Acceleration in Life Science drives strong growth momentum

Merck Q2 2025 results

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MERCK

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Agenda

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Executive summary

Merck

Highlights: Sustaining Sales Growth Momentum as Life Science Accelerates

Operations

Q2 YoY organic sales growth[1]

Life Science:
- Very strong PS growth of +11% drives LS sales (+4%)
- Very strong YoY improvement in PS orders continues
- SLS sales flat amid continued US policy change headwinds

Healthcare:
- Sales increased +4% driven by solid growth in CM&E (+5%) and moderate growth in Oncology (+4%), and N&I (+3%)
- Very strong growth in Mavenclad®, Erbitux® and Pergoveris®

Electronics:
- DS&S decreased by low to mid-double-digit percentages, negating continued growth in Semi Materials
- Electronics sales down -6%

Group Financials

Q2 organic sales: +2.0%

Q2 organic EBITDA pre: +4.6%

2025 Guidance:
- Net sales: ~€20.5 – €21.7 bn
  EBITDA pre: ~€5.9 – €6.3 bn
  EPS pre: ~€8.00 – €8.70
- Including the completed M&A of SpringWorks[2] and divestment of Surface Solutions[3], executing on our strategic agenda
- Upgrading org. EBITDA pre guidance range to +4 to 8%, overcompensating currency headwinds

Net financial debt to EBITDA pre:
1.3x on June 30, 2025

Acronym(s): **PS** = Process Solutions; **LS** = Life Science; **SLS** = Science & Lab Solutions; **CM&E** = Cardiology Metabolism & Endocrinology; **N&I** = Neurology & Immunology; **DS&S =** Delivery Systems & Services; **M&A** = Mergers and Acquisitions; 1) QoQ growth on reported basis; 2) SpringWorks completed on 1 July 2025 with consolidation of financials from that date; 3) Surface Solutions divestment completed on 31 July 2025 with deconsolidation of the divested assets from 1 August 2025

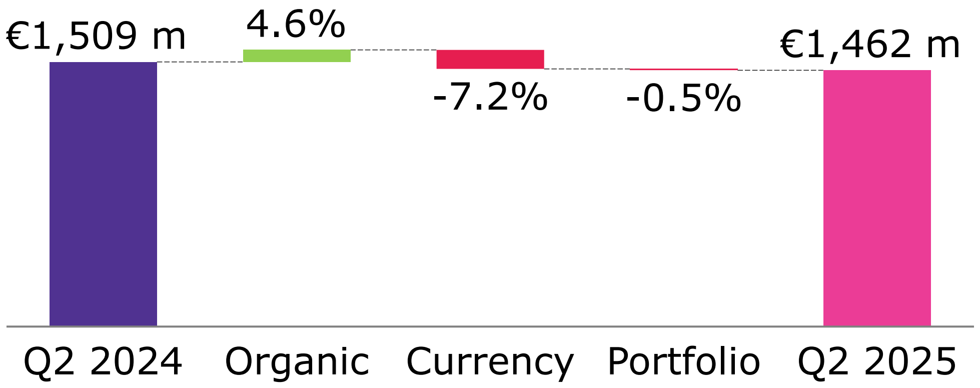
Delivering Profitable Organic Sales Growth amid Strong Currency Headwinds

Q2 YoY Net Sales

	Organic	Currency	Portfolio	Total
Life Science	3.7%	-3.6%	0.3%	0.4%
Healthcare	3.6%	-5.2%	0.0%	-1.6%
Electronics	-5.6%	-3.5%	1.7%	-7.4%
Merck Group	**2.0%**	**-4.2%**	**0.4%**	**-1.8%**

- LS: Accelerating org. sales growth, up low-teens in PS and around stable in SLS; PS delivers second sequential quarter of low-teens org. sales growth with book-to-bill remaining comfortably above 1
- HC: Moderate org. sales growth driven by solid growth of CM&E, moderate growth in Oncology and N&I including double-digit growth of Erbitux® and Mavenclad®; Fertility down moderately
- EL: Org. sales down; Semiconductor Solutions down, as sharp decline in DS&S negates continued sales growth in Semi Materials

Q2 YoY EBITDA pre



- Moderate EBITDA pre org. growth, driven by mid-teens HC growth and moderate growth in LS
- Non-recurring EL items lower EBITDA pre mid-double-digit €m
- EBITDA pre margin is around stable at ~28%
- Strong negative FX effect mainly in Healthcare; USD and CNY are the largest Group currency headwinds

Acronym(s): **PS** = Process Solutions; **SLS** = Science & Lab Solutions; **FX** = Foreign exchange; **CM&E** = Cardiology Metabolism & Endocrinology; **N&I** = Neurology & Immunology; **DS&S =** Delivery Systems & Services; **LS** = Life Science; **HC** = Healthcare; **EL** = Electronics; Totals may not add up due to rounding

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financial overview

Q2 2025: Overview

Key figures

[€m]	Q2 2024	Q2 2025	Δ
Net sales	5,352	**5,255**	-1.8%
EBITDA pre	1,509	**1,462**	-3.1%
Margin (in % of net sales)	28.2%	**27.8%**	-0.4pp
EPS pre	2.20	**2.02**	-8.2%
Operating cash flow	861	**567**	-34.2%

[€m]	Dec. 31, 2024	Jun 30, 2025	Δ
Net financial debt	-7,155	**-7,973**	11.4%
Net working capital	5,171	**5,548**	7.3%
Employees	62,557	**63,160**	1.0%

Comments

- Sales down -2%; moderate org. growth is overcompensated by FX headwinds
- LS sales around stable, as HC is down slightly and EL is down significantly
- EBITDA pre: very strong org. growth in HC, LS about stable with EL lower mainly due to one-offs[1]
- EPS pre fell more than EBITDA pre, due to tax items in financial results and lower cash balances reducing interest income
- OCF down low-double-digit % mainly due to higher tax payments and variable comp
- NWC development around stable in Q2
- Net financial debt up, mainly due to annual dividend and variable comp

1) One-off items include a low double-digit €m unfavorable adj. of a PPA entry assigned to the 2014 AZ acquisition; and mid-double digit €m provision for a customer following a non-quality related supplier mislabeling dispute. Together a mid-double-digit €m effect with the underlying EBITDA pre margin ~29%; Acronym(s): **OCF** = Operating Cash Flow; **NWC** = Net Working Capital; **FX** = Foreign exchange; **LS** = Life Science; **HC** = Healthcare; **EL** = Electronics; **EPS** = Earnings Per Share; Totals may not add up due to rounding

Q2 2025: Reported Figures

Reported results

[€m]	Q2 2024	Q2 2025	Δ
EBIT	792	**891**	12.4%
Financial result	-7	**-62**	764.2%
Profit before tax	785	**829**	5.6%
Income tax	-180	**-174**	-3.3%
Effective tax rate (%)	22.9%	**21.0%**	-1.9pp
Net income	607	**652**	7.4%
EPS (€)	1.40	**1.50**	7.1%

Comments

- EBIT up, primarily due to the absence of prior year HC asset impairment, partially offset by one-time EL costs
- Adverse change to financial result reflects tax items and lower cash balances reducing interest income
- Effective tax rate within the guided 21% to 23% corridor
- Strong EPS growth resulting from higher EBIT and lower income taxes

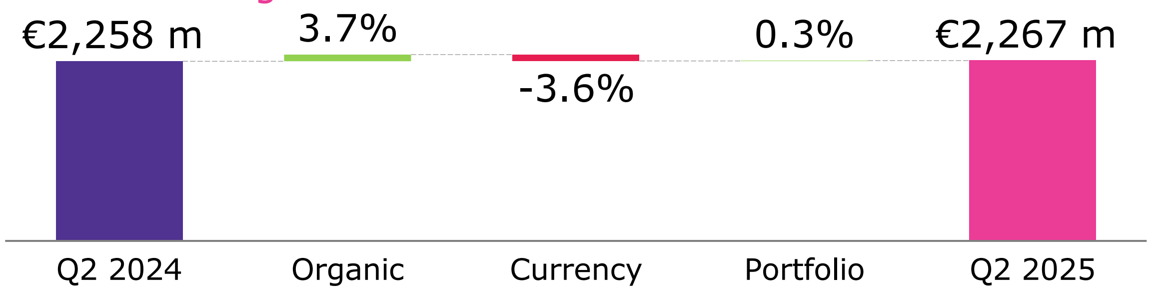
Acronym(s): **LS** = Life Science; **HC** = Healthcare; **EL** = Electronics; **EPS** = Earnings Per Share;
Totals may not add up due to rounding

Life Science Q2: Sustains Low-teens PS Growth, Confirming LS Acceleration

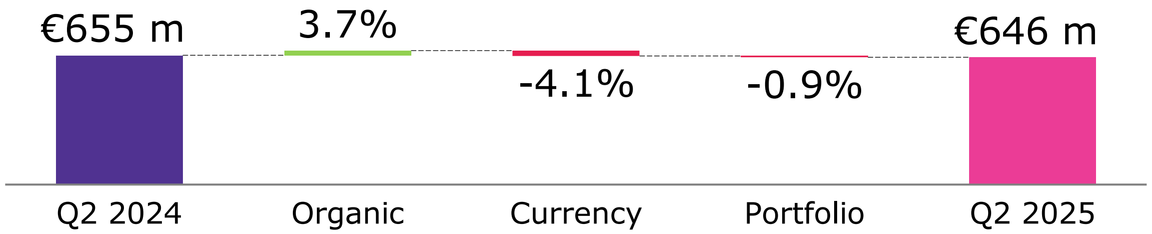
Life Science P&L

[€m]	IFRS		Pre	
	Q2 2024	Q2 2025	Q2 2024	**Q2 2025**
Net sales	2,258	2,267	2,258	**2,267**
M&S	-567	-544	-563	**-544**
Admin	-104	-117	-96	**-100**
R&D	-96	-97	-96	**-97**
EBIT	370	365	442	**432**
EBITDA	639	598	-	**-**
EBITDA pre	655	646	655	**646**
(in % of net sales)	29.0%	28.5%	29.0%	**28.5%**

Net sales bridge



EBITDA pre bridge



Comments

- Process Solutions: sales up +11% org. against increasing comps, in-line with our mid-term growth ambition of ~10%
- PS order intake up very strongly YoY %, continuing the momentum from the past two quarters, with strong book-to-bill (>1x)
- Science & Lab Solutions: sales around stable (~0% org.); U.S. policy changes continuing to impact spending by academic and government labs; seeing some green shoots from pharma/biotech customers
- M&S spend slightly down, with admin costs increasing in line with sales
- Stable R&D expenses; continued investment in innovation as a key driver of future growth and differentiation
- EBITDA pre up +4% org., EBITDA pre margin around stable excluding FX and portfolio effects

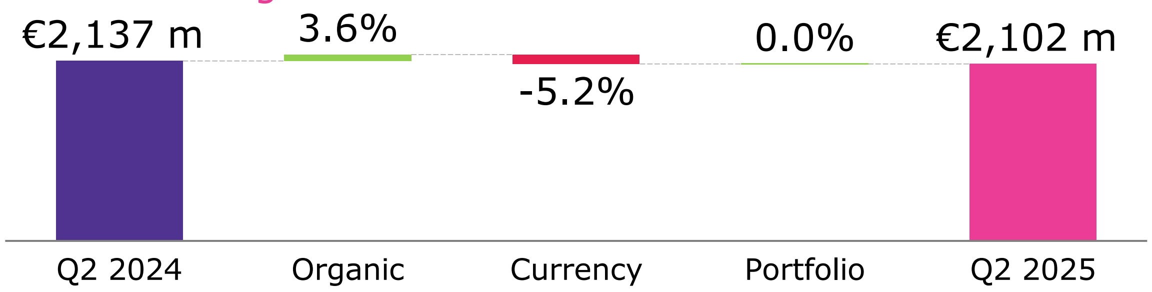
Acronym(s): **PS** = Process Solutions; **LS** = Life Science; **M&S** = Marketing and selling expenses; **R&D** = Research & Development; **FX** = Foreign exchange; Totals may not add up due to rounding

