



**Merck & Co., Inc.**  
**Financial Highlights Package**  
**Second Quarter 2019**  
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**CONSOLIDATED STATEMENT OF INCOME - GAAP**  
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**  
**(UNAUDITED)**

Table 1

	GAAP		% Change	GAAP		% Change
	2Q19	2Q18		June YTD 2019	June YTD 2018	
Sales	\$ 11,760	\$ 10,465	12%	\$ 22,575	\$ 20,502	10%
Costs, Expenses and Other						
Cost of sales <sup>(1)</sup>	3,401	3,417	--	6,453	6,601	-2%
Selling, general and administrative <sup>(1)</sup>	2,712	2,508	8%	5,138	5,016	2%
Research and development <sup>(1)(2)</sup>	2,189	2,274	-4%	4,119	5,470	-25%
Restructuring costs <sup>(3)</sup>	59	228	-74%	212	323	-34%
Other (income) expense, net <sup>(1)</sup>	140	(48)	*	327	(340)	*
Income Before Taxes	3,259	2,086	56%	6,326	3,432	84%
Taxes on Income <sup>(1)</sup>	615	370		820	975	
Net Income	2,644	1,716	54%	5,506	2,457	*
Less: Net (Loss) Income Attributable to Noncontrolling Interests <sup>(1)</sup>	(26)	9		(79)	14	
Net Income Attributable to Merck & Co., Inc.	\$ 2,670	\$ 1,707	56%	\$ 5,585	\$ 2,443	*
Earnings per Common Share Assuming Dilution	\$ 1.03	\$ 0.63	63%	\$ 2.15	\$ 0.90	*
Average Shares Outstanding Assuming Dilution	2,588	2,696		2,596	2,702	
Tax Rate <sup>(4)</sup>	18.9%	17.8%		13.0%	28.4%	

\* 100% or greater

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

<sup>(2)</sup> Research and development expenses in the second quarter and first six months of 2018 include a \$344 million charge for the acquisition of Viralytics Limited. Research and development expenses in the first six months of 2018 also include a \$1.4 billion charge related to the formation of a collaboration with Eisai Co., Ltd. (Eisai).

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

<sup>(4)</sup> The effective income tax rate for the first six months of 2019 reflects a net tax benefit of \$360 million related to the settlement of certain federal income tax matters. The effective income tax rate for the first six months of 2018 reflects the unfavorable impact of a \$1.4 billion pretax charge related to the formation of a collaboration with Eisai for which no tax benefit was recognized.

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

Table 1a

	2019			2018						% Change	
	1Q	2Q	June YTD	1Q	2Q	June YTD	3Q	4Q	Full Year	2Q	June YTD
Sales	\$ 10,816	\$ 11,760	\$ 22,575	\$ 10,037	\$ 10,465	\$ 20,502	\$ 10,794	\$ 10,998	\$ 42,294	12%	10%
Costs, Expenses and Other											
Cost of sales	3,052	3,401	6,453	3,184	3,417	6,601	3,619	3,289	13,509	--	-2%
Selling, general and administrative	2,425	2,712	5,138	2,508	2,508	5,016	2,443	2,643	10,102	8%	2%
Research and development	1,931	2,189	4,119	3,196	2,274	5,470	2,068	2,214	9,752	-4%	-25%
Restructuring costs	153	59	212	95	228	323	171	138	632	-74%	-34%
Other (income) expense, net	188	140	327	(291)	(48)	(340)	(172)	110	(402)	*	*
Income Before Taxes	3,067	3,259	6,326	1,345	2,086	3,432	2,665	2,604	8,701	56%	84%
Taxes on Income	205	615	820	604	370	975	707	826	2,508		
Net Income	2,862	2,644	5,506	741	1,716	2,457	1,958	1,778	6,193	54%	*
Less: Net (Loss) Income Attributable to Noncontrolling Interests	(53)	(26)	(79)	5	9	14	8	(49)	(27)		
Net Income Attributable to Merck & Co., Inc.	\$ 2,915	\$ 2,670	\$ 5,585	\$ 736	\$ 1,707	\$ 2,443	\$ 1,950	\$ 1,827	\$ 6,220	56%	*
Earnings per Common Share Assuming Dilution	\$ 1.12	\$ 1.03	\$ 2.15	\$ 0.27	\$ 0.63	\$ 0.90	\$ 0.73	\$ 0.69	\$ 2.32	63%	*
Average Shares Outstanding Assuming Dilution	2,603	2,588	2,596	2,710	2,696	2,702	2,678	2,634	2,679		
Tax Rate	6.7%	18.9%	13.0%	44.9%	17.8%	28.4%	26.5%	31.7%	28.8%		

