

# Report on Expected Developments

The following report provides 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 a forecast for Group operating cash flow in fiscal 2025.

€ million	Net Sales	EBITDA pre <sup>1</sup>	Operating cash flow
Merck Group	<ul style="list-style-type: none"> <li>• ~21,500 to 22,900</li> <li>• Organic +3% to +6%</li> <li>• Foreign exchange effect -1% to +2%</li> </ul>	<ul style="list-style-type: none"> <li>• ~6,100 to 6,600</li> <li>• Organic +3% to +8%</li> <li>• Foreign exchange effect -2% to +1%</li> </ul>	<ul style="list-style-type: none"> <li>• Slight growth</li> </ul>
Life Science	<ul style="list-style-type: none"> <li>• ~9,100 to 9,800</li> <li>• Organic +2% to +7%</li> <li>• Foreign exchange effect 0% to +3%</li> </ul>	<ul style="list-style-type: none"> <li>• ~2,600 to 2,900</li> <li>• Organic +2% to +9%</li> <li>• Foreign exchange effect -1% to +2%</li> </ul>	
Healthcare	<ul style="list-style-type: none"> <li>• ~8,300 to 8,900</li> <li>• Organic +1% to +5%</li> <li>• Foreign exchange effect -2% to +1%</li> </ul>	<ul style="list-style-type: none"> <li>• ~3,000 to 3,300</li> <li>• Organic +3% to +9%</li> <li>• Foreign exchange effect -3% to 0%</li> </ul>	
Electronics	<ul style="list-style-type: none"> <li>• ~3,800 to 4,200</li> <li>• Organic +2% to +6%</li> <li>• Foreign exchange effect 0% to +3%</li> </ul>	<ul style="list-style-type: none"> <li>• ~1,000 to 1,100</li> <li>• Organic +3% to +9%</li> <li>• Foreign exchange effect +2% to +5%</li> </ul>	
Corporate and Other	-	<ul style="list-style-type: none"> <li>• ~ -550 to -600</li> </ul>	

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

## Fundamental assumptions

Against the backdrop of the ongoing highly dynamic development of macroeconomic, geopolitical and industry-specific conditions, the forecast is again subject to greater uncertainty and volatility in fiscal 2025. Nevertheless, this forecast assumes a stable trading and geopolitical environment. It does not reflect any drastic measures that could potentially be taken in the future, such as intensified trade restrictions. Moreover, our Surface Solutions business unit will remain part of the forecast for fiscal 2025 until the divestment is closed in full.

We also expect a persistently volatile environment as regards the development of foreign exchange rates. For 2025, we expect roughly stable foreign exchange effects. Positive foreign exchange effects from the development of the U.S. dollar and individual Asian currencies are expected to be offset by the foreign exchange development of some emerging and developing economies. As regards the average €/US\$ exchange rate, we continue to assume a range between € 1.03 and € 1.07 for fiscal 2025 as a whole.

## Net sales

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

## EBITDA pre<sup>1</sup>

For EBITDA pre, we likewise anticipate organic growth of +3% to +8%, to which all business sectors are also expected to contribute. The development is essentially in line with organic sales growth. In Life Science, we additionally expect positive effects from further cost discipline. In Healthcare, strictly prioritized growth investments, e.g. in preparation for the market launch of pimicotinib, are especially reflected in research and development as well as marketing and sales expenses. In Electronics, we are also continuing to pursue active cost management. Nevertheless, targeted growth investments are also being made. Expected negative effects from currency hedging transactions are likely to be the largest driver of the rise in costs in Corporate and Other. Including forecast foreign exchange effects of between -2% and +1%, we expect EBITDA pre for the Merck Group of € 6.1 billion to € 6.6 billion (2024: € 6.1 billion).

## Operating cash flow

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

The development of operating cash flow will largely be in line with the operating performance. Effects from the buildup of working capital will have an opposing effect, which reflects the strong business performance on the one hand. On the other hand, increasing receipt of payment from customers in the fourth quarter of 2024 will negatively impact operating cash flow in fiscal 2025. Overall, we forecast a slight increase in operating cash flow in fiscal 2025 against a strong comparative basis in the previous year (2024: € 4.6 billion).

As regards the composition of operating cash flow, we refer to the section entitled "[Internal Management System](#)" in the combined management report as well as the [Consolidated Cash Flow Statement](#) in the Consolidated Financial Statements.

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