



JP Morgan Healthcare Conference

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Strategy and Business Update

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Chief Executive Officer



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. 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 pipeline candidates that the candidates 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, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of the global outbreak of novel coronavirus disease (COVID-19); 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 2020 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).

Significant advancements across key strategic priorities



Progressed **broad pipeline**

Executed strategic **business development**

Completed successful **Organon spinoff**

Reported strong **revenue and EPS growth¹**

1. Reported September year-to-date revenue growth of 13% and non-GAAP EPS growth of 18% ex-exchange

Strong business momentum driving revenue and EPS growth

Exceptional commercial execution across key growth pillars



Oncology



Vaccines

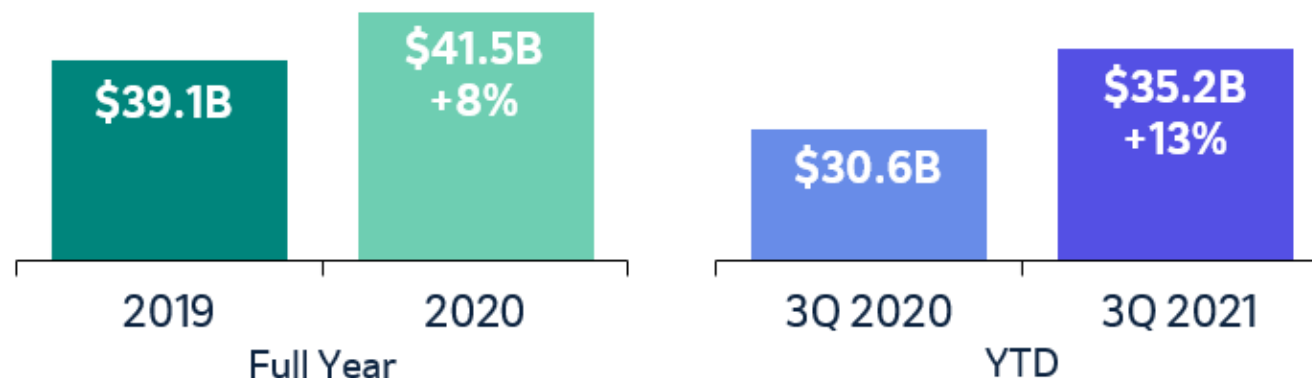


Hospital

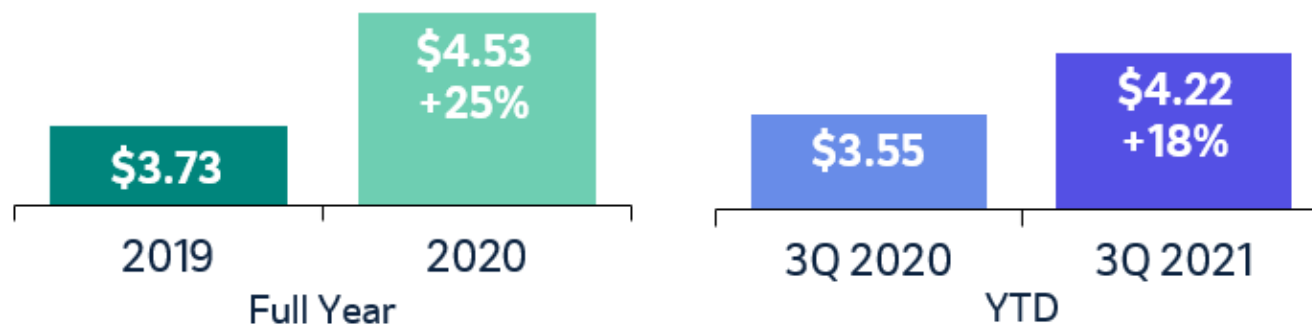


Animal Health

Revenue



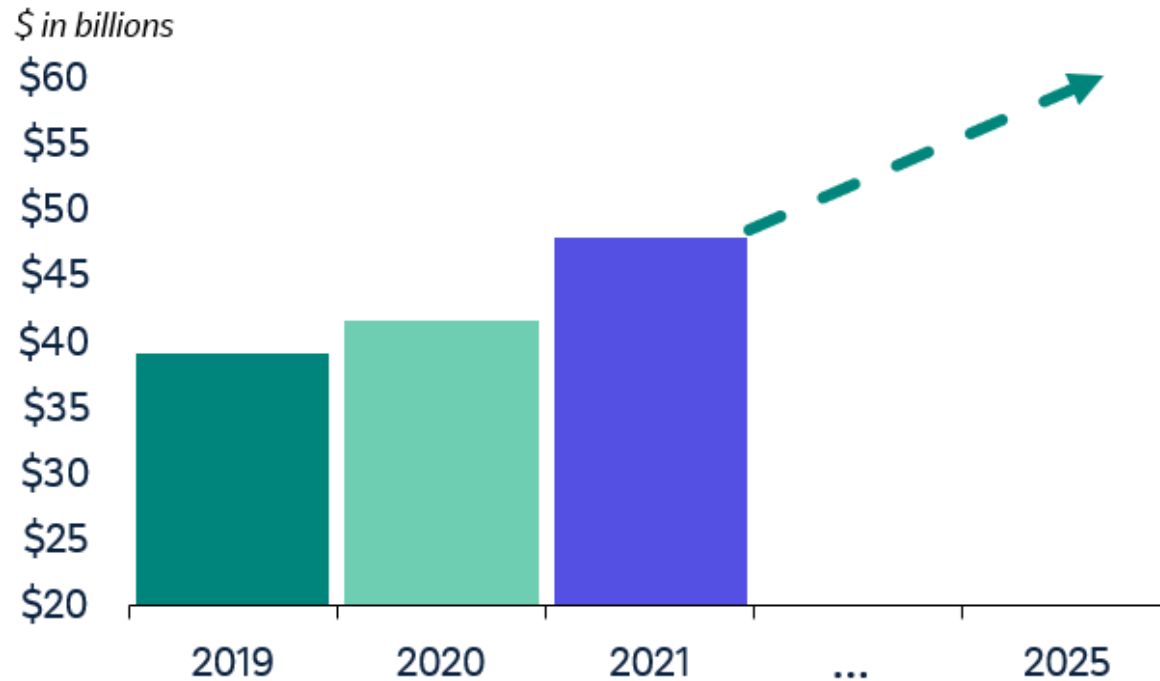
Non-GAAP EPS



Expect continued strong growth in revenue and earnings

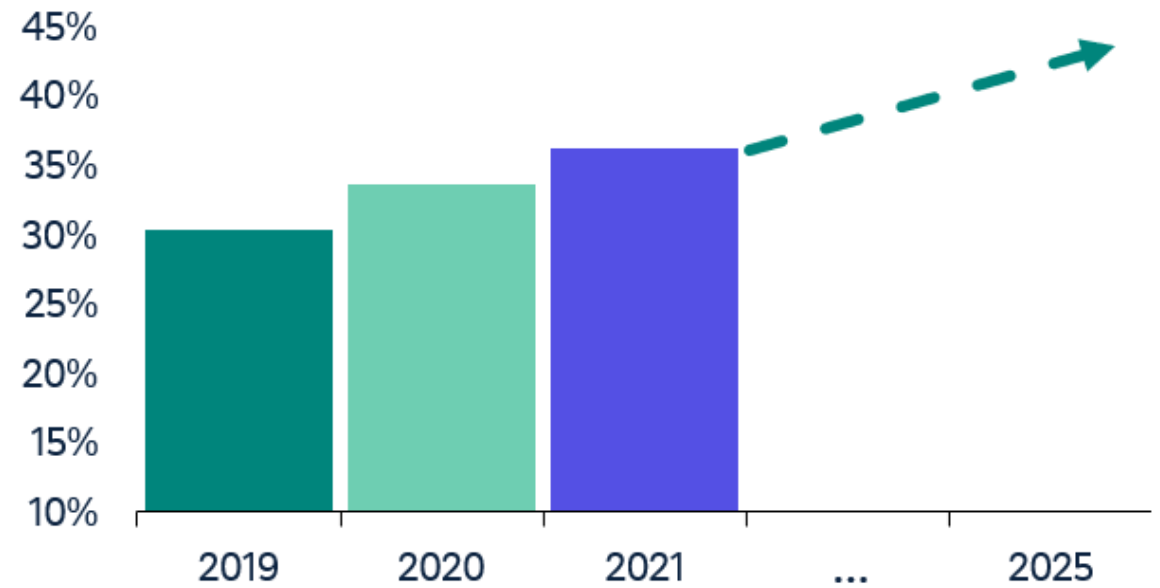
Revenue

Delivering visible de-risked revenue growth through 2025



Operating margins

Commitment to drive leverage in the P&L with operating margins >43% by 2025



Business development remains an important strategic priority

- Accessing the **best external science** through value-enhancing business development
- **Financial flexibility** to pursue both early- and late-stage opportunities
- **Unbounded** by therapeutic area
- **Appropriately aggressive** in adding innovative assets to help drive long-term revenue growth

\$34.4B on BD transactions over the past 4 years, including:



Includes bolt-on acquisitions, strategic collaborations & licensing, and milestone payments

