

# Alternative Performance Measures

**Full-Year 2025**



# Introduction

This Finance Report and other communications with investors and analysts include Alternative Performance Measures (APMs) that are not defined by IFRS (non-GAAP measures) but are used by the management to assess the financial and operational performance at a Business Platform and Group level. These supplementary financial measures should not be viewed in isolation or as alternatives to Lonza's consolidated financial position and financial results, which are reported in accordance with IFRS. Instead, the APMs are intended to provide a complementary perspective on Lonza's performance by isolating distorting effects like exchange rate fluctuations or one-time items. They are also intended to provide additional key performance indicators to complement the performance dashboard. The APMs in use may not correspond to performance measures with similar names in other companies. Every APM shown in the financial report relates to the performance of the current or the previous reporting year.

The APMs are structured in operational Performance Measures as well as Liquidity and Capital Measures.

The operational Performance Measures consist of the definition of the CORE concept, the derivation of EBITDA (CORE and non-CORE) and the disclosure of profitability measures at constant exchange rates. The Liquidity and Capital Measures consist of Net Debt and ratios based on Net Debt and Return on Invested Capital, as well as Operational Free Cash Flow.

Lonza presents Capsules & Health Ingredients as Discontinued Operations in its consolidated financial income statement 2025, including restated comparative information (see Full-Year Report 2025).

Therefore, all income statement-related measures in this document focus on continuing operations only and prior period comparative information have been restated accordingly. Unless otherwise stated, all information reported in this report for "Lonza" or "Group" represent Lonza's continuing CDMO business.

With the implementation of its new simplified One Lonza organization, three newly-formed CDMO Business Platforms have been introduced: Integrated Biologics, Advanced Synthesis and Specialized Modalities. As a result prior year 2024 financial information have been updated.<sup>1</sup>

The following table outlines which APMs are applied at a Business Platform level and respectively at a Group level.

Performance Measures	Business Platform	Group
Sales and sales growth at constant exchange rate	<input checked="" type="circle"/>	<input checked="" type="circle"/>
CORE EBITDA/CORE EBITDA margin	<input checked="" type="circle"/>	<input checked="" type="circle"/>
EBITDA	<input type="circle"/>	<input checked="" type="circle"/>
CORE EPS	<input type="circle"/>	<input checked="" type="circle"/>

Liquidity and Capital Measures	Business Platform	Group
Net Debt	<input type="circle"/>	<input checked="" type="circle"/>
Net Debt/CORE EBITDA ratio	<input type="circle"/>	<input checked="" type="circle"/>
Net Debt / Equity ratio	<input type="circle"/>	<input checked="" type="circle"/>
Return On Invested Capital (ROIC)	<input type="circle"/>	<input checked="" type="circle"/>
Operational Free Cash Flow (before and after acquisitions)	<input type="circle"/>	<input checked="" type="circle"/>

# Performance Measures

## CORE Results

As exceptional items can differ significantly from year to year, Lonza excludes these effects from the reported IFRS results to determine the CORE results.

Disclosing CORE results of the Group's performance enhances the financial markets' understanding because the CORE results enable better year-on-year comparisons. Furthermore, the Group uses CORE results in addition to IFRS as important factors when internally assessing the Group's performance.

Below non-exhaustive list provides examples of exceptional items that may be considered as CORE adjustments<sup>1</sup>:

- Restructuring and reorganizations,
- Environmental-related measures or events, (related to historical environmental issues only),
- Acquisitions and divestitures,
- Business transformation initiatives,
- Impairments and reversals of related impairments (excluding impairments following contract termination, that are compensated by termination-related revenues),
- Litigations,
- Changes to pension plans

In accordance with the CORE results, APMs such as CORE Earnings per share (CORE EPS) and CORE EBITDA are directly affected by the exclusion of CORE adjustments.

The reconciliation of the IFRS result to the CORE result for the Full-Year 2025 and 2024 is as follows:

Million CHF	2025	2024 (Restated) <sup>2</sup>
<b>IFRS Profit from continuing operations</b>	<b>909</b>	<b>602</b>
<b>CORE adjustments</b>		
Amortization of intangible assets from acquisitions	48	33
Environmental-related measures	42	80
Acquisitions and divestitures	5	163 <sup>3</sup>
Impairment	56	67
Reversal of impairment	(4)	(21)
Restructuring	(6)	28
Business transformation initiatives <sup>4</sup>	53	14
Gain from sale of real estate	0	(84)
Fair value adjustment expense/(income) on contingent consideration from acquisition of businesses	(21)	29
Impairment of loans to joint ventures	0	77 <sup>5</sup>
Tax effect <sup>6</sup>	(30)	(58)
<b>CORE Profit from continuing operations</b>	<b>1,052</b>	<b>930</b>
<b>CORE Profit attributable to equity holders of the parent</b>	<b>1,056</b>	<b>934</b>
<b>CORE Earnings per share attributable to equity holders of the parent</b>	<b>15.08</b>	<b>13.12</b>

<sup>1</sup> In the context of the CORE definition, an "event" represents an individual business case that might involve income/expenses across several fiscal years.