Healthcare Q2: Mavenclad®, CM&E and Erbitux® Drive Profitable Growth

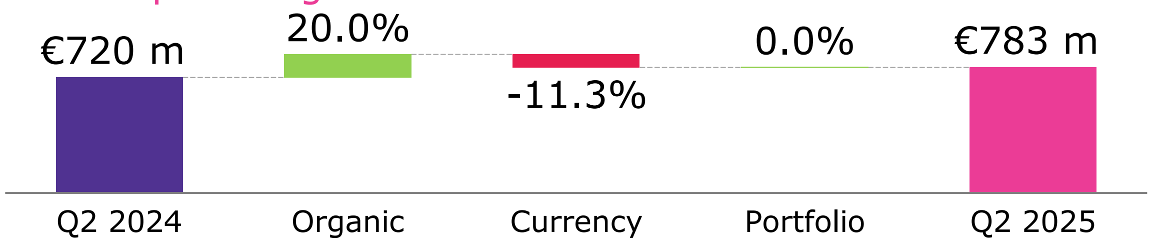
Healthcare P&L

[€m]	IFRS		Pre	
	Q2 2024	Q2 2025	Q2 2024	**Q2 2025**
Net sales	2,137	2,102	2,137	**2,102**
M&S	-437	-432	-439	**-432**
Admin	-78	-79	-76	**-76**
R&D	-445	-350	-441	**-350**
EBIT	501	681	627	**708**
EBITDA	749	759	-	**-**
EBITDA pre	720	783	720	**783**
(in % of net sales)	33.7%	37.2%	33.7%	**37.2%**

Net sales bridge



EBITDA pre bridge



Comments

- CM&E sales up +5% org. with contribution across all therapeutic areas; Fertility sales moderately down (-3% org.) against still elevated comps and amid softening market growth in APAC
- Oncology up +4% org., with double-digit growth of Erbitux® (+11% org.) and Tepmetko® (+41% org.) are partially offset by lower Bavencio® sales (-12% org.) in a competitive environment
- N&I sales up +3% org., driven by very strong Mavenclad® growth (+21% org.); Rebif® down (-26% org.) in declining interferon market
- M&S developing in line with sales
- Lower R&D spending; envelope to gradually increase from mid-teens percentage (in H2'24); prior year includes asset impairment[1]
- EBITDA pre margin of 37% with underlying margin expansion due to favorable mix, strong commercial execution and cost discipline

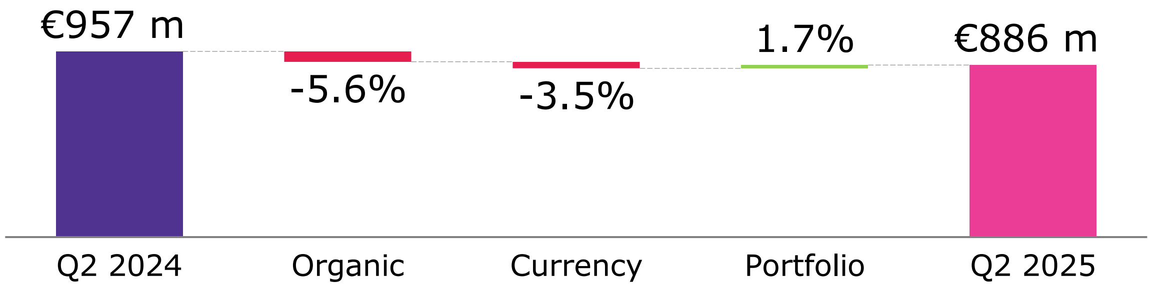
1) Mid-double-digit €m asset impairment for Xevinapant included in prior year; Acronym(s): **M&S** = Marketing and selling expenses; **R&D** = Research & Development; **N&I** = Neurology & Immunology; **CM&E** = Cardiology Metabolism & Endocrinology; **APAC** = Asia-Pacific; Totals may not add up due to rounding

Electronics Q2: Faster DS&S Downcycle, Materials Growth Remains Intact

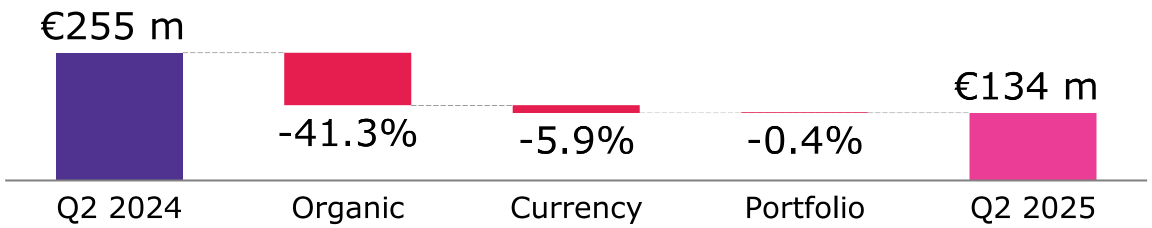
Electronics P&L

[€m]	IFRS		Pre	
	Q2 2024	Q2 2025	Q2 2024	**Q2 2025**
Net sales	957	886	957	**886**
M&S	-142	-142	-142	**-136**
Admin	-36	-50	-34	**-37**
R&D	-75	-69	-75	**-69**
EBIT	107	-13	131	**20**
EBITDA	242	105	-	**-**
EBITDA pre	255	134	255	**134**
(in % of net sales)	26.7%	15.1%	26.7%	**15.1%**

Net sales bridge



EBITDA pre bridge

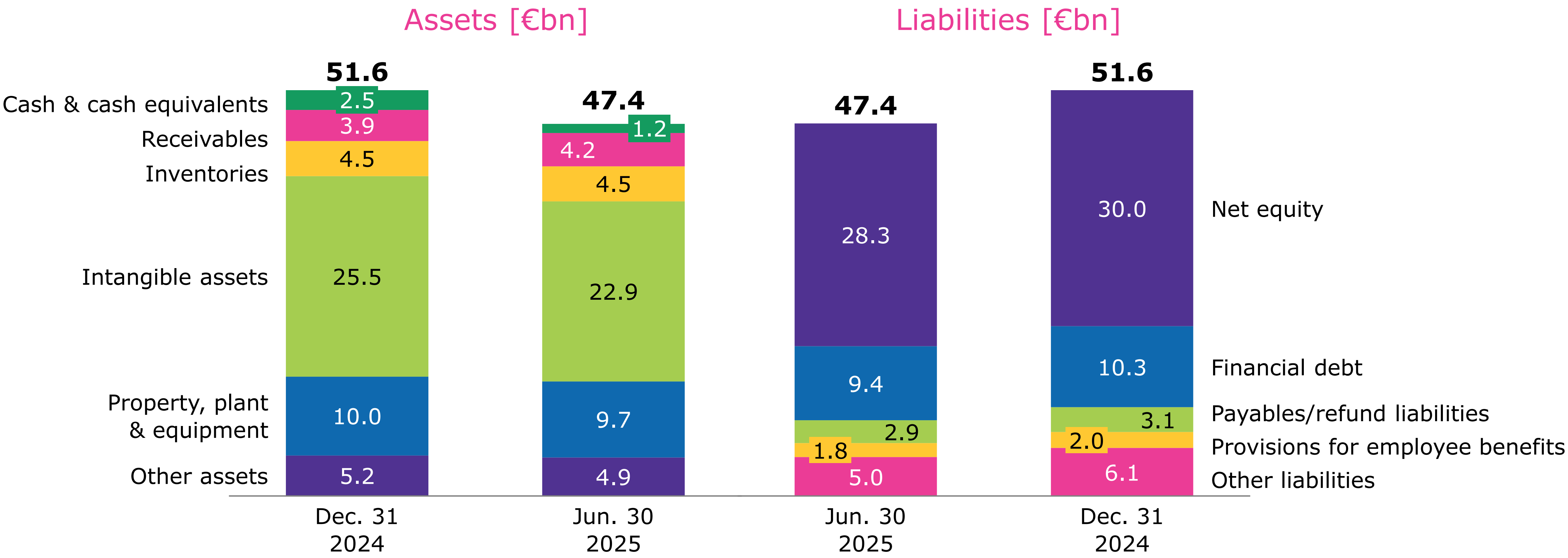


Comments

- Semiconductor Solutions: sales down -6% org. as DS&S down low- to mid-double-digit % with customer project phasing even further delayed
- Low-single-digit org. growth in Semi Materials against stronger comps; sustained Materials demand, particularly for AI and adv. nodes; timing of NAND / analog acceleration is uncertain
- Optronics: reported sales around stable considering the consolidation benefit of UnitySC acquisition and FX headwinds
- Surface: sales down -6% org. mainly due to weaker cosmetics demand
- M&S costs slightly down, with lower logistics costs resulting from continued cost management and a reclassification of fleet depreciation from logistics costs to costs of goods sold
- EBITDA pre % lower, mainly due to LDD adj. of a PPA entry assigned to the 2014 AZ acquisition; and a MDD provision related to supplier mislabeling, resulting in historical pricing adj. with no impact on quality
- Higher exceptional costs reflect carve out activities in the divestment of Surface Solutions; Completed successfully on 31 July

Acronym(s): **M&S** = Marketing and selling expenses; **R&D** = Research & Development; **AI** = Artificial Intelligence; **DS&S** = Delivery Systems & Service; **NAND** = NOT AND; **FX** = Foreign exchange; **LDD** = low- double digit; **MDD** = mid- double digit; **PPA** = Purchase Price Allocation; Totals may not add up due to rounding;

Balance Sheet



- Cash & cash equivalents lower with the repayment of EUR 1.5bn worth of USD bonds in Q1
- Higher receivables mainly due to phasing and normalization of receivables DSO
- Intangible assets declined due to USD depreciation against the Euro (goodwill tied to historical U.S. M&A) and D&A

- Financial debt lower with the repayment of USD bonds
- Provisions for employee benefits lower due to actuarial gains
- Other liabilities reduction mainly due to dividend, variable compensation and tax items
- Equity ratio declined to 60% (Mar. 31, 61%) following payment of annual dividend

Acronym(s): **FX** = Foreign exchange; **M&A** = Mergers and Acqusitions; **D&A** = Depreciation & Amortization; **DSO** = Days Sales Outstanding; Totals may not add up due to rounding

Cash Flow Statement

Q2 2025 – cash flow statement

[€m]	Q2 2024	Q2 2025	Δ
Profit after tax	605	**655**	50
D&A	680	**457**	-223
Changes in provisions	-18	**82**	100
Changes in other assets/liabilities	-265	**-467**	-202
Other operating activities	-8	**-3**	5
Changes in working capital	-134	**-158**	-24
Operating cash flow	861	**567**	-294
Investing cash flow	-30	**-143**	-113
thereof Capex on PPE	-310	**-298**	12
Financing cash flow	-360	**-257**	103

Cash flow drivers

- Profit after tax strongly up on solid operational performance
- D&A down on absence of prior year HC R&D impairment and lower amortization of purchased intangibles
- Increased provisions due to one-timers in EL and LS reorganization
- Adverse other assets & liabilities delta reflects higher variable comp and higher cash taxes due to phasing
- Investing cash flow mainly reflects payment for global commercialization rights of Pimicotinib
- Investing and Financing cash flow additionally driven by proceeds from short-term investments

Acronym(s): **PPE** = Property, Tax & Equipment; **R&D** = Research & Development; **D&A** = Depreciation & Amortization; **HC** = Healthcare; **EL** = Electronics; **LS** = Life Science; Totals may not add up due to rounding

03

Outlook & Guidance

Merck Group
Full-year 2025 guidance

Net sales:
Organic: +2% to +5% YoY
FX: -5% to -2% YoY
~€20.5 – €21.7 bn

EBITDA pre:
Organic: +4% to +8% YoY
PF: -2% to -1% (-€120 m to -€80 m)[1]
FX: -6% to -3% YoY
~€5.9 – €6.3 bn

EPS pre:
~€8.00– €8.70

1) Mainly driven by SpringWorks acquisition closed on July 1, 2025; with Surface Solutions divestment closed on July 31, 2025 and Unity-SC acquisition closed on October 31, 2024

2025 business sector guidance[1]

