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- Lonza at a Glance
- Full-Year 2019 Overview
- Outlook 2020
- Lonza Segments
  - Pharma Biotech & Nutrition (LPBN)
  - Specialty Ingredients (LSI)
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Note: Since 1 March 2019, Lonza has been operating in a Lonza Pharma Biotech & Nutrition segment and a Lonza Specialty Ingredients segment. Restated 2018 financials are published here.
Lonza at a Glance
Lonza – Leading CDMO Player Globally, and Leading in Microbial Control

Substantial scale and strong growth across all key metrics

- 6.8% Sales CAGR 2012-2019
- 4.2bn 2019 LPBN Sales in CHF
- 980 bps 2019 CORE EBITDA Margin Improvement 2012-2019
- 32.9% 2019 LPBN CORE EBITDA Margin

- 5.9bn 2019 Sales in CHF
- 1.7bn 2019 LSI Sales in CHF
- 27.4% 2019 CORE EBITDA Margin
- 17.8% 2019 LSI CORE EBITDA Margin

- >575 Active Patent Families
- >800 Brands
- >55 Manufacturing Sites
- 15,468 Employees End of 2019
- 123 years of history

*Growth rates based on reported figures at actual exchange rates. No adjustment for acquisitions and divestments reflected, except 2018 and 2019 figures, which are restated for reorganization of Lonza’s Segments LPBN / LSI (excluding Water Care business as discontinued operations)
Current Business Portfolio

Nutritional hard capsules business becoming part of LPBN

Lonza Pharma Biotech & Nutrition (LPBN)

- CDMO Services Businesses
  - Small molecules
  - Mammalian and microbial
  - Cell and gene technologies

- Product Businesses
  - Bioscience
  - Capsule systems
  - Nutritional ingredients

Lonza Specialty Ingredients (LSI)

- Microbial-Control Solutions
  - Professional hygiene
  - Home and personal care
  - Wood protection
  - Material protection
  - Paints & coatings
  - Crop protection

- Specialty Chemicals Services
  - Composites
  - Custom development & manufacturing
  - Performance chemicals & intermediates

Organizational changes in 2019

Alignment of the scope of segments

- Integrating the nutritional hard capsule business and small portfolio for nutritional ingredients into Pharma & Biotech
- Designed to strengthen collaboration and leverage synergies within the capsules businesses

Start of carve-out of Lonza Specialty Ingredients

- LSI will operate independently, but remain a fully owned segment of Lonza Group
- Increase focus on LSI priorities and optimal organization model

| CHF 4.2bn | 11,148 |
| Sales | Employees |
| CHF 1.7bn | 2,504 |
| Sales | Employees |
Lonza Geographic Overview

Capitalizing on our global footprint (overview manufacturing and R&D sites, and sales offices)

Lonza has more than 100 sites and offices

2019 sales by region

- Europe: 38%
- Americas: 46.1%
- Asia: 14.2%
- Other\(^1\): 1.7%

\(^1\) Includes Africa, Australia & New Zealand and Others
Progressing LSI Carve-out According to Timelines and Defined Milestones
Completion of operational separation expected mid-2020

Cross-functional workstreams

- Tax
- Carve-out structure
- Visp
- Nansha
- Regional carve-out
- Global real estate
- HR
- Carve-out financials
- Environment
- IT
- Comms
- Treasury
- Procurement
- Logistics
- Legal / IP
- Regulatory

Selected milestones in 2020:

- Dedicated legal entities by business/segment (operational in H1 2020)
- Assignment of employees to segments
- Set up of service and supply agreements between the two segments progressing
- Continued progress in setting up systems to reflect new legal entity structure
Lonza Group delivers on guidance with 6.8% sales growth, resulting in CHF 5.9bn, and CHF 1.6bn CORE EBITDA, resulting in a 27.4% margin.

Pharma Biotech & Nutrition (LPBN) as driver, with 11.0% sales growth and 32.9% CORE EBITDA margin.

Specialty Ingredients (LSI) shows improved 17.8% CORE EBITDA margin, despite sales growth of -3.2%; carve-out progressing according to plan.

Lonza Group outlook 2020: above mid single-digit sales growth, driven by high single-digit sales growth in LPBN, and overall stable CORE EBITDA margin.

Mid-Term Guidance 2022 confirmed, supported by solid building blocks.

