

Q1 2024 Qualitative Update: Performance In Line with Expectations for Full-Year 2024

- Outlook 2024 remains flat CER sales growth and CORE EBITDA margin of high 20s
 - Softer performance in Q1 2024, normalizing across H1 2024
 - Sustained commercial demand in CDMO business with initial signs of early-stage recovery
 - Key growth projects due to start in 2024 progressing in line with plan
 - Revised definition of three Alternative Performance Measures from H1 2024
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Basel, Switzerland, 14 May 2024 – In its quarterly qualitative update, Lonza reported a softer Q1, with performance across H1 expected to align with the Full-Year 2024 trajectory.

Lonza confirms its Outlook 2024 at flat sales growth in CER and Core EBITDA margin of high 20s. H2 2024 sales are expected to be solid, reflecting the timing of batch releases.

In **Biologics**, there was good momentum across the division with sustained commercial demand, while clinical demand remained softer, despite early signs of biotech funding recovery. The **Small Molecules** division also saw strong commercial demand, and made continued progress on strategic investments. **Cell & Gene** delivered improved commercial and operational performance in Cell & Gene Technology, while market headwinds impacted Bioscience primarily in its media business. Finally, the performance of the **Capsules & Health Ingredients** division was softer than expected due to a combination of weaker demand for pharma hard capsules in western markets, and lower margins in its nutraceutical business despite improved demand.

Lonza's key growth projects are progressing in line with plan. Operations are expected to commence at the large-scale Mammalian drug substance and highly potent API facilities in Visp (CH) in Q4 2024. Construction is on track at the large-scale commercial drug product facility in Stein (CH).

In Q1 2024, Lonza [announced](#) it had signed an agreement to acquire the Genentech manufacturing facility in Vacaville (US) from Roche for USD 1.2 billion in cash. Lonza plans to invest around CHF 500 million to upgrade the facility and enhance capabilities at the site to accommodate the next generation of mammalian biologics therapies. In this context, Mid-Term Guidance 2024 – 2028

sales growth range was updated from 11 – 13% CAGR in CER¹ to 12 – 15%. All other Mid-Term Guidance metrics are unchanged.

On 2 April 2024, the Board of Directors was pleased to [appoint](#) Wolfgang Wienand as the new Chief Executive Officer of Lonza. He will join the company during the summer of 2024.

Albert M. Baehny, CEO *ad interim*, Lonza, commented: “We made good progress in Q1 2024 with the strategic acquisition of the large-scale biologics site in Vacaville and the appointment of Lonza’s new CEO, Wolfgang Wienand. Looking at our industry fundamentals, we remain well-positioned to capture value by maintaining our focus on growing our commercial offering, while managing our costs and maintaining our focus on operational excellence.”

Lonza has revised the definition of three Alternative Performance Measures including CORE EPS, Free Cash Flow and Divisional CORE EBITDA. The new definitions will be reflected in the H1 2024 reporting process. The changes are designed to enhance transparency and efficiency and will not change IFRS reporting. Additional information, including Restated Full-Year 2023, Half-Year 2023 and Full-Year 2022 results, can be found [here](#).

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

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 6.7 billion with a CORE EBITDA of CHF 2.0 billion in Full-Year 2023. Find out more at www.lonza.com.

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