

**Half-Yearly
Financial Report**

2025

MERCK – IN BRIEF*

Merck Group

Key figures

€ million	Q2 2025	Q2 2024	Change	Jan.-June 2025	Jan.-June 2024	Change
Net sales	5,255	5,352	-1.8%	10,535	10,472	0.6%
Operating result (EBIT) ¹	891	792	12.4%	1,897	1,724	10.0%
Margin (% of net sales) ¹	17.0%	14.8%		18.0%	16.5%	
EBITDA ²	1,348	1,472	-8.5%	2,827	2,857	-1.1%
Margin (% of net sales) ¹	25.6%	27.5%		26.8%	27.3%	
EBITDA pre ¹	1,462	1,509	-3.1%	2,998	2,963	1.2%
Margin (% of net sales) ¹	27.8%	28.2%		28.5%	28.3%	
Profit after income tax	655	605	8.3%	1,393	1,305	6.8%
Earnings per share (€)	1.50	1.40	7.1%	3.19	2.99	6.7%
Earnings per share pre (€) ¹	2.02	2.20	-8.2%	4.14	4.26	-2.8%
Operating cash flow	567	861	-34.2%	1,123	1,896	-40.8%
Net financial debt ^{1, 3}	7,973	7,155	11.4%	–	–	–
Number of employees ⁴	63,160	62,176	1.6%	–	–	–

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting 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 June 30, 2025, prior-year figures as of December 31, 2024.

⁴ Figures for the reporting period ending on June 30, 2025, prior-year figures as of June 30, 2024. This figure refers to all employees at sites of fully consolidated entities.

Merck Group

Net sales by quarter

€ million	Q1	Q2	Q3	Q4	Total
2025 →	5,280	5,255			
2024 →	5,120	5,352	5,266	5,418	21,156

Merck Group

EBITDA pre by quarter

€ million	Q1	Q2	Q3	Q4	Total
2025 →	1,535	1,462			
2024 →	1,454	1,509	1,618	1,491	6,072

* This half-yearly financial report 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 IFRS® Accounting 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 half-yearly financial report 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/>.

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interim Management Report as of June 30, 2025

Developments within the Group and Research & Development

We are Merck, a science and technology company. We are pioneers of human progress, driven by our curiosity. We are working toward a better future in a special organizational setup and bring together different disciplines under one roof with the three business sectors Life Science, Healthcare and Electronics.

Ever since we were established in 1668, we have continuously reinvented ourselves and adopted a long-term mindset. This approach is rooted in responsibility, care and respect: for our work, our employees, our customers, patients, society and our planet. We want to become the global science and technology pioneer of the 21st century and are committed to delivering sustainable progress for humankind.

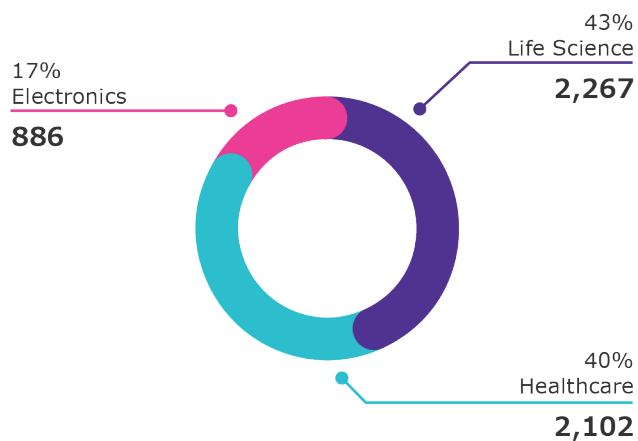
The founding family, now in its 13th generation, is still the majority owner. This is made possible by our company structure: a corporation with general partners (Kommanditgesellschaft auf Aktien – KGaA). In a KGaA, the total capital is divided between general partners and limited partners; the general partners are personally liable with their assets, while the limited partners are liable with their contributions. The founding family holds a 70.274% interest in the listed Merck Kommanditgesellschaft auf Aktien (Merck KGaA), Darmstadt, as general partner via the Group's ultimate parent company, E. Merck Kommanditgesellschaft, Darmstadt. The remaining 29.726% of the share capital of Merck KGaA is traded on the regulated market of the Frankfurt Stock Exchange and other stock exchanges.

The company management assesses the business development and the allocation of financial resources for the Life Science, Healthcare and Electronics business sectors as well as the enabling Group functions. In addition to the Chair of the Executive Board and CEO Belén Garijo, the Members of the Executive Board are Jean-Charles Wirth, CEO Life Science, Danny Bar-Zohar, CEO Healthcare, Kai Beckmann, CEO Electronics, Helene von Roeder, Chief Financial Officer (CFO), and Khadija Ben Hammada, Chief People Officer (CPO). Khadija Ben Hammada was appointed CPO and became a Member of the Executive Board of Merck on June 1, 2025. Jean-Charles Wirth and Danny Bar-Zohar were appointed CEO Life Science and CEO Healthcare respectively on June 1, 2025 and succeeded Matthias Heinzl and Peter Guenter on the Executive Board of Merck.

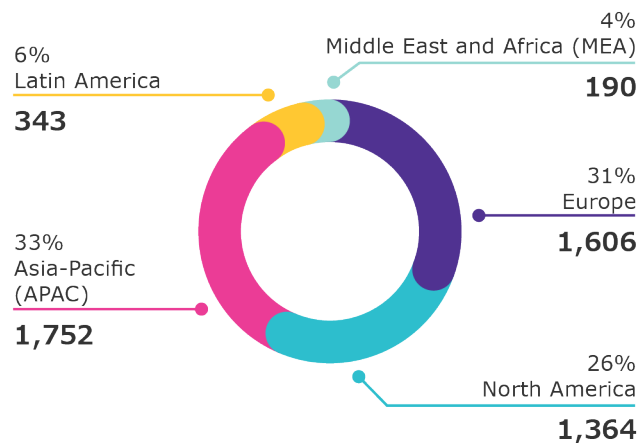
We hold the global rights to the Merck name and brand. The only exceptions are Canada and the United States. In these countries, we operate as MilliporeSigma in the Life Science business, as EMD Serono in the Healthcare business and as EMD Electronics in the Electronics business. Apart from our three business sectors, our financial reporting presents five regions: Europe, North America, Asia-Pacific, Latin America, and the Middle East and Africa.

The following chapters of this half-yearly financial report summarize the main developments in the first half of 2025 at Merck, including those in research in development. A detailed description of our company, as well as our business sectors and sustainability goals, can be found in the [Annual Report for 2024](#). As of June 30, 2025, we had 63,160 employees¹ worldwide. The figure as of June 30, 2024, was 62,176 employees¹.

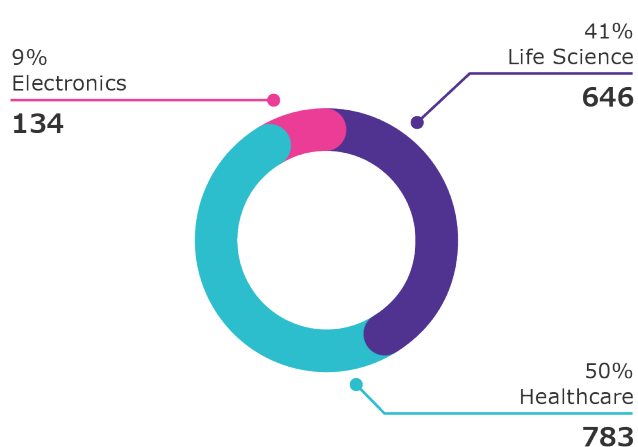
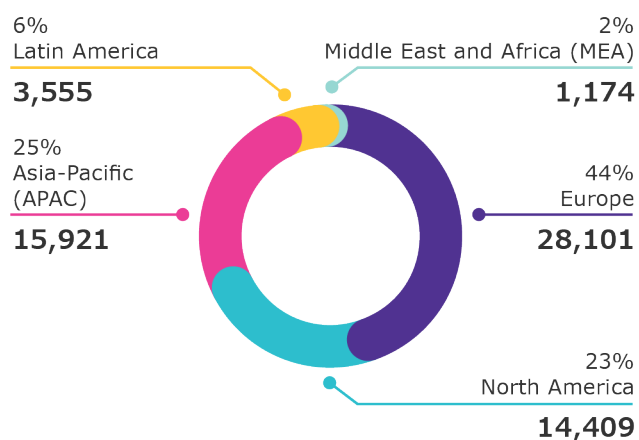
¹ Merck also employs people at sites of subsidiaries that are not fully consolidated. This number refers to people employed in fully consolidated subsidiaries.

Merck Group**Net sales by business sector – Q2 2025****Merck Group****Net sales by regions – Q2 2025**

€ millions/in % of net sales

**Merck Group****EBITDA pre¹ by business sector² – Q2 2025**

€ millions/in % of net sales

**Merck Group****Employees¹ by region on June 30, 2025**¹ Not defined by IFRS® Accounting Standards (IFRS).² Not presented: Decline in Group EBITDA pre by € -100 million due to Corporate and Other.¹ Merck also employs people at sites of subsidiaries that are not fully consolidated. These numbers refer to people employed in fully consolidated subsidiaries.

Life Science

We are a leading provider of products, solutions and services for a wide range of customers, including research and diagnostic labs, biotech and pharmaceutical companies, and the industrial sector.

Across our Life Science business sector, we collaborate with the global scientific community to deliver innovations. To this end, we offer a broad and deep product portfolio as well as global services, ranging from process development to testing and commercialization. In the first half of 2025, we continued to execute our strategy and strengthen our position as a diversified life science company with our three business units: Science & Lab Solutions, Process Solutions and Life Science Services.

The development of preventive and personalized medicine is steadily progressing. It is therefore essential to set standards for robust, scalable and efficient processes for producing novel modalities. This progress will support the expansion of novel therapies and the treatment of further complex and chronic conditions including cancer, heart disease, diabetes and muscular dystrophy.

To accomplish this, more than 1,600 scientists in research and development within Life Science across twelve global sites focus on strengthening our core portfolio. They have enabled our three business units to launch a significant number of products and solutions to meet our customer needs, including those launched via our “faucet program” for antibodies, reference materials and nanomaterials.

Science & Lab Solutions

The Science & Lab Solutions business unit supports customers in the biotech and pharmaceutical industries as well as government and academic labs and other industrial markets. Customers can access a broad portfolio including reagents, consumables, devices, instruments, and services for research, production and testing in addition to lab water instruments, microbiology and biomonitoring products, test assays, analytical reagents, and flow cytometry kits and instruments.

In January, we announced the acquisition of HUB Organoids B.V. The transaction, which was closed in December 2024, enhances our position in next-generation biology. HUB’s proprietary technology enables physiologically relevant 3D human models that can improve drug discovery and disease modeling while reducing reliance on animal testing.

Also in January, we announced a multi-year partnership with Opentrons Labworks to bring automation to the lab bench. Together, we aim to improve reproducibility and scalability by offering validated robotic protocols across our assay portfolio. The first product offerings are expected later this year.

We inaugurated our expanded Peenya manufacturing facility in India in January. The facility will enhance production capacity and help improve lead times. The expansion reinforces our strategic approach toward in-region-for-region manufacturing.

In May, we announced a strategic partnership with imec, a leading research and innovation hub in nanoelectronics and digital technologies, to develop an advanced microphysiological systems platform. This collaboration aims to make drug discovery and development more efficient by increasing the predictive validity of next-generation preclinical models and progressively reducing the reliance on animal testing.

Process Solutions

The Process Solutions business unit supports biotech and pharma customers that focus on developing and manufacturing traditional and novel therapies with its comprehensive portfolio of products and services, including filtration devices, chromatography resins, single-use systems, process chemicals, and excipients for bioprocessing.

We received two notable industry awards in April. The Mobius® ADC Reactor was recognized with the “Best In Show Award” at Interphex 2025 for its innovative design as the first scalable single-use mixer for manufacturing antibody-drug conjugates (ADCs), a growing class of targeted cancer therapies. We also received the “Innovation Award” award from The Medicine Maker for our mPredict™ Co-Crystal Prediction Service, a platform that uses predictive modeling to support faster, data-driven decisions in bioprocessing.

Life Science Services

The Life Science Services business unit manufactures traditional and novel modalities for biotech and pharmaceutical customers, including monoclonal antibodies, high-potency active pharmaceutical ingredients, antibody-drug conjugates, and viral and gene therapy products, as well as mRNA. With our integrated offering of contract development, manufacturing and testing services, we support customers from preclinical phases to commercial production.

In June, we announced a five-year strategic alliance with Simtra BioPharma Solutions to provide end-to-end CDMO support for antibody-drug conjugates, from bioconjugation to sterile fill-finish. The alliance simplifies project execution and shortens timelines for biopharma customers.

Healthcare

Our Healthcare business sector is a global specialty innovator in oncology, neurology and immunology, complemented by established portfolios in the therapeutic areas of fertility as well as cardiovascular, metabolic and endocrinological disorders. We discover, develop, manufacture and market pharmaceutical and biological prescription drugs to treat cancer, multiple sclerosis, infertility and growth disorders alongside certain cardiovascular and metabolic diseases.

Patients are at the center of all our research and development efforts. We are committed to innovation in science to bring more medicines to more patients faster. We are continuing our internal discovery engine, while approximately 50% of future launches are expected to result from external co-development partnerships and strategic in-licensing of assets.

We strive to ensure the supply of our high-quality medicines to patients around the world, regardless of circumstances and challenges, while always observing the highest health and safety standards for our people and partners and complying with international laws and worldwide sanctions. In the first half of 2025, we ensured the supply of our medicines in full alignment with market demand anticipated at the start of the year, despite ongoing geopolitical crises.

On April 28, 2025, Merck and SpringWorks Therapeutics, Inc. (SpringWorks, Nasdaq: SWTX), a Stamford, Connecticut-based commercial-stage biopharmaceutical company that specializes in severe rare diseases and cancer, announced that they had entered into a definitive agreement for Merck to acquire SpringWorks. On July 1, 2025, Merck has closed the acquisition of SpringWorks, for an enterprise value of US\$ 3.4 billion (approximately € 3 billion) following regulatory clearances and the fulfillment of other customary closing conditions (further information can be found in the [“Notes to the Consolidated Interim Financial Statements”](#)).

Oncology

Erbix[®] (cetuximab) remains our best-selling cancer drug with € 593 million in sales in the first half of 2025. The drug is a standard of care for patients with epidermal growth factor receptor (EGFR)-expressing, RAS wild-type metastatic colorectal cancer (mCRC) as well as both recurrent and/or metastatic and locally advanced squamous cell carcinoma of the head and neck (SCCHN). With more than 260 active clinical trials involving Erbix[®], including more than 30 Phase III studies, we are also continuously advancing our broad-based lifecycle management strategy.

At the 2025 American Society of Clinical Oncology (ASCO[®]) Annual Meeting, Pfizer Inc., USA, (Pfizer), presented data from the Phase III BREAKWATER trial, evaluating the clinical efficacy of the combination of Erbix[®], encorafenib (Braftovi[®], Pfizer) and mFOLFOX6 in patients with mCRC with a BRAF V600E mutation. The BREAKWATER regimen has the potential to become a new standard of care in first-line BRAF V600E-mutant metastatic CRC. Merck holds the marketing authorization rights to Erbix[®] outside of the United States and Canada.

We have made progress for patients with locally advanced or metastatic urothelial carcinoma (UC) without disease progression on first-line platinum-containing chemotherapy as we continue to obtain additional regulatory approvals and reimbursement decisions for our anti-PD-L1 antibody Bavencio[®] (avelumab). Bavencio[®] is approved as a first-line maintenance treatment for advanced UC in more than 75 countries. It has become a treatment of choice for this disease in certain markets based on the results of the JAVELIN Bladder 100 trial, the only Phase III study of an immunotherapy to demonstrate a significant overall survival benefit compared with best supportive care alone in the first-line maintenance setting in bladder cancer. In the Phase II JAVELIN Bladder Medley study, we continue to evaluate first-line maintenance treatment combining a novel therapy with Bavencio[®] and whether this could further improve outcomes for patients with advanced UC whose disease did not progress following first-line platinum-containing chemotherapy.