1 Guidance for FY 2019: mid to high single-digit sales growth and sustained high CORE EBITDA margin level

2 Outlook 2020 in constant currency
### Full-Year 2019 Results

**Comparison vs. Prior Year (Continuing Operations)**

<table>
<thead>
<tr>
<th>Category</th>
<th>2019 Values</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (CHF)</td>
<td>5,920 million</td>
<td>+6.4%</td>
</tr>
<tr>
<td>Sales Growth</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>CORE EBITDA (CHF)</td>
<td>1,620 million</td>
<td>7.2%</td>
</tr>
<tr>
<td>CORE EBITDA Margin</td>
<td>10bps</td>
<td></td>
</tr>
<tr>
<td>CORE EPS Diluted</td>
<td>13.59 CHF</td>
<td>+30 bps</td>
</tr>
<tr>
<td>CORE definition: See appendix</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>15,468</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

1. IFRS 16 accounting adjustment on leases had a positive CORE EBITDA impact of CHF 33 million in 2019 (60 bps positive CORE EBITDA margin impact), offset by costs related to the divestment of the Water Care business and carve out of Specialty Ingredients (50 bps negative CORE EBITDA margin impact). IFRS Results – Continuing Business: EBITDA – CHF 1,525 million; 6.7% change, EBITDA Margin – 25.8%; 0bps change
2. EPS diluted – CHF 10.22; 16.5% change (IFRS Results – Continuing Business)
Segment Financial Performance Full-Year 2019

Pharma Biotech & Nutrition

<table>
<thead>
<tr>
<th>Sales (CHF)</th>
<th>CORE EBITDA (CHF)</th>
<th>CORE EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,167 million</td>
<td>1,371 million(^1)</td>
<td>32.9%(^2)</td>
</tr>
<tr>
<td>11.0%</td>
<td>10.0%</td>
<td>(30bps)</td>
</tr>
</tbody>
</table>

Specialty Ingredients

<table>
<thead>
<tr>
<th>Sales (CHF)</th>
<th>CORE EBITDA (CHF)</th>
<th>CORE EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,693 million</td>
<td>302 million(^3)</td>
<td>17.8%(^4)</td>
</tr>
<tr>
<td>(3.2%)</td>
<td>(0.3%)</td>
<td>50bps</td>
</tr>
</tbody>
</table>

\(^1\) CORE EBITDA excl. IFRS 16 – CHF 1,347 million; 8.1% change
\(^2\) CORE EBITDA Margin excl. IFRS 16 – 32.3%; (90bps) change
\(^3\) CORE EBITDA excl. IFRS 16 – CHF 397 million; (2%) change
\(^4\) CORE EBITDA Margin excl. IFRS 16 – 17.5%; 20bps change

CORE definition: See appendix
Lonza Net Leverage 2017 to 2019
Continued deleveraging on the back of strategic growth investments

- Deleveraging well below guidance of less than 2x net debt/CORE EBITDA by end 2019
- Debt reduction behind strong operational free cash flow and divestment of Water Care business with net proceeds of CHF 620 million
- Successful refinancing of loan facilities in 2019, leveraging successful initiation of S&P BBB+ credit rating with stable outlook in 2019
- Commitment to maintain solid investment grade rating going forward

Net Leverage (Net Debt / CORE EBITDA)

- At closing of Capsugel acquisition\(^1\)
- FY2017\(^2\)
- FY2018\(^3\)
- HY2019\(^3\)
- 2019

### Core EBITDA definition: See appendix

---

1. Net Debt/CORE EBITDA is calculated based on the CORE EBITDA of the last 12 months, including Capsugel. The Capsugel acquisition closed on 5 July 2017.
2. 2017 including Capsugel as of 5 July 2017, restated for IFRS 15.
3. Net Debt/CORE EBITDA is calculated based on the CORE EBITDA of the last 12 months.
Lonza Financial Performance
Trends from 2012 to 2019

**Sales** in CHF million

CAGR 2012 – 2019 – 6.8%
Total Growth – 58.2%

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,741</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>5,920</td>
</tr>
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</table>

**CORE RONOA** in %

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>11.0</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>28.5</td>
<td></td>
</tr>
</tbody>
</table>

**CORE EBITDA** in CHF million

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>17.6</td>
<td>19.8</td>
<td>20.4</td>
<td>20.9</td>
<td>22.2</td>
<td>1,349</td>
<td>1,511</td>
<td>1,620</td>
</tr>
</tbody>
</table>

**CORE EPS Diluted** in CHF

CAGR 2012 – 2019 – 17.1%
Total Growth – 202.2%

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<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5</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>13.6</td>
<td></td>
</tr>
</tbody>
</table>

*Growth rates based on reported figures at actual exchange rates. No adjustment for acquisitions and divestments reflected, except 2018 and 2019 figures, which are restated for reorganization of Lonza's Segments LPBN / LSI (excluding Water Care business as discontinued operations)
Outlook 2020
**Outlook 2020**
The year ahead for Lonza Group and its segments

