

Full-Year Report 2024



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Sales of CHF 6.6 billion in line with prior year (-0.2% CER¹)

CORE EBITDA of CHF 1.9 billion at a margin of 29.0%

The CDMO business delivered a strong commercial and operational performance, while Capsules & Health Ingredients (CHI) experienced market headwinds

The proposed dividend is maintained at CHF 4.00 per share



¹ Constant exchange rate.

Financial Highlights (Unaudited) for the Twelve Months Ended 31 December¹

IFRS Results

| Million CHF | 2024 | Change in % | 2023 |
|------------------------------|--------------|---------------|--------------|
| Sales | 6'574 | (2.1) | 6'717 |
| EBIT | 964 | 9.5 | 880 |
| Margin in % | 14.7 | | 13.1 |
| EBITDA | 1'695 | (12.6) | 1'940 |
| Margin in % | 25.8 | | 28.9 |
| Profit for the period | 637 | (2.7) | 655 |
| EPS basic (CHF) | 8.93 | 0.6 | 8.88 |
| EPS diluted (CHF) | 8.92 | 0.5 | 8.88 |

CORE Earnings²

| Million CHF | 2024 | Change in % | 2023 |
|-----------------------------------|--------------|--------------|--------------------------|
| CORE EBITDA | 1'908 | (4.6) | 1'999 |
| Margin in % | 29.0 | | 29.8 |
| CORE Profit for the period | 1'071 | 4.6 | 1'024³ |
| CORE EPS basic (CHF) | 15.03 | 8.2 | 13.89³ |
| CORE EPS diluted (CHF) | 15.01 | 8.1 | 13.88³ |
| ROIC in % | 8.4 | (3.4) | 8.7 |

Other Performance Measures

| Million CHF | 2024 | Change in % | 2023 |
|---|--------|-------------|------------------|
| Operational free cash flow (before acquisitions and divestitures) | 473 | 26.5 | 374 ³ |
| Operational free cash flow | (602) | n/a | 281 ³ |
| Capital expenditures (CapEx) | 1'417 | (15.8) | 1'682 |
| Net debt | 2'859 | n/a | 922 |
| Net Debt – equity ratio | 0.3 | n/a | 0.1 |
| Net Debt / CORE EBITDA ratio | 1.5 | n/a | 0.5 |
| Number of employees (Full-Time Equivalent) | 18'686 | 3.8 | 18'000 |

¹ All financial information for financial year 2024 is unaudited.

² For Lonza's definition of CORE results, also refer to the Alternative Performance Measures Brochure published in conjunction with this Full-Year Report.

³ In 2024, Lonza has made changes to the definition of certain Performance Measures (see Alternative Performance Measures Brochure 2024 for further details). As a result comparative information for Full-Year 2023 have been restated accordingly. Also refer to the Restated Financials 2023 and 2022 published in H1 2024.

Biologics

Division

For the twelve months ended 31 December

| Million CHF | 2024 | 2023 | Change in % | Change in % in constant currency |
|-------------------------------------|--------------|--------------------------|---------------|--|
| Sales | 3'676 | 3'719 | (1.2) | (0.5) |
| CORE EBITDA¹ | 1'266 | 1'316² | (3.8) | (2.9) |
| Margin in % | 34.4 | 35.4 ² | | |
| Capital expenditures (CapEx) | 828 | 1'071 | (22.7) | |

¹ Refer to the Alternative Performance Measures Brochure published in conjunction with this Full-Year Report.

² In 2024, Lonza has made changes to the definition of certain Performance Measures (see Alternative Performance Measures Brochure 2024 for further details). The revised approach resulted in an improved CORE EBITDA by division for 2023, with no impact at Group level.

Divisional Overview

The **Biologics** division reported sales of -1.2% (-0.5% CER) compared to prior year. The growth from sustained commercial demand was offset by the loss of COVID-related mRNA sales and the related termination impact in 2023. The CORE EBITDA margin of 34.4% was supported by a favorable product mix and strong operational performance, partially offset by the ramp-up costs of new manufacturing assets. Excluding the COVID-related mRNA business in 2023, Biologics delivered low-teens underlying sales growth and CORE EBITDA margin expanded significantly compared to prior year.

