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## Merz to Create Three Independent, Customer-Focused Healthcare Businesses to Drive Growth

- New organizational structure planned to strengthen customer focus and drive sustainable growth
- Merz names new CEOs dedicated to Aesthetics, Therapeutics and Consumer Care
- Achieved revenue of EUR 1,094 million in fiscal year 2018/19, growing by 6.8 percent

**Frankfurt, Germany** – 11 November 2019 – Merz, a global, diversified healthcare company, has announced plans for a new business structure that will enable the company to better address customer and patient needs, shorten innovation cycles and capitalize on new market opportunities.

The new organizational structure will consist of three independently operating businesses: Merz Aesthetics, Merz Therapeutics and Merz Consumer Care. This new structure will allow for more specialized customer focus and will increase operational agility and speed to market. The creation of three separate businesses is expected to continue fuelling the strong growth seen across all business areas in fiscal year 2018/19.

"We have achieved strong results in all of our core businesses in the most-recently completed fiscal year 2018/19. This is now the right time for us to structure our operations into three independent businesses fully focused on their specific customers and market needs," says Philip Burchard, Chief Executive Officer of the Merz Group. "From this position of strength, each individual business will have more independence, accountability and empowerment to drive long-term sustainable growth."

### **New global leadership appointments within Merz**

Merz Aesthetics will operate exclusively in the field of medical aesthetics and focus on serving customer needs in a rapidly changing and dynamic environment. This business aims at a strong presence and performance in all key global markets and will continue to offer a full portfolio across injectables (dermal fillers and botulinum toxin), energy-based devices and professional skincare. Bob Rhatigan has been appointed CEO of Merz Aesthetics and will continue to be based in Raleigh, North Carolina, USA.

Merz Therapeutics will generate a long-term, sustainable pipeline centered on the movement disorders space and our core neurotoxin product, Xeomin® (incobotulinumtoxinA). Business priorities will be to continue to deliver on patient and healthcare provider needs including launching new indications and adding new products to create a portfolio. Stefan Brinkmann has been appointed CEO of Merz Therapeutics and will continue to be based in Frankfurt, Germany.

Merz Consumer Care will focus on new growth opportunities in order to expand its success in new areas and strengthen its agile, customer-oriented culture as a fast-moving consumer goods (FMCG) business; Consumer Care will continue to pursue leading market positions in all its product categories with its flagship brands tetesept and Merz Spezial. Frank Baldauf remains in his role as CEO of Merz Consumer Care and will continue to be based in Frankfurt, Germany.



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These new leadership roles go into effect as of January 1, 2020. Merz expects to be fully operating in the new business structure at the beginning of fiscal year 2020/21.

While each business will be led by fully empowered leadership teams, all three businesses will continue to operate as part of the Merz Group, under the governance of the Merz Shareholder Council and Supervisory Board and under the ownership of the Merz family shareholders. Philip Burchard will continue acting as Merz Group CEO, while simultaneously holding the role of Chairman of the Shareholder Council, with effect as of November 1, 2019.

### **Financial results for fiscal year 2018/19**

Merz reported total revenue of EUR 1,094 million for fiscal year 2018/19 (previous year: EUR 1,024 million). Overall, Merz revenue grew by 6.8 percent vs. prior year. Core business areas (Aesthetics, Therapeutics, Consumer Care) grew 13.5 percent versus prior year and accounted for approximately 90 percent of the total revenue; income from memantine licensing and contract manufacturing activities made up the remainder. All three businesses gained market share as they grew faster than their respective markets. For fiscal year 2018/19, earnings before interest and taxes (EBIT) increased to EUR 137.5 million (previous year: EUR 93 million).

"Our strong financial performance in fiscal year 2018/19 demonstrates that we are on the right track with our global strategy as a focused yet well-diversified healthcare company," says Philip Burchard, Chief Executive Officer of the Merz Group. "Merz has continued to develop its leadership position and expand its market share in the areas of medical aesthetics, neurotoxin therapy and consumer care products. By strengthening and developing each of these focus areas as independent businesses, we are confident that we will continue to build on this success in the years to come."

### **About Merz**

Merz is a global, diversified healthcare company based in Frankfurt, Germany. Privately-held for more than 111 years, the company operates in the areas of aesthetics, therapeutics and consumer care and is distinguished by its commitment to innovation, long-term perspective and focus on profitable growth. In fiscal year 2018/19, Merz generated revenue of EUR 1,094 million; the company has a total workforce of 3,151 employees worldwide and a direct presence in 28 countries. More information is available at [www.merz.com](http://www.merz.com).

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