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▪ Full-Year 2019 Overview
▪ Outlook 2020
▪ Lonza Segments
  ▪ Pharma Biotech & Nutrition (LPBN)
  ▪ Specialty Ingredients (LSI)
▪ Appendices

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.
Lonza at a Glance
Lonza – Leading CDMO Player Globally, and Leading in Microbial Control
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 2012-2019</td>
<td>6.8%</td>
</tr>
<tr>
<td>2019 LPBN Sales in CHF</td>
<td>4.2bn</td>
</tr>
<tr>
<td>CORE EBITDA Margin Improvement 2012-2019</td>
<td>980 bps</td>
</tr>
<tr>
<td>2019 LPBN CORE EBITDA Margin</td>
<td>32.9%</td>
</tr>
<tr>
<td>2019 Sales in CHF</td>
<td>5.9bn</td>
</tr>
<tr>
<td>2019 LSI Sales in CHF</td>
<td>1.7bn</td>
</tr>
<tr>
<td>2019 CORE EBITDA Margin</td>
<td>27.4%</td>
</tr>
<tr>
<td>2019 LSI CORE EBITDA Margin</td>
<td>17.8%</td>
</tr>
<tr>
<td>Active Patent Families</td>
<td>~576</td>
</tr>
<tr>
<td>Brands</td>
<td>&gt;800</td>
</tr>
<tr>
<td>Sites Around the World</td>
<td>~100</td>
</tr>
<tr>
<td>Employees End of 2019</td>
<td>15,468</td>
</tr>
<tr>
<td>Years of history</td>
<td>123</td>
</tr>
</tbody>
</table>

*Growth rates based on reported figures at actual exchange rates. No adjustment for acquisitions and divestments reflected, except 2018 and 2019 figures, which are restated for reorganization of Lonza’s Segments LPBN / LSI (excluding Water Care business as discontinued operations)
Current Business Portfolio
Nutritional hard capsules business becoming part of LPBN

Organizational changes in 2019

Alignment of the scope of segments
- Integrating the nutritional hard capsule business and small portfolio for nutritional ingredients into Pharma & Biotech
- Designed to strengthen collaboration and leverage synergies within the capsules businesses

Start of carve-out of Lonza Specialty Ingredients
- LSI will operate independently, but remain a fully owned segment of Lonza Group
- Increase focus on LSI priorities and optimal organization model

Lonza Pharma Biotech & Nutrition (LPBN)

CDMO Services Businesses
- Small molecules
- Mammalian and microbial
- Cell and gene technologies

Product Businesses
- Bioscience
- Capsule systems
- Nutritional ingredients

Lonza Specialty Ingredients (LSI)

Microbial-Control Solutions
- Professional hygiene
- Home and personal care
- Wood protection
- Material protection
- Paints & coatings
- Crop protection

Specialty Chemicals Services
- Composites
- Custom manufacturing organization (CMO)
- Performance chemicals & intermediates

2019 Sales

CHF 4.2bn

CHF 1.7bn
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

2019 sales by region

- EMEA: 38.3%
- Americas: 46.4%
- APAC: 15.3%

Pharma Biotech & Nutrition
Specialty Ingredients
Selected milestones in 2020:

- Dedicated legal entities by business/segment (operational in H1 2020)
- Assignment of employees to segments
- Set up of service and supply agreements between the two segments progressing
- Continued progress in setting up systems to reflect new legal entity structure
- Carve-out related cost of CHF 19 million with 30bps negative impact on CORE EBITDA margin for full-year 2019
Full-Year 2019 Overview
Lonza Group delivers on guidance\(^1\) with 6.8% sales growth, resulting in CHF 5.9bn, and CHF 1.6bn CORE EBITDA, resulting in a 27.4% margin

Pharma Biotech & Nutrition (LPBN) as driver, with 11.0% sales growth and 32.9% CORE EBITDA margin

Specialty Ingredients (LSI) shows improved 17.8% CORE EBITDA margin, despite sales growth of -3.2%; carve-out progressing according to plan

Lonza Group outlook 2020: above mid single-digit sales growth\(^1\), driven by high single-digit sales growth in LPBN, and overall stable CORE EBITDA margin

