

News Release

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Merck KGaA, Darmstadt, Germany, Places Hybrid Bond Amounting to €1.0 billion

- **Merck KGaA, Darmstadt, Germany, successfully places €1.0 billion hybrid bond in one tranche**
- **Proactive refinancing of June 2021 hybrid bond redemption**
- **Bond significantly oversubscribed**

Darmstadt, Germany, September 2, 2020 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today successfully placed a hybrid bond amounting to €1.0 billion. The placement has a maturity of 60 years with an early redemption option for Merck KGaA, Darmstadt, Germany, after six years and a coupon of 1.625 % payable annually. In addition to the new issue, Merck KGaA, Darmstadt, Germany, also announced a cash tender offer to repurchase an outstanding hybrid bond with an amount of up to €1.0 billion. This maturing hybrid bond has a first call date in June 2021.

“The early refinancing of the upcoming €1.0 billion hybrid redemption next year in combination with the tender offer is in line with our prudent financial policy. It also reinforces our commitment to hybrid capital as part of our toolkit to maintain a strong balance sheet,” said Marcus Kuhnert, Member of the Executive Board and Chief Financial Officer.

Receiving equity credit treatment from all three rating agencies Moody’s, Scope Ratings and Standard & Poor’s, the new hybrid bond, like the outstanding bond,

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supports the company's credit rating. The bond is equal in rank to the existing hybrid bonds and subordinated to all of the company's other existing financial liabilities.

The bond issued today achieved a well-diversified distribution among a wide range of institutional investors such as fund managers, insurance companies, pension funds, and banks and was significantly oversubscribed. Active bookrunners of the transaction were Barclays, BNP Paribas and Société Générale.

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.

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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 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.