



Merck & Co., Inc.
Financial Highlights Package
Third 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
	3Q19	3Q18		Sep YTD 2019	Sep YTD 2018	
Sales	\$ 12,397	\$ 10,794	15%	\$ 34,972	\$ 31,296	12%
Costs, Expenses and Other						
Cost of sales ⁽¹⁾	3,990	3,619	10%	10,443	10,220	2%
Selling, general and administrative ⁽¹⁾	2,589	2,443	6%	7,726	7,459	4%
Research and development ⁽¹⁾⁽²⁾	3,204	2,068	55%	7,324	7,538	-3%
Restructuring costs ⁽³⁾	232	171	36%	444	494	-10%
Other (income) expense, net ⁽¹⁾	35	(172)	*	362	(512)	*
Income Before Taxes	2,347	2,665	-12%	8,673	6,097	42%
Taxes on Income ⁽¹⁾	440	707		1,259	1,682	
Net Income	1,907	1,958	-3%	7,414	4,415	68%
Less: Net Income (Loss) Attributable to Noncontrolling Interests ⁽¹⁾	6	8		(73)	22	
Net Income Attributable to Merck & Co., Inc.	\$ 1,901	\$ 1,950	-3%	\$ 7,487	\$ 4,393	70%
Earnings per Common Share Assuming Dilution	\$ 0.74	\$ 0.73	1%	\$ 2.89	\$ 1.63	77%
Average Shares Outstanding Assuming Dilution	2,572	2,678		2,587	2,694	
Tax Rate ⁽⁴⁾	18.7%	26.5%		14.5%	27.6%	

* 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 2019 include a \$982 million charge for the acquisition of Peloton Therapeutics (Peloton). Research and development expenses in the first nine months of 2018 include a \$344 million charge for the acquisition of Viralytics Limited. Research and development expenses in the first nine months of 2018 also include a \$1.4 billion charge related to the formation of a collaboration with Eisai Co., Ltd. (Eisai).⁽³⁾ Represents separation and other related costs associated with restructuring activities under the company's formal restructuring programs.⁽⁴⁾ The effective income tax rates for the third quarter and the first nine months of 2019 include the unfavorable impact of a charge for the acquisition of Peloton for which no tax benefit was recognized and the favorable impact of product mix. The effective income tax rate for the first nine 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 rates for the third quarter and first nine months of 2018 include the unfavorable impact of a charge related to the termination of a collaboration agreement with Samsung for which no tax benefit was recognized. The effective income tax rate for the first nine months of 2018 reflects the unfavorable impact of a 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	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Full Year	3Q	Sep YTD
Sales	\$ 10,816	\$ 11,760	\$ 12,397	\$ 34,972	\$ 10,037	\$ 10,465	\$ 10,794	\$ 31,296	\$ 10,998	\$ 42,294	15%	12%
Costs, Expenses and Other												
Cost of sales	3,052	3,401	3,990	10,443	3,184	3,417	3,619	10,220	3,289	13,509	10%	2%
Selling, general and administrative	2,425	2,712	2,589	7,726	2,508	2,508	2,443	7,459	2,643	10,102	6%	4%
Research and development	1,931	2,189	3,204	7,324	3,196	2,274	2,068	7,538	2,214	9,752	55%	-3%
Restructuring costs	153	59	232	444	95	228	171	494	138	632	36%	-10%
Other (income) expense, net	188	140	35	362	(291)	(48)	(172)	(512)	110	(402)	*	*
Income Before Taxes	3,067	3,259	2,347	8,673	1,345	2,086	2,665	6,097	2,604	8,701	-12%	42%
Taxes on Income	205	615	440	1,259	604	370	707	1,682	826	2,508		
Net Income	2,862	2,644	1,907	7,414	741	1,716	1,958	4,415	1,778	6,193	-3%	68%
Less: Net (Loss) Income Attributable to Noncontrolling Interests	(53)	(26)	6	(73)	5	9	8	22	(49)	(27)		
Net Income Attributable to Merck & Co., Inc.	\$ 2,915	\$ 2,670	\$ 1,901	\$ 7,487	\$ 736	\$ 1,707	\$ 1,950	\$ 4,393	\$ 1,827	\$ 6,220	-3%	70%
Earnings per Common Share Assuming Dilution	\$ 1.12	\$ 1.03	\$ 0.74	\$ 2.89	\$ 0.27	\$ 0.63	\$ 0.73	\$ 1.63	\$ 0.69	\$ 2.32	1%	77%
Average Shares Outstanding Assuming Dilution	2,603	2,588	2,572	2,587	2,710	2,696	2,678	2,694	2,634	2,679		
Tax Rate	6.7%	18.9%	18.7%	14.5%	44.9%	17.8%	26.5%	27.6%	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
THIRD QUARTER 2019
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2a

