

## News Release

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## Q2 2024: Merck KGaA, Darmstadt, Germany, Returns to Organic Sales Growth

### Financial results of Q2 2024

- **Group net sales up organically by 1.7% to € 5.4 billion**
- **EBITDA pre down 0.8% organically to € 1.5 billion against high comparative base**
- **Healthcare and Electronics deliver organic sales growth**
- **Market for AI semiconductor materials reaches inflection**
- **Order intake in Process Solutions continues to improve sequentially and year-on-year**

### Forecast for fiscal 2024

- **Company raises guidance for the Group as well as for the Healthcare and Electronics business sectors**
- **Net sales: in a range of € 20.7 billion to € 22.1 billion; organic growth of +2% to +5%**
- **EBITDA pre: in a range of € 5.8 billion to € 6.4 billion; organic growth of +4% to +10%**

Darmstadt, Germany, August 1, 2024 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, returned to organic sales growth in the second quarter of 2024. EBITDA pre remained around stable organically compared



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with the year-earlier figure, which had been increased by one-time effects. Excluding these one-time effects in the year-earlier quarter, EBITDA pre would also have grown organically.

“We announced that we would gradually return to organic growth during the course of 2024. The second quarter shows our progress on this journey,” said Belén Garijo, Chair of the Executive Board and CEO of Merck KGaA, Darmstadt, Germany. “Our business dynamics as well as our assumptions point to growth also for the rest of the year. We are therefore raising our forecast for 2024 at Group level and for the Healthcare and Electronics business sectors.”

Thanks to the good business performance of Healthcare and Electronics, Group sales in the second quarter of 2024 increased by 1.7% organically. Foreign exchange effects, especially from the U.S. dollar, had a negative impact of 0.7% on sales development. Overall, Group sales increased by 0.9% to € 5,352 million.

EBITDA pre decreased organically by only 0.8% and amounted to € 1,509 million despite the higher comparative base of the year-earlier quarter, which included one-time effects. Moreover, a provision of a mid double-digit million euro amount for the termination of the xevinapant program had a negative impact on EBITDA pre in the second quarter of 2024. In addition, negative foreign exchange effects of 2.1% were incurred. The total decrease compared with the year-earlier quarter was 2.9%. Without the one-time effect from a patent agreement in OLEDs with UDC (Universal Display Corporation) in the year-earlier quarter and the xevinapant termination provision, EBITDA pre would have grown in the mid-single digit percentage range in the second quarter of 2024. The Group EBITDA pre margin was 28.2% and earnings per share pre were stable compared with the year-earlier quarter at € 2.20.

On July 31, 2024, the company [completed the acquisition of Mirus Bio](#), which had been announced in May 2024. [Mirus Bio](#) is a U.S. life science company that specializes in transfection reagents for the manufacture of viral vectors. With this US\$ 600 million acquisition, Merck KGaA, Darmstadt, Germany, is complementing its portfolio for the development and manufacture of novel modalities such as cell and gene therapies.

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### **Life Science: Order intake in Process Solutions continues to recover; other business units deliver organic sales growth**

In Life Science, sales declined organically by 3.7% and came in at € 2,258 million in the second quarter of 2024. The main reasons for this were the expected continued inventory destocking by customers of Process Solutions and the decrease in Covid-19-related demand. Sales of Process Solutions were down by 11.8% organically, evolving positively compared with the organic decrease of 19.0% in the first quarter of 2024. At the same time, order intake in this business unit improved both sequentially and in comparison with the second quarter of 2023. Merck KGaA, Darmstadt, Germany, expects sales of Process Solutions to recover gradually in the second half of 2024 as inventory destocking by customers comes to an end. The two other Life Science business units delivered organic sales growth in the second quarter of 2024: Science & Lab Solutions by 1.4% and Life Science Services by 8.2%.

EBITDA pre of Life Science decreased organically by 6.1% and amounted to € 655 million. This was mainly attributable to the decline in sales of Process Solutions and the lower share of sales from products with a higher contribution to earnings, partly offset by strict cost management. The EBITDA pre margin of the business sector reached 29.0%. Sequentially, i.e. compared with the first quarter of 2024, both EBITDA pre and the EBITDA pre margin of Life Science increased.