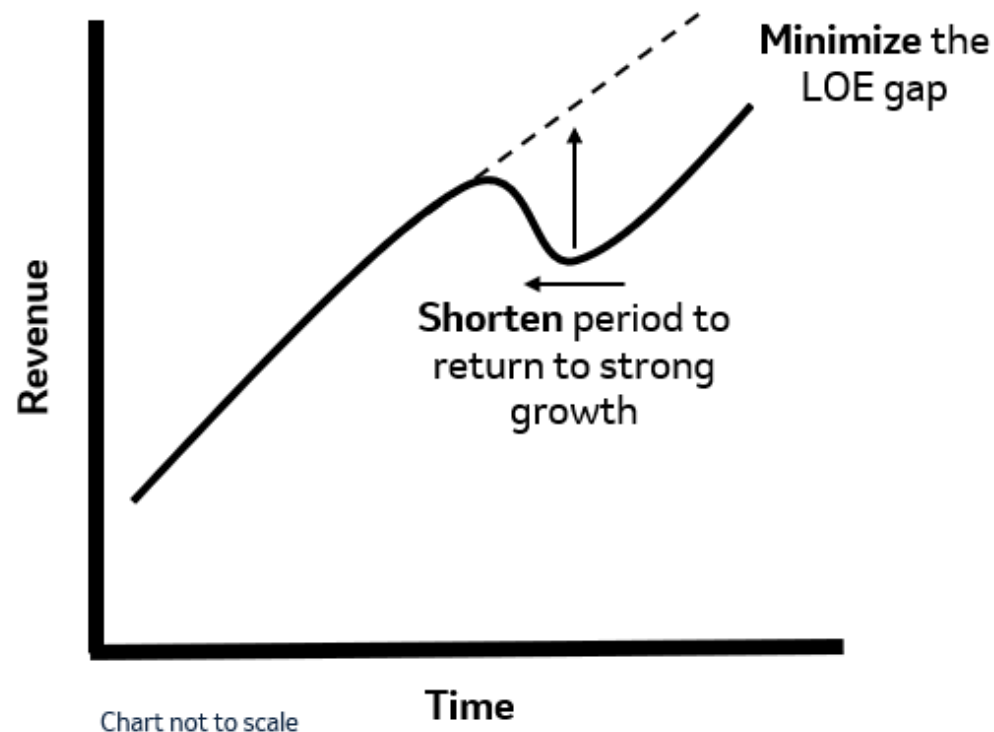
Highly focused on KEYTRUDA LOE planning

Aspire

to grow through
KEYTRUDA LOE period

Benefit

from multiple levers
to minimize dip and
shorten period



Multiple levers to navigate the KEYTRUDA LOE

Leverage leadership in oncology



New combinations and coformulations



New delivery mechanisms

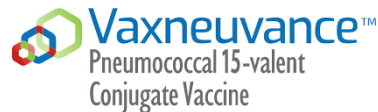


Additional immuno-oncology approaches

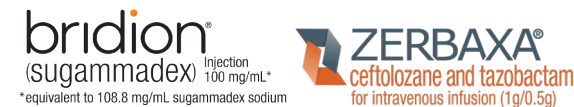


New mechanisms of action outside of immuno-oncology

Enhance durable growth drivers



Deploy cash flow from key assets to BD



Advance pipeline across key therapeutic areas



Vaccines



Cardiometabolic



Neuroscience



Immunology / Infectious Disease



Research Update

Dr. Dean Li

President, Merck Research Laboratories



Powerful research organization pursuing focused strategy

- Implement broad development programs for potentially **foundational assets**
- Advance new products, modalities and platforms and establish important **beachheads**
- Augment pipeline with BD focused on areas of **unmet need**



Meaningful advancements across therapeutic areas in 2021

Oncology

- **KEYTRUDA**: 11 new or expanded indications including 3 in early-stage disease areas (TNBC, renal, melanoma)
- **WELIREG** (novel HIF2a inhibitor): launched for von Hippel-Lindau disease-associated tumors
- **Lynparza** + abiraterone: announced positive topline data from PROpel in advanced prostate
