Making the Medicines of Tomorrow

Lonza

Alternative Performance Measures

Half-Year 2026

Introduction

This Finance Report and other communications with investors and analysts include Alternative Performance Measures (APMs) that are not defined by IFRS (non-GAAP measures) but are used by the management to assess the financial and operational performance at a Business Platform and Group level. These supplementary financial measures should not be viewed in isolation or as alternatives to Lonza's consolidated financial position and financial results, which are reported in accordance with IFRS. Instead, the APMs are intended to provide a complementary perspective on Lonza's performance by isolating distorting effects like exchange rate fluctuations or one-time items. They are also intended to provide additional key performance indicators to complement the performance dashboard. The APMs in use may not correspond to performance measures with similar names in other companies. Every APM shown in the financial report relates to the performance of the current or the previous reporting year.

The APMs are structured in operational Performance Measures as well as Liquidity and Capital Measures.

The operational Performance Measures consist of the definition of the CORE concept, the derivation of EBITDA (CORE and non-CORE) and the disclosure of profitability measures at constant exchange rates. The Liquidity and Capital Measures consist of Net Debt and ratios based on Net Debt and Return on Invested Capital, as well as Operational Free Cash Flow.

Lonza presents Capsules & Health Ingredients as a discontinued operation in its consolidated financial income statement 2026, including restated comparative information (see Half-Year Report 2026).

Therefore, all income statement-related measures in this document focus on continuing operations only and prior period comparative information have been restated accordingly. Unless otherwise stated, all information reported in this report for "Lonza" or "Group" represent Lonza's continuing CDMO business.

The following table outlines which APMs are applied at a Business Platform level and respectively at a Group level.

Performance Measures	**Business Platform**	**Group**
Sales and sales growth at constant exchange rate	●	●
CORE EBITDA / CORE EBITDA margin	●	●
EBITDA	○	●
CORE EPS	○	●

Liquidity and Capital Measures	**Business Platform**	**Group**
Net Debt	○	●
Net Debt / CORE EBITDA ratio	○	●
Net Debt / Equity ratio	○	●
Return On Invested Capital (ROIC)	○	●
Operational Free Cash Flow (before and after acquisitions)	○	●

Performance Measures

CORE Results

As exceptional items can differ significantly from year to year, Lonza excludes these effects from the reported IFRS results to determine the CORE results.

Disclosing CORE results of the Group's performance enhances the financial markets' understanding because the CORE results enable better year-on-year comparisons. Furthermore, the Group uses CORE results in addition to IFRS as important factors when internally assessing the Group's performance.

Below non-exhaustive list provides examples of exceptional items that may be considered as CORE adjustments[1]:

- Restructuring and reorganizations,
- Environmental-related measures or events, (related to historical environmental issues only),
- Acquisitions and divestitures,
- Business transformation initiatives,
- Impairments and reversals of related impairments (excluding impairments following contract termination, that are compensated by termination-related revenues),
- Litigations,
- Changes to pension plans.

In accordance with the CORE results, APMs such as CORE Earnings per share (CORE EPS) and CORE EBITDA are directly affected by the exclusion of CORE adjustments.

The reconciliation of the IFRS result to the CORE result for the Half-Year 2026 and 2025 is as follows:

Million CHF		2026	2025 (Restated)[2]
IFRS Profit from continuing operations		**572**	**396**
CORE adjustments			
Amortization of intangible assets from acquisitions		19	24
Environmental-related measures		30	13
Acquisitions and divestitures[3]		(33)	6
Reversal of impairment		0	(3)
Restructuring		0	(8)
Business transformation initiatives[4]		26	34
Reversal of impairment of loans to joint ventures		(4)	0
Tax effect[5]		(7)	(13)
CORE Profit from continuing operations		**603**	**449**
CORE Profit attributable to equity holders of the parent		**602**	**451**
CORE Earnings per share attributable to equity holders of the parent	**(CHF)**	**8.63**	**6.44**

