



Merck & Co., Inc.
Financial Highlights Package
Second Quarter 2021
Table of Contents

Table 1: GAAP P&L.....	1
Table 1a: GAAP P&L – Current Year and Prior Year by Quarter.....	2
Table 2a: GAAP to Non-GAAP Reconciliation 2Q21 and June YTD 21.....	3
Table 2b: GAAP to Non-GAAP Reconciliation 2Q20 and June YTD 20.....	4
Table 3: Sales - Current Year and Prior Year by Quarter.....	5
Table 3a: Sales – U.S. / Ex- U.S. 2Q21.....	6
Table 3b: Sales – U.S. / Ex- U.S. June YTD 21.....	7
Table 3c: Sales – Pharmaceutical Geographic Split.....	8
Table 4: Other (Income) Expense	9

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
	2Q21	2Q20		June YTD 2021	June YTD 2020	
Sales	\$ 11,402	\$ 9,353	22%	\$ 22,029	\$ 19,641	12%
Costs, Expenses and Other						
Cost of sales	3,104	2,747	13%	6,303	5,576	13%
Selling, general and administrative	2,281	2,085	9%	4,468	4,276	4%
Research and development	4,321	2,085	*	6,732	4,260	58%
Restructuring costs ⁽¹⁾	82	82	0%	380	152	*
Other (income) expense, net	(103)	(387)	-73%	(558)	(325)	72%
Income from Continuing Operations Before Taxes	1,717	2,741	-37%	4,704	5,702	-18%
Income Tax Provision	503	396		741	891	
Net Income from Continuing Operations	1,214	2,345	-48%	3,963	4,811	-18%
Less: Net Income (Loss) Attributable to Noncontrolling Interests	1	4		5	(1)	
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	\$ 1,213	\$ 2,341	-48%	\$ 3,958	\$ 4,812	-18%
Income from Discontinued Operations, Net of Taxes and Amounts Attributable to Noncontrolling Interests	\$ 332	\$ 661	-50%	\$ 766	\$ 1,409	-46%
Net Income Attributable to Merck & Co., Inc.	\$ 1,545	\$ 3,002	-49%	\$ 4,724	\$ 6,221	-24%
Basic Earnings per Common Share Attributable to Merck & Co., Inc. Common Shareholders:						
Income from Continuing Operations	\$ 0.48	\$ 0.93	-48%	\$ 1.56	\$ 1.90	-18%
Income from Discontinued Operations	\$ 0.13	\$ 0.26	-50%	\$ 0.30	\$ 0.56	-46%
Net Income	\$ 0.61	\$ 1.19	-49%	\$ 1.87	\$ 2.46	-24%
Earnings per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders:						
Income from Continuing Operations	\$ 0.48	\$ 0.92	-48%	\$ 1.56	\$ 1.89	-17%
Income from Discontinued Operations	\$ 0.13	\$ 0.26	-50%	\$ 0.30	\$ 0.55	-45%
Net Income	\$ 0.61	\$ 1.18	-48%	\$ 1.86	\$ 2.45	-24%
Average Shares Outstanding	2,533	2,527		2,532	2,531	
Average Shares Outstanding Assuming Dilution	2,540	2,536		2,540	2,542	
Tax Rate from Continuing Operations ⁽²⁾	29.3%	14.4%		15.8%	15.6%	

