Quarterly Statement

1st Quarter 2025

Merck – In brief*

Merck Group

Key figures

€ million	Q1 2025	Q1 2024	Change
Net sales	5,280	5,120	3.1%
Operating result (EBIT)[1]	1,006	931	8.0%
Margin (% of net sales)[1]	19.0%	18.2%	
EBITDA[2]	1,479	1,385	6.8%
Margin (% of net sales)[1]	28.0%	27.0%	
EBITDA pre[1]	1,535	1,454	5.6%
Margin (% of net sales)[1]	29.1%	28.4%	
Profit after income tax	738	699	5.5%
Earnings per share (€)	1.69	1.60	5.6%
Earnings per share pre (€)[1]	2.12	2.06	2.9%
Operating cash flow	556	1,035	-46.3%
Net financial debt[1, 3]	7,121	7,155	-0.5%
Number of employees[4]	62,604	62,345	0.4%

[1] Not defined by International Financial Reporting Standards (IFRS).

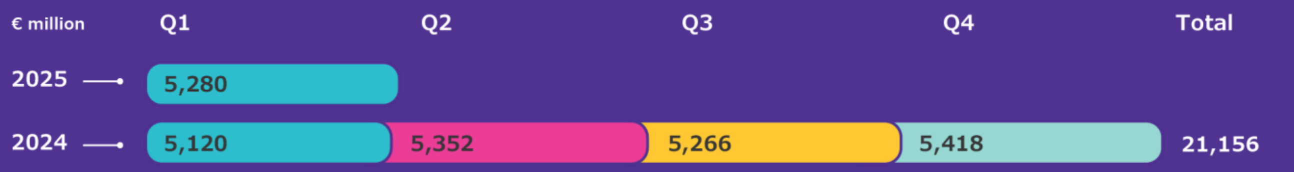
[2] Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

[3] Figures for the reporting period ending on March 31, 2025, prior-year figures as of December 31, 2024.

[4] Figures for the reporting period ending on March 31, 2025, prior-year figures as of March 31, 2024. This figure refers to all employees at sites of fully consolidated entities.

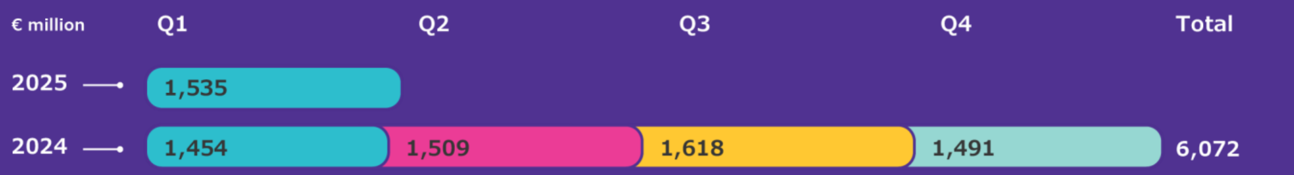
Merck Group

Net sales by quarter



Merck Group

EBITDA pre by quarter



* This document is a quarterly statement pursuant to section 53 of the Exchange Rules for the Frankfurt Stock Exchange. It is not an interim report as defined in International Accounting Standard 34. The accounting and measurement policies applied to this quarterly statement generally derive from the same accounting and measurement policies as used in the preparation of the consolidated financial statements for fiscal 2024, except for new amendments to standards required to be applied. However, those amendments to standards had no material impact on the financial statements. This quarterly statement contains certain financial indicators such as operating result (EBIT), EBITDA, EBITDA pre, net financial debt and earnings per share pre, which are not defined by International Financial Reporting Standards (IFRS). These financial indicators should not be taken into account in order to assess the performance of Merck in isolation or used as an alternative to the financial indicators presented in the consolidated financial statements and determined in accordance with IFRS.
The figures presented in this quarterly statement have been rounded. This may lead to individual values not adding up to the totals presented.
It is our aim to ensure that our communication is inclusive, and so we strive to use language that is both non-discriminatory and easy to read. This report attempts to use gender-neutral language, which may not yet be consistent in all instances. Even if masculine forms are used, all genders are explicitly meant.
The Annual Report for 2024 has been optimized for mobile devices and is available at https://www.merckgroup.com/en/annualreport/2024/.

Significant events during the reporting period

Repayment of the US dollar bond issued in 2015

On March 19, 2025, Merck repaid the last tranche, amounting to a nominal volume of US$ 1,600 million, of a US dollar bond issued in 2015. The cash outflow on the maturity date amounted to € 1,469 million. The carrying amount of the bond was € 1,537 million on December 31, 2024.

Merck exercises option for global commercialization rights for Abbisko’s pimicotinib

On March 28, 2025, Merck announced that it had exercised the option agreed with Abbisko Therapeutics Co. Ltd., China (Abbisko) to commercialize pimicotinib in the United States and the rest of the world. In accordance with the agreement entered into with Abbisko in fiscal 2023, Merck already had an exclusive license to commercialize pimicotinib in mainland China, Hong Kong, Macau, and Taiwan. Developed by Abbisko, pimicotinib is an investigational, orally administered, highly selective, and potent small-molecule inhibitor of the colony-stimulating factor 1 receptor. The decision to exercise this option resulted from pimicotinib meeting its primary endpoint in the pivotal Phase III clinical trial MANEUVER, in which the objective response rate in patients with tenosynovial giant cell tumors improved significantly.

To exercise the option to acquire the global commercialization rights for pimicotinib, Merck has committed to paying US$ 85 million (€ 79 million); the payment is expected to be made in the second quarter of 2025. The acquisition of the rights led to the recognition of an intangible asset of the same value that is not yet ready for use.

