

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 June 30, 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
(State or other jurisdiction of incorporation)

22-1918501
(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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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 2249

Merck Sharp v. Johns Hopkins

IPR2024-00622

The number of shares of common stock outstanding as of the close of business on July 31, 2023: 2,537,521,169

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Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

Sales of the Company's products were as follows:

(\$ in millions)	Three Months Ended June 30,						Six Months Ended June 30,					
	2023			2022			2023			2022		
	U.S.	Int'l	Total	U.S.	Int'l	Total	U.S.	Int'l	Total	U.S.	Int'l	Total
Pharmaceutical:												
Oncology												
Keytruda	\$ 3,863	\$ 2,408	\$ 6,271	\$ 3,197	\$ 2,055	\$ 5,252	\$ 7,348	\$ 4,718	\$ 12,065	\$ 5,976	\$ 4,085	\$ 10,061
Alliance revenue-Lynparza	144	166	310	143	132	275	286	299	585	283	257	541
Alliance revenue-Lenvima	163	79	242	128	103	231	316	158	474	284	175	459
Welireg	49	2	50	27	—	27	90	3	92	45	—	45
Alliance revenue-Reblozyl	36	11	47	28	5	33	66	24	90	55	30	86
Vaccines												
Gardasil/Gardasil 9	464	1,994	2,458	428	1,245	1,674	880	3,550	4,430	846	2,287	3,133
ProQuad/M-M-R II /Varivax	447	135	582	434	143	578	868	242	1,109	805	243	1,047
RotaTeq	93	37	131	98	75	173	273	155	428	273	116	389
Vaxneuvance	147	20	168	11	—	12	241	33	274	16	1	16
Pneumovax 23	23	69	92	94	59	153	63	125	188	212	114	325
Vaqta	29	13	42	16	19	35	59	23	82	45	25	71
Hospital Acute Care												
Bridion	299	203	502	237	190	426	576	413	989	432	389	821
Prevymis	61	82	143	47	56	103	116	157	273	87	110	197
Difficid	68	8	76	63	3	66	130	11	141	113	6	119
Primaxin	(2)	56	53	—	64	64	2	132	133	1	122	122
Noxafil	11	45	55	16	45	60	25	91	116	25	92	118
Zerbaxa	30	24	54	22	24	46	57	47	104	40	36	76
Cardiovascular												
Alliance revenue-Adempas/Verquvo ⁽³⁾	70	(2)	68	88	10	98	153	14	167	159	11	170
Adempas	—	65	65	—	63	63	—	125	125	—	124	124
Virology												
Lagevrio	2	201	203	—	1,177	1,177	—	595	595	1,523	2,901	4,424
Isentress/Isentress HD	56	80	136	67	80	147	108	151	259	128	177	305
Neuroscience												
Belsomra	21	42	63	19	50	69	37	82	119	39	98	137
Immunology												
Simponi	—	180	180	—	181	181	—	359	359	—	366	366
Remicade	—	48	48	—	53	53	—	99	99	—	114	114
Diabetes												
Januvia	243	267	511	301	455	756	514	548	1,062	626	909	1,535
Janumet	82	272	354	105	371	476	138	544	683	168	762	931
Other pharmaceutical ⁽⁴⁾	171	382	553	157	372	528	342	793	1,138	317	814	1,131
Total Pharmaceutical segment sales	6,570	6,887	13,457	5,726	7,030	12,756	12,688	13,491	26,179	12,498	14,364	26,863
Animal Health:												
Livestock	165	643	807	164	662	826	338	1,318	1,656	335	1,322	1,658
Companion Animal	310	339	649	313	328	641	618	673	1,291	616	676	1,291
Total Animal Health segment sales	475	982	1,456	477	990	1,467	956	1,991	2,947	951	1,998	2,949
Total segment sales	7,045	7,869	14,913	6,203	8,020	14,223	13,644	15,482	29,126	13,449	16,362	29,812
Other ⁽⁵⁾	(27)	149	122	35	335	370	32	364	396	128	555	682
	\$ 7,018	\$ 8,018	\$ 15,035	\$ 6,238	\$ 8,355	\$ 14,593	\$ 13,676	\$ 15,846	\$ 29,522	\$ 13,577	\$ 16,917	\$ 30,494

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 the first six months of 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 \$ 128 million and \$ 277 million for the six months ended June 30, 2023 and 2022, respectively, as well as revenue from third-party manufacturing arrangements (including sales to Organon). Other for the six months ended June 30, 2023 and 2022 also includes \$ 54 million and \$ 146 million, respectively, related to upfront and milestone payments received by Merck for out-licensing arrangements.