Bavencio[®] is also approved in the first-line treatment of advanced renal cell carcinoma in combination with axitinib and is a standard of care as a monotherapy in metastatic Merkel cell carcinoma, a rare form of skin cancer.

We are also continuing to expand the availability of Tepmetko® (tepotinib), our oral MET inhibitor designed to inhibit the oncogenic MET receptor signaling caused by MET (gene) alterations. Tepmetko® is now available in approximately 40 markets globally, with regulatory submissions under review in additional markets.

In March, we announced that we had exercised our option with Abbisko Therapeutics Co. Ltd, China, for the commercialization of pimicotinib in the United States and the rest of the world. Under the agreement signed in 2023 for the commercialization rights in mainland China, Hong Kong, Macau, and Taiwan, Merck now holds worldwide commercialization rights for pimicotinib. The results of the randomized double-blind first part of the Abbisko-led global Phase III MANEUVER study of pimicotinib for the treatment of tenosynovial giant cell tumor (TGCT), which met the primary endpoint and all key secondary endpoints, were presented for the first time at the 2025 ASCO® Annual Meeting.

The Center for Drug Evaluation (CDE) of the Chinese National Medical Products Administration granted Priority Review to pimicotinib in May for the treatment of patients with TGCT who require systemic therapy. In June, the CDE accepted our new drug application for pimicotinib based on the positive data from MANEUVER.

In the first half of 2025, we also continued to advance our efforts in novel medicines. We presented data from the dose optimization part of the Phase I PROCEADE-CRC 01 study of our anti-CEACAM5 antibody-drug conjugate (ADC) precentabart tocentecan (M9140) in advanced CRC at the 2025 ASCO® Annual Meeting. We are also evaluating precentabart tocentecan across other tumor types with CEACAM5 expression and a high unmet need, including metastatic gastric cancer, non-small cell lung cancer and pancreatic ductal adenocarcinoma in the Phase Ib/II PROCEADE PanTumor study. Clinical development of M3554, our anti-GD2 ADC, is also underway, with recruitment ongoing in a first-in-human Phase I, multicenter, open-label study in patients with advanced solid tumors.

Within our DNA damage response (DDR) portfolio, we are exploring tuvusertib (M1774), our potent and selective inhibitor of ataxia telangiectasia and Rad3-related (ATR), in the Phase II DDRiver EOC 302 clinical study combining tuvusertib with lartisertib (M4076), our selective ATP-competitive ataxia-telangiectasia mutated (ATM) inhibitor, or niraparib in biomarker-selected PARP-resistant ovarian cancer. To advance the development of the selective PARP1 (poly ADP-ribose polymerase 1) inhibitor M9466 (also known as HRS-1167), licensed from Jiangsu Hengrui Pharmaceuticals Co. Ltd. for development and commercialization outside of China, we are exploring monotherapy and combinations in solid tumors in the Phase I DDRiver 501 study.

Neurology & Immunology

In Neurology & Immunology, we aim to develop therapies for people living with neurological and immune-mediated conditions and to help significantly improve quality of life for them and their caregivers. With over two decades of experience in multiple sclerosis (MS) research, our current portfolio includes two approved products for the treatment of relapsing MS (RMS) – Rebif® (interferon beta-1a) and Mavenclad® (cladribine tablets).

Mavenclad®, a short-course oral therapy for the treatment of adults with highly active RMS, generated sales of € 594 million in the first half of 2025 and is approved in more than 90 countries worldwide, including those of the European Union, Switzerland, Australia, Canada and the United States.

In February 2025, we presented new Mavenclad® (cladribine) tablets data at the 2025 Americas Committee for Treatment and Research in Multiple Sclerosis (ACTRIMS) Forum. The data reinforce Mavenclad® as being a disease-modifying therapy (DMT) for adults with highly active RMS by showing consistent safety and high efficacy across a range of disability outcomes, combined with a suggested low treatment burden for both physicians and for people living with MS.

Rebif®, a disease-modifying drug, has been a standard treatment for RMS for over 20 years with almost 2 million patient-years of therapy since approval.

Beyond MS, we are continuing to expand the therapeutic focus areas for our Neurology & Immunology franchise by developing potential first-in-class treatments for conditions with high unmet medical needs. We currently have an ongoing Phase III global clinical trial to evaluate the efficacy and safety of cladribine capsules as a potential treatment for patients with generalized Myasthenia Gravis (gMG), a rare neuromuscular disorder.

In immunology, we successfully completed a Phase II clinical trial program for the investigational drug enpatoran, an oral selective toll-like receptor (TLR)7/8 inhibitor, aimed at treating cutaneous lupus erythematosus (CLE) and systemic lupus erythematosus (SLE). In the second quarter of 2025, we shared encouraging results from the WILLOW study, which suggest that enpatoran can lead to a meaningful reduction in disease activity among patients with active lupus rash. These findings affirm the potential of enpatoran as a viable treatment option for lupus patients. We are now preparing to engage in regulatory discussions with key health authorities to determine the most effective pathway for bringing enpatoran to patients in need.

Fertility

We are a global market leader in fertility drugs and treatments.

Infertility is a growing challenge globally due to demographic change and lifestyle adjustments such as delayed childbearing. Based on the most recent data from WHO, infertility affects one in six people worldwide.

According to the latest data, more than six million babies have been born worldwide with the help of Gonal-f®, a therapeutic within our Fertility portfolio. This represents around 50% of all babies born through medically assisted reproduction since the first IVF baby in 1978. Gonal-f® contains the active ingredient follitropin alfa (r-hFSH alfa), which is a recombinant form of the natural follicle-stimulating hormone (FSH) and is available in a convenient and ready-to-use pre-filled injection pen.

A real-world study from France showed improved live birth outcomes with Gonal-f® compared with other commonly used gonadotropins. Real-world evidence complements randomized clinical trials by providing additional insights into long-term treatment effects in large, heterogeneous patient populations.

Over the last decade, the number of IVF treatments has risen among women aged 35 and above, who now represent roughly 60% of fertility treatments. These “advanced reproductive age” patients have a unique biological challenge that standard FSH monotherapy may not fully address: functional luteinizing hormone (LH) and FSH deficiency. To support and meet the needs of this growing patient population as well as other LH-deficient groups, we offer another key product called Pergoveris®, which combines recombinant human follicle-stimulating hormone (r-hFSH) and recombinant human luteinizing hormone (r-hLH). Pergoveris® is also available as a ready-to-use pre-filled injection pen.

Cardiovascular, Metabolism & Endocrinology

Cardiovascular, Metabolism & Endocrinology (CM&E), which includes the medicines Glucophage®, Euthyrox®, Concor®, and Saizen®, is the largest franchise of the Healthcare business sector in terms of sales.

Glucophage®, containing the active ingredient metformin, is a drug for first-line treatment of type 2 diabetes and is available in more than 100 countries. In recent years, Glucophage® has been approved by further health authorities for use in prediabetes when intensive lifestyle changes failed.

Concor®/Concor Cor®, containing bisoprolol, is a beta-blocker for treating hypertension and cardiovascular diseases such as coronary heart disease and chronic heart failure. In addition to Concor®/Concor Cor®, the Concor® family includes fixed-dose combinations such as Concor Plus®/Lodoz® (bisoprolol with hydrochlorothiazide).

Euthyrox®, with the active ingredient levothyroxine, is a leading medicine for the treatment of hypothyroidism, a disease with high prevalence but still low diagnosis rates in most emerging markets.

Saizen®, containing the active ingredient somatropin, is our main endocrinology product and is indicated for the treatment of multiple growth hormone disorders in children and adults. Saizen® can be delivered with the Easypod® electromechanical injection device, the only growth hormone injection device able to wirelessly transfer data such as injection times, dates and doses to the web-based software system Growzen® Connect.

Electronics

We are an integral part of the semiconductor ecosystem. With our materials, the related delivery equipment and tools for metrology and inspection, we are a significant part of the value chain for semiconductor processing. Our broad and innovative product portfolio helps solve key industry challenges. In doing so, we place a special focus on high-performance chips needed for applications, including artificial intelligence (AI). We provide our materials, systems and services to all major industry players. To this end, we work closely with our customers in the key regions of North America, Europe and Asia Pacific and are a reliable and stable partner with our global network of R&D, production and distribution sites.

We serve manufacturers of logic, memory and analog microchips. The evolution of AI and the unabated growth of data volumes in our digital world are setting ever tougher computing requirements for microchips. They need to be able to process (logic chips) and retrieve (memory chips) more data faster. The electronics industry is working on ever higher-performing devices with microchips that are smaller, faster and more efficient.

We continuously strengthen our comprehensive portfolio in order to play a role in developing ever more sophisticated technologies, thus catering to the growing demand for cutting-edge microchips required in AI and high-performance computing. To this end, we rely on our Materials Intelligence™ – combining materials science and AI in an interdisciplinary and targeted way, with the objective of working with our customers to make this innovation process more efficient and reducing complexity effectively. As such, we are among the trailblazers when it comes to the next generation of logic and memory chips.

The Electronics business sector consists of the Semiconductor Solutions, Optronics and Surface Solutions business units. However, the Surface Solutions business has been divested to Global New Material International Holdings Ltd., Cayman Islands. The transaction closed on July 31, 2025, for a purchase price before purchase price adjustments for cash and financial liabilities in the amount of € 665 million.

Three cross-functional boards support the business units: the Technology Leadership Board, the Supply Chain Leadership Board and the Commercial Leadership Board. They define cross-sector standards, drive dialogue on best practices and promote transparency, thus playing a key role in our matrix organization.

Our sustainability approach is based on three core pillars that drive our activities: collaboration, innovation and operation. We are committed to reducing our environmental footprint to meet our sustainability goals. Our efforts to reduce emissions of NF_3 (nitrogen trifluoride) as well as N_2O (nitrous oxide) from our own processes are examples of our ambition in this area.

Our R&D efforts push the boundaries of innovation to create a safer, smarter and more connected world while protecting the environment. One example of our commitment is the development of materials that do not use PFAS (per- and polyfluoroalkyl substances) in Patterning (see below for details). They are intended to replace PFAS surfactants in photoresists, solvent-based antireflective coatings and rinse solutions in semiconductor photolithography. We already offer alternative products for some applications.

Semiconductor Solutions

As the largest business unit in terms of sales within our Electronics business sector, Semiconductor Solutions offers products and services for the semiconductor industry. We are developing materials and solutions for the next generation of semiconductor components – helping to make microchips smaller, faster, more powerful, and more sustainable.

A microchip undergoes a large number of process steps during fabrication, and each of these steps is enabled by specialized materials that are subject to strict requirements. We supply a strong portfolio of materials for every key process step, focusing on wafer processing in particular. Our expertise not only covers the materials themselves, but also how they are integrated during fabrication to make the final components.

Our Semiconductor Solutions business unit consists of the Thin Films, Formulations, Specialty Gases, and Delivery Systems & Services business fields.

In Thin Films, we are continuously expanding our product portfolio for both memory and logic chip customers, placing a key focus on unlocking new R&D opportunities as we move toward smaller node sizes, including gate-all-around transistor architecture and advanced packaging. We use AI technology to significantly accelerate novel materials development to meet the stringent timelines of the anticipated technology nodes. In the first half of 2025, we made progress with high-volume production at our new facilities in Korea, ensuring supply chain resilience for our customers.

We are committed to enhancing our offerings by developing cutting-edge material solutions, including molybdenum, ruthenium and cobalt precursors for selective metallization, highly conformal silicon-containing films on complex 3D structures with precise thickness control and enhanced performance, gap-filling materials with low dielectric constants, metal oxide precursors, spin-on dielectric films and more. We also engage with our OEM (original equipment manufacturer) partners and customers on ASD (area-selective deposition) to enable novel, cost-effective and simpler integration schemes for logic and memory technology.

The portfolio of the Formulations business field is divided into the areas of Patterning and Planarization.

In Patterning, we completed the development of the PFAS-free i-Line (365 nm range) and KrF (krypton fluoride, 248 nm range) photoresists and have begun sampling these materials with several customers, advancing to more mature stages of qualification. We also introduced our new FZero™ brand, which highlights our dedication to a truly fluorine-free portfolio in formulated products. Our FZero™ portfolio eliminates all forms of fluorine, differentiating us from other materials that are labeled PFAS-free yet still contain other forms of fluorine that fall outside of today's PFAS definitions.

Progress on our fluorine-free EUV rinse materials is ongoing, with our second-generation formulation demonstrating performance on a par with legacy products. Notable advances in our fluorine-free TARC (top anti-reflective coating) are being developed with customer sampling initiated and a commercial launch targeted for early 2027.

DSA (directed self-assembly) is gaining traction as a complementary technology to EUV and is now featured on the technology roadmaps of leading-edge manufacturers. Both Intel Corp., USA, and Micron Memory Japan, Inc., Japan, presented promising data at the SPIE Advanced Lithography + Patterning conference earlier this year, bringing us closer to broader industry adoption.

High NA EUV (numerical aperture extreme ultraviolet) lithography requires even flatter substrates due to its reduced depth of focus. Our Patterning team developed the inkjettable material used by Canon Nanotechnologies, Inc., USA, in its new inkjet-enabled adaptive planarization (IAP) technology, introduced to selected customers and innovators in February, providing an innovative solution to further reduce wafer flatness.

In Planarization, China remains the powerhouse for driving growth. In the first half of 2025, the region represented the majority of new Process of Record (PoR) wins. Some of our back-end-of-line products are in the advanced stages of qualification for use in heterogeneous integration, thus paving the way for further AI-driven chip developments. Furthermore, the proliferation of our tungsten solution for DRAM (dynamic random access memory) is gaining traction, with significant growth in the first half of 2025 compared with the year-earlier period. This sustained expansion highlights its role for advanced memory applications.

With one of the broadest portfolios in the market, spanning etching, cleaning, deposition, and dopant gases, our Specialty Gases business field maintains a strong focus on sustainability, developing material solutions that meet both performance and emissions targets. We are actively advancing new, climate-conscious low-emission etching and cleaning gases, including innovative low-GWP (global warming potential) materials, and broadening the range of applications for these sustainable solutions. Additionally, we are participating in the GENESIS project (GENERate a Sustainable Industry for Semiconductors), a new EU initiative dedicated to fostering a more sustainable semiconductor industry in Europe. Through this project, launched under the European Chips Joint Undertaking, our sustainable specialty gases portfolio shall support industry-wide environmental goals and research advancements in electronic systems.

The Delivery Systems & Services (DS&S) business field, with its systems business, develops and installs reliable delivery equipment to ensure the safe and responsible handling of specialty chemicals and gases for semiconductor manufacturing. To keep pace with the evolving industry, DS&S engages in the development of new equipment and delivery system offerings. These efforts are aligned around chemical materials recently introduced to semiconductor manufacturing and longer-term product evolution roadmaps to enhance competitiveness in the market.

Optronics

Our Optronics business unit materializes light through display materials, optical technologies and metrology. This business includes liquid crystals (LC), display patterning materials (photoresists), materials for organic light-emitting diodes (OLED), and optical coating materials, while also offering optical metrology equipment.

We maintain and expand partnerships with customers, focusing on innovative barrier materials that offer superior flexibility, higher reliability and extended lifespans for new OLED devices, such as in IT applications.

In addition, we are continuing to work on advancing LCD technology as well as future optical technologies, for example LC-on-silicon (LCoS) and reactive mesogens (RM) material applications for Pancharatnam-Berry (PB) lenses and head-up displays (HUD) for use in new virtual and augmented reality devices.

Optical components are becoming increasingly important when it comes to meeting requirements for more computing power, higher bandwidth and faster data transmission. Within Optronics, we develop cutting-edge metrology devices for heterogenous integration and for advanced packaging in microchips.

Surface Solutions

In our Surface Solutions business unit, we provide our customers with solutions that help them create functional and decorative surfaces of all kinds. We focus on markets for automotive coatings, cosmetics and, to a smaller extent, industrial applications. With our portfolio of active ingredients, we enable cosmetics manufacturers to enrich their skin care products with moisturizing, protective or anti-aging effects. Moreover, our functional solutions serve various innovative applications, from dirt-repellent and easy-care surfaces to laser markings of plastic parts and cables.

