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EMD Electronics Signs Agreement with the Commonwealth of Pennsylvania to Support Expansion of Semiconductor Manufacturing Capacities for the World's Largest Integrated Specialty Gases Facility

- **Agreement with the Commonwealth of Pennsylvania supports expansion of manufacturing capacities for the semiconductor industry**
- **The roughly \$ 300 million investment is part of the company's "Level Up" program aimed at accelerating its innovation and capacities**

Tempe, Arizona, April 12, 2023 – EMD Electronics, the Electronics business of Merck KGaA, Darmstadt, Germany in the U.S. and Canada, today announced an agreement with the Commonwealth of Pennsylvania to support expansion plans at its semiconductor manufacturing site in Hometown. This expansion is part of the company's Level Up growth program, announced by its Electronics business sector in late 2021, which aims to invest over \$ 3.5 billion in innovation and capacity expansion projects by 2025. The roughly \$ 300 million investment in the Hometown site will create the world's largest integrated Specialty Gases facility and support the success of the company's Semiconductor Solutions business, one of its "Big 3" growth engines.

"Despite near-term cautions due to the industry's cyclical nature, the demand for semiconductor materials remains very promising long term," said Kai Beckmann, Member of the Executive Board of Merck KGaA, Darmstadt, Germany, and CEO Electronics. "Having domestic production capacity for critical electronics components has become a high priority for many economies. As the brains of modern electronics, semiconductors enable technology critical to economic growth and global



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competitiveness. We're poised to support our customers as the most local of global partners in the inextricable rise of semiconductor innovation."

"Together with EMD Electronics, we are planting a flag here in Pennsylvania and showing the rest of the country that we are going to be a leader in the semiconductor industry, helping our country produce vital high-tech products that power everything from our smart phones to our cars," said Pennsylvania governor Josh Shapiro. "I'm proud the Commonwealth of Pennsylvania is partnering with EMD Electronics on the largest integrated specialty gases facility in the world. This investment will create high-paying jobs in Schuylkill County and should serve as a shining example of how the Commonwealth and leading businesses can work together to foster innovation and advance economic development here in Pennsylvania."

The agreement includes incentive targets associated with at least 68 new jobs and roughly \$ 300 million in potential investments that will enable Merck KGaA, Darmstadt, Germany to capture and grow its semiconductor materials business in North America and Europe and provide supplemental capacity to supply Asia.

The company expects to hire at least 68 employees at full ramp-up, including technicians and engineers. Those interested in exploring career opportunities at the site should visit the [EMD Electronics career website](#).

"We have been the employer of choice in Hometown for almost 50 years. Our commitment to level up our business in Schuylkill County bodes well for the community and its global impact on the semiconductor industry. We appreciate the efforts on the part of the Commonwealth of Pennsylvania to recognize the value of our growth plans and work with us to make this expansion possible. We would also like to acknowledge the support of Pennsylvania Governor Josh Shapiro, State Senator Dave Argall, Secretary of Community and Economic Development Rick Siger and other local elected officials for their support," said Jeff White, President EMD Electronics.

"EMD Electronics has been an anchor manufacturing facility in Schuylkill County for decades during which time it has grown to be one of the most sophisticated industrial complexes in all of Pennsylvania", noted Frank Zukas, President of the

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Schuykill Economic Development Corporation. "These planned expansion projects will allow our community to play a major part in the development of the semiconductor ecosystem in the U.S."

Level Up program continues to deliver critical capacity to fuel accelerated semiconductor growth in the U.S.

Driven by the accelerated industry growth, the Electronics Business of Merck KGaA, Darmstadt, Germany is delivering a remarkable track record of investment execution since the introduction of its Level Up growth program and the announcement of significantly more than \$ 3.5 billion in innovation and capacities in the U.S., Germany, and Asia by the end of 2025.

As part of this investment plan, approximately \$ 1 billion will be allocated to supporting R&D and manufacturing capacities in the company's Electronics business sector in the U.S., primarily in its Arizona, California, Texas, and Pennsylvania sites. For instance, by the end of the first half of 2023, the company expects to start operations at its new factory in the greater Phoenix, Arizona area for the manufacture of equipment for its Delivery Systems & Services (DS&S) business. The new site will enable the company to further grow its gas and chemical delivery systems business and provide key supplemental capacity to the semiconductor ecosystem.

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About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, a leading science and technology company, operates across life science, healthcare and electronics. More than 64,000 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 providing products and services that accelerate drug development and manufacturing as well as discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices – the company is everywhere. In 2022, Merck KGaA, Darmstadt, Germany, generated sales of € 22.2 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 MilliporeSigma in life science, EMD Serono in healthcare and EMD Electronics in 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.