Mid-Term Guidance 2022 confirmed, supported by solid building blocks

\(^1\) Guidance for FY 2019: mid to high single-digit sales growth and sustained high CORE EBITDA margin level
\(^2\) Outlook 2020 in constant currency
Full-Year 2019 Results

Comparison vs. Prior Year (Continuing Operations)

<table>
<thead>
<tr>
<th>Metric</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (CHF)</td>
<td>5,920 million</td>
<td>+6.8%</td>
</tr>
<tr>
<td>CORE EBITDA (CHF)</td>
<td>1,620 million</td>
<td>7.2%</td>
</tr>
<tr>
<td>CORE EBITDA Margin</td>
<td>27.4%</td>
<td>+10bps</td>
</tr>
<tr>
<td>CORE EPS Diluted</td>
<td>13.59 CHF</td>
<td>13.4%</td>
</tr>
<tr>
<td>ROIC</td>
<td>9.1%</td>
<td>+110bps</td>
</tr>
<tr>
<td>Employees</td>
<td>15,468</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

1 IFRS 16 accounting adjustment on leases had a positive CORE EBITDA impact of CHF 33 million in 2019 (60 bps positive CORE EBITDA margin impact), offset by costs related to the divestment of the Water Care business and carve out of Specialty Ingredients (50 bps negative CORE EBITDA margin impact). IFRS Results – Continuing Business: EBITDA – CHF 1,525 million; 6.7 % change, EBITDA Margin – 25.8%; 0bps change.
2 EPS diluted – CHF 10.22; 16.5% change (IFRS Results – Continuing Business).
Segment Financial Performance Full-Year 2019

Comparison vs. Prior Year (Continuing Operations)

Pharma Biotech & Nutrition

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales (CHF)</th>
<th>CORE EBITDA (CHF)</th>
<th>CORE EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,167 million</td>
<td>1,371 million$^1$</td>
<td>1,371 million$^1$</td>
<td>1,371 million$^1$</td>
</tr>
<tr>
<td>Sales (CHF)</td>
<td>1,371 million$^1$</td>
<td>1,371 million$^1$</td>
<td>1,371 million$^1$</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>1,371 million$^1$</td>
<td>1,371 million$^1$</td>
<td>1,371 million$^1$</td>
</tr>
<tr>
<td>CORE EBITDA Margin</td>
<td>1,371 million$^1$</td>
<td>1,371 million$^1$</td>
<td>1,371 million$^1$</td>
</tr>
<tr>
<td>32.9%$^2$</td>
<td>(30bps)</td>
<td>(30bps)</td>
<td>(30bps)</td>
</tr>
</tbody>
</table>

Specialty Ingredients

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales (CHF)</th>
<th>CORE EBITDA (CHF)</th>
<th>CORE EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,693 million</td>
<td>302 million$^3$</td>
<td>302 million$^3$</td>
<td>302 million$^3$</td>
</tr>
<tr>
<td>Sales (CHF)</td>
<td>302 million$^3$</td>
<td>302 million$^3$</td>
<td>302 million$^3$</td>
</tr>
<tr>
<td>CORE EBITDA</td>
<td>302 million$^3$</td>
<td>302 million$^3$</td>
<td>302 million$^3$</td>
</tr>
<tr>
<td>CORE EBITDA Margin</td>
<td>302 million$^3$</td>
<td>302 million$^3$</td>
<td>302 million$^3$</td>
</tr>
<tr>
<td>17.8%$^4$</td>
<td>50bps</td>
<td>50bps</td>
<td>50bps</td>
</tr>
</tbody>
</table>

$^1$ CORE EBITDA excl. IFRS 16 – CHF 1,347 million; 8.1% change
$^2$ CORE EBITDA Margin excl. IFRS 16 – 32.3%; (90bps) change
$^3$ CORE EBITDA excl. IFRS 16 – CHF 297 million; (2%) change
$^4$ CORE EBITDA Margin excl. IFRS 16 – 17.5%; 20bps change

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

- Deleveraging well below guidance of less than 2x net debt/CORE EBITDA by end 2019
- Debt reduction behind strong operational free cash flow and divestment of Water Care business with net proceeds of CHF 620 million
- Successful refinancing of loan facilities in 2019, leveraging successful initiation of S&P BBB+ credit rating with stable outlook in 2019
- Commitment to maintain solid investment grade rating going forward