- **Lynparza**: received FDA priority review in certain early-stage breast cancers based on OlympiA

Vaccines

VAXNEUVANCE:

- FDA approval in adult setting
- Unanimous ACIP endorsement in sequence with **PNEUMOVAX 23** in age-based and risk-based adult populations
- FDA priority review filing in pediatric setting

Broader Pipeline

- **VERQUVO**: Initiated Phase 3 trial in chronic heart failure and reduced ejection fraction with no recent worsening heart failure event
- **MK-2060** (Factor XI inhibitor): initiated Phase 2 trial
- **MK-0616** (oral PCSK9 inhibitor): presented Phase 1 data
- **PT101** (IL-2 mutein): acquired from Pandion
- **Sotatercept** (ligand trap): acquired from Acceleron in Phase 3 trials for PAH
- **MK-5475** (inhaled SGC): in Phase 2/3 trial for PAH

COVID-19

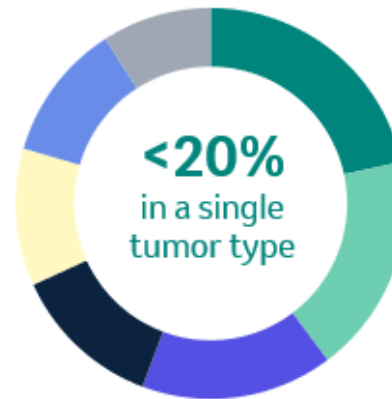
Molnupiravir:

- Received U.S. FDA Emergency Use Authorization for molnupiravir
- Received MHRA Conditional Marketing Authorisation in Great Britain and Temporary Authorisation for Northern Ireland (**LAGEVRIO**)
- Received MHLW Special Approval for Emergency in Japan (**LAGEVRIO**)

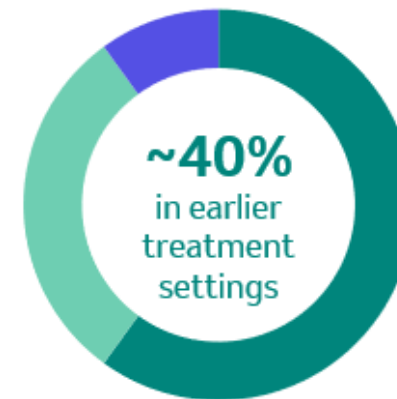
Leading oncology program aimed to further improve patient outcomes

- **Tripling potential new indications** across oncology portfolio through 2028
 - KEYTRUDA, Lynparza, Lenvima, WELIREG and others
- **Advancing innovations** including ADCs, KRAS and BTK inhibitor
- **Enhancing patient benefit** through subcutaneous delivery and co-formulations (TIGIT, LAG-3, CTLA-4 and potentially ILT4)

