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Q2 PERFORMANCE HIGHLIGHTS

DELIVERED WORLDWIDE SALES GROWTH

$11.8B

+15%

DROVE NON-GAAP EPS GROWTH

$1.30

GAAP $1.03

+25%

CREATED SHAREHOLDER VALUE

• Returned $2.6 billion to shareholders through dividends and share repurchases
• Executed on value-enhancing business development, including acquisitions of Peloton Therapeutics and Tilos Therapeutics and close of Immune Design and Antelliq

ADVANCED THE PIPELINE

• Announced 1L H&N, 3L SCLC approvals for KEYTRUDA including filing acceptance for Q6W dosing in the U.S.
• Announced new 24 and 48-week data as well as early implantable data for islatravir (formerly MK-8591) at IAS 2019
• Presented new V114 data at ECCMID 2019 in pediatrics
• RECARBRIO and additional indication for ZERBAXA approved

1. All growth rates exclude impact of exchange
2. The GAAP to non-GAAP reconciliation is available in the Supplemental Tables to Merck’s Q2 2019 earnings release.
ONCOLOGY: STRONG GROWTH FOR KEYTRUDA, LYNPARZA AND LENVIMA

- KEYTRUDA growth of +63%\(^1\) year-over-year
- +73%\(^1\) international growth, driven by lung performance, particularly in Europe, China and Japan
- Early uptake in RCC and adjuvant melanoma indications in the U.S.
- Lynparza revenues more than doubled this quarter and continues to lead PARP class with nearly 60% of patients on Lynparza, driven by 1L ovarian maintenance launch (SOLO-1)
- Lenvima revenues also more than doubled, driven by HCC launch

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1. All growth rates exclude the impact of foreign exchange.
REPEATED OVERALL SURVIVAL BENEFITS IN MONOTHERAPY AND IN COMBINATION DEMONSTRATES SUCCESS OF KEYTRUDA
VACCINES: GARDASIL GLOBAL UPTAKE REMAINS ROBUST

- Vaccines sales growth of +36%¹ driven by GARDASIL as well as certain pediatric vaccines
- Strong underlying demand for GARDASIL in China, Europe and the U.S.
- Pediatric vaccines, including PROQUAD / MMR-II / VARIVAX, also contributed to vaccines growth

¹ All growth rates exclude the impact of foreign exchange.
HOSPITAL ACUTE CARE: BRIDION DEMAND REMAINS STRONG

- BRIDION on track to reach over $1 billion in annual sales globally - growth in the U.S. reflects increased utilization in procedures where neuromuscular blockade reversal agents are used
- Ongoing PREVYMIS launch contributing to performance
- Commitment to the development of novel antibiotics and antivirals highlighted by recent approvals

1. All growth rates exclude the impact of foreign exchange.
ANIMAL HEALTH: SUSTAINED PERFORMANCE

- Growth was driven by livestock, predominantly due to products acquired from the Antelliq acquisition
- Companion animal sales reflect volume growth in vaccine and insulin products
- Broad and innovative portfolio enables continued growth for our business

1. All growth rates exclude the impact of foreign exchange.
## CONTINUED ROBUST INTERNATIONAL PHARMACEUTICAL GROWTH LED BY CHINA

<table>
<thead>
<tr>
<th>Region</th>
<th>Year-on-Year Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>+24%</td>
</tr>
<tr>
<td>Canada</td>
<td>-3%</td>
</tr>
<tr>
<td>Latin America</td>
<td>+30%</td>
</tr>
<tr>
<td>China</td>
<td>+51%</td>
</tr>
<tr>
<td>Japan</td>
<td>+11%</td>
</tr>
<tr>
<td>Europe</td>
<td>+7%</td>
</tr>
<tr>
<td>Eastern Europe / Middle East Africa</td>
<td>+17%</td>
</tr>
<tr>
<td>Japan</td>
<td>+11%</td>
</tr>
<tr>
<td>EX-U.S. Global Pharmaceutical Sales</td>
<td>+12%</td>
</tr>
</tbody>
</table>

1. All growth rates exclude the impact of foreign exchange.
2. Europe primarily represents all European Union countries and the European Union accession markets.
Q2 2019 FINANCIAL RESULTS SUMMARY
DELIVERED +15% REVENUE GROWTH AND +25% NON-GAAP EPS GROWTH (BOTH EX-FX)

$ in millions, except EPS amounts

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Q2 2018</th>
<th>Change</th>
<th>Change Ex-FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$11.8</td>
<td>$10.5</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>GAAP net income¹</td>
<td>$2.7</td>
<td>$1.7</td>
<td>56%</td>
<td>61%</td>
</tr>
<tr>
<td>Non-GAAP net income that excludes certain items ¹,²</td>
<td>$3.4</td>
<td>$2.9</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>GAAP EPS</td>
<td>$1.03</td>
<td>$0.63</td>
<td>63%</td>
<td>67%</td>
</tr>
<tr>
<td>Non-GAAP EPS that excludes certain items ²</td>
<td>$1.30</td>
<td>$1.06</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>GAAP Gross Margin</td>
<td>71.1%</td>
<td>67.3%</td>
<td>3.7pts</td>
<td>3.9pts</td>
</tr>
<tr>
<td>Non-GAAP Gross Margin²</td>
<td>75.4%</td>
<td>74.4%</td>
<td>1.1pts</td>
<td>1.1pts</td>
</tr>
</tbody>
</table>

¹ Net income attributable to Merck & Co., Inc.
² Merck is providing certain 2019 and 2018 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. For a description of the items, see Table 2a of the company’s Q2 2019 earnings press release.
BALANCED APPROACH TO CAPITAL ALLOCATION
INVESTING IN THE BUSINESS AND CREATING VALUE FOR SHAREHOLDERS

$14 billion in dividend and share repurchases
- Completed $5 billion accelerated share repurchase program
- 2019 dividend increased 15%

$7 billion invested in R&D

$4 billion for Antelliq and Immune Design acquisitions

Capital Investments
2019 to 2023

>$16.0B

Over 5 years, including expanding manufacturing capacity for Oncology, Vaccines, and Animal Health. Includes >$9B in the U.S.