- High single-digit sales growth in Pharma Biotech & Nutrition and low single-digit sales growth in Specialty Ingredients anticipated in 2020

- Overall stable CORE EBITDA margin despite growth projects in LPBN with CAPEX investments expected to remain at 2019 levels, related OPEX and start-up cost for significant projects scheduled to start operations by the end of 2020

- Outlook factors in continued macroeconomic uncertainty and some potential ongoing headwinds in the cyclical parts of Lonza's Specialty Ingredients businesses

**Outlook 2020** is based on present business composition, the current macroeconomic environment, existing visibility and constant exchange rates.
Lonza Priorities 2020

Setting up the business for continued growth

- Delivering financial targets 2020 and building blocks for Mid-Term Guidance 2022
- Realizing LSI carve-out on time and on budget
- Focusing on execution of growth projects and new partnerships in LPBN, as well as strengthening R&D and innovation
- Continuing talent attraction and retention as well as ensuring constant pipeline to develop the future leaders of the company
- Establishing clearer targets and action plan for implementation of environmental, social and governance (ESG) measures
- Reviewing future plans for Specialty Ingredients
Segments: LONZA Pharma Biotech & Nutrition (LPBN)
Key CDMO Industry Drivers in 2020
Review of selected key issues

- Increasing Complexity of Molecules
- Evolving New Modalities
- Solubility and Bioavailability Issues
- Need for Flexible Manufacturing
- Cell & Gene at Inflection Point
- Industry 4.0
- Biologics Growth in China
- Biotechs Driven Innovation
- Ever-increasing Speed to Market
Complexity of Large- and Small-Molecules Poses Manufacturing Challenges

Expert handling requires strong CDMO partner

### Global Biologics finished products

| CAGR 2019-2025E | 9% |

### Global Small Molecules finished products

| CAGR 2019-2024E | 6% |

### Global next-generation mAb

**Revenue CAGR (in USD) 2017-2023E**

| 27% |

26% of pre-clinical and phase I mammalian pipeline are next-generation antibodies (including ADCs)

### Highly potent API in small molecules

**Revenue CAGR (in USD) 2018-2023E**

| 10% |

25% of small molecule clinical pipeline are Highly Potent Active Pharmaceutical Ingredients (HPAPI)

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2. Source: Evaluate Pharma (2019)
4. Source: Internal Analysis; Citeline (2019)
Pharma Pipeline Across Modalities Dependent on Biotech Innovation

Strong funding backs biotech growth

<table>
<thead>
<tr>
<th>% of clinical pipeline driven by biotech companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mammalian and Microbial</td>
</tr>
<tr>
<td>~80%&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>Cell and Gene Technologies</td>
</tr>
<tr>
<td>~90%&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Small Molecules</td>
</tr>
<tr>
<td>&gt;70%&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>1</sup> Source: IQVIA (2019)
<sup>2</sup> Source: Citeline (2019)
<sup>3</sup> Sources: IQVIA (2018); FDA (2018); Clarivate Analytics Cortellis (2018)
The Opportunities for Lonza Pharma Biotech & Nutrition

We are uniquely positioned to capture advantage in a changing market landscape

**Lonza Strengths**

- Innovation from small/virtual VC-funded companies
- New technologies (e.g. expression systems, cell and gene)
- Growth investments, high-return and low-risk
- Industry-leading expertise magnet for talent
- Geographic diversification

**External Opportunities**

- Flexible and global asset network across modalities
- Partner of choice for pharma and biotech, trusted to deliver
- More molecules, increasingly complex, expedited pathways
- Innovation from small/virtual VC-funded companies
CDMO Services within LPBN
Lonza’s CDMO Offerings in its Pharma Biotech & Nutrition Segment
Global leadership across technology platforms

<table>
<thead>
<tr>
<th>Pharma &amp; Biotech</th>
<th>Customized API</th>
<th>Delivery &amp; Product Differentiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMALL MOLECULES</td>
<td>Drug Substance Development</td>
<td>Drug Substance Manufacturing</td>
</tr>
</tbody>
</table>
| BIOLOGICS        | 1. Chemical intermediates, customized API, including HPAPI, Cytotoxics  
                   2. Oral dosage forms & delivery systems | 1. Mammalian and microbial expression systems, bioconjugates, cell & gene technologies  
                   2. Parenteral drug product services |
Global CDMO Offering – Serving Customers Across Modalities...