\* 100% or greater

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

**MERCK & CO., INC.**  
**GAAP TO NON-GAAP RECONCILIATION**  
**SECOND QUARTER 2019**  
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**  
**(UNAUDITED)**

**Table 2a**

	GAAP	Acquisition and Divestiture-Related Costs <sup>(1)</sup>	Restructuring Costs <sup>(2)</sup>	Certain Other Items	Adjustment Subtotal	Non-GAAP
Cost of sales	\$ 3,401	447	65		512	\$ 2,889
Selling, general and administrative	2,712	61	32		93	2,619
Research and development	2,189	4	3		7	2,182
Restructuring costs	59		59		59	-
Other (income) expense, net	140	148		48	196	(56)
Income Before Taxes	3,259	(660)	(159)	(48)	(867)	4,126
Income Tax Provision (Benefit)	615	(109) <sup>(3)</sup>	(25) <sup>(3)</sup>	(11) <sup>(3)</sup>	(145)	760
Net Income	2,644	(551)	(134)	(37)	(722)	3,366
Less: Net (Loss) Income Attributable to Noncontrolling Interests	(26)	(36)			(36)	10
Net Income Attributable to Merck & Co., Inc.	2,670	(515)	(134)	(37)	(686)	3,356
Earnings per Common Share Assuming Dilution	\$ 1.03	(0.20)	(0.05)	(0.02)	(0.27)	\$ 1.30
Tax Rate	18.9%					18.4%

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.

<sup>(1)</sup> Amount included in cost of sales primarily reflects \$373 million of expenses for the amortization of intangible assets recognized as a result of business acquisitions, as well as \$69 million of intangible asset impairment charges. Amount included in selling, general and administrative expenses primarily reflects integration, transaction and certain other costs related to business acquisitions and divestitures, including costs related to the acquisition of Antelliq Corporation. Amount included in other (income) expense, net primarily reflects goodwill impairment charges related to certain businesses in the Healthcare Services segment and expenses related to an increase in the estimated fair value of liabilities for contingent consideration related to the termination of the Sanofi-Pasteur MSD joint venture.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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**  
**SIX MONTHS ENDED JUNE 30, 2019**  
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**  
**(UNAUDITED)**

**Table 2b**

	GAAP	Acquisition and Divestiture-Related Costs <sup>(1)</sup>	Restructuring Costs <sup>(2)</sup>	Certain Other Items	Adjustment Subtotal	Non-GAAP
Cost of sales	\$ 6,453	860	99		959	\$ 5,494
Selling, general and administrative	5,138	60	32		92	5,046
Research and development	4,119	(27)	3		(24)	4,143
Restructuring costs	212		212		212	-
Other (income) expense, net	327	315		48	363	(36)
Income Before Taxes	6,326	(1,208)	(346)	(48)	(1,602)	7,928
Income Tax Provision (Benefit)	820	(207) <sup>(3)</sup>	(56) <sup>(3)</sup>	(304) <sup>(4)</sup>	(567)	1,387
Net Income	5,506	(1,001)	(290)	256	(1,035)	6,541
Less: Net (Loss) Income Attributable to Noncontrolling Interests	(79)	(89)			(89)	10
Net Income Attributable to Merck & Co., Inc.	5,585	(912)	(290)	256	(946)	6,531
Earnings per Common Share Assuming Dilution	\$ 2.15	(0.36)	(0.11)	0.10	(0.37)	\$ 2.52
Tax Rate	13.0%					17.5%

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.

<sup>(1)</sup> Amount included in cost of sales primarily reflects \$771 million of expenses for the amortization of intangible assets recognized as a result of business acquisitions, as well as \$81 million of intangible asset impairment charges. Amount included in selling, general and administrative expenses primarily reflects integration, transaction and certain other costs related to business acquisitions and divestitures, including costs related to the acquisition of Antelliq Corporation. Amount included in research and development expenses primarily reflects a reduction in expenses related to a decrease in the estimated fair value measurement of liabilities for contingent consideration. Amount included in other (income) expense, net primarily reflects goodwill impairment charges related to certain businesses in the Healthcare Services segment and expenses related to an increase in the estimated fair value measurement of liabilities for contingent consideration, partially offset by royalty income related to the termination of the Sanofi-Pasteur MSD joint venture.

