Lonza – Leading CDMO Player Globally

Substantial scale and strong growth across all key metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales CAGR 2012-2018</td>
<td>6.8%</td>
</tr>
<tr>
<td>2018 Sales in CHF</td>
<td>5.5bn</td>
</tr>
<tr>
<td>Active Patent Families</td>
<td>~630</td>
</tr>
<tr>
<td>Successful Audits</td>
<td>494</td>
</tr>
<tr>
<td>Sites Around the World</td>
<td>~100</td>
</tr>
<tr>
<td>Employees End of 2018</td>
<td>15,375</td>
</tr>
<tr>
<td>123 years of history</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 figures, which are restated for reorganization of Lonza’s Segments LPBN / LSI (excluding Water Care business as discontinued operations).**

**CDMO – Contract Development and Manufacturing Organization**
Lonza – Takes Health a Step Further

Strengthening our strategic core

Selected Initiatives:

Pharma Biotech & Nutrition

- 2011: ARCH
- 2015: DIACON

Specialty Ingredients

- 2016: Shire (Joint Venture)
- 2017: Capsugel (Joint Venture)
- 2018: Octane (Joint Venture)
- 2019: Shire (Joint Venture)

MID-TERM

- 2016: Sanofi (Joint Venture)
- 2018: Novartis (Sterile Fill & Finish Facility)

2017: Inter Health (Clinical development and manufacturing site)

2019: Lonza Water Care (Disposal)

Specialty Ingredients Carve-out
Lonza’s CDMO Offerings in its Pharma Biotech & Nutrition Segment

Global leadership across technology platforms

Chemical technologies
early and cGMP chemical intermediates, customized API\(^\text{1}\), including HPAPI\(^\text{1}\), cytotoxics

Bio-conjugates

Biologics
mammalian and microbial expression systems, cell and gene technologies

Drug substance

Drug product

Oral dosage forms & delivery systems

Parenteral drug product services

DISCOVERY

basic research
disease discovery

CLINICAL DEVELOPMENT

drug substance development
drug product development

COMMERCIAL MANUFACTURE

drug substance manufacturing
drug product manufacturing

DISTRIBUTION

marketing sales distribution

\(^{1}\) HP(API): Highly Potent Active Pharmaceutical Ingredient
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

865 therapies

Supported by Lonza in 2018 (large and small molecules)
CDMO Industry Trends
Key CDMO Industry Drivers in 2020

Market continues to increase in complexity and diversity

- 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
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\(^1\)

9%

**Global Small Molecules** finished products

CAGR 2019-2024E\(^2\)

6%

**Global next-generation mAb**\(^3\)

Revenue CAGR (in USD) 2017-2023E\(^4\)

27%

**Highly potent API** in small molecules

Revenue CAGR (in USD) 2018-2023E\(^7\)

25%

of small molecule clinical pipeline are Highly Potent Active Pharmaceutical Ingredients (HPAPI)\(^8\)

26%

of pre-clinical and phase I mammalian pipeline are next-generation antibodies (including ADCs)\(^5\)\(^6\)

---

1 Source: Evaluate Pharma (2019)
2 Source: Evaluate Pharma (2019)
3 mAb: Monoclonal Antibodies
4 Source: Visiongain (2018)
5 ADC: Antibody Drug Conjugate
6 Sources: Internal Analysis; Citeline (2019)
7 Source: MarketsandMarkets (2019)
8 Sources: Internal Analysis; FDA (2019)
Solving Solubility and Bioavailability Issues

Drug product and dosage form are increasingly recognized as differentiators for pharmaceuticals.

