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Forward-Looking Statement

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Merck is off to a Strong Start in 2015

- **Q1 2015 Global Sales of \$9.4 Billion, -3%¹**
 - Pharmaceutical Sales +5%, Animal Health +13%
- **Double-digit growth in four core therapeutic areas combined**
- **Narrowed and Raised FY 2015 Non-GAAP EPS Guidance to \$3.35-\$3.48 (GAAP \$1.58-\$1.85)**
- **Key Developments in Q1 2015:**
 - Accelerating the KEYTRUDA clinical program:
 - Submitted sBLAs in NSCLC (KN-001) and Melanoma (KN-002), expect to submit sBLA in Melanoma (KN-006) by mid-2015
 - Presented data in 8 tumor types, with 5 additional tumor types expected at ASCO
 - Presented Phase 3 HCV doublet data at EASL, expect to file in H1 2015
 - TECOS achieved its primary endpoint
 - IMPROVE-IT data submitted to FDA
 - Launching new products in large markets (KEYTRUDA, BELSOMRA, ZERBAXA)

1. Growth rates exclude the impact from foreign exchange unless otherwise noted. Nominal topline growth rate was -8% in Q1 2015.

Merck is Positioned for Long-Term Growth through Innovation

Premier Research-Driven Biopharmaceutical Company

New Focused Model

**Four Key Growth
Platforms**

Accelerating BD Strategy

**Improving Operating
Model**

Suite of Opportunities

**Advancing Innovative
Pipeline**

**Programs in Areas with
Large Unmet Needs**

**Multiple New Product
Launches**

New Focused Model is Driving Growth and Productivity

Corporate

- Investing Behind the Best Sources of Growth
- Rigorous Portfolio Prioritization: Retaining Animal Health
- Divesting Non-Core Assets, including Consumer Care and Ophthalmics
- Acquiring Complementary Assets, including Idenix and Cubist

Commercial

- 4 Priority Commercial Areas
- Top 10 Priority Markets
- Integrated Oncology Business Unit

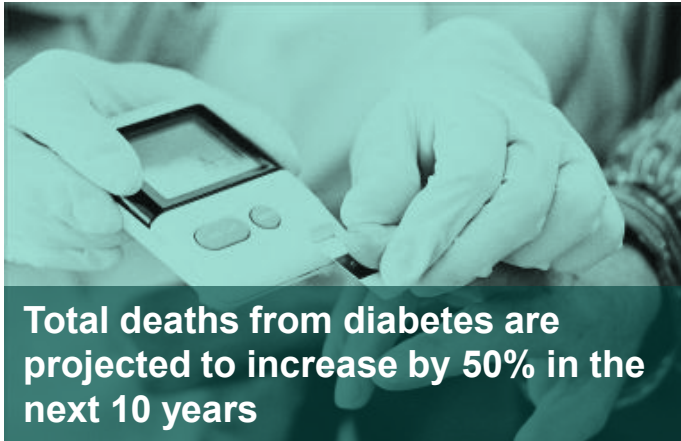
Operating Expense

- Investing Behind Products and Programs with the Greatest Returns
- Focus on Candidates with Unambiguous Promotable Advantages
- Resourcing Launch Opportunities
- Prioritization of Investment Leading to Overall Reduction in OpEx

On track for \$2.5B of cost savings by end of 2015 vs. 2012 base

Focused Areas Provide a Platform for Growth

DIABETES



Total deaths from diabetes are projected to increase by 50% in the next 10 years

VACCINES



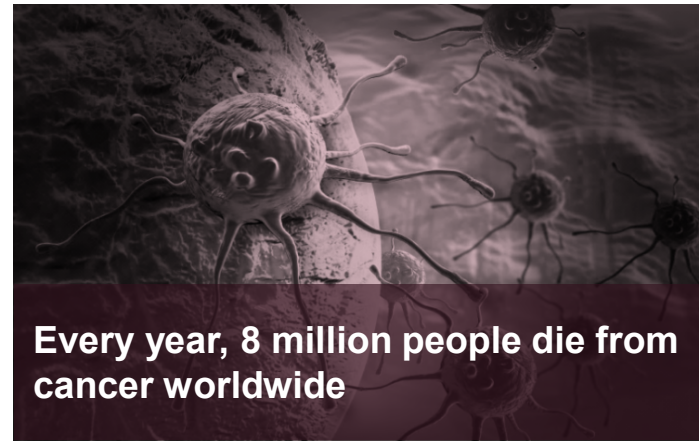
Prevention of disease through vaccination is cost effective

HOSPITAL ACUTE CARE



Antibiotic-resistant bacteria infects over 2 million Americans annually, resulting in 23,000 deaths

