
Enabling a Healthier World

Lonza

Lonza Capital Markets Day 2021

12 October 2021, Zurich, Switzerland





**Reflection on the
Business in 2021**

[youtube.com](https://www.youtube.com)

Reflections on the Business in 2021

CEO perspectives

- Specialty Ingredients divestment completed, allowing Lonza to focus as a pure-play CDMO player
- Deliver strong sales growth and profitability during a pandemic
- Contribution to controlling the pandemic through COVID-19 vaccine drug substance manufacture in record time
- De-risked long-term investment program to capture growth

An aerial photograph showing a road cutting through a vast field of tulips in the Netherlands. The tulips are in various stages of bloom, showing shades of yellow, green, and brown. A red car is visible on the road. The Lonza logo is in the top right corner.

Lonza

Tulip fields, Netherlands

Agenda

Group Overview

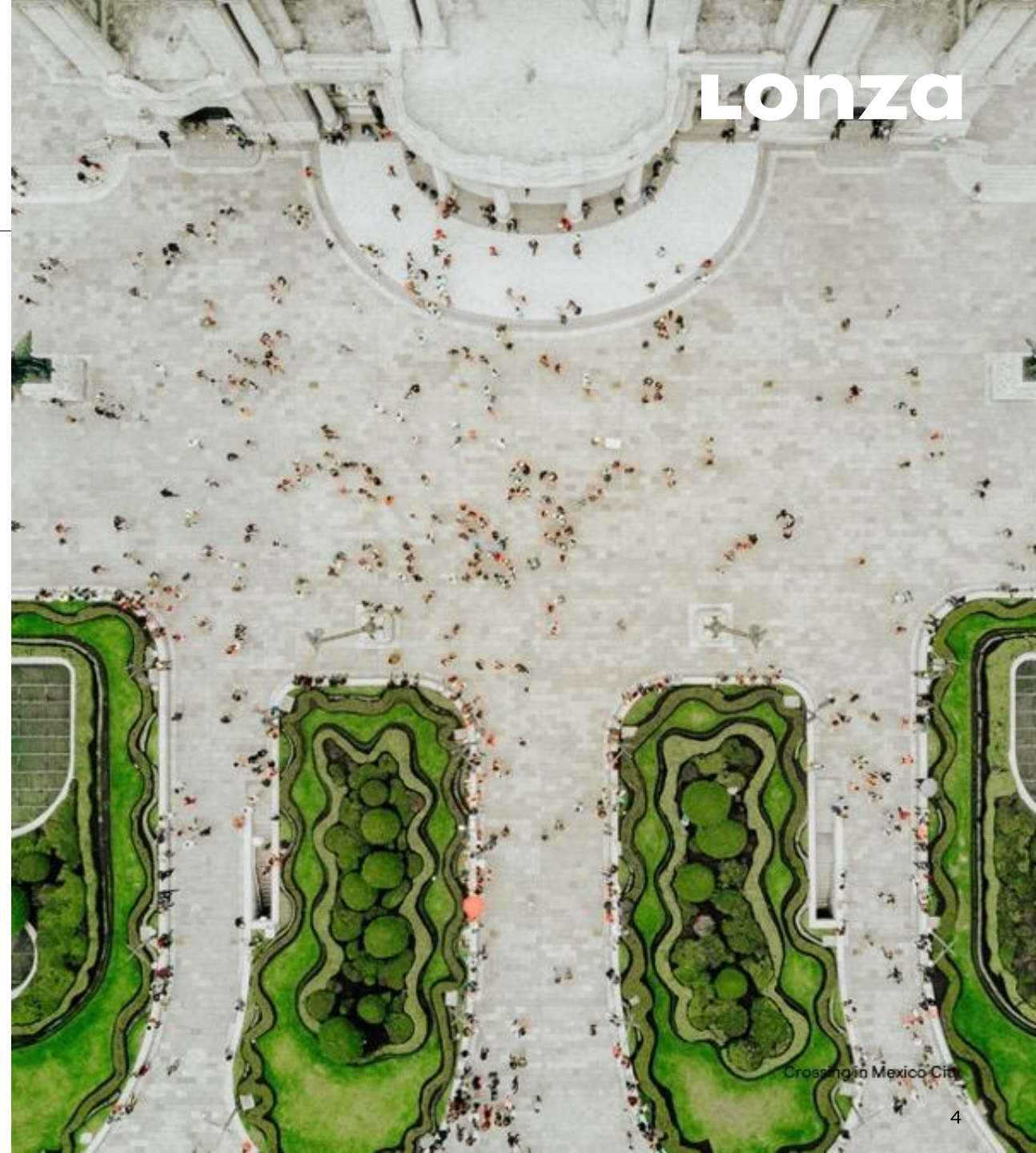
- Our Company Today
- Strategic Priorities
- Financial Update

Break

Highlights and Priorities by Division

- Biologics
- Small Molecules
- Cell & Gene
- Capsules & Health Ingredients

Q&A



Our Company Today

Lonza



Strengthening our Position as a Leading CDMO Player

Our company in numbers

>1,065

Molecules in development
in 2020

230_{bn}

Capsules produced annually
in 2020

35

Development and
manufacturing sites

4.5_{bn}

Sales (CHF)
Full-Year 2020

30.6%

CORE EBITDA margin
Full-Year 2020

~20%

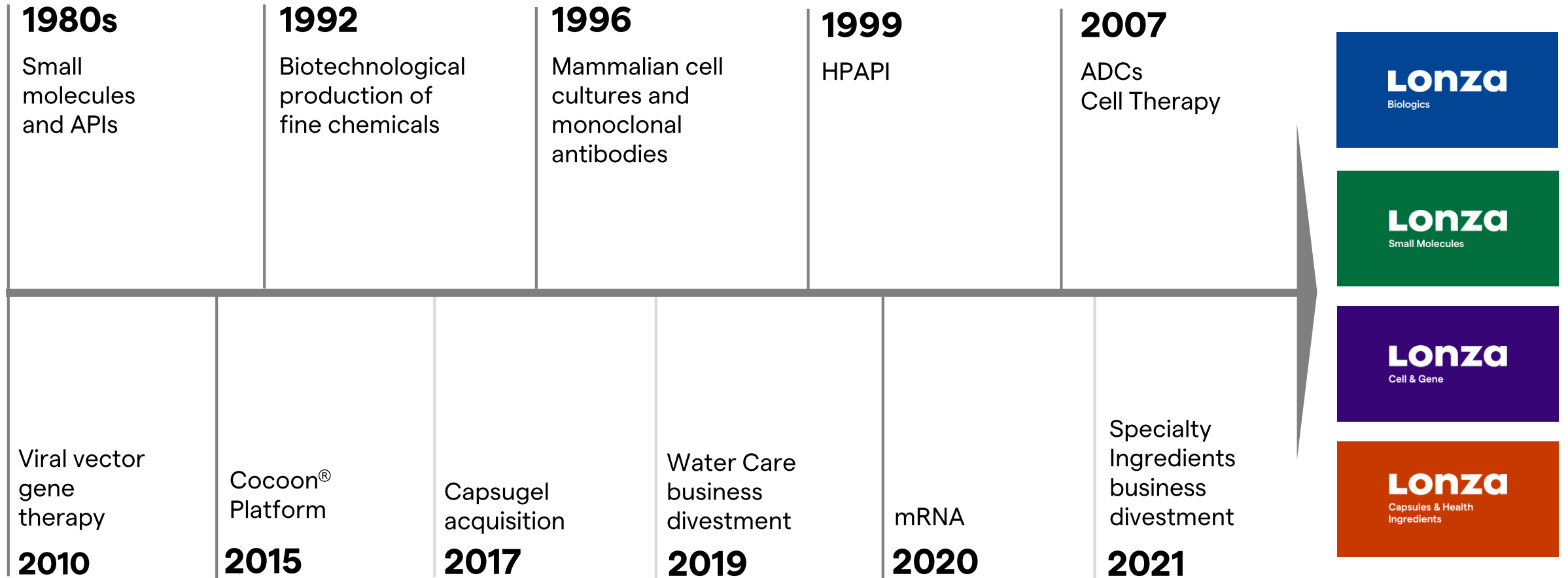
CAPEX as % sales
Full-Year 2020

Lonza



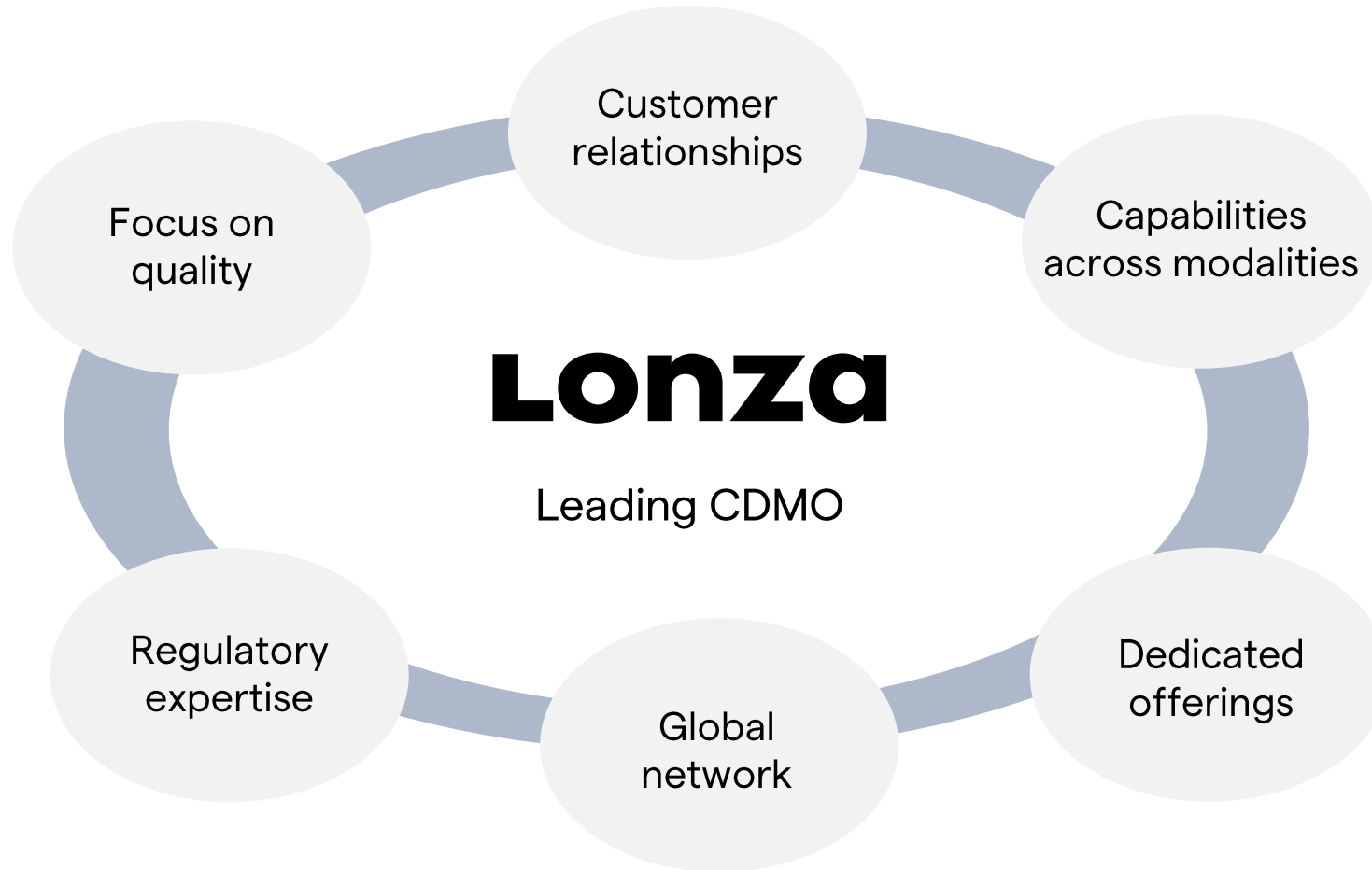
Our Journey Within the Healthcare Industry

