Lonza Capital Markets Day
17 October 2023
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<thead>
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<th>Time</th>
<th>Name</th>
<th>Topic</th>
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<td>09:30 – 09:40</td>
<td>Albert M. Baehny</td>
<td>Introduction</td>
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<tr>
<td>09:40 – 10:10</td>
<td>Philippe Deecke</td>
<td>Financials</td>
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<td>10:10 – 10:25</td>
<td>Maria Soler Nunez</td>
<td>Operations and Growth Projects</td>
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<td>10:25 – 11:05</td>
<td>Jean-Christophe Hyvert</td>
<td>Biologics</td>
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<tr>
<td>11:05 – 11:20</td>
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<td>Break</td>
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<td>11:20 – 11:40</td>
<td>Gordon Bates</td>
<td>Small Molecules</td>
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<td>11:40 – 12:00</td>
<td>Daniel Palmacci</td>
<td>Cell &amp; Gene</td>
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<td>12:00 – 12:20</td>
<td>Christian Seufert</td>
<td>Capsules &amp; Health Ingredients</td>
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<td>12:20 – 12:25</td>
<td>Albert M. Baehny</td>
<td>Closing Remarks</td>
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<td>12:25 – 13:00</td>
<td>Executive Management Team</td>
<td>Q&amp;A</td>
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<tr>
<td>13:00 – 13:30</td>
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<td>Lunch</td>
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<td>13:30 – 13:40</td>
<td>Renzo Cicillini</td>
<td>Introduction to Visp and Safety Instructions</td>
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<td>13:40 – 14:00</td>
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<td>Transfer to Site</td>
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<td>14:00 – 16:00</td>
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<td>Site Tour</td>
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<td>16:00 – 16:15</td>
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<td>Transfer to Canteen</td>
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<tr>
<td>16:15 – 17:00</td>
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<td>Refreshments and Departure</td>
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Introduction

Albert M. Baehny

Leading in the Resilient and Growing CDMO Market
We Have Heard Investor Feedback and Will Address Key Themes Today

| Capacity overbuild concerns | • Global capacity expansion across the industry  
|                           | • Continued strong demand in biopharma suggests low risk of capacity overbuild for best-in-class industry partners |
| COVID revenue             | • Unusual levels of market volatility arising from pandemic-related business  
|                           | • A challenge to compare irregular trajectory of pandemic business to normal business |
| Biotech funding           | • Commercial and clinical Phase 2 and 3 business not affected  
|                           | • Temporary decline in organic growth rates in preclinical and clinical Phase 1 with early signs of positive rebound |
We Have Heard Investor Feedback and Will Address Key Themes Today

Cell & Gene Therapy business margins
- Fast growing business affected by the current Biotech funding constraints
- Slowly improving margin business capturing significant long-term commercial opportunity

Capital allocation, cash conversion from CAPEX, medium-term returns
- Capital allocation strategy focused on organic growth, shareholder value and disciplined M&A
- Strict investment criteria and rigorous project execution, closely monitored at board level
- Organic growth highly correlated to growth CAPEX investments with clear growth project thresholds (IRR and ROIC)
- Committed to long-term shareholder value creation underpinned by ongoing CHF 2bn share buy-back program and 35 – 45% dividend payout commitment

Executive management team
- Strong and experienced bench of senior business leaders
- Unwavering focus on delivering the Lonza strategy and vision
Lonza is Uniquely Positioned to Capture Growth in CDMO Market

Global leader in the highly attractive CDMO market

Business geared for growth, strongly backed by technology, innovation and organic investments

Broad and sophisticated portfolio of crucial modalities to bring new drugs quickly and securely to the market

Mission critical services in the drug product development value chain

Strong customer partnerships with a critical mass of long-term commercial contracts

Tight investment project management with the strength to deploy high incremental capital per year at high returns
Considerations on Lonza’s Growth Projects

CAPEX allocation

Around 70 – 80% of CAPEX to support future growth

Clear growth project thresholds

IRR 15%

ROIC around 30% at peak sales

A shared risk model on long-term projects

*Multi-purpose assets*: long-term supply agreements (3 to 7 years) with minimum commitment and frozen committed supply window

*Dedicated assets*: long-term contracts with a dedicated team between Lonza and customer. Termination fees support a shared risk model
The CDMO Market Remains Attractive and Robust

- Resilient pharma end-markets addressing ageing populations and rising chronic disease
- Innovation in technologies and targets requiring novel modalities and medicines
- Increased reliance on strategic partners across large pharma and small biotech
- Shift to more complex molecules with continuing regulatory scrutiny
- Market that competes on quality, expertise and reputation above price
- High risks for new market entrants include a combination of capital intensity, technological capabilities, trust partnerships and regulatory compliance
Our ESG Strategy - Aligned with the UN Sustainable Development Goals

3. **Good Health and Well-Being**
   - To improve the lives of patients by supporting and enabling our customers on the path to commercialization.
   - To provide safe workplaces, caring for employees’ well-being and fostering their involvement and participation.

4. **Quality Education**
   - To develop an internal learning system and harmonized platform to support higher employee engagement.
   - To bolster our partnerships with external institutions for the benefit of our employees and the scientific community.

5. **Gender Equality**
   - To increase the percentage of women in management roles to 35% by 2035.
   - To deploy robust initiatives to support the hiring, retention and promotion of women.

6. **Clean Water and Sanitation**
   - To reduce water consumption intensity by 50% by 2030.
   - To continuously assess water risks in our network.

9. **Industry, Innovation and Infrastructure**
   - To innovate and invest in sustainable facilities built for a carbon and resource neutral future.
   - To focus on low-carbon, energy and water efficiency and safety in design.

12. **Responsible Consumption and Production**
    - To improve our supply and value chains by implementing vendor standards, including supplier decarbonization.
    - To engage strategic industry partners for collaboration in responsible sourcing.

13. **Climate Action**
    - To reduce our current footprint on GHG emissions over the next decade.
    - To reach the ultimate aim for net-zero GHG emissions by 2050.

Source: Lonza Sustainability Report 2022
Our Strategic Priorities

<table>
<thead>
<tr>
<th>Innovation</th>
<th>Collaboration</th>
<th>Service</th>
<th>Performance</th>
<th>Value Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipating technological trends</td>
<td>Early partnership with our customers</td>
<td>Industry leading service levels</td>
<td>Highest efficiency output</td>
<td>Deliver on Lonza guidance for 2024 – 2028</td>
</tr>
<tr>
<td>Building IP and protected capabilities</td>
<td>Joint mission in creating customized solutions</td>
<td>Clear and consistent focus on quality</td>
<td>Continuous process improvements</td>
<td>Disciplined capital allocation</td>
</tr>
<tr>
<td>Extending differentiated positioning</td>
<td></td>
<td>Customer satisfaction and retention</td>
<td>Accelerate the path to drug commercialization</td>
<td>Delivering for shareholders, stakeholders and society</td>
</tr>
<tr>
<td>Continuous transformation through data management and AI</td>
<td></td>
<td></td>
<td>Translate into superior growth, margins and ROI</td>
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</table>
The Lonza Executive Management Team Delivering our Strategy

Albert M. Baehny  
Chairman and CEO a.i.

Philippe Deecke  
CFO

Maria Soler Nunez  
Head, Group Operations

JC Hyvert  
President, Biologics

Gordon Bates  
President, Small Molecules

Daniel Palmacci  
President, Cell & Gene

Christian Seufert  
President, Capsules & Health Ingredients
Financial Update

Philippe Deecke

Attractive Business Model and Growth Investments Driving Financial Performance
Attractive Business Model and Growth Investments Driving Financial Performance

Strong historical performance

New 2024 – 2028 Mid-Term Guidance

Attractive and diverse growth project portfolio to drive future growth

Compelling capital allocation strategy delivering shareholder value
Attractive Business Delivering Strong KPIs and Financials

2022 Figures

- **>1,025** Molecules\(^1,2\)
- **~800** CDMO customers
- **21** Large Ongoing Growth Projects
- **~70%** of sales in commercial

- **6.2bn** Sales in CHF
- **+16%** Sales CAGR 2019 – 2022 in CER
- **32%** CORE\(^3\) EBITDA margin
- **>3.5bn** Growth CAPEX in CHF 2019 – 2022

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1. Large molecules including mammalian, microbial, bioconjugates and cell and gene therapy products (pers. medicines included for pre-clinical and clinical molecules only)
2. Small molecules including active pharmaceutical ingredients (API), Highly Potent API (HPAPI), dosage form and delivery systems and particle engineering
3. CORE results and Constant Exchange Rates (CER) are non-IFRS measures. For Lonza’s definition of CORE results, also refer to the Alternative Performance Measures Brochure published in conjunction with the Lonza Half-Year Report 2023.
Strong Topline Growth in Recent Years

Sales 2019 – 2022 in bn CHF

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (bn CHF)</th>
<th>CORE EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>4.2</td>
<td>31%</td>
</tr>
<tr>
<td>2020</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>6.2</td>
<td>32%</td>
</tr>
</tbody>
</table>

