



Merck & Co., Inc.
Financial Highlights Package
Third Quarter 2021
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MERCK & CO., INC.
CONSOLIDATED STATEMENT OF INCOME - GAAP
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)

Table 1

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

	GAAP		% Change	GAAP		% Change
	3Q21	3Q20		Sep YTD 2021	Sep YTD 2020	
Sales	\$ 13,154	\$ 10,929	20%	\$ 35,183	\$ 30,570	15%
Costs, Expenses and Other						
Cost of sales	3,450	3,013	15%	9,752	8,589	14%
Selling, general and administrative	2,336	2,060	13%	6,804	6,336	7%
Research and development	2,445	3,349	-27%	9,177	7,609	21%
Restructuring costs ⁽¹⁾	107	113	-5%	487	265	84%
Other (income) expense, net	(450)	(312)	44%	(1,007)	(637)	58%
Income from Continuing Operations Before Taxes	5,266	2,706	95%	9,970	8,408	19%
Income Tax Provision	695	380		1,436	1,271	
Net Income from Continuing Operations	4,571	2,326	97%	8,534	7,137	20%
Less: Net Income Attributable to Noncontrolling Interests	4	2		9	1	
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	\$ 4,567	\$ 2,324	97%	\$ 8,525	\$ 7,136	19%
Income from Discontinued Operations, Net of Taxes and Amounts Attributable to Noncontrolling Interests	\$ -	\$ 617	*	\$ 766	\$ 2,025	-62%
Net Income Attributable to Merck & Co., Inc.	\$ 4,567	\$ 2,941	55%	\$ 9,291	\$ 9,161	1%
Basic Earnings per Common Share Attributable to Merck & Co., Inc. Common Shareholders:						
Income from Continuing Operations	\$ 1.81	\$ 0.92	97%	\$ 3.37	\$ 2.82	20%
Income from Discontinued Operations	\$ -	\$ 0.24	*	\$ 0.30	\$ 0.80	-63%
Net Income	\$ 1.81	\$ 1.16	56%	\$ 3.67	\$ 3.62	1%
Earnings per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders:						
Income from Continuing Operations	\$ 1.80	\$ 0.92	96%	\$ 3.36	\$ 2.81	20%
Income from Discontinued Operations	\$ -	\$ 0.24	*	\$ 0.30	\$ 0.80	-63%
Net Income	\$ 1.80	\$ 1.16	55%	\$ 3.66	\$ 3.61	1%
Average Shares Outstanding	2,530	2,529		2,531	2,530	
Average Shares Outstanding Assuming Dilution	2,536	2,538		2,539	2,541	
Tax Rate from Continuing Operations ⁽²⁾	13.2%	14.0%		14.4%	15.1%	

* 100% or greater

⁽¹⁾ Represents separation and other related costs associated with restructuring activities under the company's formal restructuring programs.

⁽²⁾ The effective income tax rate for the first nine months of 2021 reflects the unfavorable impact of a charge for the acquisition of Pandion Therapeutics, Inc. for which no tax benefit was recognized and a net tax benefit of \$207 million related to the settlement of certain federal income tax matters.

