# Merck & Co., Inc.

# Financial Highlights Package

# Third Quarter 2022

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# MERCK & CO., INC.
## CONSOLIDATED STATEMENT OF INCOME - GAAP
## (AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
## (UNAUDITED)
## Table 1

On June 2, 2021, Merck completed the spin-off of products from its women's health, biosimilars and established brands businesses into a new, independent, publicly traded company named Organon & Co. (Organon). The historical results of the businesses that were contributed to Organon in the spin-off are excluded from sales and expenses and reflected as discontinued operations in the company's Consolidated Statement of Income provided below.

| | GAAP | | % Change | GAAP | | % Change |
|---|---|---|---|---|---|---|
| | 3Q22 | 3Q21 | | Sep YTD 2022 | Sep YTD 2021 | |
| Sales | $ 14,959 | $ 13,154 | 14% | $ 45,453 | $ 35,183 | 29% |
| Costs, Expenses and Other | | | | | | |
| Cost of sales | 3,934 | 3,450 | 14% | 13,530 | 9,752 | 39% |
| Selling, general and administrative | 2,520 | 2,336 | 8% | 7,355 | 6,804 | 8% |
| Research and development | 4,399 | 2,445 | 80% | 9,773 | 9,177 | 6% |
| Restructuring costs | 94 | 107 | -12% | 288 | 487 | -41% |
| Other (income) expense, net | 429 | (450) | * | 1,576 | (1,007) | * |
| Income from Continuing Operations Before Taxes | 3,583 | 5,266 | -32% | 12,931 | 9,970 | 30% |
| Income Tax Provision | 330 | 695 | | 1,423 | 1,436 | |
| Net Income from Continuing Operations | 3,253 | 4,571 | -29% | 11,508 | 8,534 | 35% |
| Less: Net Income Attributable to Noncontrolling Interests | 5 | 4 | | 6 | 9 | |
| Net Income from Continuing Operations Attributable to Merck & Co., Inc. | 3,248 | 4,567 | -29% | 11,502 | 8,525 | 35% |
| Income from Discontinued Operations, Net of Taxes and Amounts Attributable to Noncontrolling Interests | - | - | 0% | - | 766 | * |
| Net Income Attributable to Merck & Co., Inc. | $ 3,248 | $ 4,567 | -29% | $ 11,502 | $ 9,291 | 24% |
| Basic Earnings per Common Share Attributable to Merck & Co., Inc. Common Shareholders: | | | | | | |
| Income from Continuing Operations | $ 1.28 | $ 1.81 | -29% | $ 4.55 | $ 3.37 | 35% |
| Income from Discontinued Operations | - | - | 0% | - | 0.30 | * |
| Net Income | $ 1.28 | $ 1.81 | -29% | $ 4.55 | $ 3.67 | 24% |
| Earnings per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders: | | | | | | |
| Income from Continuing Operations | $ 1.28 | $ 1.80 | -29% | $ 4.53 | $ 3.36 | 35% |
| Income from Discontinued Operations | - | - | 0% | - | 0.30 | * |
| Net Income | $ 1.28 | $ 1.80 | -29% | $ 4.53 | $ 3.66 | 24% |
| Average Shares Outstanding | 2,533 | 2,530 | | 2,531 | 2,531 | |
| Average Shares Outstanding Assuming Dilution | 2,542 | 2,536 | | 2,540 | 2,539 | |
| Tax Rate from Continuing Operations | 9.2% | 13.2% | | 11.0% | 14.4% | |

* 100% or greater

# MERCK & CO., INC.
## CONSOLIDATED STATEMENT OF INCOME - GAAP
## (AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
## (UNAUDITED)
## Table 1a