<sup>(2)</sup> 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.

<sup>(3)</sup> Represents the estimated tax impact on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments.

<sup>(4)</sup> Represents the estimated tax impact on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments. Also includes a \$360 million net tax benefit related to the settlement of certain federal income tax matters and a \$67 million tax charge related to the finalization of treasury regulations associated with the 2017 enactment of U.S. tax legislation.

**MERCK & CO., INC.**  
**GAAP TO NON-GAAP RECONCILIATION**  
**SECOND QUARTER 2018**  
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**  
**(UNAUDITED)**

Table 2c

	GAAP	Acquisition and Divestiture-Related Costs <sup>(1)</sup>	Restructuring Costs <sup>(2)</sup>	Certain Other Items <sup>(3)</sup>	Adjustment Subtotal	Non-GAAP
Cost of sales	\$ 3,417	733	3		736	\$ 2,681
Selling, general and administrative	2,508	16	1		17	2,491
Research and development	2,274	1	3	344	348	1,926
Restructuring costs	228		228		228	-
Other (income) expense, net	(48)	105		(32)	73	(121)
Income Before Taxes	2,086	(855)	(235)	(312)	(1,402)	3,488
Income Tax Provision (Benefit)	370	(113) <sup>(4)</sup>	(28) <sup>(4)</sup>	(114) <sup>(4)</sup>	(255)	625
Net Income	1,716	(742)	(207)	(198)	(1,147)	2,863
Net Income Attributable to Merck & Co., Inc.	1,707	(742)	(207)	(198)	(1,147)	2,854
Earnings per Common Share Assuming Dilution	\$ 0.63	(0.28)	(0.08)	(0.07)	(0.43)	\$ 1.06
Tax Rate	17.8%					17.9%

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

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<sup>(1)</sup> Amount included in cost of sales reflects expenses for the amortization of intangible assets recognized as a result of business acquisitions. Amount included in selling, general and administrative expenses reflects integration, transaction and certain other costs related to business acquisitions and divestitures. Amount included in research and development expenses reflects an increase in the estimated fair value measurement of liabilities for contingent consideration. Amount included in other (income) expense, net reflects an increase in the estimated fair value measurement of liabilities for contingent consideration, partially offset by royalty income related to the termination of the Sanofi-Pasteur MSD joint venture.

<sup>(2)</sup> 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.

<sup>(3)</sup> Amount included in research and development expenses represents a charge for the acquisition of Viralytics Limited.

<sup>(4)</sup> 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**  
**SIX MONTHS ENDED JUNE 30, 2018**  
**(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)**  
**(UNAUDITED)**

Table 2d

	GAAP	Acquisition and Divestiture-Related Costs <sup>(1)</sup>	Restructuring Costs <sup>(2)</sup>	Certain Other Items <sup>(3)</sup>	Adjustment Subtotal	Non-GAAP
Cost of sales	\$ 6,601	1,467	9		1,476	\$ 5,125
Selling, general and administrative	5,016	24	2		26	4,990
Research and development	5,470	2	5	1,744	1,751	3,719
Restructuring costs	323		323		323	-
Other (income) expense, net	(340)	95		(54)	41	(381)
Income Before Taxes	3,432	(1,588)	(339)	(1,690)	(3,617)	7,049
Income Tax Provision (Benefit)	975	(204) <sup>(4)</sup>	(49) <sup>(4)</sup>	(109) <sup>(4)</sup>	(362)	1,337
Net Income	2,457	(1,384)	(290)	(1,581)	(3,255)	5,712
Net Income Attributable to Merck & Co., Inc.	2,443	(1,384)	(290)	(1,581)	(3,255)	5,698
Earnings per Common Share Assuming Dilution	\$ 0.90	(0.51)	(0.11)	(0.59)	(1.21)	\$ 2.11
Tax Rate	28.4%					19.0%

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 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.

<sup>(1)</sup> Amount included in cost of sales reflects expenses for the amortization of intangible assets recognized as a result of business acquisitions. Amount included in selling, general and administrative expenses reflects integration, transaction and certain other costs related to business acquisitions and divestitures. Amount included in research and development expenses reflects an increase in the estimated fair value measurement of liabilities for contingent consideration. Amount included in other (income) expense, net reflects an increase in the estimated fair value measurement of liabilities for contingent consideration, partially offset by royalty income related to the termination of the Sanofi-Pasteur MSD joint venture.

<sup>(2)</sup> 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.

