BioSpectrum
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ASIA EDITION

APAC Bullish on BioSupplier Revenue- Merck

October 31, 2024 | Company results

Announced several strategic investments and initiatives in the Asia-Pacific (APAC) region in 2023



Merck, Germany

Total revenue: $10.2 billion (€ 9,281 million)

APAC revenue: $2.4 billion (€ 2,263 million)

In 2023, Merck's Life Sciences business generated a total revenue of $10.2 billion, spread across its three key business units: Process Solutions, Life Science Services, and Science & Lab Solutions. In 2023, the Asia-Pacific (APAC) region played a significant role in Millipore Sigma's Life Sciences business, contributing 25 per cent of the total revenue with $2.4 billion sales. However, the region experienced a challenging year, with a total decline of 10.7 per cent. This decrease was driven by a 5.1 per cent reduction in organic growth, compounded by a 5.6 per cent negative impact from exchange rate fluctuations.

Europe, accounting for 4 per cent of total sales ($3,430 million), saw a total decline of 7.8 per cent, primarily due to a 7.6 per cent reduction in organic growth. North America, the largest region with 36 per cent of sales ($3,639 million), experienced a sharp drop of 14.2 per cent, driven by a 12.0 per cent decrease in organic growth and further impacted by exchange rate effects. Latin America, with 4 per cent of total sales ($380 million), showed more resilience, with organic growth of 10.3 per cent but an overall slight decline of 0.3 per cent due to exchange rate effects. The Middle East and Africa (MEA), comprising 1 per cent of sales ($125 million), remained steady with a marginal 0.1 per cent drop.

The firm announced several strategic investments and initiatives in the Asia-Pacific (APAC) region. In May 2023, it signed a non-binding memorandum of understanding with the Korean Ministry of Trade, Industry and Energy, along with Daejeon City, Korea, to establish a new Asia-Pacific bioprocessing centre. This facility aims to support the region's healthcare ecosystem by facilitating commercial manufacturing for biotech and pharmaceutical customers. In June 2023, the company expanded its production capacity for highly purified reagents at its site in Nantong, China, a major transportation hub in the Yangtze River Delta. This approximately $75.6 million investment will enable large-scale manufacturing of high-purity reagents for quality control and testing in the biopharma sector. In November 2023, the firm completed the second phase of its $31 million Biologics Testing Center in Shanghai, China. This expansion builds on the first biosafety laboratories inaugurated in 2022, allowing for local access to a broad range of testing services, including cell line characterisation and lot release, from

preclinical development to commercialisation.

“In our Life Science business, demand declined as expected in 2023 due to the end of COVID-19. We expect our Life Science business to recover in the course of the year with the expected end of the destocking phase within Process Solutions on the one hand and improving conditions in Science & Lab Solutions on the other.”

- **Belén Garijo, Chair of the Executive Board and Chief Executive Officer, Merck**