# Merck & Co., Inc.

# Financial Highlights Package

# Fourth Quarter 2023

## Table of Contents


Table 1: GAAP P&L.....1

Table 1a: GAAP P&L – Current Year and Prior Year by Quarter.....2

Table 2a: GAAP to Non-GAAP Reconciliation 4Q23 and Dec YTD 23.....3

Table 2b: GAAP to Non-GAAP Reconciliation 4Q22 and Dec YTD 22.. .....4

Table 3: Sales - Current Year and Prior Year by Quarter.....5

Table 3a: Sales – U.S. / Ex- U.S. 4Q23.....6

Table 3b: Sales – U.S. / Ex- U.S. Dec YTD 23.....7

Table 3c: Sales – Pharmaceutical Geographic Split.....8

Table 4: Other (Income) Expense .....9

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

| | GAAP | | % Change | GAAP | | % Change |
|---|---|---|---|---|---|---|
| | 4Q23 | 4Q22 | | Full Year 2023 | Full Year 2022 | |
| Sales | $ 14,630 | $ 13,830 | 6% | $ 60,115 | $ 59,283 | 1% |
| Costs, Expenses and Other | | | | | | |
| Cost of sales | 3,911 | 3,881 | 1% | 16,126 | 17,411 | -7% |
| Selling, general and administrative | 2,804 | 2,687 | 4% | 10,504 | 10,042 | 5% |
| Research and development | 9,628 | 3,775 | * | 30,531 | 13,548 | * |
| Restructuring costs | 255 | 49 | * | 599 | 337 | 78% |
| Other (income) expense, net | 78 | (75) | * | 466 | 1,501 | -69% |
| (Loss) Income Before Taxes | (2,046) | 3,513 | * | 1,889 | 16,444 | -89% |
| Income Tax (Benefit) Provision | (821) | 495 | | 1,512 | 1,918 | |
| Net (Loss) Income | (1,225) | 3,018 | * | 377 | 14,526 | -97% |
| Less: Net Income Attributable to Noncontrolling Interests | 1 | 1 | | 12 | 7 | |
| Net (Loss) Income Attributable to Merck & Co., Inc. | $ (1,226) | $ 3,017 | * | $ 365 | $ 14,519 | -97% |
| (Loss) Earnings per Common Share Assuming Dilution [(1)] | $ (0.48) | $ 1.18 | * | $ 0.14 | $ 5.71 | -98% |
| Average Shares Outstanding Assuming Dilution [(1)] | 2,533 | 2,548 | | 2,547 | 2,542 | |
| Tax Rate | 40.1% | 14.1% | | 80.0% | 11.7% | |

* 100% or greater

[(1)] Because the company recorded a net loss in the fourth quarter of 2023, no potential dilutive common shares were used in the computation of loss per common share assuming dilution as the effect would have been anti-dilutive.

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

| | 2023 | | | | | 2022 | | | | | % Change | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | Full Year | 1Q | 2Q | 3Q | 4Q | Full Year | 4Q | Full Year |
| Sales | $ 14,487 | $ 15,035 | $ 15,962 | $ 14,630 | $ 60,115 | $ 15,901 | $ 14,593 | $ 14,959 | $ 13,830 | $ 59,283 | 6% | 1% |
| Costs, Expenses and Other | | | | | | | | | | | | |
| Cost of sales | 3,926 | 4,024 | 4,264 | 3,911 | 16,126 | 5,380 | 4,216 | 3,934 | 3,881 | 17,411 | 1% | -7% |
| Selling, general and administrative | 2,479 | 2,702 | 2,519 | 2,804 | 10,504 | 2,323 | 2,512 | 2,520 | 2,687 | 10,042 | 4% | 5% |
| Research and development | 4,276 | 13,321 | 3,307 | 9,628 | 30,531 | 2,576 | 2,798 | 4,399 | 3,775 | 13,548 | * | * |
| Restructuring costs | 67 | 151 | 126 | 255 | 599 | 53 | 142 | 94 | 49 | 337 | * | 78% |
| Other (income) expense, net | 89 | 172 | 126 | 78 | 466 | 708 | 438 | 429 | (75) | 1,501 | * | -69% |
| Income (Loss) Before Taxes | 3,650 | (5,335) | 5,620 | (2,046) | 1,889 | 4,861 | 4,487 | 3,583 | 3,513 | 16,444 | * | -89% |
| Income Tax Provision (Benefit) | 825 | 637 | 870 | (821) | 1,512 | 554 | 538 | 330 | 495 | 1,918 | | |
| Net Income (Loss) | 2,825 | (5,972) | 4,750 | (1,225) | 377 | 4,307 | 3,949 | 3,253 | 3,018 | 14,526 | * | -97% |
| Less: Net Income (Loss) Attributable to Noncontrolling Interests | 4 | 3 | 5 | 1 | 12 | (3) | 5 | 5 | 1 | 7 | | |
| Net Income (Loss) Attributable to Merck & Co., Inc. | $ 2,821 | $ (5,975) | $ 4,745 | $ (1,226) | $ 365 | $ 4,310 | $ 3,944 | $ 3,248 | $ 3,017 | $ 14,519 | * | -97% |
| Earnings (Loss) per Common Share Assuming Dilution [(1)] | $ 1.11 | $ (2.35) | $ 1.86 | $ (0.48) | $ 0.14 | $ 1.70 | $ 1.55 | $ 1.28 | $ 1.18 | $ 5.71 | * | -98% |
| Average Shares Outstanding Assuming Dilution [(1)] | 2,551 | 2,539 | 2,546 | 2,533 | 2,547 | 2,537 | 2,540 | 2,542 | 2,548 | 2,542 | | |
| Tax Rate | 22.6% | -11.9% | 15.5% | 40.1% | 80.0% | 11.4% | 12.0% | 9.2% | 14.1% | 11.7% | | |

