

## Welcome & Introductions

Ken Frazier, Chairman and Chief Executive Officer

## Financial & Value Creation Overview

Rob Davis, Chief Financial Officer and Head of Global Services

## Commercial Growth Drivers: KEYTRUDA & Beyond

Frank Clyburn, Chief Commercial Officer

## Animal Health Innovation

Rick DeLuca, President, Merck Animal Health

## Merck R&D Strategy Overview

Dr. Roger M. Perlmutter, President, Merck Research Laboratories

## Pipeline Opportunities

Dr. Roy Baynes, Head of Clinical Development and Chief Medical Officer, and Mike Nally, Chief Marketing Officer

## Future of Merck R&D: Panel Discussion

Merck Research Laboratories Leadership: Dr. Dean Li, Dr. Fiona Marshall and Dr. Daria Hazuda

## Q&A / Closing Remarks

All

## Lunch Break

All

## Breakout Sessions

Pipeline Deep Dive

Next Generation Discovery

International Opportunity & China



# COMMERCIAL PRIORITIES TO DRIVE FURTHER GLOBAL GROWTH



**Build on leading position across key growth pillars**



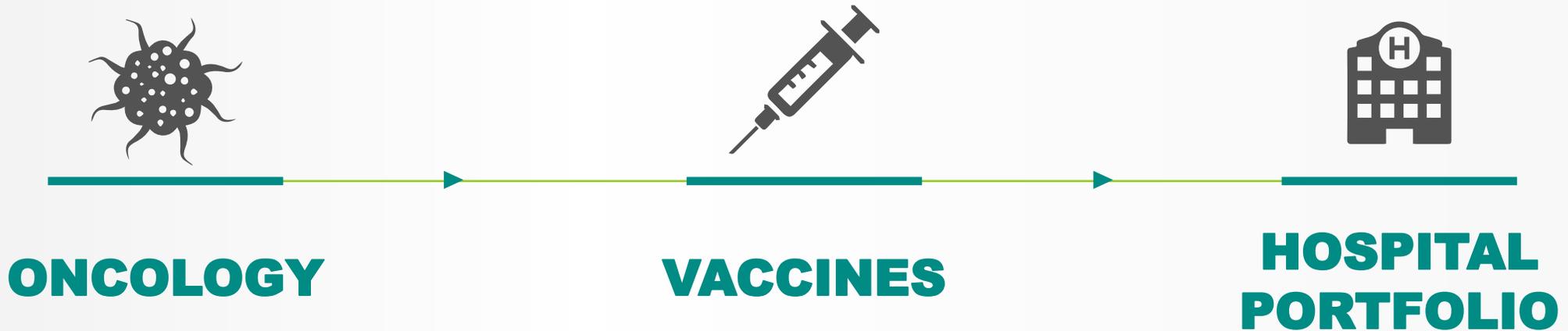
**Capitalize on global growth opportunities**



