Making the Medicines of Tomorrow

Lonza

Lonza Signs Agreement to Acquire US CDMO Network from Merck KGaA, Darmstadt, Germany

3 November 2026



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Agenda

Lonza

1	Transaction Overview and Strategic Rationale
2	The Underlying Market Opportunities
3	Financial Impact and Value Creation
4	Q&A

Today's Presenters



Wolfgang Wienand, PhD
Chief Executive Officer



Philippe Deecke
Chief Financial Officer

Transaction summary | Lonza to acquire US CDMO network from Merck KGaA to strengthen US presence

- Lonza has signed an agreement to acquire five US CDMO manufacturing sites and associated businesses from Merck KGaA[1,2]
- The transaction is fully in line with the One Lonza Strategy – expansion of Lonza's capabilities in the US for bioconjugation[3] and in viral vectors
- Enterprise valuation in the low- to mid-triple-digit millions CHF – all cash
- In first full year 2028, around CHF 250m sales at a positive CORE EBITDA margin – peak sales at expected future Group margin by mid-2030s



1. Darmstadt, Germany. 2. Subject to customary closing conditions. 3. Drug substances, including high-potency payload-linkers.

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Key transaction terms | Lonza acquires five well-invested US CDMO manufacturing sites for high-growth pharmaceutical modalities

Transaction overview

Terms & Financing

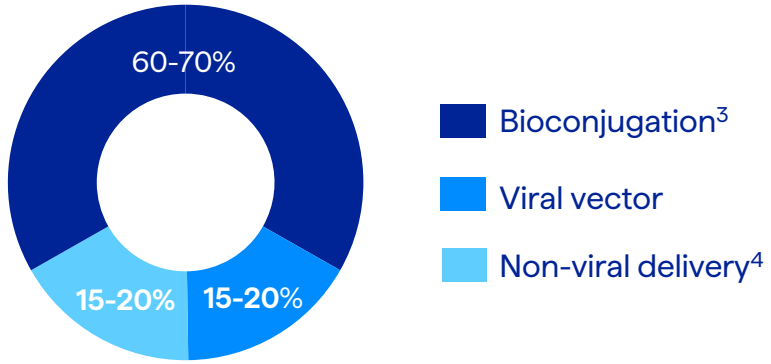
- Seller: Merck KGaA, Darmstadt, Germany
- Enterprise valuation: Low- to mid-triple-digit millions CHF, in cash
- Funding: Cash at hand and existing credit facilities, commitment to BBB+ rating
- Expected closing of transaction: Mid-2027

Facts & Figures

Sales FY 2028[1]	*~ CHF 250m*
CORE EBITDA Margin FY 2028	*Positive*
US Manufacturing Sites	*5*
Number of FTEs	*~ 1,100*

Sales split of acquired assets by modality

[In %, based on 2026E]



Well-invested CDMO sites with available capacity and option for further expansions

Lonza's Innovation-to-Launch Integrator model to drive utilization of acquired network, supporting significant sales growth

Experienced local teams with expertise in clinical and commercial manufacturing

1. Based on USD/CHF exchange rate as of end of October 2026. 2. To Lonza Group margins. 3. Including high-potency payload-linkers. 4. Lipid nanoparticles (LNP), liposomes and PEGylated proteins.

Acquired US manufacturing network combines differentiated capabilities, highly skilled talent and platforms for future expansion

Lonza

St. Louis, MO



- **Technology: Bioconjugation**
- State-of-the-art facility with multiple expansions ongoing
- Proven clinical and commercial manufacturing track record
- Robust clinical and commercial pipeline
- ~ 17,000 m² | 300+ FTE

Advanced Synthesis

Madison & Verona, WI



- **Technology: Payload-linkers**[1]
- State-of-the-art facility with multiple expansions and upgrades in recent years
- Advanced containment for clinical and commercial mfg.
- 30+ years of high-potency expertise
- ~ 20,000 m² | 300+ FTE

Advanced Synthesis

Carlsbad, CA



- **Technology: Viral vectors**
- State-of the-art facility, operational since 2022
- Established clinical and commercial capabilities
- Integrated manufacturing and aseptic fill & finish
- ~ 19,000 m² | 150+ FTE

Specialized Modalities

Indianapolis, IN



- **Technology: Non-viral delivery solutions**
- Integrated manufacturing and aseptic fill & finish
- Expertise in LNPs, liposomes and PEGylated proteins
- Proven commercial manufacturing capabilities
- ~ 15,000 m² | 200+ FTE

Specialized Modalities | Integrated Biologics

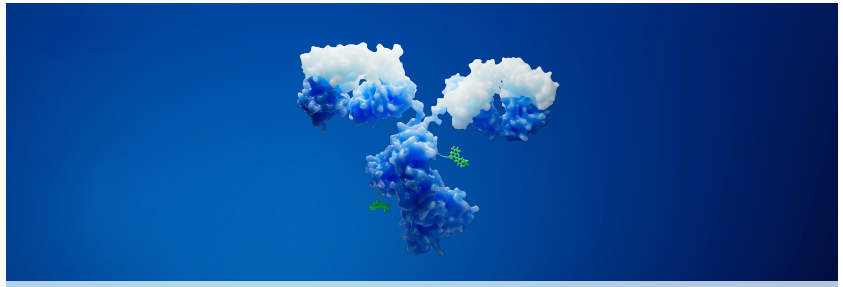
1. High-potency.

