

# Half-Year Results 2025

Wolfgang Wienand – Chief Executive Officer  
Philippe Deecke – Chief Financial Officer

23 July 2025





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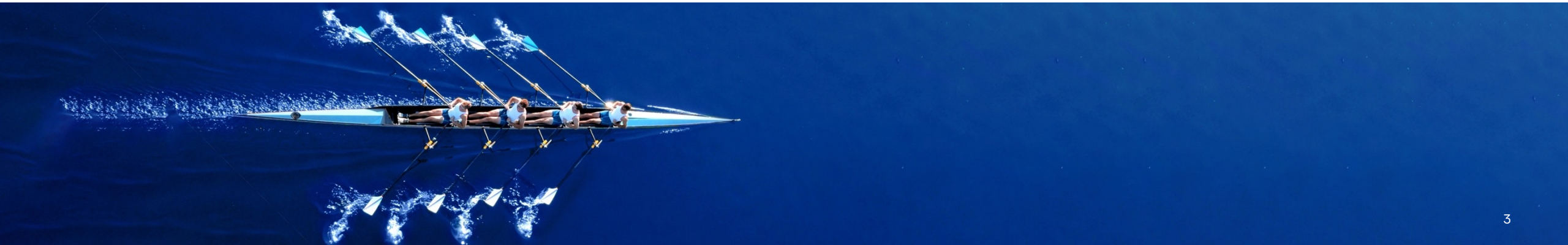
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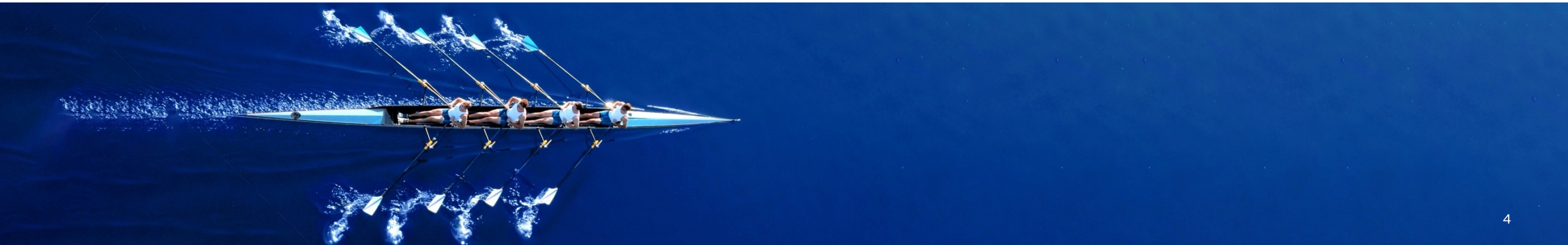
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# Underpinned by a strong H1 2025, One Lonza expects to deliver a strong FY 2025 performance ahead of plan



Group sales of CHF 3.6 billion with 19.0% CER sales growth



Group CORE EBITDA of CHF 1.1 billion at a margin of 29.6% (+0.4ppts)



Continued investments into growth with overall CapEx at 19% of sales



CDMO<sup>1</sup> business with 23.1% CER sales growth and a CORE EBITDA margin of 30.2%



**Upgraded CDMO Outlook for FY 2025:** CER sales growth of 20-21% at a CORE EBITDA margin of 30-31%

1. Lonza excluding Capsules & Health Ingredients (CHI).

# Our CDMO business continues to see strong momentum

## Highlights

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- H1 2025 sales growth driven by Mammalian, Bioconjugates, and Small Molecules – Bioscience returning to healthy growth
- Sustained commercial contracting across technologies – including a new long-term strategic contract for integrated supply of ADC<sup>1</sup> drug substance and drug product
- Continuing customer interest in mammalian capacities at Vacaville – multiple negotiations ongoing and further contract signings expected soon
- Lonza's CDMO business model and diversified geographic asset footprint well suited to minimize impact from potential US tariffs on customers

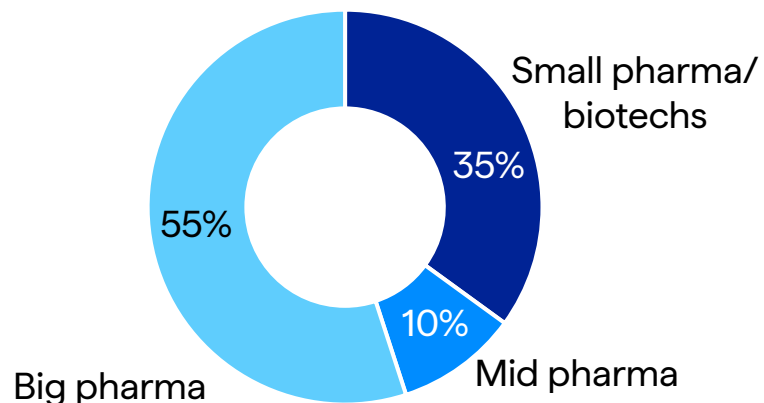
1. Antibody-drug conjugate.