Small Molecules

Division

For the twelve months ended 31 December

| Million CHF | 2024 | 2023 | Change in % | Change in % in constant currency |
|-------------------------------------|------------|------------------------|---------------|--|
| Sales | 983 | 901 | 9.1 | 9.3 |
| CORE EBITDA¹ | 351 | 291² | 20.6 | 21.0 |
| Margin in % | 35.7 | 32.3 ² | | |
| Capital expenditures (CapEx) | 129 | 157 | (17.8) | |

¹ Refer to the Alternative Performance Measures Brochure published in conjunction with this Full-Year Report.

² In 2024, Lonza has made changes to the definition of certain Performance Measures (see Alternative Performance Measures Brochure 2024 for further details). The revised approach resulted in an improved CORE EBITDA by division for 2023, with no impact at Group level.

Divisional Overview

The **Small Molecules** division reported sales growth of 9.1% (9.3% CER) compared to prior year at a strong CORE EBITDA margin of 35.7%, driven by high commercial demand, strong operational performance and the division's continued portfolio shift to high-value products and complex service offerings.

Cell & Gene

Division

For the twelve months ended 31 December

| Million CHF | 2024 | 2023 | Change in % | Change in % in constant currency |
|-------------------------------------|------------|-----------------------|--------------|--|
| Sales | 689 | 696 | (1.0) | 1.1 |
| CORE EBITDA¹ | 108 | 68² | 58.8 | 69.1 |
| Margin in % | 15.7 | 9.8 ² | | |
| Capital expenditures (CapEx) | 192 | 98 | 95.9 | |

¹ Refer to the Alternative Performance Measures Brochure published in conjunction with this Full-Year Report.

² In 2024, Lonza has made changes to the definition of certain Performance Measures (see Alternative Performance Measures Brochure 2024 for further details). The revised approach resulted in an improved CORE EBITDA by division for 2023, with no impact at Group level.

Divisional Overview

Cell & Gene reported sales at -1.0% (1.1% CER) compared to prior year. This was driven by strong operational performance in Cell & Gene Technologies and partially offset by softer performance in Bioscience. Compared to 2023, the division significantly improved its CORE EBITDA margin by 5.9 pts. This was supported by Cell & Gene Technologies achieving positive margins and productivity measures in Bioscience. Excluding the one-off contribution from the Codiak BioSciences termination in 2023, divisional sales grew at a robust 10% CER.

Capsules & Health Ingredients

Division

For the twelve months ended 31 December

| Million CHF | 2024 | 2023 | Change in % | Change in % in constant currency |
|-------------------------------------|--------------|------------------------|---------------|--|
| Sales | 1'054 | 1'161 | (9.2) | (6.6) |
| CORE EBITDA¹ | 256 | 332² | (22.9) | (20.2) |
| Margin in % | 24.3 | 28.6 ² | | |
| Capital expenditures (CapEx) | 89 | 80 | 11.3 | |

¹ Refer to the Alternative Performance Measures Brochure published in conjunction with this Full-Year Report.

² In 2024, Lonza has made changes to the definition of certain Performance Measures (see Alternative Performance Measures Brochure 2024 for further details). The revised approach resulted in an improved CORE EBITDA by division for 2023, with no impact at Group level.

Divisional Overview

Capsules & Health Ingredients reported sales of -9.2% (-6.6% CER) as a result of soft demand for pharma capsules due to customer destocking. In late 2024, the nutraceutical capsules business saw a return to pre-COVID volumes albeit still at a lower price level, while Dosage Form Solutions benefited from solid growth.

The division reported a CORE EBITDA margin of 24.3%, impacted by lower asset utilization due to softer demand and lower nutraceutical prices. This was partially offset by productivity initiatives across the network, including the positive early impact of its newly-introduced superior proprietary D90 capsule manufacturing technology, and cost containment measures.