In 2024, we announced that we had agreed to divest the Surface Solutions business unit to Global New Material International Holdings Ltd., Cayman Islands. The transaction closed on July 31, 2025 for a purchase price before purchase price adjustments for cash and financial liabilities of € 665 million.

COURSE OF BUSINESS and ECONOMIC POSITION

Merck

Development of net sales

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

Merck Group

Net sales by business sector

€ million	Q2 2025	Share	Organic growth ¹	Exchange rate effects ¹	Acquisitions/divestments ¹	Total change	Q2 2024	Share
Life Science	2,267	43%	3.7%	-3.6%	0.3%	0.4%	2,258	42%
Healthcare	2,102	40%	3.6%	-5.2%	-	-1.6%	2,137	40%
Electronics	886	17%	-5.6%	-3.5%	1.7%	-7.4%	957	18%
Merck Group	5,255	100%	2.0%	-4.2%	0.4%	-1.8%	5,352	100%

¹ Not defined by IFRS® Accounting Standards (IFRS).

The development of Group net sales across the individual business sectors in the first half of 2025 was as follows:

Merck Group

Net sales by business sector

€ million	Jan.-June 2025	Share	Organic growth ¹	Exchange rate effects ¹	Acquisitions/divestments ¹	Total change	Jan.-June 2024	Share
Life Science	4,485	43%	3.1%	-1.5%	0.3%	1.9%	4,402	42%
Healthcare	4,216	40%	3.5%	-2.7%	-	0.8%	4,184	40%
Electronics	1,835	17%	-2.6%	-1.3%	1.2%	-2.7%	1,886	18%
Merck Group	10,535	100%	2.3%	-2.0%	0.3%	0.6%	10,472	100%

¹ Not defined by IFRS® Accounting Standards (IFRS).

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

Merck Group

Net sales by region

€ million	Q2 2025	Share	Organic growth ¹	Exchange rate effects ¹	Acquisitions/divestments ¹	Total change	Q2 2024	Share
Europe	1,606	31%	3.0%	-0.3%	0.2%	2.9%	1,560	29%
North America	1,364	26%	-1.8%	-5.0%	0.2%	-6.6%	1,461	27%
Asia-Pacific (APAC)	1,752	33%	2.5%	-4.0%	0.9%	-0.5%	1,761	33%
Latin America	343	6%	10.7%	-18.2%	-	-7.4%	370	7%
Middle East and Africa (MEA)	190	4%	0.9%	-5.5%	-	-4.7%	200	4%
Merck Group	5,255	100%	2.0%	-4.2%	0.4%	-1.8%	5,352	100%

¹ Not defined by IFRS® Accounting Standards (IFRS).

In the first half of 2025, net sales by region developed as follows:

Merck Group

Net sales by region

€ million	Jan.-June 2025	Share	Organic growth ¹	Exchange rate effects ¹	Acquisitions/divestments ¹	Total change	Jan.-June 2024	Share
Europe	3,211	31%	4.3%	-0.1%	0.2%	4.4%	3,076	29%
North America	2,727	26%	-3.0%	-1.3%	0.3%	-4.0%	2,840	27%
Asia-Pacific (APAC)	3,521	33%	2.9%	-1.8%	0.6%	1.7%	3,462	33%
Latin America	671	6%	7.9%	-14.2%	-	-6.3%	717	7%
Middle East and Africa (MEA)	404	4%	8.5%	-1.4%	-	7.0%	378	4%
Merck Group	10,535	100%	2.3%	-2.0%	0.3%	0.6%	10,472	100%

¹ Not defined by IFRS® Accounting Standards (IFRS).

Results of operations

The following table presents the composition of EBITDA pre for the second 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 pre¹

€ million	Q2 2025			Q2 2024			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	5,255	-	5,255	5,352	-	5,352	-1.8%
Cost of sales	-2,228	39	-2,189	-2,119	5	-2,114	3.6%
Gross profit	3,027	39	3,066	3,233	5	3,238	-5.3%
Marketing and selling expenses	-1,122	6	-1,116	-1,146	2	-1,143	-2.4%
Administration expenses	-354	40	-314	-336	30	-306	2.6%
Research and development costs	-539	-	-539	-647	5	-642	-16.1%
Impairment losses and reversals of impairment losses on financial assets (net)	-1	-	-1	-	1	1	>100.0%
Other operating income and expenses	-120	56	-63	-311	215	-97	-34.5%
Operating result (EBIT)¹	891			792			
Margin (in % of net sales) ¹	17.0%			14.8%			
Depreciation/amortization/impairment losses/reversals of impairment losses	457	-27	430	680	-222	458	-6.1%
EBITDA²	1,348			1,472			
Margin (in % of net sales) ¹	25.6%			27.5%			
Restructuring expenses	17	-17	-	34	-34	-	
Integration expenses/IT expenses	29	-29	-	21	-21	-	
Gains (-)/losses (+) on the divestment of businesses	33	-33	-	-52	52	-	
Acquisition-related adjustments	19	-19	-	-	-	-	
Other adjustments	15	-15	-	33	-33	-	
EBITDA pre¹	1,462	-	1,462	1,509	-	1,509	-3.1%
Margin (in % of net sales) ¹	27.8%			28.2%			
thereof: organic growth ¹							4.6%
thereof: exchange rate effects							-7.2%
thereof: acquisitions/divestments							-0.5%

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

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

Merck Group

Reconciliation EBITDA pre¹

€ million	Jan.-June 2025			Jan.-June 2024			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	10,535	-	10,535	10,472	-	10,472	0.6%
Cost of sales	-4,363	43	-4,320	-4,230	9	-4,220	2.4%
Gross profit	6,172	43	6,215	6,242	9	6,252	-0.6%
Marketing and selling expenses	-2,234	10	-2,224	-2,233	12	-2,221	0.1%
Administration expenses	-709	67	-643	-668	73	-595	8.0%
Research and development costs	-1,090	-	-1,091	-1,228	10	-1,218	-10.4%
Impairment losses and reversals of impairment losses on financial assets (net)	-3	-	-3	1	1	2	>100.0%
Other operating income and expenses	-239	80	-158	-391	223	-168	-5.8%
Operating result (EBIT)¹	1,897			1,724			
Margin (in % of net sales) ¹	18.0%			16.5%			
Depreciation/amortization/impairment losses/reversals of impairment losses	930	-29	902	1,134	-223	911	-1.0%
EBITDA²	2,827			2,857			
Margin (in % of net sales) ¹	26.8%			27.3%			
Restructuring expenses	48	-48	-	79	-79	-	
Integration expenses/IT expenses	46	-46	-	39	-39	-	
Gains (-)/losses (+) on the divestment of businesses	39	-39	-	-56	56	-	
Acquisition-related adjustments	21	-21	-	3	-3	-	
Other adjustments	16	-16	-	42	-42	-	
EBITDA pre¹	2,998	-	2,998	2,963	-	2,963	1.2%
Margin (in % of net sales) ¹	28.5%			28.3%			
thereof: organic growth ¹							5.2%
thereof: exchange rate effects							-3.5%
thereof: acquisitions/divestments							-0.5%

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

- In the second quarter of 2025 and the first half of 2025, the operating result (EBIT) increased compared with the respective year-earlier periods. This development was primarily attributable to lower other operating expenses and decreased research and development costs. In the previous year, impairment losses amounting to € 140 million in connection with the termination of the xevinapant program adversely impacted the operating result. Gross profit in the first half of 2025 was below the year-earlier figure. This was primarily attributable to the declining development in the second quarter of 2025. The positive EBIT development in the first quarter of 2025 continued in the second quarter of 2025, resulting in an increase in the EBIT margin by 1.5 percentage points in the first half of 2025 compared with the year-earlier period.
- EBITDA pre, the key financial indicator for steering operating business, was below the level of the year-earlier quarter in the second quarter of 2025. In the first half of 2025, however, a small increase was achieved overall compared with the year-earlier period. This stemmed from organic growth, which more than offset negative foreign exchange effects as well as negative acquisition effects.
- 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, EPS pre) amounted to € 2.02 in the second quarter of 2025 and were thus 8.2% below the year-earlier figure (Q2 2024: € 2.20). Although the first quarter of 2025 showed a positive development, EPS pre declined in the first half of 2025 compared with the year-earlier period to € 4.14 overall (January–June 2024: € 4.26).

Financial position

Merck Group

Balance sheet structure

	June 30, 2025		Dec. 31, 2024 ¹		Change	
	€ million	in %	€ million	in %	€ million	in %
Non-current assets	35,156	74.2%	38,146	73.9%	-2,990	-7.8%
Current assets	12,196	25.8%	13,450	26.1%	-1,255	-9.3%
Total assets	47,352	100.0%	51,596	100.0%	-4,244	-8.2%
Equity	28,329	59.8%	29,989	58.1%	-1,660	-5.5%
Non-current liabilities	9,164	19.4%	10,312	20.0%	-1,147	-11.1%
Current liabilities	9,859	20.8%	11,295	21.9%	-1,436	-12.7%
Liabilities	19,023	40.2%	21,607	41.9%	-2,584	-12.0%
Total equity and liabilities	47,352	100.0%	51,596	100.0%	-4,244	-8.2%

¹ Previous-year figures have been adjusted owing to the finalization of the purchase price allocation in connection with the acquisitions of Mirus Bio LLC, USA, Unity-SC SAS, France, as well as Hub Organoids Holding B.V., Netherlands.

- In the first half of 2025, the total assets of the Merck Group decreased sharply. This development was primarily attributable to a decline in goodwill due to foreign exchange effects as well as the decline in cash and cash equivalents. The latter resulted mainly from the repayment in March of the last tranche of a U.S. dollar bond issued in 2015 with a nominal volume of US\$ 1,600 million.
- On June 30, 2025, equity amounted to € 28,329 million and was therefore 5.5% below the value at the end of 2024 (December 31, 2024: € 29,989 million) due to significant foreign exchange effects. The equity ratio increased to 59.8% (December 31, 2024: 58.1%).
- The decrease in liabilities was also primarily attributable to the repayment of the aforementioned last tranche of a U.S. dollar bond. In addition, the decline in other current financial liabilities had an impact.

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

Merck Group

Net financial debt¹

€ million	June 30, 2025	Dec. 31, 2024	Change	
			€ million	in %
Bonds and commercial paper	6,159	7,693	-1,533	-19.9%
Bank loans	365	327	37	11.4%
Liabilities to related parties	2,124	1,429	695	48.7%
Loans from third parties and other financial liabilities	61	59	1	2.5%
Liabilities from derivatives (financial transactions)	33	31	2	5.8%
Lease liabilities	660	761	-101	-13.3%
Financial debt	9,402	10,301	-899	-8.7%
less:				
Cash and cash equivalents	1,166	2,517	-1,351	-53.7%
Current financial assets ²	263	629	-366	-58.1%
Net financial debt¹	7,973	7,155	818	11.4%

¹ Not defined by IFRS® Accounting 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	Q2 2025	Q2 2024	Change	Jan.-June 2025	Jan.-June 2024	Change
EBITDA pre¹	1,462	1,509	-3.1%	2,998	2,963	1.2%
Adjustments ¹	-115	-36	>100.0%	-171	-106	61.8%
Financial income and expenses ²	-62	-7	>100.0%	-112	-39	>100.0%
Income tax ²	-174	-180	-3.3%	-392	-379	3.2%
Changes in working capital ¹	-158	-134	18.1%	-555	-311	78.5%
thereof: changes in inventories ³	-104	1	>100.0%	-218	-40	>100.0%
thereof: changes in trade accounts receivable ³	-79	-110	-27.9%	-376	-174	>100.0%
thereof: changes in trade accounts payable/refund liabilities ³	25	-25	>100.0%	38	-98	>100.0%
Changes in provisions ³	82	-18	>100.0%	37	22	70.8%
Changes in other assets and liabilities ³	-467	-265	76.2%	-691	-232	>100.0%
Neutralization of gains/losses on disposals of fixed assets and other disposals ³	-5	-1	>100.0%	5	-9	>100.0%
Other non-cash income and expenses ³	2	-6	>100.0%	3	-11	>100.0%
Operating cash flow	567	861	-34.2%	1,123	1,896	-40.8%

¹ Not defined by IFRS® Accounting 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 second quarter of 2025, net sales of the Life Science business sector developed as follows:

Life Science

Net sales by business unit

€ million	Q2 2025	Share	Organic growth ¹	Exchange rate effects ¹	Acquisitions/divestments ¹	Total change	Q2 2024	Share
Science & Lab Solutions	1,150	51%	–	-3.7%	0.2%	-3.5%	1,192	53%
Process Solutions	945	41%	11.5%	-3.4%	0.4%	8.4%	871	38%
Life Science Services	172	8%	-8.2%	-3.4%	–	-11.5%	194	9%
Life Science	2,267	100%	3.7%	-3.6%	0.3%	0.4%	2,258	100%

¹ Not defined by IFRS® Accounting Standards (IFRS).

The development of Life Science net sales across the individual business units in the first half of 2025 was as follows:

Life Science

Net sales by business unit

€ million	Jan.-June 2025	Share	Organic growth ¹	Exchange rate effects ¹	Acquisitions/divestments ¹	Total change	Jan.-June 2024 ²	Share
Science & Lab Solutions	2,299	51%	-1.2%	-1.6%	0.2%	-2.7%	2,362	54%
Process Solutions	1,864	42%	11.4%	-1.5%	0.5%	10.4%	1,688	38%
Life Science Services	322	7%	-7.3%	-0.9%	–	-8.2%	351	8%
Life Science	4,485	100%	3.1%	-1.5%	0.3%	1.9%	4,402	100%

¹ Not defined by IFRS® Accounting 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, remained stable organically in the second quarter of 2025. The organic sales decline in the first quarter of 2025 led to an overall organic decline in the first half of 2025. This was mainly driven by spending policies in the United States, and an overall challenging market environment. 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 of 11.5% in the second quarter of 2025. Despite an unfavorable exchange rate effect, net sales increased across all core regions (North America, Europe, Asia-Pacific) in the first half of 2025, thanks mainly to recovery following the end of customer destocking and increased commercial activity.
- The Life Science Services business unit, which offers fully integrated contract testing, development and manufacturing services, recorded a strong organic sales decline in the second quarter of 2025. This was mainly driven by the organic decline from our activities as a contract testing organization due to a high base from non-repeat projects in the year-earlier period and demand fluctuations. Including an unfavorable exchange rate effect, the decline in sales in the first half of 2025 was mainly attributable to North America.