Biologics project failure or significant delay because of formulation challenges \(^1\)

- Yes: 60%
- No: 40%

Small-molecules pipeline compounds with solubility issues \(^2\)

- Yes: 70%
- No: 30%

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\(^1\) Source: Informa Engage Industry Survey (2018)

\(^2\) Sources: Internal Analysis (2019); PharmaCircle (2019)
Cell & Gene Therapies at an Inflection Point
Manufacturing key as industrialization of therapies needed

The industry is moving from Clinical to Commercial\(^1\)

- **2019**
  - 5 products approved; 800 Active INDs\(^2\) on file

- **2020 – 2021**
  - 20+ additional to be approved\(^3\);
    - 200 INDs/year by 2020

- **By 2025**
  - 70 - 90 approvals

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\(^1\) Sources: Internal Analysis; FDA (2019); EvaluatePharma (2019)
\(^2\) IND: Investigational New Drug
\(^3\) Estimated approvals in 2020/2021. Risk adjusted
Pharma Pipeline Across Modalities Dependent on Biotech Innovation

% of clinical pipeline driven by biotech companies

- Mammalian and Microbial: ~80%
- Cell and Gene Technologies: ~90%
- Small Molecules: >70%

1 Source: IQVIA (2019)
2 Source: Citeline (2019)
3 Sources: IQVIA (2018); FDA (2018); Clarivate Analytics Cortellis (2018)
Investing In Future Growth
Overview of Capital Expenditures

Accelerated investment in 2019 to seed next growth wave

- **% of Sales**
  - 2009 - 2010: 15%
  - 2011 - 2018: 8%
  - 2019: ~11-13%

- **CHF mn**
  - 2009 - 2010: 15%
  - 2011 - 2018: 8%
  - 2019: ~11-13%

- **Sales Growth**
  - 2009 - 2010: -0.4%
  - 2011 - 2018: 10.9% CAGR
  - 2019: Mid- to high- single digit

- **CORE EBITDA Margin Development**
  - 2009 - 2010: +170bps
  - 2011 - 2018: +740bps
  - 2019: Sustained level

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

1 Actual exchange rate; in constant exchange rate: +3.3%
2 EBITDA margin development after special charges; before special charges: -50bps
3 2011 base impacted by Arch acquisition
Focusing on Execution of Growth Projects and New Partnerships in LPBN

New investments and customers announced in 2019

- Portsmouth, USA (Biologics)
- Tampa, USA (Small Molecules)
- Hayward, USA (Biologics)
- Greenwood, USA (Nutrition)
- Houston, USA (Biologics)
- Slough, UK (Biologics)
- Geleen/Maastricht, Netherlands (Biologics)
- Basel Area, Switzerland
  - Drug Product: for parenterals (DPS) and live biotherapeutic products
- Visp, Switzerland
  - HPAPI, Bioconjugates & Biologics
- Singapore, SG (Biologics)
- Guangzhou, China (Biologics)
- Geleen/Maastricht, Netherlands (Biologics)
- BacThera
- Lonza/CHR Hansen JV
- Novartis
- DPS Customers: Citryll, Novartis

- Customers:
  - Gamida Cell, Cellectis
  - Alector, AstraZeneca, Genmab
  - Mesoblast, Celltrion
  - Citryll
  - Prevail Therapeutics DiNAQOR

CHF 1 bn CAPEX expected to generate >CHF 1 bn sales per annum, after 6 to 7 years
2019 Innovation Highlights from across Lonza Pharma Biotech & Nutrition
Investing in R&D to stay 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 partnership 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
## Mid-Term Guidance 2022

**Building blocks to deliver on Guidance**

<table>
<thead>
<tr>
<th>Sales Growth 2017PF(^1)-2022</th>
<th>Pharma Biotech &amp; Nutrition</th>
<th>Specialty Ingredients (LSI)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High-single digits</td>
<td>Low- to mid-single digits</td>
</tr>
<tr>
<td></td>
<td>&gt;30%</td>
<td>&gt;20%</td>
</tr>
</tbody>
</table>

- Manufacturing excellence
- Operating leverage
- Growth projects and CAPEX investments
- Microbial control expertise
- Procurement and supply-chain excellence
- Productivity gains

### 2022 CORE EBITDA Margin Trajectory

- \(>30\%\)
- \(>20\%\)