<sup>(3)</sup> Amount included in research and development expenses represents a \$1.4 billion charge related to the formation of a collaboration with Eisai Co., Ltd., as well as a \$344 million charge for the acquisition of Viralytics Limited.

<sup>(4)</sup> 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)**  
**(UNAUDITED)**

**Table 3**

	2019			2018						2Q		June YTD	
	1Q	2Q	June YTD	1Q	2Q	June YTD	3Q	4Q	Full Year	Nom %	Ex-Exch %	Nom %	Ex-Exch %
<b>TOTAL SALES <sup>(1)</sup></b>	<b>\$10,816</b>	<b>\$11,760</b>	<b>\$22,575</b>	<b>\$10,037</b>	<b>\$10,465</b>	<b>\$20,502</b>	<b>\$10,794</b>	<b>\$10,998</b>	<b>\$42,294</b>	<b>12</b>	<b>15</b>	<b>10</b>	<b>13</b>
<b>PHARMACEUTICAL</b>	<b>9,663</b>	<b>10,460</b>	<b>20,123</b>	<b>8,919</b>	<b>9,282</b>	<b>18,201</b>	<b>9,658</b>	<b>9,830</b>	<b>37,689</b>	<b>13</b>	<b>17</b>	<b>11</b>	<b>15</b>
<b>Oncology</b>													
Keytruda	2,269	2,634	4,903	1,464	1,667	3,131	1,889	2,151	7,171	58	63	57	62
Emend	117	121	237	125	148	273	123	126	522	-18	-15	-13	-10
Alliance Revenue – Lynparza <sup>(2)</sup>	79	111	190	33	44	76	49	62	187	154	159	149	155
Alliance Revenue – Lenvima <sup>(2)</sup>	74	97	171		35	35	43	71	149	177	182	*	*
<b>Vaccines <sup>(3)</sup></b>													
Gardasil / Gardasil 9	838	886	1,724	660	608	1,269	1,048	835	3,151	46	50	36	40
ProQuad / M-M-R II / Varivax	496	675	1,171	392	426	818	525	455	1,798	58	61	43	46
RotaTeq	211	172	383	193	156	349	191	188	728	10	13	10	12
Pneumovax 23	185	170	355	179	193	372	214	322	907	-12	-10	-4	-3
Vaqta	47	58	105	37	65	101	66	72	239	-10	-8	4	6
<b>Hospital Acute Care</b>													
Bridion	255	278	533	204	240	444	217	256	917	16	20	20	25
Noxafil	190	193	383	176	188	363	188	191	742	3	7	5	10
Cubicin	88	67	155	98	94	192	95	80	367	-29	-25	-19	-16
Invanz	72	78	150	151	149	300	137	59	496	-48	-44	-50	-46
Primaxin	59	71	130	72	68	140	72	53	265	5	12	-7	-2
Candidas	61	67	129	91	87	178	79	69	326	-22	-17	-28	-23
<b>Immunology</b>													
Simponi	208	214	422	231	233	464	210	220	893	-8	-1	-9	-2
Remicade	123	98	221	167	157	324	135	123	582	-37	-32	-32	-26
<b>Neuroscience</b>													
Belsomra	67	76	143	54	71	125	66	69	260	8	9	15	16
<b>Virology</b>													
Isentress / Isentress HD	255	247	502	281	305	586	275	280	1,140	-19	-13	-14	-8
Zepatier	114	108	221	131	113	243	104	108	455	-5	0	-9	-5
<b>Cardiovascular</b>													
Zetia	140	156	296	305	226	531	165	162	857	-31	-28	-44	-42
Vytorin	97	76	174	167	155	322	92	83	497	-51	-47	-46	-42
Atozet	94	92	186	73	101	174	84	89	347	-9	-3	7	14
Adempas	90	104	194	68	75	143	94	91	329	39	43	36	40
<b>Diabetes <sup>(4)</sup></b>													
Januvia	824	908	1,732	880	949	1,829	927	930	3,686	-4	-2	-5	-3
Janumet	530	533	1,063	544	585	1,129	563	535	2,228	-9	-5	-6	-1
<b>Women's Health</b>													
NuvaRing	219	240	459	216	236	452	234	216	902	2	3	2	3
Implanon / Nexplanon	199	183	382	174	174	348	186	169	703	6	8	10	12
<b>Diversified Brands</b>													
Singulair	191	160	352	175	185	360	161	187	708	-13	-8	-2	3
Cozaar / Hyzaar	103	109	213	120	125	245	103	105	453	-13	-7	-13	-8
Nasonex	96	72	168	122	81	203	71	102	376	-11	-6	-17	-13
Arcoxia	75	75	149	83	84	166	83	86	335	-11	-5	-10	-4
Follistim AQ	57	63	121	67	70	138	60	70	268	-10	-6	-12	-9
<b>Other Pharmaceutical <sup>(5)</sup></b>	<b>1,140</b>	<b>1,268</b>	<b>2,406</b>	<b>1,186</b>	<b>1,189</b>	<b>2,378</b>	<b>1,109</b>	<b>1,215</b>	<b>4,705</b>	<b>7</b>	<b>11</b>	<b>1</b>	<b>6</b>
<b>ANIMAL HEALTH</b>	<b>1,025</b>	<b>1,124</b>	<b>2,149</b>	<b>1,065</b>	<b>1,090</b>	<b>2,155</b>	<b>1,021</b>	<b>1,036</b>	<b>4,212</b>	<b>3</b>	<b>9</b>	<b>0</b>	<b>6</b>
Livestock	611	671	1,282	652	633	1,286	660	684	2,630	6	13	0	7
Companion Animals	414	453	867	413	457	869	361	352	1,582	-1	4	0	5
<b>Other Revenues <sup>(6)</sup></b>	<b>128</b>	<b>176</b>	<b>303</b>	<b>53</b>	<b>93</b>	<b>146</b>	<b>115</b>	<b>132</b>	<b>393</b>	<b>88</b>	<b>-62</b>	<b>107</b>	<b>-82</b>