Course of Business and Economic Position

Merck

Development of net sales

The development of Group net sales across the individual business sectors in the first quarter of 2025 (quarter under review) was as follows:

Merck Group
Net sales by business sector

€ million	Q1 2025	Share	Organic growth[1]	Exchange rate effects[1]	Acquisitions/ divestments[1]	Total change	Q1 2024	Share
Life Science	2,218	42%	2.5%	0.6%	0.3%	3.5%	2,144	42%
Healthcare	2,114	40%	3.4%	-0.2%	–	3.2%	2,048	40%
Electronics	948	18%	0.6%	0.9%	0.6%	2.1%	928	18%
Merck Group	**5,280**	**100%**	**2.5%**	**0.4%**	**0.2%**	**3.1%**	**5,120**	**100%**

[1] Not defined by International Financial Reporting Standards (IFRS).

In the first quarter of 2025, the regional breakdown of Group net sales was as follows:

Merck Group
Net sales by region

€ million	Q1 2025	Share	Organic growth[1]	Exchange rate effects[1]	Acquisitions/ divestments[1]	Total change	Q1 2024	Share
Europe	1,606	30%	5.6%	0.2%	0.2%	6.0%	1,515	30%
North America	1,363	26%	-4.2%	2.7%	0.4%	-1.2%	1,379	27%
Asia-Pacific (APAC)	1,769	34%	3.3%	0.4%	0.3%	4.0%	1,701	33%
Latin America	328	6%	4.9%	-10.0%	–	-5.1%	346	7%
Middle East and Africa (MEA)	214	4%	17.0%	3.1%	–	20.1%	178	3%
Merck Group	**5,280**	**100%**	**2.5%**	**0.4%**	**0.2%**	**3.1%**	**5,120**	**100%**

[1] Not defined by International Financial Reporting Standards (IFRS).

Results of operations

The following table presents the composition of EBITDA pre for the first quarter of 2025 in comparison with the year-earlier quarter. The IFRS figures have been modified to reflect the elimination of adjustments included in the respective functional costs.

Merck Group

Reconciliation EBITDA pre[1]

	Q1 2025			Q1 2024			Change
€ million	IFRS	Elimination of adjustments	Pre[1]	IFRS	Elimination of adjustments	Pre[1]	Pre[1]
Net sales	**5,280**	**–**	**5,280**	**5,120**	**–**	**5,120**	**3.1%**
Cost of sales	-2,135	4	-2,131	-2,111	4	-2,107	1.2%
Gross profit	**3,145**	**4**	**3,149**	**3,009**	**4**	**3,013**	**4.5%**
Marketing and selling expenses	-1,112	4	-1,108	-1,087	9	-1,078	2.8%
Administration expenses	-355	26	-329	-332	43	-289	13.8%
Research and development costs	-551	-1	-552	-581	5	-575	-4.0%
Impairment losses and reversals of impairment losses on financial assets (net)	-1	–	-1	1	–	1	>100.0%
Other operating income and expenses	-119	24	-95	-79	8	-71	33.0%
Operating result (EBIT)[1]	**1,006**			**931**			
Margin (in % of net sales)[1]	19.0%			18.2%			
Depreciation/amortization/impairment losses/reversals of impairment losses	473	-2	471	454	–	453	4.0%
EBITDA[2]	**1,479**			**1,385**			
Margin (in % of net sales)[1]	28.0%			27.0%			
Restructuring expenses	31	-31	–	45	-45	–	
Integration expenses/IT expenses	17	-17	–	17	-17	–	
Gains (–)/losses (+) on the divestment of businesses	5	-5	–	-5	5	–	
Acquisition-related adjustments	2	-2	–	3	-3	–	
Other adjustments	1	-1	–	9	-9	–	
EBITDA pre[1]	**1,535**	**–**	**1,535**	**1,454**	**–**	**1,454**	**5.6%**
Margin (in % of net sales)[1]	29.1%			28.4%			
thereof: organic growth[1]							5.8%
thereof: exchange rate effects							0.2%
thereof: acquisitions/divestments							-0.5%

[1] Not defined by International Financial Reporting Standards (IFRS).

[2] Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

- The operating result (EBIT) saw strong growth in the first quarter of 2025 compared with the year-earlier period. The increase was mainly due to the positive business performance in the first quarter of 2025, which increased the gross profit and more than offset the higher operating expenses. As a result, the EBIT margin increased by just under one percentage point compared with the year-earlier quarter.
- The key financial indicator used to steer operating business, EBITDA pre, grew compared with the year-earlier quarter. This is mainly due to solid organic earnings growth. The EBITDA pre margin also grew slightly and amounted to 29.1% in the first quarter of 2025 (Q1 2024: 28.4%).
- Earnings per share pre (earnings per share after eliminating effects of adjustments and amortization on purchased intangible assets presented in the foregoing table after income taxes) increased in the first quarter of 2025 compared with the year-earlier period, reaching € 2.12 (Q1 2024: € 2.06).

The following table presents the reconciliation of EBITDA pre of all operating businesses to the profit after tax of the Merck Group:

Merck Group

Reconciliation Profit after income tax

€ million	Q1 2025	Q1 2024
EBITDA pre of the operating businesses[1]	**1,662**	**1,556**
Corporate and Other	-127	-102
EBITDA pre of the Merck Group[1]	**1,535**	**1,454**
Depreciation/amortization/impairment losses/reversals of impairment losses	-473	-454
Adjustments[1]	-56	-69
Operating result (EBIT)[1]	**1,006**	**931**
Financial result	-50	-32
Profit before income tax	**956**	**899**
Income tax	-218	-200
Profit after income tax	**738**	**699**
Earnings per share (€)	**1.69**	**1.60**

[1] Not defined by International Financial Reporting Standards (IFRS).