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽⁴⁾	Adjustment Subtotal	Non-GAAP
Cost of sales	\$ 3,990	941	62		1,003	\$ 2,987
Selling, general and administrative	2,589	22	1		23	2,566
Research and development	3,204	6	1	982	989	2,215
Restructuring costs	232		232		232	-
Other (income) expense, net	35	6			6	29
Income Before Taxes	2,347	(975)	(296)	(982)	(2,253)	4,600
Income Tax Provision (Benefit)	440	(231) ⁽³⁾	(50) ⁽³⁾	-	(281)	721
Net Income	1,907	(744)	(246)	(982)	(1,972)	3,879
Net Income Attributable to Merck & Co., Inc.	1,901	(744)	(246)	(982)	(1,972)	3,873
Earnings per Common Share Assuming Dilution	\$ 0.74	(0.29)	(0.10)	(0.38)	(0.77)	\$ 1.51
Tax Rate	18.7%					15.7%

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⁾ Amount included in cost of sales primarily reflects \$320 million of expenses for the amortization of intangible assets recognized as a result of business acquisitions, as well as \$612 million of intangible asset impairment charges related to SIVEXTRO. Amount included in selling, general and administrative expenses primarily reflects integration, transaction and certain other costs related to business acquisitions and divestitures.

⁽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.

⁽⁴⁾ Amount included in research and development represents the charge related to the acquisition of Peloton Therapeutics.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
NINE MONTHS ENDED SEPTEMBER 30, 2019
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2b

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽⁴⁾	Adjustment Subtotal	Non-GAAP
Cost of sales	\$ 10,443	1,801	161		1,962	\$ 8,481
Selling, general and administrative	7,726	82	33		115	7,611
Research and development	7,324	(21)	4	982	965	6,359
Restructuring costs	444		444		444	-
Other (income) expense, net	362	321		48	369	(7)
Income Before Taxes	8,673	(2,183)	(642)	(1,030)	(3,855)	12,528
Income Tax Provision (Benefit)	1,259	(438) ⁽³⁾	(106) ⁽³⁾	(304) ⁽⁵⁾	(848)	2,107
Net Income	7,414	(1,745)	(536)	(726)	(3,007)	10,421
Less: Net (Loss) Income Attributable to Noncontrolling Interests	(73)	(89)			(89)	16
Net Income Attributable to Merck & Co., Inc.	7,487	(1,656)	(536)	(726)	(2,918)	10,405
Earnings per Common Share Assuming Dilution	\$ 2.89	(0.64)	(0.21)	(0.28)	(1.13)	\$ 4.02
Tax Rate	14.5%					16.8%

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⁾ Amount included in cost of sales primarily reflects \$1.1 billion of expenses for the amortization of intangible assets recognized as a result of business acquisitions, as well as \$693 million of intangible asset impairment charges, including \$612 million related to SIVEXTRO. 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 Anteliiq 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 and intangible asset 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.

⁽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.

