Merck KGaA
Darmstadt, Germany

Q3 2025 Financial Summary for Investors and Analysts
Solid organic Growth Across All Sectors

- **Life Science:** Sustained PS growth (+10%) drives LS growth (+6%); Very strong PS order growth YoY as momentum continues; SLS returns to growth (moderate) amid continued headwinds
- **Healthcare:** Rare Disease performing in line with expectations (PF +4pp); HC Sales up +5% driven by growth across all franchises; Very strong growth in Mavenclad®, Erbitux® and Pergoveris®
- **Electronics:** Strong growth in Semi Materials drives solid EL growth (+5%); Surface Solutions divestment completed on 31 July
- **Q3 organic sales:** +5.2%
- **Q3 organic EBITDA pre:** +8.8%
- **Guidance:**
  Net sales: ~€20.8 – €21.4 bn
  EBITDA pre: ~€6.0 – €6.2 bn
  EPS pre: ~€8.20 – €8.60
- Net financial debt to EBITDA pre: 1.5x on Sept. 30, 2025

Acronym(s): PS = Process Solutions; LS = Life Science; SLS = Science & Lab Solutions; HC = Healthcare; EL = Electronics
Footnotes: 1) QoQ growth on reported basis

Overview Financials
Q3 2025 Overview

- Sales up slightly (+1%); FX headwinds (-5%) dampen solid org. growth (+5%), with slight portfolio effect (+1%)
- All 3 business sectors contributed to org. sales and EBITDA pre growth (+9%)
- PRV and LatAm legislative change support organic EBITDA pre growth as FX headwind dampens growth (-7%)
- Slight EPS pre growth, offsetting higher interest costs from USD bond issuance
- Moderate OCF growth
- Net financial debt up, mainly due to acquisition of SpringWorks
- NWC development around stable QoQ

Acronym(s): FX = Foreign exchange; PRV = Priority Review Voucher; LatAm = Latin America; EPS = Earnings Per Share; OCF = Operating Cash Flow; NWC = Net Working Capital; Totals may not add up due to rounding

Q3 2025 Cash Flow Statement

- Profit after tax primarily due to the gain on the sale of the PRV and changes in local legislations in Latin America
- Increased provisions due to taxes and pensions
- Other assets & liabilities delta includes variable comp and tax adjustments
- Other operating activities includes the neutralization of gains from PRV and Surface Solutions divestments
- Investing cash flow mainly reflects the acquisition of SpringWorks and the divestment of Surface Solutions
- Financing cash flow mainly includes the proceeds of USD bond issuance

Acronym(s): PRV = Priority Review Voucher; Totals may not add up due to rounding

Q3 2025 Balance Sheet

- Cash & cash equivalents higher QoQ following USD bond issuance and receipt of proceeds from the sale of Surface Solutions
- Receivables and inventories stable QoQ
- Intangible assets increase QoQ due to goodwill created by the acquisition of SpringWorks, partially negated by negative FX
- Property, plant & equipment stable QoQ
- Financial debt higher with the issuance of USD bonds, YoY and QoQ
- Other liabilities, payables, provisions for employee benefits stable QoQ
- Equity ratio declined to 57% (June 30, 60%) following the acquisition of SpringWorks

Acronym(s): FX = Foreign exchange; Totals may not add up due to rounding

Q3 2025 Business Overview

Life Science

- **Sustaining ~10% PS Growth, SLS Returns to Growth**
- Net sales deviation YoY: organic +5.9%, FX -4.6%, portfolio +0.1%
- EBITDA pre deviation YoY: organic +6.1%, FX -5.7%, portfolio +1.9%
- Process Solutions: sales up +10% org. against increasing comps, in-line with mid-term growth ambition of ~10%
- Process Solutions order intake up very strongly YoY %, continuing the momentum from the past 3 quarters, with still strong book-to-bill (>1x)
- Science & Lab Solutions: sales up moderately (+3% org.); U.S. policy changes continuing to impact spending by academic and government labs; seeing some green shoots from pharma/biotech customers
- M&S and admin spend slightly down, reflecting cost discipline
- R&D spend up double-digit %; step-up in innovation investment as a key driver of future growth and differentiation
- EBITDA pre up +6% org., slight margin expansion reflecting operational leverage and profitable growth