<sup>2</sup> Restated to reflect the classification of the Capsules & Health Ingredients business as Discontinued Operations (see Full-Year Report, note 1).

<sup>3</sup> Costs related to the acquisition of the Vacaville site and the subsequent network optimization measures as a result of this acquisition.

<sup>4</sup> Costs related to "One Lonza" Business Transformation, and Nexus (a global Business Process Transformation linked to a new ERP system for Lonza's CDMO business based on SAP S/4 HANA).

<sup>5</sup> Impairment related to Bacthera.

<sup>6</sup> Group tax rate on continuing business of 17.4 % (2024: 15.0%).

## Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (Continuing Business)

In line with the CORE adjustments, Lonza assesses operational performance based on CORE EBITDA (continuing business), which can be reconciled in two steps:

Million CHF	2025	2024 (Restated) <sup>1</sup>
<b>Result from operating activities (EBIT)</b>	<b>1,239</b>	<b>908</b>
Depreciation of property, plant and equipment	561	408
Amortization of intangible assets	86	66
Impairment and reversal of impairment on property, plant, equipment and intangibles	84	70
<b>Earnings before interest, taxes and depreciation (EBITDA)</b>	<b>1,970</b>	<b>1,452</b>

Million CHF	2025	2024 (Restated) <sup>1</sup>
<b>Earnings before interest, taxes and depreciation (EBITDA)</b>	<b>1,970</b>	<b>1,452</b>
Environmental-related measures	42	80
Acquisitions and divestitures	5	163 <sup>2</sup>
Restructuring	(6)	28
Business transformation initiatives <sup>3</sup>	53	14
Gain from sale of real estate	0	(84)
<b>CORE EBITDA</b>	<b>2,064</b>	<b>1,653</b>

<sup>1</sup> Restated to reflect the classification of the Capsules & Health Ingredients business as Discontinued Operations (see Full-Year Report, note 1).

<sup>2</sup> Costs related to the acquisition of the Vacaville site and the subsequent network optimization measures as a result of this acquisition.

<sup>3</sup> Costs related to "One Lonza" Business Transformation, and Nexus (a global Business Process Transformation linked to a new ERP system for Lonza's CDMO business based on SAP S/4 HANA).

## Growth at Constant Exchange Rates

Financial results in constant currencies are adjusted to eliminate the impact of changes in exchange rates between the reported and the reference period – typically the prior year. This adjustment allows management to focus on operational results, without any distorting effect from changes in foreign currency exchange rates from one period to another.

Constant exchange rates are calculated by converting sales and CORE EBITDA of the current year at the exchange rate of the prior year. The resulting margins can therefore be compared with the reported profit margins of the prior year to understand fundamental business trends.

### Lonza (Continuing Business)

Million CHF	2025	2024 (Restated) <sup>1</sup>	Change in %
<b>Sales</b>	<b>6,531</b>	<b>5,480</b>	<b>19.2</b>
Elimination of effects from hedging instruments <sup>2</sup>	(71)	(6)	
<b>Sales excluding hedging effects</b>	<b>6,460</b>	<b>5,474</b>	
Retranslation at prior year rates	203		
<b>Sales at constant exchange rates</b>	<b>6,663</b>		<b>21.7</b>
 <b>CORE EBITDA</b>	 <b>2,064</b>	 <b>1,653</b>	 <b>24.9</b>
Elimination of effects from hedging instruments <sup>2</sup>	(35)	5	
<b>CORE EBITDA excluding hedging effects</b>	<b>2,029</b>	<b>1,658</b>	
Retranslation at prior year rates	66		
<b>CORE EBITDA at constant exchange rates</b>	<b>2,095</b>		<b>26.4</b>
Margin in %	31.4		

### Integrated Biologics

Million CHF	2025	2024	Change in %
<b>Sales</b>	<b>3,649</b>	<b>2,883</b>	<b>26.6</b>
Retranslation at prior year rates	161		
<b>Sales at constant exchange rates</b>	<b>3,810</b>		<b>32.2</b>
 <b>CORE EBITDA</b>	 <b>1,287</b>	 <b>1,045</b>	 <b>23.2</b>
Retranslation at prior year rates	73		
<b>CORE EBITDA at constant exchange rates</b>	<b>1,360</b>		<b>30.1</b>
Margin in %	35.7		

### Advanced Synthesis

Million CHF	2025	2024	Change in %
<b>Sales</b>	<b>1,611</b>	<b>1,323</b>	<b>21.8</b>
Retranslation at prior year rates	9		
<b>Sales at constant exchange rates</b>	<b>1,620</b>		<b>22.4</b>
 <b>CORE EBITDA</b>	 <b>674</b>	 <b>484</b>	 <b>39.3</b>
Retranslation at prior year rates	(6)		
<b>CORE EBITDA at constant exchange rates</b>	<b>668</b>		<b>38.0</b>
Margin in %	41.2		

1 Restated to reflect the classification of the Capsules & Health Ingredients business as Discontinued Operations (see Full-Year Report, note 1).

