



strong growth despite challenging Macro environment

Merck KGaA, Darmstadt, Germany

Q3 2022 results

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Agenda

01 Executive summary

02 Financial overview

03 Outlook & Guidance



01

EXECUTIVE SUMMARY



Highlights Q3 2022: Strong growth driven by LS and HC; FY guidance fully confirmed



Operations

Life Science:

- +9% organic sales growth backed by mid-teens growth in core¹ business with Process Solutions as key driver (core business growth at +31%)
- Largest growth contribution (org. +€196 m)
- All business units growing

Healthcare:

- Recent launches up +26% org. driving strong growth of 9% and record quarterly sales. Established portfolio up mid-single digit supported by lower comps and channel dynamics
- Significant growth contribution (org. +€155 m)

Electronics:

- Semi solutions growing in the mid teens, significantly above softer market, driving net Electronics growth contribution (org. +€4 m) despite significant decline in Display
- Semi margins remain intact despite inflationary pressures



Financials

Q3 organic sales: growth of +7.1%

Q3 organic EBITDA pre: growth of +7.5%

Confirming Guidance:

Net sales: €22.00 bn to €22.90 bn

EBITDA pre: €6.80 bn to €7.20 bn

EPS pre: €9.90 - €10.70

Net financial debt to EBITDA pre:

1.4 on Sept. 30, 2022



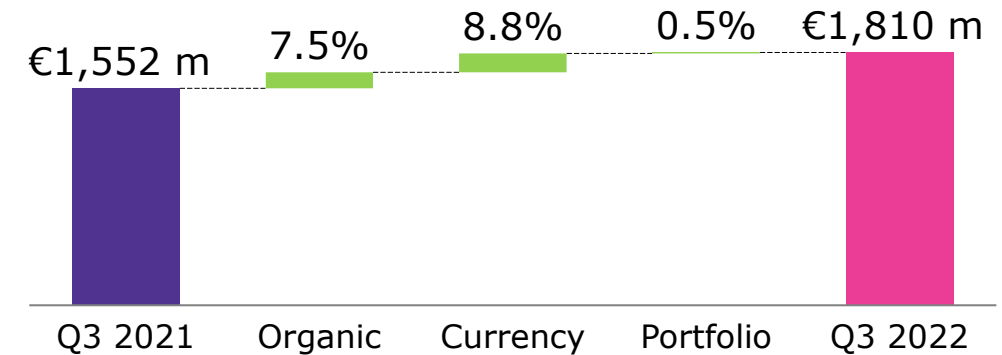
Life Science and Healthcare drive strong organic sales growth; Sales and EBITDA pre further supported by significant positive FX effects

Q3 YoY Net Sales

	Organic	Currency	Portfolio	Total
Life Science	8.7%	9.2%	1.3%	19.2%
Healthcare	8.7%	8.2%	0.0%	16.9%
Electronics	0.4%	10.2%	0.0%	10.6%
Group	7.1%	9.0%	0.6%	16.8%

- Life Science: High single-digit org. growth mainly driven by Process Solutions (+11% org.) and Science & Lab Solutions (+8% org.); Life Science Services temporarily softer (+3% org.)
- Healthcare: Recent launches up +26% organically (primarily fueled by Bavencio® and Mavenclad®), driving +9% org. growth; CM&E portfolio growing +6% organically, incl. EM catch-up
- Electronics: +15% org. growth in Semiconductor Solutions more than offsetting -32% org. decline in Display Solutions; Surface growing +4% organically

Q3 YoY EBITDA pre

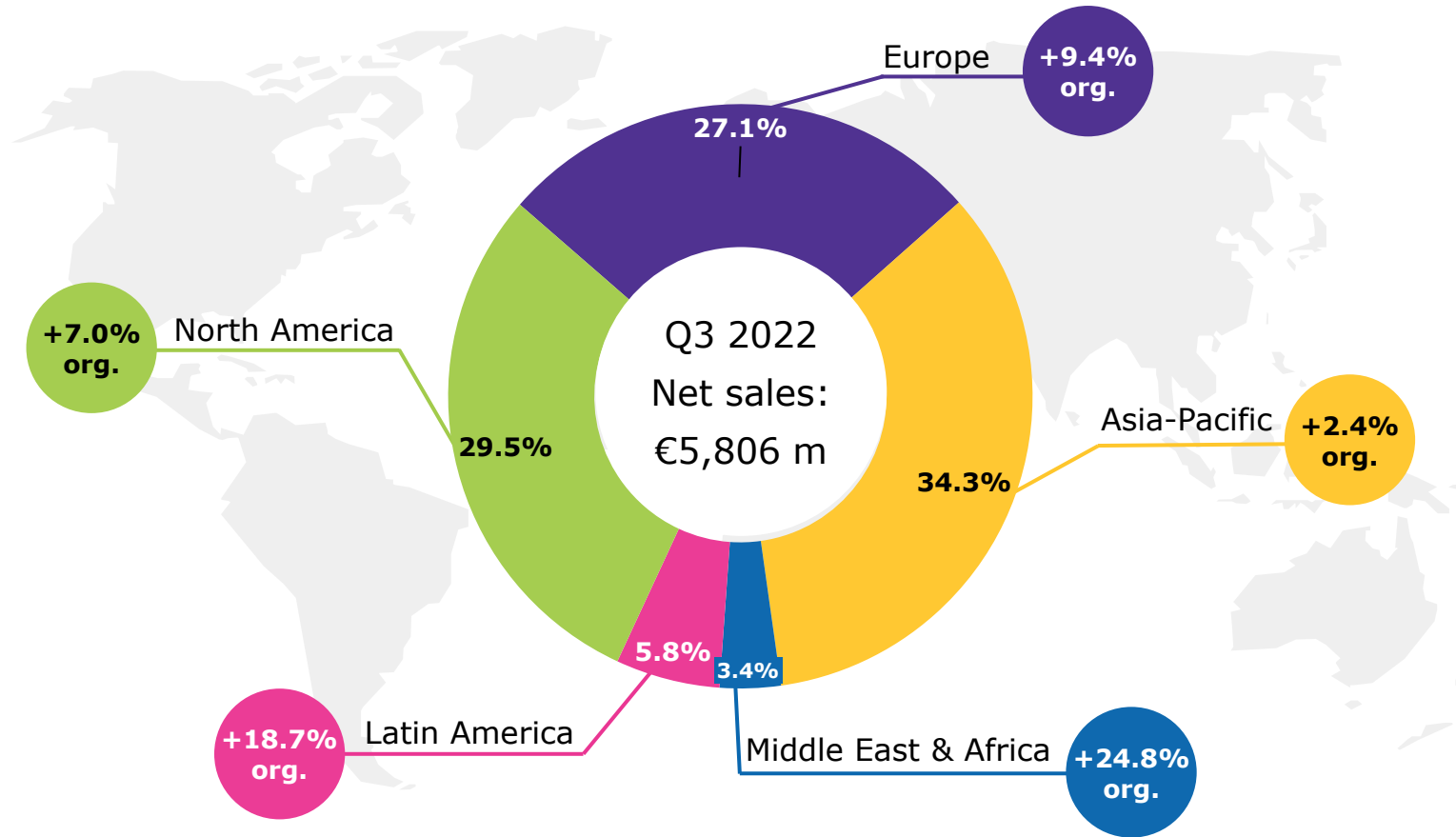


- EBITDA pre growing above sales (+7.5% org.) despite increasing input costs for raw materials, energy and logistics and significant Display decline
- Life Science and Healthcare driving org. EBITDA pre growth with margins at or above prior-year level
- Positive FX effect of +9% across various currencies with largest positive impact from USD and CNY; partly offset by hedging



Europe largest growth contributor in absolute terms with strong performance across all three sectors

Regional breakdown of net sales [€m]



Regional organic development

- APAC: Science & Lab Solutions, Healthcare and Semi main growth drivers, more than offsetting Display decline
- Europe: Healthcare and Life Science primary growth drivers
- North America: Life Science main growth driver, backed by all business units
- LATAM: Oncology and CM&E primary growth drivers, further supported by Life Science across the board
- ME&A: CM&E and Oncology drive growth



02

Financial Overview



Q3 2022: Overview

Key figures

[€m]	Q3 2021	Q3 2022	Δ
Net sales	4,973	5,806	16.8%
EBITDA pre	1,552	1,810	16.7%
Margin (in % of net sales)	31.2%	31.2%	0.0pp
EPS pre	2.24	2.68	19.6%
Operating cash flow	1,467	1,552	5.8%

[€m]	Dec. 31, 2021	Sept. 30, 2022	Δ
Net financial debt	-8,753	-9,215	5.3%
Working capital	4,207	5,640	34.1%
Employees	60,335	63,713	5.6%

Comments

- Life Science and Healthcare drive EBITDA pre growth organically, further boosted by FX tailwinds
- EPS pre growth fueled by EBIT pre contribution & better financial result
- OCF* mainly powered by EBITDA pre performance, more than offsetting higher tax cash-out and higher NWC**
- Net financial debt increases, mainly due to temporary investment of excess cash, significant deleveraging vs. Q2 (~€1 bn)
- Working capital increase primarily driven by higher inventories from inflationary effects, higher safety stocks and FX effects



Q3 2022: Reported figures

Reported results

[€m]	Q3 2021	Q3 2022	Δ
EBIT	1,047	1,234	17.8%
Financial result	-54	-47	-13.2%
Profit before tax	993	1,187	19.5%
Income tax	-229	-261	13.8%
<i>Effective tax rate (%)</i>	23.1%	22.0%	-1.1pp
Net income	761	923	21.3%
EPS (€)	1.75	2.12	21.1%

Comments

- Life Science and Healthcare organic drivers of +18% EBIT growth, further boosted by favorable FX effects amid inflationary pressures
- Improved financial result primarily driven by higher interest income from buy-back of hybrid bond (€250 m)
- Effective tax rate at the lower end of guidance range
- Net income and EPS growth reflect EBIT and improved financial result



Life Science Q3: Core business (+16% org.) as key growth driver fueled by strong underlying demand and ongoing capacity expansions

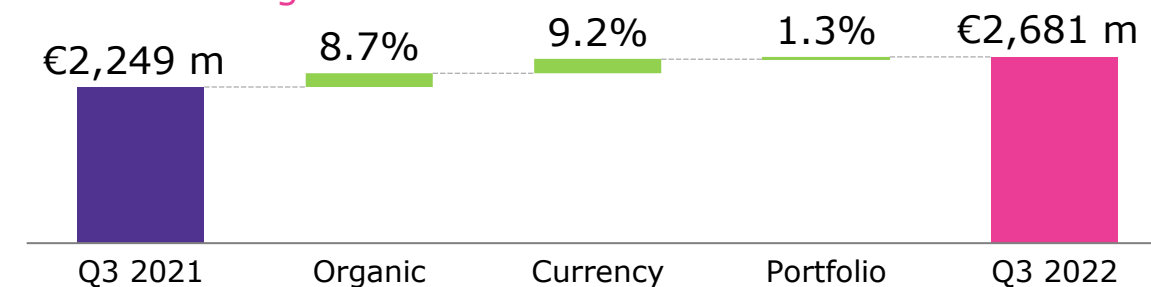
Life Science P&L

[€m]	IFRS		Pre	
	Q3 2021	Q3 2022	Q3 2021	Q3 2022
Net sales	2,249	2,681	2,249	2,681
M&S*	-529	-634	-527	-629
Admin	-93	-112	-84	-102
R&D	-88	-106	-88	-106
EBIT	614	719	632	760
EBITDA	806	936	-	-
EBITDA pre	824	976	824	976
(in % of net sales)	36.6%	36.4%	36.6%	36.4%

