

Lonza Investor Update 2024 Outlines Strategy, New Organizational Structure and Guidance

- Lonza has provided an overview of its new “One Lonza” strategy and new organizational structure
 - As Lonza focuses on its core CDMO¹ business, it will exit the Capsules & Health Ingredients (CHI) business at the appropriate time and in the best interest of shareholders and stakeholders
 - The CDMO business will be structured into three new business platforms designed to create a unified organization: Integrated Biologics, Advanced Synthesis, and Specialized Modalities
 - Full-Year Outlook 2024 confirmed at flat CER² sales growth and a CORE EBITDA margin in the high twenties (27–29%)
 - Lonza CDMO Full-Year Outlook 2025 is approaching 20% sales growth in CER, including around half a billion CHF sales from Vacaville, and a CORE EBITDA margin approaching 30%
 - New Lonza CDMO Organic Growth Model to deliver low teens sales growth in CER on average over time, with CORE EBITDA growth ahead of sales growth. This is consistent with the previous Mid-Term Guidance for 2028
-

Basel, Switzerland, 12 December 2024 – At its Investor Update 2024, Lonza shared an overview of its strategy and new organizational structure. This included a vision for a simplified organizational structure and an overview of the “One Lonza” strategy propelled by the “Lonza Engine”. This is based around four key initiatives: (1) Focus on the CDMO business, (2) Reshape the operating model, (3) Elevate execution in manufacturing and engineering, and (4) Expand through an impartial approach to buy and build. The strategy is designed to protect and enhance key Lonza business strengths, including long-term customer relationships, an excellent industry reputation, cutting-edge science and technology for emerging and complex modalities, and a critical mass of assets in key strategic regions.

The organizational structure for the CDMO business will evolve from three divisions with nine underlying business units, to a simplified One Lonza set-up with three integrated business platforms. In the new structure, the business unit layer will be removed, and the three business platforms will directly manage multiple technology platforms. The simplified One Lonza organization has been designed to enhance customer experience, provide scalability for future growth and strengthen Lonza’s multimodality offering.

¹ Lonza CDMO: Lonza excluding Capsules & Health Ingredients.

² Constant exchange rates.

Integrated Biologics will advance Lonza’s best-in-class integrated offering and will comprise Mammalian and Drug Product Services. **Advanced Synthesis** will combine leading hybrid chemistry and biology solutions and will comprise the former Small Molecules division and Bioconjugates. **Specialized Modalities** will pioneer and scale cutting-edge technologies including Cell & Gene Technologies, mRNA, Microbial, and Bioscience. This new structure will be operational from Q2 2025.

The new organizational structure will further enable Lonza to capture growth opportunities through the empowerment of key group functions and improved execution capabilities, including a unified go-to-market approach and an increased focus on excellence in asset construction and operation. Lonza will also elevate the importance of bolt-on M&A and take an impartial view on organic and inorganic opportunities for future growth.

Lonza has also decided to exit the Capsules & Health Ingredients (CHI) business at the appropriate time. This move is designed to enhance customer and shareholder value through an increased focus on the CDMO offering, which is Lonza’s core business. Next steps will be defined in 2025 to meet the interests of customers, employees, and shareholders.

The Investor Update 2024 was hosted by Wolfgang Wienand, CEO, Lonza. He commented:

“Since I joined Lonza in July 2024, I have spent time reviewing the business with the leadership team and identifying areas with unique strengths as well as areas where we can optimize value. Today, we have shared the plans for our One Lonza strategy, propelled by the Lonza Engine, and a revised organizational structure which will support our ambition to create long-term value for our customers and our shareholders. The strategy reflects our ambition to become a pure-play CDMO business. This will allow us to achieve and maintain leadership across modalities with high therapeutic and commercial value, while pioneering the manufacturing technologies of the future.”

Outlook 2024 and beyond

Lonza confirms its Full-Year Outlook 2024 at flat CER sales growth and a CORE EBITDA margin in the high twenties (27-29%). The market softness in the Capsules & Health Ingredients business in 2024 is expected to be offset by the strong performance of the CDMO business, allowing Lonza Group to deliver on its overall growth and margin outlook for the current year.

With the decision to exit the Capsules & Health Ingredients business, Lonza will from now on guide separately for the two businesses.

For 2025, Lonza (excluding CHI) expects CER sales growth to approach 20%, including a sales contribution of around half a billion CHF from the Vacaville site acquisition, and low teens organic CER sales growth. The CORE EBITDA margin will approach 30%.

For the period after 2025, Lonza provides its new CDMO Organic Growth Model, delivering sales growth ahead of market in the low teens percentages in CER on average over time and CORE EBITDA growth ahead of sales growth.

Based on a like-for-like reconciliation³ and considering the CDMO Outlook 2025, the new CDMO Organic Growth Model is consistent with the previous Mid-Term Guidance⁴ for 2028.

For CHI, Lonza expects low-to-mid single-digit CER sales growth for 2025 and a CORE EBITDA margin in the mid-twenties. Beyond 2025 Lonza expects low-to-mid single-digit CER sales growth and a gradual return to previous CORE EBITDA margin levels approaching and then exceeding 30%.

Lonza confirms its dividend policy with a commitment to maintain or increase the dividend per share year-on-year, at a pay-out ratio between 35-45%.

The full Investor Update 2024 presentation is available to download [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. 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. The company generated sales of CHF 3.1 billion with a CORE EBITDA of CHF 893 million in Half-Year 2024. Find out more at www.lonza.com

Follow @Lonza on [LinkedIn](#)

Follow @LonzaGroup on [X](#)

Lonza Contact Details

Victoria Morgan

Head of External Communications

Lonza Group Ltd

Tel +41 61 316 2283

victoria.morgan@lonza.com

Daniel Buchta

Head of Investor Relations

Lonza Group Ltd

Tel +41 61 316 2985

daniel.buchta@lonza.com

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.

³ Using same assumptions for CDMO CER sales in base year 2024 as in March 2024 (note: actual CDMO CER sales 2024 expected to be higher than planned as of March 2024). Previous Mid-Term Guidance is replaced with the new CDMO Organic Growth Model.

⁴ Mid-Term Guidance as of March 2024 (incl. Vacaville site acquisition).

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.

All trademarks belong to Lonza and are registered in CH, US and/or EU, or belong to their respective third-party owners and are used only for informational purposes.