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

Table 1a

	2021				2020						% Change	
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Full Year	3Q	Sep YTD
Sales	\$ 10,627	\$ 11,402	\$ 13,154	\$ 35,183	\$ 10,288	\$ 9,353	\$ 10,929	\$ 30,570	\$ 10,948	\$ 41,518	20%	15%
Costs, Expenses and Other												
Cost of sales	3,199	3,104	3,450	9,752	2,829	2,747	3,013	8,589	5,029	13,618	15%	14%
Selling, general and administrative	2,187	2,281	2,336	6,804	2,191	2,085	2,060	6,336	2,619	8,955	13%	7%
Research and development	2,412	4,321	2,445	9,177	2,175	2,085	3,349	7,609	5,788	13,397	-27%	21%
Restructuring costs	297	82	107	487	70	82	113	265	310	575	-5%	84%
Other (income) expense, net	(455)	(103)	(450)	(1,007)	62	(387)	(312)	(637)	(253)	(890)	44%	58%
Income (Loss) from Continuing Operations Before Taxes	2,987	1,717	5,266	9,970	2,961	2,741	2,706	8,408	(2,545)	5,863	95%	19%
Income Tax Provision	238	503	695	1,436	495	396	380	1,271	69	1,340		
Net Income (Loss) from Continuing Operations	2,749	1,214	4,571	8,534	2,466	2,345	2,326	7,137	(2,614)	4,523	97%	20%
Less: Net Income (Loss) Attributable to Noncontrolling Interests	4	1	4	9	(5)	4	2	1	3	4		
Net Income (Loss) from Continuing Operations Attributable to Merck & Co., Inc.	2,745	1,213	4,567	8,525	2,471	2,341	2,324	7,136	(2,617)	4,519	97%	19%
Income from Discontinued Operations, Net of Taxes and Amounts Attributable to Noncontrolling Interests	434	332	-	766	748	661	617	2,025	523	2,548	*	-62%
Net Income (Loss) Attributable to Merck & Co., Inc.	\$ 3,179	\$ 1,545	\$ 4,567	\$ 9,291	\$ 3,219	\$ 3,002	\$ 2,941	\$ 9,161	\$ (2,094)	\$ 7,067	55%	1%
Basic Earnings (Loss) per Common Share Attributable to Merck & Co., Inc. Common Shareholders:												
Income (Loss) from Continuing Operations	\$ 1.08	\$ 0.48	\$ 1.81	\$ 3.37	\$ 0.98	\$ 0.93	\$ 0.92	\$ 2.82	\$ (1.03)	\$ 1.79	97%	20%
Income from Discontinued Operations	0.17	0.13	-	0.30	0.30	0.26	0.24	0.80	0.21	1.01	*	-63%
Net Income (Loss)	\$ 1.26	\$ 0.61	\$ 1.81	\$ 3.67	\$ 1.27	\$ 1.19	\$ 1.16	\$ 3.62	\$ (0.83)	\$ 2.79	56%	1%
Earnings (Loss) per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders:												
Income (Loss) from Continuing Operations	\$ 1.08	\$ 0.48	\$ 1.80	\$ 3.36	\$ 0.97	\$ 0.92	\$ 0.92	\$ 2.81	\$ (1.03)	\$ 1.78	96%	20%
Income from Discontinued Operations	0.17	0.13	-	0.30	0.29	0.26	0.24	0.80	0.21	1.00	*	-63%
Net Income (Loss)	\$ 1.25	\$ 0.61	\$ 1.80	\$ 3.66	\$ 1.26	\$ 1.18	\$ 1.16	\$ 3.61	\$ (0.83)	\$ 2.78	55%	1%
Average Shares Outstanding	2,531	2,533	2,530	2,531	2,533	2,527	2,529	2,530	2,530	2,530		
Average Shares Outstanding Assuming Dilution ⁽¹⁾	2,541	2,540	2,536	2,539	2,547	2,536	2,538	2,541	2,530	2,541		
Tax Rate from Continuing Operations	8.0%	29.3%	13.2%	14.4%	16.7%	14.4%	14.0%	15.1%	-2.7%	22.9%		

* 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 fourth quarter of 2020, 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. Income from discontinued operations was also computed using average common shares outstanding.

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

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

	GAAP	Acquisition and Divestiture- Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	(Income) Loss from Investments in Equity Securities	Certain Other Items	Adjustment Subtotal	Non-GAAP
Third Quarter							
Cost of sales	\$ 3,450	346	48			394	\$ 3,056
Selling, general and administrative	2,336	61	5			66	2,270
Research and development	2,445	48	8		(87) ⁽⁴⁾	(31)	2,476
Restructuring costs	107		107			107	-
Other (income) expense, net	(450)	(10)		(684)		(694)	244
Income From Continuing Operations Before Taxes	5,266	(445)	(168)	684	87	158	5,108
Income Tax Provision (Benefit)	695	(96) ⁽⁵⁾	(26) ⁽⁵⁾	151 ⁽⁵⁾	1 ⁽⁵⁾	30	665
Net Income from Continuing Operations	4,571	(349)	(142)	533	86	128	4,443
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	4,567	(349)	(142)	533	86	128	4,439
Earnings per Common Share Assuming Dilution from Continuing Operations	\$ 1.80	(0.14)	(0.06)	0.21	0.04	0.05	\$ 1.75
Tax Rate	13.2%						13.0%
Sep YTD							
Cost of sales	\$ 9,752	1,188	113		225 ⁽³⁾	1,526	\$ 8,226
Selling, general and administrative	6,804	96	9			105	6,699
Research and development	9,177	82	21		1,678 ⁽⁴⁾	1,781	7,396
Restructuring costs	487		487			487	-
Other (income) expense, net	(1,007)	79		(1,503)		(1,424)	417
Income From Continuing Operations Before Taxes	9,970	(1,445)	(630)	1,503	(1,903)	(2,475)	12,445
Income Tax Provision (Benefit)	1,436	(283) ⁽⁵⁾	(82) ⁽⁵⁾	331 ⁽⁵⁾	(259) ⁽⁵⁾	(293)	1,729
Net Income from Continuing Operations	8,534	(1,162)	(548)	1,172	(1,644)	(2,182)	10,716
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	8,525	(1,162)	(548)	1,172	(1,644)	(2,182)	10,707
Earnings per Common Share Assuming Dilution from Continuing Operations	\$ 3.36	(0.46)	(0.22)	0.46	(0.65)	(0.86)	\$ 4.22
Tax Rate	14.4%						13.9%

