Enabling a Healthier World

Lonza

Lonza Signs Agreement to Acquire Large-Scale Biologics Site in Vacaville (US) from Roche

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Transaction Summary

- Lonza has signed an agreement to acquire the Genentech manufacturing facility for large-scale biologics in Vacaville (US) from Roche
- Vacaville (US) site is one of the largest biologics manufacturing facilities in the world by volume, with commercial capacity readily available
- Transaction consideration of USD 1.2 billion
- Post-closing, Lonza will invest approximately CHF 500 million to upgrade the facility and enhance capabilities to satisfy demand for the next generation of mammalian biologics therapies
- Roche products currently manufactured at the site will be supplied by Lonza, with committed volumes over the medium term, phasing out as the site transitions to serve alternative customers
- Transaction expected to close in H2 2024, subject to customary closing conditions

One of the World's Largest Biologics Manufacturing Facilities by Volume

- Genentech site, acquired by Roche in 2009
- Operational since 2000 and maintained to high standards
- Located in Vacaville, California (US)
- A total of ~330,000L of large-scale manufacturing capacity for mammalian drug substance in 12,000L and 25,000L reactor sizes
- Roche to utilize around 30% of capacity in 2025
- Approved for GMP production by FDA and EMA
- Nine commercial product families manufactured since 2000, including collaboration with Regeneron for Ronapreve during the COVID-19 pandemic
- At closing, approximately 750 skilled and experienced Genentech employees will transfer to Lonza



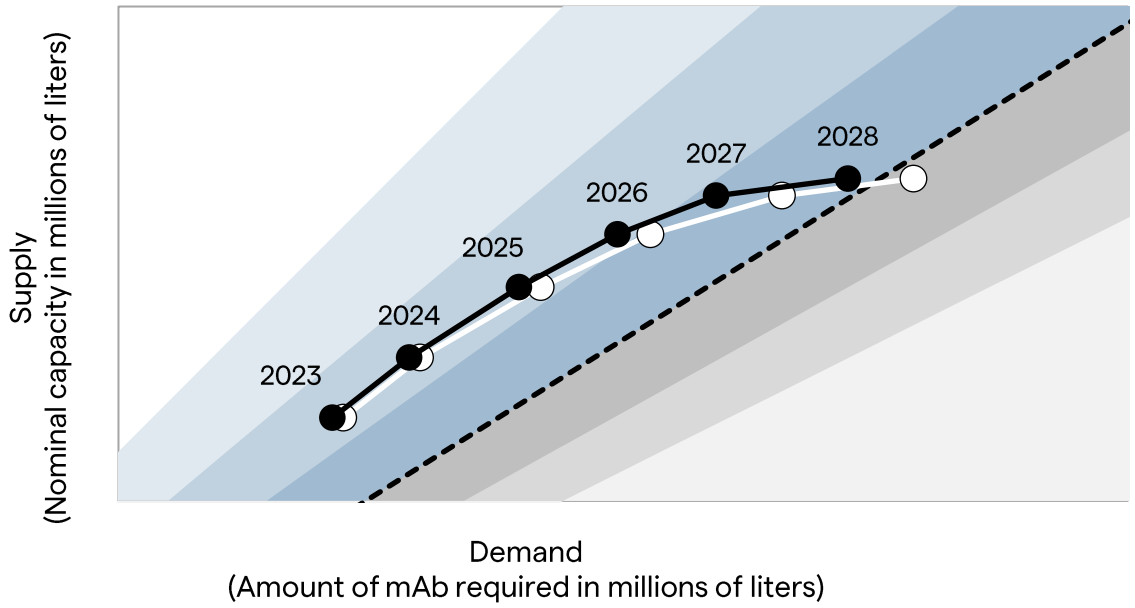
Acquisition Provides Lonza with Readily Available Commercial Capacity

- Secures Lonza's position as one of the world's leading providers of high-quality manufacturing services for large-scale mammalian drug substance
- Expands Lonza's presence in the US with a West Coast hub to complement existing East Coast facility in Portsmouth (US)
- Strong customer demand pipeline identified to utilize readily available capacity
- An investment program will be undertaken to upgrade the facility and enhance capabilities. During this period Lonza will manufacture existing products for Roche, with committed volumes ramping down over the medium term