⁽⁴⁾ Amount included in research and development represents the charge related to the acquisition of Peloton Therapeutics.

⁽⁵⁾ Primarily reflects 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
THIRD QUARTER 2018
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 2c

	GAAP	Acquisition and Divestiture-Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	Certain Other Items ⁽³⁾	Adjustment Subtotal	Non-GAAP
Cost of sales	\$ 3,619	680	2	420	1,102	\$ 2,517
Selling, general and administrative	2,443	2			2	2,441
Research and development	2,068	5	(4)		1	2,067
Restructuring costs	171		171		171	-
Other (income) expense, net	(172)	(10)			(10)	(162)
Income Before Taxes	2,665	(677)	(169)	(420)	(1,266)	3,931
Income Tax Provision (Benefit)	707	(26) ⁽⁴⁾	(20) ⁽⁴⁾	8	(38)	745
Net Income	1,958	(651)	(149)	(428)	(1,228)	3,186
Net Income Attributable to Merck & Co., Inc.	1,950	(651)	(149)	(428)	(1,228)	3,178
Earnings per Common Share Assuming Dilution	\$ 0.73	(0.24)	(0.06)	(0.16)	(0.46)	\$ 1.19
Tax Rate	26.5%					18.9%

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 cost of sales reflect expenses for the amortization of intangible assets recognized as a result of business acquisitions. Amounts included in selling, general 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 an increase in the estimated fair value measurement of liabilities for contingent consideration. Amounts included in other (income) expense, net primarily reflect royalty income, partially offset by an increase in the estimated fair value measurement of liabilities for contingent consideration related to 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 cost of sales represents an aggregate charge related to the termination of a collaboration agreement with Samsung Bioepis Co., Ltd. for insulin glargine.

⁽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.

MERCK & CO., INC.
GAAP TO NON-GAAP RECONCILIATION
NINE MONTHS ENDED SEPTEMBER 30, 2018
(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
Cost of sales	\$ 10,220	2,147	11	420	2,578	\$ 7,642
Selling, general and administrative	7,459	26	2		28	7,431
Research and development	7,538	7	1	1,744	1,752	5,786
Restructuring costs	494		494		494	-
Other (income) expense, net	(512)	85		(54)	31	(543)
Income Before Taxes	6,097	(2,265)	(508)	(2,110)	(4,883)	10,980
Income Tax Provision (Benefit)	1,682	(230) ⁽⁴⁾	(69) ⁽⁴⁾	(101) ⁽⁴⁾	(400)	2,082
Net Income	4,415	(2,035)	(439)	(2,009)	(4,483)	8,898
Net Income Attributable to Merck & Co., Inc.	4,393	(2,035)	(439)	(2,009)	(4,483)	8,876
Earnings per Common Share Assuming Dilution	\$ 1.63	(0.75)	(0.16)	(0.75)	(1.66)	\$ 3.29
Tax Rate	27.6%					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.

⁽¹⁾ Amounts included in cost of sales reflect expenses for the amortization of intangible assets recognized as a result of business acquisitions. Amounts included in selling, general 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 an increase in the estimated fair value measurement of liabilities for contingent consideration. Amounts included in other (income) expense, net primarily reflect 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.

⁽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 cost of sales represents an aggregate charge related to the termination of a collaboration agreement with Samsung Bioepis Co., Ltd. for insulin glargine. Amounts included in research and development expenses represent a \$1.4 billion aggregate 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.

⁽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.