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. In addition, senior management's annual compensation is derived in part using non-GAAP pretax income. 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 primarily reflect expenses for the amortization of intangible assets. Amounts included in selling, general and administrative expenses reflect acquisition and divestiture-related costs. Amounts included in research and development expenses primarily reflect expenses for the amortization of intangible assets. Amounts included in other (income) expense, net, for the third quarter and nine months period primarily reflect an increase in the estimated fair value measurement of liabilities for contingent consideration related to the termination of the Sanofi-Pasteur MSD joint venture. Additionally, the first nine months also includes a loss on a forward exchange contract entered into in conjunction with the Organon spinoff. Amount included in other (income) expense, net, for the nine month period is 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 charges for the discontinuation of COVID-19 development programs.

⁽⁴⁾ Amounts included in the third quarter and first nine months reflect a \$90 million adjustment to deferred tax assets identified in conjunction with the VelosBio Inc. acquisition. Additionally, the first nine months includes a \$1.7 billion charge for the acquisition of Pandion Therapeutics, Inc.

⁽⁵⁾ Represent the estimated tax impacts on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments. Certain other items for the nine month period also includes a \$207 million net tax benefit related to the settlement of certain federal income tax matters.

MERCK & CO., INC.
THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020 GAAP TO NON-GAAP RECONCILIATION - CONTINUING OPERATIONS
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE FIGURES)
(UNAUDITED)
Table 2b

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

	GAAP	Acquisition and Divestiture- Related Costs ⁽¹⁾	Restructuring Costs ⁽²⁾	(Income) Loss from Investments in Equity Securities	Certain Other Items	Adjustment Subtotal	Non-GAAP
Third Quarter							
Cost of sales	\$ 3,013	403	38			441	\$ 2,572
Selling, general and administrative	2,060	25	15			40	2,020
Research and development	3,349	19	19		1,082 ⁽³⁾	1,120	2,229
Restructuring costs	113		113			113	-
Other (income) expense, net	(312)			(346)	(1)	(347)	35
Income From Continuing Operations Before Taxes	2,706	(447)	(185)	346	(1,081)	(1,367)	4,073
Income Tax Provision (Benefit)	380	(9) ⁽⁴⁾	(25) ⁽⁴⁾	76 ⁽⁴⁾	(247) ⁽⁴⁾	(205)	585
Net Income from Continuing Operations	2,326	(438)	(160)	270	(834)	(1,162)	3,488
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	2,324	(438)	(160)	270	(834)	(1,162)	3,486
Earnings per Common Share Assuming Dilution from Continuing Operations	\$ 0.92	(0.17)	(0.06)	0.11	(0.33)	(0.45)	\$ 1.37
Tax Rate	14.0%						14.4%
Sep YTD							
Cost of sales	\$ 8,589	1,370	131			1,501	\$ 7,088
Selling, general and administrative	6,336	182	37			219	6,117
Research and development	7,609	(4)	67		1,082 ⁽³⁾	1,145	6,464
Restructuring costs	265		265			265	-
Other (income) expense, net	(637)	52		(944)	(17)	(909)	272
Income From Continuing Operations Before Taxes	8,408	(1,600)	(500)	944	(1,065)	(2,221)	10,629
Income Tax Provision (Benefit)	1,271	(251) ⁽⁴⁾	(59) ⁽⁴⁾	208 ⁽⁴⁾	(242) ⁽⁴⁾	(344)	1,615
Net Income from Continuing Operations	7,137	(1,349)	(441)	736	(823)	(1,877)	9,014
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	7,136	(1,349)	(441)	736	(823)	(1,877)	9,013
Earnings per Common Share Assuming Dilution from Continuing Operations	\$ 2.81	(0.54)	(0.17)	0.29	(0.32)	(0.74)	\$ 3.55
Tax Rate	15.1%						15.2%