* 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 rates for the second quarter and first six months of 2021 reflect the unfavorable impact of a charge for the acquisition of Pandion Therapeutics, Inc. for which no tax benefit was recognized. Additionally, the effective income tax rate for the first six months of 2021 reflects 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	June YTD	1Q	2Q	June YTD	3Q	4Q	Full Year	2Q	June YTD
Sales	\$ 10,627	\$ 11,402	\$ 22,029	\$ 10,288	\$ 9,353	\$ 19,641	\$ 10,929	\$ 10,948	\$ 41,518	22%	12%
Costs, Expenses and Other											
Cost of sales	3,199	3,104	6,303	2,829	2,747	5,576	3,013	5,029	13,618	13%	13%
Selling, general and administrative	2,187	2,281	4,468	2,191	2,085	4,276	2,060	2,619	8,955	9%	4%
Research and development	2,412	4,321	6,732	2,175	2,085	4,260	3,349	5,788	13,397	*	58%
Restructuring costs	297	82	380	70	82	152	113	310	575	0%	*
Other (income) expense, net	(455)	(103)	(558)	62	(387)	(325)	(312)	(253)	(890)	-73%	72%
Income (Loss) from Continuing Operations Before Taxes	2,987	1,717	4,704	2,961	2,741	5,702	2,706	(2,545)	5,863	-37%	-18%
Income Tax Provision	238	503	741	495	396	891	380	69	1,340		
Net Income (Loss) from Continuing Operations	2,749	1,214	3,963	2,466	2,345	4,811	2,326	(2,614)	4,523	-48%	-18%
Less: Net Income (Loss) Attributable to Noncontrolling Interests	4	1	5	(5)	4	(1)	2	3	4		
Net Income (Loss) from Continuing Operations Attributable to Merck & Co., Inc.	2,745	1,213	3,958	2,471	2,341	4,812	2,324	(2,617)	4,519	-48%	-18%
Income from Discontinued Operations, Net of Taxes and Amounts Attributable to Noncontrolling Interests	434	332	766	748	661	1,409	617	523	2,548	-50%	-46%
Net Income (Loss) Attributable to Merck & Co., Inc.	\$ 3,179	\$ 1,545	\$ 4,724	\$ 3,219	\$ 3,002	\$ 6,221	\$ 2,941	\$ (2,094)	\$ 7,067	-49%	-24%
Basic Earnings (Loss) per Common Share Attributable to Merck & Co., Inc. Common Shareholders:											
Income (Loss) from Continuing Operations	\$ 1.08	\$ 0.48	\$ 1.56	\$ 0.98	\$ 0.93	\$ 1.90	\$ 0.92	\$ (1.03)	\$ 1.79	-48%	-18%
Income from Discontinued Operations	0.17	0.13	0.30	0.30	0.26	0.56	0.24	0.21	1.01	-50%	-46%
Net Income (Loss)	\$ 1.26	\$ 0.61	\$ 1.87	\$ 1.27	\$ 1.19	\$ 2.46	\$ 1.16	\$ (0.83)	\$ 2.79	-49%	-24%
Earnings (Loss) per Common Share Assuming Dilution Attributable to Merck & Co., Inc. Common Shareholders:											
Income (Loss) from Continuing Operations	\$ 1.08	\$ 0.48	\$ 1.56	\$ 0.97	\$ 0.92	\$ 1.89	\$ 0.92	\$ (1.03)	\$ 1.78	-48%	-17%
Income from Discontinued Operations	0.17	0.13	0.30	0.29	0.26	0.55	0.24	0.21	1.00	-50%	-45%
Net Income (Loss)	\$ 1.25	\$ 0.61	\$ 1.86	\$ 1.26	\$ 1.18	\$ 2.45	\$ 1.16	\$ (0.83)	\$ 2.78	-48%	-24%
Average Shares Outstanding	2,531	2,533	2,532	2,533	2,527	2,531	2,529	2,530	2,530		
Average Shares Outstanding Assuming Dilution ⁽¹⁾	2,541	2,540	2,540	2,547	2,536	2,542	2,538	2,530	2,541		
Tax Rate from Continuing Operations	8.0%	29.3%	15.8%	16.7%	14.4%	15.6%	14.0%	-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.
SECOND QUARTER AND SIX MONTHS ENDED JUNE 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
Second Quarter							
Cost of sales	\$ 3,104	345	38		37 ⁽³⁾	420	\$ 2,684
Selling, general and administrative	2,281	25	2			27	2,254
Research and development	4,321	16	6		1,765 ⁽⁴⁾	1,787	2,534
Restructuring costs	82		82			82	-
Other (income) expense, net	(103)	117		(258)		(141)	38
Income From Continuing Operations Before Taxes	1,717	(503)	(128)	258	(1,802)	(2,175)	3,892
Income Tax Provision (Benefit)	503	(98) ⁽⁵⁾	(15) ⁽⁵⁾	57 ⁽⁵⁾	(11) ⁽⁵⁾	(67)	570
Net Income from Continuing Operations	1,214	(405)	(113)	201	(1,791)	(2,108)	3,322
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	1,213	(405)	(113)	201	(1,791)	(2,108)	3,321
Earnings per Common Share Assuming Dilution from Continuing Operations	\$ 0.48	(0.16)	(0.04)	0.08	(0.71)	(0.83)	\$ 1.31
Tax Rate	29.3%						14.6%
June YTD							
Cost of sales	\$ 6,303	842	65		225 ⁽³⁾	1,132	\$ 5,171
Selling, general and administrative	4,468	35	4			39	4,429
Research and development	6,732	34	13		1,765 ⁽⁴⁾	1,812	4,920
Restructuring costs	380		380			380	-
Other (income) expense, net	(558)	89		(819)		(730)	172
Income From Continuing Operations Before Taxes	4,704	(1,000)	(462)	819	(1,990)	(2,633)	7,337
Income Tax Provision (Benefit)	741	(187) ⁽⁵⁾	(56) ⁽⁵⁾	180 ⁽⁵⁾	(260) ⁽⁵⁾	(323)	1,064
Net Income from Continuing Operations	3,963	(813)	(406)	639	(1,730)	(2,310)	6,273
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	3,958	(813)	(406)	639	(1,730)	(2,310)	6,268
Earnings per Common Share Assuming Dilution from Continuing Operations	\$ 1.56	(0.32)	(0.16)	0.25	(0.68)	(0.91)	\$ 2.47
Tax Rate	15.8%						14.5%