ONCOLOGY

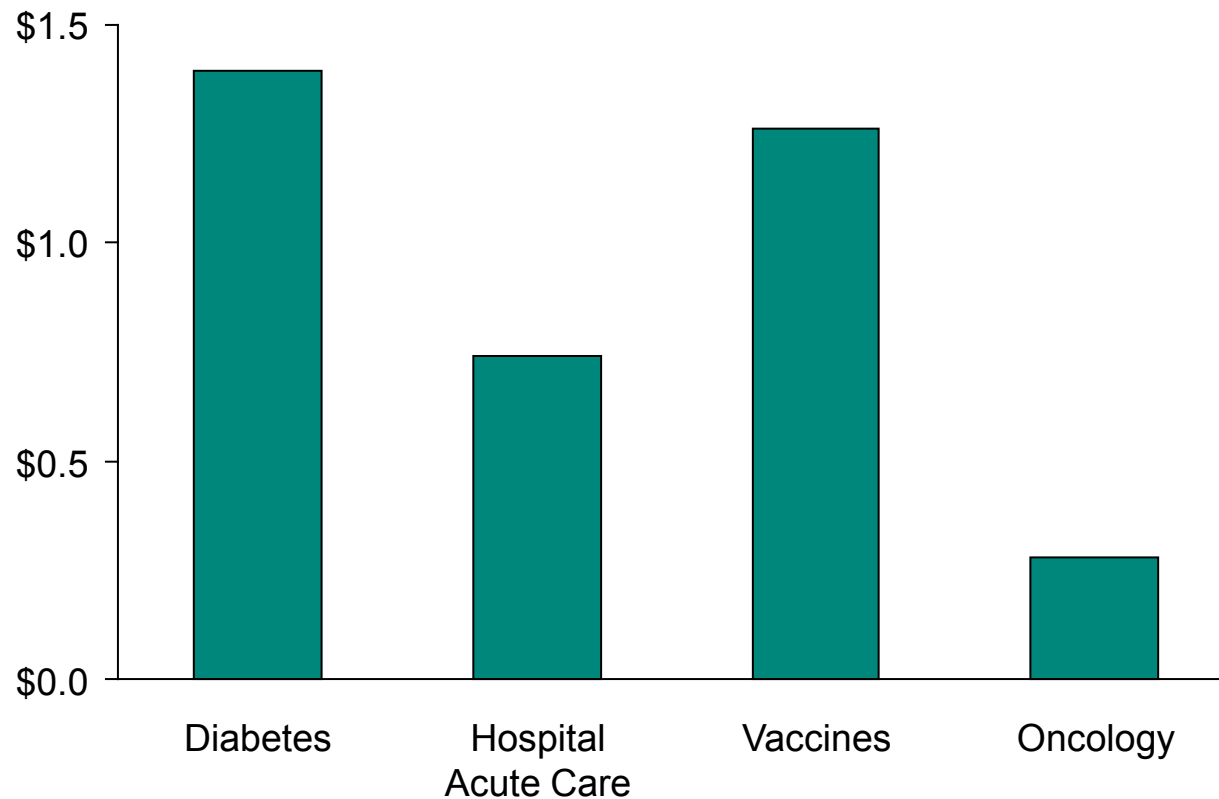


Every year, 8 million people die from cancer worldwide

Four Core Areas Significant in Size and Showing Strong Growth

\$ billions

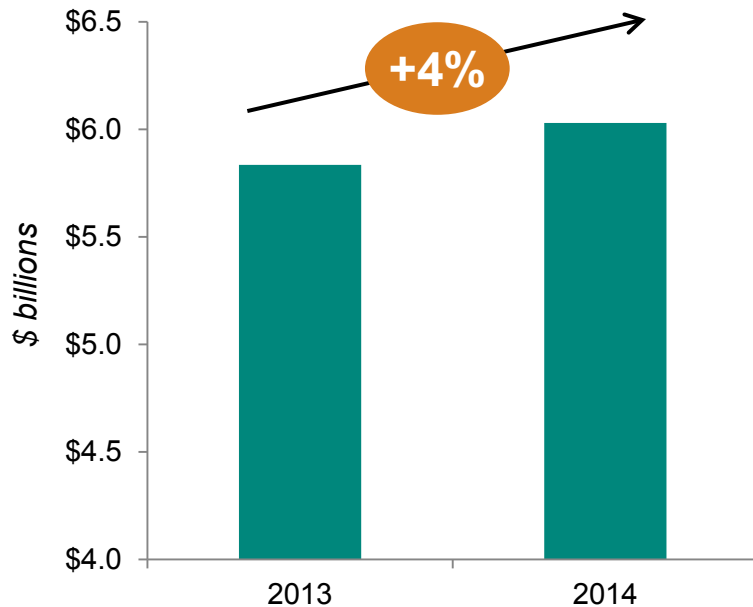
Q1 2015: >10% growth Year-over-Year, ex-FX



Four Core Areas Represent ~50% of Pharma Sales

Focused Strategy supports Leadership in the DPP-4 Market

FY 2014 Sales Growth¹

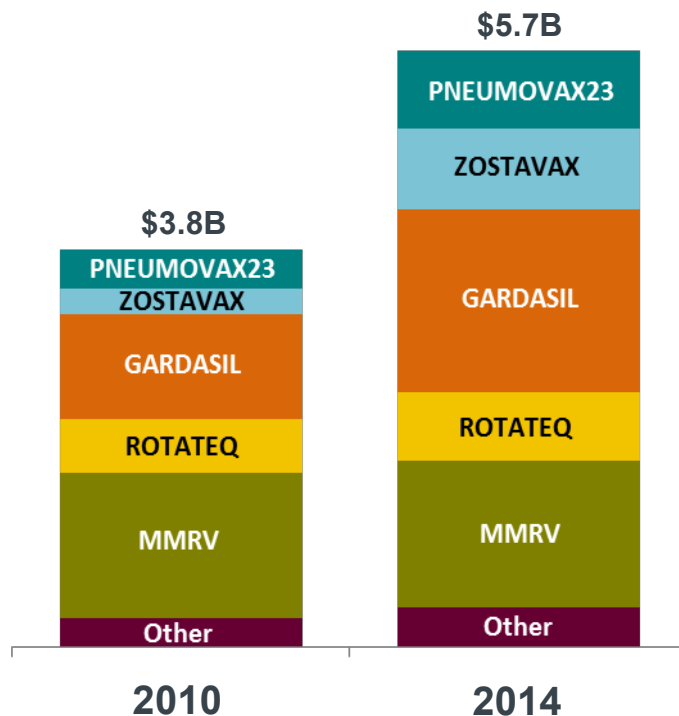


- Q1 2015 sales grew +10%¹
- ~75% market share in the U.S.
- Expect growth in 2015
- TECOS met primary endpoint
 - Among secondary endpoints, there was no increase in hospitalization for heart failure