Acronym(s): M&S = Marketing and selling expenses; R&D = Research & Development; Totals may not add up due to rounding

Healthcare

- **Growing Across All Franchises, SpringWorks Contributing**
- Net sales deviation YoY: organic +4.6%, FX -5.4%, portfolio 4.0%
- EBITDA pre deviation YoY: organic +8.5%, FX -10.4%, portfolio -0.2%
- Rare Diseases contributing +4pp portfolio effect (+€85m)
- CM&E sales up +7% org.; all therapeutic areas contributing
- Fertility sales up +2% org. mainly driven by double-digit (+37% org.) growth from Pergoveris®
- Growth in N&I (+6% org.) and Oncology (+3% org.); mainly driven by Mavenclad® (+20% org.) and Erbitux® (+10% org.)
- M&S up +8% with increasing sales and the SpringWorks integration
- R&D spending up following SpringWorks acquisition and project ramp-up; R&D now in line with mid-term ambition
- EBITDA pre margin at ~37%, including mid-double-digit € million gain on sale of PRV and modest dilution from SpringWorks

Acronym(s): **M&S** = Marketing and selling expenses; **R&D** = Research & Development; **CM&E** = Cardiology Metabolism & Endocrinology; **N&I** = Neurology & Immunology; Totals may not add up due to rounding

Electronics

- **Continuously Strong Semiconductor Materials Growth**
- Net sales deviation YoY: organic +4.8%, FX -4.3%, portfolio -5.7%
- EBITDA pre deviation YoY: organic +4.7%, FX -5.3%, portfolio +0.9%
- Semiconductor Solutions +3% org.: Semi Materials sales up high-single-digit org., overcompensating lower DS&S sales (down low-teens %)
- Semi Materials: AI and adv. nodes driving growth alongside strong demand for mature nodes in Asia; Encouraging AI-driven 3D NAND trends
- Optronics: moderate org. growth in traditional applications (+3%), with strong portfolio effect contribution from UnitySC (+7pp)
- M&S costs slightly down, mainly due to divestment of Surface Solutions
- EBITDA pre margin mainly up due to accretion from divestment of Surface Solutions
- Higher exceptional costs reflect Surface Solutions divestment accounting treatment; Completed successfully on 31 July

Acronym(s): **M&S** = Marketing and selling expenses; **R&D** = Research & Development; **DS&S** = Delivery Systems & Service; **AI** = Artificial Intelligence; **3D NAND** = NAND flash memory with vertically stacked cell layers Totals may not add up due to rounding

2025 Business Sector Guidance[1]
Life Science
- Net sales:
  - Organic: +4% to +5% YoY
  - FX: -5% to -3% YoY
  - ~€8.90 bn to €9.10 bn
- EBITDA pre:
  - Organic: +4% to +6% YoY
  - FX: -5% to -3% YoY
  - ~€2.55 bn to €2.65 bn

Healthcare
- Net sales:
  - Organic: ~+3% YoY
  - PF: ~+2% (~€180 m)[2]
  - FX: -5% to -3% YoY
  - ~€8.50 bn to €8.70 bn
- EBITDA pre:
  - Organic: +9% to +11% YoY
  - PF: ~-0.5% (~€0 m to ~€-20 m)[2]
  - FX: -9% to -7% YoY
  - ~€3.00 bn to €3.10 bn

Electronics
- Net sales:
  - Organic: -3% to -1% YoY
  - PF: : ~-3% (~-€120 m)[3]
  - FX: -4% to -2% YoY
  - ~€3.40 bn to €3.60 bn
- EBITDA pre:
  - Organic: -11% to -7% YoY
  - PF: ~-1% (~€0 m to ~€-10 m)[3]
  - FX: -6% to -4% YoY
  - ~€0.80 bn to €0.85 bn

1) [1]Divisional guidances are only support to the group guidance and do not have to add up; [2]Mainly driven by SpringWorks; [3]Mainly driven by Surface Solutions divestment and Unity-SC

2025 guidance

Group:

- Net sales:
  Organic: ~+3% YoY
  PF: ~+0.5% (~€60 m)
  FX: -5% to -3% YoY
  ~€20.8 – €21.4 bn

- EBITDA pre:
  Organic: +5% to +7% YoY
  PF: ~-0.5% (~€0m to ~€-30 m)
  FX: -6% to -4% YoY
  ~€6.0 – €6.2 bn

