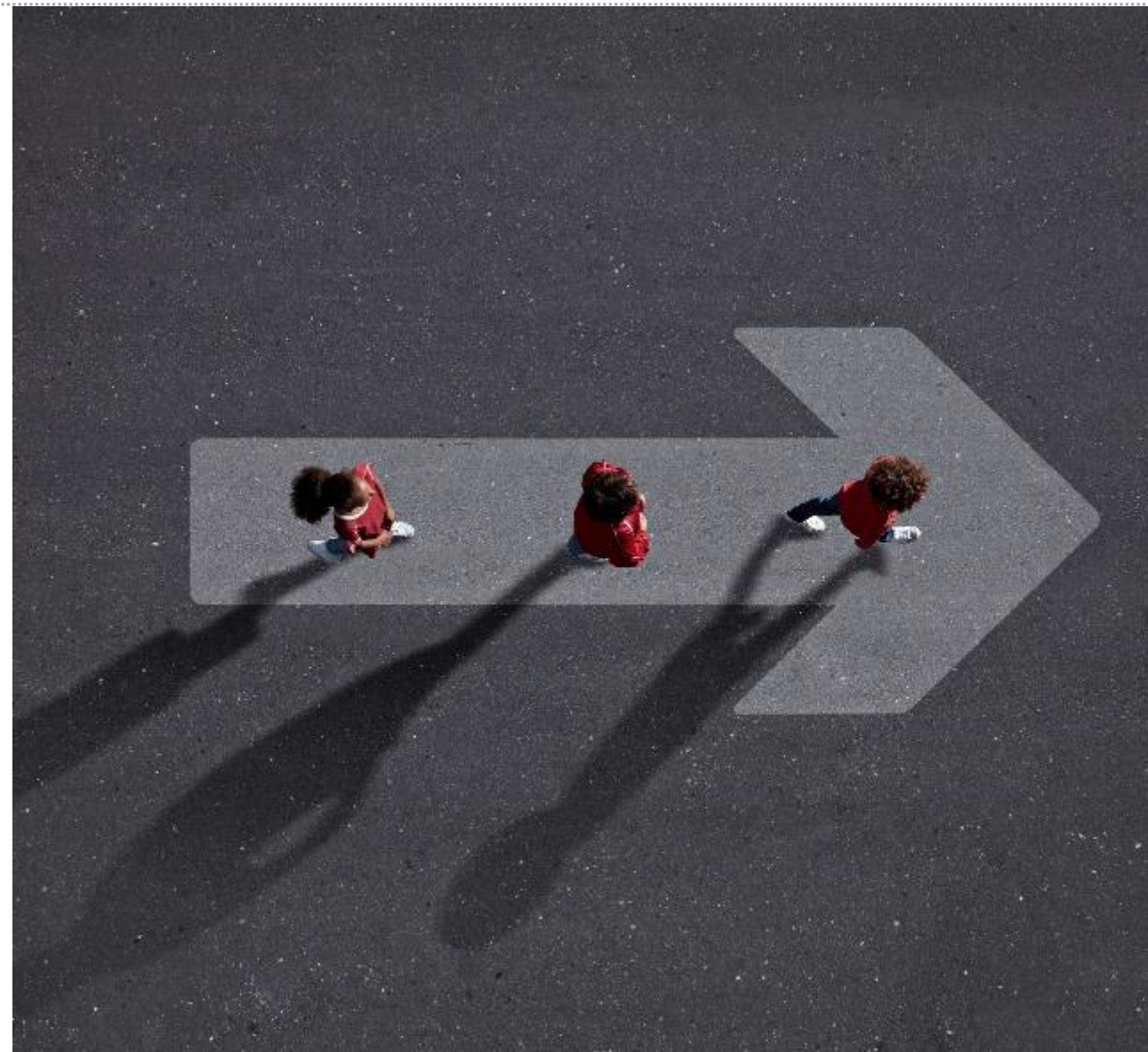


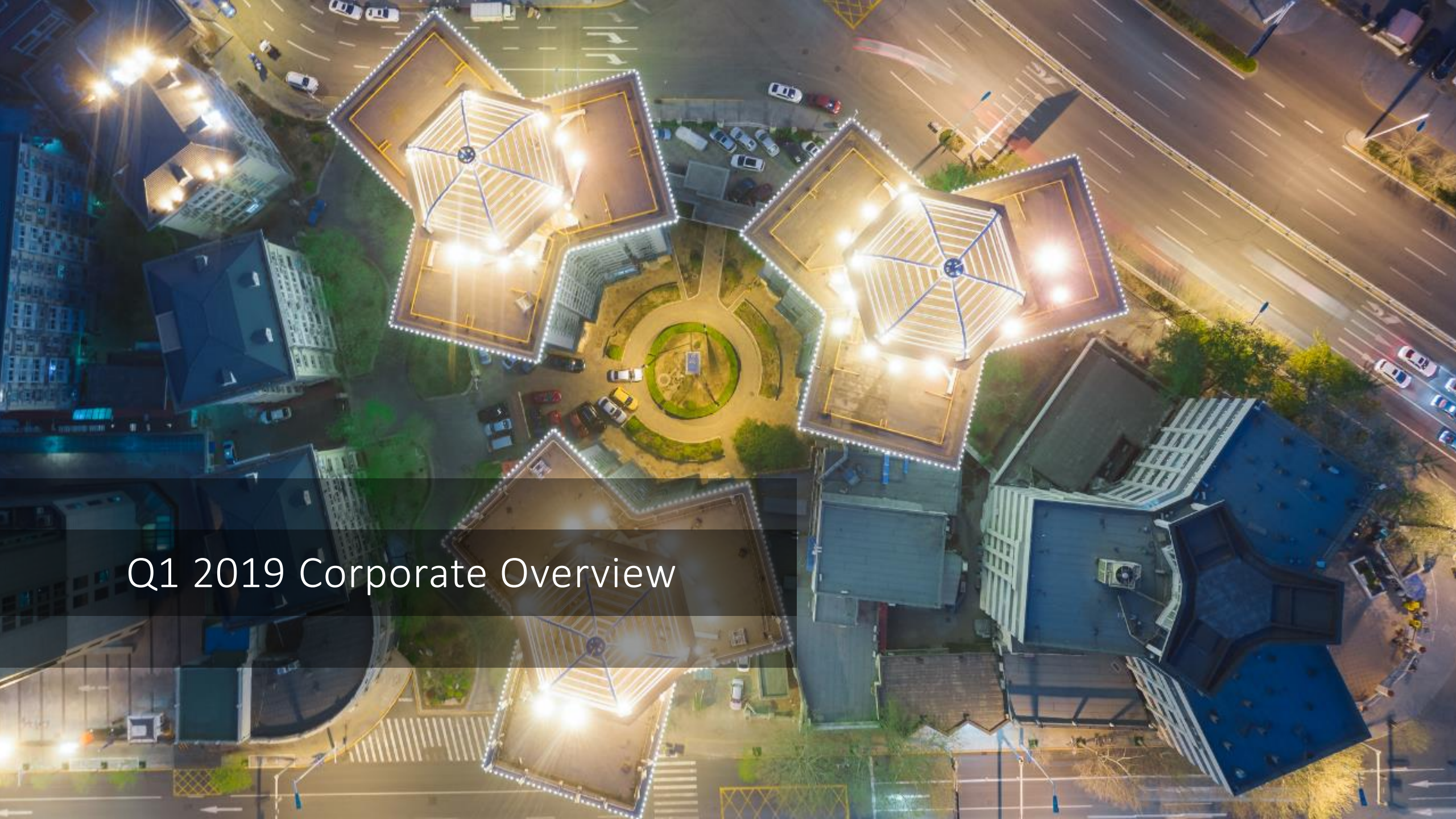


Lonza

LONZA Q1 QUALITATIVE BUSINESS UPDATE 2019

- Lonza Q1 2019 Corporate Overview
- Lonza Q1 2019 Segments Overview
 - Pharma Biotech and Nutrition
 - Specialty Ingredients
- Outlook 2019 and Mid-Term Guidance 2022
- Appendices





Q1 2019 Corporate Overview

Q1 2019 Corporate Overview – Performance

Reporting strong performance in Pharma Biotech & Nutrition, headwinds in Specialty Ingredients

Lonza

- Solid Q1 performance for company as a whole
- Lonza Pharma Biotech & Nutrition (LPBN) outperforming expectations
- Unforeseen challenges with Lonza Specialty Ingredients (LSI) led to underperformance of the segment
- Outlook 2019 maintained based on continued headwinds in LSI, balanced by strong performance in LPBN



Q1 2019 Corporate Overview – Initiatives

Strengthening businesses, enabling continued growth, setting strategic path

Lonza

- Continued investments in pharma businesses, with all projects progressing as planned
- Scope of segments aligned in Q1 2019 to enable more focused measures, stronger collaboration and leveraging of synergies
- Commercial, operational and cost-control measures in LSI are in place to mitigate headwinds and increase efficiency
- Accelerated portfolio review is ongoing



