

## News Release

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# EMD Electronics Announces \$1 Billion Investment in US to Support Semiconductor Customers

- **Investments are part of the new global program “Level Up” for accelerating growth in semiconductor and display markets**
- **Main investment locations: AZ, CA, TX, PA**

Tempe, Arizona, December 7, 2021 — EMD Electronics, the North American Electronics business of Merck KGaA, Darmstadt, Germany, today announced approximately \$1 billion in investments through 2025 in the US to accelerate growth opportunities in the electronics market. EMD Electronics will heavily invest in R&D and capacity. Over the next five years, the global Electronics business of Merck KGaA, Darmstadt, Germany, plans to spend around \$2.5 billion globally in long-term fixed assets (CapEx) in Semiconductor and Display Solutions.

“The chip shortage needs industry-wide cooperation to resolve the supply chain issues consumers are currently facing. We are investing in the US to expand our production capacity and innovation footprint to support our customers' ambitious growth plans,” said Kai Beckmann, Member of the Executive Board of Merck KGaA, Darmstadt, Germany, and CEO Electronics.

In the US, EMD Electronics plans to invest primarily in its Arizona, California, Texas, and Pennsylvania sites. As part of the “Level Up” growth program which includes a global investment of significantly more than \$3.5 billion, the company seeks to capture the growth opportunities that come along with the significantly accelerating global demand for innovative semiconductor and display materials. This demand is driven by exponential data growth and highly impactful technology trends such as Artificial Intelligence (AI), the Internet of Things and 5G. The global investment also adds to the ambition of Merck KGaA, Darmstadt, Germany, to accelerate growth by



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investing in its "Big 3" businesses, including the Semiconductor Solutions business unit as a key driver.

The Level Up growth program focuses on four mutually reinforcing key priorities: Scale, Technology, Portfolio, and Capabilities. Further investing in these four areas builds the foundation of the company's more ambitious growth targets, in conjunction with the strong demand for electronics materials, particularly semiconductors. The priorities Scale and Technology support the massive capacity expansion that is happening globally in the semiconductor and electronics industries fueled by large-scale investments from its customers. Under the priority area Portfolio, the company seeks to exploit attractive, external growth opportunities via selected bolt-on acquisitions. Furthermore, Level Up will initiate or accelerate important internal initiatives under the Capabilities priority.

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### **About EMD Electronics**

EMD Electronics is the North American electronics business of Merck KGaA, Darmstadt, Germany. EMD Electronics' portfolio covers a broad range of products and solutions, including high-tech materials and solutions for the semiconductor industry as well as liquid crystals and OLED materials for displays and effect pigments for coatings and cosmetics. Today, EMD Electronics has approximately 2,000 employees around the country, with regional offices in Tempe (AZ) and Philadelphia (PA). For more information, please visit [www.emd-electronics.com](http://www.emd-electronics.com).

### **About Merck KGaA, Darmstadt, Germany**

Merck KGaA, Darmstadt, Germany, a leading science and technology company, operates across healthcare, life science and electronics. Around 58,000 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 2020, Merck KGaA, Darmstadt, Germany, generated sales of € 17.5 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 Electronics. Since its founding in 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.