Investor Relations Presentation
Updated August 2021
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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.

1 As of 30 June 2021
## Where We Came from

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1897</td>
<td>Founded in Gampel (CH)</td>
</tr>
<tr>
<td>1908</td>
<td>Lonza moves to Visp (CH)</td>
</tr>
<tr>
<td>1915</td>
<td>Fertilizer production based on calcium cyanamide</td>
</tr>
<tr>
<td>1980s</td>
<td>Start of biotechnology research activities in Visp (CH). Lonza becomes the first company to serve as a custom manufacturer of API</td>
</tr>
<tr>
<td>1996</td>
<td>Lonza expands into mammalian cell cultures and monoclonal antibodies through the acquisition of Celltech Biologics</td>
</tr>
<tr>
<td>2006</td>
<td>Acquisition of Cambrex’s Research Bioproducts and Microbial Biopharma business</td>
</tr>
<tr>
<td>2007</td>
<td>Lonza initiates large-scale production capacity and an innovative technology platform for Antibody Drug Conjugates (ADCs)</td>
</tr>
<tr>
<td>2011</td>
<td>The acquisition of Arch Chemicals, Inc., makes Lonza a market leader in microbial control</td>
</tr>
<tr>
<td>2017</td>
<td>Lonza integrates UC-II as its largest ingredient in the Nutrition portfolio through the acquisition of InterHealth</td>
</tr>
<tr>
<td>2019</td>
<td>Lonza launches contract development and manufacturing for live biotherapeutic products to target the microbiome. A new company, BacBactera, is formed through a joint venture with Chr. Hansen</td>
</tr>
<tr>
<td>2020</td>
<td>Lonza opens its first development and manufacturing facility to support biologic medicines in China</td>
</tr>
<tr>
<td>2021</td>
<td>Lonza completes the divestment of its Specialty Ingredients business and operations</td>
</tr>
</tbody>
</table>

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

- **- 4%**
  - Energy

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

- **- 4%**
  - Waste

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

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

- **- 24%**
  - Energy

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

- **- 24%**
  - 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(^1)</th>
<th>Change AER(^1)</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>0.0ppt</td>
<td>(0.1ppt)</td>
</tr>
</tbody>
</table>

\(^1\)Comparison vs. H1 2020
CORE EBITDA Margin Evolution
Productivity improvements and one-offs offset growth project dilution

Growth projects turn profitable but remain margin dilutive as profitability ramps up

Continuous productivity improvements and overhead cost control remains a top priority

Favorable one-offs balance adverse divisional mix

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**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

Financial Results by Division H1 2021

<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>(3.7ppt)</td>
</tr>
<tr>
<td>Small Molecules</td>
<td>16.5%</td>
<td>27.3%</td>
<td>2.5ppt</td>
</tr>
<tr>
<td>Capsules &amp; Health Ingredients (CHI)</td>
<td>5.8%</td>
<td>35.4%</td>
<td>(1.8ppt)</td>
</tr>
<tr>
<td>Cell &amp; Gene</td>
<td>24.7%</td>
<td>16.1%</td>
<td>17.0ppt</td>
</tr>
<tr>
<td>Lonza</td>
<td>14.7%</td>
<td>33.3%</td>
<td>(0.1ppt)</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

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

### Operational Free Cash Flow

<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

CAPEX Breakdown H1 2021
in m CHF

By Division

<table>
<thead>
<tr>
<th>Division</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biologics</td>
<td>18.6%</td>
</tr>
<tr>
<td>SM</td>
<td></td>
</tr>
<tr>
<td>CHI</td>
<td></td>
</tr>
<tr>
<td>C&amp;G</td>
<td></td>
</tr>
<tr>
<td>LHO</td>
<td></td>
</tr>
<tr>
<td>% Sales</td>
<td></td>
</tr>
</tbody>
</table>

By Type

<table>
<thead>
<tr>
<th>Type</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>474</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
</tr>
</tbody>
</table>

1 Cell & Gene division includes Cell & Gene Technologies and Bioscience businesses
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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt/ CORE EBITDA¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2020</td>
<td>1.7</td>
</tr>
<tr>
<td>H1 2021</td>
<td>1.6</td>
</tr>
</tbody>
</table>

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 Increase Reflects Net Operating Profit Growing 3x Faster than Invested Capital

<table>
<thead>
<tr>
<th></th>
<th>HY 2021</th>
<th>YoY change</th>
<th>HY 2020 Restated&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Profit before taxes</td>
<td>606</td>
<td>14%</td>
<td>530</td>
</tr>
<tr>
<td><strong>Taxes</strong>&lt;br&gt;in % of Net Op. Profit Before Taxes</td>
<td>(67) (11.2%)</td>
<td>(40%) (2.1ppts)</td>
<td>(48) (9.1%)</td>
</tr>
<tr>
<td>NOPAT</td>
<td>539</td>
<td>12%</td>
<td>482</td>
</tr>
<tr>
<td>Average Inv. Capital</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>