Organizational Structure up to 1 March 2019

Consumer Health & Nutrition (CHN) formerly part of LSI segment



Lonza

Lonza Pharma & Biotech (LPB)

Lonza Specialty Ingredients (LSI)

CDMO services for
- Chemicals – Small molecules
- Biologics – Large molecules
- Biologics – Cell and gene technologies

Bioscience Solutions

**Consumer &
Resources
Protection**

**Consumer
Health**

Split of former Consumer Health Division

~ 1/3

Consumer Product Ingredients (CPI)
consisting of home & personal care
and professional hygiene

~ 2/3

Consumer Health & Nutrition
(CHN) consisting of nutritional
ingredients, dosage forms and
delivery systems

Current Organizational Structure

Consumer Health and Nutrition (CHN) now part of LPBN



Lonza

Lonza Pharma Biotech & Nutrition (LPBN)

- CDMO services for
- Chemicals – Small molecules
 - Biologics – Large molecules
 - Biologics – Cell and gene technologies

Bioscience Solutions

Consumer Health & Nutrition

Lonza Specialty Ingredients (LSI)

Consumer &
Resources
Protection

Consumer
Product
Ingredients

Rationale for segment alignment

LPBN

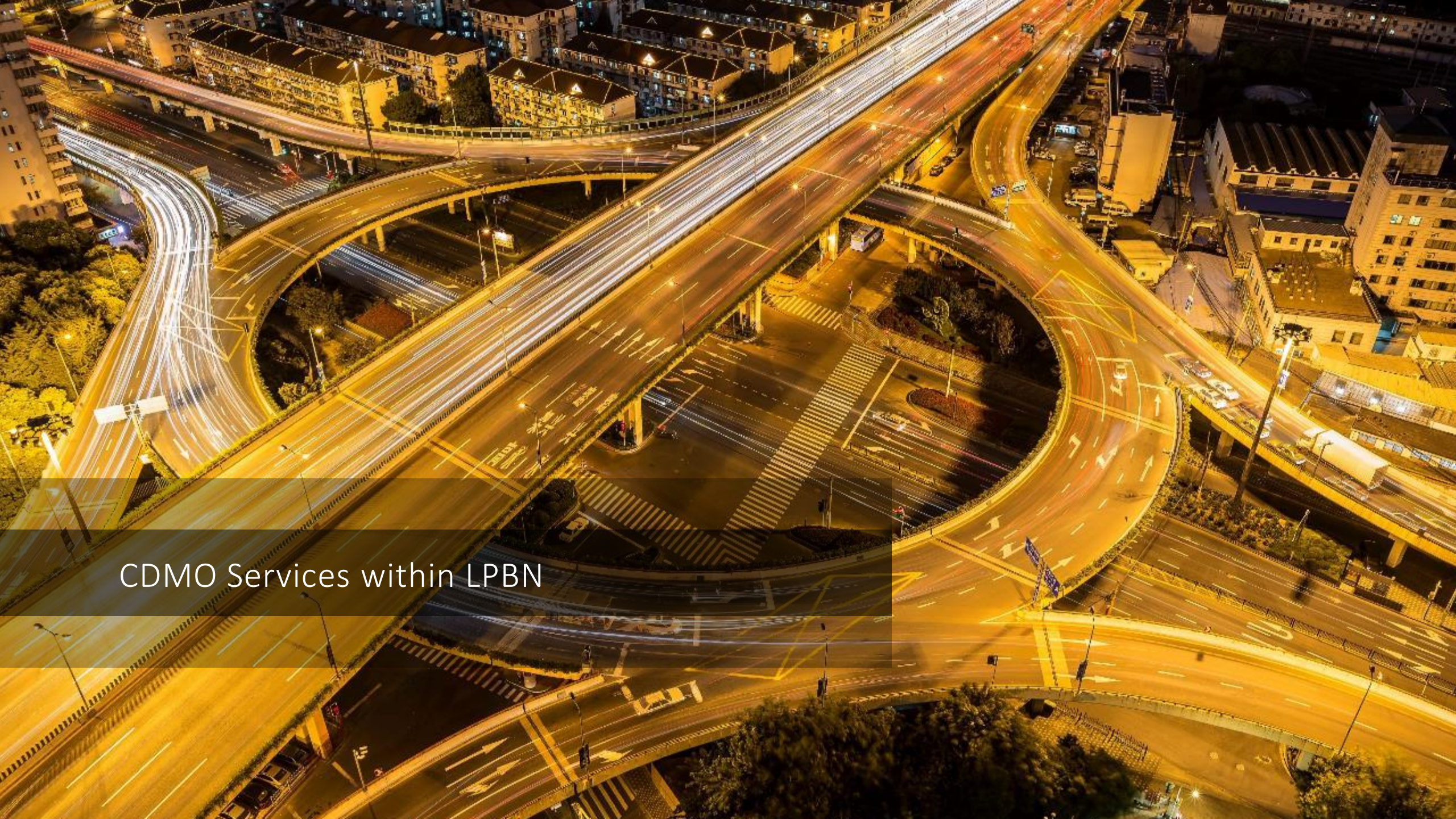
- New set-up strengthens offerings along food-pharma convergence
- Shared technology and innovation in dosage form and delivery systems for pharmaceutical and nutritional applications