Focused Strategy builds Leadership in the Global Vaccines Market

Merck Vaccine Sales¹

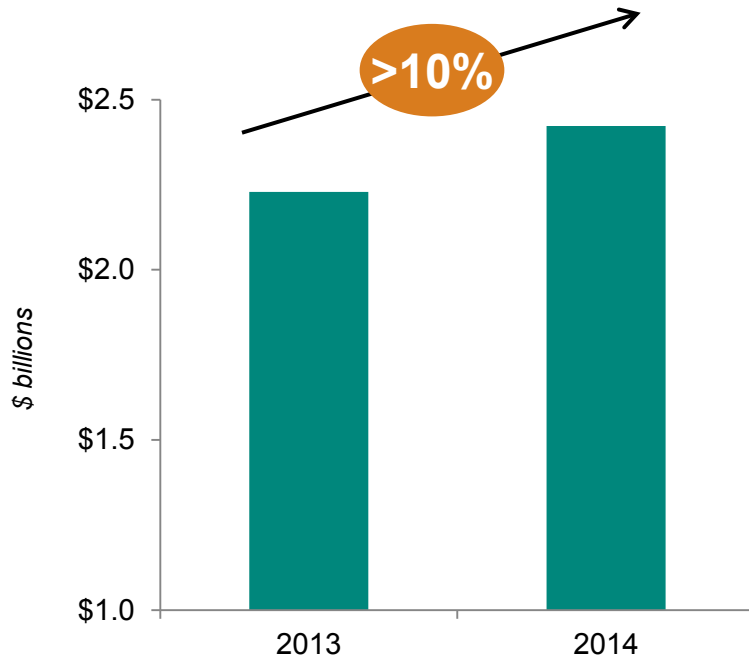
+11% CAGR



- Q1 2015 grew +9%²
- GARDASIL market share leader at >90% globally
- GARDASIL 9, 9-valent HPV vaccine, launching in the U.S.
- ZOSTAVAX single-dose shingles vaccine grew +25% in Q1 2015²

Focused Strategy building Leadership in Hospital Acute Care

Merck FY 2014 Sales Growth¹



Merck + Cubist

- Merck's Hospital Acute Care portfolio has annual sales >\$3 billion²
- Q1 2015 strong double digit sales growth from broad portfolio
- Key products include:
 - Antibiotics: PRIMAXIN, CUBICIN, ZERBAXA
 - Antifungals: NOXAFIL, CANCIDAS
 - BRIDION
- Well-positioned longer term with several Phase 3 pipeline opportunities

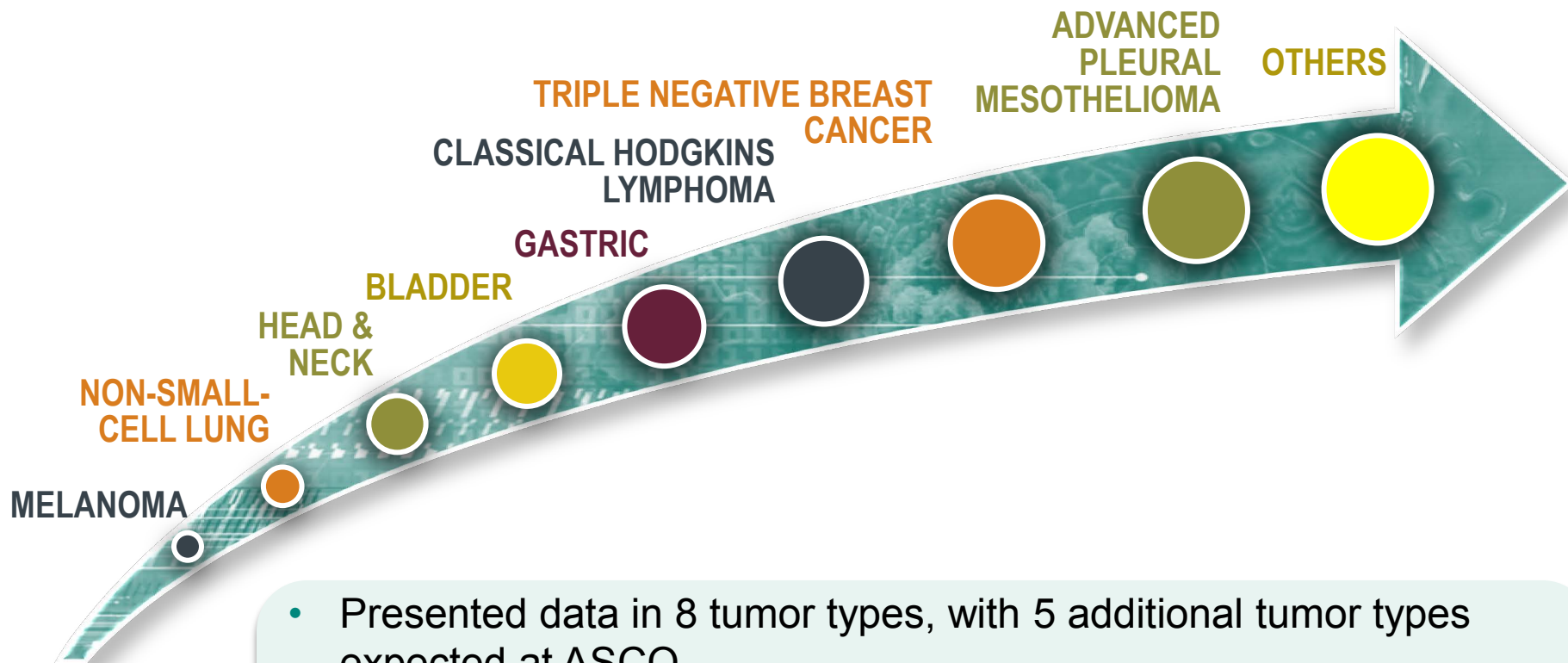
Hospital Acute Care has an efficient customer base and positive momentum from regulatory and reimbursement trends.