Corporate

For the twelve months ended 31 December

| Million CHF | 2024 | 2023 |
|--------------------------------|-------------|------------------------|
| Sales^{1,2} | 172 | 240 |
| CORE EBITDA² | (73) | (8)³ |

- 1 Primarily includes sales to Arxada (former Specialty Ingredients business, divested in 2021).
- 2 Includes the impact from the hedging program on Sales (2024: CHF 6 million, 2023: CHF 65 million) and CORE EBITDA (2024: CHF -5 million, 2023: CHF 12 million) which is managed centrally by Corporate Treasury and therefore reported as part of Corporate.
- 3 In 2024, Lonza has made changes to the definition of certain Performance Measures (see Alternative Performance Measures Brochure 2024 for further details). The revised approach resulted in an improved CORE EBITDA by division for 2023, with no impact at Group level.

Dividend Proposed

Lonza's Board of Directors will propose to maintain a dividend of CHF 4.00 per share at the Lonza Group AGM in May 2025. Subject to approval, 50% of the dividend will be paid out of the capital contribution reserve, meaning it will be free from Swiss withholding tax.

Condensed Financial Statements

Condensed consolidated balance sheet at 31 December 2024 (unaudited) and 31 December 2023

| Million CHF | 2024 | 2023 |
|--|---------------|---------------|
| Property, plant and equipment | 8'532 | 6'617 |
| Intangible assets | 2'002 | 1'988 |
| Goodwill | 3'370 | 2'752 |
| Other non-current assets | 336 | 574 |
| Deferred tax assets | 53 | 15 |
| Total non-current assets | 14'293 | 11'946 |
| Inventories | 1'727 | 1'585 |
| Trade receivables and other receivables | 1'958 | 1'609 |
| Current tax receivables | 44 | 40 |
| Short-term investments | 600 | 200 |
| Cash and cash equivalents | 1'111 | 1'468 |
| Total current assets | 5'440 | 4'902 |
| Total assets | 19'733 | 16'848 |
| Equity attributable to equity holders of the parent | 9'328 | 9'452 |
| Non-controlling interests | 60 | 60 |
| Total equity | 9'388 | 9'512 |
| Non-current debt | 4'242 | 2'610 |
| Non-current provision | 434 | 384 |
| Other non-current liabilities (incl. employee benefit liabilities) | 1'597 | 1'088 |
| Deferred tax liabilities | 493 | 491 |
| Total non-current liabilities | 6'766 | 4'573 |
| Current debt | 468 | 191 |
| Current provision | 89 | 67 |
| Other current liabilities | 2'886 | 2'368 |
| Current tax payable | 136 | 137 |
| Total current liabilities | 3'579 | 2'763 |
| Total liabilities | 10'345 | 7'336 |
| Total equity and liabilities | 19'733 | 16'848 |

Condensed consolidated income statement for the twelve months ended 31 December 2024 (unaudited) and 31 December 2023

| Million CHF | 2024 | 2023 |
|--|--------------|--------------|
| Sales | 6'574 | 6'717 |
| Cost of goods sold ¹ | (4'414) | (4'769) |
| Gross profit | 2'160 | 1'948 |
| Marketing and distribution, Research and development, Administration and general overhead ² | (1'198) | (1'074) |
| Other operating income and expenses | 2 | 6 |
| Result from operating activities (EBIT)³ | 964 | 880 |
| Net financial result | (209) | (77) |
| Share of profit / (loss) from associates / joint ventures | (1) | (13) |
| Profit before income taxes | 754 | 790 |
| Income taxes | (117) | (135) |
| Profit for the period | 637 | 655 |
| Attributable to: | | |
| Equity holders of the parent | 636 | 654 |
| Non-controlling interests | 1 | 1 |
| Profit for the period | 637 | 655 |
| Earnings per share for profit attributable to equity holders of the parent⁵ | | |
| Basic earnings per share – EPS basic (CHF) | 8.93 | 8.88 |
| Diluted earnings per share – EPS diluted (CHF) | 8.92 | 8.88 |

1 Includes net impairments of CHF 68 million (2023: CHF 405 million) and restructuring costs of CHF 40 million (2023: CHF 50 million), as well as acquisition related expenses (CHF 143 million) in 2024.

2 Includes the amortization of acquisition related intangible assets (2024: CHF 135 million, 2023: CHF 132 million). Additionally, includes impairments of CHF 16 million (2023: CHF 30 million), acquisition related expenses of CHF 23 million and business transformation initiative expenses of CHF 14 million.

3 Result from operating activities (EBIT) excludes financial income and expenses as well as Lonza's share of profit/loss from associates and joint ventures.

