

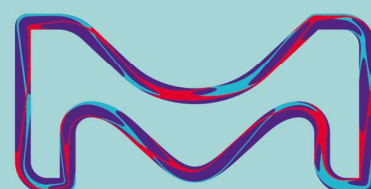
**Merck KGaA**  
Darmstadt, Germany

# **Annual General Meeting 2024**

## **Speech by Belén Garijo**

**Chair of the Executive Board and CEO**

**Pre-released on  
April 18, 2024**



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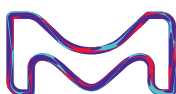
Dear Shareholders,

Welcome to our Annual General Meeting.

Before we begin, I want to extend my special thanks to Michael Kleinemeier for stepping in as the Chair of the Supervisory Board on short notice. I also want to thank the former Chair, Dr. Wolfgang Büchele, for his dedicated service over many years, and to congratulate him on his new role as Chair of the Board of Partners of E. Merck KG, Darmstadt, Germany.

Ladies and gentlemen, throughout the 356 year-long history of our company, we have consistently proven our ability to anticipate and adapt to changes in the world around us. Indeed, ever since Friedrich Jakob Merck took over a pharmacy here in Darmstadt in 1668, resilience has been a cornerstone of our success.

Last year provided us with many opportunities to demonstrate our resilience to the world once again. Today, I want to talk to you about how we navigated the challenges of 2023, and why I believe you should continue to place your trust in our long-term future.



Last year, many significant geopolitical, social and economic headwinds as well as market conditions impacted our Life Science and Electronics businesses.

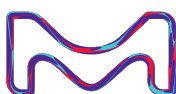
Yet, despite the challenging market environment, we delivered a robust performance during 2023. There were four decisive elements behind this outcome:

One, the operational performance of our multi-industry business model - which allowed us to navigate these headwinds better than some of our industry peers.

Two, our innovation pipeline across our three business sectors - which continues to serve as an engine for long-term growth.

Three, our sustainability performance, which demonstrates our commitment to using innovation and business culture to make a positive impact for colleagues, communities and the environment.

And four, the commitment of our people and teams – who once again demonstrated their dedication to our customers and patients. On behalf of the Executive Board, I'd like to thank our 63,000 colleagues for their hard work and relentless efforts.



So, let's discuss our operational performance in 2023, reflected by some key financial indicators.

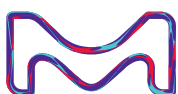
It is important to note that we delivered as expected and within our guidance. Group net sales declined, on the reported basis, by 5.6% to 21 billion euros in 2023. Organically, net sales declined 1.6%.

In Life Science, sales and earnings were mostly impacted by two factors: the expected significant decline in Covid-19-related sales, and high inventory stocks at key customers, who consequently placed less new orders in Process Solutions.

In Electronics, we continued to be affected by a prolonged industry-wide downcycle in Semiconductor Materials. However, our Semiconductor Solutions business still outperformed the market.

The strong performance of our Healthcare business partially compensated for these temporary challenges in Life Science and Electronics. In particular, our so-called wave 1 launches, mainly Bavencio and Mavenclad, were once again the key growth drivers for our pharma business.

All in all, our EBITDA pre came in at 5.9 billion euros, declining 14.2%, as reported. Organically, it decreased 9%. EPS pre stood at €8.49.



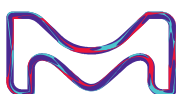
Our Group EBITDA pre margin came in at 28 % after being 30.8 % in the prior year. Overall, we were able to further reduce our net debt by more than €800 million in 2023 to around €7.5 billion.

Now, let's turn our attention to some key developments in our three sectors, starting with Life Science. Sales in our Life Science business sector declined 10.6% to 9.3 billion euros or -7,9% organically.

This was largely due to the two market-related factors I previously mentioned. In addition, currency effects also had a negative impact of 2.7% on sales.

If we look at individual business units, both Process Solutions and Life Science Services declined more than 14% organically. Science & Lab Solutions, which generated around half of the sales of Life Science in 2023, saw an organic sales decline of 0.6%. 2023 was a tough, transitional year for Life Science. Yet, market fundamentals remain strong in this business sector. And we remain confident on our solid position to secure mid- and long-term growth. Therefore, we must continuously invest to secure our future position.

As one example, we recently announced an investment of 300 million euros into a new Bioprocessing Production Center in Daejeon, South Korea. This new site will be the largest investment by our Life Science business sector in Asia-Pacific. It will also create around 300 additional jobs by the end of 2028.



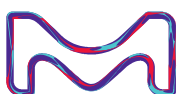
And here in Germany, we opened two new mRNA drug substance manufacturing sites in Darmstadt and Hamburg. These make us the first company to offer integrated services along the entire value chain of mRNA development, manufacturing and commercialization.