2 The hedging program is managed centrally by Corporate Treasury and therefore reported as part of Corporate.

## Specialized Modalities

Million CHF	2025	2024	Change in %
<b>Sales</b>	<b>1,034</b>	<b>1,099</b>	<b>(5.9)</b>
Retranslation at prior year rates	32		
<b>Sales at constant exchange rates</b>	<b>1,066</b>		<b>(3.0)</b>
<b>CORE EBITDA</b>	<b>176</b>	<b>192</b>	<b>(8.3)</b>
Retranslation at prior year rates	(1)		
<b>CORE EBITDA at constant exchange rates</b>	<b>175</b>		<b>(8.9)</b>
Margin in %	16.4		

## Corporate

Million CHF	2025	2024 (Restated) <sup>1</sup>	
<b>Sales</b>	<b>237</b>	<b>175</b>	
Elimination of effects from hedging instruments <sup>2</sup>	(71)	(6)	
<b>Sales excluding hedging effects</b>	<b>166</b>	<b>169</b>	
Retranslation at prior year rates	1		
<b>Sales at constant exchange rates</b>	<b>167</b>		
<b>CORE EBITDA</b>	<b>(73)</b>	<b>(68)</b>	
Elimination of effects from hedging instruments <sup>2</sup>	(35)	5	
<b>CORE EBITDA excluding hedging effects</b>	<b>(108)</b>	<b>(63)</b>	
Retranslation at prior year rates	0		
<b>CORE EBITDA at constant exchange rates</b>	<b>(108)</b>		

## Capsules &amp; Health Ingredients

Million CHF	2025	2024 (Restated) <sup>1</sup>	Change in %
<b>Sales</b>	<b>1,092</b>	<b>1,094</b>	<b>(0.2)</b>
Retranslation at prior year rates	50		
<b>Sales at constant exchange rates</b>	<b>1,142</b>		<b>4.4</b>
<b>CORE EBITDA</b>	<b>270</b>	<b>255</b>	<b>5.9</b>
Retranslation at prior year rates	10		
<b>CORE EBITDA at constant exchange rates</b>	<b>280</b>		<b>9.8</b>
Margin in %	24.5		

1 Restated to reflect the classification of the Capsules & Health Ingredients business as Discontinued Operations (see Full-Year Report, note 1).

2 The hedging program is managed centrally by Corporate Treasury and therefore reported as part of Corporate.

# Liquidity and Capital Measures

## Net Debt, Net Debt / CORE EBITDA Ratio, Net Debt / Equity Ratio

Net debt represents the net level of financial debt contracted by the Group with external parties (e.g. bonds, term loans, private placements) after considering cash and investments readily convertible into cash. It is composed of the current and non-current financial debt, derivatives hedging financial debt and liquid assets, less cash and cash equivalent and short-term investments. Based on the determined total debt and net debt, Lonza uses further performance measures to demonstrate the relationship between debt and profitability, as well as the ratio between debt and equity, to illustrate the gearing of the Group.

Million CHF	31 December 2025	31 December 2024	Change
Non-current debt	3,876	4,242	(366)
Current debt	309	468	(159)
Current debt classified as held for sale	0	0	0
<b>Total debt</b>	<b>4,185</b>	<b>4,710</b>	<b>(525)</b>
Non-current loans and advances	(142)	(140)	(2)
Short-term investments	0	(600)	600
Cash and cash equivalents	(719)	(1,111)	392
Cash and cash equivalents classified as held for sale	(66)	0	(66)
<b>Total cash &amp; cash equivalents, short term investments and loans and advances</b>	<b>(927)</b>	<b>(1,851)</b>	<b>924</b>
<b>Net debt</b>	<b>3,258</b>	<b>2,859</b>	<b>399</b>
	31 December 2025	31 December 2024	
CORE EBITDA <sup>1</sup>	2,334	1,908	
Net debt / CORE EBITDA Ratio	1.4	1.5	
Net debt / Equity Ratio	0.4	0.3	

<sup>1</sup> Liquidity and Capital Measures considers consolidated Lonza Group results, incl. Discontinued Operations.

## Return On Invested Capital (ROIC) from Continuing Operations

Lonza defines the ROIC as Net Operating Profit After Tax (NOPAT) divided by the average invested capital of the Group. ROIC is the most appropriate measure to assess the capital efficiency as it discloses how the Group deploys capital to generate profits.