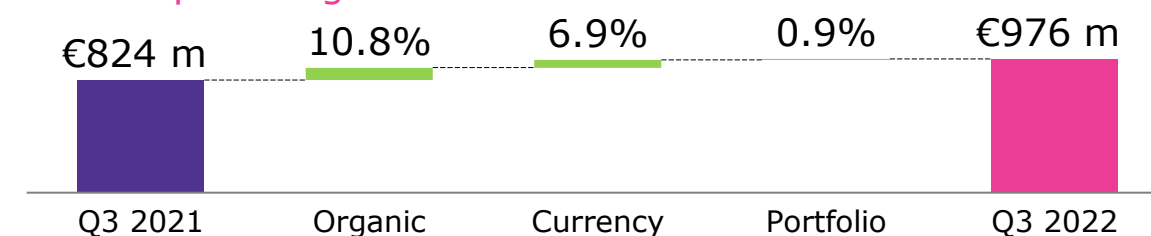
Comments

- Process Solutions: +11% org. growth, driven by excellent core business performance (+31%), esp. bioprocessing with lead times improving further; COVID-19 business declining as anticipated vs. tough comps
- Science & Lab Solutions: growing +8% org. across majority of the portfolio, supported by positive pricing and slight pull-forward effects
- Life Science Services: +3% org. growth amid tough comps and near-term volatility, while mid-term prospects remain fully intact
- M&S about stable as a % of sales despite steep increases in logistics costs; excluding logistics, M&S growing significantly below sales
- Higher R&D in absolute terms mainly driven by FX effects with continued investments in high growth & emerging segments, e.g. novel modalities
- EBITDA pre growing +11% org., still exceeding sales growth despite significant investment in future growth and inflationary environment; supported by pricing, op. leverage and product mix in core business

Net sales bridge



EBITDA pre bridge



Healthcare Q3: Record sales quarter with +9% org. growth; strong contribution from recent launches and established portfolio

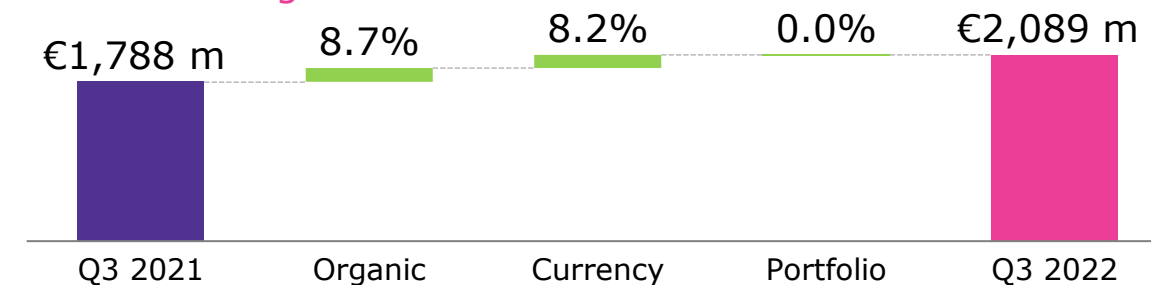
Healthcare P&L

[€m]	IFRS		Pre	
	Q3 2021	Q3 2022	Q3 2021	Q3 2022
Net sales	1,788	2,089	1,788	2,089
M&S*	-386	-413	-386	-412
Admin	-79	-84	-77	-79
R&D	-486	-431	-486	-409
EBIT	453	606	462	635
EBITDA	532	683	-	-
EBITDA pre	541	711	541	711
(in % of net sales)	30.3%	34.0%	30.3%	34.0%

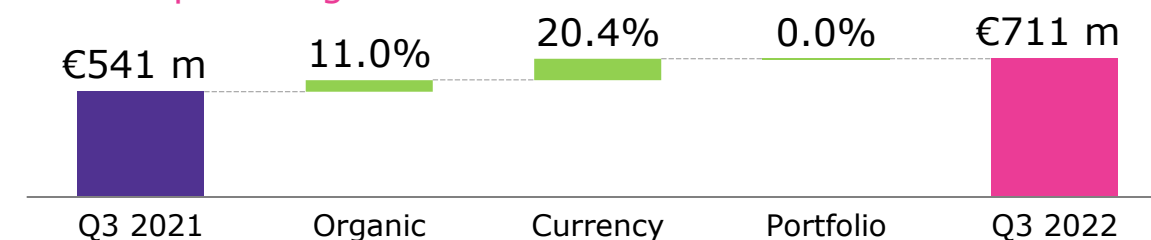
Comments

- Oncology up +25% org., driven by continued strong Bavencio® ramp-up (+51% org.) across regions as well as Erbitux® growth (+14% org.)
- Mavenclad® continued to grow +10% org., more than offsetting muted Rebif® decline -4% org. amid one-off channel dynamics and softer comps
- Established portfolio up +5% org. with solid CM&E performance of +6% org. and Fertility growth of +3% org.
- M&S declining in % of sales; absolute increase mainly driven by increasing activities and rise in physical congress attendance
- Lower absolute R&D level largely driven by LY bintrafusp termination provision partly offset by unfavorable FX effects
- Strong organic EBITDA pre with profitable growth (+11%) supported by controlled cost development and one-off channel dynamics with low- to mid double-digit € million contribution

Net sales bridge



EBITDA pre bridge



Electronics Q3: Semi Solutions offsetting significant decline in Display amid softening markets

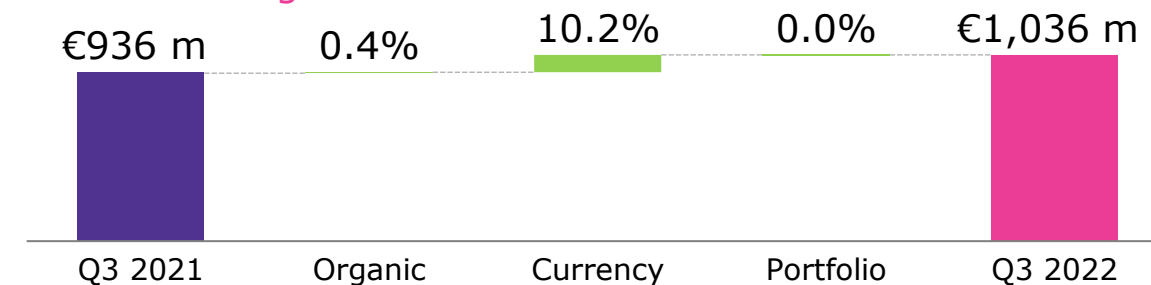
Electronics P&L

[€m]	IFRS		Pre	
	Q3 2021	Q3 2022	Q3 2021	Q3 2022
Net sales	936	1,036	936	1,036
M&S*	-147	-173	-145	-172
Admin	-39	-33	-28	-32
R&D	-72	-78	-72	-78
EBIT	125	144	163	162
EBITDA	277	294	-	-
EBITDA pre	297	302	297	302
(in % of net sales)	31.7%	29.1%	31.7%	29.1%

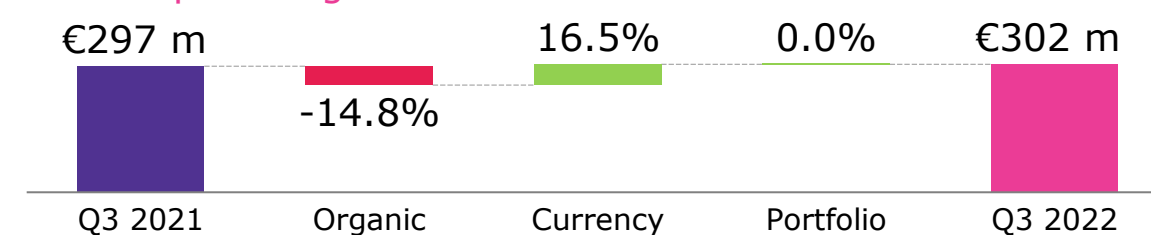
Comments

- Semiconductor Solutions: +15% org. growth fueled by high teens growth in Materials; DS&S large project business now included in comps
- Display Solutions: down -32% organically, driven by high decline in Liquid Crystals (amplified by lower utilization across customers)
- Surface Solutions: +4% org. growth driven by strong coatings and cosmetics business, more than offsetting softer industrials

Net sales bridge



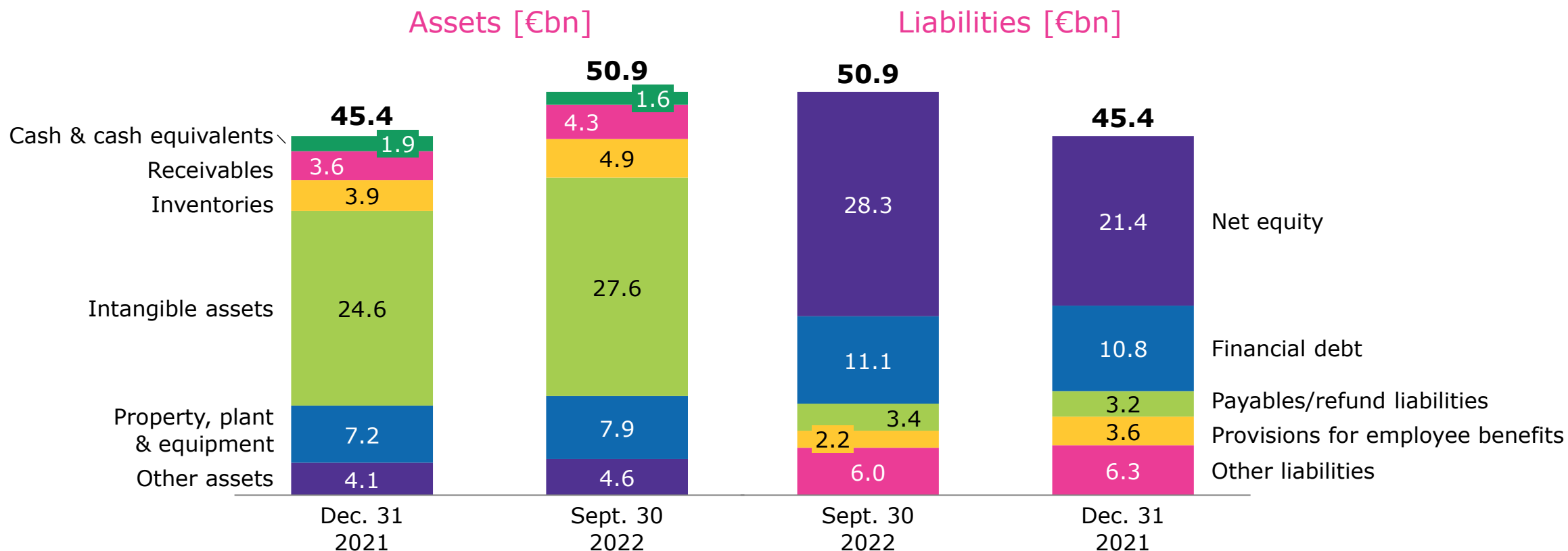
EBITDA pre bridge



- M&S slightly up as a % of sales, mainly due to higher logistics cost
- R&D increase in line with sales growth, largely driven by FX; investments continue to focus on future growth of Semi Materials
- Organic EBITDA pre decline primarily driven by Display Solutions amid inflationary pressures (raw materials, energy & logistics) and capacity ramp-up for future growth; Semi margins remain intact



Balance sheet



- Lower cash level largely driven by temporary excess cash investment
- Receivables & inventories driven by strong sales, inflationary effects, higher safety stocks and FX
- Higher intangible assets driven by FX effects and Exelead acquisition
- Reduction in provisions for employee benefits driven by actuarial gains from higher interest rates
- Equity ratio up further to 56% (vs. 47% in 2021), driven by retained earnings, actuarial gains and translational FX effects



Cash flow statement

Q3 2022 – Cash flow statement

[€m]	Q3 2021	Q3 2022	Δ
Profit after tax	764	926	162
D&A	447	470	22
Changes in provisions	191	111	-80
Changes in other assets/liabilities	128	235	107
Other operating activities	18	-9	-27
Changes in working capital	-82	-181	-99
Operating cash flow	1,467	1,552	85
Investing cash flow	-638	-622	16
thereof Capex on PPE	-295	-385	-89
Financing cash flow	-1,131	-909	222

