

TO OUR SHAREHOLDERS

7 Letter of the CEO

10 Executive Board

11 Our Shares

Dear Shareholders,
Dear Friends,

When my tenure as CEO began in 2021, the world had recently entered a historic period of volatility and risk. Since the Covid-19 pandemic, change has accelerated due to artificial intelligence (AI) and growing geopolitical and social fragmentation.

As an enterprise that has evolved constantly over more than 350 years, we knew inaction was the greatest risk of all. Over the last five years, we have acted decisively to transform our business in order to reduce risk and accelerate long-term growth and impact. As a result, our strategic focus is sharper, our digital leadership more advanced and our global footprint and teams even more resilient.

Since 2021, we have invested over € 7 billion in over 30 new or expanded sites worldwide under our region-for-region strategy, completed over € 4 billion in acquisitions and divestments and entered multiple collaborations across attractive innovation growth fields.

At the same time, we have built a skills-powered workforce with a High-Impact Culture and programs that attract and retain talent. Data, digital and AI have been firmly embedded across our organization to unlock creativity and increase operational speed and efficiency from discovery to supply.

The initial financial outcomes generated by this five-year transformation journey reflect our operational discipline and long-term ambition. During this five-year period, net sales increased by 20%, EBITDA pre by 17%, operating cash flow by 13%, and earnings per share by 31%. Dividends per share increased by 57%. We have kept net financial debt to EBITDA pre well below 1.5x while sustaining high levels of research and development (R&D) intensity.

Our 2025 results demonstrate our ability to deliver organic growth and solid profitability despite uncertainty. Net sales reached € 21.1 billion, representing organic growth of around 3.1%. EBITDA pre was € 6.1 billion, corresponding to a margin of 28.9% of net sales. This came despite significant foreign exchange headwinds and earnings dilution from strategic portfolio moves. All business sectors contributed in complementary ways.



Our 2025 results demonstrate our ability to deliver organic growth and solid profitability despite uncertainty.

Together, we've built a stronger, more focused, future-ready company.

Belen Garijo



In Life Science, we strengthened our position as a leading provider, supporting customers across research, diagnostics, pharma, and beyond, helping ensure that therapies and vaccines meet patients sooner. The sector delivered organic sales growth of 4.0% during 2025, with Process Solutions achieving organic sales growth of around 10.7% and a strong order intake. We opened our € 150 million facility in Blarney, Ireland, to increase our manufacturing capacity for critical filtration devices used in life-changing therapies. Further to our acquisition of HUB Organoids Holding B.V., Netherlands, which was completed in fiscal 2024, we announced our intention to acquire the chromatography business of JSR Corporation, Japan, a leader in contract development and manufacturing alongside bioprocessing solutions. Building on these developments, we initiated a new customer-centric operating model, effective January 2026, organized around Process Solutions, Discovery Solutions and Advanced Solutions.

In Healthcare, we delivered organic growth of 3.7%, driven by strong performance across all major franchises. We maximized the profitability of established medicines including Mavenclad® and Erbitux®, while our Cardiovascular, Metabolism & Endocrinology and Fertility franchises provided a stable, cash-generative foundation. Excluding global health programs, our commercial portfolio of medicines reached over 100 million patients worldwide in 2025.

In July, we completed the acquisition of SpringWorks Therapeutics Inc., USA, (SpringWorks) for an enterprise value of approximately € 3 billion. Two of their innovative products for the treatment of rare tumors, Ogsiveo® and Gomekli®, are performing positively, in line with expectations. Together with pimicotinib, which recently secured an initial regulatory milestone in China and entered review in the United States for tenosynovial giant cell tumors, SpringWorks has made rare diseases a strategic growth pillar.

Electronics delivered a resilient performance in a challenging year, with only a slight decline of 0.6% in organic sales. Strong momentum in Semiconductor Materials, which grew organically by 8.2%, continued to energize the business sector, supported by rising demand for AI-driven semiconductor applications. This solid performance helped to balance softer trends in other areas, keeping the overall business on a stable trajectory.

