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.

Certain matters discussed in this presentation may constitute forward-looking statements. These statements are based on current expectations and estimates of Lonza Group Ltd, although Lonza Group Ltd can give no assurance that these expectations and estimates will be achieved. Investors are cautioned that all forward-looking statements involve risks and uncertainty and are qualified in their entirety. The actual results may differ materially in the future from the forward-looking statements included in this presentation due to various factors. Furthermore, except as otherwise required by law, Lonza Group Ltd disclaims any intention or obligation to update the statements contained in this presentation.
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- Qualitative Business Overview
- Segment Overview – Pharma&Biotech
- Segment Overview – Specialty Ingredients
- Outlook 2017
Lonza 2017 with Outstanding First Quarter

- Strong start in Q1 paves way for double-digit organic sales growth for first half year
- CORE EBIT growth expected to be even stronger than sales growth for first half of 2017
- Pharma&Biotech with strong performance in revenue and profitability
- Specialty Ingredients with robust growth and profitability improvement
- Outlook 2017 upgraded
Table of Contents

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- Outlook 2016
Commercial Manufacturing

- Strong sales growth driven by continued high demand in Mammalian Manufacturing
- Continued progress made in strengthening business, with successful negotiations to extend contracts in terms of volume and timeframe
- New business models, such as strategic partnership with Sanofi for the construction of a large-scale biologics production facility, show trust Lonza enjoys among its customers
Clinical Development Services

- Business is on track, benefiting from continued strong demand for tier 1 development and manufacturing services

Bioscience Solutions / Products

- The Bioscience Solutions business was slightly softer due to quality issues at our Walkersville, MD (USA) facility; associated with these quality issues, Lonza received a warning letter on 24 April 2017 from the FDA relating to technical issues.
Table of Contents

- Qualitative Business Overview
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Growth driven by acquisition

- Positive start to the year
- Driven by increased focus on consumer health and nutrition, and InterHealth acquisition complementing Lonza offerings as expected
- Ongoing demand in hygiene business and continued momentum in vitamin B3 solutions
Continued negative market impact on Agro

- As expected Agro Ingredients continues to be softer due to reduced demand patterns that persisting in the market
- Feed additives and molluscicides businesses continue to develop well
Good performance driven by specialties

- Overall strong sales growth driven by Performance Ingredients and Wood Protection
- Performance Ingredients: Healthy demand across all relevant markets
- Wood Protection: Good results thanks to strong demand across most regions and markets
Sales development driven by industrial water business

- Industrial, Commercial, Municipal and Surface Water (ICMS) business with favorable quarter
- Further reduction of seasonality effects due to weather
Table of Contents

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- Outlook 2017
Outlook 2017

Upgraded Outlook on a Stand-Alone Basis

With this positive start into 2017, and based on the sound foundation laid in 2016, Lonza is upgrading its outlook for 2017. The outlook is on a Lonza standalone basis:

- Sales growth upgraded from mid-single digit growth to high-single digit growth
- CORE EBITDA above CHF 1 billion
- Double-digit CORE EBIT growth significantly above sales growth
- CORE RONOA above 21.5%

This outlook is based on the present macro-economic environment, current visibility and constant exchange rates for the most important currencies in which Lonza is trading.
Mid-Term Guidance Updated in Course of 2017

Pending Closing of Capsugel Acquisition

Lonza intends to provide an update of the mid-term guidance as part of the half-year results report on 26 July 2017, assuming the closing of the Capsugel deal during Q2 2017.
Calendar of Events & Contacts

- 26 July 2017  Half-Year 2016 Results
- 26 Oct 2017   Third-Quarter 2017 Business Update

Thank You!