Strategic rationale | Lonza to establish strategic bioconjugation and payload-linker US footprint and further expand viral vector capabilities in the US



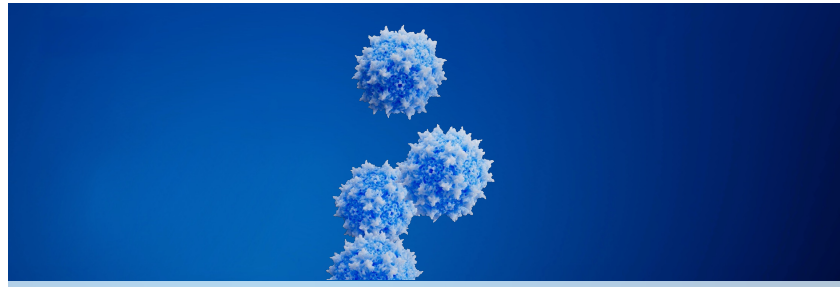
Unlocking growth opportunities across One Lonza

- Increase exposure to high-growth **bioconjugation, payload-linker and viral vector CDMO opportunities**
- **Accelerate** and de-risk US expansion plans with well-invested CDMO capacities, providing a platform for future investments
- Strengthen the **resilience** of Lonza's global network by expanding US presence



Complementary US network for bioconjugates and payload-linkers

- Create a **US end-to-end drug substance network for ADCs and other bioconjugates**
- Expand Lonza's **development pipeline for bioconjugates and payload-linkers**
- Add **small- and mid-scale capacities**, complementing existing footprint in Visp (CH)

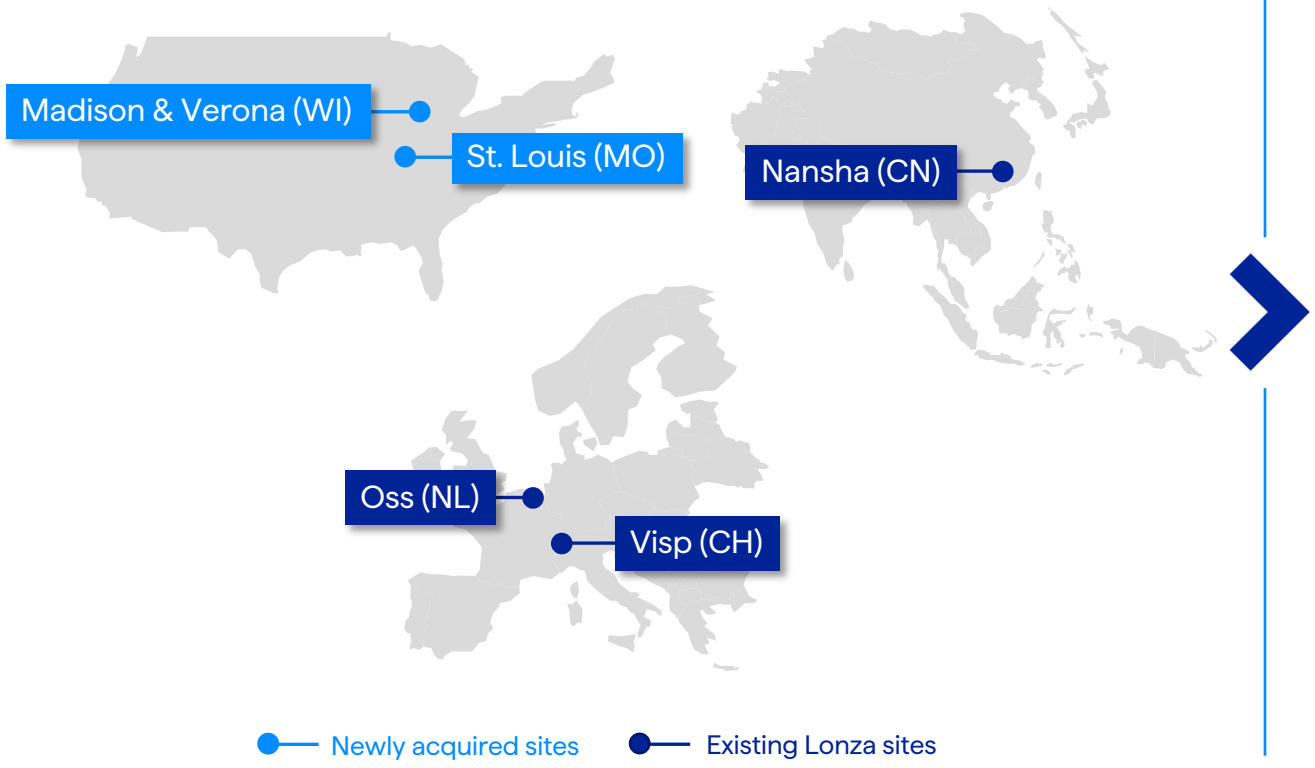


Cell & Gene expansion with a dedicated viral vector site

- Expand Lonza's cell therapy offering for **viral vectors**
- Add **aseptic fill & finish** for cell & gene therapies
- Create **critical scale** through an established facility for commercial manufacturing

Advanced Synthesis | Complementary US capabilities for Lonza's global integrated bioconjugation and payload-linker manufacturing network

Bioconjugation & Payload-Linker[1] Network



Early-stage molecule capture

- Oss (NL) supports customers with differentiated linker and dual-payload technology & development offering

Integrated clinical capabilities to drive pipeline progress

- Clinical payload-linker offering across Madison & Verona (US) and Visp (CH)
- Clinical bioconjugation capabilities in St. Louis (US) and Visp (CH)

