

News Release

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Merck KGaA, Darmstadt, Germany, Refines Western European Life Science Production Site Network

- **Relocations to drive focus on sites in Darmstadt, Schnelldorf (Germany), Buchs (Switzerland) and Molsheim (France)**
- **Sequential implementation until the end of 2022**
- **€ 90 million investment. Net impact of approximately minus 200 positions over 5 years**

Darmstadt, Germany, July 12, 2017 – Merck KGaA, Darmstadt, Germany, a leading science and technology company, today announced the next phase in its continued efforts to drive operational excellence and improve efficiency of its Life Science business. The current site network in Western Europe will be refined, while the company invests € 90 million in four sites in Germany, Switzerland and France. Since 2010, the Life Science business of Merck KGaA, Darmstadt, Germany, has consolidated 18 manufacturing sites to further simplify operations and establish Centers of Excellence.

The Life Science business of Merck KGaA, Darmstadt, Germany, will implement the following changes:

- Optimize the manual filling and distribution of non-regulated laboratory chemicals and reagents by consolidating this activity from its sites in Darmstadt, Steinheim, Hohenbrunn (Germany), and Buchs (Switzerland) into a central distribution center in Schnelldorf (Germany).
- Invest approximately € 90 million to develop a manual filling capability and increase capacity in Schnelldorf and to further develop capabilities in Darmstadt, Buchs and Molsheim (France). The existing Hamburg (Germany) site will continue to operate as before.



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- The operations in Steinheim, Eppelheim, Hohenbrunn and Berlin (Germany) will be relocated and sequentially closed in the course of 2019 to 2022.
- There will be a net impact of approximately 200 fewer positions across these sites until 2022.

“Centralizing filling of small quantities and their distribution will continue to increase our speed and responsiveness to customer requests. This is something that the acquired Sigma-Aldrich excelled in and we see positive impacts of this effort already in North America,” said Udit Batra, CEO of the Life Science business of Merck KGaA, Darmstadt, Germany.

Batra added, “Our responsibility to customers as well as our employees remains of the utmost importance. As our strong history has proven, by partnering with employee representative bodies across the respective countries, we are committed to fair and acceptable solutions for those impacted by relocation plans.”

The Life Science business of Merck KGaA, Darmstadt, Germany, following the acquisition of Sigma Aldrich in 2015, is comprised of 65 production facilities and 130 distribution centers around the world and has more than 19,000 employees in 66 countries. Merck KGaA, Darmstadt, Germany, continuously evaluates its global site network and establishes centers of excellence across all operations, to assure the right capacity levels to serve customer needs, to improve efficiencies, to develop industry leading production and distribution capabilities while minimizing overlaps to better reach and serve customers geographically and with the best technical expertise.

“By continuously optimizing our site network, our company can better serve our customers and focus investments that develop capacity and capability most effectively and efficiently across our manufacturing and distribution operations,” said Christos Ross, Executive Vice President of Integrated Supply Chain Operations, Life Science. “We have most recently been optimizing our capabilities with network updates at our sites through the USA such as St Louis and Massachusetts, and around the globe in China, Cork, Ireland and Japan, to name a few. As demonstrated in these network optimizations, we will work across all sites to ensure a smooth transition and no customer disruption.”

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Merck KGaA, Darmstadt, Germany, is a leading science and technology company in healthcare, life science and performance materials. Around 50,000 employees work to further develop technologies that improve and enhance life – from biopharmaceutical therapies to treat cancer or multiple sclerosis, cutting-edge systems for scientific research and production, to liquid crystals for smartphones and LCD televisions. In 2016, Merck KGaA, Darmstadt, Germany, generated sales of € 15.0 billion in 66 countries. Founded in 1668, Merck KGaA, Darmstadt, Germany, is the world's oldest pharmaceutical and chemical company. The founding family remains the majority owner of the publicly listed corporate group. Merck KGaA, Darmstadt, Germany, holds the global rights to the Merck KGaA, Darmstadt, Germany, name and brand. The only exceptions are the United States and Canada, where the company operates as EMD Serono, MilliporeSigma and EMD Performance Materials.