

Lonza Group H1 2024 Performance: Sales Up 1.8% CER and 29.2% CORE EBITDA Margin

- Lonza delivered sales of CHF 3.1 billion, growing 1.8%¹ CER
 - CHF 893 million CORE EBITDA resulted in a margin of 29.2%
 - Robust performance in CDMO business, with headwinds in the capsules business within the Capsules & Health Ingredients (CHI) division
 - Solid free cash flow at CHF 296 million
 - Group Outlook 2024 confirmed: flat CER sales growth and CORE EBITDA margin in high twenties
 - Mid-Term Guidance 2024 – 2028, upgraded in March, confirmed
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Basel, Switzerland, 25 July 2024 – Lonza has reported sales of CHF 3.1 billion, growing 1.8%¹ CER (-0.7% AER)². CHF 893 million CORE EBITDA resulted in a robust margin of 29.2%, supported by favorable product mix and sustained demand for commercial CDMO services.

Growth in H1 was driven by good momentum in Biologics, supported by a strong performance in Bioconjugates. The growth in Biologics was partly offset by lower demand in the capsules business within the CHI division.

Business highlights in H1 included the signing of an agreement to acquire the Genentech large-scale mammalian facility in Vacaville (US) from Roche. The transaction is on track and is expected to close in Q4 2024. Furthermore, Lonza welcomed its new Chairman of the Board of Directors, Jean-Marc Huët, and announced the appointment of its new CEO Wolfgang Wienand, who joined Lonza on 1 July.

Looking to H2 2024, group sales are expected to be higher than H1, reflecting the timing of batch releases and the ramp-up of new facilities in Biologics and Small Molecules. Lonza confirms its Full-Year Outlook 2024 at flat CER sales growth and a CORE EBITDA margin in the high twenties (27 – 29%). The Full-Year Outlook reflects continued strong underlying CDMO business performance, offset by the growth headwind from around CHF 500 million in Moderna sales and related termination impacts in 2023. The Mid-Term Guidance for 2024 to 2028, upgraded in March, is also confirmed.

Philippe Deecke, CFO, Lonza, commented: “We delivered a solid performance in H1 2024, in line with expectations. We are pleased to see sustained commercial demand for our CDMO services,

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

² Actual Exchange Rate

supported by ongoing operational excellence and productivity programs across the network. Our acquisition of the Genentech Vacaville site from Roche represents a significant advance in meeting large-scale customer demand and delivering long-term value for our business. We look forward to closing the transaction in Q4.”

Lonza continued to make progress on its ESG commitments during H1 2024 as its near-term emissions reduction targets were validated by the Science Based Targets initiative (SBTi). Lonza also signed a new renewable energy certificate (REC) agreement in the US that will enable all current Lonza US facilities to achieve 100% renewable electricity from 2026. It marks another milestone as the company makes progress on its ambition to purchase all electricity from renewable sources where available.

Divisional Overview

- **Biologics** reported continued robust sales growth of 7.3%¹ compared to H1 2023, supported by sustained commercial demand. Excluding COVID-related mRNA sales in H1 2023, sales growth was in the mid-teens compared to the prior year. A 34.8% CORE EBITDA margin was supported by favorable product mix and strong operational performance, partially offset by ramp-up costs from new investments coming online.
- **Small Molecules** reported sales growth of 2.5%¹ compared to H1 2023, which is lower than Full-Year expectations due to campaign phasing into H2. A solid CORE EBITDA margin of 33.6% was driven by favorable product mix and high asset utilization.
- **Cell & Gene** reported sales at -6.6%¹. Excluding the one-off due to the Codiak termination in H1 2023, the division grew a robust 10%. This was driven by solid operational performance in Cell & Gene Technologies, and offset by a softer performance in Bioscience. The division reported a CORE EBITDA margin of 18.7%, with Cell & Gene Technologies generating positive margins.
- **Capsules & Health Ingredients** reported sales at -6.1%¹ as a result of continued destocking in the pharma capsules business. The division reported a CORE EBITDA margin of 24.8%. Margin was impacted by lower asset utilization due to lower demand, and lower nutraceutical prices. This was partially offset by productivity measures across functions and regions.

Group Financial Summary

CHF million	HYR 2024	YoY change (in %)	HYR 2023
Sales in AER	3,057	(0.7)	3,078
EBITDA	862	(4.1)	899
Margin in %	28.2		29.2
CORE EBITDA	893	(3.1)	922
Margin in %	29.2		30.0

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

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

About Lonza

Lonza is one of the world's largest healthcare manufacturing organizations. Working across five continents, our global community of around 18,000 colleagues helps pharmaceutical, biotech and nutrition companies to bring their treatments to market. United by our vision to bring any therapy to life, 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 business is structured to meet our customers' complex needs across four divisions: Biologics, Small Molecules, Cell & Gene, and Capsules & Health Ingredients. Our company generated sales of CHF 3.1 billion with a CORE EBITDA of CHF 893 million in Half-Year 2024. Find out more at www.lonza.com

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