* 100% or greater

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

[(1)] Because the company recorded a net loss in the second and fourth quarters of 2023, no potential dilutive common shares were used in the computation of loss per common share assuming dilution as the effect would have been anti-dilutive.

**MERCK & CO., INC.**
**FOURTH QUARTER AND FULL YEAR 2023 GAAP TO NON-GAAP RECONCILIATION**
**(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 | Certain Other Items | Adjustment Subtotal | Non-GAAP |
|---|---|---|---|---|---|---|---|
| **Fourth Quarter** | | | | | | | |
| Cost of sales | **$ 3,911** | 454 | 117 | | | 571 | $ 3,340 |
| Selling, general and administrative | **2,804** | 24 | 29 | | | 53 | 2,751 |
| Research and development | **9,628** | 790 | | | | 790 | 8,838 |
| Restructuring costs | **255** | | 255 | | | 255 | – |
| Other (income) expense, net | **78** | (35) | | (61) | | (96) | 174 |
| Loss Before Taxes | **(2,046)** | (1,233) | (401) | 61 | | (1,573) | (473) |
| Income Tax Provision (Benefit) | **(821)** | (227) [4] | (67) [4] | 13 [4] | | (281) | (540) |
| Net (Loss) Income | **(1,225)** | (1,006) | (334) | 48 | | (1,292) | 67 |
| Net (Loss) Income Attributable to Merck & Co., Inc. | **(1,226)** | (1,006) | (334) | 48 | | (1,292) | 66 |
| (Loss) Earnings per Common Share Assuming Dilution [5] | **$ (0.48)** | (0.40) | (0.13) | 0.02 | | (0.51) | $ 0.03 |
| Tax Rate | **40.1%** | | | | | | 114.2% |
| **Full Year** | | | | | | | |
| Cost of sales | **$ 16,126** | 2,018 | 211 | | | 2,229 | $ 13,897 |
| Selling, general and administrative | **10,504** | 86 | 122 | | | 208 | 10,296 |
| Research and development | **30,531** | 819 | 1 | | | 820 | 29,711 |
| Restructuring costs | **599** | | 599 | | | 599 | – |
| Other (income) expense, net | **466** | (47) | | (279) | 573 [3] | 247 | 219 |
| Income Before Taxes | **1,889** | (2,876) | (933) | 279 | (573) | (4,103) | 5,992 |
| Income Tax Provision (Benefit) | **1,512** | (476) [4] | (155) [4] | 60 [4] | (60) [4] | (631) | 2,143 |
| Net Income | **377** | (2,400) | (778) | 219 | (513) | (3,472) | 3,849 |
| Net Income Attributable to Merck & Co., Inc. | **365** | (2,400) | (778) | 219 | (513) | (3,472) | 3,837 |
| Earnings per Common Share Assuming Dilution | **$ 0.14** | (0.94) | (0.31) | 0.08 | (0.20) | (1.37) | $ 1.51 |
| Tax Rate | **80.0%** | | | | | | 35.8% |

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 primarily reflect a $779 million in-process research and development (IPR&D) impairment charge related to gefapixant, which was obtained as part of the 2016 Afferent Pharmaceuticals acquisition, and expenses for the amortization of intangible assets. Amounts included in other (income) expense, net, primarily reflect royalty income related to the prior termination of the Sanofi-Pasteur MSD joint venture. Additionally, other (income) expense, net, for the full year includes a $37 million loss on the sale of a business.