LSI

- New set-up leverages overlaps along a common microbial-control platform
- Supports integration of supply chain and operations to increase efficiency, profitability and supply security



Segments LONZA Pharma Biotech & Nutrition (LPBN)



CDMO Services within LPBN

Lonza Q1 2019 CDMO Services Overview

Outperformance in Biologics, with investments progressing as planned



Mammalian and Microbial

Continued demand for commercial manufacturing, for development services and clinical batches

Operational and commercial integration supported by new segment alignment

Cell and Gene

Continued momentum in a dynamic market environment with strong interest for Lonza technology offerings

Small Molecules

Businesses benefitted from innovative business model offerings, formulation and encapsulation capabilities

Strong demand in EMEA and APAC for pharma hard capsules

Operations

Operational improvements ongoing to increase capacity across all businesses

Aim to enhance profitability specifically in Cell & Gene Technologies and Bioscience Solutions

New Investment Projects and Customers Announced in Q1 2019

Continuing investment in innovation and CDMO customer-backed growth projects



Ibex™ Solutions

First Ibex™ Design & Ibex™ Develop customers committed ahead of operations commencement in 2020

Ibex™ Dedicate: Lonza's share of Sanofi JV contracted, including commercial supply of Portola's Andexxa®



Cocoon™ Technology

Pilot project to introduce Cocoon™ to the clinic with Sheba Medical Center, the largest hospital in Israel and the Middle East



JV with Chr. Hansen

Equipping new drug product facilities in Basel (CH) to serve pre-clinical to phase II projects in microbiome space

