We have a long history of making our medicines and vaccines accessible and affordable through responsible pricing practices and industry-leading patient access programs. In 2017 we began disclosing information about the price of medicines in the United States on the corporate responsibility page of our website. This is our seventh consecutive report. It shows an average annual net price increase of 4.3% in 2022. The average annual list price across our portfolio increased by 4.4% in 2022, and the Company’s gross U.S. sales were reduced by 39.7% as a result of rebates, discounts and returns.

1. U.S. Product Portfolio includes human health pharmaceutical and vaccine products marketed by the company, excluding partnered products. The product sales utilized in the analysis represent ~97% of the total U.S. Product Portfolio in 2010 and approached 100% of coverage in 2022. 2021 and 2022 values exclude the impact of molnupiravir given all revenue was through the EUA.

2. Annual percent change vs. prior year was calculated at a product level and weighted across the company’s US Product Portfolio.

3. Represents the year-over-year change in the average list price or wholesale acquisition cost (WAC).

4. Represents the year-over-year change in average net price, which is WAC less rebates, discounts and returns.

5. Weighted average annual discount is calculated by dividing annual rebates, discounts and returns by annual gross sales.

6. 2021 values exclude the impact of our Organon portfolio which was spun off in 2021; prior year values have not been restated.

The amount of rebates, discounts and returns is estimated by the company and methodologies used may differ from methodologies used by other companies. This data is not audited and should be read in conjunction with the company’s filings with the Securities and Exchange Commission.