Enabling a Healthier World

Lonza

Full-Year Results 2022

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25 January 2023

Contents

Full-Year 2022
Group Overview

Group Overview[1]

Strong financial performance supported by robust business fundamentals

- Strong Full-Year performance, with CHF 6.2 billion sales and 15.1% CER sales growth
- CHF 2.0 billion CORE EBITDA resulting in a margin of 32.1%
- Growth investment continues with 2022 CAPEX reaching 30% of sales
- Outlook 2023: high single-digit CER sales growth and CORE EBITDA margin of 30-31%
- Mid-Term Guidance 2024 confirmed
- Proposed dividend increase of 17% to CHF 3.50 per share
- Strong balance sheet and positive outlook enables return of excess capital through share buyback up to CHF 2 billion

[1] CORE results and Constant Exchange Rates (CER) are non-IFRS measures.
For Lonza's definition of CORE results, also refer to the Alternative Performance Measures Brochure published in conjunction with the Lonza Full-Year Report.

Strong 2022 Financials and Cumulative Performance

Performance supported by robust business model and healthy market

Lonza

Successful Full-Year and cumulative performance confirms robust business model and market

1. Diversified business with secure customer base supported by long-term contracts
2. Continued CAPEX investment program to support growth in attractive CDMO market

Full-Year 2022 in numbers

6.2bn	+15.1%	32.1%
Sales in CHF	CER sales growth vs Full-Year 2021	CORE EBITDA margin

2020 – 2022 cumulative performance

Double-digit CER sales growth	Continuous CORE EBITDA margin improvement

1 Broad and Diversified Portfolio of Customers

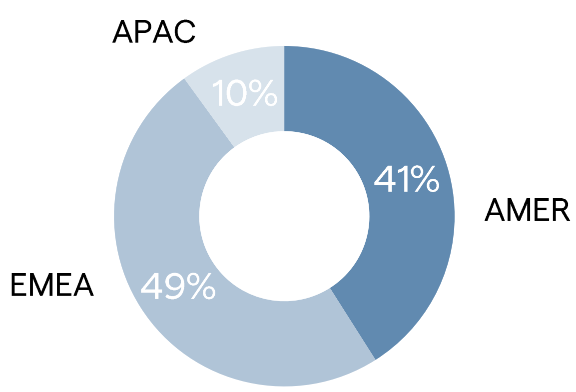
Balanced portfolio of customer contracts supports sustainable growth

>790
total number of CDMO customers[1]

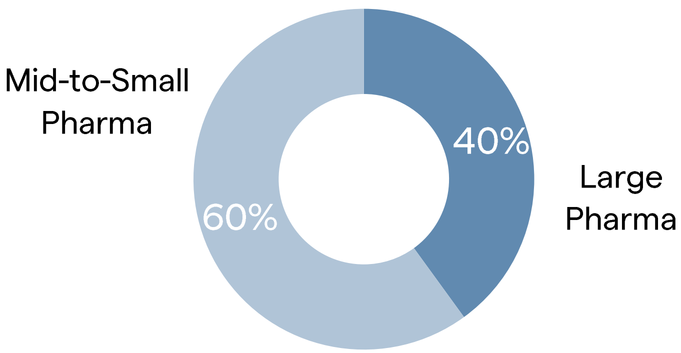
~115
new CDMO customers in 2022[1]

~375
new CDMO programs signed in 2022

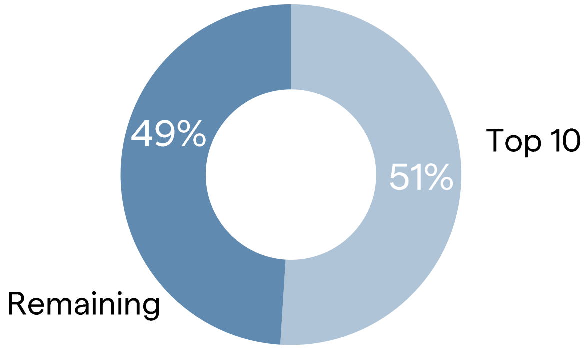
CDMO Sales by Customer Location[2]



CDMO Sales by Customer Type[3]



