

# Lonza Signs Agreement to Acquire Large-Scale Biologics Site in Vacaville (US) from Roche

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- Lonza has signed an agreement to acquire the Genentech manufacturing facility in Vacaville (US) from Roche for USD 1.2 billion in cash
  - Vacaville (US) site is one of the largest biologics manufacturing facilities in the world by volume
  - Acquisition is set to increase Lonza's large-scale biologics manufacturing capacity for mammalian therapies and significantly extend the presence of its facility network in the US
  - Lonza plans to invest approximately CHF 500 million to upgrade the facility and enhance capabilities at the site to accommodate the next generation of mammalian biologics therapies
  - Roche products currently manufactured at the site will be supplied by Lonza, with committed volumes over the medium term, phasing out as the site transitions to serve alternative customers
  - The Lonza Mid-Term Guidance 2024 – 2028 sales growth range was set at 11 – 13% CAGR in CER<sup>1</sup>, and has now been updated to 12 – 15%
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**Basel, Switzerland, 20 March 2024** – Lonza, a global manufacturing partner to the pharmaceutical, biotech and nutraceutical markets, today announced it has signed an agreement to acquire the Genentech large-scale biologics manufacturing site in Vacaville, California (US) from Roche for USD 1.2 billion.

The acquisition will significantly increase Lonza's large-scale biologics manufacturing capacity to meet demand for commercial mammalian contract manufacturing from customers with existing commercial products, and molecules currently on the path to commercialization within the Lonza network. The Vacaville (US) facility currently has a total bioreactor capacity of around 330,000 liters, making it one of the largest biologics manufacturing sites in the world by volume. Under the agreement, approximately 750 Genentech employees at the Vacaville (US) facility will be offered employment by Lonza.

Demand for capacity for commercial biologics is expected to remain high across the CDMO industry as innovative new therapies reach approval. In this context, the acquisition of the Vacaville (US) site will provide Lonza's customers with immediate access to significant new capacity in the United States, currently the world's largest pharmaceutical market. It will also create a significant

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<sup>1</sup> Sales growth figures, expressed as a percentage (%), are at Constant Exchange Rate (CER)

West Coast commercial manufacturing presence, complementing Lonza’s existing Biologics site on the East Coast, in Portsmouth (US), as well as its international network across Europe and Asia.

Lonza plans to invest approximately CHF 500 million in additional CAPEX to upgrade the Vacaville (US) facility and enhance capabilities to satisfy demand for the next generation of mammalian biologics therapies. The products currently manufactured at the site by Roche will be supplied by Lonza, with committed volumes over the medium term, phasing out over time as the site transitions to serve alternative customers.

**Jean-Christophe Hyvert, President, Biologics, Lonza, commented:** “The Vacaville site is a highly valuable strategic acquisition that will make capacity immediately available for our customers and unlock future growth for our Biologics division. It will support us in providing a commercialization path to existing customers and incremental large-scale commercial capacity to our partners. We have deep and long-standing industrial expertise in delivering commercial scale manufacturing services for our customers’ therapies. In combining this with the strong legacy of the Vacaville facility, its highly skilled colleague community and its proven track record on quality, we are excited to take our leading large-scale mammalian offering to its next chapter of growth.”

The transaction is expected to close in H2 2024, subject to customary closing conditions. Upon closing, the Vacaville (US) site will be integrated into Lonza’s Biologics division, joining a network of existing mammalian manufacturing sites in Visp (CH), Slough (UK), Singapore (SG), Portsmouth (US) and Porriño (ES).

As the transaction is expected to be accretive to sales growth, Lonza has updated its Mid-Term Guidance 2024 – 2028. Its sales growth range was set at 11 – 13% CAGR in CER<sup>2</sup>, and has now been updated to 12 – 15%. Mid-Term Guidance for CORE EBITDA margin and ROIC remains unchanged. The Mid-Term Guidance for the net debt / CORE EBITDA ratio and CAPEX trajectory also remain unchanged.

BofA Securities are acting as financial advisors to Lonza.

For more details on the transaction, please refer to the related [Investor Presentation](#).

### Investor Call Details

Lonza invites investors to join a live webcast and conference call at 14:00 CET on 20 March 2024.

#### Access to Webcast

In order to follow the slide presentation and the Q&A session, please use the [webcast link](#).

#### Access to Conference Call

The presentation will be followed by a Q&A session. You can register to ask questions over the conference call at any time during the event. You will receive the relevant phone numbers, a passcode and your personal PIN to access the conference call by pre-registering [here](#).

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<sup>2</sup> Sales growth figures, expressed as a percentage (%), are at Constant Exchange Rate (CER)

Should you have any access issues, please dial the following numbers 10 to 15 minutes prior to scheduled start:

+41 (0) 58 310 50 00 (Europe and Switzerland)

+44 (0) 207 107 06 13 (UK)

+1 (1) 631 570 56 13 (USA)

Other international numbers are available [here](#).

### **About Lonza**

Lonza is one of the world's largest healthcare manufacturing organizations. Working across five continents, our global community of around 18,000 colleagues helps pharmaceutical, biotech and nutrition companies to bring their treatments to market. United by our vision to bring any therapy to life, we support our customers with a combination of technological insight, world-class manufacturing, scientific expertise, process excellence and innovation. Our work enables our customers to develop and commercialize their therapeutic discoveries, allowing their patients to benefit from life-saving and life-enhancing treatments.

Our business is structured to meet our customers' complex needs across four divisions: Biologics, Small Molecules, Cell & Gene, and Capsules & Health Ingredients. Our company generated sales of CHF 6.7 billion with a CORE EBITDA of CHF 2.0 billion in Full-Year 2023. Find out more at [www.lonza.com](http://www.lonza.com)

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### **Additional Information and Disclaimer**

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.

Certain matters discussed in this news release may constitute forward-looking statements. These statements are based on current expectations and estimates of Lonza Group Ltd, although Lonza Group Ltd can give no assurance that these expectations and estimates will be achieved. Investors are cautioned that all forward-looking statements involve risks and uncertainty and are qualified in their entirety. The actual results may differ materially in the future from the forward-looking statements included in this news release due to various factors. Furthermore, except as otherwise required by law, Lonza Group Ltd disclaims any intention or obligation to update the statements contained in this news release.

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