Transformation into a pure-play CDMO



Delivering on our Vision to Bring any Therapy to Life

Leading CDMO with breadth, experience and scale



Lonza

Biologics

Lonza

Small Molecules

Lonza

Cell & Gene

Lonza

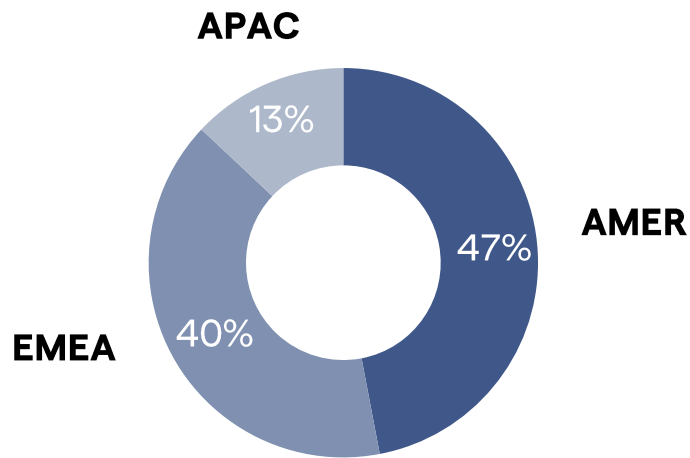
Capsules & Health
Ingredients

Established, Well Balanced and Diversified Customer Portfolio

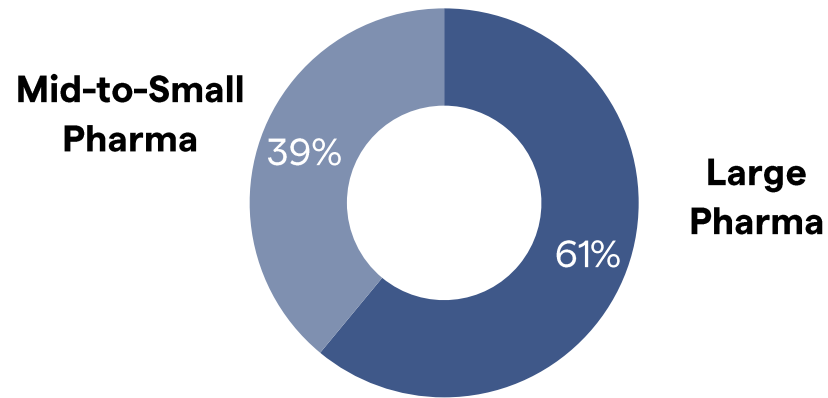
Global customer base



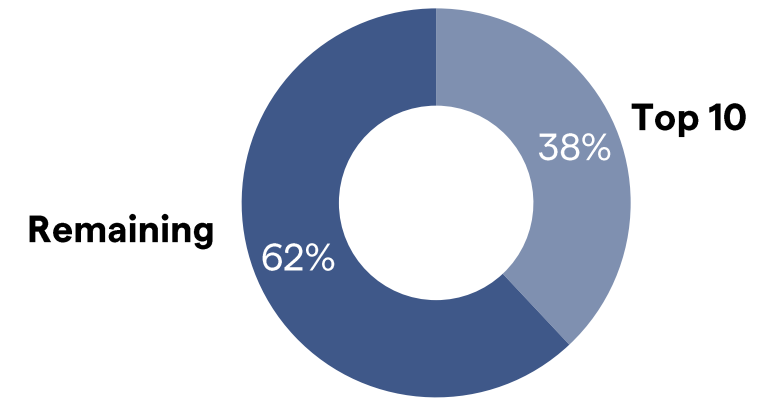
Lonza Sales by Customer Location



Lonza Sales by Customer Type¹



Lonza Sales by Customer Size



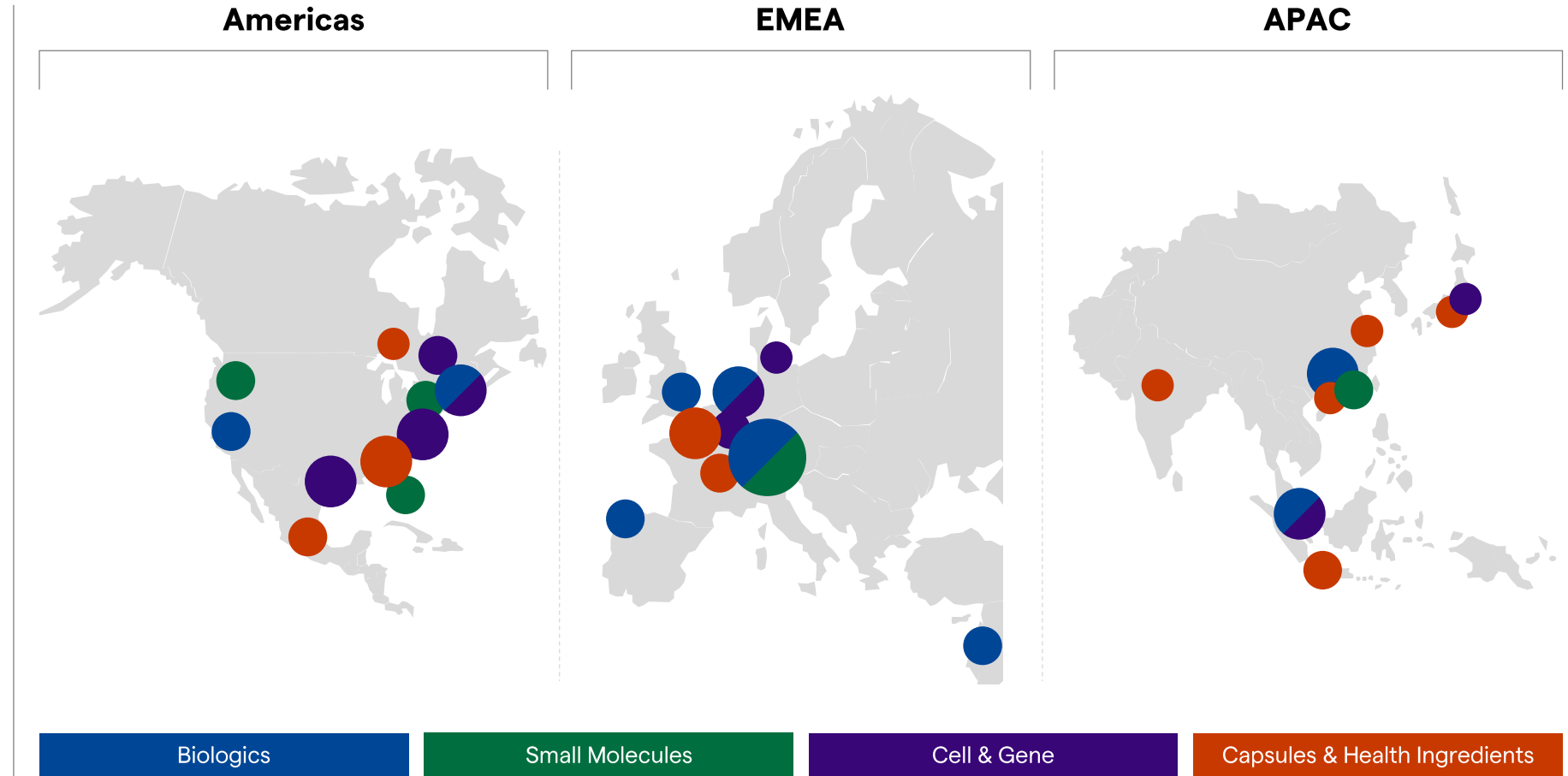
¹Top 30 largest pharma companies by revenue are attributed to large pharma

Proximity to Customers Through Broad and Regionalized Network



Global development and manufacturing capabilities

- Network of 35 sites across all key regions and modalities
- Ability to offer customers access to regional supply
- Expanding presence in Asia to support growth



Some dots represent multiple sites

Strategic Priorities



Focus on Sustainable Value Creation

Key priorities

1 Growth Investments

2 Operational Excellence

3 Innovation

4 Sustainability

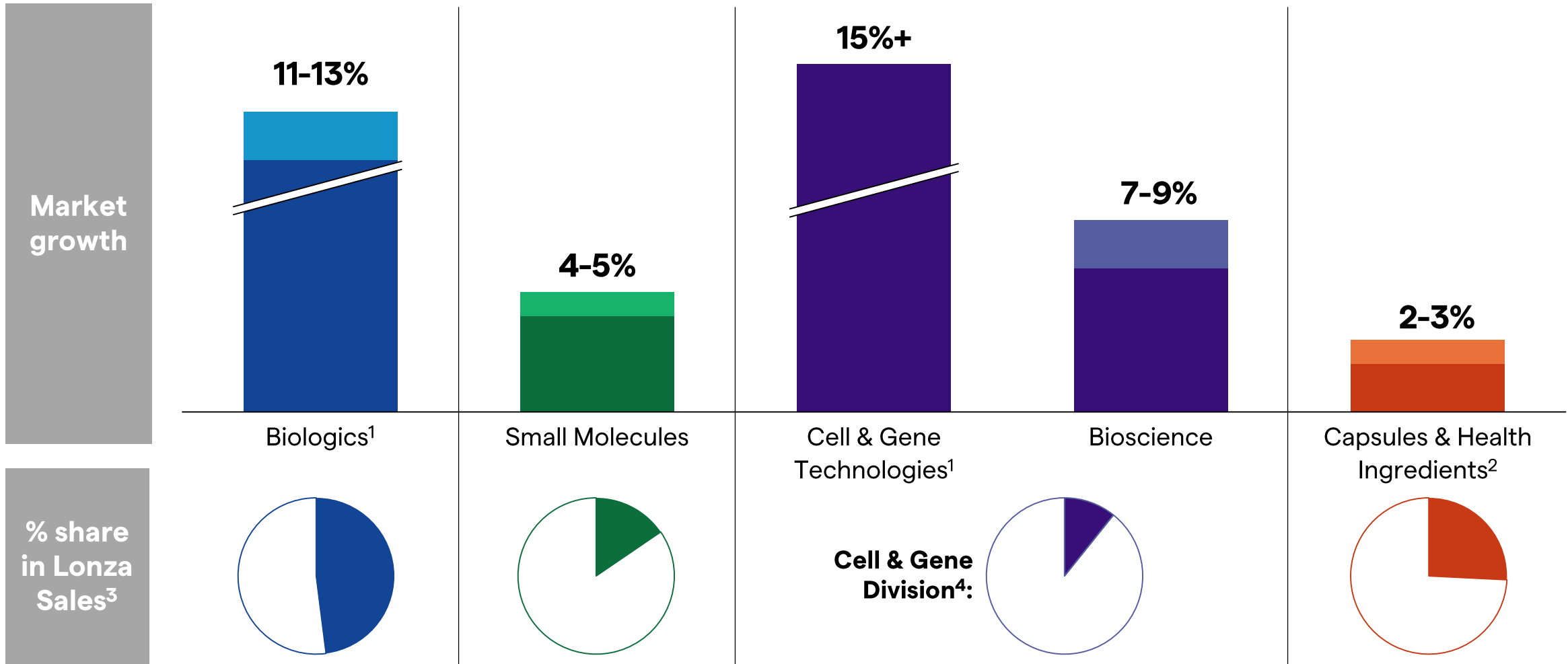
5 Culture and People

Lonza



1 Favourable Market Dynamics and Investment Opportunities

Divisional market growth outlook



¹ CDMO market
² Capsules market, excluding Health Ingredients
 Source: see Divisional sections for details

³ Based on 2020 FY revenue
⁴ Cell & Gene division includes Cell & Gene Technologies, Bioscience and Personalized Medicine businesses

1 Addressing Market Momentum Through Growth Investments

Overview of growth projects

- Investments across modalities – 2021 CAPEX anticipated at c.25% of Sales
- Attractive return profile: IRR 15-20%, ROIC >30% after ramp-up
- Investments de-risked through anchor customer commitments

Division	Selected Landmark Projects	
	CAPEX ¹	Description
Biologics	850	Large-scale facility in Visp (CH) and small-scale single-use technology facility in Portsmouth (US)
Small Molecules	200	2,000m ² complex in Visp (CH) including dedicated ADC payload line
Cell & Gene	not disclosed	Expansion of Viral Vector and Cell Therapy suites in Houston (US)
Capsules & Health Ingredients	85	Adding 30bn annual capsules manufacturing capacity across the network

¹in CHF mio

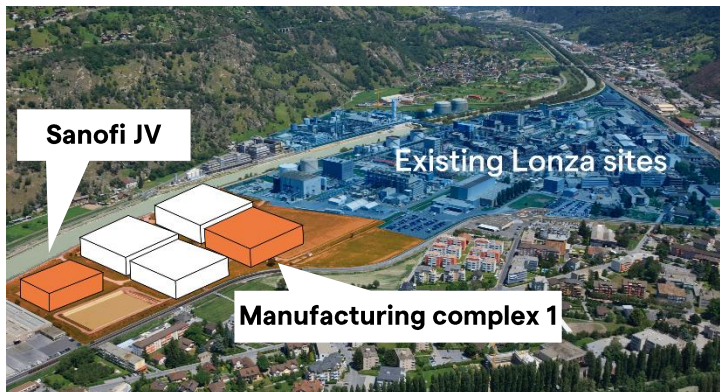
1 Delivering on Investment Projects

Case study Ibex[®] Solutions



2017 – 2018

Start of construction



2020 – 2021

Start of operation



2021+

Investment in a new large-scale mammalian manufacturing facility



Selected Customer Projects



Multiple undisclosed biotech and pharma clients

2 Generating Value for our Customers and our Business

Operational excellence

Lonza

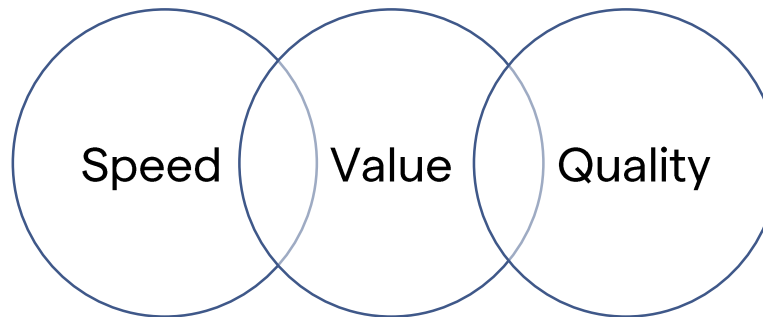
Customer

Increasing market demand

Focus on continuity of supply through pandemic

Need for speed to capitalize on opportunities

Continuing to meet customer needs through a focus on:



Company

Increased productivity in base business

Scalable business models and systems

Operationalization of growth investments

3 Focus on Delivering Differentiated Solutions for our Customers

Innovation Highlights



Biologics



mRNA suite in Visp (CH)

Small-scale capabilities in mRNA to complement commercial expertise

Small Molecules



ADC payload manufacturing in Visp (CH)

Manufacturing capabilities of complex cytotoxins for Antibody Drug Conjugates

Cell & Gene



Cocoon® Platform

Disruptive Cocoon® Platform to industrialize autologous cell therapy manufacturing

Capsules & Health Ingredients



Vcaps® enteric capsules

Next generation capsules to improve oral delivery of sensitive molecules

4 Promoting a Responsible Approach

Sustainability

- Resolving legacy issues post Specialty Ingredients divestment
- Updating ESG KPIs in line with UN framework to reflect new focus as a CDMO business
- ESG targets will be incorporated in people reward and recognition from 2022

Recent Actions to Address Legacy Environmental Issues

2020: Nitrous Oxide

CHF 12mio investment to reduce N₂O emissions in Visp (CH) by >98%
c.40% CO₂ equivalent reduction

2021: Landfill

Remediation project for landfill site in Gamsenried (CH) for CHF 290mio in first phase of remediation

