



Merck & Co., Inc.
Financial Highlights Package
Third Quarter 2017
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CONSOLIDATED STATEMENT OF INCOME - GAAP
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 1

	GAAP		% Change	GAAP		% Change
	3Q17	3Q16		Sep YTD 2017	Sep YTD 2016	
Sales	\$ 10,325	\$ 10,536	-2%	\$ 29,689	\$ 29,692	--
Costs, Expenses and Other						
Materials and production ⁽¹⁾	3,274	3,409	-4%	9,369	10,559	-11%
Marketing and administrative ⁽¹⁾	2,401	2,393	--	7,251	7,169	1%
Research and development ⁽¹⁾⁽²⁾	4,383	1,664	*	7,927	5,475	45%
Restructuring costs ⁽³⁾	153	161	-5%	470	386	22%
Other (income) expense, net ⁽¹⁾	(86)	22	*	30	88	-66%
Income Before Taxes	200	2,887	-93%	4,642	6,015	-23%
Taxes on Income ⁽¹⁾	251	699		1,186	1,487	
Net (Loss) Income	(51)	2,188	*	3,456	4,528	-24%
Less: Net Income Attributable to Noncontrolling Interests	5	4		16	13	
Net (Loss) Income Attributable to Merck & Co., Inc.	\$ (56)	\$ 2,184	*	\$ 3,440	\$ 4,515	-24%
(Loss) Earnings per Common Share Assuming Dilution ⁽⁴⁾	\$ (0.02)	\$ 0.78	*	\$ 1.25	\$ 1.62	-23%
Average Shares Outstanding Assuming Dilution ⁽⁴⁾	2,727	2,786		2,754	2,791	
Tax Rate ⁽⁵⁾	125.5%	24.2%		25.5%	24.7%	

* 100% or greater

(1) Amounts include the impact of acquisition and divestiture-related costs, restructuring costs and certain other items. See accompanying tables for details.

(2) Research and development expenses for the third quarter and first nine months of 2017 include a \$2.35 billion aggregate charge recorded in conjunction with the formation of a collaboration with AstraZeneca.

(3) Represents separation and other related costs associated with restructuring activities under the company's formal restructuring programs.

(4) Because the company recorded a net loss in the third quarter of 2017, 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.

(5) The effective income tax rates for the third quarter and first nine months of 2017 reflect the unfavorable impact of a \$2.35 billion aggregate pretax charge recorded in conjunction with the formation of a collaboration with AstraZeneca for which no tax benefit has been recognized, partially offset by the favorable impact of a net tax benefit of \$234 million related to the settlement of certain federal income tax issues.

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

Table 1a

	2017				2016						% Change	
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Full Year	3Q	Sep YTD
Sales	\$ 9,434	\$ 9,930	\$ 10,325	\$ 29,689	\$ 9,312	\$ 9,844	\$ 10,536	\$ 29,692	\$ 10,115	\$ 39,807	-2%	--
Costs, Expenses and Other												
Materials and production	3,015	3,080	3,274	9,369	3,572	3,578	3,409	10,559	3,332	13,891	-4%	-11%
Marketing and administrative	2,411	2,438	2,401	7,251	2,318	2,458	2,393	7,169	2,593	9,762	--	1%
Research and development	1,796	1,749	4,383	7,927	1,659	2,151	1,664	5,475	4,650	10,124	*	45%
Restructuring costs	151	166	153	470	91	134	161	386	265	651	-5%	22%
Other (income) expense, net	58	58	(86)	30	48	19	22	88	631	720	*	-66%
Income (Loss) Before Taxes	2,003	2,439	200	4,642	1,624	1,504	2,887	6,015	(1,356)	4,659	-93%	-23%
Income Tax Provision (Benefit)	447	488	251	1,186	494	295	699	1,487	(769)	718		
Net Income (Loss)	1,556	1,951	(51)	3,456	1,130	1,209	2,188	4,528	(587)	3,941	*	-24%
Less: Net Income Attributable to Noncontrolling Interests	5	5	5	16	5	4	4	13	7	21		
Net Income (Loss) Attributable to Merck & Co., Inc.	\$ 1,551	\$ 1,946	\$ (56)	\$ 3,440	\$ 1,125	\$ 1,205	\$ 2,184	\$ 4,515	\$ (594)	\$ 3,920	*	-24%
Earnings (Loss) per Common Share Assuming Dilution ⁽¹⁾	\$ 0.56	\$ 0.71	\$ (0.02)	\$ 1.25	\$ 0.40	\$ 0.43	\$ 0.78	\$ 1.62	\$ (0.22)	\$ 1.41	*	-23%
Average Shares Outstanding Assuming Dilution ⁽¹⁾	2,766	2,752	2,727	2,754	2,795	2,789	2,786	2,791	2,755	2,787		
Tax Rate	22.3%	20.0%	125.5%	25.5%	30.4%	19.6%	24.2%	24.7%	56.7%	15.4%		