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. In addition, senior management's annual compensation is derived in part using non-GAAP pretax income. 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 primarily reflect expenses for the amortization of intangible assets. Amounts included in selling, general and administrative (SG&A) expenses reflect acquisition and divestiture-related costs, including \$95 million of transaction costs in the nine month period related to the acquisition of Arqule, Inc. Amounts included in research and development expenses primarily reflect a reduction in expenses related to a decrease in the estimated fair value measurement of liabilities for contingent consideration. Amounts included in other (income) expense, net, primarily reflect costs related to increases 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 expenses for upfront payments related to license and collaboration agreements.

⁽⁴⁾ Represent the estimated tax impacts on the reconciling items based on applying the statutory rate of the originating territory of the non-GAAP adjustments. Acquisition and divestiture-related costs also includes a tax cost of \$67 million, representing an adjustment to the tax benefits recorded in conjunction with the 2015 Cubist Pharmaceuticals, Inc. acquisition.

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

Table 3

	2021				2020						3Q		September YTD	
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Full Year	Nom %	Ex-Exch %	Nom %	Ex-Exch %
TOTAL SALES ⁽¹⁾	\$10,627	\$11,402	\$13,154	\$35,183	\$10,288	\$9,353	\$10,929	\$30,570	\$10,948	\$41,518	20	19	15	13
PHARMACEUTICAL	9,238	9,980	11,496	30,714	8,905	8,178	9,714	26,797	9,813	36,610	18	17	15	12
Oncology														
Keytruda	3,899	4,176	4,534	12,609	3,284	3,388	3,715	10,387	3,993	14,380	22	21	21	19
Alliance Revenue – Lynparza ⁽²⁾	228	248	246	721	145	178	196	519	206	725	25	25	39	35
Alliance Revenue – Lenvima ⁽²⁾	130	181	188	498	128	151	142	421	158	580	32	30	18	15
Vaccines ⁽³⁾														
Gardasil / Gardasil 9	917	1,234	1,993	4,144	1,097	656	1,187	2,941	998	3,938	68	63	41	35
ProQuad / M-M-R II / Varivax	449	516	661	1,626	435	378	576	1,390	488	1,878	15	14	17	16
Pneumovax 23	171	152	277	600	256	117	375	748	339	1,087	-26	-26	-20	-21
RotaTeq	158	208	227	593	222	168	210	601	196	797	8	7	-1	-3
Vaqta	34	56	48	138	60	28	51	139	31	170	-6	-6	-1	-2
Hospital Acute Care														
Bridion	340	387	369	1,096	299	224	320	843	355	1,198	16	15	30	27
Prevmis	82	93	96	270	60	63	77	200	80	281	23	22	35	31
Noxafil	67	66	64	197	94	73	79	247	82	329	-19	-20	-20	-23
Primaxin	65	60	70	194	51	64	74	189	62	251	-6	-12	3	-4
Candidas	57	54	56	168	55	43	50	148	65	213	13	9	13	8
Invanz	57	48	53	157	64	43	51	159	53	211	5	0	-1	-4
Zerbaxa	(8)	(1)	(2)	(11)	37	32	43	112	19	130	-105	-105	-110	-110
Immunology														
Simponi	214	202	203	619	215	191	209	615	223	838	-3	-5	1	-5
Remicade	85	75	73	233	88	73	82	242	88	330	-11	-11	-4	-8
Neuroscience														
Belsomra	79	78	81	238	79	84	81	244	83	327	0	3	-2	-2
Virology														
Isentress / Isentress HD	209	192	189	590	245	196	205	646	211	857	-8	-7	-9	-9
Cardiovascular														
Alliance Revenue - Adempas/Verquvo ⁽⁴⁾	74	74	100	248	53	79	83	216	65	281	20	20	15	15
Adempas ⁽⁵⁾	55	74	59	188	56	57	55	167	53	220	7	8	13	7
Diabetes ⁽⁶⁾														
Januvia	809	784	852	2,445	774	854	821	2,449	857	3,306	4	3	0	-3
Janumet	486	477	487	1,449	503	490	506	1,499	472	1,971	-4	-6	-3	-7
Other Pharmaceutical ⁽⁷⁾	581	546	572	1,704	605	548	526	1,675	636	2,312	9	8	2	1
ANIMAL HEALTH	1,418	1,472	1,417	4,307	1,214	1,101	1,220	3,535	1,168	4,703	16	14	22	19
Livestock	819	821	864	2,503	739	648	758	2,145	794	2,939	14	12	17	14
Companion Animals	599	651	553	1,804	475	453	462	1,390	374	1,764	20	18	30	26
Other Revenues ⁽⁸⁾	(29)	(50)	241	162	169	74	(5)	238	(33)	205	*	*	-32	88