Cash flow drivers

- +21% profit after tax driven by strong performance in Life Science and Healthcare, further boosted by favorable FX and improved financial result
- Delta in changes in provisions from LY bintrafusp termination and lower LTIP¹ provision this year
- Delta in other assets & liabilities driven primarily by LY bintrafusp termination
- Delta in working capital driven primarily by inventories while receivables and payables balance out
- Higher capex on PPE driven by capacity expansion in key portfolios
- Financing cash flow reflects higher net repayment of LY financial liabilities



03

outlook & guidance



Group

Full-year 2022 guidance

Net sales:

Organic: +6% to +8% YoY
FX: 5% to 8% YoY
~€22.00 – €22.90 bn

EBITDA pre:

Organic: +5% to +9% YoY
FX: 6% to 10% YoY
~€6.80 – €7.20 bn

EPS pre:

~€9.90 – €10.70



2022 business sector guidance¹

Life Science



Net sales

- Organic: +7% to +10%; FX: 5% to 8% YoY
- ~€10,200 m to €10,700 m
- Strong core business, PS main growth driver
- COVID-19 sales of up to ~€450 m in PS and up to ~€250 m in LSS

EBITDA pre

- Organic: +8% to +11% YoY
- FX: 4% to 7% YoY
- ~€3,700 m to €3,900 m

Healthcare



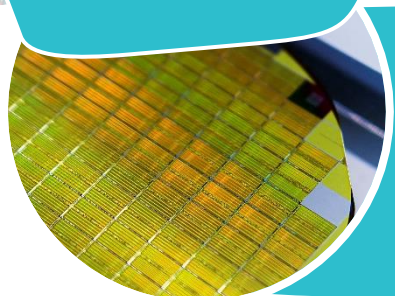
Net sales

- Organic: +4% to +7%; FX: 4% to 7%
- ~€7,700 m to €8,050 m
- Mainly driven by Mavenclad® and Bavencio®
- CM&E growing in the mid-single digits

EBITDA pre

- Organic: +3% to +5% YoY
- FX: 12% to 15% YoY
- ~€2,450 m to €2,550 m

Electronics



Net sales

- Organic: +2% to +5%; FX: 6% to 9%
- ~€4,000 m to €4,150 m
- Continuously strong Semiconductor Materials and DS&S amid first signs of market slowdown
- Display Solutions decline driven by significantly lower customer fab utilization post COVID-19

EBITDA pre

- Organic: -10% to -7% YoY
- FX: 13% to 16% YoY
- ~€1,190 m to €1,240 m



Appendix



Additional financial guidance 2022

Further financial details

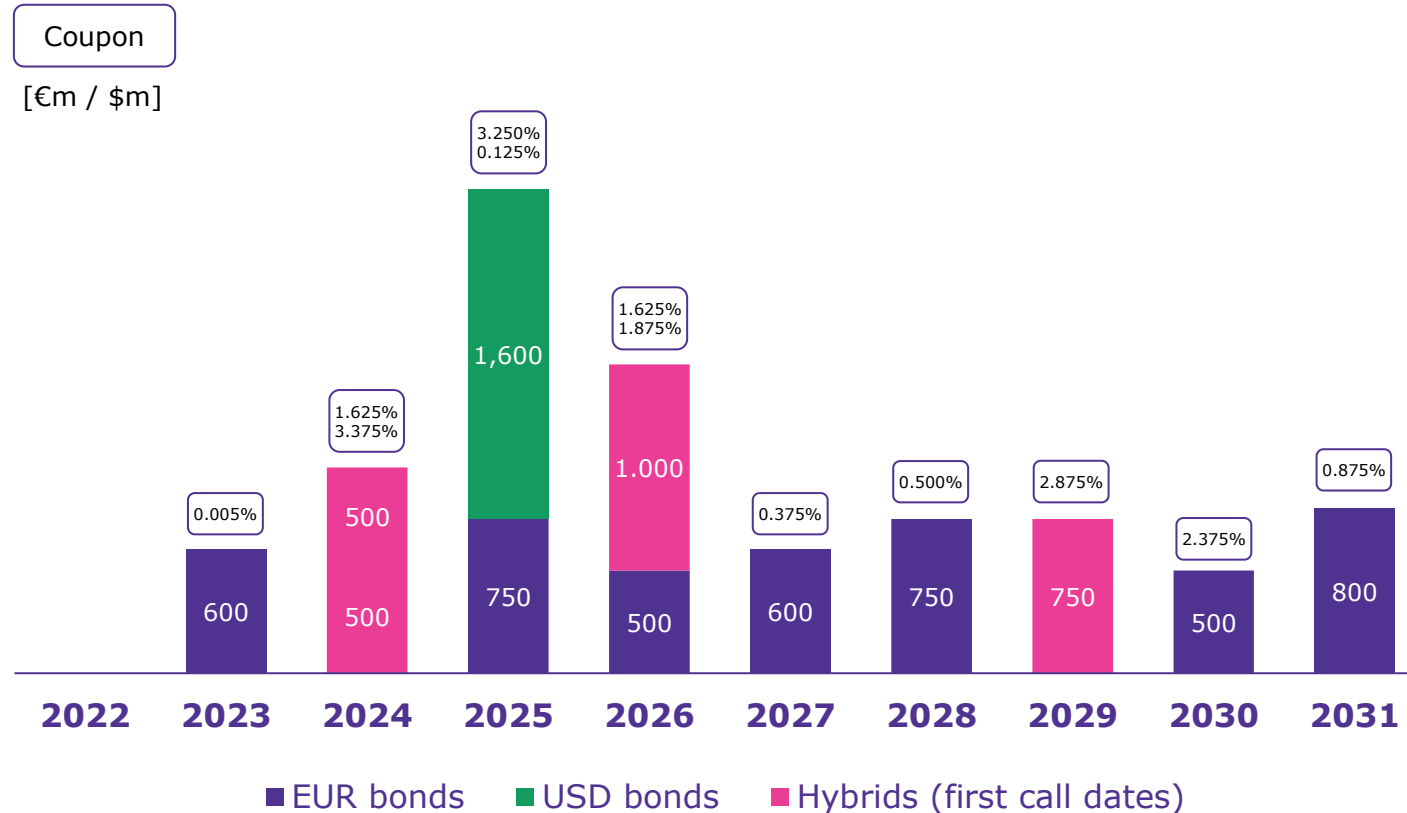
Corporate & Other EBITDA pre	~ -€570 m to -€600 m
Interest result	~ -€130 m to -€150 m
Effective tax rate	~22% to 24%
Capex on PPE ¹	~ €1.6 bn
Hedging/USD assumption	FY 2022 hedge ratio ~50% at EUR/USD ~1.16
2022 Ø EUR/USD assumption	~1.02 to 1.06

¹Based on gross additions to PPE on balance sheet (excl. leasing) in fiscal year to reflect planned Capex expansion more accurately



Credit details

Maturity profile as of September 30, 2022



Credit rating information

	LT Rating	Last LT Rating Change	Outlook	ST Rating
Moody's	A3	21.10.21	Stable	P-2
S&P Global	A	29.05.13	Stable	A-1
SCOPE	A-	26.07.16	Positive	S-1

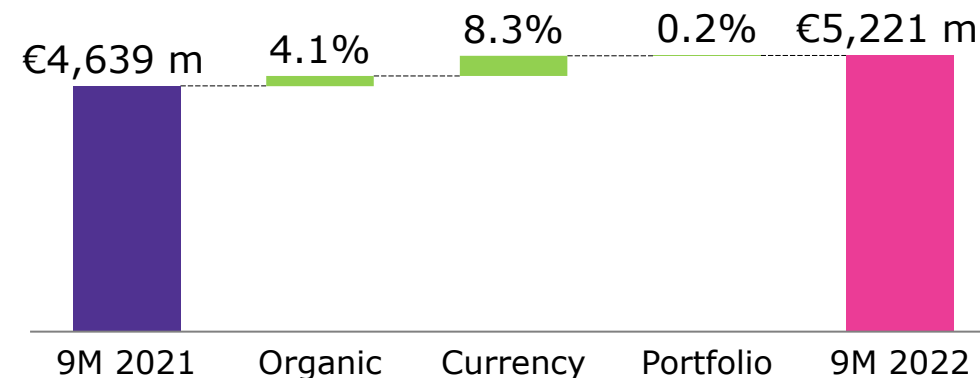


All three business sectors contribute to strong sales growth supported by FX effects

9M YoY Net Sales	Organic	Currency	Portfolio	Total
Life Science	9.6%	7.2%	0.9%	17.7%
Healthcare	5.5%	5.9%	0.0%	11.4%
Electronics	4.2%	8.4%	0.0%	12.6%
Group	7.2%	6.9%	0.4%	14.5%

- Life Science: +10% org. despite fading COVID-19 with broad-based performance across Process Solutions (+11% org.), Science & Lab Solutions (+7% org.), Life Science Services (+17% org.)
- Healthcare growing +6% org., strongly driven by Oncology, Mavenclad[®] and CM&E business
- +17% org. in Semiconductor Solutions and +2% in Surface Solutions more than offset significant decline in Display

9M YoY EBITDA pre



- EBITDA pre growing 4% org. despite inflationary pressures and tough comps in Healthcare
- Life Science remains primary EBITDA pre growth driver throughout 9M 2022
- Significant FX tailwinds mainly from USD and CNY contribute to EBITDA pre growth and support margin



9M 2022: Overview

Key figures

[€m]	9M 2021	9M 2022	Δ
Net sales	14,474	16,572	14.5%
EBITDA pre	4,639	5,221	12.6%
Margin (in % of net sales)	32.0%	31.5%	-0.5pp
EPS pre	6.66	7.73	16.1%
Operating cash flow	3,571	3,244	-9.2%

[€m]	Dec. 31, 2021	Sept. 30, 2022	Δ
Net financial debt	-8,753	-9,215	5.3%
Working capital	4,207	5,640	34.1%
Employees	60,335	63,713	5.6%

Comments

- Sales up +14%, driven by strong organic performance and FX tailwinds
- Life Science fuels organic EBITDA pre growth, boosted by FX
- EPS pre growth driven by EBITDA pre contribution & better financial result
- Net financial debt increases, mainly driven by temporary investment of excess cash
- Operating cash flow decline driven by working capital (favorable phasing in LY payables and higher inventories), further amplified by FX & higher LY provisions



9M 2022: Reported figures

Reported results

[€m]	9M 2021	9M 2022	Δ
EBIT	3,140	3,585	14.2%
Financial result	-208	-136	-34.4%
Profit before tax	2,932	3,448	17.6%
Income tax	-673	-768	14.1%
<i>Effective tax rate (%)</i>	23.0%	22.3%	-0.7pp
Net income	2,253	2,671	18.6%
EPS (€)	5.18	6.14	18.5%

Comments

- EBIT up 14%, organically driven mainly by strong Life Science business performance
- Improved financial result primarily from ongoing repayment of liabilities and, according lower interest expense
- Effective tax rate within guidance range of ~24-22%
- Higher net income and EPS reflect higher EBIT, improved financial result



Life Science 9M: Strong YTD performance with >€600m org. net sales growth, mainly driven by Process Solutions