### Building Blocks

- Microbial control expertise
- Procurement and supply-chain excellence
- Productivity gains

### Sales CHF 7.1 bn

### CORE RONOA 35%

### CORE EBITDA Margin 30.5%

### Double-Digit ROIC

---

\(^1\) Pro forma Lonza Full-Year 2017 financial results (restated for IFRS 15) include Capsugel Full-Year 2017 financial results
The Opportunities for Lonza Pharma Biotech & Nutrition

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

**Lonza Strengths**

- More molecules, increasingly complex, expedited pathways
- New technologies (e.g. expression systems, cell and gene)
- Innovation from small/virtual VC-funded companies
- Geographic diversification

**External Opportunities**

- Flexible and global asset network across modalities
- Partner of choice for pharma and biotech, trusted to deliver
- Growth investments, high-return and low-risk
- Industry-leading expertise magnet for talent
Q&A
Appendices
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.

Positive growth momentum 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 execution and delivery of growth projects.

Mid-to high-single digit sales growth

Sustained high CORE EBITDA margin level

CORE definition: See appendix
Lonza Financial Performance
Exceeding guidance across all metrics from FY 2012 to HY 2019

### Sales in CHF million

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>CAGR 2012 – 2018 – 6.8%</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>2,976</td>
</tr>
</tbody>
</table>

### Core RONOA in %

<table>
<thead>
<tr>
<th></th>
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</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>30.8</td>
<td></td>
</tr>
</tbody>
</table>

### Core EBITDA in CHF million

<table>
<thead>
<tr>
<th></th>
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<th></th>
</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>26.5</td>
<td>27.3</td>
<td>27.8</td>
</tr>
</tbody>
</table>

### Core EPS Diluted in CHF

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CAGR 2012 – 2018 – 17.8%</td>
<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>7.0</td>
</tr>
</tbody>
</table>

*Growth rates based on reported figures at actual exchange rates. No adjustment for acquisitions and divestments reflected, except 2018 figures, which are restated for reorganization of Lonza’s Segments LPBN / LSI (excluding Water Care business as discontinued operations)*
### Net Leverage 2017 to 2019
Continued deleveraging on the back of strategic growth investments

<table>
<thead>
<tr>
<th></th>
<th>At closing of Capsugel acquisition&lt;sup&gt;1&lt;/sup&gt;</th>
<th>FY2017&lt;sup&gt;2&lt;/sup&gt;</th>
<th>FY2018&lt;sup&gt;3&lt;/sup&gt;</th>
<th>HY2019&lt;sup&gt;3&lt;/sup&gt;</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Leverage (Net Debt / CORE EBITDA)</td>
<td>est. 2.8x</td>
<td>2.7x</td>
<td>2.3x</td>
<td>2.1x</td>
<td>Below 2x</td>
</tr>
</tbody>
</table>

<sup>1</sup> 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.

<sup>2</sup> 2017 including Capsugel as of 5 July 2017, restated for IFRS 15.

<sup>3</sup> Net debt/CORE EBITDA is calculated based on the CORE EBITDA of the last 12 months.

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Divestment of Water Care business unit resulted in cash proceeds of CHF 620 mn in H1 2019

Using proceeds for financing high-return, risk-adjusted growth initiatives in LPBN and for further deleveraging

CHF 308 mn CAPEX spent in H1 2019, expected to increase in H2 2019
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

2018 sales by region¹

- North & Central America: 47%
- Europe: 36%
- Asia: 13%
- Latin America: 2%
- RoW: 2%

¹ Excluding Water Care Business
Lonza Organizational Structure
Consumer Health and Nutrition (CHN) now part of LPBN

