


CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Income Statement

€ million	Note	2020	2019
Net sales	9	17,534	16,152
Cost of sales	10	-6,835	-6,006
Gross profit		10,699	10,145
Marketing and selling expenses	11	-4,207	-4,576
Administration expenses		-1,188	-1,154
Research and development costs	12	-2,288	-2,268
Impairment losses and reversals of impairment losses on financial assets (net)	42	-6	-8
Other operating income	13	838	715
Other operating expenses	14	-863	-735
Operating result (EBIT)¹		2,985	2,120
Finance income	40	44	97
Finance costs	40	-398	-481
Profit before income tax		2,630	1,735
Income tax	15	-637	-440
Profit after tax from continuing operations		1,994	1,296
Profit after tax from discontinued operation	6	-	28
Profit after tax		1,994	1,324
thereof: attributable to Merck KGaA shareholders (net income)		1,987	1,320
thereof: attributable to non-controlling interests	34	7	3
Earnings per share (in €)	17		
Basic		4.57	3.04
from continuing operations		4.57	2.97
from discontinued operation		-	0.07
Diluted		4.57	3.04
from continuing operations		4.57	2.97
from discontinued operation		-	0.07

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

Consolidated Statement of Comprehensive Income

€ million	Note	2020	2019
Profit after tax		1,994	1,324
Items of other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Net defined benefit liability	33		
Changes in remeasurement		-602	-488
Tax effect		130	100
Changes recognized in equity		-473	-388
Equity instruments	36		
Fair value adjustments		116	76
Tax effect		-	-
Changes recognized in equity		116	76
		-356	-312
Items of other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Cash flow hedge reserve	39		
Fair value adjustments		54	-15
Reclassification to profit or loss		45	-20
Reclassification to assets		-	60
Tax effect		-30	-16
Changes recognized in equity		69	9
Cost of cash flow hedge reserve	39		
Fair value adjustments		-13	11
Reclassification to profit or loss		12	-8
Reclassification to assets		-	21
Tax effect		1	-24
Changes recognized in equity		-1	-
Currency translation difference			
Changes taken directly to equity		-1,864	349
Reclassification to profit or loss		4	-6
Changes recognized in equity		-1,860	344
		-1,792	353
Other comprehensive income		-2,149	41
Comprehensive income		-155	1,365
thereof: attributable to Merck KGaA shareholders		-160	1,359
thereof: attributable to non-controlling interests	34	5	6
Comprehensive income		-155	1,365
thereof: from continuing operations		-155	1,337
thereof: from discontinued operation		-	28

Consolidated Balance Sheet¹

€ million	Note	Dec. 31, 2020	Dec. 31, 2019	Jan. 1, 2019
Non-current assets				-
Goodwill	18	15,959	17,114	13,764
Other intangible assets	19	7,653	9,221	7,237
Property, plant and equipment	20	6,421	6,192	4,811
Investments accounted for using the equity method		2	-	-
Other non-current financial assets	36	822	738	656
Other non-current receivables	25	25	22	17
Other non-current non-financial assets	22	91	97	76
Deferred tax assets	15	1,543	1,421	1,091
		32,516	34,805	27,652
Current assets				
Inventories	24	3,294	3,342	2,764
Trade and other current receivables	25	3,221	3,488	3,226
Contract assets	26	169	156	52
Other current financial assets	36	125	57	29
Other current non-financial assets	22	597	591	536
Income tax receivables	15	520	589	460
Cash and cash equivalents	35	1,355	781	2,170
		9,280	9,003	9,236
Total assets		41,796	43,808	36,888
Total equity	34			-
Equity capital		565	565	565
Capital reserves		3,814	3,814	3,814
Retained earnings		12,378	11,483	11,192
Gains/losses recognized in equity		189	1,980	1,629
Equity attributable to Merck KGaA shareholders		16,946	17,841	17,200
Non-controlling interests		71	73	33
		17,017	17,914	17,233
Non-current liabilities				
Non-current provisions for employee benefits	33	3,880	3,194	2,540
Other non-current provisions	27	281	254	577
Non-current financial debt	37	9,785	8,644	6,681
Other non-current financial liabilities	38	62	43	33
Other non-current non-financial liabilities	29	100	93	19
Deferred tax liabilities	15	1,441	1,825	1,288
		15,548	14,053	11,138
Current liabilities				
Current provisions for employee benefits	33	152	110	112
Other current provisions	27	461	823	488
Current financial debt	37	2,357	4,550	2,215
Other current financial liabilities	38	1,008	1,127	1,077
Trade and other current payables	30	1,768	2,054	1,766
Refund liabilities	9	666	565	472
Income tax liabilities	15	1,460	1,402	1,176
Other current non-financial liabilities	29	1,360	1,211	1,211
		9,231	11,842	8,517
Total equity and liabilities		41,796	43,808	36,888

¹ Previous year's figures have been adjusted, see Note (2) "Reporting principles".