<sup>1</sup>Restated to reflect the classification of Specialty Ingredients as discontinued operations
Drivers for H1 and H2 Performance
Our guidance is revised upwards for sales growth and maintained for margin

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>CER Sales growth</td>
<td>+14.7%</td>
<td></td>
</tr>
<tr>
<td>- Above market growth across all Divisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- COVID-19 related sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Growth Project ramp-up</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ H1 sales momentum continuing in H2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Higher Biologics sales growth partially offset by lower growth in other Divisions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Incremental third-party sales to LSI¹</td>
<td></td>
</tr>
<tr>
<td>CORE EBITDA margin</td>
<td>33.3%</td>
<td></td>
</tr>
<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></td>
<td>✓ Continued cost control</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ CGT reaching break-even</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✗ Adverse project mix in base</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✗ Ramp-up of growth projects</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✗ Margin dilutive third-party sales to LSI¹</td>
<td></td>
</tr>
</tbody>
</table>

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

**Biologics**
- Mammalian
- Microbial
- Licensing
- Bioconjugates
- Parenteral Drug Product Services
- mRNA

**Small Molecules**
- Active Pharmaceutical Ingredients
- Drug Product Formulation

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

**Capsules & Health Ingredients**
- Capsules
- Health Ingredients
Our Global Development and Manufacturing Footprint

**Biologics**
- Portsmouth, USA (Mammalian) • Commercial manufacturing
- Hayward, USA (Mammalian) • Clinical manufacturing
- Visp, Switzerland (Biologics) • Clinical development & manufacturing • Commercial manufacturing
- Mammalian • Clinical development & manufacturing • Commercial manufacturing
- Basels/Steins, Switzerland (Parental Drug Product Services) • Clinical & commercial development • Clinical & 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
- Guangzhou, China (Mammalian) • Clinical development & manufacturing
- Tuas, Singapore (Mammalian) • Clinical development & manufacturing • Commercial manufacturing

**Small Molecules**
- Quakertown, USA (Particle engineering) • Clinical & commercial microcrystallization and milling
- Tampa, USA (Particle engineering & Drug Products) • Oral solid product development & manufacturing
- Bend, USA (Particle engineering & Drug Products) • Oral & inhalation drug product development & manufacturing
- Visp, Switzerland (Drug substance) • API (Hydrophilic) development & manufacturing
- Monteggio, Switzerland (Particle engineering) • Clinical and commercial microcrystallization and milling
- Nansha, 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) • Clinical & commercial manufacturing
- Kingston, Canada (Cell & gene technologies) • Clinical development
- Rockville, USA (Cell & gene technologies) • Clinical development
- Geleen, Netherlands (including Maastricht) (Cell & gene technologies) • Clinical development & manufacturing
- Tuas, Singapore (Cell & gene technologies) • Clinical development & manufacturing
- Tokyo, Japan (Cell & gene technologies) • Clinical development & manufacturing

**Bioscience**
- Walkersville, USA (including Waynes & Salisbury) (Bioscience)
- 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, 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

Clinical Development

Selected Modalities

Lonza

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 1,065(^1) 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>

\(^1\)As 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

**Inventive capsule and small molecule projects**
Launch of an innovative capsule system used to control cargo release timing and location, improving delivery and bioavailability.
Commercializing a new proprietary technology in small molecule-based therapies that helps overcome bioavailability challenges.

**Scalable personalized medicine**
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.
Developing a multiplex solution - ‘Cocoon® Tree™’ which will enable the scale-out of manufacturing.

**Towards next-generation modalities**
10-year collaboration with Moderna on mRNA platform.
BacThera – first end-to-end CDMO for live biotherapeutic products.
Induced Pluripotent Stem Cell (iPSC) manufacturing expertise.
Exosome-based therapeutics manufacturing capabilities.

**Digitalization**
Use of machine learning algorithms to optimize processes and yields, increase transparency and better integrate Lonza into our customers’ supply chain ecosystem.
Successfully deploying virtual reality (VR) trainings across our operations.
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

Geleen / Maastricht, NL
Biologics
- mRNA suite

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

Small Molecules
- New manufacturing complex:
  - ADC payloads
  - Future expansions

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

Stein, CH
Biologics
- Clinical filling line
Three offers that provide speed across the entire product lifecycle

