UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File No. 1-6571

Merck & Co., Inc.

(Exact name of registrant as specified in its charter)

New Jersey	**22-1918501**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

126 East Lincoln Avenue
Rahway New Jersey 07065
(Address of principal executive offices) (zip code)

(Registrant's telephone number, including area code) **(908) 740-4000**

Not Applicable
(Former name, former address and former fiscal year, if changed since last report.)

Securities Registered pursuant to Section 12(b) of the Act:

Title of each class	*Trading Symbol(s)*	*Name of each exchange on which registered*
Common Stock ($0.50 par value)	MRK	New York Stock Exchange
0.500% Notes due 2024	MRK 24	New York Stock Exchange
1.875% Notes due 2026	MRK/26	New York Stock Exchange
2.500% Notes due 2034	MRK/34	New York Stock Exchange
1.375% Notes due 2036	MRK 36A	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

JHU 2248
Merck Sharp v. Johns Hopkins
IPR2024-00622

The number of shares of common stock outstanding as of the close of business on April 30, 2023: 2,537,435,954

Table of Contents

		Page No.
PART I	**FINANCIAL INFORMATION**	3
Item 1.	Financial Statements	3
	Condensed Consolidated Statement of Income	3
	Condensed Consolidated Statement of Comprehensive Income	3
	Condensed Consolidated Balance Sheet	4
	Condensed Consolidated Statement of Cash Flows	5
	Notes to Condensed Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	27
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	39
Item 4.	Controls and Procedures	39
	Cautionary Factors That May Affect Future Results	39
PART II	**OTHER INFORMATION**	40
Item 1.	Legal Proceedings	40
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	40
Item 6.	Exhibits	41
	Signatures	42

Sales of the Company's products were as follows:

	Three Months Ended March 31,					
	2023			2022		
($ in millions)	U.S.	Int'l	Total	U.S.	Int'l	Total
Pharmaceutical:						
Oncology						
Keytruda	$3,485	$2,310	$ 5,795	$2,779	$2,030	$ 4,809
Alliance revenue-Lynparza [(1)]	142	133	275	141	125	266
Alliance revenue-Lenvima [(1)]	153	79	232	156	71	227
Alliance revenue-Reblozyl [(2)]	30	12	43	27	25	52
Welireg	41	1	42	18	—	18
Vaccines						
Gardasil/Gardasil 9	416	1,556	1,972	418	1,042	1,460
ProQuad/M-M-R II */Varivax*	421	107	528	371	99	470
RotaTeq	180	117	297	175	41	216
Vaxneuvance	94	13	106	5	—	5
Pneumovax 23	40	56	96	118	55	173
Vaqta	30	10	40	29	7	36
Hospital Acute Care						
Bridion	276	210	487	195	199	395
Prevymis	54	75	129	40	54	94
Primaxin	4	76	80	1	58	58
Dificid	62	3	65	49	3	52
Noxafil	14	46	60	10	48	57
Zerbaxa	27	23	50	18	12	30
Cardiovascular						
Alliance revenue-Adempas/Verquvo [(3)]	83	16	99	71	1	72
Adempas	—	59	59	—	61	61
Virology						
Lagevrio	(2)	394	392	1,523	1,723	3,247
Isentress/Isentress HD	52	71	123	61	97	158
Neuroscience						
Belsomra	16	40	56	20	48	69
Immunology						
Simponi	—	180	180	—	186	186
Remicade	—	51	51	—	61	61
Diabetes						
Januvia	271	280	551	325	454	779
Janumet	56	272	329	63	391	454
Other pharmaceutical [(4)]	172	414	584	160	443	602
Total Pharmaceutical segment sales	6,117	6,604	12,721	6,773	7,334	14,107
Animal Health:						
Livestock	174	676	849	171	661	832
Companion Animals	308	334	642	302	348	650
Total Animal Health segment sales	482	1,010	1,491	473	1,009	1,482
Total segment sales	6,599	7,614	14,212	7,246	8,343	15,589
Other [(5)]	60	214	275	93	220	312
	$6,659	$7,828	$14,487	$7,339	$8,563	$ 15,901

U.S. plus international may not equal total due to rounding.

(1) Alliance revenue for Lynparza and Lenvima represents Merck's share of profits, which are product sales net of cost of sales and commercialization costs (see Note 3).

(2) Alliance revenue for Reblozyl represents royalties and, for 2022, also includes the receipt of a regulatory approval milestone payment (see Note 3).

(3) Alliance revenue for Adempas/Verquvo 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 (see Note 3).

(4) Other pharmaceutical primarily reflects sales of other human health pharmaceutical products, including products within the franchises not listed separately.

(5) Other is primarily comprised of miscellaneous corporate revenue, including revenue hedging activities which increased sales by $ 99 million and $ 69 million for the three months ended March 31, 2023 and 2022, respectively, as well as revenue from third-party manufacturing arrangements (including sales to Organon). Other for the three months ended March 31, 2023 and 2022 also includes $ 51 million and $ 114 million, respectively, related to upfront and milestone payments received by Merck for out-licensing arrangements.