The following table presents the composition of EBITDA pre for the second 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 pre¹

€ million	Q2 2025			Q2 2024			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	2,267	-	2,267	2,258	-	2,258	0.4%
Cost of sales	-1,079	14	-1,065	-1,042	1	-1,041	2.3%
Gross profit	1,188	14	1,201	1,216	1	1,217	-1.3%
Marketing and selling expenses	-544	1	-544	-567	4	-563	-3.3%
Administration expenses	-117	18	-100	-104	8	-96	4.0%
Research and development costs	-97	-	-97	-96	-	-96	0.6%
Impairment losses and reversals of impairment losses on financial assets (net)	-2	-	-2	-	-	-	>100.0%
Other operating income and expenses	-62	36	-27	-78	59	-20	34.6%
Operating result (EBIT)¹	365			370			
Margin (in % of net sales) ¹	16.1%			16.4%			
Depreciation/amortization/impairment losses/reversals of impairment losses	233	-19	214	269	-56	213	0.6%
EBITDA²	598			639			
Margin (in % of net sales) ¹	26.4%			28.3%			
Restructuring expenses	7	-7	-	9	-9	-	
Integration expenses/IT expenses	18	-18	-	8	-8	-	
Gains (-)/losses (+) on the divestment of businesses	16	-16	-	-	-	-	
Acquisition-related adjustments	-	-	-	-	-	-	
Other adjustments	9	-9	-	-	-	-	
EBITDA pre¹	646	-	646	655	-	655	-1.3%
Margin (in % of net sales) ¹	28.5%			29.0%			
thereof: organic growth ¹							3.7%
thereof: exchange rate effects							-4.1%
thereof: acquisitions/divestments							-0.9%

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

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

Life Science

Reconciliation EBITDA pre¹

€ million	Jan.-June 2025			Jan.-June 2024			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	4,485	–	4,485	4,402	–	4,402	1.9%
Cost of sales	-2,119	14	-2,105	-2,029	2	-2,028	3.8%
Gross profit	2,366	14	2,379	2,372	2	2,374	0.2%
Marketing and selling expenses	-1,099	2	-1,097	-1,117	9	-1,108	-0.9%
Administration expenses	-224	26	-199	-216	25	-191	4.0%
Research and development costs	-196	–	-196	-192	1	-191	2.6%
Impairment losses and reversals of impairment losses on financial assets (net)	-4	–	-4	-1	–	-1	>100.0%
Other operating income and expenses	-109	59	-50	-98	61	-37	34.2%
Operating result (EBIT)¹	734			748			
Margin (in % of net sales) ¹	16.4%			17.0%			
Depreciation/amortization/impairment losses/reversals of impairment losses	454	-19	435	476	-56	420	3.5%
EBITDA²	1,188			1,224			
Margin (in % of net sales) ¹	26.5%			27.8%			
Restructuring expenses	29	-29	–	27	-27	–	
Integration expenses/IT expenses	26	-26	–	15	-15	–	
Gains (-)/losses (+) on the divestment of businesses	16	-16	–	–	–	–	
Acquisition-related adjustments	1	-1	–	1	-1	–	
Other adjustments	9	-9	–	–	–	–	
EBITDA pre¹	1,268	–	1,268	1,266	–	1,266	0.2%
Margin (in % of net sales) ¹	28.3%			28.8%			
of which: organic growth ¹							3.4%
of which: exchange rate effects							-2.4%
of which: acquisitions/divestments							-0.8%

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting 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 impacted by unfavorable exchange rate effects in the second quarter of 2025 as well as in the first half of 2025, compared to the year-earlier periods. An organic increase resulted, mainly attributable to organic sales growth, which was mainly due to a recovery following the end of customer destocking in Process Solutions as well as strict management of production costs.
- In the first half of 2025, the increase in gross profit was partially offset by higher administration expenses, which mainly resulted from annual wage and salary increases; these were partially offset by saving measures. 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, mainly due to one-time positive effects from the disposal of an asset and the release of a provision in 2024.
- While EBITDA pre saw a moderate organic increase in the second quarter of 2025, it was impacted by an unfavorable exchange rate effect which fully offset the organic performance. In the first half of 2025, EBITDA pre remained roughly stable compared with the year earlier period, despite an unfavorable exchange rate effect, resulting in an EBITDA pre margin of 28.3% in the first half of 2025 (January-June 2024: 28.8%).

Healthcare

Development of net sales and results of operations

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

Healthcare

Net sales by major product lines/products

€ million	Q2 2025	Share	Organic growth ¹	Exchange rate effects ¹	Total change	Q2 2024	Share
Oncology	485	23%	3.9%	-5.0%	-1.1%	490	23%
thereof: Erbitux®	288	14%	10.9%	-6.6%	4.3%	276	13%
thereof: Bavencio®	158	8%	-12.1%	-2.8%	-14.9%	186	9%
Neurology & Immunology	425	20%	2.6%	-4.6%	-2.0%	434	20%
thereof: Mavenclad®	307	15%	20.7%	-5.4%	15.3%	266	12%
thereof: Rebif®	119	6%	-26.1%	-3.2%	-29.3%	168	8%
Fertility	366	17%	-3.4%	-5.8%	-9.1%	403	19%
thereof: Gonal-f®	186	9%	-12.5%	-5.6%	-18.1%	227	11%
thereof: Pergoveris®	84	4%	20.5%	-6.1%	14.4%	73	3%
Cardiovascular, Metabolism and Endocrinology	741	35%	4.7%	-5.4%	-0.7%	746	35%
thereof: Glucophage®	235	11%	4.3%	-5.4%	-1.1%	238	11%
thereof: Concor®	154	7%	1.0%	-3.4%	-2.4%	158	7%
thereof: Euthyrox®	155	7%	6.3%	-6.1%	0.2%	155	7%
thereof: Saizen®	99	5%	9.7%	-7.8%	1.9%	97	5%
Other	84	4%				64	3%
Healthcare	2,102	100%	3.6%	-5.2%	-1.6%	2,137	100%

¹ Not defined by IFRS® Accounting Standards (IFRS).

From January to June 2025, the development of Healthcare net sales across the major product lines and products was as follows:

Healthcare

Net sales by major product lines/products

€ million	Jan.-June 2025	Share	Organic growth ¹	Exchange rate effects ¹	Total change	Jan.-June 2024	Share
Oncology	976	23%	1.0%	-2.5%	-1.5%	990	24%
thereof: Erbitux®	593	14%	8.5%	-3.3%	5.3%	563	13%
thereof: Bavencio®	315	7%	-13.8%	-1.5%	-15.3%	372	9%
Neurology & Immunology	832	20%	-0.5%	-1.9%	-2.4%	853	20%
thereof: Mavenclad®	594	14%	15.0%	-2.3%	12.7%	527	12%
thereof: Rebif®	239	6%	-25.6%	-1.1%	-26.7%	326	8%
Fertility	748	18%	-1.9%	-2.9%	-4.8%	786	19%
thereof: Gonal-f®	392	9%	-6.5%	-2.6%	-9.1%	431	10%
thereof: Pergoveris®	162	4%	17.1%	-3.8%	13.3%	143	3%
Cardiovascular, Metabolism and Endocrinology	1,498	36%	7.6%	-3.2%	4.4%	1,435	34%
thereof: Glucophage®	477	11%	7.2%	-3.2%	4.0%	459	11%
thereof: Concor®	311	7%	6.2%	-1.7%	4.6%	297	7%
thereof: Euthyrox®	311	7%	9.3%	-3.6%	5.7%	294	7%
thereof: Saizen®	202	5%	14.0%	-5.3%	8.7%	186	4%
Other	161	4%				121	3%
Healthcare	4,216	100%	3.5%	-2.7%	0.8%	4,184	100%

¹ Not defined by IFRS® Accounting Standards (IFRS).

- In the second quarter of 2025, sales of the oncology drug Erbitux® (cetuximab) grew organically by around 11%, driven by the Latin America, Middle East and Africa and Asia-Pacific regions, while sales in Europe recorded a slight organic decrease. Propelled by higher demand in all regions, Erbitux® saw strong organic sales growth in the first half of 2025. Compared with the year-earlier period, this growth was mainly driven by higher demand, an expansion of the distribution channels in Latin America and further market growth in China.
- In immuno-oncology, sales of the oncology drug Bavencio® (avelumab) declined organically by around 12% in the second quarter of 2025. This was particularly attributable to lower demand in the North America region due to alternative treatment methods for patients with locally advanced or metastatic urothelial carcinoma. Likewise, in the first half of 2025, Bavencio® recorded an organic sales decline of around 14% with similar regional dynamics.
- Mavenclad®, for the oral short-course treatment of highly active relapsing forms of multiple sclerosis (MS), generated organic sales growth in the low-twenties percentage range in the second quarter of 2025. This was mainly driven by favorable growth in North America and Europe. Additionally, a strong first quarter of 2025 supported organic sales growth of the drug in the mid-teens percentage range in the first half of 2025, with all regions except Asia-Pacific contributing to this.
- Sales of the drug Rebif®, which is used to treat relapsing forms of MS, decreased organically in the mid-twenties percentage range in the second quarter of 2025. This decline was mainly attributable to the ongoing difficult competitive situation in the interferon market as well as competition from oral dosage forms and high-efficacy MS therapies, which are expected to cause further declines in sales in the future. In the first half of 2025, Rebif® also saw an organic sales decrease in the mid-twenties percentage range.
- The Fertility franchise recorded a moderate organic sales decline in the quarter under review compared with the year-earlier period. Sales of Gonal-f®, the leading recombinant hormone used in the treatment of infertility, declined organically by around 12.5%. This development was driven by North America and Asia-Pacific in particular. In the same period, Pergoveris®, a hormone for the stimulation of follicular development in the ovaries, posted favorable organic sales growth in the low-twenties percentage range, to which all regions contributed. In the first half of 2025, the Fertility franchise recorded a slight organic sales decline, which was due primarily to the North America and Asia-Pacific regions.
- The Cardiovascular, Metabolism and Endocrinology franchise, which commercializes products to treat cardiovascular diseases, thyroid disorders, diabetes, and growth disorders, among other things, delivered solid organic sales growth in the second quarter of 2025. The diabetes medicine Glucophage® saw solid organic sales growth, to which all regions contributed except the Middle East and Africa. Sales of the beta-blocker Concor® remained roughly stable compared with the year-earlier period, while the thyroid medicine Euthyrox® delivered solid organic sales growth. The growth hormone Saizen® again recorded strong organic sales growth as a result of increased demand in the reporting period. In the first half of 2025, the Cardiovascular, Metabolism and Endocrinology franchise generated strong organic growth overall.

The following table presents the composition of EBITDA pre for the second 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 pre¹

€ million	Q2 2025			Q2 2024			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	2,102	-	2,102	2,137	-	2,137	-1.6%
Cost of sales	-562	20	-542	-506	-	-506	7.1%
Gross profit	1,540	20	1,560	1,631	-	1,631	-4.3%
Marketing and selling expenses	-432	-	-432	-437	-2	-439	-1.7%
Administration expenses	-79	3	-76	-78	3	-76	-0.2%
Research and development costs	-350	-	-350	-445	5	-441	-20.6%
Impairment losses and reversals of impairment losses on financial assets (net)	1	-	1	2	-	2	-49.2%
Other operating income and expenses	1	4	5	-171	120	-50	>100.0%
Operating result (EBIT)¹	681			501			
Margin (in % of net sales) ¹	32.4%			23.4%			
Depreciation/amortization/impairment losses/reversals of impairment losses	78	-3	75	249	-155	93	-19.8%
EBITDA²	759			749			
Margin (in % of net sales) ¹	36.1%			35.1%			
Restructuring expenses	-	-	-	2	-2	-	
Integration expenses/IT expenses	6	-6	-	3	-3	-	
Gains (-)/losses (+) on the divestment of businesses	3	-3	-	-35	35	-	
Acquisition-related adjustments	15	-15	-	-	-	-	
Other adjustments	-	-	-	-	-	-	
EBITDA pre¹	783	-	783	720	-	720	8.8%
Margin (in % of net sales) ¹	37.2%			33.7%			
thereof: organic growth ¹							20.0%
thereof: exchange rate effects							-11.3%
thereof: acquisitions/divestments							-

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

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

Healthcare

Reconciliation EBITDA pre¹

€ million	Jan.-June 2025			Jan.-June 2024			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	4,216	–	4,216	4,184	–	4,184	0.7%
Cost of sales	-1,089	20	-1,069	-1,049	–	-1,049	1.9%
Gross profit	3,127	20	3,147	3,135	–	3,135	0.4%
Marketing and selling expenses	-843	–	-843	-836	2	-834	1.1%
Administration expenses	-151	5	-146	-154	4	-150	-2.5%
Research and development costs	-707	-1	-708	-843	9	-834	-15.0%
Impairment losses and reversals of impairment losses on financial assets (net)	2	–	2	4	–	4	-45.9%
Other operating income and expenses	-44	-2	-46	-188	112	-76	-39.2%
Operating result (EBIT)¹	1,384			1,119			
Margin (in % of net sales) ¹	32.8%			26.7%			
Depreciation/amortization/impairment losses/reversals of impairment losses	176	-3	173	337	-155	182	-4.9%
EBITDA²	1,560			1,456			
Margin (in % of net sales) ¹	37.0%			34.8%			
Restructuring expenses	–	–	–	8	-8	–	
Integration expenses/IT expenses	8	-8	–	4	-4	–	
Gains (-)/losses (+) on the divestment of businesses	-4	4	–	-39	39	–	
Acquisition-related adjustments	15	-15	–	–	–	–	
Other adjustments	–	–	–	–	–	–	
EBITDA pre¹	1,579	–	1,579	1,428	–	1,428	10.6%
Margin (in % of net sales) ¹	37.4%			34.1%			
of which: organic growth ¹							15.9%
of which: exchange rate effects							-5.3%
of which: acquisitions/divestments							–

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

- In the second quarter of 2025, gross profit after the elimination of adjustments declined significantly, which in turn resulted in a decline of the gross margin to 73.3% (Q2 2024: 76.3%). However, in the first half of 2025, gross profit after the elimination of adjustments remained roughly stable, resulting in a gross margin of 74.2% (January–June 2024: 74.9%).
- Marketing and selling expenses after the elimination of adjustments decreased slightly in the second quarter of 2025 and remained at around the level of the previous year in the first six months of 2025. In the second quarter of 2025, administration expenses were at the level of the year-earlier quarter; in the first half of the year, they went down slightly.
- Research and development costs after eliminating adjustments recorded a decline in the low-twenties percentage range in the second quarter of 2025; in the first half of the year, they showed a decline in the mid-teens percentage range. This development was mainly driven by provisions recognized in the second quarter of 2024 for follow-on obligations from the termination of the research program for xevinapant as well as lower research and development costs in the first half of 2025, likewise due to the termination of the program.
- While the net balance of other operating expenses and income after eliminating adjustments was still negative in the year-earlier quarter, the net balance was positive in the second quarter of 2025. This was mainly driven by the use of impairments in the research and development area in the year-earlier period as well as positive one-time effects from royalty income in the second quarter of 2025. In the first half of 2025, the negative net balance of other operating expenses and income after eliminating adjustments declined in line with the aforementioned dynamics.
- In the second quarter of 2025, EBITDA pre saw a strong organic increase, leading to an EBITDA pre margin of 37.2% (Q2 2024: 33.7%). As the development in the first quarter of 2025 was also favorable, EBITDA pre grew by around 11% in the first half of 2025. This resulted in an EBITDA pre margin of 37.4% (January–June 2024: 34.1%).

Electronics

Development of net sales and results of operations

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

Electronics

Net sales by business unit

€ million	Q2 2025	Share	Organic growth ¹	Exchange rate effects ¹	Acquisitions/divestments ¹	Total change	Q2 2024	Share
Semiconductor Solutions	603	68%	-5.6%	-3.7%	-0.1%	-9.3%	665	69%
Optronics	189	21%	-5.3%	-3.4%	9.0%	0.3%	188	20%
Surface Solutions	94	11%	-6.4%	-2.9%	–	-9.3%	104	11%
Electronics	886	100%	-5.6%	-3.5%	1.7%	-7.4%	957	100%

¹ Not defined by IFRS® Accounting Standards (IFRS).

The development of Electronics net sales across the individual business units in the first half of 2025 was as follows:

Electronics

Net sales by business unit

€ million	Jan.-June 2025	Share	Organic growth ¹	Exchange rate effects ¹	Acquisitions/divestments ¹	Total change	Jan.-June 2024	Share
Semiconductor Solutions	1,253	68%	-1.9%	-1.4%	-0.2%	-3.5%	1,298	69%
Optronics	386	21%	-2.7%	-0.9%	6.7%	3.1%	375	20%
Surface Solutions	196	11%	-6.6%	-1.5%	–	-8.1%	213	11%
Electronics	1,835	100%	-2.6%	-1.3%	1.2%	-2.7%	1,886	100%

¹ Not defined by IFRS® Accounting Standards (IFRS).

- The Semiconductor Solutions business unit, which comprises the two businesses Semiconductor Materials and Delivery Systems & Services (DS&S), saw a slight organic decline in the first half of 2025, while Semiconductor Materials showed solid growth, once again driven by demand for modern microchips for AI applications. DS&S recorded an organic decline in the mid-twenties percentage range in the first half of 2025 as major projects concluded in 2024 and current projects are being delayed by our customers.
- 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, grew moderately in the first half of 2025 as the acquisition of Unity-SC SAS, France, continues to perform as expected. Organically, Optronics declined moderately in the first half of 2025 with lower demand for OLED materials in the first half of 2025, weaker liquid crystal demand in the second quarter of 2025 and continued pricing pressure in liquid crystals driving the decrease.
- Net sales of the Surface Solutions business unit declined in the second quarter of 2025 at a similar rate as in the first quarter with weaker demand for cosmetics continuing to be the main driver.