Financial position

The composition and development of net financial debt were as follows:

Merck Group

Net financial debt[1]

			Change	
€ million	March 31, 2025	Dec. 31, 2024	€ million	in %
Bonds and commercial paper	6,158	7,693	-1,535	-20.0%
Bank loans	323	327	-4	-1.4%
Liabilities to related parties	1,428	1,429	-1	-0.1%
Loans from third parties and other financial liabilities	60	59	1	1.5%
Liabilities from derivatives (financial transactions)	8	31	-23	-73.8%
Lease liabilities	721	761	-40	-5.3%
Financial debt	**8,698**	**10,301**	**-1,603**	**-15.6%**
less:				
Cash and cash equivalents	1,005	2,517	-1,512	-60.1%
Current financial assets[2]	572	629	-57	-9.0%
Net financial debt[1]	**7,121**	**7,155**	**-34**	**-0.5%**

[1] Not defined by International Financial Reporting Standards (IFRS).

[2] Excluding current derivatives (operational) and contingent considerations, which are recognized in the context of business combinations according to IFRS 3.

As one of the three key performance indicators alongside net sales and EBITDA pre, operating cash flow developed as follows:

Merck Group

Operating cash flow

€ million	Q1 2025	Q1 2024	Change
EBITDA pre[1]	**1,535**	**1,454**	**5.6%**
Adjustments[1]	-56	-69	-18.9%
Financial income and expenses[2]	-50	-32	54.4%
Income tax[2]	-218	-200	9.2%
Changes in working capital[1]	-397	-177	>100.0%
thereof: changes in inventories[3]	-114	-41	>100.0%
thereof: changes in trade accounts receivable[3]	-297	-64	>100.0%
thereof: changes in trade accounts payable/refund liabilities[3]	14	-72	>100.0%
Changes in provisions[3]	-45	40	>100.0%
Changes in other assets and liabilities[3]	-224	33	>100.0%
Neutralization of gains/losses on disposals of fixed assets and other disposals[3]	10	-8	>100.0%
Other non-cash income and expenses[3]	1	-5	>100.0%
Operating cash flow	**556**	**1,035**	**-46.3%**

[1] Not defined by International Financial Reporting Standards (IFRS).

[2] In accordance with the Consolidated Income Statement.

[3] In accordance with the Consolidated Cash Flow Statement.

Life Science

Development of net sales and results of operations

In the first quarter of 2025, the net sales of the Life Science business sector developed as follows:

Life Science

Net sales by business unit

€ million	Q1 2025	Share	Organic growth[1]	Exchange rate effects[1]	Acquisitions/ divestments[1]	Total change	Q1 2024[2]	Share
Science & Lab Solutions	1,149	52%	-2.5%	0.5%	0.2%	-1.8%	1,170	55%
Process Solutions	919	41%	11.4%	0.5%	0.5%	12.4%	817	38%
Life Science Services	151	7%	-6.2%	2.2%	–	-4.0%	157	7%
Life Science	**2,218**	**100%**	**2.5%**	**0.6%**	**0.3%**	**3.5%**	**2,144**	**100%**

[1] Not defined by International Financial Reporting Standards (IFRS).

[2] Prior-year figures have been adjusted owing to an internal realignment.

- The Science & Lab Solutions business unit, which provides products and services to support life science research for pharmaceutical, biotechnology and academic research laboratories and researchers as well as scientific and industrial laboratories, saw a moderate organic sales decrease in the first quarter of 2025. This was mainly driven by spending policies in the United States implemented by the new administration, an overall challenging market environment and positive one-time effects in the year-earlier period. The decrease in sales was mainly attributable to North America.

- The Process Solutions business unit, which markets products and services for the entire pharmaceutical production value chain, saw organic growth in the region of 11% in the first quarter of 2025, thanks mainly to a recovery following the end of customer destocking. The increase in net sales was driven by the core regions (North America, Europe and Asia-Pacific).

- The Life Science Services business unit, which offers fully integrated contract testing, development and manufacturing services, recorded a significant organic sales decline in the first quarter of 2025. This was mainly driven by the organic decline from our activities as a contract development and manufacturing organization (CDMO) due to a high base from non-repeat projects in the year-earlier period. The decrease in sales was mainly attributable to North America and Latin America.

The following table presents the composition of EBITDA pre for the first quarter of 2025 in comparison with the year-earlier quarter. The IFRS figures have been modified to reflect the elimination of adjustments included in the respective functional costs.

Life Science

Reconciliation EBITDA pre[1]

	Q1 2025			Q1 2024			Change
€ million	IFRS	Elimination of adjustments	Pre[1]	IFRS	Elimination of adjustments	Pre[1]	Pre[1]
Net sales	**2,218**	**–**	**2,218**	**2,144**	**–**	**2,144**	**3.5%**
Cost of sales	-1,040	–	-1,040	-988	1	-987	5.4%
Gross profit	**1,178**	**–**	**1,178**	**1,156**	**1**	**1,157**	**1.8%**
Marketing and selling expenses	-555	1	-554	-551	5	-545	1.5%
Administration expenses	-107	8	-99	-112	17	-95	4.0%
Research and development costs	-99	–	-99	-95	1	-95	4.6%
Impairment losses and reversals of impairment losses on financial assets (net)	-2	–	-2	-1	–	-1	96.0%
Other operating income and expenses	-46	23	-23	-20	3	-17	33.6%
Operating result (EBIT)[1]	**369**			**377**			
Margin (in % of net sales)[1]	16.6%			17.6%			
Depreciation/amortization/impairment losses/reversals of impairment losses	221	–	221	207	–	207	6.5%
EBITDA[2]	**590**			**585**			
Margin (in % of net sales)[1]	26.6%			27.3%			
Restructuring expenses	23	-23	–	18	-18	–	
Integration expenses/IT expenses	8	-8	–	7	-7	–	
Gains (-)/losses (+) on the divestment of businesses	–	–	–	–	–	–	
Acquisition-related adjustments	1	-1	–	1	-1	–	
Other adjustments	–	–	–	–	–	–	
EBITDA pre[1]	**622**	**–**	**622**	**611**	**–**	**611**	**1.8%**
Margin (in % of net sales)[1]	28.1%			28.5%			
thereof: organic growth[1]							3.1%
thereof: exchange rate effects							-0.6%
thereof: acquisitions/divestments							-0.7%