To strengthen our position in this strategic growth area, we have invested strongly across our global footprint in recent years. Most recently, we inaugurated our € 500 million Semiconductor Solutions megasite in Taiwan, creating 150 new jobs and strengthening global semiconductor supply chain resilience. Our Optronics business remained stable, supported by the acquisition of Unity-SC SAS, France, in 2024. In addition, the divestment of Surface Solutions sharpened the focus of our Electronics business on semiconductors to further capitalize on AI-driven computing demand.

As CEO, making sustainability integral to our growth strategy has been a key goal. We've made remarkable progress toward climate neutrality, cutting Scope 1 and 2 emissions by half since 2020. In addition, we have reached 64% purchased, renewable electricity, advancing toward our 80% goal by 2030. Sustainability scorecards used to assess and improve our R&D portfolio from day one now cover 95% of all relevant projects.

Across the Group, we continued to strengthen our innovation engine and scale our data and AI capabilities to improve speed, quality and foresight.

Today, we are in a strong position with a clear focus on three growth drivers: Process Solutions in Life Science, Rare Diseases in Healthcare and Semiconductor Solutions in Electronics. These businesses, operating in attractive markets shaped by secular tailwinds, such as novel modalities and AI-driven computing, are positioned to generate up to 80% of growth in the medium term. Our balance sheet remains healthy with net financial debt of around € 8.6 billion and a net debt to EBITDA pre ratio below two, giving us capacity for organic investment and disciplined mergers and acquisitions.

None of this would have been possible without our people. I would like to express my deepest gratitude to our recently expanded Executive Board and more than 62,000 colleagues worldwide who have demonstrated exceptional dedication, creativity and agility. I am equally grateful to our partners, suppliers, owners, and shareholders for your trust and long-term perspective.

Looking ahead, we are cautiously optimistic about continuing our organic net sales growth with EBITDA pre margins of around 28%.

In Life Science, Process Solutions should remain our primary growth engine, supported by demand for bioprocessing solutions and novel modalities such as antibody-drug conjugates. In Healthcare, we will prioritize the profitability of established medicines and our Fertility franchise including Pergoveris®, while scaling our Rare Diseases business and advancing key launch and clinical programs. In Electronics, we expect the semiconductor market to continue its recovery, driven by strong AI demand.

We will remain vigilant given geopolitical tensions, regulatory complexity, currency volatility, and supply chain risks. Nonetheless, our synergistic, specialized portfolio and strong customer relationships position us well to navigate these challenges.

Over the medium term, we remain committed to mid-single-digit organic sales growth, supported by our three key growth drivers, as well as disciplined portfolio management and strict capital allocation. Following our intensive investment period over the last five years, we expect our capital expenditure-to-sales ratio to normalize gradually, with continued focus on free cash flow generation. This positions us to perform well in the next growth cycle while preparing for future growth waves.

My time here ends in April 2026. When I first took this role, no one could have predicted the external challenges that followed. What makes me proudest is the strength of the people, culture and values at the company and how we rose to meet adversity and deliver for patients, customers and colleagues. Together, we built a stronger, more focused, future-ready company.

Over the last 15 years, I have seen the company translate scientific ambition into tangible progress for patients, customers and society. What has remained constant is our long-term perspective, standards and accountability.

I am confident that the company will continue along this path under Kai Beckmann's leadership. We have worked together closely for many years, and I have full confidence in him and the broader strength of our Executive Board and senior leaders. The CEO transition has been carefully prepared, and the Group is ready to build on the foundation we have laid together.

Our company is ready for its next growth cycle. I look forward to watching the Group continue to push the boundaries of science and technology, expand patient access to life-changing therapies, serve biopharma and electronics customers, and create sustainable value for shareholders.

On behalf of the Executive Board, I humbly thank our employees, owners, shareholders, Supervisory Board, customers, patients, and partners for their trust.

Sincerely,



Belén Garijo

Chair of the Executive Board and CEO

EXECUTIVE BOARD



BELÉN GARIJO

Chair of the Executive Board
and CEO



KAI BECKMANN

Deputy Chair of the Executive
Board and CEO Electronics



**DAN PINHAS
BAR ZOHAR**

Member of the Executive Board,
CEO Healthcare



**KHADIJA
BEN HAMMADA**

Member of the Executive Board,
Chief People Officer



HELENE VON ROEDER

Member of the Executive Board,
Chief Financial Officer



JEAN-CHARLES WIRTH

Member of the Executive Board,
CEO Life Science

our shares

At a Glance

Global equity markets posted another year of solid gains in fiscal 2025, led by strong performance in artificial intelligence (AI)- and technology-related stocks. Markets were supported by resilient corporate earnings and stabilizing monetary policy expectations, allowing equities to advance despite ongoing geopolitical uncertainty.