[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] Reflects a charge related to settlements with certain plaintiffs in the Zetia antitrust litigation.

[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.

[5] Because the company recorded a net loss in the fourth quarter of 2023, no potential dilutive common shares were used in the computation of loss per common share assuming dilution as the effect would have been anti-dilutive.

**MERCK & CO., INC.**
**FOURTH QUARTER AND FULL YEAR 2022 GAAP TO NON-GAAP RECONCILIATION**
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**
**(UNAUDITED)**
**Table 2b**

| | GAAP | Acquisition and Divestiture-Related Costs [1] | Restructuring Costs [2] | (Income) Loss from Investments in Equity Securities | Adjustment Subtotal | Non-GAAP |
|---|---|---|---|---|---|---|
| **Fourth Quarter** | | | | | | |
| Cost of sales | **$ 3,881** | 482 | 38 | | 520 | $ 3,361 |
| Selling, general and administrative | **2,687** | 39 | 20 | | 59 | 2,628 |
| Research and development | **3,775** | 740 | | | 740 | 3,035 |
| Restructuring costs | **49** | | 49 | | 49 | – |
| Other (income) expense, net | **(75)** | (69) | | 80 | 11 | (86) |
| Income Before Taxes | **3,513** | (1,192) | (107) | (80) | (1,379) | 4,892 |
| Income Tax Provision (Benefit) | **495** | (222) [3] | (32) [3] | (13) [3] | (267) | 762 |
| Net Income | **3,018** | (970) | (75) | (67) | (1,112) | 4,130 |
| Net Income Attributable to Merck & Co., Inc. | **3,017** | (970) | (75) | (67) | (1,112) | 4,129 |
| Earnings per Common Share Assuming Dilution | **$ 1.18** | (0.38) | (0.03) | (0.03) | (0.44) | $ 1.62 |
| Tax Rate | **14.1%** | | | | | 15.6% |
| **Full Year** | | | | | | |
| Cost of sales | **$ 17,411** | 2,059 | 205 | | 2,264 | $ 15,147 |
| Selling, general and administrative | **10,042** | 176 | 94 | | 270 | 9,772 |
| Research and development | **13,548** | 1,676 | 30 | | 1,706 | 11,842 |
| Restructuring costs | **337** | | 337 | | 337 | – |
| Other (income) expense, net | **1,501** | (207) | | 1,348 | 1,141 | 360 |
| Income Before Taxes | **16,444** | (3,704) | (666) | (1,348) | (5,718) | 22,162 |
| Income Tax Provision (Benefit) | **1,918** | (809) [3] | (129) [3] | (294) [3] | (1,232) | 3,150 |
| Net Income | **14,526** | (2,895) | (537) | (1,054) | (4,486) | 19,012 |
| Net Income Attributable to Merck & Co., Inc. | **14,519** | (2,895) | (537) | (1,054) | (4,486) | 19,005 |
| Earnings per Common Share Assuming Dilution | **$ 5.71** | (1.14) | (0.21) | (0.42) | (1.77) | $ 7.48 |
| Tax Rate | **11.7%** | | | | | 14.2% |

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 fourth quarter and full year primarily reflect $780 million and $1.7 billion, respectively, of intangible asset impairment charges largely related to nemtabrutinib, which was obtained as part of the 2020 ArQule, Inc. acquisition, and expenses for the amortization of intangible assets, partially offset by a reduction in expenses related to changes in the estimated fair value of liabilities for contingent consideration. Amounts included in other (income) expense, net, reflect royalty income and decreases 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.**
**FRANCHISE / KEY PRODUCT SALES**
**(AMOUNTS IN MILLIONS)**
**(UNAUDITED)**
**Table 3**