Lonza selected customers in the pharma and healthcare sector

*Sources: Company internal information and publically available sources*
...And Millions of Patients

By manufacturing therapies and treatments to advance health and well-being

>1,040 molecules

Supported by Lonza in 2019 (large and small-molecules)¹

¹ Small Molecules include active pharmaceutical ingredients (API), highly potent API (HPAPI) and dosage form and delivery systems. Large Molecules include mammalian and microbial, cell & gene therapy products, applied protein services and drug product services.
Market Performance

Supporting more than 1,040 molecules in 2019 ensured Lonza had a market-leading CDMO position.

Lonza supported

> 620
Small molecules¹ in 2019

> 350
Preclinical and clinical molecules

> 270
Commercial molecules

Lonza supported

> 420
Large molecules in 2019

> 380
Preclinical and clinical molecules²

> 40
Commercial molecules³

¹ Including active pharmaceutical ingredients (API), highly potent API (HPAPI) and dosage form and delivery systems
² Including mammalian and microbial, cell & gene therapy products, applied protein services and drug product services
³ Including mammalian and microbial and cell & gene therapy products
## Full-Year 2019 CDMO Services Overview

**Continued strong momentum for clinical and commercial offerings**

### Small Molecules
- Continued to benefit from innovative business models and formulation capabilities
- New customers signed for long-term manufacturing of HPAPI
- Dosage forms and delivery systems performed positively in securing commercial business and new long-term contracts

### Mammalian and Microbial
- Commercial agreements signed with sales visibility for the mid- and long-term
- Commercial capacities for 2020 largely committed
- Gene-to-vial offering gained further traction
- Drug product services continued positive performance

### Cell and Gene Technologies
- Continued sales momentum in a dynamic market environment
- Strong interest in Lonza technology offerings including process development and commercial manufacturing capacity
- Continue to focus on improving operational excellence
Strong Position in Cell and Gene Technologies
High demand for Lonza offerings across all modalities, supporting a leading market position

Delivering services across 3 key modalities in cell and gene technologies from four global centers of excellence

- Autologous cell and gene therapy
- Allogeneic cell and gene therapy
- Viral vector gene therapy

Broad knowledge and extensive experience

- >20 Years cGMP experience
- >160 Customers over the years
- >1,000 Employees (end of 2019 and growing)
New investments and customers announced in 2019

CHF 1 bn CAPEX expected to generate >CHF 1 bn sales per annum, after 6 to 7 years
2019 Investment Highlights from across Lonza Pharma Biotech & Nutrition

CAPEX projects to expand our offering

**Ibex™ Solutions (CH)**
Design & Develop: Start of suite fit-out and 2 customers signed, with 2020 available capacities contracted
Dedicate: Start of suite fit-out, customers signed in addition to Sanofi, new deal with large pharma for microbial manufacturing

**HPAPI & Bioconjugates**
Expansion in Visp (CH)
Clinical to commercial HPAPI: Astra Zeneca monosuite
Bioconjugates expansion & support of majority of commercial ADCs

**Stein (CH) Acquisition**
Acquisition of cGMP parenteral drug product plant from Novartis
Clinical & launch supply
Initial customers signed including Novartis

**Guangzhou (CN)**
First biologics foothold in China with clinical development and manufacturing offering
First modules on site
Key positions hired
2019 Innovation Highlights from across Lonza Pharma Biotech & Nutrition

Investing in R&D to stay one step ahead of industry challenges

**Advanced Molecular Biology**

- Building new capabilities into our proprietary GS Xceed® expression system
- Launch of GS piggyBac™ for stable expression of more complex molecules

**Automation**

- Pilot project to introduce Cocoon™ to the clinic with Sheba Medical Center, the largest hospital in Israel and the Middle East

**Live Biotherapeutics**

- BacThera – first end-to-end CDMO for live biotherapeutic products
- Full-service offering for microbiome through joint venture with Chr. Hansen

**AI & Machine Learning**

- Advanced sensors to measure complex bioprocesses (e.g. Metabolites) in real time
- Predictive modelling using wealth of data generated for better control of bioprocesses
Product Businesses within LPBN
Full-Year 2019 Product Businesses Overview

Experiencing mixed demand and some operational challenges

**Bioscience**

Increased demand for media, research tools, testing solutions and quality control software, based on favorable market trends in drug discovery and cell therapy.

Continuous progress with operational improvements.

**Pharma Hard Capsules**

Ongoing demand for specialty polymer and dry powder inhalation (DPI) offerings.

Business was supported by new product launches but challenged by market conditions in the US and slower growth in developed markets.

Several long-term agreements signed.

**Nutritional Hard Capsules**

Negatively impacted by increased competition.