The following table presents the composition of EBITDA pre for the second 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 pre¹

€ million	Q2 2025			Q2 2024			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	886	-	886	957	-	957	-7.4%
Cost of sales	-582	5	-577	-573	4	-568	1.5%
Gross profit	304	5	309	385	4	389	-20.5%
Marketing and selling expenses	-142	5	-136	-142	-	-142	-3.7%
Administration expenses	-50	13	-37	-36	2	-34	9.6%
Research and development costs	-69	-	-69	-75	-	-75	-8.0%
Impairment losses and reversals of impairment losses on financial assets (net)	-	-	-	-1	1	-	-
Other operating income and expenses	-56	9	-46	-24	16	-8	>100.0%
Operating result (EBIT)¹	-13			107			
Margin (in % of net sales) ¹	-1.4%			11.2%			
Depreciation/amortization/impairment losses/reversals of impairment losses	117	-4	113	135	-11	125	-9.2%
EBITDA²	105			242			
Margin (in % of net sales) ¹	11.8%			25.3%			
Restructuring expenses	6	-6	-	4	-4	-	-
Integration expenses/IT expenses	4	-4	-	7	-7	-	-
Gains (-)/losses (+) on the divestment of businesses	15	-15	-	1	-1	-	-
Acquisition-related adjustments	4	-4	-	1	-1	-	-
Other adjustments	-	-	-	-	-	-	-
EBITDA pre¹	134	-	134	255	-	255	-47.6%
Margin (in % of net sales) ¹	15.1%			26.7%			
thereof: organic growth ¹							-41.3%
thereof: exchange rate effects							-5.9%
thereof: acquisitions/divestments							-0.4%

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

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

Electronics

Reconciliation EBITDA pre¹

€ million	Jan.-June 2025			Jan.-June 2024			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	1,835	–	1,835	1,886	–	1,886	-2.7%
Cost of sales	-1,154	9	-1,144	-1,153	8	-1,145	-0.1%
Gross profit	681	9	690	733	8	741	-6.8%
Marketing and selling expenses	-284	8	-275	-280	–	-279	-1.3%
Administration expenses	-98	26	-73	-73	6	-66	9.8%
Research and development costs	-145	1	-145	-148	–	-148	-2.2%
Impairment losses and reversals of impairment losses on financial assets (net)	-1	–	-1	-1	1	–	>100.0%
Other operating income and expenses	-69	15	-53	-29	20	-9	>100.0%
Operating result (EBIT)¹	84			202			
Margin (in % of net sales) ¹	4.6%			10.7%			
Depreciation/amortization/impairment losses/reversals of impairment losses	241	-6	235	265	-11	254	-7.5%
EBITDA²	325			467			
Margin (in % of net sales) ¹	17.7%			24.8%			
Restructuring expenses	13	-13	–	8	-8	–	
Integration expenses/IT expenses	9	-9	–	13	-13	–	
Gains (-)/losses (+) on the divestment of businesses	27	-27	–	1	-1	–	
Acquisition-related adjustments	4	-4	–	2	-2	–	
Other adjustments	–	–	–	–	–	–	
EBITDA pre¹	378	–	378	492	–	492	-23.2%
Margin (in % of net sales) ¹	20.6%			26.1%			
of which: organic growth ¹							-20.5%
of which: exchange rate effects							-2.0%
of which: acquisitions/divestments							-0.7%

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting 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 decreased in the second quarter of 2025 compared with the second quarter of 2024 driven by the aforementioned decrease in sales and a one-time effect from an inventory adjustment in a low double-digit million euro sum. At 34.9%, the gross margin after eliminating adjustments decreased compared with the year-earlier quarter (Q2 2024: 40.6%), which was primarily attributable to lower volumes and the associated reduced coverage of fixed costs, the inventory adjustment and unfavorable pricing impacts. In the first half of 2025, the effects cited above also reduced the adjusted gross margin to 37.6% (January–June 2024: 39.3%). Excluding the effect of the one-time inventory adjustment, gross margins were broadly in line with the year-earlier period.
- Adjusted marketing and selling expenses decreased in the first half of 2025 compared with the year-earlier period due mostly to lower logistics costs resulting from continued cost management.
- Administration costs increased in the second quarter and through the first half of 2025 compared with the respective periods in 2024 due to increased project costs for cyber security and inflation.
- Research and development decreased in the second quarter of 2025 compared with the year-earlier quarter due primarily to a higher capitalization rate of project costs.
- The negative net balance of other operating expenses and income increased in the first six months of 2025 compared with the year-earlier period due to a one-time, mid-double-digit million euro provision that was established in the second quarter to cover a customer claim arising from disputed pricing.
- Therefore, EBITDA pre declined in both the second quarter and the first half of 2025 in comparison with the corresponding year-earlier periods. The EBITDA pre margin was lower year-on-year at 15.1% in the second quarter of 2025 (Q2 2024: 26.7%). In the first half of 2025, the EBITDA pre margin decreased from 26.1% in the year-earlier period to 20.6%. The main drivers for this decrease were the aforementioned one-time provision and inventory adjustment posted in the second quarter of 2025 coupled with the gross profit impacts discussed 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	Q2 2025	Q2 2024	Change	Jan.-June 2025	Jan.-June 2024	Change
Operating result (EBIT) ¹	-142	-186	-23.5%	-305	-345	-11.6%
EBITDA ²	-114	-158	-27.9%	-245	-289	-15.1%
EBITDA pre ¹	-100	-121	-17.1%	-227	-223	2.1%

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

The operating result and EBITDA improved in the second quarter of 2025 compared with the year-earlier period, which was primarily due to a smaller loss from hyperinflationary accounting and lower expenses in the areas of administration and research and development. The decline in these operating expenses also resulted in an increase in EBITDA pre in the second quarter of 2025. The reduction in expenses in the second quarter of 2025 more than offset the increased expenses for Group-wide projects and IT expenses in the first quarter of 2025, resulting in an increase in the operating result and EBITDA in the first half of 2025.

Report on Risks and Opportunities

As a global science and technology company, identifying risks and opportunities is an intrinsic part of making our business sectors resilient and generating value. We have a broad range of products in our three business sectors and operate in highly innovative business fields. This gives rise to opportunities while at the same time subjecting the company and its business activities to potential risks that could impact the achievement of financial and non-financial objectives. For us, risk and opportunity management is therefore essential and is a core component of our internal business planning and forecasting. A detailed description of our risk and opportunity management processes can be found in the [“Report on Risks and Opportunities”](#) in the Annual Report for 2024.

We have a Group-wide risk management system in place to identify, assess, mitigate and continuously monitor potential risks. These include financial risks, business-related risks, human resources and information technology risks, sustainability, security and safety risks, and legal risks. Legal risks in particular comprise a wide range of potential issues, including litigation risks relating to product liability, patent law disputes, data protection concerns and risks due to antitrust and official proceedings.

The risks and opportunities outlined in the 2024 Annual Report are also applicable in the current reporting period, i.e. the first half of 2025. Most of the risks have been revised or reassessed based on current plan figures. A still dynamic regulatory environment, e.g. in the area of artificial intelligence, can present us with additional requirements. The appropriate implementation and monitoring of these requirements harbor both financial and non-financial risks. The tensions and trade restrictions between China, the United States and the rest of the world are intensifying and have consequences for global supply chains, raw materials and overall business activities. Nevertheless, our assumptions regarding geopolitical developments exclude sharply accelerated and extreme scenarios involving a severe escalation of current and future geopolitical tensions. The occurrence of such scenarios would of course threaten the existence of entire economic sectors, endanger the overall balance of geopolitical and economic structures and, as such, would represent a substantial challenge for Merck as well as every other company.

Further information on developments in the individual business sectors can be found in the corresponding sections of this report. In this context, we also refer to the section on [“Significant Events During the Reporting Period”](#).

Apart from the aforementioned development of the risk situation, the overall risk environment has not changed significantly. The likelihood of an existentially threatening risk scenario occurring, as derived from the leading risk indicator “risk capacity”, is still classified as low.

Report on Expected Developments

With the quarterly statement dated March 31, 2025, 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 half-yearly financial report, 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	~20,500 to 21,700 Organic +2% to +5% Foreign exchange effect -5% to -2% Portfolio ~0%	~5,900 to 6,300 Organic +4% to +8% Foreign exchange effect -6% to -3% Portfolio -2% to -1%	~3,600 to 4,000
Life Science	~8,800 to 9,300 Organic +3% to +6% Foreign exchange effect -5% to -2%	~2,500 to 2,700 Organic +3% to +7% Foreign exchange effect -5% to -2%	
Healthcare	~8,500 to 8,900 Organic +3% to +5% Foreign exchange effect -5% to -2% Portfolio ~+2%	~2,900 to 3,100 Organic +9% to +13% Foreign exchange effect -9% to -6% Portfolio -3% to -2%	
Electronics	~3,300 to 3,600 Organic -5% to -1% Foreign exchange effect -5% to -2% Portfolio ~-3%	~700 to 900 Organic -15% to -7% Foreign exchange effect -6% to -3% Portfolio -3% to -1%	
Corporate and Other	n/a	~-350 to -400	

¹ Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

EPS pre € 8.00 to € 8.70, 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, the forecast is subject to high uncertainty and volatility in fiscal 2025. This especially applies to the volatility and impacts of U.S. tariff policy and possible responses by trade partners or agreements in the wake of tariff conflicts. Merck is closely monitoring related developments, assessing possible scenarios and evaluating countermeasures.

Following successful closure and the acquisition of SpringWorks Therapeutics, Inc., USA, (SpringWorks) on July 1, 2025, and the divestment of our Surface Solutions business on July 31, 2025, both transactions are reflected for the remainder of the year as a portfolio effect in this forecast. Including existing portfolio effects, we anticipate a positive mid-double-digit million euro contribution to Group net sales; conversely, in terms of the effect on EBITDA pre, we expect a negative contribution of between € -120 million and € -80 million.

We expect a persistently volatile environment as regards the development of foreign exchange rates. For 2025, we continue to expect negative foreign exchange effects compared with 2024, albeit to a greater extent than in the previous forecast. The key driver compared with the previous year is the development of the U.S. dollar and individual Asian currencies alongside the foreign exchange development of several emerging and developing economies. While the average euro-U.S. dollar exchange rate was within the previously forecast range of 1.07 to 1.11 in the first half of 2025, we now expect an average euro-U.S. dollar exchange rate in a corridor of 1.11 to 1.15 for 2025 as a whole due to the further decline in value of the U.S. dollar.

Net sales

We are specifying our forecast of organic sales growth for fiscal 2025, which we now expect for the Group in a range between +2% and +5% (previously +2% to +6%); the Life Science and Healthcare business sectors will make the main contribution toward this. We expect Life Science to return to organic growth, reflecting the gradual recovery of the market. The Process Solutions business unit is expected 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® and products from the Oncology franchise are expected to contribute to this development. In contrast to the previous forecast, we now expect an organic sales decline for Electronics. The organic growth in the semiconductor materials business, which reflects a continuing and more extensive recovery of the semiconductor market, is being more than offset by the declining project business within the Semiconductor Solutions business unit. The reduced expectations are attributable to continued restraint among individual customers when it comes to major projects. Due to this dependence on major individual orders, sales in the project business are typically subject to stronger fluctuations. Based on updated exchange rate assumptions, we now expect negative foreign exchange effects of -5% to -2% (previously -3% to 0%); therefore, we now forecast net sales for the Merck Group of between € 20.5 billion and € 21.7 billion (previously € 20.9 billion to € 22.4 billion / 2024: € 21.2 billion).

EBITDA pre¹

We are raising our forecast for the organic growth of EBITDA pre, which we now expect to be in a range between +4% and +8% (previously +2% to +7%). This development is expected to be driven by Healthcare in particular, followed by Life Science; we anticipate that this will compensate for the organic decline in Electronics. The development at Life Science compared with the previous year follows organic sales growth, supported by continuing cost discipline. Effects arising from U.S. tariff policy are anticipated to have an opposing impact. The Healthcare business sector can also benefit from organic sales growth, particularly in connection with a strict prioritization of growth investments. These are primarily reflected in research and development as well as marketing and sales expenses, such as the preparation for the market launch of pimicotinib. Mix effects and additional anticipated positive effects from active cost discipline are having a positive impact in both business sectors compared with the previous forecast. In addition, the sale of a right to priority review by the U.S. Food and Drug Administration agreed at the end of July is to positively impact the earnings of the Healthcare business sector in a mid-double-digit million euro amount. This transaction is expected to close in the second half of the year. The organic decline in the Electronics business sector compared with both the previous year and the previous forecast is essentially in line with the organic sales decline in the project business and negative one-time effects, particularly in connection with a one-time inventory adjustment. Active cost management can only partially offset these effects. The lower expected costs under Corporate and Other compared with the previous forecast are primarily attributable to now positive effects from currency hedging transactions as a result of the changed exchange rate situation. Including foreign exchange effects of -6% to -3% (previously -5% to -2%) and a portfolio effect of -2% to -1%, we anticipate EBITDA pre for the Merck Group of between € 5.9 billion and € 6.3 billion (previously € 5.8 billion to € 6.4 billion / 2024: € 6.1 billion).

¹ Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

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. On the other hand, increased payment receipts from customers in the fourth quarter of 2024 will negatively impact operating cash flow development in fiscal 2025, as will higher expenses for performance-related compensation and tax payments. Compared with the previous forecast, both the transaction-, integration- and financing-related payments within the scope of the SpringWorks acquisition and the changed exchange rate assumptions will have a negative effect on the operating cash flow. Against a strong comparative basis in the previous year, we now forecast operating cash flow in a corridor of € 3.6 billion to € 4.0 billion (previously € 3.7 billion to € 4.3 billion / 2024: € 4.6 billion) for fiscal 2025.

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

consolidated interim financial statements as of june 30, 2025

Consolidated Income Statement

€ million	Q2 2025	Q2 2024	Jan.-June 2025	Jan.-June 2024
Net sales	5,255	5,352	10,535	10,472
Cost of sales	-2,228	-2,119	-4,363	-4,230
Gross profit	3,027	3,233	6,172	6,242
Marketing and selling expenses	-1,122	-1,146	-2,234	-2,233
Administration expenses	-354	-336	-709	-668
Research and development costs	-539	-647	-1,090	-1,228
Impairment losses and reversals of impairment losses on financial assets (net)	-1	-	-3	1
Other operating income	92	105	137	158
Other operating expenses	-212	-416	-375	-549
Operating result (EBIT)¹	891	792	1,897	1,724
Finance income	17	65	45	107
Finance costs	-79	-72	-157	-146
Profit before income tax	829	785	1,785	1,684
Income tax	-174	-180	-392	-379
Profit after income tax	655	605	1,393	1,305
thereof: attributable to Merck KGaA shareholders (net income)	652	607	1,388	1,302
thereof: attributable to non-controlling interests	3	-2	6	3
Earnings per share (€)				
Basic	1.50	1.40	3.19	2.99
Diluted	1.50	1.40	3.19	2.99

¹ Not defined by IFRS® Accounting Standards (IFRS).

