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Merck KGaA, Darmstadt, Germany, Completes Acquisition of Versum Materials

- Transaction amounting to around € 5.8 billion creates a leading electronic materials supplier
- Annual synergies of € 75 million expected as of 2022
- Integration planning well on track

Darmstadt, Germany, October 7, 2019 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today announced the closing of the transaction to acquire Versum Materials, Inc. (“Versum”) for approximately € 5.8 billion. The business combination is expected to make Merck KGaA, Darmstadt, Germany, a leading electronic materials player focused on the semiconductor and display industries.

The transaction closing followed the recent approval from China’s State Administration for Market Regulation (SAMR), which represented the final regulatory clearance to be obtained for completing the acquisition. As a result of the acquisition, the number of Merck KGaA, Darmstadt, Germany, employees will increase by approximately 2,300 to a total of around 56,000 in 66 countries. As of 2022, the third full year after the transaction closing, Merck KGaA, Darmstadt, Germany, expects annual synergies of € 75 million.

“By acquiring Versum, we will be optimally positioned to capitalize on long-term growth trends in the electronic materials industry. At the same time, we are



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broadening Performance Materials, balancing our portfolio with three strong business sectors and sharpening our strategic focus on innovation-driven technologies,” explained Stefan Oschmann, Chairman of the Executive Board and CEO of Merck KGaA, Darmstadt, Germany. Since 2007, Merck KGaA, Darmstadt, Germany, has made acquisitions and divestments with a volume of around € 40 billion, thereby transforming itself into a leading science and technology company. As customary, the company will now focus on generating cash in order to quickly lower its post-acquisition debt.

“We are very pleased to welcome Versum to our team. After the most recent acquisition of Intermolecular, this closing marks another major milestone on our Bright Future transformation journey to become a leading player in the electronic materials market,” said Kai Beckmann, member of the Executive Board of Merck KGaA, Darmstadt, Germany, and CEO Performance Materials. “The expertise of our combined business will enable us to offer customers in the electronics industry cutting-edge technology innovations. In addition, they will benefit from our expanded portfolio of products and services and our broader global positioning,” he added.

To ensure a smooth integration, Merck KGaA, Darmstadt, Germany, has already made excellent progress with the integration planning process. The former Versum business will be integrated into the Semiconductor Solutions business unit – besides Display Solutions and Surface Solutions one of the three business units of the Performance Materials business sector of Merck KGaA, Darmstadt, Germany. Semiconductor Solutions will consist of two dedicated units: Semiconductor Materials as well as Delivery Systems & Services. Semiconductor Materials will be led by Anand Nambiar, who is currently responsible for the Semiconductor Solutions business unit at Merck KGaA, Darmstadt, Germany, and will continue to focus on the development and commercialization of material-based solutions for semiconductor manufacturers. Delivery Systems & Services will be headed by Jeff White (formerly Versum), focusing on the development and deployment of equipment for semiconductor manufacturers. Additionally, this unit will also offer services to support the equipment installed and the safe handling of specialty materials that flow through it. In addition to that, John Langan (formerly Versum) will serve as the Chief Technology Officer of Performance Materials. All other

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members of the Performance Materials leadership team have been confirmed in their roles. Merck KGaA, Darmstadt, Germany, intends to maintain the site in Tempe as a hub for the combined electronic materials business in the United States.

For the 86 calendar days until year-end, Merck KGaA, Darmstadt, Germany, expects the legacy Versum business to contribute around € 270 million to Group net sales. The contribution to Group EBITDA pre is forecast at between approximately € 80 million and € 90 million and Group EPS pre is expected to increase by between € 0.11 and € 0.14.

Shares in Versum will no longer be traded on the New York Stock Exchange, with Merck KGaA, Darmstadt, Germany, now being the sole owner of Versum. Versum shareholders are being paid US\$ 53 per share in cash.

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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 56,000 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.