Distribution of CDMO Customers by Sales

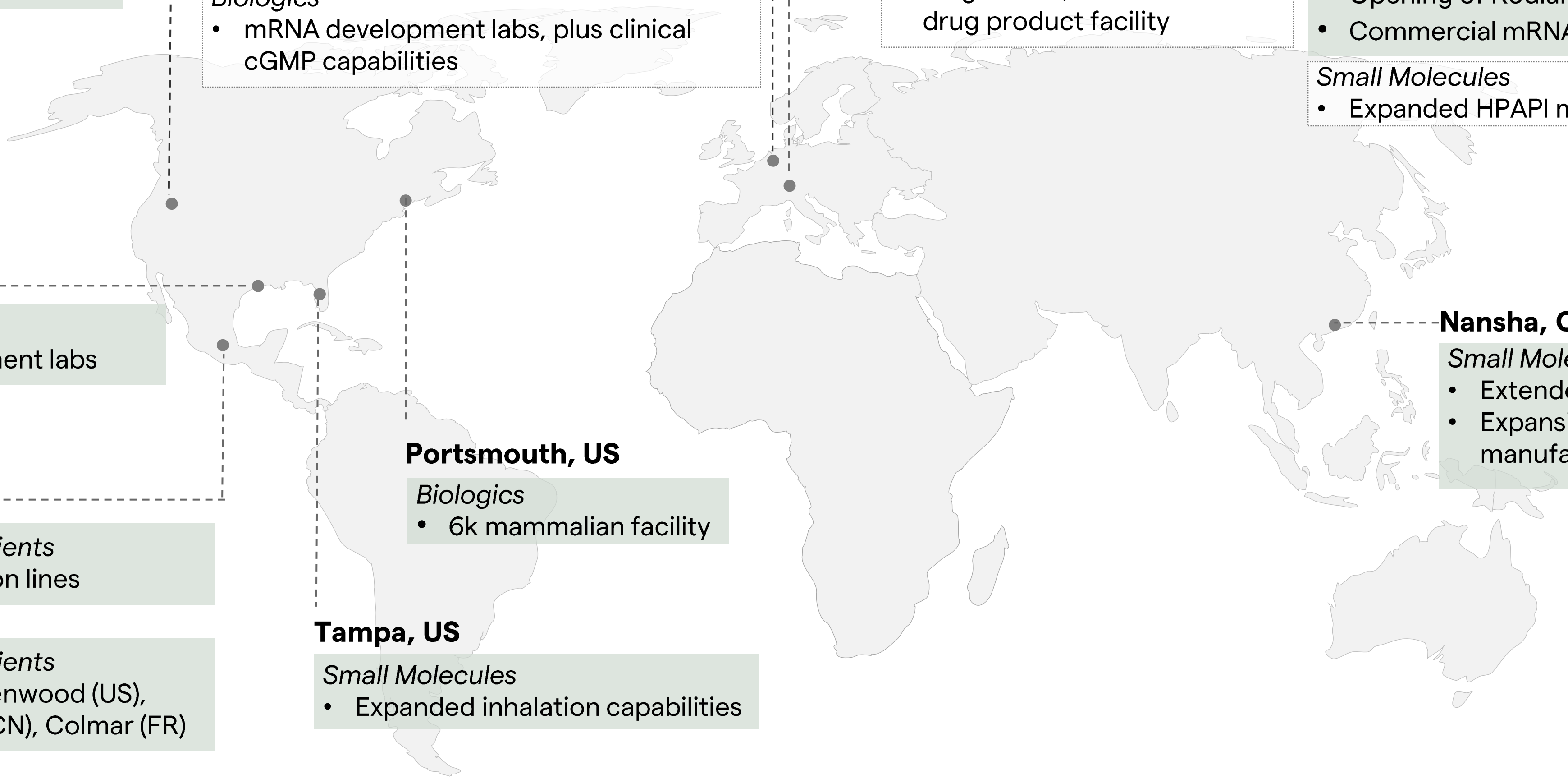


[1] Based on distinct companies
[2] Based on the geographic location of the customers (where the goods were delivered)
[3] Top 30 largest pharma companies by revenue are attributed to large pharma

2 Growth CAPEX Projects

Lonza

Investments across modalities with a focus on large or complex assets



Bend, US

Small Molecules
- Early phase clinical development and manufacturing facility

Geleen, NL

Cell & Gene
- CGT process development labs

Biologics
- mRNA development labs, plus clinical cGMP capabilities

Stein, CH

Biologics
- Large-scale, commercial drug product facility

Visp, CH

Biologics
- Two new bioconjugate suites
- Opening of Kodiak facility
- Commercial mRNA capacity

Small Molecules
- Expanded HPAPI multipurpose suite

Houston, US

Cell & Gene
- CGT process development labs

Nansha, CN

Small Molecules
- Extended cGMP HPAPI lab
- Expansion of API mid-scale manufacturing facility

Portsmouth, US

Biologics
- 6k mammalian facility

Puebla, MX

Capsules & Health Ingredients
- New capsule production lines

Capsules & Health Ingredients
- Additional lines in Greenwood (US), Haryana (IN), Suzhou (CN), Colmar (FR)

Tampa, US

Small Molecules
- Expanded inhalation capabilities

Investments announced in 2022

Investments that came online in 2022

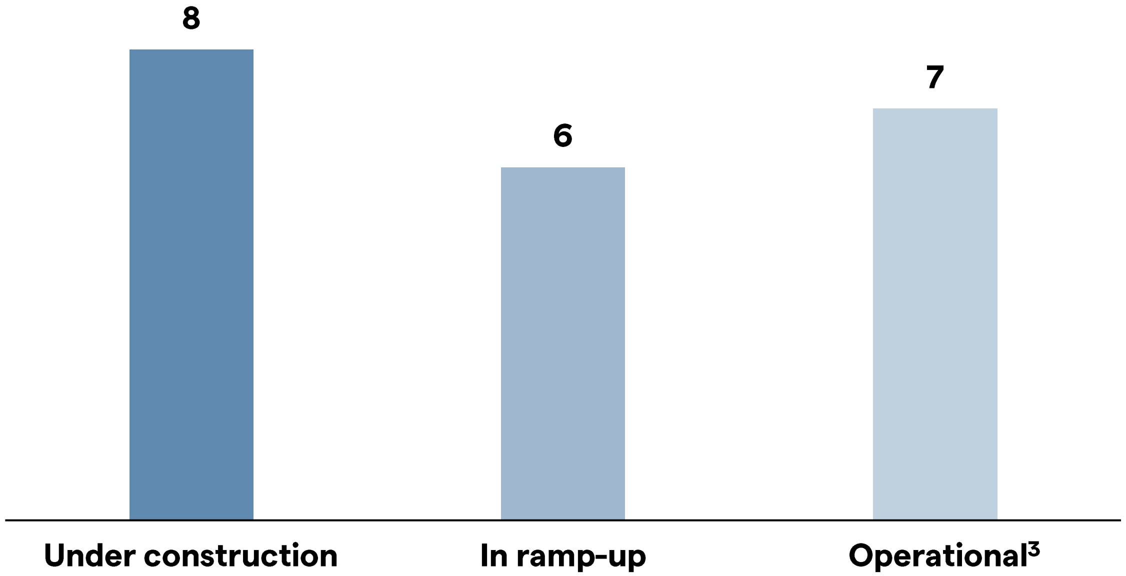
Delivering our Existing Growth Projects

Projects targeted to meet sustained demand in complex areas

Lonza Biopark, Visp (CH), 2019 and 2022[1]

Growth Project Portfolio

large projects[2] by phase; construction start date 2019 or later

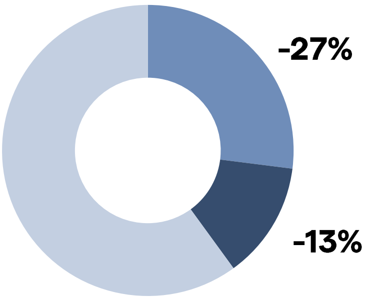


[1] Ibex 1 facility build is on track and almost fully contracted. Large-scale mammalian drug substance manufacturing facility (Ibex 2) is on track
[2] Planned CAPEX >CHF 50m; excludes infrastructure investments
[3] Operational is defined as 50% of peak sales or more