**Successfully execute new launches**



# CURRENT PILLARS HAVE EXPANSION OPPORTUNITIES AHEAD



**Visibility into growth drivers over the next 5 years**



# ONCOLOGY: DRIVING GLOBAL LEADERSHIP

**KEYTRUDA**<sup>®</sup>  
(pembrolizumab) Injection 100 mg

**Lynparza**<sup>®</sup>  
olaparib  
tablets 150 mg

**LENVIMA**<sup>®</sup>  
(lenvatinib) capsules | 10 mg and 4 mg

**Foundational cancer  
treatment**

**Market-leading  
PARPi**

**Broad-based  
TKI**

**27**  
Indications

**15**  
Tumor types  
+ MSI-H

**>200K**  
Patients treated

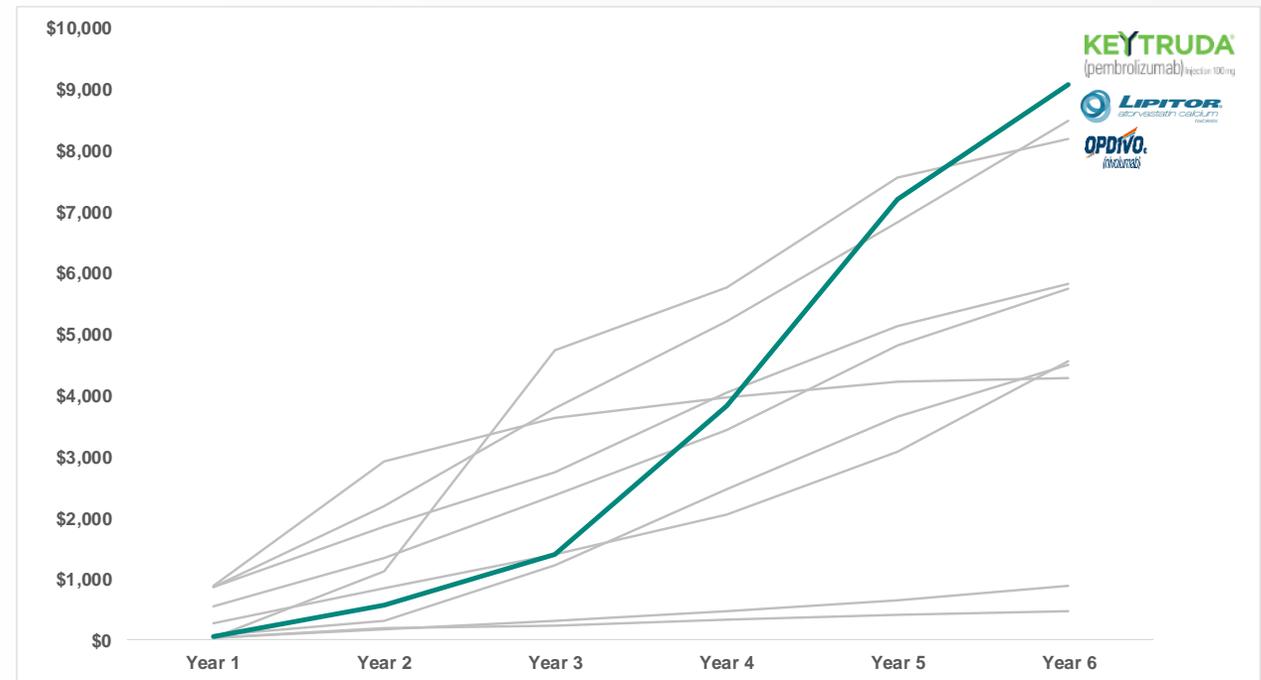
**Strong foundation with long runway for growth ahead**



# KEYTRUDA: SIGNIFICANT GLOBAL GROWTH OPPORTUNITIES

- Building on leadership in lung with additional reimbursement rolling out across Europe and other markets
- Encouraged by early adoption in RCC and adjuvant melanoma launches
- Excited to extend H&N leadership with recent 1L approval
- Indications expected to more than double over next 5 years
  - Earlier lines of therapy, including adjuvant / neoadjuvant
  - New combinations
  - New tumor types