| | 2023 | | | | | 2022 | | | | | 4Q | | Full Year | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | Full Year | 1Q | 2Q | 3Q | 4Q | Full Year | Nom % | Ex-Exch % | Nom % | Ex-Exch % |
| **TOTAL SALES** [1] | **$14,487** | **$15,035** | **$15,962** | **$14,630** | **$60,115** | **$15,901** | **$14,593** | **$14,959** | **$13,830** | **$59,283** | **6** | **7** | **1** | **4** |
| **PHARMACEUTICAL** | **12,721** | **13,457** | **14,263** | **13,141** | **53,583** | **14,107** | **12,756** | **12,963** | **12,180** | **52,005** | **8** | **8** | **3** | **5** |
| **Oncology** | | | | | | | | | | | | | | |
| Keytruda | 5,795 | 6,271 | 6,338 | 6,608 | 25,011 | 4,809 | 5,252 | 5,426 | 5,450 | 20,937 | 21 | 22 | 19 | 21 |
| Alliance Revenue – Lynparza [2] | 275 | 310 | 299 | 315 | 1,199 | 266 | 275 | 284 | 292 | 1,116 | 8 | 8 | 7 | 9 |
| Alliance Revenue – Lenvima [2] | 232 | 242 | 260 | 226 | 960 | 227 | 231 | 202 | 216 | 876 | 5 | 5 | 10 | 11 |
| Welireg | 42 | 50 | 54 | 72 | 218 | 18 | 27 | 38 | 40 | 123 | 79 | 78 | 77 | 77 |
| Alliance Revenue – Reblozyl [3] | 43 | 47 | 52 | 70 | 212 | 52 | 33 | 39 | 41 | 166 | 69 | 69 | 28 | 28 |
| **Vaccines** [4] | | | | | | | | | | | | | | |
| Gardasil / Gardasil 9 | 1,972 | 2,458 | 2,585 | 1,871 | 8,886 | 1,460 | 1,674 | 2,294 | 1,470 | 6,897 | 27 | 27 | 29 | 33 |
| ProQuad / M-M-R II / Varivax | 528 | 582 | 713 | 545 | 2,368 | 470 | 578 | 668 | 526 | 2,241 | 4 | 3 | 6 | 6 |
| RotaTeq | 297 | 131 | 156 | 185 | 769 | 216 | 173 | 256 | 139 | 783 | 34 | 33 | -2 | -1 |
| Vaxneuvance | 106 | 168 | 214 | 176 | 665 | 5 | 12 | 16 | 138 | 170 | 28 | 26 | * | * |
| Pneumovax 23 | 96 | 92 | 140 | 85 | 412 | 173 | 153 | 131 | 145 | 602 | -42 | -43 | -32 | -31 |
| Vaqta | 40 | 42 | 69 | 29 | 180 | 36 | 35 | 64 | 39 | 173 | -24 | -25 | 4 | 4 |
| **Hospital Acute Care** | | | | | | | | | | | | | | |
| Bridion | 487 | 502 | 424 | 429 | 1,842 | 395 | 426 | 423 | 441 | 1,685 | -3 | -3 | 9 | 11 |
| Prevymis | 129 | 143 | 157 | 175 | 605 | 94 | 103 | 114 | 118 | 428 | 49 | 49 | 41 | 43 |
