

News Release

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Merck KGaA, Darmstadt, Germany, Announces Go-Live of Newly Integrated Performance Materials Organization

- **After the acquisitions of Versum Materials and Intermolecular, the newly integrated organization goes live on June 1, 2020**
- **Integration of highly complementary industry leaders well on track, annual synergies of € 75 million expected as of 2022**
- **Combined business optimally positioned to capitalize on long-term growth trends in the electronic materials space**

Darmstadt, Germany, June 2, 2020 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today announced an important milestone in its Bright Future transformation program for its Performance Materials business. Following the successful completion of the acquisitions of Versum Materials and Intermolecular, Semiconductor Solutions, consisting of Semiconductor Materials and Delivery Systems & Services (DS&S) launched its new, fully customer-centric organization on June 1, 2020.

“Through the integration of Versum Materials and Intermolecular, we have set the course for future growth. Our product and service portfolio is designed to enable technological progress in the face of ever-increasing amounts of data. Together, we strive to address some of the most pressing challenges of the time,” said Kai Beckmann, member of the Executive Board of Merck KGaA, Darmstadt, Germany, and CEO Performance Materials. “The organizational go-live in such a short time shows that we continue to make great progress with the integration. In these times, our contribution to enable connectivity and to advance IT infrastructure is more



News Release

relevant than ever. We are the company behind the companies advancing digital living.”

The company’s financial performance in the first quarter validates its strategy. Despite the challenging current situation due to the COVID-19 pandemic, Semiconductor Solutions was able to deliver strong growth.

With the acquisition, a synergy target of € 75 million was communicated. The Performance Materials business of Merck KGaA, Darmstadt, Germany is well on track to achieve this by the end of 2022.

Combined business to capitalize on growth trends

Merck KGaA, Darmstadt, Germany, continues to expect growth with mid-single digit growth rates in the semiconductor materials market. Strong secular growth trends, such as 5G, Big Data, and new applications such as autonomous driving and the Internet of Things (IoT) will drive this development. To participate in the growth of data-driven electronics, Merck KGaA, Darmstadt, Germany, has repositioned its overall Performance Materials business towards the electronic materials market. With the combined capabilities of Versum and Intermolecular, the company has strengthened its value proposition with integrated solutions across multiple wafer process steps and dimensions. The expertise also extends beyond materials and includes, e.g. delivery tools, equipment, containers, services. Additionally, the company provides high-quality, comprehensive support for researchers enabling customers to directly test and make confident material decisions.

Business combination enlarges portfolio and value chain

With the completion of the acquisitions of Versum Materials and Intermolecular, the Performance Materials business of Merck KGaA, Darmstadt, Germany, offers a much broader portfolio in key segments, with an enhanced global footprint, strengthened supply chain and strong local infrastructure at our customer’s sites. In addition, the company is pursuing new methodologies to accelerate materials innovation with Intermolecular technology. The Semiconductor Solutions business of Merck KGaA, Darmstadt, Germany is a recognized global leader in spin-on dielectric materials, organosilanes, organometallics, thick-film resists, slurries, cleans, gases, as well as delivery equipment and services for the electronic industry.

News Release

New organization underscores Merck KGaA, Darmstadt, Germany's customer centricity

The new organizational set-up underscores Merck KGaA, Darmstadt, Germany's commitment to customer centricity. The structure has been aligned to enable swift decision making, accelerate collaboration and allow faster materials innovation and device integration to advance next-generation technologies. Furthermore, the new operating model is expected to help speed up innovation processes and programs, and provide the highest level of service, tailored to customers' specific needs.

Background: Versum Materials and Intermolecular transactions

In 2018, Merck KGaA, Darmstadt, Germany, launched its Bright Future transformation program for its Performance Materials business sector aimed at further expanding its position as a leading supplier to the electronics industry. On October 7, 2019, Merck KGaA, Darmstadt, Germany, announced the completion of its € 5.8 billion acquisition of Versum Materials, Inc., an Arizona-based company and leading materials supplier to the semiconductor industry. The company reported annual sales of approximately €1.2 billion (\$1.4 billion) in fiscal 2018, had approximately 2,300 employees, and operated 15 manufacturing and seven research and development facilities throughout Asia and North America. The business combination was done to make Merck KGaA, Darmstadt, Germany, a leading electronic materials player focused on the semiconductor and display industries. On September 20, 2019, Merck KGaA, Darmstadt, Germany, announced the completion of its acquisition of Intermolecular, Inc., a California-based company for advanced materials innovation. The US\$ 62 million acquisition was made to drive and accelerate future innovations in the electronic materials industry.

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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 57,000 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

News Release

diseases to enabling the intelligence of devices – the company is everywhere. In 2019, Merck KGaA, Darmstadt, Germany, generated sales of € 16.2 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.