Initial investment of ~€45 million, spent equally between both parties

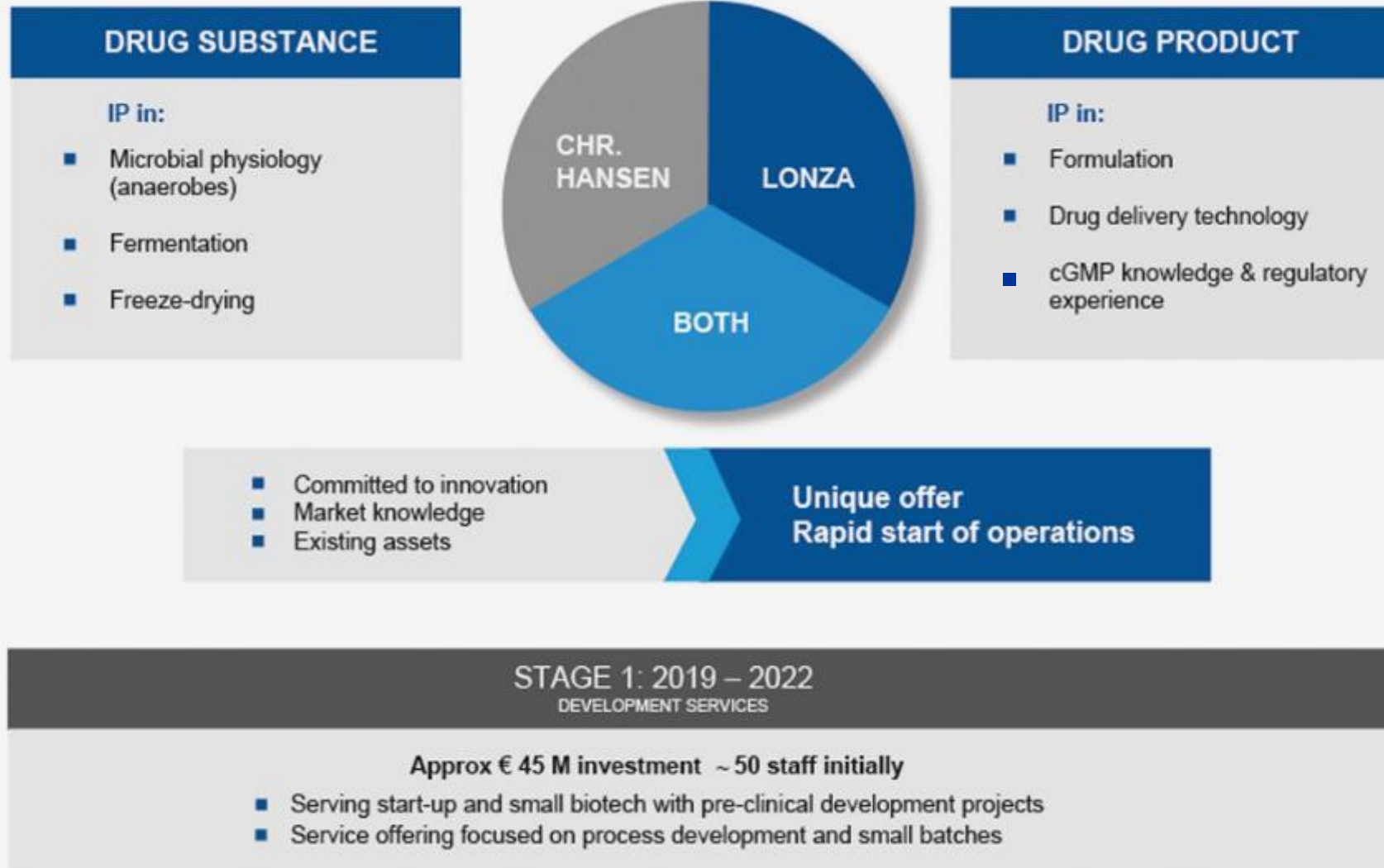
€150 million – €200 million market potential for the JV (preclinical to Phase II supply by 2025)



First End-to-End CDMO for Live Biotherapeutic Products

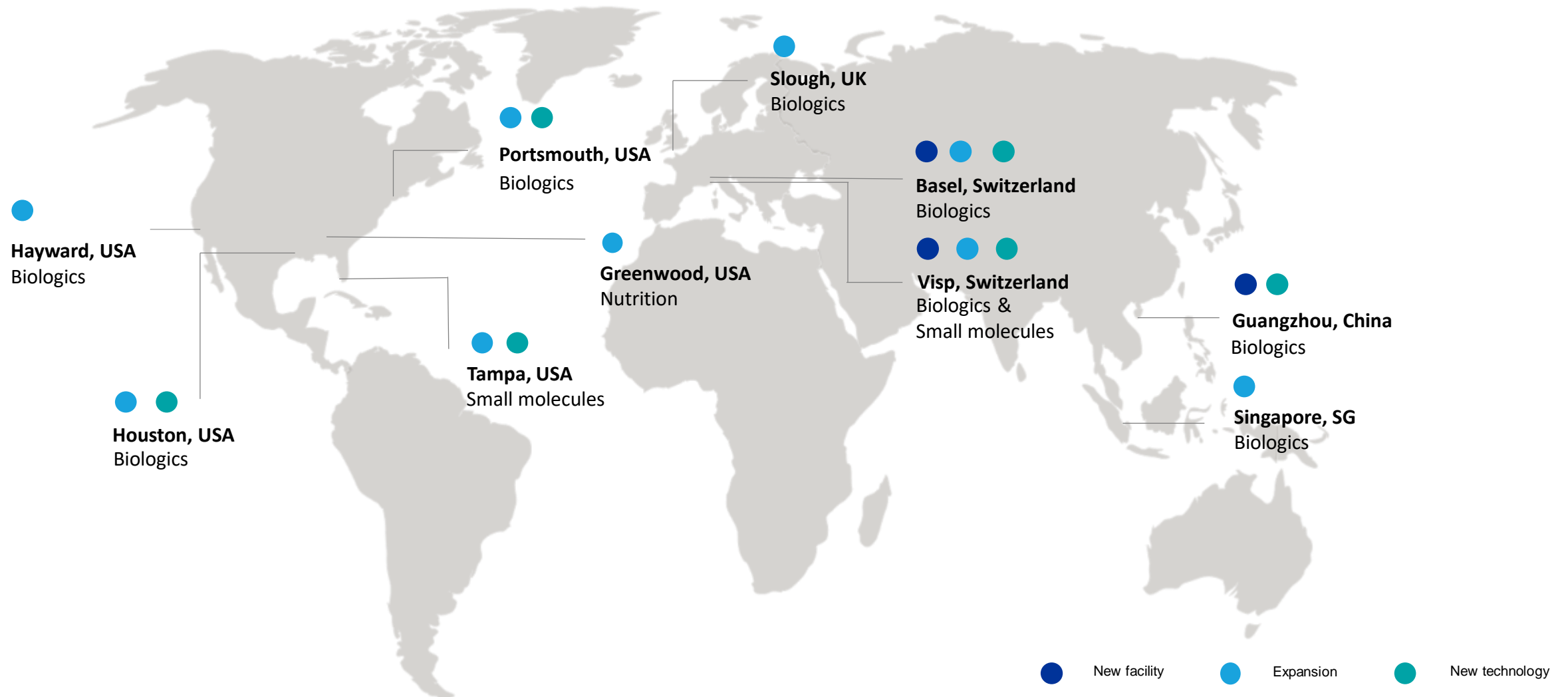
Full-service offering for microbiome through partnership with Chr. Hansen