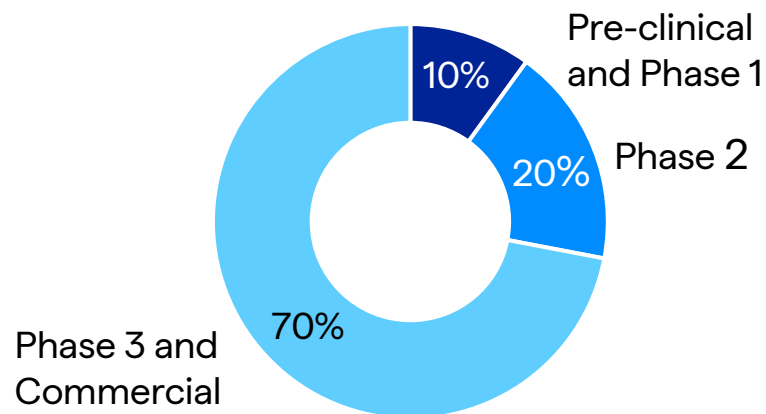


# Lonza is successful with big pharma and small biotech companies – majority of CDMO business from derisked late-stage and commercial products

## H1 CDMO sales split by customer size



## H1 CDMO sales split by molecule phase



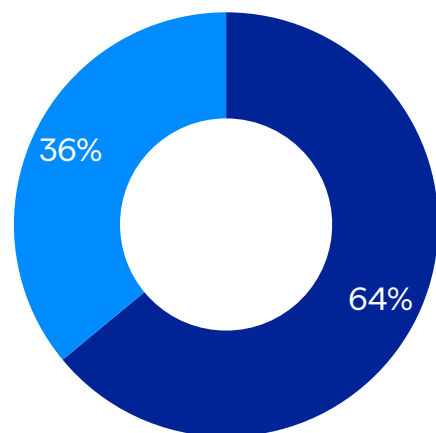
## Diversified sales mix

- High sales visibility from large share of molecules in Phase 2 to commercial
- Strong recurring business from existing long-term customer relationships across all scales – including commercial business in small-scale assets
- Early-stage business with healthy mix of big / mid pharma and smaller biotechs
- Small-scale mammalian assets with high level of utilization in FY 2025
- Closely monitoring the biotech funding environment and regulatory developments in the US

# We continue to drive our ambitious CapEx program to unlock long-term profitable growth across technologies

## H1 2025 project portfolio

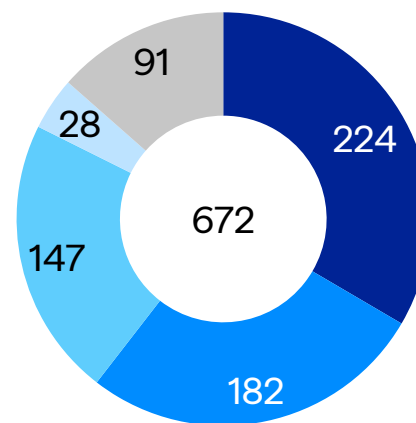
in %



■ Growth CapEx  
■ Other CapEx

## CapEx breakdown by Business Platform

in CHF million



### CHF 672m (19% of Sales)

■ Integrated Biologics  
■ Specialized Modalities  
■ Advanced Synthesis  
■ Capsules & Health Ingredients  
■ Shared Infrastructure/Other

- 64% of CapEx into a diversified portfolio of growth projects across technologies
- Key projects in Bioconjugates, Mammalian, Drug Products and Cell & Gene Technologies



# Our key CapEx projects are progressing well and start to contribute to growth



Large-scale  
mammalian facility  
Visp (CH)

Successful  
commencement of  
GMP operations in  
late H1 2025



Vacaville  
(US)

First phase of CapEx  
underway to upgrade  
automation and  
multi-purpose  
capabilities



Commercial aseptic  
DP<sup>2</sup> facility  
Stein (CH)

Operations expected  
to start in 2027, in line  
with updated  
timeline

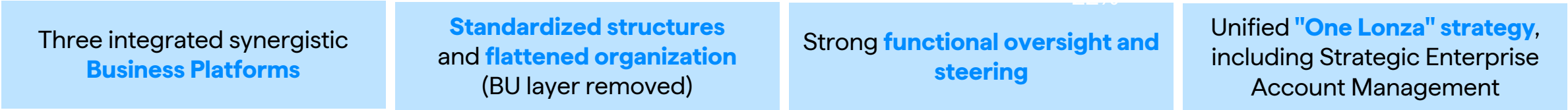
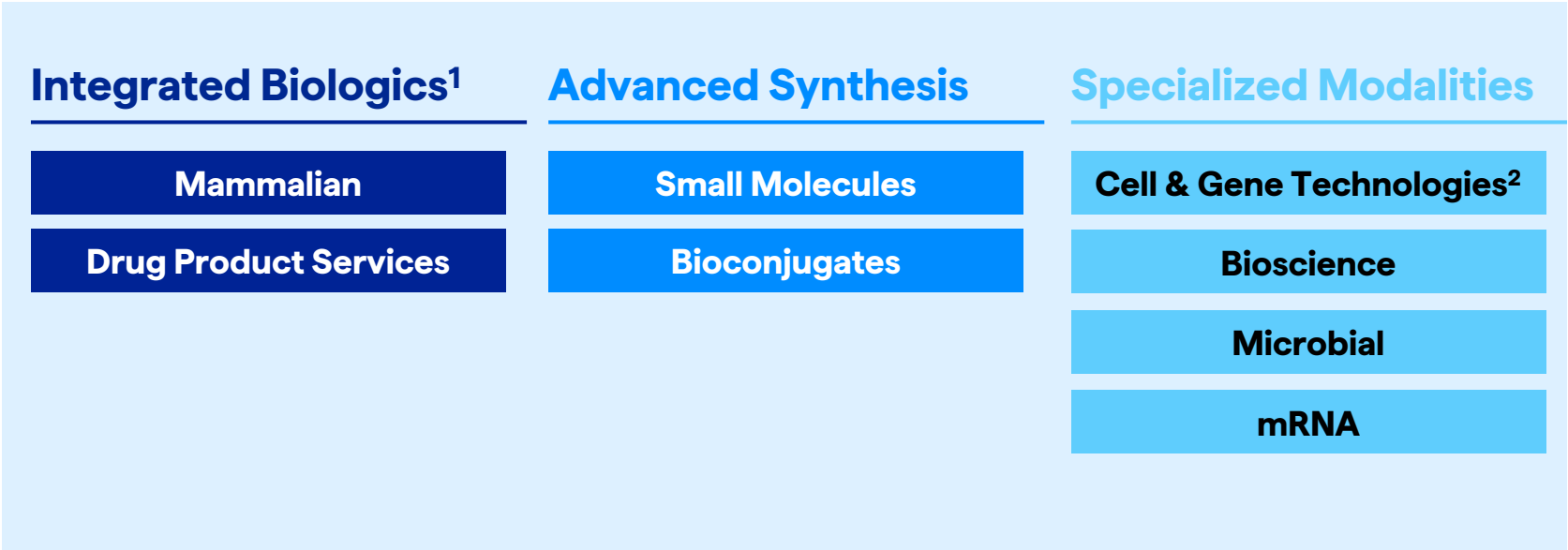