Updated ESG KPIs Framework



5 A Growing Employee Community Supporting Business Growth

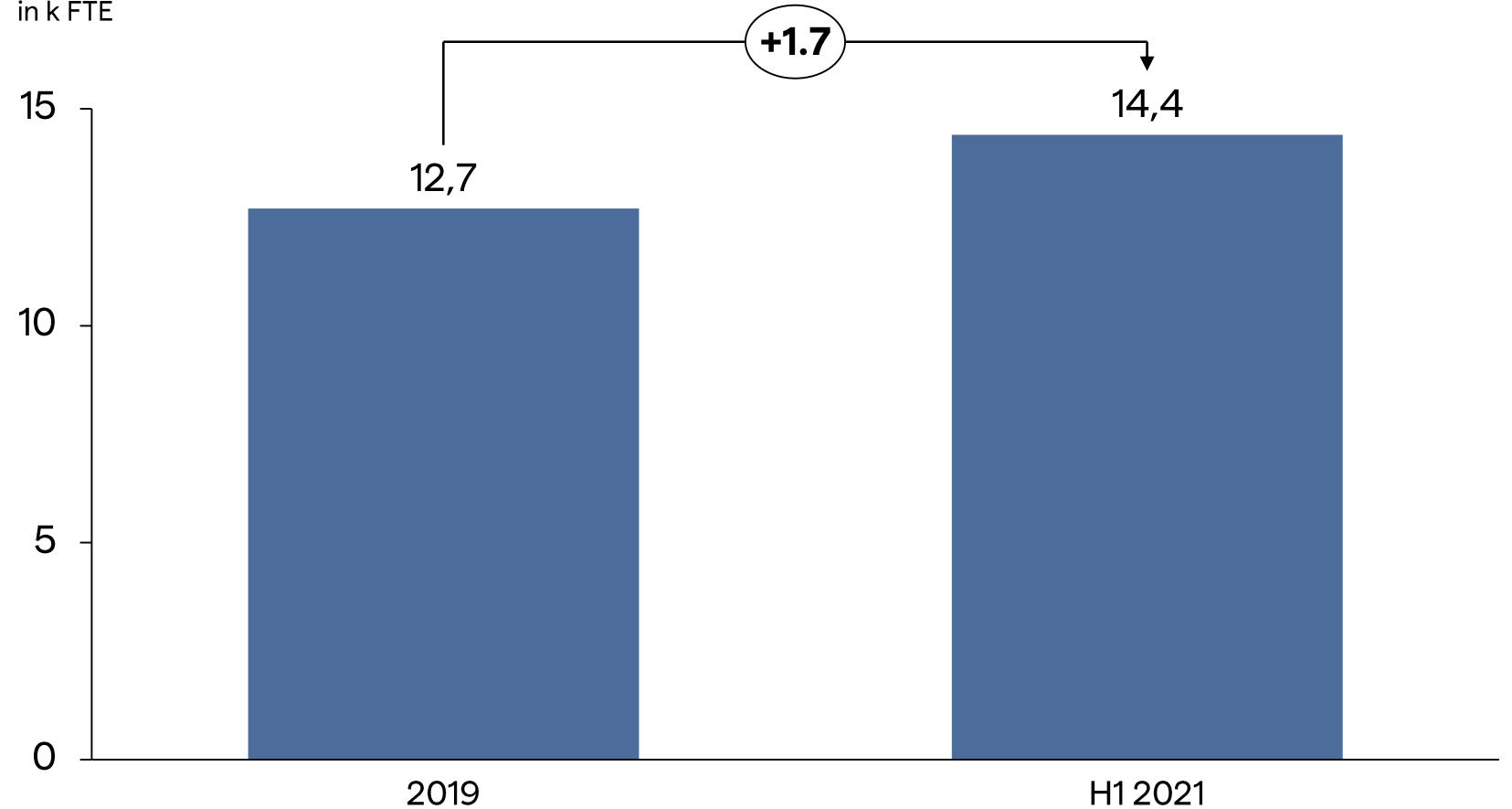
People



- >100 nationalities
- >60 languages
- >30% female leaders
- 11% employees with PhD degree
- >90% retention rate²

Lonza workforce evolution¹

in k FTE



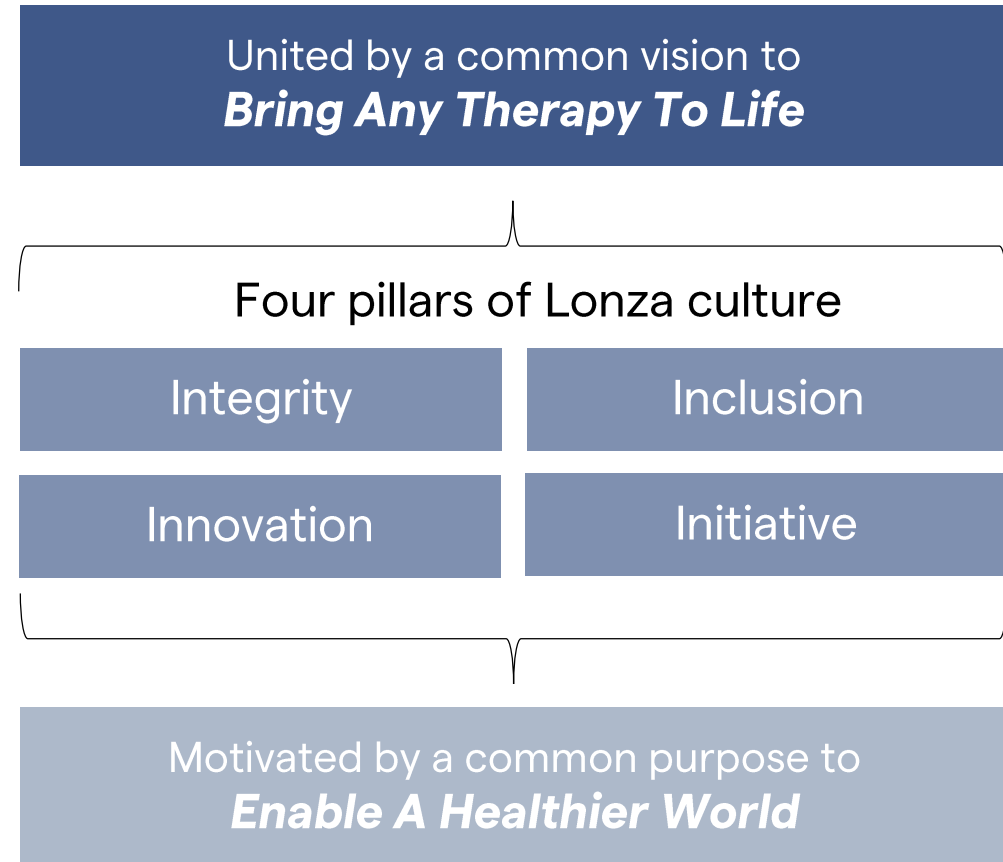
¹End of period FTE H1 2021 for continuing operations; 2019 approximated by Lonza Group excl. Specialty Ingredients segment

²As at 30th of September 2021

5 Attracting and Retaining Top Talent with Right Environment and Culture

Culture

- Clear company identity, supported by a vision, purpose and values
- Strong employee motivation to develop and deliver life-saving therapies
- Role modelling by Management
- Dynamic and growing work environment, offering platform for professional growth



Group Mid-term Guidance 2024

Strategic priorities supporting our financial forecasts

- **Current performance is influenced by:**
 - Continuing focus on operational excellence
 - Talent attraction and retention
 - Ramp-up and operationalization of new assets and facilities
- **Long-term success is influenced by:**
 - Strong and growing market growth and demand
 - Continuing commitment to sustainable value creation
 - Extensive CAPEX investments in facility expansions
- **Mid-term guidance:**
 - Low-teens CER sales growth
 - ~33-35% CORE EBITDA margin
 - Double-digit ROIC

An aerial photograph of a marshy landscape. A winding road or canal cuts through the terrain, which is covered in dense, low-lying vegetation in shades of brown and green. A small red boat is visible on the water in the middle of the road. The Lonza logo is overlaid in the top right corner.

Lonza

Road in the marsh

Financial Update

Lonza



Strong Financial Pillars Underpinning Strategy

Financial perspective

1 Value Creation Model

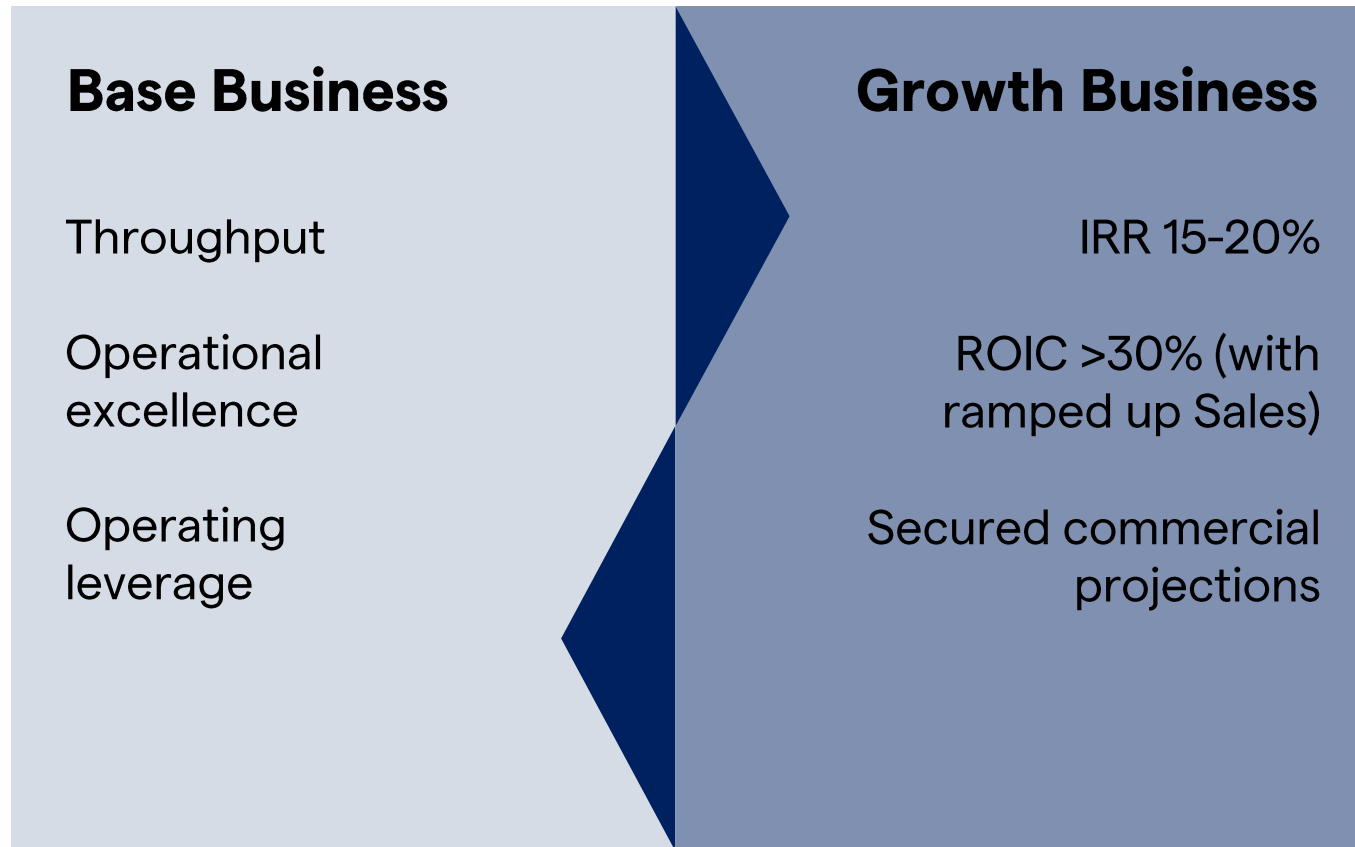
2 Capital Allocation

3 Capital Structure

4 Mid-Term Guidance

Lonza



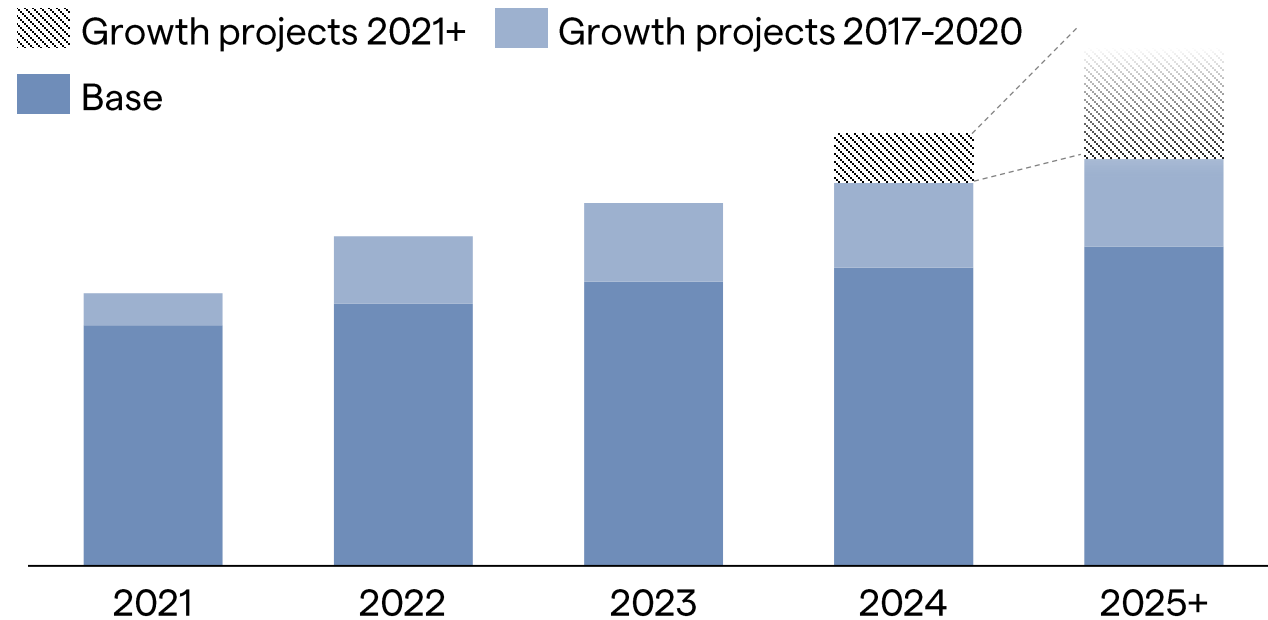


- Growth is driven by investments in assets and people
- Investment projects have attractive risk / return profile
- Base operations provide scale to finance investments and deliver margin accretion

Accelerating Sales and ROIC Growth...