16%¹

¹ Sales CAGR 2019–2022 in CER

Strong underlying business
Ex-COVID low- to mid-teens growth
All divisions grew above market
New assets drive CDMO growth
+1%pt core EBITDA margin despite ramp-up dilution and inflation
Attractive Business Model and Growth Investments Driving Financial Performance

- Strong historical performance
- New 2024 – 2028 Mid-Term Guidance
- Attractive and diverse growth project portfolio to drive future growth

Compelling capital allocation strategy delivering shareholder value
Group Mid-Term Guidance 2024 – 2028

Sales growth driven by new Biologics assets

Margin improvement from growth projects, Cell & Gene maturing, operational excellence

CAPEX expected to decrease to mid-to-high teens as % of sales by 2028

Strong balance sheet with commitment to investment grade rating of BBB+

11 – 13%
Sales CAGR in CER (2024 – 2028)

32 – 34%
CORE EBITDA margin in 2028

Double-digit ROIC in 2028

1.5 – 2.0x
Net Debt / CORE EBITDA
## Ahead of Market Sales Growth and Margin Improvements Across Divisions

<table>
<thead>
<tr>
<th>Division</th>
<th>Sales CAGR 2024 – 2028 (CER)</th>
<th>CORE EBITDA margin 2024 – 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biologics</td>
<td>Mid-teens</td>
<td>&gt;35%</td>
</tr>
<tr>
<td>Small Molecules</td>
<td>Mid-to-high single-digit</td>
<td>&gt;30%</td>
</tr>
<tr>
<td>Cell &amp; Gene</td>
<td>Mid-teens</td>
<td>&gt;25%</td>
</tr>
<tr>
<td>Capsules &amp; Health Ingredients</td>
<td>Low-to-mid single-digit</td>
<td>&gt;30%</td>
</tr>
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</table>
Sales Growth Supported by Known Commercial Growth Assets

Sales Trajectory 2024 – 2028 in CHF

Biologics growth driven by new assets, many of which are in ramp-up stage

>60% of next three years sales secured\(^2\) in Biologics and Small Molecules

CGT portfolio maturing to more commercial products

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\(^1\)Sales CAGR 2024 – 2028 in CER

\(^2\)Signed and weighted pipeline opportunities
Growth Projects and Productivity Drive Margin Improvement

CORE EBITDA margin trajectory 2024 – 2028 in %

1. Lower dilution from growth projects phase in ramp-up
2. Cell & Gene margins moving towards Group margin by 2028
3. Growth and new technology deployment in CHI
4. Continued productivity / operating leverage
Attractive Business Model and Growth Investments Driving Financial Performance

Strong historical performance

New 2024 – 2028 Mid-Term Guidance

Attractive and diverse growth project portfolio to drive future growth

Compelling capital allocation strategy delivering shareholder value
Large and Stable Base Complemented by Dynamic Growth Portfolio

Sales: Base vs. Growth Business in CHF

- **Base**
  - Ramped up assets, product businesses
- **Growth**
  - Large assets in ramp-up

<table>
<thead>
<tr>
<th>2024</th>
<th>2028</th>
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### Base Business
- Stable, growing and resilient business
- High asset utilization
- High revenue visibility
- Strong cash generation
- Strong margin

### Growth
- New assets
- Fast growth
- Low margin during ramp-up
- Margin accretive at peak
- De-risked through contracting

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1. CHI and Bioscience

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Growth Project Portfolio at a Glance

21 Large Ongoing Growth Projects
CAPEX above CHF 50m

Total Projects CAPEX split of the 21 projects

- In construction: 30%
- In ramp up: 10%
- In operation: 60%

- 9 Modalities
- CHF 1.8bn Cumulative sales 2018 – 2023E
- 90% invested in commercial / mixed assets
- 95% invested in EU / US
- 15% IRR threshold
- 30% ROIC threshold (at peak)

Please note: Financials excl. COVID-19 business
Broad Growth Project Portfolio Returning More Than 2x Cost of Capital

Number of Growth Projects clustered by IRR (%)

- >30%: 8 projects
- 15-30%: 9 projects
- <15%: 4 projects

Growth project portfolio delivering high return on capital

Majority of our portfolio returns above IRR threshold of 15%

A few projects, mainly clinical stage, facing utilization challenges. These are important strategic assets to attract clinical phase customers

1 IRR based on Lonza investment only
Investment Program Securing Leadership Role in Industry

<table>
<thead>
<tr>
<th>Construction Initiation</th>
<th>Wave 1 7 projects</th>
<th>Wave 2 11 projects</th>
<th>Wave 3 3 projects(^2)</th>
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<tr>
<td>Establishing CDMO base</td>
<td>2018 – 2020</td>
<td>Broadening offering and reinvesting LSI(^1) proceeds</td>
<td>Focus on commercial assets</td>
</tr>
<tr>
<td>Investment priorities</td>
<td>Biologics</td>
<td>ADC</td>
<td>ADC</td>
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<td></td>
<td>CGT</td>
<td>Biologics Drug Product</td>
<td>Biologics Drug Product</td>
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<td></td>
<td>China</td>
<td>Large Scale Mammalian</td>
<td>Cell &amp; Gene</td>
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<td></td>
<td>HPAPI</td>
<td>mRNA</td>
<td>Small Molecules</td>
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\(^1\)Former Specialty Ingredients business divested in 2021
\(^2\)Approved projects

Please note: Financials excl. COVID-19 business
Investment Program Securing Leadership Role in Industry

<table>
<thead>
<tr>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Wave 3</th>
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<tbody>
<tr>
<td>7 projects</td>
<td>11 projects</td>
<td>3 projects&lt;sup&gt;2&lt;/sup&gt;</td>
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<tr>
<th>Establishing CDMO base</th>
<th>Broadening offering and reinvesting LSI&lt;sup&gt;1&lt;/sup&gt; proceeds</th>
<th>Focus on commercial assets</th>
</tr>
</thead>
</table>

**Construction initiation**

**Investment priorities**

- Biologics
  - CGT
  - China
  - HPAPI

- ADC
  - Biologics Drug Product
  - Large Scale Mammalian mRNA

**CAPEX / Sales**

- High teens
- c.30%
- Converging to mid-to-high teens

**Peak Sales / Growth CAPEX**

- 1.0x – 1.1x

**IRR threshold**

- 15%

**ROIC at peak threshold**

- 30%

<sup>1</sup>Former Specialty Ingredients business divested in 2021

<sup>2</sup>Approved projects

Please note: Financials excl. COVID-19 business

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Growth Assets Driving Future Growth and Profits

in CHF

Growth project CAPEX\(^1\)  
Growth project sales\(^1\)  
Growth project CORE EBITDA\(^1\)

<table>
<thead>
<tr>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Wave 3</th>
<th>Next Wave</th>
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\(^1\) Relates to large Wave 1–3 growth projects only, also includes expected but not yet confirmed Wave 3 projects  
\(^2\) Not drawn to scale  

Illustrative\(^2\)

Number of new projects ramp up

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Diverse Projects with High Visibility and Focus on Value Creation (1/2)

Illustrative Project Dynamics

**Biologics Large-Scale Commercial**

- CAPEX, Sales and CORE EBITDA profile in CHF
- IRR >20%
- ROIC >30%
- Construction: 4 years
- Dilutive ramp-up in year 3 and 4
- Peak sales in year 7
- De-risked through anchor customer
- Asset fully booked with long-term contracts

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
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<tbody>
<tr>
<td>CAPEX</td>
<td>Sales</td>
<td>CORE EBITDA</td>
<td>OPEX</td>
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Diverse Projects with High Visibility and Focus on Value Creation (2/2)

Illustrative Project Dynamics

Biologics Commercial Small Scale (2k)

- CAPEX, Sales and CORE EBITDA profile in CHF
- ROIC >30%
- IRR >20%

Faster construction and ramp-up due to expansion of existing asset
- Peak sales in year 5
- Mixed customer base (large pharma and small biotech)

Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8
--- | --- | --- | --- | --- | --- | --- | ---
CAPEX | Sales | CORE EBITDA | OPEX

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Attractive Business Model and Growth Investments Driving Financial Performance

Strong historical performance

New 2024 – 2028 Mid-Term Guidance

Attractive and diverse growth project portfolio to drive future growth

Compelling capital allocation strategy delivering shareholder value
Strong Business Fundamentals to Drive Increase in Free Cash Flow (FCF)

- **Strong business growth**
  - Divisions to outgrow market

- **Continuous margin progression**
  - Productivity and growth projects drive margin

- **Moderating investments pace in mid term**
  - CAPEX moderating towards long-term levels

**Strong FCF Generation by 2028**

- **FY 2028**
  - FCF before growth CAPEX: >25%
  - Growth CAPEX: c.10%
  - FCF: c.15%

% of sales
Prioritizing Organic Growth, Shareholder Return and Bolt-On M&A

1. Organic Investments
   - De-risked, attractive opportunities based on market needs

2. Returning Capital to Shareholders
   - Progressive dividends with increased pay-out ratio of 35 – 45%, other measures if appropriate