* 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 \$1,809 million, \$2,293 million, and \$3,315 million in the first, second, and third quarter of 2021, respectively, and \$2,155 million, \$1,418 million, \$2,521 million and \$2,163 million in the first, second, third and fourth quarters of 2020, respectively.

⁽⁴⁾ 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.

⁽⁵⁾ Net product sales in Merck's marketing territories.

⁽⁶⁾ Total Diabetes sales were \$1,363 million, \$1,330 million, and \$1,417 million in the first, second, and third quarter of 2021, respectively, and \$1,353 million, \$1,418 million, \$1,405 million and \$1,412 million in the first, second, third and fourth quarters of 2020, respectively.

⁽⁷⁾ Includes Pharmaceutical products not individually shown above.

⁽⁸⁾ Other Revenues are comprised primarily of third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities. Other Revenues in the third quarter and September year-to-date period of 2021 include \$135 million related to the receipt of a milestone payment for an out-licensed product.

MERCK & CO., INC.
FRANCHISE / KEY PRODUCT SALES - CONTINUING OPERATIONS
THIRD QUARTER 2021
(AMOUNTS IN MILLIONS)
(UNAUDITED)
Table 3a

	Global			U.S.			International		
	3Q 2021	3Q 2020	% Change	3Q 2021	3Q 2020	% Change	3Q 2021	3Q 2020	% Change
TOTAL SALES ⁽¹⁾	\$13,154	\$10,929	20	\$6,276	\$5,250	20	\$6,878	\$5,679	21
PHARMACEUTICAL	11,496	9,714	18	5,670	4,842	17	5,826	4,872	20
Oncology									
Keytruda	4,534	3,715	22	2,580	2,157	20	1,954	1,559	25
Alliance Revenue - Lynparza ⁽²⁾	246	196	25	129	107	21	117	89	31
Alliance Revenue - Lenvima ⁽²⁾	188	142	32	114	82	40	74	60	23
Vaccines ⁽³⁾									
Gardasil / Gardasil 9	1,993	1,187	68	839	579	45	1,154	608	90
ProQuad / M-M-R II / Varivax	661	576	15	537	437	23	125	139	-10
Pneumovax 23	277	375	-26	181	276	-34	97	99	-3
RotaTeq	227	210	8	135	114	19	92	96	-4
Vaqta	48	51	-6	32	32	2	16	19	-19
Hospital Acute Care									
Bridion	369	320	16	181	162	11	188	157	20
Prevymis	96	77	23	39	32	22	57	46	24
Noxafil	64	79	-19	19	13	44	45	66	-31
Primaxin	70	74	-6		1	-64	69	73	-5
Candidas	56	50	13	1	1	-19	56	49	14
Invanz	53	51	5	(2)	1	*	55	50	12
Zerbaxa	(2)	43	-105	(1)	20	-106	(1)	23	-104
Immunology									
Simponi	203	209	-3				203	209	-3
Remicade	73	82	-11				73	82	-11
Neuroscience									
Belsomra	81	81		23	18	32	58	63	-8
Virology									
Isentress / Isentress HD	189	205	-8	77	92	-16	112	113	-1
Cardiovascular									
Alliance Revenue - Adempas/Verquvo ⁽⁴⁾	100	83	20	73	78	-7	27	5	*
Adempas ⁽⁵⁾	59	55	7				59	55	7
Diabetes ⁽⁶⁾									
Januvia	852	821	4	365	342	7	487	479	2
Janumet	487	506	-4	86	105	-18	401	400	
Other Pharmaceutical ⁽⁷⁾	572	526	9	262	193	36	308	333	-8
ANIMAL HEALTH	1,417	1,220	16	467	399	17	951	821	16
Livestock	864	758	14	190	165	15	675	593	14
Companion Animals	553	462	20	277	234	18	276	228	21
Other Revenues ⁽⁸⁾	241	(5)	*	139	9	*	101	(14)	*

