Full-Year Results 2020

Pierre-Alain Ruffieux, CEO
Rodolfo Savitzky, CFO

27 January 2021
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Lonza Segments:
  • Pharma Biotech & Nutrition (LPBN)
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Q&A

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Corporate Overview
Full-Year 2020 Corporate Overview
Strong full-year performance, driven by sales growth in LPBN

Lonza delivers on guidance\(^1\) with 12.0\(^2\) sales growth, with CHF 4.5 billion sales, and CHF 1.4 billion CORE EBITDA, resulting in a 31.2\(^3\) margin

Lonza results mainly reflect Pharma Biotech & Nutrition (LPBN) performance, as Specialty Ingredients (LSI) is reported as a discontinued operation

Strong performance in LPBN with 12.2\(^2\) sales growth and CORE EBITDA margin of 32.1\(^3\), driven by Biologics business

Production of the drug substance for Moderna COVID-19 Vaccine has commenced at Portsmouth (USA) and Visp (CH) sites

LSI\(^3\) delivered a solid performance, with 3.4\(^2\) sales growth alongside an improved CORE EBITDA margin, reported at 20.3\(^4\)

\(^1\) 2020 Guidance relates to Lonza Group results without LSI reported as discontinued operations
\(^2\) All sales growth figures are at a constant exchange rate (CER)
\(^3\) Specialty Ingredients Business (excluding Corporate/carve-out and divestiture costs directly attributable to LSI)
\(^4\) CORE EBITDA margin at a constant exchange rate (CER)
Updated Business Structure
A clear organizational design for a single business operating in a single industry

LPBN SEGMENT
(FUTURE LONZA)

CEO

Corporate Functions

Divisions

Functions

Operations
Quality
Commercial/Marketing
Finance
Human Resources

Global standards, processes and best practices
Functional strategies
Partnership approach to divisional support

LSI SEGMENT
(DISCONTINUED OPERATIONS)

Specialty Ingredients

Microbial Control Solutions

Specialty Chemical Solutions

Capsules and Health Ingredients
Small Molecules
Biologics
Cell & Gene Therapy, and Bioscience

P&L accountability
End-to-end delivery to customers
Business model to create competitive edge
Lonza – Four Divisions
A structure developed to improve synergies and meet customer needs

<table>
<thead>
<tr>
<th>Capsules and Health Ingredients</th>
<th>Small Molecules</th>
<th>Biologics</th>
<th>Cell &amp; Gene Therapy, and Bioscience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capsules</td>
<td>Active Pharmaceutical Ingredients</td>
<td>Mammalian Microbial Licensing Bioconjugates Drug Product Services mRNA</td>
<td>Cell &amp; Gene Therapy</td>
</tr>
<tr>
<td>Health Ingredients</td>
<td>Drug Product Formulation</td>
<td></td>
<td>Personalized Medicines</td>
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<td></td>
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<td>Bioscience</td>
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New EC Members
An expanded leadership team to ensure divisional representation, effective as of 1 April 2021

<table>
<thead>
<tr>
<th>Existing Members</th>
<th>New Members</th>
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</thead>
</table>
| Pierre-Alain Ruffieux  
Chief Executive Officer |  
Claude Dartiguelongue  
Capsules and Health Ingredients |
| Rodolfo J. Savitzky  
Chief Financial Officer |  
Gordon Bates  
Small Molecules |
| Caroline Barth  
Chief Human Resources Officer |  
Jean-Christophe Hyvert  
Biologics / Cell & Gene Therapy, and Bioscience |
| Stefan Stoffel  
Chief Operating Officer |  
|
LSI Segment Divestment in Progress
Signing of divestment deal expected in Q1 2021

Initial expressions of interest from potential buyers were received in 2020

We have selected a short list of bidders for a second phase of the process

Identities of bidders cannot be revealed for confidentiality reasons

We expect to sign a deal in Q1 2021
Long-Term Growth Supported by Continued CAPEX Investments
An overview of major projects in 2020