Net Leverage (Net Debt / CORE EBITDA)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017¹</td>
<td>est. 2.8x</td>
</tr>
<tr>
<td>FY2018²</td>
<td>2.7x</td>
</tr>
<tr>
<td>FY2018²</td>
<td>2.3x</td>
</tr>
<tr>
<td>HY2019³</td>
<td>2.1x</td>
</tr>
<tr>
<td>2019</td>
<td>1.83x</td>
</tr>
</tbody>
</table>

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
Lonza Financial Performance
Trends from 2012 to 2019

Sales in CHF million

CAGR 2012 – 2019 – 6.8%
Total Growth – 58.2%

CORE RONOA in %

CORE EBITDA in CHF million

% Margin

CORE EPS Diluted in CHF

CAGR 2012 – 2019 – 17.1%
Total Growth – 202.2%

*Growth rates based on reported figures at actual exchange rates. No adjustment for acquisitions and divestments reflected, except 2018 and 2019 figures, which are restated for reorganization of Lonza’s Segments LPBN / LSI (excluding Water Care business as discontinued operations)
Outlook 2020

Overall stable CORE EBITDA margin despite growth projects in LPBN with CAPEX investments expected to remain at 2019 levels, related OPEX and start-up cost for significant projects scheduled to start operations by the end of 2020.

Outlook factors in continued macroeconomic uncertainty and some potential ongoing headwinds in the cyclical parts of Lonza's Specialty Ingredients businesses.

Outlook 2020 is based on present business composition, the current macroeconomic environment, existing visibility and constant exchange rates.
Confirming Mid-Term Guidance 2022

Building blocks in place to deliver on Guidance

Mid-Term Guidance 2022 is based on present business composition, the current macroeconomic environment, existing visibility and constant exchange rates.

1 Pro forma as Lonza Full-Year 2017 financial results (restated for IFRS 15) include Capsugel Full-Year 2017 financial results.
Lonza Priorities 2020
Setting up the business for continued growth

- Delivering financial targets 2020 and building blocks for Mid-Term Guidance 2022
- Realizing LSI carve-out on time and on budget
- Focusing on execution of growth projects and new partnerships in LPBN, as well as strengthening R&D and innovation
- Continuing talent attraction and retention as well as ensuring constant pipeline to develop the future leaders of the company
- Establishing clearer targets and action plan for implementation of environmental, social and governance (ESG) measures
- Reviewing future plans for Specialty Ingredients
Segments: LONZA Pharma Biotech & Nutrition (LPBN)
CDMO Industry Trends
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\(^1\)

Global Small Molecules finished products
CAGR 2019-2024E\(^2\)

Global next-generation mAb
Revenue CAGR (in USD) 2017-2023E\(^3\)

Highly potent API in small molecules
Revenue CAGR (in USD) 2018-2023E\(^5\)

\(^1\) Source: Evaluate Pharma (2019)  
\(^2\) Source: Evaluate Pharma (2019)  
\(^3\) Source: Visiongain (2018)  
\(^4\) Sources: Internal Analysis; Citeline (2019)  
\(^5\) Source: MarketsandMarkets (2019)  
\(^6\) Sources: Internal Analysis; FDA (2019)
Pharma Pipeline Across Modalities Dependent on Biotech Innovation
Strong funding backs biotech growth

% of clinical pipeline driven by biotech companies

Mammalian and Microbial: ~80%¹

Cell and Gene Technologies: ~90%²

Small Molecules: >70%³

¹ Source: IQVIA (2019)
² Source: Citeline (2019)
³ Sources: IQVIA (2018); FDA (2018); Clarivate Analytics Cortellis (2018)
The Opportunities for Lonza Pharma Biotech & Nutrition

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

**External Opportunities**

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

**Lonza Strengths**

- 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
CDMO Services within LPBN
Lonza’s CDMO Offerings in its Pharma Biotech & Nutrition Segment

Global leadership across technology platforms

**Chemical technologies**
- early and cGMP chemical intermediates, customized API\(^1\), including HPAPI\(^1\), cytotoxics

**Bio-conjugates**

**Biologics**
- mammalian and microbial expression systems, cell and gene technologies

**Drug substance**
- Oral dosage forms & delivery systems
- Parenteral drug product services

**Drug product**

---

\(^1\) 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 publicly 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)
**Full-Year 2019 CDMO Services Overview**

