
<th>CER Sales growth</th>
<th>H1 2021</th>
<th>H2 2021</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+14.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Above market growth across all Divisions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ COVID-19 related sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Growth Project ramp-up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ H1 sales momentum continuing in H2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Higher Biologics sales growth partially offset by lower growth in other Divisions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Incremental third-party sales to LSI¹</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33.3%</td>
<td></td>
<td></td>
<td>Mid-teens CER sales growth</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CORE EBITDA margin</th>
<th>H1 2021</th>
<th>H2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ One-off gains</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Strong overhead cost control and productivity measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✗ Minor COVID-19 headwinds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✗ Ramp-up of growth projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Continued cost control</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ CGT reaching break-even</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✗ Adverse project mix in base</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✗ Ramp-up of growth projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✗ Margin dilutive third-party sales to LSI¹</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹Third-party sales to LSI will have a positive impact of 1.5–2.0ppts on CER sales growth and a negative impact of (0.5)ppts on CORE EBITDA margin for FY 2021
²2023 CORE EBITDA margin Mid-Term Guidance of ~33-35%
The Opportunities for Lonza

Lonza strengths

Flexible and global asset network across modalities
Trusted partner of choice for pharma and biotech customers
Investing in science-driven improvements for manufacturing medicines
Industry leading talent and expertise

External Opportunities

More molecules, increasing complexity and expedited pathways
New classes of medicines/modalities (e.g. cell and gene technology, mRNA, Live biotherapeutic products)
Increasing levels of innovation from small and start-up VC-funded companies. Geographic diversification of innovation and finance hubs
Key growth areas across sports nutrition, healthy aging and digestive wellness
The Opportunities for Lonza

<table>
<thead>
<tr>
<th>Societal Trends</th>
<th>Patient Health Trends</th>
<th>Pharma and Biotech Industry Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing world population</td>
<td>Prevalence of chronic disease</td>
<td>Uncertain demand</td>
</tr>
<tr>
<td>Aging population in Western countries</td>
<td>Rare and orphan diseases</td>
<td>More complex molecules</td>
</tr>
<tr>
<td>Growing economies and middle classes in BRIC(^1) and Next 11(^2) countries</td>
<td>Pressure on healthcare budgets</td>
<td>High investment risk</td>
</tr>
<tr>
<td></td>
<td>Accelerated approval pathways</td>
<td>Accelerated timelines</td>
</tr>
<tr>
<td></td>
<td>Patient access stratification by geography and wealth</td>
<td>Increased therapeutic competition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continued drug pricing pressure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cell and gene at inflection point</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Biologics growth in China</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Solubility and bioavailability issues</td>
</tr>
</tbody>
</table>

\(^1\)BRIC - Brazil, Russia, China and India
\(^2\)Next 11 countries: Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, Turkey, South Korea, and Vietnam
Four Divisions
A structure developed to improve synergies and meet customer needs

<table>
<thead>
<tr>
<th>Biologics</th>
<th>Small Molecules</th>
<th>Cell &amp; Gene</th>
<th>Capsules &amp; Health Ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mammalian</td>
<td>Active Pharmaceutical Ingredients</td>
<td>Cell &amp; Gene Technologies</td>
<td>Capsules</td>
</tr>
<tr>
<td>Microbial</td>
<td>Drug Product Formulation</td>
<td>Personalized Medicines</td>
<td>Health Ingredients</td>
</tr>
<tr>
<td>Licensing</td>
<td></td>
<td>Bioscience</td>
<td></td>
</tr>
<tr>
<td>Bioconjugates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parenteral Drug Product Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mRNA</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Our Global Development and Manufacturing Footprint

**Biologics**

**Portsmouth, USA**
- Commercial manufacturing

**Hayward, USA**
- Mammalian
  - Commercial manufacturing
- Clinical manufacturing

**Vissp, Switzerland**
- Bioconjugates
  - Clinical development & manufacturing
- Commercial manufacturing

**Mammalian**
- Clinical development & manufacturing
- Commercial manufacturing

**Microbial**
- Clinical development & manufacturing
- Commercial manufacturing

**Basel/Stein, Switzerland**
- Parenteral drug product services
  - Clinical & commercial development
  - Commercial manufacturing