* 100% or greater

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

(1) Because the company recorded net losses in the third quarter of 2017 and fourth quarter of 2016, no potential dilutive common shares were used in the computations of loss per common share assuming dilution as the effects would have been anti-dilutive.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
THIRD QUARTER 2017
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2a

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽³⁾	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 3,274	768	25		793	\$ 2,481
Marketing and administrative	2,401	11			11	2,390
Research and development	4,383	271	2	2,350	2,623	1,760
Restructuring costs	153		153		153	-
Other (income) expense, net	(86)	(18)			(18)	(68)
Income Before Taxes	200	(1,032)	(180)	(2,350)	(3,562)	3,762
Income Tax Provision (Benefit)	251	(179) ⁽⁴⁾	(39) ⁽⁴⁾	(234) ⁽⁵⁾	(452)	703
Net (Loss) Income	(51)	(853)	(141)	(2,116)	(3,110)	3,059
Net (Loss) Income Attributable to Merck & Co., Inc.	(56)	(853)	(141)	(2,116)	(3,110)	3,054
(Loss) Earnings per Common Share Assuming Dilution	\$ (0.02)	(0.31)	(0.05)	(0.77)	(1.13)	\$ 1.11
Tax Rate	125.5%					18.7%

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 this information enhances investors' understanding of the company's results as it permits investors to understand how management assesses performance. Management uses these measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. Senior management's annual compensation is derived in part using non-GAAP income and non-GAAP EPS. This information 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 materials and production costs primarily reflect expenses for the amortization of intangible assets recognized as a result of business acquisitions. Amounts included in marketing and administrative expenses reflect integration, transaction and certain other costs related to business acquisitions and divestitures. Amounts included in research and development expenses reflect \$245 million of in-process research and development (IPR&D) impairment charges and \$26 million of expenses related to an increase in the estimated fair value measurement of liabilities for contingent consideration. Amount included in other (income) expense, net represents royalty income in connection with the 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) Amount included in research and development expenses represents an aggregate charge recorded in conjunction with the formation of a collaboration with AstraZeneca.

(4) Represents the estimated tax impact on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments.

(5) Represents a net tax benefit related to the settlement of certain federal income tax issues.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
NINE MONTHS ENDED SEPTEMBER 30, 2017
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2b

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽³⁾	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 9,369	2,450	121		2,571	\$ 6,798
Marketing and administrative	7,251	40	3		43	7,208
Research and development	7,927	289	11	2,350	2,650	5,277
Restructuring costs	470		470		470	-
Other (income) expense, net	30	18		(9)	9	21
Income Before Taxes	4,642	(2,797)	(605)	(2,341)	(5,743)	10,385
Income Tax Provision (Benefit)	1,186	(464) ⁽⁴⁾	(132) ⁽⁴⁾	(319) ⁽⁵⁾	(915)	2,101
Net Income	3,456	(2,333)	(473)	(2,022)	(4,828)	8,284
Net Income Attributable to Merck & Co., Inc.	3,440	(2,333)	(473)	(2,022)	(4,828)	8,268
Earnings per Common Share Assuming Dilution	\$ 1.25	(0.85)	(0.17)	(0.73)	(1.75)	\$ 3.00
Tax Rate	25.5%					20.2%