Life Science

Net sales
- Organic: +3% to +6% YoY
- FX: -5% to -2% YoY
- ~€8.80 bn to €9.30 bn
- PS in line with mid-term target of ~10%

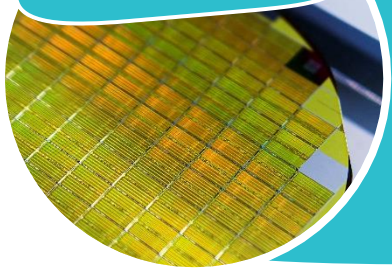
EBITDA pre
- Organic:+3% to +7% YoY
- FX: -5% to -2% YoY
- ~€2.50 bn to €2.70 bn

Healthcare

Net sales
- Organic: +3% to +5% YoY
- PF: ~2% (~€170 m)[2]
- FX: -5% to -2% YoY
- ~€8.50 bn to €8.90 bn

EBITDA pre
- Organic:+9% to +13% YoY
- PF: -3% to -2% (-€90 m to -€70 m)[2]
- FX: -9% to -6% YoY
- ~€2.90 bn to €3.10 bn

Electronics



Net sales
- Organic: -5% to-1% YoY
- PF: ~-3% (~-€120 m)[3]
- FX: -5% to -2% YoY
- ~€3.30 bn to €3.60 bn

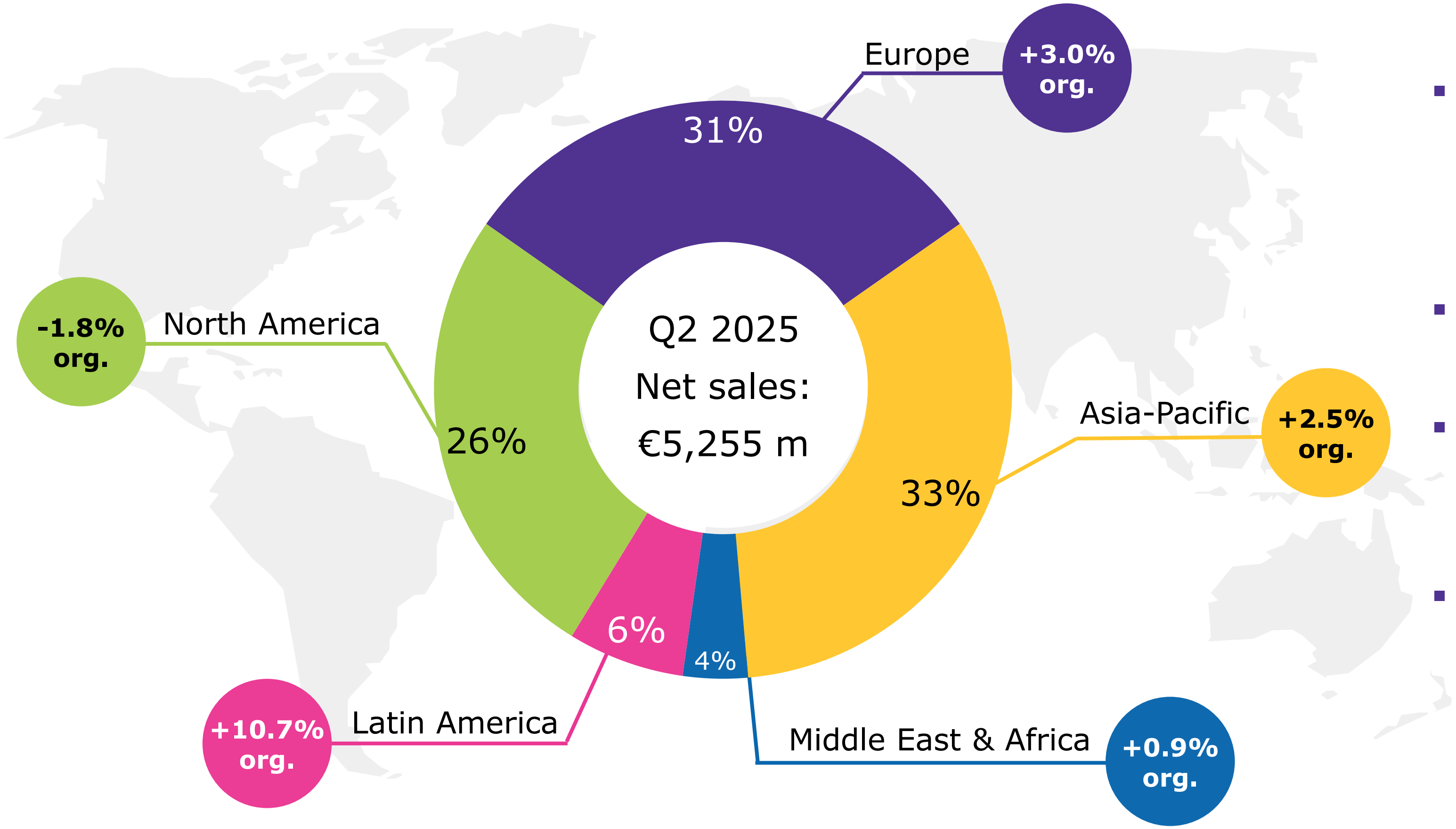
EBITDA pre
- Organic: -15% to -7% YoY
- PF: -3% to -1% (-€30 m to -€10 m)[3]
- FX: -6% to -3% YoY
- ~€0.70 bn to €0.90 bn

1) Divisional guidances are only support to the group guidance and do not have to add up
2) Mainly driven by SpringWorks acquisition closed on July 1, 2025
3) Mainly driven by Surface Solutions divestment closed on July 31, 2025; Unity-SC acquisition closed on October 31, 2024

Appendix

Geographical Diversification Drives Resilient Organic Sales Growth

Regional breakdown of net sales [€m]



Regional organic development

- N. America: LS growth (PS), offset by low-teens EL (DS&S) and moderate HC declines (Bavencio® & Rebif®) despite strong Mavenclad®
- Europe: moderate growth in both LS (PS) and HC (broadly across franchises)
- APAC: strong growth in LS (PS), moderate growth in HC (CM&E, Erbitux®) and slightly down in EL (DS&S)
- LATAM: low-teens growth in HC and LS

Acronym(s): **APAC** = Asia-Pacific; **LATAM** = Latin America; **LS** = Life Science; **HC** = Healthcare; **EL** = Electronics; **PS** = Process Solutions; **SLS** = Science & Lab Solutions; **CM&E** = Cardiology Metabolism & Endocrinology; **DS&S** = Delivery Systems & Service; Totals may not add up due to rounding

Additional Financial Guidance 2025

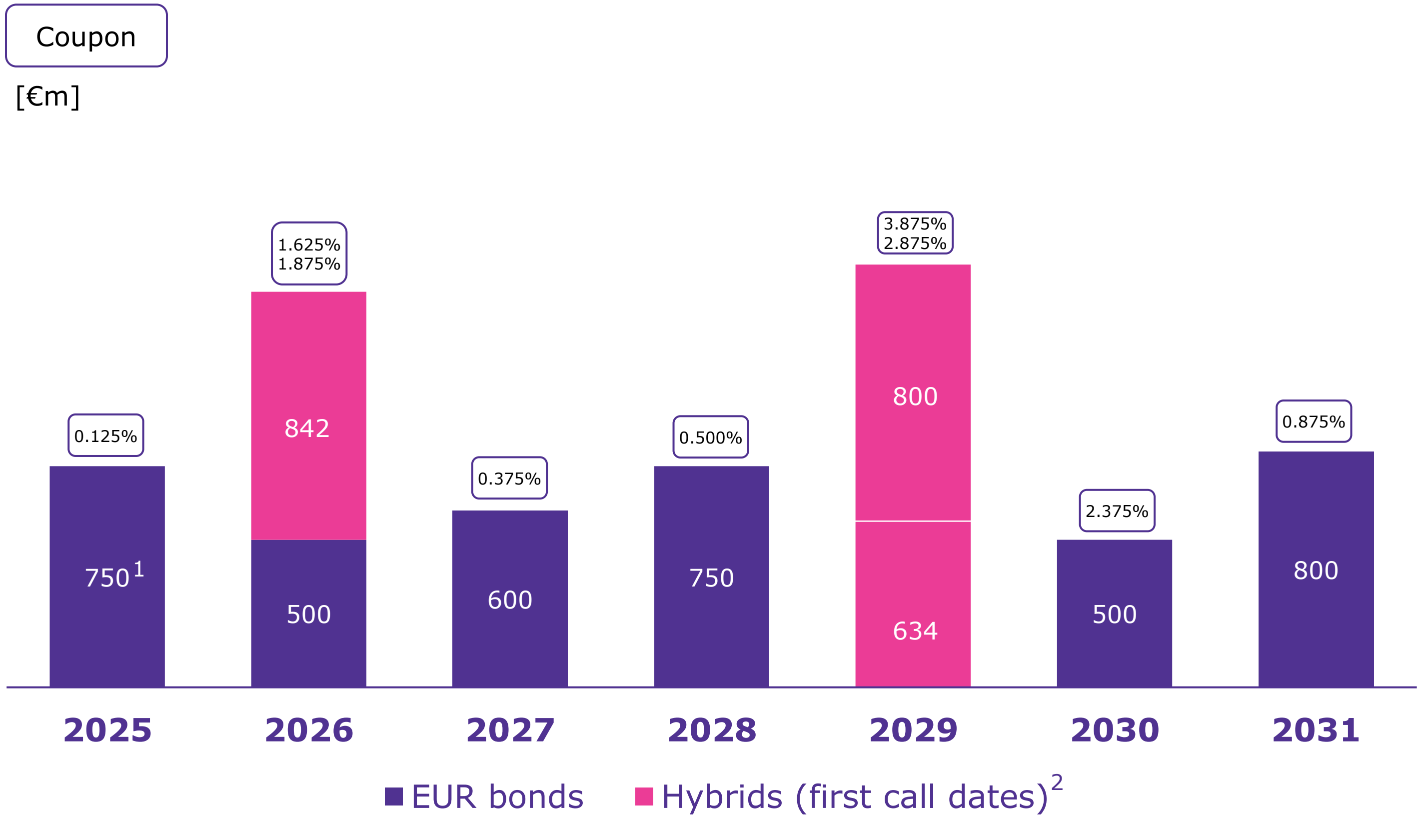
Further financial details

Corporate & Other EBITDA pre[1]	**~ -€350 m to -€400 m**
Interest result[2]	**~ -€200 m to -€250 m**
Effective tax rate	**~ 21% to 23%**
Capex on PPE[3]	**~ €1.6 to 1.8 bn**
Hedging at Corporate & Other line[4]	**FY 2025 overall hedge ratio ~ 70%** **EUR/USD hedging @ ~ 1.11**
2025 Ø EUR/USD assumption	**~ 1.11 to 1.15**

1) Guidance update mainly driven by hedging gains and also due to a mid double-digit euro million effect driven by changes in local regulations in Latin America; 2) Updated to include cost of debt for SpringWorks, with the deal completing on July 1st 2025; 3) Based on gross additions to Property, Plant and Equipment (PPE) on balance sheet (excl. leasing) in fiscal year to reflect planned Capex expansion more accurately; 4) Merck hedges significant foreign currency and interest rate exposures arising from both forecasted transactions and existing balance sheet items in the respective currencies for which USD and CNY are significant ones; the ratio targets a minimum of 40%, calculated as the proportion of exposure covered by hedging instruments, and can go as high as 90%

Credit Details

Maturity profile as of June 30, 2025



Credit rating information

	LT Rating	Last LT Rating Change	Outlook	ST Rating
Moody's	A3	21.10.21	Stable	P-2
S&P Global	A	29.05.13	Stable	A-1

Notes: 1) Decision on call rights of hybrid bonds not taken yet; 2) Subsequent event after June 30, 2025, repayment of EUR senior bond 750m EUR on 16.07.2025

