

Lonza: Solid 2024 Performance with CER Sales in Line with Prior Year and 29.0% CORE EBITDA Margin

- In 2024, Lonza delivered sales of CHF 6.6 billion in line with prior year (-0.2% CER¹)
 - CORE EBITDA of CHF 1.9 billion at a margin of 29.0%
 - The CDMO² business delivered a strong commercial and operational performance, while Capsules & Health Ingredients (CHI) experienced market headwinds
 - The proposed dividend is maintained at CHF 4.00 per share
 - In 2025, Lonza expects CER sales growth approaching 20% and CORE EBITDA margin approaching 30% for the CDMO business
 - For its CHI business, Lonza expects sales and CORE EBITDA to return to growth in 2025, with low-to-mid-single-digit CER sales growth and a CORE EBITDA margin in the mid-twenties
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Basel, Switzerland, 29 January 2025 – Lonza has reported sales of CHF 6.6 billion (-0.2% CER and -2.1% AER³ compared to the prior year). A CORE EBITDA of CHF 1.9 billion resulted in a robust margin of 29.0%, driven by high demand for commercial CDMO services and strong operational execution. Adjusted for the COVID-related mRNA business and the related termination impact in 2023, underlying sales grew at around 7% in CER and CORE EBITDA margin improved by low-single-digit pts.

CDMO sales were driven by low-teens underlying CER growth, supported by strong performance in the Mammalian, Bioconjugates, Small Molecules and Cell & Gene Technologies businesses. This positive momentum compensated for the 2023 loss of COVID-related mRNA business, lower market demand for capsules within the CHI division, and softness in the Bioscience business.

Business highlights in 2024 included generally strong order momentum and contract signings worth around CHF 10 billion. Lonza also successfully closed the acquisition of the Genentech large-scale mammalian facility in Vacaville (US) from Roche on 1 October 2024 and has since then signed two new customer contracts. With CHF 1.4 billion of CapEx in 2024 (22% of sales), Lonza also made good progress in executing its ongoing organic investment program to enable future growth across technologies.

¹ Constant Exchange Rates.

² CDMO: Lonza excluding Capsules & Health Ingredients (CHI).

³ Actual Exchange Rates.

At its [Investor Update](#) in December 2024, Lonza announced its new vision and One Lonza strategy centered around the Lonza Engine, which brings together the company's unique core competencies that enable outstanding value creation. As part of this, Lonza announced its intention to exit the CHI business and evolve into a pure-play CDMO. The separation will be effected at the appropriate time and in the best interests of shareholders and stakeholders, while ensuring CHI continues to serve its customers and deliver profitable growth as the global market leader in its space. In support of the One Lonza strategy and to prepare for future growth, a streamlined operating model will be implemented in Q2 2025 with three newly-formed Business Platforms: Integrated Biologics, Advanced Synthesis, and Specialized Modalities. Furthermore, Lonza will expand the importance of bolt-on M&A and take an impartial approach to organic and inorganic growth opportunities going forward.

Lonza continued to make progress on its ESG commitments in 2024. Half of the company's electricity now comes from renewable sources, supported by the commencement of photovoltaic production in Spain under a Virtual Power Purchase Agreement covering all Lonza sites across Switzerland and the European Union.

For 2025, Lonza expects strong performance in its CDMO business with 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.

For CHI, Lonza expects sales and CORE EBITDA to return to growth in 2025, with low-to-mid-single-digit CER sales growth and a CORE EBITDA margin in the mid-twenties.

Wolfgang Wienand, CEO, commented: "In 2024, our market-leading CDMO businesses demonstrated good commercial momentum with high contract signings across technologies. Looking ahead to 2025 and beyond, we are focusing on implementing our One Lonza strategy and a simplified, easy-to-scale organizational structure. This will facilitate future growth and create an even better experience for our customers across the different service offerings. Together as a global team, we have embarked on our journey to turn One Lonza into a reality."

Lonza's Board of Directors will propose to maintain a dividend of CHF 4.00 per share at the Lonza AGM in May 2025. Subject to approval, 50% of the dividend will be paid out of the capital contribution reserve, meaning it will be free from Swiss withholding tax.

Based on its strong balance sheet and positive outlook, Lonza continued to return excess capital to shareholders through the share buyback program of up to CHF 2 billion announced in March 2023. As of 31 December 2024, shares worth approximately CHF 1.7 billion were repurchased. The full buyback program is expected to be completed as planned in Q1 2025.

Divisional Overview

- **Biologics** reported sales in line with prior year (-0.5%⁴), with growth from sustained commercial demand offset by the loss of COVID-related mRNA business and the related termination impact in 2023. The CORE EBITDA margin of 34.4% was supported by a favorable product mix and strong operational performance, partially offset by the ramp-up costs of new manufacturing assets. Excluding the COVID-related mRNA business in 2023, Biologics delivered low-teens underlying sales growth and CORE EBITDA margin expanded significantly compared to prior year.
- **Small Molecules** reported sales growth of 9.3%⁴ compared to prior year at a strong CORE EBITDA margin of 35.7%, driven by high commercial demand, strong operational performance and the division's continued portfolio shift to high-value products and complex service offerings.
- **Cell & Gene** reported sales growth of 1.1%⁴ compared to prior year. This was driven by strong operational performance in Cell & Gene Technologies and partially offset by softer performance in Bioscience. Compared to 2023, the division significantly improved its CORE EBITDA margin by 5.9 ppts. This was supported by Cell & Gene Technologies achieving positive margins and productivity measures in Bioscience. Excluding the one-off contribution from the Codiak BioSciences termination in 2023, divisional sales grew at a robust 10%⁴.
- **Capsules & Health Ingredients** reported a sales decline of 6.6%⁴ as a result of soft demand for pharma capsules due to customer destocking. In late 2024, the nutraceutical capsules business saw a return to pre-COVID volumes albeit still at a lower price level, while Dosage Form Solutions benefited from solid growth. The division reported a CORE EBITDA margin of 24.3%, impacted by lower asset utilization due to softer demand and lower nutraceutical prices. This was partially offset by productivity initiatives across the network, including the positive early impact of its newly-introduced superior proprietary D90 capsule manufacturing technology, and cost containment measures.

Group Financial Summary

CHF million	FYR 2024	YoY change (in %)	FYR 2023
Sales in AER	6,574	-2.1	6,717
CORE EBITDA	1,908	-4.6	1,999
Margin in %	29.0	-0.8ppts	29.8
EBITDA	1,695	-12.6	1,940
Margin in %	25.8	-3.1ppts	28.9

For more details, please refer to the [Full-Year 2024 Presentation](#), [Full-Year 2024 Report](#) and [Alternative Performance Measures \(APM\) 2024 Report](#).

⁴ Sales growth figures, expressed as a percentage (%) at Constant Exchange Rates (CER).

About Lonza

Lonza is one of the world's largest healthcare manufacturing organizations. Working across five continents, our global community of approximately 18,500 colleagues helps pharmaceutical, biotech and nutrition companies to bring their treatments to market. We support our customers with a combination of technological insight, world-class manufacturing, scientific expertise, process excellence and innovation. Our work enables our customers to develop and commercialize their therapeutic discoveries, allowing their patients to benefit from life-saving and life-enhancing treatments.

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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