

## News Release

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## **Merck KGaA, Darmstadt, Germany, Aims to Return to Profitable Growth as of 2019**

- **Pharmaceutical pipeline to unfold full potential**
- **Life Science continues to aim for above-market profitable growth**
- **Performance Materials focusing on the electronics industry and realigns R&D**

Darmstadt, Germany, October 16, 2018 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, expects strong growth impetus starting next year, as the company reported today to analysts and investors at its Capital Markets Day. “2018 has been a challenging year for our company. We have made future-oriented decisions that will lead to profitable growth as of next year,” said Stefan Oschmann, Chairman of the Executive Board and CEO of Merck KGaA, Darmstadt, Germany.

### **Healthcare expects pipeline-driven earnings growth**

In the Healthcare business sector, the core business (excluding Consumer Health), has achieved an annual growth rate of around 3% since 2013. On October 12, Merck KGaA, Darmstadt, Germany, announced positive results from its Phase II study with evobrutinib in relapsing multiple sclerosis (MS). In September, Merck KGaA, Darmstadt, Germany, and Pfizer announced that in a Phase III study, Bavencio (avelumab) plus Inlyta (axitinib) showed a significant improvement in progression-free survival in non-pretreated patients with advanced renal cell carcinoma. In addition, seven further Phase III studies are underway with avelumab. On July 30, Merck KGaA, Darmstadt, Germany, announced that the U.S. Food and Drug Administration (FDA) had accepted for filing the application for regulatory review of cladribine tablets as a potential treatment for patients with relapsing forms of MS.

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### **Life Science growing faster than the market**

In the midst of the Sigma-Aldrich integration over the past three years, the Life Science business sector has grown faster than the market while expanding its position as the most profitable supplier in the life science industry. Whereas the life science market grew annually by an average of 4%, from 2015 to 2017 the Life Science business sector grew by an average of around 6%. In order to maintain this dynamic growth, Life Science intends to rigorously focus on growing its pipeline of innovations and launching new products.

### **Performance Materials realigns R&D**

As announced on July 3, the Performance Materials business sector aims to further expand its position as a leading supplier of solutions for the electronics industry. For the years after 2019, it expects to resume average annual sales growth of 2% to 3%. One pillar of the transformation program is the realignment of research and development (R&D). To this end, the business sector will target its resources more strongly to existing end-customer needs. Moreover, decisions relating to the assessment of projects and allocation of resources will be made centrally and the business sector will push forward with integrated and cross-disciplinary R&D.

### **Merck KGaA, Darmstadt, Germany, confirms outlook for 2018 and growth prospects for 2019**

Merck KGaA, Darmstadt, Germany, confirmed its expectations for full-year business performance in 2018 as recently communicated in the announcement of half-year results on August 9 as well as the expectation that it will return to sustainable growth in 2019 with respect to the key figures, in other words net sales, EBITDA pre and EPS pre.

**Note for media representatives:** *A live webcast of the presentations by Stefan Oschmann, Chairman of the Executive Board and Marcus Kuhnert, Chief Financial Officer, on October 16, 2018 starting at 10:00 a.m. (CEST) will be accessible via this [link](#).*

## News Release

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Merck KGaA, Darmstadt, Germany, is a leading science and technology company in healthcare, life science and performance materials. Almost 53,000 employees work to further develop technologies that improve and enhance life – from biopharmaceutical therapies to treat cancer or multiple sclerosis, cutting-edge systems for scientific research and production, to liquid crystals for smartphones and LCD televisions. In 2017, Merck KGaA, Darmstadt, Germany, generated sales of € 15.3 billion in 66 countries. Founded in 1668, Merck KGaA, Darmstadt, Germany, is the world's oldest pharmaceutical and chemical company. The founding family remains the majority owner of the publicly listed corporate group. Merck KGaA, Darmstadt, Germany, holds the global rights to the Merck KGaA, Darmstadt, Germany, name and brand. The only exceptions are the United States and Canada, where the company operates as EMD Serono, MilliporeSigma and EMD Performance Materials.