* 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⁾ Total Vaccines sales were \$3,315 million in the third quarter of 2021 and \$2,521 million in the third quarter of 2020.

⁽⁴⁾ 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.

⁽⁵⁾ Net product sales in Merck's marketing territories.

⁽⁶⁾ Total Diabetes sales were \$1,417 million in the third quarter of 2021 and \$1,405 million in the third quarter of 2020.

⁽⁷⁾ Includes Pharmaceutical products not individually shown above.

⁽⁸⁾ Other Revenues are comprised primarily of third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities. Other Revenues in the third quarter of 2021 include \$135 million related to the receipt of a milestone payment for an out-licensed product.

MERCK & CO., INC.
FRANCHISE / KEY PRODUCT SALES - CONTINUING OPERATIONS
SEPTEMBER YEAR-TO-DATE 2021
(AMOUNTS IN MILLIONS)
(UNAUDITED)

Table 3b

	Global			U.S.			International		
	September YTD 2021	September YTD 2020	% Change	September YTD 2021	September YTD 2020	% Change	September YTD 2021	September YTD 2020	% Change
TOTAL SALES ⁽¹⁾	\$35,183	\$30,570	15	\$16,166	\$14,301	13	\$19,017	\$16,269	17
PHARMACEUTICAL	30,714	26,797	15	14,611	13,108	11	16,103	13,690	18
Oncology									
Keytruda	12,609	10,387	21	7,108	6,106	16	5,501	4,281	29
Alliance Revenue - Lynparza ⁽²⁾	721	519	39	371	297	25	350	223	57
Alliance Revenue - Lenvima ⁽²⁾	498	421	18	287	270	6	211	152	39
Vaccines ⁽³⁾									
Gardasil / Gardasil 9	4,144	2,941	41	1,605	1,209	33	2,539	1,732	47
ProQuad / M-M-R II / Varivax	1,626	1,390	17	1,255	1,033	21	371	356	4
Pneumovax 23	600	748	-20	354	478	-26	247	270	-9
RotaTeq	593	601	-1	364	355	3	229	246	-7
Vaqta	138	139	-1	80	79	1	58	60	-4
Hospital Acute Care									
Bridion	1,096	843	30	545	412	32	551	431	28
Prevymis	270	200	35	111	87	28	159	113	40
Noxafil	197	247	-20	48	27	79	149	220	-32
Primaxin	194	189	3		2	-79	194	187	4
Candidas	168	148	13	4	2	129	164	147	12
Invanz	157	159	-1	(2)	7	-128	159	152	5
Zerbaxa	(11)	112	-110	(5)	57	-109	(6)	54	-111
Immunology									
Simponi	619	615	1				619	615	1
Remicade	233	242	-4				233	242	-4
Neuroscience									
Belsomra	238	244	-2	56	67	-17	183	177	3
Virology									
Isentress / Isentress HD	590	646	-9	222	243	-9	368	403	-9
Cardiovascular									
Alliance Revenue - Adempas/Verquvo ⁽⁴⁾	248	216	15	222	200	11	26	16	67
Adempas ⁽⁵⁾	188	167	13				188	167	13
Diabetes ⁽⁶⁾									
Januvia	2,445	2,449		997	1,110	-10	1,448	1,339	8
Janumet	1,449	1,499	-3	244	361	-32	1,205	1,138	6
Other Pharmaceutical ⁽⁷⁾	1,704	1,675	2	745	706	6	957	969	-1
ANIMAL HEALTH	4,307	3,535	22	1,363	1,124	21	2,944	2,411	22
Livestock	2,503	2,145	17	508	448	13	1,996	1,697	18
Companion Animals	1,804	1,390	30	855	676	26	948	714	33
Other Revenues ⁽⁸⁾	162	238	-32	192	69	181	(30)	168	-118

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⁾ Total Vaccines sales were \$7,417 million and \$6,094 million on a global basis for September YTD 2021 and 2020, respectively.