1 In the context of the CORE definition, an "event" represents an individual business case that might involve income/expenses across several fiscal years.
2 Restated to reflect the classification of the Capsules & Health Ingredients business as discontinued operations (see Half-Year Report 2026, note 4).
3 Related to the divestments of the Personalized Medicines business (Cocoon) and the MODA software platform in 2026.
4 Primarily related to the implementation of a new ERP system SAP S/4 HANA for Lonza's CDMO business as well as the global transformation program on centralizing and optimizing functional services.
5 Group tax rate on continuing business of 19.2% for 2026 and 19.0% for 2025.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (Continuing Business)

In line with the CORE adjustments, Lonza assesses operational performance based on CORE EBITDA (continuing business), which can be reconciled in two steps:

Million CHF	2026	2025 (Restated)[1]
Result from operating activities (EBIT)	**789**	**573**
Depreciation of property, plant and equipment	301	259
Amortization of intangible assets	37	43
Impairment and reversal of impairment on property, plant, equipment and intangibles	25[2]	2
Earnings before interest, taxes and depreciation (EBITDA)	**1,152**	**877**

Million CHF	2026	2025 (Restated)[1]
Earnings before interest, taxes and depreciation (EBITDA)	**1,152**	**877**
Restructuring	0	(8)
Environmental-related measures	30	13
Business transformation initiatives	26	34
Acquisitions and divestitures	(33)	6
CORE EBITDA	**1,175**	**922**

1 Restated to reflect the classification of the Capsules & Health Ingredients business as discontinued operations (see Half-Year Report 2026, note 4).
2 Various immaterial impairments recognized across Lonza's manufacturing network.

Growth at Constant Exchange Rates

Financial results in constant currencies are adjusted to eliminate the impact of changes in exchange rates between the reported and the reference period – typically the prior year. This adjustment allows management to focus on operational results, without any distorting effect from changes in foreign currency exchange rates from one period to another.

Constant exchange rates are calculated by converting sales and CORE EBITDA of the current year at the exchange rate of the prior year. The resulting margins can therefore be compared with the reported profit margins of the prior year to understand fundamental business trends.

Lonza Group (Continuing Business)

Million CHF	2026	2025 (Restated)[1]	Change in %
Sales	**3,374**	**3,034**	**11.2**
Elimination of effects from hedging instruments[2]	(24)	(13)	
Sales excluding hedging effects	**3,350**	**3,021**	
Retranslation at prior year rates	153		
Sales at constant exchange rates	**3,503**		**16.0**
CORE EBITDA	**1,175**	**922**	**27.4**
Elimination of effects from hedging instruments[2]	(10)	(6)	
CORE EBITDA excluding hedging effects	**1,165**	**916**	
Retranslation at prior year rates	65		
CORE EBITDA at constant exchange rates	**1,230**		**34.3**
Margin in %	35.1		

Integrated Biologics

Million CHF	2026	2025	Change in %
Sales	**1,870**	**1,813**	**3.1**
Retranslation at prior year rates	124		
Sales at constant exchange rates	**1,994**		**10.0**
CORE EBITDA	**674**	**653**	**3.2**
Retranslation at prior year rates	67		
CORE EBITDA at constant exchange rates	**741**		**13.5**
Margin in %	37.2		

Advanced Synthesis

Million CHF	2026	2025 (Restated)[1]	Change in %
Sales	**834**	**656**	**27.1**
Retranslation at prior year rates	4		
Sales at constant exchange rates	**838**		**27.7**
CORE EBITDA	**401**	**271**	**48.0**
Retranslation at prior year rates	(4)		
CORE EBITDA at constant exchange rates	**397**		**46.5**
Margin in %	47.4		

1 Restated to reflect the classification of the Capsules & Health Ingredients business as discontinued operations (see Half-Year Report 2026, note 4).
2 The hedging program is managed centrally by Corporate Treasury and therefore reported as part of Corporate.