| | 2022 | | | | 2021 | | | | | | % Change | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | Sep YTD | 1Q | 2Q | 3Q | Sep YTD | 4Q | Full Year | 3Q | Sep YTD |
| Sales | $ 15,901 | $ 14,593 | $ 14,959 | $ 45,453 | $ 10,627 | $ 11,402 | $ 13,154 | $ 35,183 | $ 13,521 | $ 48,704 | 14% | 29% |
| Costs, Expenses and Other | | | | | | | | | | | | |
| Cost of sales | 5,380 | 4,216 | 3,934 | 13,530 | 3,199 | 3,104 | 3,450 | 9,752 | 3,873 | 13,626 | 14% | 39% |
| Selling, general and administrative | 2,323 | 2,512 | 2,520 | 7,355 | 2,187 | 2,281 | 2,336 | 6,804 | 2,830 | 9,634 | 8% | 8% |
| Research and development | 2,576 | 2,798 | 4,399 | 9,773 | 2,412 | 4,321 | 2,445 | 9,177 | 3,068 | 12,245 | 80% | 6% |
| Restructuring costs | 53 | 142 | 94 | 288 | 297 | 82 | 107 | 487 | 174 | 661 | -12% | -41% |
| Other (income) expense, net | 708 | 438 | 429 | 1,576 | (455) | (103) | (450) | (1,007) | (333) | (1,341) | * | * |
| Income from Continuing Operations Before Taxes | 4,861 | 4,487 | 3,583 | 12,931 | 2,987 | 1,717 | 5,266 | 9,970 | 3,909 | 13,879 | -32% | 30% |
| Income Tax Provision | 554 | 538 | 330 | 1,423 | 238 | 503 | 695 | 1,436 | 85 | 1,521 | | |
| Net Income from Continuing Operations | 4,307 | 3,949 | 3,253 | 11,508 | 2,749 | 1,214 | 4,571 | 8,534 | 3,824 | 12,358 | -29% | 35% |
| Less: Net (Loss) Income Attributable to Noncontrolling Interests | (3) | 5 | 5 | 6 | 4 | 1 | 4 | 9 | 4 | 13 | | |
| Net Income from Continuing Operations Attributable to Merck & Co., Inc. | 4,310 | 3,944 | 3,248 | 11,502 | 2,745 | 1,213 | 4,567 | 8,525 | 3,820 | 12,345 | -29% | 35% |
| Income (Loss) from Discontinued Operations, Net of Taxes and Amounts Attributable to Noncontrolling Interests | - | - | - | - | 434 | 332 | - | 766 | (62) | 704 | 0% | * |
| Net Income Attributable to Merck & Co., Inc. | $ 4,310 | $ 3,944 | $ 3,248 | $ 11,502 | $ 3,179 | $ 1,545 | $ 4,567 | $ 9,291 | $ 3,758 | $ 13,049 | -29% | 24% |
| Basic Earnings (Loss) per Common Share Attributable to Merck & Co., Inc. Common Shareholders: | | | | | | | | | | | | |
| Income from Continuing Operations | $ 1.70 | $ 1.56 | $ 1.28 | $ 4.55 | $ 1.08 | $ 0.48 | $ 1.81 | $ 3.37 | $ 1.51 | $ 4.88 | -29% | 35% |
| Income (Loss) from Discontinued Operations | - | - | - | - | 0.17 | 0.13 | - | 0.30 | (0.02) | 0.28 | 0% | * |
| Net Income | $ 1.70 | $ 1.56 | $ 1.28 | $ 4.55 | $ 1.26 | $ 0.61 | $ 1.81 | $ 3.67 | $ 1.49 | $ 5.16 | -29% | 24% |
| Earnings (Loss) per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders: | | | | | | | | | | | | |
| Income from Continuing Operations | $ 1.70 | $ 1.55 | $ 1.28 | $ 4.53 | $ 1.08 | $ 0.48 | $ 1.80 | $ 3.36 | $ 1.51 | $ 4.86 | -29% | 35% |
| Income (Loss) from Discontinued Operations | - | - | - | - | 0.17 | 0.13 | - | 0.30 | (0.02) | 0.28 | 0% | * |
| Net Income | $ 1.70 | $ 1.55 | $ 1.28 | $ 4.53 | $ 1.25 | $ 0.61 | $ 1.80 | $ 3.66 | $ 1.48 | $ 5.14 | -29% | 24% |
| Average Shares Outstanding | 2,528 | 2,531 | 2,533 | 2,531 | 2,531 | 2,533 | 2,530 | 2,531 | 2,527 | 2,530 | | |
| Average Shares Outstanding Assuming Dilution | 2,537 | 2,540 | 2,542 | 2,540 | 2,541 | 2,540 | 2,536 | 2,539 | 2,535 | 2,538 | | |
| Tax Rate from Continuing Operations | 11.4% | 12.0% | 9.2% | 11.0% | 8.0% | 29.3% | 13.2% | 14.4% | 2.2% | 11.0% | | |

* 100% or greater

Sum of quarterly amounts may not equal year-to-date amounts due to rounding.

**MERCK & CO., INC.**

**THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022 GAAP TO NON-GAAP RECONCILIATION - CONTINUING OPERATIONS**

**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**

**(UNAUDITED)**

**Table 2a**

| | GAAP | Acquisition and Divestiture-Related Costs [1] | Restructuring Costs [2] | (Income) Loss from Investments in Equity Securities | Adjustment Subtotal | Non-GAAP |
|---|---|---|---|---|---|---|
| **Third Quarter** | | | | | | |
| Cost of sales | **$ 3,934** | 446 | 54 | | 500 | $ 3,434 |
| Selling, general and administrative | **2,520** | 22 | 26 | | 48 | 2,472 |
| Research and development | **4,399** | 902 | 1 | | 903 | 3,496 |
| Restructuring costs | **94** | | 94 | | 94 | - |
| Other (income) expense, net | **429** | (26) | | 350 | 324 | 105 |
| Income from Continuing Operations Before Taxes | **3,583** | (1,344) | (175) | (350) | (1,869) | 5,452 |
| Income Tax Provision (Benefit) | **330** | (302) [3] | (35) [3] | (77) [3] | (414) | 744 |
| Net Income from Continuing Operations | **3,253** | (1,042) | (140) | (273) | (1,455) | 4,708 |
| Net Income from Continuing Operations Attributable to Merck & Co., Inc. | **3,248** | (1,042) | (140) | (273) | (1,455) | 4,703 |
| Earnings per Common Share Assuming Dilution from Continuing Operations | **$ 1.28** | (0.40) | (0.06) | (0.11) | (0.57) | $ 1.85 |
| Tax Rate | **9.2%** | | | | | 13.6% |
| **Sep YTD** | | | | | | |
| Cost of sales | **$ 13,530** | 1,577 | 167 | | 1,744 | $ 11,786 |
| Selling, general and administrative | **7,355** | 137 | 74 | | 211 | 7,144 |
| Research and development | **9,773** | 936 | 30 | | 966 | 8,807 |
| Restructuring costs | **288** | | 288 | | 288 | - |
| Other (income) expense, net | **1,576** | (138) | | 1,268 | 1,130 | 446 |
| Income from Continuing Operations Before Taxes | **12,931** | (2,512) | (559) | (1,268) | (4,339) | 17,270 |
| Income Tax Provision (Benefit) | **1,423** | (587) [3] | (97) [3] | (281) [3] | (965) | 2,388 |
| Net Income from Continuing Operations | **11,508** | (1,925) | (462) | (987) | (3,374) | 14,882 |
| Net Income from Continuing Operations Attributable to Merck & Co., Inc. | **11,502** | (1,925) | (462) | (987) | (3,374) | 14,876 |
| Earnings per Common Share Assuming Dilution from Continuing Operations | **$ 4.53** | (0.76) | (0.18) | (0.39) | (1.33) | $ 5.86 |
| Tax Rate | **11.0%** | | | | | 13.8% |

Only the line items that are affected by non-GAAP adjustments are shown.