Launching KEYTRUDA in Ipilimumab-Refractory Melanoma

KEYTRUDA[®]
(pembrolizumab) for Injection 50 mg

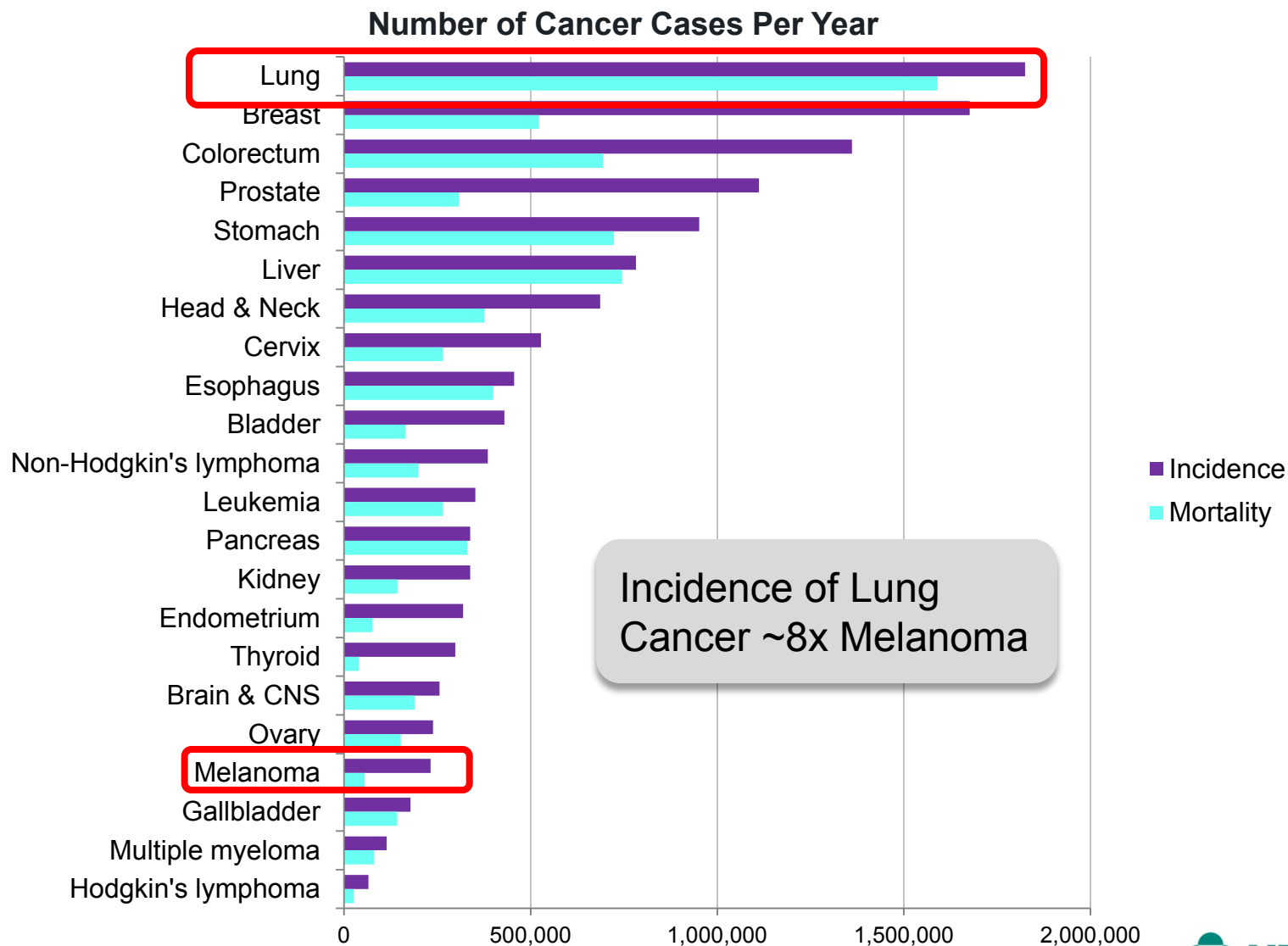
- **\$83mm in Q1 2015 sales**
- KEYTRUDA sales are primarily ipilimumab-refractory melanoma patients
- Strong access in labeled indication
- Broad acceptance of KEYTRUDA in NCCN melanoma treatment guidelines
- ***File submitted for NSCLC***

Potential Launches in Multiple Tumor Types



- Presented data in 8 tumor types, with 5 additional tumor types expected at ASCO
- Possible application in up to 30 different types of tumors
- >90 clinical trials planned or ongoing in more than 14,000 patients
- Second indication in non-small-cell lung cancer