Components of average invested capital for the for the twelve-months period ended 31 December

Million CHF	2025	2024 (Restated) <sup>1</sup>
<b>Result from operating activities (EBIT)</b>	<b>1,239</b>	<b>908</b>
Share of result of associates / joint ventures	2	(1)
<b>CORE adjustments</b>		
Environmental-related measures	42	80
Acquisitions and divestitures	5	163 <sup>2</sup>
Litigations	0	0
Impairments	56	67
Reversal of Impairment	(4)	(21)
Restructuring	(6)	28
Business transformation initiatives <sup>3</sup>	53	14
Gain from sale of real estate	0	(84)
<b>Net operating profit before taxes</b>	<b>1,387</b>	<b>1,154</b>
Taxes <sup>4</sup>	(241)	(173)
<b>Net operating profit after taxes (NOPAT)</b>	<b>1,146</b>	<b>981</b>
<b>Average invested capital</b>	<b>9,625</b>	<b>9,008</b>
<b>ROIC in %</b>	<b>11.9</b>	<b>10.9</b>

1 Restated to reflect the classification of the Capsules & Health Ingredients business as Discontinued Operations (see Full-Year Report, note 1).

2 Costs related to the acquisition of the Vacaville site and the subsequent network optimization measures as a result of this acquisition.

3 Costs related to "One Lonza" Business Transformation, and Nexus (a global Business Process Transformation linked to a new ERP system for Lonza's CDMO business based on SAP S/4 HANA).

4 Group tax rate on continuing business of 17.4 % (2024: 15.0%).

Components of average invested capital for the for the twelve-months period ended 31 December

Million CHF	2025	2024 (Restated) <sup>1</sup>
Intangible assets	418	500
Property, plant & equipment	8,109	7,306
Goodwill	1,985	2,037
Inventories	1,682	1,571
Trade receivables	939	865
Other operating receivables	430	346
Other assets	196	281
Trade payables	(435)	(384)
Other operating liabilities	(3,528)	(3,338)
Net current and deferred tax liabilities	(171)	(176)
<b>Average invested capital</b>	<b>9,625</b>	<b>9,008</b>

1 Restated to reflect the classification of the Capsules & Health Ingredients business as Discontinued Operations (see Full-Year Report, note 1).

## Operational Free Cash Flow (Before and After Acquisitions)

Operational Free Cash Flow measures cash generated by the Group's business operations and represents the capability to pay dividends, repay providers of debt, or carry out acquisitions. Moreover, Lonza distinguishes the Operational Free Cash Flow before and after the effect of any acquisitions and divestitures.

### Components of Operational Free Cash Flow<sup>1</sup>

Million CHF	2025	2024	Change
<b>Earnings before interest, taxes and depreciation (EBITDA)</b>	<b>2,196</b>	<b>1,695</b>	<b>501</b>
Change in net working capital	(288)	(44)	(244)
Capital expenditures in tangible and intangible assets	(1,373)	(1,417)	44
Disposal of tangible and intangible assets	112	9	103
Change of other assets and liabilities <sup>2</sup>	(41)	126	(167)
Change in provisions	11	63	(52)
Share-based payment costs	57	41	16
<b>Operational free cash flow (before acquisitions / divestitures)</b>	<b>674</b>	<b>473</b>	<b>201</b>
Acquisition of subsidiaries <sup>3</sup>	(56)	(1,075)	1,019
<b>Operational free cash flow</b>	<b>618</b>	<b>(602)</b>	<b>1,220</b>

<sup>1</sup> Operational Cash Flow represents Lonza Group incl. Discontinued Operations.

<sup>2</sup> Includes non-cash amortization of current deferred income of CHF 482 million (2024: CHF 221 million), recognized in the income statement through EBITDA.

<sup>3</sup> Additional earn-out consideration in 2025 related to the acquisition of Synaffix, and in 2024 related to the acquisition of the Vacaville site.

**Upcoming Roadshows/Conferences:**

**29 January 2026**

ZKB, Zurich (CH)

**30 January 2026**

Redburn, London (UK)

**2–3 February 2026**

UBS, New York (US)

**4 February 2026**

Goldman Sachs, Chicago (US)

**5 February 2026**

Jefferies, Boston (US)

**11 February 2026**

Morgan Stanley, Abu Dhabi (UAE)

**3–5 March 2026**

Redburn, Australia/New Zealand (virt.)

**24 March 2026**

BNP, London (UK)

**25 March 2026**

ZKB, Edinburgh (UK)

**Upcoming Announcements:**

**1 April 2026**

Publication of Annual and Sustainability Reports

**8 May 2026**

Q1 2026 Qualitative Update

**8 May 2026**

Annual General Meeting

**15 May 2026**

Dividend-Payment Date

**22 July 2026**

Half-Year Results 2026

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