

News Release

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Merck KGaA, Darmstadt, Germany, off to a Good Start in Fiscal 2024

Financial results of Q1 2024

- **Healthcare with strong performance**
- **Electronics increases sales and earnings organically, driven by higher demand for semiconductor materials**
- **Inventory destocking in Life Science continues; sales recovery expected in the second half of the year**
- **Net sales down organically by 1.2% to € 5.1 billion**
- **EBITDA pre decreases organically by 5.2% to € 1.5 billion**

Forecast for fiscal 2024

- **Qualitative guidance confirmed with Group returning to organic growth**
- **Net sales: in a range of € 20.6 billion to € 22.1 billion, organically +1% to +5%**
- **EBITDA pre: in a range of € 5.7 billion to € 6.3 billion, organically +1% to +7%**

Darmstadt, Germany, May 15, 2024 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, has had a good start to fiscal 2024. The Healthcare business sector performed strongly. Electronics also delivered solid organic sales growth, mainly driven by Semiconductor Solutions. Life Science



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recorded sales and earnings declines compared with the particularly high base of the year-earlier quarter.

In the first quarter of 2024, thanks to the sound business performance and compared with the high base of the first quarter of 2023, Group sales decreased by only 3.3% (organically: -1.2%) to € 5,120 million. Foreign exchange effects, mainly from the Chinese renminbi, had a negative impact of 2.0% on the sales development. EBITDA pre fell by 8.4% (organically: -5.2%) to € 1,454 million. Negative foreign exchange effects impacted EBITDA pre by 3.2%. The EBITDA pre margin was 28.4% in the first quarter of 2024 and earnings per share pre were € 2.06.

“We had a good start to the year and gained initial momentum in the first quarter of 2024, once again benefiting from our diversified business model,” said Belén Garijo, Chair of the Executive Board and CEO of Merck KGaA, Darmstadt, Germany. “We expect acceleration in the second half of the year, especially in Life Science, and thus a gradual return to organic growth for the Group in fiscal 2024.”

Life Science: Decline in first quarter against high comparables, in line with expectation of a softer first half of the year

Net sales of the Life Science business sector declined organically by 12.6% against the particularly high base of the first quarter of 2023. Foreign exchange had a negative impact of 1.2% on the sales development. Overall, sales of the business sector decreased by 13.8% to € 2,144 million in the first quarter of 2024. The main reason for this was the continued inventory destocking by customers of Process Solutions. Net sales of this business unit declined organically by 19.0%. As a positive signal, order income in Process Solutions increased sequentially as well as year-on-year. The company expects customers to reach their target inventory levels by the end of the second quarter of 2024. However, due to the manufacturing and delivery times for products ordered by customers, this will significantly increase sales only in the second half of the year. In addition to inventory destocking, the phase-out of Covid-19-related demand was also a headwind for the business development of Life Science in the first quarter of 2024.

Compared with the high year-earlier figure, EBITDA pre of Life Science decreased organically by 30.3% and amounted to € 611 million. This was due, among other

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things, to the lower sales volume and the lower share of higher-margin products sold. The EBITDA pre margin of the business sector was 28.5%, a sequential increase against the 26.3% EBITDA pre margin in the fourth quarter of 2023.

Healthcare: Double-digit organic sales growth of “Wave 1” products, further supported by strong performance of established product portfolio

The Healthcare business sector performed strongly across all franchises in the first quarter of 2024 amid the market recovery in mainland China, where the year-earlier quarter had been adversely affected by the high rate of Covid-19 infections.

Sales of Healthcare rose organically by 10.1%. Including negative foreign exchange effects of 2.6%, sales increased overall by 7.5% to € 2,048 million. The “Wave 1” products Bavencio (+14.2%) and Mavenclad (+12.2%) achieved double-digit organic sales increases. The oncology drug Erbitux delivered very strong organic sales growth of 19.3%, boosted by the softer year-earlier comparables in mainland China. Net sales of the Fertility (+7.7%) and Cardiovascular, Metabolism & Endocrinology (+4.2%) franchises also rose organically.

EBITDA pre of Healthcare went up organically by 28.3% to € 708 million, supported by the [regaining of the exclusive worldwide rights to Bavencio](#) and strong sales momentum. The EBITDA pre margin was 34.6%.

Electronics: Positive start to the year, full market inflection still expected in the second half of the year

Electronics delivered solid organic sales growth of 6.3%. This was particularly driven by Semiconductor Solutions, the sector’s largest business unit, which grew organically by 7.8%. The main reason for this was increased demand for certain semiconductor materials, for example materials used for leading-edge logic chips. However, the Group does not yet view this as a general inflection point, since demand in other end markets remained soft. The other two business units, Display Solutions (+4.2%) and Surface Solutions (+1.8%), also recorded organic sales increases. Amid negative foreign exchange effects of 3.2%, sales of the Electronics business sector rose overall by 3.1% to € 928 million.

EBITDA pre increased organically by 3.9% compared with the year-earlier quarter. Due to negative foreign exchange effects of 4.2%, the earnings development saw a slight decline by 0.3% to € 237 million overall. The EBITDA pre margin of Electronics was 25.5%.