# One Lonza - Our new and easy-to-scale operating model with three new Business Platforms successfully went live as of April 2025



## Lonza Engine

- Team & organization
- Sci & tech ecosystem
- Customers
- Execution
- Investment & integration



1. Including Licensing. 2. Including Personalized Medicine.



# Preparations for the exit of our Capsules & Health Ingredients business are well on track

## Exit preparations

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- External advisors mandated in Q1 2025
- Good progress on carve-out preparations:
  - Ongoing creation of standalone legal structure
  - Lean target operating model design and implementation
  - Separation of IT and other functions underway
- Focus on exiting business at the appropriate time and in the best interest of employees, customers and shareholders

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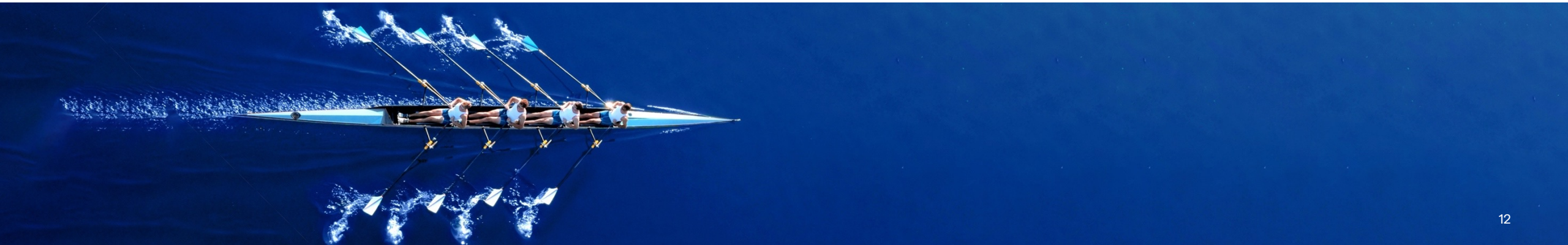
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# Strong H1 2025 financial performance driven by CDMO business

- Commercial and Vacaville demand driving CDMO sales growth
- Good growth in small-scale CDMO business
- Margin accretion supported by CDMO operational execution and CHI<sup>1</sup> margin uplift
- CHI business with tangible recovery
- FX with CHF 0.1bn adverse impact on sales – margin protected