Continued strong momentum for clinical and commercial offerings

<table>
<thead>
<tr>
<th>Small Molecules</th>
<th>Mammalian and Microbial</th>
<th>Cell and Gene Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continued to benefit from innovative business models and formulation capabilities</td>
<td>Commercial agreements signed with sales visibility for the mid- and long-term</td>
<td>Continued sales momentum in a dynamic market environment</td>
</tr>
<tr>
<td>New customers signed for long-term manufacturing of HPAPI</td>
<td>Commercial capacities for 2020 largely committed</td>
<td>Strong interest in Lonza technology offerings including process development and commercial manufacturing capacity</td>
</tr>
<tr>
<td>Dosage forms and delivery systems performed positively in securing commercial business and new long-term contracts</td>
<td>Gene-to-vial offering gained further traction</td>
<td>Continue to focus on improving operational excellence</td>
</tr>
<tr>
<td></td>
<td>Drug product services continued positive performance</td>
<td></td>
</tr>
</tbody>
</table>
Strong Position in Cell and Gene Technologies
High demand for Lonza offerings across all modalities, supporting a leading market position

Delivering services across 3 key modalities in cell and gene technologies from four global centers of excellence

- Autologous cell and gene therapy
- Allogeneic cell and gene therapy
- Viral vector gene therapy

New clinical and commercial contracts signed in 2019

- Significant number of clinical and commercial contracts signed, among those commercial supply agreements with long-standing Lonza customers
- At least five late-stage registrations expected in 2020 across the global network

Some recent examples:
Focusing on Execution of Growth Projects and New Partnerships in LPBN

New investments and customers announced in 2019

**New facility**

- Portsmouth, USA
- Tampa, USA
- Hayward, USA
- Greenwood, USA
- Guangzhou, China
- Geleen/Maastricht, Netherlands
- Basle Area, Switzerland
- Houston, USA
- Visp, Switzerland
- Slough, UK
- Singapore, SG

**Expansion**

- DiNAQOR

**New technology**

- CHF 1 bn CAPEX expected to generate >CHF 1 bn sales per annum, after 6 to 7 years

**Customers:**

- Gamida Cell, Cellectis
- Novartis
- Citryll
- DPS
- BacThera Lonza/CHR Hansen JV
- Alector, AstraZeneca, Genmab
- Prevail Therapeutics, DiNAQOR
- Citryll
- Mesoblast, Celltrion

**Drug Product:** for parenterals (DPS) and live biotherapeutic products
2019 Investment Highlights from across Lonza Pharma Biotech & Nutrition

CAPEX projects to expand our offering

Ibex™ Solutions (CH)

Design & Develop: Start of suite fit-out and 2 customers signed, with 2020 available capacities contracted

Dedicate: Start of suite fit-out, customers signed in addition to Sanofi, new deal with large pharma for microbial manufacturing

HPAPI & Bioconjugates

Expansion in Visp (CH)
Clinical to commercial HPAPI: Astra Zeneca monosuite
Bioconjugates expansion & support of majority of commercial ADCs

Stein (CH) Acquisition

Acquisition of cGMP parenteral drug product plant from Novartis
Clinical & launch supply
Initial customers signed including Novartis

Guangzhou (CN)

First biologics foothold in China with clinical development and manufacturing offering
First modules on site
Key positions hired
2019 Innovation Highlights from across Lonza Pharma Biotech & Nutrition
Investing in R&D to stay one step 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 joint venture 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
Product Businesses within LPBN
Full-Year 2019 Product Businesses Overview
Experiencing mixed demand and some operational challenges

**Bioscience**
Increased demand for media, research tools, testing solutions and quality control software, based on favorable market trends in drug discovery and cell therapy
Continuous progress with operational improvements

**Pharma Hard Capsules**
Ongoing demand for specialty polymer and dry powder inhalation (DPI) offerings
Business was supported by new product launches but challenged by market conditions in the US and slower growth in developed markets
Several long-term agreements signed

**Nutritional Hard Capsules**
Negatively impacted by increased competition
Softer demand for conventional gelatin hard capsules and slower growth in specialty polymer empty capsules, particularly in mature markets
Ongoing countermeasures with first impact in Q4 2019