Softer demand for conventional gelatin hard capsules and slower growth in specialty polymer empty capsules, particularly in mature markets.

Ongoing countermeasures with first impact in Q4 2019.

**Nutritional Ingredients**

Experienced soft demand in 2019.

UC-II® manufacturing expansion in Greenwood, SC (USA) on track to be operational in H1 2020.
Segments: LONZA Specialty Ingredients (LSI)
Overview of Specialty Ingredients Portfolio
Combining Microbial Control Solutions and Specialty Chemicals Services

MCS (Microbial Control Solutions)
- Professional Hygiene
- Home & Personal Care
- Material Protection
- Paints & Coatings
- Wood Protection
- Crop Protection

>4,300 Customers worldwide
>470 Offerings

SCS (Specialty Chemical Services)
- Composites
- Custom Development & Manufacturing
- Performance Chemicals & Intermediates

>1,000 Customers worldwide
>200 Offerings
Specialty Ingredients’ Microbial Control Solutions

Leading with customer-focused, innovative smart solutions for well-being and a healthy environment

Microbial Control Solutions in:

- Consumer Home & Personal Care
- Professional Hygiene
- Paints and Coatings
- Industrial Material Protection
- Wood and Crop Protection

Lonza’s active ingredients and hygiene solutions preventing the transmission of pathogens

NUGEN® solutions

Disinfecting hospital & food-contact surfaces

Disinfectant wipes for convenience and ease of use

Proven systems for consumer paints addressing evolving regulatory landscapes

MIT-free Proxel Spektra™ in-can preservative

Lonzagard®

Spray-on or dip products that control sapstain, mold and decay fungi for brighter, cleaner wood

Reducing post-harvest losses by microbial and insect attack
Full-Year 2019 Microbial Control Solutions Overview

Mixed performance, related to the diverse end-markets

<table>
<thead>
<tr>
<th>Professional Hygiene</th>
<th>Wood Protection</th>
<th>Paints and Coatings</th>
<th>Crop Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive performance with continued strong sales in most market segments</td>
<td>Stable demand, but increasingly competitive environment and pricing pressure, especially in the US market</td>
<td>Good performance despite the shortage of key raw material BIT</td>
<td>Ongoing customer destocking after a dry 2018 summer in Europe and further dry weather in 2019</td>
</tr>
<tr>
<td>Personal and Home Care</td>
<td>Material Protection</td>
<td>Home care business with positive performance</td>
<td>Strong performance for oil and gas industry solutions</td>
</tr>
<tr>
<td>Personal care with an uptake in H2 with Lonza’s anti-dandruff platform for hair care</td>
<td>Polymer and textile with softer market demand from the automobile industry</td>
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</tbody>
</table>
Chemical Solutions and Services for:

- Custom Development & Manufacturing (CDMO)
- High value markets, such as Electronics and Aerospace
- Food & Feed ingredients markets
- Agro Chemicals
- Other diversified Specialty Chemicals

State-of-the-art custom development & manufacturing (CDMO) services. Customized solutions based on enabling technologies – combining the best of both worlds: Chemistry & biotechnology.

- Cyanate esters substrate materials for consumer electronics and telecommunication infrastructure
- Curing agents for enhanced temperature resistant epoxy resin systems for primary and secondary structural aerospace parts
- Vitamin B3 supplement for animal feed providing optimum health and peak performance.
- Highly reactive propellant for rocket propulsion and gas generation in the aerospace
### Full-Year 2019 Specialty Chemical Services Overview

Negatively impacted by ongoing geopolitical tensions, raw material supply and cyclical end-markets

<table>
<thead>
<tr>
<th>Composites</th>
<th>Custom Manufacturing (CMO)</th>
<th>Performance Chemicals &amp; Intermediates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slow improvement in the market environment in H2</td>
<td>Performance at same level as previous year</td>
<td>Lower volumes in industrial intermediates impacted by Chinese competitive pressure and supply chain challenges</td>
</tr>
<tr>
<td>Affected by weak market demand for consumer electronics and US-China trade tensions</td>
<td>Expanding offering to industrial and pharma customers in addition to agricultural partners</td>
<td>Lower volumes in Vitamin B3 due to African Swine Fever in Asia and low prices at the beginning of the year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lower demand for agro ingredients</td>
</tr>
</tbody>
</table>
Delivering Innovation in Specialty Ingredients

