Lonza Delivers a Strong Q3 2025 and Confirms Full-Year 2025 Outlook for its CDMO and CHI Businesses

- Strong CDMO[1] performance in Q3 2025 in Integrated Biologics and Advanced Synthesis, while Specialized Modalities improved versus a soft H1
- Large contract signings in Q3, including another significant commercial contract for Vacaville
- Capsules & Health Ingredients (CHI) returned to growth as expected and in line with Full-Year Outlook
- CDMO Outlook for Full-Year 2025 confirmed: upgraded at Half-Year to CER sales growth of 20-21% and a CORE EBITDA margin of 30-31%

Basel, Switzerland, 23 October 2025 – In its Q3 2025 qualitative update, Lonza reported a strong CDMO performance in line with its upgraded Full-Year Outlook. Capsules & Health Ingredients (CHI) progressed on its expected recovery path and returned to growth in line with its Full-Year 2025 Outlook.

Lonza saw strong momentum in **Integrated Biologics** based on continuing robust demand for large-scale mammalian assets, further supported by the Vacaville (US) acquisition. **Advanced Synthesis** continued to experience strong commercial demand for its Bioconjugates and Small Molecules offerings, supported by successful growth project ramp-ups. **Specialized Modalities** improved in Q3 as expected. Full-Year 2025 performance is expected to remain moderate in the context of the softer H1. Efforts aimed at strengthening the resilience of the Business Platform are ongoing and will take time to materialize. In line with the expected recovery path, **CHI** returned to positive CER growth, supported by higher volumes in the pharmaceutical capsules business. Additionally, CHI's strong manufacturing presence in the US is continuing to support customers in navigating the evolving US tariff environment.

In 2025, Lonza expects a healthy level of contract signings across technologies and sites within its **CDMO business**. In Q3, Lonza signed a further significant strategic long-term contract for integrated drug substance and drug product supply of bioconjugates. In its Small Molecules Technology Platform, Lonza signed a large multi-year commercial supply agreement. Furthermore, Lonza's large-scale mammalian site in Vacaville experienced sustained high customer interest, including the signing of a significant long-term commercial supply agreement. Further signings in Vacaville are expected in the coming months.

[1] CDMO: Lonza excluding Capsules & Health Ingredients (CHI).

One year after closing the Vacaville acquisition, the site's integration into Lonza's global network is progressing fully in line with plan. The site shows strong and consistent operational execution, maintaining its excellent quality track record while advancing preparations for new product introductions. The first phase of capital expenditure is progressing as planned, with additional investments to follow in the next two to three years to upgrade the site's automation system and multi-purpose capabilities.

Ramp-up activities at Lonza's highly potent API[2] (HPAPI) plant in Visp (CH) are progressing well, and full commercial operations commenced in July 2025. The newly constructed large-scale mammalian drug substance facility, also located in Visp, showed good progress in ramp-up activities in line with plan, with GMP operations underway and commercial production set to ramp up gradually from 2026 onwards.

In the evolving geopolitical and macroeconomic environment, Lonza expects no material financial impact from the currently announced US trade policies but continues to monitor the situation closely. Lonza remains confident that its well-diversified global manufacturing footprint, which includes a strong presence with large capacities in the US, will enable it to support its customers' global manufacturing requirements.

Lonza is monitoring biotech funding trends and regulatory shifts in the US. In its early-stage business, Lonza saw a continued high level of utilization in Q3, with good visibility for the coming months. With such early-stage activities representing just approximately 10% of the **CDMO business**, fluctuations in biotech funding are expected to have only a minimal impact on Lonza's future performance.

In Q3, Lonza made good progress with the necessary internal carve-out measures to prepare the exit from the **CHI business** in the best interests of customers, employees and shareholders at the appropriate time. The positive development of the business over the last months remained unaffected by the exit preparations.

Outlook 2025 confirmed

Supported by a strong performance in Q3 2025, Lonza confirms its Full-Year 2025 Outlook for its **CDMO** and **CHI businesses**.

The **CDMO business** is well on track to deliver higher sales in H2 than in H1 and a healthy progression of the CORE EBITDA in line with the 2025 Outlook, which was upgraded with the Half-Year 2025 results to CER sales growth of 20-21% (previously "approaching 20%") and a CORE EBITDA margin of 30-31% (previously "approaching 30%"). Excluding Vacaville, which is expected to contribute at the upper-end of the range of around half a billion CHF in sales at a better than expected margin in 2025, Lonza expects low-teens percentage organic CER sales growth and margin improvement in its CDMO business in line with its CDMO Organic Growth Model.

[2] Active Pharmaceutical Ingredients.

Supported by its return to growth, Lonza confirms the Full-Year 2025 Outlook for its **CHI business**, with low-to-mid single-digit percentage CER sales growth and an improved CORE EBITDA margin in the mid-twenties.

Assuming spot rates of early October 2025 will prevail for the remainder of the year, Lonza reiterates an anticipated FX[3] headwind of approximately -2.5 to -3.5% on sales and CORE EBITDA, mainly attributed to the weakening of the US Dollar. Margins will be minimally impacted, thanks to a robust natural hedge and Lonza's financial hedging program.

About Lonza
Lonza is one of the world's largest contract development and manufacturing organizations (CDMOs) dedicated to serving the healthcare industry. Working across five continents, our global team of more than 19,000 colleagues works alongside pharma and biotech companies to turn their breakthrough innovations into viable therapies. We support our customers in bringing life-saving and life-enhancing treatments to patients worldwide with a combination of cutting-edge science, smart technology and lean manufacturing.

Our company generated sales of CHF 3.6 billion with a CORE EBITDA of CHF 1.1 billion in Half-Year 2025.

Find out more at **www.lonza.com**.

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[3] Foreign exchange.