\* 200% or greater

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

<sup>(1)</sup> Only select products are shown.

<sup>(2)</sup> Alliance Revenue represents Merck's share of profits, which are product sales net of cost of sales and commercialization costs.

<sup>(3)</sup> Total Vaccines sales were \$1,887 million and \$2,037 million in the first and second quarters of 2019, respectively, and \$1,561 million, \$1,533 million, \$2,159 million and \$2,008 million for the first, second, third and fourth quarters of 2018, respectively.

<sup>(4)</sup> Total Diabetes sales were \$1,402 million and \$1,480 million in the first and second quarters of 2019, respectively, and \$1,433 million, \$1,571 million, \$1,506 million and \$1,485 million for the first, second, third and fourth quarters of 2018, respectively.

<sup>(5)</sup> Includes Pharmaceutical products not individually shown above.

<sup>(6)</sup> Other Revenues are comprised primarily of Healthcare Services segment revenues, third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities.



**MERCK & CO., INC.**  
**FRANCHISE / KEY PRODUCT SALES**  
**SECOND QUARTER 2019**  
**(AMOUNTS IN MILLIONS)**  
**(UNAUDITED)**  
**Table 3a**

	Global			U.S.			International		
	2Q 2019	2Q 2018	% Change	2Q 2019	2Q 2018	% Change	2Q 2019	2Q 2018	% Change
<b>TOTAL SALES <sup>(1)</sup></b>	<b>\$11,760</b>	<b>\$10,465</b>	<b>12</b>	<b>\$5,144</b>	<b>\$4,262</b>	<b>21</b>	<b>\$6,616</b>	<b>\$6,203</b>	<b>7</b>
<b>PHARMACEUTICAL</b>	<b>10,460</b>	<b>9,282</b>	<b>13</b>	<b>4,758</b>	<b>3,841</b>	<b>24</b>	<b>5,702</b>	<b>5,442</b>	<b>5</b>
<b>Oncology</b>									
Keytruda	2,634	1,667	58	1,498	959	56	1,136	707	61
Emend	121	148	-18	67	89	-25	54	59	-8
Alliance Revenue - Lynparza <sup>(2)</sup>	111	44	154	66	31	113	45	13	*
Alliance Revenue - Lenvima <sup>(2)</sup>	97	35	177	54	19	182	43	16	172
<b>Vaccines <sup>(3)</sup></b>									
Gardasil / Gardasil 9	886	608	46	456	302	51	430	306	40
ProQuad / M-M-R II / Varivax	675	426	58	500	356	40	174	70	149
RotaTeq	172	156	10	104	99	4	68	57	20
Pneumovax 23	170	193	-12	123	122	1	47	71	-33
Vaqta	58	65	-10	38	42	-9	20	23	-13
<b>Hospital Acute Care</b>									
Bridion	278	240	16	129	95	36	149	145	3
Noxafil	193	188	3	100	87	15	93	100	-8
Invanz	78	149	-48	18	87	-80	60	63	-3
Primaxin	71	68	5	0	0	*	70	68	4
Candidas	67	87	-22	3	4	-24	64	83	-22