⁽⁴⁾ 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.

⁽⁵⁾ Net product sales in Merck's marketing territories.

⁽⁶⁾ Total Diabetes sales were \$4,110 million and \$4,177 million on a global basis for September YTD 2021 and 2020, respectively.

⁽⁷⁾ Includes Pharmaceutical products not individually shown above.

⁽⁸⁾ Other Revenues are comprised primarily of third-party manufacturing sales and miscellaneous corporate revenues, including revenue hedging activities. Other Revenues in the September year-to-date period of 2021 include \$135 million related to the receipt of a milestone payment for an out-licensed product.

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

	2021				2020						% Change	
	1Q	2Q	3Q	Sep YTD	1Q	2Q	3Q	Sep YTD	4Q	Full Year	3Q	Sep YTD
TOTAL PHARMACEUTICAL	\$9,238	\$9,980	\$11,496	\$30,714	\$8,905	\$8,178	\$9,714	\$26,797	\$9,813	\$36,610	18	15
United States	4,294	4,647	5,670	14,611	4,308	3,958	4,842	13,108	4,903	18,010	17	11
% Pharmaceutical Sales	46.5%	46.6%	49.3%	47.6%	48.4%	48.4%	49.8%	48.9%	50.0%	49.2%		
Europe ⁽¹⁾	2,276	2,404	2,445	7,124	2,116	1,855	2,171	6,141	2,314	8,455	13	16
% Pharmaceutical Sales	24.6%	24.1%	21.3%	23.2%	23.8%	22.7%	22.3%	22.9%	23.6%	23.1%		
China	688	944	1,278	2,910	628	600	764	1,992	670	2,661	67	46
% Pharmaceutical Sales	7.4%	9.5%	11.1%	9.5%	7.1%	7.3%	7.9%	7.4%	6.8%	7.3%		
Japan	607	637	614	1,858	561	601	648	1,810	704	2,514	-5	3
% Pharmaceutical Sales	6.6%	6.4%	5.3%	6.0%	6.3%	7.3%	6.7%	6.8%	7.2%	6.9%		
Asia Pacific (other than China and Japan)	437	442	450	1,329	411	377	411	1,200	414	1,614	9	11
% Pharmaceutical Sales	4.7%	4.4%	3.9%	4.3%	4.6%	4.6%	4.2%	4.5%	4.2%	4.4%		
Latin America	353	379	434	1,166	314	312	372	998	371	1,369	17	17
% Pharmaceutical Sales	3.8%	3.8%	3.8%	3.8%	3.5%	3.8%	3.8%	3.7%	3.8%	3.7%		
Eastern Europe/Middle East/Africa	357	318	362	1,037	353	309	289	948	251	1,199	25	9
% Pharmaceutical Sales	3.9%	3.2%	3.1%	3.4%	4.0%	3.8%	3.0%	3.5%	2.6%	3.3%		
Canada	160	157	164	482	159	121	169	449	149	599	-3	7
% Pharmaceutical Sales	1.7%	1.6%	1.4%	1.6%	1.8%	1.5%	1.7%	1.7%	1.5%	1.6%		
Other	66	52	79	197	55	45	48	151	37	189	65	30
% Pharmaceutical Sales	0.8%	0.4%	0.8%	0.6%	0.5%	0.6%	0.6%	0.6%	0.3%	0.5%		

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

	3Q21	3Q20	Sep YTD 2021	Sep YTD 2020
Interest income	\$ (7)	\$ (9)	\$ (27)	\$ (48)
Interest expense	196	203	597	624
Exchange losses	46	10	202	89
Income from investments in equity securities, net ⁽¹⁾	(683)	(360)	(1,535)	(964)
Net periodic defined benefit plan cost (credit) other than service cost	40	(88)	(159)	(259)
Other, net	(42)	(68)	(85)	(79)
Total	\$ (450)	\$ (312)	\$ (1,007)	\$ (637)

⁽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 ownership interests in investment funds are accounted for on a one quarter lag.