<table>
<thead>
<tr>
<th>Lonza Pharma Biotech &amp; Nutrition (LPBN)</th>
<th>Lonza Specialty Ingredients (LSI)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CDMO Services Businesses</strong></td>
<td><strong>Microbial-Control Solutions</strong></td>
</tr>
<tr>
<td>– Small molecules</td>
<td>– Professional hygiene</td>
</tr>
<tr>
<td>– Mammalian and microbial</td>
<td>– Home and personal care</td>
</tr>
<tr>
<td>– Cell and gene technologies</td>
<td>– Wood protection</td>
</tr>
<tr>
<td><strong>Product Businesses</strong></td>
<td>– Material protection</td>
</tr>
<tr>
<td>– Bioscience</td>
<td>– Paints &amp; coatings</td>
</tr>
<tr>
<td>– Capsule systems</td>
<td>– Crop protection</td>
</tr>
<tr>
<td>– Nutritional ingredients</td>
<td><strong>Specialty Chemicals Services</strong></td>
</tr>
<tr>
<td></td>
<td>– Composites</td>
</tr>
<tr>
<td></td>
<td>– Custom Manufacturing (CMO)</td>
</tr>
<tr>
<td></td>
<td>– Performance chemicals &amp; intermediates</td>
</tr>
</tbody>
</table>

- Carve-out of Lonza Specialty Ingredients will help segment to become a global leader in microbial control
- Specialty Ingredients (LSI) will operate independently, but remain a fully owned segment of Lonza Group

2018 Sales

<table>
<thead>
<tr>
<th></th>
<th>CHF 3.8bn¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CHF 1.7bn¹</td>
</tr>
</tbody>
</table>

¹ Restated to new organizational structure with Consumer Health and Nutrition (CHN) as part of LPBN
Announced Investment Projects Progressing as Planned – Details (1/2)

Focusing on selected CAPEX projects in our healthcare businesses

- **Visp (CH)**
  - **Technology**: Biologics: three innovative CDMO offerings spanning the complete product lifecycle in one location:
    - Ibex™ Design – preclinical to clinical Phase 1 (SUT)
    - Ibex™ Develop – Clinical phase 2 to commercial (SUT)
    - Ibex™ Dedicate – fully customizable. Includes 50:50 JV Sanofi-Lonza for large-scale biologics commercial manufacturing
  - **Project type**: New technology
  - **Start of operations**: 2020

- **Basel area (CH)**
  - **Technology**: Small molecules: Capacity expansion for HPAPI
  - **Technology**: Biologics: Capacity expansion of bioconjugation facilities
  - **Project type**: Expansion
  - **Start of operations**: 2021

- **Geleen/ Maastricht (NL)**
  - **Technology**: Biologics: Parenteral drug product development services
  - **Technology**: Biologics: Microbiome JV with Chr. Hansen / Pharma-grade drug product production
  - **Technology**: Biologics: Acquisition of Novartis facility for drug product manufacturing
  - **Project type**: New facility
  - **Start of operations**: 2019

- **Portsmouth, NH (USA)**
  - **Technology**: Biologics: Cell and Gene Therapy manufacturing
  - **Project type**: Expansion
  - **Start of operations**: 2020

- **Guangzhou (CN)**
  - **Technology**: Biologics: Small-scale clinical and early commercial mammalian offerings (SUT)
  - **Technology**: GE KUBio off-the-shelf factory and Lonza development labs. Fully operated by Lonza
  - **Project type**: New facility
  - **Start of operations**: 2020
Announced Investment Projects Progressing as Planned – Details (2/2)

Focusing on selected CAPEX projects in our healthcare businesses

<table>
<thead>
<tr>
<th>Lonza site</th>
<th>Technology</th>
<th>Project type</th>
<th>Start of operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slough (UK)</td>
<td>▪ Biologics: Single-use technologies for mammalian derived products including development and clinical / niche commercial manufacturing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore (SG)</td>
<td>▪ Biologics: Single-use technologies for commercial manufacturing of recombinant proteins; Cell therapy manufacturing suites</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Houston, TX (USA)</td>
<td>▪ Biologics: Cell and Gene Therapy manufacturing</td>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Hayward, CA (USA)</td>
<td>▪ Biologics: Single-use technologies for clinical manufacturing of recombinant proteins</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tampa, FL (USA)</td>
<td>▪ Small Molecules: Encapsulation technologies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenwood, SC (USA)</td>
<td>▪ Combined capsule production, ingredient production and finished dosage form development</td>
<td></td>
<td>2020</td>
</tr>
</tbody>
</table>
Ibex™ Solutions: Speed for Biotech Q
Bringing biotech companies from gene to patient

Ibex™ Design...

