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Merck KGaA, Darmstadt, Germany, Presents Plans for Future Growth to Shareholders

- **24th Annual General Meeting in Frankfurt am Main**
- **Annual General Meeting elects shareholder representatives to the Supervisory Board**
- **Merck KGaA, Darmstadt, Germany, aims to achieve growth for all key figures in 2019**
- **Dividend proposal for fiscal 2018: € 1.25 per share**

Frankfurt am Main, Germany, April 26, 2019 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, held its 24th Annual General Meeting today at the Jahrhunderthalle in Frankfurt am Main. After Stefan Oschmann, Chairman of the Executive Board and CEO of Merck KGaA, Darmstadt, Germany, briefly recapitulated the anniversary year 2018, he presented the company's plans for future growth to its shareholders.

"Science and technology are transforming our world at lightning speed and we are helping to shape this transformation. Science is at the heart of everything we do," said Oschmann. "We performed well in 2018, which was a challenging year. In 2019, we want to resume growth for all key figures: sales, EBITDA pre and EPS pre. Our objectives are ambitious yet feasible since we've created a solid foundation."

As already reported in early March, Merck KGaA, Darmstadt, Germany, generated net sales in 2018 of € 14.8 billion, an increase of 2.2%. EBITDA pre, the company's



News Release

most important earnings indicator, declined by -10.5% to € 3.8 billion. This was largely due to negative exchange rate effects. Earnings per share pre (EPS pre), which is decisive for the company's dividend, decreased in 2018 by -13.9% to € 5.10. Nevertheless, in the interests of dividend continuity, Merck KGaA, Darmstadt, Germany, is proposing to the Annual General Meeting a dividend of € 1.25 per share as in the previous year.

As previously announced, Merck KGaA, Darmstadt, Germany, expects moderate organic growth of Group sales in 2019. For EBITDA pre, the company forecasts a pronounced organic percentage increase in the low teens range in 2019.

Merck KGaA, Darmstadt, Germany, has also clearly formulated its long-term objectives and is resolutely focusing on them. In the Healthcare business sector, as of 2022 Merck KGaA, Darmstadt, Germany, aims to achieve around € 2 billion in sales annually with newly launched medicines or compounds still in its Biopharma pipeline at the present time. In 2018, Merck KGaA, Darmstadt, Germany, generated sales of € 160 million with its two new medicines, the immuno-oncology drug Bavencio and Mavenclad for the treatment of multiple sclerosis. At the end of March 2019, Mavenclad was approved by the U.S. Food and Drug Administration (FDA) and thus in the largest single regional market for this medicine. Merck KGaA, Darmstadt, Germany, has also filed for further approvals of Bavencio. The regulatory authorities in the United States, Europe and Japan are reviewing Bavencio in combination with Inlyta from Pfizer in the treatment of patients with advanced renal cell carcinoma. In addition, an important element of the Group's strategy in the Healthcare sector is the alliance entered into in February with GlaxoSmithKline to co-develop and co-commercialize bintrafusp alfa (M7824), an immunotherapy from Merck KGaA, Darmstadt, Germany, currently in clinical trials. The agreement has a potential overall value of up to € 3.7 billion. Overall, eight clinical programs for this novel immunotherapy will be in progress or initiated this year.

In its Life Science business sector, Merck KGaA, Darmstadt, Germany, intends to continue to achieve above-market growth. Merck KGaA, Darmstadt, sees great potential particularly for the business with pharmaceutical companies, which is the main focus of the Process Solutions business unit. E-commerce is also playing an

News Release

important role and already accounts for a large portion of Life Science sales. In addition, Merck KGaA, Darmstadt, Germany, is investing in growth fields such as bioprocessing technology for drug manufacturing. The company is forging ahead with promising new technologies, for example the BioContinuum platform. With BioContinuum, Merck KGaA, Darmstadt, Germany, wants to significantly simplify and accelerate the complex manufacturing process for biotech medicines by melding formerly separate steps into one continuous process for its customers in the coming years.