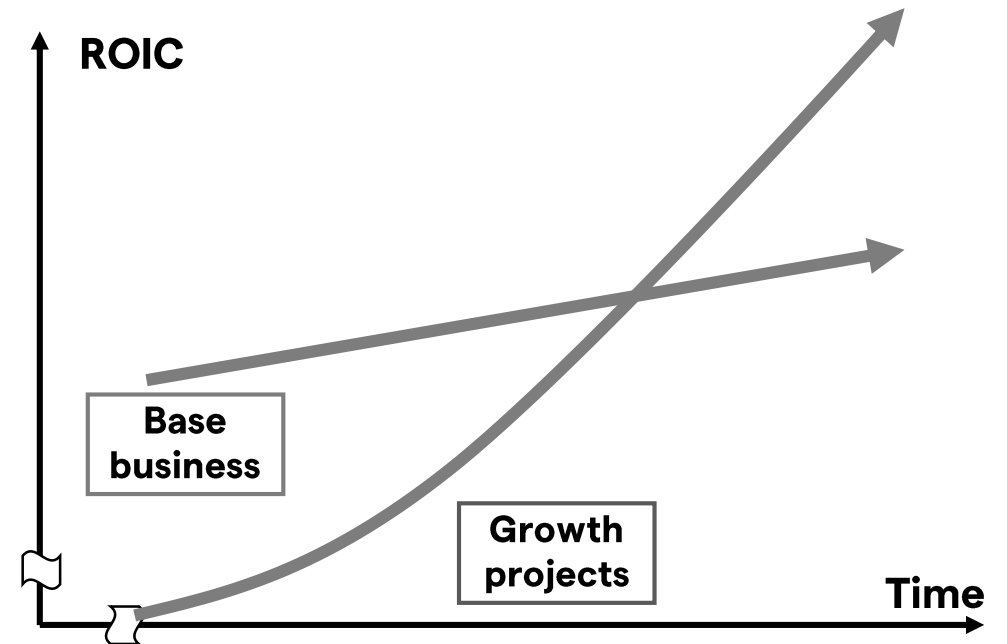
Investment projects

Indicative Sales Trajectory



- Mid-term growth from past CAPEX investments and base business throughput improvement
- Growth acceleration beyond MTG with current CAPEX program

Indicative ROIC Trajectory



- Sustained ROIC accretion in base business
- Strong ROIC accretion with fully ramped-up growth project sales

...and Accelerating Productivity

Disciplined execution



Cost Item		Margin Impact	Value Levers
Production Costs	Base business	++	<ul style="list-style-type: none"> Increased yield Right first time Reduced cycle times
	Growth projects	Short-term - Mid-term +	<ul style="list-style-type: none"> Optimised investments Efficient scale up
Overheads	Sales & Marketing	+	<ul style="list-style-type: none"> Increased contract pipeline Improved targeting
	R&D	-	<ul style="list-style-type: none"> Value impact Clear prioritization
	Admin	++	<ul style="list-style-type: none"> Process excellence

Margin Accretion

Many Investment Opportunities to Maximize Value

Capital allocation framework

EBITDA and Specialty Ingredients proceeds

Organic



- Broad portfolio of investment opportunities
- Intrinsic component of Lonza business model
- Proven track record of delivering high returns with low risk profile
- Strong execution a major consideration when defining project portfolio

M&A



- Clearly defined investment priorities
- Solid integration capabilities
- Strict guardrails

Dividend



- Limited capital distribution given abundance of value-creating re-investment opportunities
- Continued dividend of 25-40% of Net Income
- No extraordinary capital return foreseen

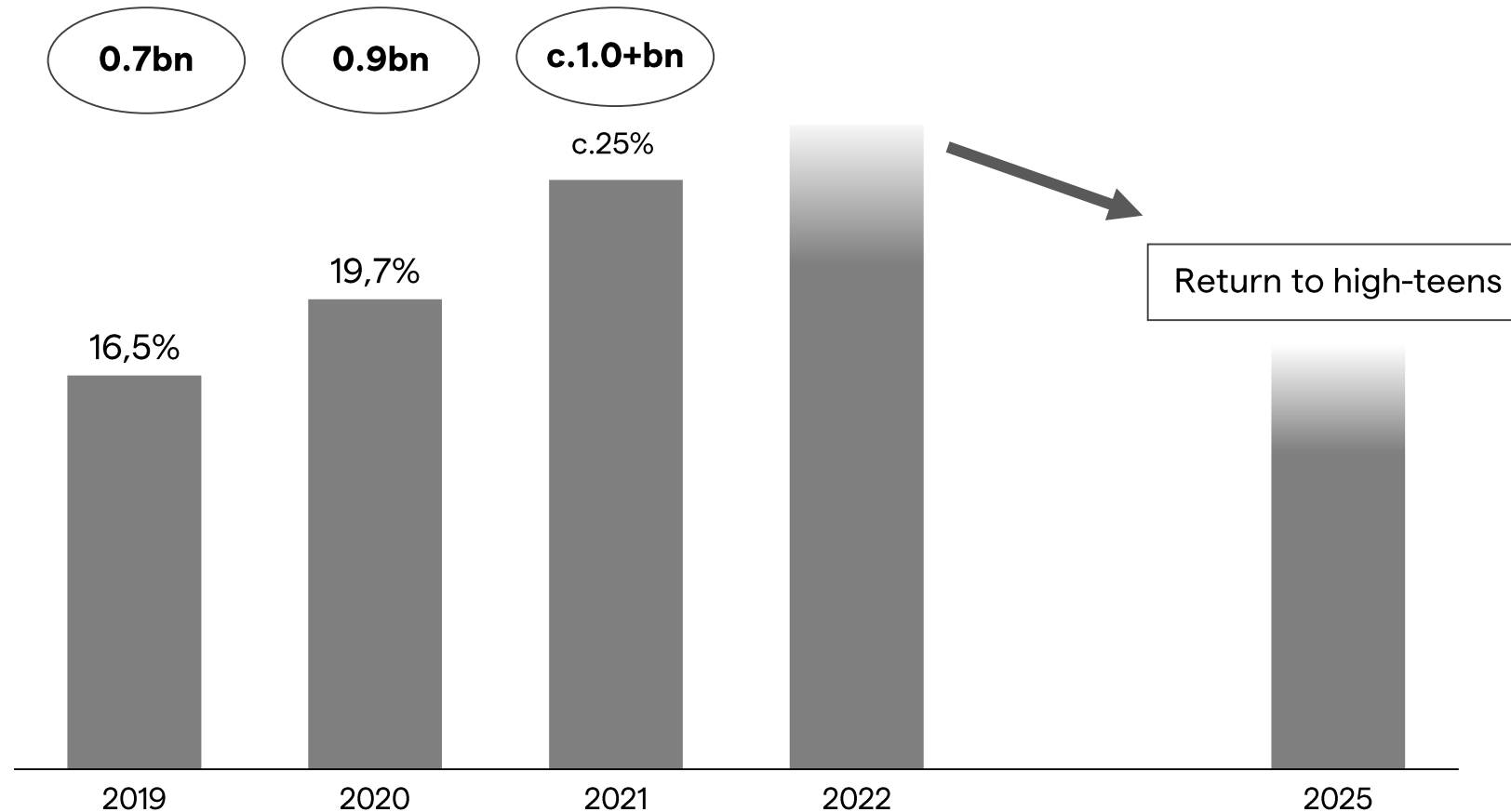
Investments to Capitalize on Increased Demand

CAPEX



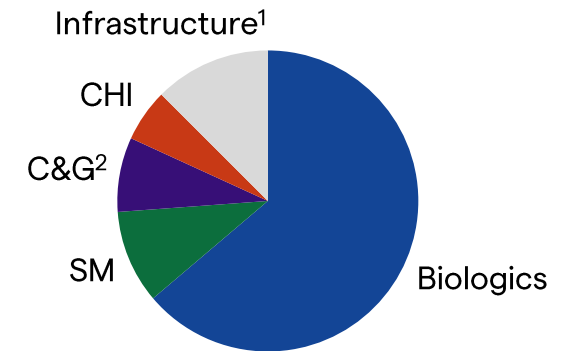
Lonza CAPEX

as % of sales and in CHF



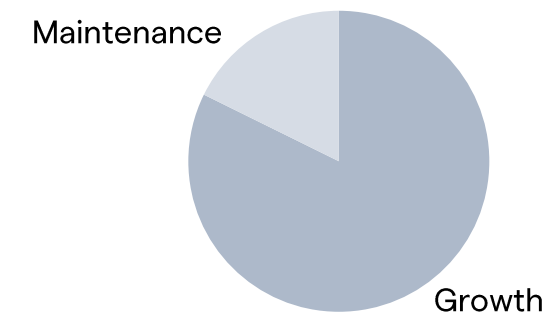
Mid-term CAPEX by division

as % of total; indicative



Mid-term CAPEX base vs. growth

as % of total; indicative



c.80% of CAPEX to support future growth

¹ Infrastructure investments, mainly in Visp that are shared across multiple Divisions (as part of Corporate segment)

² Cell & Gene Division includes Cell & Gene Technologies, Bioscience and Personalized Medicine businesses

Projects Backed by Commitments and Pipeline

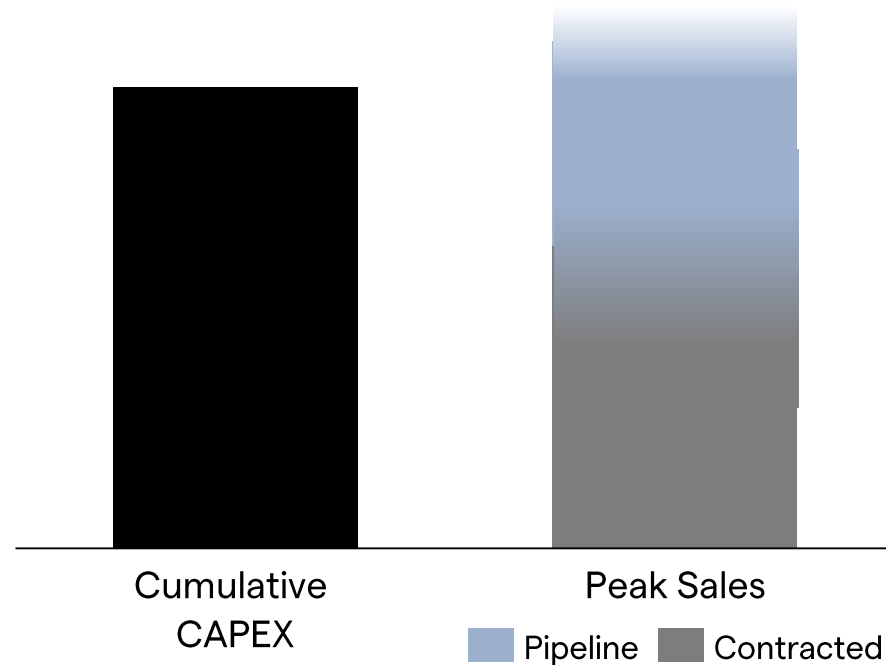
Managing investment risks



Investment Risk Mitigation Levers

- Long contract duration
- High level of backlog and pipeline
- Anchor customers
- Diversified project portfolio
- Stepwise, milestone-based investments

Illustrative Project CAPEX and Sales Profile¹



¹Indicative; based on selected typical commercial Biologics CDMO projects

Focused and Disciplined M&A Approach

M&A priorities and guardrails



M&A Priorities

Strengthen Core Business

- Additional short-term capacity
- Increased regional presence

Complete Value Chain

- Parenteral commercial fill and finish
- Selected consumables and raw materials

Accelerate Innovation

- Enabling technologies and new IP
- Future modalities and therapies

M&A Guardrails

- Clear strategic fit
- Buy benchmarked against build
- Strong value creation and synergies
- Accretive ROIC profile

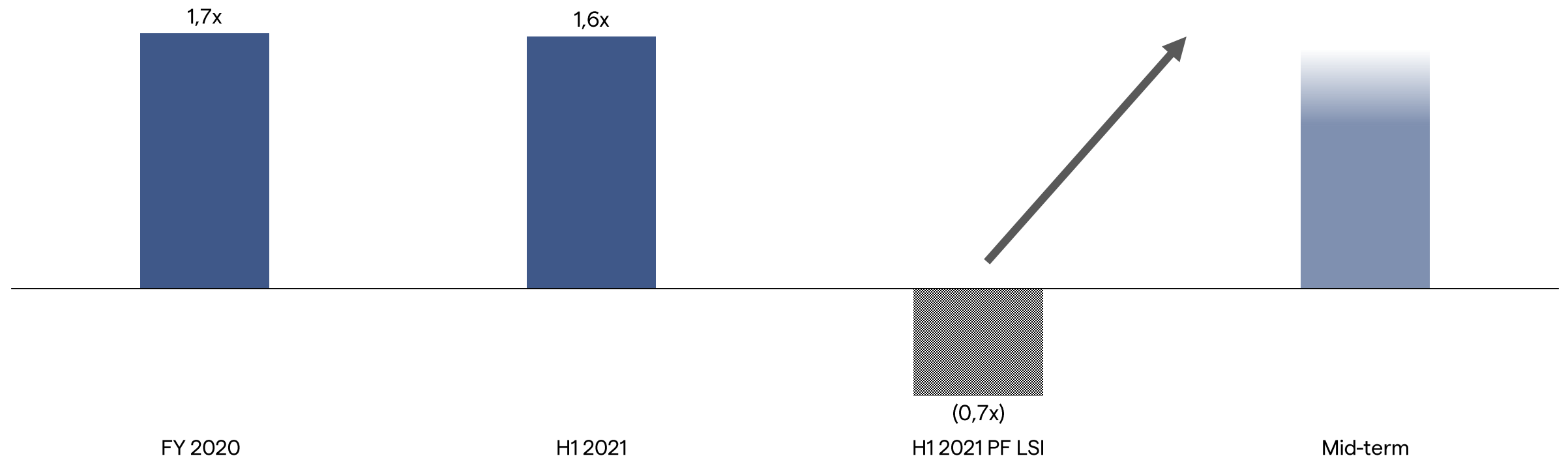
Balance Sheet Supports Growth Investments

Leverage profile



Net Debt / CORE EBITDA¹

in x



Commitment to strong investment grade rating

¹Based on Lonza Group figures for FY 2020, H1 2021; based on Lonza Continuing figures pro forma CHF 4bn Specialty Ingredients proceeds for H1 2021 PF LSI; all ratios based on CORE EBITDA for last twelve months

Sales guidance update driven by strong momentum across businesses

Sustained CORE EBITDA margin improvement

Accelerated CAPEX investment reflecting increased demand

ROIC accretion reflecting positive sales growth and increased investments

**Low Teens CER
Sales Growth**

**~33-35%
CORE EBITDA
Margin**

**Double-digit
ROIC**

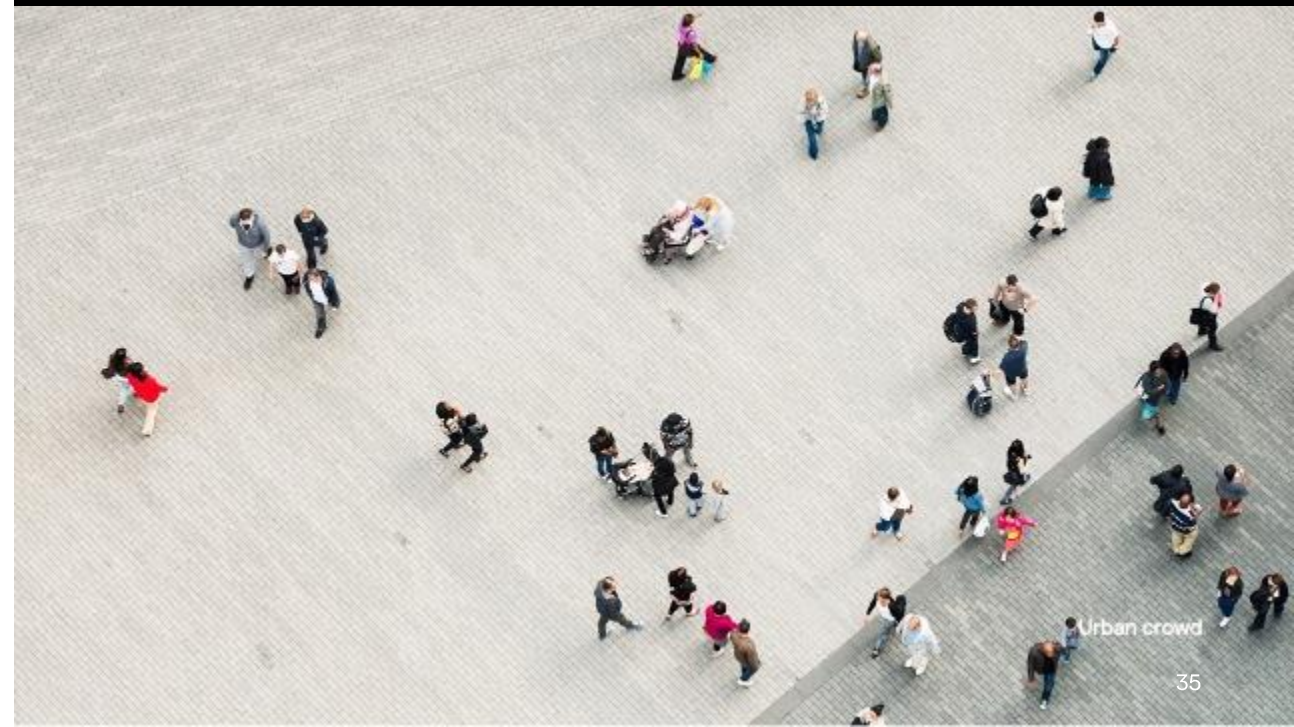
	Biologics	Small Molecules	Cell & Gene	Capsules & Health Ingredients
Sales CAGR 2021 – 2024 (CER)	Mid-teens	High single-digit	Mid-teens	Low to mid single-digit
CORE EBITDA margin 2024	35%+	30%+	15%+	~35%