## Financial performance summary

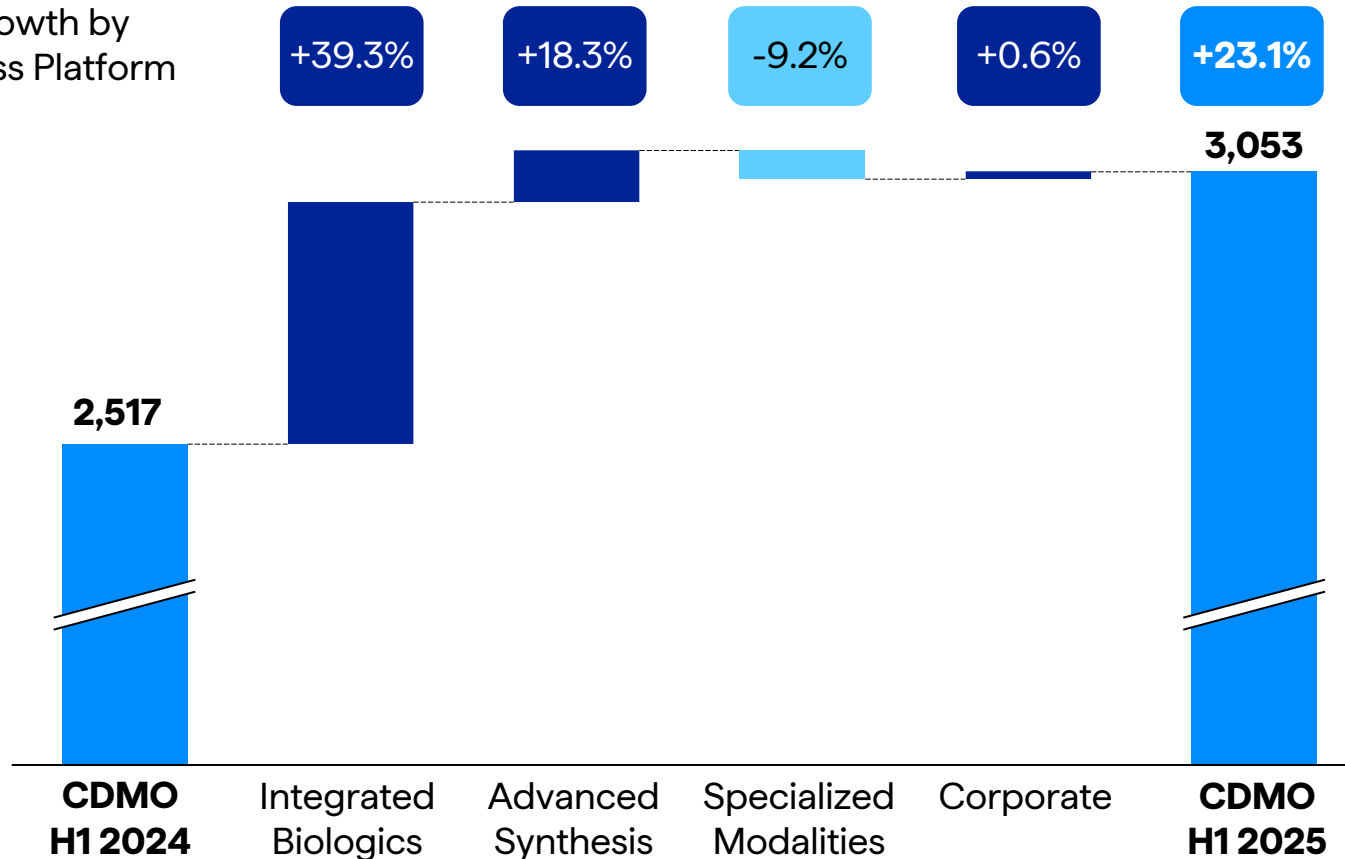
in CHF million

	H1 2025 Group	H1 2024 Group	H1 2025 CDMO	H1 2024 CDMO
<b>Sales</b>	<b>3,576</b>	<b>3,057</b>	<b>3,053</b>	<b>2,517</b>
<i>CER<sup>2</sup> growth</i>	19.0%	1.8%	23.1%	3.7%
<i>AER<sup>3</sup> growth</i>	17.0%	-0.7%	21.3%	1.4%
<b>CORE EBITDA</b>	<b>1,059</b>	<b>893</b>	<b>922</b>	<b>759</b>
<i>Growth</i>	18.6%	-3.1%	21.5%	4.0%
<i>Margin</i>	29.6%	29.2%	30.2%	30.2%
<i>YoY margin change</i>	+0.4ppts	-0.8ppts	0.0ppts	0.8ppts



# In H1 2025, INB<sup>1</sup> and ADS<sup>2</sup> were drivers of strong CDMO growth

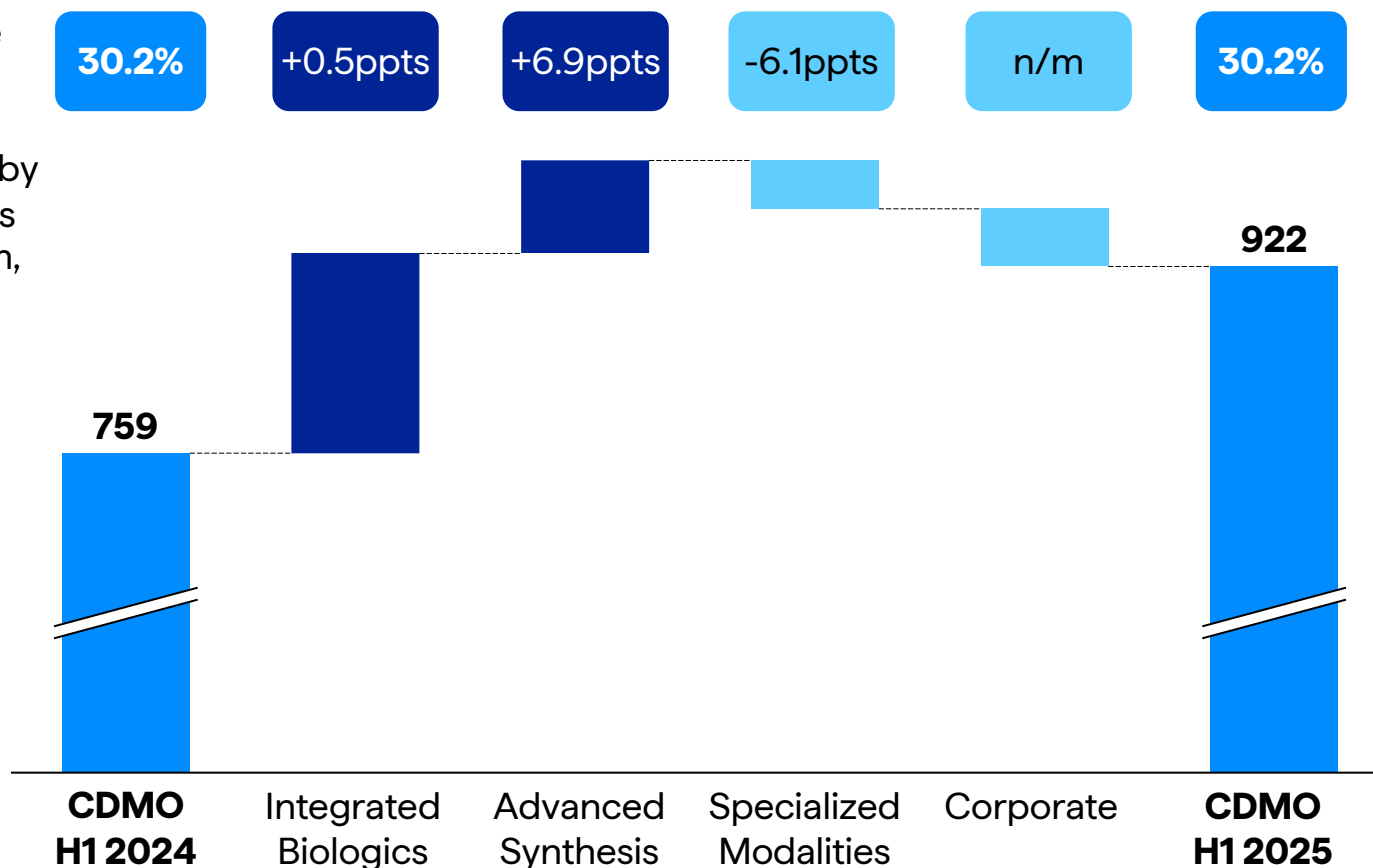
CER growth by  
Business Platform  
in %