## KEYTRUDA is one of the best-selling drugs 6 years after launch



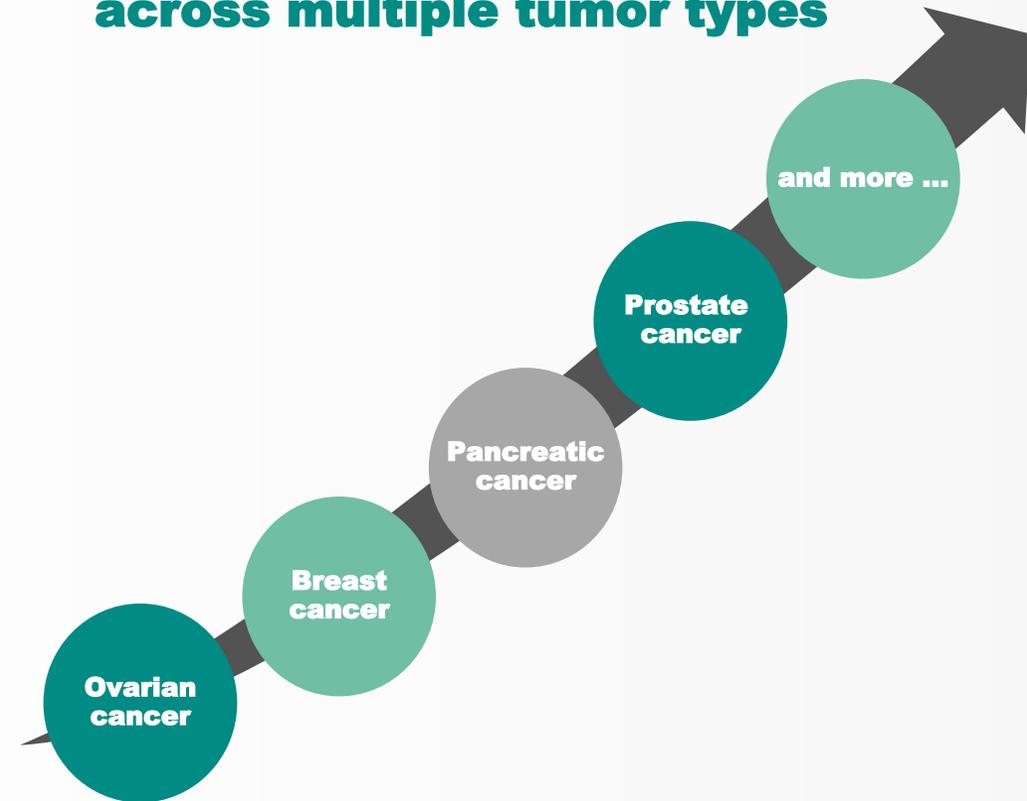
Source: EvaluatePharma; KEYTRUDA Year 6 sales represent 1Q 2019 sales annualized. Sales in \$ billions and not inflation adjusted



# LYNPARZA: SET FOR SUSTAINED CLASS LEADERSHIP

- Lynparza has class leadership in the U.S., with ~60% of total PARPi prescriptions
- The only PARPi with 1L maintenance indication in ovarian cancer based on strong results from SOLO-1
- POLO data represents new opportunity in gBRCAm pancreatic cancer patients
- Additional indications with monotherapy and combinations with KEYTRUDA to drive significant growth going forward