**Cambridge, UK**
- Pre-clinical candidate risk assessment
  - Manufacturability & Immunogenicity
- Non-GMP research product supply

**Slough, UK**
- Mammalian
  - Clinical development & manufacturing

**Porriño, Spain**
- Mammalian
  - Commercial manufacturing

**Huangpu, Guangzhou, China**
- Mammalian
  - Clinical development & manufacturing
- Drug product
  - Clinical & commercial manufacturing

**Tuas, Singapore**
- Mammalian
  - Clinical development & manufacturing
  - Commercial manufacturing

**Small Molecules**

**Quakertown, USA**
- Particle engineering
  - Clinical & commercial micronization and milling

**Tampa, USA**
- Particle engineering & drug products
  - Oral solid drug product development & manufacturing

**Bend, USA**
- Particle engineering & drug products
  - Clinical & commercial spray drying
- Oral & inhaled drug product development & manufacturing

**Visp, Switzerland**
- Drug substance
  - API HPAPI development & manufacturing

**Monteggio, Switzerland**
- Particle engineering
  - Clinical and commercial micronization and milling

**Nansha, Guangzhou, China**
- Drug substance
  - API development & manufacturing

**Cell & Gene Technologies**

**Portsmouth, USA**
- Cell & gene technologies
  - Clinical & commercial manufacturing

**Houston, USA (including El Rio)**
- Cell & gene technologies (including viral vector manufacturing)
  - Clinical & commercial development & manufacturing

**Kingston, Canada**
- Cell & gene technologies
  - Clinical development

**Rockville, USA**
- Cell & gene technologies
  - Clinical development

**Geleen, Netherlands (including Maastricht)**
- Cell & gene technologies
  - Clinical & commercial development & manufacturing

**Tuas, Singapore**
- Cell & gene technologies
  - Clinical development & manufacturing

**Tokyo, Japan**
- Cell & gene technologies
  - Clinical & commercial development & manufacturing

**Bioscience**

**Walkersville, USA**
- Bioscience
  - (including Wayne and Salisbury)

**Durham, USA**
- Bioscience

**Rockland, USA**
- Bioscience

**Verviers, Belgium**
- Bioscience

**Cologne, Germany**
- Bioscience

**Copenhagen, Denmark**
- Bioscience

**Capsules & Health Ingredients**

**Greenwood, USA**
- Pharma & nutritional capsules

**Puebla, Mexico**
- Nutritional capsules

**Colmar, France**
- Pharma & nutritional capsules

**Bornem, Belgium**
- (including Komec Helsen)
- Pharma & nutritional capsules

**Sagamihara, Japan**
- Pharma & nutritional capsules

**Suzhou, China**
- Pharma & nutritional capsules

**Jakarta, Indonesia**
- Pharma & nutritional capsules

**Haryana, India**
- Pharma & nutritional capsules

**Cohasset, USA**
- Nutritional ingredients

**Nansha, Guangzhou, China**
- Nutritional ingredients

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1. cGMP Sterile Manufacturing
2. Locations connected to another site
3. Facility owned and operated by Nikon Cell Innovation Co. Ltd. under Nikon-Lonza partnership
Pharma & Biotech Contribution to the Value Chain

Pharma/Biotech Lifecycle

- **Discovery**
  - Basic Research
  - Pre-clinical Lead Discovery
- **Development**
  - Drug Substance (DS)
  - Drug Product (DP)
- **Manufacturing**
  - DS/DP Clinical Supply
  - DS/DP Commercial Supply
- **Distribution**
  - Marketing Sales Distribution

Clinical Development

**Selected Modalities**

- **Small Molecules**
- **Mammalian**
- **Microbial**
- **Bioconjugates**
- **Parenteral Drug Product Solutions**
- **mRNA**

- **Cell & Gene Technologies**
- **Bioscience**
- **Personalized Medicine**

Technical Development
Our Market Advantage
A leading player across the global pharma and biotech industries