Condensed consolidated statement of comprehensive income for the twelve months ended 31 December 2024 (unaudited) and 31 December 2023

| Million CHF | 2024 | 2023 |
|--|-------------|--------------|
| Profit for the period | 637 | 655 |
| Other comprehensive income: | | |
| Items that will not be reclassified to profit or loss | | |
| Re-measurements of net defined benefit liability | (34) | (35) |
| Income tax on items that will not be reclassified to profit or loss | 5 | 5 |
| | (29) | (30) |
| Items that are or may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translating foreign operations | 298 | (498) |
| Cash flow hedges | (59) | (45) |
| Income tax on items that are or may be reclassified to profit or loss | (10) | 21 |
| | 229 | (522) |
| Other comprehensive income for the period, net of tax | 200 | (552) |
| Total comprehensive income for the period | 837 | 103 |
| Total comprehensive income attributable to: | | |
| Equity holders of the parent | 834 | 109 |
| Non-controlling interests | 3 | (6) |
| Total comprehensive income for the period | 837 | 103 |

Condensed consolidated cash flow statement for the twelve months ended 31 December 2024 (unaudited) and 31 December 2023

| Million CHF | 2024 | 2023 |
|--|----------------|----------------|
| Profit for the period | 637 | 655 |
| Adjustment for non-cash items | 1'072 | 956 |
| Income tax paid | (136) | (145) |
| Interest paid | (99) | (80) |
| (Increase) / decrease of net working capital | (59) | 53 |
| Utilization of provisions | (45) | (32) |
| Increase/(decrease) of other payables, net | (96) | (22) |
| Net cash provided by operating activities | 1'274 | 1'385 |
| Purchase of property, plant & equipment and intangible assets | (1'417) | (1'682) |
| Acquisition of subsidiaries, net of cash acquired ¹ | (1'075) | (93) |
| Net (increase) / decrease in other assets | (55) | (30) |
| Lease payment received | 3 | 10 |
| (Increase) / decrease in short-term investments | (400) | 685 |
| (Increase) / decrease in loans and advances | (7) | (16) |
| Interest and dividend received | 35 | 30 |
| Net cash provided by / (used for) investing activities | (2'916) | (1'096) |
| Issuance of straight bonds | 2'071 | 1'328 |
| Repayment of German Private Placement | (43) | (180) |
| Repayment of straight bond | (110) | (475) |
| Increase / (decrease) in other debt | (41) | 23 |
| Repayment of lease liabilities | (41) | (58) |
| Net increase in other non-current liabilities | 452 | 486 |
| Capital injection from owners of the non-controlling interests | 0 | 1 |
| Purchase of treasury shares ² | (726) | (1'020) |
| Sale of treasury shares | 9 | 9 |
| Dividends paid ³ | (288) | (263) |
| Net cash provided by / (used for) financing activities | 1'283 | (149) |
| Effect of currency translation on cash | 2 | (11) |
| Net (decrease) / increase in cash and cash equivalents | (357) | 129 |
| Cash and cash equivalents at 1 January | 1'468 | 1'339 |
| Cash and cash equivalents at 31 December | 1'111 | 1'468 |

1 In 2024, acquisition of Vacaville site (see note 4). In 2023, acquisition of Synaffix (see Lonza Annual Report 2023, note 4).

2 Includes the effects from the Share Buyback Program that was initiated in 2023 (see note 8).

3 Includes dividends of CHF 3 million (2023: CHF 3 million) paid to non-controlling interest shareholders of a subsidiary.

Condensed consolidated statement of changes in equity
at 31 December 2024 (unaudited) and 31 December 2023

