

## Q3 2015 Financial Summary for Investors and Analysts

### Growth across all businesses & regions

- Organic growth in all businesses and regions
- Sigma: EU approval of transaction granted – closing scheduled for Nov. 18, 2015
- Avelumab: Phase III in 1st line NSCLC initiated; Orphan Drug and Fast Track designation for Merkel cell carcinoma
- Sales growth of 6.8% in Q3 2015
- EBITDA pre increases by 10.2% to €944 m
- FY 2015 guidance lifted for EBITDA pre

### Overview Financials

#### Q3 2015 Overview

- EBITDA pre increase driven by good organic performance, release of R&D termination provision and FX
- EPS pre and operating cash flow increase mainly due to higher EBITDA pre
- Net cash position reflects strong track record of deleveraging

#### Q3 2015 Balance Sheet

- Issuance of USD & EUR bonds impacts cash and debt
- FX development accounts for ~€1 bn total balance sheet increase (~€700 m in equity)

#### Q3 2015 Cash flow Statement

- Last year's D&A included amortization for discontinued R&D project
- In 2014 provision built-up for R&D terminations, partial release in 2015
- Investing cash flow includes proceeds from Sigma FX hedging, payment of Intrexon upfront & cash management
- €2.1 bn eurobond issuance in August drives financing cash flow

## Q3 2015 Business Overview

### Healthcare

- **Slight sales growth driven by Fertility and General Medicine**
- Net sales deviation YoY: organic +1.9%, FX -0.5%, portfolio 0%
- Sales growth impacted by change of Venezuelan FX rate and softer Latin American currencies
- Rebif organically lower as volume decline mainly due to competition from orals is only partially offset by price increases in the U.S.
- Erbitux burdened by EU pricing and lower volumes in LatAm
- Fertility with strong growth mainly driven by demand from China
- General Medicine remains largest contributor to organic growth
- LY's R&D impacted by terminations; provision release in 2015 (€31 m)
- EBITDA pre expansion reflects organic growth & release of provision

### Life Science

- **All businesses contribute to strong organic performance**
- Net sales deviation YoY: organic +8.1%, FX +6.8%, portfolio 0%
- Process Solutions remains main organic growth contributor driven by strong performance in single-use & virus filtration
- Solid organic growth in Lab Solutions led by U.S. and Europe especially in biomonitoring and lab water products
- Bioscience sees continued soft demand for reagents & antibodies offset by sound volumes of cell biology and cell culture systems
- Margin progression driven by organic performance, manufacturing efficiencies, favorable product mix and pricing

### Performance Materials

- **All businesses yield profitable growth**
- Net sales deviation YoY: organic +2.2%, FX +11.2%, portfolio 0%
- Strong increase in sales reflecting FX tailwinds
- Further shift towards innovative liquid crystal technologies (esp. UB-FFS) supports volumes and profitability
- Display industry supply chain inventories remain at high level
- OLED and ICM\* support growth with sound volume development
- Pigments slightly growing
- Profitability at high level mainly driven by FX and favorable product mix

\*Integrated Circuits Materials

**Guidance for 2015, including Sigma-Aldrich for 43 days**

**Group:**

- |                                  |                |                |
|----------------------------------|----------------|----------------|
| ▪ EBITDA pre: ~ €3,580 – 3,650 m | thereof Sigma: | ~ €80 - 95 m   |
| ▪ Net sales: ~ €12.6 – 12.8 bn   | thereof Sigma: | ~ €300 m       |
| ▪ EPS pre: ~ €4.80 – 4.95        | thereof Sigma: | ~ €0.10 – 0.15 |

**Outlook by business sector without Sigma-Aldrich:**

Healthcare

- Net sales: organically stable
- EBITDA pre: ~ €1.93 – 2.0 bn

Life Science\*

- Net sales: solid organic growth
- EBITDA pre: ~ €0.76 – 0.78 bn

Performance Materials

- Net sales: slight organic growth
- EBITDA pre: ~ €1.1 – 1.14 bn

**Additional financial guidance**

- Group royalty, license and commission income in 2015 ~€300 m
- Corporate & Other EBITDA pre ~ -€340 – -360 m
- Underlying tax rate ~23% to 25%
- Capex on PPE ~€550 m
- Hedging / USD assumption **2015 & 2016 hedge rate ~25-30% at EUR/USD ~1.19 to 1.24**
- 2015 Ø EUR/USD assumption ~1.10 – 1.15

\* without Sigma-Aldrich

Group Q3

€m	Group			Healthcare			Life Science			Performance Materials			Corporate/Others		
	Q3 2014	Q3 2015	% YoY	Q3 2014	Q3 2015	% YoY	Q3 2014	Q3 2015	% YoY	Q3 2014	Q3 2015	% YoY	Q3 2014	Q3 2015	% YoY
Net sales	2.921	3.120	7%	1.684	1.708	1%	661	759	15%	576	653	13%			
<b>% organic</b>			<b>3%</b>			<b>2%</b>			<b>8%</b>			<b>2%</b>			
% FX			3%			0%			7%			11%			
% portfolio			0%			0%			0%			0%			
EBIT	429	564	31%	279	349	25%	72	97	35%	152	233	53%	-74	-115	55%
Depreciation and amortization	353	337	-4%	202	189	-6%	78	83	7%	65	59	-10%	7	5	-30%
EBITDA	781	901	15%	481	538	12%	150	180	20%	218	292	34%	-66	-109	65%
One-time items on EBITDA	75	43	-42%	17	-1	n.m.	11	21	93%	25	5	-78%	22	17	-22%
<b>EBITDA (pre-one time items)</b>	<b>857</b>	<b>944</b>	<b>10%</b>	<b>497</b>	<b>537</b>	<b>8%</b>	<b>161</b>	<b>201</b>	<b>25%</b>	<b>243</b>	<b>298</b>	<b>22%</b>	<b>-44</b>	<b>-92</b>	<b>&gt;100%</b>
Net financial debt*	559	-1.304	n.m.												