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

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Table 3

	2019				2018						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⁾	\$10,816	\$11,760	\$12,397	\$34,972	\$10,037	\$10,465	\$10,794	\$31,296	\$10,998	\$42,294	15	16	12	14
PHARMACEUTICAL	9,663	10,460	11,095	31,218	8,919	9,282	9,658	27,859	9,830	37,689	15	16	12	15
Oncology														
Keytruda	2,269	2,634	3,070	7,973	1,464	1,667	1,889	5,020	2,151	7,171	62	64	59	63
Emend	117	121	98	336	125	148	123	396	126	522	-20	-19	-15	-13
Alliance Revenue – Lynparza ⁽²⁾	79	111	123	313	33	44	49	125	62	187	154	157	151	156
Alliance Revenue – Lenvima ⁽²⁾	74	97	109	280		35	43	78	71	149	154	156	*	*
Vaccines ⁽³⁾														
Gardasil / Gardasil 9	838	886	1,320	3,044	660	608	1,048	2,317	835	3,151	26	27	31	34
ProQuad / M-M-R II / Varivax	496	675	623	1,794	392	426	525	1,343	455	1,798	19	19	34	36
Pneumovax 23	185	170	237	592	179	193	214	586	322	907	11	11	1	2
RotaTeq	211	172	180	564	193	156	191	540	188	728	-5	-5	4	6
Vaqta	47	58	62	167	37	65	66	167	72	239	-6	-3	0	3
Hospital Acute Care														
Bridion	255	278	284	817	204	240	217	661	256	917	31	32	24	27
Noxafil	190	193	177	560	176	188	188	551	191	742	-6	-4	1	5
Cubicin	88	67	52	207	98	94	95	287	80	367	-45	-44	-28	-25
Primaxin	59	71	77	207	72	68	72	212	53	265	7	10	-2	2
Invanz	72	78	57	206	151	149	137	437	59	496	-58	-57	-53	-50
Candidas	61	67	62	191	91	87	79	257	69	326	-21	-19	-26	-22
Immunology														
Simponi	208	214	203	625	231	233	210	673	220	893	-3	1	-7	-1
Remicade	123	98	101	322	167	157	135	459	123	582	-25	-23	-30	-25
Neuroscience														
Belsomra	67	76	80	223	54	71	66	191	69	260	22	19	17	17
Virology														
Isentress / Isentress HD	255	247	250	752	281	305	275	860	280	1,140	-9	-6	-13	-7
Zepatier	114	108	83	304	131	113	104	347	108	455	-20	-18	-12	-9
Cardiovascular														
Zetia	140	156	147	443	305	226	165	696	162	857	-11	-12	-36	-35
Vytorin	97	76	57	231	167	155	92	414	83	497	-38	-36	-44	-41
Atozet	94	92	97	283	73	101	84	258	89	347	15	19	9	16
Adempas	90	104	107	302	68	75	94	238	91	329	14	15	27	30
Diabetes ⁽⁴⁾														
Januvia	824	908	807	2,539	880	949	927	2,756	930	3,686	-13	-12	-8	-6
Janumet	530	533	503	1,567	544	585	563	1,693	535	2,228	-11	-9	-7	-4
Women's Health														
NuvaRing	219	240	241	700	216	236	234	686	216	902	3	4	2	3
Implanon / Nexplanon	199	183	199	581	174	174	186	535	169	703	7	8	9	10
Diversified Brands														
Singulair	191	160	152	503	175	185	161	521	187	708	-6	-5	-3	0
Cozaar / Hyzaar	103	109	116	329	120	125	103	348	105	453	13	16	-6	-1
Nasonex	96	72	58	226	122	81	71	274	102	376	-17	-17	-17	-14
Arcoxia	75	75	72	221	83	84	83	249	86	335	-13	-11	-11	-6
Follistim AQ	57	63	62	182	67	70	60	198	70	268	2	4	-8	-5
Other Pharmaceutical ⁽⁵⁾	1,140	1,268	1,229	3,634	1,186	1,189	1,109	3,486	1,215	4,705	11	12	4	8
ANIMAL HEALTH	1,025	1,124	1,122	3,271	1,065	1,090	1,021	3,176	1,036	4,212	10	12	3	8
Livestock	611	671	726	2,007	652	633	660	1,946	684	2,630	10	12	3	9
Companion Animals	414	453	396	1,264	413	457	361	1,230	352	1,582	10	12	3	7
Other Revenues ⁽⁶⁾	128	176	180	483	53	93	115	261	132	393	59	-18	86	-54

* 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⁾ Total Vaccines sales were \$1,887 million, \$2,037 million and \$2,517 million in the first, second and third 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.