Introducing Philippe Deecke

Lonza



Coffee Break

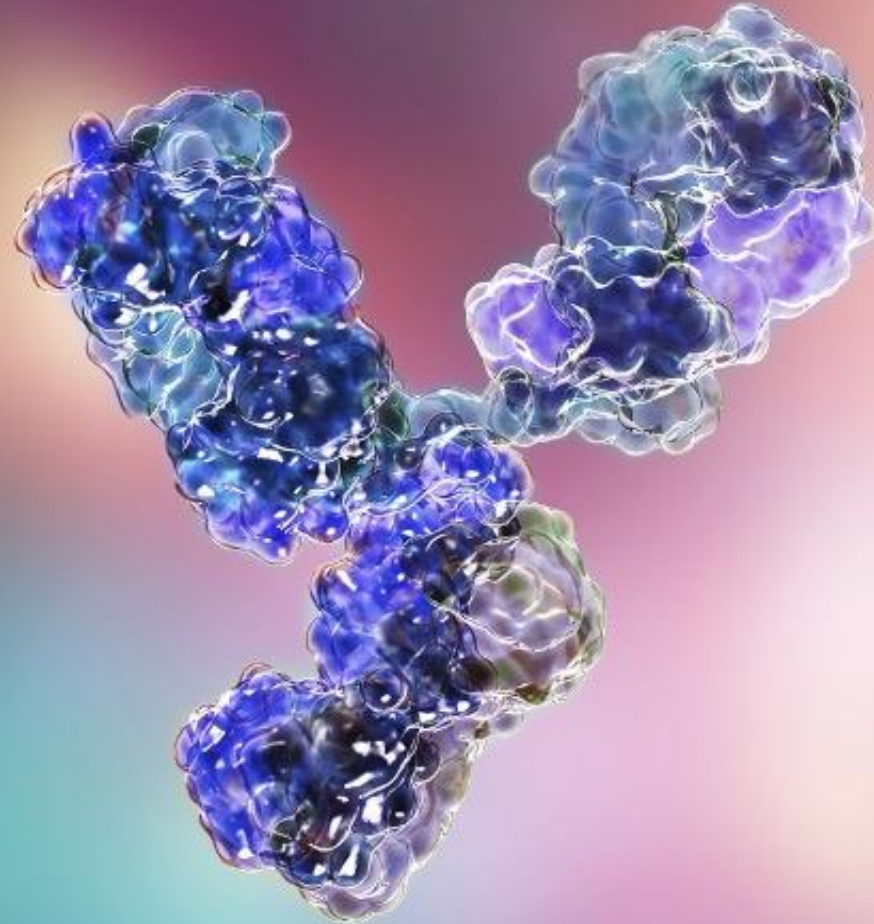


Highlights and Priorities by Division

Lonza



Biologics



Broad Offering Across Modalities and Development Phases

Business overview

		Growth ¹	Offering
Mammalian		Market: 11 – 13% Lonza:	<ul style="list-style-type: none"> Broad service offering for biotechs and large pharma
Bioconjugates		Market: 7 – 9% Lonza:	<ul style="list-style-type: none"> Leading capabilities and end-to-end offering across all conjugate elements
mRNA		Market: emerging Lonza: in-line with market	<ul style="list-style-type: none"> Market pioneer through successful delivery of COVID-19 vaccine drug substance
Microbial		Market: 7 – 8% Lonza:	<ul style="list-style-type: none"> Mid- and large-scale commercial manufacturing, supported by proprietary expression systems
Drug Product Services		Market: 9 – 10% Lonza:	<ul style="list-style-type: none"> Strong clinical offering; actively expanding commercial capabilities
Licensing		n.a.	<ul style="list-style-type: none"> Proprietary GS protein expression system

above market
 in-line with market
 below market

Strong Growth Outlook Supported by Market Trends

Market perspectives



Key Market Trends

- Strong pipeline growth for all modalities
- Increased outsourcing
- Increasing complexity of therapies and vaccines
- Biotechs continuing their programs to late phase clinical development and commercial launch
- New indications with significant anticipated demand levels (e.g., Alzheimer, COVID-19)

Market Growth Outlook

2020-2025 CAGR

11-13%

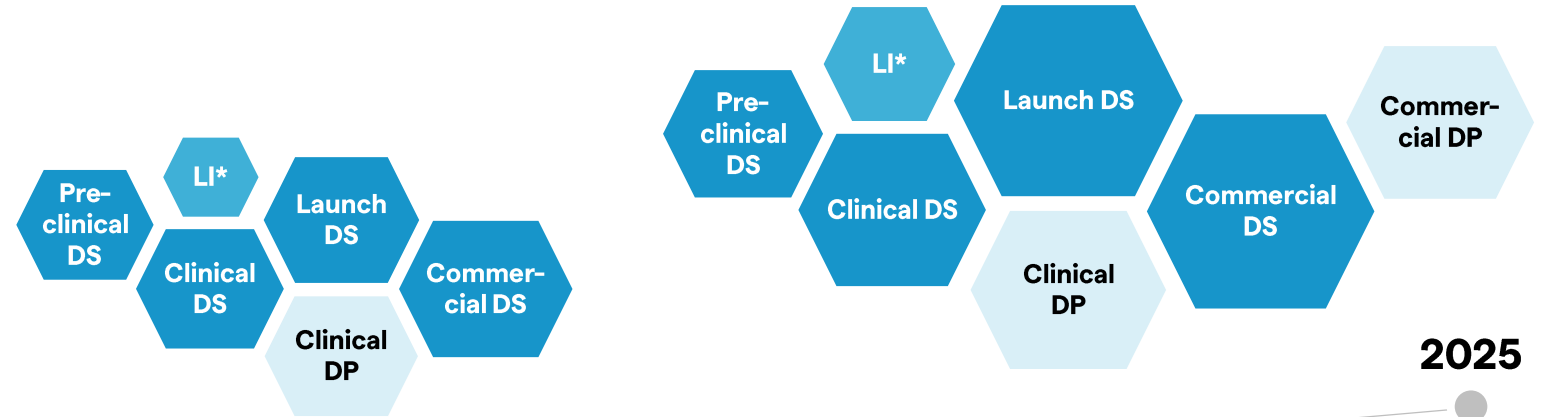
Biologics CDMO Market¹

¹2020-2025 CAGR in USD; Source: Frost & Sullivan (2021), Lonza internal analysis

Expanding Value Chain and Flexible Delivery Model

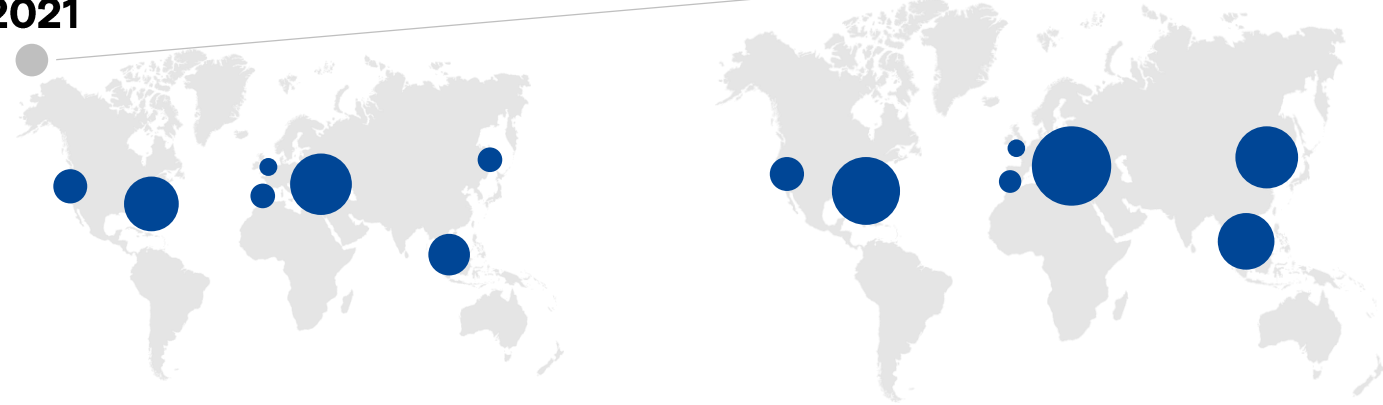
Strategic priorities

- 1 Strengthen end-to-end offering
- 2 Increase presence across modalities and regions
- 3 Leverage global capabilities to offer agile delivery model
- 4 Enhance technological edge through further innovation



2021

2025



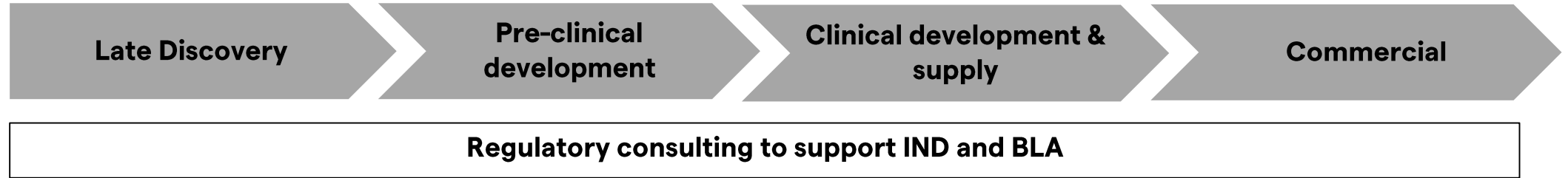
*LI - Licensing

DS - Drug Substance

DP - Drug Product

1 Providing Services Across the Product Lifecycle

Developing end-to-end offering



Drug Substance	Mammalian	●	●	●	●
	Microbial	◐	◐	●	●
	Bioconjugates	◐	◐	mAb, Linker, payload	mAb, Linker, payload
				●	●
	mRNA			◐	●
	DPS		formulation	●	Capabilities build-up
◐					

2 Offering Across Development Stages, Scales and Technologies

Mammalian highlights

Lonza

Our Proposition

- Proven track record through 20 years of experience
- Integrated offering from preclinical to commercial, including drug substance and drug product
- Capability to develop and manufacture complex molecules
- Scope and scale with global network covering multiple assets sizes and technologies

Recent Developments

- Mid- and small-scale capacity coming on-line in Portsmouth (US), Visp (CH) and Guangzhou (CN)
- Continued growth investments

Selected Customer Profiles

Biotech



- Long standing strategic partnership on antibody programs
- Extensive pipeline of differentiated antibody-based therapeutics to treat cancer
- Support from early development to launch and commercial supply

Large Pharma

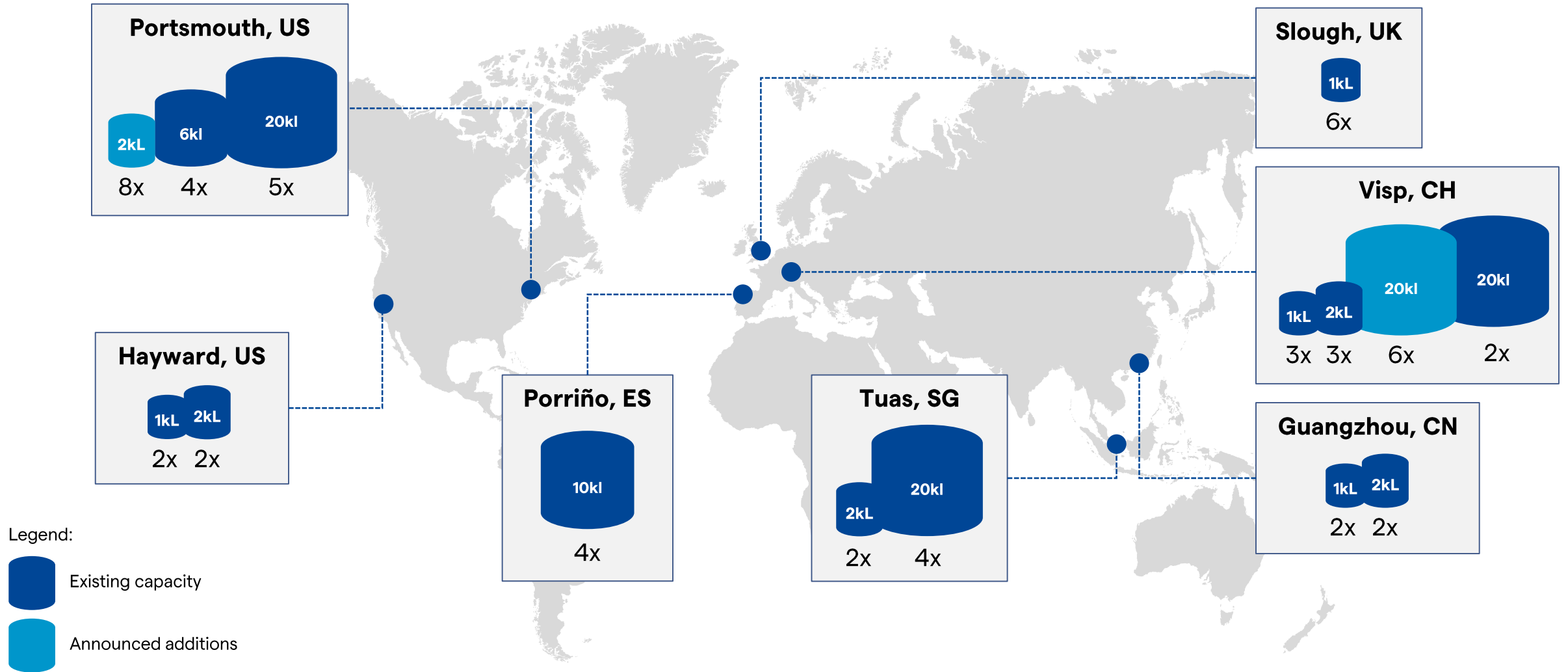


- Support from launch to ongoing market supply
- Manufacturing for several molecules
- Dedicated monoplant and flexible capacity within CDMO network

