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- Lonza Segments
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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.
Half-Year 2019 Corporate Overview

Double-digit sales growth in Pharma Biotech & Nutrition, continued headwinds in Specialty Ingredients

- Outlook 2019 confirmed with high single-digit sales growth in LPBN and start of recovery in LSI expected
- Ongoing efficiency measures across all businesses
- Talent acquisition for strategic growth projects geared towards H2 2019 and 2020
- Focus on execution of CAPEX investments and new partnerships in LPBN
- LSI carve-out progresses on time and on budget
Update on Strategic Growth Investments in Pharma Biotech & Nutrition

New investments and customers announced in H1 2019

Lonza entered into a binding commitment to acquire a sterile fill and finish facility from Novartis to extend its existing drug product offering.
Half-Year 2019 Financial Summary
## Half-Year 2019 Financial Highlights Continuing Operations

**Delivering on our guidance**

### Half-Year Results 2019

<table>
<thead>
<tr>
<th>CHF million</th>
<th>HY 2019</th>
<th>% YoY</th>
<th>HY 2018 (restated)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales²</strong></td>
<td>2,976</td>
<td>6.4</td>
<td>2,796</td>
</tr>
<tr>
<td><strong>CORE EBITDA</strong></td>
<td>828</td>
<td>7.7</td>
<td>769</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>27.8</td>
<td>30 bps</td>
<td>27.5</td>
</tr>
<tr>
<td><strong>CORE EBITDA excl. IFRS 16</strong></td>
<td>814</td>
<td>5.9</td>
<td>769</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>27.4</td>
<td>(10 bps)</td>
<td>27.5</td>
</tr>
<tr>
<td><strong>CORE EBIT</strong></td>
<td>643</td>
<td>7.0</td>
<td>601</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>21.6</td>
<td>10 bps</td>
<td>21.5</td>
</tr>
<tr>
<td><strong>CORE EBIT excl. IFRS 16</strong></td>
<td>641</td>
<td>6.7</td>
<td>601</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>21.5</td>
<td>0 bps</td>
<td>21.5</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the classification of Water Care business as discontinued operations (see note 5 of **Half Year Results 2019 Report**). Prior year information has not been restated to reflect the adoption of IFRS 16 (see note 2 of **Half Year Results 2019 Report**).

² Currency exchange effects had 30bps positive impact on actual exchange rate (AER) results. Further information about constant exchange rates (CER) is displayed in the Half-Year Results 2019 Report.

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

Net Leverage (Net Debt / CORE EBITDA)

- Divestment of Water Care business unit resulted in cash proceeds of CHF 620 million in H1 2019
- Using proceeds for financing high-return, risk-adjusted growth initiatives in LPBN and for further deleveraging
- CHF 308 million CAPEX spent in H1 2019, expected to increase in H2 2019

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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

CORE definition: See appendix
Segments: LONZA Pharma Biotech & Nutrition (LPBN)
## Half-Year Results 2019

<table>
<thead>
<tr>
<th>CHF million</th>
<th>HY 2019</th>
<th>% YoY</th>
<th>HY 2018 (restated)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales²</td>
<td>2,088</td>
<td>10.8</td>
<td>1,884</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>693</td>
<td>9.7</td>
<td>632</td>
</tr>
<tr>
<td>Margin in %</td>
<td>33.2</td>
<td>(30 bps)</td>
<td>33.5</td>
</tr>
<tr>
<td>CORE EBITDA excl. IFRS 16</td>
<td>682</td>
<td>7.9</td>
<td>632</td>
</tr>
<tr>
<td>Margin in %</td>
<td>32.7</td>
<td>(80 bps)</td>
<td>33.5</td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>571</td>
<td>8.8</td>
<td>525</td>
</tr>
<tr>
<td>Margin in %</td>
<td>27.3</td>
<td>(60 bps)</td>
<td>27.9</td>
</tr>
<tr>
<td>CORE EBIT excl. IFRS 16</td>
<td>569</td>
<td>8.4</td>
<td>525</td>
</tr>
<tr>
<td>Margin in %</td>
<td>27.3</td>
<td>(60 bps)</td>
<td>27.9</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the 2019 realignment of Lonza’s segments into Pharma Biotech & Nutrition and Specialty Ingredients. Prior year information has not been restated to reflect the adoption of IFRS 16 (see note 2 of Half-Year Results 2019 Report).