- **Bend, USA**
  - Small Molecules
  - Oral Inhalation
  - Particle Engineering
- **Portsmouth, USA**
  - Biologics
  - mRNA suites
  - Mid-scale mammalian manufacturing
- **Hayward, USA**
  - Biologics
  - Small-scale mammalian manufacturing
- **Greenwood, USA**
  - Capsules
  - Small Molecules
  - HPAPI
- **Tampa, USA**
  - Small Molecules
  - HPAPI
- **Geleen / Maastricht, NL**
  - Cell & Gene Therapy
- **Tuas, SG**
  - Biologics
  - Small and large-scale mammalian manufacturing
- **Basel / Stein, CH**
  - Drug Product Services labs
  - Biologics
  - mRNA suites
  - Parenteral fill and finish
  - Bioconjugation
  - Mid-scale microbial manufacturing
  - Small- and large-scale mammalian manufacturing
  - Small Molecules
  - API and HPAPI
- **Nansha, CN**
  - Biologics
  - Small-scale mammalian manufacturing
  - Small Molecules
  - API
- **Guangzhou, CN**
  - Biologics
  - Small-scale mammalian manufacturing

1. Capsules manufacturing capacity expansion across 8 global sites
2. Under construction, operational Q2/Q3 2021
Our Business in the COVID-19 Pandemic
Our work to control and contain the pandemic

Business continuity maintained through rigorous protection measures and due to our classification as an essential supplier

LPBN is working to support a broad range of customers developing vaccine candidates, treatments and therapies related to COVID-19

Sixteen microbial control solutions produced by LSI were approved by US EPA to eradicate COVID-19 on surfaces

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1 The logos constitute a selection of customers who are collaborating with Lonza on COVID-19 projects. In total, Lonza has received more than 200 enquiries related to COVID-19 projects.
2 United States Environmental Protection Agency
Manufacturing the Moderna COVID-19 Vaccine
Supporting accelerated vaccine production to control the pandemic

10-year collaboration agreement with Moderna on mRNA platform, including the manufacture of the drug substance for Moderna COVID-19 Vaccine

Eight months turnaround from contract negotiation to commencement of manufacture

Demonstrates the commercial value of the Ibex Solutions® offering (and pre-investment in facilities)

Showcases Lonza’s capability to address customer challenges of speed and scale
Full-Year 2020
Financial Summary
# Financial Highlights

Strong business fundamentals deliver double-digit sales growth

<table>
<thead>
<tr>
<th>CHF million</th>
<th>FY 2020</th>
<th>Change CER</th>
<th>Change AER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4,508</td>
<td>12.0%</td>
<td>7.2%</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>1,406</td>
<td>9.1%</td>
<td>5.4%</td>
</tr>
<tr>
<td>CORE EBITDA margin</td>
<td>31.2%</td>
<td>(0.8ppts)</td>
<td>(0.5ppts)</td>
</tr>
</tbody>
</table>

Strong sale growth momentum continues across businesses

Strategic growth projects impact CORE EBITDA margin by -1.2ppts (-0.4ppts YoY)

Efficiency programs partially mitigate investments impact

Adverse FX impact on margins are partially mitigated by natural hedges

* Changes in CER and AER based on restated 2019 figures, reflecting the classification of Specialty Ingredients as discontinued operations
Productivity measures mitigate ramp-up costs

CORE EBITDA Margin Drivers

Upfront hiring for growth projects in launch/ ramp-up phase

Reduced admin costs through productivity measures and COVID-19 tailwinds (e.g., travel)

Continued focus on operational excellence in manufacturing operations

Investments in high-growth businesses like Cell & Gene Therapy and Personalized Medicine

CORE EBITDA margin FY2019: 31.7%

- Growth project ramp-up
- Cost control and operational excellence
- Business mix

CORE EBITDA margin FY2020: 31.2%

1 Restated to reflect the classification of Specialty Ingredients as discontinued operations
# Operational Free Cash Flow