<table>
<thead>
<tr>
<th>Diversified and loyal customer base</th>
<th>Leading edge of new technologies</th>
<th>Breadth of technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Go to’ CDMO, supporting more than 1,065¹ pre-clinical, clinical and commercial molecules</td>
<td>Global reach and expertise across modalities, underpinned by R&amp;D investment, capability building and innovative partnerships (e.g. partnering with Moderna to produce the drug substance for Moderna COVID-19 Vaccine)</td>
<td>Unique breadth of technologies to deliver for customers across the value chain - from clinical development of innovative therapies through to large-scale commercial manufacture</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Integrated approach</th>
<th>Manufacturing excellence</th>
<th>People and expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical and commercial production under the same roof, simplifying comparability requirements and eliminating technology transfers between sites. Drug substance and drug product development and manufacturing</td>
<td>Advanced manufacturing and quality-control systems, superior regulatory expertise, in-depth market knowledge, extensive technical-customer support, strong R&amp;D capabilities and world-class facilities in more than 30 countries</td>
<td>Industry-leading expertise, attracting the best global talent and investing in employee training and development</td>
</tr>
</tbody>
</table>

¹As of December 2020
Market-Leading CDMO Position

>820 pre-clinical and clinical small¹ and large² molecules

>245 commercial small¹ and large² molecules

Small Molecules¹

>400 pre-clinical and clinical molecules

>200 commercial molecules

Biologics²

>420 pre-clinical and clinical molecules

>45 commercial molecules

¹As of December 2020. Including active pharmaceutical ingredients (API), highly potent API (HPAPI), dosage form and delivery systems and particle engineering
²As of December 2020. Including mammalian, microbial, cell & gene therapy products and bioconjugates (applied protein services and drug product services are included for pre-clinical and clinical molecules only)
## R&D Investments and Innovative Partnerships
Investing to stay one step ahead of industry challenges

<table>
<thead>
<tr>
<th>Inventive capsule and small molecule projects</th>
<th>Scalable personalized medicine</th>
<th>Towards next-generation modalities</th>
<th>Digitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Image" /></td>
<td><img src="image2" alt="Image" /></td>
<td><img src="image3" alt="Image" /></td>
<td><img src="image4" alt="Image" /></td>
</tr>
<tr>
<td>Launch of an innovative capsule system used to control cargo release timing and location, improving delivery and bioavailability</td>
<td>Cocoon® Platform was qualified towards clinical and commercial readiness and treated the first cancer patient at Sheba Medical Center (IL) with an autologous CAR-T therapy</td>
<td>10-year collaboration with Moderna on mRNA platform</td>
<td>Use of machine learning algorithms to optimize processes and yields, increase transparency and better integrate Lonza into our customers’ supply chain ecosystem</td>
</tr>
<tr>
<td>Commercializing a new proprietary technology in small molecule-based therapies that helps overcome bioavailability challenges</td>
<td>Developing a multiplex solution – ‘Cocoon® Tree™’ which will enable the scale-out of manufacturing</td>
<td>BacThera – first end-to-end CDMO for live biotherapeutic products</td>
<td>Successfully deploying virtual reality (VR) trainings across our operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Induced Pluripotent Stem Cell (iPSC) manufacturing expertise</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exosome-based therapeutics manufacturing capabilities</td>
<td></td>
</tr>
</tbody>
</table>
New and Expanded Customer Projects in H1 2021
Sustained high demand for Lonza offerings

• Ibex® Solutions meet strong market interest. Significant proportion of new large-scale mammalian assets are already contracted

• Guangzhou Biologics is fully validated, operational and has several customers

• Focus on new modalities: mRNA, complex-to-express molecules, personalized Medicine Solutions and first customer signing for exosomes

• Expanding customer collaborations, on COVID-related projects and more targeted therapies
Ambitious Investment Plan to Drive Further Growth in H1 2021
Expanding end-to-end solutions across modalities

Bend, USA
* Small Molecules
  * Solid form services

Portsmouth, USA
* Biologics
  * Next-generation facility, late-phase clinical and commercial development and manufacturing