3. M&A Investments
   - Focus on bolt-on opportunities in emerging technologies / IP and high-quality capabilities

Strong FCF Generation

Healthy Balance Sheet

Focus on capital allocation priorities
Q3 Financial Update
CDMO business dynamics continue to be strong, with high demand for commercial capacities

Biologics and Small Molecules contract wins in commercial Drug Product and Bioconjugation

Biotech funding stabilizing, no pick-up yet for early-stage services:

- Early-stage clinical business in Biologics continues to grow, but assets not fully utilized
- Cell & Gene Technology with underutilized suites, but strong commercial business delivery

US nutraceutical capsules still soft, slight uptake in Q3, increased margin erosion from industry overcapacity

Two customer driven events in Biologics and Small Molecules impacting 2023 Outlook and 2024
### Q3 Update: Two Customer Events Impact 2023 and 2024 Performance

<table>
<thead>
<tr>
<th>Moderna COVID-19 Contract</th>
<th>Kodiak Sciences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancellation of long-term agreement</td>
<td>Customer faced negative read-out of KSI-301 program in Phase 3[^1]</td>
</tr>
<tr>
<td>Contract termination triggers accelerated recognition: additional compensation in 2023 and lost revenues in 2024</td>
<td>Parties are currently discussing the future of the program</td>
</tr>
<tr>
<td>Negotiations still underway with approximate termination agreement of CHF 0.2bn</td>
<td>Business risk for Lonza in 2024</td>
</tr>
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[^1]: Kodiak Sciences announcement (24/7/23) of results of Phase 3 studies of tarcocimab tedomer

Dedicated assets can be repurposed within two to three years if needed
Customer Events Negatively Impacting 2024

<table>
<thead>
<tr>
<th>Sales growth % YoY in CER</th>
<th>Upper end of guided range</th>
<th>~ Flat</th>
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<tbody>
<tr>
<td>CORE EBITDA margin</td>
<td>Upper end of guided range</td>
<td>High 20s</td>
</tr>
</tbody>
</table>

- **Sales in CHF**
  - **2023 Outlook**
    - Moderna contract termination
    - Kodiak risk
    - Net business growth
  - **2024 early indication**
  - **2028**

Underlying growth: high single-digits

CAGR 11 – 13%
Concluding Remarks

Strong financial performance in recent years

Attractive portfolio of 21 ongoing growth projects

2023 operationally on track, and positively impacted by customer events

Compelling mid-term growth and profitability driven by divisional above-market growth, existing projects and focus on strategic priorities

Strong shareholder returns from focus on cash generation

11 – 13%
Sales CAGR in CER (2024 – 2028)

32 – 34%
CORE EBITDA margin in 2028

Double-digit ROIC in 2028

1.5 – 2.0x leverage
Net Debt / CORE EBITDA
Growth Projects

Maria Soler Nunez

Operational Excellence to Drive Performance and Growth
Strong Governance Model Enables Successful CAPEX Execution

Division / Customer Request

Initiation

- Ideation
- Feasibility
- Concept and Basic Design

Execution

- Construction
- Commissioning and Start up
- Project Closure

Gates: -1 0 1 2 3 4 5

Gate -1: Expectations and Capacity
- CAPEX estimate

EC Gate 0: Validate Strategic Relevance
- Ball Park

EC Gate 1: Confirm Business Case
- -15%; +30%

EC / BoD Gate 2: Approve CAR\(^1\)
- -5%; +15%

Standard Execution and Close Monitoring

Selected Key Considerations

- Strategic relevance: market, value proposition and competitive advantage
- Commercial rationale: future revenues, anchor customer and margin potential
- IRR, NPV, GP\(^2\) and Payback
- Project and business risks

\(^1\) CAR: Capital Authorization Request
\(^2\) IRR: Internal Rate of Return; NPV: Net Present Value
### Project Execution

- Equipment procurement and asset construction
- Asset Commissioning, Qualification, Validation (CQV)
- Health Authority approval and ramp-up of operations

**Enabled by:**
- End-to-end project lead in division responsible for business case delivery
- Standard cross-functional project organization
- Standard project management until ramp-up and closure
- Technical standards and paperless CQV
- Integrated plan with operations for ramp-up readiness

### Project Monitoring / KPIs

- Steering Committees per project with standard reporting
- Portfolio review of projects in execution:
  - Schedule, cost, contingency run down
- Annual investment project performance; reviews to EC and Board of Directors:
  - NPV, IRR, ROIC and payback
  - Delivery on time and within budget
  - Learnings taken are applied to future projects
- Actions taken as needed
Visp - Our Growth in Action

The Visp Ibex® Biopark is substantially complete, enabling future growth

- Bacthera JV MC4
  - Complete in 2023

- Sanofi JV BioAtrium MC5
  - Completed 2019

- Manufacturing Complex MC2
  - Completed 2022

- Manufacturing Complex MC1
  - Completed 2019

- QC¹ Building I10
  - Completed 2022

- QC¹ Building I11
  - Complete in 2023

¹QC: Quality Control
Visp Pre-Investment in Ibex® Biopark, Manufacturing Complex Shells and Infrastructure Substantially Completed

Site Visp services
- Security
- Canteen
- Training and apprentice program
- Fire Brigade
- Wastewater treatment plant
- Logistics, offices, utilities

Ibex® Biopark (100'000m²)
- Central utility building
- 2 QC laboratory and development buildings

Manufacturing Complexes (MCs)
- Shell with two wings for manufacturing unit
- 1 office section
- 1 gowning section
- 1 infrastructure utility section

A Compelling Value Proposition

Well-maintained Biopark infrastructure delivers economies of scale and centralized service provision

Utilities and site services are incorporated as an integral part of the campus facilities

MCs provide an agile model that can be tailored to customer needs with a pre-existing shell that expedites build-out

Fast repurposing of build-out in case of changing market demands
Pre-Investment Allows Agile Response to Customer Needs

Example: Project mammalian 6 x 20k in MC2 wing 1; 90% construction completed

- CAPEX shell MC2
- CAPEX Infra for MC2
- 6 x 20k Fit-out CAPEX

Note: Intensity of color proportional to investment size

- OPEX

Increase until full ramp-up

Revenue

Commercial ramp-up

Peak revenue

De-risked by deploying capital in line with market and customer needs
MC Concept is Fully Flexible in Fit Out Size and Technology (1/2)

<table>
<thead>
<tr>
<th>Mammalian</th>
<th>Microbial</th>
<th>ADCs</th>
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<tbody>
<tr>
<td>Large-scale JV with Sanofi</td>
<td>Mid-scale facility</td>
<td>Dedicated customer suite</td>
</tr>
<tr>
<td>Large-scale and small-scale assets</td>
<td>An attractive platform for customers</td>
<td>Unique end-to-end capabilities</td>
</tr>
<tr>
<td>Close and long-term customer relationships</td>
<td>Lonza has a leading market offering</td>
<td>Optimized for scale and process</td>
</tr>
</tbody>
</table>
## MC Concept is Fully Flexible in Fit Out Size and Technology (2/2)

<table>
<thead>
<tr>
<th>mRNA</th>
<th>Drug Product Filling</th>
<th>Microbiome</th>
</tr>
</thead>
<tbody>
<tr>
<td>COVID-19 vaccine</td>
<td>Isolator technology - several customers</td>
<td>Bacthera (joint venture with Chr-Hansen)</td>
</tr>
<tr>
<td>High therapeutic and commercial potential</td>
<td>New offering in Lonza portfolio</td>
<td>Dedicated commercial manufacturing facility for SER-109</td>
</tr>
<tr>
<td>Quick ramp-up for production, and fast redeployment</td>
<td>Limited capacity in the market</td>
<td>Leveraging Lonza’s capsule technology</td>
</tr>
</tbody>
</table>
Closing Remarks

From ideation to launch, robust management process in place to deliver our growth projects

- Strategic selection of high-value customer-relevant CAPEX programs following strict returns criteria
- Structured gated approach to execution (design, construction, fit-out and ramp-up)
- Progress monitoring allows early issue detection and mitigation
- Learnings are carried forward to new projects
Biologics

Jean-Christophe Hyvert

Delivering a Complete CDMO Offering Across the Lifecycle
### Executive Summary

#### Biologics CDMO market remains highly attractive

Growing at CAGR ~10% in USD and 7% in absolute molecules from 2023 and 2028

<table>
<thead>
<tr>
<th>Attractive market</th>
<th>Broad and tailored customer offering</th>
<th>Offering tailored to market need</th>
<th>Modalities and business units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expertise</td>
<td>Technical capabilities</td>
<td>Mammalian</td>
</tr>
<tr>
<td></td>
<td>Flexibility</td>
<td>Full lifecycle management</td>
<td>Bioconjugation</td>
</tr>
<tr>
<td></td>
<td>Speed</td>
<td>End-to-end offering</td>
<td>Microbial</td>
</tr>
<tr>
<td></td>
<td>Integration</td>
<td></td>
<td>Drug Product</td>
</tr>
<tr>
<td></td>
<td>De-risked supply chain</td>
<td>Global reach</td>
<td>mRNA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Licensing</td>
</tr>
</tbody>
</table>
## Biologics Strategy Overview