Robust cash flow generation despite higher CAPEX

<table>
<thead>
<tr>
<th>CHF million</th>
<th>FY 2020</th>
<th>YoY change</th>
<th>FY 2019 (Restated)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>1,378</td>
<td>114</td>
<td>1,264</td>
</tr>
<tr>
<td>Change of operating net working capital (NWC)</td>
<td>(260)</td>
<td>(26)</td>
<td>(234)</td>
</tr>
<tr>
<td>CAPEX</td>
<td>(889)</td>
<td>(196)</td>
<td>(693)</td>
</tr>
<tr>
<td>Other</td>
<td>275</td>
<td>241</td>
<td>34</td>
</tr>
<tr>
<td><strong>Operational free cash flow²</strong></td>
<td><strong>504</strong></td>
<td><strong>133</strong></td>
<td><strong>371</strong></td>
</tr>
<tr>
<td>YE NWC as % sales</td>
<td>15.9%</td>
<td>0.0ppts</td>
<td>15.9%</td>
</tr>
<tr>
<td>CAPEX as % sales</td>
<td>19.7%</td>
<td>3.2ppts</td>
<td>16.5%</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the classification of Specialty Ingredients as discontinued operations
² Before acquisitions

- Maintained target level of receivable and payable days
- Opportunity to further optimize inventory
- Accelerated deployment of CAPEX against additional initiatives
- Increased customer funding for selected growth projects
CAPEX
Investments to support growth

Around 70% of CAPEX in growth projects across businesses and geographies

CAPEX intensive projects mainly in Mammalian manufacturing

Attractive IRR>25% and ROIC >30% on ramped-up sales

Investments de-risked through partially contracted demand

*2019 figures have been restated to reflect the classification of Specialty Ingredients as discontinued operations
Leverage Profile
Strong balance sheet to support growth investments

Net Leverage (Net Debt/Core EBITDA)$\textsuperscript{1}$

<table>
<thead>
<tr>
<th>Year</th>
<th>Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2.3x</td>
</tr>
<tr>
<td>2019</td>
<td>1.8x</td>
</tr>
<tr>
<td>2020</td>
<td>1.6x</td>
</tr>
</tbody>
</table>

Deleveraging behind CORE EBITDA growth and strong operating cash

Funding sources diversified with inaugural Eurobond

Maturity profiles extended and financing costs reduced

Ample headroom for growth investments

Commitment to strong investment grade rating

$\textsuperscript{1}$ Based on Lonza Group figures

CORE definition: See appendix
## ROIC

Increasing ROIC despite growth investments

<table>
<thead>
<tr>
<th>CHF million</th>
<th>FY 2020</th>
<th>YoY change</th>
<th>FY 2019 (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Profit Before Taxes</td>
<td>949</td>
<td>6.3%</td>
<td>893</td>
</tr>
<tr>
<td>Taxes (in % of Net Op. Profit Before Taxes)</td>
<td>8.8%</td>
<td>(1.1 ppts)</td>
<td>9.9%</td>
</tr>
<tr>
<td>NOPAT</td>
<td>865</td>
<td>7.5%</td>
<td>805</td>
</tr>
<tr>
<td>Average Invested Capital</td>
<td>9,019</td>
<td>2.6%</td>
<td>8,788</td>
</tr>
<tr>
<td><strong>ROIC</strong></td>
<td>9.6%</td>
<td>0.4 ppts</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

1. Restated to reflect the classification of Specialty Ingredients as discontinued operations

### Notes

- Operating Profit Before Taxes impacted by limited depreciation increase
- Lower tax rate for Lonza continuing due to country profit mix and one-time impacts
- Increased Invested Capital behind CAPEX investments
Lonza Pharma Biotech & Nutrition (LPBN)
Full-Year 2020 LPBN Performance Overview
Performance driven by YoY sales growth and margin increase

Strong full-year performance, driven by Biologics business

All businesses managed COVID-19 impacts and maintained business continuity

Businesses have worked to expand their service offerings and manufacturing capacity

Sales growth momentum expected to continue into 2021

New divisional structure implemented from 1 January 2021. New financial reporting structure will commence from H1 2021
New LPBN Customer Projects Announced in 2020
Selected Lonza customers in the healthcare sector

Rapidly scaling up a new vaccine modality
Supporting a broad range of customers developing vaccines and therapies related to COVID-19
Signing a series of strategic contracts for Ibex® Dedicate, including microbial and bioconjugates
Providing full-value chain for complex molecules such as antibody-drug conjugates (HPAPI, mAb, linker and conjugation)
Business growth in CGT supported by new customer wins

