

MERCK

4Q & 2019 FULL-YEAR EARNINGS

SPINOFF OF NEWCO

FORWARD-LOOKING STATEMENT OF MERCK & Co., Inc., Kenilworth, N.J., USA

This presentation of Merck & Co., Inc., Kenilworth, N.J., USA (the “company”) includes “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include statements with respect to the company's plans to spinoff certain of its businesses into an independent company, the timing and structure of such spinoff, the characteristics of the business to be separated, the expected benefits of the spin-off to the company and the expected effect on the company's dividends. These statements are based upon the current beliefs and expectations of the company's management and are subject to significant risks and uncertainties. There can be no guarantees with respect to whether the proposed spinoff will be completed on the proposed timetable or at all or with respect to pipeline products that the products will receive the necessary regulatory approvals or that they will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, uncertainties as to the timing of the proposed spinoff; uncertainties as to the status of any required regulatory approvals; the possibility that various conditions to the consummation of the spin-off may not be satisfied; the effects of disruption from the transactions contemplated in connection with the spinoff; general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the company's patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company's 2018 Annual Report on Form 10-K and the company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site (www.sec.gov).

Subject to consultation as required by employment law practices, which may differ by country.

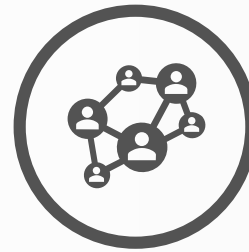
WE ARE MAKING PROGRESS ON OUR STRATEGIC PRIORITIES OUTLINED AT INVESTOR DAY



Advancing the pipeline for ongoing scientific breakthroughs



Unlocking full commercial potential of portfolio



Driving simplification and culture change



Delivering sustainable, profitable growth

ADVANCED THE PIPELINE IN 2019 FOR ONGOING SCIENTIFIC BREAKTHROUGHS



Oncology:

- 8 new **KEYTRUDA** indications in the U.S.: adjuvant melanoma, 1L RCC in combination with axitinib, 1L PD-L1+ NSCLC, 1L HNSCC (2), 3L SCLC, 1L esophageal, and 2L+ endometrial in combination with **Lenvima**
- 5 new **KEYTRUDA** approvals in the EU: 1L squamous NSCLC, 1L HNSCC (2), 1L RCC in combination with axitinib and Q6W dosing
- 3 new **KEYTRUDA** approvals in Japan: 1L RCC in combination with axitinib and 1L HNSCC (2)
- 3 new **KEYTRUDA** approvals in China: 1L NSCLC based on KN-189, KN-042 and KN-407
- New approvals for **Lynparza** in pancreatic cancer in the U.S., ovarian cancer in the EU, Japan and China, and breast cancer in EU and Japan
- Presented data from KN-522, PAOLA-1, and PROfound at ESMO
- Launched 3 Phase 3 trials with **KEYTRUDA** studying prostate cancer

Vaccines:

- Breakthrough designation for **V114** in both adult and pediatric settings, and presented phase 2 infant data at ESPID
- FDA approval for **ERVEBO**, our Ebola vaccine, and conditional approval in the EU

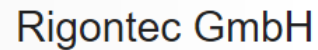
Hospital, Specialty and Other:

- FDA approval of switch indication for **PIFELTRO** and **DELSTRIGO** in treatment of HIV
- FDA approval and positive CHMP opinion for **RECARBRIO** in cUTI and cIAI bacterial infections for infections with limited treatment options
- FDA approval for **ZERBAXA** in HABP/VABP, and positive CHMP opinion
- **Vericiguat** met primary endpoint in Phase 3 VICTORIA trial in patients with worsening heart failure with reduced ejection fraction
- Presented data from **islatravir** at IAS and European AIDS conferences

CONTINUED TO FOCUS ON STRATEGIC BUSINESS DEVELOPMENT TO FUEL INNOVATION

Strong Track Record of Bolt-on Acquisitions & Strategic Collaborations

- Developing portfolio through value-creating acquisitions and investments in innovative mechanisms
- Meaningful partnerships with academia, biotech and pharma across all stages of development



In 2019, completed ~80 transactions spanning acquisitions, licensing, technology deals and clinical collaborations

PROGRESSING OUR PLANS TO FORTIFY OUR FUTURE AHEAD OF THE CHANGING LANDSCAPE

Becoming a leaner, more efficient, science-driven company to accelerate growth

- Focusing organization and resources on greatest opportunities for growth
- Evolving operating model and culture to be more agile and efficient
- Building optionality for next wave of innovation

Leveraging new digital capabilities and automation

- Better enable innovation
- Expand customer and patient reach
- Enhance supply chain efficiencies
- Simplify back office operations

Focus gained through spinoff of NewCo drives further transformation of operating model

DELIVERED SUSTAINABLE, PROFITABLE GROWTH

IN 4Q19: DELIVERED +9%³ REVENUE GROWTH AND +12%³ NON-GAAP EPS GROWTH

\$ in billions, except EPS amounts

	Q4 2019	Q4 2018	Change	Change Ex-FX
Sales	\$11.9	\$11.0	8%	9%
GAAP net income ¹	\$2.4	\$1.8	29%	29%
Non-GAAP net income that excludes certain items ^{1,2}	\$3.0	\$2.7	8%	8%
GAAP EPS	\$0.92	\$0.69	33%	32%
Non-GAAP EPS that excludes certain items ²	\$1.16	\$1.04	12%	12%
GAAP Gross Margin	69.1%	70.1%	-1.0pts	-1.3pts
Non-GAAP Gross Margin ²	72.6%	75.0%	-2.4pts	-2.7ppts

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 Q4 2019 earnings press release.