² Currency exchange effects had 50bps positive impact on actual exchange rate (AER) results. Further information about constant exchange rates (CER) is displayed in the Half-Year Results 2019 Report.

CORE definition: See appendix
CDMO Services within LPBN
### Half-Year 2019 CDMO Services Overview

Outperformance in Biologics, Chemicals driven by offerings for complex molecules

<table>
<thead>
<tr>
<th>Mammalian and Microbial</th>
<th>Cell and Gene</th>
<th>Small-Molecules</th>
<th>Bioscience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong performance of clinical and commercial with batch releases ahead of schedule</td>
<td>Continued momentum in a dynamic market environment</td>
<td>Expansion in pre-clinical services, HPAPI and bioconjugates to meet growing market for early stage and complex molecules</td>
<td>Strong performance based on media sales, continued expansion of quality control software, and supply recovery</td>
</tr>
<tr>
<td>Continued high demand for development activities already allows visibility into 2021</td>
<td>Strong interest in Lonza technology offerings and comprehensive service portfolio including process development and commercial manufacturing</td>
<td>New customers signed: AstraZeneca for long-term manufacturing of HPAPI</td>
<td>Positive impact from new products launched, e.g. robotic solutions for endotoxin testing</td>
</tr>
<tr>
<td>Expansion areas: complex protein expression technologies; drug product for commercial launch</td>
<td>New customers signed and further evolving pipeline</td>
<td>Ongoing demand for specialty polymer offerings in pharma hard capsules</td>
<td>Aim to enhance profitability</td>
</tr>
<tr>
<td>Aim to enhance profitability</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cell and Gene Technologies with New Contracts in H1 2019

High demand for Lonza offerings across all modalities, supporting a leading market position

Lonza Offerings in Cell and Gene Technologies Across Four Global Centers of Excellence

- Autologous and allogeneic cell therapy
- Viral vectors for ex vivo gene therapy e.g. Lenti virus
- Autologous or allogeneic cells
- Virally modified cells (classified as gene therapies, e.g. CAR-T)
- Viral vectors for in vivo gene therapy e.g. AAV

Cell and Gene Technologies Performance in H1

- New clinical and commercial contracts signed in H1 2019
- Strong sales pipeline going forward
- High volume of inquiries for viral vector production and cell therapies from both emerging biotech and large pharma

Commercial manufacturing agreement with Gamida Cell:
- Phase 3 investigational advanced cell therapy omidubicel to treat hematologic malignancies
- Based on long-term partnership, serviced from Lonza Geleen (NL)
Lonza’s Expansion in Drug Product Services (DPS)

With additional drug product capabilities coming online, Lonza will cover the full product lifecycle

**2019 H1**
Basel – Stuecki (Building 60A)

**Development Services & QC**
Start of DPS with 25 FTEs, led by Prof. Hanns-Christian Mahler in Q4 2016: from zero customers, projects, molecules to 76, 280, 122 respectively
- 3000 m²
- 120 employees
- Tox-/non-cGMP production

**2019 H2**
Stein (Basel area)

**cGMP Manufacturing**
Entering into a binding commitment to acquire Novartis facility for drug product manufacturing to complement existing development services with sterile fill and finish of drug product
- Clinical & Commercial Launch (Liquid-/Lyovials)
- Space for additional production line

**2020**
Basel – Stuecki (Building 60G)

**Development Services & QC**
Expansion of Basel (Stücki) facilities based on market demand and Lonza customer enquiries
- 8000 m²
- 200 employees
- Tox-/non-cGMP production

**2021**
Visp – Ibex™

**cGMP Manufacturing**
DPS as part of Ibex™ Design & Develop clinical and Ibex™ Dedicate commercial offerings
- Clinical & Launch (Liquid-/Lyovials)
- Space for additional lines
- Gene-to-patient offering
Consumer Health & Nutrition within LPBN
Half-Year 2019 Consumer Health & Nutrition Overview

Nutrition businesses experience softer demand against strong year-on-year comparison; pick-up in H2 2019 expected

Nutrition Hard Capsules

Continued market momentum for specialty polymer capsules, a focal area going forward