* Source: Company internal information and publically available sources
Refreshed Focus on Sustainability
Sustainability as a critical component of our customer value proposition

Environmental stewardship
- Around 10% of all electrical energy comes from renewable sources
- Around 10% decrease in Industrial water intensity (water use / sales) since 2018
- Year-on-year progress in reducing energy consumption and carbon footprint

Societal contribution
- Establishment of employee Diversity and Inclusion Taskforce
- 34,000 safety improvements in 2020, bringing lost-time injuries to an all-time low
- Community investment during COVID-19: provision of disinfectant and PPE to hospitals in Switzerland and the US, and supporting critical hygiene projects in India
Small Molecules

Market

Growth driven by:

• Oncology (with a focus on Highly Potent API)
• Specialized medicines (with US and Europe showing high demand)

Trend for small companies owning majority of clinical pipeline continues - with high propensity to outsource

Speed to market is a focus as more than half of new market approvals are on an accelerated pathway

Lonza Operations

COVID-19 impacts have been managed with supply chain planning and virtual customer engagement

New project acquisition supported by high brand equity and strong contracting trends

New service offerings launched in 2020 include Solid Form Services and Inhalation

New growth investments approved to support customers in early phase development and to manage high capacity utilization in existing assets

Financial Performance¹

High single-digit sales growth across 2020

Margin growth resulting from leveraged performance and sales growth

Double-digit sales growth forecast expected in 2021 from new customer contracts

¹ Comparison versus 2019 at a constant exchange rate (CER)
**Biologics**

**Market**

Continued strong demand for large-scale mammalian capacity

Strong growth in trend towards outsourcing:

- Mammalian (pipeline dominated by small and mid-sized biotechs)
- Bioconjugates (demand for specialized facilities and knowledge)

More than 500 drugs under investigation for COVID-19 in more than 1,360 clinical trials - CDMOs are playing a key role

**Lonza Operations**

Overall contracting was strong: YoY increase in new customers and new program sign-ups

High interest and new deals signed for Ibex® Dedicate, and customer base secured for mid-scale microbial capacity expansion

High utilization of asset footprint, across clinical and commercial (small to large scale)

Continued capacity expansion in 2021 across drug substance and product services

Well-managed COVID-19 situation despite some limited supply and manufacturing risks

**Financial Performance¹**

Strong double-digit (mid-teens) sales growth across 2020, driven by strong demand in all technologies

Lower margin, driven by higher OPEX, related to growth projects

2021 expected to show third year of strong double-digit growth, mainly driven by strategic growth initiatives (P6, Ibex and Guangzhou)

¹ Comparison versus 2019 at a constant exchange rate (CER)
## Cell & Gene Therapy (CGT)

### Market

- Continued strong market growth, with focus on regenerative treatments for COVID-19
- Some non-COVID-19 therapies have been deprioritized
- Rapid pipeline expansion in 2020:
  - >2,000 active therapies in development
  - >1,100 regenerative medicine clinical trials
- Five landmark commercial approvals in the last two years
- Cost of production remains a challenge

### Lonza Operations

- Business continuity maintained through pandemic, agreement with new customer Altimmune allows for the supply of AdCOVID, a single-dose intranasal vaccine for COVID-19
- Strong demand for our products and services
- New customer agreements have enabled differentiated service offerings in emerging modalities (e.g. partnership with BeTheMatch for apheresis networks management and cellular source material)
- Vein-to-vein supply chain network has been expanded to support CGT customers needs beyond manufacturing

### Financial Performance¹

- Strong sales growth above the market, supported by solid demand from new and existing clients
- Margin and operational improvement through increased throughput on existing assets
- 2021 margin improvement anticipated through efficiency improvements and higher asset utilization

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¹ Comparison versus 2019 at a constant exchange rate (CER)
### Bioscience

#### Market

- Solid demand across all customer groups
- COVID-19 shutdowns caused reduced demand in Q2 from academic and research institutes, followed by recovery to pre-COVID-19 levels in Q3 and Q4
- Pandemic created some supply chain challenges (raw materials supply and increased global freight costs)