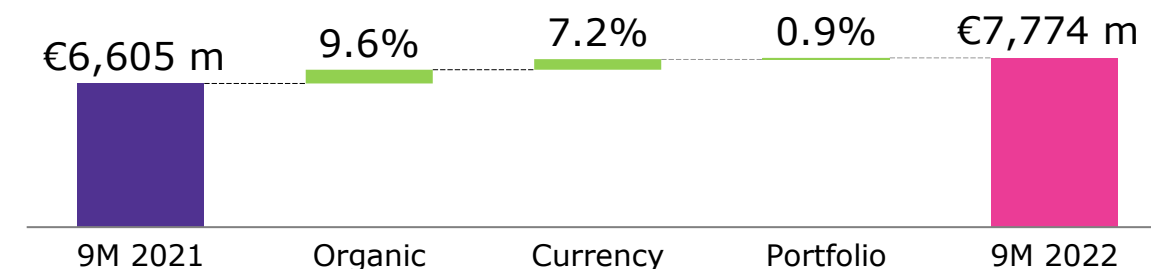
Life Science P&L

[€m]	IFRS		Pre adjustments	
	9M 2021	9M 2022	9M 2021	9M 2022
Net sales	6,605	7,774	6,605	7,774
M&S*	-1,535	-1,795	-1,532	-1,779
Admin	-267	-306	-242	-280
R&D	-250	-292	-250	-292
EBIT	1,851	2,208	1,877	2,286
EBITDA	2,421	2,833	-	-
EBITDA pre	2,446	2,909	2,446	2,909
(in % of net Sales)	37.0%	37.4%	37.0%	37.4%

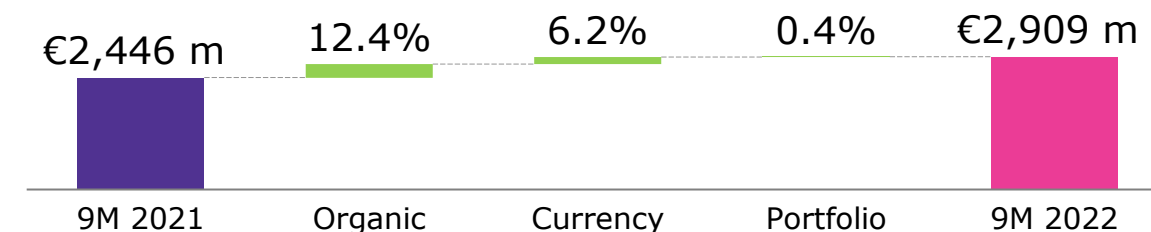
Comments

- Process Solutions: +11% org. growth, reflecting excellent core business performance (>+20%), esp. bioprocessing with lead times improving; COVID-19 business declining as anticipated
- Science & Lab Solutions: growing +7% organically across majority of the portfolio, supported by positive pricing and robust demand
- Life Science Services: +17% org. growth with double-digit growth in contract testing and CDMO, further supported by COVID tailwinds
- About stable M&S as a % of sales (~23%); largest organic driver of absolute increase are logistics costs, further elevated by FX
- R&D about stable in % of sales, reflecting ongoing investments in strategic projects, e.g. intensified and continuous bioprocessing
- 9M 2022 EBITDA pre margin elevated above 37% despite significant growth investments and inflationary pressures; supported by positive pricing, operating leverage and favorable product mix in core business

Net sales bridge

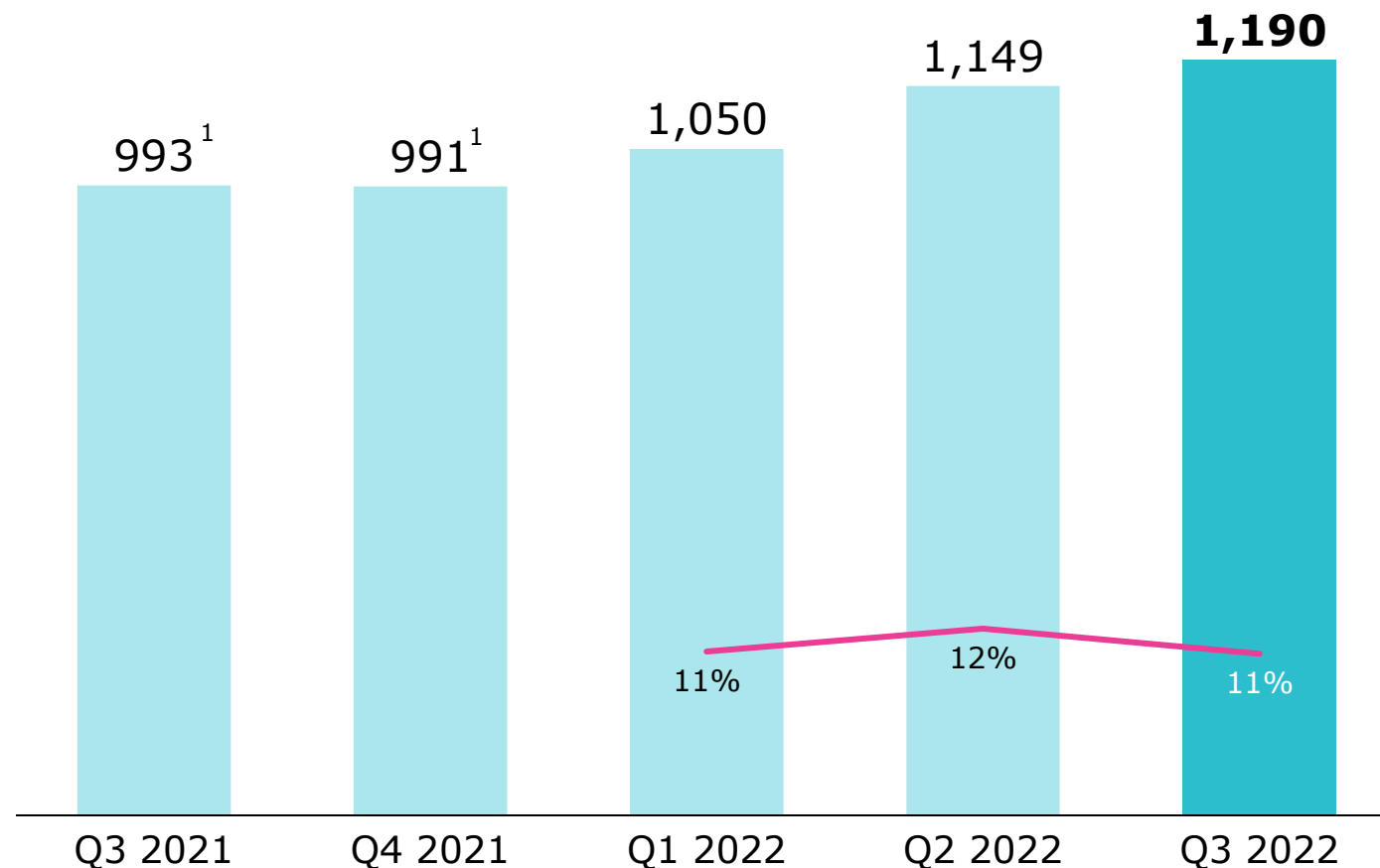


EBITDA pre bridge



Process Solutions: Double-digit growth despite fading COVID-19 demand

Sales development [€m] - org. growth [%]



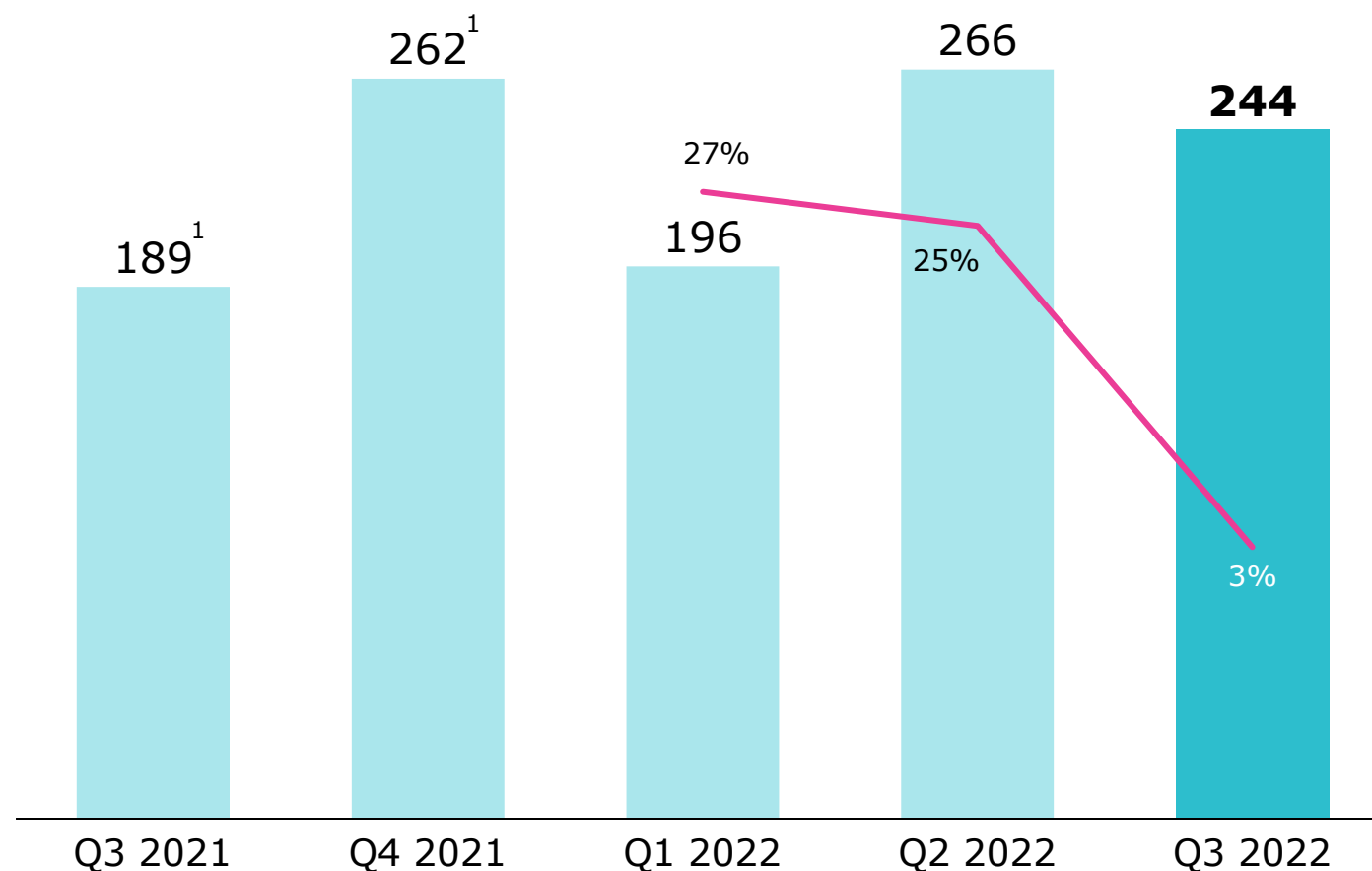
- **Further acceleration of core business** (+31%) drives double-digit organic sales growth in Q3
- As expected, **COVID-19 sales significantly down YoY**, sequentially about stable
- **Core business expected to normalize in Q4 and into next year**, with COVID-19 related business still declining
- **Strong growth in Bioprocessing** more than offsetting decline in Process & Formulation Materials (due to COVID-19)
- Sales up sequentially amid **ongoing capacity expansions; lead times improving further**
- **All regions growing** with NA as main growth driver, followed by Europe
- Order intake declining against tough comps and **book-to-bill slightly below 1, order book remains healthy**

¹2021 figures have been adjusted owing to the reorganization of the LS business sector as well as to product reallocations between the Life Science and Electronics business sectors.