<table>
<thead>
<tr>
<th>Our ambition</th>
<th>Our strategic priorities</th>
<th>Our five enablers ensure we deliver for our customers and develop our people</th>
<th>Five-year targets 2024 – 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthen our position as the Biologics CDMO partner of choice</strong></td>
<td><strong>Full Lifecycle Management</strong>&lt;br&gt;Acquire molecules early and manage them as they grow&lt;br&gt;Licensing business unit drives early phase awareness and technology adoption</td>
<td><strong>Talent</strong>&lt;br&gt;People who come stay and grow</td>
<td>Mid-teens CAGR¹</td>
</tr>
<tr>
<td></td>
<td><strong>End-to-End Offering</strong>&lt;br&gt;Development and manufacturing services for drug substance and drug product</td>
<td><strong>Capacity</strong>&lt;br&gt;Network – Balance</td>
<td>&gt;35% EBITDA</td>
</tr>
<tr>
<td></td>
<td><strong>Sustainable Global Manufacturing, Site Specialization</strong>&lt;br&gt;Offer entry points in all three key geographies&lt;br&gt;Clear path from clinical trials to launch and beyond&lt;br&gt;Switzerland is home to centers of excellence for bioconjugates, microbial and drug product. UK is our center for excellence for development</td>
<td><strong>Innovation / Digital</strong>&lt;br&gt;Disruption – Incremental</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Customer</strong>&lt;br&gt;Market-oriented</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Marketing</strong>&lt;br&gt;Pure-play and complete CDMO offering across the lifecycle</td>
<td></td>
</tr>
</tbody>
</table>

¹2024–2028 Sales CAGR at constant exchange rates
# Key Customer Wins in Q3 2023

<table>
<thead>
<tr>
<th>Key Achievements Q3</th>
<th>Update on 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant long-term contract signings in Q3</td>
<td>Launch of Gene-to-IND offer</td>
</tr>
<tr>
<td>Ibex® conjugation program</td>
<td>Diversified customer base and retention across life cycle</td>
</tr>
<tr>
<td>Fully integrated program</td>
<td>First commercial drug product program in execution for pharma customers</td>
</tr>
<tr>
<td>First commercial Ibex® ADC drug product program</td>
<td></td>
</tr>
</tbody>
</table>

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Lonza Capital Markets Day 2023  | 50
Lonza is Well Positioned in a Very Attractive Market

Key Market Trends

CDMO capacity is outpacing in-house

Small biotechs represent a higher proportion of the molecule pipeline, while commercial manufacturing represents most of the value

We expect biotech funding to return to historical levels

New biologics drug types and novel indications are a key growth factor

Further tightening of aggregated capacity utilization projected

Biologics Market CDMO Outlook

2023–2028 CAGR
Bn USD

2023
23–25

2028
39–41

9–11%
Continued Positive Indicators for Increased Outsourcing

<table>
<thead>
<tr>
<th>Expected Market Share of Installed Mammalian Capacity CDMO vs. Pharma¹ 2019 – 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
</tr>
<tr>
<td>CDMO Capacity Share</td>
</tr>
<tr>
<td>25%</td>
</tr>
</tbody>
</table>

Lonza positioned as pure play CDMO

<table>
<thead>
<tr>
<th>Biologics Industry Pipeline (Number of Molecules) / Share by Company Type² and Regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIANT</td>
</tr>
<tr>
<td>&gt;10,000 FTEs</td>
</tr>
</tbody>
</table>

² Source: Lonza internal analysis, Citeline

We have tailored offerings across the entire value chain to meet the needs of small biotech players as they grow, alongside large pharma

¹ Source: Lonza internal analysis publicly announced capacity expansions (2023)
Biologics Pipeline Growth Requires CDMOs with Capacity and Breadth

Biologics Industry Pipeline (Number of Molecules)

- Clinical
- Launch
- Commercial

2023: 8 – 9K
2028E: 12 – 13K

CAGR 2023 – 2028:
- Clinical: 8%
- Launch: 8%
- Commercial: 6%

+7%

We have a strong track record in operationalizing new technologies and industrializing new treatments

2023 Biologics Pipeline (Clinical to Marketed Number of Molecules in Thousands)

Expected Growth

- Fusion proteins
- mRNA
- Rec. proteins
- Bioconjugates
- Miscellaneous
- NMF’s
- mAb’s
- CGT

Our portfolio of offerings can address all high-growth areas in the biologics pipeline

1 Source: Lonza internal analysis
2 Source: Lonza internal analysis, Citeline
3 New Molecule Format
Our Portfolio Offers End-to-End Solutions Across the Whole Life-Cycle

<table>
<thead>
<tr>
<th>Drug Substance</th>
<th>Late discovery</th>
<th>Early-clinical</th>
<th>Clinical</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mammalian</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Microbial</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Bioconjugates</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>mRNA</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Drug Product</td>
<td>Formulation</td>
<td></td>
<td></td>
<td>Capabilities build-up / Contract signed</td>
</tr>
</tbody>
</table>

- Regulatory consulting to support Investigational New Drug (IND) and Biologics License Application (BLA) and Licensing
- mAb, Linker, payload
Our historical strength lies in commercial capabilities, which account for most of our sales and profitability. It is a segment with good visibility. ~50% of commercial sales secured in clinical Phase 1 and 2 or earlier and increasing. Our rich clinical offering is set up to capture and retain molecules with high therapeutic and commercial value.
# Most Complete Offer Delivered Through a Global Network

<table>
<thead>
<tr>
<th>CDMO Players Comparison</th>
<th>Mammalian</th>
<th>Microbial</th>
<th>Bioconjugates</th>
<th>Drug Product Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lonza</strong></td>
<td><img src="image" alt="Points of Strength" /></td>
<td><img src="image" alt="Points of Strength" /></td>
<td><img src="image" alt="Points of Strength" /></td>
<td><img src="image" alt="Points of Strength" /></td>
</tr>
</tbody>
</table>

- **Pure-play CDMO and global network make us a partner of choice**
- **Lonza has one of the most complete offerings across technologies**
- **Fully integrated offering to manage the molecule across the entire lifecycle**

*Source: Lonza internal analysis*
Review of Key Business Units

- Mammalian
- Bioconjugates
- Microbial
- Drug Product Services
Review of Key Business Units

Mammalian  Bioconjugates  Microbial  Drug Product Services
Strong Contribution and Outlook in Mammalian

- Recognized industry leader
- Developed global network across scales: from early-stage development to end of life management
- Sustained double-digit growth from 2020 to 2023
- Business models tailored to customer needs
- Strong pipeline both clinical and commercial with a >30% win rate
Capacity Utilization is High and More Will be Required for Novel Indications

Mammalian Industry Capacity Utilization (% Demand / Supply)\(^1\)

- Additional demand due to Alzheimer’s Disease
- Base Case

Sales Forecast for Alzheimer’s Disease mAbs (bn USD)\(^2\)

- Additional capacity must be added 2025+ to meet new demand, especially large-scale manufacturing
- Approval of ultra-large volume mAbs would exacerbate the situation and lead to a further 3 – 4% increase in industry capacity utilization

---

\(^1\) Source: Lonza internal analysis, IQVIA, EvaluatePharma, Cylene, publicly announced capacity expansions (2023)

\(^2\) Source: Lonza internal analysis, EvaluatePharma

\(^3\) Estimated as maximum capacity utilization (--- dotted line)
Market Growth Driven by Healthy Pipeline and Commercial Programs

Mammalian Molecule Pipeline (Number of Molecules)\textsuperscript{1}

- **Commercial**
- **Launch**
- **Clinical**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>CAGR 2023–2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>4–5K</td>
<td>11%</td>
</tr>
<tr>
<td>2028E</td>
<td>5–6K</td>
<td>5%</td>
</tr>
</tbody>
</table>

Sustained market growth, and increased demand for outsourcing in large-scale commercial manufacturing

Total Capacity (m liters)\textsuperscript{2}

- **CDMO**
- **Hybrid**
- **Pharma**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
<th>CAGR 2023–2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>7–8</td>
<td>17%</td>
</tr>
<tr>
<td>2028</td>
<td>10–11</td>
<td>4%</td>
</tr>
</tbody>
</table>

Total market supply is expected to increase through CDMO capacity

---

\textsuperscript{1} Source: Lonza internal analysis includes monoclonal and recombinant antibodies, proteins, peptides, and biosimilars

\textsuperscript{2} Source: Lonza internal analysis publicly announced capacity expansions (2023)
Building Strong Clinical Pipeline to Secure Commercial Demand

Evolution of Sales in Clinical and small-scale Commercial (in m USD)

- 2019
- 2023E
- 2028E

Mammalian Molecule Growth by Clinical Phase (%)

<table>
<thead>
<tr>
<th>Lonza Molecule Numbers CAGR 2019 – 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-clinical</td>
</tr>
<tr>
<td>Phase 1 – 2</td>
</tr>
<tr>
<td>Phase 3</td>
</tr>
<tr>
<td>Commercial</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Anticipated 10% CAGR (2024 – 2028) will be supported by small-scale expansion in Visp, Portsmouth, Singapore and development services