#### Lonza Operations

- All sites remained operational through pandemic and new raw material sources and alternative freight channels have been identified to buffer COVID-19 impacts in 2021
- Satisfactory organic growth rates in 2020 and a return to strong growth in testing, (after a flat 2019)
- Review of commercial operations to focus on best-fit markets and planned digital investments will deliver an enhanced customer experience and improved operational efficiency

#### Financial Performance

- High single-digit sales growth across 2020 (driven by Media and MODA)
- Strong margin improvement was driven by operation efficiency
- 2021 forecast of low double-digit sales growth, supported by digital investment, innovation and strong customer relationships

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1 Comparison versus 2019 at a constant exchange rate (CER)
## Capsules & Health Ingredients (CHI)

### Market

**Nutraceutical market**
- Continued growth driven by end-consumer demand for health ingredients and supplements.
- This trend was accelerated in 2020 by the COVID-19 pandemic.

**Pharmaceutical market**
- Flat to negative growth driven by lower use of prescription drugs as patients deferred elective medical treatments due to COVID-19.
- Partially offset by increased demand for selected OTC medications.

### Lonza Operations

Global CHI network maintained essential operations in all geographies, serving existing customers with minimal disruption.

High capacity utilization across capsule product portfolio led to increased lead times for selected capsule products.

Capacity investment approved in 2020, increasing total production capacity by 15% by the end of 2021.

### Financial Performance¹

High single-digit sales growth in 2020 and stable margin
- Business growth driven by nutritional capsules and ingredients
- Pharmaceutical capsules sales growth was flat to low single-digits.

Low single-digit growth anticipated in H1 2021, due to expected capacity constraints and increased customers' inventory.

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¹ Comparison versus 2019 at a constant exchange rate (CER)
Lonza Specialty Ingredients (LSI)
(Discontinued operation)
Full-Year 2020 LSI Performance Overview
Overall margin improvement as cost increases were offset by higher demand

Specialty Ingredients (LSI)\(^1\) delivered a strong performance, with 3.4% CER sales growth alongside an improved CORE EBITDA margin, reported at 20.3\(^2\)%

Impacts of COVID-19 were largely managed across the business portfolio

High demand for disinfection solutions from Microbial Control Solutions division to support in managing the COVID-19 pandemic

Carve-out finalized, portfolio showed resilience in top and bottom line, efficient strategy and market-oriented organization in place

\(^1\) Specialty Ingredients Business (excluding Corporate/carve-out and divestiture costs directly attributable to LSI)
\(^2\) CORE EBITDA margin at a constant exchange rate (CER)
Microbial Control Solutions

Hygiene

Very strong performance, driven by quarternary (quat) ammonium compounds and formulated products

Significant long-term contracts secured

Home & Personal Care

Solid growth in preservation and laundry

Long-term contracts secured with suppliers and customers

Reduced market demand in Skin & Hair Care, and Food businesses

Wood Protection

Increased demand and new business picked up, leading to a strong performance

Positive retail and Do It Yourself (DIY) business

Paints & Coatings

Negatively impacted by COVID-19 pandemic, especially in Dry-Film Application

Material Protection

Adverse market environment

Increased demand in Oil & Gas and Metal Protection in H2 expected to continue into 2021

Crop Protection

Lower global demand in Agro Specialties as a result of COVID-19, considered as a one-off event

Geographical expansion to North America, LATAM and SEA
**Composite Materials**

- Solid demand in industrial sector for construction and protective coatings
- Strong project pipeline in Asia for electronics applications
- Civil aviation and electronics sectors negatively affected by COVID-19
- Demand for telecommunication infrastructure materials expected to improve in H1 2021

**CDMO**

- Successful scale up of new projects in Visp (CH)
- Major CDMO contract for highly innovative new battery materials, impact expected in 2021
- Fermentation growth strategy shows first results, with further growth anticipated in 2021