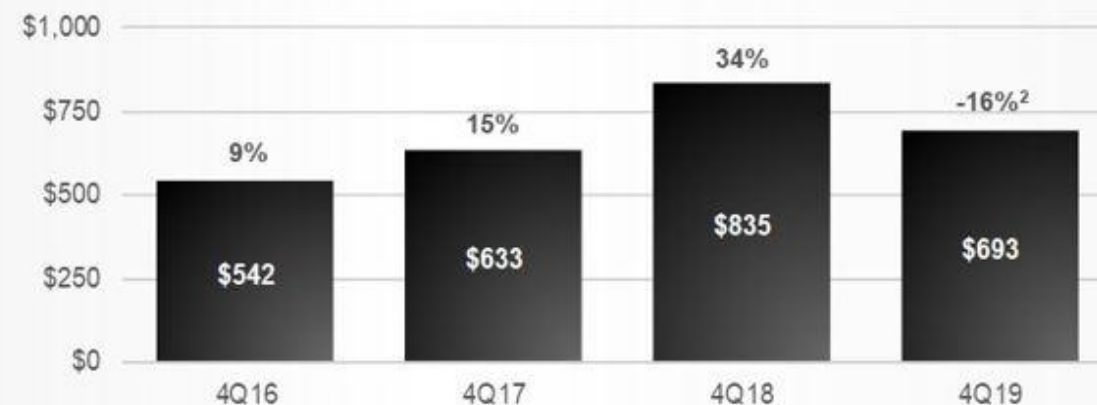
3. Growth rates exclude the impact of foreign exchange

KEY GROWTH PILLAR PERFORMANCE - 4Q 2019¹

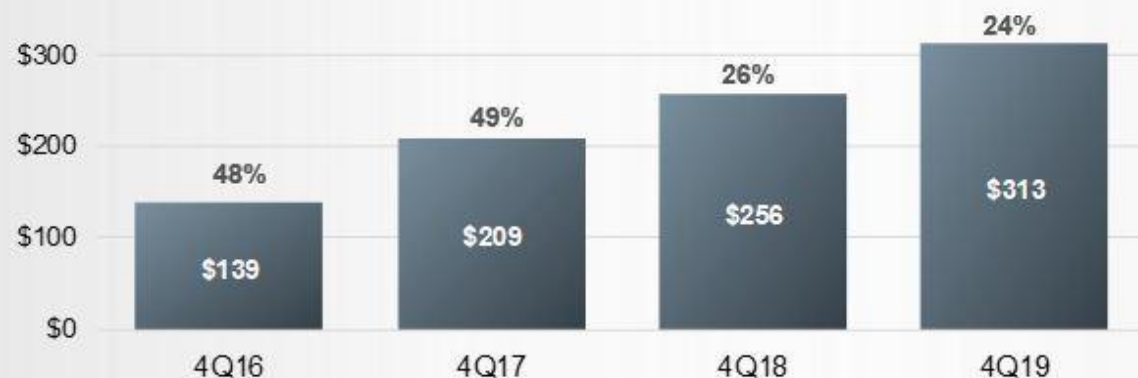
KEYTRUDA



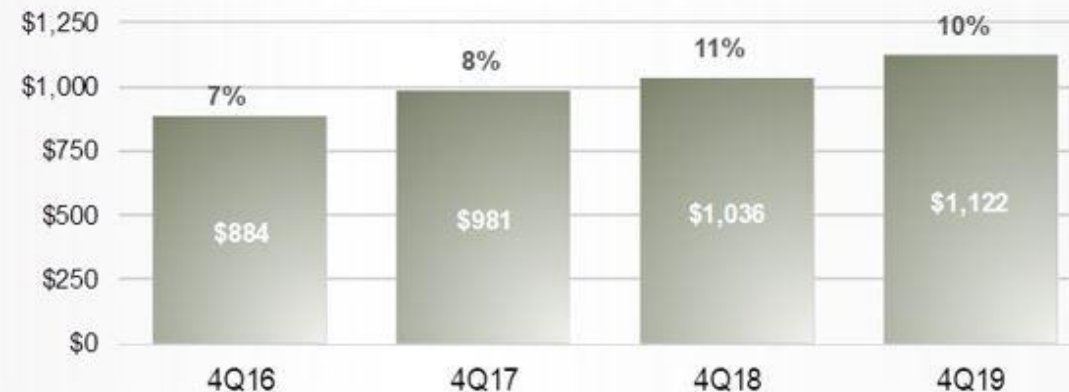
GARDASIL



BRIDION



ANIMAL HEALTH



4Q 2019 Earnings

1. All growth rates exclude the impact of foreign exchange.

2. Excluding the impact of the CDC stockpile activity, GARDASIL grew +16% ex-FX.

3. Units in millions.

DELIVERED SUSTAINABLE, PROFITABLE GROWTH

IN 2019: DELIVERED +13%³ REVENUE GROWTH AND +21%³ NON-GAAP EPS GROWTH

\$ in billions, except EPS amounts

	2019	2018	Change	Change Ex-FX
Sales	\$46.8	\$42.3	11%	13%
GAAP net income ¹	\$9.8	\$6.2	58%	61%
Non-GAAP net income that excludes certain items ^{1,2}	\$13.4	\$11.6	15%	16%
GAAP EPS	\$3.81	\$2.32	64%	67%
Non-GAAP EPS that excludes certain items ²	\$5.19	\$4.34	20%	21%
GAAP Gross Margin	69.9%	68.1%	1.8pts	1.5pts
Non-GAAP Gross Margin ²	74.9%	75.4%	-0.5pts	-0.9pts

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 2b of the company's Q4 2019 earnings press release.

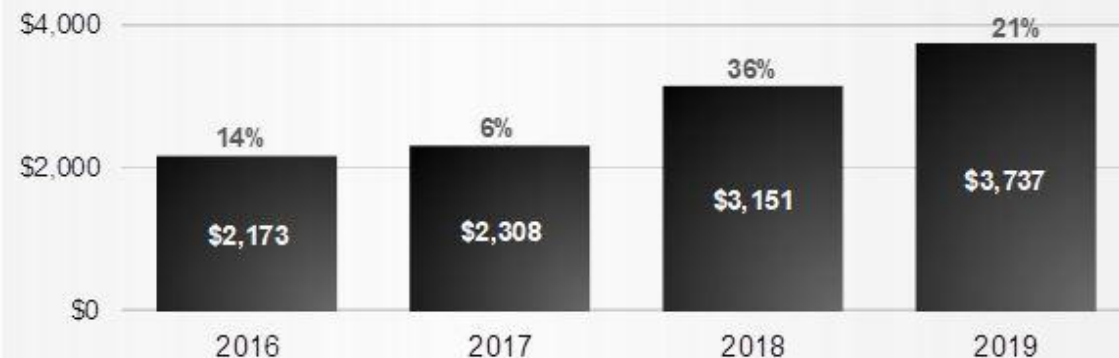
3. Growth rates exclude the impact of foreign exchange