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 this information enhances investors' understanding of the company's results as it permits investors to understand how management assesses performance. Management uses these measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. Senior management's annual compensation is derived in part using non-GAAP income and non-GAAP EPS. This information 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 materials and production costs primarily reflect \$2.3 billion of expenses for the amortization of intangible assets recognized as a result of business acquisitions, as well as intangible asset impairment charges of \$123 million. Amounts included in marketing and administrative expenses reflect integration, transaction and certain other costs related to business acquisitions and divestitures. Amounts included in research and development expenses reflect \$253 million of in-process research and development (IPR&D) impairment charges and \$36 million of expenses related to an increase in the estimated fair value measurement of liabilities for contingent consideration. Amounts included in other (income) expense, net reflect changes in the estimated fair value measurement of liabilities for contingent consideration, partially offset by royalty income in connection with the 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) Amount included in research and development expense represents an aggregate charge recorded in conjunction with the formation of a collaboration with AstraZeneca.

(4) Represents the estimated tax impact on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments.

(5) Represents the estimated tax impact on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments, as well as a \$234 million net tax benefit related to the settlement of certain federal income tax issues and an \$88 million tax benefit related to the settlement of a state income tax issue.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
THIRD QUARTER 2016
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2c

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 3,409	773	36		809	\$ 2,600
Marketing and administrative	2,393	36	1		37	2,356
Research and development	1,664	13	14		27	1,637
Restructuring costs	161		161		161	-
Other (income) expense, net	22	12		(6)	6	16
Income Before Taxes	2,887	(834)	(212)	6	(1,040)	3,927
Income Tax Provision (Benefit)	699	(189) ⁽³⁾	(47) ⁽³⁾	1 ⁽³⁾	(235)	934
Net Income	2,188	(645)	(165)	5	(805)	2,993
Net Income Attributable to Merck & Co., Inc.	2,184	(645)	(165)	5	(805)	2,989
Earnings per Common Share Assuming Dilution	\$ 0.78	(0.23)	(0.06)	--	(0.29)	\$ 1.07
Tax Rate	24.2%					23.8%

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 this information enhances investors' understanding of the company's results as it permits investors to understand how management assesses performance. Management uses these measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. Senior management's annual compensation is derived in part using non-GAAP income and non-GAAP EPS. This information 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 materials and production costs reflect expenses for the amortization of intangible assets recognized as a result of business acquisitions. Amounts included in marketing and administrative expenses reflect integration, transaction and certain other costs related to business acquisitions and divestitures. Amounts included in research and development expenses primarily reflect expenses related to an increase in the estimated fair value measurement of liabilities for contingent consideration and in-process research and development (IPR&D) impairment charges. Amount included in other (income) expense, net represents a goodwill impairment charge related to a business within the Healthcare Services segment.

(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 impact on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
NINE MONTHS ENDED SEPTEMBER 30, 2016
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2d

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽³⁾	Adjustment Subtotal	Non-GAAP
Materials and production	\$ 10,559	3,279	149		3,428	\$ 7,131
Marketing and administrative	7,169	56	91		147	7,022
Research and development	5,475	255	133		388	5,087
Restructuring costs	386		386		386	-
Other (income) expense, net	88	12		(6)	6	82
Income Before Taxes	6,015	(3,602)	(759)	6	(4,355)	10,370
Income Tax Provision (Benefit)	1,487	(633) ⁽³⁾	(169) ⁽³⁾	1 ⁽³⁾	(801)	2,288
Net Income	4,528	(2,969)	(590)	5	(3,554)	8,082
Net Income Attributable to Merck & Co., Inc.	4,515	(2,969)	(590)	5	(3,554)	8,069
Earnings per Common Share Assuming Dilution	\$ 1.62	(1.06)	(0.21)	--	(1.27)	\$ 2.89
Tax Rate	24.7%					22.1%

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 this information enhances investors' understanding of the company's results as it permits investors to understand how management assesses performance. Management uses these measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. Senior management's annual compensation is derived in part using non-GAAP income and non-GAAP EPS. This information 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 materials and production costs primarily reflect \$2.9 billion of expenses for the amortization of intangible assets recognized as a result of business acquisitions, as well as \$347 million of intangible asset impairment charges. Amounts included in marketing and administrative expenses reflect integration, transaction and certain other costs related to business acquisitions and divestitures. Amounts included in research and development expenses reflect \$225 million of in-process research and development (IPR&D) impairment charges and \$30 million of expenses related to an increase in the estimated fair value measurement of liabilities for contingent consideration. Amount included in other (income) expense, net represents a goodwill impairment charge related to a business within the Healthcare Services segment.