... gets Biotech Q ready for IND filing in 12 months

- Proven platform process powered by our GS Gene Expression System®
- Holistic development strategy with the endpoint in mind
- Integrated drug substance and drug product development capabilities

Ibex™ Develop...

... accelerates Biotech Q’s market readiness due to Lonza’s unparalleled track record and experience

- Expedited BLA submission in 22 months from start of process characterization
- Clinical and commercial production under the same roof, which simplifies comparability requirements and eliminates tech transfers between sites

1 Proof of concept
2 Biologics license application
3 Subject to regulatory strategy
<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>Sales²</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>26.7</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 Operations (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)¹</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>(170 bps)</td>
</tr>
<tr>
<td><strong>ROIC in %</strong></td>
<td>9.4</td>
<td>8.3</td>
<td>110 bps</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 ratio²</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.

CORE definition: See appendix
## Restated Full-Year 2018 Financial Information

as of 31 December 2018

### Restated Full-Year 2018

<table>
<thead>
<tr>
<th></th>
<th>LPBN¹</th>
<th>LSI²</th>
<th>Corporate</th>
<th>Group (continuing)</th>
<th>Water Care</th>
<th>Group (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,755</td>
<td>1,749</td>
<td>38</td>
<td>5,542</td>
<td>516</td>
<td><strong>6,058</strong></td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>1,246</td>
<td>303</td>
<td>(38)</td>
<td>1,511</td>
<td>36</td>
<td><strong>1,547</strong></td>
</tr>
<tr>
<td>CORE EBITDA Margin in %</td>
<td>33.2</td>
<td>17.3</td>
<td>(82)</td>
<td>27.3</td>
<td>7.0</td>
<td><strong>25.5</strong></td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>1,020</td>
<td>227</td>
<td>(82)</td>
<td>1,165</td>
<td>23</td>
<td><strong>1,188</strong></td>
</tr>
<tr>
<td>CORE EBIT Margin in %</td>
<td>27.2</td>
<td>13.0</td>
<td></td>
<td>21.0</td>
<td>4.5</td>
<td><strong>19.6</strong></td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td></td>
<td></td>
<td>1,429</td>
<td>13</td>
<td><strong>1,442</strong></td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td></td>
<td>842</td>
<td>(88)</td>
<td><strong>754</strong></td>
</tr>
</tbody>
</table>

### Restatement Impacts Full-Year 2018

<table>
<thead>
<tr>
<th>CHF million</th>
<th>LPBN</th>
<th>LSI</th>
<th>Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>642</td>
<td>(642)</td>
<td>-</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>225</td>
<td>(225)</td>
<td>-</td>
</tr>
<tr>
<td>CORE EBIT</td>
<td>194</td>
<td>(194)</td>
<td>-</td>
</tr>
</tbody>
</table>

¹ Lonza Pharma Biotech & Nutrition
² Lonza Specialty Ingredients

CORE definition: See appendix
Our 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.

For more information, refer to Lonza Sustainability Report 2018
Events Calendar & Contacts

- 17 – 18 Jan 2020
  COO LSI Octavian Seminar, Flims, CH
- 21 Jan 2020
  Full-Year Results 2019
- 17 March 2020
  Annual Report 2019 (Tentative)
- 28 April 2020
  Annual General Meeting, Basel, CH
- 24 July 2020
  Half-Year Results 2020

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

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

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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 Half-Year Results report, the reconciliation of IFRS to CORE results provides further details on the adjustments.
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.