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Merck KGaA to divest CDMO business to Lonza in mid-triple-digit million-euro deal

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Transaction strengthens Merckâ??s focus on innovation-driven Life Science businesses while expanding Lonzaâ??s US manufacturing capabilities



Merck, a leading science and technology company, has signed a definitive agreement to divest its contract development and manufacturing organiwation (CDMO) business within its Life Science business sector to Lonza.

The transaction advances Merck's mid- to long-term strategic agenda by focusing its portfolio on innovation-driven businesses with strong value-creation potential. This means prioritizing areas where Merck's science and technology capabilities offer the greatest opportunity to lead and meet evolving customer needs. It also positions the CDMO business for its next phase of development under an organization with a dedicated focus on contract development and manufacturing.

Lonza will acquire the business for a mid-triple-digit million-euro amount. The transaction is expected to close in mid-2027, subject to customary regulatory approvals and other closing conditions.

"Today's announcement is another important step in advancing our mid- to long-term strategic agenda," said Kai Beckmann, Chairman of the Executive Board and Group CEO of Merck. "As announced during our strategy update in May, we continue to focus our portfolio on innovation-driven businesses that build on our core capabilities and strengthen our long-term competitive position within Life Science and across the entire Merck portfolio. At the same time, we continue to connect and scale capabilities across Merck to leverage our unique market position as an integrated science and technology company. I would like to sincerely thank all of our CDMO colleagues whose expertise and commitment have contributed to the success of this business over many years."

"This transaction represents an important step in the continued delivery of our strategy," said Jean-Charles Wirth, Member of the Executive Board of Merck and CEO Life Science. "A more concentrated Life Science portfolio will allow us to focus

our investments on technologies and capabilities that build on our scientific leadership and make us an even stronger partner for our pharmaceutical, biotechnology and CDMO customers. We continue to support their work from discovery through manufacturing with a broad portfolio of consumables, technologies and other services. We are proud of the strong foundation our CDMO colleagues have built over more than 35 years and grateful for their contributions to Merck."

The CDMO business provides development and manufacturing services for complex modalities, supporting customers in advancing therapies from development through manufacturing. The proposed transaction includes the CDMO business and operations associated with sites in Carlsbad, California; Madison and Verona, Wisconsin; CDMO bioconjugation operations in St. Louis, Missouri; and Indianapolis, Indiana.

Following completion of the transaction, Merck will continue to support pharmaceutical, biotechnology and CDMO customers, including Lonza, through its broad portfolio of consumables, technologies and services used across biopharmaceutical development and manufacturing. BioReliance® Contract Testing Services is not included in the transaction and will remain an important part of the Life Science portfolio.

"Our customers are looking for partners who combine deep scientific expertise with the capabilities and scale to support increasingly complex medicines from innovation through to commercial supply," said Wolfgang Wienand, Chief Executive Officer, Lonza. "Integrating Merck's CDMO business into Lonza will give our customers access to broader capabilities and additional manufacturing capacity in the US, a key market for Lonza. Most importantly, we are excited to welcome highly experienced new colleagues to One Lonza and, together with them, build an even stronger offering for our customers around the world."

Lonza is a contract development and manufacturing organization dedicated to serving the healthcare industry. Working across three continents, Lonza's global team of approximately 17,000 colleagues works alongside pharma and biotech companies to turn their breakthrough innovations into viable therapies.

Until the transaction closes, the CDMO business will continue to operate as part of the Life Science business sector of Merck. Merck and Lonza will work closely to support employees, customers and operations throughout the transition, with a continued focus on program and supply continuity.