2 Global Network Providing Flexibility for Customers

Mammalian highlights

Lonza



2 Industry Leading Experience and Complete Offer

Bioconjugates highlights

Lonza

Our Proposition

- Pioneer with more than 15 years of experience
- Supporting the majority of commercially approved ADCs
- Integrated offering with capabilities across all ADC elements
- Opportunity to extend partnerships across supply chain in other modalities (e.g., from mAb to small molecule)

Recent Developments

- Expansion of multiproduct and dedicated conjugation suites in Visp
- Focus on developing early phase services

Selected Customer Profiles



Since 2006

- Kadcyra and Polivy (oncology ADCs) journey from clinic to market
- Long lasting relationship with Roche / Genentech for 15 years

KODIAK

Since 2016

- Production of novel antibody polymer conjugate (ophthalmology)
- Full offering from pre-clinical to Phase 3 with path to commercialization

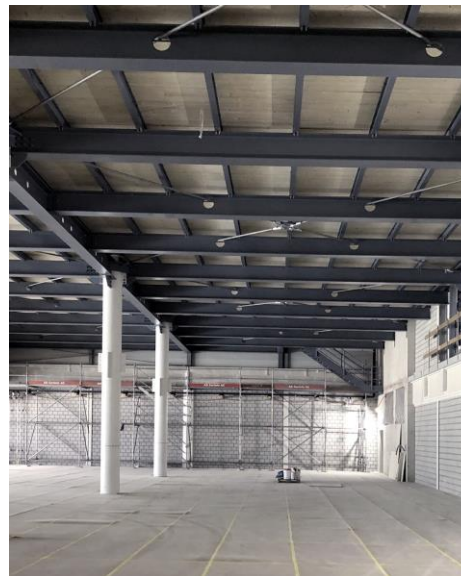
2 Early Mover in High-growth mRNA CDMO Market

mRNA highlights

- Demonstrated capabilities to deliver quickly, evidenced by production of Spikevax for Moderna and facilitated by Ibex®
- Significant market opportunity: 200 mRNA drugs in development¹
- Lonza well positioned to capitalize on market opportunities

Moderna manufacturing suite in Visp (CH)

March 2020



Empty shell

December 2020



Fully operational line

March 2021

Expansion of relationship

Additional production lines in Visp (CH) and Geleen (NL)

¹Source: Pharmaprojects, August 2021

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Lonza



Ibex[®] Solutions

[youtube.com](https://www.youtube.com)

2 Strengthening Drug Product Services Capabilities

Drug product highlights

Lonza

Our Proposition

- Leading CDMO for sterile drug product development with >300 FTEs, >100 customers and expertise in complex projects
- Integrated DS and DP offering across all key modalities
- Clinical manufacturing in Europe and Asia (2023)

Recent Developments

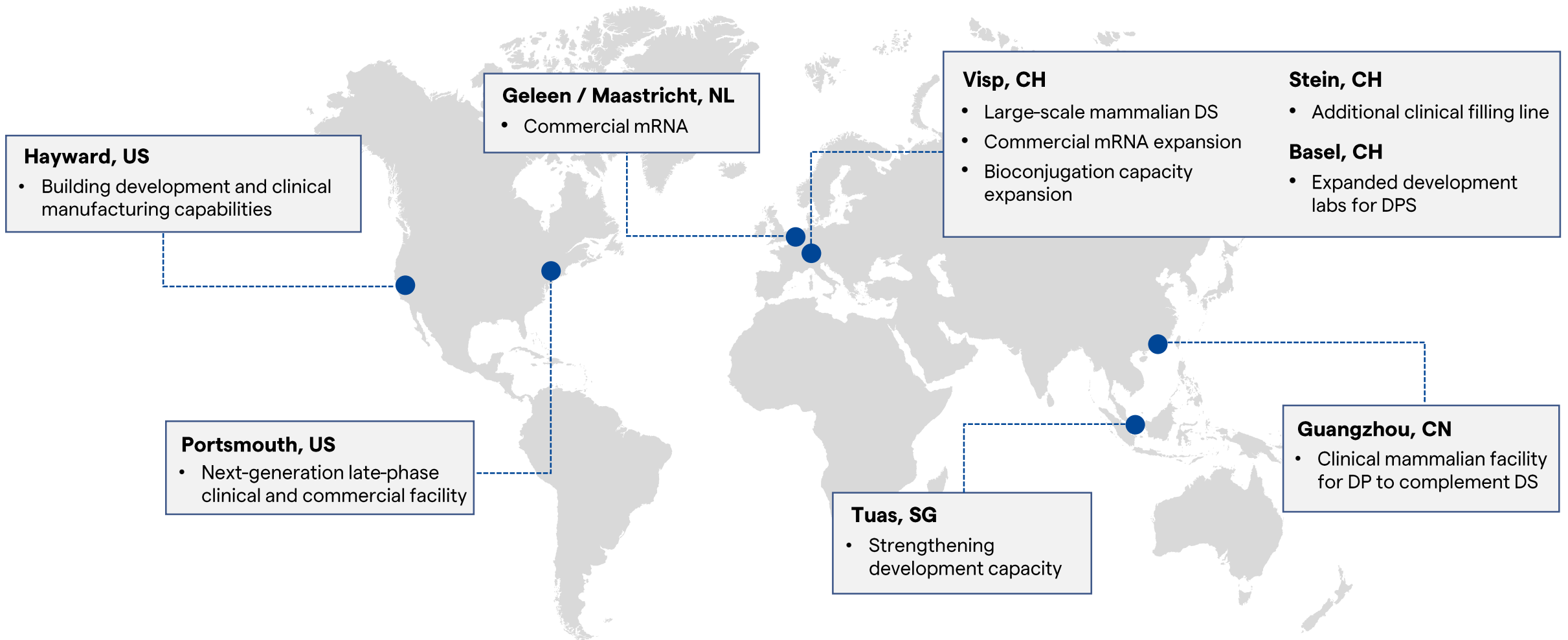
- Expansion of development labs in Basel to support increased manufacturing capacity
- Expansions to clinical DP manufacturing (Switzerland and China)
- On-going focus on integrated offering and adding additional capacity to complement drug substance

Overview of Facilities



2 Strengthen Biologics Presence Across Modalities and Regions

Biologics investment projects



DS – Drug Substance
DP – Drug Product
DPS – Drug Product Services

3 Leverage Global Capabilities to Offer Agile Delivery Model

Ability to offer solutions for specific client needs

Lonza

Differentiated CDMO offering...



- Established global manufacturing network
- Broad range of modalities
- Clinical to commercial offerings
- Local regulatory expertise

...enhanced by customized solutions



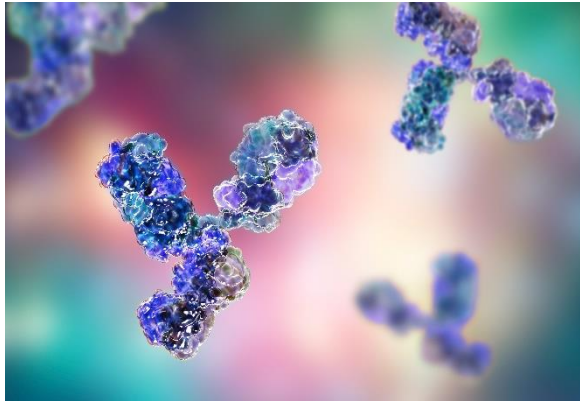
- Fully customizable, technology agnostic solution
- Faster time-to-market
- Agility to address demand unpredictability
- Flexible ownership and operating models

4 Enhancing Technological Edge Through Innovation

R&D priorities



Expression of Complex Molecules



Next gen expression systems for scalable and reliable production of complex molecules

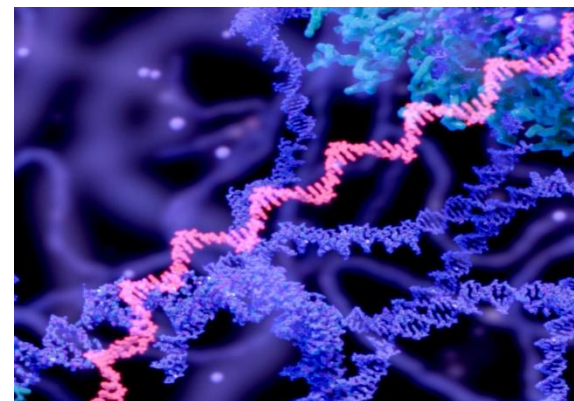
GS piggyBac® for difficult-to-express proteins and to express multiple genes at the same time

Continuous Manufacturing



Approach to intensifying processes to support continuous manufacturing for improved delivery: N-1 perfusion, continuous protein capture and purification

Next-generation Modalities



Building early-stage, small-scale capabilities in mRNA to complement existing expertise in scale-up and commercial supply

Automation



In-process analytics for real-time control of bioprocess performance

Machine learning to optimize complex bioprocesses and yields

Small Molecules





Lonza



Aspirin

Differentiated Solutions for Complex Small Molecules Products

Business overview

		Lonza Position	Growth ¹	Offering
Drug Substance	 <i>HPAPI suite</i>	Top tier in highly fragmented market	Market: 4-5% Lonza: 	<ul style="list-style-type: none"> Development and manufacturing of API and intermediates for a wide range of customers from virtual companies to large pharma Focus on Highly Potent API segment and complex processes
Particle Engineering and Drug Product	 <i>Particle engineering</i>	Leader in particle engineering	Market: 4-5% Lonza: 	<ul style="list-style-type: none"> Advanced capabilities in bioavailability enhancement through particle engineering Rapid to clinic supply for early phase Integrated packaging operations

¹2020-2026 CAGR in USD; Source: Lonza internal analysis based on IQVIA, EvaluatePharma, Citeline and other third-party data

Increased Growth Expected in Highly Potent API Segment

Market perspectives

Key Market Drivers

- Small molecule therapies remain the largest pharmaceuticals market segment (70%)
- Fast growth in Highly Potent API segment driven by oncology
- Clinical pipeline increasingly owned by small and emerging companies
- Accelerated time to market becomes the norm
- Increasing complexity in small molecules with longer synthetic pathways and poor bioavailability

~8-10%

Growth of HPAPI segment¹

~30%

Share of oncology related molecules in the pipeline

~80%

small companies own the pipeline

>70%

of new molecules have poor solubility

¹2020-2026 CAGR in USD

Source: Lonza internal analysis based on PharmaCircle and other third-party data

Strengthening Differentiated Offering Focused on High Value-add Segment



Strategic priorities

1 Strengthen early-phase offering

2 Expand capabilities in complex highly-potent products

3 Deploy agile manufacturing solutions

4 Focus on innovation



1 Solutions to Accelerate Clinical Development

Early-phase offering

Market Trend



of new drug approvals are on an accelerated pathway¹

Lonza Solution

SimpliFi 

Proprietary solutions for rapid supply of First in Human drug substance and drug product

**>3 months reduction
in Phase 1 timeline**

Reduced complexity

Decreased costs

Lower risk

¹Source: FDA & Pharmacricle

2 Recognized Industry Leader in HPAPI Manufacturing

Capabilities in complex highly potent APIs

Lonza Proposition

- Breadth of expertise to respond to almost any chemical synthesis
- Specialized assets aligned to specific customer product needs
- Early clinical to commercial manufacturing within a single site

Recent Highlights

Large Pharma



Complexity

- Complex ADC payload manufacturing
- Highly potent cytotoxic molecule

Lonza Solution

- Dedicated facility to enable contained processing of highly toxic substances



Complexity

- Multiple complex oncology HPAPIs for one client
- Need for flexibility to adapt to changing demand

Lonza Solution

- Multi-purpose facility for long-term manufacturing agreement

3 Tailor Made Solutions to Address Demand Unpredictability

Agile manufacturing solutions

Lonza



Facility Description

- New 2,000m² manufacturing complex in Visp (CH)
- CHF 200m investment supported by capital contribution from a long-term customer
- Dedicated manufacturing line for ADC payload molecules
- Pre-built shells for maximum design flexibility
- Manufacturing start in 2023

Value-add for Customers

- Fully customizable asset tailored to customer needs
- Accelerated module build to support shorter timelines
- Agility to address demand unpredictability
- Flexible business models

4 Enhancing our Proposition Through Focused Innovation

R&D priorities



Reduction of Time to Clinic



In silico route selection / automation for rapid clinical supply for drug substance

Predictive formulation models for drug product

Bioavailability Enhancement



Innovative technology to allow spray drying for 'brick dust' molecules

Inhalation



Local targeting for improved efficacy at lower dose

Pulmonary delivery of spray dried monoclonal antibody

Complex Molecules



Technology and process innovation for complex small molecules synthesis

Investment in state-of-the-art containment facilities with high levels of automation

Cell & Gene




Lonza



Cavell therapy stem cell

Portfolio of Complementary Strong Businesses

Cell & Gene overview

		Current Baseline		
		Growth	Profitability	Offering
Cell & Gene Technologies		End-market ¹ : 15%+ Lonza: 	Break-even by Q4 2021	<ul style="list-style-type: none"> CDMO services across cell and gene therapy modalities
	GMP suite			
Bioscience		End-market ¹ : 7-9% Lonza: 	Accretive to Lonza Group	<ul style="list-style-type: none"> Critical raw materials and instrumentation for cell & gene and other therapeutic areas
	4D-Nucleofector LV unit			
Personalized Medicine		n.a.	Investment phase	<ul style="list-style-type: none"> Start-up business developing breakthrough technology to industrialize autologous cell therapies
	Cocoon® Platform			

¹ 2021-2023 CAGR in USD

² 2020 – 2026 CAGR in USD

Source: Informa Citeline and Lonza internal analysis

Established Partner to Innovators in Cell & Gene Space

Cell & Gene Technologies value proposition



Strong Viral Vector Offering



Market leader in Autologous and Allogeneic cell therapies

Offering across all cell and gene modalities

Integrated offering

Process & assays development services

Regulatory support

Clinical & commercial manufacturing

In-house tissue acquisition

Network of partners from vein-to-vein

CGT media products

Expertise and track record

>20 years
of GMP experience

>160
Customers globally

>150
Projects

Global network and capabilities

4 sites on 3 continents

One of the largest dedicated C&G sites
Lonza Houston 28k sqm

>1,200
Employees

Getting Ready to Address Maturing Therapies Pipeline

Capabilities for late-stage and commercial cell & gene therapies



Commercial suite for C&G in Lonza Houston (US) site



Regulatory approval in Feb 2021¹



Houston – now a certified CGT commercial site



Capacity expansion

- Readily available manufacturing space
- Additional shell space for rapid and flexible modular expansion