- Strong sales growth in INB and ADS driven by commercial demand, growth project execution
- H1-weighted Vacaville sales
- SPM<sup>3</sup> sales impacted by strong base in H1 2024 in CGT and Microbial, plus softer operational performance in CGT

# Operational execution and maturing growth projects led to attractive CDMO margins in H1 2025

Change in Core EBITDA margin by Business Platform, in ppts



- Good operational execution and maturing growth projects
- Robust organic margin progression from disciplined cost management
- Vacaville profitability better than initially expected
- Margin headwinds from SPM<sup>1</sup> operations and cost phasing in Corporate

1. SPM = Specialized Modalities.

# FCF generation reflects healthy business growth momentum in H1 2025

- FCF generation versus H1 2024 reflects return to growth
- Growth related increase in NWC, but NWC as % of sales decreasing
- H2 weighted CapEx phasing, expected to reach low-twenties level in FY 2025 as % of sales

## Group Operational Free Cash Flow (FCF)

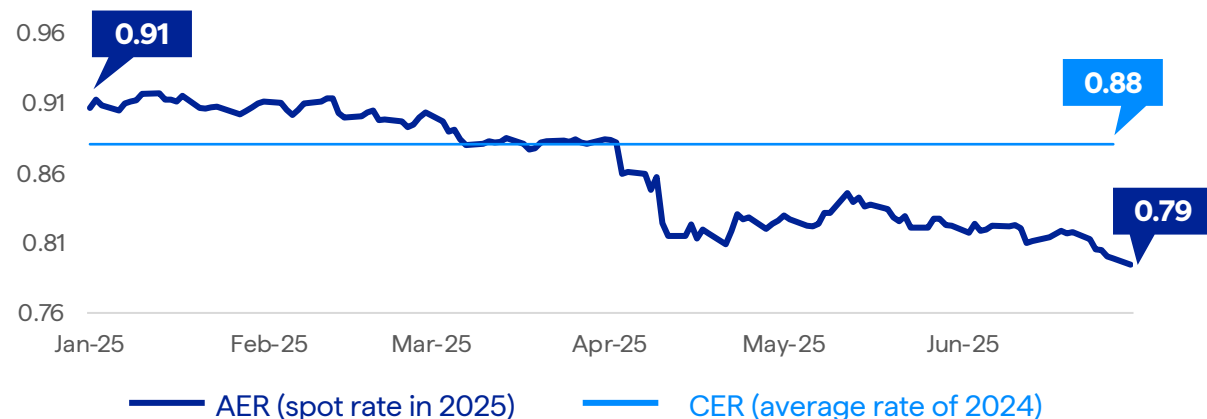
in CHF million

	H1 2025	Change vs. H1 2024	H1 2024
EBITDA	1,006	144	862
Change of net working capital (NWC)	-415	-139	-276
CapEx	-672	-50	-622
Other	270	-62	332
<b>Operational FCF before acq./div.</b>	<b>189</b>	<b>-107</b>	<b>296</b>
<i>NWC as % sales</i>	14.8%	-2.6ppts	17.4%
<i>CapEx as % sales</i>	18.8%	-1.5ppts	20.3%