Merck is providing certain non-GAAP information that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. Management believes that providing non-GAAP information enhances investors' understanding of the company's results because management uses non-GAAP measures to assess performance. Management uses non-GAAP measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. In addition, senior management's annual compensation is derived in part using a non-GAAP pretax income metric. The non-GAAP information presented should be considered in addition to, but not as a substitute for or superior to, information prepared in accordance with GAAP.

[1] Amounts included in cost of sales primarily reflect expenses for the amortization of intangible assets. Amounts included in selling, general and administrative expenses reflect integration, transaction and certain other costs related to acquisitions and divestitures. Amounts included in research and development expenses for the third quarter and nine month period primarily reflect $887 million of intangible asset impairment charges related to the ArQule, Inc. acquisition and expenses for the amortization of intangible assets. Amounts included in other (income) expense, net, for the third quarter and nine month period primarily reflect royalty income and a decrease in the estimated fair value measurement of liabilities for contingent consideration related to the prior termination of the Sanofi-Pasteur MSD joint venture.

[2] Amounts primarily include employee separation costs and accelerated depreciation associated with facilities to be closed or divested related to activities under the company's formal restructuring programs.

[3] Represents the estimated tax impacts on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments.

**MERCK & CO., INC.**
**THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2021 GAAP TO NON-GAAP RECONCILIATION - CONTINUING OPERATIONS**
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**
**(UNAUDITED)**
**Table 2b**

In 2022, the company changed the treatment of certain items for purposes of its non-GAAP reporting. Historically, Merck's non-GAAP results excluded expenses for upfront and milestone payments related to collaborations and licensing agreements, as well as charges related to pre-approval assets obtained in transactions accounted for as asset acquisitions, to the extent the charges were considered by the company to be significant to the results of a particular period (as well as any related adjustments recorded in a subsequent period). Beginning in 2022, Merck's non-GAAP results no longer exclude charges related to these items. Results for 2021 have been recast to conform to the new presentation.

The table below reflects a reconciliation of GAAP to non-GAAP financial information on a continuing operations basis. As Organon results are reflected within discontinued operations, they are excluded from the financial information provided below.

| | GAAP | Acquisition and Divestiture-Related Costs [1] | Restructuring Costs [2] | (Income) Loss from Investments in Equity Securities | Certain Other Items | Adjustment Subtotal | Non-GAAP |
|---|---|---|---|---|---|---|---|
| **Third Quarter** | | | | | | | |
| Cost of sales | **$ 3,450** | 346 | 48 | | | 394 | $ 3,056 |
| Selling, general and administrative | **2,336** | 61 | 5 | | | 66 | 2,270 |
| Research and development | **2,445** | 48 | 8 | | | 56 | 2,389 |
| Restructuring costs | **107** | | 107 | | | 107 | - |
| Other (income) expense, net | **(450)** | (10) | | (684) | | (694) | 244 |
| Income from Continuing Operations Before Taxes | **5,266** | (445) | (168) | 684 | | 71 | 5,195 |
| Income Tax Provision (Benefit) | **695** | (96) [4] | (26) [4] | 151 [4] | | 29 | 666 |
| Net Income from Continuing Operations | **4,571** | (349) | (142) | 533 | | 42 | 4,529 |
| Net Income from Continuing Operations Attributable to Merck & Co., Inc. | **4,567** | (349) | (142) | 533 | | 42 | 4,525 |
| Earnings per Common Share Assuming Dilution from Continuing Operations | **$ 1.80** | (0.13) | (0.06) | 0.21 | | 0.02 | $ 1.78 |
| Tax Rate | **13.2%** | | | | | | 12.8% |
| **Sep YTD** | | | | | | | |
| Cost of sales | **$ 9,752** | 1,188 | 113 | | 225 [3] | 1,526 | $ 8,226 |
| Selling, general and administrative | **6,804** | 96 | 9 | | | 105 | 6,699 |
| Research and development | **9,177** | 82 | 21 | | | 103 | 9,074 |
| Restructuring costs | **487** | | 487 | | | 487 | - |
| Other (income) expense, net | **(1,007)** | 79 | | (1,503) | | (1,424) | 417 |
| Income from Continuing Operations Before Taxes | **9,970** | (1,445) | (630) | 1,503 | (225) | (797) | 10,767 |
| Income Tax Provision (Benefit) | **1,436** | (283) [4] | (82) [4] | 331 [4] | (257) [4] | (291) | 1,727 |
| Net Income from Continuing Operations | **8,534** | (1,162) | (548) | 1,172 | 32 | (506) | 9,040 |
| Net Income from Continuing Operations Attributable to Merck & Co., Inc. | **8,525** | (1,162) | (548) | 1,172 | 32 | (506) | 9,031 |
| Earnings per Common Share Assuming Dilution from Continuing Operations | **$ 3.36** | (0.46) | (0.22) | 0.46 | 0.02 | (0.20) | $ 3.56 |
| Tax Rate | **14.4%** | | | | | | 16.0% |

Only the line items that are affected by non-GAAP adjustments are shown.