Increased competition and softer demand for gelatin capsules across regions

Several product launches for clean-label and natural capsules

Focus on commercial initiatives with stronger H2 compared to H1 2019 expected

Dosage Form Solutions

Ongoing momentum for innovative dosage form solutions, benefitting from strong market potential for nutritional applications

Optimization of Lonza-Capsugel synergies driving successful launch of finished formulated solutions

H1 with supply limitations for intermediates used in high-demand premium dosage forms; diversification of supply chain underway

Nutritional Ingredients

Marginally softer sales globally due to customer inventory pre-build in 2018 and subsequent Lonza supply challenges

Additional capacity coming on-stream within existing footprint in 2019, with significant expansion starting mid-2020

Expansion of premium science-backed UC-II® ingredient for joint health into new markets, regions, and applications

Strong performance of Carnipure® L-Carnitine ingredient for sports nutrition
Delivering Constant Innovation for Consumer Goods Markets
Lonza at the forefront of new science-based formulations and extended clean-label capabilities

Clean-Label Capabilities
Increased focus on natural, vegetarian and vegan products, which are free from additives or preservatives
E.g. Launch of Vcaps® Plus White Opal™ plant-based, titanium dioxide-free capsule

Organic Food Colorants
Expansion of offering with Capsugel® Vcaps® Plus Red Radish, Spicy Yellow and Purple Carrot, following launch of Vcaps® Plus Blue Spirulina as industry’s first clean-label food colored capsule

Innovative Finished Products
Introduction of innovative finished formulated UC-II products, which are combined with other ingredients in daily dose Vcaps® Plus capsules for complementary benefits
E.g. With omega-3s, curcumin for anti-inflammatory effects, vitamin K2 for all-in-one bone and joint health solution
Segments: LONZA Specialty Ingredients (LSI)
Specialty Ingredients Financial Highlights

Sales decline against a strong year-on-year comparison while profit margins were maintained

<table>
<thead>
<tr>
<th>CHF million</th>
<th>HY 2019</th>
<th>% YoY</th>
<th>HY 2018 (restated)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales²</td>
<td>859</td>
<td>(3.8)</td>
<td>893</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>163</td>
<td>(3.0)</td>
<td>168</td>
</tr>
<tr>
<td>Margin in %</td>
<td>19.0</td>
<td>20 bps</td>
<td>18.8</td>
</tr>
<tr>
<td>CORE EBITDA excl. IFRS 16</td>
<td>161</td>
<td>(4.2)</td>
<td>168</td>
</tr>
<tr>
<td>Margin in %</td>
<td>18.7</td>
<td>(10 bps)</td>
<td>18.8</td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>124</td>
<td>(3.9)</td>
<td>129</td>
</tr>
<tr>
<td>Margin in %</td>
<td>14.4</td>
<td>0 bps</td>
<td>14.4</td>
</tr>
<tr>
<td>CORE EBIT excl. IFRS 16</td>
<td>123</td>
<td>(4.7)</td>
<td>129</td>
</tr>
<tr>
<td>Margin in %</td>
<td>14.3</td>
<td>(10 bps)</td>
<td>14.4</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the 2019 realignment of Lonza’s segments into Pharma Biotech & Nutrition and Specialty Ingredients, as well as the classification of Water Care business as discontinued operations. Prior year information has not been restated to reflect the adoption of IFRS 16 (see note 2 of Half-Year Results 2019 Report).
² Currency exchange effects had 10bps negative impact on actual exchange rate (AER) results. Further information about constant exchange rates (CER) is displayed in the Half-Year Results 2019 Report.

CORE definition: See appendix
Half-Year 2019 Specialty Ingredients Overview

Continued headwinds in line with broader sector, however, profit margins were maintained

- Topline decline against a strong H1 2018 comparison driven by softer end-markets, especially in Asia, and significantly constrained BIT (1,2-Benzisothiazolin-3-one)

- LSI on track to diversify supply base, especially into India, with continuing uncertainties regarding Chinese BIT supply

- Stable profit margin as raw material price increases partly passed on to customers and LSI overhead cost control measures begin to deliver benefits

- Start of sales recovery expected in H2, however profitability below H1 caused by scheduled site maintenance
Half-Year 2019 Specialty Ingredients Overview
Start of sales recovery expected; CORE EBITDA margin pressure caused by site maintenance in H2 2019

Industrial Applications
Below previous year based on continued supply shortage of BIT
Extensive measures taken by value chain and price management
Encouraging results end of H1 with further recovery in H2 anticipated