| Million CHF | Attributable to equity holders of the parent | | | | | | Total | Non-controlling interests | Total equity |
|--|--|---------------|-------------------|-----------------|---------------------|-----------------|---------------|---------------------------|---------------|
| | Share capital | Share premium | Retained earnings | Hedging reserve | Translation reserve | Treasury shares | | | |
| Twelve months ended 31 December 2023 | | | | | | | | | |
| Balance at 1 January 2023 | 74 | 2'582 | 9'042 | 16 | (1'003) | (114) | 10'597 | 68 | 10'665 |
| Profit for the period | 0 | 0 | 654 | 0 | 0 | 0 | 654 | 1 | 655 |
| Other comprehensive income, net of tax | 0 | 0 | (30) | (39) | (476) | 0 | (545) | (7) | (552) |
| Total comprehensive income for the period | 0 | 0 | 624 | (39) | (476) | 0 | 109 | (6) | 103 |
| Dividends | 0 | (130) | (130) | 0 | 0 | 0 | (260) | (3) | (263) |
| Capital injection from owners of the non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Recognition of share-based payments | 0 | 0 | 15 | 0 | 0 | 0 | 15 | 0 | 15 |
| Movements in treasury shares | 0 | 0 | (65) | 0 | 0 | (944) | (1'009) | 0 | (1'009) |
| Balance at 31 December 2023 | 74 | 2'452 | 9'486 | (23) | (1'479) | (1'058) | 9'452 | 60 | 9'512 |
| Twelve months ended 31 December 2024 | | | | | | | | | |
| Balance at 1 January 2024 | 74 | 2'452 | 9'486 | (23) | (1'479) | (1'058) | 9'452 | 60 | 9'512 |
| Profit for the period | 0 | 0 | 636 | 0 | 0 | 0 | 636 | 1 | 637 |
| Other comprehensive income, net of tax | 0 | 0 | (29) | (59) | 286 | 0 | 198 | 2 | 200 |
| Total comprehensive income for the period | 0 | 0 | 607 | (59) | 286 | 0 | 834 | 3 | 837 |
| Dividends | 0 | (142) | (143) | 0 | 0 | 0 | (285) | (3) | (288) |
| Recognition of share-based payments | 0 | 0 | 43 | 0 | 0 | 0 | 43 | 0 | 43 |
| Movements in treasury shares | 0 | 0 | (5) | 0 | 0 | (711) | (716) | 0 | (716) |
| Capital reduction | (2) | (497) | (497) | 0 | 0 | 996 | 0 | 0 | 0 |
| Balance at 31 December 2024 | 72 | 1'813 | 9'491 | (82) | (1'193) | (773) | 9'328 | 60 | 9'388 |

Selected Explanatory Notes

1. Basis of Preparation of Financial Statements and Changes to Group's Accounting Policies

These unaudited condensed financial statements are based on the consolidated financial statements for the twelve-month period ended 31 December 2024 that will be prepared in accordance with the IFRS Accounting Standards, issued by the International Accounting Standards Board (IASB).

New Standards, Interpretations and Amendments

The following new or amended standards became applicable for the current reporting period and did not have any material effect on the Group's financial statements:

- * Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1
- * Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases
- * Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

2. Exchange Rates

| Balance sheet | | | Income statement | | |
|---------------------|------------|------------|------------------|------|------|
| Period-end rate CHF | 31.12.2024 | 31.12.2023 | Average rate CHF | 2024 | 2023 |
| US Dollar | 0.90 | 0.84 | US Dollar | 0.88 | 0.90 |
| Euro | 0.94 | 0.93 | Euro | 0.95 | 0.97 |
| Pound sterling | 1.13 | 1.07 | Pound sterling | 1.13 | 1.12 |

3. Operating Segments

Following the requirements of IFRS 8 "Operating Segments", the Group's reportable segments are described below:

In **Biologics**, Lonza accelerates and de-risks the path from drug substance development to drug product supply, for complex modalities including mammalian, microbial, mRNA and bioconjugates. The end-to-end service offering is complemented by granting customers access to Lonza's expression system and bioconjugates technologies as well as manufacturing related know-how and Drug Product Services capabilities.

In **Small Molecules**, Lonza supports customers across all aspects of design, development and manufacturing, with the ability to offer integrated drug substances to drug product solutions, including particle engineering and drug product packaging.

In **Cell & Gene**, Lonza supports and equips its customers to develop, de-risk, commercialize and scale their emerging therapies through its three business areas Cell & Gene Technologies, Bioscience and Personalized Medicine.

In **Capsules & Health Ingredients**, Lonza offers to pharmaceutical and nutraceutical customers innovative capsules and dosage form solutions as well as health ingredients.