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

Merck is providing certain non-GAAP information that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. Management believes that providing this information enhances investors' understanding of the company's results as it permits investors to understand how management assesses performance. Management uses these measures internally for planning and forecasting purposes and to measure the performance of the company along with other metrics. 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 second quarter and six 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 and a loss on a forward exchange contract entered into in conjunction with the Organon spinoff. Amount included in other (income) expense, net, for the six 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⁾ 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 six month period also includes a \$207 million net tax benefit related to the settlement of certain federal income tax matters.

MERCK & CO., INC.
SECOND QUARTER AND SIX MONTHS ENDED JUNE 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
Second Quarter							
Cost of sales	\$ 2,747	580	25			605	\$ 2,142
Selling, general and administrative	2,085	44	11			55	2,030
Research and development	2,085	(63)	31			(32)	2,117
Restructuring costs	82		82			82	-
Other (income) expense, net	(387)	63		(511)	(16)	(464)	77
Income From Continuing Operations Before Taxes	2,741	(624)	(149)	511	16	(246)	2,987
Income Tax Provision (Benefit)	396	(91) ⁽³⁾	(27) ⁽³⁾	112 ⁽³⁾	5 ⁽³⁾	(1)	397
Net Income from Continuing Operations	2,345	(533)	(122)	399	11	(245)	2,590
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	2,341	(533)	(122)	399	11	(245)	2,586
Earnings per Common Share Assuming Dilution from Continuing Operations	\$ 0.92	(0.21)	(0.05)	0.16	-	(0.10)	\$ 1.02
Tax Rate	14.4%						13.3%
June YTD							
Cost of sales	\$ 5,576	968	93			1,061	\$ 4,516
Selling, general and administrative	4,276	157	22			179	4,097
Research and development	4,260	(23)	48			25	4,235
Restructuring costs	152		152			152	-
Other (income) expense, net	(325)	52		(598)	(16)	(562)	237
Income From Continuing Operations Before Taxes	5,702	(1,153)	(315)	598	16	(854)	6,556
Income Tax Provision (Benefit)	891	(241) ⁽³⁾	(34) ⁽³⁾	132 ⁽³⁾	5 ⁽³⁾	(139)	1,030
Net Income from Continuing Operations	4,811	(912)	(281)	466	11	(715)	5,526
Net Income from Continuing Operations Attributable to Merck & Co., Inc.	4,812	(912)	(281)	466	11	(715)	5,527
Earnings per Common Share Assuming Dilution from Continuing Operations	\$ 1.89	(0.36)	(0.11)	0.18	0.01	(0.28)	\$ 2.17
Tax Rate	15.6%						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. 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 six 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⁾ Represent the estimated tax impacts 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 - CONTINUING OPERATIONS
(AMOUNTS IN MILLIONS)
(UNAUDITED)
Table 3