Consolidated Cash Flow Statement

€ million	Note	2020	2019
Profit after tax		1,994	1,324
Depreciation/amortization/impairment losses/reversals of impairment losses		1,938	1,944
Changes in inventories		-85	-324
Changes in trade accounts receivable		-84	-47
Changes in trade accounts payable/refund liabilities		7	201
Changes in provisions		-110	153
Changes in other assets and liabilities		-123	-391
Neutralization of gains/losses on disposal of fixed assets and other disposals		-98	-57
Other non-cash income and expenses		39	53
Net cash flows from operating activities	16	3,477	2,856
thereof: from discontinued operations		-	-
Payments for investments in intangible assets		-150	-208
Payments from the disposal of intangible assets		88	23
Payments for investments in property, plant and equipment		-1,413	-813
Payments from the disposal of property, plant and equipment		35	31
Payments for investments in financial assets		-278	-196
Payments for acquisitions less acquired cash and cash equivalents (net)		-11	-5,020
Proceeds from the disposal of other financial assets		340	140
Payments for the acquisition of non-financial assets		-500	-500
Proceeds from the disposal of non-financial assets		501	501
Payments for the disposal of assets held for sale		-8	-130
Proceeds from the disposal of assets held for sale less transferred cash and cash equivalents		55	20
Net cash flows from investing activities	23	-1,340	-6,153
thereof: from discontinued operations		-8	-129
Dividend payments to Merck KGaA shareholders		-168	-162
Dividend payments to non-controlling interests		-7	-12
Profit withdrawal by E. Merck KG		-512	-515
Proceeds from new borrowings of financial debt from E. Merck KG		390	406
Repayment of financial debt to E. Merck KG		-382	-418
Repayment of bonds		-2,724	-1,290
Proceeds from the issuance of bonds		2,486	3,482
Payments from new borrowings of other current and non-current financial debt		3,561	1,193
Repayment of other current and non-current financial debt		-4,166	-782
Net cash flows from financing activities	41	-1,522	1,902
thereof: from discontinued operations		-	-
Changes in cash and cash equivalents		615	-1,395
Changes in cash and cash equivalents due to currency translation		-40	5
Cash and cash equivalents as of January 1		781	2,170
Cash and cash equivalents as of December 31 (consolidated balance sheet)	35	1,355	781

Consolidated Statement of Changes in Net Equity

For details see Note (34) "Equity".

€ million	Comprehensive income							Dec. 31, 2020
	Jan. 1, 2020	Profit after tax	Gains/losses recognized in equity	Dividend payments	Profit transfer to/from E. Merck KG including changes in reserves	Transactions with no change of control	Change in scope of consolidation /Other	
Equity capital	565	-	-	-	-	-	-	565
General partner's equity	397	-	-	-	-	-	-	397
Subscribed capital	168	-	-	-	-	-	-	168
Capital reserves	3,814	-	-	-	-	-	-	3,814
Retained earnings	11,483	1,987	-357	-168	-567	-1	-	12,378
Retained earnings/net retained profit	13,134	1,987	-	-168	-567	-1	68	14,453
Remeasurement of defined benefit plans	-1,729	-	-473	-	-	-	23	-2,179
Fair value reserve for equity instruments	79	-	116	-	-	-	-91	105
Gains/losses recognized in equity	1,980	-	-1,790	-	-	-	-	189
Fair value reserve for debt instruments	-1	-	-	-	-	-	-	-
Cash flow hedge reserve	-118	-	69	-	-	-	-	-49
Cost of cash flow hedge reserve	-33	-	-1	-	-	-	-	-34
Currency translation difference	2,131	-	-1,859	-	-	-	-	273
Equity attributable to Merck KGaA shareholders	17,841	1,987	-2,147	-168	-567	-1	-	16,946
Non-controlling interests	73	7	-2	-7	-	-	-	71
Total equity	17,914	1,994	-2,149	-175	-567	-1	-	17,017

Comprehensive income								
€ million	Jan. 1, 2019	Profit after tax	Gains/losses recognized in equity	Dividend payments	Profit transfer to/from E. Merck KG including changes in reserves	Transactions with no change of control	Change in scope of consolidation /Other	Dec. 31, 2019
Equity capital	565	-	-	-	-	-	-	565
General partner's equity	397	-	-	-	-	-	-	397
Subscribed capital	168	-	-	-	-	-	-	168
Capital reserves	3,814	-	-	-	-	-	-	3,814
Retained earnings¹	11,192	1,320	-312	-162	-510	-	-45	11,483
Retained earnings/net retained profit ¹	12,525	1,320	-	-162	-510	-	-40	13,134
Remeasurement of defined benefit plans	-1,340	-	-388	-	-	-	-2	-1,729
Fair value reserve for equity instruments	7	-	76	-	-	-	-4	79
Gains/losses recognized in equity	1,629	-	350	-	-	-	-	1,980
Fair value reserve for debt instruments	-1	-	-	-	-	-	-	-1
Cash flow hedge reserve	-128	-	9	-	-	-	-	-118
Cost of cash flow hedge reserve	-33	-	-	-	-	-	-	-33
Currency translation difference	1,790	-	341	-	-	-	-	2,131
Equity attributable to Merck KGaA shareholders¹	17,200	1,320	39	-162	-510	-	-45	17,841
Non-controlling interests ¹	33	3	2	-12	-	-	45	73
Total equity	17,233	1,324	41	-173	-510	-	-	17,914

¹ Previous year's figures have been adjusted, see Note (2) "Reporting principles".