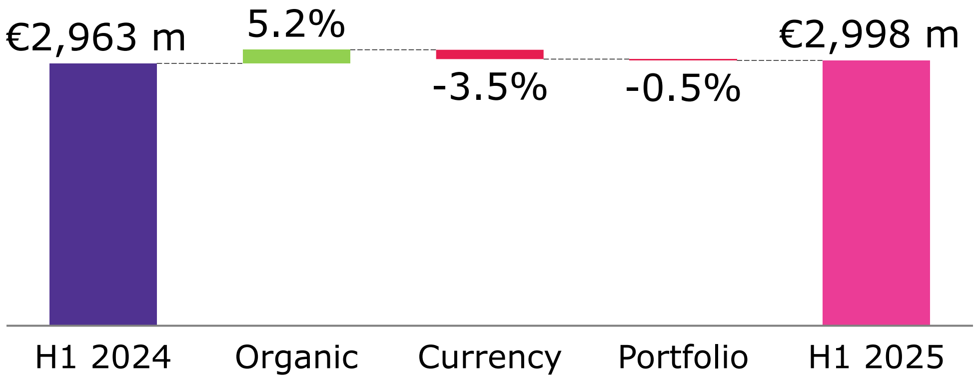
Profitable Organic Growth in H1, Driven by Healthcare and Life Science

H1 YoY Net Sales

	Organic	Currency	Portfolio	Total
Life Science	3.1%	-1.5%	0.3%	1.9%
Healthcare	3.5%	-2.7%	0.0%	0.7%
Electronics	-2.6%	-1.3%	1.2%	-2.7%
Merck Group	**2.3%**	**-2.0%**	**0.3%**	**0.6%**

- Life Science: up +3% org., driven by PS (+11% org.) amid declines in SLS (-1% org.) and LSS (-7% org.); Very strong PS order growth in H1 with book-to-bill comfortably above 1
- Healthcare: up +3% org., driven by strong growth in CM&E; Oncology and N&I around stable org. supported by double-digit growth of Erbitux® and Mavenclad®; Fertility slightly down org.
- Electronics: down -3% org. with Semis down -2%; mainly due to DS&S sales down low-double-digit % org.; Optronics / Surface down -3%/-7% resp. org.; UnitySC contributes 1% portfolio

H1 YoY EBITDA pre



- EBITDA pre up +5% org., as +16% growth in Healthcare was partially compensated by non-recurring items in Electronics
- Life Science EBITDA pre up 3% org., in line with sales
- FX headwinds of -4% across various currencies with largest negative impact from USD and CNY

Acronym(s): **FX** = Foreign exchange; **PS** = Process Solutions; **SLS** = Science & Lab Solutions; **LSS** = Life Science Services; **DS&S** = Delivery Systems & Service; **CM&E** = Cardiology Metabolism & Endocrinology; **N&I** = Neurology & Immunology; Totals may not add up due to rounding

H1 2025: Overview

Key figures

[€m]	H1 2024	H1 2025	Δ
Net sales	10,472	**10,535**	0.6%
EBITDA pre	2,963	2,998	1.2%
Margin (in % of net sales)	28.3%	28.5%	0.2pp
EPS pre	4.26	**4.14**	-2.8%
Operating cash flow	1,896	**1,123**	-40.8%

[€m]	Dec. 31, 2024	June 30, 2025	Δ
Net financial debt	-7,155	**-7,973**	11.4%
Working capital	5,171	**5,548**	7.3%
Employees	62,557	**63,160**	1.0%

Comments

- Sales up +1% as moderate organic growth is partially compensated by FX
- Low-teens growth in HC EBITDA drives slight growth in EBTIDA pre, offset by FX headwinds and non-recurring EL items
- EPS pre mainly driven by higher financial result, specifically higher tax items and less interest from cash balances
- OCF down mainly due to higher receivables, higher tax payments and higher variable comp
- Higher NWC due to higher receivables
- Net financial debt up mainly due to payment of dividend and variable comp

Acronym(s): **OCF** = Operating Cash Flow, **NWC** = Net Working Capital; **FX** = Foreign exchange; **EPS** = Earnings Per Share; **HC** = Healthcare; Totals may not add up due to rounding

H1 2025: Reported Figures

Reported results

[€m]	H1 2024	H1 2025	Δ
EBIT	1,724	**1,897**	10.0%
Financial result	-39	**-112**	183.3%
Profit before tax	1,684	**1,785**	6.0%
Income tax	-379	**-392**	3.2%
Effective tax rate (%)	22.5%	**21.9%**	-0.6pp
Net income	1,302	**1,388**	6.6%
EPS (€)	2.99	**3.19**	6.7%

Comments

- EBIT up, primarily due to the absence of prior year HC R&D impairment, partially offset by one-time EL costs
- Adverse change to financial result reflects tax items and lower cash balances reducing interest income
- Effective tax rate increased of 22% at the midpoint of 21-23% guidance range
- Strong EPS growth resulting from higher EBIT and lower income tax rate

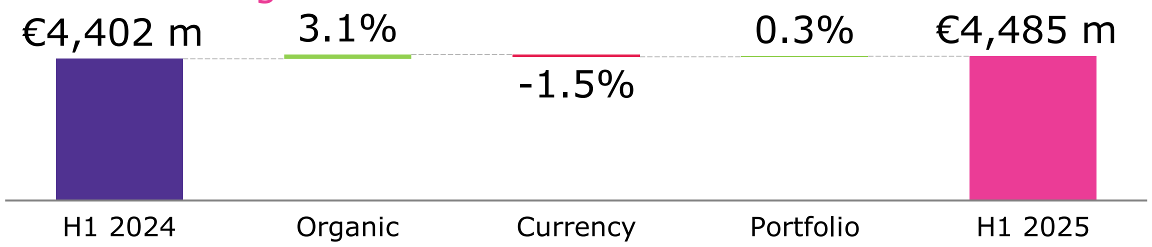
Acronym(s): **EPS** = Earnigs Per Share; **HC** = Healthcare; **EL** = Electronics; **R&D** = Research & Development;
Totals may not add up due to rounding

Life Science H1: Low-teens PS Growth, Confirming Ongoing Recovery

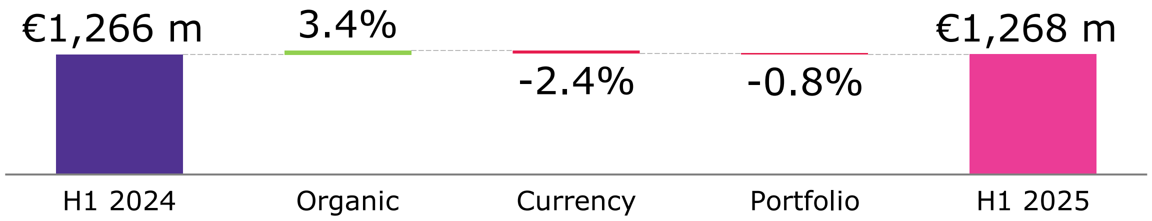
Life Science P&L

[€m]	IFRS		Pre	
	H1 2024	H1 2025	H1 2024	**H1 2025**
Net sales	4,402	4,485	4,402	**4,485**
M&S	-1,117	-1,099	-1,108	**-1,097**
Admin	-216	-224	-191	**-199**
R&D	-192	-196	-191	**-196**
EBIT	748	734	846	**834**
EBITDA	1,224	1,188	-	**-**
EBITDA pre	1,266	1,268	1,266	**1,268**
(in % of net sales)	28.8%	28.3%	28.8%	**28.3%**

Net sales bridge



EBITDA pre bridge



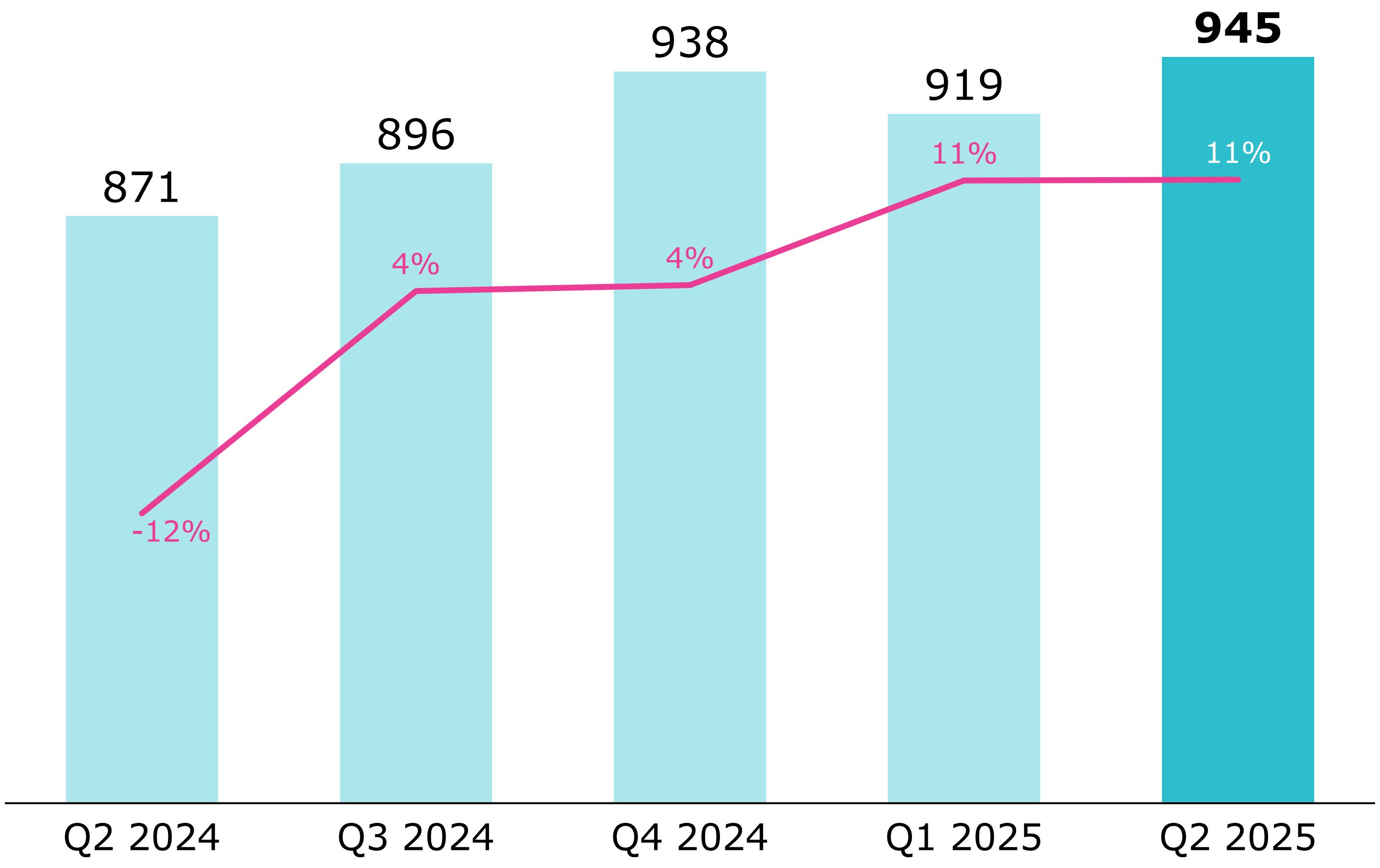
Comments

- Process Solutions: sales up +11% org. against softer comps, in-line with mid-term growth ambition of ~10%
- Order intake up very strong % YoY in Process Solutions
- Science & Lab Solutions: sales down -1% org. due to US policy changes impacting US academic and government labs spending amid cautious pharma research spending environment
- M&S spend slightly down, with admin costs increasing in line with sales
- Slightly higher R&D expenses; continued investment in innovation as a key driver of future growth and differentiation
- EBITDA pre up +3% org., margin slightly up excluding FX and portfolio effects

Acronym(s): **M&S** = Marketing and selling expenses, **R&D** = Research & Development; **FX** = Foreign exchange.
Totals may not add up due to rounding