Lonza



Announced Investment Projects Progressing as Planned – Overview

Focusing on selected CAPEX projects in our healthcare businesses



Announced Investment Projects Progressing as Planned – Details (1/2)

Focusing on selected CAPEX projects in our healthcare businesses



	Lonza site	Technology	Project type	Start of operations
Pharma & Biotech	Visp (CH)	<ul style="list-style-type: none"> Biologics: three innovative CDMO offerings spanning the complete product lifecycle in one location: <ul style="list-style-type: none"> Ibex™ Design – preclinical to clinical Phase 1 (SUT*) Ibex™ Develop – Clinical phase 2 to commercial (SUT*) Ibex™ Dedicate – fully customizable. Includes 50:50 JV Sanofi-Lonza for large-scale biologics commercial manufacturing Small molecules: Capacity expansion 		2020
	Portsmouth, NH (USA)	<ul style="list-style-type: none"> Biologics: Hybrid mid-scale (6K) for commercial monoclonal antibodies manufacturing; Cell therapy manufacturing suites 		2020
	Guangzhou (CN)	<ul style="list-style-type: none"> Biologics: Small-scale clinical and early commercial mammalian offerings (SUT*) GE KUBio off-the-shelf factory and Lonza development labs. Fully operated by Lonza 		2020
	Houston, TX (USA)	<ul style="list-style-type: none"> Biologics: Cell and Gene Therapy manufacturing 		2019
	Tampa, FL (USA)	<ul style="list-style-type: none"> Small Molecules: Encapsulation technologies 		2019

* Single-use Technology

Announced Investment Projects Progressing as Planned – Details (2/2)

Focusing on selected CAPEX projects in our healthcare businesses



	Lonza site	Technology	Project type	Start of operations
Pharma & Biotech	Slough (UK)	<ul style="list-style-type: none"> Biologics: Single-use technologies for mammalian derived products including development and clinical / niche commercial manufacturing 	●	2019
	Singapore (SG)	<ul style="list-style-type: none"> Biologics: Single-use technologies for commercial manufacturing of recombinant proteins 	●	
	Basel (CH)	<ul style="list-style-type: none"> Biologics: Parenteral drug product development services Biologics: Microbiome JV with Chr. Hansen / Pharma-grade drug product production 	● ● ●	
	Hayward (USA)	<ul style="list-style-type: none"> Biologics: Single-use technologies for clinical manufacturing of recombinant proteins 	●	
Consumer Health & Nutrition	Greenwood, SC (USA)	<ul style="list-style-type: none"> Combined capsule production, ingredient production and finished dosage form development 	●	2020

● New facility ● Expansion ● New technology



Products Businesses within LPBN

Lonza Q1 2019 Nutritional and Bioscience Products Overview

Robust performance for nutritional ingredients, dosage forms and delivery solutions



Hard Capsules

Ongoing momentum for Consumer Health & Nutrition hard capsules

Strong sales in EMEA, Japan, Brazil, Mexico and Australia; slightly softer in North America