- EPS pre:
  ~ €8.20– €8.60

Additional Financial Guidance 2025

Corporate & Other EBITDA pre[1]	**~ -€350 m to -€400 m**
Interest result[2]	**~ -€200 m to -€250 m**
Effective tax rate	**~ 21% to 23%**
Capex on PPE[3]	**~ €1.5 to 1.7 bn**
Hedging at Corporate & Other line[4]	**FY 2025 overall hedge ratio ~70%** **EUR/USD hedging @ ~ 1.12**
2025 Ø EUR/USD assumption	**~ 1.11 to 1.15**

1) Guidance update mainly driven by hedging gains and also due to a one-time effect from changes in local legislations in Latin America; 2) Updated to include cost of debt for SpringWorks, with the deal completing on July 1st 2025 and a USD bond issued in Aug. 2025; 3) Based on gross additions to Property, Plant and Equipment (PPE) on balance sheet (excl. leasing) in fiscal year to reflect planned Capex expansion more accurately; 4) Company hedges significant foreign currency and interest rate exposures arising from both forecasted transactions and existing balance sheet items in the respective currencies for which USD and CNY are significant ones; the ratio targets a minimum of 40%, calculated as the proportion of exposure covered by hedging instruments, and can go as high as 90%

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Group Q3 2025

€ m	Group			Life Science			Healthcare			Electronics			Corporate/Others		
	Q3 2024	Q3 2025	% YoY	Q3 2024	Q3 2025	%YoY	Q3 2024	Q3 2025	%YoY	Q3 2024	Q3 2025	% YoY	Q3 2024	Q3 2025	%YoY
Net sales	**5,266.1**	**5,318.2**	**1.0%**	**2,209.7**	**2,240.9**	**1.4%**	**2,133.4**	**2,202.6**	**3.2%**	**923.0**	**874.7**	**-5.2%**			
% organic			5.2%			5.9%			4.6%			4.8%			
% FX			-4.9%			-4.6%			-5.4%			-4.3%			
% portfolio			0.7%			0.1%			4.0%			-5.7%			
EBIT	1,097.1	1,221.3	11.3%	410.8	424.9	3.4%	741.8	641.7	-13.5%	95.5	249.4	161.0%	-151.1	-94.8	-37.3%
Depreciation and amortization	449.3	457.7	1.9%	209.7	207.5	-1.1%	87.6	94.8	8.2%	122.8	125.6	2.3%	29.2	29.8	2.2%
EBITDA	1,546.4	1,678.9	8.6%	620.5	632.4	1.9%	829.4	736.5	-11.2%	218.4	375.0	71.7%	-121.9	-64.9	-46.7%
Adjustments in EBITDA	71.4	-10.3	n.m.	25.9	29.4	13.3%	6.3	81.7	>1,000 %	16.9	-139.0	n.m.	22.3	17.6	-20.9%
EBITDA pre	**1,617.7**	**1,668.6**	**3.1%**	**646.4**	**661.8**	**2.4%**	**835.7**	**818.2**	**-2.1%**	**235.2**	**236.0**	**0.3%**	**-99.6**	**-47.3**	**-52.5%**
% organic			8.8%			6.1%			8.5%			4.7%			
% FX			-6.5%			-5.7%			-10.4%			-5.3%			
% portfolio			0.9%			1.9%			-0.2%			0.9%			

	31st Dec, 2024	30th Sept, 2025	
Net financial debt	7,155.1	9,287.6	29.8%
ND/EBITDA pre	1.2	1.5	