Twelve months ended 31 December 2024

| Million CHF | Biologics | Small Molecules | Cell & Gene | Capsules & Health Ingredients | Total Operating segments | Corporate / Eliminations ¹ | Total Group |
|--------------------------|--------------|-----------------|-------------|-------------------------------|--------------------------|---------------------------------------|--------------|
| Sales third-party | 3'676 | 983 | 689 | 1'054 | 6'402 | 172 | 6'574 |
| Inter-segment sales | 4 | 2 | 56 | 1 | 63 | (63) | 0 |
| Total sales | 3'680 | 985 | 745 | 1'055 | 6'465 | 109 | 6'574 |
| CORE EBITDA | 1'266 | 351 | 108 | 256 | 1'981 | (73) | 1'908 |
| Margin in % | 34.4 | 35.7 | 15.7 | 24.3 | 30.9 | n.a. | 29.0 |

Twelve months ended 31 December 2023

| Million CHF | Biologics | Small Molecules | Cell & Gene | Capsules & Health Ingredients | Total Operating segments | Corporate / Eliminations ¹ | Total Group |
|--------------------------------|--------------|-----------------|-------------|-------------------------------|--------------------------|---------------------------------------|--------------|
| Sales third-party | 3'719 | 901 | 696 | 1'161 | 6'477 | 240 | 6'717 |
| Inter-segment sales | 5 | 4 | 62 | 1 | 72 | (72) | 0 |
| Total sales | 3'724 | 905 | 758 | 1'162 | 6'549 | 168 | 6'717 |
| CORE EBITDA² | 1'316 | 291 | 68 | 332 | 2'007 | (8) | 1'999 |
| Margin in % ² | 35.4 | 32.3 | 9.8 | 28.6 | 31.0 | n.a. | 29.8 |

- The "Corporate / Eliminations" column represents the corporate function, including eliminations for reconciliation of the Group total.
- In 2024, Lonza has made changes to the definition of certain Performance Measures (see Alternative Performance Measures Brochure 2024 for further details). The revised approach resulted in an improved (restated) CORE EBITDA by division for 2023, with no impact at Group level.

On 12 December 2024, Lonza shared an overview of its strategy and new organizational structure. The new organizational structure for the CDMO business (excluding Capsules & Health Ingredients) will evolve to a simplified One Lonza set-up with three integrated business platforms (Integrated Biologics, Advanced Synthesis and Specialized Modalities). This new structure will be operational from Q2 2025. Lonza will evaluate the impact on its segment reporting in 2025 and will adjust disclosures for the H1 2025 reporting accordingly.

The reconciliation of the IFRS result to the CORE EBITDA for the twelve months ended 31 December in 2024 and 2023 is as follows:

| Million CHF | 2024 | 2023 |
|--|--------------------|--------------|
| Profit before income taxes | 754 | 790 |
| Net financial result | (209) | (77) |
| Share of loss from associates/joint ventures | (1) | (13) |
| Result from operating activities (EBIT)¹ | 964 | 880 |
| Environmental-related measures | (80) | (15) |
| Acquisition and divestitures | (163) ² | 6 |
| Restructuring ³ | (40) | (50) |
| Business transformation initiatives ⁴ | (14) | 0 |
| Gain from sale of real estate | 84 | 0 |
| Depreciation & amortization of property, plant and equipment, right-of-use assets and intangibles | (647) | (621) |
| Impairment, net of reversal of property, plant and equipment, right-of-use assets and intangibles ³ | (84) | (439) |
| CORE EBITDA | 1'908 | 1'999 |

- Result from operating activities (EBIT) excludes financial income and expenses as well as Lonza's share of profit/loss from associates and joint ventures.
- Costs related to the acquisition of the Vacaville site (see note 4 of the Full-Year Report 2024), and the subsequent network optimization measures as a result of this acquisition.
- Primarily related to Biologics restructuring program initiated in 2023. Also refer to note 5.
- Costs related to "One Lonza" Business Transformation, and Nexus (a global Business Process Transformation linked to a new ERP system for Lonza CDMO business based on SAP S/4 HANA).

4. Acquisition of Business (2024)

On October 1, 2024, the Group completed the acquisition of the Genentech large-scale biologics manufacturing facility in Vacaville, California (US), from Roche. The total consideration amounted to USD 1,694 million (CHF 1,435 million), of which USD 1,269 million (CHF 1,075 million) was paid in cash and USD 425 million (CHF 360 million) arose from a liability to manufacture certain Roche drug substances under a manufacturing services agreement. This agreement defines price levels that are lower compared to what Lonza usually would charge to customers.