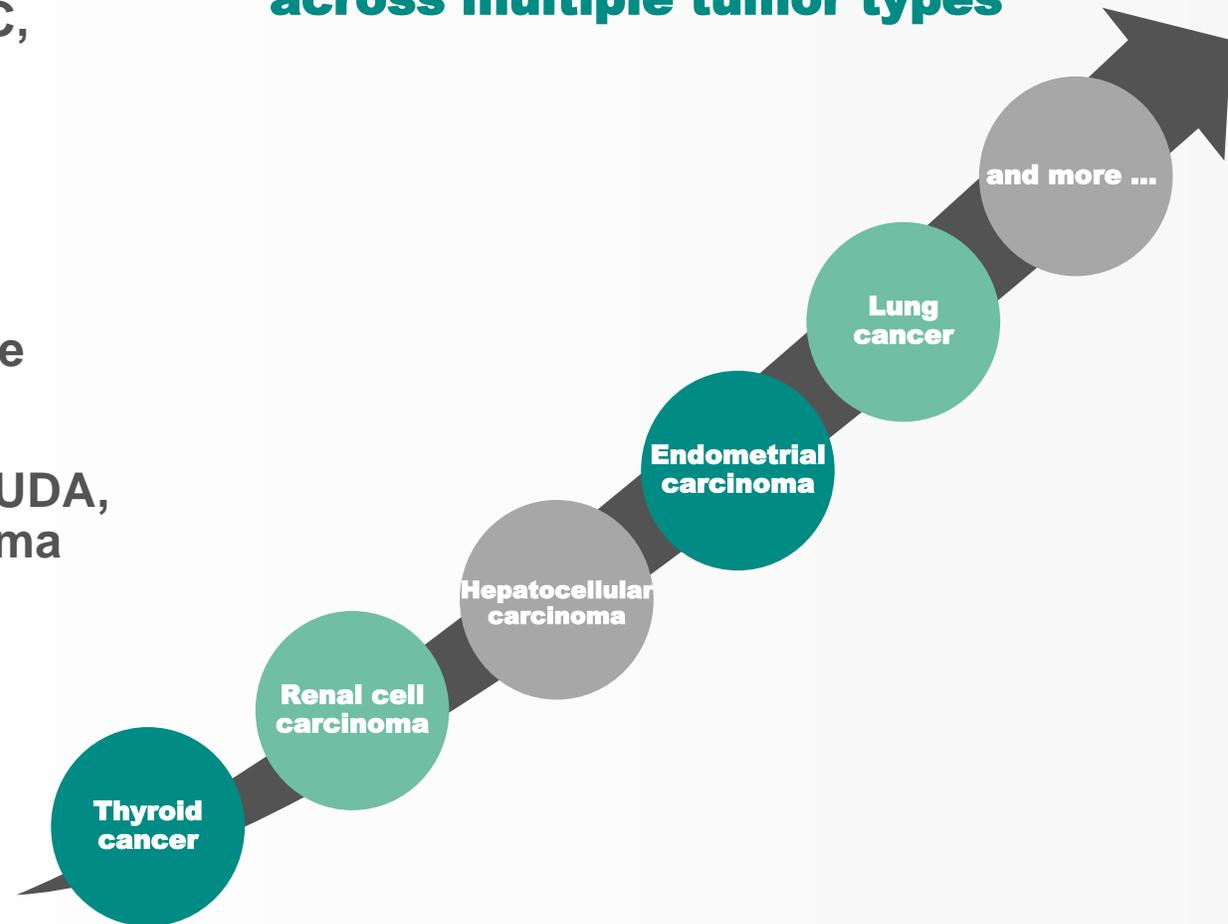
## Growth opportunities across multiple tumor types



# LENVIMA: ESTABLISHING AS TKI OF CHOICE

- Approved in markets worldwide in RCC, HCC and differentiated thyroid cancer
- Significant opportunity in China given prevalence of HCC in the market
- Strong commercial collaboration sets foundation for execution in many future indications
- 13 studies in combination with KEYTRUDA, including NSCLC, endometrial carcinoma and RCC