Cubicin	67	94	-29	22	48	-54	45	46	-2
<b>Immunology</b>									
Simponi	214	233	-8				214	233	-8
Remicade	98	157	-37				98	157	-37
<b>Neuroscience</b>									
Belsomra	76	71	8	21	29	-26	55	42	31
<b>Virology</b>									
Isentress / Isentress HD	247	305	-19	94	132	-28	153	174	-12
Zepatier	108	113	-5	39	-10	*	68	123	-44
<b>Cardiovascular</b>									
Zetia	156	226	-31	6	8	-27	150	218	-31
Vytorin	76	155	-51	3	3	28	73	152	-52
Atozet	92	101	-9				92	101	-9
Adempas	104	75	39				104	75	39
<b>Diabetes <sup>(4)</sup></b>									
Januvia	908	949	-4	471	503	-6	437	446	-2
Janumet	533	585	-9	166	209	-20	366	377	-3
<b>Women's Health</b>									
NuvaRing	240	236	2	206	187	10	34	49	-30
Implanon / Nexplanon	183	174	6	136	114	20	48	60	-21
<b>Diversified Brands</b>									
Singulair	160	185	-13	8	5	58	153	180	-15
Cozaar / Hyzaar	109	125	-13	6	7	-14	103	118	-13
Arcoxia	75	84	-11				75	84	-11
Nasonex	72	81	-11	-1		*	73	81	-9
Follistim AQ	63	70	-10	24	27	-13	39	43	-8
<b>Other Pharmaceutical <sup>(5)</sup></b>	<b>1,268</b>	<b>1,189</b>	<b>7</b>	<b>401</b>	<b>287</b>	<b>40</b>	<b>869</b>	<b>902</b>	<b>-4</b>
<b>ANIMAL HEALTH</b>	<b>1,124</b>	<b>1,090</b>	<b>3</b>	<b>335</b>	<b>311</b>	<b>8</b>	<b>789</b>	<b>779</b>	<b>1</b>
Livestock	671	633	6	145	107	35	526	526	
Companion Animals	453	457	-1	190	204	-7	263	253	4
<b>Other Revenues <sup>(6)</sup></b>	<b>176</b>	<b>93</b>	<b>88</b>	<b>51</b>	<b>110</b>	<b>-53</b>	<b>125</b>	<b>-18</b>	<b>*</b>

\* 200% or greater

<sup>(1)</sup> Only select products are shown.

<sup>(2)</sup> Alliance Revenue represents Merck's share of profits, which are product sales net of cost of sales and commercialization costs.

<sup>(3)</sup> Total Vaccines sales were \$2,037 million and \$1,533 million on a global basis for second quarter 2019 and 2018, respectively.

<sup>(4)</sup> Total Diabetes sales were \$1,480 million and \$1,571 million on a global basis for second quarter 2019 and 2018, respectively.

<sup>(5)</sup> Includes Pharmaceutical products not individually shown above.

<sup>(6)</sup> Other Revenues are comprised primarily of Healthcare Services segment revenue, third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities.

**MERCK & CO., INC.**  
**FRANCHISE / KEY PRODUCT SALES**  
**JUNE YEAR-TO-DATE 2019**  
**(AMOUNTS IN MILLIONS)**  
**(UNAUDITED)**  
**Table 3b**