The acquired Vacaville facility is one of the largest biologics manufacturing sites globally, with a total bioreactor capacity of approximately 330,000 liters. Through this acquisition, Lonza significantly expands its manufacturing capacities in the United States and strengthens the existing global manufacturing network structure to meet the growing demand for large-scale biologics manufacturing.

The total goodwill of the acquisition amounts to CHF 565 million and includes the effective portion of losses of CHF 35 million from cash flow hedges to manage the foreign exchange rate exposure that existed from 23 March 2024 until closing on 1 October 2024. The Vacaville manufacturing site is reported within Lonza's Biologics division.

5. Impairments and Restructuring Costs

| Million CHF | 2024 | | | | | | 2023 | | |
|--|-------------|-----------------|-------------|-------------------------------|-------------|--------------|--------------|-------------|--------------|
| | Biologics | Small Molecules | Cell & Gene | Capsules & Health Ingredients | Corporate | Total Group | Biologics | Cell & Gene | Total Group |
| Impairment on property, plant and equipment, right of use assets and intangible assets | (11) | (16) | (33) | (14) | (31) | (105) | (363) | (76) | (439) |
| Reversal of impairment on property, plant and equipment, right of use assets and intangible assets | 1 | 0 | 20 | 0 | 0 | 21 | 0 | 0 | 0 |
| Restructuring costs | (28) | 0 | (2) | (10) | 0 | (40) | (50) | 0 | (50) |
| Total | (38) | (16) | (15) | (24) | (31) | (124) | (413) | (76) | (489) |

In 2023, Lonza started several restructuring initiatives across its global manufacturing network. Also refer to note 3 of Lonza Annual Report 2023.

The **Biologics** manufacturing facilities in Guangzhou (CN) and in Hayward (US) have been decommissioned in 2024, which led to additional restructuring costs of CHF 28 million in 2024.

In the **Cell & Gene** division prior year impairment related to the Singapore site has been partially reversed (CHF 20 million) in 2024 as a result of improved utilization rate. The manufacturing site in Lexington (US) has been facing low asset utilization leading to an additional impairment loss of CHF 32 million.

In 2024, **Small Molecules** incurred impairment losses amounting to CHF 16 million primarily in relation to a manufacturing site in Switzerland facing a low asset utilization.

In 2024, **Capsules & Health Ingredients** started different restructuring projects in the US and in Indonesia (CHF 11 million impairment, CHF 4 million restructuring costs).

Beside the above restructuring projects, Lonza also has recognized in 2024 an impairment of the Bacthera related manufacturing assets, which affected **Corporate** (see note 6).

6. Impairment Consideration on the Bacthera Joint Venture

Bacthera is a 50-50 joint venture (JV) which was established by Lonza and Chr. Hansen (now Novonesis) in 2019. To support Bacthera in its commercial ambitions, Lonza constructed a dedicated Microbiome facility in Visp that is subject to a 20-year finance lease agreement (effective from 1 July 2023). In addition, Bacthera received additional funding through equity and loans from both shareholders to finance its own investments.

In 2021, Bacthera entered into a long-term manufacturing agreement (LTMA) with Seres Therapeutics for the commercial manufacturing of VOWST (a prescription medicine from Seres Therapeutics).

On 26 June 2024, Bacthera announced a restructuring plan and the shut-down of all activities except the ramp-up of the commercial manufacturing of VOWST.

In September 2024 the LTMA was terminated. As a consequence, the Bacthera dedicated production facility was transferred back to Lonza's property plant and equipment and partly impaired in the amount of CHF 31 million (corresponding to investments that do not have any future use for the Lonza Group). The building is currently being repurposed for another use within Lonza's manufacturing network.

In addition, Lonza continues to assess the likelihood of recoverability of the shareholder loan as low.