[1] Not defined by International Financial Reporting Standards (IFRS).

[2] Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

- Adjusted gross profit for the Life Science business sector was slightly higher in the first quarter of 2025 compared with the year-earlier period. This was mainly attributable to organic sales growth, which in turn was mainly due to a recovery following the end of customer destocking in Process Solutions as well as strict management of production expenses.
- The increase in gross profit was partially offset by higher operational and administration expenses, which mainly resulted from annual wage and salary increases; these were only partially offset by cost-saving measures. In the first quarter of 2025, the increase in marketing and selling expenses was predominantly driven by increased personnel costs and higher logistics costs following sales growth, while the increase in research and development costs was mainly related to the acquisition of Mirus Bio LLC, USA and Hub Organoids Holding B.V., Netherlands. The negative net balance of other operating income and expenses increased, which was largely due to a one-time disposal of an asset in 2024.
- EBITDA pre saw a moderate organic increase, resulting in an EBITDA pre margin of 28.1% in the first quarter of 2025 (Q1 2024: 28.5%).

Healthcare

Development of net sales and results of operations

In the first quarter of 2025, sales of the key product lines and products developed as follows:

Healthcare

Net sales by major product lines/products

€ million	Q1 2025	Share	Organic growth[1]	Exchange rate effects[1]	Total change	Q1 2024	Share
Oncology	**491**	**23%**	**-1.9%**	**0.1%**	**-1.8%**	**500**	**24%**
thereof: Erbitux®	305	14%	6.2%	–	6.2%	287	14%
thereof: Bavencio®	157	7%	-15.4%	-0.1%	-15.6%	186	9%
Neurology & Immunology	**407**	**19%**	**-3.7%**	**0.9%**	**-2.8%**	**419**	**20%**
thereof: Mavenclad®	287	14%	9.2%	0.8%	10.1%	261	13%
thereof: Rebif®	120	6%	-25.1%	1.1%	-24.0%	158	8%
Fertility	**382**	**18%**	**-0.4%**	**0.2%**	**-0.2%**	**383**	**19%**
thereof: Gonal-f®	206	10%	0.3%	0.7%	1.0%	204	10%
thereof: Pergoveris®	78	4%	13.6%	-1.3%	12.2%	70	3%
Cardiovascular, Metabolism and Endocrinology	**757**	**36%**	**10.6%**	**-0.7%**	**9.9%**	**689**	**34%**
thereof: Glucophage®	242	11%	10.4%	-0.9%	9.5%	221	11%
thereof: Concor®	157	7%	12.2%	0.3%	12.5%	140	7%
thereof: Euthyrox®	155	7%	12.7%	-0.9%	11.9%	139	7%
thereof: Saizen®	103	5%	18.6%	-2.4%	16.1%	89	4%
Other	**77**	**4%**				**57**	**3%**
Healthcare	**2,114**	**100%**	**3.4%**	**-0.2%**	**3.2%**	**2,048**	**100%**

[1] Not defined by International Financial Reporting Standards (IFRS).

- In the first quarter of 2025, the oncology drug Erbitux® (cetuximab) recorded solid organic sales growth to which every region contributed. This positive development was driven by both higher demand in Europe and favorable market growth in China.
- In immuno-oncology, the oncology drug Bavencio® (avelumab) declined organically in the mid-teens percentage range in the reporting period. This development was driven mainly by the North America region due to lower demand as a result of alternative treatment methods for patients with locally advanced or metastatic urothelial carcinoma.
- Mavenclad®, our oral short-course treatment for highly active relapsing multiple sclerosis (MS), again delivered strong organic sales growth in the first quarter of 2025. Higher demand in North America and Europe in particular contributed to this positive development.
- Sales of the drug Rebif®, which is used to treat relapsing forms of multiple sclerosis (MS), registered a significant organic decline in the mid-twenties percentage range in the first quarter of 2025. This was due to the ongoing difficult competitive situation in the interferon market as a result of competition from oral dosage forms and high-efficacy MS therapies, which are expected to cause further sales declines in the future.
- The Fertility product line recorded roughly stable sales in the quarter under review compared with the year-earlier period. Sales of Gonal-f®, the leading recombinant hormone for the treatment of infertility, also remained roughly stable organically compared with the year-earlier period. The favorable organic growth of Pergoveris® in the mid-teens percentage range had a positive effect on the franchise, while the other products from the Fertility product line remained roughly at the level of the year-earlier quarter.
- The Cardiovascular, Metabolism and Endocrinology franchise, which commercializes products to treat cardiovascular diseases, thyroid disorders, diabetes, and growth disorders, among other things, delivered organic sales growth of around 11% in the first quarter of 2025 as a result of increased demand. Sales of the diabetes medicine Glucophage® saw favorable growth of around 10%, driven primarily by the Asia-Pacific and

Middle East and Africa regions. The beta-blocker Concor® also grew organically by around 12%. In addition, the thyroid medicine Euthyrox® and the product Saizen® for the treatment of various growth hormone disorders grew organically in the low- and high-teens percentage range respectively compared with the year-earlier period. This was attributable to higher demand.