We also further consolidated our position as a fully integrated partner for mRNA, as well as several other novel drug modalities where we help customers treat, and potentially cure, serious diseases, such as cancer, heart disease and autoimmune conditions. Which means scientific progress in pharma starts with our Life Science business sector.

Moving into our Healthcare business sector. Net sales in Healthcare increased 2.7% to 8.05 billion euros. Excluding currency effects, net sales jumped by a strong 8.5% organically.

Key growth drivers included our oncology medicine Bavencio, and Mavenclad, our treatment for relapsing Multiple Sclerosis. Bavencio grew organically by more than 23%, while Mavenclad generated an organic growth of nearly 16%. With this, Mavenclad reached blockbuster status by surpassing \$1 billion in sales. But what truly makes us very proud is knowing it has already helped over 83,000 MS patients worldwide.

Our Fertility Franchise grew by 15% organically due to strong underlying growth. We also saw solid contributions from our metabolism, cardiovascular and endocrinology (CM&E) franchises.

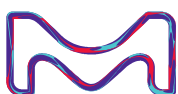


Of course, we were disappointed by the news that Evobrutinib did not meet its primary endpoints in both studies of the Phase III EVOLUTION trials. But remember: Attrition in phase III is part of the business model of any biopharma business. We are therefore fully focused on developing our pipeline which continues to hold great potential.

For example, we continue to make good progress in the development of Xevinapant, our late-stage first-in-class candidate being evaluated in the curative setting of locally advanced squamous cell carcinoma of the head and neck (LA SCCHN). This is an area that has not seen significant innovation in treatment for the last 20 years. The next step is the interim analysis of our Phase III study called TrilynX.

Another novelty is Enpatoran, an investigational novel immune receptor antagonist, which is currently under investigation as a treatment for lupus in phase II clinical trials. Our current pipeline is very strong, and we have multiple clinical development programs underway with potential first-in-class assets such as next-generation ADCs.

And, we continue to make important progress in building our future pipeline, with multiple strategic collaborations and in-licensing activities. In 2023, this included Abbisko and Hengrui, for example. We remain confident that our focused leadership approach in Healthcare represents a solid basis for long-term growth.

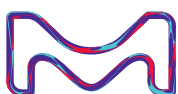


Let's move on to our third business sector, Electronics, where we serve as a strong and reliable partner to our global base of customers. As I mentioned previously, 2023 was a challenging year for the electronics industry in general.

Overall, our Electronics business sector experienced an 8.8% decline in sales to 3.66 billion euros. Organically, sales declined 5.1%. If you look at the individual business units, our Semiconductor Solutions business reported an organic sales decline of 3.9%. At the same time, we faced persistent price pressure and low-capacity utilization by customers in the liquid crystals field. Consequently, organic sales in the Display Solutions business unit declined 9.2%. We are confident that we will see the market pick up in 2024 and we already see early signals of improvement.

A good example is our semiconductor materials business which delivered two quarters of sequential growth in the second half of 2023. Plus, chip inventories are declining already. Demand is building, once again, for logic chips and leading-edge memory, which is where we play.

Our modern digital world will continue to be transformed by AI, next-generation semiconductors, and high-performance computers. The constant innovation will require our material intelligence, that is, the kinds of advanced materials and integrated solutions that we are very well-positioned to provide.





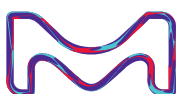
That is why we will continue to invest in long-term growth confidently.

Our global diversification continues to be a key strength. 90% of our net sales were well-balanced across our three most important markets – North America (28%), Europe (29%) and the Asia-Pacific (33%).

Our broad global footprint not only reduces our exposure to local economic events: The ongoing regionalization of our operations also brings us even closer to customers and patients and makes us more responsive to their needs. We thank our customers and partners worldwide for their continued trust.

It is also important to recognize the support of our shareholders. We are therefore pleased to announce our proposal for a dividend of €2.20 per share at today's Annual General Meeting, which is consistent with the previous year. This proposal underscores our commitment to provide sustainable value to our shareholders - even in challenging times. At the same time, it illustrates our confidence in the long-term growth prospects of our company.

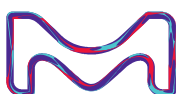
Looking ahead, we expect economic and geopolitical headwinds will persist this year. Yet, we are confident that our Group will gradually return to organic growth during 2024.



In Process Solutions, sales should recover in the second half of the year. The Semiconductor Materials market is expected to improve gradually in 2024 compared with 2023, with the turning point expected to be in the second half of the year. For both Group net sales and EBITDA Pre, we are expecting slight to moderate organic growth.