Process Solutions: Sales Growth Remains Low Teens amid Higher Comps

Sales development [€m] - org. growth [%] YoY

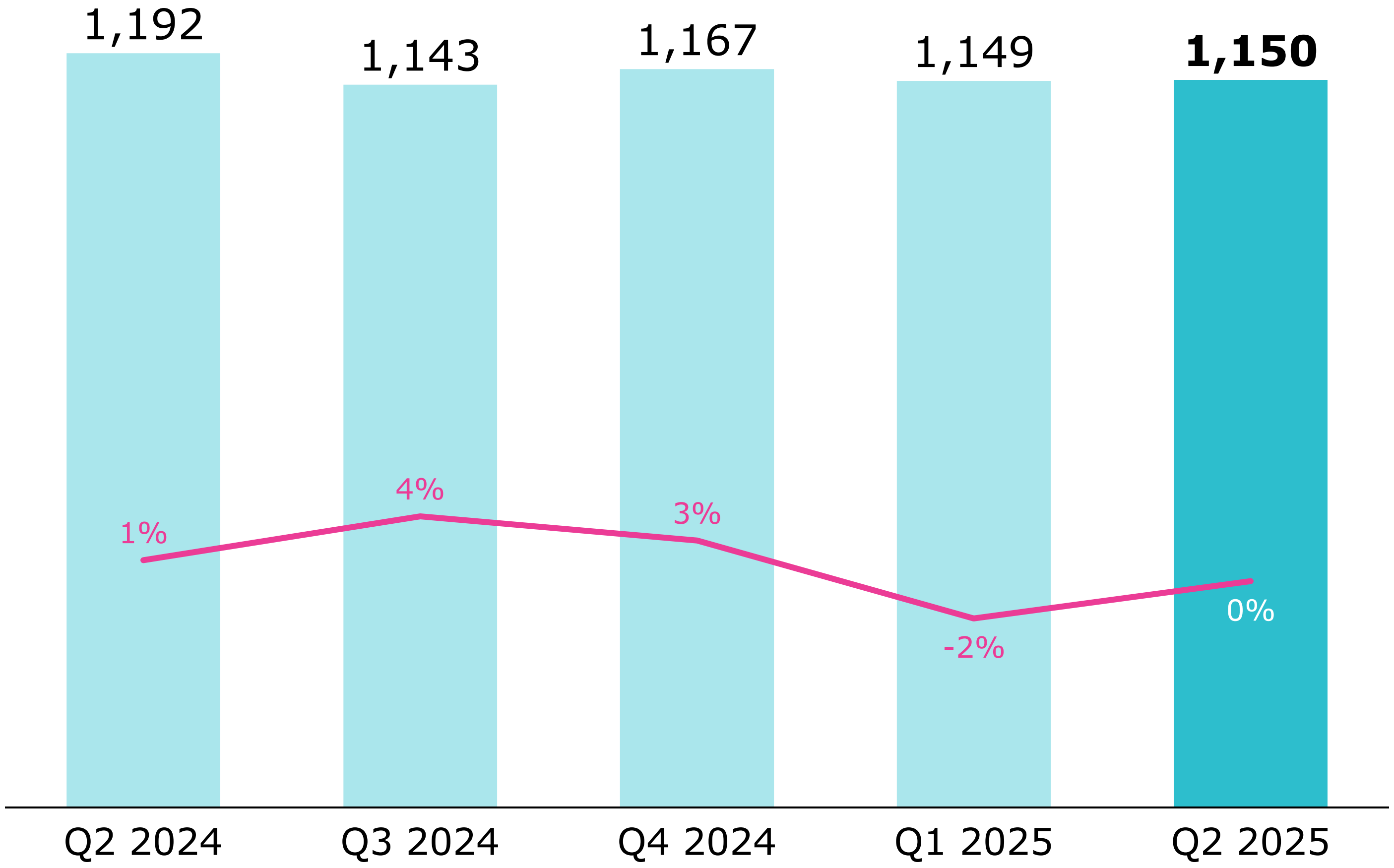


- **Organic sales up low teens** year-over-year; sequential sales growth continues
- **Order intake** remains **very strong** year-over-year
- Book-to-bill **>1,** at similar level to Q1-25
- All major regions growing
- **APAC** growing the strongest **at a mid-teens percentage rate org.;** Europe growing at low-teens, North America at low to mid-single digits

Acronym(s): **APAC** = Asia-Pacific; Totals may not add up due to rounding

Science & Lab Solutions: Headwinds from US Academia and Government

Sales development [€m] - org. growth [%] YoY

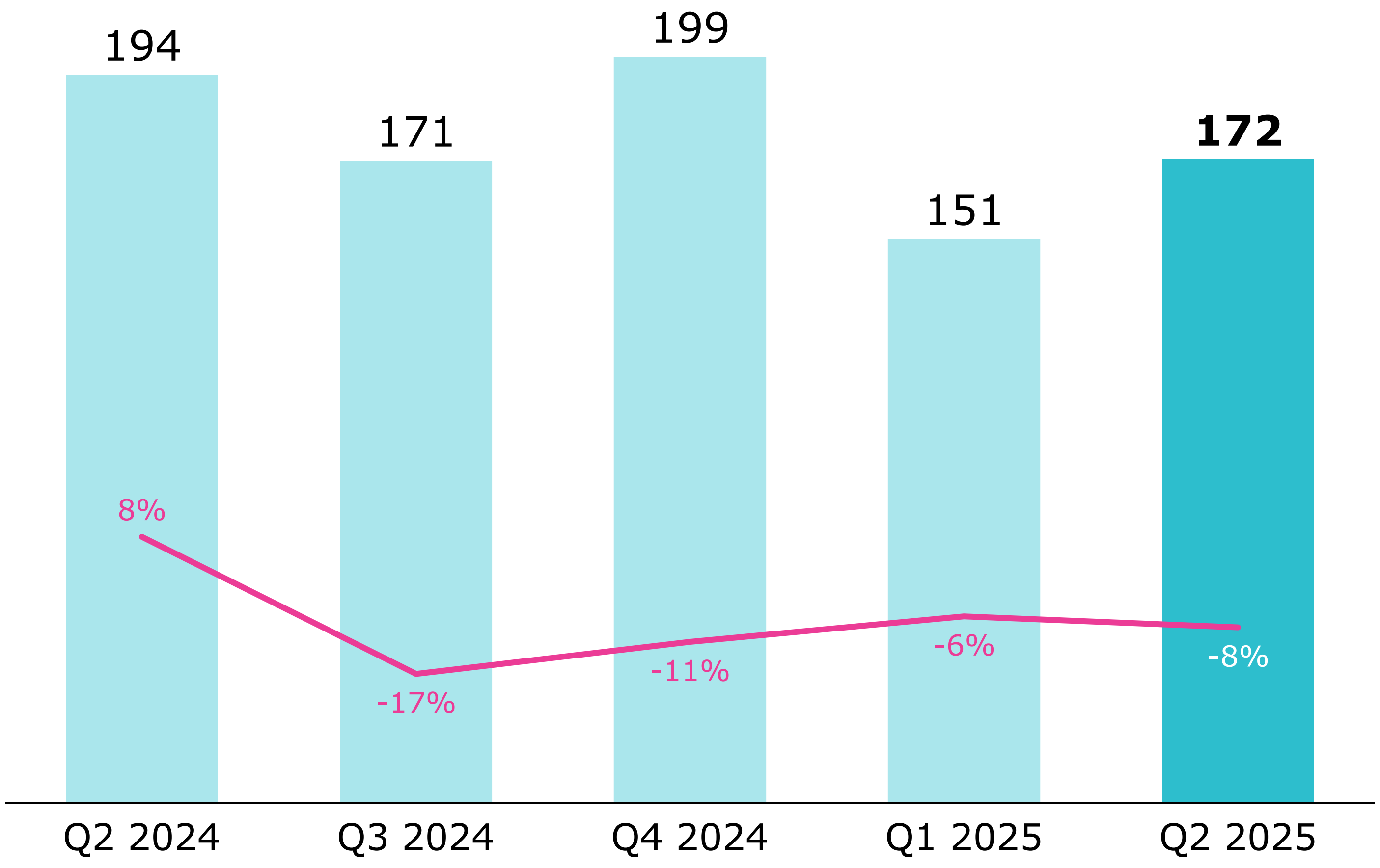


- **Organic sales growth around stable** year-over-year amid government spending policies in the US impacting academia & government
- Pharma research spending cautious; seeing **some green shoots from pharma/biotech**
- **Biomonitoring and Lab Water Solutions up** mid-single-digit
- **Diagnostics & Regulated Materials** down mid-single-digits; **Biology** and **Chemistry** around stable
- **APAC, Europe and North America** are all around stable

Acronym(s): **APAC** = Asia-Pacific; Totals may not add up due to rounding

Life Science Services: Managing Funding Volatility, Demand Fluctuations

Sales development [€m] - org. growth [%] YoY



- **Sales decline moderating,** up qoq, **amid continuously challenging funding environment** for early-stage novel modalities
- **Contract testing down** low-teens against tough comps on demand fluctuations at key customers; earlier programs impacted by funding decline
- **CDMO down low to mid-single digit** due to reduced biologics manufacturing activity in Martillac site ahead of divestment
- **Sales down in major regions,** down high-teens in Europe, while down mid to high-single-digit in North America

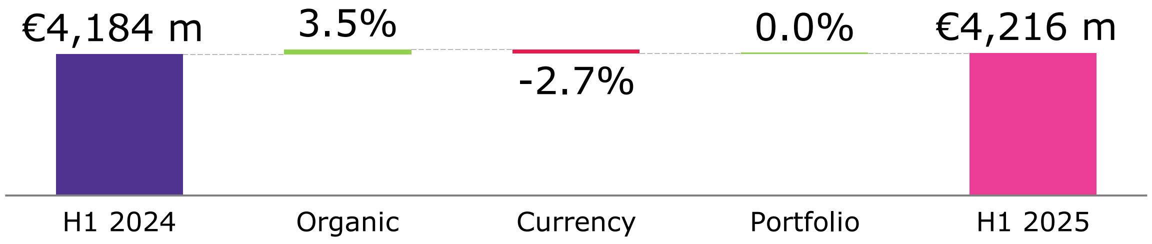
Acronym(s): **CDMO** = contract development and manufacturing organization;
Totals may not add up due to rounding

Healthcare H1: CM&E, Mavenclad®, and Erbitux® Drive Profitable Growth

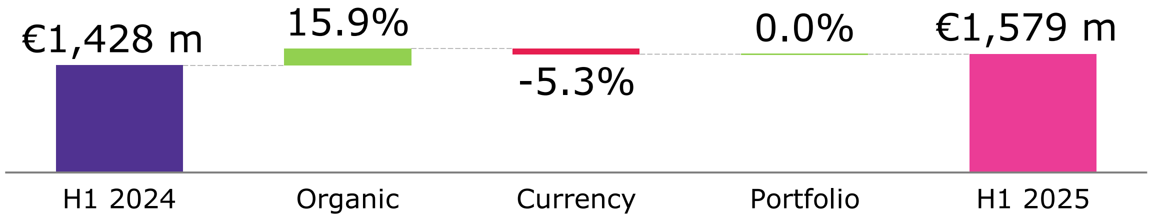
Healthcare P&L

[€m]	IFRS		Pre	
	H1 2024	H1 2025	H1 2024	**H1 2025**
Net sales	4,184	4,216	4,184	**4,216**
M&S	-836	-843	-834	**-843**
Admin	-154	-151	-150	**-146**
R&D	-843	-707	-834	**-708**
EBIT	1,119	1,384	1,246	**1,406**
EBITDA	1,456	1,560	-	**-**
EBITDA pre	1,428	1,579	1,428	**1,579**
(in % of net sales)	34.1%	37.4%	34.1%	**37.4%**