Sector performance diverged sharply during the year. Healthcare and life science stocks delivered more moderate returns amid policy-related headwinds and cautious investor sentiment. By contrast, semiconductor stocks rose strongly, supported by improving pricing, a richer technology mix and AI-driven demand, with higher average selling prices outweighing volume effects. Against this backdrop, the performance of our share price reflected the resilience of the company's diversified portfolio and solid operational execution amid mixed sector dynamics.

The Group delivered moderate organic sales growth in fiscal 2025 in line with its full-year guidance, with operating momentum strengthening over the course of the year. Life Science was the main contributor to organic growth, returning to growth as bioprocessing destocking subsided. Organic sales growth in Healthcare settled at a moderate level, while Electronics experienced a digestion phase with customer fab construction spending, temporarily moderating the otherwise strong underlying demand. Earnings per share pre declined primarily due to an adverse operating result following the acquisition of SpringWorks Therapeutics, Inc., USA.

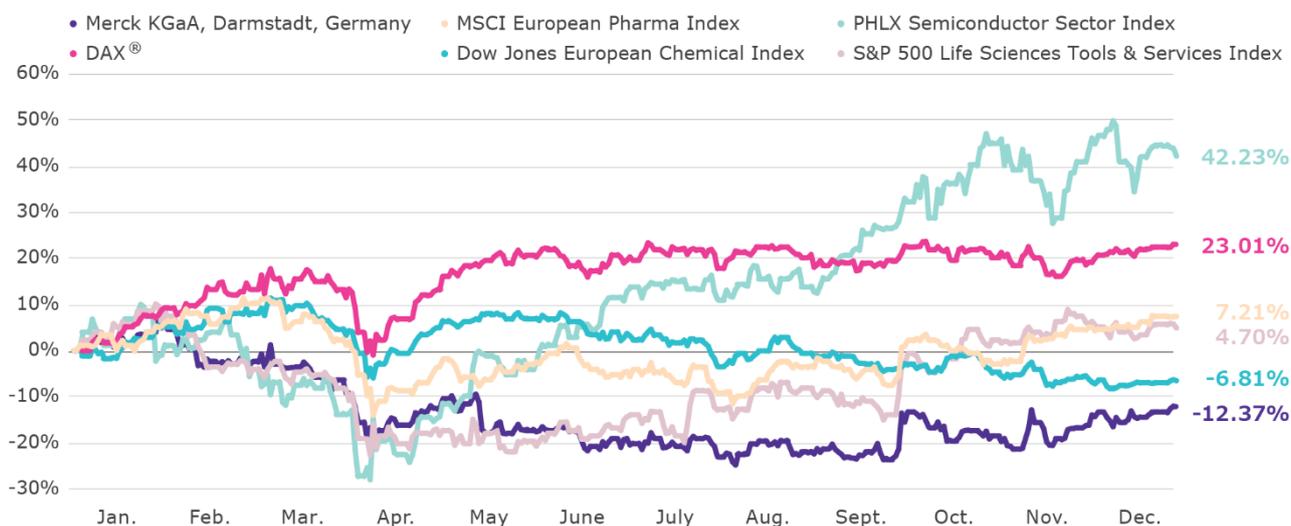
Our share price fell by about 12.4% over the year, underperforming the DAX® index of German blue-chip companies, which rose by around 23%. Despite the short-term divergence in performance, the share price continued to track the life science sector, which gained about 4.7%, while the pharmaceutical sector rose about 7.2%. By contrast, the semiconductor industry index advanced by around 42.2%, as participation in artificial intelligence trends broadened. Our shares closed at € 122.60 on December 30, 2025, compared with € 139.90 at the end of 2024.