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## Full-Year 2016

### Financial Highlights

<table>
<thead>
<tr>
<th>Financial Metric</th>
<th>CHF mn FY 2016</th>
<th>CHF mn FY 2015</th>
<th>Change YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4,132</td>
<td>3,803</td>
<td>8.7%</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>918</td>
<td>793</td>
<td>15.8%</td>
</tr>
<tr>
<td>CORE EBITDA Margin</td>
<td>22.2%</td>
<td>20.9%</td>
<td>24.2%</td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>651</td>
<td>524</td>
<td>13.8%</td>
</tr>
<tr>
<td>CORE EBIT Margin</td>
<td>15.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>848</td>
<td>780</td>
<td>20.5%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>20.5%</td>
<td>20.5%</td>
<td>13.6%</td>
</tr>
<tr>
<td>EBIT</td>
<td>486</td>
<td>428</td>
<td>11.3%</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>11.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing Costs</td>
<td>-112</td>
<td>(85)</td>
<td>8.7%</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>19.3%</td>
<td>19.0%</td>
<td></td>
</tr>
<tr>
<td>Profit for the Period</td>
<td>301</td>
<td>277</td>
<td>8.7%</td>
</tr>
<tr>
<td>EPS (CHF) Basic</td>
<td>5.73</td>
<td>5.30</td>
<td>8.1%</td>
</tr>
<tr>
<td>EPS (CHF) Basic CORE</td>
<td>8.43</td>
<td>6.81</td>
<td>23.8%</td>
</tr>
<tr>
<td>Operational Free Cash Flow</td>
<td>408</td>
<td>667</td>
<td>-38.8%</td>
</tr>
<tr>
<td>Change in Net Working Capital</td>
<td>78</td>
<td>139</td>
<td></td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>-366</td>
<td>264</td>
<td>38.6%</td>
</tr>
<tr>
<td>CORE RONOIA</td>
<td>21.5%</td>
<td>16.4%</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Net Debt</td>
<td>1,584</td>
<td>1,660</td>
<td></td>
</tr>
<tr>
<td>Number of Employees</td>
<td>10,130</td>
<td>9,829</td>
<td></td>
</tr>
</tbody>
</table>

**CORE definition:** see appendix
## Successful Continuous Improvement in Both Segments Full-Year 2016

### Pharma&Biotech

<table>
<thead>
<tr>
<th>CHF mn</th>
<th>FY 2016</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,849</td>
<td>15.9</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>531</td>
<td>27.0</td>
</tr>
<tr>
<td>Margin</td>
<td>28.7%</td>
<td></td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>400</td>
<td>40.8</td>
</tr>
<tr>
<td>Margin</td>
<td>21.6%</td>
<td></td>
</tr>
<tr>
<td>CORE RONOA</td>
<td>23.9%</td>
<td></td>
</tr>
</tbody>
</table>

### Specialty Ingredients

<table>
<thead>
<tr>
<th>CHF mn</th>
<th>FY 2016</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,250</td>
<td>3.8</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>415</td>
<td>6.4</td>
</tr>
<tr>
<td>Margin</td>
<td>18.4%</td>
<td></td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>322</td>
<td>8.1</td>
</tr>
<tr>
<td>Margin</td>
<td>14.3%</td>
<td></td>
</tr>
<tr>
<td>CORE RONOA</td>
<td>22.8%</td>
<td></td>
</tr>
</tbody>
</table>

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**CORE EBITDA (CHF million)**

- 2012: 369
- 2013: 353
- 2014: 385
- 2015: 418
- 2016: 531

**CORE EBITDA margin (%)**

- 2012: 23.8%
- 2013: 24.8%
- 2014: 26.6%
- 2015: 26.2%
- 2016: 28.7%

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**CORE EBITDA (CHF million)**

- 2012: 304
- 2013: 344
- 2014: 360
- 2015: 390
- 2016: 415

**CORE EBITDA margin (%)**

- 2012: 13.9%
- 2013: 16.3%
- 2014: 16.7%
- 2015: 18.0%
- 2016: 18.4%

**CORE definition:** See appendix
CORE Results as Defined by Lonza

Lonza believes that disclosing CORE results of the Group’s performance enhances the financial markets’ understanding of our company because the CORE results enable better comparison across years.

Therefore, the CORE results exclude exceptional items such as restructuring charges, 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.