Further increase in demand for specialty polymers

Dosage Form Solutions

Dosage form solutions performed above previous year

Performance driven by good demand in USA and APAC

Strong pipeline of new projects

Nutritional Ingredients

Expansion of premium science-backed ingredient UC-II for joint health

Expansion into new markets, customer channels and regions

Bioscience Solutions

Increased demand for biomanufacturing equipment and research tools

Demand driven by new product launches and expanded offerings

Delivering Constant Innovation for Consumer Goods Markets

Continuing to introduce new nutritional offerings



Infant Formula Ingredients

Cooperation with DuPont Nutrition & Health to supply a human milk oligosaccharide to support a healthy gut microbiota



Organic Food Colorants

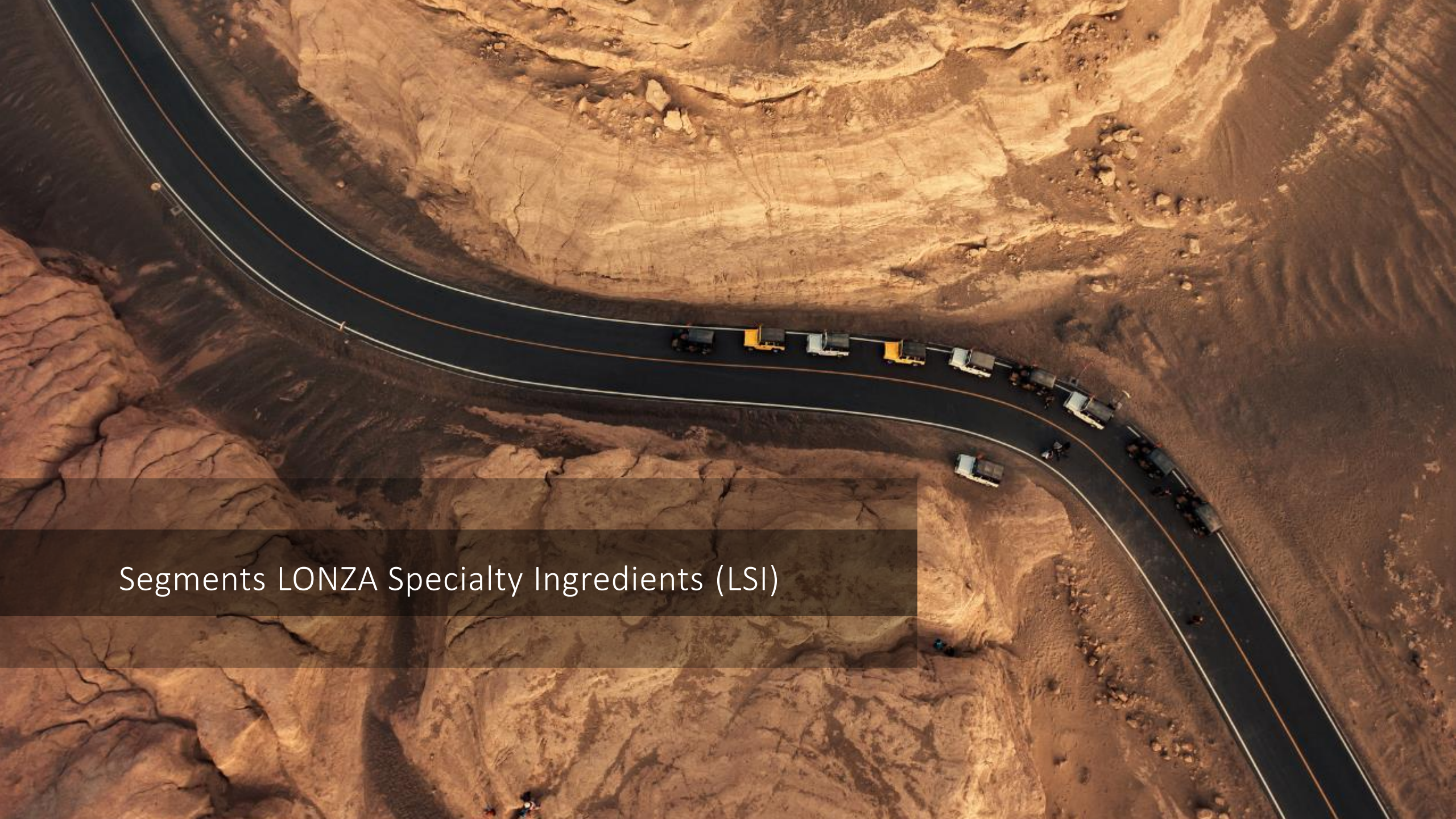
Introduced range of naturally sourced food colorants to support plant-based polymer capsule offerings



Sports Nutrition Ingredients

Launch of new sports nutrition ingredient based on highly active antioxidant enzymes



An aerial photograph of a winding asphalt road through a desert canyon. The canyon walls are layered and eroded, showing various shades of brown and tan. A long line of trucks, including several semi-trailers and smaller commercial vehicles, is traveling along the road. The scene is captured from a high angle, looking down at the road as it curves through the landscape.