	2021			2020						2Q		June YTD	
	1Q	2Q	June YTD	1Q	2Q	June YTD	3Q	4Q	Full Year	Nom %	Ex-Exch %	Nom %	Ex-Exch %
TOTAL SALES ⁽¹⁾	\$10,627	\$11,402	\$22,029	\$10,288	\$9,353	\$19,641	\$10,929	\$10,948	\$41,518	22	19	12	10
PHARMACEUTICAL	9,238	9,980	19,218	8,905	8,178	17,083	9,714	9,813	36,610	22	18	12	9
Oncology													
Keytruda	3,899	4,176	8,076	3,284	3,388	6,672	3,715	3,993	14,380	23	20	21	18
Alliance Revenue – Lynparza ⁽²⁾	228	248	475	145	178	323	196	206	725	39	34	47	42
Alliance Revenue – Lenvima ⁽²⁾	130	181	310	128	151	279	142	158	580	19	15	11	8
Vaccines ⁽³⁾													
Gardasil / Gardasil 9	917	1,234	2,151	1,097	656	1,753	1,187	998	3,938	88	78	23	17
ProQuad / M-M-R II / Varivax	449	516	965	435	378	813	576	488	1,878	36	35	19	17
Pneumovax 23	171	152	323	256	117	373	375	339	1,087	30	27	-13	-16
RotaTaq	158	208	366	222	168	391	210	196	797	23	19	-6	-8
Vaqta	34	56	90	60	28	88	51	31	170	101	96	2	-
Hospital Acute Care													
Bridion	340	387	727	299	224	524	320	355	1,198	72	67	39	35
Prevymis	82	93	174	60	63	123	77	80	281	47	41	42	36
Noxafil	67	66	133	94	73	168	79	82	329	-10	-14	-21	-24
Primaxin	65	60	125	51	64	115	74	62	251	-6	-14	8	-
Candidas	57	54	111	55	43	98	50	65	213	24	17	13	8
Invanz	57	48	104	64	43	108	51	53	211	10	3	-3	-5
Zerbaxa	(8)	(1)	(9)	37	32	69	43	19	130	-104	-104	-113	-113
Immunology													
Simponi	214	202	416	215	191	406	209	223	838	5	-3	2	-6
Remicade	85	75	160	88	73	160	82	88	330	3	-3	-	-6
Neuroscience													
Belsomra	79	78	157	79	84	163	81	83	327	-7	-6	-4	-5
Virology													
Isentress / Isentress HD	209	192	401	245	196	441	205	211	857	-2	-5	-9	-11
Cardiovascular													
Alliance Revenue - Adempas/Verquvo ⁽⁴⁾	74	74	149	53	79	133	83	65	281	-7	13	12	23
Adempas ⁽⁵⁾	55	74	129	56	57	113	55	53	220	29	23	15	7
Diabetes ⁽⁶⁾													
Januvia	809	784	1,593	774	854	1,628	821	857	3,306	-8	-11	-2	-5
Janumet	486	477	962	503	490	993	506	472	1,971	-3	-8	-3	-7
Other Pharmaceutical ⁽⁷⁾	581	546	1,130	605	548	1,149	526	636	2,312	-	-5	-2	-6
ANIMAL HEALTH	1,418	1,472	2,890	1,214	1,101	2,314	1,220	1,168	4,703	34	27	25	21
Livestock	819	821	1,640	739	648	1,386	758	794	2,939	27	20	18	15
Companion Animals	599	651	1,250	475	453	928	462	374	1,764	44	38	35	31
Other Revenues ⁽⁸⁾	(29)	(50)	(79)	169	74	244	(5)	(33)	205	-167	-1	-132	-15

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 and \$2,293 million in the first and second 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 and \$1,330 million in the first and second 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.