KEY GROWTH PILLAR PERFORMANCE - 2019¹

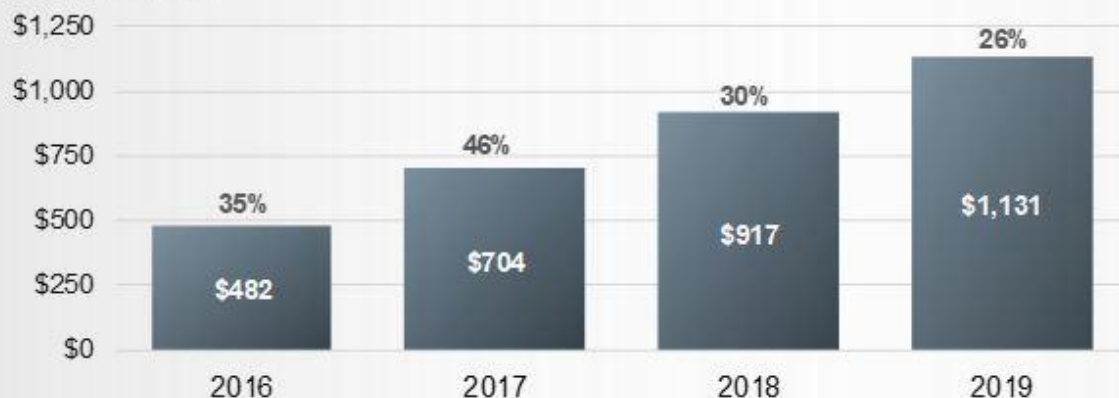
KEYTRUDA



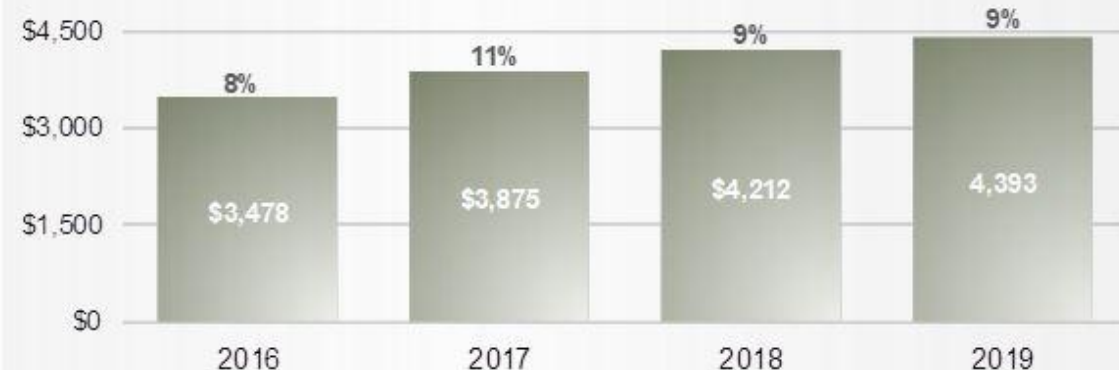
GARDASIL



BRIDION



ANIMAL HEALTH

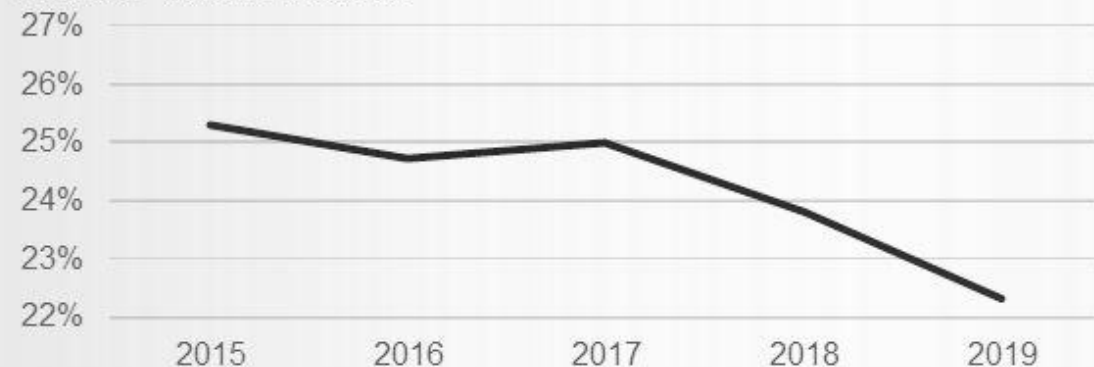


1. All growth rates exclude the impact of foreign exchange.
 2. Units in millions.

INVESTING IN THE BUSINESS WHILE DRIVING TOP AND BOTTOM LINE GROWTH

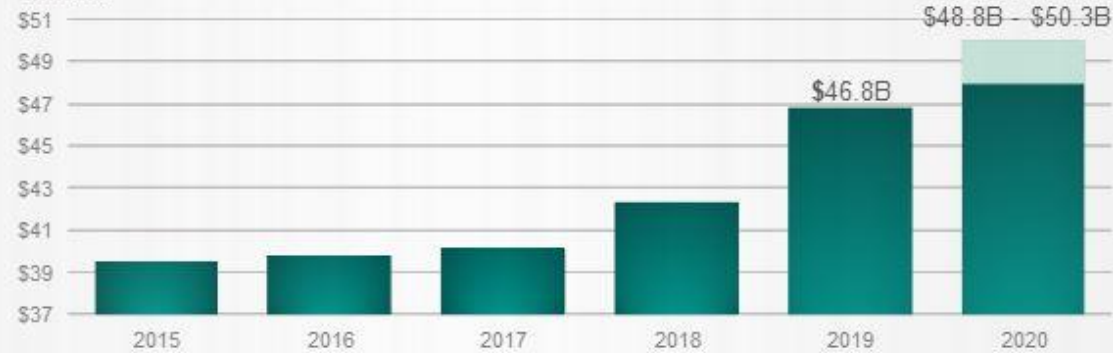
SG&A

Non-GAAP SG&A as % of Sales



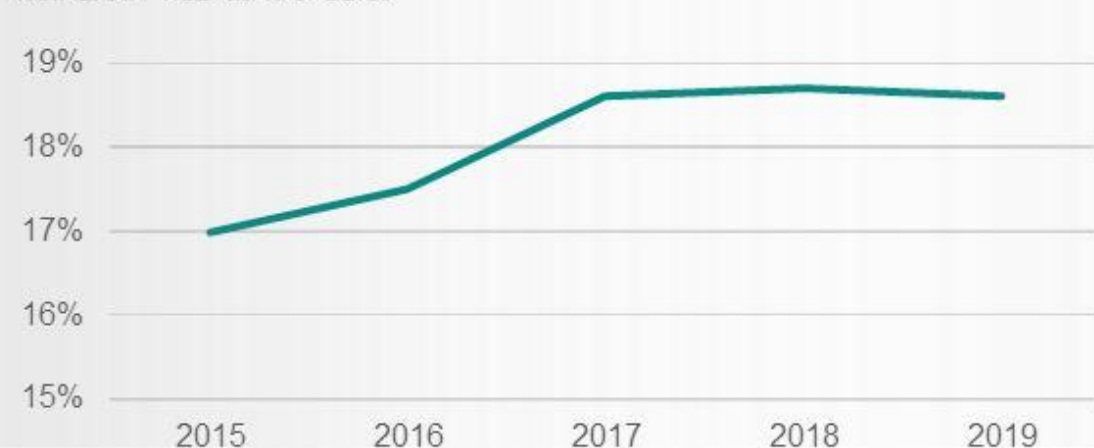
REVENUE

Billions



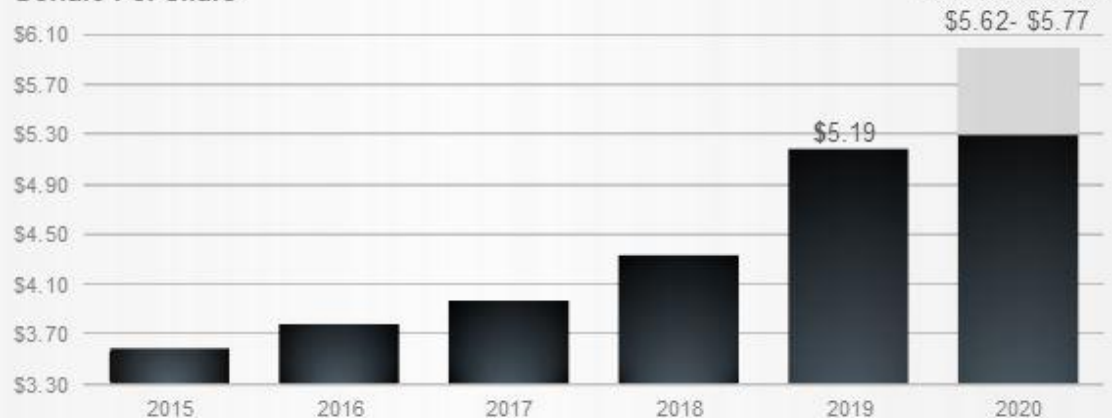
R&D

Non-GAAP R&D as % of Sales

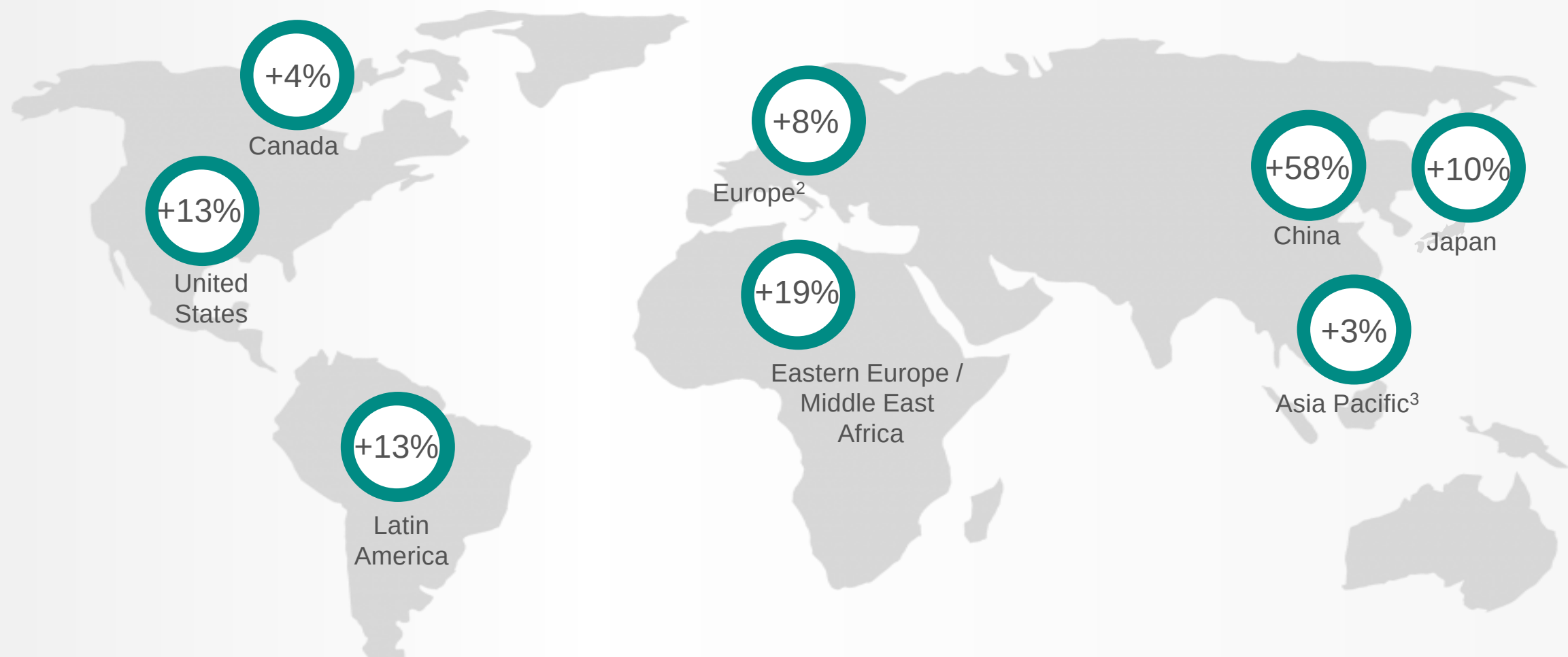


Non-GAAP EPS

Dollars Per Share



STRONG GLOBAL HUMAN HEALTH PERFORMANCE IN 2019¹



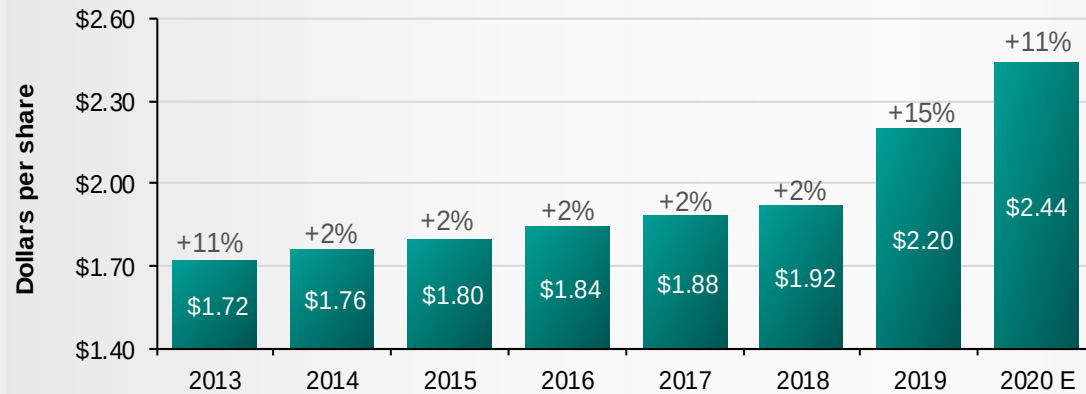
EX-U.S. GLOBAL PHARMACEUTICAL SALES +14%

1 All growth rates exclude the impact of foreign exchange.
2 Europe primarily represents all European Union countries and the European Union accession markets.
3. Asia Pacific excludes China and Japan

BALANCED APPROACH TO CAPITAL ALLOCATION

INVESTING IN THE BUSINESS AND CREATING VALUE FOR SHAREHOLDERS

Commitment to the Dividend



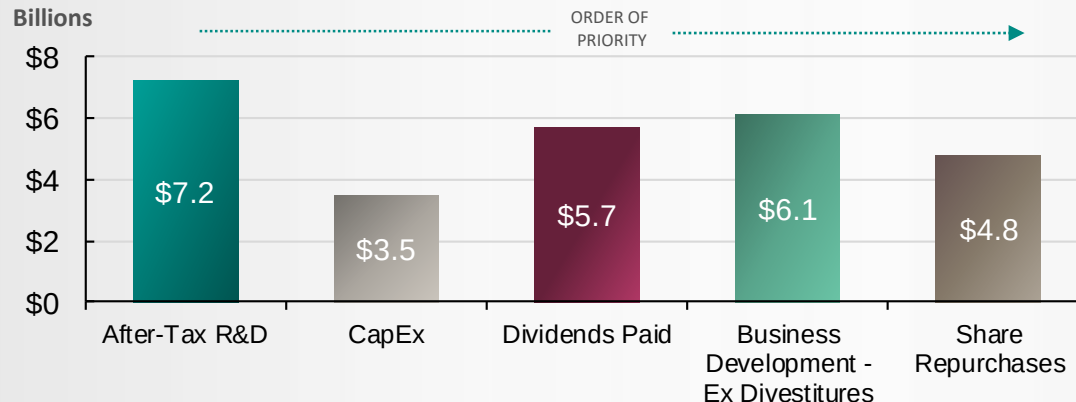
Capital Investments 2019 to 2023



~\$19.0B

Over 5 years, including expanding manufacturing capacity for Oncology, Vaccines, and Animal Health. Includes >\$10B in the U.S.

Over the Past 12 Months



Balanced Capital Allocation to Return Cash to Shareholders While Investing in Growth Over Past 12 Months