Personal and Home Care Preservation
Robust performance of Home Care in China and North America
Soft performance of Personal Care caused by increased competition and lower demand in skin and hair care

Professional Hygiene
Continued healthy demand and performance above previous year

Wood Applications
Solid performance despite weather-related challenges in North America market

Composites
Negatively affected by soft demand for electronics, especially out of Asia
Uptake expected in H2 2019 based on increased demand following 5G introduction

Agricultural Offerings
Suffered from customer destocking after dry European summer in 2018
Supply chain challenges, competitive pressure and increasing feedstock cost
Increased demand for CMO
Vitamin B3 prices behind previous year; price increases expected in H2 2019
Delivering Innovation in Microbial-Control Applications

Specialty Ingredients’ focus on strengthening its market leadership

Some recent examples

**Next Generation Antidandruff Active**
Strengthening position as world’s leading antidandruff active supplier
Commenced manufacturing of Piroctone Olamine (PO) to broaden portfolio

**Keeping our World Healthy®**
New additions to regulated Professional Hygiene offerings
Introduction of hydrogen peroxide-based hard surface disinfectants and FDA-approved non-alcohol hand sanitizers

**Regulatory Support**
Introduction of microbial-control alternatives, e.g. Triclosan-free antibacterial personal care, Creosate-free protection for timber, regulatory approved fungicides for open system metalworking fluids

**Bioactives**
Product launches for personal care “aspirational” consumers
Introduction of naturally derived polyglycerol esters for non-ionic emulsifiers and surfactants, and bioactives for scalp and skin
Confirming Outlook 2019
A balance between positive momentum in LPBN and recovery in LSI

- Outlook 2019 anticipates a year of significant investments in Biologics and headwinds in the cyclical parts of Specialty Ingredients

- High single-digit sales growth in LPBN, start of recovery in LSI in H2 2019 anticipated

- Efficiency measures across all businesses ongoing with strategic investments in LPBN geared towards the second half of 2019 and regularly scheduled maintenance of LSI sites

- Continuing focus on growth project execution and delivery

Outlook 2019 is based on Lonza’s continuing operations (excluding the Water Care business unit), the present macro-economic environment, current visibility and constant exchange rates
Mid-Term Guidance based on contribution of all Lonza businesses

Recent investments in LPBN segment to capitalize on anticipated market growth, mainly expected to contribute to Lonza financial performance beyond 2022

Proceeds of Water Care disposal used for financing high-return, commercially de-risked growth initiatives in healthcare businesses alongside continuing focus on deleveraging

Mid-Term Guidance 2022 is based on Lonza’s continuing operations (excluding the Water Care business unit), the present macro-economic environment, current visibility and constant exchange rates
### Half-Year 2019 Financial Highlights Continuing Business (1/2)

**Presenting Half-Year 2019 results – Full report accessible online**

<table>
<thead>
<tr>
<th>CHF million</th>
<th>HYR 2019</th>
<th>HYR 2018 (restated)¹</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales⁴</td>
<td>2,976</td>
<td>2,796</td>
<td>6.4</td>
</tr>
<tr>
<td>CORE EBITDA³</td>
<td>828</td>
<td>769</td>
<td>7.7</td>
</tr>
<tr>
<td>Margin in %³</td>
<td>27.8</td>
<td>27.5</td>
<td>30 bps</td>
</tr>
<tr>
<td>CORE EBIT⁴</td>
<td>643</td>
<td>601</td>
<td>7.0</td>
</tr>
<tr>
<td>Margin in %⁴</td>
<td>21.6</td>
<td>21.5</td>
<td>10 bps</td>
</tr>
<tr>
<td>EBITDA</td>
<td>787</td>
<td>746</td>
<td>5.5</td>
</tr>
<tr>
<td>Margin in %</td>
<td>26.4</td>
<td></td>
<td>(30 bps)</td>
</tr>
<tr>
<td>EBIT</td>
<td>509</td>
<td>497</td>
<td>2.4</td>
</tr>
<tr>
<td>Margin in %</td>
<td>17.1</td>
<td>17.8</td>
<td>(70 bps)</td>
</tr>
<tr>
<td>Net Financing Costs</td>
<td>(64)</td>
<td>(18)</td>
<td>(255.6)</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>11.1%</td>
<td>18.3%</td>
<td>-</td>
</tr>
<tr>
<td>CORE Profit for the Period</td>
<td>520</td>
<td>475</td>
<td>9.5</td>
</tr>
<tr>
<td>Profit from Continuing Operations</td>
<td>393</td>
<td>391</td>
<td>0.5</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the classification of Water Care business as discontinued operations (see note 5 of the [Half-Year Results 2019 Report](#)). Prior year information has not been restated to reflect the adoption of IFRS 16 (see note 2 of the [Half-Year Results 2019 Report](#)).