Segments LONZA Specialty Ingredients (LSI)

Lonza Q1 2019 Specialty Ingredients Overview

Headwinds faced by the LSI business and the wider chemicals industry

Lonza

- All businesses faced raw material shortages and supply-chain disruptions
- Causes include China's Blue Sky environmental initiative and major chemical plant explosion in China
- The extent of the challenges across all businesses could not have been foreseen in January 2019
- Cost-containment measures have started to mitigate impact



Lonza Q1 2019 Specialty Ingredients Overview

Segment performance below expectations



Industrial Applications

Impacted by softening demand in end-markets: composites for electronics, anti-microbial actives for paints & coatings and construction applications

Personal and Home Care Preservation

Soft sales caused by increased competitive pressure

Professional Hygiene

Ongoing healthy demand and raw material price increases were passed on to customers

Wood Applications

Increasingly competitive environment, but new business secured in North America & EMEA

Agricultural Offerings

Continued soft demand for agro products, increased competition and feedstock cost

Pricing power to pass on higher input costs to customers remained limited

Prices in vitamin B3 have not recovered in Q1 2019



Outlook 2019 and Mid-Term Guidance 2022



Confirming Outlook 2019

A balance between headwinds in LSI and successes in LPBN

Lonza

- Outlook 2019 anticipates a year of significant investments in biologics, macro-economic uncertainty and headwinds in the cyclical parts of its Specialty Ingredients businesses
- Accelerated portfolio review announced for 2019 to further strengthen the company's position within its core healthcare businesses

**Mid-to-high-
single digit
sales growth**

**Sustained high
CORE EBITDA
margin level**

Outlook 2019 is based on Lonza's continuing operations (excluding the Water Care business unit), the present macro-economic environment, current visibility and constant exchange rates

Confirming Mid-Term Guidance 2022

Adjustment after Water Care disposal, while emphasizing growth

Lonza

- Adjustment to exclude the Water Care Mid-Term Guidance from Lonza Group financial projections prepared in 2017
- Investments included in the newly-formed Pharma Biotech & Nutrition segment to capitalize on anticipated market growth
- Plans to re-invest parts of the proceeds of Water Care disposal into healthcare businesses alongside continuing focus on deleveraging


**Sales CHF
7.1 billion**

**CORE RONOA
35%**

**CORE EBITDA
Margin 30.5%**

**Double-Digit
ROIC**

Confirming Mid-Term Guidance 2022 is based on Lonza's continuing operations (excluding the Water Care business unit), the present macro-economic environment, current visibility and constant exchange rates



Appendices

Events Calendar & Contacts



- 24 April 2019: Ex-Dividend Date
- 25 April 2019: Record-Dividend Date
- 26 April 2019: Dividend-Payment Date
- 24 July 2019: Half-Year Results 2019

Information about investor relations events is constantly updated on the website:

www.lonza.com/about-lonza/investor-relations



DIRK OEHLERS

Investor Relations Officer
T +41 61 316 8540
dirk.oehlers@lonza.com



DR KRISTIN KÖHLER

Investor Relations
T +41 61 316 8782
kristin.koehler@lonza.com



Lonza believes that disclosing CORE results of the Group's performance enhances the financial markets' understanding of the company because the CORE results enable better comparison across years.



Therefore, the CORE results exclude exceptional expenses and income related to e.g. restructuring, environmental-remediation, acquisitions and divestitures, impairments and amortization of acquisition-related intangible assets, which can differ significantly from year to year.

For this same reason, Lonza uses these CORE results in addition to IFRS as important factors in internally assessing the Group's performance.

In Lonza's [2018 Full-Year Results report](#), the reconciliation of IFRS to CORE results provides further details on the adjustments.

Additional Information and Disclaimer



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 Outlook 2019 and Mid-Term Guidance 2022 herein may not prove to be correct. The statements in the section on Outlook 2019 and Mid-Term Guidance 2022 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 Outlook 2019 and Mid-Term Guidance 2022 as a result of the factors described above or other factors. Investors should not place undue reliance on the statements in the section on Outlook 2019 and Mid-Term Guidance 2022. 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.