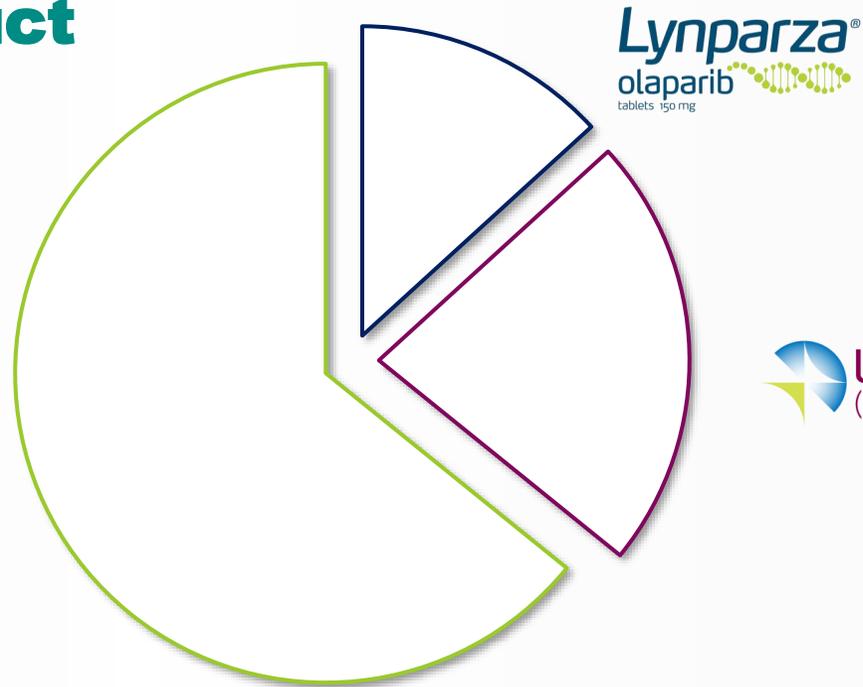
## Growth opportunities across multiple tumor types



# ONCOLOGY: POTENTIAL FOR >50 ADDITIONAL INDICATIONS OVER NEXT 5 YEARS

## Proportion of expected indications by product

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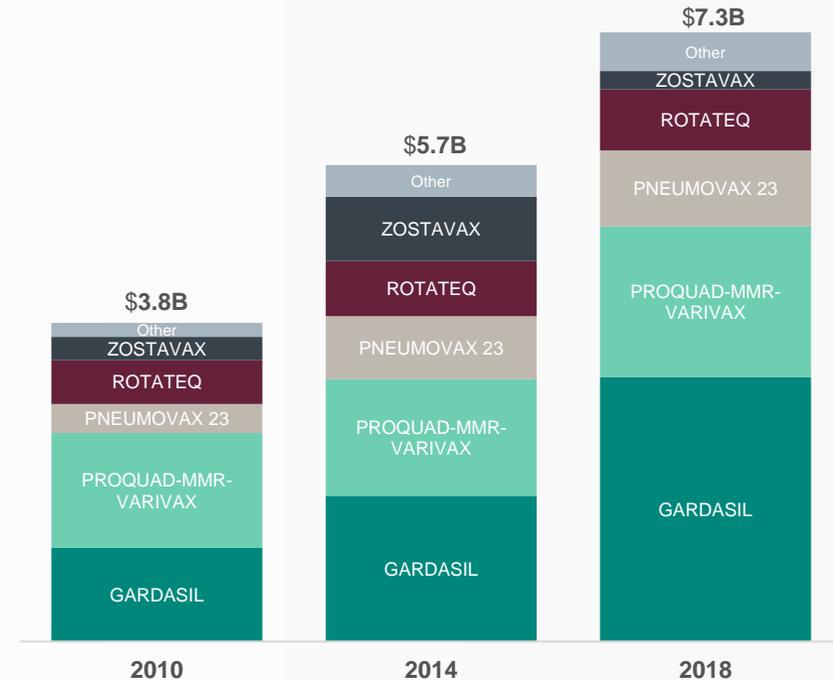
**Potential to nearly triple oncology indications by 2023**



# VACCINES: GROWING GLOBAL BUSINESS WITH NEAR- AND LONG-TERM OPPORTUNITIES

- Significant long-term opportunity for pediatric and adult vaccines growth around the world
- High barriers-to-entry supporting sustained, durable position
- Investing in vaccines manufacturing capacity to increase doses produced globally
- Strong pipeline in pneumococcal disease, respiratory syncytial virus (RSV), cytomegalovirus (CMV), dengue and others