² Currency exchange effects had 30bps positive impact on actual exchange rate (AER) results. Further information about constant exchange rates (CER) is displayed in the [Half-Year Results 2019 Report](#).

³ IFRS 16 accounting adjustment on leases had a positive CORE EBITDA impact of CHF 14 million in H1 2019 (40 bps positive CORE EBITDA margin impact).

⁴ IFRS 16 accounting adjustment on leases had a positive CORE EBIT impact of CHF 2 million in H1 2019 (10 bps positive CORE EBIT margin impact).

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

Presenting Half-Year 2019 results – Full report accessible [online](#).

<table>
<thead>
<tr>
<th>CHF million</th>
<th>HYR 2019</th>
<th>HYR 2018 (restated)</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CORE EPS basic (CHF)</strong></td>
<td>7.00</td>
<td>6.36</td>
<td>10.1</td>
</tr>
<tr>
<td><strong>EPS Basic (CHF)</strong></td>
<td>5.29</td>
<td>5.23</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>CORE EPS Diluted (CHF)</strong></td>
<td>6.96</td>
<td>6.32</td>
<td>10.1</td>
</tr>
<tr>
<td><strong>EPS Diluted (CHF)</strong></td>
<td>5.26</td>
<td>5.20</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Operational Free Cash Flow</strong></td>
<td>555</td>
<td>351</td>
<td>58.1</td>
</tr>
<tr>
<td><strong>Change of Net Working Capital</strong></td>
<td>(500)</td>
<td>(285)</td>
<td>(75.4)</td>
</tr>
<tr>
<td><strong>Capital Expenditures</strong></td>
<td>(308)</td>
<td>(179)</td>
<td>(72.1)</td>
</tr>
<tr>
<td><strong>CORE RONOA in %</strong></td>
<td>30.8</td>
<td>32.5</td>
<td>(5.2)</td>
</tr>
<tr>
<td><strong>ROIC in %</strong></td>
<td>9.4</td>
<td>8.3</td>
<td>13.3</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>3,334</td>
<td>3,715</td>
<td>(10.3)</td>
</tr>
<tr>
<td><strong>Debt-equity ratio</strong></td>
<td>0.53</td>
<td>0.58</td>
<td>(8.6)</td>
</tr>
<tr>
<td><strong>Net debt / CORE EBITDA ratio</strong></td>
<td>2.12</td>
<td>2.52</td>
<td>(15.9)</td>
</tr>
<tr>
<td><strong>Number of Employees</strong></td>
<td>14,700</td>
<td>14,882</td>
<td>(1.2)</td>
</tr>
</tbody>
</table>

1 Restated to reflect the classification of Water Care business as discontinued operations (see note 5 of the [Half-Year Results 2019 Report](#)). Prior year information has not been restated to reflect the adoption of IFRS 16 (see note 2 of the [Half-Year Results 2019 Report](#)).

2 Net debt/CORE EBITDA is calculated based on the CORE EBITDA of the last twelve months.
### Restated H1 2018 Financial Information

as of 30 June 2018 – Full report accessible online

#### Restated FH1 2018

<table>
<thead>
<tr>
<th>million CHF</th>
<th>LPBN(^1)</th>
<th>LSI(^2)</th>
<th>Corporate</th>
<th>Group (continuing)</th>
<th>Water Care</th>
<th>Group (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,884</td>
<td>893</td>
<td>19</td>
<td>2,796</td>
<td>283</td>
<td>3,079</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>632</td>
<td>168</td>
<td>(31)</td>
<td>769</td>
<td>33</td>
<td>802</td>
</tr>
<tr>
<td>CORE EBITDA Margin in %</td>
<td>33.5</td>
<td>18.8</td>
<td>(53)</td>
<td>27.5</td>
<td>11.7</td>
<td>26.0</td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>525</td>
<td>129</td>
<td>(53)</td>
<td>601</td>
<td>25</td>
<td>626</td>
</tr>
<tr>
<td>CORE EBIT Margin in %</td>
<td>27.9</td>
<td>14.4</td>
<td>(53)</td>
<td>21.5</td>
<td>8.8</td>
<td>20.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td></td>
<td></td>
<td>746</td>
<td>33</td>
<td>779</td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td></td>
<td>497</td>
<td>22</td>
<td>519</td>
</tr>
</tbody>
</table>