Net sales bridge



EBITDA pre bridge



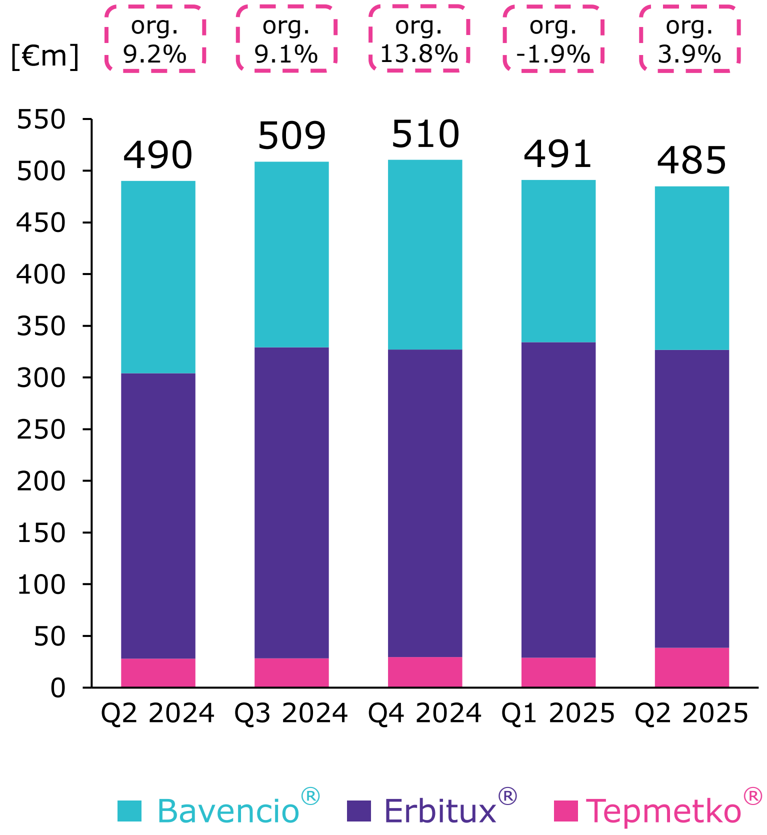
Comments

- CM&E up +8% org., broad-based across therapeutic areas; Fertility slightly down amid still elevated comps reflecting competitor stock-outs
- Oncology up +1% org., as strong growth of Erbitux® (+9% org.) and Tepmetko® (+24% org.) are largely offset by lower Bavencio® sales (-14% org.) in a competitive environment
- N&I org. stable, with double-digit growth of Mavenclad® (+15% org.) and Rebif® down (-26% org.) in declining interferon market
- M&S developing in line with sales
- R&D spending below last year but gradually increasing from mid-teens percentage of sales level in H2’24 as projected; prior year includes asset impairment[1]
- EBITDA pre margin of 37% with underlying margin expansion due to favorable mix, strong commercial execution and cost discipline

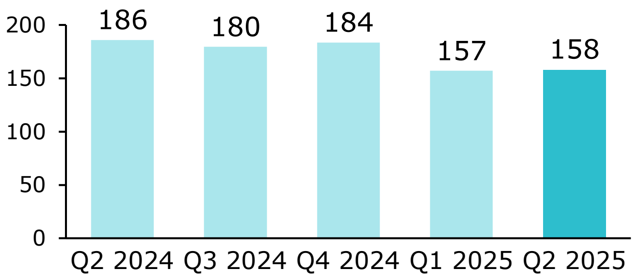
1) Mid-double-digit €m asset impairment for Xevinapant included in prior year; Acronym(s): **M&S** = Marketing and selling expenses, **R&D** = Research & Development, **CM&E** = Cardiology Metabolism & Endocrinology; **N&I**= Neurology & Immunology; Totals may not add up due to rounding

Oncology: Double-Digit Organic Erbitux® Growth Underpins Franchise

Sales development Oncology, [€m] YoY

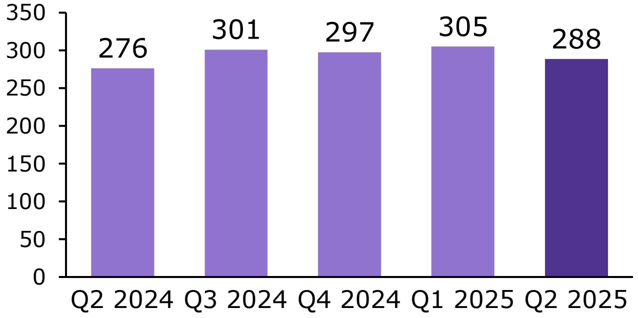


Bavencio® net sales, [€m]



- Down -12% org., mainly due to increased competition in the US, Japan and first European countries

Erbitux® net sales, [€m]

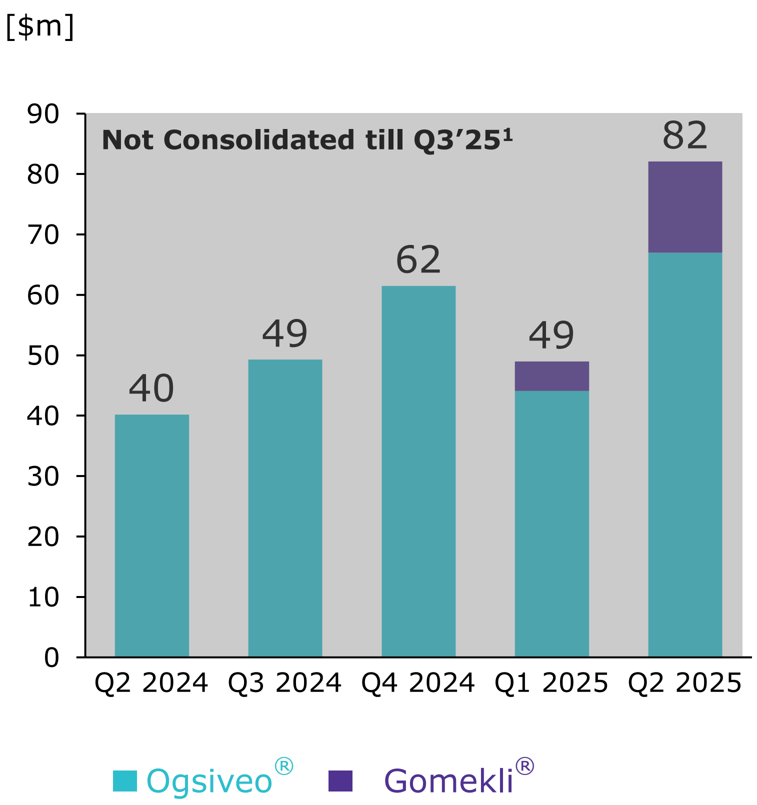


- +11% org. growth driven by LATAM, MEA and APAC with China slowing amid tougher market environment

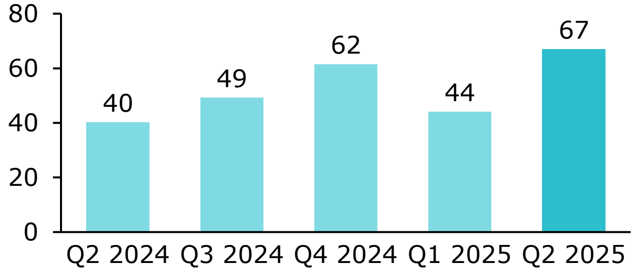
Acronym(s): **LATAM** = Latin America; **MEA** = Middle East & Africa; **APAC** = Asia-Pacific

SpringWorks Acquisition Completed Successfully Closed on 1 July

Sales development SpringWorks,
[US$m] YoY

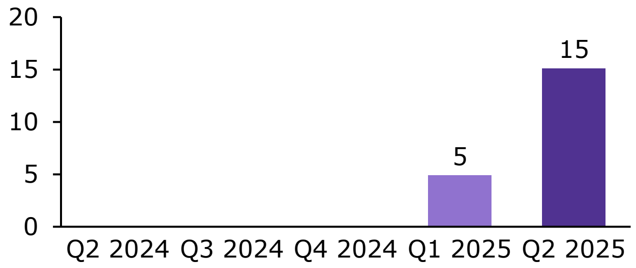


Ogsiveo® net sales, [US$m]



- Ogsiveo® up over 50% qoq with strongest quarter since launch
- Positive CHMP opinion adopted in June 2025

Gomekli® net sales, [US$m]

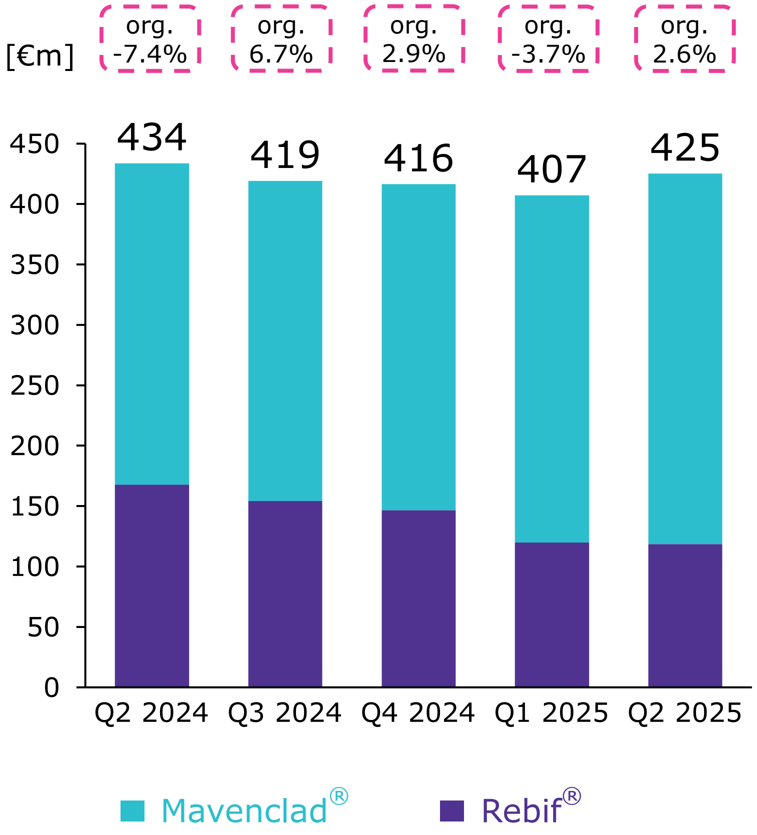


- Gomekli® up strongly in first full quarter of launch
- EMA approved in July 2025

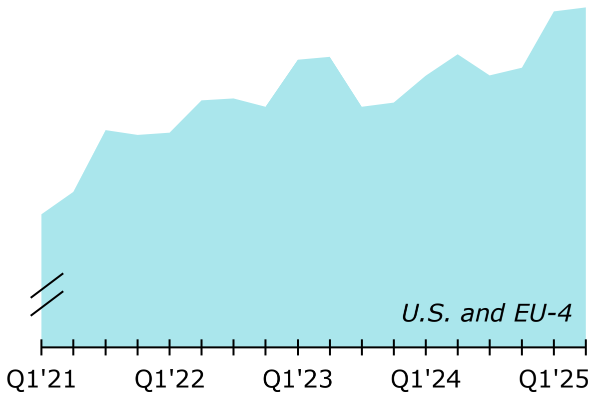
1) SpringWorks acquisition completed on 1 July 2025 with consolidation from the same date;
Acronym(s): **CHMP** = Committee for Medicinal Products for Human Use; **EMA** = European Medicines Agency

N&I: Mavenclad® Sales Up 21% YoY Organic with Solid QoQ Growth

Sales development N&I, [€m] YoY

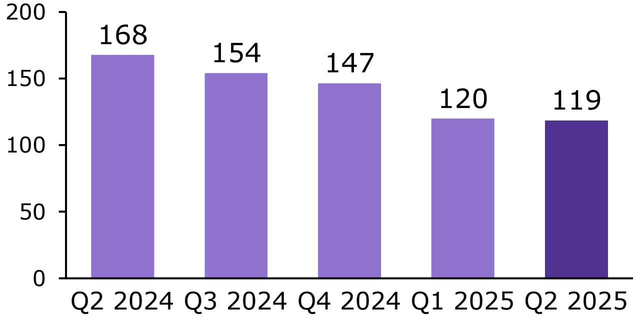


Mavenclad® Y1+Y2 patients[1]



- Exceptional growth driven by strong commercial execution, significant increase in Y1 patients and positive channel mix in US
- Most prescribed oral in the US dynamic market[2] and HE oral in the EU dynamic market
- Overall maturing growth profile amid intense competition

Rebif® net sales, [€m]