Merck is providing certain non-GAAP information that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. Management believes that providing non-GAAP information enhances investors' understanding of the company's results because management uses non-GAAP measures to assess performance. Management uses non-GAAP measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. In addition, senior management's annual compensation is derived in part using a non-GAAP pretax income metric. The non-GAAP information presented should be considered in addition to, but not as a substitute for or superior to, information prepared in accordance with GAAP.

[1] Amounts included in cost of sales primarily reflect expenses for the amortization of intangible assets. Amounts included in selling, general and administrative expenses reflect integration, transaction and certain other costs related to acquisitions and divestitures. Amounts included in research and development expenses primarily reflect expenses for the amortization of intangible assets. Amounts included in other (income) expense, net, for the third quarter and nine month period primarily reflect an increase in the estimated fair value measurement of liabilities for contingent consideration related to the prior termination of the Sanofi-Pasteur MSD joint venture. Additionally, the nine month period also includes a loss on a forward exchange contract entered into in conjunction with the Organon spin-off. Amount included in other (income) expense, net, for the nine month period was partially offset by royalty income related to the prior termination of the Sanofi-Pasteur MSD joint venture.

[2] Amounts primarily include employee separation costs and accelerated depreciation associated with facilities to be closed or divested related to activities under the company's formal restructuring programs.

[3] Represents charges for the discontinuation of COVID-19 development programs.

[4] Represents the estimated tax impacts on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments. Certain other items for the nine month period also includes a $207 million net tax benefit related to the settlement of certain federal income tax matters.

# MERCK & CO., INC.
## FRANCHISE / KEY PRODUCT SALES - CONTINUING OPERATIONS
## (AMOUNTS IN MILLIONS)
## (UNAUDITED)
## Table 3

| | 2022 | | | | 2021 | | | | | | 3Q | | September YTD | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | Sep YTD | 1Q | 2Q | 3Q | Sep YTD | 4Q | Full Year | Nom % | Ex-Exch % | Nom % | Ex-Exch % |
| **TOTAL SALES** [1] | **$15,901** | **$14,593** | **$14,959** | **$45,453** | **$10,627** | **$11,402** | **$13,154** | **$35,183** | **$13,521** | **$48,704** | **14** | **18** | **29** | **32** |
| **PHARMACEUTICAL** | **14,107** | **12,756** | **12,963** | **39,826** | **9,238** | **9,980** | **11,496** | **30,714** | **12,039** | **42,754** | **13** | **19** | **30** | **35** |
| **Oncology** | | | | | | | | | | | | | | |
| Keytruda | 4,809 | 5,252 | 5,426 | 15,487 | 3,899 | 4,176 | 4,534 | 12,609 | 4,577 | 17,186 | 20 | 26 | 23 | 28 |
| Alliance Revenue – Lynparza [2] | 266 | 275 | 284 | 825 | 228 | 248 | 246 | 721 | 268 | 989 | 16 | 23 | 14 | 20 |
| Alliance Revenue – Lenvima [2] | 227 | 231 | 202 | 660 | 130 | 181 | 188 | 498 | 206 | 704 | 7 | 11 | 33 | 36 |
| Alliance Revenue – Reblozyl [3] | 52 | 33 | 39 | 124 | | | | | 17 | 17 | * | * | * | * |
| **Vaccines** [4] | | | | | | | | | | | | | | |
| Gardasil / Gardasil 9 | 1,460 | 1,674 | 2,294 | 5,428 | 917 | 1,234 | 1,993 | 4,144 | 1,528 | 5,673 | 15 | 20 | 31 | 35 |
| ProQuad / M-M-R II / Varivax | 470 | 578 | 668 | 1,716 | 449 | 516 | 661 | 1,626 | 509 | 2,135 | 1 | 3 | 6 | 7 |
| RotaTeq | 216 | 173 | 256 | 644 | 158 | 208 | 227 | 593 | 213 | 807 | 12 | 16 | 9 | 11 |
| Pneumovax 23 | 173 | 153 | 131 | 457 | 171 | 152 | 277 | 600 | 292 | 893 | -53 | -50 | -24 | -21 |
| Vaqta | 36 | 35 | 64 | 134 | 34 | 56 | 48 | 138 | 41 | 179 | 33 | 34 | -3 | -2 |
| **Hospital Acute Care** | | | | | | | | | | | | | | |
| Bridion | 395 | 426 | 423 | 1,244 | 340 | 387 | 369 | 1,096 | 436 | 1,532 | 15 | 22 | 13 | 19 |
| Prevymis | 94 | 103 | 114 | 310 | 82 | 93 | 96 | 270 | 100 | 370 | 19 | 29 | 15 | 22 |
| Dificid | 52 | 66 | 77 | 196 | 27 | 34 | 54 | 115 | 60 | 175 | 42 | 42 | 70 | 70 |
| Primaxin | 58 | 64 | 63 | 185 | 65 | 60 | 70 | 194 | 65 | 259 | -9 | -5 | -5 | -3 |
| Noxafil | 57 | 60 | 62 | 180 | 67 | 66 | 64 | 197 | 62 | 259 | -3 | 5 | -9 | -3 |
| Invanz | 52 | 46 | 50 | 148 | 57 | 48 | 53 | 157 | 45 | 202 | -7 | -1 | -6 | -1 |
| Cancidas | 53 | 42 | 43 | 138 | 57 | 54 | 56 | 168 | 45 | 212 | -24 | -19 | -18 | -15 |
| Zerbaxa | 30 | 46 | 43 | 120 | (8) | (1) | (2) | (11) | 10 | (1) | * | * | * | * |
| **Cardiovascular** | | | | | | | | | | | | | | |
| Alliance Revenue - Adempas/Verquvo [5] | 72 | 98 | 88 | 258 | 74 | 74 | 100 | 248 | 94 | 342 | -12 | -12 | 4 | 4 |
| Adempas [6] | 61 | 63 | 57 | 181 | 55 | 74 | 59 | 188 | 63 | 252 | -5 | 12 | -4 | 8 |
| **Virology** | | | | | | | | | | | | | | |
| Lagevrio | 3,247 | 1,177 | 436 | 4,859 | | | | | 952 | 952 | * | * | * | * |
| Isentress / Isentress HD | 158 | 147 | 161 | 466 | 209 | 192 | 189 | 590 | 178 | 769 | -15 | -11 | -21 | -17 |
| **Neuroscience** | | | | | | | | | | | | | | |
| Belsomra | 69 | 69 | 62 | 199 | 79 | 78 | 81 | 238 | 80 | 318 | -24 | -12 | -16 | -7 |
| **Immunology** | | | | | | | | | | | | | | |
| Simponi | 186 | 181 | 173 | 540 | 214 | 202 | 203 | 619 | 206 | 825 | -15 | -2 | -13 | -2 |
| Remicade | 61 | 53 | 49 | 163 | 85 | 75 | 73 | 233 | 67 | 299 | -33 | -22 | -30 | -21 |
| **Diabetes** [7] | | | | | | | | | | | | | | |
| Januvia | 779 | 756 | 717 | 2,252 | 809 | 784 | 852 | 2,445 | 878 | 3,324 | -16 | -10 | -8 | -3 |
| Janumet | 454 | 476 | 417 | 1,347 | 486 | 477 | 487 | 1,449 | 514 | 1,964 | -14 | -7 | -7 | -1 |
| **Other Pharmaceutical** [8] | 520 | 479 | 564 | 1,565 | 554 | 512 | 518 | 1,589 | 533 | 2,118 | 9 | 17 | -1 | 3 |
| **ANIMAL HEALTH** | **1,482** | **1,467** | **1,371** | **4,320** | **1,418** | **1,472** | **1,417** | **4,307** | **1,261** | **5,568** | **-3** | **4** | **-** | **6** |
| Livestock | 832 | 826 | 829 | 2,486 | 819 | 821 | 864 | 2,503 | 791 | 3,295 | -4 | 4 | -1 | 6 |
| Companion Animals | 650 | 641 | 542 | 1,834 | 599 | 651 | 553 | 1,804 | 470 | 2,273 | -2 | 4 | 2 | 6 |
| **Other Revenues** [9] | **312** | **370** | **625** | **1,307** | **(29)** | **(50)** | **241** | **162** | **221** | **382** | **159** | **41** | ***** | ***** |