## Nearly doubled vaccines revenue since 2010



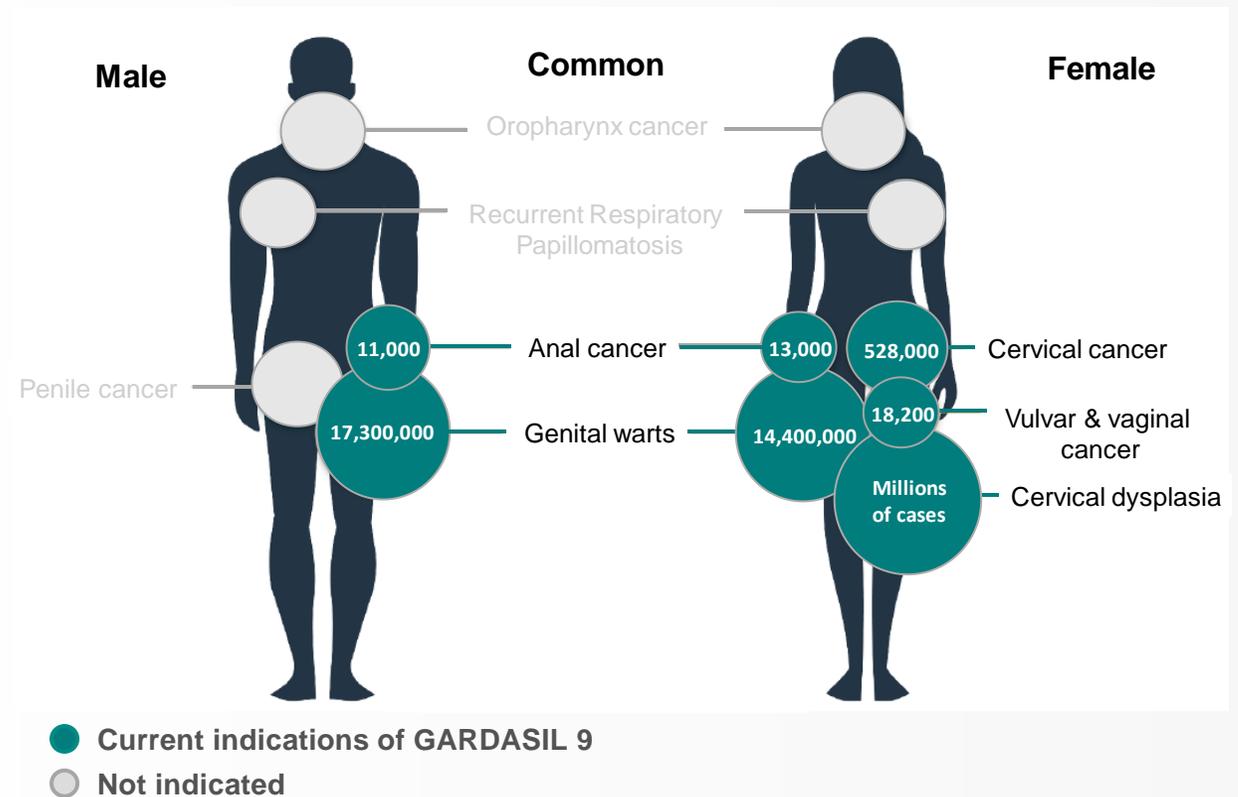
Merck started recording vaccines sales in the 19 European countries previously part of the SPMSD vaccines joint venture starting in January 1, 2017



# GARDASIL: POSITIONED FOR RENEWED GROWTH

- Growth driven by global appeals to eliminate cervical cancer
- Reacceleration of growth driven by expansion into new geographies, public and gender-neutral immunization programs and age cohorts
- Fastest pharmaceutical launch in China
- Significant opportunity ahead given only ~3% of the world's eligible population has received an HPV vaccine