Life Science Services: Near-term volatility but mid-term prospects intact

Sales development [€m] - org. growth [%]



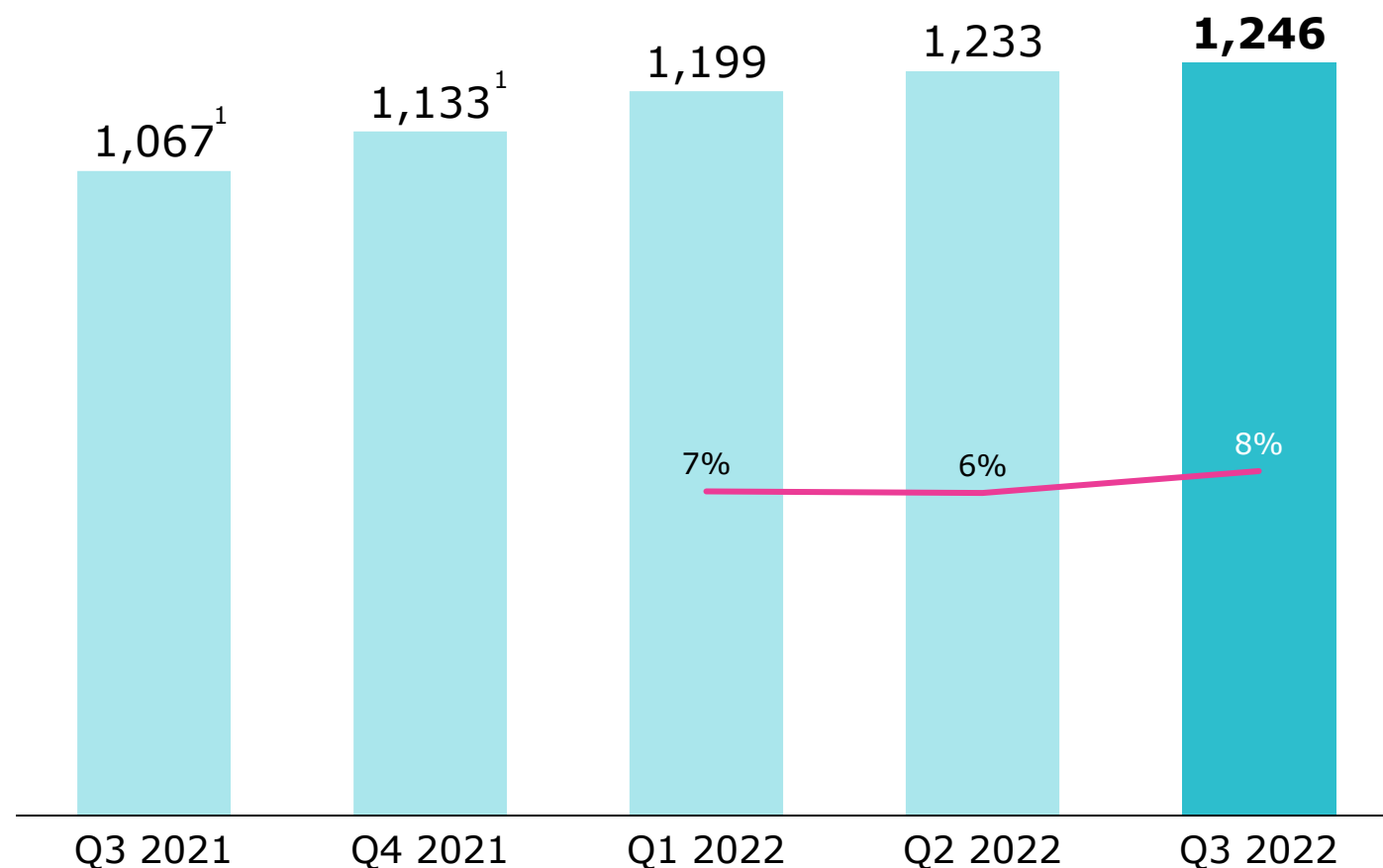
- **Core business down** in Q3 amid tough comps and **near-term volatility in CDMO**, esp. unfavorable batch phasing and attrition in clinical pipelines of customers
- **COVID-19 business growing** YoY and also up QoQ due to order phasing
- **Double-digit growth in contract testing** more than offsetting temporary revenue dip in CDMO
- **CDMO mid-term prospects remain compelling** despite near-term volatility, supported by dynamic early-stage customer wins
- **Almost all regions growing** with NA as largest contributor to growth

¹2021 figures have been adjusted owing to the reorganization of the LS business sector as well as to product reallocations between the Life Science and Electronics business sectors.



Science & Lab Solutions: Strong and broad-based growth continuing

Sales development [€m] - org. growth [%]



- **Strong core business** drives high single-digit growth in Q3, supported by pricing and slight pull-forward effects ahead of pricing round
- **COVID-19 business waning**, down YoY and QoQ amid lower diagnostics demand
- **Positive pricing** and **strong operational performance** across the board
- Almost all franchises growing; **double-digit growth in BioMonitoring and Lab Water**
- **Growth in all regions** with APAC as key driver, supported by China recovery

¹2021 figures have been adjusted owing to the reorganization of the LS business sector as well as to product reallocations between the Life Science and Electronics business sectors.



Healthcare 9M: Bavencio® & Mavenclad® fuel organic growth

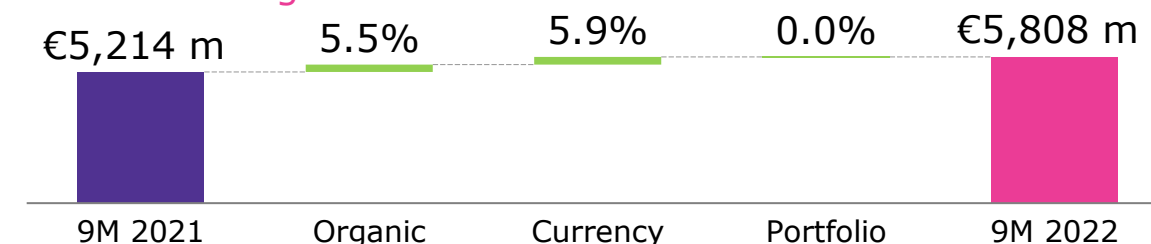
Healthcare P&L

[€m]	IFRS		Pre	
	9M 2021	9M 2022	9M 2021	9M 2022
Net sales	5,214	5,808	5,214	5,808
M&S*	-1,147	-1,205	-1,140	-1,202
Admin	-229	-236	-223	-227
R&D	-1,317	-1,229	-1,315	-1,201
EBIT	1,399	1,499	1,429	1,622
EBITDA	1,627	1,811	-	-
EBITDA pre	1,655	1,844	1,655	1,844
(in % of net sales)	31.7%	31.7%	31.7%	31.7%

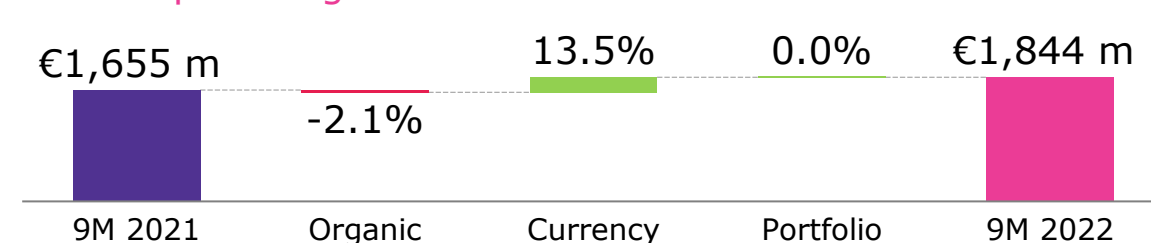
Comments

- Oncology up +19% org., driven by Bavencio® growth of +74% org.; slight Erbitux® increase of +4% org. against elevated comps (Eli Lilly)
- Mavenclad® growth of +19% org., primarily driven by Europe, largely offsetting muted Rebif decline of -13% org.
- Established portfolio flat org. amid elevated comps (last year's temporary supply agreement with Eli Lilly +€49 m). Solid CM&E performance of +4% org. in line with mid-term guidance
- M&S declining in % of sales; absolute increase mainly driven by increasing activities and rise in physical congress attendance
- Lower R&D in absolute terms from winding down bintrafusp studies, partly offset by ramping up evobrutinib and xevinapant activities and reloading pipeline with early-stage assets
- Slight EBITDA pre org. decline, due to lower non-recurring income in Q1 (~€50 m Bavencio® milestones)