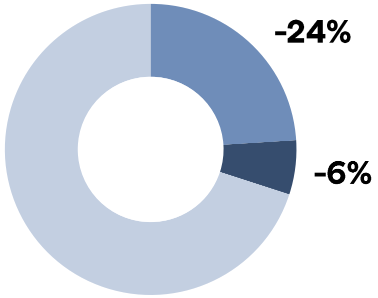
Continued Momentum on our ESG Agenda

Supporting sustainable value creation

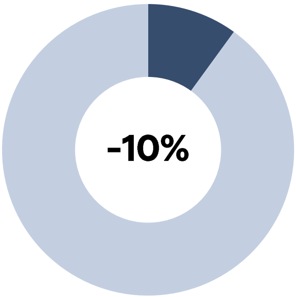
- ESG targets were incorporated into employee and executive remuneration policy from 2022
- Progress on all key metrics, including 40% GHG emissions intensity reduction vs 2018 baseline
- Recognized as one of the world's most ethical companies for the second year by Ethisphere®



GHG emissions intensity reduction (vs 2018 baseline)[1]



Energy intensity reduction (vs 2018 baseline)[1]



Water intensity reduction (vs 2021 baseline)[1]

2022 WORLD'S MOST ETHICAL COMPANIES® ™
WWW.ETHISPHERE.COM

Progress in 2022 | Progress up to 2021

[1] Based on Q1-3 2022 data plus Q4 2022 estimates.
Confirmed full-year numbers will be published in the Lonza Sustainability Report in March 2023

Set up for Continued Growth and Success in CDMO Industry

Delivering sustainable value now and in the future

Strong and stable business model

- Diversified business
- Long-term commercial contracts
- High skills/experience and large asset base in highly regulated market

CHF 1.9bn investment in 2022 for sustained growth at high margin

Investment in future growth

- Growth investments with attractive returns and secure customer base
- Attract, retain and grow industry leading talent
- Sustainability by design

Attractive CDMO market with double-digit growth

2022 in Review

Sustained performance in an uncertain macroeconomic environment

- Strong financial performance in line with Outlook
- Continuous improvement programs across the global network drive operational excellence
- Accelerated growth investments
- Inflation mitigated by strategic approach to pricing and contracts
- Resilient business model and market demand in uncertain macroeconomic environment

Full-Year 2022 Financial Summary

Financial Highlights

Strong performance in an uncertain macroeconomic environment

Lonza

Continued strong growth momentum, supported by COVID business

Margin expansion despite inflationary pressures

Delivered on Outlook

Financial Performance Summary AER[1,2]
in m CHF

	H2 2022	FY 2022
Sales	**3,241**	**6,223**
CER[3] growth	*13.6%*	*15.1%*
CORE EBITDA	**1,008**	**1,995**
Growth	*23.2%*	*19.8%*
Margin	*31.1%*	*32.1%*
YoY margin change	*2.6ppts*	*1.3ppts*

[1] All financial information for financial year 2022 is unaudited. The audit report on the 2022 consolidated financial statements of Lonza Group will be issued in March 2023 together with the publication of Lonza's 2022 Annual Report
[2] Actual Exchange Rate
[3] Constant Exchange Rate