- Takes drug candidate faster from gene to market
- Faster build and ramp up capacity can manage unpredictable demand
- Reduces complexity and creates a simple supply solution
- Complete product life cycle managed at a single site
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>Sanofi JV Facility</th>
<th>Ibex® Design &amp; Develop</th>
<th>Ibex® Dedicate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commissioning H2 2021</strong></td>
<td><strong>Production 2021</strong></td>
<td><strong>Production early 2022</strong></td>
</tr>
<tr>
<td><strong>Servier</strong></td>
<td><strong>Undisclosed</strong></td>
<td><strong>Moderna</strong></td>
</tr>
<tr>
<td>• Mid-scale microbial facility to supply Servier with active pharmaceutical ingredient for acute lymphoblastic leukemia</td>
<td>• Major multinational pharmaceutical company</td>
<td>• Expanded collaboration on COVID-19 drug substance production</td>
</tr>
<tr>
<td>• Approx. 100 new jobs</td>
<td>• Manufacturing of microbial-derived commercial product</td>
<td>• The additional three production lines will become operational and commence ramp-up in early 2022</td>
</tr>
<tr>
<td><strong>Production H2 2022</strong></td>
<td><strong>Commissioning Q4 2022</strong></td>
<td><strong>Expected to be completed in 2024</strong></td>
</tr>
<tr>
<td><strong>Kodiak</strong></td>
<td><strong>Undisclosed</strong></td>
<td><strong>New facility</strong></td>
</tr>
<tr>
<td>• Late-stage clinical antibody-biopolymer conjugate</td>
<td>• Two bioconjugation suites for commercialization of ADC</td>
<td>• New large-scale mammalian drug substance manufacturing facility</td>
</tr>
<tr>
<td>• Innovative medication against retinal diseases</td>
<td>• Highly potent material for cancer therapy</td>
<td>• Significant proportion of new capacity is contracted (collaboration signed with a biopharmaceutical partner)</td>
</tr>
<tr>
<td>• Approx. 200 new jobs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Divisional Overview
Small Molecules
Financial and operational performance in H1 2021

362m
Sales (CHF)
+16.5%

99m
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
2Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)

CORE definition: See appendix
Small Molecules
Overview

>600 Small molecules\(^1\) in 2020

>400 Pre-clinical and clinical small molecules\(^1\)

>200 Commercial small molecules\(^1\)

Our Offerings

- Early and advanced chemical intermediates
- Customized API, including HPAPI
- Payloads for ADCs
- Particle engineering
- Oral and inhaled drug products
- Parental 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

\(^1\)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%2

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

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

- **Sales (CHF)****: 274m (+24.7%)**
- **CORE EBITDA (CHF)**: 44m (n/a)
- **CORE EBITDA Margin**: 16.1% (n/a)

### 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**
Cell & Gene Technologies
Overview

>20 Years cGMP experience

~200 Customers served since inception

>120 Process development Projects in 2020

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
<table>
<thead>
<tr>
<th><strong>313</strong></th>
<th>Bioscience products filled with regulatory agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>285</strong></td>
<td>Primary cell types</td>
</tr>
<tr>
<td><strong>2,825</strong></td>
<td>Scientific publications used a Lonza Bioscience product in 2020</td>
</tr>
</tbody>
</table>

**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

602\text{m} \quad 213\text{m} \quad 35.4\%

Sales (CHF) 
CORE EBITDA (CHF) 
CORE EBITDA Margin

+5.8\% \quad -1.8\% \quad -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
\textsuperscript{2}Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)

CORE definition: See appendix
Capsules & Health Ingredients
Overview

230\textsuperscript{b}
Capsules produced in 2020

10
Production sites

>5,000
Customers worldwide

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
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
Business Structure

CEO

Office of the CEO

Corporate Functions¹

Divisions

Capsules & Health Ingredients
Small Molecules
Biologics
Cell & Gene

Functions

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
### Half-Year 2021 Financial Highlights (1/2)

<table>
<thead>
<tr>
<th>Continuing Operations¹</th>
<th>HY 2021</th>
<th>HY 2020 restated</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHF million</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</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></td>
</tr>
<tr>
<td>Profit for the Period</td>
<td>263</td>
<td>442</td>
<td>(40.5)</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.

CORE definition: See appendix
### Continuing Operations¹

<table>
<thead>
<tr>
<th></th>
<th>HY 2021</th>
<th>HY 2020 restated</th>
<th>YoY</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 (Full-Time Equivalent)</td>
<td>14,405</td>
<td>13,079</td>
<td>10.1</td>
</tr>
</tbody>
</table>

### Total Group²

<table>
<thead>
<tr>
<th></th>
<th>HY 2021</th>
<th>FY 2020</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<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>

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
²Lonza Group incl. Discontinued Operations

CORE definition: See appendix
Event Calendar and Contacts

9 and 13 September 2021  Morgan Stanley 19th Annual Global Healthcare Conference (Virtual)
22 September 2021       Credit Suisse – Reverse Bus Tour (Virtual)
29 September 2021       BoA Merrill Lynch Roadshow (Virtual)
4 November 2021          ZKB - Swiss Equity Conference
26 January 2022          Full-Year Results 2021

For Investors Inquiries:
Dirk Oehlers
Investor Relations Officer
+41 61 316 8540
dirk.oehlers@lonza.com

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

www.lonza.com/about-lonza/investor-relations
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.
<table>
<thead>
<tr>
<th>ADC</th>
<th>Antibody Drug Conjugate</th>
</tr>
</thead>
<tbody>
<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>Explanation</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 product and 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>