	Global			U.S.			International		
	June YTD 2019	June YTD 2018	% Change	June YTD 2019	June YTD 2018	% Change	June YTD 2019	June YTD 2018	% Change
<b>TOTAL SALES <sup>(1)</sup></b>	<b>\$22,575</b>	<b>\$20,502</b>	<b>10</b>	<b>\$9,659</b>	<b>\$8,395</b>	<b>15</b>	<b>\$12,917</b>	<b>\$12,107</b>	<b>7</b>
<b>PHARMACEUTICAL</b>	<b>20,123</b>	<b>18,201</b>	<b>11</b>	<b>8,933</b>	<b>7,557</b>	<b>18</b>	<b>11,190</b>	<b>10,644</b>	<b>5</b>
<b>Oncology</b>									
Keytruda	4,903	3,131	57	2,782	1,797	55	2,121	1,333	59
Emend	237	273	-13	130	168	-23	107	105	2
Alliance Revenue - Lynparza <sup>(2)</sup>	190	76	149	116	55	112	74	22	*
Alliance Revenue - Lenvima <sup>(2)</sup>	171	35	*	104	19	*	67	16	*
<b>Vaccines <sup>(3)</sup></b>									
Gardasil / Gardasil 9	1,724	1,269	36	818	682	20	906	586	55
ProQuad / M-M-R II / Varivax	1,171	818	43	843	668	26	328	150	118
RotaTeq	383	349	10	258	250	3	125	99	26
Pneumovax 23	355	372	-4	248	234	6	107	137	-22
Vaqta	105	101	4	67	60	12	39	42	-7
<b>Hospital Acute Care</b>									
Bridion	533	444	20	248	175	41	285	269	6
Noxafil	383	363	5	191	168	14	192	195	-2
Cubicin	155	192	-19	64	95	-32	91	97	-7
Invanz	150	300	-50	31	177	-82	118	123	-3
Primaxin	130	140	-7	1	5	-87	129	135	-4
Cancidas	129	178	-28	4	7	-44	125	171	-27
<b>Immunology</b>									
Simponi	422	464	-9				422	464	-9
Remicade	221	324	-32				221	324	-32
<b>Neuroscience</b>									
Belsomra	143	125	15	45	52	-14	98	73	35
<b>Virology</b>									
Isentress / Isentress HD	502	586	-14	202	260	-22	300	326	-8
Zepatier	221	243	-9	72	-10	*	149	253	-41
<b>Cardiovascular</b>									
Zetia	296	531	-44	6	25	-76	290	505	-43
Vytorin	174	322	-46	6	11	-41	167	311	-46
Atozet	186	174	7				186	174	7
Adempas	194	143	36				194	143	36
<b>Diabetes <sup>(4)</sup></b>									
Januvia	1,732	1,829	-5	855	968	-12	877	862	2
Janumet	1,063	1,129	-6	333	401	-17	730	729	
<b>Women's Health</b>									
NuvaRing	459	452	2	391	357	9	68	95	-28
Implanon / Nexplanon	382	348	10	285	242	18	98	106	-8
<b>Diversified Brands</b>									
Singulair	352	360	-2	13	11	25	338	350	-3
Cozaar / Hyzaar	213	245	-13	10	14	-27	202	231	-12
Nasonex	168	203	-17	-2	2	-199	170	201	-16
Arcoxia	149	166	-10				149	166	-10
Follistim AQ	121	138	-12	53	56	-5	67	81	-17
<b>Other Pharmaceutical <sup>(5)</sup></b>	<b>2,406</b>	<b>2,378</b>	<b>1</b>	<b>759</b>	<b>608</b>	<b>25</b>	<b>1,650</b>	<b>1,770</b>	<b>-7</b>
<b>ANIMAL HEALTH</b>	<b>2,149</b>	<b>2,155</b>		<b>628</b>	<b>618</b>	<b>2</b>	<b>1,521</b>	<b>1,537</b>	<b>-1</b>
Livestock	1,282	1,286		261	231	13	1,021	1,055	-3
Companion Animals	867	869		367	387	-5	500	482	4
<b>Other Revenues <sup>(6)</sup></b>	<b>303</b>	<b>146</b>	<b>107</b>	<b>98</b>	<b>220</b>	<b>-55</b>	<b>206</b>	<b>-74</b>	<b>*</b>

\* 200% or greater

<sup>(1)</sup> Only select products are shown.

<sup>(2)</sup> Alliance Revenue represents Merck's share of profits, which are product sales net of cost of sales and commercialization costs.

<sup>(3)</sup> Total Vaccines sales were \$3,924 million and \$3,094 million on a global basis for second quarter 2019 and 2018, respectively.

<sup>(4)</sup> Total Diabetes sales were \$2,882 million and \$3,003 million on a global basis for second quarter 2019 and 2018, respectively.

<sup>(5)</sup> Includes Pharmaceutical products not individually shown above.

