

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



FORWARD-LOOKING STATEMENT OF MERCK & Co., Inc., Kenilworth, N.J., USA

These presentations from Merck & Co., Inc., Kenilworth, N.J., USA (the “company”) include “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 products that the products 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 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 2018 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).

WELL POSITIONED TO DELIVER STRONG SHAREHOLDER RETURNS



**Sustained
long-term
revenue growth**



**Meaningful
operating margin
expansion**



**Balanced and
disciplined capital
allocation**

Investing in the business to innovate for patients globally



GROWING REVENUE DRIVEN BY DEMAND FOR INNOVATION IN THE FACE OF PRICING HEADWINDS



ONCOLOGY

Leading oncology portfolio with significant growth potential



VACCINES

Durable growth with significant competitive advantages



HOSPITAL / SPECIALTY¹

Broad portfolio delivering demand-driven growth



ANIMAL HEALTH

Global leader delivering above-industry growth rates

Expect strong revenue growth every year, including 2023 – the year of greatest impact of JANUVIA LOE

¹ Includes specialty products in the pipeline that have not yet launched



FORTIFYING OUR FUTURE AHEAD OF THE CHANGING LANDSCAPE

Becoming a leaner, more efficient, science-driven company to accelerate growth

- Focusing organization and resources on greatest opportunities for growth
- Evolving operating model and culture to be more agile and efficient
- Building optionality for next wave of innovation

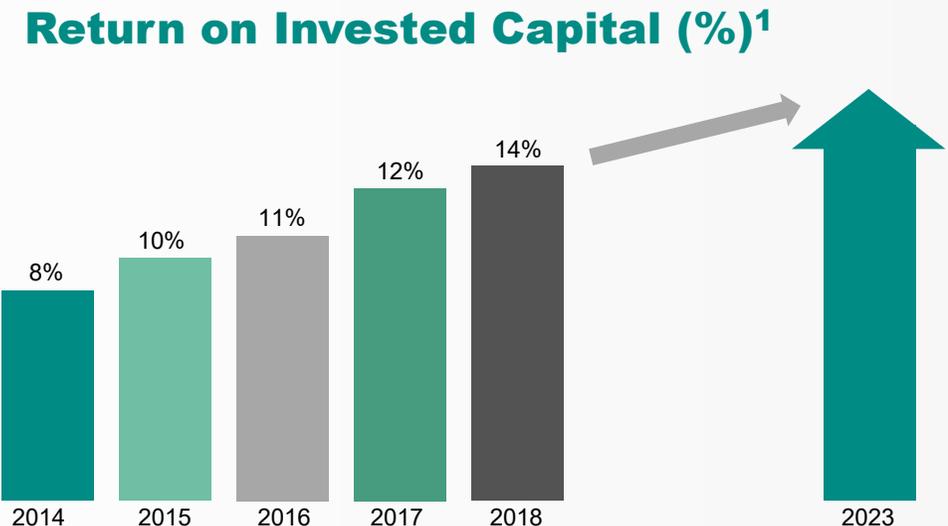
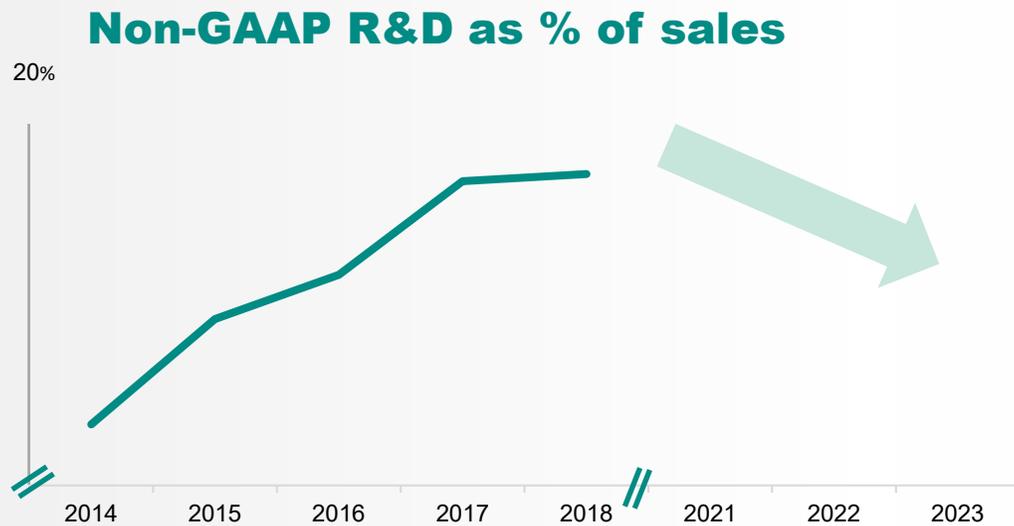
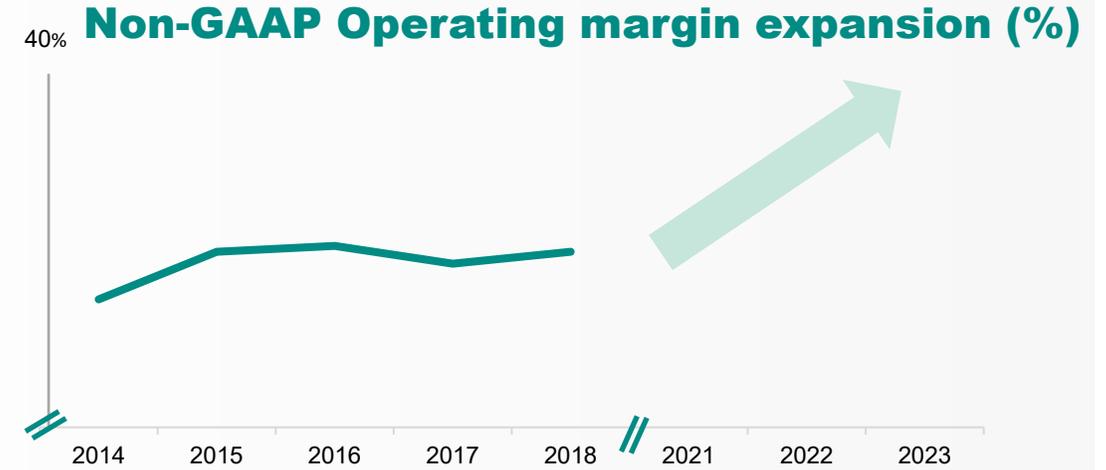
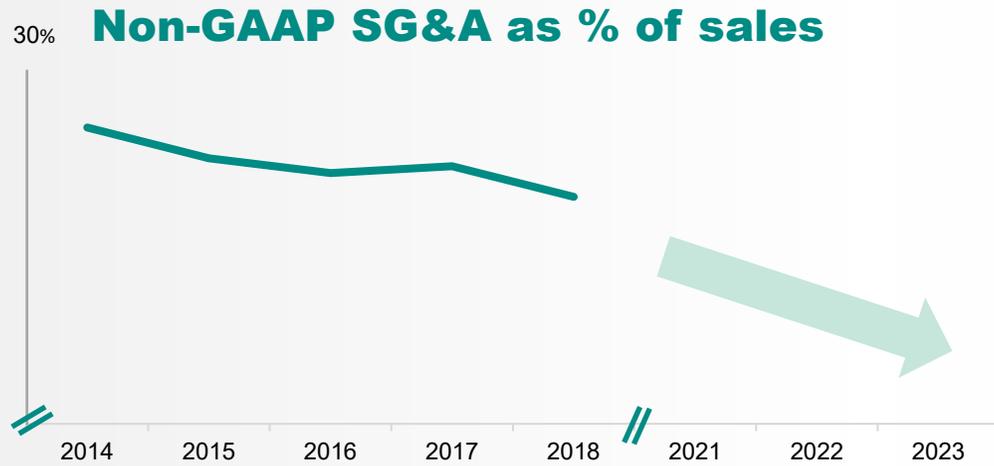
Leveraging new digital capabilities and automation