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

Table 3a

	Global			U.S.			International		
	2Q 2021	2Q 2020	% Change	2Q 2021	2Q 2020	% Change	2Q 2021	2Q 2020	% Change
TOTAL SALES ⁽¹⁾	\$11,402	\$9,353	22	\$5,100	\$4,322	18	\$6,301	\$5,031	25
PHARMACEUTICAL	9,980	8,178	22	4,647	3,958	17	5,333	4,220	26
Oncology									
Keytruda	4,176	3,388	23	2,347	2,043	15	1,829	1,345	36
Alliance Revenue - Lynparza ⁽²⁾	248	178	39	124	105	18	124	73	70
Alliance Revenue - Lenvima ⁽²⁾	181	151	19	88	98	-11	93	53	74
Vaccines ⁽³⁾									
Gardasil / Gardasil 9	1,234	656	88	454	168	170	781	488	60
ProQuad / M-M-R II / Varivax	516	378	36	386	263	47	130	115	13
Pneumovax 23	152	117	30	100	21	*	52	96	-46
RotaTeq	208	168	23	111	100	11	97	68	43
Vaqta	56	28	101	22	17	34	34	11	199
Hospital Acute Care									
Bridion	387	224	72	197	107	84	190	117	62
Prevymis	93	63	47	37	28	29	56	35	61
Noxafil	66	73	-10	14	6	135	52	67	-23
Primaxin	60	64	-6		1	-90	60	63	-5
Candidas	54	43	24	1	(2)	-132	53	45	18
Invanz	48	43	10	(4)		*	52	43	20
Zerbaxa	(1)	32	-104	(2)	17	-111	1	15	-96
Immunology									
Simponi	202	191	5				202	191	5
Remicade	75	73	3				75	73	3
Neuroscience									
Belsomra	78	84	-7	14	22	-36	63	61	4
Virology									
Isentress / Isentress HD	192	196	-2	74	76	-3	118	120	-2
Cardiovascular									
Alliance Revenue - Adempas/Verquvo ⁽⁴⁾	74	79	-7	81	73	10	(7)	6	*
Adempas ⁽⁵⁾	74	57	29				74	57	29
Diabetes ⁽⁶⁾									
Januvia	784	854	-8	284	413	-31	500	441	13
Janumet	477	490	-3	74	143	-48	403	348	16
Other Pharmaceutical ⁽⁷⁾	546	548		245	259	-5	301	289	4
ANIMAL HEALTH	1,472	1,101	34	459	342	34	1,012	759	33
Livestock	821	648	27	161	122	32	659	526	25
Companion Animals	651	453	44	298	220	36	353	233	51
Other Revenues ⁽⁸⁾	(50)	74	-167	(6)	22	-127	(44)	52	-184

* 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 \$2,293 million in the second quarter of 2021 and \$1,418 million in the second 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 \$1,330 million in the second quarter of 2021 and \$1,418 million in the second 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.

MERCK & CO., INC.
FRANCHISE / KEY PRODUCT SALES - CONTINUING OPERATIONS
JUNE YEAR-TO-DATE 2021
(AMOUNTS IN MILLIONS)
(UNAUDITED)
Table 3b

	Global			U.S.			International		
	June YTD 2021	June YTD 2020	% Change	June YTD 2021	June YTD 2020	% Change	June YTD 2021	June YTD 2020	% Change
TOTAL SALES ⁽¹⁾	\$22,029	\$19,641	12	\$9,890	\$9,053	9	\$12,139	\$10,588	15
PHARMACEUTICAL	19,218	17,083	12	8,941	8,266	8	10,277	8,818	17
Oncology									
Keytruda	8,076	6,672	21	4,528	3,949	15	3,548	2,722	30
Alliance Revenue - Lynparza ⁽²⁾	475	323	47	242	190	28	233	133	75
Alliance Revenue - Lenvima ⁽²⁾	310	279	11	173	188	-8	137	91	50
Vaccines ⁽³⁾									
Gardasil / Gardasil 9	2,151	1,753	23	766	629	22	1,385	1,124	23
ProQuad / M-M-R II / Varivax	965	813	19	718	596	20	246	217	13
Pneumovax 23	323	373	-13	173	203	-15	150	170	-12
RotaTeq	366	391	-6	229	241	-5	137	150	-8
Vaqta	90	88	2	47	47	1	43	41	4
Hospital Acute Care									
Bridion	727	524	39	364	250	46	363	274	32
Prevymis	174	123	42	72	55	31	103	68	51
Noxafil	133	168	-21	29	14	113	104	154	-32
Primaxin	125	115	8		1	-92	125	114	9
Candidas	111	98	13	3	1	*	108	98	11
Invanz	104	108	-3		6	-94	104	102	2
Zerbaxa	(9)	69	-113	(4)	37	-110	(5)	32	-116
Immunology									
Simponi	416	406	2				416	406	2
Remicade	160	160					160	160	
Neuroscience									
Belsomra	157	163	-4	32	49	-34	125	114	10
Virology									
Isentress / Isentress HD	401	441	-9	145	151	-4	256	290	-12
Cardiovascular									
Alliance Revenue - Adempas/Verquvo ⁽⁴⁾	149	133	12	149	122	22		11	-99
Adempas ⁽⁵⁾	129	113	15				129	113	15
Diabetes ⁽⁶⁾									
Januvia	1,593	1,628	-2	632	768	-18	961	860	12
Janumet	962	993	-3	158	256	-38	805	737	9
Other Pharmaceutical ⁽⁷⁾	1,130	1,149	-2	485	513	-5	644	637	1
ANIMAL HEALTH	2,890	2,314	25	896	726	23	1,994	1,588	26
Livestock	1,640	1,386	18	318	284	12	1,322	1,102	20
Companion Animals	1,250	928	35	578	442	31	672	486	38
Other Revenues ⁽⁸⁾	(79)	244	-132	53	61	-13	(132)	182	-172