**Nutritional Ingredients**
Experienced soft demand in 2019
UC-II® manufacturing expansion in Greenwood, SC (USA) on track to be operational in H1 2020
Segments: LONZA Specialty Ingredients (LSI)
Overview of Specialty Ingredients Portfolio
Combining Microbial Control Solutions and Specialty Chemicals Services

MCS (Microbial Control Solutions)
Meaningful solutions for safeguarding resources and people’s wellbeing

SCS (Specialty Chemical Services)
Co-enabling technologies with a high level of customization and exclusivity
### Specialty Ingredients’ Microbial Control Solutions

Leading with customer-focused, innovative smart solutions for well-being and a healthy environment

<table>
<thead>
<tr>
<th>Microbial Control Solutions in:</th>
<th>✓ Consumer Home &amp; Personal Care</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓ Professional Hygiene</td>
</tr>
<tr>
<td></td>
<td>✓ Paints and Coatings</td>
</tr>
<tr>
<td></td>
<td>✓ Industrial Material Protection</td>
</tr>
<tr>
<td></td>
<td>✓ Wood and Crop Protection</td>
</tr>
</tbody>
</table>

#### Lonzagard®
Lonza’s active ingredients and hygiene solutions preventing the transmission of pathogens

#### NUGEN® solutions
- Disinfecting hospital & food-contact surfaces
- Disinfectant wipes for convenience and ease of use
- Proven systems for consumer paints addressing evolving regulatory landscapes
- MIT-free Proxel Spektra™ in-can preservative

#### FREXUS®
- Spray-on or dip products that control sapstain, mold and decay fungi for brighter, cleaner wood
- Reducing post-harvest losses by microbial and insect attack
### Full-Year 2019 Microbial Control Solutions Overview

**Mixed performance, related to the diverse end-markets**

<table>
<thead>
<tr>
<th>Professional Hygiene</th>
<th>Wood Protection</th>
<th>Paints and Coatings</th>
<th>Crop Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive performance with continued strong sales in most market segments</td>
<td>Stable demand, but increasingly competitive environment and pricing pressure, especially in the US market</td>
<td>Good performance despite the shortage of key raw material BIT</td>
<td>Ongoing customer destocking after a dry 2018 summer in Europe and further dry weather in 2019</td>
</tr>
<tr>
<td>Personal and Home Care</td>
<td>Material Protection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal care with an uptake in H2 with Lonza’s anti-dandruff platform for hair care</td>
<td>Strong performance for oil and gas industry solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home care business with positive performance</td>
<td>Polymer and textile with softer market demand from the automobile industry</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Specialty Ingredients’ Specialty Chemicals Services

**Sound product portfolio and solutions for challenging applications**

<table>
<thead>
<tr>
<th>Chemical Solutions and Services for:</th>
<th>✓ Custom Development &amp; Manufacturing (CDMO)</th>
<th>✓ High value markets, such as Electronics and Aerospace</th>
<th>✓ Food &amp; Feed ingredients markets</th>
<th>✓ Agro Chemicals</th>
<th>✓ Other diversified Specialty Chemicals</th>
</tr>
</thead>
</table>

### State-of-the-art custom development & manufacturing (CDMO) services.

Customized solutions based on enabling technologies – combining the best of both worlds: Chemistry & biotechnology

### Products and Solutions

- **Cyanate esters substrate materials for consumer electronics and telecommunication infrastructure**
- **Curing agents for enhanced temperature resistant epoxy resin systems for primary and secondary structural aerospace parts**
- **Vitamin B3 supplement for animal feed providing optimum health and peak performance.**
- **Highly reactive propellant for rocket propulsion and gas generation in the aerospace**
Full-Year 2019 Specialty Chemical Services Overview

Negatively impacted by ongoing geopolitical tensions, raw material supply and cyclical end-markets

**Composites**

Slow improvement in the market environment in H2

Affected by weak market demand for consumer electronics and US-China trade tensions

**Custom Manufacturing (CMO)**

Performance at same level as previous year

Expanding offering to industrial and pharma customers in addition to agricultural partners

**Performance Chemicals & Intermediates**

Lower volumes in industrial intermediates impacted by Chinese competitive pressure and supply chain challenges

Lower volumes in Vitamin B3 due to African Swine Fever in Asia and low prices at the beginning of the year