- Better enable innovation
- Expand customer and patient reach
- Enhance supply chain efficiencies
- Simplify back office operations

Creating headroom for innovation and sustainability of our mission



EXPECT MEANINGFUL OPERATING MARGIN EXPANSION & INCREASED ROIC



¹Excludes BD & Goodwill



VALUE-CREATING CAPITAL ALLOCATION STRATEGY

Commitments

R&D Investments: Continued investments in internal innovation

CapEx: ~\$16 billion of capital projects through 2022 focused on manufacturing capacity for our growth businesses, R&D discovery buildout and IT infrastructure

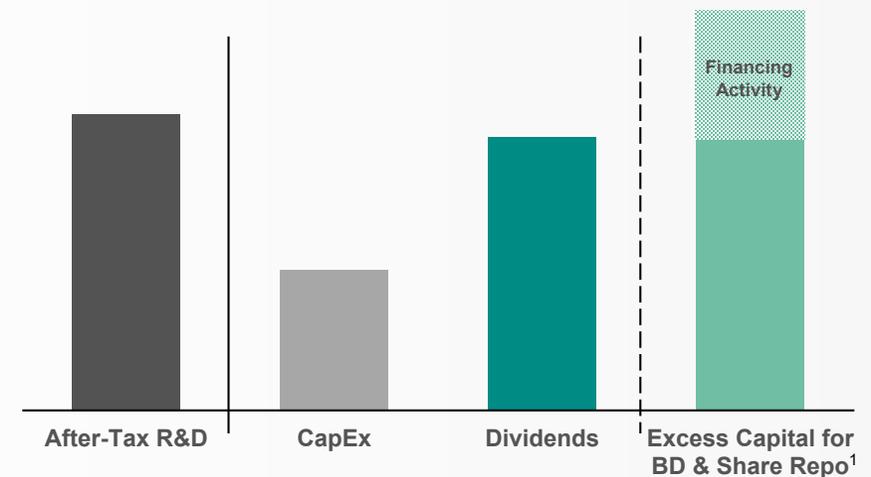
Dividends: Target payout ratio of 47%-50% over time

Discretionary

Business Development: Value-creating, bolt-on acquisitions and strategic collaborations to further enhance portfolio and pipeline

Share Repurchases: Return excess cash to shareholders

Capital allocation priorities over the next 5 years



Expect to generate significant free cash flow over the next 5 years



STRATEGIC BUSINESS DEVELOPMENT FUELING INNOVATION

Bolt-on acquisitions

- Developing portfolio through value-creating acquisitions
- Investments in innovative mechanisms and technologies



¹Peloton expected to close in 3Q 2019

Strategic collaborations and licensing

- Meaningful partnerships across all stages of development
- Working with a broad range of partners from academia to biotech to pharma



Completed ~60 transactions in 2018 spanning acquisitions, licensing, technology deals and clinical collaborations

POSITIONED TO DRIVE SUSTAINABLE GROWTH AND SHAREHOLDER VALUE



Sustained long-term revenue growth including 2023 – the year of greatest impact of JANUVIA LOE



Meaningful operating margin expansion through strong revenue growth driving favorable mix and further leveraged by expense productivity, thoughtful resource allocation and simplification



Value-creating capital allocation strategy to enable growth and return of capital to shareholders