- \$10.5 billion in dividend and share repurchases
 - 2019 dividend increased 15%
 - \$4.8 billion share repurchases (excluding option proceeds)
- \$8.7 billion invested in R&D (\$7.2 billion after-tax)
- Approximately \$6 billion spent on over 80 transactions (~\$8 billion including recently closed ArQule acquisition)

FULL-YEAR 2020 GUIDANCE

	2020 GUIDANCE	2020 KEY ASSUMPTIONS
Revenue	\$48.8B to \$50.3B +4% to +7% (+5% to +8% ex-FX)	Assumes <1% negative FX impact⁵
Non-GAAP Gross Margin Rate ¹	~75.5%	Improved product mix and manufacturing productivity offset by price, royalty payments and collaboration milestones
Non-GAAP Operating Expenses ²	Low single-digit rate increase	- Increased R&D investment - SG&A expected to be flat to declining
Other (Income) / Expense	~\$200M of other expense	Assumes higher net interest expense
Tax Rate ³	17.5% to 18.5%	Favorable impact of earnings mix in lower tax jurisdictions
Shares Outstanding	~2.54B	
GAAP EPS ⁴	\$4.57 to \$4.72	
Non-GAAP EPS ⁴	\$5.62 to \$5.77 +8% to +11% (+10% to +13% ex-FX)	Assumes ~1.5% negative FX impact⁵

1. GAAP Gross Margin Rate: ~70.5%

2. GAAP Operating Expenses: Slightly lower than 2019

3. GAAP Tax Rate: 17-18%

4 The GAAP to non-GAAP reconciliation is available in Merck's Q4 2019 earnings release

5. At mid-January 2020 exchange rates

CORPORATE RESPONSIBILITY THAT CREATES SUSTAINABLE VALUE



Access to Health