**Performance Intermediates & Chemicals**

- Overall good performance driven by increased volumes and prices of Vitamin B3
- Consumer electronics business and industrial applications slowed down, negatively impacting PMDA
- Solid demand expected across most markets in H1 2021, and some recovery in industrial applications
Outlook 2021 and Mid-Term Guidance 2023
Outlook 2021

Another year of low double-digit CER sales growth driven by sustained strong momentum across businesses

CORE EBITDA margin improvement in-line with 2023 Mid-term Guidance trajectory

Outlook assumes no significant adverse impact on demand and no major disruptions in supply chain or business operations from COVID-19

Low double-digit CER sales growth

CORE EBITDA margin improvement in-line with Mid-Term Guidance

CORE definition: See appendix
Double-digit sales growth per year driven by Biologics, Small Molecules and Cell & Gene Therapy businesses

Improved CORE EBITDA margin despite investments in growth projects

Double-digit ROIC driven by growth and margin expansion

Double-digit sales growth per year

~ 33% – 35% CORE EBITDA margin

Double-digit ROIC

CORE definition: See appendix
Lonza Priorities 2021
Setting up the future Lonza business for continued growth

Successful completion of divestment of LSI segment and review of plans for sales proceeds

Focus on maintaining business continuity through pandemic and execution of growth projects

Establish and strengthen systems and processes in the new business structure to optimize efficiency and delivery

Continued levels of CAPEX investment to deliver sustained growth and meet customer demand

Focus on talent attraction to support new CAPEX investments coming on line

Continued review of environmental, social and governance (ESG) measures under new and expanded leadership
Car, taxi, and bus traffic on road intersection at night in Hong Kong downtown district.
Appendices
### Lonza Financial Performance
#### Trends from 2013 to 2020

**Sales** in CHF million

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<tr>
<td></td>
<td>3,584</td>
<td>3,640</td>
<td>3,803</td>
<td>4,132</td>
<td>5,083</td>
<td>5,542</td>
<td>4,207</td>
<td>4,508</td>
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**CORE RONOA** in %

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<tr>
<td></td>
<td>12.3</td>
<td>14.3</td>
<td>16.4</td>
<td>21.5</td>
<td>30.0</td>
<td>31.4</td>
<td>32.1</td>
<td>28.9</td>
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</table>

**CORE EBITDA** in CHF million

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<tr>
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<tbody>
<tr>
<td></td>
<td>711</td>
<td>743</td>
<td>793</td>
<td>918</td>
<td>1,349</td>
<td>26.5</td>
<td>27.3</td>
<td>31.7</td>
</tr>
</tbody>
</table>

**% Margin**

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<tr>
<td></td>
<td>19.8</td>
<td>20.4</td>
<td>20.9</td>
<td>22.2</td>
<td>27.3</td>
<td>31.7</td>
<td>31.2</td>
<td></td>
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</table>

**CORE EPS Diluted** in CHF

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<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>5.0</td>
<td>6.8</td>
<td>6.8</td>
<td>8.4</td>
<td>10.8</td>
<td>12.0</td>
<td>11.4</td>
<td>12.2</td>
</tr>
</tbody>
</table>

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1. Reported pro-forma 2017 financial results (restated for IFRS 15) include Capsugel full-year 2017 financial result
2. Restated 2018 financial results reflect the classification of Water Care business as discontinued operations
3. Restated 2019 financial results reflect the classification of Specialty Ingredients as discontinued operations

CORE definition: See appendix
# Full-Year 2020 Financial Highlights (1/2)

<table>
<thead>
<tr>
<th>Continuing Business</th>
<th>FY 2020</th>
<th>FY 2019 (Restated)¹</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>4,508</td>
<td>4,207</td>
<td>7.2%²</td>
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<td>1,406</td>
<td>1,334</td>
<td>5.4%</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>31.2</td>
<td>31.7</td>
<td>-50bps</td>
</tr>
<tr>
<td><strong>CORE EBIT</strong></td>
<td>1,094</td>
<td>1,044</td>
<td>4.8%</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>24.3</td>
<td>24.8</td>
<td>-50bps</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,378</td>
<td>1,264</td>
<td>9.0%</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>30.6</td>
<td>30.0</td>
<td>60bps</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>901</td>
<td>825</td>
<td>9.2%</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>20.0</td>
<td>19.6</td>
<td>40bps</td>
</tr>
<tr>
<td><strong>Net Financing Costs</strong></td>
<td>(94)</td>
<td>(104)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Tax Rate in %</strong></td>
<td>8.8</td>
<td>9.9</td>
<td>-</td>
</tr>
<tr>
<td><strong>CORE Profit for the Period</strong></td>
<td>913</td>
<td>851</td>
<td>7.3%</td>
</tr>
<tr>
<td><strong>Profit for the Period</strong></td>
<td>732</td>
<td>648</td>
<td>13.0%</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the classification of Specialty Ingredients as discontinued operations