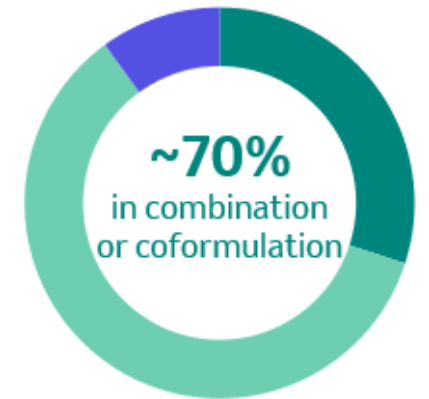
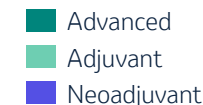
>90 potential approvals through 2028



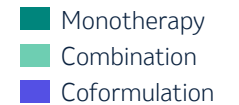
Expand
into new
tumor types



Extend
into earlier
lines of therapy



Deepen
KEYTRUDA's
response



Leverage for durable leadership beyond 2028

Pursuing a broad array of key innovations beyond oncology



Vaccines

Pneumococcal Disease: Pediatrics

VAXNEUVANCE (PCV, Phase 3)

RSV

MK-1654 (mAB, Phase 3)

Pneumococcal Disease: Adults

V116 (PCV, Phase 2)

Dengue

V181 (LATV, Phase 1)



Cardiometabolic

PAH

sotatercept (ligand trap, Phase 3)

PAH

MK-5475 (Inhaled sGC stimulator
Phase 2/3)

Thrombosis

MK-2060 (Factor XI inhibitor,
Phase 2)

NASH

MK-3655 (mAb β -Klotho/FGFR1c,
Phase 2b)

Lipid Lowering

MK-0616 (Oral PCSK9 inhibitor,
Phase 1)



Neuroscience

Schizophrenia

MK-8189 (not yet disclosed, Phase 2)

Treatment-Resistant Depression

MK-1942 (not yet disclosed, Phase 2)

Alzheimers Disease

MK-1942 (not yet disclosed, Phase 1)

Alzheimers Disease

MK-2214 (Anti-Tau mAb, preclinical)



Immunology/ Infectious Disease

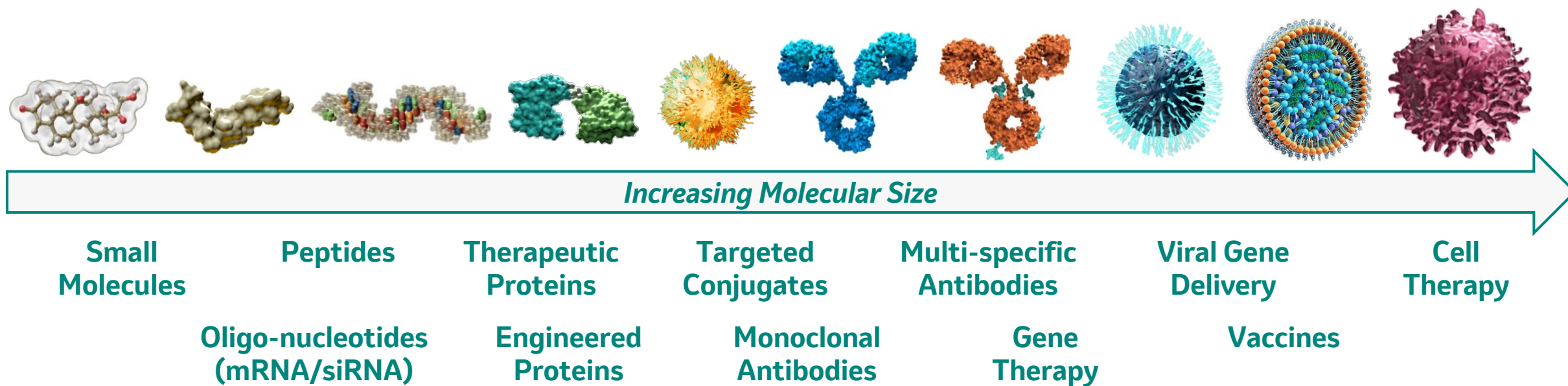
Immunology

PT101 (IL-2 mutein, Phase 1)