Strong molecule acquisition and high retention rate will drive the growth and commercial pipeline

Source: Lonza internal data
Mammalian has the Most Complete Market Offering Across the Value Chain

- **Segment Participation**
  - Preclinical Services
  - Development Services
  - Small < 2000L
  - Mid 2'000–10'000L
  - Large Scale Manufacturing
  - Global Footprint

- **Competitor 1**
- **Competitor 2**
- **Competitor 3**
- **Competitor 4**
- **Competitor 5**

- **Lonza**

- **Clinical**
  - Mammalian Technology offering
    - <1kL
    - 1kL

- **Low Volume**
  - 2kL

- **Commercial**
  - Large Volume
    - 6kL
    - 10kL
    - 20kL

- **Market leaders - Top 3**
- **Existing capacity**
- **No capacity**

Source: Lonza internal analysis BDO; publicly announced capacity expansions (2023)
Review of Key Business Units

Mammalian

Bioconjugates

Microbial

Drug Product Services
Capturing Accelerated Bioconjugates Market Growth with an Integrated Offering and Early Mover Position

| Strongly growing market >10%, ADC >30% | Leading player with stronghold in commercial space and unique capabilities to integrate broad offering | Strategic focus on life cycle management, and end-to-end offering | Drive innovation as a key differentiator | Solid growth and highly utilized asset. Opportunity to double the growth with investment |
ADCs – the Science and the Offering

ADCs\(^1\) are a highly targeted and effective cancer treatment

Integrated offering across divisions

Capabilities from discovery to commercialization

Leader in manufacturing commercially approved therapeutics

\(^1\) Antibody Drug Conjugate
**Strong Growth of the ADC Conjugation CDMO Market at 30% CAGR**

### Bioconjugation CDMO Market Size (bn USD)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>1–2</td>
</tr>
<tr>
<td>2028</td>
<td>2–3</td>
</tr>
</tbody>
</table>

\(+10\%\)

### ADC Conjugation CDMO Market Size (bn USD)\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0.1–0.3</td>
</tr>
<tr>
<td>2023</td>
<td>1.1–1.2</td>
</tr>
<tr>
<td>2028</td>
<td>1.8–1.9</td>
</tr>
</tbody>
</table>

\(+30\%\)

### ADC Pipeline (Number of Molecules)\(^3\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>400–500</td>
</tr>
<tr>
<td>2028</td>
<td>500–600</td>
</tr>
</tbody>
</table>

\(+6\%\)

---

Market continues to grow, and supply chain complexity drives outsourcing.
Our end-to-end service provides a differentiated and attractive offering.

Strong preclinical pipeline supports ADC Pharmaceutical Acquisition of Synaffix supports molecule acquisition strategy and innovation focus.

---

1. Source: EvaluatePharma, GlobalData
2. Source: Roots Analysis
3. Source: Lonza internal analysis
Ahead of Competition in Many Steps of the Conjugation Value Chain

[Diagram showing segment participation, development, manufacturing, and conjugation stages for Lonza and competitors.]

Source: Lonza internal analysis
1 Drug substance
2 Drug product
End-to-End Offering Delivers Value to Our Customer and Business

Expected Bioconjugate Revenues from Integrated Program in 2024

Value created across Biologics

~50% of current Drug Product opportunities are linked to Lonza mAbs supply

70% of Lonza’s top ten customers leverage a multi-platform solution, and this is an increasing trend

Around 40% of the open opportunities are integrated offer

Source: Lonza internal analysis (Mammalian, Microbial, Small Molecule and/or Fill & Finish)
Market Demand and Innovation Supported by Business Growth

**Market Needs**

- Very strong ADC CDMO market growth
- High demand for integrated offerings to reduce complexity
- Need for Innovation: diverse payloads attached to mAbs (e.g., Oligos, polysaccharides, etc.)

**Our Business Response**

<table>
<thead>
<tr>
<th>2018</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>~65 batches</td>
<td>~300 batches&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>13 Programs</td>
<td>32 Programs</td>
</tr>
</tbody>
</table>

- New multi-purpose and dedicated assets
- Synaffix acquisition drives innovation focus
- Commercialization expertise

**Opportunity to double the business**

<sup>1</sup> Excluding dedicated asset
Review of Key Business Units

Mammalian

Bioconjugates

Microbial

Drug Product Services
Strong Performance in the Robust Microbial Market

- Sales grew 35% from 2020 to 2023
- Ramp up of new mid-scale asset and renewed customer pipeline
- Our molecule pipeline grew by more than 15% CAGR from 2019 to 2022
- Selective molecule acquisition strategy
Microbial CDMO Market Growth Driven by Robust Molecule Pipeline

**Microbial Molecule Pipeline (Number of Molecules)**

- **2023:** 1.3 – 1.4K
- **2028:** 1.6 – 1.7K

**CAGR 2023 – 2028:**
- Market supply: 4%
- Launch: 5%
- IND: 3%

**Total Capacity (in m liters)**

- **2023:** 0.7 – 0.8
- **2028:** 0.7 – 0.8

**CAGR 2023 – 2028:**
- CDMO: 1%
- Hybrid: 0%
- Product: 1%

CDMO market growth is driven by late-phase manufacturing. Sustained IND growth reflects a healthy pipeline.

Overall, market supply grows slower than demand. Proprietary expression system supports our selective acquisition strategy.

---

1. Source: Lonza internal analysis, CiteLine. Market data excludes bacterial cells. Pipeline data excludes bacterial cells, but includes biosimilars.
2. Sources: Lonza internal analysis publicly announced capacity expansions (2023)
Lonza Offers the Most Complete Service in the Microbial Market

<table>
<thead>
<tr>
<th>Segment Participation</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Competitor 3</th>
<th>Competitor 4</th>
<th>Competitor 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-clinical Services</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Development Service</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Small / Mid Manufacturing</td>
<td></td>
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</tr>
<tr>
<td>Large-Scale Manufacturing</td>
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</tr>
<tr>
<td>Global Footprint</td>
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<td></td>
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</tr>
</tbody>
</table>

Legend:  = Complete  = Partial  = None

Source: Lonza internal analysis
Review of Key Business Units

Mammalian  Bioconjugates  Microbial

Drug Product Services
Drug Product Services (DPS) Operates in an Attractive Market Segment

- Demonstrating 20% YoY growth every year since 2020

- In 2022, DPS executed 180 customer projects

- 1.5 – 2m doses produced between 2022 – 2023
  - Expect to reach 45m doses in 2030

- Signings:
  - Drug product commercial anchor customer for Visp
  - First ADC customer
  - 7 BLAs to date

- >130 new product introductions since August 2019 in Stein
Sustained DPS Market Growth in a Highly Outsourced Market

Drug Product Molecule Pipeline (Number of Molecules)\(^1\)

- **Market supply**
- **Launch**
- **IND**

<table>
<thead>
<tr>
<th>Year</th>
<th>2023</th>
<th>2028</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8 – 9K</strong></td>
<td><strong>12 – 13K</strong></td>
<td></td>
</tr>
<tr>
<td><strong>8%</strong></td>
<td><strong>8%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>6%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{+7\%}\)

**CAGR 2023 – 2028**

The Outsourcing Rate of Activities for Sterile Injectables (%\(^2\))

- Pre-formulation support: 45%
- Formulation support: 49%
- Optimization of existing formulations: 44%
- Process development: 52%
- Clinical trial manufacturing: 84%
- Commercial manufacturing: 70%
- Analytical services: 63%
- Quality management support: 41%
- Regulatory support: 40%
- Packaging: 84%

*Drug Product CDMO market value growth driven by large and growing biologics pipeline. Specific growth in next-generation biologics and biosimilars fuels demand for injectables*

*With new commercial capacity and an attractive integrated offer, we can capture growth in the outsourcing of clinical products (past focus) and commercial products (future focus)*

\(^1\) Source: Lonza internal analysis, Citeline

\(^2\) Sources: Outsourced Pharma Report 2021, FDA.gov, GlobalData
DPS Business is Closing the Gap with Other Market Leaders

Source: Lonza internal analysis
Tailored Customer Offerings on a Global Scale

- Portsmouth, US
- Slough, UK
- Cambridge, UK
- Stein, CH
- Hayward, US
- Cambridge, US
- Porriño, ES
- Visp, CH
- Guangzhou, CN
- Tuas, SG

Source: Internal data

1 DP: Drug Product
2 BC: Bioconjugate
3 MI: Microbial

Early / preclinical and clinical development and manufacturing
Existing capacity
Announced additions

Lonza Capital Markets Day 2023 | 80
Enhancing our Technological Edge through Targeted Innovation

Expression Technologies
“Gene-to-IND” early-phase service offers improved timelines, titers and product quality
bYlok™ scaffold and other gene editing technologies

Continuous Bioprocessing
Cost of Goods reduction in both clinical and commercial assets
N-1 perfusion and continuous purification technologies

Next-Generation Modalities
Early-stage capabilities in mRNA and bioconjugation to complement existing expertise in scale-up and commercial supply

Digitization
Technologies for real-time control of bioprocess performance in both clinical and commercial assets
Machine learning and AI tools optimize complex bioprocesses and yields
Licensing of Biologics Technologies Anticipates Trends and Creates Innovation Opportunities

| Strong IP property portfolio | Detector for market trends and innovation | Strong GS expression system offering, completed by technology acquisitions and strategic in-licensing (GS piggyBac®, bYlok®) | Business model aligned with customer need and molecule lifecycle | Highly profitable business grows below industry average |
Historical Sales Growth Benefited from Growth Project Delivery

Sales Growth 2019 - 2022

Overall, Biologics grew sales by 20% CAGR CER between 2019 and 2022 and 13% CAGR CER excluding Moderna

Past investments into growth projects such as Moderna, Ibex® Design, or mid-scale mammalian facility resulted in significant growth

Base business growth supported by throughput optimization

1 2019–2022 Sales CAGR at constant exchange rates
Future Investments Focus on Expanding Commercial Capacity

Indexed Average Annual CAPEX Spend by Category (bn CHF)

- Growth - Commercial
- Growth - Clinical

Past investments further strengthened the required infrastructure for clinical pipeline and lifecycle management.