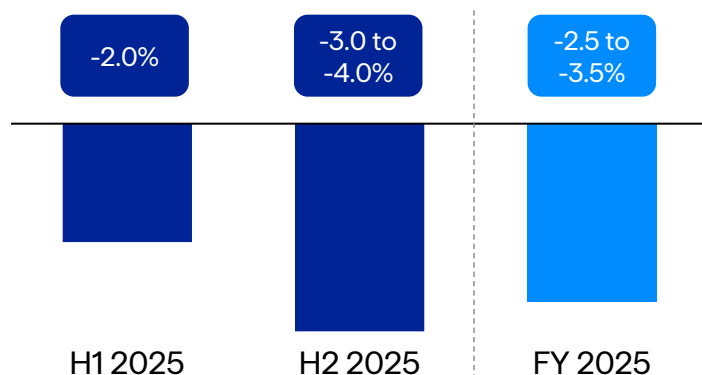


# H1 2025 experienced higher currency volatility – but margin protected

## USD/CHF currency rate development



## Actual and expected currency impact on sales<sup>1</sup>

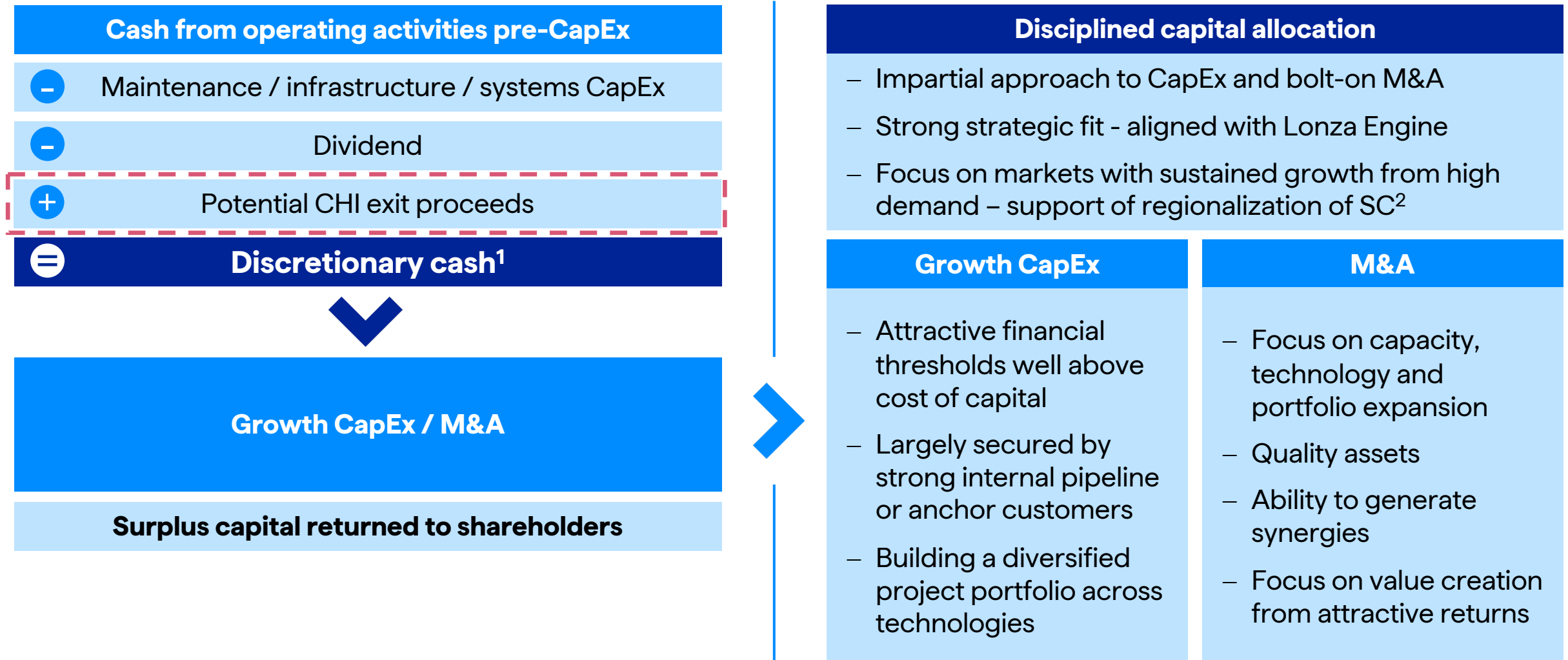


- Lonza generates 2/3 of its sales in foreign currencies of which USD represents the largest part, followed by EUR
- USD/CHF currency rate depreciated from 0.91 to below 0.80 as of early July
- CORE EBITDA margin well protected from natural hedge and financial hedging

Group sales and CORE EBITDA impact of -2.5 to -3.5% in FY 2025<sup>1</sup>

1. Expected impact assuming FX rates as of early July 2025 prevail for the rest of 2025.

# Our capital allocation framework continues to guide decision making – and will also apply to potential proceeds from CHI exit



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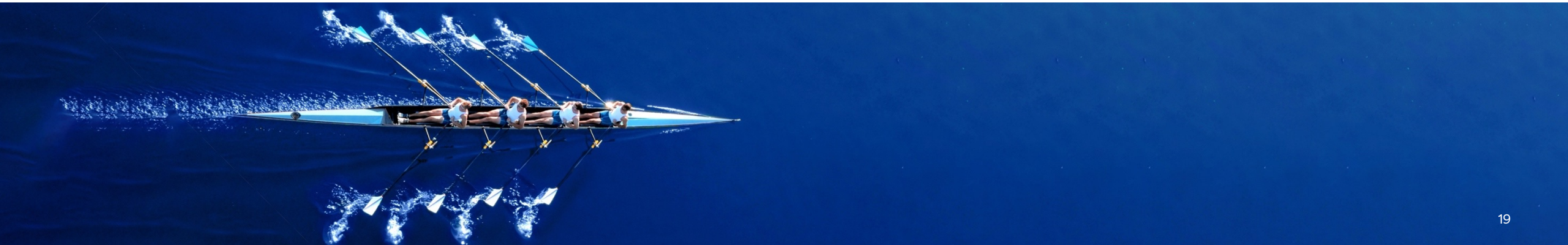
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# Integrated Biologics – continued strong growth throughout the network

**1,813<sub>m</sub>**

Sales  
(CHF)

**+39.3%<sup>1</sup>**

**653<sub>m</sub>**

CORE EBITDA  
(CHF)

**+37.5%**

**36.0%**

CORE EBITDA  
Margin

**+0.5ppts**

- Vacaville with H1-weighted sales phasing and operating at higher profitability than initially expected
- Strong momentum in Mammalian driven by strong commercial demand
- High level of utilization in small-scale Mammalian assets with good visibility for the remainder of 2025
- Sustained new contracting for global Mammalian capacities
- Good operational execution and maturing growth projects as growth and margin drivers

## Advanced Synthesis – maturing CapEx projects drive profitable growth

**677<sub>m</sub>**

Sales  
(CHF)

**+18.3%<sup>1</sup>**

**273<sub>m</sub>**

CORE EBITDA  
(CHF)

**+42.2%**

**40.3%**

CORE EBITDA  
Margin

**+6.9ppts**

- Strong demand for complex Small Molecules incl. HPAPI and Bioconjugates
- Sales growth driven by ramp-up of growth projects
- Strong order book and opportunities pipeline
- Margin above 40% supported by growth project ramp-up, operating leverage and robust operating execution

## Specialized Modalities – with some variability in H1, H2 2025 is expected to see a stronger performance

**474<sub>m</sub>**

Sales  
(CHF)

**-9.2%<sup>1</sup>**

**82<sub>m</sub>**

CORE EBITDA  
(CHF)

**-33.9%**

**17.3%**

CORE EBITDA  
Margin

**-6.1ppts**

- Pipeline variability leading to lower asset utilization in CGT, alongside softer operational performance compared to H1 2024
- Growth in Microbial impacted by a comparison to a strong H1 2024, and a plant adaptation for a new product introduction
- Return to healthy growth in Bioscience underpinned by market recovery
- For H2 2025, a year-end weighted stronger performance for CGT and Microbial anticipated



## Capsules & Health Ingredients – volumes continue to recover, return to growth expected in H2 2025

**523<sub>m</sub>**

Sales  
(CHF)