Group Net Sales details Q3 2025

€ m	Q3 2024	Q3 2025	% YoY	% YoY org.	% YoY FX	% YoY PF
Group	**5,266.1**	**5,318.2**	**1.0%**	**5.2%**	**-4.9%**	**0.7%**
Life Science	**2,209.7**	**2,240.9**	**1.4%**	**5.9%**	**-4.6%**	**0.1%**
Process Solutions	895.7	949.1	6.0%	10.3%	-4.4%	0.1%
Life Science Services	171.5	170.2	-0.8%	5.2%	-5.0%	-1.0%
Science & Lab Solutions	1,142.6	1,121.7	-1.8%	2.5%	-4.6%	0.2%
Healthcare	**2,133.4**	**2,202.6**	**3.2%**	**4.6%**	**-5.4%**	**4.0%**
Rebif	154.2	117.7	-23.7%	-19.7%	-4.0%	0.0%
Mavenclad	264.9	304.9	15.1%	20.4%	-5.3%	0.0%
Erbitux	301.0	309.6	2.8%	10.3%	-7.4%	0.0%
Bavencio	179.5	148.9	-17.0%	-12.9%	-4.2%	0.0%
Gonal-F	209.3	178.7	-14.6%	-7.7%	-6.9%	0.0%
Glucophage	247.4	246.5	-0.3%	4.1%	-4.5%	0.0%
All other products	777.0	896.4	15.4%	9.4%	-5.0%	11.0%
Electronics	**923.0**	**874.7**	**-5.2%**	**4.8%**	**-4.3%**	**-5.7%**
Semiconductor Solutions	642.0	630.6	-1.8%	3.0%	-4.7%	-0.1%
Optronics	182.5	192.9	5.7%	2.9%	-4.4%	7.1%
Surface Solutions	98.5	51.3	-47.9%	20.5%	-2.2%	-66.2%

*acronyms: org. = organic; PF = portfolio

Group

P&L Group	Q3 2024	Q3 2025	% YoY
Net sales	**5,266.1**	**5,318.2**	**1.0%**
Cost of sales	-2,122.0	-2,104.9	-0.8%
thereof: intangibles amortization	-28.5	-22.3	-21.8%
Gross profit	**3,144.0**	**3,213.4**	**2.2%**
Marketing and selling expenses	-1,100.8	-1,127.9	2.5%
thereof: intangibles amortization	-137.0	-128.7	-6.0%
Administration	-309.1	-331.7	7.3%
Impairment losses / reversals (IFRS9)	-2.3	8.6	n.m.
Other operating income/expenses	-111.1	119.1	n.m.
Research and development	-523.7	-660.2	26.1%
EBIT	**1,097.1**	**1,221.3**	**11.3%**
Depreciation and amortization	449.3	457.7	1.9%
EBITDA	1,546.4	1,678.9	8.6%
Adjustments in EBITDA	71.4	-10.3	n.m.
EBITDA pre	**1,617.7**	**1,668.6**	**3.1%**
Financial result	-54.1	-99.0	83.1%
Profit before tax	**1,043.0**	**1,122.2**	**7.6%**
Income tax	-231.3	-224.7	-2.9%
Income tax rate	22.2%	20.0%	
Profit after tax	811.7	897.6	10.6%
Non-controlling interests	2.9	-4.0	n.m.
Net income	**808.8**	**901.6**	**11.5%**
Number of theoretical shares in million	434.8	434.8	
EPS in €	1.86	2.07	11.3%
EPS pre in €	2.30	2.32	0.9%

Totals may not add up due to rounding

Life Science

P&L Life Science	Q3 2024	Q3 2025	% YoY
Net sales	**2,209.7**	**2,240.9**	**1.4%**
Cost of sales	-1,008.2	-1,038.4	3.0%
thereof: intangibles amortization	-5.5	-10.9	96.8%
Gross profit	**1,201.5**	**1,202.5**	**0.1%**
Marketing and selling expenses	-543.4	-545.1	0.3%
thereof: intangibles amortization	-92.1	-86.8	-5.8%
Administration	-104.1	-103.8	-0.3%
Impairment losses / reversals (IFRS9)	-6.2	-0.3	-95.1%
Other operating income/expenses	-45.0	-27.1	-39.9%
Research and development	-92.0	-101.2	10.0%
EBIT	**410.8**	**424.9**	**3.4%**
Depreciation and amortization	209.7	207.5	-1.1%
EBITDA	**620.5**	**632.4**	**1.9%**
Adjustments in EBITDA	25.9	29.4	13.3%
EBITDA pre	**646.4**	**661.8**	**2.4%**