(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 impact 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)
Table 3

	2017				2016						3Q		Sep YTD	
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Full Year	Nom %	Ex-Exch %	Nom %	Ex-Exch %
TOTAL SALES ⁽¹⁾	\$9,434	\$9,930	\$10,325	\$29,689	\$9,312	\$9,844	\$10,536	\$29,692	\$10,115	\$39,807	-2	-3	0	1
PHARMACEUTICAL	8,185	8,759	9,156	26,101	8,104	8,700	9,443	26,247	8,904	35,151	-3	-4	-1	0
Primary Care and Women's Health														
Cardiovascular														
Zetia	334	367	320	1,021	612	702	671	1,985	575	2,560	-52	-53	-49	-48
Vytorin	241	182	142	565	277	293	273	843	299	1,141	-48	-51	-33	-33
Atozet	49	63	59	171	23	33	39	96	50	146	50	43	78	77
Adempas	84	67	70	221	33	40	48	120	49	169	46	45	84	84
Diabetes														
Januvia	839	948	1,012	2,799	906	1,064	1,006	2,976	932	3,908	1	1	-6	-5
Janumet	496	563	513	1,572	506	569	548	1,624	577	2,201	-6	-8	-3	-3
General Medicine & Women's Health														
NuvaRing	160	199	214	573	175	200	195	571	207	777	10	8	0	0
Implanon / Nexplanon	170	178	155	503	134	164	148	446	160	606	5	4	13	13
Follistim AQ	81	79	72	232	94	73	101	268	87	355	-29	-29	-13	-13
Hospital and Specialty														
Hepatitis														
Zepatier	378	517	468	1,363	50	112	164	326	229	555	185	184	*	*
HIV														
Isentress / Isentress HD	305	282	310	896	340	338	372	1,050	337	1,387	-17	-18	-15	-14
Hospital Acute Care														
Bridion	148	163	185	495	90	113	139	343	139	482	33	33	44	45
Noxafil	141	155	162	458	145	143	147	434	161	595	10	9	5	6
Invanz	136	150	159	445	114	143	152	409	152	561	5	3	9	8
Candidas	121	112	94	327	133	131	142	406	152	558	-34	-35	-19	-18
Cubicin	96	103	91	290	292	357	320	969	119	1,087	-71	-72	-70	-70
Primaxin	62	71	73	206	73	81	77	231	66	297	-5	-5	-11	-8
Immunology														
Remicade	229	208	214	651	349	339	311	999	269	1,268	-31	-34	-35	-34
Simponi	184	199	219	602	188	199	193	581	186	766	13	9	4	5
Oncology														
Keytruda	584	881	1,047	2,512	249	314	356	919	483	1,402	194	192	173	174
Emend	133	143	137	413	126	143	137	405	144	549	0	-1	2	2
Temodar	66	65	68	198	66	73	78	216	67	283	-13	-12	-8	-8
Diversified Brands														
Respiratory														
Singulair	186	203	161	550	237	229	239	705	210	915	-33	-32	-22	-21
Nasonex	139	85	42	266	229	101	94	425	112	537	-55	-56	-37	-38
Dulera	82	69	59	210	113	121	97	331	105	436	-39	-40	-37	-37
Other														
Cozaar / Hyzaar	112	119	128	360	126	132	131	389	121	511	-3	-1	-8	-6
Arcoxia	103	89	80	272	111	117	114	342	108	450	-30	-32	-20	-20
Fosamax	61	66	53	180	75	73	68	217	68	284	-23	-23	-17	-16
Vaccines ⁽²⁾														
Gardasil / Gardasil 9	532	469	675	1,675	378	393	860	1,631	542	2,173	-22	-22	3	3
ProQuad / M-M-R II / Varivax	355	399	519	1,273	357	383	496	1,236	405	1,640	4	5	3	4
Pneumovax 23	163	166	229	558	107	120	175	403	238	641	31	31	38	39
Zostavax	154	160	234	547	125	149	190	464	221	685	23	23	18	17
RotaTeq	224	123	179	525	188	130	171	489	162	652	4	4	7	7
Other Pharmaceutical ⁽³⁾	1,037	1,116	1,013	3,172	1,083	1,128	1,191	3,398	1,172	4,574	-15	-15	-7	-7
ANIMAL HEALTH	939	955	1,000	2,894	829	900	865	2,594	884	3,478	16	14	12	11
Other Revenues ⁽⁴⁾	310	216	169	694	379	244	228	851	327	1,178	-26	-13	-18	-7

* 200% or greater

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

⁽¹⁾ Only select products are shown.