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 - \$500 million initiative to prevent maternal deaths has reached more than 10 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: river blindness eliminated in 4 Latin American countries and in parts of 6 African countries so far, and lymphatic filariasis eliminated in 2 countries in Africa and the Middle East
- FDA has approved ERVEBO, Merck's vaccine for Ebola Zaire disease (over 265,000 patients vaccinated to-date)



Employees

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)
 - 51% of new hires in 2018 were female
 - 41% of management roles in 2018 held by women
 - 36% of new U.S. hires in 2018 were members of underrepresented ethnic groups
 - 21% of U.S. executive roles in 2018 were held by members of underrepresented ethnic groups



Environmental Sustainability

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



Ethics and Transparency

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

MERCK

**TO FOCUS ON KEY GROWTH PILLARS
THROUGH SPINOFF OF WOMEN'S HEALTH,
TRUSTED LEGACY BRANDS AND BIOSIMILARS**



MERCK TO CREATE TWO INDEPENDENT GROWTH COMPANIES



NewCo

STRATEGIC FOCUS

Premier research-intensive biopharmaceutical company focused on innovations that prevent and treat diseases, which threaten people and communities around the world

Global pharmaceutical business pursuing leadership and sustainable growth in Women's Health and will realize full potential of its trusted legacy brands and fast-growing biosimilars products