Net sales bridge

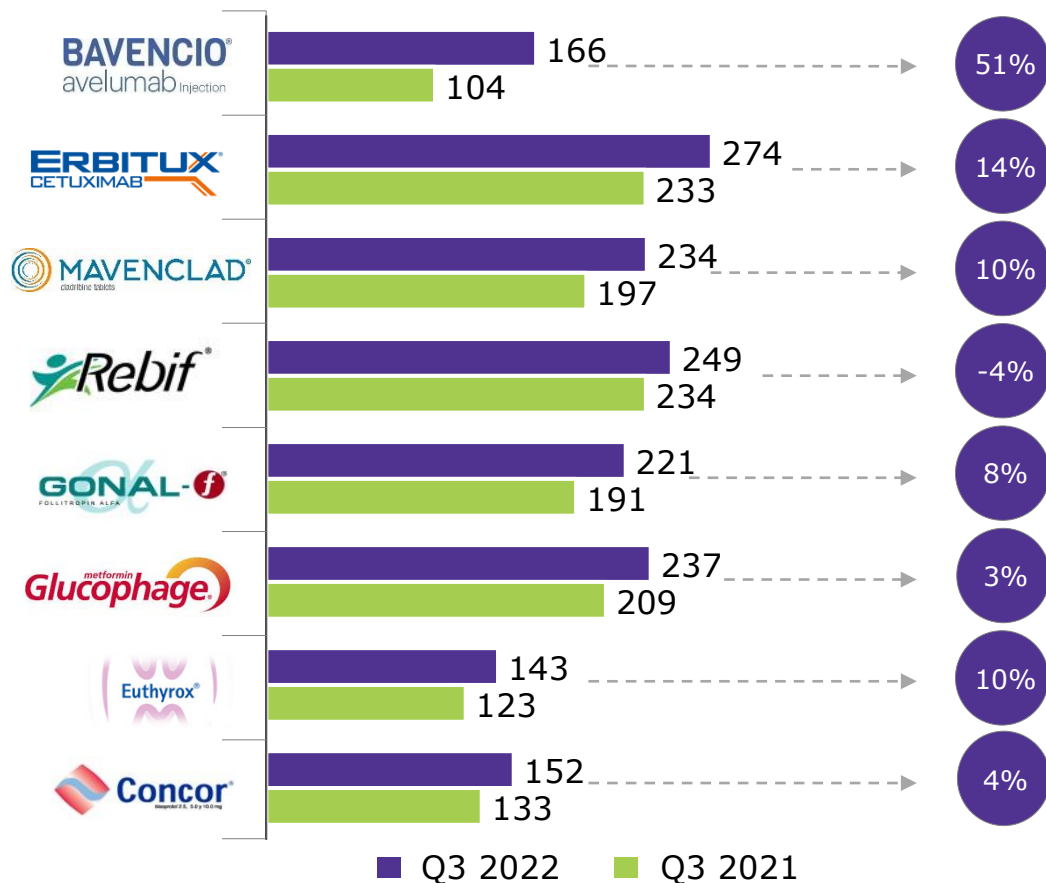


EBITDA pre bridge

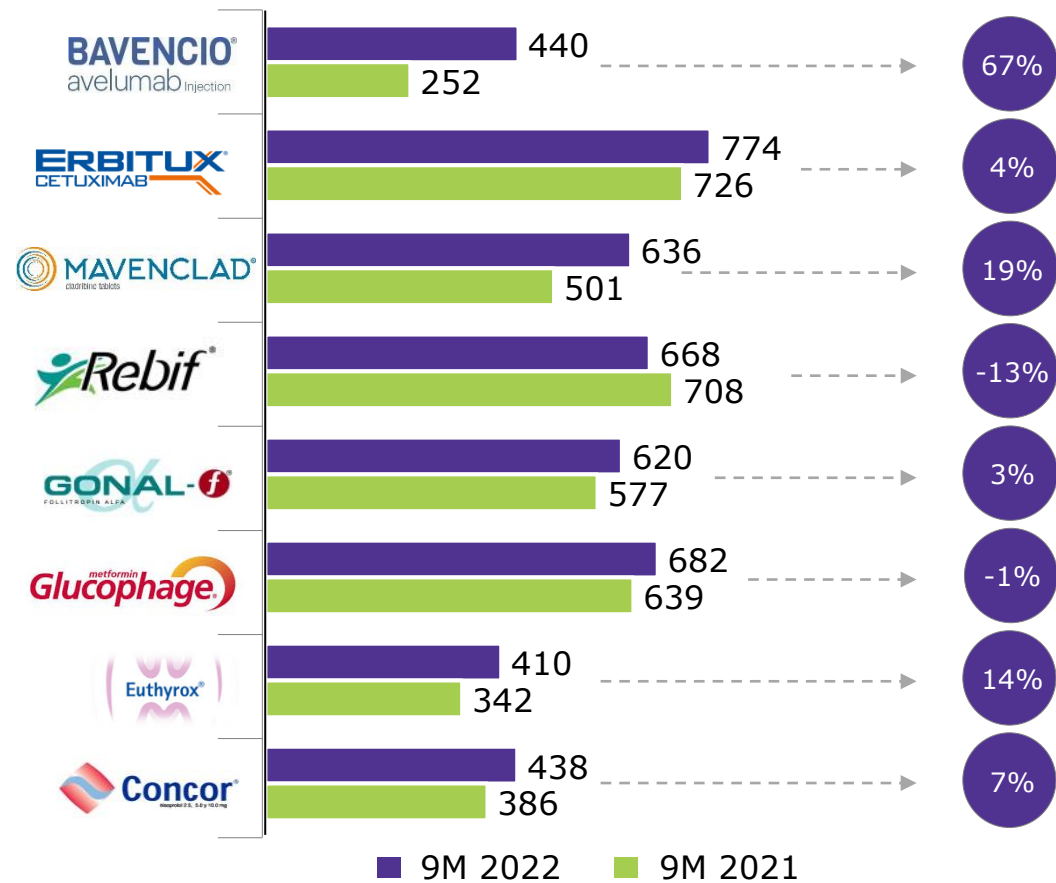


Healthcare organic growth by franchise/product

Q3 2022 organic sales growth [%]
by key product [€m]

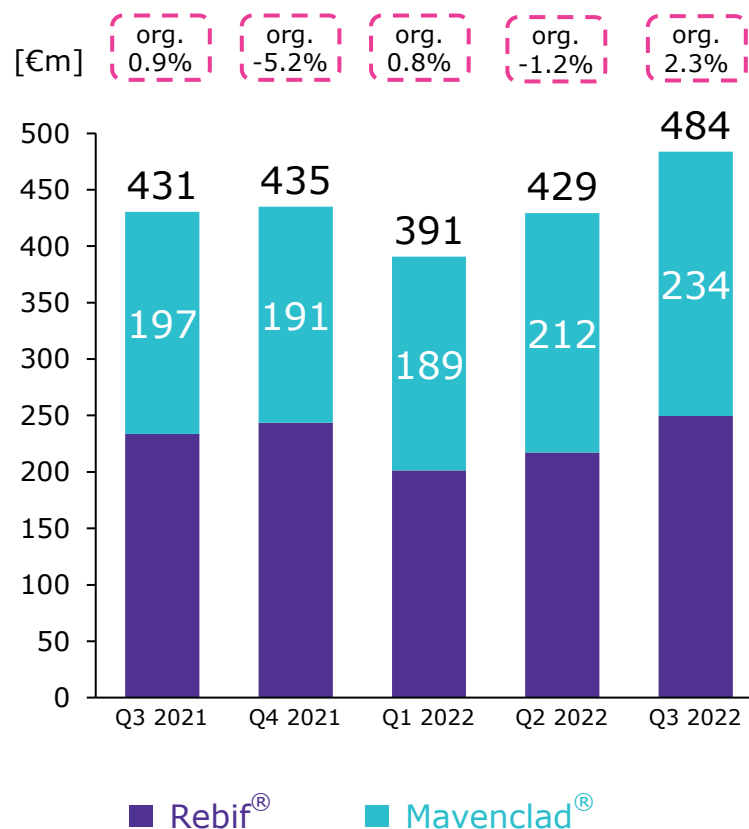


9M 2022 organic sales growth [%]
by key product [€m]

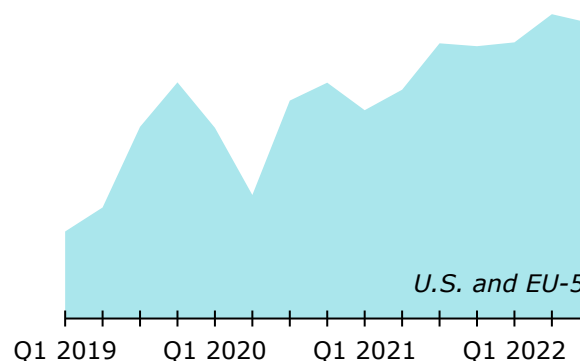


Neurology & Immunology: Q3 Mavenclad® sales up +10% org. and muted Rebif decline drive franchise growth of +2.3% org.

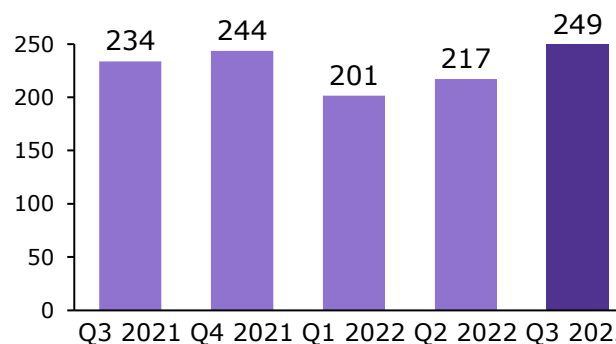
Sales development N&I, [€m]



Mavenclad® Y1+Y2 patients¹



Rebif® net sales, [€m]



- Mavenclad® continues to be most prescribed oral HE drug in U.S. and EU-4 in dynamic market segment²
- Early launch market data suggests only ~5% patients switched treatment within 4 years of initiation³

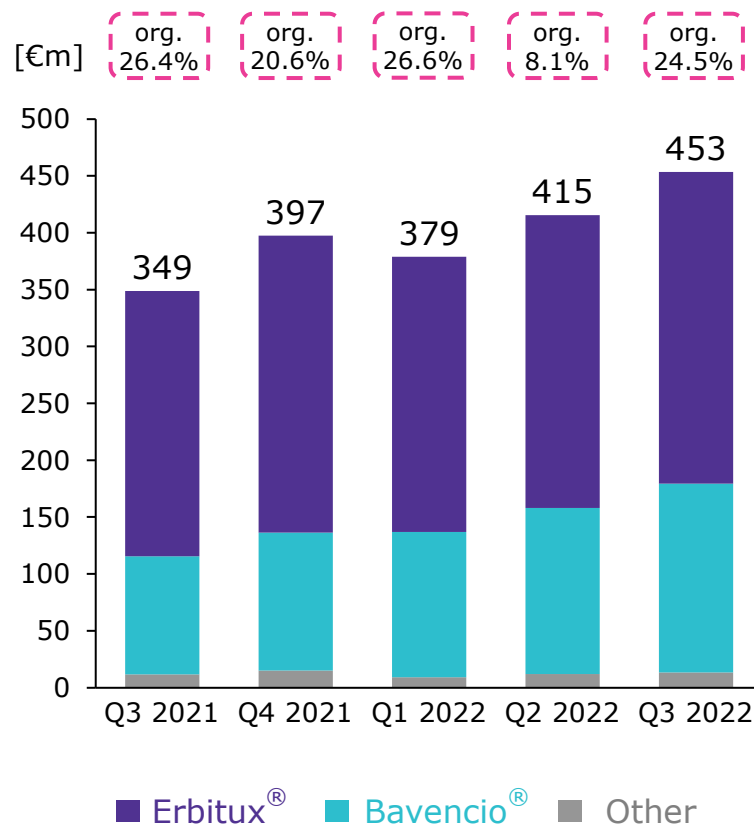
- Muted Rebif® sales decline in Q3 due to one-off channel dynamics and lower comps
- Rebif® decline in line with interferon market trend, increased shift from platform to HE therapies

¹ Number of Year-1 and Year-2 patients in U.S. and EU-5 per quarter. Based on IQVIA and internal validation; ² Based on IQVIA and Stethos dynamic market data; ³ECTRIMS 2022 – CLARENCE Study poster presentation, IQVIA
Acronyms: HE = High Efficacy

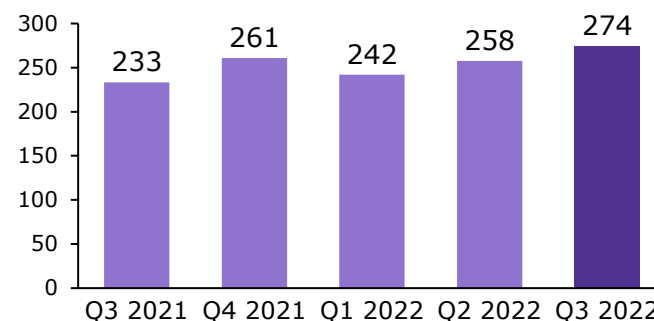


Oncology: +24.5% org. growth driven by continued Bavencio® mUC 1L ramp-up and record quarterly Erbitux® sales

Sales development Oncology, [€m]

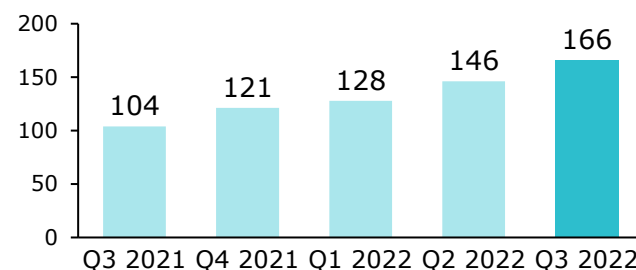


Erbitux® net sales, [€m]



- Growth across all regions, double-digit in China post Erbitux SCCHN¹ NRDL² inclusion Jan. 2022
- mCRC market share gain in 1L & 2L (combo with Braftovi)

Bavencio® net sales, [€m]



- Continued strong growth momentum of +51.0% org.
- Increased penetration in maintenance setting
- ~14% QoQ growth driven by mUC 1L launch ramp-up in EU, supported by continued growth in the U.S. and Japan

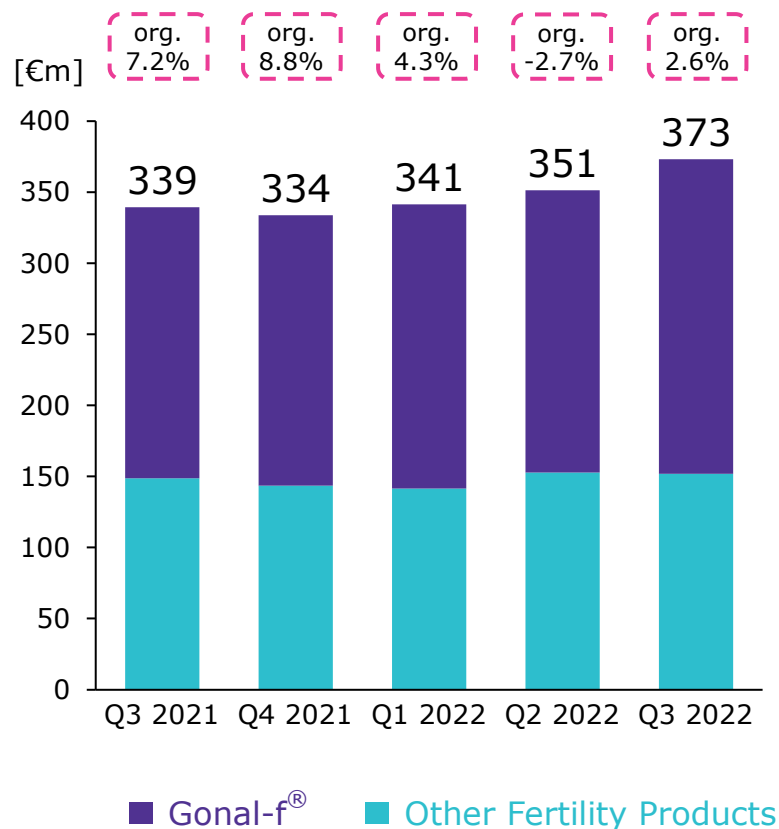
¹SCCHN = Squamous cell carcinoma of the head and neck