⁽⁴⁾ Total Diabetes sales were \$1,402 million, \$1,480 million and \$1,360 million in the first, second and third 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.

⁽⁵⁾ Includes Pharmaceutical products not individually shown above.

⁽⁶⁾ 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
THIRD QUARTER 2019
(AMOUNTS IN MILLIONS)
(UNAUDITED)
Table 3a

	Global			U.S.			International		
	3Q 2019	3Q 2018	% Change	3Q 2019	3Q 2018	% Change	3Q 2019	3Q 2018	% Change
TOTAL SALES ⁽¹⁾	\$12,397	\$10,794	15	\$5,525	\$5,030	10	\$6,872	\$5,764	19
PHARMACEUTICAL	11,095	9,658	15	5,132	4,649	10	5,962	5,010	19
Oncology									
Keytruda	3,070	1,889	62	1,743	1,109	57	1,327	780	70
Alliance Revenue - Lynparza ⁽²⁾	123	49	154	71	33	112	53	15	*
Alliance Revenue - Lenvima ⁽²⁾	109	43	154	65	30	117	44	13	*
Emend	98	123	-20	42	71	-40	56	52	7
Vaccines ⁽³⁾									
Gardasil / Gardasil 9	1,320	1,048	26	761	740	3	558	308	81
ProQuad / M-M-R II / Varivax	623	525	19	482	429	12	141	96	48
Pneumovax 23	237	214	11	179	160	12	58	54	6
RotaTeq	180	191	-5	102	134	-24	78	57	37
Vaqta	62	66	-6	36	36	1	26	30	-14
Hospital Acute Care									
Bridion	284	217	31	133	96	38	151	120	25
Noxafil	177	188	-6	77	89	-13	100	99	
Primaxin	77	72	7	2	1	138	75	71	6
Candidas	62	79	-21		2	-79	62	77	-19
Invanz	57	137	-58	(1)	74	-101	58	62	-7
Cubicin	52	95	-45	14	55	-74	38	40	-5
Immunology									
Simponi	203	210	-3				203	210	-3
Remicade	101	135	-25				101	135	-25
Neuroscience									
Belsomra	80	66	22	23	23	-1	57	43	34
Virology									
Isentress / Isentress HD	250	275	-9	102	123	-18	149	151	-2
Zepatier	83	104	-20	24	18	30	59	86	-31
Cardiovascular									
Zetia	147	165	-11	5	9	-44	142	157	-9
Vytorin	57	92	-38	5		*	52	92	-43
Atozet	97	84	15				97	84	15
Adempas	107	94	14				107	94	14
Diabetes ⁽⁴⁾									
Januvia	807	927	-13	367	498	-26	440	429	3
Janumet	503	563	-11	129	225	-43	375	339	11
Women's Health									
NuvaRing	241	234	3	202	193	5	39	41	-5
Implanon / Nexplanon	199	186	7	136	133	2	62	53	17
Diversified Brands									
Singulair	152	161	-6	11	5	116	140	156	-10
Cozaar / Hyzaar	116	103	13	6	4	34	110	99	12
Arcoxia	72	83	-13				72	83	-13
Follistim AQ	62	60	2	27	26	3	35	34	2
Nasonex	58	71	-17	4	7	-40	55	64	-15
Other Pharmaceutical ⁽⁵⁾	1,229	1,109	11	385	326	18	842	786	7
ANIMAL HEALTH	1,122	1,021	10	337	306	10	785	715	10
Livestock	726	660	10	144	153	-6	582	508	15
Companion Animals	396	361	10	193	153	25	203	207	-2
Other Revenues ⁽⁶⁾	180	115	59	56	75	-25	125	39	*