Market Dynamics and Growing Demand Support Additional Large-Scale CDMO Capacity

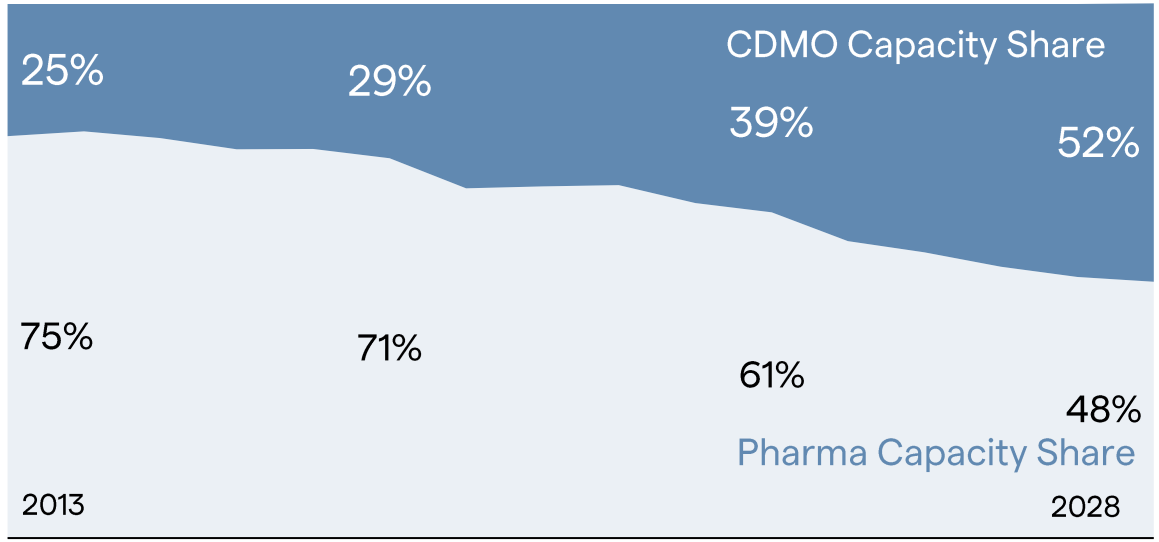
Mammalian Industry Capacity Utilization (% Demand / Supply)[1]



Additional demand due to Alzheimer's Disease

Base case

Expected Market Share of Installed Mammalian Capacity CDMO vs. Pharma[1] 2013 – 2028



Demand predominantly driven by continued growth of existing commercial products (>85% of total)

[1] Source: Lonza internal analysis, IQVIA, EvaluatePharma, Citeline, publicly announced capacity expansions (2023)

Details of the Acquisition

Investment	– The site will immediately strengthen Lonza's capacity and capabilities in attractive commercial phase – Additional CAPEX of approximately CHF 500m to upgrade the facility and enhance capabilities at the Vacaville (US) site – Mid-Term Guidance 2024 – 2028 CAPEX trajectory unchanged
2025	– The Vacaville (US) site will contribute to revenues in 2025, due to ongoing relationship with Roche – First year of Roche committed volumes expected to utilize around 30% of site capacity – Acquisition expected to be dilutive to CORE EBITDA margin over the Mid-Term Guidance period, while the asset is ramping up
Mid-Term	– Mid-Term Guidance for sales growth increased; other metrics unchanged – Accretive to sales and EBITDA as of 2025

Mid-Term Guidance 2024 – 2028: Sales Growth Updated

Updated
12 – 15%
Sales CAGR in CER
(2024 – 2028)
Previously 11 – 13%

32 – 34%
CORE EBITDA margin
in 2028

Double-digit ROIC
in 2028

1.5 – 2.0x
Net Debt / CORE EBITDA
Commitment to investment grade rating of BBB+

Q&A



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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 section "Looking to the Future" herein may not prove to be correct. The statements in the section "Looking to the Future" constitute forward-looking statements and are not guarantees of future financial performance.

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