CORE EBITDA Margin

Strong margin expansion

Margin expansion by 1.3ppts

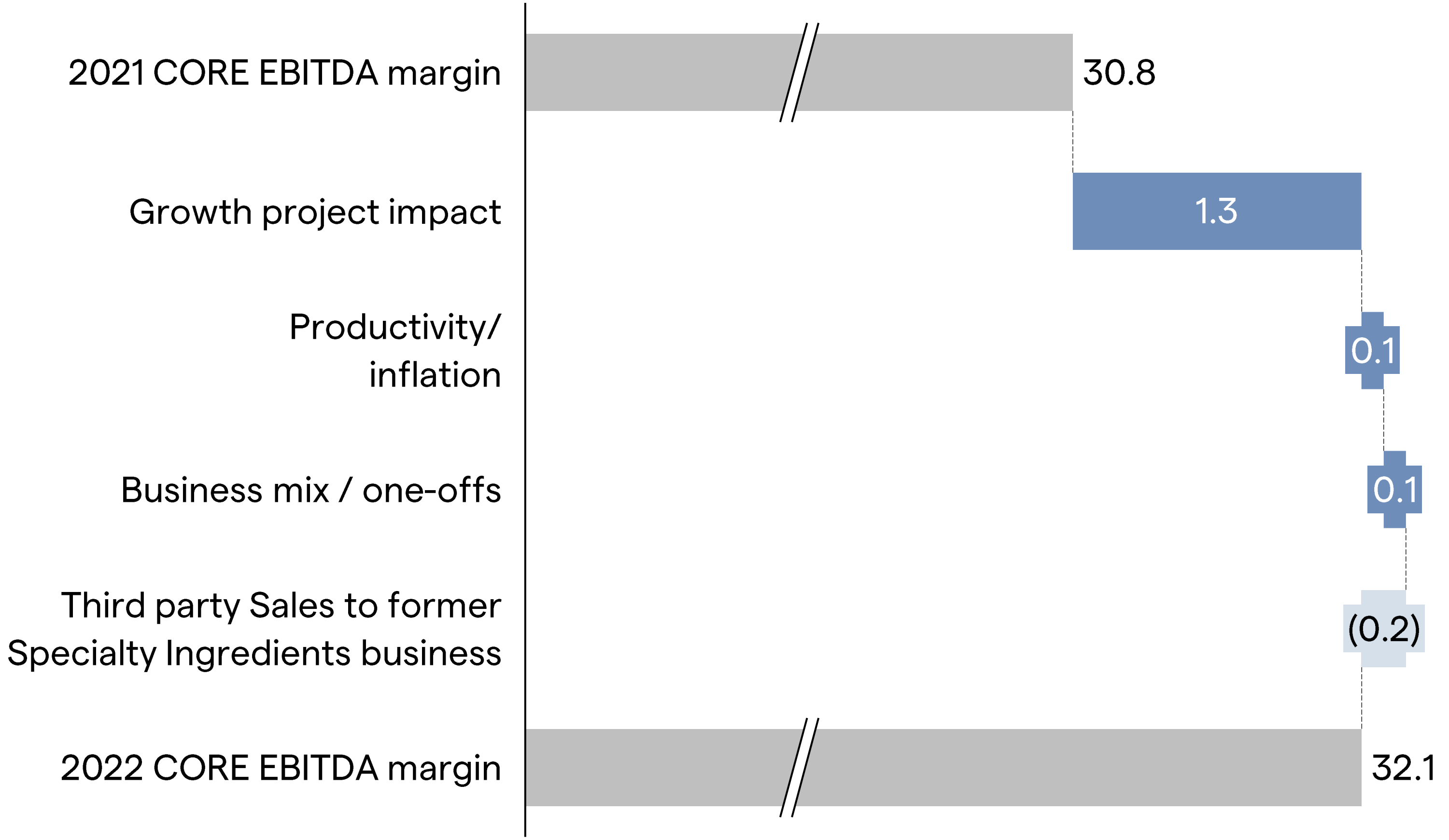
Growth projects less dilutive vs. 2021

Strong productivity and base profitability offset by inflation

Former Specialty Ingredients sales already in prior year base

CORE EBITDA Margin Evolution FY

in %



Divisional Performance

Momentum across divisions supported by Biologics project ramp-up

Continued momentum in Biologics supported by growth projects coming online, incl. mRNA

Strong margins in Small Molecules from ramp-up of high value projects

Softer C&G market environment

CHI sales growth driven by pricing and pharma demand; residual inflation impacted margin

Financial Results by Division FY 2022

	Sales growth CER[1]	CORE EBITDA margin	Margin change AER[2]
Biologics	21.7%	37.5%	1.2ppts
Small Molecules	5.9%	30.3%	2.3ppts
Cell & Gene	13.6%	16.7%	-0.9ppts
Capsules & Health Ingredients	5.9%	33.0%	-1.4ppts
Lonza	**15.1%**	**32.1%**	**1.3ppts**

[1] Constant Exchange Rate
[2] Actual Exchange Rate

CAPEX

Strategic investments to drive long-term growth

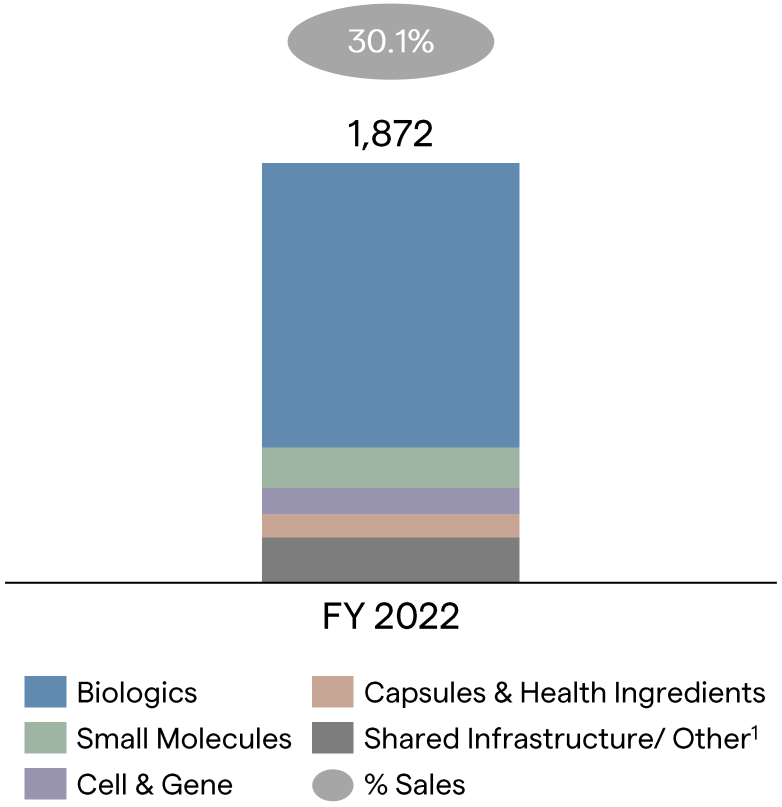
CAPEX at 30% of Sales

85% growth CAPEX in a diversified project portfolio across modalities

Project return thresholds: IRR 15-20%, ROIC 30%+

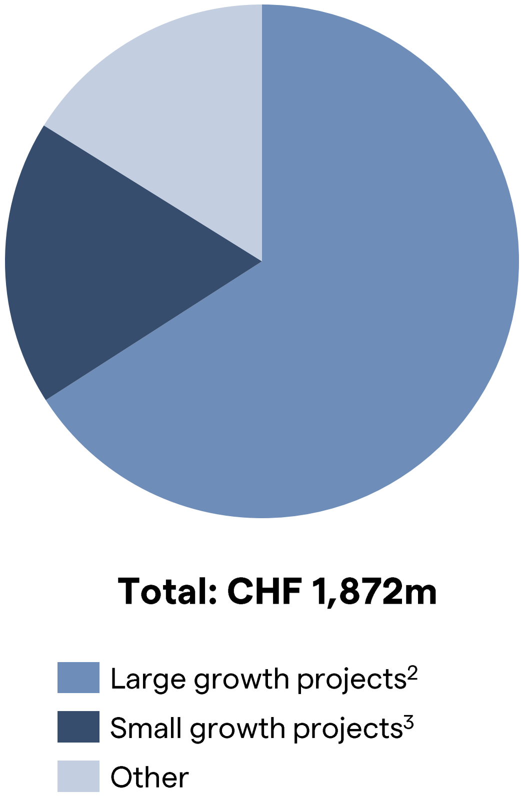
CAPEX Breakdown by Division

in m CHF



2022 Project Portfolio

in %



[1] Includes investments in corporate projects
[2] Planned CAPEX >CHF50m
[3] Planned CAPEX <CHF50m