#### Restatement Impacts H1 2018

<table>
<thead>
<tr>
<th>CHF million</th>
<th>LPBN(^1)</th>
<th>LSI(^2)</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>321</td>
<td>(321)</td>
<td>-</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>115</td>
<td>(115)</td>
<td>-</td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>100</td>
<td>(100)</td>
<td>-</td>
</tr>
</tbody>
</table>

\(^1\) Lonza Pharma Biotech & Nutrition  
\(^2\) Lonza Specialty Ingredients  
CORE definition: See appendix
Events Calendar & Contacts

- 27 – 28 Aug 2019  Roadshow Singapore, SG (UBS)
- 27 – 29 Aug 2019  Roadshow NY / Boston, USA (BoAML)
- 29 – 30 Aug 2019  Roadshow Hong Kong, CN (UBS)
- 29 Aug 2019  Reverse Roadshow, Basel, CH (Octavian)
- 2 – 4 Sept 2019  Mizuho Investor Conference, Tokyo, JP
- 9 – 11 Sept 2019  Morgan Stanley Healthcare Conference, NY, USA
- 12 – 13 Sept 2019  Roadshow Frankfurt, DE (MainFirst)
- 6 Nov 2019  Swiss Equity Conference, Zurich, CH (ZKB)
- 21 Jan 2020  Full-Year Results 2019

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

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

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Therefore, the CORE results exclude exceptional expenses and income related to e.g. restructuring, environmental-remediation, acquisitions and divestitures, impairments and amortization of acquisition-related intangible assets, which can differ significantly from year to year.

For this same reason, Lonza uses these CORE results in addition to IFRS as important factors in internally assessing the Group’s performance.

In Lonza’s 2019 Half-Year Results report, the reconciliation of IFRS to CORE results provides further details on the adjustments.

Lonza believes that disclosing CORE results of the Group’s performance enhances the financial markets’ understanding of the company because the CORE results enable better comparison across years.
Lonza Group Ltd has its headquarters in Basel, Switzerland, and is listed on the SIX Swiss Exchange. It has a secondary listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Lonza Group Ltd is not subject to the SGX-ST’s continuing listing requirements but remains subject to Rules 217 and 751 of the SGX-ST Listing Manual.

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “outlook,” “guidance,” “believes,” “plans,” “anticipates,” “expects,” “estimates” and similar expressions) should be considered to be forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty.

There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including the timing and strength of new product offerings; pricing strategies of competitors; the company’s ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; difficulty to maintain relationships with employees, customers and other business partners; and changes in the political, social and regulatory framework in which the company operates, or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis.

In particular, the assumptions underlying the Outlook 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.
ADC  Antibody Drug Conjugate
AAV  Adeno Associated Virus
Autologous  Autologous cell-based therapy uses a person’s own stem cells
Allogeneic  Allogeneic cell-based therapy uses stem cells from a matched related or unrelated donor
bps  Basis Points
CAPEX  Capital Expenditure
CAR-T cells  Chimeric antigen receptor-directed T cells
CDMO  Contract Development and Manufacturing Organization
cGMP  Current good manufacturing practices
EBIT  Earnings before interest and taxes
EBITDA  Earnings before interest, taxes, depreciation, and amortization
EPS  Earnings per share
HP(API)  Highly Potent (Active Pharmaceutical Ingredient)
IFRS  International Financial Reporting Standards
IRR  Internal Rate of Return
OPEX  Operating Expense
QC  Quality Control
ROIC  Return On Invested Capital
RONOA  Return on Net Operating Assets
Small-Molecules  Low molecular weight molecules that include lipids, monosaccharides, second messengers, other natural products and metabolites, as well as drugs and other xenobiotics
YoY  Year over year