Global commercial manufacturing at scale

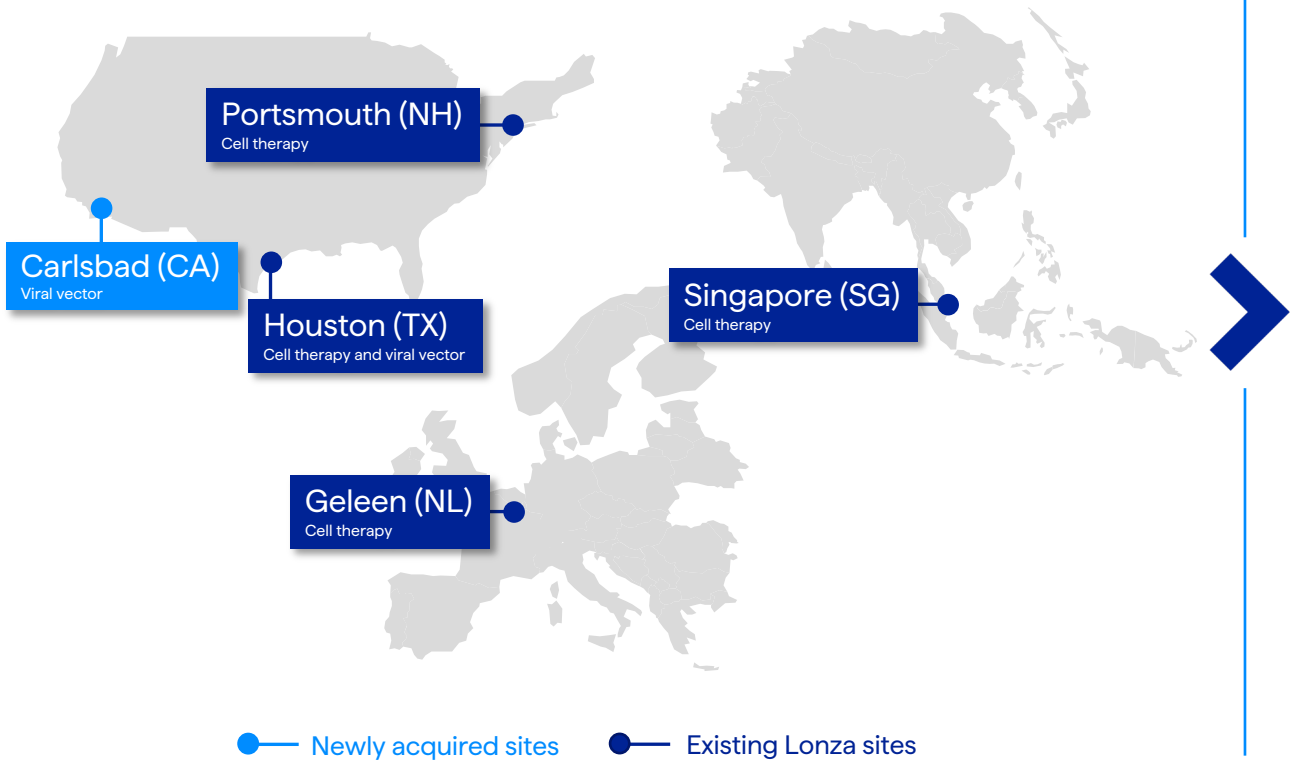
- Commercial payload-linker capacity in Madison/Verona complements the established Visp offering
- Nansha (CN) supports with upstream payload-linker chemistry
- St. Louis adds US commercial bioconjugation capacity alongside Visp's capabilities

1. High-potency.

Specialized Modalities | Complementary US viral vector site with diversified offering and aseptic fill & finish capabilities

Lonza

Cell & Gene Network



Lonza's comprehensive cell therapy network

- Across three continents in the US, the Netherlands and Singapore
- Strong late-stage and commercial exposure

Complementary US viral vector hub

- Carlsbad (CA) is an established commercial viral vector facility
- Diversified suspension viral vector platform (e.g. LV, AAV[1] and other virus types)
- Integrated aseptic cell & gene fill-finish capacities