Investment will focus on expanding commercial capacity to harvest the clinical pipeline (including large-scale Mammalian, Bioconjugation, Commercial Drug Product Fill & Finish).

Mid- to long-term investment required to replace end-of-life assets as well as replacement of IBEX contract termination.
Mid-teens Growth Sustained by Strong Outsourcing Trend and Growth Project Execution

**Sales Growth Outlook¹**

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
<th>Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2028</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mid-teens CAGR¹

**Market and Business Highlights**

Growth: sales exceeds market growth, driven by large commercial contracts, upcoming additional capacity, and future commercial expansion

Profit: sustained by commercial growth investments and operational improvements. Fluctuation linked to timing of asset ramp-up

CAPEX: focus on expanding commercial capacity, maintenance of existing assets and site infrastructure updates

¹ 2024 – 2028 Sales CAGR at constant exchange rates
Closing Remarks

Biologics market leader

The market is attractive, we can capture share

We have the right fundamentals and have the right strategy

Our Commitment

Mid-Term Guidance 2024 – 2028:

- Mid-teens CAGR growth\(^1\)
- >35% CORE EBITDA margin

\(^1\) 2024 – 2028 Sales CAGR at constant exchange rates
Small Molecules

Gordon Bates

Meeting our Customers’ Complex Small Molecules Needs
Executive Summary

A proven strategy to create and capture value

An industry leading reputation developed over 40 years

An attractive and growing target market
Proven Strategy to Create and Capture Value

Our Purpose

We help customers develop and manufacture innovative small molecule medicines through our commitment to science, technology and delivery

Strategic Priorities

- Be a strong development partner driven by science
- Be present throughout the product lifecycle
- Make the customer experience great
Our Leading Industry Reputation Developed over 40 Years

% Sales 2022

Drug Substance

Particle Engineering and Drug Product

Sales Portfolio 2022

Trusted partner for quality and security of supply

Expert scientific, regulatory and manufacturing teams

Strong and loyal customer base

Broad asset network provides flexibility for niche to high-volume product demand

Integrated product supply

- Commercial
- Clinical
We Play in an Attractive and Growing Market

**Record Number of Small Molecules in Development**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Small Molecules in Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>7k</td>
</tr>
<tr>
<td>2023</td>
<td>10k</td>
</tr>
<tr>
<td>2028</td>
<td>13k</td>
</tr>
</tbody>
</table>

Number of small molecules in development

**Lonza Capabilities Aligned with Major Market Modalities**

- **Small Molecules**: 52%
- **Biologics**: 48%

% molecules in global drug pipeline, 2023

**Attractive and Growing Market**

- 4-6% CAGR
- 2023: 70
- 2028: 94

% Small Molecules Outsourced Market, in bn USD

---

1. Source: Lonza internal analysis, Citeline
2. Source: Lonza internal analysis, EvaluatePharma
Our Capabilities are Well Aligned with Key Market Trends

**Small Molecule Market Trends**

1. 30% of molecules approved for oncology, most being highly potent molecules (HPAPI)
2. 70% of molecules with solubility issues
3. 80% of pipeline owned by smaller companies
4. 70% of regulatory approved drugs on accelerated pathways

**Our Capabilities**

1. Proven expertise for development and manufacturing of complex HPAPI / ADC processes
2. Industry-recognized scientific expertise for bioavailability enhancement
3. Close customer relationships cultivated
4. Mature quality processes and regulatory expertise supports rapid scale-up and commercialization

---

1. Source: Lonza internal analysis, Citeline
2. Includes FDA approvals assigned special designations such as priority review, accelerated approval, fast track, breakthrough therapy, and orphan classification

**Lonza Capital Markets Day 2023**
We are a Trusted Partner for Scale-Up and Commercialization

Total Sales 2022

Clinical

Commercial

Commercial Sales 2022

Commercial Capture

Clinical Capture\(^1\)

>50% commercial sales captured in or earlier than Phase 2

\(^1\) Sales % generated from molecules captured in pre-clinical, clinical Phase 1 and 2
Our Highly Potent API (HPAPI) Expertise Supports Blockbuster Oncology Products

Strong and Growing HPAPI Business

Evolution of HPAPI share in sales

Total SM: 8%\(^2\) Sales CAGR

HPAPI: 17%\(^2\) Sales CAGR

2019 2022

Proven HPAPI Commercialization Track Record

HPAPI Drug Substance manufacturing
Products scaled from clinical to commercial
Large pharma portfolio – long-term contract
Operational since 2021

Existing Facility, Visp

New manufacturing complex including dedicated ADC production suite
Product scaled from clinical to commercial
Large pharma – long-term contract
Operational in 2024
Integrated supply chain with Biologics

New Manufacturing Complex, Visp

---

\(^1\) 2019 – 2022 Sales CAGR at constant exchange rates
\(^2\) 2019 – 2022 Sales CAGR at actual exchange rates
A Strong Financial Performance Track Record

Key Financials

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (m CHF)</th>
<th>CORE EBITDA margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019¹</td>
<td>655</td>
<td></td>
</tr>
<tr>
<td>2020²</td>
<td>692</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>767</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>819</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales growth vs. prior year %³</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019¹</td>
<td>14%</td>
</tr>
<tr>
<td>2020²</td>
<td>8%</td>
</tr>
<tr>
<td>2021</td>
<td>11%</td>
</tr>
<tr>
<td>2022</td>
<td>6%</td>
</tr>
</tbody>
</table>

Performance Drivers

- **Sales**
  - 8% CAGR⁴
  - Secure base capacity utilization with loyal customer portfolio
  - Dedicated capacity expansions supported by long-term agreements

- **EBITDA**
  - 13% CAGR⁵
  - Asset and product portfolio management
  - Operational excellence
  - Operating leverage

¹ 2019 like-for-like, adjusted for changes in divisional structure and Alternative Performance Measure policy
² 2020 restated as published in Annual Report 2021
³ At constant exchange rates
⁴ 2019 – 2022 Sales CAGR at constant exchange rates
⁵ 2019 – 2022 CORE EBITDA CAGR at actual exchange rates
Investing in Strong Global Network to Drive Future Growth

Future investment priorities

Commercial drug substance to capture strong demand (incl. HPAPI)

Early-phase drug substance capacity to accelerate pipeline capture

Commercial particle engineering to support pipeline commercialization
Our Future Trajectory is Driven by Capacity Expansion Projects

Sales Growth Outlook

Illustrative (m CHF)

Mid-term Guidance 2024 – 2028

Mid-to-high single-digit CAGR¹

Base Growth

2024 2028

¹ 2024 – 2028 Sales CAGR at constant exchange rates

Record levels of order commitments and broad contract coverage

Healthy late-stage pipeline expected to commercialize

Strong utilization of base assets

Non-linear sales profile as growth assets scale to peak

Sustained margin performance

>30% CORE EBITDA margin in 2028
Closing Remarks

A proven strategy to create and capture value

An industry-leading reputation developed over 40 years

An attractive and growing target market

Our Commitment

Mid-Term Guidance 2024 – 2028:

Mid-to-high single-digit growth\(^1\)

>30% CORE EBITDA margin

\(^1\) 2024 – 2028 Sales CAGR at constant exchange rates
Cell & Gene

Daniel Palmacci

Driving the Commercialization of Cell and Gene Therapies
Executive Summary

Attractive Market

Cell and Gene Market has shown transformative efficacy, now is becoming established through commercialization phase

CDMO Market growing at CAGR ~15% in CHF
From 2024 to 2028

Strategic Pillars

- Manufacturing expertise
- Commercialization track record
- Innovation
- Partnerships with frontrunners

Our Businesses

- Cell & Gene Technologies
- Bioscience
- Personalized Medicine (Cocoon®)