Houston, USA
* Cell & Gene
  * Viral Vector suites and Cell Therapy

Nansha, CN
* Small Molecules
  * Mid-scale API manufacturing
  * GMP HPAPI laboratory capabilities

Geleen / Maastricht, NL
* Biologics
  * mRNA suite

Visp, CH
* Biologics
  * mRNA suites
  * New large-scale mammalian drug substance manufacturing facility

Stein, CH
* Biologics
  * Clinical filling line

* New manufacturing complex:
  * ADC payloads
  * Future expansions
**Ibex® Solutions**

Three offers that provide speed across the entire product lifecycle

<table>
<thead>
<tr>
<th>Offers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takes drug candidate faster from gene to market</td>
</tr>
<tr>
<td>Faster build and ramp up capacity can manage unpredictable demand</td>
</tr>
<tr>
<td>Reduces complexity and creates a simple supply solution</td>
</tr>
<tr>
<td>Complete product life cycle managed at a single site</td>
</tr>
</tbody>
</table>
Ibex® Solutions
End-To-End Product Lifecycle Management on One Site

IND
- Pre-clinical
- Phase 1
- Phase 2
- Phase 3
- Commercial

BLA

Ibex® Design

Ibex® Develop

Ibex® Dedicate
### Customer Demand for Ibex® Solutions

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanofi JV Facility</td>
<td>• Mid-scale microbial facility to supply Servier with active pharmaceutical ingredient for acute lymphoblastic leukemia</td>
</tr>
<tr>
<td></td>
<td>• Approx. 100 new jobs</td>
</tr>
<tr>
<td>Ibex® Design &amp; Develop</td>
<td>• Major multinational pharmaceutical company</td>
</tr>
<tr>
<td></td>
<td>• Manufacturing of microbial-derived commercial product</td>
</tr>
<tr>
<td>Ibex® Dedicate</td>
<td>• Expanded collaboration on COVID-19 drug substance production</td>
</tr>
<tr>
<td></td>
<td>• The additional three production lines will become operational and commence ramp-up in early 2022</td>
</tr>
<tr>
<td></td>
<td>• Late-stage clinical antibody-biopolymer conjugate</td>
</tr>
<tr>
<td></td>
<td>• Innovative medication against retinal diseases</td>
</tr>
<tr>
<td></td>
<td>• Two bioconjugation suites for commercialization of ADC</td>
</tr>
<tr>
<td></td>
<td>• Highly potent material for cancer therapy</td>
</tr>
<tr>
<td></td>
<td>• Approx. 200 new jobs</td>
</tr>
<tr>
<td></td>
<td>• New large-scale mammalian drug substance manufacturing facility</td>
</tr>
<tr>
<td></td>
<td>• Significant proportion of new capacity is contracted (collaboration signed with a biopharmaceutical partner)</td>
</tr>
</tbody>
</table>
Divisional Overview
Small Molecules
Financial and operational performance in H1 2021

362 m
Sales (CHF) +16.5%

99 m
CORE EBITDA (CHF) +26.9%

27.3%
CORE EBITDA Margin +250bps

- Continued strong customer demand and new growth projects, including CHF 200 million investment in a new manufacturing facility in Visp (CH) to accommodate future small molecule expansions
- Strategic divestment of Ploermel (FR) and Edinburgh (UK) sites completed
- Lower sales growth expected in H2 2021 accompanied by stable margin levels in H2 2021 (compared to H1 2021)

Numbers in left column are a comparison vs. Half-Year 2020
2 Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)
Small Molecules
Overview

>600 Small molecules\textsuperscript{1} in 2020

>400 Pre-clinical and clinical small molecules\textsuperscript{1}

>200 Commercial small molecules\textsuperscript{1}

Our Offerings
- Early and advanced chemical intermediates
- Customized API, including HPAPI
- Payloads for ADCs
- Particle engineering
- Oral and inhaled drug products
- Parenteral drug products (injections and infusions)

Our Key Priorities
- Adapt business model for smaller companies to secure new early-phase clinical programs
- Retain leadership position in particle engineering technology
- Balance of asset scales and location
- Continuing investment in HPAPI