* 200% or greater

⁽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⁾ Total Vaccines sales were \$2,517 million and \$2,159 million on a global basis for third quarter 2019 and 2018, respectively.⁽⁴⁾ Total Diabetes sales were \$1,360 million and \$1,506 million on a global basis for third quarter 2019 and 2018, respectively.⁽⁵⁾ Includes Pharmaceutical products not individually shown above.⁽⁶⁾ 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
SEPTEMBER YEAR-TO-DATE 2019
(AMOUNTS IN MILLIONS)
(UNAUDITED)

Table 3b

	Global			U.S.			International		
	Sep YTD 2019	Sep YTD 2018	% Change	Sep YTD 2019	Sep YTD 2018	% Change	Sep YTD 2019	Sep YTD 2018	% Change
TOTAL SALES ⁽¹⁾	\$34,972	\$31,296	12	\$15,183	\$13,425	13	\$19,789	\$17,871	11
PHARMACEUTICAL	31,218	27,859	12	14,065	12,206	15	17,153	15,653	10
Oncology									
Keytruda	7,973	5,020	59	4,525	2,906	56	3,448	2,114	63
Emend	336	396	-15	173	239	-28	163	157	4
Alliance Revenue - Lynparza ⁽²⁾	313	125	151	186	88	112	126	37	*
Alliance Revenue - Lenvima ⁽²⁾	280	78	*	169	49	*	112	29	*
Vaccines ⁽³⁾									
Gardasil / Gardasil 9	3,044	2,317	31	1,579	1,422	11	1,464	894	64
ProQuad / M-M-R II / Varivax	1,794	1,343	34	1,325	1,097	21	469	246	91
Pneumovax 23	592	586	1	428	394	8	164	192	-14
RotaTeq	564	540	4	360	384	-6	203	156	30
Vaqta	167	167		103	95	8	65	72	-10
Hospital Acute Care									
Bridion	817	661	24	381	272	40	437	389	12
Noxafil	560	551	1	268	257	4	291	294	-1
Cubicin	207	287	-28	78	150	-48	129	137	-6
Primaxin	207	212	-2	2	6	-61	204	206	-1
Invanz	206	437	-53	30	252	-88	176	185	-5
Cancidas	191	257	-26	5	10	-52	187	247	-25
Immunology									
Simponi	625	673	-7				625	673	-7
Remicade	322	459	-30				322	459	-30
Neuroscience									
Belsomra	223	191	17	68	76	-10	155	115	35
Virology									
Isentress / Isentress HD	752	860	-13	304	383	-21	449	477	-6
Zepatier	304	347	-12	96	8	*	208	339	-39
Cardiovascular									
Zetia	443	696	-36	11	34	-67	432	662	-35
Vytorin	231	414	-44	11	11	-2	219	402	-45
Atozet	283	258	9				283	258	9
Adempas	302	238	27				302	238	27
Diabetes ⁽⁴⁾									
Januvia	2,539	2,756	-8	1,223	1,466	-17	1,317	1,291	2
Janumet	1,567	1,693	-7	462	625	-26	1,105	1,067	3
Women's Health									
NuvaRing	700	686	2	593	550	8	107	135	-21
Implanon / Nexplanon	581	535	9	421	375	12	160	160	
Diversified Brands									
Singulair	503	521	-3	24	16	54	479	505	-5
Cozaar / Hyzaar	329	348	-6	16	18	-13	313	330	-5
Nasonex	226	274	-17	2	8	-74	224	266	-16
Arcoxia	221	249	-11				221	249	-11
Follistim AQ	182	198	-8	80	83	-3	102	115	-12
Other Pharmaceutical ⁽⁵⁾	3,634	3,486	4	1,142	932	23	2,492	2,557	-3
ANIMAL HEALTH	3,271	3,176	3	966	924	4	2,305	2,252	2
Livestock	2,007	1,946	3	406	383	6	1,601	1,563	2
Companion Animals	1,264	1,230	3	560	541	4	704	689	2
Other Revenues ⁽⁶⁾	483	261	86	152	295	-48	331	(34)	*