²NRDL = National Reimbursement Drug List

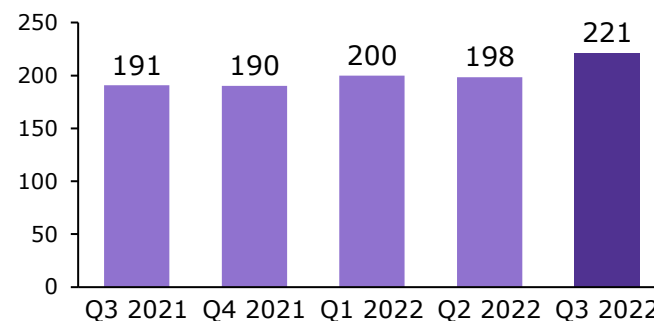


Fertility: Growth of +2.6% amid fading impact of lockdowns in China

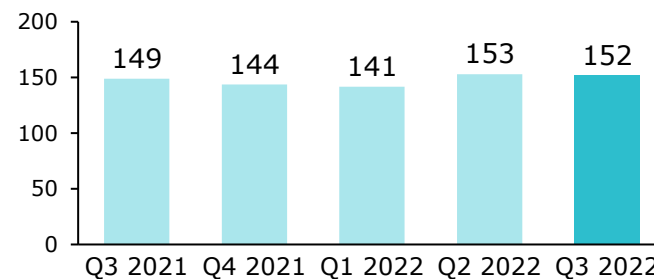
Sales development Fertility, [€m]



Gonal-f® net sales, [€m]



Other Fertility net sales, [€m]

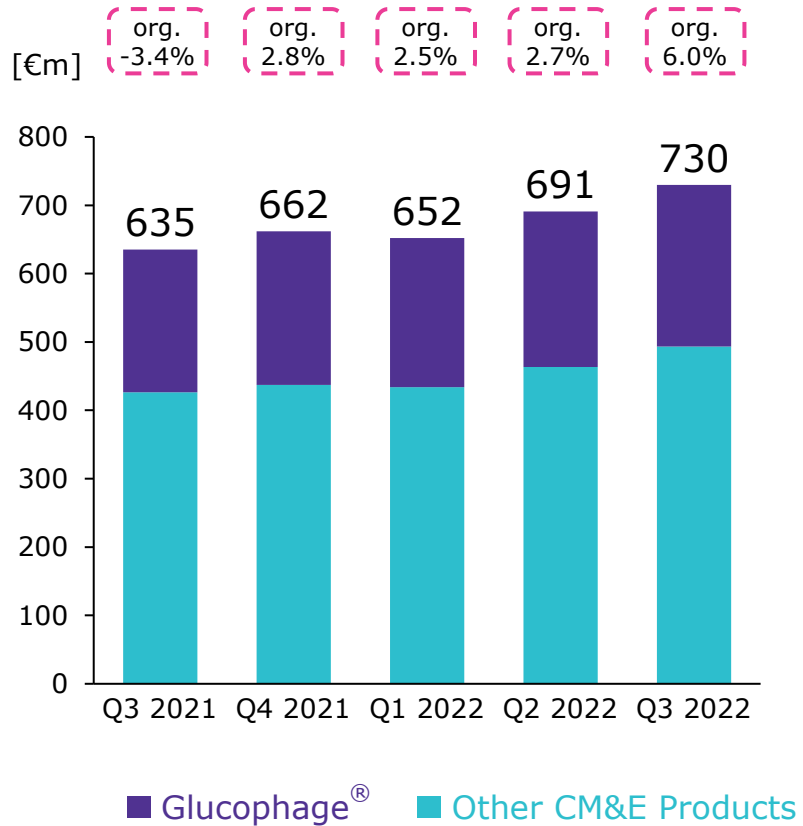


- Early recovery in China in Q3
- Confidence in mid-term mid-single digit CAGR, short-term slightly elevated volatility amid global economic uncertainties
- ESG: Further improving carbon footprint with "Slim Pack" rollout to second manufacturing site

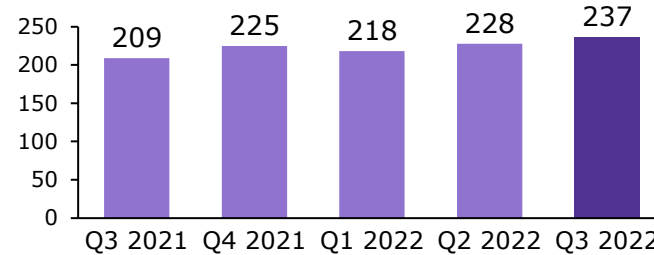


CM&E: Growth of +6.0%, supported by strong Euthyrox[®] and Saizen[®] sales

Sales development CM&E, [€m]

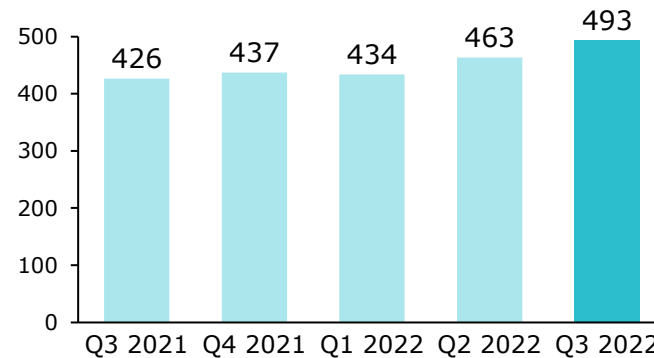


Glucophage[®] net sales, [€m]



- Glucophage[®] organic growth of +3.1% further boosted by +10.1% FX tailwinds
- Slight org. sales growth in China driven by increased market penetration

Other CM&E net sales, [€m]

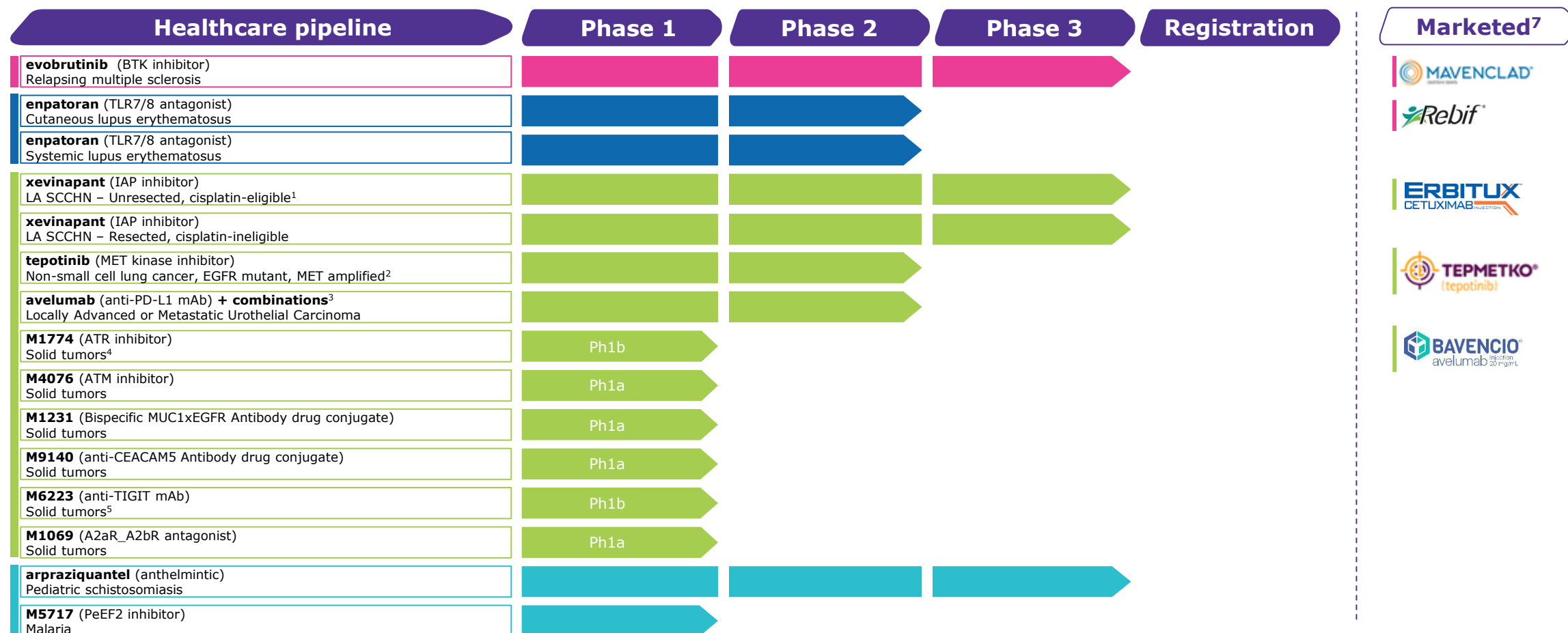


- Other CM&E portfolio growth driven by Euthyrox[®] +10.7% and Saizen[®] +12.3% as a result of strong demand evolution in Emerging Markets



Company pipeline

November 10, 2022



■ Neurology ■ Immunology ■ Oncology ■ Global Health >>> Asset entering new phase⁶ ➡ Current phase ■ Previous phase(s)

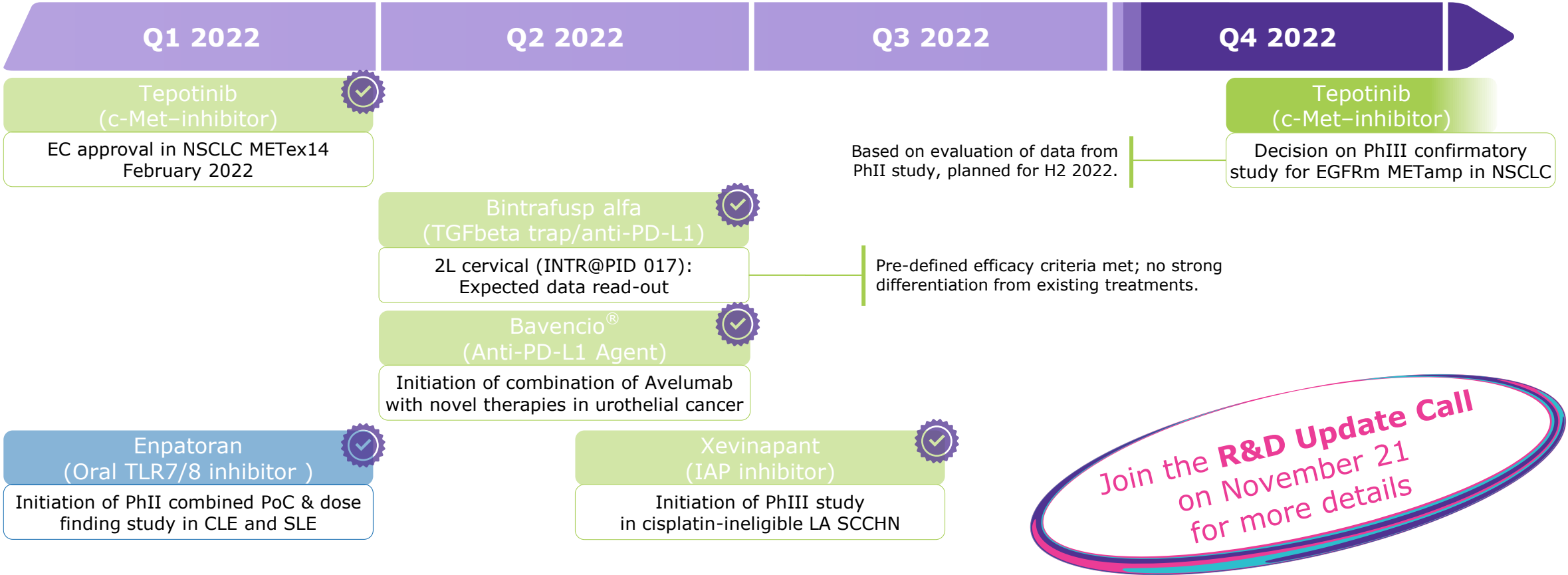
Ph1a: phase 1a, dose finding; Ph1b: phase 1b, dose escalation/expansion and signal seeking

¹ In combination with cisplatin and radiotherapy in unresected LA SCCN patients eligible for cisplatin. ² In combination with osimertinib. ³ Combinations include Sacituzumab Govitecan, NKTR-255 and M6223. ⁴ Study as monotherapy and in combination with niraparib and M4076 ATMi. ⁵ Includes combinations other than avelumab. ⁶ Registered study with open enrollment; subjects may not yet be enrolled. ⁷ Marketed products for information only.