\textsuperscript{1}As of December 2020. Including active pharmaceutical ingredients (API), highly potent API (HPAPI), dosage form and delivery systems and particle engineering
Biologics

Financial and operational performance in H1 2021

1,284m
Sales (CHF)
+16.7%

490m
CORE EBITDA (CHF)
+6.3%

38.2%
CORE EBITDA Margin
-370bps

• Strong demand and new contracts across all technologies and scales, with actively managed supply impacts arising from COVID-19

• Ibex® Solutions concept remains attractive to customers:
  • High capacity utilisation and batch success rate for existing assets
  • Significant proportion of new capacity is contracted in Visp (new collaboration signed with a biopharmaceutical partner)

• Guangzhou (CN), operations have started and several customers are signed

• Compared to H1 2021, continued sales growth in H2 2021. H2 margin may be somewhat softer than H1, reflecting project mix, one-time effects and the increasing impact of growth projects

Numbers in left column are a comparison vs Half-Year 2020
²Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)
## Biologics

### Overview

<table>
<thead>
<tr>
<th>Number</th>
<th>Category</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;465</td>
<td>Large molecules</td>
<td>1 in 2020</td>
</tr>
<tr>
<td>&gt;420</td>
<td>Pre-clinical and clinical large molecules</td>
<td>1</td>
</tr>
<tr>
<td>&gt;45</td>
<td>Commercial large molecules</td>
<td>1</td>
</tr>
</tbody>
</table>

### Our Offerings
- Cell line construction
- Process development and optimization
- Manufacture of drug substance and drug product for mAbs and other recombinant proteins
- Mammalian cell culture and microbial fermentation including small to large scale
- Development and manufacturing of bioconjugates
- mRNA drug substance production

### Our Key Priorities
- Increase end-to-end offering for small and large Pharma and Biotech
- Expand development and manufacturing capacity
- Leverage Ibex® Solutions
- Build presence in commercial Fill and Finish
- Geographic expansion

---

1As of December 2020. Including mammalian, microbial, cell & gene therapy products and bioconjugates (applied protein services and drug product services are included for pre-clinical and clinical molecules only)
## Cell & Gene Technologies

- **Solid sales growth and positive margin evolution:**
  - Further growing pipeline and new customers signed
  - Performance improvement supported by focus on operational excellence
- **Cocoon® Platform adoption is developing well with investment in collaboration agreements**
- **First successful BLA for Houston (US)**
- **Compared to H1 2021, continued anticipated sales growth in H2 2021, supported by positive margin development**
- **Ambition to approach break-even by Q4 2021**

## Bioscience

- **Strong momentum, driven by discovery and testing**
- **Solid demand for equipment and software**
- **Continue to leverage our product portfolio to support cell and gene therapies**
- **Softer anticipated H2 2021 margin, linked to business mix, accompanied by continued H2 2021 sales growth**

---

**Numbers in left column are a comparison vs. Half-Year 2020**

2Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)

---

**CORE definition: See appendix**
## Cell & Gene Technologies

### Overview

<table>
<thead>
<tr>
<th>Years cGMP experience</th>
<th>~200 Customers served since inception</th>
<th>&gt;120 Process development Projects in 2020</th>
</tr>
</thead>
</table>

### Our Offerings
- Autologous cell therapy
- Allogeneic cell therapy
- Viral vector gene therapy
- End-to-end offering from concept to commercialization

### Our Key Priorities
- Secure long-term sustainable growth
- Align capacity expansion with growth ambition
- Improve operational execution and reduce costs
- Maintain technology leadership
Bioscience products filled with regulatory agencies

- 313

Primary cell types

- 285

Scientific publications used a Lonza Bioscience product in 2020

- 2,825

Our Offerings

Providing life science researchers with the tools they need to develop and test therapeutics, from basic research to product release

Products and services ranging from cell culture and discovery technologies for research, to quality control tests and software for biomanufacturing

Our Key Priorities

- Implement a digital transformation to enhance customer experience
- Accelerate growth in the cell and gene therapy segment
- Market share leadership in endotoxin market
- MODA-ES® Platform adoption in biologics, cell and gene therapy and CDMO markets
Capsules & Health Ingredients
Financial and operational performance in H1 2021