The following table presents the composition of EBITDA pre for the first quarter of 2025 in comparison with the year-earlier quarter. The IFRS figures have been modified to reflect the elimination of adjustments included in the respective functional costs.

Healthcare

Reconciliation EBITDA pre[1]

	Q1 2025			Q1 2024			Change
€ million	IFRS	Elimination of adjustments	Pre[1]	IFRS	Elimination of adjustments	Pre[1]	Pre[1]
Net sales	**2,114**	**–**	**2,114**	**2,048**	**–**	**2,048**	**3.2%**
Cost of sales	-527	–	-527	-543	–	-543	-3.0%
Gross profit	**1,587**	**–**	**1,587**	**1,504**	**–**	**1,505**	**5.5%**
Marketing and selling expenses	-411	–	-411	-398	4	-395	4.2%
Administration expenses	-73	2	-71	-75	1	-74	-4.8%
Research and development costs	-357	-1	-358	-397	5	-393	-8.8%
Impairment losses and reversals of impairment losses on financial assets (net)	1	–	1	2	–	2	-42.7%
Other operating income and expenses	-45	-6	-51	-17	-8	-25	99.1%
Operating result (EBIT)[1]	**703**			**618**			
Margin (in % of net sales)[1]	33.2%			30.2%			
Depreciation/amortization/impairment losses/reversals of impairment losses	98	–	98	88	–	88	11.0%
EBITDA[2]	**801**			**706**			
Margin (in % of net sales)[1]	37.9%			34.5%			
Restructuring expenses	–	–	–	5	-5	–	
Integration expenses/IT expenses	2	-2	–	1	-1	–	
Gains (-)/losses (+) on the divestment of businesses	-6	6	–	-5	5	–	
Acquisition-related adjustments	–	–	–	–	–	–	
Other adjustments	–	–	–	–	–	–	
EBITDA pre[1]	**796**	**–**	**796**	**708**	**–**	**708**	**12.4%**
Margin (in % of net sales)[1]	37.6%			34.6%			
thereof: organic growth[1]							11.7%
thereof: exchange rate effects							0.7%
thereof: acquisitions/divestments							–

[1] Not defined by International Financial Reporting Standards (IFRS).

[2] Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

- Gross profit after the elimination of adjustments saw a solid increase in the first quarter of 2025. This was reflected in a gross margin of 75.1%, which was higher than in the year-earlier period (Q1 2024: 73.5%). Among other things, this was driven by improved capacity utilization and lower expenses for royalties in connection with the multiple sclerosis medicine Mavenclad®.
- Research and development costs after eliminating adjustments dropped significantly in the first quarter of 2025, which was due to the decline in development activities after the xevinapant development program was discontinued in the second quarter of 2024. The negative balance of other operating income and expenses after eliminating adjustments increased in the first quarter of 2025 compared with the year-earlier period due to factors including the impairment loss on an intangible asset in the Oncology franchise and slightly lower income from royalties compared with the year-earlier period.
- Driven mainly by lower research and development costs, EBITDA pre saw an organic increase in the region of 11% in the first quarter of 2025, which resulted in an EBITDA pre margin of 37.6% (Q1 2024: 34.6%).

Electronics

Development of net sales and results of operations

In the first quarter of 2025, net sales of the Electronics business sector developed as follows:

Electronics

Net sales by business unit

€ million	Q1 2025	Share	Organic growth[1]	Exchange rate effects[1]	Acquisitions/ divestments[1]	Total change	Q1 2024	Share
Semiconductor Solutions	649	68%	2.0%	0.9%	-0.3%	2.6%	633	68%
Optronics	198	21%	-0.1%	1.6%	4.3%	5.8%	187	20%
Surface Solutions	101	11%	-6.9%	-0.1%	–	-7.0%	109	12%
Electronics	**948**	**100%**	**0.6%**	**0.9%**	**0.6%**	**2.1%**	**928**	**100%**

[1] Not defined by International Financial Reporting Standards (IFRS).

- The Semiconductor Solutions business unit, which comprises two businesses, namely Semiconductor Materials and Delivery Systems & Services (DS&S), delivered slight organic sales growth in the first quarter. Semiconductor Materials achieved strong growth with increased demand for advanced nodes enabling artificial intelligence applications continuing to fuel the increase. Mature nodes in China also contributed to the increase. The growth was tempered by lower sales in DS&S due to a decrease in large project sales. Large projects had a very strong first quarter in 2024 as multiple projects were running concurrently.

- Net sales of the Optronics business unit, consisting mainly of the business with liquid crystals, photoresists for display applications, OLED materials, and metrology and inspection equipment, were organically approximately stable in the first quarter of 2025. Volume growth in Liquid Crystals compensated for continued pricing pressure. The acquisition of Unity-SC SAS, France, contributed a solid portfolio effect, in turn leading to net sales growth through metrology and inspection equipment.

- Sales of the Surface Solutions business declined organically in the first quarter of 2025, which was mostly due to weaker demand for the Cosmetics Actives portfolio, especially in Europe.

The following table presents the composition of EBITDA pre for the first quarter of 2025 in comparison with the year-earlier quarter. The IFRS figures have been modified to reflect the elimination of adjustments included in the respective functional costs.