Strengthening Lonza's exposure to high-growth opportunities

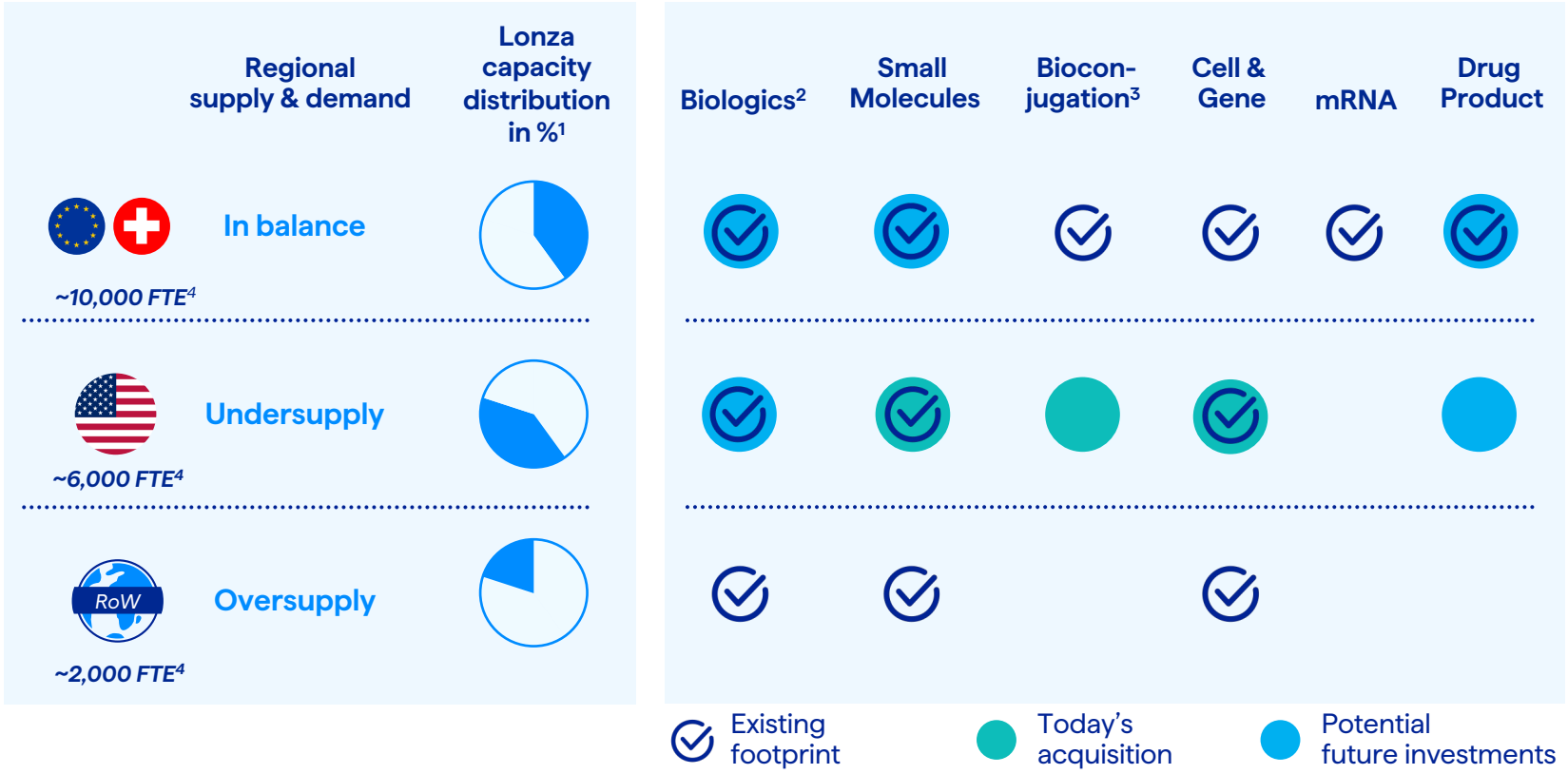
- Viral vector for gene therapies
- Viral vectors for in-vivo CAR-T

1. Lentivirus, adeno-associated virus.

Closing gaps in Lonza's Innovation-to-Launch infrastructure across the globe and across modalities | Bringing capacity close to customers where demand > supply

Lonza

Targeted acquisitions **expand strategic capabilities, increase customer proximity** and strengthen Lonza's **presence in the undersupplied US market**



Lonza as **only CDMO with strong presence on three continents**, now with 17 sites[5]

Further **aligning network capacity with innovative pharma demand**

Increasing network resilience, further strengthening security of supply for customers

Turning Lonza's CMD commitments into action by **delivering on our strategic priorities**

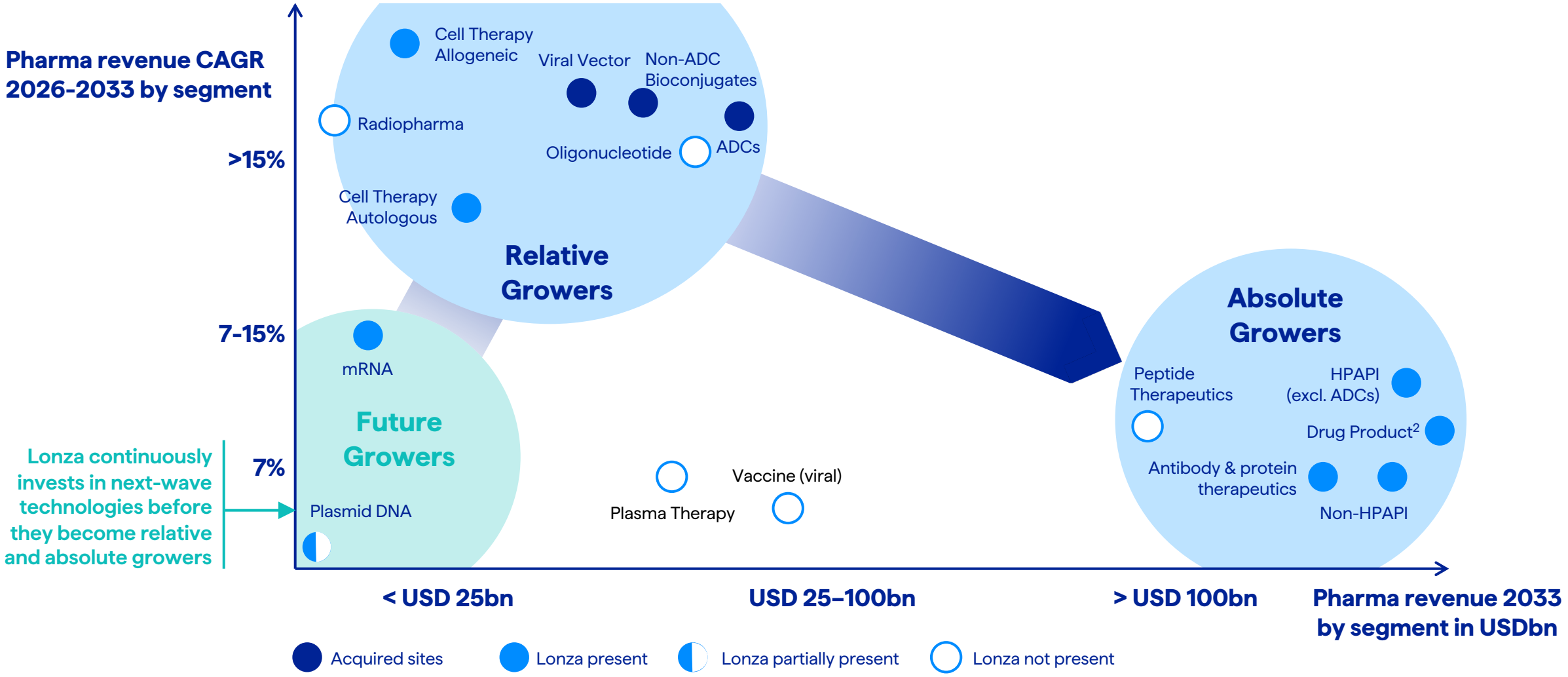
1. Lonza capacity based on Mammalian and Small Molecules. 2. Mammalian and Microbial. 3. Bioconjugation of e.g., Antibody-Drug Conjugates. 4. Regional workforce as of H1 2026, excluding CHI but including acquired US sites from Merck KGaA, Darmstadt, Germany. 5. Manufacturing sites supporting Phase II/III or commercial supply, Madison & Verona counted as one site, excl. smaller sites.

