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Merz Healthcare Breaks Even Despite COVID-19 Pandemic in Fiscal Year 2019/20

- Net consolidated operating profit of the Frankfurt family business amounts to EUR 38.8 million
- Partnership with Gwyneth Paltrow and investment in start-up Brooklyn Soap Company
- Investments in the new organizational structure pay off in times of COVID-19: Focus on customer needs have proven their worth

Frankfurt – December 17, 2020 – Merz Healthcare in Frankfurt is a globally operating, diversified company with three independently operating businesses: Merz Aesthetics, Merz Therapeutics and Merz Consumer Care.

In fiscal year 2019/20, Merz Healthcare revenue amounted to EUR 981.5 million, a moderate decline of 10.3% compared to the prior-year figure.

The operating profit in the past fiscal year was EUR 38.8 million. The decline compared with the prior-year EBIT was expected due to the COVID-19 crisis. After an excellent start to the fiscal year, COVID-19 contributed to the reduction in earnings, particularly in the second half of the year.

The equity of Merz Healthcare increased moderately year-on-year to EUR 1,717.9 million, while the Group's current liabilities were reduced by EUR 85.7 million compared to the same period of the prior year. Additionally, Merz Healthcare generated a pre-income tax cash inflow of EUR 75.5 million from operating activities in fiscal year 2019/20.

"The past fiscal year, Merz re-organized itself and was thereby optimally prepared for the COVID-19 crisis," says Philip Burchard, Chief Executive Officer and, as of November 2019, Chairman of Merz' Shareholder's Council.

Merz Healthcare has created three independently operating businesses, with the goal of strengthening their leading positions and further accelerating expansion in their respective markets. "This new structure will enable us to respond even better to different customer needs. Its first trial-by-fire is the COVID-19 crisis, which Merz has so far successfully passed. At the same time, the COVID-19 crisis has also further advanced digitalization in all areas, which benefits our customers and employees," says Philip Burchard.

New partnerships

Following the successful restructuring of the organization, Merz has continued its investment activities. In September 2020, Merz Aesthetics announced Oscar- and Emmy-winning actress, author, and entrepreneur Gwyneth Paltrow as its new global brand ambassador. Both share the philosophy that women should be encouraged to take time for self-care and make own decisions about how they want to look and feel their best.



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Merz Consumer Care has grown considerably over the past eight years. It is one of the market leaders in many OTC/beauty segments of the mass market in German-speaking countries and is increasing its presence in the mass market. At the beginning of October, Merz acquired a stake in the Hamburg start-up Brooklyn Soap Company that offers innovative natural care products for men. With this partnership, Merz Consumer Care is, for the first time, investing in another company.

Outlook

Merz Healthcare also has ambitious plans for the current financial year: In addition to a return to above-average growth rates, Merz will pursue projects for product innovations in all business units. Merz is also making a significant investment at its Dessau location, expanding production to meet future market demand.

About Merz

Merz Healthcare as part of the Merz Group is a global, diversified company based in Frankfurt, Germany, with the three businesses Merz Aesthetics, Merz Therapeutics and Merz Consumer Care. The company is family-owned for over 112 years and is distinguished by its commitment to innovation, long-term perspective, and focus on profitable growth. In fiscal year 2019/20 (June 30), Merz generated revenue of EUR 981.5 million. The company employs 3,212 people in 28 countries worldwide. To learn more, please visit www.merz.com.

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Media contact

Merz Pharma GmbH & Co. KGaA

Head of Communications

Karolina Dzeko-Balke

Telephone number: +49 (0) 69 1503 2749

Email: karolina.dzeko-balke@merz.de