Consolidated Statement of Comprehensive Income

€ million	Q2 2025	Q2 2024	Jan.-June 2025	Jan.-June 2024
Profit after income tax	655	605	1,393	1,305
Items of other comprehensive income that will not be reclassified to profit or loss in subsequent periods				
Net defined benefit liability				
Changes in remeasurement	24	65	264	152
Tax effect	-7	-16	-52	-31
Changes recognized in equity	17	50	212	122
Equity instruments				
Fair value adjustments	-20	-27	-64	15
Tax effect	1	2	8	-3
Changes recognized in equity	-20	-25	-56	12
	-3	24	156	133
Items of other comprehensive income that may be reclassified to profit or loss in subsequent periods				
Cash flow hedge reserve				
Fair value adjustments	127	41	251	36
Reclassification to profit or loss	-53	-52	-126	-69
Tax effect	-25	2	-38	4
Changes recognized in equity	49	-9	87	-29
Cost of cash flow hedge reserve				
Fair value adjustments	-14	-2	-6	-1
Reclassification to profit or loss	2	-2	2	1
Tax effect	4	1	2	1
Changes recognized in equity	-8	-3	-2	1
Currency translation difference				
Changes taken directly to equity	-1,969	217	-2,999	741
Reclassification to profit or loss	-	-	-	4
Changes recognized in equity	-1,969	217	-2,999	745
	-1,928	205	-2,915	717
Other comprehensive income	-1,931	230	-2,759	850
Comprehensive income	-1,276	835	-1,365	2,155
thereof: attributable to Merck KGaA shareholders	-1,280	837	-1,370	2,154
thereof: attributable to non-controlling interests	5	-2	4	1

Consolidated Balance Sheet

€ million	June 30, 2025	Dec. 31, 2024 ¹
Non-current assets		
Goodwill	17,341	19,107
Other intangible assets	5,584	6,351
Property, plant and equipment	9,663	10,025
Investments accounted for using the equity method	3	3
Non-current receivables	30	27
Other non-current financial assets	1,031	1,172
Other non-current non-financial assets	108	134
Non-current income tax receivables	8	9
Deferred tax assets	1,388	1,318
	35,156	38,146
Current assets		
Inventories	4,468	4,484
Trade and other current receivables	4,231	3,947
Contract assets	131	132
Other current financial assets	407	642
Other current non-financial assets	693	621
Current income tax receivables	516	512
Cash and cash equivalents	1,166	2,517
Assets held for sale	584	597
	12,196	13,450
Total assets	47,352	51,596
Total equity		
Equity capital	565	565
Capital reserves	3,814	3,814
Retained earnings	23,345	22,087
Gains/losses recognized in equity	534	3,448
Equity attributable to Merck KGaA shareholders	28,258	29,914
Non-controlling interests	70	75
	28,329	29,989
Non-current liabilities		
Non-current provisions for employee benefits	1,713	1,956
Other non-current provisions	255	257
Non-current financial debt	6,299	6,997
Other non-current financial liabilities	120	144
Other non-current non-financial liabilities	11	12
Non-current income tax liabilities	36	36
Deferred tax liabilities	730	909
	9,164	10,312
Current liabilities		
Current provisions for employee benefits	68	66
Current provisions	485	505
Current financial debt	3,103	3,304
Other current financial liabilities	237	1,031
Trade and other current payables	1,960	2,275
Refund liabilities	929	869
Current income tax liabilities	1,591	1,527
Other current non-financial liabilities	1,321	1,562
Liabilities directly related to assets held for sale	164	157
	9,859	11,295
Total equity and liabilities	47,352	51,596

¹ Previous-year figures have been adjusted owing to the finalization of the purchase price allocation in connection with the acquisitions of Mirus Bio LLC, USA, Unity-SC SAS, France, as well as Hub Organoids Holding B.V., Netherlands.

Consolidated Cash Flow Statement

€ million	Q2 2025	Q2 2024	Jan.-June 2025	Jan.-June 2024
Profit after income tax	655	605	1,393	1,305
Depreciation/amortization/impairment losses/reversals of impairment losses	457	680	930	1,134
Changes in inventories	-104	1	-218	-40
Changes in trade accounts receivable	-79	-110	-376	-174
Changes in trade accounts payable/refund liabilities	25	-25	38	-98
Changes in provisions	82	-18	37	22
Changes in other assets and liabilities	-467	-265	-691	-232
Neutralization of gains/losses on disposal of fixed assets and other disposals	-5	-1	5	-9
Other non-cash income and expenses	2	-6	3	-11
Operating cash flow	567	861	1,123	1,896
Payments for investments in intangible assets	-144	-35	-182	-283
Proceeds from the disposal of intangible assets	5	2	7	8
Payments for investments in property, plant and equipment	-300	-316	-787	-839
Proceeds from the disposal of property, plant and equipment	2	6	7	17
Payments for investments in other assets	-322	-42	-652	-330
Proceeds from the disposal of other assets	620	354	1,048	701
Payments for acquisitions less acquired cash and cash equivalents (net)	-2	-	-3	-
Proceeds from other divestments	-	-	-	6
Investing cash flow	-143	-30	-562	-719
Dividend payments to Merck KGaA shareholders	-284	-284	-284	-284
Dividend payments to non-controlling interests	-9	-9	-9	-9
Profit withdrawal by E. Merck KG	-709	-694	-755	-747
Proceeds from new borrowings of financial debt from E. Merck KG and E. Merck Beteiligungen KG	809	666	809	666
Repayments of financial debt to E. Merck KG and E. Merck Beteiligungen KG	-110	-110	-113	-137
Changes in other current and non-current financial debt	46	72	-1,514	44
Financing cash flow	-257	-360	-1,866	-467
Changes in cash and cash equivalents	167	471	-1,306	710
Changes in cash and cash equivalents due to currency translation	-6	-5	-45	-7
Cash and cash equivalents at the beginning of the reporting period	1,005	2,220	2,517	1,982
Changes in cash and cash equivalents due to reclassification to assets held for sale	-	-	-	-
Cash and cash equivalents as of June 30 (consolidated balance sheet)	1,166	2,685	1,166	2,685

Consolidated Statement of Changes in Net Equity

€ million	Equity capital	Capital reserves	Retained earnings	Gains/losses recognized in equity	Equity attributable to Merck KGaA shareholders	Non-controlling interests	Total equity
Jan. 1, 2025	565	3,814	22,087	3,448	29,914	75	29,989
Profit after income tax	-	-	1,388	-	1,388	6	1,393
Gains/losses recognized in equity	-	-	156	-2,913	-2,757	-2	-2,759
Comprehensive income	-	-	1,544	-2,913	-1,370	4	-1,365
Dividend payments	-	-	-284	-	-284	-9	-293
Profit transfer to/from E. Merck KG including changes in reserves	-	-	-	-	-	-	-
Transactions with no change of control	-	-	-	-	-	-	-
Change in scope of consolidation/Other	-	-	-2	-	-2	-	-2
June 30, 2025	565	3,814	23,345	534	28,258	70	28,329

€ million	Equity capital	Capital reserves	Retained earnings	Gains/losses recognized in equity	Equity attributable to Merck KGaA shareholders	Non-controlling interests	Total equity
Jan. 1, 2024	565	3,814	20,228	2,073	26,680	75	26,754
Profit after income tax	-	-	1,302	-	1,302	3	1,305
Gains/losses recognized in equity	-	-	133	719	852	-2	850
Comprehensive income	-	-	1,435	719	2,154	1	2,155
Dividend payments	-	-	-284	-	-284	-9	-293
Profit transfer to/from E. Merck KG including changes in reserves	-	-	-	-	-	-	-
Transactions with no change of control	-	-	-	-	-	-	-
Change in scope of consolidation/Other	-	-	-	-	-	-	-
June 30, 2024	565	3,814	21,379	2,792	28,549	67	28,616

Notes to the consolidated interim financial statements as of June 30, 2025

These consolidated interim financial statements have been prepared by the parent company, Merck Kommanditgesellschaft auf Aktien (Merck KGaA), Frankfurter Strasse 250, 64293 Darmstadt, Germany, which manages the operations of the Merck Group.

Accounting and measurement principles

The consolidated interim financial statements of the Merck Group dated June 30, 2025 have been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting, (IAS 34) as adopted by the European Union as well as in accordance with section 117 in conjunction with section 115 of the German Securities Trading Act (WpHG). In accordance with IAS 34, a condensed scope of reporting as compared with the consolidated financial statements as of December 31, 2024 was selected. The figures presented in the half-year financial report have been rounded, which may lead to individual values not adding up to the totals presented.

The preparation of these consolidated interim financial statements requires that assumptions and estimates be made to a certain extent. The assumptions and estimates are based on the latest state of knowledge and the data available on the balance sheet date and the preparation date. A detailed presentation of the most significant management judgments and sources of estimation uncertainty can be found in the [Notes to the Consolidated Financial Statements for 2024](#) of the Merck Group.

The continued dynamic development of the macroeconomic environment means that the degree of uncertainty in the preparation of these consolidated interim financial statements is considerably higher than was typically the case in the past. In particular, uncertainties include geopolitical challenges, as well as tariffs, other trade restrictions, and sanctions. This applies above all to the recoverability of non-financial assets. As in previous years, there are no grounds to suggest that the going concern assumption should not have been applied in preparing the consolidated interim financial statements.

The notes to the consolidated financial statements for 2024 also include a presentation of the accounting and measurement principles used. These apply accordingly to these consolidated interim financial statements for 2025 with the exception of the changes presented in these financial statements as a result of new and binding accounting standards that took effect in fiscal 2025.

Amendments to standards effective for the first time in fiscal 2025

Standard/Interpretation	Title	Date of publication	Date of endorsement by EU law	Impact on the consolidated financial statements
Amendments to IAS 21	Lack of Exchangeability	August 15, 2023	November 12, 2024	No material impact

Scope of consolidation

As of June 30, 2025, 313 (December 31, 2024: 312) companies were fully consolidated. Two companies were accounted for using the equity method as of the balance sheet date. These are Syntropy Technologies LLC, USA, and MM Domain Holdco Limited, UK. Since the beginning of 2025, two companies have been added to the scope of consolidation due to materiality. One company was deconsolidated at the beginning of the year and was later liquidated.

Significant events during the reporting period

Acquisition of SpringWorks Therapeutics, Inc., USA

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 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 globally. The closure of the transaction took place on July 1, 2025. More information can be found in the section "[Subsequent Events](#)".

In connection with the acquisition, hedging instruments with a nominal volume of US\$ 2.0 billion (€ 1.7 billion) were concluded externally to hedge against increasing long-term interest rates for a bond issue of the Group planned in September 2025.

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

On March 28, 2025, Merck announced that it had exercised its 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 (€ 74 million). The acquisition of the rights led to the recognition of an intangible asset that is not yet ready for use in the amount of € 79 million.

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.

Agreement to sell Surface Solutions business

On July 25, 2024, Merck announced that it had signed an agreement to divest the Surface Solutions business unit of the Electronics business sector to Global New Material International Holdings Ltd., Cayman Islands. The agreed purchase price before purchase price adjustments for cash and financial liabilities amounts to € 665 million. The agreement comprises the majority of the global production, sales and development activities of the Surface Solutions business. The transaction is subject to regulatory approvals in all key markets, as well as the establishment of independent Surface Solutions legal entities in certain jurisdictions. The closure of the transaction took place on July 31, 2025. More information can be found in the section "[Subsequent Events](#)".

Acquisition of Mirus Bio LLC, USA

On July 31, 2024, Merck completed the acquisition of the life science company Mirus Bio LLC, USA, (Mirus Bio). With the acquisition of Mirus Bio, Merck is pursuing the strategic goal of offering solutions for every stage in the production of viral vectors.

At the time of preparation of the 2025 half-yearly consolidated financial statements, a final purchase price allocation was carried out considering a valuation report of an external expert. The purchase price in accordance with IFRS 3 for 100% of the voting rights amounted to US\$ 617 million (€ 570 million) in cash. No contingent consideration was agreed.

Part of the purchase price was assigned to intangible assets and deferred tax liabilities within the scope of the purchase price allocation. The final difference of € 366 million was recognized as goodwill and allocated in full to the Life Science business sector. It includes expected synergies resulting from the integration of Mirus Bio into the Merck Group, expected revenues from technical innovations and developments that go beyond the current product, development and customer portfolio, and unrecognized intangible assets such as the expertise of the workforce. As expected, the goodwill is not tax deductible.

The goodwill is denominated in U.S. dollars. As a result of foreign exchange developments, it increased from € 366 million on first-time recognition to € 380 million as of December 31, 2024 and decreased to € 337 million as of June 30, 2025.

Acquisition of Unity-SC SAS, France

Merck acquired Unity-SC SAS, France, (Unity-SC) effective October 31, 2024. Unity-SC is a provider of metrology and inspection instrumentation for the semiconductor industry. Its acquisition complements and rounds off the expertise and the portfolio of the Optronics business unit in the Electronics business sector.

A final purchase price allocation was carried out for the consolidated half-year financial statements 2025 on the basis of comprehensive analyses and calculations. Potential payments of identified contingent consideration amounting to a maximum of € 46 million were recognized with a value of € 10 million within the scope of the purchase price allocation. Together with the agreed cash payments of € 142 million, the purchase price in accordance with IFRS 3 for 100% of the voting rights amounted to € 153 million. The contingent consideration essentially depends on the achievement of the agreed sales milestones.

Part of the purchase price was assigned to intangible assets and deferred tax liabilities within the scope of the final purchase price allocation. The final difference of € 105 million was recognized as goodwill and allocated in full to the Electronics business sector. It includes expected synergies resulting from the integration of Unity-SC into the Merck Group, expected revenues from technical innovations and developments that go beyond the current product, development and customer portfolios, and unrecognized intangible assets such as the expertise of the workforce. As expected, the goodwill is not tax deductible.

Acquisition of Hub Organoids Holding B.V., Netherlands

Merck acquired all of the shares in Hub Organoids Holding B.V., Netherlands, (HUB) effective December 23, 2024. HUB possesses a foundational patent portfolio for organoids.

A final purchase price allocation was carried out for the consolidated half-year financial statements 2025 on the basis of comprehensive analyses and calculations. Potential payments of identified contingent consideration amounting to a maximum of € 40 million were recognized with a value of € 18 million within the scope of the purchase price allocation. Together with the agreed cash payments of € 85 million, the purchase price in accordance with IFRS 3 for 100% of the voting rights amounted to € 104 million. The contingent consideration essentially depends on the achievement of the agreed product development and sales milestones.

Part of the purchase price was assigned to intangible assets and deferred tax liabilities within the scope of the final purchase price allocation. The final difference of € 74 million was recognized as goodwill and allocated in full to the Life Science business sector. It includes expected synergies resulting from the integration of HUB into the Merck Group, expected revenues from technical innovations and developments that go beyond the current product, development and customer portfolios, and unrecognized intangible assets such as the expertise of the workforce. As expected, the goodwill is not tax deductible.

Final fair values at the acquisition date

€ million	Mirus Bio	Other acquisitions
Non-current assets		
Intangible assets (excluding goodwill)	249	69
Property, plant and equipment	3	7
Other non-current assets	-	2
Deferred tax assets	-	6
	252	84
Current assets		
Inventories	5	28
Trade and other current receivables	2	13
Cash and cash equivalents	16	7
Other current assets	2	8
	25	56
Total assets	276	140
Non-current liabilities		
Other non-current provisions and liabilities	1	3
Deferred tax liabilities	68	18
	69	21
Current liabilities		
Trade payables and other liabilities	3	27
Other current liabilities and provisions	-	15
	3	42
Total liabilities	72	63
Net assets acquired	204	78
Purchase price for the acquisition of shares in accordance with IFRS 3	570	256
Positive difference (goodwill)	366	179

Year-earlier adjustment of the consolidated balance sheet due to completed purchase price allocations

At the time of preparing the 2025 half-year financial statements, the purchase price allocations for Mirus Bio, Unity-SC and HUB had been completed. The prior-year consolidated balance sheet was retrospectively adjusted.