While the attention of our company will be focused on returning to growth during 2024, this will also be an important year for our world as many critical elections are held. It is my personal belief that we, as citizens, must especially stand behind Europe and encourage active participation in the upcoming EU elections. Democracy, freedom, equality, and human rights are, and must, remain at the core of our identity. These values are not only the foundation of our society, but also provide fertile ground for innovation, growth, and competitiveness. The key here is to further nurture the power of diversity to build a stronger and more united Europe.

Beyond 2024, I believe we remain firmly positioned for long-term growth and impact. The world is being rapidly redefined by a series of megatrends. These include novel modalities in Life Science, growing patient needs for cancer, neurological and immunological treatments in Healthcare, the growing importance of AI and Big Data in Electronics, and rising global demand for sustainable innovations. It makes me proud to say that our company is uniquely positioned at the heart of these trends, as a leading global science and technology company.



Our multi-industry business model, strong global footprint, and diverse team can together help us transform how people live, work, and connect. We remain committed to not only creating value within each business sector but across them as One company.

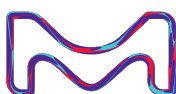
AI in Drug Discovery, Digital Twins, Smart Manufacturing, and Bioelectronics are just some of the innovation areas in which our cross-sector synergies will be a competitive advantage.

Furthermore, I'm proud of the progress being made by our teams to accelerate our sustainability leadership worldwide. We've come a long way in our environmental and climate protection goals, and we remain on track to achieve our three core sustainability targets.

By 2030, we aim to have fully integrated sustainability into our value chains. Based on this, we expect to achieve climate neutrality and significantly reduce our resource consumption by 2040.

To name a few highlights of our progress: During 2023, we reduced our direct (scope 1) and indirect (scope 2) greenhouse gas emissions by nearly 17% compared with the previous year. We also obtained more than half of our electricity purchased worldwide from renewable sources for the first time.

Following the signing of virtual power purchase agreements in 2023, we now expect renewable energy to cover 100% of our current electricity purchases in Europe, more than 90% in North America, and 70% worldwide as of 2025.

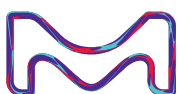


On our way to gender parity in 2030, we increased the percentage of women in leadership positions worldwide to a record high of 39%. And we were amongst the world's top five pharmaceutical companies enabling access to our medicines in low and middle-income countries.

Our commitment to global health is an important part of our sustainability strategy. A prime example of this commitment is the fight against schistosomiasis, a devastating neglected tropical disease.

Since 2007, we have donated 2 billion praziquantel tablets for medical treatment. This means over 800 million patients have been treated – mostly school-aged children – in 47 countries across sub-Saharan Africa and parts of Asia. In December, we received great news: The European medical authorities gave a positive opinion for a new pediatric treatment option for small children aged six years and under.

Yet, we still have a long way to go. I'm delighted that we have exceeded our waste and water targets in 2023 and have now introduced new water and waste management targets and strengthened our commitment to biodiversity and circular operations.



Ladies and gentlemen, despite all challenges, we have delivered. However, there is also much more to be done. I hope I´ve given you a comprehensive overview of where we stand, and our strong potential for long-term growth.

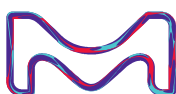
Here are my three key takeaways:

1. 2023 was a transitional year full of challenges, but we were able to prove our resilience.
2. We will gradually return to growth in 2024 and are already seeing the first signs of recovery in the different business sectors and markets.
3. Most importantly, we are well positioned to grow in the long term – driven by strong megatrends in all our key markets.

I briefly mentioned Friedrich Jakob Merck at the start of this presentation. This year, the family, which holds 70.3% of the capital of our operative company, transitioned smoothly to the 12th generation of family management.

Mr. Johannes Baillou is now the Chair of the Family Board, succeeding Dr. Frank Stangenberg-Haverkamp who retired recently. Professor Dr. Simon Thelen was elected as the new Vice-Chair of the Family Board and the Board of Partners. Their continuous commitment to think in generations underscores our own long-term ambitions to be a 21st-century pioneer in science and technology.

Our priorities are clear: sustainable growth, leadership, and delivering value to customers and patients worldwide through our



diverse globally based teams. Most importantly, we want to enable people to have longer, healthier and more sustainable lives. Our multi-industry set-up and science & tech portfolio positions us to achieve this outcome for generations to come.

Which is why I want to close this presentation with one final number. And it's a number that I believe is more impactful than any others that I've shared with you so far.

179 million.

That's how many patients we were privileged to serve last year across the world with our own portfolio of Healthcare products.

Thank you for your attention, and I look forward to the discussions ahead.

