



News Release

Lonza Publishes Pre-Announcement for Half-Year Results 2018

Basel, Switzerland, 9 July 2018 – As a pre-information for the reporting of the Half-Year Results 2018 on 25 July, Lonza today is providing clarification on certain items.

Impact from IFRS 15 Restatement on 2017 Comparable Information

On 1 January 2018, the new comprehensive revenue recognition standard, IFRS 15 "*Revenue from Contracts with Customers*," took effect. Lonza is applying the full retrospective methodology to adopt IFRS 15 and enhance comparability.

As a result, Lonza will publish restated financial results for Half-Year Results 2017 as part of the Half-Year Results 2018 (Table 1) in accordance with IFRS 15. The IFRS 15 restatement only has an impact on Lonza's Pharma & Biotech segment.

Further information has already been provided in the online [Lonza Annual Report 2017](#).

Table 1: Impact from IFRS 15 Restatement on 2017 Comparable Information

External Reporting for Half-Year 2018			
IFRS 15 – Impact from Restatement of 2017 Comparable Information			
Restatement of Half-Year 2017 Reported Results			
million CHF	2017 (reported)	IFRS 15 restatement	2017 (restated)
Sales	2'323	(13)	2'310
Core EBIT	447	(7)	440
Core EBIT margin in %	19.2		19.0
Core EBITDA	577	(7)	570
Core EBITDA margin in %	24.8		24.7

Lonza Comparable Reporting for Half-Year 2017 and Half-Year 2018

To provide enhanced transparency and comparability to the capital markets, Lonza will provide pro-forma Half-Year 2017 results (reported Lonza Half-Year 2017 financial results including Capsugel Half-Year 2017 financial results) for Lonza's key performance indicators (KPI) of sales, CORE EBITDA and CORE EBIT. These pro-forma KPIs take into account that on 5 July 2017, Lonza successfully closed the acquisition of Capsugel, now a Lonza company. Capsugel has been fully consolidated since the closing of the acquisition.

Lonza Specialty Ingredients Divisional Reporting

As of 1 January 2018, the Specialty Ingredients segment began operating in three distinct units: a Consumer Health division, a Consumer & Resources Protection division and a Water Care business unit.

With the publication of the Half-Year Results 2018, Lonza will provide sales and CORE EBITDA financial KPIs for its new reporting structure in Specialty Ingredients. Historical data for the first half of 2017 will be disclosed, too, in order to enable comparison. Historical data also includes pro-forma Half-Year 2017 financial results for the Consumer Health division (reported Lonza Half-Year 2017 financial results, including Capsugel Half-Year 2017 financial results).

Introduction of ROIC as New Key Metric

As previously communicated on 4 May 2018 with the publication of Half-Year Results 2018, CORE RONO (return on net operating assets) will be complemented by ROIC (return on invested capital) as a KPI; and the new mid-term ROIC target will be announced. Lonza will provide a comparable ROIC metric for Full-Year 2017 and the actual ROIC metric for Half-Year 2018.

About Lonza

Lonza is one of the world's leading and most-trusted suppliers to the pharmaceutical, biotech and specialty ingredients markets. As an integrated solutions provider, Lonza is boosting its value creation along and beyond the healthcare continuum with a strong focus on patient healthcare, consumer preventive healthcare and consumer's healthy environment.

Lonza harnesses science and technology to create products that support safer and healthier living and that enhance the overall quality of life. With the recent Capsugel acquisition, Lonza now offers products and services from the custom development and manufacturing of active pharmaceutical ingredients to innovative dosage forms for the pharma and consumer health and nutrition industries.

Benefiting from its regulatory expertise, Lonza is able to transfer its know-how from pharma to hygiene and fast-moving consumer goods all the way to coatings and composites and the preservation and protection of agricultural goods and other natural resources.

Founded in 1897 in the Swiss Alps, Lonza today is a well-respected global company with more than 100 sites and offices and approximately 14,500 full-time employees worldwide. The company generated sales of CHF 5.1 billion in 2017 with a CORE EBITDA of CHF 1.3 billion. Further information can be found at www.lonza.com.

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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.

Certain matters discussed in this news release may constitute forward-looking statements. These statements are based on current expectations and estimates of Lonza Group Ltd, although Lonza Group Ltd can give no assurance that these expectations and estimates will be achieved. Investors are cautioned that all forward-looking statements involve risks and uncertainty and are qualified in their entirety. The actual results may differ materially in the future from the forward-looking statements included in this news release due to various factors. Furthermore, except as otherwise required by law, Lonza Group Ltd disclaims any intention or obligation to update the statements contained in this news release.