Specialty Ingredients’ focus on strengthening its market leadership

Examples from 2019

Next Generation Anti-dandruff Active

Commenced manufacturing of Piroctone Olamine (PO) to broaden portfolio

Strengthening position as world’s leading anti-dandruff active supplier

Navigating Regulation

Introduction of regulatory approved microbial-control alternatives:
- Triclosan-free antibacterial personal care
- Creosote-free wood protection
- Fungicides for metalworking lubricants

Keeping our World Healthy

Efficient and environmentally friendly disinfection of hospital & food-contact surfaces with NUGEN®
- Combats 12 common pathogens
- Active breaks down into water and oxygen
- Disinfectant wipes for convenience and ease of use

Expansion in Personal Care

Broadening our personal care portfolio with new naturally-derived offerings:
- Modifect® EV Bioactive for skin care
- Non-ionic emulsifiers and surfactants
Appendices
<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018¹</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,920</td>
<td>5,542</td>
<td>6.8%</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>1,620²</td>
<td>1,511</td>
<td>7.2%</td>
</tr>
<tr>
<td>Margin in %</td>
<td>27.4²</td>
<td>27.3</td>
<td>10bps</td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>1,245³</td>
<td>1,165</td>
<td>6.9%</td>
</tr>
<tr>
<td>Margin in %</td>
<td>21.0³</td>
<td>21.0</td>
<td>0bps</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,525</td>
<td>1,429</td>
<td>6.7%</td>
</tr>
<tr>
<td>Margin in %</td>
<td>25.8</td>
<td>25.8</td>
<td>0bps</td>
</tr>
<tr>
<td>EBIT</td>
<td>972</td>
<td>842</td>
<td>15.4%</td>
</tr>
<tr>
<td>Margin in %</td>
<td>16.4</td>
<td>15.2</td>
<td>120bps</td>
</tr>
<tr>
<td>Net Financing Costs</td>
<td>(120)</td>
<td>(34)</td>
<td>-</td>
</tr>
<tr>
<td>Tax Rate in %</td>
<td>10.2</td>
<td>18.3</td>
<td>-</td>
</tr>
<tr>
<td>CORE Profit for the Period</td>
<td>1,014</td>
<td>899</td>
<td>12.8%</td>
</tr>
<tr>
<td>Profit for the Period</td>
<td>763</td>
<td>659</td>
<td>15.8%</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the classification of Water care business as discontinued operations (see note 4 of Full Year Results 2019 Report)
² IFRS 16 accounting adjustment on leases had a positive CORE EBITDA impact of CHF 33 million in 2019 (60 bps positive CORE EBITDA margin impact), offset by costs related to the divestment of the Water care business and carve out of Specialty ingredients (50 bps negative CORE EBITDA margin impact)
³ IFRS 16 accounting adjustment on leases had a positive CORE EBIT impact of CHF 2 million in 2019 (3 bps positive CORE EBIT margin impact), offset by costs related to the divestment of the Water care business and carve out of Specialty ingredients (50 bps negative CORE EBIT margin impact)

CORE definition: See appendix
## Full-Year 2019 Financial Highlights Lonza Continuing Business (2/2)

Selected performance metrics – Full report accessible [online](#)

<table>
<thead>
<tr>
<th>CHF million</th>
<th>FY 2019</th>
<th>FY 2018¹</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORE EPS basic (CHF)</td>
<td>13.67</td>
<td>12.03</td>
<td>13.6%</td>
</tr>
<tr>
<td>EPS Basic (CHF)</td>
<td>10.28</td>
<td>8.80</td>
<td>16.8%</td>
</tr>
<tr>
<td>CORE EPS Diluted (CHF)</td>
<td>13.59</td>
<td>11.98</td>
<td>13.4%</td>
</tr>
<tr>
<td>EPS Diluted (CHF)</td>
<td>10.22</td>
<td>8.77</td>
<td>16.5%</td>
</tr>
<tr>
<td>Operational Free Cash Flow</td>
<td>495</td>
<td>884</td>
<td>(44.0%)</td>
</tr>
<tr>
<td>Change of Net Working Capital²</td>
<td>(336)</td>
<td>(29)</td>
<td>(290)</td>
</tr>
<tr>
<td>Capital Expenditures²</td>
<td>(786)</td>
<td>(575)</td>
<td>(211)</td>
</tr>
<tr>
<td>CORE RONOA in %</td>
<td>28.5</td>
<td>31.4</td>
<td>(9.2%)</td>
</tr>
<tr>
<td>ROIC in %</td>
<td>9.1</td>
<td>8.0</td>
<td>110bps</td>
</tr>
<tr>
<td>Net debt</td>
<td>2,961</td>
<td>3,534</td>
<td>(16.2%)</td>
</tr>
<tr>
<td>Debt-equity ratio</td>
<td>0.45</td>
<td>0.56</td>
<td>(19.6%)</td>
</tr>
<tr>
<td>Net Debt / CORE EBITDA ratio</td>
<td>1.83</td>
<td>2.28</td>
<td>(19.7%)</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>15,468</td>
<td>14,425</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the classification of Water Care business as discontinued operations (see note 4 of Full-Year Results 2019 Report)