Totals may not add up due to rounding

Healthcare

P&L Healthcare	Q3 2024	Q3 2025	% YoY
Net sales	**2,133.4**	**2,202.6**	**3.2%**
Cost of sales	-555.9	-538.7	-3.1%
thereof: intangibles amortization	-1.1	-1.4	21.1%
Gross profit	**1,577.5**	**1,663.9**	**5.5%**
Marketing and selling expenses	-415.8	-464.1	11.6%
thereof: intangibles amortization	-0.4	-0.4	-4.0%
Administration	-72.9	-99.5	36.4%
Impairment losses / reversals (IFRS9)	4.3	8.2	90.6%
Other operating income/expenses	-21.3	11.7	n.m.
Research and development	-329.9	-478.5	45.1%
EBIT	**741.8**	**641.7**	**-13.5%**
Depreciation and amortization	87.6	94.8	8.2%
EBITDA	**829.4**	**736.5**	**-11.2%**
Adjustments in EBITDA	6.3	81.7	>1,000%
EBITDA pre	**835.7**	**818.2**	**-2.1%**

Totals may not add up due to rounding

Electronics

P&L Electronics	Q3 2024	Q3 2025	% YoY
Net sales	**923.0**	**874.7**	**-5.2%**
Cost of sales	-558.4	-527.1	-5.6%
thereof: intangibles amortization	-21.9	-11.6	-46.9%
Gross profit	**364.5**	**347.6**	**-4.6%**
Marketing and selling expenses	-140.5	-119.7	-14.8%
thereof: intangibles amortization	-44.5	-41.5	-6.6%
Administration	-43.4	-14.2	-67.2%
Impairment losses / reversals (IFRS9)	0.1	0.1	-11.7%
Other operating income/expenses	-11.6	111.6	n.m.
Research and development	-73.7	-75.9	3.1%
EBIT	**95.5**	**249.4**	**161.0%**
Depreciation and amortization	122.8	125.6	2.3%
EBITDA	**218.4**	**375.0**	**71.7%**
Adjustments in EBITDA	16.9	-139.0	n.m.
EBITDA pre	**235.2**	**236.0**	**0.3%**

Totals may not add up due to rounding

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Consensus deviation Q3 2025

[€m]	Actual Q3 2025A	Consensus (mean) 31.10.2025 Q3 2025E	Difference to estimate %	Consensus (median) 31.10.2025 Q3 2025E	Difference to estimate %
Group					
Sales	5,318.2	5,234.6	1.6%	5,223.4	1.8%
EBITDA pre	1,668.6	1,561.9	6.8%	1,551.8	7.5%
EBITDA pre-margin (%)	31.4	29.8	1.6pp	29.8	1.5pp
EPS pre (€)	2.32	2.19	5.9%	2.18	6.5%
Life Science					
Sales	2,240.9	2,232.5	0.4%	2,221.4	0.9%
Process Solutions	949.1	952.7	-0.4%	950.6	-0.2%
Life Science Services	170.2	164.4	3.5%	162.5	4.8%
Science & Lab Solutions	1,121.7	1,117.5	0.4%	1,119.4	0.2%
EBITDA pre	661.8	657.8	0.6%	656.8	0.7%
EBITDA pre-margin (%)	29.5	29.5	0.1pp	29.4	0.1pp
Healthcare					
Sales	2,202.6	2,186.8	0.7%	2,186.2	0.7%
Rebif	117.7	120.4	-2.3%	119.4	-1.4%
Mavenclad	304.9	297.2	2.6%	298.0	2.3%
Erbitux	309.6	301.7	2.6%	300.4	3.1%
Bavencio	148.9	154.3	-3.5%	151.7	-1.8%
Gonal-F	178.7	199.3	-10.3%	198.7	-10.1%
Glucophage	246.5	249.5	-1.2%	248.0	-0.6%
All other products	896.4	864.3	3.7%	870.2	3.0%
EBITDA pre	818.2	769.7	6.3%	771.7	6.0%
EBITDA pre-margin (%)	37.1	35.2	1.9pp	35.3	1.9pp
Electronics					
Sales	874.7	815.3	7.3%	810.3	8.0%
Optronics	192.9	176.8	9.1%	175.7	9.8%
Surface Solutions	51.3	37.7	36.2%	30.9	66.2%
Semiconductor Solutions	630.6	601.3	4.9%	601.1	4.9%
EBITDA pre	236.0	200.9	17.5%	205.1	15.1%
EBITDA pre-margin (%)	27.0	24.6	2.3pp	25.1	1.8pp
Corporate/Other					
EBITDA pre	-47.3	-66.5	-28.9%	-73.1	-35.3%