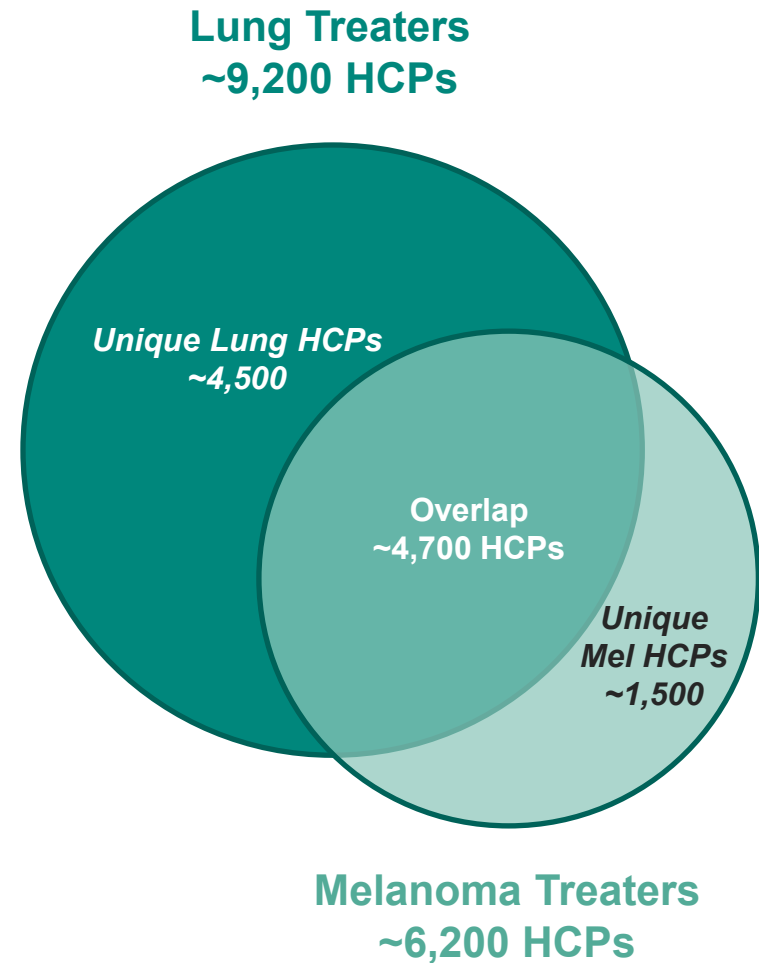
Lung Cancer Represents Significant Unmet Medical Need



Fully Prepared for NSCLC Launch in the U.S.

Maximizing opportunity in NSCLC with reach into the community oncology setting

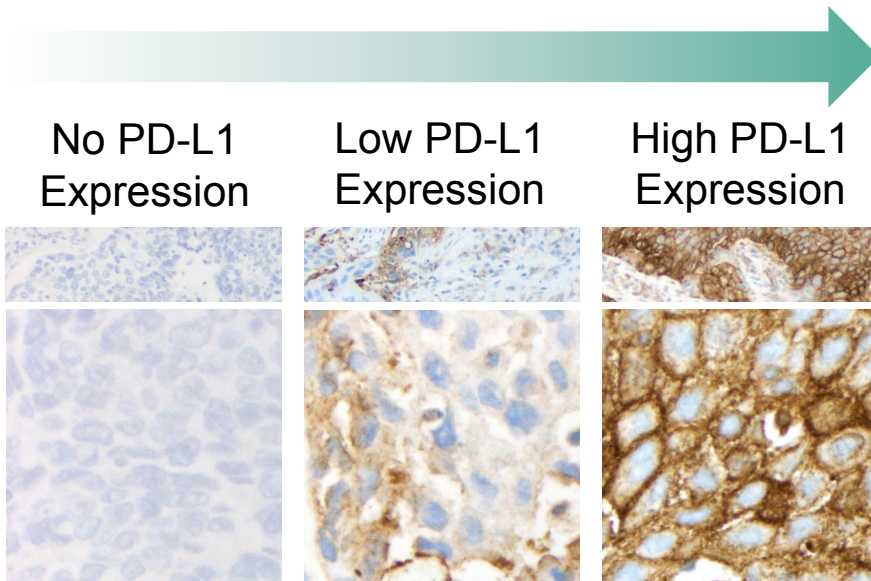
- Significant overlap with melanoma HCPs
 - Sales force expansion completed Q1 2015
- Substantial education planned
- Heavy focus on community-based KOLs
- Preparing for companion diagnostic



Identifying Patients Who May Benefit Most from KEYTRUDA Treatment

Value of PD-L1 Diagnostic to Customers

Correlation with Improved Outcomes



- PD-L1 diagnostic may help identify **patients** who may benefit most from treatment with KEYTRUDA
- Enables **physicians** to have personalized conversations with patients
- Empowers **physicians** to prioritize treatment options
- **Payers** are interested in potential health economics
- Diagnostic testing for treatment decisions has become a standard and widespread practice in NSCLC

Launches Underway in Primary Care and Acute Care



- Now launching in U.S. and Japan
- ~5,000 weekly prescriptions (beginning of May)¹
- Achieved positive coverage decisions for ~50mm commercial lives, half with no step edit

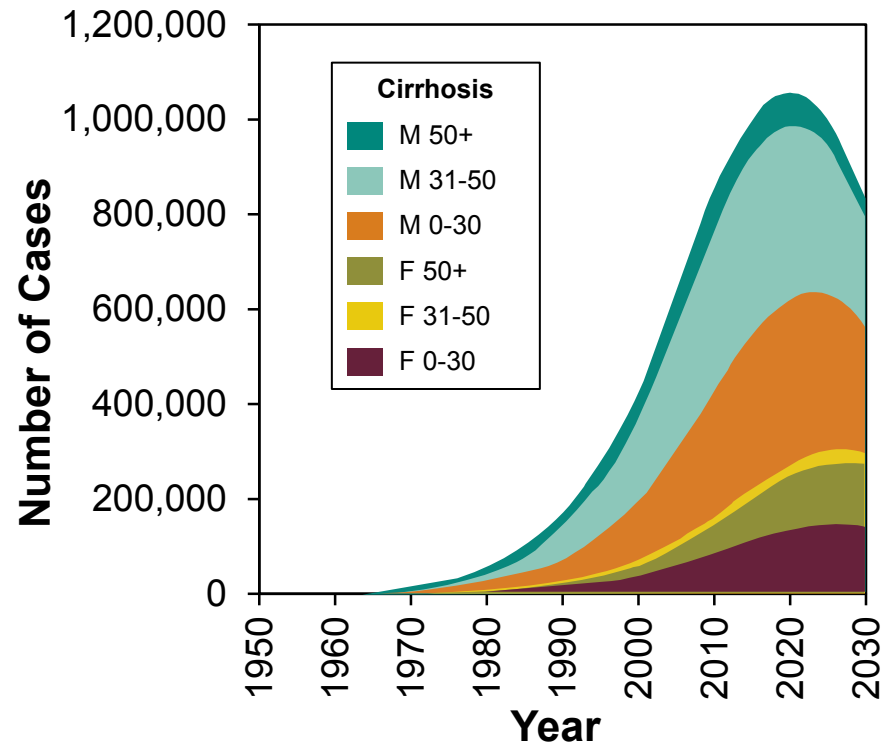


- Launch ongoing in U.S.
- Beginning to see formulary additions
- Growing issues with Gram-negative pathogens, including certain resistant species, driving positive discussions and positive formulary uptake

