

News Release

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Merck KGaA, Darmstadt, Germany, successfully divests Consumer Health

- **Closing of sale to Procter & Gamble at a cash purchase price of € 3.4 billion completed**
- **Successful completion allows Merck KGaA, Darmstadt, Germany, to further focus on innovation driven businesses in Healthcare, Life Science and Performance Materials**
- **Transaction successfully closed within an ambitious timeframe**

Darmstadt, Germany, December 1, 2018 (CET) – Merck KGaA, Darmstadt, Germany, a leading science and technology company, has successfully completed the sale of its Consumer Health business to Procter & Gamble (P&G), following close consultation with employee representatives, the approval of all relevant regulatory authorities and the fulfilment of other customary closing conditions. The successful completion of the transaction marks a further step in the company’s strategic focus on innovation driven businesses and transformation towards a leading science and technology company. The business transferred to P&G on December 1, 2018. The cash purchase price is approximately € 3.4 billion.

“The successful completion of this transaction is an important milestone for both Merck KGaA, Darmstadt, Germany, and Consumer Health,” said Belén Garijo, Member of the Executive Board and CEO Healthcare of Merck KGaA, Darmstadt, Germany. “We are very pleased that together with P&G we have successfully delivered on an ambitious timeframe in closing this transaction. P&G offers excellent opportunities for the development of the Consumer Health business and we wish our colleagues all the best for the future.”

“After deducting taxes and transaction related effects, we will primarily use the net cash proceeds of approximately € 2.7 billion to further reduce our financial debt. With the successful and timely completion of the transaction, we have now hit our 2018 leverage target of a net debt to EBITDA pre ratio of less than 2. Furthermore, we are increasing our flexibility to focus on innovation driven businesses within our three business sectors,” said Marcus Kuhnert, Member of the Executive Board and Chief Financial Officer of Merck KGaA, Darmstadt, Germany.

Merck KGaA, Darmstadt, Germany, and P&G pursued the Consumer Health transaction through the sale of shares in several Merck KGaA Darmstadt, Germany, subsidiaries as well as so called asset deals. The transaction comprises the Consumer Health business in 44 countries with more than 900 products and two production facilities in Spittal (Austria) and Goa (India). Around 3,300 employees have transferred to P&G. Merck KGaA, Darmstadt, Germany, and P&G have signed a number of supply and service agreements to ensure a smooth transition of the business.

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About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, the vibrant science and technology company, operates across healthcare, life science and performance materials. Around 53,000 employees work to make a positive difference to millions of people’s lives every day by creating more joyful and sustainable ways to live. From advancing gene editing technologies and discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices – the company is everywhere. In 2017, Merck KGaA, Darmstadt, Germany, generated sales of € 15.3 billion in 66 countries.

The company holds the global rights to the name and trademark “Merck” internationally. The only exceptions are the United States and Canada, where the business sectors of Merck KGaA, Darmstadt, Germany operate as EMD Serono in healthcare, MilliporeSigma in life science, and EMD Performance Materials. Since its founding 1668, scientific exploration and responsible entrepreneurship have been key to the company’s technological and scientific advances. To this day, the founding family remains the majority owner of the publicly listed company. For more information about Merck, KGaA, Darmstadt, Germany, visit www.emdgroup.com.