## Global incidence of HPV-related cancers & diseases



# HOSPITAL PORTFOLIO: OPTIMIZED BY GLOBAL STRENGTH AND SCALE

**bridion**<sup>®</sup>  
(sugammadex) Injection  
100 mg/mL\*  
\*equivalent to 108.8 mg/mL sugammadex sodium

**BRIDION** poised for continued growth worldwide as number of surgeries that use a reversal agent increases

**ZERBAXA**  
ceftolozane and tazobactam  
for injection (1.5 g)

**Sizable HAB/VAB pneumonia indication represents new opportunity for ZERBAXA growth**

**ZINPLAVA**<sup>™</sup>  
(bezlotoxumab) Injection  
25 mg/mL

**PREVYMIS**<sup>™</sup>  
(letefmovir)  
240 mg, 480 mg tablets  
Injection 20 mg/mL

**Leading portfolio of antibiotics and antifungals, including novel products**

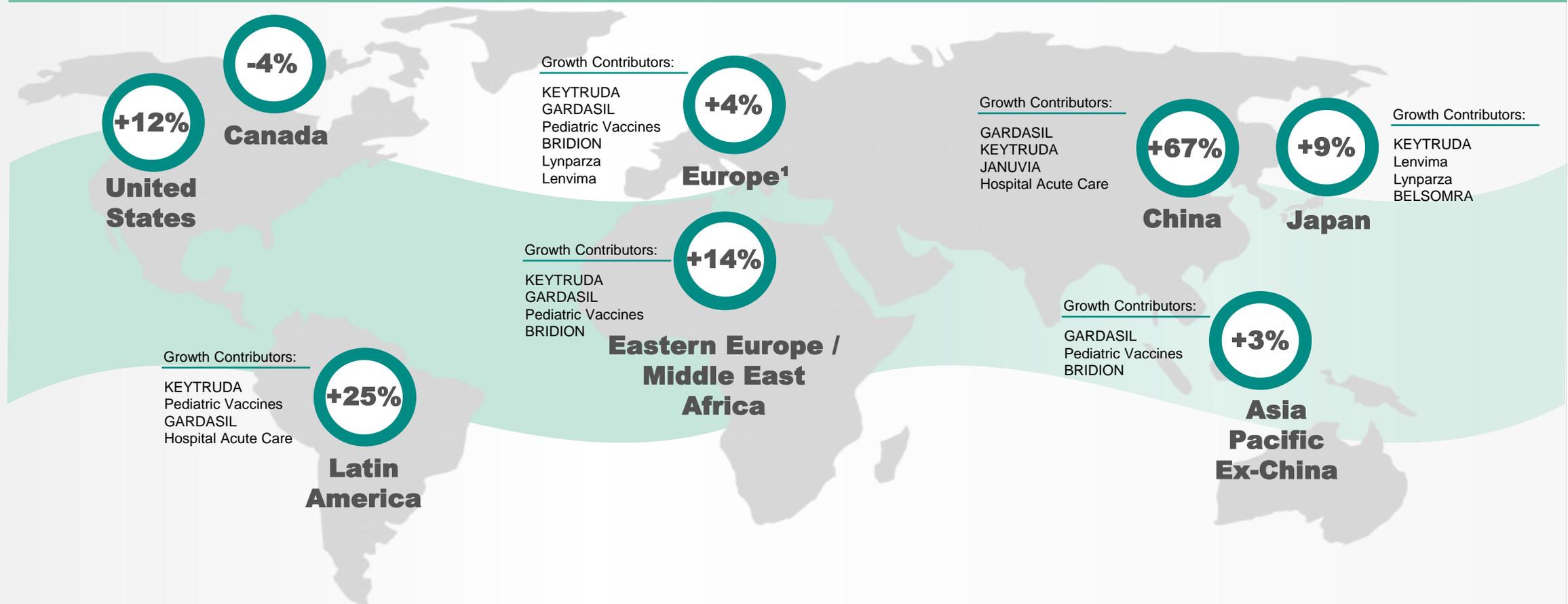
**Pifeltro**<sup>™</sup>  
doravirine  
100 mg tablets