Specialized Modalities

Million CHF	2026	2025	Change in %
Sales	**553**	**474**	**16.7**
Retranslation at prior year rates	28		
Sales at constant exchange rates	**581**		**22.6**
CORE EBITDA	**155**	**82**	**89.0**
Retranslation at prior year rates	8		
CORE EBITDA at constant exchange rates	**163**		**98.8**
Margin in %	28.1		

Corporate

Million CHF	2026	2025 (Restated)[1]
Sales	**117**	**91**
Elimination of effects from hedging instruments[2]	(24)	(13)
Sales excluding hedging effects	**93**	**78**
Retranslation at prior year rates	(3)	
Sales at constant exchange rates	**90**	
CORE EBITDA	**(55)**	**(84)**
Elimination of effects from hedging instruments[2]	(10)	(6)
CORE EBITDA excluding hedging effects	**(65)**	**(90)**
Retranslation at prior year rates	(6)	
CORE EBITDA at constant exchange rates	**(71)**	

Capsules & Health Ingredients

Million CHF	2026	2025 (Restated)[1]	Change in %
Sales	**541**	**542**	**(0.2)**
Retranslation at prior year rates	35		
Sales at constant exchange rates	**576**		**6.3**
CORE EBITDA	**145**	**137**	**5.8**
Retranslation at prior year rates	11		
CORE EBITDA at constant exchange rates	**156**		**13.9**
Margin in %	27.1		

1 Restated to reflect the classification of the Capsules & Health Ingredients business as discontinued operations (see Half-Year Report 2026, note 4).
2 The hedging program is managed centrally by Corporate Treasury and therefore reported as part of Corporate.

Liquidity and Capital Measures

Net Debt, Net Debt / CORE EBITDA Ratio, Net Debt / Equity Ratio

Net debt represents the net level of financial debt contracted by the Group with external parties (e.g. bonds, term loans, private placements) after considering cash and investments readily convertible into cash. It is composed of the current and non-current financial debt, derivatives hedging financial debt and liquid assets, less cash and cash equivalent and short-term investments. Based on the determined total debt and net debt, Lonza uses further performance measures to demonstrate the relationship between debt and profitability, as well as the ratio between debt and equity, to illustrate the gearing of the Group.

Million CHF	30 June 2026	31 December 2025	Change
Non-current debt	3,393	3,876	(483)
Current debt	774	309	465
Total debt	**4,167**	**4,185**	**(18)**
Non-current loans and advances	(154)	(141)	(13)
Current loans and advances	(4)	0	(4)
Loans classified as held for sale	(1)	(1)	0
Cash and cash equivalents	(487)	(719)	232
Cash and cash equivalents classified as held for sale	(64)	(66)	2
Total cash & cash equivalents, short term investments and loans and advances	**(710)**	**(927)**	**217**
Net debt	**3,457**	**3,258**	**199**

	30 June 2026	31 December 2025
CORE EBITDA[1]	1,320	2,334
Net debt / CORE EBITDA Ratio	1.3	1.4
Net debt / Equity Ratio	0.4	0.3

1 Liquidity and Capital Measures considers consolidated Lonza Group results, incl. discontinued operations.

Return On Invested Capital (ROIC) from Continuing Operations

Lonza defines the ROIC as Net Operating Profit After Tax (NOPAT) divided by the average invested capital of the Group. ROIC is the most appropriate measure to assess the capital efficiency as it discloses how the Group deploys capital to generate profits.

Components of average invested capital for the six-month period ended 30 June

Million CHF	2026	2025 (Restated)[1]
Result from operating activities (EBIT)	**789**	**573**
Share of result of associates / joint ventures	2	1
CORE adjustments		
Restructuring	0	(8)
Environmental-related measures	30	13
Business transformation initiatives[2]	26	34
Acquisitions and divestitures[3]	(33)	6
Reversal of Impairment	0	(3)
Net operating profit before taxes	**814**	**616**
Taxes[4]	(156)	(117)
Net operating profit after taxes (NOPAT)	**658**	**499**
Net operating profit after taxes (NOPAT), annualized[5]	**1,315**	**998**
Average invested capital	**9,940**	**9,536**
ROIC in %	**13.2**	**10.5**

