

Lonza Completes its Transformation to a Pure-Play CDMO with Agreement to Divest Capsules & Health Ingredients

- Lonza signs agreement to divest its Capsules & Health Ingredients (CHI) business to Lone Star Funds, for an enterprise value of CHF 2.3 billion (USD 3 billion) at closing. The transaction is expected to close in H2 2026
- Lonza will receive upfront proceeds of CHF 1.7 billion (USD 2.2 billion) and retain a 40% stake in CHI, with an additional preferential participation in a future exit
- Total undiscounted proceeds, including upfront and all future proceeds at full exit, are expected to be at or above CHF 3 billion (~USD 4 billion)
- With the divestment of CHI, Lonza delivers on its commitment to transform into a pure-play CDMO, focused on value creation from high growth and expanding margins in its world-leading CDMO business
- Lonza plans to invest the upfront proceeds into additional organic growth opportunities in line with the One Lonza Strategy, as well as bolt-on acquisitions. CHF 500 million will be returned to shareholders through a share buyback following receipt of proceeds
- As part of its wider portfolio transformation, Lonza has also signed agreements to divest the Personalized Medicines business (the Cocoon® Platform), the MODA® software platform, and the small molecules micronization site in Monteggio (CH)

Basel, Switzerland, 6 March 2026 – Lonza has entered into a definitive agreement to divest its Capsules & Health Ingredients (CHI) business to Lone Star Funds (“Lone Star”) for an enterprise value of CHF 2.3 billion (USD 3 billion). Lonza will realize upfront cash proceeds of CHF 1.7 billion (USD 2.2 billion) and retain a 40% stake in the business, with additional preferential participation in its future exit. Lonza’s proceeds on exit are subject to Lone Star receiving an initial return equal to its equity investment. The combination of significant upfront proceeds with the preferential participation in future exit proceeds and the sale of the retained stake in CHI at future exit provide an attractive value upside and future cash generation. Considering the leading position and strengths of the CHI business after its return to growth in 2025, the total undiscounted value of the proceeds for Lonza from the full exit from CHI, including upfront proceeds, proceeds from future sale of its retained 40% stake and preferential participation in exit proceeds, is expected to be at or above CHF 3 billion (~USD 4 billion).

The transaction is the last and most significant step to complete Lonza’s strategic portfolio transformation to a pure-play CDMO. Wider portfolio updates include agreements to divest the Personalized Medicines business including the Cocoon® Platform to Octane Medical Group, the

MODA® software platform to the parent company of STARLIMS Corporation, and the small molecules micronization site in Monteggio (CH) to Microsize and Schedio Group. As a result, Lonza now operates across three complementary and integrated CDMO Business Platforms, all powered by the Lonza Engine® as their unique set of strengths, leveraging cutting-edge science, smart technology and lean manufacturing for complex and emerging pharmaceutical modalities.

Wolfgang Wienand, CEO, Lonza commented: “With the sale of CHI and the three other recent divestments, in less than two years we have reshaped our company and activated our vision of One Lonza as a pure-play CDMO. We are now able to laser-focus on where we are strongest and can create most value for our customers, people and shareholders. On top of receiving significant upfront proceeds for re-investment in our world-leading CDMO business, we have been able to implement attractive mechanisms for Lonza to benefit from future value creation by CHI. Following a rigorous process, we are confident that Lone Star brings the necessary capabilities to lead CHI into a good future and create opportunities for the colleagues departing from Lonza. I thank the whole CHI team for their commitment to Lonza over many years and their continued support in the upcoming transition phase.”

With execution of the transactions, Lonza delivers on the commitment made at its December 2024 Investor Update as part of the new One Lonza Strategy to fully focus on high value creation within its CDMO Organic Growth Model™ of low teens CER sales growth on average over time at expanding margins, while investing mid-to-high teens percentages of sales. The proceeds from the CHI exit will become part of Lonza’s discretionary cash pool in its defined capital allocation framework to fund prioritized organic growth opportunities and bolt-on acquisitions with attractive return profiles, adding capacities, technologies and expanding its business portfolio in line with the One Lonza Strategy and competitive differentiation driven by the Lonza Engine®.