⁽²⁾ Vaccine sales in 2017 include sales in the European markets that were previously part of the Sanofi Pasteur MSD (SPMSD) joint venture that was terminated on December 31, 2016. Amounts for 2016 reflect supply sales to SPMSD.

⁽³⁾ Includes Pharmaceutical products not individually shown above. Other Vaccines sales included in Other Pharmaceutical were \$88 million in the first quarter, \$87 million in the second quarter and \$89 million in the third quarter of 2017 and \$103 million, \$91 million, \$135 million and \$126 million for the first, second, third and fourth quarters of 2016, respectively.

⁽⁴⁾ Other Revenues are comprised primarily of alliance revenue, third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities.

MERCK & CO., INC.
FRANCHISE / KEY PRODUCT SALES
THIRD QUARTER 2017
(AMOUNTS IN MILLIONS)

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Table 3a

	Global			U.S.			International		
	3Q 2017	3Q 2016	% Change	3Q 2017	3Q 2016	% Change	3Q 2017	3Q 2016	% Change
TOTAL SALES ⁽¹⁾	\$10,325	\$10,536	-2	\$4,594	\$5,063	-9	\$5,732	\$5,474	5
PHARMACEUTICAL	9,156	9,443	-3	4,197	4,710	-11	4,959	4,733	5
Primary Care and Women's Health									
Cardiovascular									
Zetia	320	671	-52	65	411	-84	255	261	-2
Vytorin	142	273	-48	(6)	109	-106	148	164	-10
Atozet	59	39	50				59	39	50
Adepas	70	48	46				70	48	46
Diabetes									
Januvia	1,012	1,006	1	598	568	5	414	438	-5
Janumet	513	548	-6	197	241	-18	316	307	3
General Medicine & Women's Health									
NuvaRing	214	195	10	160	144	11	54	51	6
Implanon / Nexplanon	155	148	5	110	97	14	45	51	-12
Follistim AQ	72	101	-29	30	49	-37	41	52	-20
Hospital and Specialty									
Hepatitis									
Zepatier	468	164	185	228	152	50	241	13	*
HIV									
Isentress / Isentress HD	310	372	-17	143	215	-33	167	157	6
Hospital Acute Care									
Bridion	185	139	33	63	24	165	122	115	6
Noxafil	162	147	10	78	65	21	83	82	2
Invanz	159	152	5	93	93	1	66	59	11
Candidas	94	142	-34	6	8	-26	88	134	-34
Cubicin	91	320	-71	41	264	-84	50	56	-10
Primaxin	73	77	-5	5	1	*	68	76	-11
Immunology									
Simponi	219	193	13				219	193	13
Remicade	214	311	-31				214	311	-31
Oncology									
Keytruda	1,047	356	194	604	188	*	442	168	164
Emend	137	137		88	91	-3	49	46	6
Temodar	68	78	-13		5	-102	68	73	-7
Diversified Brands									
Respiratory									
Singulair	161	239	-33	16	6	180	145	233	-38
Dulera	59	97	-39	52	92	-43	7	6	20
Nasonex	42	94	-55	(23)	20	*	65	74	-12
Other									
Cozaar / Hyzaar	128	131	-3	9	4	124	119	128	-6
Arcoxia	80	114	-30				80	114	-30
Fosamax	53	68	-23	4	2	126	48	66	-27
Vaccines ⁽²⁾									
Gardasil / Gardasil 9	675	860	-22	484	737	-34	191	124	54
ProQuad / M-M-R II / Varivax	519	496	4	419	419		100	77	29
Zostavax	234	190	23	139	138	1	94	52	80
Pneumovax 23	229	175	31	174	122	42	56	53	5
RotaTeq	179	171	4	127	123	3	52	48	7
Other Pharmaceutical ⁽³⁾	1,013	1,191	-15	293	322	-9	723	864	-16
ANIMAL HEALTH	1,000	865	16	290	237	22	710	628	13
Other Revenues ⁽⁴⁾	169	228	-26	107	116	-8	63	113	-44

* 200% or greater

⁽¹⁾ Only select products are shown.