HIV: Treatment and PrEP

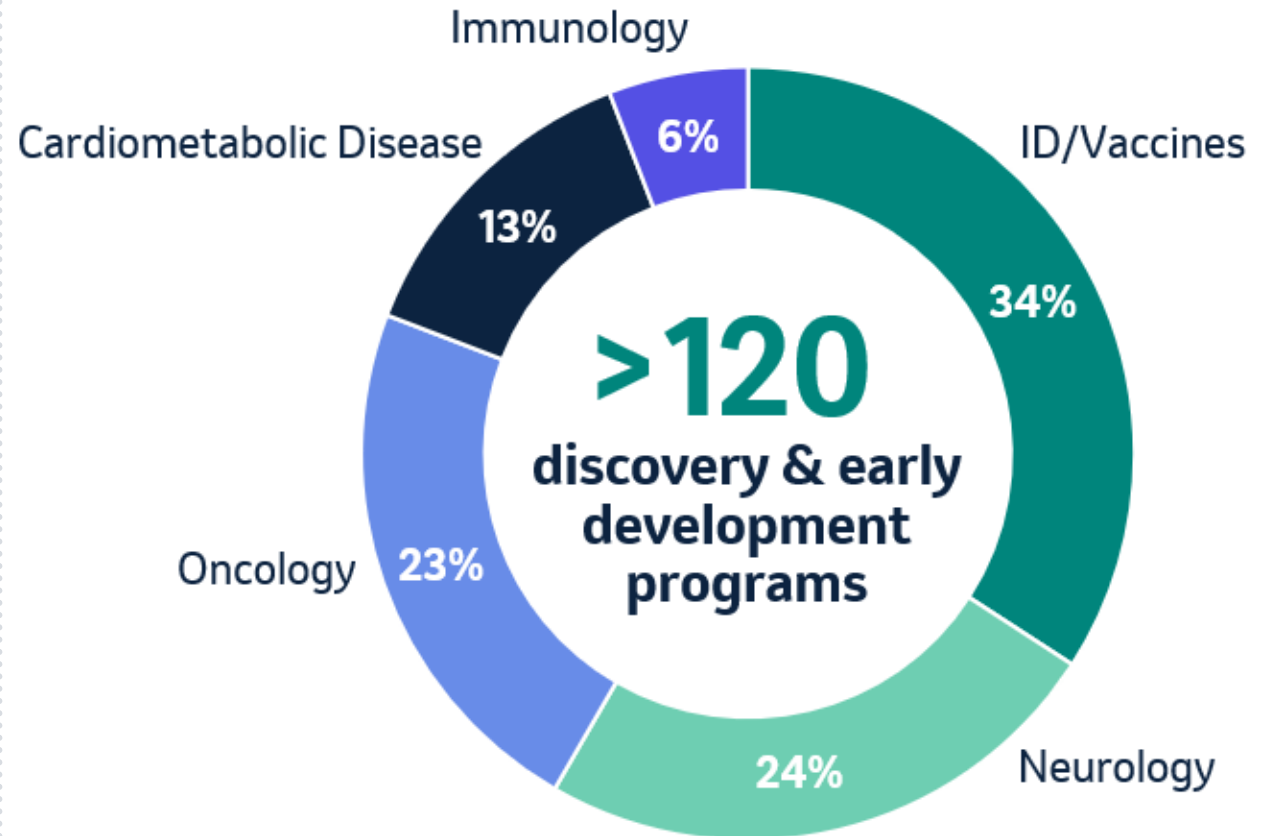
Ilatravir¹ (NRTTI) and combinations,
(Phase 3)

Expanding capabilities across a spectrum of modalities, including ...



Extensive discovery research efforts to generate breakthroughs in the long-term

- Research efforts across multiple **therapeutic areas** and **modalities**
- **Broad program** including in I/O, infectious diseases and vaccines, neurology and cardiovascular, renal and metabolic diseases
- 3 **discovery research hubs** in key biotech communities



% of programs per area

Programs under other research areas are included within above categories



Q&A



Rob Davis
Chief Executive Officer



Dr. Dean Li
President, Merck Research Laboratories

