

Lonza Delivers Solid Performance in H1 2022 with 16.8% CER Sales Growth and 33.1% CORE EBITDA Margin

- In H1 2022, Lonza delivers CHF 3 billion sales and 16.8%¹ CER sales growth
 - CHF 987 million CORE EBITDA resulted in a margin of 33.1%
 - H1 2022 CAPEX reached 28.2% of sales as Lonza continues to execute planned investments
 - Group Outlook 2022 confirmed at low to mid-teens CER sales growth and CORE EBITDA margin improvement
 - Mid-Term Guidance 2024 reconfirmed
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Basel, Switzerland, 22 July 2022 – Lonza has reported sales of CHF 3 billion, growing 17.3% AER² (16.8%¹ CER) and CHF 987 million CORE EBITDA, resulting in a margin of 33.1%. Thanks to the commitment of colleagues across Lonza's global network, the company has successfully navigated the challenges arising from the uncertain macroeconomic environment in the First Half. Lonza remains on track to deliver on its 2022 Outlook and reconfirms its Mid-Term Guidance 2024, assuming no unforeseen events or issues.

Lonza has announced an investment of approximately CHF 500 million to build a large-scale, commercial drug product fill and finish facility in Stein (CH). This fulfills the company's strategic commitment to complete its value chain in Biologics, which allows customers to benefit from an end-to-end service. Throughout H1, the company continued its organic growth strategy, investing 28.2% of sales in CAPEX. This is in line with planned Full-Year CAPEX (around 30% of sales).

Lonza continues to advance its ESG agenda. 2022 is the first year in which Lonza has incorporated ESG targets into its employee and executive remuneration policies. Currently, the business is engaged in more than 100 ESG projects across the global network.

Lonza confirms its Outlook for Full-Year 2022 at low- to mid-teens CER sales growth and an overall CORE EBITDA margin improvement in line with the 2024 Mid-Term Guidance. This will be achieved by a combination of operational excellence and active management of inflation.

¹ Sales growth figures, expressed as a percentage (%), are at Constant Exchange Rate (CER)

² Actual Exchange Rate

Pierre-Alain Ruffieux, CEO, Lonza, commented: “We are pleased to have maintained a solid financial performance in H1 2022, thanks to the commitment and support of Lonza’s global employee community. As part of our planned CAPEX for the year, we have announced a landmark strategic investment in Biologics to build a new commercial fill and finish facility in Stein (CH). This will help us to meet customer demand for an integrated offering and deliver long-term value to our business. Looking at our macroeconomic context, we remain aware of the continuing uncertainties and will actively manage any issues that may arise.”

Divisional Overview

- **Biologics** benefited from continued strong customer demand for commercial capacity, supported by new CAPEX investments. Compared to Half-Year 2021, the business achieved 26.2%³ sales growth, with a lower CORE EBITDA margin of 37.3%. The softer margin reflected the product mix.
- **Small Molecules** successfully executed capacity expansions in Nansha (CN), Tampa (US) and Bend (US). Continued momentum in customer signings supports long-term success. The division delivered lower sales caused by the phasing of major shipments to contracted customers. CORE EBITDA margin increased 2.6ppts to 29.9% compared to Half-Year 2021, supported by growth projects, high utilization and portfolio mix.
- **Cell & Gene** saw strong customer demand for Bioscience products. In Cell and Gene Technologies, there was a continued focus on the scale-up of late-stage products. The commercialization of Cocoon® remains on track. Including a one-time event, the division saw 23.4%³ sales growth and a margin increase of 6.3ppts to 22.4%, compared to Half-Year 2021. Excluding the one-time event, margin remained broadly stable compared to Half-Year 2021.
- **Capsules & Health Ingredients** saw the market continuing to shift towards high growth area of specialty capsules and delivered a stable CORE EBITDA margin of 35.2% compared to Half-Year 2021, accompanied by positive sales growth. The business is on track to deliver a 260 billion annualized capsule capacity by the end of 2022.

Group Financial Summary

CHF million	HYR 2022	YoY change (in %)	HYR 2021
Sales in AER	2,982	17.3	2,542
EBITDA	934	67.4	558
Margin in %	31.3		22.0
CORE EBITDA	987	16.5	847
Margin in %	33.1		33.3

For more detail on performance and financials, please refer to the [Half-Year 2022 Presentation](#), [Half-Year 2022 Report](#) and [Alternative Performance Measures \(APM\) 2022 Report](#).

³ Sales growth figures, expressed as a percentage (%), are at Constant Exchange Rate (CER)

About Lonza

Lonza is a preferred global partner to the pharmaceutical, biotech and nutrition markets. We work to enable a healthier world by supporting our customers to deliver new and innovative medicines that help treat a wide range of diseases. We achieve this by combining technological insight with world-class manufacturing, scientific expertise and process excellence. Our unparalleled breadth of offerings enables our customers to commercialize their discoveries and innovations in the healthcare industry.

Founded in 1897 in the Swiss Alps, today, Lonza operates across five continents. With more than 17,000 full-time employees, we comprise high-performing teams and individual talent who make a meaningful difference to our own business, as well as to the communities in which we operate. The company generated sales of CHF 3 billion with a CORE EBITDA of CHF 987 million in H1 2022. Find out more at www.lonza.com

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