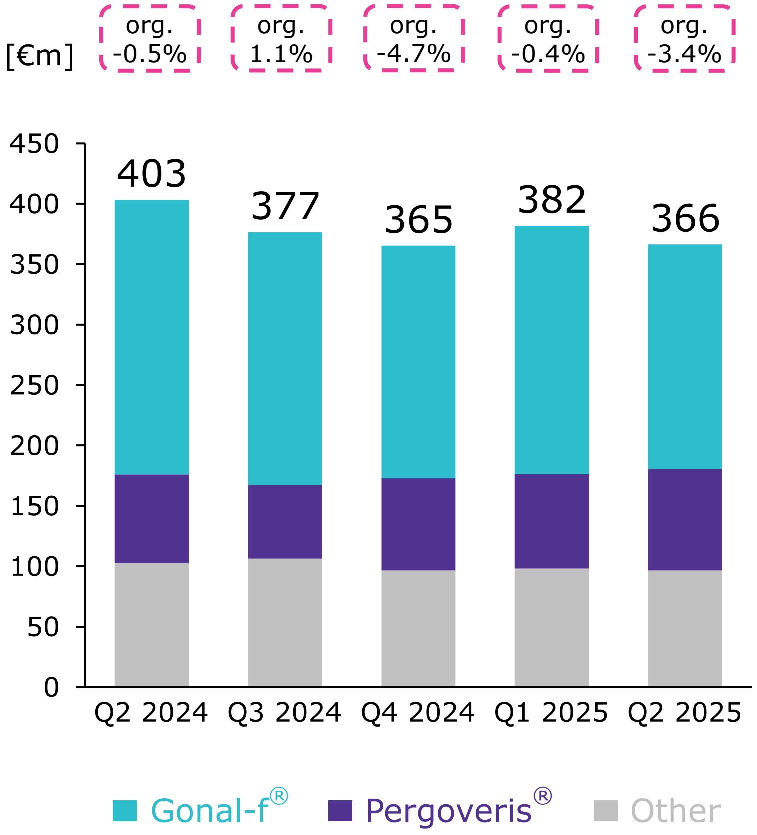


- Rebif® demand decline in line with interferon market
- Pricing impact in the US as projected

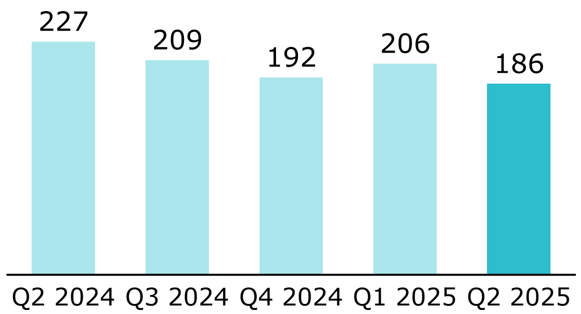
1) Number of Year-1 and Year-2 patients in U.S. and EU-4 per quarter, based on IQVIA and internal validation; 2) Based on IQVIA dynamic market data; Acronym(s): **N&I** = Neurology & Immunology; **HE** = High efficacy

Fertility: Moderate Organic Decline Amid Tough Comps

Sales development Fertility, [€m] YoY

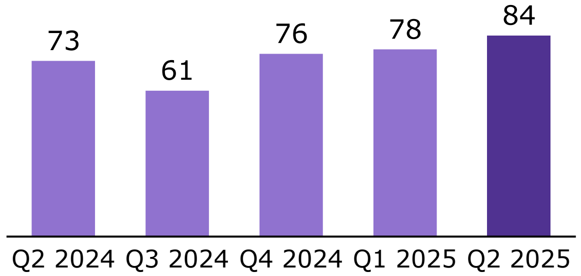


Gonal-f® net sales, [€m]



- Sales down -13% org. amid still elevated comps reflecting prior year competitor stock-outs
- Negative net price effects in the US, and softening market growth in APAC

Pergoveris® net sales, [€m]

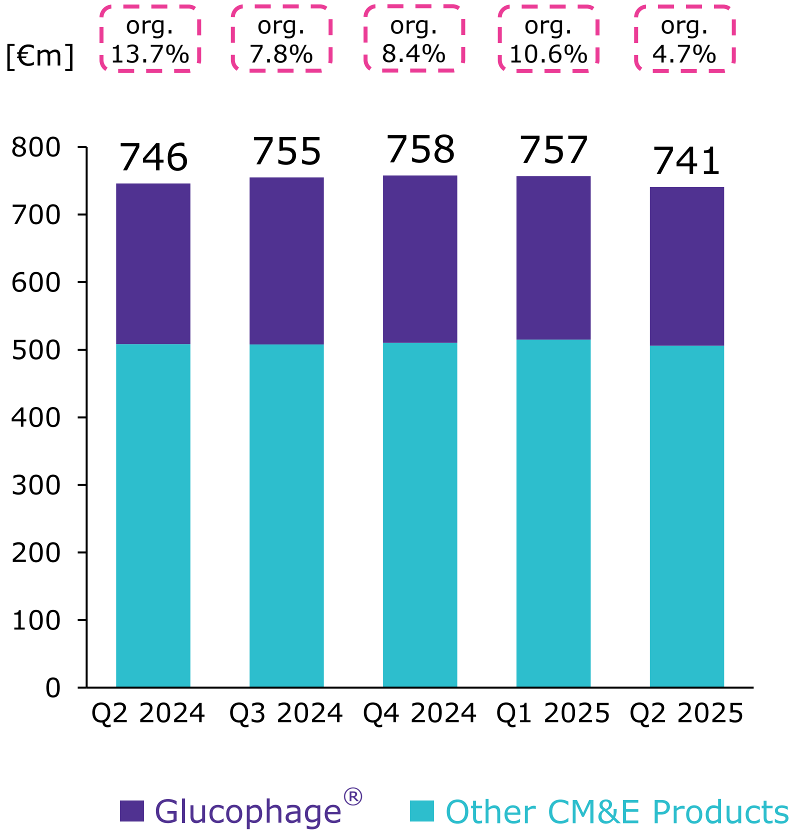


- Sales +21% org. with growth across all regions and esp. in countries with recently granted reimbursement
- Differentiated profile driving market share gains

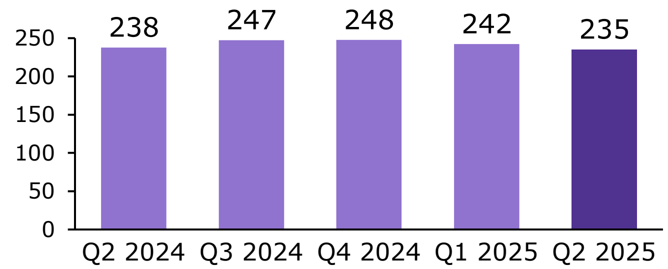
Acronym(s): **APAC** = Asia-Pacific

CM&E: Solid Organic Growth of 5% Supported by All Therapeutic Areas

Sales development CM&E, [€m] YoY

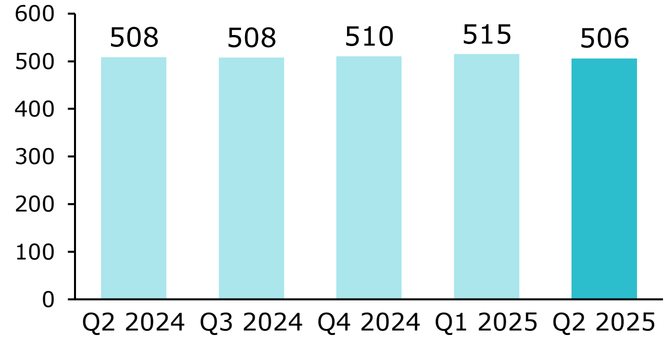


Glucophage® net sales, [€m]



- Glucophage® sales +4% org. despite reversal of positive phasing seen in Q1
- Approved in more than 70 countries for the treatment of pre-diabetes

Other CM&E net sales, [€m]



- Concor® with slight org. growth and Euthyrox® with mid-single digit org. growth despite reversal of positive phasing seen in Q1
- Saizen® growing double-digit org. driven by differentiated offering

Acronym(s): **CM&E** = Cardiology Metabolism & Endocrinology

Merck pipeline

August 07, 2025

Healthcare pipeline	Phase 1	Phase 2	Phase 3	Registration	
mirdametinib (MEK inhibitor) Adult and pediatric NF1-associated plexiform neurofibromas [1,2]					EU approval Jul-2025
nirogacestat (Gamma Secretase Inhibitor) Adult desmoid tumors [1,3]					Positive CHMP opinion Jun-2025
pimicotinib (CSF-1R inhibitor) Tenosynovial giant cell tumor (TGCT) [4,5]					
tuvusertib (ATR inhibitor) + **lartesertib** (ATM inhibitor) or niraparib Epithelial ovarian cancer[6]					
nirogacestat (Gamma Secretase Inhibitor) Ovarian Granulosa Cell Tumors					
precemtabart tocentecan (M9140, anti-CEACAM5 Antibody drug conjugate) Colorectal cancer	Ph1b				
precemtabart tocentecan (M9140, anti-CEACAM5 Antibody drug conjugate) Pan tumor (LA or metastatic GC, NSCLC, PDAC)	Ph1b				
M9466 (selective PARP1 inhibitor) + tuvusertib (ATR inhibitor) Solid tumors[7,8]	Ph1b				
M9466 (selective PARP1 inhibitor) + Topoisomerase 1 inhibitor-based regimens Colorectal cancer	Ph1b				
SW-682 (TEAD inhibitor) Advanced Solid Tumors [1]					
M3554 (anti-GD2 Antibody drug conjugate) Solid tumors[9]					
cladribine capsules (Immune reconstitution[10]) Generalized myasthenia gravis					
enpatoran (TLR7/8 antagonist) Cutaneous lupus erythematosus[11]					
enpatoran (TLR7/8 antagonist) Systemic lupus erythematosus[11]					
M5542 (CTLA4Ig/anti-OX40L fusion protein) T cell-mediated autoimmune diseases[12]					
cabamiquine (PeEF2 inhibitor) Malaria[13]					

Oncology Neurology & Immunology Global Health Current phase Previous phase(s)

Ph1a: phase 1a, dose finding; Ph1b: phase 1b, dose escalation/expansion and signal seeking; LA: Locally advanced GC: Gastric Cancer; NSCLC: Non small–cell lung cancer; PDAC: Pancreatic ductal adenocarcinoma

[1] On 01 July 2025, Merck has closed the acquisition of SpringWorks Therapeutics, Inc., Stamford, Connecticut, USA. [2] On 18 July 2025, European Commission has approved mirdametinib for the treatment of patients with NF1-associated plexiform neurofibromas (NF1-PN). [3] On 19 June 2025, the CHMP adopted a positive opinion, recommending the granting of a marketing authorization for the medicinal product with the active substance nirogacestat, intended for the treatment of adults with progressing desmoid tumors. [4] Merck entered a license agreement with Abbisko Therapeutics Co. Ltd, Shanghai, China, holding worldwide commercialization rights for pimicotinib. [5] On 25 June 2025, the Center for Drug Evaluation (CDE) of the China National Medical Products Administration (NMPA) officially accepted the application for marketing authorization of pimicotinib as a Class 1 innovative drug for adult patients with TGCT requiring systemic treatment. [6] Includes studies (phase I/II) in collaboration with/ sponsored by external partners, e.g. US National Cancer Institute (NCI). [7] As a single agent and in combination with tuvusertib (ATRi); study includes patients with castration-resistant prostate cancer (CRPC) and epithelial ovarian cancer (EOC). [8] Merck entered a collaboration with Jiangsu Hengrui Pharmaceuticals Co. Ltd., China, including an exclusive license worldwide (ex-China) to develop, manufacture and commercialize M9466/HRS-1167. [9] Patients with soft tissue sarcoma (STS) and glioblastoma. [10] Putative mechanism. [11] Totality of data (CLE, SLE) and safety profile support further development. [12] Study in healthy volunteers. [13] In combination with pyronaridine in two studies, either in participants with acute uncomplicated malaria, or as chemoprevention in participants with asymptomatic malaria infection.