**0.0%<sup>1</sup>**

**137<sub>m</sub>**

CORE EBITDA  
(CHF)

**+2.2%**

**26.2%**

CORE EBITDA  
Margin

**+1.4ppts**

- Tangible recovery in hard capsules business, in both nutraceuticals and pharmaceuticals
- Flat CER sales versus H1 2024 – quarter-on-quarter CER sales growth in capsules business since Q3 2024
- H1 2025 margin up +1.4ppts supported by increased production volumes and the impact of productivity measures
- CHI seeing limited impact from current US tariffs, expected to benefit from large US footprint
- Recent favorable preliminary countervailing and antidumping US ruling expected to restore competitive balance in US
- Return to growth expected in H2 2025

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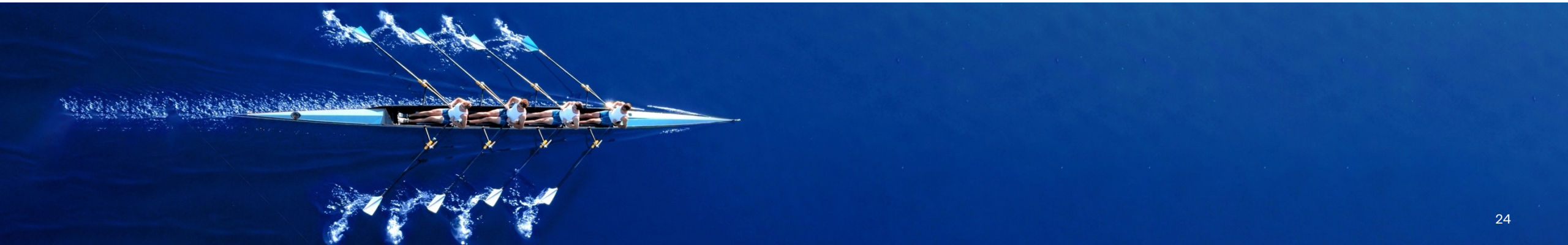
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## CDMO<sup>1</sup> Outlook FY 2025

- **Upgraded: CER<sup>2</sup> sales growth of 20-21%<sup>3</sup>**, including around half a billion CHF sales from Vacaville site acquisition – low-teens percentage organic<sup>4</sup> CER sales growth
- **Upgraded: CORE EBITDA margin of 30-31%<sup>5</sup>**
- Sales expected to be higher in H2 than in H1 2025 at a similar CORE EBITDA margin

## CHI Outlook FY 2025

- **Confirmed:** Low-to-mid single-digit percentage CER<sup>2</sup> sales growth
- **Confirmed:** Improved CORE EBITDA margin in the mid-twenties



# One Lonza is well on track to deliver upon its ambitions

**Lonza**



**H1 2025 results** with strong CER sales growth of 23.1% at a CORE EBITDA margin of 30.2% in the CDMO business



Sustained **contracting** across technologies, good progress on key **CapEx projects**



**2025 CDMO<sup>1</sup> Outlook upgraded** with CER sales growth of 20-21% at a CORE EBITDA margin of 30-31%



**Capsules & Health Ingredients** with recovery in H1 2025, on track to return to its historic CER sales growth and a CORE EBITDA margin above 30% in the mid-term – exit preparations well underway



1. CDMO: Lonza excluding Capsules & Health Ingredients (CHI).

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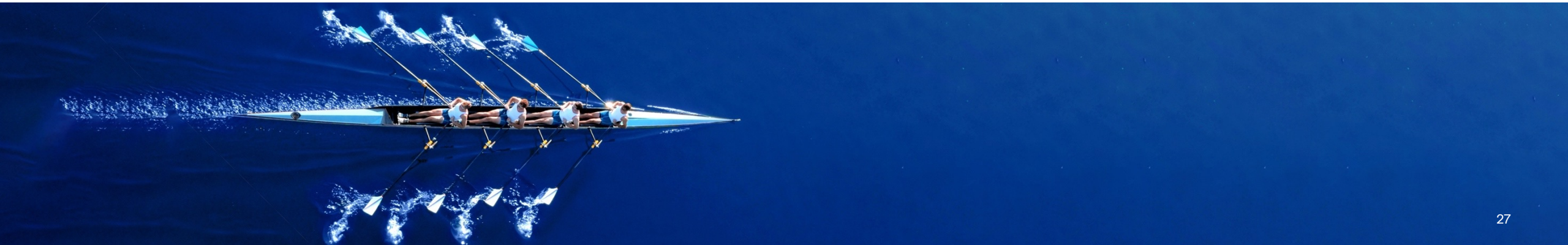
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# Event calendar and contacts

## Upcoming roadshows/conferences

24 July 2025	UBS, Zurich (CH)
25 July 2025	BNP, London (UK)
28–29 July 2025	Bank of America, New York (US)
30–31 July 2025	RBC, Toronto and Montreal (CA)
2 September 2025	Kepler Cheuvreux, Stockholm (SW)
3 September 2025	Danske/Baader, Copenhagen (DK)
4 September 2025	ZKB, Dublin (IR)
9–10 September 2025	Morgan Stanley Global HC Conf., NY (US)
16 September 2025	Bernstein, Paris (FR)
23 September 2025	UBS Best of Switzerland (virtual)

## Upcoming announcements

23 October 2025	Q3 2025 Qualitative Business Update
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## Investor inquiries:

**Daniel Buchta**

Head of Investor Relations

T +41 61 316 2985

[daniel.buchta@lonza.com](mailto:daniel.buchta@lonza.com)



## Media inquiries:

**Francesca Maguire**

External Communications Lead

[francesca.maguire@lonza.com](mailto:francesca.maguire@lonza.com)