² Lonza Group incl. Discontinued Operations

CORE definition: See appendix
### Lonza Operational Free Cash Flow 2019

Operational free cash flow* impacted by increased CAPEX and higher inventories

<table>
<thead>
<tr>
<th>CHF million</th>
<th>FY 2019</th>
<th>YoY change</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,489</td>
<td>47</td>
<td>1,442</td>
</tr>
<tr>
<td>Change of operating net working capital (NWC)</td>
<td>(336)</td>
<td>(307)</td>
<td>(29)</td>
</tr>
<tr>
<td>Capital expenditures in tangible and intangible assets (CAPEX)</td>
<td>(786)</td>
<td>(211)</td>
<td>(575)</td>
</tr>
<tr>
<td>Disposals of tangible and intangible assets and change of other assets and liabilities</td>
<td>32</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td><strong>Operational free cash flow (before acquisitions / disposals)</strong></td>
<td>399</td>
<td>(449)</td>
<td>848</td>
</tr>
<tr>
<td>Acquisitions / disposal of subsidiaries</td>
<td>596</td>
<td>624</td>
<td>(28)</td>
</tr>
<tr>
<td><strong>Operational free cash flow</strong></td>
<td>995</td>
<td>175</td>
<td>820</td>
</tr>
<tr>
<td>Net working capital as % of sales (annualized)</td>
<td>19.5</td>
<td>150 bps</td>
<td>18.0</td>
</tr>
<tr>
<td><strong>CAPEX as % of sales</strong></td>
<td>13.1(^1)</td>
<td>360 bps</td>
<td>9.5</td>
</tr>
</tbody>
</table>

*Operational free cash flow represents Lonza Group incl. Discontinued Operations

1\(^1\) CAPEX as % of sales excl. Discontinued Operations: 13.3%
Lonza’s Sustainability Approach

Sustainability is a key consideration in all we do

Compliance and Integrity
We ensure that regulatory compliance, integrity and ethical conduct are the foundations in every place we operate.

Our People
We develop our employees by helping them grow. We provide safe workplaces, care for employees’ well-being and foster their involvement and participation.

Value for Society
We create value for society by innovating science-based solutions to develop the medicines and consumer products of tomorrow. We engage in the communities where we operate.

Vision ZERO
We continually improve our systems and aspire to ZERO incidents, injuries or emissions.

Our Environment
We improve our environmental footprint by continually reducing energy, water and material demand per unit.

1 For more information, refer to Lonza Sustainability Report 2019
Lonza Workforce
Focusing on Talent 2022 – The human capital perspective

- Geographically diverse workforce
- More than 100 nationalities
  - largely based in EMEA and due to recent acquisitions has increased presence in APAC and the Americas
- 32% female employees
  - 44% female business unit heads
  - 33% female board members
  - 38% female new hires in 2019
- Broad balance across age groups
Environmental and Safety Goals
Goals until 2030 to allow long-term strategy and smart investment

2030 Targets / Safety and Environment
Baseline 2018 (per CHF 1 mn sales)

- Zero LTI\(^1\)
- Energy: -24%
- CO\(_2\): -36%
- Waste: -24%

Progress 2019
Baseline 2018 (per CHF 1 mn sales)

- LTIFR\(^1\)
- Energy: -52% Target: -2%
- CO\(_2\): -7% Target: -3%
- Waste: +1% Target: -2%

The energy, CO\(_2\) and waste targets and achievements are intensity values per million CHF sales, because of our very diverse and ever-changing product portfolio. (Chemical bulk products, pharmaceutical ingredients, medical capsules, food supplements, gene therapy, cell media production)

* Target is in absolute values
\(^1\) LTIFR - Lost Time Injury (Frequency)
Events Calendar & Contacts

- **24 July 2020**  
  **Half-Year Results 2020**

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

https://www.lonza.com/investor-relations

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VP - Investor Relations Officer  
T +41 61 316 8540

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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.

- 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 2019 Full-Year Results report, the reconciliation of IFRS to CORE results provides further details on the adjustments.
Additional Information and Disclaimer

Lonza Group Ltd has its headquarters in Basel, Switzerland, and is listed on the SIX Swiss Exchange. It has a secondary listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Lonza Group Ltd is not subject to the SGX-ST’s continuing listing requirements but remains subject to Rules 217 and 751 of the SGX-ST Listing Manual.