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With the acquisition, Lonza expands its presence in three fast-growing segments



1. Lonza analysis, Evaluate Pharma. 2. Addressable Lonza scope, indicative with Drug Product not being a pharma segment itself.

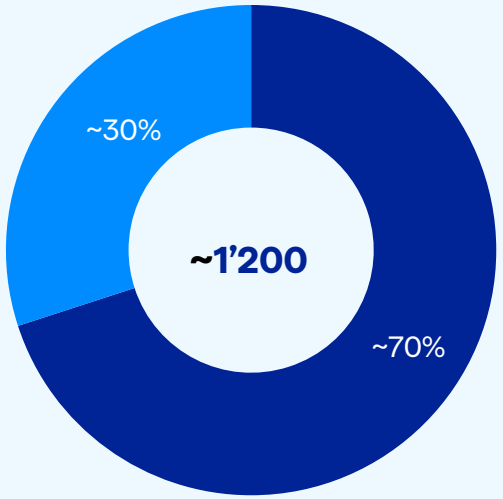
Comprehensive bioconjugation pipeline with increasing late-stage volume demand | Underlying pharmaceutical market growths drives CDMO growth

Around 1,200 bioconjugates in pipeline, ~70% of which use cytotoxic payloads

Rich phase 2 and phase 3 pipeline providing strong long-term volume demand growth potential

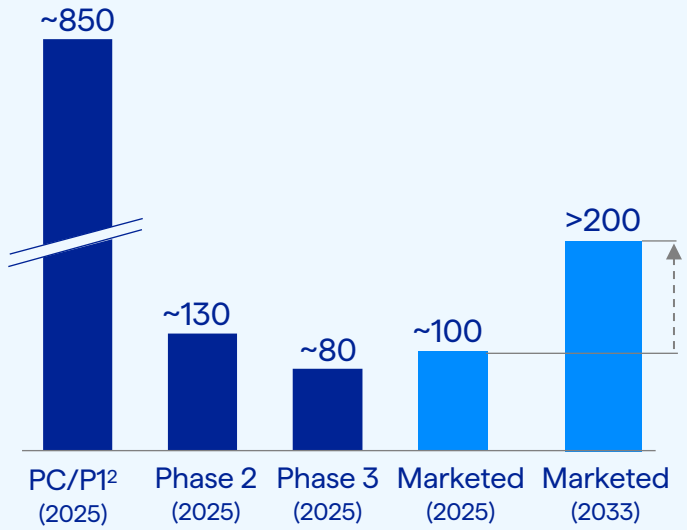
Strong growth in pharma sales of existing commercial bioconjugates – new approvals driving further growth

Global bioconjugation pipeline by technology[1]
[# of molecules]

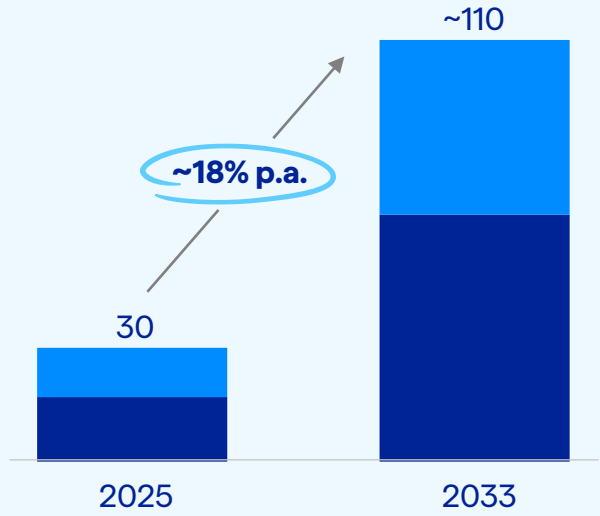


ADCs and other cytotoxics
Non-cytotoxic bioconjugates

Global bioconjugation pipeline[1]
[# of molecules]