# Appendices

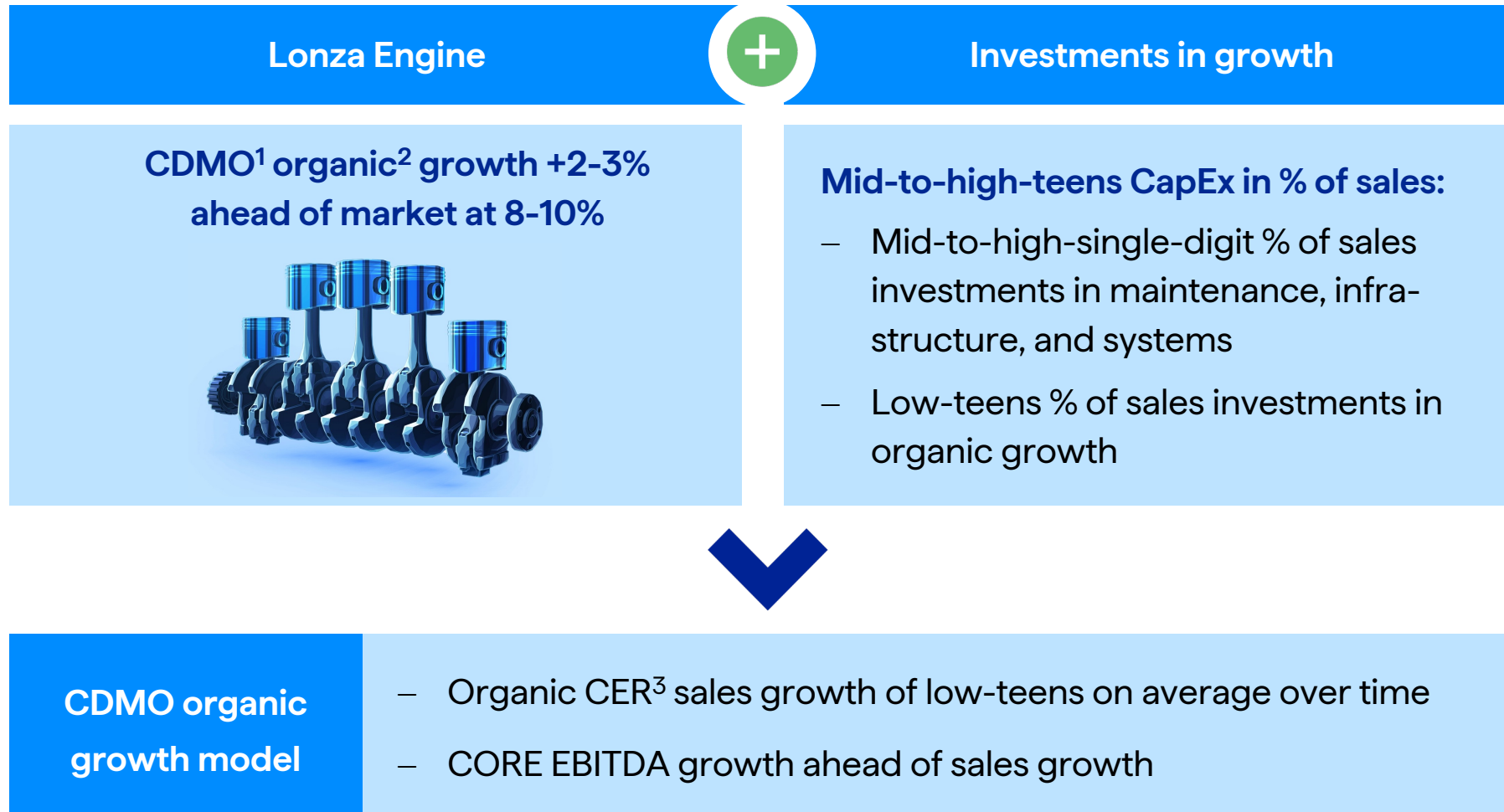




## Additional financial information for FY 2025

<b>FX Impact<sup>1</sup></b>	Group sales and CORE EBITDA impact of -2.5 to -3.5%
<b>CapEx</b>	Low-twenties as percentage of sales
<b>Effective tax rate</b>	17 to 19%
<b>Net financial result</b>	CHF -150 to -170 million
<b>Shares outstanding<sup>2</sup></b>	70.2 million

# Lonza's CDMO Organic Growth Model



# Half-Year 2025 financial highlights (1/2)

**Lonza**

CHF million	H1 2025	H1 2024	YoY (in %)
Sales	3,576	3,057	17.0
CORE EBITDA	1,059	893	18.6
<i>Margin in %</i>	29.6	29.2	0.4ppts
EBITDA	1,006	862	16.7
<i>Margin in %</i>	28.1	28.2	-0.1ppts
EBIT	617	534	15.5
<i>Margin in %</i>	17.3	17.5	-0.2ppts
<i>ROIC in %</i>	8.4	8.6	-0.2ppts
Net Financial Result	-93	-139	n/a
<i>Tax Rate in %</i>	18.8	16.5	2.3ppts
Profit for the Period	426	330	29.1

## Half-Year 2025 financial highlights (2/2)

CHF million	H1 2025	H1 2024	YoY (in %)
CORE EPS basic (CHF)	7.52	7.03	7.0
EPS Basic (CHF)	6.08	4.61	31.9
CORE EPS Diluted (CHF)	7.51	7.02	7.0
EPS Diluted (CHF)	6.07	4.61	31.7
Change of Net Working Capital	-415	-276	50.4
Capital Expenditures	672	622	8.0
Operational Free Cash Flow before acquisitions and divestitures	189	296	-36.1
Number of Employees (Full-Time Equivalent)	19,299	17,834	8.2
Net debt / (net cash)	3,566	1,636	n/a
Net debt-equity ratio	0.4	0.2	n/a
Net Debt / CORE EBITDA ratio	1.7	0.8	n/a