Electronics

Reconciliation EBITDA pre[1]

	Q1 2025			Q1 2024			Change
€ million	IFRS	Elimination of adjustments	Pre[1]	IFRS	Elimination of adjustments	Pre[1]	Pre[1]
Net sales	**948**	**–**	**948**	**928**	**–**	**928**	**2.1%**
Cost of sales	-572	4	-567	-580	3	-577	-1.7%
Gross profit	**377**	**4**	**381**	**348**	**3**	**352**	**8.4%**
Marketing and selling expenses	-142	3	-139	-138	–	-138	1.1%
Administration expenses	-48	12	-36	-37	5	-32	10.0%
Research and development costs	-76	–	-76	-73	–	-73	3.8%
Impairment losses and reversals of impairment losses on financial assets (net)	-1	–	-1	–	–	–	>100.0%
Other operating income and expenses	-13	6	-7	-5	4	-1	>100.0%
Operating result (EBIT)[1]	**97**			**95**			
Margin (in % of net sales)[1]	10.2%			10.3%			
Depreciation/amortization/impairment losses/reversals of impairment losses	124	-2	122	130	–	129	-5.9%
EBITDA[2]	**220**			**225**			
Margin (in % of net sales)[1]	23.2%			24.2%			
Restructuring expenses	7	-7	–	4	-4	–	
Integration expenses/IT expenses	5	-5	–	6	-6	–	
Gains (-)/losses (+) on the divestment of businesses	11	-11	–	–	–	–	
Acquisition-related adjustments	1	-1	–	1	-1	–	
Other adjustments	–	–	–	–	–	–	
EBITDA pre[1]	**244**	**–**	**244**	**237**	**–**	**237**	**3.2%**
Margin (in % of net sales)[1]	25.8%			25.5%			
thereof: organic growth[1]							2.0%
thereof: exchange rate effects							2.2%
thereof: acquisitions/divestments							-0.9%

[1] Not defined by International Financial Reporting Standards (IFRS).

[2] Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

- Adjusted gross profit for the Electronics business sector increased in the first quarter of 2025 compared with the year-earlier period, thanks to efficiency initiatives across our supply chain, a favorable product mix and positive foreign exchange effects. As a result, the gross profit margin increased to 40.2% (Q1 2024: 37.9%).

- Marketing and selling expenses remained at the same level as the year-earlier period as cost-efficiency measures across marketing, selling and logistics in particular balanced the effects of foreign exchange and inflation.

- Administration expenses and research and development costs increased, which was largely due to unfavorable foreign exchange and inflation effects.

- EBITDA pre increased in comparison with the year-earlier quarter. The EBITDA pre margin also grew slightly by 0.3 percentage points to 25.8% (Q1 2024: 25.5%), due mostly to the gross profit effects mentioned above.

Corporate and Other

Corporate and Other comprises administration expenses for Group functions that cannot be directly allocated to the business sectors.

Corporate and Other

Key figures

€ million	**Q1 2025**	Q1 2024	Change
Operating result (EBIT)[1]	-163	-159	2.1%
EBITDA[2]	-132	-131	0.3%
EBITDA pre[1]	-127	-102	24.9%

[1] Not defined by International Financial Reporting Standards (IFRS).

[2] Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

The decline in EBITDA pre in the first quarter of 2025 was due especially to increased costs for projects conducted at a Group level and higher IT expenses, which more than offset the decline in expenses adjusted in the previous year in connection with a program to continuously improve processes and align the enabling Group functions more closely with the businesses. The operating result and EBITDA were relatively stable compared with the previous year due to the largely offsetting expense effects.

Report on Expected Developments

With the publication of the results of fiscal 2024, we provided a forecast for the development of net sales and EBITDA pre for the Merck Group and the individual business sectors Life Science, Healthcare and Electronics as well as guidance for Group operating cash flow in fiscal 2025. With the completion of the first quarter of 2025, we update this forecast as follows:

Forecast for the Merck Group

Forecast for FY 2025

€ million	Net sales	EBITDA pre[1]	Operating cash flow
Merck Group	**~20,900 to 22,400** Organic +2% to +6% Foreign exchange effect -3% to 0%	**~5,800 to 6,400** Organic +2% to +7% Foreign exchange effect -5% to -2%	**~3,700 to 4,300**
Life Science	**~8,800 to 9,400** Organic +2% to +6% Foreign exchange effect -3% to 0%	**~2,500 to 2,700** Organic +1% to +7% Foreign exchange effect -4% to -1%	
Healthcare	**~8,300 to 8,900** Organic +2% to +6% Foreign exchange effect -4% to -1%	**~2,900 to 3,200** Organic +4% to +10% Foreign exchange effect -6% to -3%	
Electronics	**~3,700 to 4,100** Organic +1% to +6% Foreign exchange effect -3% to 0%	**~900 to 1,100** Organic -3% to +8% Foreign exchange effect -3% to 0%	
Corporate and Other	n/a	**~-500 to -550**	

[1] Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

EPS pre € 7.90 to € 9.00, based on an underlying tax rate of 22%.

Fundamental assumptions

Against the backdrop of the ongoing highly dynamic development of macroeconomic, geopolitical and industry-specific conditions, for example due to decisions of the U.S. administration, the forecast is subject to a high degree of uncertainty and volatility in fiscal 2025. In particular, this concerns the volatility and effects of U.S. tariff policy as well as potential countermeasures by trade partners or settlements to tariff conflicts. Merck is carefully observing corresponding developments and is evaluating potential scenarios and countermeasures.

Our Surface Solutions business unit will remain part of the forecast for fiscal 2025 until the divestment is closed in full. The effect of the planned acquisition of SpringWorks Therapeutics, Inc., USA, is not included in this forecast.