602m
Sales (CHF) +5.8%

213m
CORE EBITDA (CHF) -1.8%

35.4%
CORE EBITDA Margin -180bps

- Business continuity maintained during COVID-19, allowing division to reach a milestone of five trillion capsules produced since the business commenced operations
- Strong performance across business offerings, driven by the capsules portfolio
- Slightly softer sales growth expected in H2 2021, compared to H1 2021 in anticipation of end-consumer demand gradually returning to pre-pandemic level
- Slightly softer H2 2021 margin compared to H1 2021, driven by one-time business costs

Numbers in left column are a comparison vs. Half-Year 2020
1Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)

CORE definition: See appendix
## Capsules & Health Ingredients
### Overview

<table>
<thead>
<tr>
<th><strong>230b</strong></th>
<th>Capsules produced in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10</strong></td>
<td>Production sites</td>
</tr>
<tr>
<td><strong>&gt;5,000</strong></td>
<td>Customers worldwide</td>
</tr>
</tbody>
</table>

### Our Offerings
- Innovative capsule delivery solutions for pharmaceutical and nutraceutical customers
- Health ingredients backed by clinical research to support claims
- Cutting-edge capsule dosage forms and services
- Global manufacturing and processing capabilities

### Our Key Priorities
- Continuing to strengthen our global manufacturing network and innovation capability
- Becoming more customer centric organization
- Accelerate profitable growth
- Focus on high-growth, high-margin Joint Health and Nutrition markets
Looking to the Future
Outlook 2021

Upward revision to 2021 Outlook: mid-teens CER sales growth driven by sustained strong momentum across businesses

CORE EBITDA margin improvement in line with Mid-Term Guidance trajectory, as guided at the beginning of the year

Outlook assumes similar level of COVID-related impacts, no significant adverse impact on demand and no further disruptions in supply chain or business operations
Priorities for H2 2021

• Drive to accelerate growth and capacity increase to meet customer demand and secure long-term growth

• Continue to manage the challenges and opportunities arising from the COVID-19 pandemic

• Focus on continuous improvement
Organizational Structure
Executive Committee Members

Pierre-Alain Ruffieux
Chief Executive Officer

Rodolfo J. Savitzky
Chief Financial Officer

Caroline Barth
Chief Human Resources Officer

Stefan Stoffel
Head, Group Operations

Claude Dartiguelongue
Capsules & Health Ingredients

Gordon Bates
Small Molecules

Jean-Christophe Hyvert
Biologics and Cell & Gene
Business Structure

CEO

Office of the CEO

Corporate Functions¹

Divisions

Functions

- Capsules & Health Ingredients
- Small Molecules
- Biologics
- Cell & Gene

Operations
- Quality
- Commercial / Marketing
- Finance
- Human Resources

P&L accountability
End-to-end delivery to customers
Business model to create competitive edge

Global standards, processes and best practices
Functional strategies
Partnership approach to divisional support

¹Including: Legal, Communications, Investor Relations, EHS, M&A, Data Management / Digital
Appendices
### Continuing Operations¹

<table>
<thead>
<tr>
<th></th>
<th>HY 2021</th>
<th>HY 2020 restated</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>2,542</td>
<td>2,243</td>
<td>13.3</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>847</td>
<td>749</td>
<td>13.1</td>
</tr>
<tr>
<td>Margin in %</td>
<td>33.3</td>
<td>33.4</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>558</td>
<td>750</td>
<td></td>
</tr>
<tr>
<td>Margin in %</td>
<td>22.0</td>
<td>33.4</td>
<td>(25.6)</td>
</tr>
<tr>
<td>EBIT</td>
<td>317</td>
<td>531</td>
<td>(40.3)</td>
</tr>
<tr>
<td>Margin in %</td>
<td>12.5</td>
<td>23.7</td>
<td></td>
</tr>
<tr>
<td>ROIC in %</td>
<td>11.5</td>
<td>10.8</td>
<td>6.5</td>
</tr>
<tr>
<td>Net Financing Costs</td>
<td>(22)</td>
<td>(44)</td>
<td></td>
</tr>
<tr>
<td>Tax Rate in %</td>
<td>11.2</td>
<td>9.1</td>
<td>(40.5)</td>
</tr>
<tr>
<td>Profit for the Period</td>
<td>263</td>
<td>442</td>
<td></td>
</tr>
</tbody>
</table>