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Forecast for fiscal 2024: Qualitative guidance confirmed with Group returning to organic growth

In fiscal 2024, Merck KGaA, Darmstadt, Germany, expects to return to organic sales and earnings growth for the Group. In particular, the company assumes the following development, in line with its qualitative guidance provided in March 2024:

- Net sales: in a range of € 20.6 billion to € 22.1 billion with organic growth of +1% to +5% and foreign exchange effects of -3% to 0%.
- EBITDA pre: in a range of € 5.7 billion to € 6.3 billion with organic growth of +1% to +7% and negative foreign exchange effects of -4% to -1%.
- EPS pre: € 8.05 to € 9.10.

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Overview of the key figures for Q1 2024

Group

Key figures

€ million	Q1 2024	Q1 2023	Change
Net sales	5,120	5,293	-3.3%
Operating result (EBIT) ¹	931	1,035	-10.0%
Margin (% of net sales) ¹	18.2%	19.6%	
EBITDA ²	1,385	1,491	-7.1%
Margin (% of net sales) ¹	27.0%	28.2%	
EBITDA pre ¹	1,454	1,587	-8.4%
Margin (% of net sales) ¹	28.4%	30.0%	
Profit after income tax	699	800	-12.5%
Earnings per share (€)	1.60	1.83	-12.6%
Earnings per share pre (€) ¹	2.06	2.36	-12.7%
Operating cash flow	1,035	853	21.4%
Net financial debt ³	7,498	7,500	-
Number of employees ⁴	62,345	64,011	-2.6%

¹ Not defined by International Financial Reporting Standards (IFRS).

² Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

³ Figures for the reporting period ending on March 31, 2024, prior-year figures as of December 31, 2023.

⁴ Figures for the reporting period ending on March 31, 2024, prior-year figures as of March 31, 2023. This figure refers to all employees at sites of fully consolidated entities.

Life Science

Net sales by business unit

€ million	Q1 2024	Share	Organic growth ¹	Exchange rate effects	Acquisitions/divestments	Total change	Q1 2023	Share
Science & Lab Solutions	1,169	55%	-6.9%	-1.5%	-	-8.4%	1,276	51%
Process Solutions	817	38%	-19.0%	-1.1%	-	-20.0%	1,022	41%
Life Science Services	157	7%	-16.6%	-	-	-16.7%	188	8%
Life Science	2,144	100%	-12.6%	-1.2%	-	-13.8%	2,487	100%

¹ Not defined by International Financial Reporting Standards (IFRS).

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Healthcare

Net sales by major product lines/products

€ million	Q1 2024	Share	Organic growth ¹	Exchange rate effects	Total change	Q1 2023	Share
Oncology	500	24%	19.3%	-3.8%	15.5%	433	23%
thereof: Erbitux®	287	14%	19.3%	-4.3%	15.0%	250	13%
thereof: Bavencio®	186	9%	14.2%	-2.8%	11.4%	167	9%
Neurology & Immunology	419	20%	8.8%	-1.5%	7.3%	390	20%
thereof: Mavenclad®	261	13%	12.2%	-2.0%	10.2%	237	12%
thereof: Rebif®	158	8%	3.7%	-0.9%	2.8%	154	8%
Fertility	383	19%	7.7%	-3.3%	4.4%	366	19%
thereof: Gonal-F®	204	10%	6.8%	-3.5%	3.3%	197	10%
Cardiovascular, Metabolism and Endocrinology	689	34%	4.2%	-2.4%	1.7%	677	36%
thereof: Glucophage®	221	11%	5.1%	-3.7%	1.4%	218	11%
thereof: Concor®	140	7%	1.6%	-3.6%	-1.9%	142	7%
thereof: Euthyrox®	139	7%	8.9%	-1.7%	7.2%	130	7%
thereof: Saizen®	89	4%	17.0%	-0.2%	16.7%	76	4%
Other	57	3%				38	2%
Healthcare	2,048	100%	10.1%	-2.6%	7.5%	1,905	100%

¹ Not defined by International Financial Reporting Standards (IFRS).

Electronics

Net sales by business unit

€ million	Q1 2024	Share	Organic growth ¹	Exchange rate effects	Acquisitions/divestments	Total change	Q1 2023	Share
Semiconductor Solutions	633	68%	7.8%	-3.0%	-0.1%	4.7%	604	67%
Display Solutions	187	20%	4.2%	-4.3%	-	-0.1%	187	21%
Surface Solutions	109	12%	1.8%	-2.2%	-	-0.4%	109	12%
Electronics	928	100%	6.3%	-3.2%	-0.1%	3.1%	901	100%

¹ Not defined by International Financial Reporting Standards (IFRS).

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Notes to editors:

- The **press conference for media representatives** will take place at 9:30 a.m. (CEST).
- The respective **presentation** and further information for journalists, including a **digital press kit**, can be found [here](#)
- The quarterly statement can be found [here](#)
- Merck KGaA, Darmstadt, Germany, on [LinkedIn](#)
- **Photos and videos** can be found [here](#)
- **Stock symbols**

Reuters: MRCG, Bloomberg: MRK GY, Dow Jones: MRK.DE

Frankfurt Stock Exchange: ISIN: DE 000 659 9905 – WKN: 659 990

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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. Around 63,000 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 2023, Merck KGaA, Darmstadt, Germany, generated sales of € 21 billion in 65 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.