⁽²⁾ Vaccine sales in 2017 include sales in the European markets that were previously part of the Sanofi Pasteur MSD (SPMSD) joint venture that was terminated on December 31, 2016. Amounts for 2016 reflect supply sales to SPMSD.

⁽³⁾ Includes Pharmaceutical products not individually shown above. Other Vaccines sales included in Other Pharmaceutical were \$89 million and \$135 million on a global basis for third quarter 2017 and 2016, respectively.

⁽⁴⁾ Other Revenues are comprised primarily of alliance revenue, third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities.

MERCK & CO., INC.
FRANCHISE / KEY PRODUCT SALES
SEPTEMBER YEAR-TO-DATE 2017
(AMOUNTS IN MILLIONS)

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Table 3b

	Global			U.S.			International		
	Sep YTD 2017	Sep YTD 2016	% Change	Sep YTD 2017	Sep YTD 2016	% Change	Sep YTD 2017	Sep YTD 2016	% Change
TOTAL SALES ⁽¹⁾	\$29,689	\$29,692		\$13,096	\$13,792	-5	\$16,593	\$15,899	4
PHARMACEUTICAL	26,101	26,247	-1	11,887	12,792	-7	14,214	13,455	6
Primary Care and Women's Health									
Cardiovascular									
Zetia	1,021	1,985	-49	298	1,253	-76	723	731	-1
Vytorin	565	843	-33	114	341	-67	451	502	-10
Atozet	171	96	78				171	96	78
Adempas	221	120	84				221	120	84
Diabetes									
Januvia	2,799	2,976	-6	1,646	1,748	-6	1,153	1,228	-6
Janumet	1,572	1,624	-3	640	724	-12	933	899	4
General Medicine & Women's Health									
NuvaRing	573	571		425	421	1	148	150	-1
Implanon / Nexplanon	503	446	13	367	308	19	137	138	-1
Follistim AQ	232	268	-13	104	121	-14	128	146	-13
Hospital and Specialty									
Hepatitis									
Zepatier	1,363	326	*	683	308	122	680	18	*
HIV									
Isentress / Isentress HD	896	1,050	-15	422	546	-23	474	504	-6
Hospital Acute Care									
Bridion	495	343	44	162	42	*	333	301	10
Noxafil	458	434	5	220	202	9	237	232	2
Invanz	445	409	9	268	239	12	177	170	4
Candidas	327	406	-19	17	18	-5	310	388	-20
Cubicin	290	969	-70	148	824	-82	141	145	-2
Primaxin	206	231	-11	7	3	122	199	228	-13
Immunology									
Remicade	651	999	-35				651	999	-35
Simponi	602	581	4				602	581	4
Oncology									
Keytruda	2,512	919	173	1,522	481	*	990	438	126
Emend	413	405	2	257	266	-3	156	140	11
Temodar	198	216	-8	4	10	-56	194	207	-6
Diversified Brands									
Respiratory									
Singulair	550	705	-22	28	30	-5	522	675	-23
Nasonex	266	425	-37	16	161	-90	250	264	-5
Dulera	210	331	-37	191	314	-39	19	18	7
Other									
Cozaar / Hyzaar	360	389	-8	15	13	9	345	376	-8
Arcoxia	272	342	-20				272	342	-20
Fosamax	180	217	-17	7	3	135	173	214	-19
Vaccines ⁽²⁾									
Gardasil / Gardasil 9	1,675	1,631	3	1,195	1,371	-13	481	259	85
ProQuad / M-M-R II / Varivax	1,273	1,236	3	1,058	1,053		215	182	18
Pneumovax 23	558	403	38	392	267	47	166	136	22
Zostavax	547	464	18	356	363	-2	191	102	88
RotaTeq	525	489	7	377	356	6	148	133	11
Other Pharmaceutical ⁽³⁾	3,172	3,398	-7	948	1,006	-6	2,223	2,393	-7
ANIMAL HEALTH	2,894	2,594	12	842	726	16	2,052	1,868	10
Other Revenues ⁽⁴⁾	694	851	-18	367	274	34	327	576	-43

* 200% or greater

⁽¹⁾ Only select products are shown.