Lower demand for agro ingredients
Delivering Innovation in Specialty Ingredients
Specialty Ingredients’ focus on strengthening its market leadership

Examples from 2019

Next Generation Anti-dandruff Active
Commenced manufacturing of Piroctone Olamine (PO) to broaden portfolio
Strengthening position as world’s leading anti-dandruff active supplier

Navigating Regulation
Introduction of regulatory approved microbial-control alternatives:
- Triclosan-free antibacterial personal care
- Creosote-free wood protection
- Fungicides for metalworking lubricants

Keeping our World Healthy
Efficient and environmentally friendly disinfection of hospital & food-contact surfaces with NUGEN®
- Combats 12 common pathogens
- Active breaks down into water and oxygen
- Disinfectant wipes for convenience and ease of use

Expansion in Personal Care
Broadening our personal care portfolio with new naturally-derived offerings:
- Modifect® EV Bioactive for skin care
- Non-ionic emulsifiers and surfactants
### Full-Year 2019 Financial Highlights Lonza Continuing Business (1/2)

Income statement – Full report accessible online

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018¹</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>5,920</td>
<td>5,542</td>
<td>6.8%</td>
</tr>
<tr>
<td><strong>CORE EBITDA</strong></td>
<td>1,620²</td>
<td>1,511</td>
<td>7.2%</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>27.4²</td>
<td>27.3</td>
<td>10bps</td>
</tr>
<tr>
<td><strong>CORE EBIT</strong></td>
<td>1,245³</td>
<td>1,165</td>
<td>6.9%</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>21.0³</td>
<td>21.0</td>
<td>0bps</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,525</td>
<td>1,429</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>25.8</td>
<td>25.8</td>
<td>0bps</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>972</td>
<td>842</td>
<td>15.4%</td>
</tr>
<tr>
<td><strong>Margin in %</strong></td>
<td>16.4</td>
<td>15.2</td>
<td>120bps</td>
</tr>
<tr>
<td><strong>Net Financing Costs</strong></td>
<td>(120)</td>
<td>(34)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Tax Rate in %</strong></td>
<td>10.2</td>
<td>18.3</td>
<td>-</td>
</tr>
<tr>
<td><strong>CORE Profit for the Period</strong></td>
<td>1,014</td>
<td>899</td>
<td>12.8%</td>
</tr>
<tr>
<td><strong>Profit for the Period</strong></td>
<td>763</td>
<td>659</td>
<td>15.8%</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the classification of Water Care business as discontinued operations (see note 4 of Full-Year Results 2019 Report)

² IFRS 16 accounting adjustment on leases had a positive CORE EBITDA impact of CHF 33 million in 2019 (60 bps positive CORE EBITDA margin impact), offset by costs related to the divestment of the Water Care business and carve out of Specialty Ingredients (50 bps negative CORE EBITDA margin impact)

³ IFRS 16 accounting adjustment on leases had a positive CORE EBIT impact of CHF 2 million in 2019 (3 bps positive CORE EBIT margin impact), offset by costs related to the divestment of the Water Care business and carve out of Specialty Ingredients (50 bps negative CORE EBIT margin impact)

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

Selected performance metrics – Full report accessible [online](#)

<table>
<thead>
<tr>
<th>CHF million</th>
<th>FY 2019</th>
<th>FY 2018¹</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CORE EPS basic (CHF)</strong></td>
<td>13.67</td>
<td>12.03</td>
<td>13.6%</td>
</tr>
<tr>
<td><strong>EPS Basic (CHF)</strong></td>
<td>10.28</td>
<td>8.80</td>
<td>16.8%</td>
</tr>
<tr>
<td><strong>CORE EPS Diluted (CHF)</strong></td>
<td>13.59</td>
<td>11.98</td>
<td>13.4%</td>
</tr>
<tr>
<td><strong>EPS Diluted (CHF)</strong></td>
<td>10.22</td>
<td>8.77</td>
<td>16.5%</td>
</tr>
<tr>
<td><strong>Operational Free Cash Flow</strong></td>
<td>495</td>
<td>884</td>
<td>(44.0%)</td>
</tr>
<tr>
<td><strong>Change of Net Working Capital</strong></td>
<td>(336)</td>
<td>(29)</td>
<td>(290)</td>
</tr>
<tr>
<td><strong>Capital Expenditures</strong>³</td>
<td>(786)</td>
<td>(575)</td>
<td>(211)</td>
</tr>
<tr>
<td><strong>CORE RONOIA in %</strong></td>
<td>28.5</td>
<td>31.4</td>
<td>(9.2%)</td>
</tr>
<tr>
<td><strong>ROIC in %</strong></td>
<td>9.1</td>
<td>8.0</td>
<td>110bps</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>2,961</td>
<td>3,534</td>
<td>(16.2%)</td>
</tr>
<tr>
<td><strong>Debt-equity ratio</strong></td>
<td>0.45</td>
<td>0.56</td>
<td>(19.6%)</td>
</tr>
<tr>
<td><strong>Net Debt / CORE EBITDA ratio</strong></td>
<td>1.83</td>
<td>2.28</td>
<td>(19.7%)</td>
</tr>
<tr>
<td><strong>Number of Employees</strong></td>
<td>15,468</td>
<td>14,425</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