\* as per 31 December

Totals may not add up due to rounding

**Group**

<b>P&amp;L Group</b>	<b>Q3 2014</b>	<b>Q3 2015</b>	<b>% YoY</b>
<b>Net sales</b>	<b>2.921</b>	<b>3.120</b>	<b>7%</b>
Cost of sales	-948	-939	-1%
thereof: intangibles amortization	-30	-41	36%
<b>Gross profit</b>	<b>1.972</b>	<b>2.182</b>	<b>11%</b>
Marketing and selling expenses	-880	-976	11%
thereof: intangibles amortization	-175	-189	8%
Administration	-156	-157	1%
Other operating income/expenses	-3	-67	>100%
Research and development	-505	-417	-17%
<b>EBIT</b>	<b>429</b>	<b>564</b>	<b>31%</b>
Depreciation and amortization	353	337	-4%
EBITDA	781	901	15%
One-time items on EBITDA	75	43	-42%
<b>EBITDA (pre-one time items)</b>	<b>857</b>	<b>944</b>	<b>10%</b>
Financial result	-57	-81	42%
<b>Profit before tax</b>	<b>372</b>	<b>482</b>	<b>30%</b>
Income tax	-122	-117	-4%
Income tax rate	33%	24%	
Profit after tax	250	366	47%
Non-controlling interest	-1	-2	>100%
<b>Net income</b>	<b>249</b>	<b>364</b>	<b>46%</b>
Number of theoretical shares in million	434,8	434,8	
EPS in €	0,57	0,84	47%
EPS (pre one-time items) in €	1,15	1,32	15%

*Totals may not add up due to rounding*

## Healthcare

P&L HC	Q3 2014	Q3 2015	% YoY
<b>Net sales</b>	<b>1.684</b>	<b>1.708</b>	<b>1%</b>
Cost of sales	-354	-334	-6%
thereof: intangibles amortization	0	0	n.m.
<b>Gross profit</b>	<b>1.330</b>	<b>1.374</b>	<b>3%</b>
Marketing and selling expenses	-625	-683	9%
thereof: intangibles amortization	-134	-145	8%
Administration	-62	-60	-5%
Other operating income/expenses	52	39	-25%
Research and development	-416	-322	-23%
<b>EBIT</b>	<b>279</b>	<b>349</b>	<b>25%</b>
Depreciation and amortization	202	189	-6%
<b>EBITDA</b>	<b>481</b>	<b>538</b>	<b>12%</b>
One-time items on EBITDA	17	-1	n.m.
<b>EBITDA (pre-one time items)</b>	<b>497</b>	<b>537</b>	<b>8%</b>

Totals may not add up due to rounding

## Life Science

P&L LS	Q3 2014	Q3 2015	% YoY
<b>Net sales</b>	<b>661</b>	<b>759</b>	<b>15%</b>
Cost of sales	-292	-318	9%
thereof: intangibles amortization	-12	-12	5%
<b>Gross profit</b>	<b>369</b>	<b>441</b>	<b>20%</b>
Marketing and selling expenses	-209	-238	14%
thereof: intangibles amortization	-38	-41	9%
Administration	-26	-30	12%
Other operating income/expenses	-20	-32	64%
Research and development	-42	-45	8%
<b>EBIT</b>	<b>72</b>	<b>97</b>	<b>35%</b>
Depreciation and amortization	78	83	7%
<b>EBITDA</b>	<b>150</b>	<b>180</b>	<b>20%</b>
One-time items on EBITDA	11	21	93%
<b>EBITDA (pre-one time items)</b>	<b>161</b>	<b>201</b>	<b>25%</b>

Totals may not add up due to rounding

**Performance Materials**

<b>P&amp;L PM</b>	<b>Q3 2014</b>	<b>Q3 2015</b>	<b>% YoY</b>
<b>Net sales</b>	<b>576</b>	<b>653</b>	<b>13%</b>
Cost of sales	-301	-287	-5%
thereof: intangibles amortization	-18	-28	56%
<b>Gross profit</b>	<b>275</b>	<b>366</b>	<b>33%</b>
Marketing and selling expenses	-45	-54	21%
thereof: intangibles amortization	-3	-3	24%
Administration	-18	-16	-14%
Other operating income/expenses	-14	-13	-4%
Research and development	-46	-50	8%
<b>EBIT</b>	<b>152</b>	<b>233</b>	<b>53%</b>
Depreciation and amortization	65	59	-10%
<b>EBITDA</b>	<b>218</b>	<b>292</b>	<b>34%</b>
One-time items on EBITDA	25	5	-78%
<b>EBITDA (pre-one time items)</b>	<b>243</b>	<b>298</b>	<b>22%</b>

*Totals may not add up due to rounding*