| Dificid | 65 | 76 | 74 | 87 | 302 | 52 | 66 | 77 | 67 | 263 | 30 | 30 | 15 | 15 |
| Zerbaxa | 50 | 54 | 53 | 61 | 218 | 30 | 46 | 43 | 49 | 169 | 25 | 23 | 29 | 30 |
| Noxafil | 60 | 55 | 51 | 46 | 213 | 57 | 60 | 62 | 58 | 238 | -21 | -16 | -11 | -4 |
| Primaxin | 80 | 53 | 41 | 39 | 213 | 58 | 64 | 63 | 54 | 239 | -28 | -28 | -11 | -6 |
| **Cardiovascular** | | | | | | | | | | | | | | |
| Alliance Revenue - Adempas/Verquvo [5] | 99 | 68 | 92 | 108 | 367 | 72 | 98 | 88 | 82 | 341 | 31 | 31 | 8 | 8 |
| Adempas [6] | 59 | 65 | 65 | 66 | 255 | 61 | 63 | 57 | 57 | 238 | 15 | 11 | 7 | 8 |
| **Virology** | | | | | | | | | | | | | | |
| Lagevrio | 392 | 203 | 640 | 193 | 1,428 | 3,247 | 1,177 | 436 | 825 | 5,684 | -77 | -76 | -75 | -74 |
| Isentress / Isentress HD | 123 | 136 | 119 | 105 | 483 | 158 | 147 | 161 | 167 | 633 | -37 | -37 | -24 | -23 |
| **Neuroscience** | | | | | | | | | | | | | | |
| Belsomra | 56 | 63 | 58 | 54 | 231 | 69 | 69 | 62 | 59 | 258 | -8 | -6 | -11 | -6 |
| **Immunology** | | | | | | | | | | | | | | |
| Simponi | 180 | 180 | 179 | 171 | 710 | 186 | 181 | 173 | 166 | 706 | 3 | -2 | 1 | - |
| Remicade | 51 | 48 | 45 | 43 | 187 | 61 | 53 | 49 | 44 | 207 | -1 | -2 | -9 | -8 |
| **Diabetes** [7] | | | | | | | | | | | | | | |
| Januvia | 551 | 511 | 581 | 547 | 2,189 | 779 | 756 | 717 | 561 | 2,813 | -2 | -2 | -22 | -20 |
| Janumet | 329 | 354 | 255 | 240 | 1,177 | 454 | 476 | 417 | 353 | 1,700 | -32 | -32 | -31 | -29 |
| **Other Pharmaceutical** [8] | 584 | 553 | 549 | 595 | 2,283 | 602 | 528 | 603 | 583 | 2,319 | 2 | 2 | -2 | - |
| **ANIMAL HEALTH** | **1,491** | **1,456** | **1,400** | **1,278** | **5,625** | **1,482** | **1,467** | **1,371** | **1,230** | **5,550** | **4** | **4** | **1** | **3** |
| Livestock | 849 | 807 | 874 | 808 | 3,337 | 832 | 826 | 829 | 814 | 3,300 | -1 | - | 1 | 4 |
| Companion Animal | 642 | 649 | 526 | 470 | 2,288 | 650 | 641 | 542 | 416 | 2,250 | 13 | 12 | 2 | 3 |
| **Other Revenues** [9] | **275** | **122** | **299** | **211** | **907** | **312** | **370** | **625** | **420** | **1,728** | **-50** | **-1** | **-48** | **-15** |