In Performance Materials, Merck KGaA, Darmstadt, Germany, intends to expand its position as a leading provider of solutions for the electronics industry. After 2019, the company is aiming to increase sales in this business sector by an average of 2% to 3% annually. On April 12, Merck KGaA, Darmstadt, Germany, signed a definitive agreement to acquire Versum Materials for US\$ 53 per share. The business combination is expected to significantly strengthen the Performance Materials business sector. The U.S. company Versum is one of the world's leading suppliers of innovation-driven, high-purity process chemicals, gases and equipment for semiconductor manufacturing. The transaction is expected to close in the second half of 2019, subject to the approval of Versum stockholders at a Versum special meeting, regulatory clearances and the satisfaction of other customary closing conditions. "Versum will broaden our portfolio. Our competencies are highly complementary. Together, we can offer our customers more. This is very important because the digital revolution has only just begun and we want to considerably advance it further," Oschmann said to shareholders.

Furthermore, Merck KGaA, Darmstadt, Germany, is also working to build new digital businesses beyond its three business sectors. The joint venture Syntropy, which Merck KGaA, Darmstadt, Germany, plans to establish with Palantir Technologies, wants to help scientists use scientific data better and securely. By enabling researchers to structure data from various sources and to analyze it via pattern recognition, Syntropy initially aims to considerably accelerate cancer research. Additionally, Syntropy will enable researchers to exchange and trace data reliably, with users always retaining full control of their data.

News Release

In addition, at this year's Annual General Meeting of Merck KGaA, Darmstadt, Germany, six shareholder representatives ran for election to the Supervisory Board. Merck KGaA, Darmstadt, Germany, proposed the following candidates for a five-year term of office:

- **Dr. Wolfgang Büchele**, Chairman of the Executive Board of Exyte AG, Stuttgart; member of the Merck KGaA, Darmstadt, Germany, Supervisory Board since July 1, 2009, Chairman of the Supervisory Board of Merck KGaA, Darmstadt, Germany, since May 9, 2014;
- **Michael Kleinemeier**, Member of the Executive Board of SAP SE, Walldorf;
- **Renate Koehler**, Head of the Engel-Apotheke, Darmstadt;
- **Helene von Roeder**, member of the Management Board (CFO) of Vonovia SE, Bochum;
- **Prof. Dr. Helga Rübsamen-Schaeff**, Chairperson of the Advisory Board of AiCuris Antiinfective Cures GmbH, Wuppertal, Germany; Member of the Merck KGaA, Darmstadt, Germany, Supervisory Board since May 9, 2014;
- **Dr. Daniel Thelen**, Head of Infrastructure Development Region West, DB Netz AG, Frankfurt am Main/Duisburg

Michaela Freifrau von Glenck, Albrecht Merck, Prof. Dr. Gregor Schulz, and Prof. Dr. Theo Siegert no longer ran for office.

Peter Emanuel Merck and **Dr. Simon Thelen** were appointed by E. Merck Beteiligungen KG, Darmstadt, Germany, to the Supervisory Board of Merck KGaA, Darmstadt, Germany, as representatives of the Merck family.

Moreover, on April 11 the following eight employee representatives had already been elected to the Supervisory Board: Dr. Gabriele Eismann, Michael Fletterich, Edeltraud Glänzer, Jürgen Glaser, Sascha Held, Anne Lange, Dr. Dietmar Oeter, Dr. Christian Raabe.

News Release

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About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, a leading science and technology company, operates across healthcare, life science and performance materials. Around 52,000 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 advancing gene editing technologies and discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices – the company is everywhere. In 2018, Merck KGaA, Darmstadt, Germany, generated sales of € 14.8 billion in 66 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 EMD Serono in healthcare, MilliporeSigma in life science, and EMD Performance Materials. Since its founding 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.