* 200% or greater

⁽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⁾ Total Vaccines sales were \$6,441 million and \$5,254 million on a global basis for third quarter 2019 and 2018, respectively.⁽⁴⁾ Total Diabetes sales were \$4,242 million and \$4,510 million on a global basis for third quarter 2019 and 2018, respectively.⁽⁵⁾ Includes Pharmaceutical products not individually shown above.⁽⁶⁾ 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 3Q
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Full Year	
TOTAL PHARMACEUTICAL	\$9,663	\$10,460	\$11,095	\$31,218	\$8,919	\$9,282	\$9,658	\$27,859	\$9,830	\$37,689	15
United States	4,175	4,758	5,132	14,065	3,716	3,841	4,649	12,206	4,402	16,608	10
% Pharmaceutical Sales	43.2%	45.5%	46.3%	45.1%	41.7%	41.4%	48.1%	43.8%	44.8%	44.1%	
Europe ⁽¹⁾	2,335	2,301	2,304	6,941	2,402	2,322	2,114	6,839	2,237	9,076	9
% Pharmaceutical Sales	24.2%	22.0%	20.8%	22.2%	26.9%	25.0%	21.9%	24.5%	22.8%	24.1%	
Japan	779	900	894	2,573	718	834	740	2,292	835	3,127	21
% Pharmaceutical Sales	8.1%	8.6%	8.1%	8.2%	8.1%	9.0%	7.7%	8.2%	8.5%	8.3%	
Asia Pacific	1,367	1,351	1,536	4,254	1,112	1,224	1,054	3,390	1,199	4,589	46
% Pharmaceutical Sales	14.1%	12.9%	13.8%	13.6%	12.5%	13.2%	10.9%	12.2%	12.2%	12.2%	
China	725	745	898	2,368	459	530	488	1,476	601	2,077	84
% Pharmaceutical Sales	7.5%	7.1%	8.1%	7.6%	5.1%	5.7%	5.1%	12.2%	6.1%	5.5%	
Latin America	427	523	534	1,484	398	459	493	1,350	530	1,880	8
% Pharmaceutical Sales	4.4%	5.0%	4.8%	4.8%	4.5%	4.9%	5.1%	4.8%	5.4%	5.0%	
Eastern Europe/Middle East Africa	343	388	423	1,154	335	356	347	1,038	349	1,388	22
% Pharmaceutical Sales	3.6%	3.7%	3.8%	3.7%	3.8%	3.8%	3.6%	3.7%	3.6%	3.7%	
Canada	177	179	211	568	196	192	177	565	211	776	19
% Pharmaceutical Sales	1.8%	1.7%	1.9%	1.8%	2.2%	2.1%	1.8%	2.0%	2.1%	2.1%	
Other	60	60	61	179	42	54	84	179	67	245	-27
% Pharmaceutical Sales	0.6%	0.6%	0.5%	0.6%	0.5%	0.6%	0.9%	0.6%	0.7%	0.7%	

⁽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

	3Q19	3Q18	Sep YTD 2019	Sep YTD 2018
Interest income	\$ (61)	\$ (92)	\$ (225)	\$ (257)
Interest expense	231	190	674	569
Exchange losses	38	42	166	119
Income from investments in equity securities, net ⁽¹⁾	(16)	(198)	(50)	(376)
Net periodic defined benefit plan (credit) cost other than service cost	(128)	(119)	(409)	(384)
Other, net	(29)	5	206	(183)
Total	\$ 35	\$ (172)	\$ 362	\$ (512)

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