*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 of $20 million received in the first quarter of 2022.

[4] Total Vaccines sales were $3,133 million, $3,557 million, $4,002 million and $2,962 million in the first, second, third and fourth quarter of 2023, respectively, and $2,481 million, $2,709 million, $3,552 million and $2,554 million in the first, second, third and fourth quarter of 2022, 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 $950 million, $951 million, $924 million and $876 million in the first, second, third and fourth quarter of 2023, respectively, and $1,305 million, $1,300 million, $1,231 million and $1,012 million in the first, second, third and fourth quarter of 2022, 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 $51 million, $3 million and $65 million in the first, second and third quarter of 2023, respectively, and $114 million, $32 million, $10 million and $10 million in the first, second, third and fourth quarter of 2022, respectively.

**MERCK & CO., INC.**
**FRANCHISE / KEY PRODUCT SALES**
**FOURTH QUARTER 2023**
**(AMOUNTS IN MILLIONS)**
**(UNAUDITED)**
**Table 3a**

| | Global | | | U.S. | | | International | | |
|---|---|---|---|---|---|---|---|---|---|
| | 4Q 2023 | 4Q 2022 | % Change | 4Q 2023 | 4Q 2022 | % Change | 4Q 2023 | 4Q 2022 | % Change |
| **TOTAL SALES** [1] | **$14,630** | **$13,830** | **6** | **$7,088** | **$6,279** | **13** | **$7,542** | **$7,551** | **-** |
| **PHARMACEUTICAL** | **13,141** | **12,180** | **8** | **6,698** | **5,871** | **14** | **6,443** | **6,309** | **2** |
| **Oncology** | | | | | | | | | |
| Keytruda | 6,608 | 5,450 | 21 | 3,972 | 3,378 | 18 | 2,636 | 2,071 | 27 |
| Alliance Revenue - Lynparza [2] | 315 | 292 | 8 | 168 | 157 | 7 | 147 | 135 | 9 |
| Alliance Revenue - Lenvima [2] | 226 | 216 | 5 | 181 | 154 | 18 | 45 | 62 | -28 |
| Welireg | 72 | 40 | 79 | 68 | 40 | 70 | 4 | | - |
| Alliance Revenue - Reblozyl [3] | 70 | 41 | 69 | 60 | 36 | 68 | 10 | 6 | 74 |
| **Vaccines** [4] | | | | | | | | | |
| Gardasil / Gardasil 9 | 1,871 | 1,470 | 27 | 365 | 262 | 39 | 1,506 | 1,207 | 25 |
| ProQuad / M-M-R II / Varivax | 545 | 526 | 4 | 402 | 387 | 4 | 143 | 139 | 3 |
| RotaTeq | 185 | 139 | 34 | 112 | 82 | 37 | 73 | 57 | 28 |
| Vaxneuvance | 176 | 138 | 28 | 138 | 132 | 5 | 38 | 6 | * |
| Pneumovax 23 | 85 | 145 | -42 | 22 | 66 | -66 | 62 | 79 | -21 |
| Vaqta | 29 | 39 | -24 | 28 | 23 | 24 | 1 | 16 | -94 |
| **Hospital Acute Care** | | | | | | | | | |
| Bridion | 429 | 441 | -3 | 315 | 257 | 22 | 113 | 183 | -38 |
| Prevymis | 175 | 118 | 49 | 78 | 52 | 49 | 98 | 65 | 50 |
| Dificid | 87 | 67 | 30 | 75 | 57 | 32 | 12 | 10 | 17 |
| Zerbaxa | 61 | 49 | 25 | 33 | 25 | 31 | 28 | 24 | 18 |
| Noxafil | 46 | 58 | -21 | 4 | 13 | -72 | 43 | 46 | -7 |
| Primaxin | 39 | 54 | -28 | | 1 | N/M | 39 | 53 | -27 |
| **Cardiovascular** | | | | | | | | | |
| Alliance Revenue - Adempas/Verquvo [5] | 108 | 82 | 31 | 102 | 85 | 20 | 6 | -2 | * |
| Adempas [6] | 66 | 57 | 15 | | | | 66 | 57 | 15 |
| **Virology** | | | | | | | | | |
| Lagevrio | 193 | 825 | -77 | 10 | | - | 183 | 825 | -78 |
| Isentress / Isentress HD | 105 | 167 | -37 | 50 | 78 | -36 | 56 | 89 | -38 |
| **Neuroscience** | | | | | | | | | |
| Belsomra | 54 | 59 | -8 | 21 | 19 | 10 | 33 | 39 | -17 |
| **Immunology** | | | | | | | | | |
| Simponi | 171 | 166 | 3 | | | | 171 | 166 | 3 |
| Remicade | 43 | 44 | -1 | | | | 43 | 44 | -1 |
| **Diabetes** [7] | | | | | | | | | |
| Januvia | 547 | 561 | -2 | 309 | 290 | 6 | 239 | 271 | -12 |
| Janumet | 240 | 353 | -32 | 41 | 97 | -58 | 198 | 255 | -22 |
| **Other Pharmaceutical** [8] | 595 | 583 | 2 | 144 | 180 | -20 | 450 | 406 | 11 |
| **ANIMAL HEALTH** | **1,278** | **1,230** | **4** | **387** | **396** | **-2** | **891** | **834** | **7** |
| Livestock | 808 | 814 | -1 | 158 | 188 | -16 | 649 | 626 | 4 |
| Companion Animal | 470 | 416 | 13 | 229 | 208 | 10 | 242 | 208 | 16 |
| **Other Revenues** [9] | **211** | **420** | **-50** | **3** | **12** | **-75** | **208** | **408** | **-49** |

*200% or greater
N/M - Not Meaningful
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 $2,962 million in the fourth quarter of 2023 and $2,554 million in the fourth quarter of 2022.

[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 $876 million in the fourth quarter of 2023 and $1,012 million in the fourth quarter of 2022.

[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 fourth quarter of 2022.

**MERCK & CO., INC.**
**FRANCHISE / KEY PRODUCT SALES**
**FULL YEAR 2023**
**(AMOUNTS IN MILLIONS)**
**(UNAUDITED)**
**Table 3b**