€ million	Dec. 31, 2024 as reported	Adjustments resulting from purchase price allocations	Dec. 31, 2024 adjusted
Non-current assets			
Goodwill	19,152	-45	19,107
Intangible assets (excluding goodwill)	6,282	69	6,351
Property, plant and equipment	10,025	-	10,025
Other non-current assets	1,345	-	1,345
Deferred tax receivables	1,312	6	1,318
	38,116	29	38,146
Current assets			
Current assets	13,450	-	13,450
	13,450	-	13,450
Total assets	51,567	29	51,596
Equity			
Equity	29,988	2	29,989
	29,988	2	29,989
Non-current liabilities			
Other non-current provisions and liabilities	9,393	9	9,402
Deferred tax liabilities	892	18	909
	10,285	27	10,312
Current liabilities			
Trade payables and other liabilities	2,275	-	2,275
Other current liabilities	9,020	1	9,021
	11,294	1	11,295
Total equity and liabilities	51,567	29	51,596

Segment Reporting

Information by business sector

€ million	Life Science				Healthcare				Electronics			
	Q2 2025	Q2 2024	Jan.- June 2025	Jan.- June 2024	Q2 2025	Q2 2024	Jan.- June 2025	Jan.- June 2024	Q2 2025	Q2 2024	Jan.- June 2025	Jan.- June 2024
Net sales¹	2,267	2,258	4,485	4,402	2,102	2,137	4,216	4,184	886	957	1,835	1,886
Intersegment sales	20	19	51	41	-	-	-	-	-	-	-	-
Cost of sales	-1,079	-1,042	-2,119	-2,029	-562	-506	-1,089	-1,049	-582	-573	-1,154	-1,153
Marketing and selling expenses	-544	-567	-1,099	-1,117	-432	-437	-843	-836	-142	-142	-284	-280
Administration expenses	-117	-104	-224	-216	-79	-78	-151	-154	-50	-36	-98	-73
Research and development costs	-97	-96	-196	-192	-350	-445	-707	-843	-69	-75	-145	-148
Operating result (EBIT)²	365	370	734	748	681	501	1,384	1,119	-13	107	84	202
Depreciation and amortization	214	213	435	420	78	83	159	162	113	125	235	254
Impairment losses ³	19	56	19	56	-	166	17	175	4	11	6	11
Reversals of impairment losses	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA⁴	598	639	1,188	1,224	759	749	1,560	1,456	105	242	325	467
Adjustments ²	48	16	81	42	24	-30	19	-28	29	13	53	25
EBITDA pre (Segment result)²	646	655	1,268	1,266	783	720	1,579	1,428	134	255	378	492
EBITDA pre margin (in % of net sales) ²	28.5%	29.0%	28.3%	28.8%	37.2%	33.7%	37.4%	34.1%	15.1%	26.7%	20.6%	26.1%
Assets by business sector ⁵	23,228	25,206	23,228	25,206	8,736	8,620	8,736	8,620	9,813	10,748	9,813	10,748
Liabilities by business sector ⁵	-1,674	-1,901	-1,674	-1,901	-2,547	-2,858	-2,547	-2,858	-620	-653	-620	-653
Investments in property, plant and equipment ⁶	113	135	376	420	53	56	126	131	104	80	227	207
Investments in intangible assets ⁶	15	9	25	20	110	8	119	233	13	8	26	13
Non-cash changes in provisions ⁷	36	3	55	34	31	67	25	79	70	34	99	53

€ million	Corporate and Other				Group			
	Q2 2025	Q2 2024	Jan.- June 2025	Jan.-June 2024	Q2 2025	Q2 2024	Jan.- June 2025	Jan.-June 2024
Net sales¹	-	-	-	-	5,255	5,352	10,535	10,472
Intersegment sales	-20	-19	-51	-41	-	-	-	-
Cost of sales	-5	1	-2	2	-2,228	-2,119	-4,363	-4,230
Marketing and selling expenses	-4	-	-8	-1	-1,122	-1,146	-2,234	-2,233
Administration expenses	-108	-118	-235	-225	-354	-336	-709	-668
Research and development costs	-23	-30	-42	-45	-539	-647	-1,090	-1,228
Operating result (EBIT)²	-142	-186	-305	-345	891	792	1,897	1,724
Depreciation and amortization	28	27	59	55	433	447	887	891
Impairment losses ³	-	-	-	-	23	233	43	243
Reversals of impairment losses	-	-	-	-	-	-	-	-
EBITDA⁴	-114	-158	-245	-289	1,348	1,472	2,827	2,857
Adjustments ²	14	37	18	66	115	36	171	106
EBITDA pre (Segment result)²	-100	-121	-227	-223	1,462	1,509	2,998	2,963
EBITDA pre margin (in % of net sales) ²	-	-	-	-	27.8%	28.2%	28.5%	28.3%
Assets by business sector ⁵	5,574	6,992	5,574	6,992	47,352	51,567	47,352	51,567
Liabilities by business sector ⁵	-14,182	-16,168	-14,182	-16,168	-19,023	-21,579	-19,023	-21,579
Investments in property, plant and equipment ⁶	30	45	58	81	300	316	787	839
Investments in intangible assets ⁶	7	10	11	17	144	35	182	283
Non-cash changes in provisions ⁷	4	-14	19	12	141	89	199	179

¹ Excluding intersegment sales.

² Not defined by IFRS® Accounting Standards (IFRS).

³ Not including impairment losses on financial assets and inventories.

⁴ Not defined by IFRS® Accounting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

⁵ Figures for the reporting period ending on June 30, 2025; previous-year figures as of December 31, 2024.

⁶ As reported in the consolidated cash flow statement.

⁷ Excluding provisions for pensions and other post-employment benefits.

Segmentation was performed in accordance with the internal organization and reporting structure of the Merck Group valid as of fiscal 2025.

The fields of activity of the individual segments are described under "[Fundamental Information about the Group](#)" in the combined management report for 2024. Transfer prices for intragroup sales were determined on an arm's-length basis.

In addition to direct activities of the central Group functions, Corporate and Other comprises income and expenses, assets and liabilities as well as cash flows that cannot be allocated to the reportable segments as they are managed at Group level in the central Group functions. In particular, this encompasses income and expenses from foreign exchange hedging of operating transactions, finance expenses and finance income, which include interest expenses and interest income, as well as income tax expenses and income. Financial liabilities, pension provisions as well as income tax assets and liabilities are disclosed under Corporate and Other. Moreover, the column serves the reconciliation to the Group figures.

Apart from net sales, the success of a segment is mainly determined by EBITDA pre (segment result). EBITDA pre is a key figure that is not defined by IFRS Accounting Standards. However, it represents an important variable used to steer the Merck Group. To permit a better understanding of operational performance, EBITDA pre excludes depreciation and amortization, impairment losses and reversals of impairment losses in addition to specific adjustments presented in the following.

The following table presents the reconciliation of segment results of all operating businesses to the profit before income tax of the Merck Group:

€ million	Q2 2025	Q2 2024	Jan.-June 2025	Jan.-June 2024
EBITDA pre of the operating businesses¹	1,563	1,630	3,225	3,186
Corporate and Other	-100	-121	-227	-223
EBITDA pre of the Merck Group¹	1,462	1,509	2,998	2,963
Depreciation/amortization/impairment losses/reversals of impairment losses	-457	-680	-930	-1,134
Adjustments ¹	-115	-36	-171	-106
Operating result (EBIT)¹	891	792	1,897	1,724
Financial result	-62	-7	-112	-39
Profit before income tax	829	785	1,785	1,684

¹ Not defined by IFRS® Accounting Standards (IFRS).

Adjustments comprised the following:

€ million	Q2 2025	Q2 2024	Jan.-June 2025	Jan.-June 2024
Restructuring expenses	-17	-34	-48	-79
Integration expenses/IT expenses	-29	-21	-46	-39
Gains (+)/losses (-) on the divestment of businesses	-33	52	-39	56
Acquisition-related adjustments	-19	-	-21	-3
Other adjustments	-15	-33	-16	-42
Adjustments before impairment losses/reversals of impairment losses¹	-115	-36	-171	-106
Impairment losses ²	-27	-222	-29	-223
Reversals of impairment losses	-	-	-	-
Adjustments to the operating result (total)¹	-141	-259	-199	-328

¹ Not defined by IFRS® Accounting Standards (IFRS).

² Without impairments on financial assets and inventories.

In the first half of 2025, restructuring expenses were particularly attributable to an efficiency program in the Life Science business sector (€ 22 million). The expenses in 2024 were particularly due to a program to further improve processes and align the Group functions more closely with the businesses (€ 31 million).

Like last year, integration and IT expenses related to expenses for the further development of ERP systems.

The gains and losses from divested businesses mainly arose from expenses in connection with the divestment of a production site in France and the preparation of the divestment of the Surface Solutions business (see explanation under "[Significant Events during the Reporting Period](#)"). These were offset by income from the subsequent measurement of the contingent consideration from the divestment of the biosimilars business to a subsidiary of Fresenius SE & Co. KGaA, Bad Homburg vor der Höhe, Germany.

As in the previous year, other adjustments included the losses on the net position of monetary assets and liabilities resulting from hyperinflationary accounting in Argentina and Turkey.

Impairment losses were mainly attributable to intangible assets in the Life Science business sector. The impairment losses of the year-earlier period mainly related to the Healthcare business sector due to three discontinued development projects, of which € 140 million is attributable to the termination of the xevinapant program.

The following tables present a more detailed breakdown of net sales from contracts with customers.

€ million

Jan.-June 2025

Net sales by nature of products	Life Science		Healthcare		Electronics		Group	
Goods	3,928	88%	4,208	100%	1,582	86%	9,718	92%
Equipment	182	4%	–	–	196	11%	379	4%
Services	364	8%	5	–	55	3%	424	4%
License income	10	–	–	–	1	–	11	–
Commission income	–	–	3	–	–	–	3	–
Total	4,485	100%	4,216	100%	1,835	100%	10,535	100%

Net sales by region (customer location)	Life Science		Healthcare		Electronics		Group	
Europe	1,636	36%	1,422	34%	153	9%	3,211	31%
North America	1,551	35%	828	20%	348	19%	2,727	26%
Asia-Pacific (APAC)	1,065	24%	1,164	27%	1,292	70%	3,521	33%
Latin America	177	4%	476	11%	18	1%	671	6%
Middle East and Africa (MEA)	55	1%	326	8%	23	1%	404	4%
Total	4,485	100%	4,216	100%	1,835	100%	10,535	100%

€ million

Jan.-June 2024

Net sales by nature of products	Life Science		Healthcare		Electronics		Group	
Goods	3,826	87%	4,174	100%	1,561	83%	9,561	91%
Equipment	190	4%	–	–	261	14%	450	5%
Services	373	9%	6	–	63	3%	443	4%
License income	12	–	–	–	2	–	14	–
Commission income	–	–	4	–	–	–	5	–
Total	4,402	100%	4,184	100%	1,886	100%	10,472	100%

Net sales by region (customer location)	Life Science		Healthcare		Electronics		Group	
Europe	1,553	35%	1,357	32%	165	9%	3,076	29%
North America	1,558	36%	899	22%	384	20%	2,840	27%
Asia-Pacific (APAC)	1,047	24%	1,140	27%	1,275	68%	3,462	33%
Latin America	188	4%	508	12%	20	1%	717	7%
Middle East and Africa (MEA)	55	1%	280	7%	42	2%	378	4%
Total	4,402	100%	4,184	100%	1,886	100%	10,472	100%

Life Science

€ million	Jan.-June 2025	Share	Jan.-June 2024 ¹	Share
Science & Lab Solutions	2,299	51%	2,362	54%
Process Solutions	1,864	42%	1,688	38%
Life Science Services	322	7%	351	8%
Total	4,485	100%	4,402	100%

¹ Prior-year figures have been adjusted owing to an internal realignment.

Healthcare

€ million	Jan.-June 2025	Share	Jan.-June 2024	Share
Oncology	976	23%	990	24%
thereof: Erbitux®	593	14%	563	13%
thereof: Bavencio®	315	7%	372	9%
Neurology & Immunology	832	20%	853	20%
thereof: Mavenclad®	594	14%	527	12%
thereof: Rebif®	239	6%	326	8%
Fertility	748	18%	786	19%
thereof: Gonal-f®	392	9%	431	10%
thereof: Pergoveris®	162	4%	143	3%
Cardiovascular, Metabolism and Endocrinology	1,498	36%	1,435	34%
thereof: Glucophage®	477	11%	459	11%
thereof: Concor®	311	7%	297	7%
thereof: Euthyrox®	311	7%	294	7%
thereof: Saizen®	202	5%	186	4%
Other	161	4%	121	3%
Total	4,216	100%	4,184	100%

Electronics

€ million	Jan.-June 2025	Share	Jan.-June 2024	Share
Semiconductor Solutions	1,253	68%	1,298	69%
Optronics	386	21%	375	20%
Surface Solutions	196	11%	213	11%
Total	1,835	100%	1,886	100%

Earnings per share

Basic earnings per share are calculated by dividing the profit after taxes attributable to the shareholders of Merck KGaA (net income) by the weighted average number of theoretical shares outstanding. The calculation of the theoretical number of shares is based on the fact that the general partner's equity is not represented by shares. The subscribed capital of € 168 million was divided into 129,242,252 shares. Accordingly, the general partner's equity of € 397 million was divided into 305,535,626 theoretical shares. Overall, equity capital thus amounted to € 565 million, corresponding to 434,777,878 theoretical shares outstanding. The weighted average (basic) number of shares was likewise 434,777,878 in the first half of 2025.

There were no changes to equity capital in the first half of 2025. The weighted average (basic) number of shares was 434,777,878 and thus corresponded to the number of theoretical shares outstanding. In the first half of 2025, there were no shares with a potential diluting effect; as a result, diluted earnings per share were equivalent to basic earnings per share.

Information on fair value measurement

The following table presents the carrying amounts and the fair values of the individual financial assets and liabilities as of June 30, 2025 for each individual financial instrument class pursuant to IFRS 9:

June 30, 2025

€ million	Carrying amount			Fair value ¹			
	Current	Non-current	Total	Fair value determined by official prices and quoted market values (Level 1)	Fair value determined using observable inputs in the market (Level 2)	Fair value determined using unobservable inputs in the market (Level 3)	Total
Financial assets							
Subsequent measurement at amortized cost							
Cash and cash equivalents	585	–	585				
Trade and other receivables (excluding leasing receivables)	4,196	29	4,226				
Other debt instruments	253	4	256				
Subsequent measurement at fair value through other comprehensive income							
Equity instruments	–	684	684	177	–	507	684
Trade and other receivables	30	–	30	–	–	30	30
Other debt instruments	–	1	1	1	–	–	1
Subsequent measurement at fair value through profit or loss							
Cash and cash equivalents	581	–	581	581	–	–	581
Contingent considerations	–	150	150	–	–	150	150
Other debt instruments	–	137	137	70	–	68	137
Derivatives without a hedging relationship	15	56	70	–	10	60	70
Derivatives with a hedging relationship	139	–	139	–	139	–	139
Lease receivables (measured in accordance with IFRS 16) ²	5	1	6				
Total	5,805	1,062	6,866	829	149	815	1,792
Financial liabilities							
Subsequent measurement at amortized cost							
Trade payables and other liabilities	1,960	–	1,960				
Financial debt	2,947	5,762	8,709	5,980	2,498	–	8,478
Other financial liabilities	192	87	278				
Subsequent measurement at fair value through profit or loss							
Contingent considerations	15	13	28	–	–	28	28
Derivatives without a hedging relationship	17	20	37	–	17	20	37
Derivatives with a hedging relationship	46	–	46	–	46	–	46
Refund liabilities	929	–	929				
Lease liabilities (measured in accordance with IFRS 16) ²	123	537	660				
Total	6,230	6,419	12,649	5,980	2,561	48	8,589

¹ The simplification option under IFRS 7.29(a) was used for disclosures of certain fair values. IFRS 7.29(d) explicitly does not require disclosure of the fair value of lease liabilities.

² Measurements within the scope of IFRS 16 are exempted from the requirements of IFRS 13 (IFRS 13.6(b)).

The following table presents the carrying amounts and fair values of the individual financial assets and liabilities as of December 31, 2024 for each individual financial instrument class pursuant to IFRS 9:

December 31, 2024

€ million	Carrying amount			Fair value ¹			
	Current	Non-current	Total	Fair value determined by official prices and quoted market values (Level 1)	Fair value determined using observable inputs in the market (Level 2)	Fair value determined using unobservable inputs in the market (Level 3)	Total
Financial assets							
Subsequent measurement at amortized cost							
Cash and cash equivalents	859	–	859				
Trade and other receivables (excluding leasing receivables)	3,916	25	3,940				
Other debt instruments	559	3	562				
Subsequent measurement at fair value through other comprehensive income							
Equity instruments	–	798	798	243	–	555	798
Trade and other receivables	24	–	24	–	–	24	24
Other debt instruments	–	1	1	1	–	–	1
Subsequent measurement at fair value through profit or loss							
Cash and cash equivalents	1,658	–	1,658	1,658	–	–	1,658
Contingent considerations	–	151	151	–	–	151	151
Other debt instruments	–	162	162	68	–	94	162
Derivatives without a hedging relationship	75	57	131	–	70	61	131
Derivatives with a hedging relationship	8	–	8	–	8	–	8
Lease receivables (measured in accordance with IFRS 16) ²	6	3	9				
Total	7,105	1,200	8,305	1,970	78	885	2,933
Financial liabilities							
Subsequent measurement at amortized cost							
Trade payables and other liabilities	2,275	–	2,275				
Financial debt	3,136	6,373	9,508	7,469	1,823	–	9,292
Other financial liabilities	977	112	1,089				
Subsequent measurement at fair value through profit or loss							
Contingent considerations	15	5	20	–	–	20	20
Derivatives without a hedging relationship	34	18	52	–	31	21	52
Derivatives with a hedging relationship	36	–	36	–	36	–	36
Refund liabilities	869	–	869				
Lease liabilities (measured in accordance with IFRS 16) ²	137	625	761				
Total	7,478	7,132	14,610	7,469	1,890	41	9,400

¹ The simplification option under IFRS 7.29(a) was used for disclosures of certain fair values. IFRS 7.29(d) explicitly does not require disclosure of the fair value of lease liabilities.