### **Healthcare: Solid organic growth driven by the Oncology and CM&E franchises**

The Healthcare business sector delivered sales of € 2,137 million in the second quarter of 2024. Organically, sales grew by 5.3%. The Oncology franchise, with its cancer drugs Erbitux, Bavencio and Tepmetko, achieved organic sales growth. Sales of Mavenclad for the treatment of multiple sclerosis grew organically by 1.3% compared with the particularly high base of the year-earlier quarter. The organic sales growth of the Cardiovascular, Metabolism and Endocrinology (CM&E) franchise was attributable to various factors, including the market recovery in the area of diabetes in mainland China.

EBITDA pre of Healthcare was € 720 million, growing organically by 4.6% compared with a higher year-earlier base, which was supported by portfolio management. The provision for the termination of the xevinapant program had a negative impact on

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Healthcare earnings. The EBITDA pre margin of the business sector was 33.7% in the second quarter of 2024.

### **Electronics: Semiconductor Solutions growth based on market recovery in artificial intelligence and advanced nodes**

In the second quarter of 2024, sales of the Electronics business sector grew organically by 7.6% and reached € 957 million. This growth was mainly driven by the Semiconductor Solutions business unit, which delivered organic sales growth of 11.4%. Alongside an increase in demand due to the market inflection for semiconductor materials for artificial intelligence applications and advanced nodes, the business with equipment for customer plants within the Delivery Systems & Services (DS&S) business unit also contributed to this. For the second half of 2024, Merck KGaA, Darmstadt, Germany, expects the remaining semiconductor materials market to gradually recover. However, the phasing of the DS&S project business will partly offset this effect.

EBITDA pre of Electronics declined organically by 3.1% against an increased comparative base and came in at € 255 million. The year-earlier quarter had recorded a one-time effect from a patent agreement in OLEDs with UDC. The increased sales in the Semiconductor Solutions unit had a positive effect on EBITDA pre. The EBITDA pre margin of Electronics reached 26.7%. Without the one-time effect, the EBITDA pre margin would have increased compared with the year-earlier quarter.

### **Company raises guidance for 2024**

For fiscal 2024, Merck KGaA, Darmstadt, Germany, is raising its guidance for the Group and for the Healthcare and Electronics business sectors – for both sales and EBITDA pre in each case. This is based on the continued strong performance of Healthcare and by the earlier inflection of the AI and advanced nodes semiconductor materials market in Electronics. For Life Science, the company confirms its previous organic guidance. It now expects the following development on Group level:

- Net sales: in a range of € 20.7 billion to € 22.1 billion with organic growth of +2% to +5% (previously: € 20.6 billion to € 22.1 billion; organic growth of +1% to +5%) and foreign exchange effects of -3% to 0%.

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- EBITDA pre: in a range of € 5.8 billion to € 6.4 billion with organic growth of +4% to +10% and negative foreign exchange effects (FX) of -5% to -1% (previously: € 5.7 billion to € 6.3 billion; organic growth of +1% to +7%, FX -4% to -1%).
- EPS pre: € 8.20 to € 9.30 (previously: € 8.05 to € 9.10).

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### Overview of the key figures for Q2 2024

#### Group

##### Key figures

€ million	Q2 2024	Q2 2023	Change	Jan.-June 2024	Jan.-June 2023	Change
Net sales	5,352	5,302	0.9%	10,472	10,595	-1.2%
Operating result (EBIT) <sup>1</sup>	792	969	-18.3%	1,724	2,004	-14.0%
Margin (% of net sales) <sup>1</sup>	14.8%	18.3%		16.5%	18.9%	
EBITDA <sup>2</sup>	1,472	1,452	1.4%	2,857	2,942	-2.9%
Margin (% of net sales) <sup>1</sup>	27.5%	27.4%		27.3%	27.8%	
EBITDA pre <sup>1</sup>	1,509	1,553	-2.9%	2,963	3,140	-5.7%
Margin (% of net sales) <sup>1</sup>	28.2%	29.3%		28.3%	29.6%	
Profit after income tax	605	706	-14.3%	1,305	1,506	-13.3%
Earnings per share (€)	1.40	1.62	-13.6%	2.99	3.45	-13.3%
Earnings per share pre (€) <sup>1</sup>	2.20	2.20	0.0%	4.26	4.57	-6.8%
Operating cash flow	861	622	38.4%	1,896	1,475	28.6%
Net financial debt <sup>1, 3</sup>	7,950	7,500	6.0%	-	-	-
Number of employees <sup>4</sup>	62,176	63,701	-2.4%	-	-	-

<sup>1</sup> Not defined by International Financial Reporting Standards (IFRS).