Healthcare catalysts

Q1 2025	Q2 2025	Q3 2025	Q4 2025

Enpatoran (Oral TLR7/8 inhibitor)
Read-out - Phase II study: Cohort B (SLE)
(Cohort A read out positively in Q3-2024)

Precemtabart tocentecan (Anti-CEACAM5 ADC)
Recommended Phase II dose for M9140; efficacy read out mCRC (PhIb expansion)

Pimicotinib[1] (CSF-1R antagonist)
Read-out of Part 2 of Phase III study in TGCT

M0324 (MUC1xCD40)
Initiation of Phase I study

Tuvusertib (ATR inhibitor)
Winner selection for Phase II PoC study (+ niraparib vs. + lartesertib)

Oncology
Immunology

[1] Study sponsor: Abbisko Therapeutics Co, Ltd. Merck entered a license agreement with Abbisko Therapeutics Co. Ltd, Shanghai, China, for pimicotinib (ABSK021), which grants a license to commercialize pimicotinib in mainland China, Hong Kong, Macau and Taiwan, with an option for rest of world.

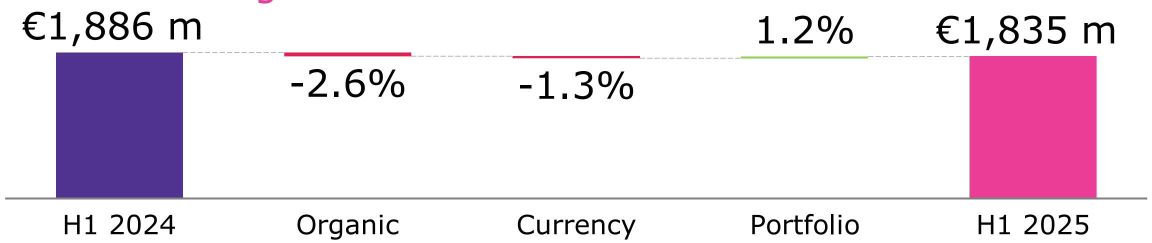
Acronym(s): **TLR** = toll-like receptor; **SLE** = Systemic lupus erythematosus; **ADC** = Antibody-Drug Conjugate; **ATR** = Ataxia Telangiectasia and Rad3-related protein; **CSF-1R** = Colony Stimulating Factor 1 receptor; **CD40** = cluster of differentiation, **MUC1 =** mucin 1; **TGCT** = Tenosynovial giant cell tumor; **PoC** = Proof of Concept; **mCRC =** Metastatic Colorectal Cancer

Electronics H1: Faster DS&S Downcycle, Materials Growth Remains Intact

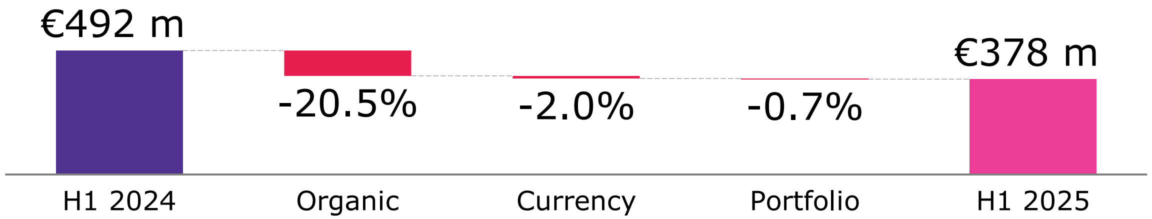
Electronics P&L

[€m]	IFRS		Pre	
	H1 2024	H1 2025	H1 2024	**H1 2025**
Net sales	1,886	1,835	1,886	**1,835**
M&S	-280	-284	-279	**-275**
Admin	-73	-99	-66	**-73**
R&D	-148	-145	-148	**-145**
EBIT	202	84	238	**143**
EBITDA	467	325	-	**-**
EBITDA pre	492	378	492	**378**
(in % of net sales)	26.1%	20.6%	26.1%	**20.6%**

Net sales bridge



EBITDA pre bridge

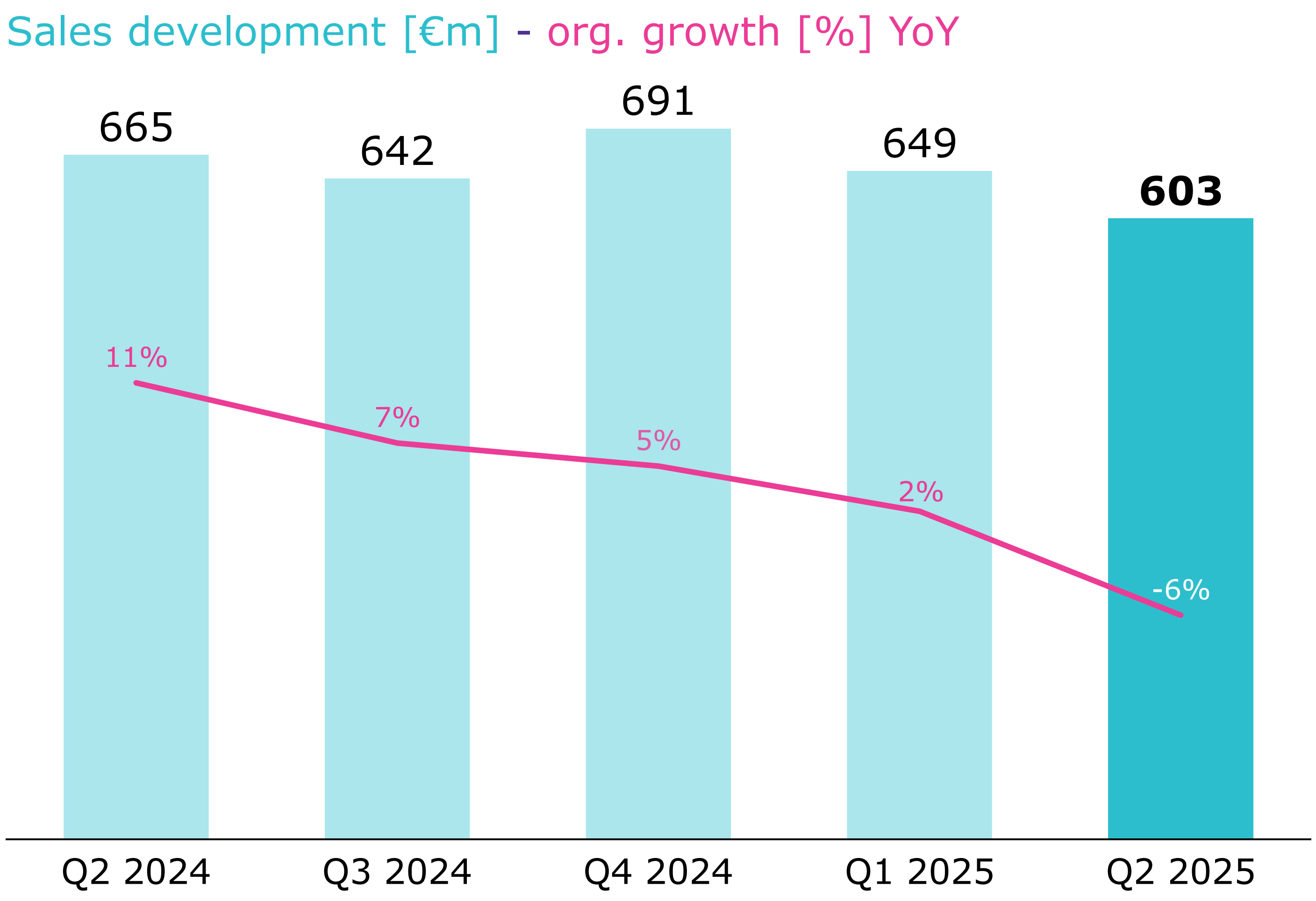


Comments

- Semiconductor Solutions: sales down -2% as DS&S org. sales down low-double-digit % as customer project phasing even further delayed
- Mid-single-digit growth in Semi Materials; Strong Materials demand continues, particularly for AI and adv. nodes; timing of NAND / analog acceleration is uncertain
- Optronics: reported sales up moderately considering the consolidation benefit of UnitySC acquisition and FX headwind
- Surface: sales down -7% org. mainly due to weaker cosmetics demand
- M&S costs slightly down, with lower logistics costs resulting from continued cost management and a reclassification of fleet depreciation from logistics costs to costs of goods sold
- R&D stable reflecting continued investment to drive mid-term growth; one-time project capitalization adjustment of single-digit €m in Q2
- EBITDA pre % lower, mainly due to adj. of a PPA entry assigned to the 2014 AZ acquisition; and a provision related to supplier mislabeling, resulting in historical pricing adj. with no impact on quality

Acronym(s): **DS&S** = Delivery Systems & Service; **M&S** = Marketing and selling expenses, **R&D** = Research & Development; **AI** = Artificial Intelligence; **NAND** = NOT AND; **FX** = Foreing exchange; **PPA** = Purchase Price Allocation. Totals may not add up due to rounding

Semiconductor Solutions Impacted by Sharper DS&S Downcycle



- **Overall,** the partial hedge is unwinding faster with a sharper DS&S downcycle; structural growth intact

- **Semi Materials** up low-single-digit YoY
- 6th consecutive quarter of org. sales growth with low-teens average
- Demand for adv. nodes / AI driving continued thin-films growth with customers expected to maintain high UT
- Yet to see acceleration in wider market

- **DS&S** down low- to mid-double-digit % in Q2'25 amid further customer fab delays with consequential phasing effect
- Two adv. logic customers delaying fabs

Acronym(s): **DS&S** = Delivery Systems & Service; **AI** = Artificial Intelligence; **UT** = Utilization levels; Totals may not add up due to rounding

Cash flow statement

H1 2025 – cash flow statement

[€m]	H1 2024	H1 2025	Δ
Profit after tax	1,305	**1,393**	88
D&A	1,134	**930**	-204
Changes in provisions	22	**37**	15
Changes in other assets/liabilities	-232	**-691**	-459
Other operating activities	-20	**8**	-12
Changes in working capital	-311	**-555**	-244
Operating cash flow	1,896	**1,123**	-773
Investing cash flow	-719	**-562**	157
thereof Capex on PPE	-822	**-780**	42
Financing cash flow	-467	**-1,867**	-1,400

Cash flow drivers

- Profit after tax strongly up on solid operational performance
- D&A down on absence of prior year HC R&D impairment and lower amortization of purchased intangibles
- Adverse other assets & liabilities delta reflects higher variable comp, tax pre-payments, mainly resulting from resilience-based inventory measures
- Working capital mainly reflects normalization in receivables DSO after positive phasing in Q4'24
- Investing cash flow reflects higher HC business development in prior year and payment for global Pimicotinib rights
- Repayment of EUR 1.5bn of USD denominated bonds in financing cash flow

Acronym(s): **PPE** = Property, Tax & Equipment; **HC** = Healthcare; **R&D** = Research & Development; **D&A** = Depreciation & Amortization; **UDC** = Universal Display Corporation; **DSO** = Days Sales Outstanding; Totals may not add up due to rounding

Adjustments in Q2 2025

Adjustments in EBIT

[€m]	Q2 2024		Q2 2025	
	Adjustments	thereof D&A	Adjustments	thereof D&A
Life Science	72	56	**68**	19
Healthcare	126	155	**27**	3
Electronics	24	11	**33**	4
Corporate & Other	37	0	**14**	0
Total	259	222	**141**	27

Totals may not add up due to rounding

Adjustments in H1 2025

Adjustments in EBIT

[€m]	H1 2024		H1 2025	
	Adjustments	thereof D&A	Adjustments	thereof D&A
Life Science	98	56	**100**	19
Healthcare	127	155	**22**	3
Electronics	36	11	**59**	6
Corporate & Other	67	0	**18**	0
Total	328	223	**199**	29

Totals may not add up due to rounding

Meet the Merck team

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DATE	EVENT
August 7, 2025	**Q2 2025 Earnings release**
October 16, 2025	Capital Markets Day
November 13, 2025	Q3 2025 Earnings release
March 5, 2026	Q4 2025 Earnings release
May 13, 2026	Q1 2026 Earnings release

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