* 200% or greater

Sum of quarterly amounts may not equal year-to-date amounts due to rounding.

[1] Only select products are shown.

[2] Alliance Revenue represents Merck's share of profits, which are product sales net of cost of sales and commercialization costs.

[3] Alliance Revenue represents royalties and a milestone payment.

[4] Total Vaccines sales were $2,481 million, $2,709 million and $3,552 million in the first, second and third quarter of 2022, respectively, and $1,809 million, $2,293 million, $3,315 million and $2,715 million in the first, second, third and fourth quarter of 2021, respectively.

[5] Alliance Revenue represents Merck's share of profits from sales in Bayer's marketing territories, which are product sales net of cost of sales and commercialization costs.

[6] Net product sales in Merck's marketing territories.

[7] Total Diabetes sales were $1,305 million, $1,300 million and $1,231 million in the first, second and third quarter of 2022, respectively, and $1,363 million, $1,330 million, $1,417 million and $1,475 million in the first, second, third and fourth quarter of 2021, respectively.

[8] Includes Pharmaceutical products not individually shown above.

[9] Other Revenues are comprised primarily of revenues from third-party manufacturing arrangements and miscellaneous corporate revenues, including revenue-hedging activities. Other Revenues related to the receipt of upfront and milestone payments for out-licensed products were $114 million, $32 million and $10 million in the first, second and third quarter of 2022, respectively, and $56 million, $135 million and $27 million in the first, third and fourth quarter of 2021, respectively.

# MERCK & CO., INC.
# FRANCHISE / KEY PRODUCT SALES - CONTINUING OPERATIONS
# THIRD QUARTER 2022
# (AMOUNTS IN MILLIONS)
# (UNAUDITED)
# Table 3a