PORTFOLIO

- Key growth pillars of Oncology, Vaccines, Hospital and Animal Health, as well as leading diabetes franchise
- Continue to invest in R&D and pursue business development (BD)

- Women's Health, led by growing and patent-protected NEXPLANON
- Large portfolio of profitable and trusted legacy brands
- Rapidly expanding biosimilars business

SELECT KEY BRANDS



SPINOFF ESTABLISHES TWO COMPELLING INDEPENDENT COMPANIES



- Better positioned to **fully focus on key growth pillars, breakthrough science and innovation**
- Simplifies operating model, enabling **meaningful operating margin improvement** over time and creating additional headroom to invest in research and development
- Better able to **prioritize pipeline investments** and **future BD** addressing areas of high unmet need
- Improves financial profile across multiple benchmarks while continuing to have the financial flexibility necessary to **maintain capital allocation priorities**
- **Maintains 100% of current dividend per share**, and anticipates future increases with the goal of achieving payout ratio of 47% to 50% over time

NewCo

- **Full management focus to realize NewCo's untapped revenue growth potential** with a fit-for-purpose operating model
- Ability to **pursue opportunities in Women's Health** and other therapeutic areas both organically, including lifecycle management, and inorganically, fueled by **highly profitable trusted legacy brands**
- Well-positioned to **achieve low-single digit revenue growth** off 2021 revenue base of \$6.0B to \$6.5B
- **Substantial growth potential** in highly fragmented Women's Health market and rapidly growing Biosimilars market
- **Stable and strong cash flows** for potential BD, debt paydown and meaningful dividend (incremental to Merck's dividend)

TRANSACTION SUMMARY

TRANSACTION DETAILS

- Merck to spin-off products from Women’s Health, trusted Legacy Brands and Biosimilars businesses into a new independent, publicly traded company (“NewCo”)
- Intended to take the form of a tax-free distribution of newly issued shares of NewCo to Merck shareholders¹
- Merck expected to receive \$8B to \$9B through special tax-free dividend from NewCo upon transaction closing

LEADERSHIP & GOVERNANCE

- Kevin Ali to be Chief Executive Officer of NewCo
- Carrie Cox to be Chairman of the Board of NewCo
- NewCo is expected to be headquartered in New Jersey

DIVIDEND

- Current dividend of \$2.44 per share is unaffected
- Anticipates future dividend increases in line with current target of achieving a 47% to 50% payout ratio over time
- NewCo is expected to pay a meaningful dividend that will be entirely incremental to Merck’s dividend

TIMING

- The spinoff is expected to be completed in the first half of 2021

1. Expected stock distribution ratio will be determined at a future date

EVOLVING OPERATING MODEL ALLOWS MERCK TO INCREASE FOCUS ON SCIENCE & INNOVATION



Rich heritage of inventing to save & improve lives

- Our competitive advantage is our focus on innovation



Focus on growth pillars & R&D investment paying off

- We are in a position of operational and financial strength



Our business model faces evolving challenges

- Rising healthcare costs, growing price pressure & cost of innovation



Our portfolio & company are evolving

- Specialty portfolio with robust in-line products¹ & growing pipeline requiring further investment

Spinoff enables Merck to create headroom for innovation and to ensure the sustainability of our mission & value creation

1. Includes products in key growth pillars: Oncology, Vaccines, Hospital and Animal Health

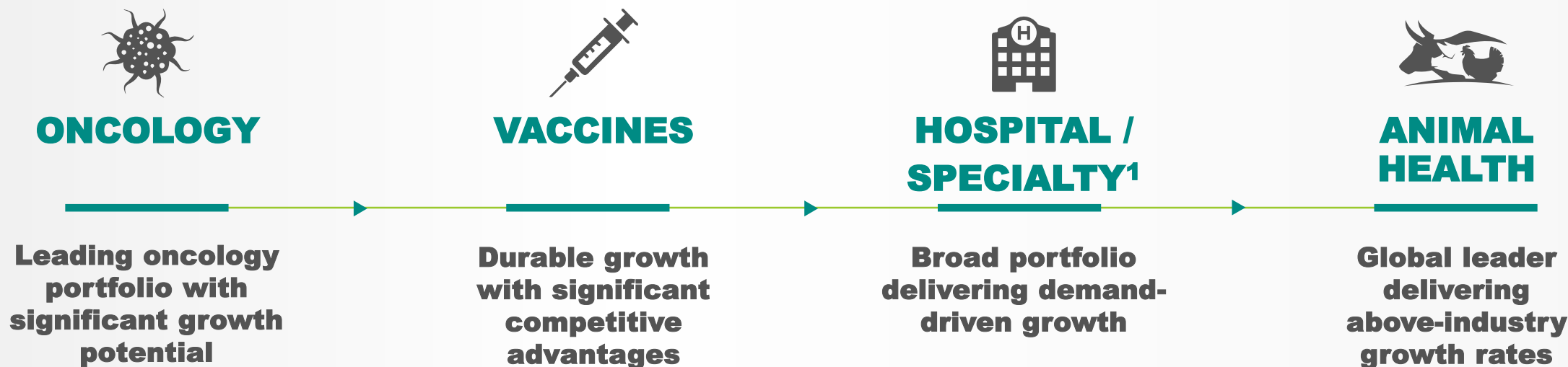
SPINOFF PROVIDES SIGNIFICANT STRATEGIC AND FINANCIAL BENEFITS TO MERCK

Creation of two independent growth companies

FINANCIAL BENEFITS	Long-Term Revenue Growth	Commercial Focus	Efficiencies / Operating Margin ²		2021 Dividend ³
	up to +100bps <i>Revenue Growth Uplift¹</i>	~90% <i>Revenue from key growth drivers vs. ~70% in 2019</i>	\$1.5B <i>Pre-Tax Operating Efficiencies by 2024</i>	>40% <i>Expected to achieve in 2024</i>	\$2.44+ <i>Dividend per Share</i>
STRATEGIC BENEFITS					
	Enhances ability to: - Focus human & financial capital behind our robust pipeline - Continue to make significant investments in R&D	Focus enables: - Greater patient impact - Faster revenue growth - Ability to fully unlock the commercial potential of our key growth drivers	Increased operating efficiencies drive: - Greater operational agility & productivity - Higher operating margins over time - Progress on efforts to fortify our future	Improved financial profile: - Dividend unaffected by the transaction and will grow - Continued strong financial discipline and capital allocation	