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 2019 and Mid-Term Guidance 2022 herein may not prove to be correct. The statements in the section on Outlook 2019 and Mid-Term Guidance 2022 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 2019 and Mid-Term Guidance 2022 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 2019 and Mid-Term Guidance 2022. 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.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADC</td>
<td>Antibody Drug Conjugate</td>
</tr>
<tr>
<td>Allogeneic</td>
<td>Allogeneic cell-based therapy uses stem cells from a matched related or unrelated donor</td>
</tr>
<tr>
<td>Autologous</td>
<td>Autologous cell-based therapy uses a person’s own stem cells</td>
</tr>
<tr>
<td>bps</td>
<td>Basis Points</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compounded Average Growth Rate</td>
</tr>
<tr>
<td>CAPEX</td>
<td>Capital Expenditure</td>
</tr>
<tr>
<td>CDMO</td>
<td>Contract Development and Manufacturing Organization: a company serving other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing</td>
</tr>
<tr>
<td>Cell Therapy</td>
<td>Cells are introduced into a damaged or diseased tissue/organ to regenerate damaged tissue or generate new cells to replace those lost/damaged, e.g. blood transfusion, bone marrow transplant, skin graft and specific white blood cells to treat infectious diseases</td>
</tr>
<tr>
<td>cGMP</td>
<td>Current good manufacturing practices</td>
</tr>
<tr>
<td>EBIT</td>
<td>Earnings before interest and taxes</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings before interest, taxes, depreciation, and amortization</td>
</tr>
<tr>
<td>ESG</td>
<td>Environmental, social and governance</td>
</tr>
<tr>
<td>EPS</td>
<td>Earnings per share</td>
</tr>
<tr>
<td>FDA</td>
<td>U.S. Food and Drug Administration</td>
</tr>
<tr>
<td>Gene Therapy</td>
<td>Replacing, manipulating, or supplementing non-functional or dysfunctional genes with healthy genes. Therapeutic genes are usually delivered to the patient through a weakened virus that transports the genes into the nuclei of blood cells</td>
</tr>
<tr>
<td>GS/XS</td>
<td>GS Xceed® Gene Expression System is a mammalian expression system which reduces cell line development timelines</td>
</tr>
<tr>
<td>HP(API)</td>
<td>Highly Potent (Active Pharmaceutical Ingredient): ingredients in a pharmaceutical drug that are chemically or biologically active</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>IND</td>
<td>Investigational New Drug</td>
</tr>
<tr>
<td>mAbs</td>
<td>Monoclonal Antibodies: antibodies that are made by identical immune cells that are all clones of a unique parent cell</td>
</tr>
<tr>
<td><strong>Mammalian</strong></td>
<td>Mammalian cell culture in the biotechnological context refers to the cells of a mammalian, isolated from specific tissues (i.e. skin, liver, glands, etc.) and further cultivated and reproduced in an artificial medium</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>Research &amp; Development</td>
</tr>
<tr>
<td><strong>Recombinant Protein</strong></td>
<td>Proteins expressed by recombinant DNA technology, a series of procedures to join DNA segments from 2 or more DNA molecules. Recombinant DNA molecules are inserted into the chromosomes of cells and translated into proteins. Scientifically, monoclonal antibody, transgenic product and certain bioengineered vaccines are subsets of 'Recombinant product'. However, in general, the biopharma industry considers these classes as standalone product types due to their market significance and distinctive class descriptions</td>
</tr>
<tr>
<td><strong>RNA</strong></td>
<td>Ribonucleic Acid</td>
</tr>
<tr>
<td><strong>ROIC</strong></td>
<td>Return On Invested Capital</td>
</tr>
<tr>
<td><strong>RONOA</strong></td>
<td>Return on Net Operating Assets</td>
</tr>
<tr>
<td><strong>Small Molecules</strong></td>
<td>Low molecular weight molecules that include lipids, monosaccharides, second messengers, other natural products and metabolites, as well as drugs and other xenobiotics</td>
</tr>
<tr>
<td><strong>SUT</strong></td>
<td>Single-use Technology</td>
</tr>
<tr>
<td><strong>VC</strong></td>
<td>Venture Capital</td>
</tr>
<tr>
<td><strong>Viral Vector</strong></td>
<td>Tools designed to efficiently and safely deliver genetic material into cells</td>
</tr>
<tr>
<td><strong>YoY</strong></td>
<td>Year over year</td>
</tr>
</tbody>
</table>