

News Release

Your Contact

Media Relations

gangolf.schrimpf@emdgroup.com

Phone: +49 6151 72-9591

Investor Relations

investor.relations@emdgroup.com

Phone: +49 6151 72-3321

June 18, 2019

Merck KGaA, Darmstadt, Germany, Places Hybrid Bond Amounting to € 1.5 billion

- **Placement is an important part of the financing of the planned acquisition of Versum Materials, Inc.**
- **Tranches of € 1 billion and € 500 million placed**
- **Transaction significantly oversubscribed**

Darmstadt, Germany, June 18, 2019 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today successfully placed a hybrid bond amounting to € 1.5 billion. The placement is part of the financing of the planned acquisition of U.S.-based company Versum Materials, Inc. (NYSE: VSM), which was announced in April 2019.

The placement comprises two tranches, both of which have a maturity of 60 years. The first tranche amounting to € 500 million pays a coupon of 1.625% and includes an early redemption option for Merck KGaA, Darmstadt, Germany, after 5.5 years. The second tranche of € 1 billion pays a coupon of 2.875 %, including an early redemption option after 10 years. Having received equity credit treatment from all three rating agencies Standard & Poor's, Moody's and Scope, the placement thus supports the credit rating of Merck KGaA, Darmstadt, Germany. The bond is equal in rank to the existing hybrid bonds and subordinated to all of the other existing financial liabilities of Merck KGaA, Darmstadt, Germany.

Page 1 of 2



News Release

“We had secured a solid financing structure for the proposed acquisition of Versum right from the start. Today’s placement of hybrid capital shows that we remain committed to supporting our credit rating and a conservative financial policy,” said Marcus Kuhnert, Member of the Executive Board and Chief Financial Officer of Merck KGaA, Darmstadt, Germany.

The acquisition of Versum is expected to strengthen the Performance Materials business sector. Versum is a leading supplier 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 regulatory clearances and the satisfaction of other customary closing conditions. Versum stockholders already gave their approval at a special meeting on June 17, 2019.

The placement was significantly oversubscribed and generated strong international demand, with the majority being placed in France, the United Kingdom and Germany. The bond achieved a well-diversified distribution among a wide range of institutional investors such as fund managers, insurance companies and banks. The bookrunners of the transaction were the relationship banks of Merck KGaA, Darmstadt, Germany.

Merck KGaA, Darmstadt, Germany is rated “A” (stable outlook) by Standard & Poor’s, “A-” (stable outlook) by Scope and “Baa1” (stable outlook) by Moody’s.

All Merck KGaA, Darmstadt, Germany, press releases are distributed by e-mail at the same time they become available on the EMD Group Website. In case you are a resident of the USA or Canada please go to www.emdgroup.com/subscribe to register for your online subscription of this service as our geo-targeting requires new links in the email. You may later change your selection or discontinue this service.

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.