Synergistic Offerings

- CDMO services leader
- Specialty product business
- Innovative start-up

Strategy to Differentiate

- Commercialization engine
- Leader in selected core markets
- Solving for affordability and scalability
Review of Key Business Units

Cell & Gene Technologies

Bioscience

Personalized Medicine
Review of Key Business Units

Cell & Gene Technologies

Bioscience

Personalized Medicine
Cell & Gene Technologies are Poised to Remain a Commercialization Leader

- Recognized industry leader
- Delivered 30% topline CAGR and turned to profitability between 2018 and 2022
- Leader in successful CGT commercialization with a large proportion of outsourced, marketed products
- Strategically investing in novel and disruptive technologies
The Market Shifted from Optimism to Temporary Slowdown, with a Strong Outlook Driven by Increased Commercialization

Temporary Slow-Down Recently Impacted Early-Stage Pipeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Cell &amp; Gene molecules in development</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.6K</td>
</tr>
<tr>
<td>2021</td>
<td>2.7K</td>
</tr>
<tr>
<td>2023</td>
<td>3.2K</td>
</tr>
<tr>
<td>2028</td>
<td>5.6K</td>
</tr>
</tbody>
</table>

Strong Growth of Cell & Gene CDMO Market Driven by Commercial Products

<table>
<thead>
<tr>
<th>Year</th>
<th>Outsourced Market Manufacturing Value, in bn CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>5.0</td>
</tr>
<tr>
<td>2028</td>
<td>8.7</td>
</tr>
</tbody>
</table>

CAGR 18 – 21 | CAGR 21 – 23 | CAGR 23 – 28

<table>
<thead>
<tr>
<th>Phase</th>
<th>18 – 21</th>
<th>21 – 23</th>
<th>23 – 28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 3 / Commercial</td>
<td>13%</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>Phase 1 / 2</td>
<td>16%</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td>Preclinical</td>
<td>24%</td>
<td>5%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Lonza internal analysis, Cite?ne
### Key drivers for outsourcing

- Expertise is key to successful manufacturing. Challenge for small companies to hire and develop people.
- Multiple developers face manufacturing challenges.
- Developers are choosing to allocate scarce funds to clinical development, instead of manufacturing.
- Visible trend in industry to divest facilities: multiple companies approached us in recent years to sell their facilities – majority were developers.

### Outsourcing levels are expected to be in line with the biologics market

<table>
<thead>
<tr>
<th>Modality</th>
<th>Share Outsourced 2028¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biologics</td>
<td>52%</td>
</tr>
<tr>
<td>Viral Vectors</td>
<td>58%</td>
</tr>
<tr>
<td>Allogeneic</td>
<td>45%</td>
</tr>
<tr>
<td>Autologous</td>
<td>49%</td>
</tr>
</tbody>
</table>

¹Outsourced manufacturing share by 2028

Source: Lonza internal analysis, FDA company websites, UBS Biologics Supply & Demand Insights 2022, ISR Cell and Gene Therapies Manufacturing Market Outlook 2023
Lonza has a Robust Strategy and Benefits from Global Trends in Cell & Gene

<table>
<thead>
<tr>
<th>Trend</th>
<th>Customer Interest / Demand</th>
<th>Lonza Readiness</th>
<th>Competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMC / BLA de-risking</td>
<td>Strong</td>
<td>Positive</td>
<td>Neutral to Negative</td>
</tr>
<tr>
<td>Flexible capacity</td>
<td>Strong</td>
<td>Positive</td>
<td>Neutral to Negative</td>
</tr>
<tr>
<td>Emerging modalities</td>
<td>Strong</td>
<td>Positive</td>
<td>Neutral</td>
</tr>
<tr>
<td>Cost reduction</td>
<td>Strong</td>
<td>Neutral to Positive</td>
<td>Positive to Neutral</td>
</tr>
<tr>
<td>Financial resilience</td>
<td>Medium</td>
<td>Positive</td>
<td>Positive or Negative</td>
</tr>
</tbody>
</table>
Our Competitive Position is Strong Across Both Modalities and Services

<table>
<thead>
<tr>
<th>Modalities / Services</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Competitor 3</th>
<th>Competitor 4</th>
<th>Competitor 5</th>
<th>Competitor 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cell Therapy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Viral Vector Therapy</td>
<td></td>
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</tr>
<tr>
<td>Exosomes</td>
<td></td>
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<td></td>
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<tr>
<td>PSCs</td>
<td></td>
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<tr>
<td>Platforms</td>
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<tr>
<td>Process Development</td>
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</tr>
<tr>
<td>Clinical Manufacturing</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Commercial Experience</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Company presentations and company websites
The Largest CDMO Capability and the Three Outsourced, Commercial Products

Employee cost has the main share of COGS\(^1\) and is a good proxy for capacity

Manufacturing cost breakdown

In Cell & Gene manufacturing, capability plays a decisive role in defining success

Lonza has the largest CDMO capability

% share in CDMO by FTE

Lonza; 9%
Competitor 1; 7%
Competitor 2; 5%
Competitor 3; 4%
All others 75%

Since 2015, 22 CGT products\(^2\) have been approved, ~50% outsourced to CDMOs
Lonza supports three commercial products

---

\(^1\) Cost of goods
\(^2\) Second-generation CGT products include immunotherapy, gene therapy, and gene-modified cell therapy
Source: Alliance for Regenerative Medicine 2023 State of the Industry Briefing report, LinkedIn Insights
Set to Remain a Leader in the Commercialization of Cell & Gene Therapies

By 2025 our Manufacturing Network will Shift to Commercial

<table>
<thead>
<tr>
<th>Commercial Products</th>
<th>Commercial Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Today: 3</td>
<td>Today: 1</td>
</tr>
<tr>
<td>2025: 7</td>
<td>2025: 3</td>
</tr>
</tbody>
</table>

Three commercial products already in portfolio and four more expected in the next 18 months

% of CDMO Revenues from Commercial Programs

- 2023: 70% Commercial, 25% Clinical
- 2028: 70% Commercial, 25% Clinical

Lonza revenue percentages will shift from clinical to commercial

Based on expectations for customers’ clinical success
Vertex deal to build a Dedicated Manufacturing Facility for Type 1 Diabetes (T1D) Cell Therapies

Vertex and Lonza will co-invest in CAPEX

New facility will span more than 12,000m²

~300 new jobs in Portsmouth (US)

Acquired Core Assets from Codik Biosciences to Expand Exosomes (Extracellular vesicles) Offering

The acquisition established Lonza’s leading position in this emerging modality

IP for advanced and proven linking /loading/ decoration technologies and manufacturing process

1,700m² facility in Lexington (US) manufacturing Extracellular Vesicle products (both DS and DP)

DS: Drug Substance, DP: Drug product
Review of Key Business Units

Cell & Gene Technologies

Bioscience

Personalized Medicine
Bioscience Continues to Deliver Above Market Growth and Strong Margin Progression

**Strong portfolio:**
- Cell culture media
- Electroporation and Nucleofector® Technology
- Endotoxin testing
- MODA

**Delivered 12% revenue CAGR over last 5 years**
- Profitability grew from single digits to >30% in the last 5 years

**Strategy to maintain leading presence in the markets we strategically target**

**Investment needed to continue to grow and modernize**
Innovation is at the Heart of our Competitive Advantage

<table>
<thead>
<tr>
<th>Benefits from customer reach and industry expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TheraPEAK® T-Vivo® Medium</strong></td>
</tr>
<tr>
<td>Enhanced CAR-T drug safety profile with chemically-defined formulation</td>
</tr>
<tr>
<td>Lower CAR-T COGS with best-in-class productivity / performance</td>
</tr>
<tr>
<td><strong>TheraPRO® CHO Medium</strong></td>
</tr>
<tr>
<td>Reduced mAb production time due to ease of use</td>
</tr>
<tr>
<td>Lower mAb COGS with best-in-class productivity (~4 times vs. competition)</td>
</tr>
<tr>
<td><strong>Endotoxin Testing</strong></td>
</tr>
<tr>
<td>Optimized microplate readers for streamlined endotoxin and pyrogen testing</td>
</tr>
</tbody>
</table>

¹Cost of goods sold
Review of Key Business Units

Cell & Gene Technologies  
Bioscience  
Personalized Medicine
Cocoon® Platform Can Solve Cell Therapy Manufacturing Challenges

Cell & Gene Manufacturing Challenges

- High levels of manufacturing process complexity and logistics
- Affordability of cell therapies
- Current solutions not scalable enough to meet patient demand

Cocoon® Platform Can Solve These Challenges

- High process robustness and consistency
- Reduced logistics through option for Point-of-Care manufacturing
- Closed, automated manufacturing with reduced labor
- Efficient scale out with the Tree, reduced clean room requirements; lower error rates
Treating Patients Across the World with the Cocoon® Platform

~100 Cocoons in use by customers
~20 active customers

Successfully supported multiple customers from pre-clinical to Phase 2
Delivering seven-day Point-of-Care vein-to-vein therapy

Delivering clinical products that consistently meet quality requirements

Investments focused on R&D roadmap and platform development
Lonza Cell & Gene Division Has a Strong Financial Track Record