² Actual exchange rate (AER); in constant exchange rate (CER): +12.0%

CORE definition: See appendix
### Full-Year 2020 Financial Highlights (2/2)

#### Continuing Business

<table>
<thead>
<tr>
<th>CHF million</th>
<th>FY 2020</th>
<th>FY 2019 (Restated)¹</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CORE EPS basic (CHF)</strong></td>
<td>12.24</td>
<td>11.47</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>EPS Basic (CHF)</strong></td>
<td>9.81</td>
<td>8.73</td>
<td>12.4%</td>
</tr>
<tr>
<td><strong>CORE EPS Diluted (CHF)</strong></td>
<td>12.19</td>
<td>11.40</td>
<td>6.9%</td>
</tr>
<tr>
<td><strong>EPS Diluted (CHF)</strong></td>
<td>9.77</td>
<td>8.68</td>
<td>12.6%</td>
</tr>
<tr>
<td><strong>CORE RONOA in %</strong></td>
<td>28.9</td>
<td>32.1</td>
<td>(320bps)</td>
</tr>
<tr>
<td><strong>ROIC in %</strong></td>
<td>9.6</td>
<td>9.2</td>
<td>40bps</td>
</tr>
<tr>
<td><strong>Change of Net Working Capital</strong></td>
<td>(260)</td>
<td>(234)</td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Capital Expenditures</strong></td>
<td>(889)</td>
<td>(693)</td>
<td>(196)</td>
</tr>
<tr>
<td><strong>Operational Free Cash Flow</strong></td>
<td>504</td>
<td>371</td>
<td>133</td>
</tr>
<tr>
<td><strong>Number of Employees</strong></td>
<td>13,856</td>
<td>12,718</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

#### Total Group²

<table>
<thead>
<tr>
<th>CHF million</th>
<th>FY 2020</th>
<th>FY 2019</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net debt</strong></td>
<td>2,813</td>
<td>2,961</td>
<td>(5.0%)</td>
</tr>
<tr>
<td><strong>Debt-equity ratio</strong></td>
<td>0.41</td>
<td>0.45</td>
<td>(8.9%)</td>
</tr>
<tr>
<td><strong>Net Debt / CORE EBITDA ratio</strong></td>
<td>1.63</td>
<td>1.83</td>
<td>(10.9%)</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the classification of Specialty Ingredients as discontinued operations
² Lonza Group incl. Discontinued Operations

CORE definition: See appendix
Event Calendar and Contacts

25 March 2021       Annual Report 2020 (Tentative)
6 May 2021          Annual General Meeting, Basel (CH)
10 May 2021         Ex-Dividend Date
11 May 2021         Record-Dividend Date
12 May 2021         Dividend-Payment Date
23 July 2021        Half-Year Results 2021

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

www.lonza.com/about-lonza/investor-relations

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Therefore, the CORE results exclude exceptional expenses and income related to e.g. restructuring, environmental-remediation, acquisitions and divestitures, impairments and amortization of acquisition-related intangible 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 2020 Full-Year Results report, the reconciliation of IFRS to CORE results provides further details on the adjustments.

Lonza believes that disclosing CORE results of the Group’s performance enhances the financial markets’ understanding of the company because the CORE results enable better comparison across years.
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 and Mid-Term Guidance 2023 herein may not prove to be correct. The statements in the section on Outlook 2021 and Mid-Term Guidance 2023 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 and Mid-Term Guidance 2023 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 and Mid-Term Guidance 2023. 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.