We also expect a persistently volatile environment as regards the development of foreign exchange rates. For 2025, we now expect negative foreign exchange effects compared with the previous year after a strong decline in the value of the U.S. dollar. In addition to the U.S. dollar, negative foreign exchange effects will be driven by individual Asian currencies and the foreign exchange development of some emerging and developing economies. While the average euro-U.S. dollar exchange rate was within the previous forecast range of 1.03 to 1.07 in the first quarter of 2025, we now expect an average euro-U.S. dollar exchange rate in a corridor of 1.07 to 1.11 for 2025 as a whole due to the strong decline in value of the U.S. dollar.

Net sales

For fiscal 2025, we expect organic sales growth for the Group of between +2% and +6% (previously +3% to +6%); all our business sectors are expected to contribute to this. We expect Life Science in particular to return to organic growth, reflecting the gradual recovery of the market. Above all, the Process Solutions business unit is likely to drive this development. For Healthcare, we assume that organic growth will be driven primarily by products from the Cardiovascular, Metabolism & Endocrinology franchise. In addition, Mavenclad® as well as products from the Oncology franchise and for the treatment of infertility are expected to contribute to this development. Organic growth in Electronics is likely to be mainly driven by our semiconductor materials business, reflecting the ongoing and extensive recovery of the semiconductor market. The declining project business of the Semiconductor Solutions business unit is typically subject to stronger fluctuations owing to the dependency on major individual orders. For our Optronics business unit, we expect stable development. Based on updated exchange rate assumptions, we expect negative exchange rate effects of -3% to 0% (previously -1% to +2%) and we therefore forecast net sales for the Merck Group of between € 20.9 billion and € 22.4 billion (previously € 21.5 billion to € 22.9 billion / 2024: € 21.2 billion).

EBITDA pre[1]

For EBITDA pre, we anticipate organic growth of between +2% and +7% (previously +3% to +8%), which is expected to be driven primarily by our Healthcare business sector, followed by Life Science. The development is essentially in line with the organic sales growth of all business sectors. The impacts of the U.S. tariff policy are expected to have a dampening effect, especially on the Life Science business sector. Conversely, positive effects from further cost discipline are forecast in Life Science. In Healthcare, strictly prioritized growth investments, e.g. in preparation for the market launch of pimicotinib, are especially reflected in research and development as well as marketing and sales expenses. We are also continuing to pursue active cost management in Electronics. The lower costs under Corporate and Other compared with the previous forecast are primarily attributable to now smaller negative effects from currency hedging transactions as a result of the changed exchange rate situation. Including foreign exchange effects of -5% to -2% (previously -2% to +1%), we anticipate EBITDA pre for the Merck Group of between € 5.8 billion and € 6.4 billion (previously € 6.1 billion to € 6.6 billion / 2024: € 6.1 billion).

Operating cash flow

The forecast for operating cash flow is generally subject to a higher fluctuation corridor than the forecast for EBITDA pre. We provide an estimate of the development of operating cash flow only for the Group as a whole.

The development of operating cash flow will largely be in line with the operating performance. Effects from the buildup of working capital will have an opposing effect, which reflects the favorable business performance. Nevertheless, among other things, assumptions regarding the U.S. tariff policy and changed exchange rate assumptions compared with the previous forecast will impact negatively on operating cash flow. Against a strong comparative basis in the previous year, for fiscal 2025 we forecast operating cash flow in a corridor of € 3.7 billion to € 4.3 billion (previously slight growth / 2024: € 4.6 billion).

As regards the composition of operating cash flow, we refer to the "**Consolidated Cash Flow Statement**" in this report.

[1] Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

supplemental financial information

Consolidated Income Statement

€ million	Q1 2025	Q1 2024
Net sales	**5,280**	**5,120**
Cost of sales	-2,135	-2,111
Gross profit	**3,145**	**3,009**
Marketing and selling expenses	-1,112	-1,087
Administration expenses	-355	-332
Research and development costs	-551	-581
Impairment losses and reversals of impairment losses on financial assets (net)	-1	1
Other operating income	44	54
Other operating expenses	-163	-133
Operating result (EBIT)[1]	**1,006**	**931**
Finance income	28	42
Finance costs	-78	-74
Profit before income tax	**956**	**899**
Income tax	-218	-200
Profit after income tax	**738**	**699**
thereof: attributable to Merck KGaA shareholders (net income)	735	694
thereof: attributable to non-controlling interests	3	5
Earnings per share (€)		
Basic	1.69	1.60
Diluted	1.69	1.60

[1] Not defined by International Financial Reporting Standard (IFRS).

Consolidated Statement of Comprehensive Income

€ million	Q1 2025	Q1 2024
Profit after income tax	**738**	**699**
Items of other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
Net defined benefit liability		
Changes in remeasurement	240	87
Tax effect	-45	-15
Changes recognized in equity	195	72
Equity instruments		
Fair value adjustments	-43	42
Tax effect	7	-5
Changes recognized in equity	-36	37
	159	109
Items of other comprehensive income that may be reclassified to profit or loss in subsequent periods		
Cash flow hedge reserve		
Fair value adjustments	123	-5
Reclassification to profit or loss	-73	-17
Tax effect	-12	2
Changes recognized in equity	38	-20
Cost of cash flow hedge reserve		
Fair value adjustments	8	–
Reclassification to profit or loss	-1	4
Tax effect	-2	-1
Changes recognized in equity	5	4
Currency translation difference		
Changes taken directly to equity	-1,030	524
Reclassification to profit or loss	–	4
Changes recognized in equity	-1,030	528
	-987	**512**
Other comprehensive income	**-828**	**621**
Comprehensive income	**-90**	**1,320**
thereof: attributable to Merck KGaA shareholders	-89	1,316
thereof: attributable to non-controlling interests	-1	4