| | Global | | | U.S. | | | International | | |
|---|---|---|---|---|---|---|---|---|---|
| | Full Year 2023 | Full Year 2022 | % Change | Full Year 2023 | Full Year 2022 | % Change | Full Year 2023 | Full Year 2022 | % Change |
| **TOTAL SALES [1]** | **$60,115** | **$59,283** | **1** | **$28,480** | **$27,206** | **5** | **$31,635** | **$32,077** | **-1** |
| **PHARMACEUTICAL** | **53,583** | **52,005** | **3** | **26,539** | **24,989** | **6** | **27,044** | **27,016** | **-** |
| **Oncology** | | | | | | | | | |
| Keytruda | 25,011 | 20,937 | 19 | 15,114 | 12,686 | 19 | 9,897 | 8,251 | 20 |
| Alliance Revenue - Lynparza [2] | 1,199 | 1,116 | 7 | 607 | 584 | 4 | 592 | 532 | 11 |
| Alliance Revenue - Lenvima [2] | 960 | 876 | 10 | 657 | 579 | 13 | 303 | 297 | 2 |
| Welireg | 218 | 123 | 77 | 209 | 123 | 70 | 10 | | - |
| Alliance Revenue - Reblozyl [3] | 212 | 166 | 28 | 168 | 123 | 37 | 43 | 43 | 1 |
| **Vaccines [4]** | | | | | | | | | |
| Gardasil / Gardasil 9 | 8,886 | 6,897 | 29 | 2,083 | 2,065 | 1 | 6,803 | 4,832 | 41 |
| ProQuad / M-M-R II / Varivax | 2,368 | 2,241 | 6 | 1,837 | 1,724 | 7 | 531 | 518 | 3 |
| RotaTeq | 769 | 783 | -2 | 493 | 508 | -3 | 276 | 275 | - |
| Vaxneuvance | 665 | 170 | * | 561 | 163 | * | 103 | 7 | * |
| Pneumovax 23 | 412 | 602 | -32 | 127 | 346 | -63 | 285 | 256 | 11 |
| Vaqta | 180 | 173 | 4 | 119 | 95 | 25 | 61 | 78 | -21 |
| **Hospital Acute Care** | | | | | | | | | |
| Bridion | 1,842 | 1,685 | 9 | 1,156 | 922 | 25 | 686 | 762 | -10 |
| Prevymis | 605 | 428 | 41 | 264 | 188 | 40 | 341 | 240 | 42 |
| Dificid | 302 | 263 | 15 | 274 | 241 | 14 | 28 | 22 | 25 |
| Zerbaxa | 218 | 169 | 29 | 119 | 89 | 33 | 100 | 79 | 25 |
| Noxafil | 213 | 238 | -11 | 32 | 51 | -37 | 181 | 187 | -3 |
| Primaxin | 213 | 239 | -11 | 1 | 1 | -6 | 211 | 238 | -11 |
| **Cardiovascular** | | | | | | | | | |
| Alliance Revenue - Adempas/Verquvo [5] | 367 | 341 | 8 | 350 | 329 | 6 | 16 | 12 | 41 |
| Adempas [6] | 255 | 238 | 7 | | | | 255 | 238 | 7 |
| **Virology** | | | | | | | | | |
| Lagevrio | 1,428 | 5,684 | -75 | 10 | 1,523 | -99 | 1,418 | 4,161 | -66 |
| Isentress / Isentress HD | 483 | 633 | -24 | 215 | 274 | -21 | 268 | 359 | -25 |
| **Neuroscience** | | | | | | | | | |
| Belsomra | 231 | 258 | -11 | 81 | 79 | 3 | 150 | 179 | -16 |
| **Immunology** | | | | | | | | | |
| Simponi | 710 | 706 | 1 | | | | 710 | 706 | 1 |
| Remicade | 187 | 207 | -9 | | | | 187 | 207 | -9 |
| **Diabetes [7]** | | | | | | | | | |
| Januvia | 2,189 | 2,813 | -22 | 1,151 | 1,248 | -8 | 1,039 | 1,565 | -34 |
| Janumet | 1,177 | 1,700 | -31 | 223 | 355 | -37 | 954 | 1,344 | -29 |
| **Other Pharmaceutical [8]** | 2,283 | 2,319 | -2 | 688 | 693 | -1 | 1,596 | 1,628 | -2 |
| **ANIMAL HEALTH** | **5,625** | **5,550** | **1** | **1,804** | **1,822** | **-1** | **3,821** | **3,728** | **2** |
| Livestock | 3,337 | 3,300 | 1 | 700 | 710 | -1 | 2,637 | 2,590 | 2 |
| Companion Animal | 2,288 | 2,250 | 2 | 1,104 | 1,112 | -1 | 1,184 | 1,138 | 4 |
| **Other Revenues [9]** | **907** | **1,728** | **-48** | **137** | **395** | **-65** | **770** | **1,333** | **-42** |

*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 of $20 million received in the first quarter of 2022.

[4] Total Vaccines sales were $13,654 million and $11,297 million on a global basis for December YTD 2023 and 2022, 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 $3,701 million and $4,848 million on a global basis for December YTD 2023 and 2022, 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 $118 million and $165 million on a global basis for December YTD 2023 and 2022, respectively.