Hepatitis C: Fast-growing Market with High Unmet Need

- In U.S., 3.2 million people with chronic HCV
 - 50% diagnosed
 - ~170,000 – 200,000 successfully treated
 - >450,000 may get insurance between 2014 and 2020
- Without changes to historical diagnosis and treatment paradigm, annual medical costs expected to rise to \$85 billion in 5 years

The number of patients with chronic HCV infection and cirrhosis will peak in the next 7-10 years



There is an unmet medical need for an interferon-free, ribavirin-free, short duration HCV therapy that is highly effective across patient populations, including patients with cirrhosis.

Grazoprevir/Elbasvir Regimen for the Treatment of HCV Infection

All-oral, once-daily, fixed-dose tablet

HCV NS3/4A inhibitor
(100 mg once-daily, oral)

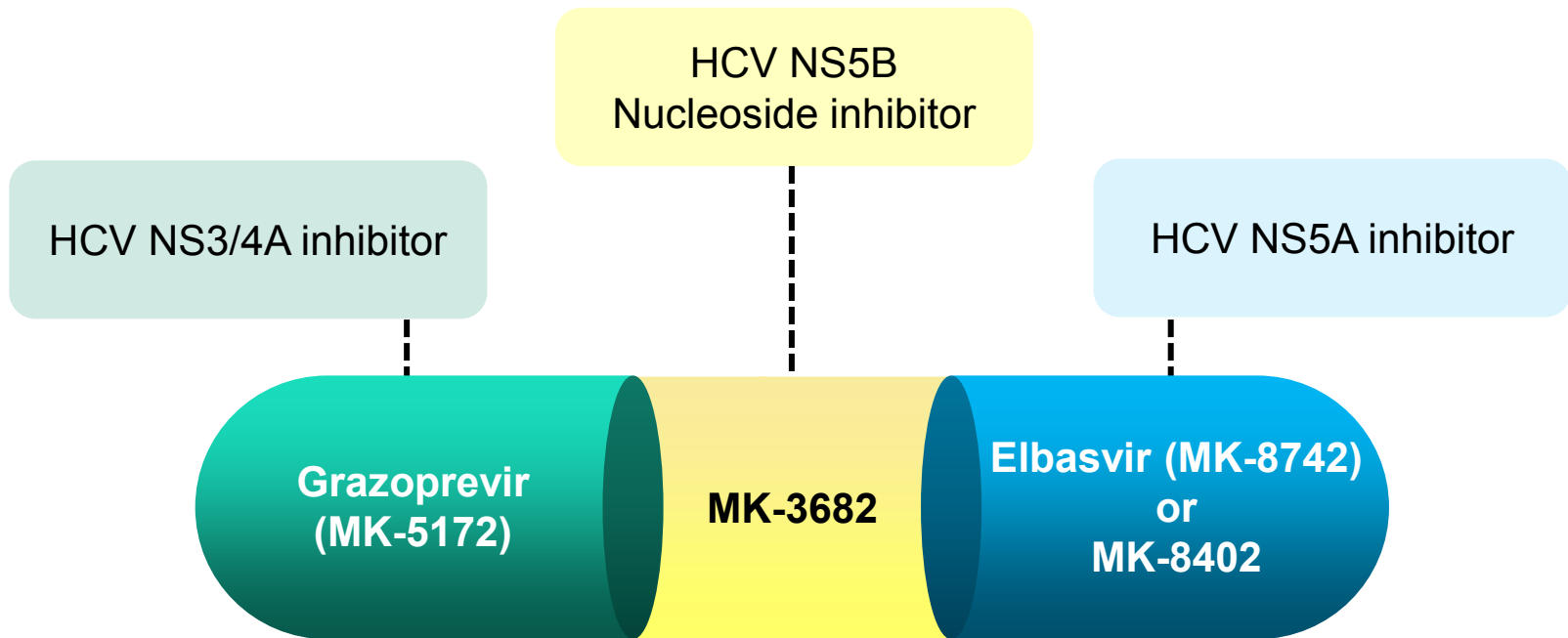


HCV NS5A inhibitor
(50 mg, once-daily, oral)



- High rates of efficacy* demonstrated against key genotypes in a broad range of patients, including patients with cirrhosis, HIV co-infection, and other co-morbidities
- Single tablet given once-daily, no significant food effect
- Breakthrough designation from FDA for selected populations
- Filing in H1 2015

Looking to the Future: The Merck Triplet Regimens



- C-CREST: Phase 2 program evaluates two different 3-drug regimens
- Designed to target broad range of genotypes
- Starts with 8 week regimens, and based on the results, will proceed to investigate shorter durations