End-to-end support across modalities



7 late-phase products across all modalities



Established quality control system



De-risked path to filing

¹Pre-approval inspection completed

Continued Strong Market Momentum

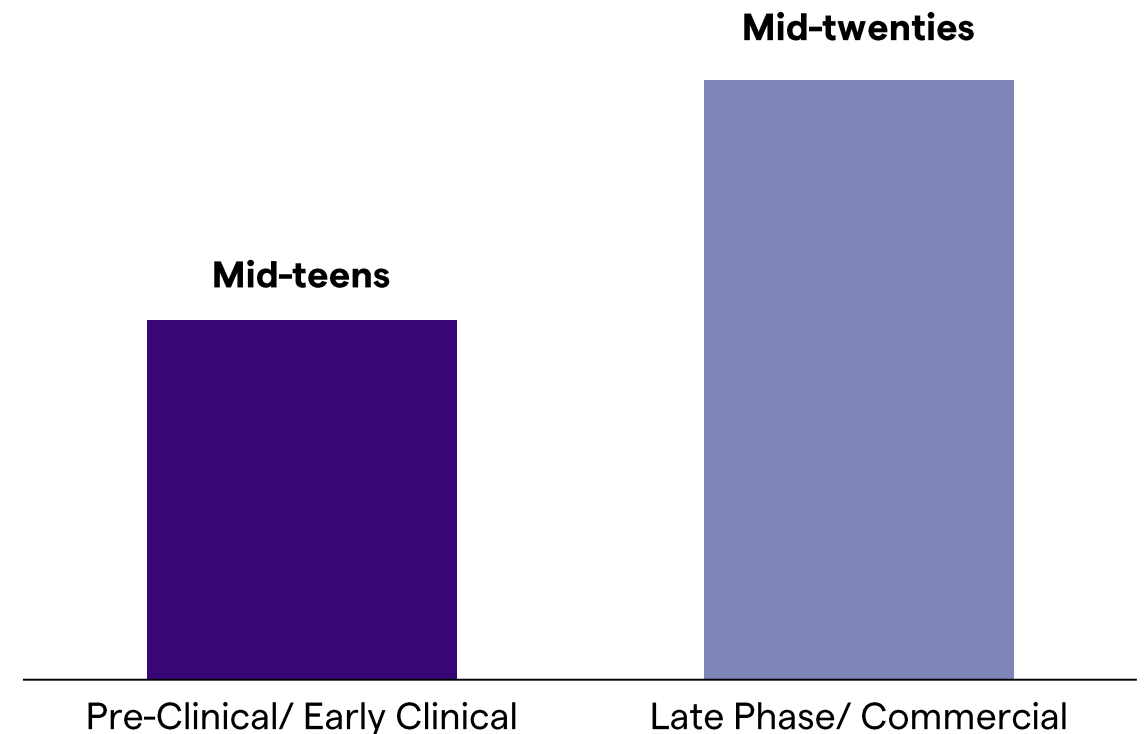
Market perspectives



Market Trends

- Strong growth driven by transformational clinical efficacy
- Products moving towards late-stage and commercialization
- Complex, un-scalable and costly manufacturing processes
- Accelerated approval pathways
- Rapid capacity and capabilities expansion across pharma and CDMO players

CGT CDMO Market Outlook¹

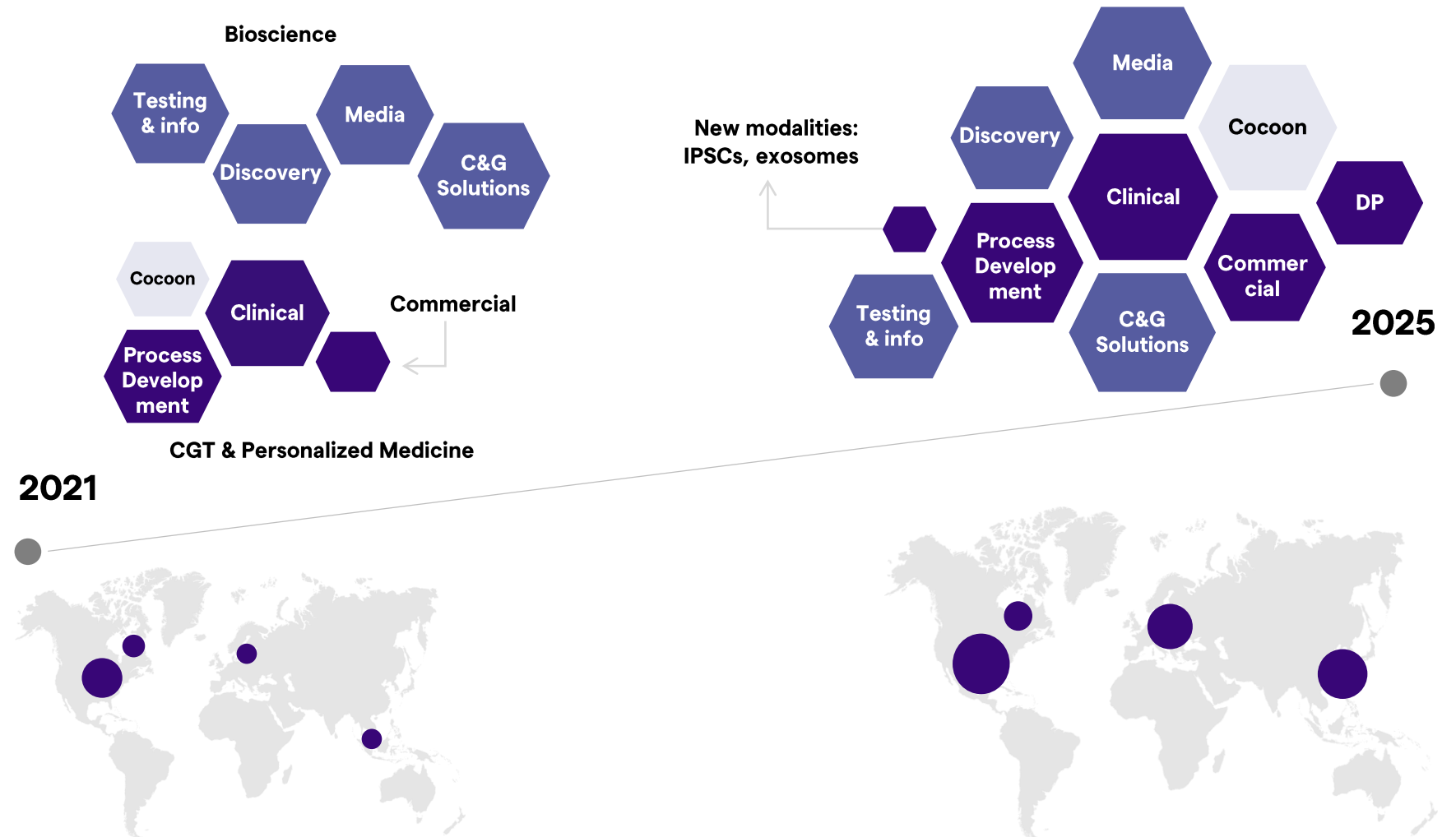


¹ 2021-2023 CAGR for CGT Market in USD
Source: Informa Citeline and Lonza internal analysis

Strengthening Solutions Offering for Cell & Gene Market

Strategic priorities

- 1 Drive profitable growth in Cell & Gene Technologies
- 2 Strengthen Bioscience offering for Cell & Gene market
- 3 Drive adoption and commercialization of Cocoon® Platform
- 4 Accelerate synergies among CGT, Bioscience, Personalized Medicine



1 Drive Profitable Growth in Cell & Gene Technologies

Path to improved profitability

Lonza's Focus on Operational Excellence

- Enhance excellence across quality, delivery, cost
- Drive process automation
- Invest in talent attraction, development and retention
- Focus on innovation to strengthen process excellence



Maturing Portfolio of Therapies in the Market

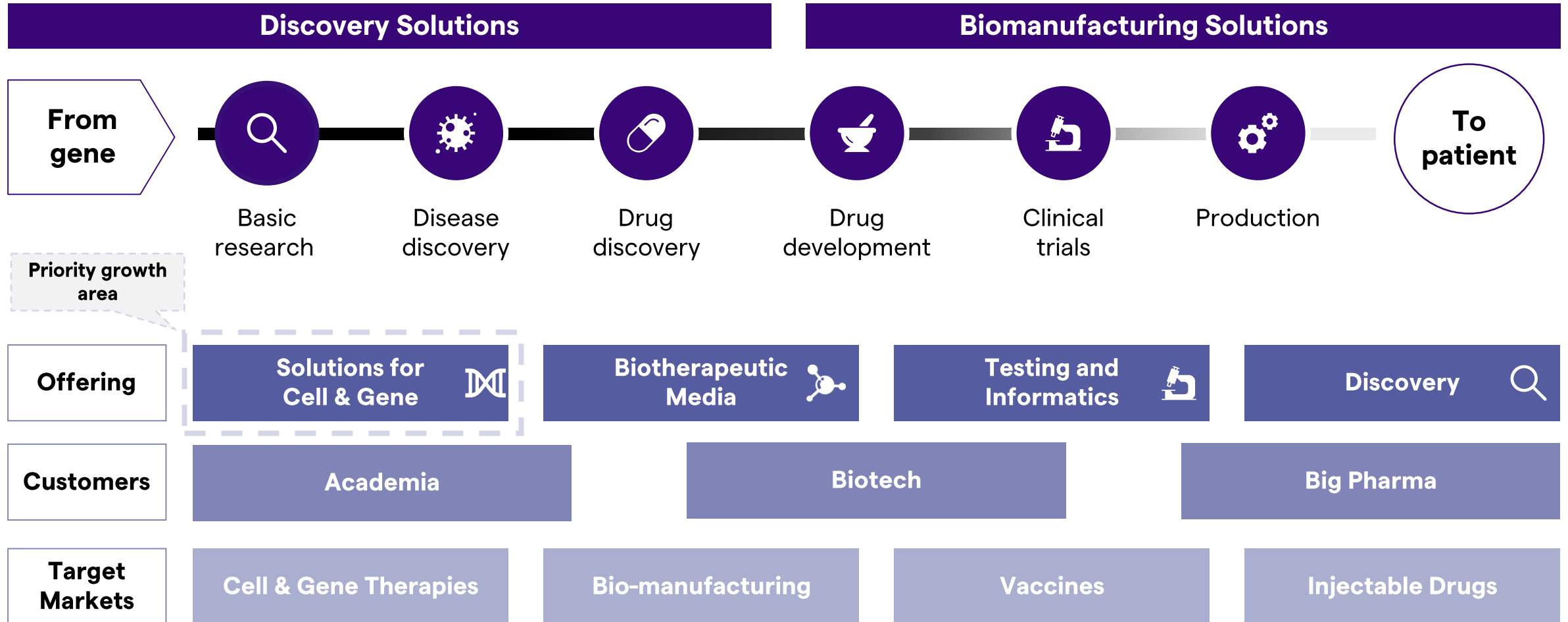
- Longer contracts
- Smaller number of changeovers
- Established manufacturing processes
- Higher asset utilization



Sustainable Margin Accretion

2 Providing Critical Raw Materials and Instrumentation from Gene to Patient **Lonza**

Bioscience offering



3 Addressing Urgent Need for Automation of Autologous Cell Therapy

Cocoon® Platform – Business Opportunity

Lonza

Challenges in Autologous Cell Therapy

- Manual and complex manufacturing
- Challenge to scale up
- Long manufacturing time and logistical complexities
- High cost

Benefits of Cocoon® Platform

- Efficient end-to-end automation across upstream and downstream processing
- Closed system with minimal touchpoints
- Minimize expensive clean room space requirements
- Ability to scale up cell therapies to commercial scale
- Flexible and customizable cassettes and programming to support a range of processes



3 Step-wise Advance Towards Commercialization Ambition

Cocoon[®] Platform – highlights of our journey

Recent Collaborations



March 2019

- Collaboration to deliver CAR-T cell immunotherapy targeting B-cell malignancies
- **Three successful clinical outcomes**



September 2021

- Manufacture TAC-T cell immunotherapy for HER2 cancer
- Support IND submission in under a year



June 2021

- Platform for clinical point-of-care manufacturing for a CAR-T therapy
- Aim to shorten vein-to-vein time to six to seven days

Next Steps on the Journey

- Continue developing the Platform to ensure system robustness and customer satisfaction
- Maintain progress in clinical trial and bring in new clinical partners
- Build a diversified pipeline portfolio around cancer and monogenic rare diseases
- Revenue potential dependent on clinical success and commercialization timeline of the therapies

Lonza



Cocoon® Platform

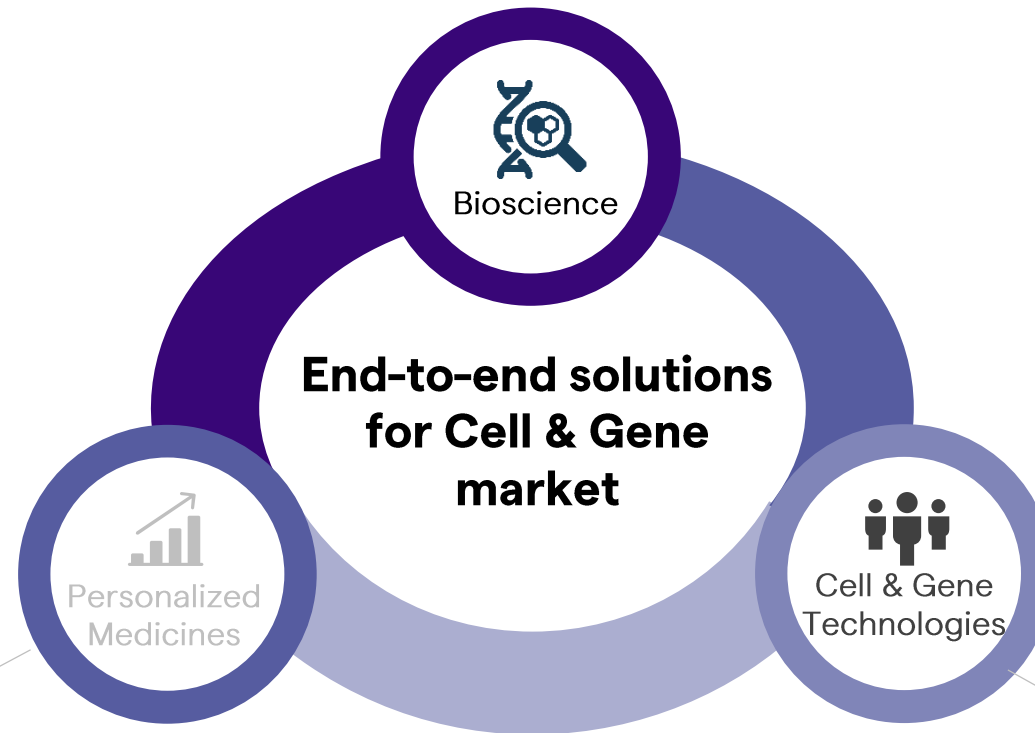
[youtube.com](https://www.youtube.com)

4 Synergy Case Across Commercial Activities, Operations and Know-how

Cell & Gene synergies

New Cocoon® Capabilities

Leverage internal technologies to drive new capabilities in Cocoon®:
Nucleofector® for transfection, media, etc.