¹All financial information referring to “continuing operations” are exclusive of the Specialty Ingredients business, that was sold on 1 July 2021 and therefore reported as discontinued operations.
## Half-Year 2021 Financial Highlights (2/2)

<table>
<thead>
<tr>
<th><strong>Continuing Operations</strong></th>
<th><strong>HY 2021</strong></th>
<th><strong>HY 2020 restated</strong></th>
<th><strong>YoY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>CORE EPS basic (CHF)</td>
<td>6.99</td>
<td>5.93</td>
<td>17.9</td>
</tr>
<tr>
<td>EPS Basic (CHF)</td>
<td>3.51</td>
<td>5.94</td>
<td>(40.9)</td>
</tr>
<tr>
<td>CORE EPS Diluted (CHF)</td>
<td>6.97</td>
<td>5.90</td>
<td>18.1</td>
</tr>
<tr>
<td>EPS Diluted (CHF)</td>
<td>3.50</td>
<td>5.91</td>
<td>(40.8)</td>
</tr>
<tr>
<td>Change of Net Working Capital</td>
<td>(237)</td>
<td>(271)</td>
<td>34</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>474</td>
<td>378</td>
<td>25.4</td>
</tr>
<tr>
<td>Operational Free Cash Flow</td>
<td>363</td>
<td>170</td>
<td>113.5</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>14,405</td>
<td>13,079</td>
<td>10.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total Group</strong></th>
<th><strong>HY 2021</strong></th>
<th><strong>FY 2020</strong></th>
<th><strong>YoY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net debt</td>
<td>2,943</td>
<td>2,813</td>
<td>4.6</td>
</tr>
<tr>
<td>Debt-equity ratio</td>
<td>0.40</td>
<td>0.40</td>
<td>0.0</td>
</tr>
<tr>
<td>Net Debt / CORE EBITDA ratio</td>
<td>1.64</td>
<td>1.66</td>
<td>(1.2)</td>
</tr>
</tbody>
</table>

---

1. All financial information referring to “continuing operations” are exclusive of the Specialty Ingredients business, that was sold on 1 July 2021 and therefore reported as discontinued operations.
2. Lonza Group incl. Discontinued Operations

CORE definition: See appendix
Contacts

For Investors Inquiries:

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Investor Relations Officer

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dirk.oehlers@lonza.com

Information about investor relations events is constantly updated on the website:

www.lonza.com/about-lonza/investor-relations
CORE Definition

“We believe that disclosing CORE results of the Group’s performance enhances the financial markets’ understanding because the CORE results enable better year-on-year comparisons.”

Therefore, the CORE results exclude exceptional expenses and income related to e.g. restructuring, environmental-remediation, acquisitions and divestitures, impairment and reversal of impairment of assets, which can differ significantly from year to year.

For this same reason, Lonza uses these CORE results in addition to IFRS as important factors in internally assessing the Group’s performance.

In Lonza’s 2021 Alternative Performance Measures Report, the reconciliation of IFRS to CORE results provides further details on the adjustments.
Lonza Group Ltd has its headquarters in Basel, Switzerland, and is listed on the SIX Swiss Exchange. It has a secondary listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Lonza Group Ltd is not subject to the SGX-ST’s continuing listing requirements but remains subject to Rules 217 and 751 of the SGX-ST Listing Manual.

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “outlook,” “guidance,” “believes,” “plans,” “anticipates,” “expects,” “estimates” and similar expressions) should be considered to be forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty.

There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including the timing and strength of new product offerings; pricing strategies of competitors; the company’s ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; difficulty to maintain relationships with employees, customers and other business partners; and changes in the political, social and regulatory framework in which the company operates, or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis.

In particular, the assumptions underlying the Outlook 2021 herein may not prove to be correct. The statements in the section on Outlook 2021 constitute forward-looking statements and are not guarantees of future financial performance.