Operational Free Cash Flow

Solid underlying cash generation to support growth investments

Lonza

Strong 18% FCF conversion before growth CAPEX

Temporary inventory build to maintain supply continuity

Operational Free Cash Flow
Continuing Business
in m CHF

	FY 2022	Change	FY 2021
EBITDA	2,139	774	1,365
Change of net working capital (NWC)	(653)	(437)	(216)
CAPEX	(1,872)	(573)	(1,299)
Other	(79)	(628)	549[1]
Operational FCF before acq./div.	**(465)**	**(864)**	**399**
Operational FCF before acq./div. before growth CAPEX[2] as % sales	18.1%	*(9.7ppts)*	27.8%
NWC as % sales	*19.9%*	*5.9ppts*	*14.0%*
CAPEX as % sales	*30.1%*	*6.1ppts*	*24.0%*

[1] Includes Gamsenried environmental remediation cost adjustment of CHF 285m
[2] Based on 85% share of growth CAPEX

ROIC

Strong ROIC increase driven by growth in profit

Strong NOPAT growth outpaces capital base expansion

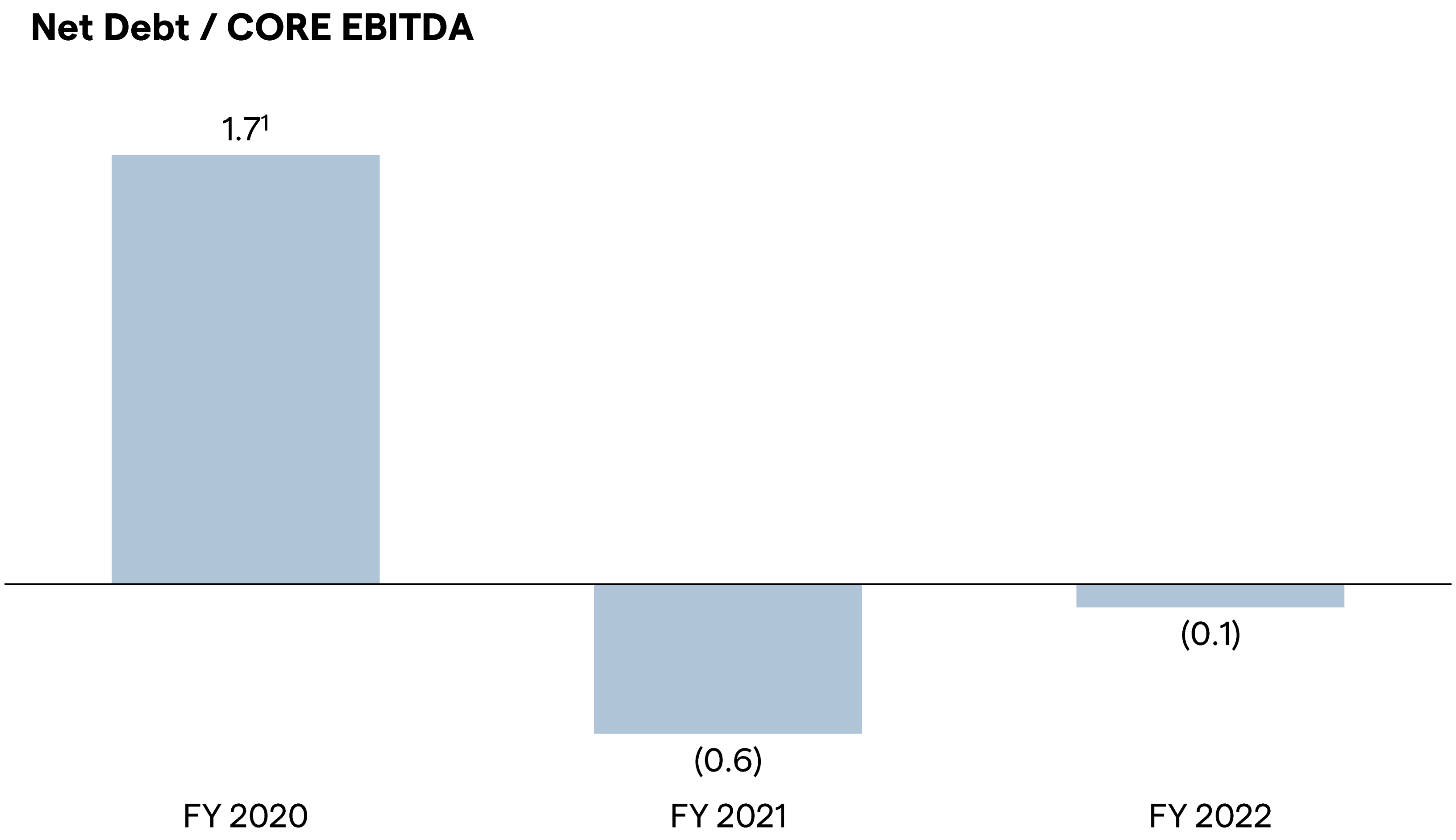
Tax rate tracking at lower end of the 16-18% guided range

ROIC
Continuing Business
in m CHF

	FY 2022	YoY % change	FY 2021
Net Operating Profit before taxes	1,399	24.6%	1,123
Taxes *in % of Net Op. Profit before taxes*	*(222)* *(15.9%)*	(82.0%) *(5.0ppts)*	(122) *(10.9%)*
NOPAT	1,177	17.6%	1,001
Average Inv. Capital	10,326	10.0%	9,387
ROIC	***11.4%***	***0.7ppts***	***10.7%***