<sup>(6)</sup> Other Revenues are comprised primarily of Healthcare Services segment 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

	2019			2018						% Change 2Q
	1Q	2Q	June YTD	1Q	2Q	June YTD	3Q	4Q	Full Year	
<b>TOTAL PHARMACEUTICAL</b>	<b>\$9,663</b>	<b>\$10,460</b>	<b>\$20,123</b>	<b>\$8,919</b>	<b>\$9,282</b>	<b>\$18,201</b>	<b>\$9,658</b>	<b>\$9,830</b>	<b>\$37,689</b>	<b>13</b>
<b>United States</b>	<b>4,175</b>	<b>4,758</b>	<b>8,933</b>	<b>3,716</b>	<b>3,841</b>	<b>7,557</b>	<b>4,649</b>	<b>4,402</b>	<b>16,608</b>	<b>24</b>
% Pharmaceutical Sales	43.2%	45.5%	44.4%	41.7%	41.4%	41.5%	48.1%	44.8%	44.1%	
<b>Europe <sup>(1)</sup></b>	<b>2,335</b>	<b>2,301</b>	<b>4,636</b>	<b>2,402</b>	<b>2,322</b>	<b>4,724</b>	<b>2,114</b>	<b>2,237</b>	<b>9,076</b>	<b>-1</b>
% Pharmaceutical Sales	24.2%	22.0%	23.0%	26.9%	25.0%	26.0%	21.9%	22.8%	24.1%	
<b>Japan</b>	<b>779</b>	<b>900</b>	<b>1,679</b>	<b>718</b>	<b>834</b>	<b>1,552</b>	<b>740</b>	<b>835</b>	<b>3,127</b>	<b>8</b>
% Pharmaceutical Sales	8.1%	8.6%	8.3%	8.1%	9.0%	8.5%	7.7%	8.5%	8.3%	
<b>Asia Pacific</b>	<b>1,367</b>	<b>1,351</b>	<b>2,718</b>	<b>1,112</b>	<b>1,224</b>	<b>2,336</b>	<b>1,054</b>	<b>1,199</b>	<b>4,589</b>	<b>10</b>
% Pharmaceutical Sales	14.1%	12.9%	13.5%	12.5%	13.2%	12.8%	10.9%	12.2%	12.2%	
<b>China</b>	<b>725</b>	<b>745</b>	<b>1,470</b>	<b>459</b>	<b>530</b>	<b>989</b>	<b>488</b>	<b>601</b>	<b>2,077</b>	<b>41</b>
% Pharmaceutical Sales	7.5%	7.1%	7.3%	5.1%	5.7%	5.4%	5.1%	6.1%	5.5%	
<b>Latin America</b>	<b>427</b>	<b>523</b>	<b>950</b>	<b>398</b>	<b>459</b>	<b>856</b>	<b>493</b>	<b>530</b>	<b>1,880</b>	<b>14</b>
% Pharmaceutical Sales	4.4%	5.0%	4.7%	4.5%	4.9%	4.7%	5.1%	5.4%	5.0%	
<b>Eastern Europe/Middle East Africa</b>	<b>343</b>	<b>388</b>	<b>731</b>	<b>335</b>	<b>356</b>	<b>691</b>	<b>347</b>	<b>349</b>	<b>1,388</b>	<b>9</b>
% Pharmaceutical Sales	3.6%	3.7%	3.6%	3.8%	3.8%	3.8%	3.6%	3.6%	3.7%	
<b>Canada</b>	<b>177</b>	<b>179</b>	<b>356</b>	<b>196</b>	<b>192</b>	<b>388</b>	<b>177</b>	<b>211</b>	<b>776</b>	<b>-7</b>
% Pharmaceutical Sales	1.8%	1.7%	1.8%	2.2%	2.1%	2.1%	1.8%	2.1%	2.1%	
<b>Other</b>	<b>60</b>	<b>60</b>	<b>120</b>	<b>42</b>	<b>54</b>	<b>96</b>	<b>84</b>	<b>67</b>	<b>245</b>	<b>11</b>
% Pharmaceutical Sales	0.6%	0.6%	0.6%	0.5%	0.6%	0.5%	0.9%	0.7%	0.7%	

<sup>(1)</sup> 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**

	2Q19	2Q18	June YTD 2019	June YTD 2018
Interest income	\$ (75)	\$ (81)	\$ (164)	\$ (165)
Interest expense	233	194	442	379
Exchange losses	27	71	128	77
Income from investments in equity securities, net <sup>(1)</sup>	(58)	(153)	(32)	(178)
Net periodic defined benefit plan (credit) cost other than service cost	(140)	(130)	(281)	(265)
Other, net	153	51	234	(188)
<b>Total</b>	<b>\$ 140</b>	<b>\$ (48)</b>	<b>\$ 327</b>	<b>\$ (340)</b>

<sup>(1)</sup> Includes net realized and unrealized gains and losses from investments in equity securities either owned directly or through ownership interests in investment funds.