| | Global | | | U.S. | | | International | | |
|---|---|---|---|---|---|---|---|---|---|
| | 3Q 2022 | 3Q 2021 | % Change | 3Q 2022 | 3Q 2021 | % Change | 3Q 2022 | 3Q 2021 | % Change |
| **TOTAL SALES** [1] | **$14,959** | **$13,154** | **14** | **$7,322** | **$6,276** | **17** | **$7,637** | **$6,878** | **11** |
| **PHARMACEUTICAL** | **12,963** | **11,496** | **13** | **6,620** | **5,670** | **17** | **6,343** | **5,826** | **9** |
| **Oncology** | | | | | | | | | |
| Keytruda | 5,426 | 4,534 | 20 | 3,331 | 2,580 | 29 | 2,095 | 1,954 | 7 |
| Alliance Revenue - Lynparza [2] | 284 | 246 | 16 | 144 | 129 | 12 | 140 | 117 | 20 |
| Alliance Revenue - Lenvima [2] | 202 | 188 | 7 | 142 | 114 | 25 | 60 | 74 | -19 |
| Alliance Revenue - Reblozyl [3] | 39 | | * | 32 | | * | 7 | | * |
| **Vaccines** [4] | | | | | | | | | |
| Gardasil / Gardasil 9 | 2,294 | 1,993 | 15 | 957 | 839 | 14 | 1,337 | 1,154 | 16 |
| ProQuad / M-M-R II / Varivax | 668 | 661 | 1 | 532 | 537 | -1 | 136 | 125 | 9 |
| RotaTeq | 256 | 227 | 12 | 154 | 135 | 13 | 102 | 92 | 11 |
| Pneumovax 23 | 131 | 277 | -53 | 68 | 181 | -62 | 63 | 97 | -35 |
| Vaqta | 64 | 48 | 33 | 27 | 32 | -16 | 36 | 16 | 134 |
| **Hospital Acute Care** | | | | | | | | | |
| Bridion | 423 | 369 | 15 | 233 | 181 | 29 | 190 | 188 | 1 |
| Prevymis | 114 | 96 | 19 | 49 | 39 | 26 | 64 | 57 | 14 |
| Dificid | 77 | 54 | 42 | 72 | 52 | 37 | 6 | 2 | 146 |
| Primaxin | 63 | 70 | -9 | | | -57 | 63 | 69 | -9 |
| Noxafil | 62 | 64 | -3 | 13 | 19 | -30 | 49 | 45 | 8 |
| Invanz | 50 | 53 | -7 | 2 | (2) | -174 | 48 | 55 | -14 |
| Zerbaxa | 43 | (2) | * | 24 | (1) | * | 19 | (1) | * |
| Cancidas | 43 | 56 | -24 | 1 | 1 | 81 | 42 | 56 | -25 |
| **Cardiovascular** | | | | | | | | | |
| Alliance Revenue - Adempas/Verquvo [5] | 88 | 100 | -12 | 85 | 73 | 17 | 3 | 27 | -90 |
| Adempas [6] | 57 | 59 | -5 | | | | 57 | 59 | -5 |
| **Virology** | | | | | | | | | |
| Lagevrio | 436 | | * | | | - | 436 | | * |
| Isentress / Isentress HD | 161 | 189 | -15 | 68 | 77 | -12 | 93 | 112 | -17 |
| **Neuroscience** | | | | | | | | | |
| Belsomra | 62 | 81 | -24 | 20 | 23 | -13 | 42 | 58 | -28 |
| **Immunology** | | | | | | | | | |
| Simponi | 173 | 203 | -15 | | | | 173 | 203 | -15 |
| Remicade | 49 | 73 | -33 | | | | 49 | 73 | -33 |
| **Diabetes** [7] | | | | | | | | | |
| Januvia | 717 | 852 | -16 | 332 | 365 | -9 | 385 | 487 | -21 |
| Janumet | 417 | 487 | -14 | 90 | 86 | 4 | 327 | 401 | -18 |
| **Other Pharmaceutical** [8] | 564 | 518 | 9 | 244 | 210 | 16 | 321 | 306 | 5 |
| **ANIMAL HEALTH** | **1,371** | **1,417** | **-3** | **475** | **467** | **2** | **896** | **951** | **-6** |
| Livestock | 829 | 864 | -4 | 186 | 190 | -2 | 643 | 675 | -5 |
| Companion Animals | 542 | 553 | -2 | 289 | 277 | 4 | 253 | 276 | -8 |
| **Other Revenues** [9] | **625** | **241** | **159** | **227** | **139** | **63** | **398** | **101** | * |

* 200% or greater

Sum of U.S. plus international may not equal global due to rounding.

[1] Only select products are shown.

[2] Alliance Revenue represents Merck’s share of profits, which are product sales net of cost of sales and commercialization costs.

[3] Alliance Revenue represents royalties.

[4] Total Vaccines sales were $3,552 million in the third quarter of 2022 and $3,315 million in the third quarter of 2021.

[5] Alliance Revenue represents Merck's share of profits from sales in Bayer's marketing territories, which are product sales net of cost of sales and commercialization costs.

[6] Net product sales in Merck's marketing territories.

[7] Total Diabetes sales were $1,231 million in the third quarter of 2022 and $1,417 million in the third quarter of 2021.

[8] Includes Pharmaceutical products not individually shown above.

[9] Other Revenues are comprised primarily of revenues from third-party manufacturing arrangements and miscellaneous corporate revenues, including revenue-hedging activities. Other Revenues related to the receipt of upfront and milestone payments for out-licensed products were $10 million in the third quarter of 2022 and $135 million in the third quarter of 2021.