¹ Restated to reflect the classification of Water Care business as discontinued operations (see note 4 of [Full-Year Results 2019 Report](#))

² Lonza Group incl. Discontinued Operations

³ CORE definition: See appendix
Lonza Operational Free Cash Flow 2019

Operational free cash flow* impacted by increased CAPEX and higher inventories

<table>
<thead>
<tr>
<th>CHF million</th>
<th>FY 2019</th>
<th>YoY change</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,489</td>
<td>47</td>
<td>1,442</td>
</tr>
<tr>
<td>Change of operating net working capital (NWC)</td>
<td>(336)</td>
<td>(307)</td>
<td>(29)</td>
</tr>
<tr>
<td>Capital expenditures in tangible and intangible assets (CAPEX)</td>
<td>(786)</td>
<td>(211)</td>
<td>(575)</td>
</tr>
<tr>
<td>Disposals of tangible and intangible assets and change of other assets and liabilities</td>
<td>32</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>Operational free cash flow (before acquisitions / disposals)</td>
<td>399</td>
<td>(449)</td>
<td>848</td>
</tr>
<tr>
<td>Acquisitions / disposal of subsidiaries</td>
<td>596</td>
<td>624</td>
<td>(28)</td>
</tr>
<tr>
<td><strong>Operational free cash flow</strong></td>
<td>995</td>
<td>175</td>
<td>820</td>
</tr>
<tr>
<td><strong>Net working capital as % of sales (annualized)</strong></td>
<td>19.5</td>
<td>150 bps</td>
<td>18.0</td>
</tr>
<tr>
<td><strong>CAPEX as % of sales</strong></td>
<td>13.1¹</td>
<td>360 bps</td>
<td>9.5</td>
</tr>
</tbody>
</table>

- Operational free cash flow impacted by increased CAPEX and net working capital (NWC)
- Higher CAPEX for LPBN growth investments
- Increased inventories to support vertical integration in small molecules (i.e. intermediates manufacturing)

*Operational free cash flow represents Lonza Group incl. Discontinued Operations
¹ CAPEX as % of sales excl. Discontinued Operations: 13.3%
Lonza’s 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.

1 For more information, refer to Lonza Sustainability Report 2018
Lonza Workforce
Focusing on Talent 2022 – The human capital perspective

- A diverse workforce
- More than 100 nationalities
  - mainly from Switzerland, United States and China
- Based in 38 countries
- 33% female
  - 25% female senior management
  - 33% female board members
- Broad balance across age groups
Environmental and Safety Goals

Goals until 2030 to allow long-term strategy and smart investment

2018 Achievements / Safety and Environment

Baseline 2010

<table>
<thead>
<tr>
<th>LTIF(^1)</th>
<th>Energy</th>
<th>(\text{CO}_2)</th>
<th>Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 14%</td>
<td>- 31%</td>
<td>- 35%</td>
<td>- 56%</td>
</tr>
</tbody>
</table>

New 2030 Targets / Safety and Environment

Baseline 2018

<table>
<thead>
<tr>
<th>Zero LTIF(^1)</th>
<th>Energy</th>
<th>(\text{CO}_2)</th>
<th>Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 24%</td>
<td>- 36%</td>
<td>- 24%</td>
<td></td>
</tr>
</tbody>
</table>

Reduced Footprint

The energy, \(\text{CO}_2\) and waste targets and achievements are intensity values per million CHF sales, because of our very diverse and ever-changing product portfolio.