Unless noted otherwise, clinical programs conducted in collaboration with external partners are not shown unless Merck KGaA, Darmstadt, Germany has co-ownership of data. In such cases the indication is shown in italics.



Healthcare catalysts



■ Oncology ■ Immunology

Acronyms: LA = locally advanced, SCCHN = squamous cell carcinoma of the head and neck, NSCLC = non-small cell lung cancer, TLR = toll-like receptor



Electronics 9M: Double-digit year-on-year sales growth in Semi Solutions more than offsets Display softness

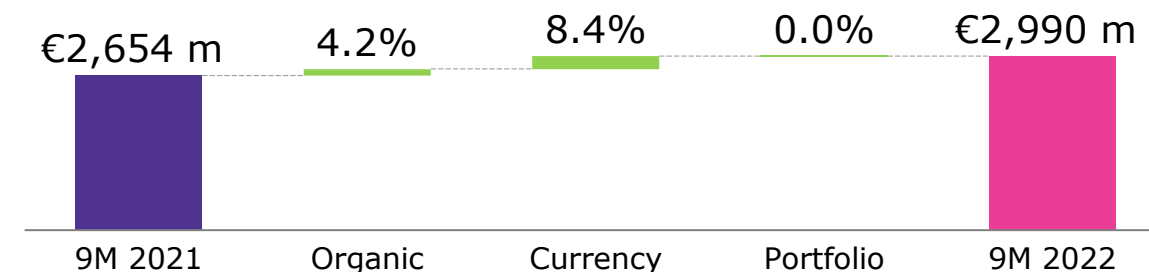
Electronics P&L

[€m]	IFRS		Pre adjustments	
	9M 2021	9M 2022	9M 2021	9M 2022
Net sales	2,654	2,990	2,654	2,990
M&S*	-419	-491	-417	-490
Admin	-103	-94	-89	-91
R&D	-205	-227	-204	-226
EBIT	369	438	434	477
EBITDA	788	855	-	-
EBITDA pre	828	884	828	884
(in % of net Sales)	31.2%	29.6%	31.2%	29.6%

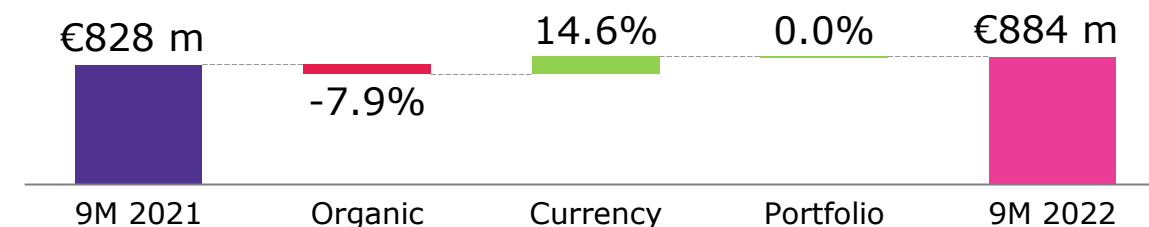
Comments

- Semiconductor Solutions: growing 17% org. YTD; strong underlying demand for materials further supported by favorable DS&S phasing
- Display Solutions: declining -20% org. YTD, almost entirely related to LC materials due to continued volume declines in overall LC markets and reduced fab utilization
- Surface Solutions: +2% org. YTD growth; higher demand in Cosmetics and Coatings compensating for weaker Industrials
- M&S around stable as a % of sales (~16%); while logistics cost are increasing significantly
- R&D 9M around stable as a % of sales (~8%) primarily driven by investments in Semi Solutions
- EBITDA pre margin decrease (-1.6% vs 2021) driven primarily by significant Display decline further intensified by higher material, energy and logistic costs; Semi margins remain intact

Net sales bridge

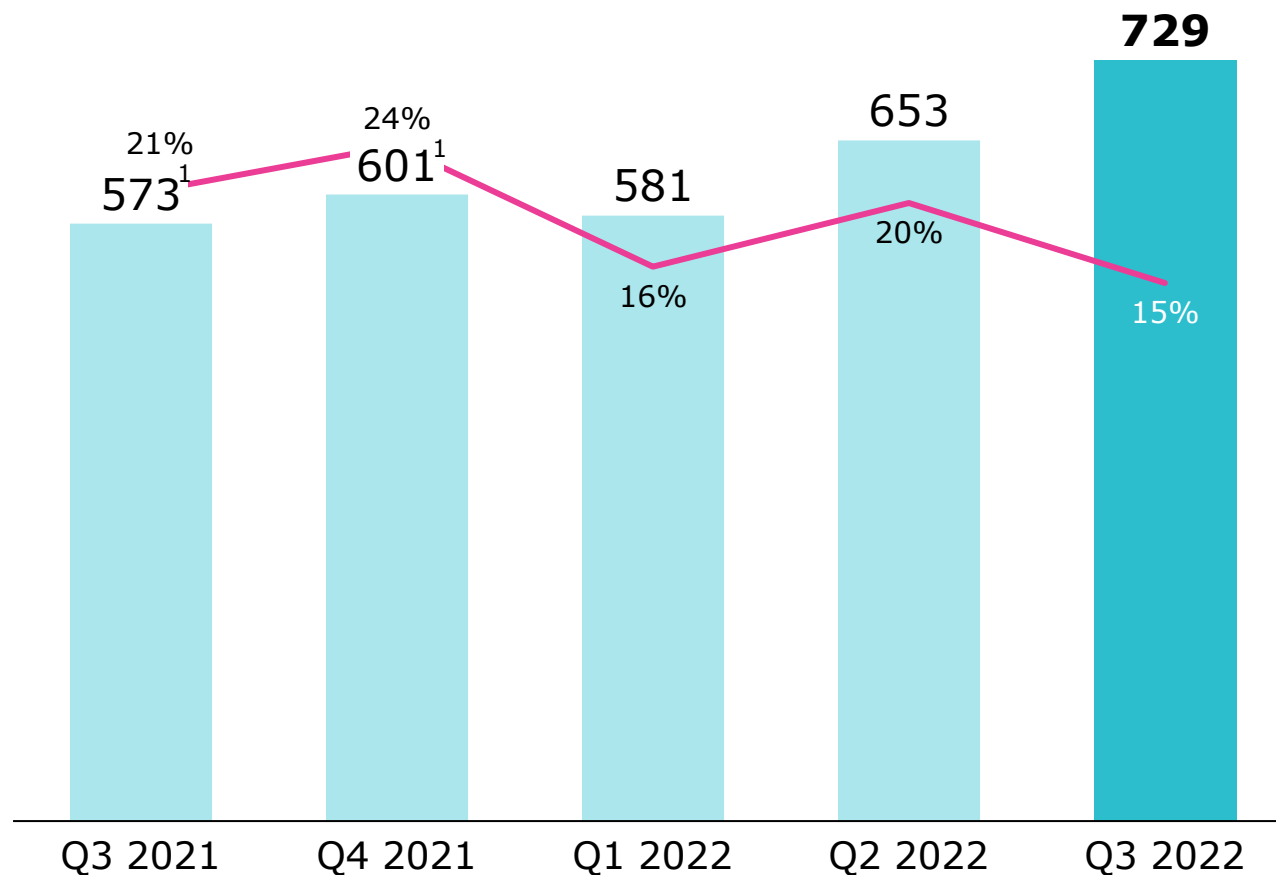


EBITDA pre bridge



Semiconductor Solutions continues to drive top-line growth in Electronics with another record quarter and teens growth amid softening market

Sales development [€m] - org. growth [%]



- **Another strong quarter** for Semiconductor Solutions amid first signs market slowdown
- **Semiconductor Materials** again biggest contributor in absolute terms with high-teens org. growth rate
- Double-digit organic growth in **all materials categories**
- **DS&S project business** with high single-digit growth rate despite large projects now in comps & expected large project phasing shifting to 2023

¹Prior-year figures have been adjusted due to product reallocations between Life Science and Electronics as well as between Process Solutions and Research Solutions. Prior year growth rates as previously shown, not reflecting product reallocations.



Cash flow statement

9M 2022 – cash flow statement

[€m]	9M 2021	9M 2022	Δ
Profit after tax	2,258	2,680	421
D&A	1,294	1,432	138
Changes in provisions	246	-41	-287
Changes in other assets/liabilities	72	34	-37
Other operating activities	40	-33	-72
Changes in working capital	-338	-828	-490
Operating cash flow	3,571	3,244	-327
Investing cash flow	-1,226	-2,497	-1,271
thereof Capex on PPE	-860	-1,051	-192
Financing cash flow	-2,184	-1,057	1,127

Cash flow drivers

- +19% profit after tax growth driven by strong business performance in Life Science, further boosted by favorable FX and improved financial result
- Delta in changes in provisions from lower LTIP¹ and last year's litigation provisions
- Delta in working capital driven by Q1 payables phasing (~ +€300 m in Q1 2021) and higher inventories from inflationary effects, higher safety stocks and goods in transit
- Higher investing cash flow reflects Exelead acquisition and temporary investment of excess cash
- Financing cash flow impacted primarily by new bond issuance



Adjustments in Q3 2022

Adjustments in EBIT

[€m]	Q3 2021		Q3 2022	
	Adjustments	thereof D&A	Adjustments	thereof D&A
Life Science	18	0	41	0
Healthcare	9	0	29	0
Electronics	38	18	18	10
Corporate & Other	11	1	30	0
Total	76	19	118	11



Adjustments in 9M 2022

Adjustments in EBIT

[€m]	9M 2021		9M 2022	
	Adjustments	thereof D&A	Adjustments	thereof D&A
Life Science	26	0	78	1
Healthcare	30	3	124	91
Electronics	65	25	40	11
Corporate & Other	114	1	67	0
Total	235	30	309	103





Financial Calendar

Date	Event
March 2, 2023	Q4 2022 Earnings release
April 28, 2023	Annual General Meeting
May 11, 2023	Q1 2023 Earnings release
August 3, 2023	Q2 2023 Earnings release
November 9, 2023	Q3 2023 Earnings release



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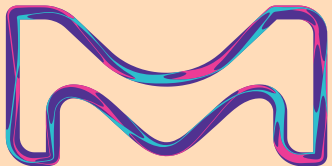


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