# MERCK & CO., INC.
# FRANCHISE / KEY PRODUCT SALES - CONTINUING OPERATIONS
# SEPTEMBER YEAR-TO-DATE 2022
# (AMOUNTS IN MILLIONS)
# (UNAUDITED)
# Table 3b

| | Global | | | U.S. | | | International | | |
|---|---|---|---|---|---|---|---|---|---|
| | September YTD 2022 | September YTD 2021 | % Change | September YTD 2022 | September YTD 2021 | % Change | September YTD 2022 | September YTD 2021 | % Change |
| **TOTAL SALES** [1] | **$45,453** | **$35,183** | **29** | **$20,927** | **$16,166** | **29** | **$24,526** | **$19,017** | **29** |
| **PHARMACEUTICAL** | **39,826** | **30,714** | **30** | **19,119** | **14,611** | **31** | **20,707** | **16,103** | **29** |
| **Oncology** | | | | | | | | | |
| Keytruda | 15,487 | 12,609 | 23 | 9,307 | 7,108 | 31 | 6,180 | 5,501 | 12 |
| Alliance Revenue - Lynparza [2] | 825 | 721 | 14 | 427 | 371 | 15 | 397 | 350 | 14 |
| Alliance Revenue - Lenvima [2] | 660 | 498 | 33 | 426 | 287 | 48 | 235 | 211 | 11 |
| Alliance Revenue - Reblozyl [3] | 124 | | * | 87 | | * | 37 | | * |
| **Vaccines** [4] | | | | | | | | | |
| Gardasil / Gardasil 9 | 5,428 | 4,144 | 31 | 1,803 | 1,605 | 12 | 3,624 | 2,539 | 43 |
| ProQuad / M-M-R II / Varivax | 1,716 | 1,626 | 6 | 1,337 | 1,255 | 6 | 379 | 371 | 2 |
| RotaTeq | 644 | 593 | 9 | 427 | 364 | 17 | 218 | 229 | -5 |
| Pneumovax 23 | 457 | 600 | -24 | 280 | 354 | -21 | 177 | 247 | -28 |
| Vaqta | 134 | 138 | -3 | 72 | 80 | -9 | 62 | 58 | 6 |
| **Hospital Acute Care** | | | | | | | | | |
| Bridion | 1,244 | 1,096 | 13 | 665 | 545 | 22 | 579 | 551 | 5 |
| Prevymis | 310 | 270 | 15 | 136 | 111 | 23 | 174 | 159 | 9 |
| Dificid | 196 | 115 | 70 | 184 | 108 | 70 | 12 | 7 | 75 |
| Primaxin | 185 | 194 | -5 | 1 | | 87 | 185 | 194 | -5 |
| Noxafil | 180 | 197 | -9 | 39 | 48 | -20 | 141 | 149 | -5 |
| Invanz | 148 | 157 | -6 | 4 | (2) | * | 144 | 159 | -10 |
| Cancidas | 138 | 168 | -18 | 5 | 4 | 27 | 133 | 164 | -19 |
| Zerbaxa | 120 | (11) | * | 64 | (5) | * | 55 | (6) | * |
| **Cardiovascular** | | | | | | | | | |
| Alliance Revenue - Adempas/Verquvo [5] | 258 | 248 | 4 | 244 | 222 | 10 | 14 | 26 | -47 |
| Adempas [6] | 181 | 188 | -4 | | | | 181 | 188 | -4 |
| **Virology** | | | | | | | | | |
| Lagevrio | 4,859 | | * | 1,523 | | * | 3,336 | | * |
| Isentress / Isentress HD | 466 | 590 | -21 | 196 | 222 | -12 | 270 | 368 | -27 |
| **Neuroscience** | | | | | | | | | |
| Belsomra | 199 | 238 | -16 | 60 | 56 | 7 | 139 | 183 | -24 |
| **Immunology** | | | | | | | | | |
| Simponi | 540 | 619 | -13 | | | | 540 | 619 | -13 |
| Remicade | 163 | 233 | -30 | | | | 163 | 233 | -30 |
| **Diabetes** [7] | | | | | | | | | |
| Januvia | 2,252 | 2,445 | -8 | 958 | 997 | -4 | 1,294 | 1,448 | -11 |
| Janumet | 1,347 | 1,449 | -7 | 258 | 244 | 6 | 1,089 | 1,205 | -10 |
| **Other Pharmaceutical** [8] | 1,565 | 1,589 | -1 | 616 | 637 | -3 | 949 | 950 | - |
| **ANIMAL HEALTH** | **4,320** | **4,307** | **-** | **1,425** | **1,363** | **5** | **2,894** | **2,944** | **-2** |
| Livestock | 2,486 | 2,503 | -1 | 521 | 508 | 3 | 1,965 | 1,996 | -2 |
| Companion Animals | 1,834 | 1,804 | 2 | 904 | 855 | 6 | 929 | 948 | -2 |
| **Other Revenues** [9] | **1,307** | **162** | ***** | **383** | **192** | **99** | **925** | **(30)** | ***** |

* 200% or greater

Sum of U.S. plus international may not equal global due to rounding.

[1] Only select products are shown.

[2] Alliance Revenue represents Merck’s share of profits, which are product sales net of cost of sales and commercialization costs.

[3] Alliance Revenue represents royalties and a milestone payment.

[4] Total Vaccines sales were $8,743 million and $7,417 million on a global basis for September YTD 2022 and 2021, respectively.

[5] Alliance Revenue represents Merck's share of profits from sales in Bayer's marketing territories, which are product sales net of cost of sales and commercialization costs.

[6] Net product sales in Merck's marketing territories.

[7] Total Diabetes sales were $3,836 million and $4,110 million on a global basis for September YTD 2022 and 2021, respectively.

[8] Includes Pharmaceutical products not individually shown above.