² Measurements within the scope of IFRS 16 are exempted from the requirements of IFRS 13 (IFRS 13.6(b)).

The measurement techniques and main input factors used to determine the fair value of financial instruments are as follows:

Fair value determined by official prices and quoted market values (Level 1)

	Financial instruments concerned	Description of the measurement technique	Main inputs used to determine fair values
Financial Assets			
Subsequent measurement at fair value through other comprehensive income			
Equity instruments	Shares		
Other debt instruments	Bonds Other (short-term) cash investments	Derived from active market	Quoted prices in an active market
Subsequent measurement at fair value through profit or loss			
Equity instruments	Shares		
Other debt instruments	Publicly-traded funds Other (short-term) cash investments	Derived from active market	Quoted prices in an active market
Cash and cash equivalents	Money market funds		
Financial liabilities			
Subsequent measurement at amortized cost			
Financial debt	Bonds	Derived from active market	Quoted prices in an active market

Fair value determined using observable inputs in the market (Level 2)

	Financial instruments concerned	Description of the measurement technique	Main inputs used to determine fair values
Financial assets			
Subsequent measurement at fair value through profit or loss			
Derivatives (without a hedging relationship)	Forward exchange contracts and currency options	Use of recognized financial methods	Spot and forward rates observable on the market as well as exchange rate volatilities
Derivatives (with a hedging relationship)	Forward exchange contracts and currency options	Use of recognized financial methods	Spot and forward rates observable on the market as well as exchange rate volatilities
Financial liabilities			
Subsequent measurement at fair value through profit or loss			
Derivatives (without a hedging relationship)	Forward exchange contracts and currency options	Use of recognized financial methods	Spot and forward rates observable on the market as well as exchange rate volatilities
Derivatives (with a hedging relationship)	Forward exchange contracts and currency options Interest rate swaps	Use of recognized financial methods	Spot and forward rates observable on the market as well as exchange rate volatilities Interest rate curves available on the market
Subsequent measurement at amortized cost			
Financial liabilities	Liabilities to banks and other loan liabilities	Discounting of future cash flows	Interest rates observable on the market

Fair value determined using unobservable inputs in the market (Level 3)

	Financial instruments concerned	Description of the measurement technique	Main inputs used to determine fair values
Financial assets			
Subsequent measurement at fair value through other comprehensive income			
		Discounting of expected future cash flows	Expected cash flows from recent business planning, average cost of capital, expected long-term growth rate
Equity instruments	Equity investments in unlisted companies	Derived from observable prices within the scope of equity refinancing sufficiently close to the balance sheet date, considered risk allowances	Observable prices derived from equity refinancing
		Cost-based determination	Acquisition cost
Trade and other receivables	Trade accounts receivable that are intended for sale due to a factoring agreement	Nominal value less factoring fees	Nominal value of potentially sold trade accounts receivable, average fees for sales of trade accounts receivable
Subsequent measurement at fair value through profit or loss			
Derivatives (without a hedging relationship)	Virtual power purchase agreements	Discounting of expected future cash flows	Electricity future price curves, expected electricity production volumes, discount factors
Contingent considerations	Contingent considerations from the sale of businesses or shares in corporations	Discounting of probability-weighted future milestone payments and license fees	Sales planning, milestone payments, probabilities of regulatory and commercial events, discount rates
	Loans with variable repayments	Discounting of expected future cash flows	Expected cash flows from recent business planning, discount rates
	Interests in unlisted funds	Consideration of the fair value of companies in which the funds are invested	Net asset values of the fund interests
Other debt instruments	Units with cancellation or redemption options	Derived from observable prices in the context of refinancing sufficiently close to the reporting date, considered risk allowances	Derived observable prices from similar refinancing transactions
	Bonds with embedded settlement option for equity in an unlisted company	Use of recognized actuarial methods	Interest rates observable on the market
Financial liabilities			
Subsequent measurement at fair value through profit or loss			
Derivatives (without a hedging relationship)	Virtual power purchase agreements and their hedging transactions	Discounting of expected future cash flows Use of recognized financial methods	Electricity future price curves, expected electricity production volumes, discount factors
Contingent considerations	Contingent considerations from the purchase of businesses	Discounting of probability-weighted future milestone payments and license fees	Sales planning, milestone payments, probabilities of regulatory and commercial events, discount rates

Counterparty credit risk was taken into consideration for measurements of financial instruments at fair value. In the case of non-derivative financial instruments, such as other liabilities or interest-bearing securities, this was reflected using risk premiums on the discount rate, while discounts on market value (credit valuation adjustments and debit valuation adjustments) were used for derivatives. Transfers between the individual hierarchy levels at fair value are made at the end of the month in which the triggering event – e.g. an initial public offering – took place.

Assets and liabilities from contingent considerations (Level 3)

The fair values of assets and liabilities from contingent considerations are calculated by weighting the expected future cash flows in connection with milestone payments and royalties using their probability of occurrence and discounting them. The main parameters when determining contingent considerations are

- the estimated probability of reaching the individual milestone events,
- the underlying sales planning used to derive royalties and
- the discount factor used.

When determining the probability of occurrence of the individual milestone events in connection with the development of drug candidates, the focus is on empirically available probabilities of success of development programs in comparable phases of clinical development in the relevant therapeutic areas. Internal sales plans and sales plans of external industry services are used to determine the sales planning. The discount rate (after tax) of 6.5% as of June 30, 2025 (December 31, 2024: 6.0%) was calculated using the weighted average cost of capital.

Income and expenses from the discounting of probability-weighted future milestone payments and royalties and from changes in discount rates are reported in the financial result.

Assets from contingent considerations

The calculation of the fair value of assets from contingent considerations is subject to significant discretionary judgment.

The most significant contingent consideration was the future purchase price claim from the disposal of the biosimilars business to a subsidiary of Fresenius SE & Co. KGaA, Bad Homburg vor der Höhe, Germany, on August 31, 2017. It was calculated by an external valuation expert on initial recognition in 2017 and continued on this basis. As of June 30, 2025, the carrying amount was € 136 million (December 31, 2024: € 126 million).

Following the achievement of the last regulatory milestone in connection with the disposal of the biosimilars business in fiscal 2024, the probability of approval is no longer a factor in determining the fair value of the contingent consideration; instead, this is based solely on the entitlement to sales-based royalties and the discount factor. If, in the context of determining the fair value of this contingent consideration at the balance sheet date, the discount factor had been estimated to be lower or higher, this would have led to the following changes in the measurement and the corresponding effects on the profit before income tax:

June 30, 2025

€ million		Change in fair value
	6.0%	3
Discount rate	6.5% (unchanged)	–
	7.0%	-3

Dec. 31, 2024

€ million		Change in fair value
	5.5%	3
Discount rate	6.0% (unchanged)	–
	6.5%	-3

The changes in financial assets and liabilities allocated to Level 3 and measured at fair value for each individual category of financial instrument were as follows in the period from January 1, 2025 to June 30, 2025:

2025

	Financial assets					Financial liabilities		
	Subsequent measurement at fair value through profit or loss			Subsequent measurement at fair value through other comprehensive income		Subsequent measurement at fair value through profit or loss		
€ million	Other debt instruments	Contingent considerations	Derivatives without a hedging relationship	Equity instruments	Trade and other receivables	Contingent considerations	Derivatives without a hedging relationship	Total
Net carrying amounts as of Jan. 1, 2025	94	151	61	555	24	-20	-21	845
Additions	15	-	-	34	32	-9	-	72
Transfers into Level 3 out of Level 1/Level 2	-	-	-	-	-	-	-	-
Fair value changes								-
Gains (+)/losses (-) recognized in the consolidated income statement (other operating result)	-4	25	6		-	1	-1	28
thereof: attributable to assets/liabilities held as of the balance sheet date	-4	25	6		-	1	-1	28
Gains (+)/losses (-) recognized in the consolidated income statement (financial income and expenses)	-	1	1		-	-1	-	1
thereof: attributable to assets/ liabilities held as of the balance sheet date	-	1	1		-	-1	-	1
Gains (+)/losses (-) recognized in other comprehensive income				2	-			2
Currency translation difference	-5	-	-7	-	-	-	-	-12
Disposals	-23	-28	-1	-95	-26	-	1	-170
Transfers out of Level 3 into Level 1/Level 2	-	-	-	-	-	-	-	-
Other	-10	-	-	10	-	-	-	-
Net carrying amounts as of June 30, 2025	68	150	60	507	30	-28	-20	765

The changes in financial assets and liabilities allocated to Level 3 and measured at fair value for each individual class of financial instruments were as follows in the period from January 1, 2024 to December 31, 2024:

2024

€ million	Financial assets					Financial liabilities		
	Subsequent measurement at fair value through profit or loss			Subsequent measurement at fair value through other comprehensive income		Subsequent measurement at fair value through profit or loss		
	Other debt instruments	Contingent considerations	Derivatives without a hedging relationship	Equity instruments	Trade and other receivables	Contingent considerations	Derivatives without a hedging relationship	Total
Net carrying amounts as of Jan. 1, 2024	95	125	50	436	25	-2	-20	710
Additions	30	10	-	107	44	-18	-	173
Transfers into Level 3 from Level 1/Level 2	-	-	-	-	-	-	-	-
Fair value changes								
Gains (+)/losses (-) recognized in the consolidated income statement (other operating result)	-	46	8		-	1	-3	52
thereof: attributable to assets/liabilities held as of the balance sheet date	-	7	8		-	1	-3	13
Gains (+)/losses (-) recognized in the consolidated income statement (financial income and expenses)	3	12	1		-	-	-	16
thereof: attributable to assets/liabilities held as of the balance sheet date	3	12	1		-	-	-	16
Gains (+)/losses (-) recognized in other comprehensive income				-3	-			-2
Currency translation difference	3	-	3	-	-	-	-	6
Disposals	-19	-42	-	-4	-44	-	2	-108
Transfers out of Level 3 into Level 1/Level 2	-	-	-	-	-	-	-	-
Other	-19	-	-	19	-	-	-	-
Net carrying amounts as of Dec. 31, 2024	94	151	61	555	24	-20	-21	845

Related-party disclosures

Transactions were conducted with related parties as follows:

€ million	Income		Expenses		Receivables		Liabilities	
	Jan.-June 2025	Jan.-June 2024	Jan.-June 2025	Jan.-June 2024	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024
E. Merck KG	1.9	1.6	8.0	5.4	9.1	0.0	1,245.7	1,178.7
E. Merck Beteiligungen KG	0.8	0.7	15.2	17.4	72.7	0.0	880.1	990.1
Joint ventures	1.5	1.6	–	–	0.8	0.8	–	–
Associated companies	0.2	0.4	–	–	6.5	8.9	–	–
Non-consolidated subsidiaries	–	–	–	–	2.7	3.0	1.4	2.9
Majority interest in non-controlled companies	0.1	0.2	–	–	–	–	1.9	0.5

The liabilities included financial liabilities to E. Merck Beteiligungen KG in the amount of € 880.0 million (December 31, 2024: € 990.0 million) as well as to E. Merck KG, amounting to € 1,241 million (December 31, 2024: € 435.3 million), which were subject to standard market interest rates. Neither collateral nor guarantees existed for any of the balances either in favor or to the disadvantage of the Merck Group. On December 31, 2024, the other liabilities of Group companies in respect of E. Merck KG in the amount of € 743.4 million primarily resulted from mutual profit transfers between Merck KGaA and E. Merck KG, which did not bear interest until the distribution date in April 2025, as well as the profit transfer by Merck & Cie KmG, Switzerland, to E. Merck KG.

Subsequent events

On July 1, 2025, Merck successfully completed the acquisition of SpringWorks Therapeutics, Inc., USA, (SpringWorks) after obtaining the necessary regulatory clearances and satisfying the closing conditions; the agreement had been announced on April 28, 2025. The total purchase price in accordance with IFRS 3 has not yet been definitively determined because employee options – which are not part of the total purchase price as in some cases they comprise work still to be performed – must first be evaluated.

SpringWorks specializes in developing and commercializing therapies for rare tumors. The acquisition is a strategic measure for strengthening the activities of the Healthcare business sector in this field. SpringWorks' portfolio features two highly innovative products: Ogsiveo (nirogacestat), the first systemic therapy for desmoid tumors in adults, and Gomekli (mirdametinib), the first and only approved therapy for adults and children who have plexiform neurofibromas caused by neurofibromatosis type 1. Moreover, the acquisition strengthens our presence in the U.S. market and supports the growth of the business sector in the medium to long term.

Assuming first-time consolidation on January 1, 2025, the sales of the Merck Group would have been € 10.7 billion (compared with reported net sales of € 10.5 billion). As the transaction closed after the end of the reporting period and the purchase price allocation has not yet been performed, the potential impacts on net income after taxes were not yet visible at the reporting date. No disclosures can yet be made on the fair value of the assets and liabilities acquired or contingent liabilities for the same reason.

On July 3, 2025, Merck received a long-term loan from E. Merck Beteiligungen KG, Darmstadt, in the amount of € 780 million, which the Group used to repay current financial liabilities to E. Merck KG, Darmstadt. On July 16, 2025, Merck repaid the euro bond issued in 2020 with a nominal volume of € 750 million.

On July 29, 2025, Merck entered into a definitive agreement to sell a right to priority review by the U.S. Food and Drug Administration, which was held by the Healthcare business sector, for US\$ 175 million. Subject to regulatory clearances, the transaction is expected to close in the second half of 2025. The sale is expected to generate income in a mid-double-digit million euro amount.

The divestment of the Surface Solutions business unit of the Electronics business sector to Global New Material International Holdings Ltd., Cayman Islands, was completed on July 31, 2025. The agreed purchase price before purchase price adjustments for cash and financial liabilities amounted to € 665 million. Calculation of the disposal gain had not yet been completed on the date of this publication as the extent of purchase price adjustments and the consolidated net assets of the business unit had not yet been determined.

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, August 5, 2025



Belén Garijo



Danny Bar-Zohar



Kai Beckmann



Khadija Ben Hammada



Helene von Roeder



Jean-Charles Wirth

responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the consolidated interim financial statements of the Merck Group give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Darmstadt, August 5, 2025



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Danny Bar-Zohar



Kai Beckmann



Khadija Ben Hammada



Helene von Roeder



Jean-Charles Wirth

Review Report

To Merck Kommanditgesellschaft auf Aktien (KGaA), Darmstadt, Germany

We have reviewed the condensed interim consolidated financial statements of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Net Equity and Notes to the Interim Financial Statements, and the Interim Group Management Report for the period from January 1, 2025 to June 30, 2025, that are part of the half-year financial information under Section 115 German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter “IFRS Accounting Standards”) applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the executive directors of the Company. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with the German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS Accounting Standards applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany, have not been prepared, in material respects, in accordance with the IFRS Accounting Standards applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Frankfurt am Main, August 6, 2025

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:
(Christoph Schenk)
Wirtschaftsprüfer
(German Public Auditor)

Signed:
(Daniel Weise)
Wirtschaftsprüfer
(German Public Auditor)



Financial calendar

November 13, 2025 Quarterly Statement Q3

March 5, 2026 Annual Report 2025

April 24, 2026 Annual General Meeting

May 13, 2026 Quarterly Statement Q1

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