Leverage

Significant headroom for growth investments, M&A and excess capital return

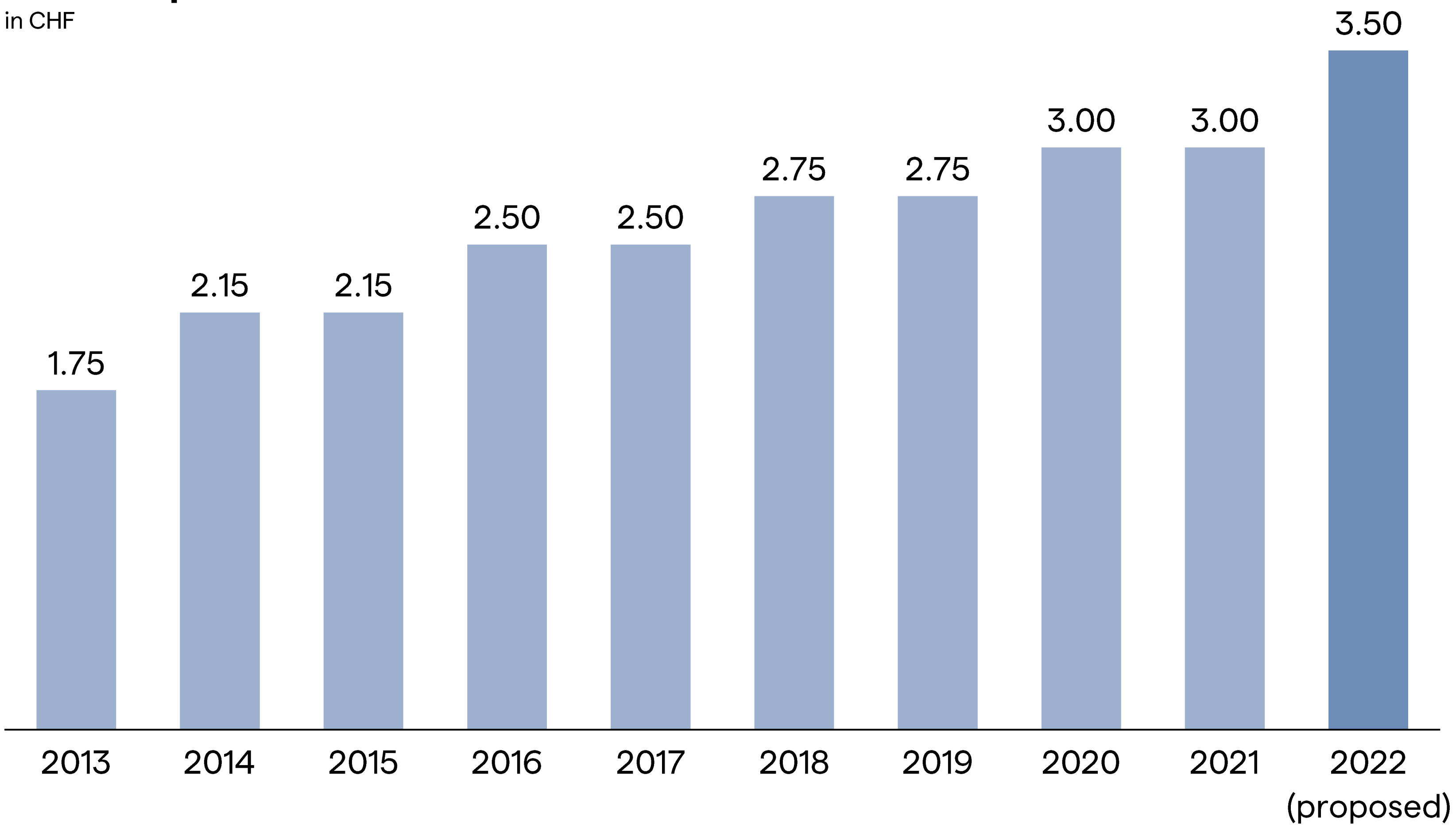


[1] 2020 based on figures for Lonza Group incl. discontinued operations

Dividend

Dividend increase to CHF 3.50 per share to be proposed at AGM

Dividend per share[1]
in CHF



[1] Dividends relating to the indicated year, paid out in the following year

Share Buyback

Announcing a share buyback program of up to CHF 2 billion

- Robust underlying cash generation
- Strong balance sheet
- Stock valuation attractive for buyback

Return excess capital to shareholders

Executing a buyback of up to CHF 2 billion over 24 months starting H1 2023[1]

Execution via second trading line at SIX Swiss Exchange

Momentum maintained on capital allocation strategy to invest in organic growth and bolt-on M&A while remaining committed to a strong investment grade rating

[1] Subject to regulatory approval

Full-Year 2022 Divisional Overview

Biologics

Financial and operational performance in 2022

3,274m

Sales (CHF)

+21.7%[1]

1,228m

CORE EBITDA (CHF)

+25.4%

37.5%

CORE EBITDA Margin

+1.2ppts

- Strong sales growth supported by robust underlying business and COVID-related sales peak in 2022
- Sustained pipeline of large-scale commercial agreements, with new customers including GSK
- Majority of growth projects remain on track. Softer demand for new asset in Guangzhou (CN) arising from local challenges
- Innovative offering supported by new bioconjugates manufacturing capabilities, extended Early Development Services, complex protein services and mRNA early phase offering
- Margin remains strong in a challenging macro environment

Boarded figures are a comparison vs. Full-Year 2021

[1] Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)

Small Molecules

Financial and operational performance in 2022

819m

Sales (CHF)

+5.9%[1]

248m

CORE EBITDA (CHF)

+15.3%

30.3%

CORE EBITDA Margin

+2.3ppts

- Sustained customer demand driven by existing commercial products and clinical pipeline
- New capacity for manufacturing of antibody-drug conjugates (ADC) payloads in Visp (CH) brought online
- Shipment of delayed H1 customer orders in H2 supports positive sales evolution
- Margin improvement supported by product mix and ramp-up of new assets (e.g., HPAPI)

Boarded figures are a comparison vs. Full-Year 2021

[1] Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)

Cell & Gene

Financial and operational performance in 2022

Lonza

693m

Sales (CHF)

+13.6%[1]

116m

CORE EBITDA (CHF)

+9.4%

16.7%

CORE EBITDA Margin

-0.9ppts

- Bioscience: strong performance, driven by pricing and robust demand for testing and media, and partially balanced by divestment of small, non-core businesses
- Cell & Gene Technologies: growth impacted by delays in clinical trials and customer product challenges
- Cell & Gene Technologies: two additional cell and gene therapies manufactured at the Houston site achieved US FDA approval. Three commercial products are now supported
- Personalized Medicine: focus on key R&D initiatives and scaling manufacturing. Multiple clinical-stage therapies being manufactured on the Cocoon® Platform