**Delstrigo**<sup>™</sup>  
doravirine/lamivudine/  
tenofovir disoproxil fumarate  
100 mg/300 mg/300 mg tablets

**Recent launches build on our HIV legacy and further position us to bring next generation treatments to market**



# INNOVATIVE PORTFOLIO AND WAVE OF INDICATIONS DRIVING GLOBAL GROWTH



**Human health sales outside of the U.S. grew 12% in 1Q 2019**

All growth rates exclude the impact of exchange and represent 1Q 2019 vs. 1Q 2018. Growth contributors represent select growth drivers across pillars of growth.  
<sup>1</sup> Europe primarily represents all European Union countries and the European Union accession markets

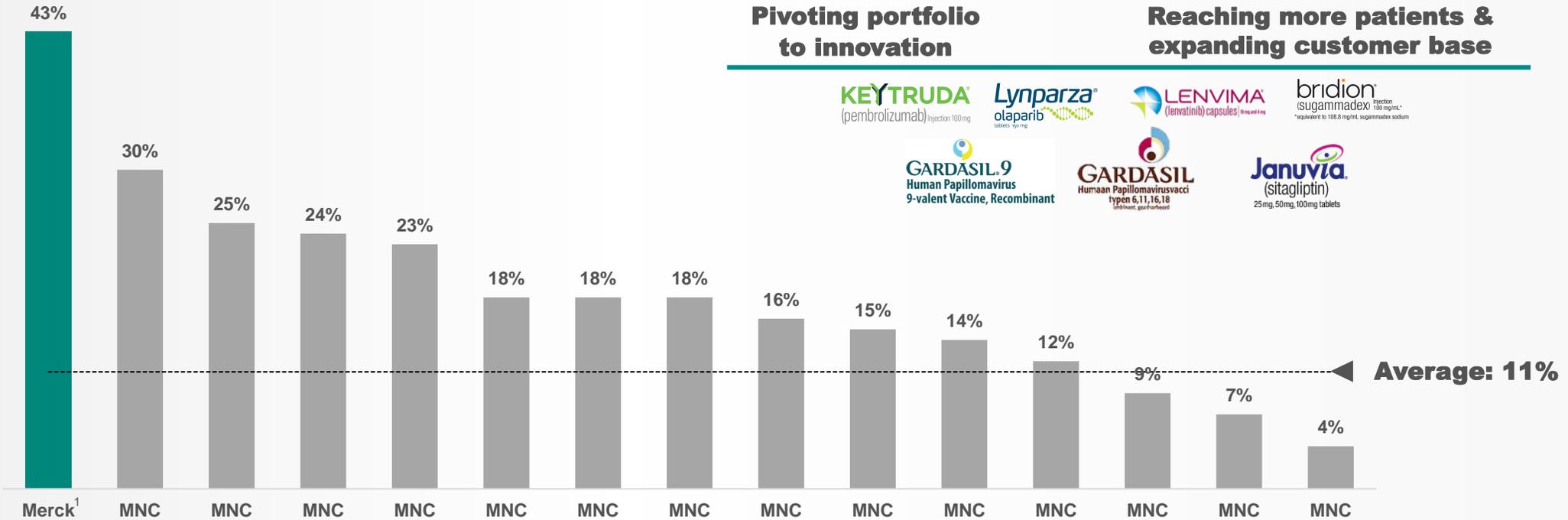


# CHINA BECOMING NEW PILLAR OF GROWTH



**Pivoting portfolio to innovation**

**Reaching more patients & expanding customer base**



<sup>1</sup>Only includes Human Health portion of business

**Fastest growing multinational pharmaceutical company**



# CONFIDENT IN GROWTH OPPORTUNITIES AND ABILITY TO EXECUTE



**Innovative portfolio  
with significant  
demand-driven  
growth**



**Significant  
international  
opportunities,  
notably in China**



**World-class  
commercial teams  
executing in a  
changing environment**

**Commercial foundation for sustained global growth**