Balanced Capital Allocation to Return Cash to Shareholders While Investing in Growth Over Past 12 Months
# UPDATED FULL-YEAR 2019 GUIDANCE

## PRIOR GUIDANCE vs 2019 UPDATED GUIDANCE

<table>
<thead>
<tr>
<th></th>
<th>PRIOR GUIDANCE</th>
<th>2019 UPDATED GUIDANCE</th>
<th>2019 KEY ASSUMPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$43.9B - $45.1B +4% to +7% (+5% to +8% ex-FX)</td>
<td>$45.2B - $46.2B +7% to +9% (+8% to +10% ex-FX)</td>
<td>• Narrowed and Raised; Assumes slightly over 1% negative FX impact</td>
</tr>
<tr>
<td><strong>Non-GAAP Gross Margin Rate</strong></td>
<td>Roughly in line with 2018</td>
<td>Roughly in line with 2018</td>
<td>• Improved product mix and favorable FX offset by price, royalties, and collaboration milestones</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Expenses</strong></td>
<td>Low to mid-single-digit increase</td>
<td>Mid single-digit increase</td>
<td>• Increased R&amp;D investment</td>
</tr>
<tr>
<td><strong>Other (Income) / Expense</strong></td>
<td>Roughly zero</td>
<td>Roughly zero</td>
<td>• Assumes significantly lower gains from equity investments • Higher net interest expense</td>
</tr>
<tr>
<td><strong>Tax Rate</strong></td>
<td>18.5% - 19.5%</td>
<td>18.5% - 19.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Shares Outstanding</strong></td>
<td>~2.6B</td>
<td>~2.6B</td>
<td></td>
</tr>
<tr>
<td><strong>GAAP EPS</strong></td>
<td>$4.02 - $4.14</td>
<td>$3.78 - $3.88</td>
<td>• Reflecting charge related to Peloton acquisition</td>
</tr>
<tr>
<td><strong>Non-GAAP EPS</strong></td>
<td>$4.67 - $4.79 +8% to +10% (+8% to +10% ex-FX)</td>
<td>$4.84 to $4.94 +12% to +14% (+12% to +14% ex-FX)</td>
<td>• Narrowed and Raised; Assumes slightly negative FX impact</td>
</tr>
</tbody>
</table>

1. GAAP Gross Margin Rate: Low single digit increase compared to 2018
2. GAAP Operating Expenses: Higher than 2018 by a low-single digit rate
3. GAAP Tax Rate: 16.0% - 17.0%
4. The GAAP to non-GAAP reconciliation is available in Merck’s Q2 2019 earnings release
Increasing access to health advances Merck’s efforts to serve more patients

- Long history of making medicines and vaccines accessible and affordable through responsible pricing practices and industry-leading patient support programs
- Addressing 88% of the top 20 global burdens of disease with products and pipeline
- Merck for Mothers - 10-year, $500 million initiative to prevent maternal deaths has reached more than 9 million women worldwide
- Our 30+ year old MECTIZAN® Donation Program for river blindness and lymphatic filariasis that is making progress to eliminate these diseases in endemic countries: eliminated river blindness in 4 Latin American countries and in parts of 6 African countries so far, and we have eliminated lymphatic filariasis in 2 countries in Africa and the Middle East
- Rolling submission to FDA for V920, Merck’s investigational vaccine for Ebola Zaire disease (over 160,000 patients vaccinated to-date)

Fostering diverse and gender-balanced workforce essential to performance as a research-intensive company and to attracting most talented scientists

- Numerous programs to engage employees and promote positive work environment (including female mentorship by female Board members)
  - 40% of new hires in 2017 were female
  - 40% of management roles in 2017 held by women
  - 36% of new U.S. hires in 2017 were members of underrepresented ethnic groups
  - 23% of U.S. executive roles in 2017 were held by members of underrepresented ethnic groups

Executing sustainability strategy to take advantage of opportunities to reduce environmental impact across operations and supply chain

- Energy-conservation and water-use-reduction initiatives
- Reducing environmental impacts of new products, packaging, buildings and equipment
- Purchasing electricity from renewable energy sources to reduce greenhouse gas emissions
- Collaborating with suppliers and customers to address shared needs and interests in environmentally beneficial ways

Earning trust and confidence of stakeholders is critical for a company in the business of marketing and selling medicines and vaccines

- Demonstrated commitment to transparency through disclosures about our business and how we operate, including being first pharmaceutical company to publish a multi-year report about pricing practices
- Work with broad range of stakeholders to help develop and advance innovative financing and payment models to improve access
- Integrating the SDGs into our reporting to demonstrate our commitment to sustainable development
CREATING LONG-TERM VALUE FOR PATIENTS, EMPLOYEES AND SHAREHOLDERS

Next 5 Years
Strong execution driving sustainable revenue growth, meaningful margin expansion and accelerated bottom-line growth

5-10 Years
Rich pipeline addressing areas of high unmet need to drive performance over the next 5 to 10 years

10+ Years
Revitalized discovery efforts and increased expertise in biology to deliver ongoing scientific breakthroughs for decades to come

Anchored by our deep bench of talent and commitment to our mission

2Q 2019 Earnings