Consolidated Balance Sheet

€ million	March 31, 2025	Dec. 31, 2024
Non-current assets		
Goodwill	18,575	19,152
Other intangible assets	5,981	6,282
Property, plant and equipment	9,854	10,025
Investments accounted for using the equity method	3	3
Non-current receivables	28	27
Other non-current financial assets	1,045	1,172
Other non-current non-financial assets	107	134
Non-current income tax receivables	8	9
Deferred tax assets	1,360	1,312
	36,961	**38,116**
Current assets		
Inventories	4,513	4,484
Trade and other current receivables	4,339	3,947
Contract assets	133	132
Other current financial assets	615	642
Other current non-financial assets	702	621
Current income tax receivables	506	512
Cash and cash equivalents	1,005	2,517
Assets held for sale	599	597
	12,412	**13,450**
Total assets	**49,373**	**51,567**
Total equity		
Equity capital	565	565
Capital reserves	3,814	3,814
Retained earnings	22,980	22,086
Gains/losses recognized in equity	2,464	3,448
Equity attributable to Merck KGaA shareholders	**29,823**	**29,912**
Non-controlling interests	75	75
	29,897	**29,988**
Non-current liabilities		
Non-current provisions for employee benefits	1,749	1,956
Other non-current provisions	243	257
Non-current financial debt	6,964	6,997
Other non-current financial liabilities	135	135
Other non-current non-financial liabilities	12	12
Non-current income tax liabilities	36	36
Deferred tax liabilities	835	892
	9,973	**10,285**
Current liabilities		
Current provisions for employee benefits	57	66
Current provisions	453	505
Current financial debt	1,734	3,304
Other current financial liabilities	914	1,030
Trade and other current payables	2,092	2,275
Refund liabilities	914	869
Current income tax liabilities	1,606	1,527
Other current non-financial liabilities	1,579	1,562
Liabilities directly related to assets held for sale	152	157
	9,502	**11,294**
Total equity and liabilities	**49,373**	**51,567**

Consolidated Cash Flow Statement

€ million	**Q1 2025**	Q1 2024
Profit after income tax	**738**	**699**
Depreciation/amortization/impairment losses/reversals of impairment losses	473	454
Changes in inventories	-114	-41
Changes in trade accounts receivable	-297	-64
Changes in trade accounts payable/refund liabilities	14	-72
Changes in provisions	-45	40
Changes in other assets and liabilities	-224	33
Neutralization of gains/losses on disposal of fixed assets and other disposals	10	-8
Other non-cash income and expenses	1	-5
Operating cash flow	**556**	**1,035**
Payments for investments in intangible assets	-37	-248
Payments from the disposal of intangible assets	2	6
Payments for investments in property, plant and equipment	-487	-523
Payments from the disposal of property, plant and equipment	5	11
Payments for investments in other assets[1]	-330	-287
Payments from the disposal of other assets[2]	427	347
Payments for acquisitions less acquired cash and cash equivalents (net)	–	–
Payments from other divestments	–	6
Investing cash flow	**-419**	**-689**
Dividend payments to Merck KGaA shareholders	–	–
Dividend payments to non-controlling interests	–	–
Profit withdrawal by E. Merck KG	-46	-52
Proceeds from new borrowings of financial debt from E. Merck KG and E. Merck Beteiligungen KG	–	–
Repayments of financial debt to E. Merck KG and E. Merck Beteiligungen KG	-3	-27
Changes in other current and non-current financial debt	-1,560	-28
Financing cash flow	**-1,609**	**-107**
Changes in cash and cash equivalents	**-1,472**	**239**
Changes in cash and cash equivalents due to currency translation	-40	-2
Cash and cash equivalents at the beginning of the reporting period	2,517	1,982
Changes in cash and cash equivalents due to reclassification to assets held for sale	–	–
Cash and cash equivalents as of March 31 (consolidated balance sheet)	**1,005**	**2,220**

[1] The lines “Payments for investments in financial assets” and "Payments from disposal of non-financial assets", which were presented separately in the previous year, have been summarized to improve clarity and transparency.

[2] The lines “Proceeds from the disposal of other financial assets” and “Proceeds from the disposal of non-financial assets”, which were presented separately in the previous year, have been summarized to improve clarity and transparency.

Subsequent events

On April 28, 2025, Merck announced that it had signed a final agreement on the acquisition of U.S. biopharmaceutical company SpringWorks Therapeutics, Inc., USA, (SpringWorks) for a purchase price of US$ 47 per share in cash. SpringWorks focuses on treating rare tumors and already has marketing approval for two therapies. The strategic acquisition aims to strengthen the portfolio of the Healthcare business sector of Merck, especially in the United States, and to make the innovative therapies of SpringWorks accessible to a broader range of patients. The transaction is expected to close in the second half of 2025, subject to the approval of the SpringWorks shareholders, regulatory clearances and the satisfaction of other customary closing conditions.

Subsequent to the balance sheet date, no further events of special importance occurred that could have a material impact on the net assets, financial position or results of operations.

Darmstadt, May 13, 2025

Belén Garijo

Kai Beckmann

Khadija Ben Hammada

Peter Guenter

Matthias Heinzel

Helene von Roeder

financial calendar

August 7, 2025 Half-yearly Financial Report

November 13, 2025 Quarterly Statement Q3

March 5, 2026 Annual Report 2025

April 24, 2026 Annual General Meeting

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by Merck KGaA
Frankfurter Strasse 250
64293 Darmstadt, Germany
Telephone: + 49 6151 72-0
www.merckgroup.com

DESIGN
nexxar GmbH, Vienna, Austria
www.nexxar.com