Global bioconjugation pharma sales[1]
[In USD bn]



ADCs and other cytotoxics
Non-cytotoxic bioconjugates

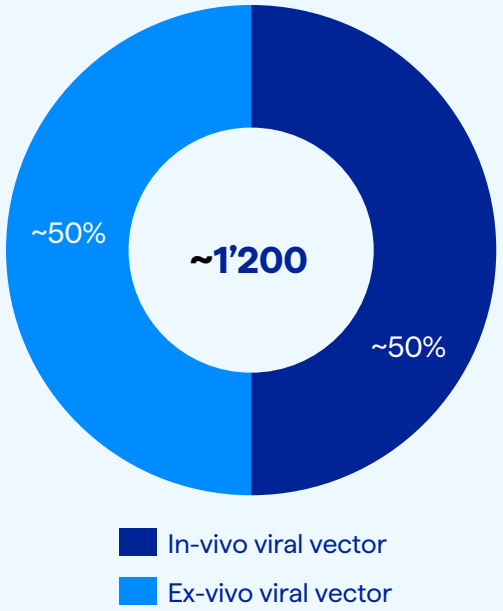
1. Lonza internal analysis, Evaluate Pharma. 2. Pre-clinical and phase 1.

Rich development pipeline driving viral vector growth | Demand for CDMO services will benefit from expected commercial launches

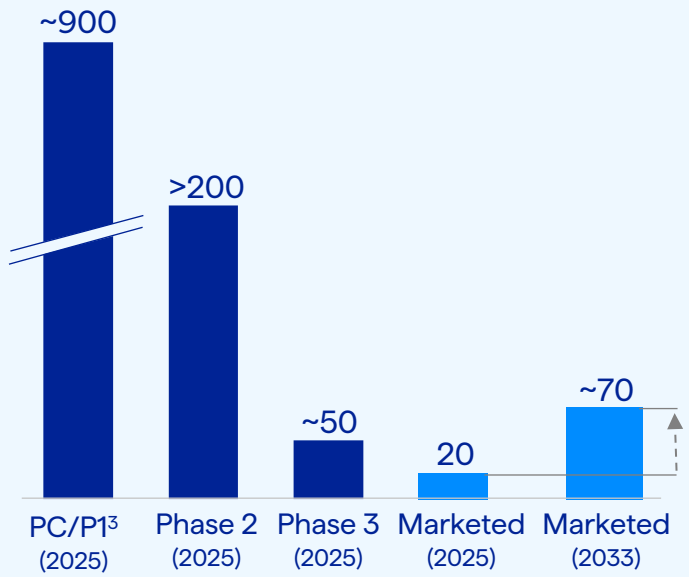
Lonza

- Comprehensive development pipeline for in-vivo and ex-vivo viral vector therapies
- Around 50 phase 2 and phase 3 molecules expected to turn commercial until 2033
- Strong growth of viral vector pharma market, dominated by AAV[4] and Lentivirus

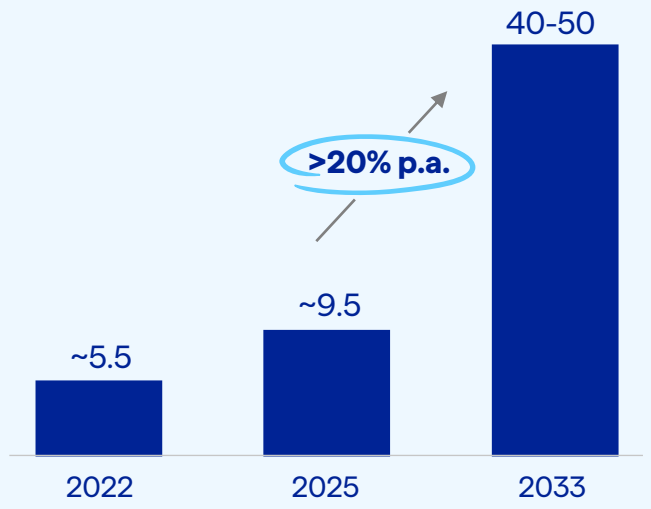
Global viral vector pipeline by technology[1,2]
[# of molecules]



Global viral vector pipeline[1,2]
[# of molecules]



Global viral vector pharma sales[1,2,5]
[In USD bn]



1. Lonza internal analysis for in-vivo and ex-vivo viral vector, Evaluate Pharma. 2. Lonza addressable market. 3. Pre-clinical and phase 1. 4. Adeno-associated virus. 5. Used in in-vivo and ex-vivo cell & gene therapies.