⁽²⁾ Vaccine sales in 2017 include sales in the European markets that were previously part of the Sanofi Pasteur MSD (SPMSD) joint venture that was terminated on December 31, 2016. Amounts for 2016 reflect supply sales to SPMSD.

⁽³⁾ Includes Pharmaceutical products not individually shown above. Other Vaccines sales included in Other Pharmaceutical were \$264 million and \$329 million on a global basis for September YTD 2017 and 2016, respectively.

⁽⁴⁾ Other Revenues are comprised primarily of alliance revenue, third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities.

MERCK & CO., INC.
PHARMACEUTICAL GEOGRAPHIC SALES
(AMOUNTS IN MILLIONS)
(UNAUDITED)

Table 3c

	2017				2016						% Change 3Q
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Full Year	
TOTAL PHARMACEUTICAL	\$8,185	\$8,759	\$9,156	\$26,101	\$8,104	\$8,700	\$9,443	\$26,247	\$8,904	\$35,151	-3
United States	3,761	3,929	4,197	11,887	3,913	4,169	4,710	12,792	4,282	17,073	-11
% Pharmaceutical Sales	45.9%	44.9%	45.8%	45.5%	48.3%	47.9%	49.9%	48.7%	48.1%	48.6%	
Europe ⁽¹⁾	1,977	2,082	2,174	6,232	1,914	1,997	1,935	5,846	1,843	7,689	12
% Pharmaceutical Sales	24.2%	23.8%	23.7%	23.9%	23.6%	23.0%	20.5%	22.3%	20.7%	21.9%	
Japan	688	818	756	2,262	620	673	812	2,105	659	2,764	-7
% Pharmaceutical Sales	8.4%	9.3%	8.3%	8.7%	7.7%	7.7%	8.6%	8.0%	7.4%	7.9%	
Asia Pacific	889	946	994	2,829	806	890	914	2,611	912	3,522	9
% Pharmaceutical Sales	10.9%	10.8%	10.9%	10.8%	9.9%	10.2%	9.7%	9.9%	10.2%	10.0%	
China	328	353	377	1,058	337	353	350	1,040	333	1,374	8
Latin America	375	462	451	1,288	359	430	448	1,237	538	1,776	1
% Pharmaceutical Sales	4.6%	5.3%	4.9%	4.9%	4.4%	4.9%	4.7%	4.7%	6.0%	5.1%	
Eastern Europe/Middle East Africa	255	314	349	918	272	314	364	950	429	1,379	-4
% Pharmaceutical Sales	3.1%	3.6%	3.8%	3.5%	3.4%	3.6%	3.9%	3.6%	4.8%	3.9%	
Canada	182	171	193	546	147	170	184	501	180	682	5
% Pharmaceutical Sales	2.2%	2.0%	2.1%	2.1%	1.8%	2.0%	1.9%	1.9%	2.0%	1.9%	
Other	58	37	42	139	73	57	76	205	61	266	-45
% Pharmaceutical Sales	0.7%	0.4%	0.5%	0.5%	0.9%	0.7%	0.8%	0.8%	0.7%	0.8%	

⁽¹⁾ Europe primarily represents all European Union countries and the European Union accession markets.

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

OTHER (INCOME) EXPENSE, NET

	3Q17	3Q16	Sep YTD 2017	Sep YTD 2016
INTEREST INCOME	\$ (90)	\$ (87)	\$ (284)	\$ (244)
INTEREST EXPENSE	189	170	564	513
EXCHANGE (GAINS) LOSSES	(6)	3	5	79
EQUITY INCOME FROM AFFILIATES	(18)	(21)	(11)	(59)
Other, net	(161)	(43)	(244)	(201)
TOTAL	\$ (86)	\$ 22	\$ 30	\$ 88