Growth from Core Commercial Areas and Launches

Diabetes
Hospital Acute Care
Oncology
Vaccines

KEYTRUDA (Melanoma)
KEYTRUDA (NSCLC)
BELSOMRA
GARDASIL9
ZERBAXA

WAVE 1

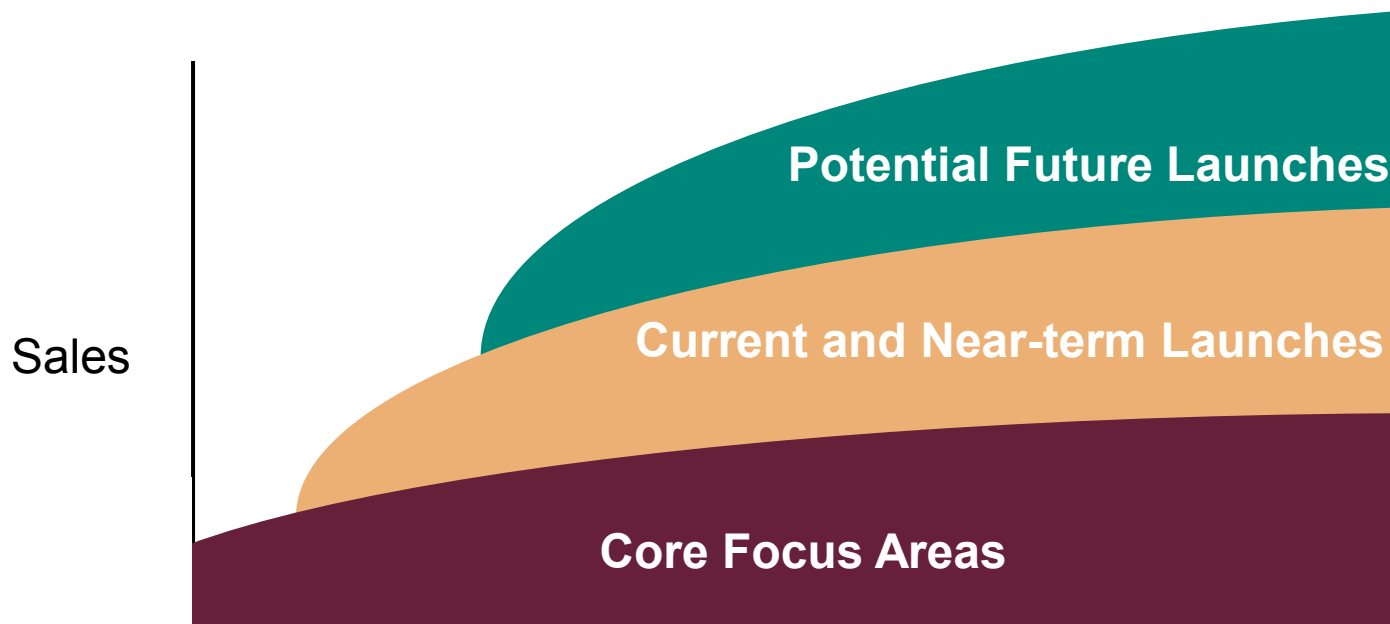
Innovation

MK-5172A (HCV)
Odanacatib (Osteoporosis)
Omarigliptin (Diabetes)
Anacetrapib (Atherosclerosis)
Doravirine (HIV)
MK-8931 (Alzheimer's Disease)

Biosimilars

Immunology
Oncology
Insulin

WAVE 2



Merck has Phase 3 Studies in Large Markets with Unmet Need

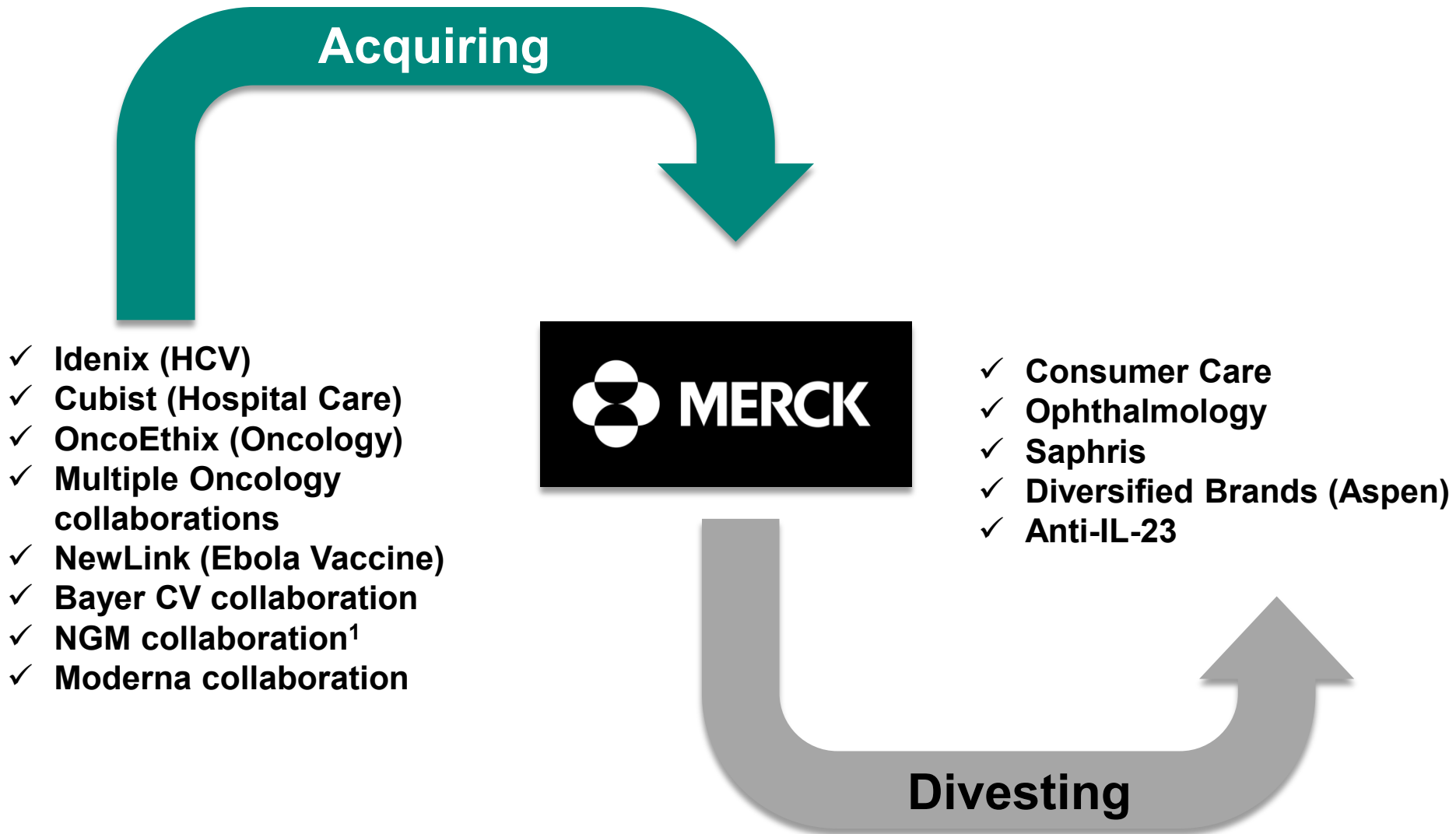
Anacetrapib: CETP Inhibitor for CV disease