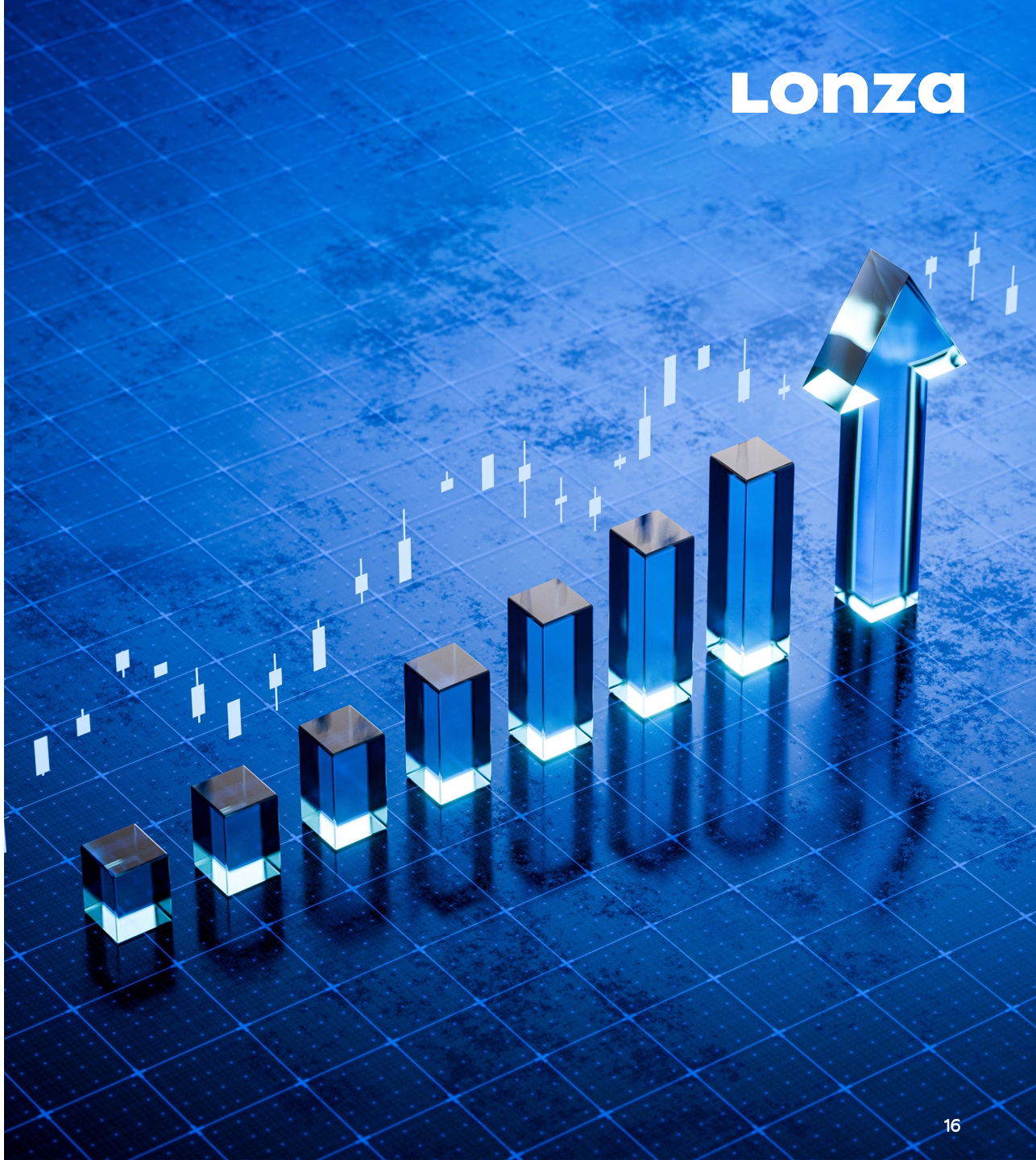
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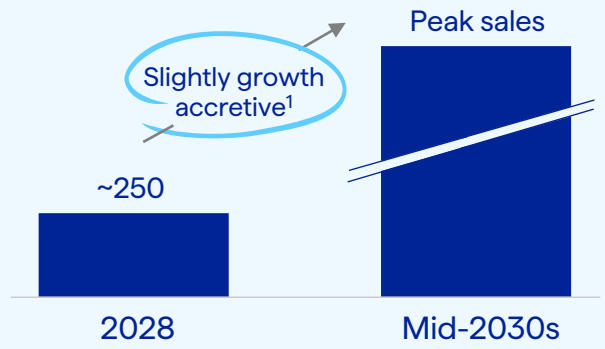
3 **Financial Impact and Value Creation**

4 Q&A

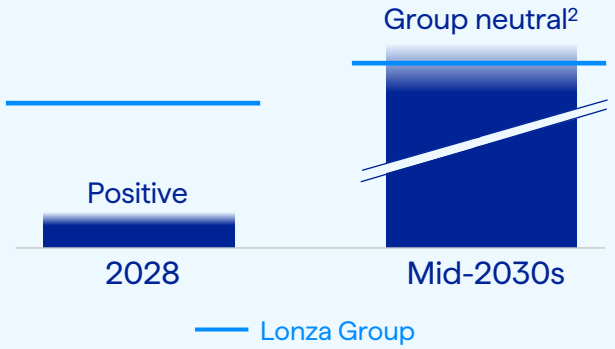


Peak sales potential of acquired sites and associated businesses | Increasing capacity utilization and mix evolution will materially improve profitability over time

Expected sales
[in CHF million, illustrative, not drawn to scale]



Expected CORE EBITDA margin
[in %, illustrative, not drawn to scale]



- In first full year 2028, sales of around CHF 250 million
- Over time, trajectory of significant sales growth, reaching peak sales in mid-2030s
- In early years, negligible CORE EBITDA contribution and insignificant CORE EBITDA margin dilution to Group
- CORE EBITDA growth ahead of sales growth, with CORE EBITDA margin becoming neutral to the expected future Group margin in mid-2030s – driven by:
  - Increasing capacity utilization
  - Favorable product mix with more commercial products
  - New business acquisition
  - Integration in Lonza's global network
- Acquisition to become accretive to group ROIC over time
- **No change to Lonza's Outlook 2026**
- **No change to the Lonza's Organic Growth Model and associated mid-term financial ambitions**