Integrated Offering

Sourcing leads from Bioscience early-phase customers into CGT
Cross-selling (tissue acquisition, media, Nucleofector®, testing, etc.)
MODA™ deployment in CGT network

Accelerate Cocoon® Adoption

Deploy Cocoon® on CGT sites to accelerate industry adoption

Capsules & Health Ingredients

Lonza



Strong Portfolio to Help Customers Deliver Differentiated Products

Business overview

		Growth ¹	Offering
Capsules		Market: 2-3% Lonza:	<ul style="list-style-type: none"> • Comprehensive range of high quality capsules configurable to meet customer requirements • Global manufacturing footprint • End-to-end support and integrated value chain
Dosage Form Solutions (DFS)		Market: 2-3% Lonza:	<ul style="list-style-type: none"> • Proprietary dosage and capsule technologies • R&D teams to support and differentiate formulation • End-to-end capabilities
Health Ingredients		Market: 5-6% Lonza:	<ul style="list-style-type: none"> • Distinctive offering of branded health ingredients • Strong scientific claims and support • Proprietary ingredient manufacturing expertise

¹2020-2025 CAGR in USD for addressable market; Source: Lonza internal analysis

Driving Profitable Growth Through Differentiated Offering and Innovation



Strategic priorities

1 Drive value shift towards high value capsules


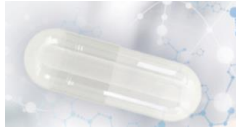


2 Expand co-development DFS partnerships to accelerate customer innovation

3 Continued focus on innovation for new / innovative capsules and DFS capabilities



1 Drive Value Shift Towards High Value Capsules

Lonza proposition in innovative capsules

	Pharmaceuticals	Nutrition
Market Trends	<ul style="list-style-type: none">Increasing importance of encapsulation profile for new drugs in developmentDemand for high quality and security of supply	<ul style="list-style-type: none">End-consumer trend to healthy living and clean label productsNutrition providers' demand for complete and innovative solutions
Lonza Proposition	<ul style="list-style-type: none">Broad portfolio of customizable productsProprietary ingredients, capsules technologies and servicesHighest standards of qualityAccess to formulation developmentEnd-to-end servicesGlobal manufacturing and supply chain	
Select Product Highlights	 <p>Enteric capsule</p>  <p>Zephyr™ - inhalation capsule</p>	 <p>Vcaps® Plus HPMC thermo-gelled capsules</p>  <p>Vcaps® Plus White Opal with moisture treatment</p>

2 Expand DFS Partnerships to Accelerate Customer Innovation

Facilitating disruptive product launches through Lonza innovation

Market Trend¹



of new nutritional liquid supplements pipeline utilize customized delivery technology

Our Proposition

- Early engagement with customers at product development stage to provide optimal delivery technology
- Ability to deliver customized solutions: bioavailability, release timing, taste and odor masking
- Global scale across manufacturing and R&D to address regionalized demand

Select Lonza Solutions



Beadlet + capsule

Customizable release profile in 3 distinct phases

Ability to combine incompatible ingredients



MiniTabs

Flexible release timing

Ability to include multiple ingredients in one dose



Lipid micro-encapsulation

Increased bioavailability

Odor and taste masking

¹Source: Lonza internal analysis

3 Focus on Innovation

R&D priorities

Products

Hard Capsules



Next Generation Enterics

Proprietary capsule with protection against stomach acid

Opportunity for novel delivery of complex compounds: therapeutic proteins, antibodies, vaccines, etc.

Oral Dosage Form Solutions



LiCaps® and Lipid multi-particulates

Enhancement of lipid based microencapsulation technology

Better masking, customized release profiles and enhanced bioavailability

Services



Application Lab and Innovation Services

Expansion of R&D capabilities to ensure capsules are the preferred future dosage form

Operations



D90 Capsule Manufacturing Machine

Next generation of proprietary capsule manufacturing machines

15% higher throughput, 30% lower variability, greater versatility

Conclusion

Lonza



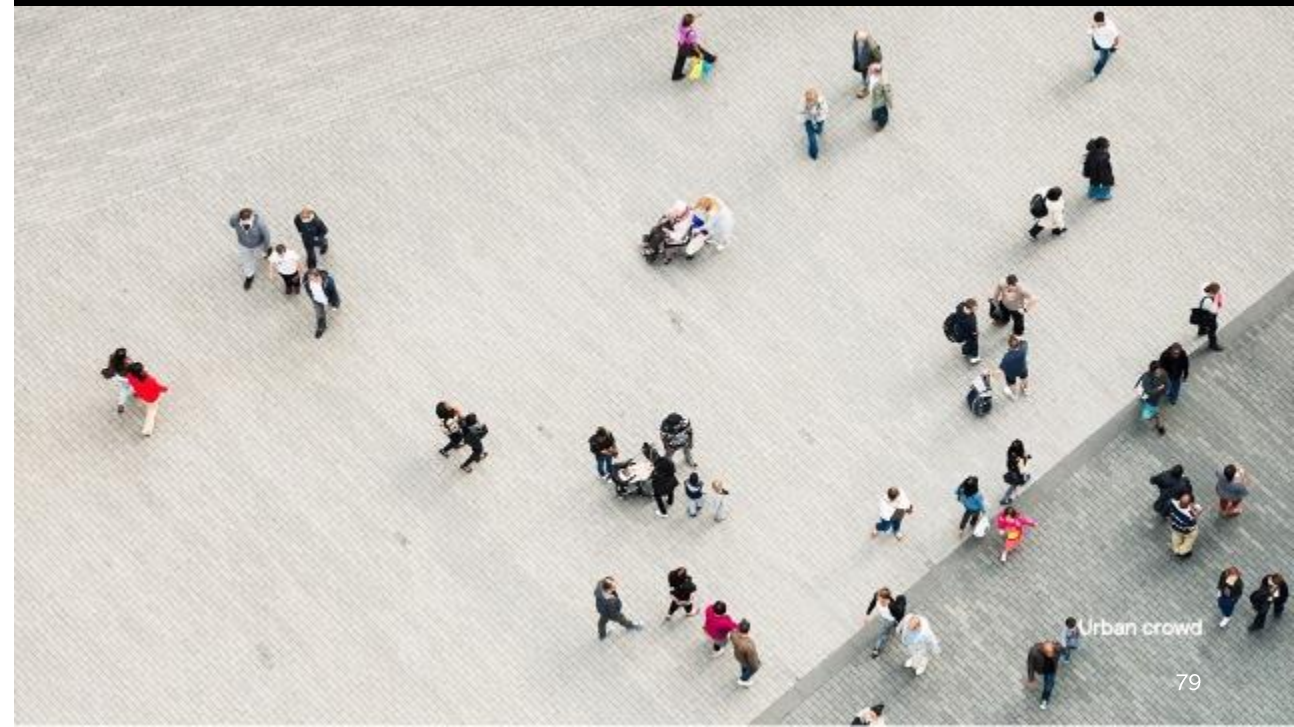
Concluding Remarks

- New chapter for Lonza as a leading pure-play CDMO focused on delivering best-in-class solutions for the global healthcare industry
- Portfolio of divisions with high value offerings and clear strategies to drive above-market growth
- Commitment to innovation to deliver differentiated solutions for clients
- Accelerated investment plans to generate sustainable business growth underpinned by proven ability to deliver
- Updated Mid-term guidance reflecting strong business fundamentals
- Building blocks for value creation are in place – focus on delivery

Lonza



Coffee Break



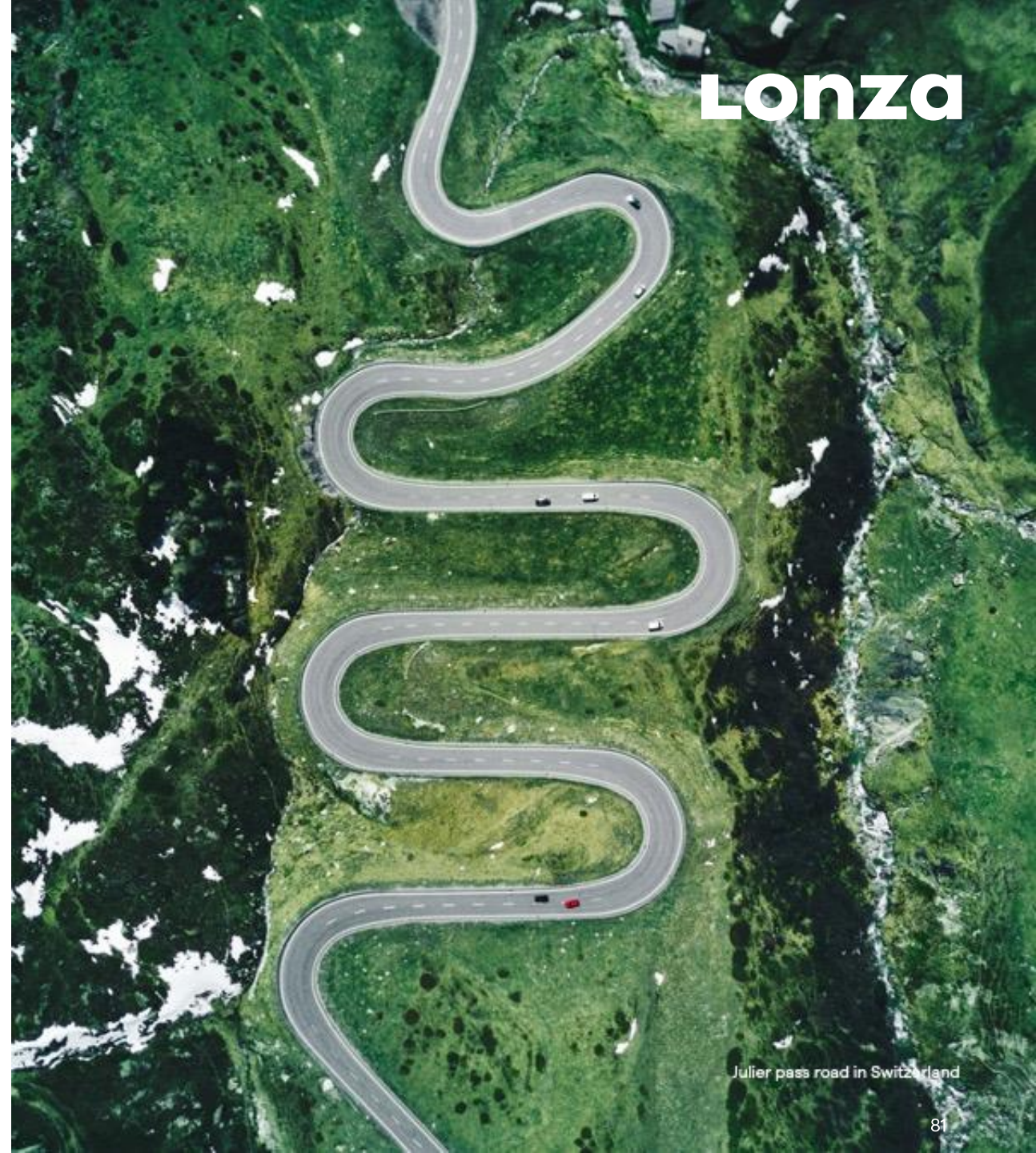
Q&A

Lonza



Farmland in spring

Appendix



Lonza

Julier pass road in Switzerland

“
We believe that disclosing CORE results of the Group’s performance enhances the financial markets’ understanding because the CORE results enable better year-on-year comparisons.”

The following exceptional items are considered as CORE adjustments when they exceed the threshold of CHF 20 million per event¹:

- Restructuring costs
- Remediation costs of historic environmental issues
- Acquisition and divestiture related expenses
- Impairments
- Litigations
- One-time effects arising from changes to pension plans – curtailments and settlements

¹In the context on the CORE definition, an “event” represents an individual business case that might involve income/expenses across several fiscal years

ADC	Antibody Drug Conjugate
AMER	North, Central and South America
APAC	Asia-Pacific
bn	Billion
BLA	Biologics license application
CAPEX	Capital expenditure
CAGR	Compound annual growth rate
CDMO	Contract development and manufacturing organization
CHI	Capsules & Health Ingredients (Lonza division)
CER	Constant exchange rate
C&G / CGT	Cell & Gene / Cell & Gene Technologies (Lonza division and business unit)
DFS	Dosage Form Solutions
DS	Drug substance
DP	Drug product
DPS	Drug Product Services (Lonza business unit)
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation, and amortization
EPS	Earnings per share

EMEA	Europe, Middle East, and Africa
ESG	Environmental, social, and governance
FTE	Full time equivalent
GMP	Good manufacturing practices
HP (API)	Highly Potent (Active Pharmaceutical Ingredient)
IND	Investigational new drug
IPSCs	Induced pluripotent stem cells
IRR	Internal rate of return
KPI	Key performance indicator
mio	Million
mAbs	Monoclonal antibodies
M&A	Mergers and acquisitions
ROIC	Return on invested capital
R&D	Research and development
UN	United Nations

Lonza Group Ltd has its headquarters in Basel, Switzerland, and is listed on the SIX Swiss Exchange. It has a secondary listing on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Lonza Group Ltd is not subject to the SGX-ST’s continuing listing requirements but remains subject to Rules 217 and 751 of the SGX-ST Listing Manual.

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Any statements contained herein that are not statements of historical fact (including statements containing the words “outlook,” “guidance,” “believes,” “plans,” “anticipates,” “expects,” “estimates” and similar expressions) should be considered to be forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty.

There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including the timing and strength of new product offerings; pricing strategies of competitors; the company’s ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs;

difficulty to maintain relationships with employees, customers and other business partners; and changes in the political, social and regulatory framework in which the company operates, or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis.

In particular, the assumptions underlying the Mid-Term Guidance 2024 herein may not prove to be correct. The statements in the section on Mid-Term Guidance 2024 constitute forward-looking statements and are not guarantees of future financial performance.

Lonza’s actual results of operations could deviate materially from those set forth in the section on Mid-Term Guidance 2024 as a result of the factors described above or other factors. Investors should not place undue reliance on the statements in the section on Mid-Term Guidance 2024. Except as otherwise required by law, Lonza disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after this presentation was published.