[9] Other Revenues are comprised primarily of revenues from third-party manufacturing arrangements and miscellaneous corporate revenues, including revenue-hedging activities. Other Revenues related to the receipt of upfront and milestone payments for out-licensed products were $156 million and $191 million on a global basis for September YTD 2022 and 2021, respectively.

# MERCK & CO., INC.

## PHARMACEUTICAL GEOGRAPHIC SALES - CONTINUING OPERATIONS

## (AMOUNTS IN MILLIONS)

## (UNAUDITED)

**Table 3c**

| | 2022 | | | | 2021 | | | | | | % Change | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | Sept YTD | 1Q | 2Q | 3Q | Sept YTD | 4Q | Full Year | 3Q | September YTD |
| **TOTAL PHARMACEUTICAL** | **$14,107** | **$12,756** | **$12,963** | **$39,826** | **$9,238** | **$9,980** | **$11,496** | **$30,714** | **$12,039** | **$42,754** | **13** | **30** |
| **United States** | **6,773** | **5,726** | **6,620** | **19,119** | **4,294** | **4,647** | **5,670** | **14,611** | **5,790** | **20,401** | **17** | **31** |
| % Pharmaceutical Sales | 48.0% | 44.9% | 51.1% | 48.0% | 46.5% | 46.6% | 49.3% | 47.6% | 48.1% | 47.7% | | |
| **Europe** [(1)] | **3,309** | **2,677** | **2,427** | **8,412** | **2,276** | **2,404** | **2,445** | **7,124** | **2,655** | **9,780** | **-1** | **18** |
| % Pharmaceutical Sales | 23.5% | 21.0% | 18.7% | 21.1% | 24.6% | 24.1% | 21.3% | 23.2% | 22.1% | 22.9% | | |
| **China** | **1,113** | **1,355** | **1,419** | **3,887** | **688** | **944** | **1,278** | **2,910** | **1,352** | **4,262** | **11** | **34** |
| % Pharmaceutical Sales | 7.9% | 10.6% | 10.9% | 9.8% | 7.4% | 9.5% | 11.1% | 9.5% | 11.2% | 10.0% | | |
| **Japan** | **965** | **1,092** | **653** | **2,710** | **607** | **637** | **614** | **1,858** | **771** | **2,629** | **6** | **46** |
| % Pharmaceutical Sales | 6.8% | 8.6% | 5.0% | 6.8% | 6.6% | 6.4% | 5.3% | 6.0% | 6.4% | 6.1% | | |
| **Asia Pacific (other than China and Japan)** | **786** | **854** | **702** | **2,342** | **437** | **442** | **450** | **1,329** | **488** | **1,817** | **56** | **76** |
| % Pharmaceutical Sales | 5.6% | 6.7% | 5.4% | 5.9% | 4.7% | 4.4% | 3.9% | 4.3% | 4.1% | 4.2% | | |
| **Latin America** | **435** | **453** | **511** | **1,399** | **353** | **379** | **434** | **1,166** | **421** | **1,587** | **18** | **20** |
| % Pharmaceutical Sales | 3.1% | 3.6% | 3.9% | 3.5% | 3.8% | 3.8% | 3.8% | 3.8% | 3.5% | 3.7% | | |
| **Eastern Europe/Middle East/Africa** | **450** | **339** | **360** | **1,149** | **357** | **318** | **362** | **1,037** | **278** | **1,315** | **-1** | **11** |
| % Pharmaceutical Sales | 3.2% | 2.7% | 2.8% | 2.9% | 3.9% | 3.2% | 3.1% | 3.4% | 2.3% | 3.1% | | |
| **Canada** | **189** | **166** | **166** | **521** | **160** | **157** | **164** | **482** | **167** | **650** | **1** | **8** |
| % Pharmaceutical Sales | 1.3% | 1.3% | 1.3% | 1.3% | 1.7% | 1.6% | 1.4% | 1.6% | 1.4% | 1.5% | | |
| **Other** | **87** | **94** | **105** | **287** | **66** | **52** | **79** | **197** | **117** | **313** | **33** | **46** |
| % Pharmaceutical Sales | 0.6% | 0.6% | 0.9% | 0.7% | 0.8% | 0.4% | 0.8% | 0.6% | 0.9% | 0.8% | | |

Sum of quarterly amounts may not equal year-to-date amounts due to rounding.

[(1)] Europe represents all European Union countries, the European Union accession markets and the United Kingdom.

# MERCK & CO., INC.
# OTHER (INCOME) EXPENSE, NET - GAAP
# (AMOUNTS IN MILLIONS)
# (UNAUDITED)
# Table 4

**OTHER (INCOME) EXPENSE, NET**

| | 3Q22 | 3Q21 | Sep YTD 2022 | Sep YTD 2021 |
|---|---|---|---|---|
| Interest income | $ (40) | $ (7) | $ (62) | $ (27) |
| Interest expense | 244 | 196 | 727 | 597 |
| Exchange losses | 96 | 46 | 220 | 202 |
| Loss (income) from investments in equity securities, net [1] | 371 | (683) | 1,361 | (1,535) |
| Net periodic defined benefit plan (credit) cost other than service cost | (60) | 40 | (208) | (159) |
| Other, net | (182) | (42) | (462) | (85) |
| **Total** | **$ 429** | **$ (450)** | **$ 1,576** | **$ (1,007)** |

[1] Includes net realized and unrealized gains and losses from investments in equity securities either owned directly or through ownership interests in investment funds. Unrealized gains and losses from investments that are directly owned are determined at the end of the reporting period, while gains and losses from ownership interests in investment funds are accounted for on a one quarter lag.