<sup>2</sup> 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.

<sup>3</sup> Figures for the reporting period ending on June 30, 2024, prior-year figures as of December 31, 2023.

<sup>4</sup> Figures for the reporting period ending on June 30, 2024, prior-year figures as of June 30, 2023. This figure refers to all employees at sites of fully consolidated entities.

#### Life Science

##### Net sales by business unit

€ million	Q2 2024	Share	Organic growth <sup>1</sup>	Exchange rate effects	Acquisitions/divestments	Total change	Q2 2023	Share
Science & Lab Solutions	1,192	53%	1.4%	-0.5%	-	0.9%	1,182	50%
Process Solutions	871	39%	-11.8%	-0.5%	-	-12.3%	994	42%
Life Science Services	194	9%	8.2%	1.0%	-	9.2%	178	8%
<b>Life Science</b>	<b>2,258</b>	<b>100%</b>	<b>-3.7%</b>	<b>-0.4%</b>	<b>-</b>	<b>-4.1%</b>	<b>2,354</b>	<b>100%</b>

<sup>1</sup> Not defined by International Financial Reporting Standards (IFRS).

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### Healthcare

#### Net sales by major product lines/products

€ million	Q2 2024	Share	Organic growth <sup>1</sup>	Exchange rate effects	Total change	Q2 2023	Share
<b>Oncology</b>	<b>490</b>	<b>23%</b>	<b>9.2%</b>	<b>-2.1%</b>	<b>7.1%</b>	<b>458</b>	<b>22%</b>
thereof: Erbitux®	276	13%	8.2%	-2.1%	6.1%	260	13%
thereof: Bavencio®	186	9%	6.4%	-1.9%	4.5%	178	9%
<b>Neurology &amp; Immunology</b>	<b>434</b>	<b>20%</b>	<b>-7.4%</b>	<b>0.2%</b>	<b>-7.2%</b>	<b>467</b>	<b>23%</b>
thereof: Mavenclad®	266	12%	1.3%	0.1%	1.4%	262	13%
thereof: Rebif®	168	8%	-18.5%	0.3%	-18.2%	205	10%
<b>Fertility</b>	<b>403</b>	<b>19%</b>	<b>-0.5%</b>	<b>-0.9%</b>	<b>-1.5%</b>	<b>409</b>	<b>20%</b>
thereof: Gonal-F®	227	11%	5.0%	-1.0%	4.0%	219	11%
<b>Cardiovascular, Metabolism and Endocrinology</b>	<b>746</b>	<b>35%</b>	<b>13.7%</b>	<b>-1.6%</b>	<b>12.1%</b>	<b>665</b>	<b>32%</b>
thereof: Glucophage®	238	11%	23.5%	-2.6%	20.9%	197	10%
thereof: Concor®	158	7%	13.2%	-1.8%	11.4%	142	7%
thereof: Euthyrox®	155	7%	19.2%	-0.8%	18.4%	131	6%
thereof: Saizen®	97	5%	23.0%	-0.6%	22.4%	79	4%
<b>Other</b>	<b>64</b>	<b>3%</b>				<b>50</b>	<b>3%</b>
<b>Healthcare</b>	<b>2,137</b>	<b>100%</b>	<b>5.3%</b>	<b>-1.1%</b>	<b>4.3%</b>	<b>2,049</b>	<b>100%</b>

<sup>1</sup> Not defined by International Financial Reporting Standards (IFRS).

### Electronics

#### Net sales by business unit

€ million	Q2 2024	Share	Organic growth <sup>1</sup>	Exchange rate effects	Acquisitions/divestments	Total change	Q2 2023	Share
Semiconductor Solutions	665	69%	11.4%	-0.6%	-0.4%	10.4%	602	67%
Display Solutions	188	20%	-2.4%	-1.5%	-	-3.9%	196	22%
Surface Solutions	104	11%	4.1%	-1.3%	-	2.8%	101	11%
<b>Electronics</b>	<b>957</b>	<b>100%</b>	<b>7.6%</b>	<b>-0.9%</b>	<b>-0.2%</b>	<b>6.5%</b>	<b>899</b>	<b>100%</b>

<sup>1</sup> 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 half-yearly financial report 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.