(Chemical bulk products, pharmaceutical ingredients, medical capsules, food supplements, gene therapy, cell media production)

\(^1\) LTIF\(^\text{(F)}\) - Lost Time Injury (Frequency)
Events Calendar & Contacts

- 10-11 Feb 2020  CEO roadshow Boston & New York (BAML)
- 18 Feb 2020    CEO & CFO roadshow London (Morgan Stanley)
- 3-4 March 2020  Credit Suisse Healthcare Conference (London)
- 17 March 2020   Annual Report 2019 (Tentative)
- 28 April 2020   Annual General Meeting, Basel (CH)
- 30 April 2020   Ex-Dividend Date
- 4 May 2020      Record-Dividend Date
- 5 May 2020      Dividend-Payment Date
- 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 Full-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.
### Glossary (Cont’d)

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADC</td>
<td>Antibody Drug Conjugate</td>
</tr>
<tr>
<td>Allogeneic</td>
<td>Allogeneic cell-based therapy uses stem cells from a matched related or unrelated donor</td>
</tr>
<tr>
<td>Autologous</td>
<td>Autologous cell-based therapy uses a person’s own stem cells</td>
</tr>
<tr>
<td>bps</td>
<td>Basis Points</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compounded Average Growth Rate</td>
</tr>
<tr>
<td>CAPEX</td>
<td>Capital Expenditure</td>
</tr>
<tr>
<td>CDMO</td>
<td>Contract Development and Manufacturing Organization: a company serving other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing</td>
</tr>
<tr>
<td>Cell Therapy</td>
<td>Cells are introduced into a damaged or diseased tissue/organ to regenerate damaged tissue or generate new cells to replace those lost/damaged, e.g. blood transfusion, bone marrow transplant, skin graft and specific white blood cells to treat infectious diseases</td>
</tr>
<tr>
<td>cGMP</td>
<td>Current good manufacturing practices</td>
</tr>
<tr>
<td>EBIT</td>
<td>Earnings before interest and taxes</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings before interest, taxes, depreciation, and amortization</td>
</tr>
<tr>
<td>ESG</td>
<td>Environmental, social and governance</td>
</tr>
<tr>
<td>EPS</td>
<td>Earnings per share</td>
</tr>
<tr>
<td>FDA</td>
<td>U.S. Food and Drug Administration</td>
</tr>
<tr>
<td>Gene Therapy</td>
<td>Replacing, manipulating, or supplementing non-functional or dysfunctional genes with healthy genes. Therapeutic genes are usually delivered to the patient through a weakened virus that transports the genes into the nuclei of blood cells</td>
</tr>
<tr>
<td>GS/XS</td>
<td>GS Xceed® Gene Expression System is a mammalian expression system which reduces cell line development timelines</td>
</tr>
<tr>
<td>HP(API)</td>
<td>Highly Potent (Active Pharmaceutical Ingredient): ingredients in a pharmaceutical drug that are chemically or biologically active</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>IND</td>
<td>Investigational New Drug</td>
</tr>
<tr>
<td>mAbs</td>
<td>Monoclonal Antibodies: antibodies that are made by identical immune cells that are all clones of a unique parent cell</td>
</tr>
</tbody>
</table>
### Glossary (Cont’d)

| **Mammalian** | Mammalian cell culture in the biotechnological context refers to the cells of a mammalian, isolated from specific tissues (i.e. skin, liver, glands, etc.) and further cultivated and reproduced in an artificial medium |
| **R&D** | Research & Development |
| **Recombinant Protein** | Proteins expressed by recombinant DNA technology, a series of procedures to join DNA segments from 2 or more DNA molecules. Recombinant DNA molecules are inserted into the chromosomes of cells and translated into proteins. Scientifically, monoclonal antibody, transgenic product and certain bioengineered vaccines are subsets of ‘Recombinant product’. However, in general, the biopharma industry considers these classes as standalone product types due to their market significance and distinctive class descriptions |
| **RNA** | Ribonucleic Acid |
| **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 |
| **SUT** | Single-use Technology |
| **VC** | Venture Capital |
| **Viral Vector** | Tools designed to efficiently and safely deliver genetic material into cells |
| **YoY** | Year over year |