

Q1 Qualitative Update: Strong Performance Across All Businesses in Line with Expectations for FY '25

- Strong CDMO¹ performance in Q1 2025, in line with expectations for FY 2025
- Robust commercial demand in CDMO business with high utilization in early-stage business, Bioscience returning to growth
- Tangible recovery and good momentum in Capsules & Health Ingredients (CHI) as expected
- CDMO Outlook 2025 confirmed with CER² sales growth approaching 20% and CORE EBITDA margin approaching 30%
- CHI confirms its outlook to return to low-to-mid-single-digit CER sales growth in 2025 with an improving CORE EBITDA margin in the mid-twenties, mid-term outlook confirmed

Basel, Switzerland, 9 May 2025 – In its qualitative Q1 2025 update, Lonza reported a strong performance across its CDMO business in line with the Full-Year Outlook 2025. CHI progressed successfully on its recovery path in line with its Full-Year 2025 expectations.

In **Biologics**, there was good momentum across the division, supported by a strong performance in Mammalian and Bioconjugates. Commercial demand remained strong, while early-stage services also performed well. The **Small Molecules** division also experienced strong commercial demand and delivered strong operational execution. **Cell & Gene** experienced solid demand for its commercial offering and sustained interest in its early-stage services, while remaining attentive to the broader market environment and the low maturity of the industry. Bioscience continued its business recovery and returned to growth. Finally, the **Capsules & Health Ingredients** division saw better demand signals in recent quarters, with improvements in both its pharmaceutical and nutritional capsules businesses.

Lonza confirms its Outlook 2025 for the **CDMO business** of CER sales growth approaching 20% and CORE EBITDA margin approaching 30%. Excluding Vacaville, which is expected to contribute around CHF 0.5 billion in sales at lower profitability, Lonza expects low-teens organic CER sales growth and margin improvement in its CDMO business. Supported by a continued market recovery, Lonza expects the **CHI business** to return to low-to-mid-single-digit CER sales growth in 2025 with an improving CORE EBITDA margin in the mid-twenties and sees the business on track to get back to its historical growth and margin patterns in line with the Mid-Term Guidance.

¹ CDMO: Lonza excluding Capsules & Health Ingredients (CHI).

² At Constant Exchange Rate (CER).

At this time and for its own business, Lonza does not anticipate a material financial impact from potential tariffs on its products and services sold or raw materials purchased for own manufacturing, including in the event that tariffs are implemented on pharmaceuticals. However, Lonza continues to monitor the situation closely. In the current uncertain geopolitical and macroeconomic environment, Lonza's global footprint – which includes a strong presence in the US – will enable the company to support its customers in reducing the potential impact of the recently announced trade policies if needed.

Lonza's growth projects are progressing well. Ramp-up activities started in Q1 2025 at the new highly potent API facility and initial GMP operations are expected to commence in H1 2025 at the new large-scale Mammalian drug substance facility, both located in Visp (CH). Construction is progressing at the large-scale bioconjugation facility in Visp (CH) with commencement of initial operations expected in 2027 or 2028 at the latest. Lonza now anticipates the start of operations at its new commercial-scale aseptic drug product facility in Stein (CH) in 2027, following an updated timeline for the later delivery of critical equipment.

In Q1 2025, Lonza experienced a healthy level of contract signings across the whole CDMO business. Customer interest in Vacaville is strong, with a third long-term customer contract secured and a number of contract negotiations ongoing. The integration into Lonza's global network is progressing as planned, and the site has maintained its strong quality and execution track record since the completion of the acquisition.

Lonza is making good progress with preparations for the exit of the CHI business. Mandating its external advisors in Q1 2025, Lonza is currently planning necessary carve-out measures. Considering the positive business development in recent months in line with expectations, Lonza is confident in a successful completion of a transaction at the appropriate point in time and in the best interests of customers, employees, and shareholders.

On 1 April, Lonza successfully went live with its simplified and streamlined operating model to support its new One Lonza strategy. The previous divisional structure has now been replaced by three newly formed CDMO Business Platforms: Integrated Biologics, Advanced Synthesis, and Specialized Modalities.

Lonza concluded its share buyback program at the end of Q1 2025, repurchasing 4.24 million shares worth CHF 2 billion at an average share price of CHF 471.73.

About Lonza

Lonza is one of the world's largest contract development and manufacturing organizations (CDMOs) dedicated to serving the healthcare industry. Working across five continents, our global team of around 18,500 colleagues works alongside pharma and biotech companies to turn their breakthrough innovations into viable therapies. We support our customers in bringing life-saving and life-enhancing treatments to patients worldwide with a combination of cutting-edge science, smart technology and lean manufacturing.

Our company generated sales of CHF 6.6 billion with a CORE EBITDA of CHF 1.9 billion in Full-Year 2024.

Find out more at www.lonza.com.

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