Division Key Financials

- CORE EBITDA %
- Sales

Profitable Growth Above Market

<table>
<thead>
<tr>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio shifting toward commercialization</td>
</tr>
<tr>
<td>Dedicated build-outs for pioneering partnerships</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optimized facility utilization</td>
</tr>
<tr>
<td>Favorable business mix towards late phase and commercial programs</td>
</tr>
</tbody>
</table>

- From -7 to 17%
- 18%
Cell and Gene Division Outlook and Mid-Term Guidance

Sales Growth Outlook

Illustrative (m CHF)

Mid-teens CAGR

2024  2028

Market and Business Highlights

- Drive top line through increasing share of commercial projects
- Improved margins with operational leverage and optimized asset utilization
- Innovation in modalities and processes
- Continue to strengthen operations
- Integrated platforms

Mid-Term Guidance 2024 – 2028

Mid-teens CAGR Sales growth

>25% CORE EBITDA margin in 2028

1 2024 – 2028 Sales CAGR at constant exchange rates
Closing Remarks

Three synergistic businesses create an attractive future opportunity

Becoming a “commercialization engine”

Strategically investing in novel technologies and into growing product businesses

Our Commitment

Mid-Term Guidance 2024 – 2028:

Mid-teens CAGR Sales growth

>25% CORE EBITDA margin

1 2024 – 2028 Sales CAGR at constant exchange rates
Capsules & Health Ingredients

Christian Seufert

Leading with a High-Value and Innovative Capsule and Service Offering
### Executive Summary

<table>
<thead>
<tr>
<th>Our market</th>
<th>Best-in-class business in all target markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard Empty Capsules (HEC) CAGR 2 – 3%</td>
<td>Dosage Form Solutions (DFS) CAGR &gt;5%</td>
</tr>
</tbody>
</table>

| Our customer offering | Broad portfolio of customizable products | Innovative partner | Commercial and technical services |

| Our strategy | Growth at or above market | Process innovation and network optimization | Product and service innovation |

| Our expertise and capabilities | Customer centricity | Automation and precision engineering | Leading quality and productivity | Capsule innovation: shaping the future |
## Well Positioned in Attractive and Robust Markets

<table>
<thead>
<tr>
<th></th>
<th>Market Growth(^1)</th>
<th>Our Growth</th>
<th>Market Trends</th>
<th>Lonza Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hard Empty Capsules (HEC)</strong></td>
<td>2-3%</td>
<td>In line with market</td>
<td>Tighter quality standards</td>
<td>Broad product and service portfolio</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Clean labels and innovation</td>
<td>Novel and functional capsules</td>
</tr>
<tr>
<td><strong>Dosage Form Solutions (DFS)</strong></td>
<td>&gt;5%</td>
<td>Above market</td>
<td>High value differentiation</td>
<td>Specialized CMO services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unique delivery solutions and aesthetics for differentiated brand positioning</td>
</tr>
<tr>
<td><strong>Health Ingredients</strong></td>
<td>&gt;5%</td>
<td>Above market</td>
<td>Clinical evidence</td>
<td>Strong scientific claims and engaging branding</td>
</tr>
</tbody>
</table>

\(^1\)2022 – 2028 CAGR in USD for addressable market; Source: Lonza internal analysis
Industry Experienced Market Headwinds Through COVID-19 and Post-Pandemic Recovery

Demand spike and capital investments → Customers qualified more suppliers → Inflation jolted consumer confidence → Excess capacity leads to margin pressure → Elevated inventories dampens demand → Unprecedented cost increases

= Temporary  = Persistent
HEC Market Growth Remains Robust While Pandemic Surge Led to Capacity Expansion Particularly in Low Quality Segment

Nutra HEC Marginally Outgrows Pharma HEC

Excess Capacity in Total Market and High-End Capsule Market

Reference: Capacity Utilization figures from 2019, based on recent Kline & Co (Q4 2022) and Ascendant Mfr (Q2 2023) interviews
Customers Confirm Our Best-in-Class Quality, Innovation and Service Offering

<table>
<thead>
<tr>
<th>Customer Value</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Competitor 3</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer and Technical Service</td>
<td></td>
<td></td>
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<tr>
<td>Process Innovation</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Product Innovation</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Co-Innovation</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

### Voice of Our Customers

<table>
<thead>
<tr>
<th>Pharma / Nutrition Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market leading quality standards</td>
</tr>
<tr>
<td>Best-in-class commercial and technical service</td>
</tr>
<tr>
<td>Cutting edge process, product and service innovation</td>
</tr>
</tbody>
</table>

Source: 2023 YTD data Lonza CHI NPS Scores, Medallia

Legend:
- **Leading**
- **Industry Standard**
- **Sub-standard**
- **No capability**
Process Innovation: Manufacturing Technology Platform Drives Improvement in Productivity and Quality

Next Generation Technology Platform

Production Line Output

- New proprietary HEC technology: Higher output with lower weight and dimensional variability
- First line fully operational in Q1 2024
- Initiate full scale deployment in 2025
- Automation (e.g. inspection systems)
- Focused CAPEX at most competitive sites to optimize network
## Product Innovation: Revenue of Innovative Capsules Outgrows Market at Higher Margins

<table>
<thead>
<tr>
<th>Market Trends</th>
<th>Recently Launched Innovative Capsules</th>
<th>Unique Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modified Release</td>
<td>Capsugel® Enprotect®&lt;sup&gt;®&lt;/sup&gt; Novel Dual Layer Innovation Platform for targeted intestinal release</td>
<td>&gt;200</td>
</tr>
<tr>
<td>Clean Labels</td>
<td>Capsugel® Plantcaps® Natural and Pure</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Dynamic Regulations</td>
<td>Capsugel® TiO₂-Free Capsule</td>
<td>&gt;150</td>
</tr>
</tbody>
</table>
Service Innovation: Dosage Form Solutions Show Attractive Growth and Opportunity Pipeline

Business Highlights

Capacity expansions completed

Growing business with loyal customer base

Signed LOI for multi-year supply agreement with leading player in the US market

Deployment of new sealing technology increasing productivity

Business Plan and Opportunity Pipeline

- Pipeline growth 2022 – 2023: +360%
- Global repurchase rate: 70%
- New project win rate: 40%
Top-line Growth with Pandemic Demand Surge, Continuously High Margin and Cash Generation

Key Financials

- Sales (m CHF)
- CORE EBITDA margin, %

Sales growth vs. prior year, %

- 2019: 34.8
- 2020: 32.8
- 2021: 34.4
- 2022: 1'266

Performance Drivers

Sales 7% CAGR³

Sales growth driven by price increases and HEC demand
Capacity expansions completed to support nutraceutical demand

EBITDA 2% CAGR⁴

Margin impacted by residual inflation, partially offset by price increase and operational excellence

Notes:
1. Like-for-like financials, accounting for changes in divisional structure and APM policy that occurred in 2021
2. At constant exchange rates
3. 2019 – 2022 Sales CAGR at constant exchange rates
4. 2019 – 2022 CORE EBITDA CAGR at actual exchange rates
Continuously High Cash Generation of Capsules & Health Ingredients

Sales Growth Revenue Outlook\(^1\)

Illustrative (m CHF)

Low-to-mid single-digit\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>HEC</th>
<th>DFS</th>
<th>HI</th>
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<td>2024</td>
<td></td>
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<td>2028</td>
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Market and Business Highlights

- HEC nutraceuticals demand in the US to gradually recover
- Revenue: growing with HEC market; boost growth with DFS
- Cost: Continuous operational improvement and new process technology roll-out improving margin
- CAPEX: focus on productivity and flexibility improvements

Mid-Term Guidance 2024 – 2028

Low-to-mid single-digit sales growth\(^1\)
CORE EBITDA margin at +30% in 2028
High cash generation

\(^{1}\) 2024 – 2028 Sales CAGR at constant exchange rates

Lonza Capital Markets Day 2023 | 130
Closing Remarks

100 years of capsule experience and industry leadership

Next generation HEC technology

Innovative products and services

Our Commitment

Mid-Term Guidance 2024 – 2028:

High customer satisfaction
Low-to-mid single-digit growth\(^1\)
CORE EBITDA margin at +30% in 2028

\(^1\) 2024 – 2028 Sales CAGR at constant exchange rates
Closing Remarks
Closing Remarks: We Bring Innovative Therapies to Market

We continue to invest in well-established, crucial modalities to capture growth in the highly attractive CDMO market

We also invest in new modalities to remain at the forefront of innovation and capture future growth opportunities

We remain the best-in-class and industry reference in high quality CDMO solutions for our customers

We are disciplined with our capital allocation prioritizing organic growth, shareholder return and complementary M&A and will increase cash flow conversion in line with guidance

We are confident in our industry outlook and achieving our guidance

We have talented leaders and world-class teams collaborating to deliver for our customers, shareholders and stakeholders
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 section “Looking to the Future” herein may not prove to be correct. The statements in the section “Looking to the Future” constitute forward-looking statements and are not guarantees of future financial performance.

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