Components of average invested capital for the six-month period ended 30 June

Million CHF	2026	2025 (Restated)[1]
Intangible assets	318	440
Property, plant & equipment	8,372	8,023
Goodwill	1,947	2,007
Inventories	1,788	1,616
Trade receivables	1,116	922
Other operating receivables	515	385
Other assets	209	190
Trade payables	(454)	(420)
Other operating liabilities	(3,667)	(3,470)
Net current and deferred tax liabilities	(204)	(157)
Average invested capital	**9,940**	**9,536**

1 Restated to reflect the classification of the Capsules & Health Ingredients business as discontinued operations (see Half-Year Report 2026, note 4).
2 Primarily related to the implementation of a new ERP system SAP S/4 HANA for Lonza's CDMO business as well as the global transformation program on centralizing and optimizing functional services.
3 Related to the divestments of the Personalized Medicines business (Cocoon) and the MODA software platform in 2026.
4 Group tax rate on continuing business of 19.2% for 2026 and 19.0% for 2025.
5 NOPAT for the six-month period ended 30 June multiplied by two to reflect a twelve-month period.

Operational Free Cash Flow (Before and After Acquisitions)

Operational Free Cash Flow measures cash generated by the Group's business operations and represents the capability to pay dividends, interest, tax, repay providers of debt or carry out acquisitions. Moreover, Lonza distinguishes the Operational Free Cash Flow before and after the effect of any acquisitions and divestitures.

Components of Operational Free Cash Flow[1]

Million CHF	2026	2025	Change
Earnings before interest, taxes and depreciation (EBITDA)	**1,275**	**1,006**	**269**
Change in operating net working capital	(395)	(415)	20
Capital expenditures in tangible and intangible assets	(579)	(672)	93
Disposal of tangible and intangible assets	1	3	(2)
Change of other assets and liabilities	135	249	(114)
Change in provisions	18	(14)	32
Share-based payment costs	33	32	1
(Gain)/loss from sales of assets held for sale and subsidiaries	(35)	0	(35)
Operational free cash flow (before acquisitions / divestitures)	**453**	**189**	**264**
Acquisition of subsidiaries	(6)	(48)	42
Divestiture of subsidiaries	50	0	50
Operational free cash flow	**497**	**141**	**356**

1 Operational Cash Flow represents Lonza Group incl. discontinued operations.

Upcoming Roadshows/Conferences:

23 July 2026 – UBS, Zurich (CH)

24 July 2026 – BNP, London (UK)

27 July 2026 – William Blair, Boston (US)

28 July 2026 – Bank of America, New York (US)

29 July 2026 – RBC, Toronto (CA)

30 July 2026 – Jefferies, San Francisco (US)

9 September 2026 – Redburn Conference, London (UK)

10 September 2026 – Kepler Cheuvreux, Stockholm (SW)

10 September 2026 – RBC, Milan (IT)

15–16 September 2026 – Morgan Stanley HC Conference, New York (US)

22 September 2026 – UBS Swiss Equity Conference (virtual)

5 November 2026 – ZKB Swiss Equity Conference, Zurich (CH)

17–18 November 2026 – Jefferies HC Conference, London (UK)

24 November 2026 – Kepler Cheuvreux Equity Day, Geneva (CH)

26 November 2026 – Berenberg, Luxembourg (virtual)

1–2 December 2026 – Citi HC Conference, Miami (US)

Upcoming Announcements:

13/14 October – Capital Markets Day, Vacaville (US)

14 October – Q3 2026 Qualitative Business Update

Disclaimer

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For publications and further information, please contact:

Lonza Group Ltd
Muenchensteinerstrasse 38
4002 Basel, Switzerland
Tel + 41 61 316 81 11
www.lonza.com

Investor Relations
investor.relations@lonza.com

Media
media@lonza.com

Share Register
c/o Computershare Schweiz AG
P.O. Box
4601 Olten, Switzerland
Tel + 41 62 205 77 00
Fax + 41 62 205 77 90
share.register@computershare.ch

www.lonza.com