1. 2021 to 2024 CAGR
2. Non-GAAP Operating Margin
3. Contingent on Merck Board approval; expected to grow off current 2020 Merck dividend of \$2.44 per share

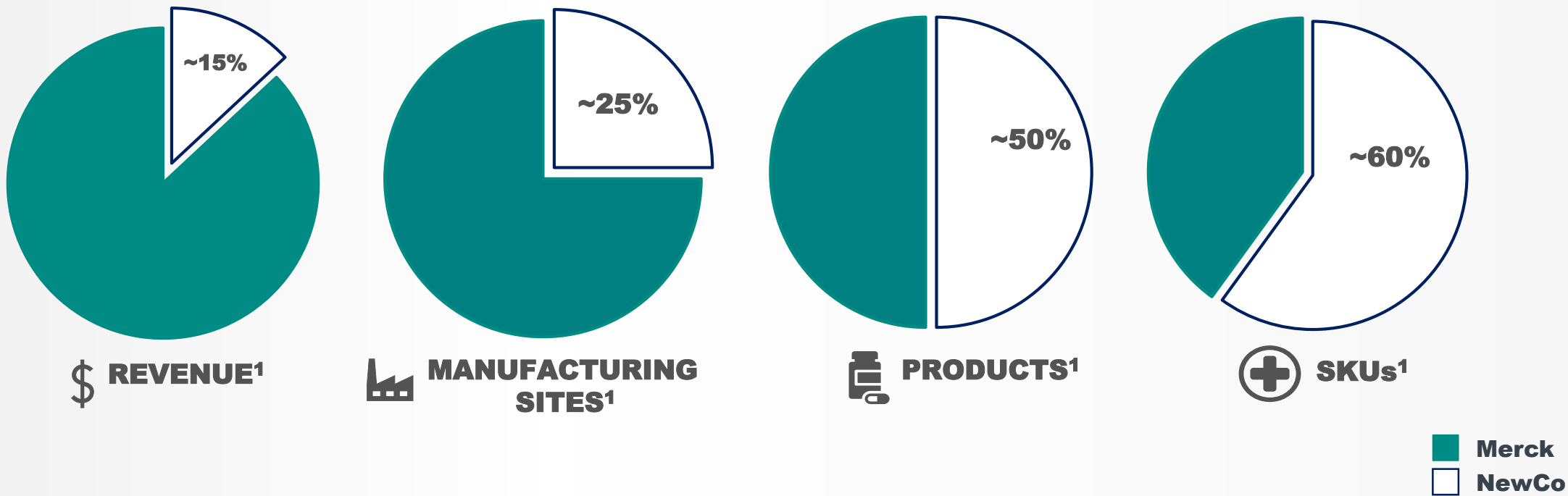
MERCK TO ENHANCE FOCUS TO ACCELERATE MOMENTUM ACROSS KEY GROWTH PILLARS



Expects to achieve accelerated revenue growth through 2024, a year in which revenue is underappreciated

1. Including specialty products in the pipeline that have not yet launched

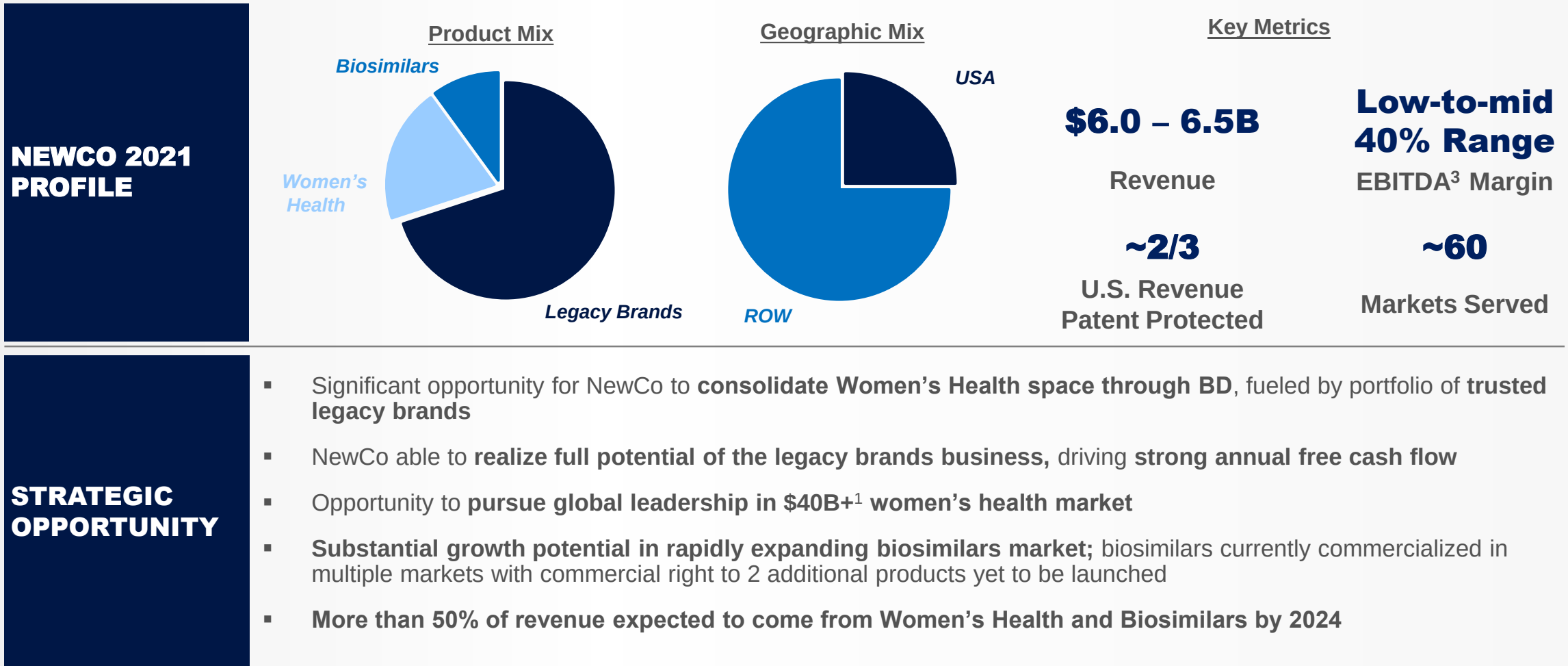
SPINOFF OF NEWCO WILL SIGNIFICANTLY STREAMLINE OUR HUMAN HEALTH OPERATIONS



Strategically optimizing Merck’s operating model and resource allocation

1. NewCo as a percentage of Human Health; rounded to the nearest 5%

NEWCO WILL BE A LEADER IN WOMEN'S HEALTH SUPPORTED BY LEGACY BRANDS & HIGH-GROWTH BIOSIMILARS BUSINESS



1. Source: Grand View Research
 2. Earnings before interest, taxes, depreciation and amortization

NEWCO TO DRIVE SUSTAINABLE GROWTH THROUGH DIVERSE PORTFOLIO WITH SCALE AND GLOBAL REACH



WOMEN'S HEALTH

Innovative portfolio with leading contraceptives and fertility businesses:

- Support women's well-being
- Provide opportunity to pursue global leadership in women's health



LEGACY BRANDS

Broad portfolio with focused investment in market-specific opportunities:

- To realize full potential of trusted legacy brands
- To drive strong cashflows for further growth investments



BIOSIMILARS

Portfolio in early stages of long-term growth opportunity:

- Creates opportunity to drive rapid growth in the near-term



COMMERCIAL PARTNER

World-class capabilities and global scale:

- Enables opportunity to commercialize and distribute for other innovative industry players

**Expected to generate sales of ~\$6.5B for Merck in 2020;
low-single-digit revenue growth off 2021 base**

NEWCO WILL BE LED BY TALENTED EXECUTIVES WITH DEEP GLOBAL PHARMA EXPERIENCE

Kevin Ali, Chief Executive Officer

- Currently serves as Senior Vice President, leading Merck's enterprise portfolio strategy including responsibility for strategic review of Merck's Human Health portfolio, reporting directly to Chairman and CEO Ken Frazier
- Three decades of pharmaceutical and commercial experience with extensive knowledge of Merck's portfolio and operations, as well as the pharmaceutical industry and customer landscape
- Previously President of MSD International, where he established a central organizational structure and led Merck's operations in all countries outside the U.S., significant driver of the company's growth and financial results
- In his prior role as President of Emerging Markets, Ali achieved sustained growth performance in many markets, and introduced several important commercial partnerships and agreements critical to market expansion
- Prior senior leadership roles include Senior Vice President and General Manager of the Bone, Respiratory, Immunology and Dermatology (BRID); Senior Vice President and Managing Director of MSD Germany; Managing Director of MSD Turkey, among others

Carrie Cox, Chairman of the Board

- Former Chairman and Chief Executive Officer of Humacyte, Inc, a leading biomedical engineering pioneer, from 2010 until June, 2018; and Executive Chairman into 2019
- Previously EVP and President of Global Pharmaceuticals at Schering-Plough from 2003 until its merger with Merck in November 2009. Under her leadership, the business delivered substantial revenue growth
- Prior roles included President of Global Prescription Business at Pharmacia Corporation; SVP of Global Business Management at Pharmacia & Upjohn (Pharmacia's predecessor); and VP of Women's Healthcare at Wyeth-Ayerst
- Currently on the Boards of Directors of Texas Instruments, Cardinal Health and Selecta Biosciences
- Named six times to FORTUNE Magazine's list of the "50 Most Powerful Women in Business" and featured in the Harvard Business Review and in the New York Times bestseller, The Profit Zone



MERCK AND NEWCO FINANCIAL OUTLOOK IN 2021 AND BEYOND



NewCo

REVENUE	- Accelerated revenue growth through 2024 - Underappreciated revenue in 2024	- Expects 2021 revenue to be approximately \$6.0B to \$6.5B - Expects to achieve low-single digit revenue growth off 2021 base
PROFITABILITY	\$1.5B in anticipated operating efficiencies by 2024 - Continue to expect meaningful non-GAAP operating margin expansion over time; will achieve greater than 40% in 2024	- Non-GAAP operating margins are expected to increase from mid-30% over time (from ~45% pre-spin) - EBITDA margin in the low-to-mid-40% range
CAPITAL STRUCTURE	- Expects to receive \$8B to \$9B through special tax-free dividend from NewCo upon closing, to be allocated to BD or share repurchase - Strong balance sheet and financial capacity	- Expects to have \$8.5B to \$9.5B in initial debt - Strong free cash flow that will provide ample financial flexibility for BD, debt paydown and dividend
DIVIDEND	- Current dividend of \$2.44 per share unaffected - Anticipates future dividend increases in line with current target of achieving a 47% to 50% payout ratio over time	- Expects to pay a meaningful dividend - Will be entirely incremental to current Merck dividend

TWO STRONGER COMPANIES DELIVER INCREMENTAL SHAREHOLDER VALUE



NewCo

 STRATEGY	- Merck Research Labs at the forefront of breakthrough science and innovation - Improved focus on key growth pillars	- Leader in Women's Health with strong growth - Broad portfolio of trusted legacy brands with strong cash flow, scale and reach supporting growth investments - Growing biosimilars franchise
 OPERATIONS	- Eliminate 25%¹ manufacturing sites - Eliminate 50%¹ products - Eliminate 60%¹ SKUs	- Global scale and differentiated capabilities - Focus on lifecycle management and BD strategy - Extensive planning and preparation for independent operations
 BUSINESS MIX	- Key growth pillars drive ~90% of our revenue post-spin - Broad portfolio encompassing Oncology, Vaccines, Hospital & Specialty, and Animal Health, as well as diabetes	- Women's Health and Biosimilars grow from ~30% in 2021 to >50% of revenues by 2024 - Opportunity to commercialize and distribute for innovative industry players
 FINANCIAL	- Faster revenue growth (up to 1% CAGR² improvement) - Incremental \$1.5B annual operating efficiencies by 2024 - Operating margin >40% in 2024 - Financial capacity for BD	- Global growth business (low-single digit off 2021 base) - Significant opportunity / upside in women's health and biosimilars (double-digit growth); - Financial capacity to execute on bolt-on BD opportunities

Incremental growth of NewCo and operational efficiencies gained at Merck post-spinoff drive higher combined Non-GAAP EPS within 12-24 months

1. NewCo as a percentage of Human Health; rounded to the nearest 5%
2. 2021 to 2024 CAGR

CREATING LONG-TERM VALUE FOR PATIENTS AND SHAREHOLDERS OF MERCK

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

Spinoff reaffirms Merck's commitment to its mission to focus on breakthrough science and innovation