The average daily trading volume in our shares rose to about 331,000 in fiscal 2025, up roughly 20% from the previous year. Institutional ownership within the free float continued to evolve. Under Nasdaq's methodology, institutional investors accounted for about 76.9% of the free float. Within this institutional ownership, the share of value-oriented investors rose from 18% to 31%, while the combined share of GARP (growth at a reasonable price) investors and growth-oriented investors declined from 55% to 43%. Europe remained the largest regional source of institutional ownership at 39%, followed by the United States at around 34%. The five largest institutional investors accounted for roughly 28% of institutional free-float ownership, up about three percentage points from the previous year.

In fiscal 2025, our Executive Board and the Investor Relations team held more than 1,000 meetings and discussions with investors through conferences, roadshows and conference calls, covering strategy, business performance, corporate governance, and sustainability.

Our Shares

Share price development from January 1, 2025, to December 31, 2025, in %



Our Shares

Key share price data¹

		2025	2024
Dividend ²	€	2.20	2.20
Share price high	€	151.50	175.85
Share price low	€	104.60	137.85
Year-end share price	€	122.60	139.90
Daily average number of our shares traded ³	Number	331,338	276,337
Market capitalization ⁴ (at year-end)	€ million	53,304	60,825
Market value of authorized shares ⁵ (at year-end)	€ million	15,845	18,081

¹ Share price-relevant figures relate to the closing price in Xetra® trading on the Frankfurt Stock Exchange.

² 2025 dividend subject to approval by the Annual General Meeting.

³ Based on the floor trading systems of all German exchanges and the regulated market on Xetra®.

⁴ Based on the theoretical number of shares (434.8 million).

⁵ Based on the number of shares in free float (129.2 million). Source: Bloomberg, Thomson Reuters.

Our Shares

Dividend development since 2016



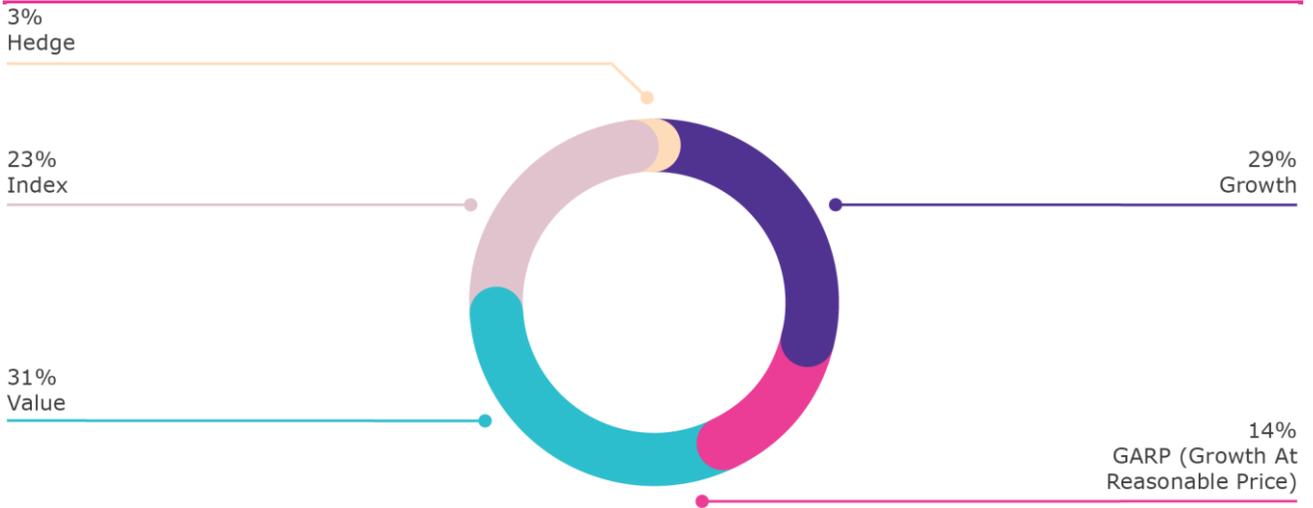
* 2025 dividend subject to approval by the Annual General Meeting.

Identified investors by region as of November 2025



Source: Nasdaq Shareholder Identification; Total Shares Outstanding: 129.2 million.

Identified investors by type as of November 2025



Source: Nasdaq Shareholder Identification.