Lonza is committed to further strengthening cash generation, applying high discipline in capital allocation and maintaining an efficient capital structure. Given the expected moderation of organic capital expenditures to mid-to-high teens percentages of sales in the mid-term and the upfront proceeds from the sale of CHI, the company’s leverage is anticipated to be materially below target levels. Balancing near-term surplus capital with its conviction that attractive investment opportunities can be identified and executed over the mid-term, Lonza will return CHF 500 million to shareholders via a share buyback which will be executed after receipt of the upfront proceeds. On an ongoing basis, Lonza will review the outlook for strategically and financially attractive investments and determine whether the level of capital maintained is appropriate for likely requirements. Any capital deemed to be surplus will be returned to shareholders.

Lonza remains committed to its progressive¹ dividend policy, maintaining or growing its dividend per share year-on-year, while maintaining leverage levels and a credit profile consistent with its Standard & Poor’s investment grade credit profile of BBB+ which has been consistently reaffirmed since 2019.

Lone Star has an established track record of reaching the full potential of its portfolio companies with similar characteristics to CHI by empowering management and investing for the future. Lone

¹ Maintaining or increasing dividend per share each year.

Star has confirmed that maintaining high standards of service delivery and quality for customers are a core foundation of their strategy for CHI following closing.

The retained interest in CHI will be accounted for as an investment in an associated company with Lonza as a minority shareholder not having management control. Lonza estimates that it will recognize an extraordinary non-cash impairment including the goodwill related to CHI assets of around CHF 1.3 billion in its Financial Statements for Financial Year 2025 to be published on 1 April 2026. This effect will be allocated to discontinued operations and will not impact CORE EBITDA of continuing operations.

The transaction is expected to close in H2 2026, subject to customary closing conditions relating to regulatory approvals and completion of the legal separation of CHI from Lonza's wider business.

BofA Securities and Centerview Partners acted as joint financial advisors to Lonza.

For more details on the transaction, please refer to the related [Investor Presentation](#).

Investor Call Details

Lonza invites investors to join a live webcast and conference call on Friday 6 March 2026 at 19:00 CET or on Monday 9 March 2026 at 08:00 CET. In both calls, our CEO Wolfgang Wienand and our CFO Philippe Deecke will share a short presentation with details of the transaction, and take questions from investors. Both calls are scheduled to last for 30 minutes.

19:00 CET, Friday 6 March 2026 call details:

Access to webcast

In order to follow the slide presentation and the Q&A session, please use the webcast [link](#).

Access to conference call

The presentation will be followed by a Q&A session. You can register to ask questions over the conference call at any time during the event. You will receive the relevant phone numbers, a passcode and your personal PIN to access the conference call by pre-registering [here](#).

08:00 CET, Monday 9 March 2026 call details:

Access to webcast

In order to follow the slide presentation and the Q&A session, please use the webcast [link](#).

Access to conference call

The presentation will be followed by a Q&A session. You can register to ask questions over the conference call at any time during the event. You will receive the relevant phone numbers, a passcode and your personal PIN to access the conference call by pre-registering [here](#).

Should you have any access issues, please dial the following numbers 10 to 15 minutes prior to scheduled start:

+41 (0) 58 310 50 00 (Europe and Switzerland)
+44 (0) 207 107 06 13 (UK)
+1 631 570 56 13 (USA)

Other international numbers are available [here](#).

About Lonza

Lonza is a world leading contract development and manufacturing organization (CDMO) dedicated to serving the healthcare industry. Working across five continents, our global team of approximately 20,000 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.

Lonza's continuing CDMO business generated sales of CHF 6.5 billion with a CORE EBITDA of CHF 2.1 billion in Full-Year 2025. Find out more at www.lonza.com

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Certain matters discussed in this news release may constitute forward-looking statements. These statements are based on current expectations and estimates of Lonza Group Ltd, although Lonza Group Ltd can give no assurance that these expectations and estimates will be achieved. Investors are cautioned that all forward-looking statements involve risks and uncertainty and are qualified in their entirety. The actual results may differ materially in the future from the forward-looking statements included in this news release due to various factors. Furthermore, except as otherwise required by law, Lonza Group Ltd disclaims any intention or obligation to update the statements contained in this news release.

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