7. Net Financial Result

The net financial result for the twelve-month periods ended 31 December are as follows:

| Million CHF | 2024 | 2023 |
|--|-------------------|------------------|
| Net interest expenses on debt and bonds | (127) | (77) |
| Amortization of debt fees and discounts | (7) | (8) |
| Interest income on financial assets | 35 | 38 |
| Net interest expenses on IFRS 16 lease liabilities | (12) | (12) |
| Net interest expenses on defined benefit plan liabilities | (1) | (1) |
| Net gain/(loss) on investments measured at fair value through profit or loss | (6) | (2) |
| Interest related to derivative instruments | 5 | 8 |
| Net foreign exchange gains (losses) | 28 | (110) |
| Net gains (losses) on foreign exchange currency derivatives | (8) | 104 |
| Impairment of loans to joint venture | (77) ¹ | 0 |
| Fair value adjustment on contingent purchase price consideration | (31) ² | (6) ² |
| Net other financial income / (expense) | (8) | (11) |
| Net financial result | (209) | (77) |

¹ See note 6.

² Primarily includes the increase in estimated earn-out liability related to the Synaffix acquisition (2024: CHF 29 million, 2023: 6 million).

8. Dividends Paid

On 8 May 2024, the Annual General Meeting approved the distribution of a dividend of CHF 4.00 (financial year 2022: CHF 3.50) per share in respect of the 2023 financial year.

The distribution to holders of outstanding shares totaled CHF 285 million (2023: CHF 260 million). Thereof, CHF 142.5 million have been recorded against retained earnings and CHF 142.5 million have been recorded against reserves from capital contributions of Lonza Group Ltd.

9. Share Buyback Program

On 25 January 2023, Lonza announced a program to buy back its own registered shares of up to CHF 2 billion over a maximum period of two years for the purpose of subsequent capital reductions. The buyback program started on 3 April 2023. The total number of shares repurchased at 31 December 2023 was 2,242,568 for a total value of CHF 995.4 million.

On 19 June 2024, Lonza's Board of Directors approved to decrease the share capital by way of cancellation of the first tranche of shares repurchased until 31 December 2023 (totaling 2,242,568 shares). This transaction had no impact on the consolidated financial statements, the weighted-average number of shares outstanding and earnings per share.

The total number of shares repurchased under the program at 31 December 2024 (including the above share cancellation) was 3,748,735 for a total value of CHF 1,721.0 million.

10. Change in Debt Instrument

In 2024, Lonza issued the following debt instrument under its EMTN program:

- Eurobond of EUR 1 billion, due on 24 April 2036 (coupon: 3.875% p.a.)
- Eurobond of EUR 600 million, due on 4 September 2030 (coupon: 3.25% p.a.)
- Eurobond of EUR 600 million, due on 4 September 2034 (coupon: 3.5% p.a.)

The proceeds of the bonds were used for refinancing, acquisitions (see note 4) and other general corporate purposes.

11. Exit of Capsules & Health Ingredients Business

On 12 December 2024, Lonza announced its intention to exit the Capsules & Health Ingredients (CHI) business at an appropriate time.

As of 31 December 2024, the CHI division was not available for immediate sale in its present condition, and criteria for a highly probable sale had not yet been fully met as defined by IFRS 5. As a result, Lonza did not classify CHI as held-for-sale and discontinued operations for the year-end 2024.

12. Events After the Balance Sheet Date

As of the date of issuance of these condensed consolidated financial statements, no significant subsequent events have occurred after the reporting period that might affect the Group and that should be included thereto.

Forward-Looking Statements

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.

Disclaimer

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.

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.

Upcoming Roadshows/Conferences

- **3 February 2025**
RBC, London (UK)
- **4 February 2025**
Barclays, Edinburgh (UK)
- **11–12 February 2025**
Jefferies, Chicago and Boston (US)
- **13–14 February 2025**
Goldman Sachs, New York (US)
- **4 March 2025**
Morgan Stanley, London (UK)
- **25 March 2025**
Bank of America, Singapore (SG)
- **26 March 2025**
UBS, Seoul (KR)
- **27 March 2025**
JP Morgan, Tokyo (JP)

Upcoming Announcements

- **3 April 2025**
Publication of Annual and Sustainability Reports
- **9 May 2025**
Q1 Qualitative Update
- **9 May 2025**
Annual General Meeting
- **15 May 2025**
Dividend Payment Date
- **23 July 2025**
Half-Year Results 2025

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