Lonza’s actual results of operations could deviate materially from those set forth in the section on Outlook 2021 as a result of the factors described above or other factors. Investors should not place undue reliance on the statements in the section on Outlook 2021. Except as otherwise required by law, Lonza disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after this presentation was published.
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADC</td>
<td>Antibody Drug Conjugate</td>
</tr>
<tr>
<td>Allogeneic</td>
<td>Allogeneic cell-based therapy uses stem cells from a matched related or unrelated donor</td>
</tr>
<tr>
<td>Autologous</td>
<td>Autologous cell-based therapy uses a person’s own stem cells</td>
</tr>
<tr>
<td>BLA</td>
<td>Biologics License Application, when a potential new biologic drug is submitted to the US Food and Drug Administration for approval. Equivalent of a New Drug Application (NDA) for a small molecule drug</td>
</tr>
<tr>
<td>bps</td>
<td>Basis Points</td>
</tr>
<tr>
<td>CAPEX</td>
<td>Capital Expenditure</td>
</tr>
<tr>
<td>CDMO</td>
<td>Contract Development and Manufacturing Organization: a company serving other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing</td>
</tr>
<tr>
<td>Cell Therapy</td>
<td>Cells are introduced into a damaged or diseased tissue/organ to regenerate damaged tissue or generate new cells to replace those lost/damaged, e.g. blood transfusion, bone marrow transplant, skin graft and specific white blood cells to treat infectious diseases</td>
</tr>
<tr>
<td>cGMP</td>
<td>Current good manufacturing practices</td>
</tr>
<tr>
<td>EBIT</td>
<td>Earnings before interest and tax</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings before interest, tax, depreciation, and amortization</td>
</tr>
<tr>
<td>EPS</td>
<td>Earnings per share</td>
</tr>
<tr>
<td>Gene Therapy</td>
<td>Replacing, manipulating, or supplementing non-functional or dysfunctional genes with healthy genes. Therapeutic genes are usually delivered to the patient through a weakened virus that transports the genes into the nuclei of blood cells</td>
</tr>
<tr>
<td>HP(API)</td>
<td>Highly Potent (Active Pharmaceutical Ingredient): ingredients in a pharmaceutical drug that are chemically or biologically active</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Definition</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>IND</td>
<td>Investigational New Drug</td>
</tr>
<tr>
<td>mAbs</td>
<td>Monoclonal Antibodies: antibodies that are made by identical immune cells that are all clones of a unique parent cell</td>
</tr>
<tr>
<td>Mammalian</td>
<td>Mammalian cell culture in the biotechnological context refers to the cells of a mammalian, isolated from specific tissues (i.e. skin, liver, glands, etc.) and further cultivated and reproduced in an artificial medium</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research &amp; Development</td>
</tr>
<tr>
<td>Recombinant Protein</td>
<td>Proteins expressed by recombinant DNA technology, a series of procedures to join DNA segments from two or more DNA molecules. Recombinant DNA molecules are inserted into the chromosomes of cells and translated into proteins. Scientifically, monoclonal antibody, transgenic productand certain bioengineered vaccines are subsets of ‘Recombinant product’. However, in general, the biopharma industry considers these classes as standalone product types due to their market significance and distinctive class descriptions</td>
</tr>
<tr>
<td>RNA</td>
<td>Ribonucleic Acid</td>
</tr>
<tr>
<td>ROIC</td>
<td>Return On Invested Capital</td>
</tr>
<tr>
<td>Small Molecules</td>
<td>Low molecular weight molecules that include lipids, monosaccharides, second messengers, other natural products and metabolites, as well as drugs and other xenobiotics</td>
</tr>
<tr>
<td>SUT</td>
<td>Single-use Technology</td>
</tr>
<tr>
<td>VC</td>
<td>Venture Capital</td>
</tr>
<tr>
<td>Viral Vector</td>
<td>Tools designed to efficiently and safely deliver genetic material into cells</td>
</tr>
<tr>
<td>YoY</td>
<td>Year-on-Year</td>
</tr>
</tbody>
</table>