* 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 \$4,102 million and \$3,574 million on a global basis for June 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 \$2,693 million and \$2,772 million on a global basis for June 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.

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

	2021			2020						% Change	
	1Q	2Q	June YTD	1Q	2Q	June YTD	3Q	4Q	Full Year	2Q	June YTD
TOTAL PHARMACEUTICAL	\$9,238	\$9,980	\$19,218	\$8,905	\$8,178	\$17,083	\$9,714	\$9,813	\$36,610	22	12
United States	4,294	4,647	8,941	4,308	3,958	8,266	4,842	4,903	18,010	17	8
% Pharmaceutical Sales	46.5%	46.6%	46.5%	48.4%	48.4%	48.4%	49.8%	50.0%	49.2%		
Europe ⁽¹⁾	2,276	2,404	4,680	2,116	1,855	3,971	2,171	2,314	8,455	30	18
% Pharmaceutical Sales	24.6%	24.1%	24.4%	23.8%	22.7%	23.2%	22.3%	23.6%	23.1%		
China	688	944	1,632	628	600	1,228	764	670	2,661	57	33
% Pharmaceutical Sales	7.4%	9.5%	8.5%	7.1%	7.3%	7.2%	7.9%	6.8%	7.3%		
Japan	607	637	1,244	561	601	1,162	648	704	2,514	6	7
% Pharmaceutical Sales	6.6%	6.4%	6.5%	6.3%	7.3%	6.8%	6.7%	7.2%	6.9%		
Asia Pacific (other than China and Japan)	437	442	879	411	377	789	411	414	1,614	17	11
% Pharmaceutical Sales	4.7%	4.4%	4.6%	4.6%	4.6%	4.6%	4.2%	4.2%	4.4%		
Latin America	353	379	732	314	312	626	372	371	1,369	21	17
% Pharmaceutical Sales	3.8%	3.8%	3.8%	3.5%	3.8%	3.7%	3.8%	3.8%	3.7%		
Eastern Europe/Middle East/Africa	357	318	675	353	309	659	289	251	1,199	3	2
% Pharmaceutical Sales	3.9%	3.2%	3.5%	4.0%	3.8%	3.9%	3.0%	2.6%	3.3%		
Canada	160	157	318	159	121	280	169	149	599	31	14
% Pharmaceutical Sales	1.7%	1.6%	1.7%	1.8%	1.5%	1.6%	1.7%	1.5%	1.6%		
Other	66	52	117	55	45	102	48	37	189	16	15
% Pharmaceutical Sales	0.8%	0.4%	0.5%	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

	2Q21	2Q20	June YTD 2021	June YTD 2020
Interest income	\$ (9)	\$ (14)	\$ (20)	\$ (39)
Interest expense	202	209	401	421
Exchange losses	114	24	155	78
Income from investments in equity securities, net ⁽¹⁾	(280)	(551)	(854)	(603)
Net periodic defined benefit plan (credit) cost other than service cost	(110)	(80)	(199)	(170)
Other, net	(20)	25	(41)	(12)
Total	\$ (103)	\$ (387)	\$ (558)	\$ (325)

⁽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.