**MERCK & CO., INC.**
**PHARMACEUTICAL GEOGRAPHIC SALES**
**(AMOUNTS IN MILLIONS)**
**(UNAUDITED)**
**Table 3c**

| | 2023 | | | | | 2022 | | | | | % Change | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | Full Year | 1Q | 2Q | 3Q | 4Q | Full Year | 4Q | Full Year |
| **TOTAL PHARMACEUTICAL** | **$12,721** | **$13,457** | **$14,263** | **$13,141** | **$53,583** | **$14,107** | **$12,756** | **$12,963** | **$12,180** | **$52,005** | **8** | **3** |
| **United States** | **6,117** | **6,570** | **7,153** | **6,698** | **26,539** | **6,773** | **5,726** | **6,620** | **5,871** | **24,989** | **14** | **6** |
| % Pharmaceutical Sales | 48.1% | 48.8% | 50.1% | 51.0% | 49.5% | 48.0% | 44.9% | 51.1% | 48.2% | 48.1% | | |
| **Europe** [1] | **2,326** | **2,401** | **2,497** | **2,491** | **9,715** | **3,309** | **2,677** | **2,427** | **2,494** | **10,906** | **-** | **-11** |
| % Pharmaceutical Sales | 18.3% | 17.8% | 17.5% | 19.0% | 18.1% | 23.5% | 21.0% | 18.7% | 20.5% | 21.0% | | |
| **China** | **1,694** | **1,887** | **1,674** | **1,456** | **6,710** | **1,113** | **1,355** | **1,419** | **1,216** | **5,102** | **20** | **32** |
| % Pharmaceutical Sales | 13.3% | 14.0% | 11.7% | 11.1% | 12.5% | 7.9% | 10.6% | 10.9% | 10.0% | 9.8% | | |
| **Japan** | **737** | **652** | **1,062** | **629** | **3,081** | **965** | **1,092** | **653** | **832** | **3,542** | **-24** | **-13** |
| % Pharmaceutical Sales | 5.8% | 4.8% | 7.4% | 4.8% | 5.7% | 6.8% | 8.6% | 5.0% | 6.8% | 6.8% | | |
| **Asia Pacific (other than China and Japan)** | **703** | **705** | **636** | **616** | **2,661** | **786** | **854** | **702** | **691** | **3,034** | **-11** | **-12** |
| % Pharmaceutical Sales | 5.5% | 5.2% | 4.5% | 4.7% | 5.0% | 5.6% | 6.7% | 5.4% | 5.7% | 5.8% | | |
| **Latin America** | **470** | **566** | **696** | **596** | **2,328** | **435** | **453** | **511** | **472** | **1,871** | **26** | **24** |
| % Pharmaceutical Sales | 3.7% | 4.2% | 4.9% | 4.5% | 4.3% | 3.1% | 3.6% | 3.9% | 3.9% | 3.6% | | |
| **Eastern Europe/Middle East/Africa** | **381** | **370** | **301** | **299** | **1,351** | **450** | **339** | **360** | **320** | **1,469** | **-7** | **-8** |
| % Pharmaceutical Sales | 3.0% | 2.7% | 2.1% | 2.3% | 2.5% | 3.2% | 2.7% | 2.8% | 2.6% | 2.8% | | |
| **Canada** | **141** | **127** | **133** | **138** | **540** | **189** | **166** | **166** | **158** | **678** | **-12** | **-20** |
| % Pharmaceutical Sales | 1.1% | 0.9% | 0.9% | 1.1% | 1.0% | 1.3% | 1.3% | 1.3% | 1.3% | 1.3% | | |
| **Other** | **152** | **179** | **111** | **218** | **658** | **87** | **94** | **105** | **126** | **414** | **73** | **59** |
| % Pharmaceutical Sales | 1.2% | 1.6% | 0.9% | 1.5% | 1.4% | 0.6% | 0.6% | 0.9% | 1.0% | 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**

| | 4Q23 | 4Q22 | Full Year 2023 | Full Year 2022 |
|---|---|---|---|---|
| Interest income | $ (70) | $ (95) | $ (365) | $ (157) |
| Interest expense | 310 | 235 | 1,146 | 962 |
| Exchange losses | 162 | 17 | 370 | 237 |
| (Income) loss from investments in equity securities, net [1] | (99) | 59 | (340) | 1,419 |
| Net periodic defined benefit plan (credit) cost other than service cost | (134) | (71) | (498) | (279) |
| Other, net | (91) | (220) | 153 | (681) |
| **Total** | **$ 78** | **$ (75)** | **$ 466** | **$ 1,501** |

[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.