Boarded figures are a comparison vs. Full-Year 2021

[1] Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)

Capsules & Health Ingredients (CHI)

Financial and operational performance in 2022

1,266m

Sales (CHF)

+5.9%[1]

418m

CORE EBITDA (CHF)

+1.0%

33.0%

CORE EBITDA Margin

-1.4ppts

- Sales growth mainly driven by price increases and pharma demand
- Softer H2 demand for nutritional specialty capsules in certain markets
- Launch of first ever coating-free enteric capsule, Enprotect™, supporting intestinal delivery of acid-sensitive APIs
- Margin impacted by residual inflation, partially offset by price increases and operational excellence programs

Boarded figures are a comparison vs. Full-Year 2021

[1] Sales growth, expressed as a percentage (%), are at constant exchange rate (CER)

Looking to the Future

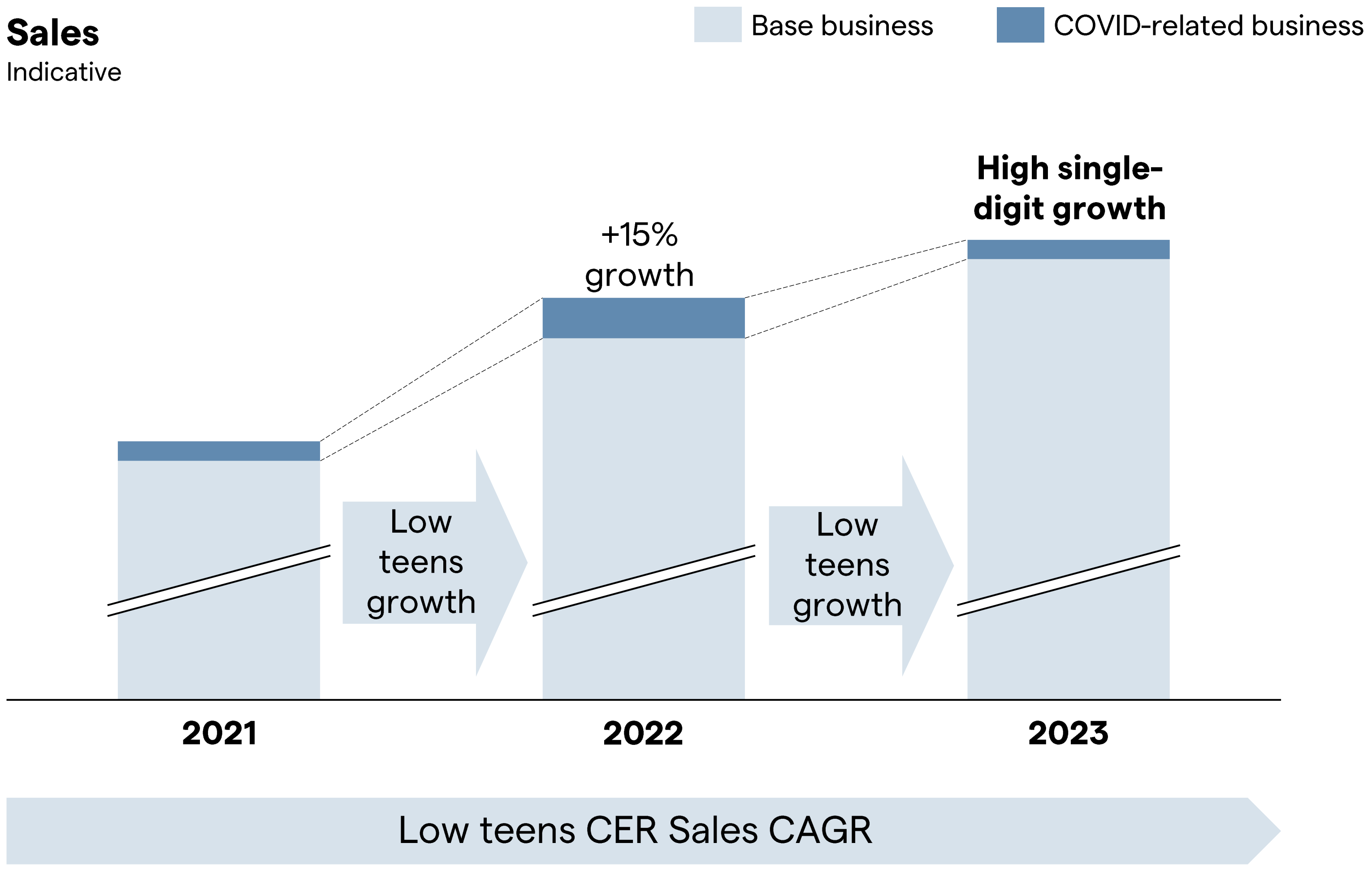
2023 Sales Growth Outlook

Continued strong underlying business growth

Strong underlying business performance

Headwind from COVID-related sales peak in 2022

High single-digit CER sales growth expected in 2023



2023 CORE EBITDA Margin Outlook

Robust profitability in challenging environment

Key CORE EBITDA margin drivers	Impact
• Strong base productivity • Operating leverage • Pricing	↑
• Residual inflation • COVID contraction • Slower ramp-up of two growth projects and softer China Biologics performance	↓

2023 Outlook

CORE EBITDA Margin of 30-31%

Outlook 2023

Continued strong underlying momentum

- Strong underlying business
- Headwind from COVID-related sales peak in 2022
- Stronger sales and margin in H2
- Continued investment to drive long-term growth: CAPEX at around 30% of sales

Outlook '23

High single-digit CER Sales Growth

CORE EBITDA Margin of 30-31%

Confirming Mid-Term Guidance 2024

Business remains on track to deliver Mid-Term Guidance

	Drivers to '24	Mid-Term Guidance '24
Sales Growth	• Robust industry fundamentals • Continued business momentum • CAPEX project ramp-up and assets coming online	Low Teens CER Sales CAGR ✓
CORE EBITDA Margin	• Growth projects • Further inflation mitigation • Productivity / cost control	~33-35% CORE EBITDA Margin ✓
		Double-digit ROIC ✓

