

Capital Markets Day 2023: New Mid-Term Guidance 2024 – 2028 Supported by Ramp-Up of Growth Projects

- At its Capital Markets Day, Lonza outlined its Mid-Term Guidance for 2024 to 2028, including: 11–13% sales growth, 32–34% CORE EBITDA margin and double-digit ROIC
 - Outlook 2023: higher end of mid-to-high single-digit CER sales growth and 28 to 29% CORE EBITDA margin
 - Business growth in 2024 will be offset by one-off events, with an anticipated margin in the high twenties
 - Dividend pay-out commitment range increased to 35 to 45%
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Basel, Switzerland, 17 October 2023 – At its Capital Markets Day in Visp (CH), Lonza shared a detailed update on its strategic priorities and provided new Mid-Term Guidance for 2024 to 2028. The following five strategic priorities support the company's ongoing commitment to sustainable value creation:

- Continuous innovation to anticipate future customer needs
- Collaboration built on early customer partnerships and customized solutions
- Industry-leading service delivery, with a consistent focus on quality
- Operational excellence and a culture of continuous improvement
- Disciplined capital allocation strategy

The company's resilient business is underpinned by long-term customer contracts and a broad portfolio of high value offerings to meet complex customer needs. Building on this stable foundation, the company continues to execute its long-term investment strategy to drive future growth in areas of sustained market demand.

The company issued new **Group Mid-Term Guidance 2024 – 2028**, supported by the ramp-up of commercial growth assets and a continued focus on operational excellence. Mid-Term Guidance 2028 includes: 11–13% Sales CAGR in CER, 32–34% CORE EBITDA margin, and double-digit ROIC.

The 2023 Capital Markets Day was hosted by Albert M. Baehny, Chairman of the Board of Directors and CEO ad interim. He said: "Lonza maintains a sharp focus on executing its strategy and growth projects to capture opportunities and maintain industry leadership. Today, we shared in detail how our investment program will deliver in the mid-term. Our disciplined capital allocation strategy will support customers in bringing treatments quickly and securely to the market, whilst securing sustainable long-term value for our shareholders, stakeholders and society."

Lonza has also increased its **dividend payout range** from 25–40% to a new range of 35–45%, showing confidence in its financial strength.

Divisional strategic priorities were also shared:

- **Biologics** remains a major growth driver, focused on delivering a complete and integrated full-lifecycle CDMO offering, focusing on Mammalian, Microbial, Bioconjugation, mRNA and Drug Product Services.
- **Small Molecules** continues to capture value in an attractive market, supported by an expanding highly potent API offering, and ramping up capacity for ADC payload and linker production.
- **Cell & Gene** will continue to build on its strong bioscience offering and capture future demand for commercial capacity for cell and gene therapies.
- **Capsules & Health Ingredients** will build on its offering for high value and complex capsules offerings, while capturing margin through improved operational excellence.

Across divisions, strategic priorities include full lifecycle management, process optimization, long-term customer partnerships and differentiation through innovation and services.

Divisional Mid-Term Guidance 2024 - 2028:

Division	Sales CAGR 2024 - 2028 (CER)	CORE EBITDA margin 2024 - 2028
Biologics	Mid-teens	>35%
Small Molecules	Mid-to-high single digit	>30%
Cell & Gene	Mid-teens	>25%
Capsules & Health Ingredients	Low to mid-single digit	>30%

Lonza also issued its **quarterly qualitative performance update for Q3 2023**. Group financial performance in Q3 reflects continued strong CDMO business dynamics and sustained commercial demand. Biotech funding constraints continued to impact growth in early-stage services in Biologics and led to lower sales growth rates in Cell & Gene. Capsules & Health Ingredients saw continued softness in the US nutraceutical market.

Lonza reconfirmed its **Outlook 2023**, which was restated in the Half-Year 2023 Results in July. CER sales growth will be at the higher end of mid-to-high single-digit Outlook, with a CORE EBITDA margin above the guided 28 to 29%. This increase is driven by the one-time termination fee associated with the Moderna mRNA contract cancellation agreement in September 2023.

Business growth in 2024 will be offset by the higher base in 2023 from the Moderna termination agreement, the subsequent lost Moderna revenue in 2024, and the risk of a smaller Kodiak Sciences business in 2024. In this context, we anticipate a margin in the high twenties. Further details on Outlook 2024 will be provided at Lonza's Full-Year Results 2023 presentation in January.

Please click [here](#) to download the Capital Markets Day 2023 Presentation.

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 business is structured to meet our customers' complex needs across four divisions: Biologics, Small Molecules, Cell & Gene and Capsules & Health Ingredients. Our unparalleled breadth of offerings across divisions 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 17,500 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 3.1 billion with a CORE EBITDA of CHF 922 million in Half-Year 2023. Find out more at www.lonza.com

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