1. To Lonza Group CER sales growth on average over time. 2. To Lonza Group CORE EBITDA margin by mid-2030.

Deploying balance sheet flexibility for growth | Lonza maintains financial flexibility for further bolt-on acquisitions and shareholder returns

Capital Allocation Framework

Cash from operating activities pre-CapEx

\- Maintenance | infrastructure | systems CapEx

\- Progressive[1] dividends

\+ CHI exit proceeds of CHF 1.7bn

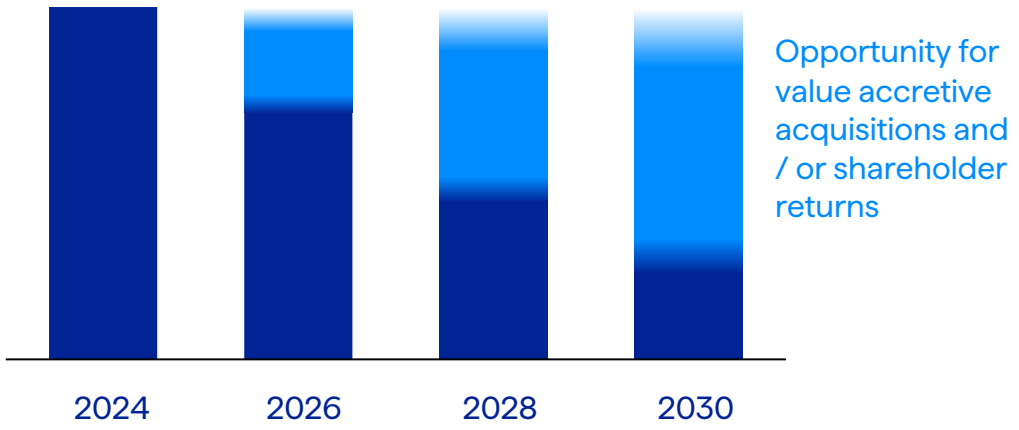
= **Discretionary cash**

Growth CapEx | Acquisitions

Surplus capital to be returned to shareholders[2]: CHF 500m announced

Net debt evolution[3]

As multiple of CORE EBITDA



1. Maintaining or increasing dividend per share each year. 2. Share buy-back to be initiated with closing of CHI divestment by year-end 2026. 3. 2026 and beyond including CHI upfront proceeds, subsequent share buyback of CHF 500 million, assumed to be completed by the end of 2026 and the acquisition of 5 US sites from Merck KGaA, Darmstadt, Germany. 4. In line with Lonza's Organic Growth Model, excluding M&A.

Lonza intends to invest > CHF 7bn[4] until 2030 –
and is ready for further bolt-on acquisitions while maintaining a BBB+ credit rating

Acceleration of the Organic Growth Model | The current transaction reinforces Lonza's bolt-on M&A approach under the One Lonza Strategy

Lonza

Broad set of **opportunities**

Fragmented CDMO industry

Optional: **New modalities**

Under-utilized pharma assets

Innovative **platform & technology developers**

Optional: **New modalities**

Clear line of sight for **value creation**

Assessment against **CDMO Model** and **Lonza Engine**



Capacity

Business

Technology

Integrated Biologics	Advanced Synthesis	Specialized Modalities	Beyond Today
Expand in capacity-constrained market & drive innovation	*Diversify footprint & double down on attractive niches*	*Extend tech offering & create larger product portfolios*	*Secure long-term growth through new CDMO offerings*

Check marks as relative priorities (may evolve as opportunities arise)

Vacaville

Acquisition of 5 US CDMO sites from Merck KGaA[1]

NONA BIOSCIENCES 3

Synaffix 2 Qurient 3

redberry 2 ASIMOV 3

1. Darmstadt, Germany. 2. Acquisitions. 3. Exclusive access to specific technologies.

Organic Growth Model[1] | Lonza is a Structural Growth Compounder, further reinforced by today's acquisition

Lonza

Sales Growth & Investments

Lonza Engine® + **Investments**



The Lonza Engine® enables growth 2-3% ahead of the addressable market

Mid-to-high teens CapEx as % of sales:

- Low teens % in organic growth
- Mid-to-high single-digit % in maintenance, infrastructure, systems

Organic CER[2] sales growth of low-teens[3] on average over time

New assets supportive of Group CER sales growth[4]

EBITDA Growth & Margin Expansion

CORE EBITDA growth > sales growth

CORE EBITDA margin to reach high 30s % in the mid-term

Low CORE EBITDA margin at start, improving over time[4], to reach expected future Group level by mid-2030s

1. Lonza CDMO business, excl. Capsules & Health Ingredients. 2. Constant Exchange Rates. 3. 10-13%. 4. After initial consolidation effect on sales / CORE EBITDA margin.

Concluding remarks

- The acquisition will strengthen Lonza's network resilience through the addition of a second ADC manufacturing hub[1] and a viral vector platform in the US
- The acquisition accelerates Lonza's US expansion with well-invested capacity and provides a platform for future growth investments
- The acquired businesses are expected to deliver significant profitable growth over time – to reach expected future Group margin by mid-2030s
- The acquisition offers compelling value creation potential for customers, patients and shareholders

1. In addition to Visp (CH).

Lonza is the Innovation-to-Launch Integrator:
At any phase. Any scale. Across technologies. Across the globe.

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