Capturing Value in the Healthcare Market

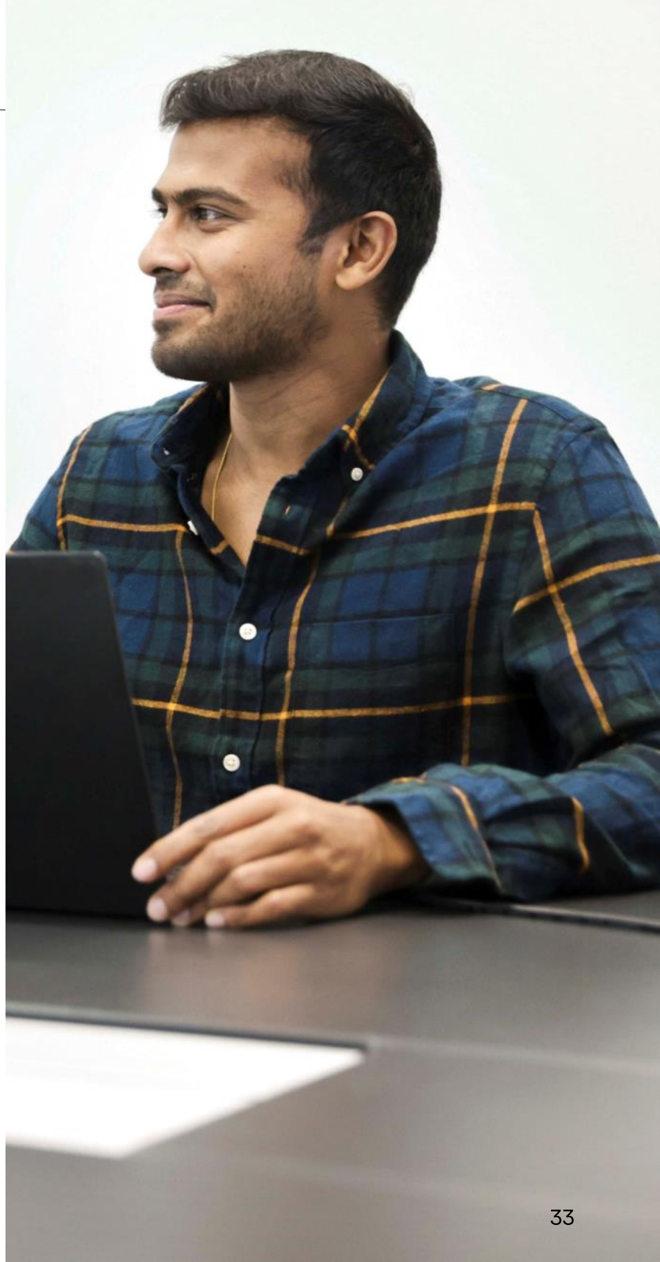
Lonza is uniquely positioned as a leading CDMO player

- Geographic footprint to deliver global and local customer requirements
- Long-term success driven by sustained growth investments in capacity and technology
- Broad range of technologies and capabilities to meet complex needs
- High customer value driven by technical and regulatory expertise

Investor Communications

Maintaining connections with our investors

Investor Updates	Capital Markets Day
More frequent qualitative updates Maintain connections between Half-Year and Full-Year	Planned for Q4 2023 Update on divisional strategies Update on Mid-Term Guidance On-site visit to Visp (CH)



Q&A

Appendices

Full-Year 2022 Financial Highlights (1/2)

Lonza

Continuing Operations[1] CHF million	**FY 2022**	**FY 2021**	***YoY (in %)***
Sales	6,223	5,409	*15.0*
CORE EBITDA	1,995	1,665	*19.8*
Margin in %	32.1	30.8	
EBITDA	2,139	1,365	56.7
Margin in %	34.4	25.2	
EBIT	1,541	851	81.1
Margin in %	24.8	15.7	
ROIC in %	11.4	10.7	
Net Financial Result	(95)	(63)	
Tax Rate in %	15.9	10.9	
Profit for the Period	1,218	677	79.9

[1] All financial information referring to “continuing operations” are exclusive of the Specialty Ingredients business, that was sold on 1 July 2021 and therefore reported as discontinued operations

Full-Year 2022 Financial Highlights (2/2)

Lonza

Continuing Operations[1] CHF million	**FY 2022**	**FY 2021**	***YoY (in %)***
CORE EPS basic (CHF)	14.74	12.67	16.3
EPS Basic (CHF)	16.37	9.08	80.3
CORE EPS Diluted (CHF)	14.71	12.63	16.5
EPS Diluted (CHF)	16.34	9.05	80.6
Change of Net Working Capital	(653)	(216)	(202.3)
Capital Expenditures	1,872	1,299	44.1
Operational Free Cash Flow	(237)	471	(150.3)
Number of Employees (Full-Time Equivalent)	17,494	16,218	7.9
Net debt / (net cash)	(186)	(958)	(80.6)
Debt-equity ratio	(0.0)	(0.1)	
Net Debt / CORE EBITDA ratio	(0.1)	(0.6)	

[1] All financial information referring to “continuing operations” are exclusive of the Specialty Ingredients business, that was sold on 1 July 2021 and therefore reported as discontinued operations

Event Calendar and Contacts

Lonza

27 March 2023	Publication of Annual and Sustainability Reports
5 May 2023	Annual General Meeting
9 May 2023	Ex-Dividend Date
10 May 2023	Record-Dividend Date
11 May 2023	Dividend-Payment Date
21 July 2023	Half-Year Results 2023
Q4 2023	Capital Markets Day

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

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

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Additional Information and Disclaimer

Lonza

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

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

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

In particular, the assumptions underlying the section "Looking to the Future" herein may not prove to be correct. The statements in the section "Looking to the Future" constitute forward-looking statements and are not guarantees of future financial performance.

Lonza’s actual results of operations could deviate materially from those set forth in the section "Looking to the Future" as a result of the factors described above or other factors. Investors should not place undue reliance on the statements in the section "Looking to the Future". 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.