- ~\$30 billion global atherosclerosis market¹
- Phase 3 fully enrolled
- Oral, once-daily, tablet being tested as additive therapy to statins
- Study completion targeted for early 2017

BACE Inhibitor for Alzheimer's Disease

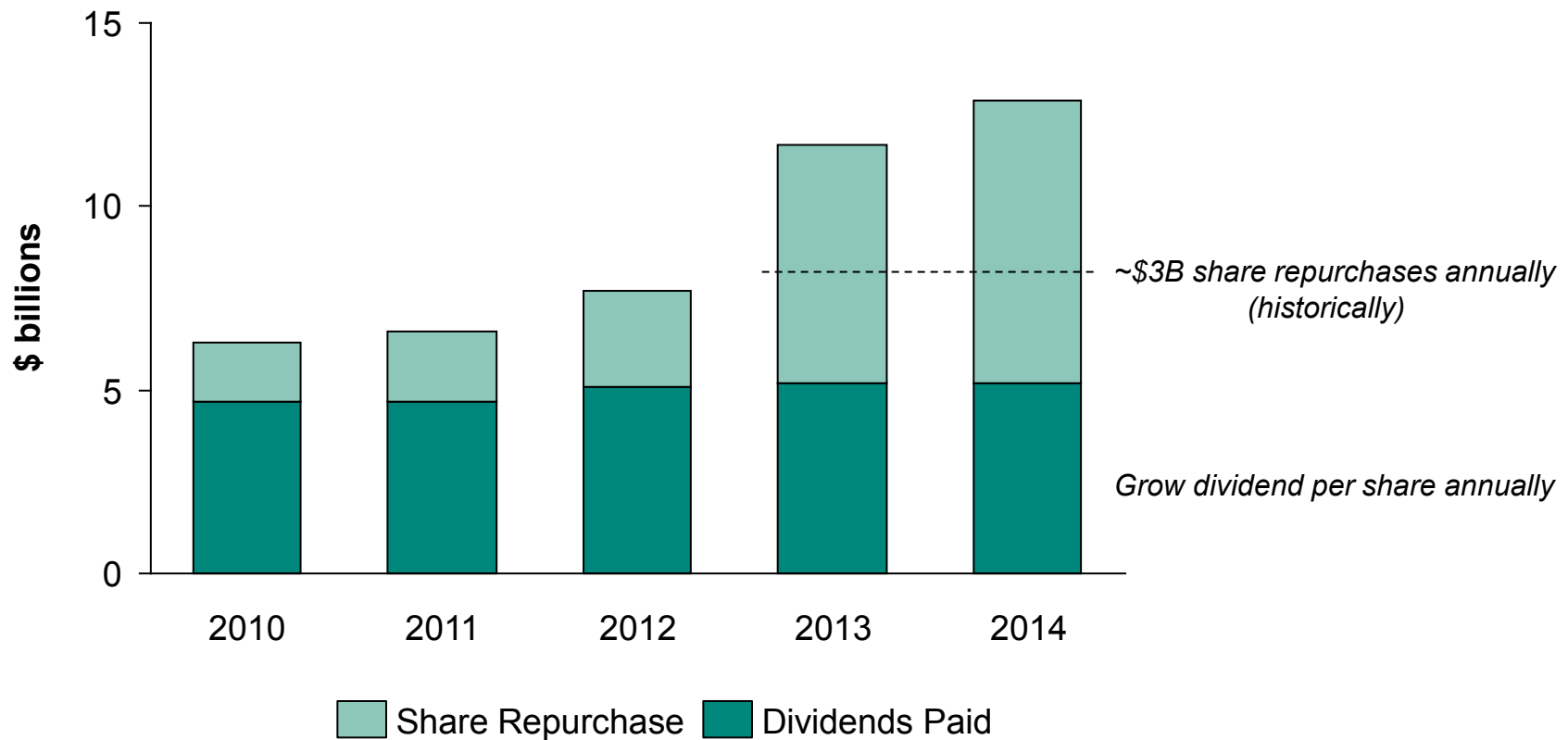
- ~6 million people expected to have Alzheimer's Disease in U.S. by 2020²
- Two Phase 3 studies enrolling mild-to-moderate or prodromal patients
- BACE inhibitor prevents the formation of A-Beta peptides
- First study completion targeted for early 2017

Merck's BD Strategy is Adding Value and Increasing Focus



Merck is Creating Value and Returning Cash to Shareholders

Dividends and share repurchases > 90% of Free Cash Flow



2015: Merck Looking Forward to...

- **Growth in core areas**
- **Multiple product launches ongoing**
- **Near-term regulatory action for key programs**
- **Targeting business development to drive long-term value**