

RECENT PRICE	81.02	P/E RATIO	9.0 (Trailing: 11.5 Median: 15.0)	RELATIVE P/E RATIO	0.48	DIV'D YLD	4.0%	VALUE LINE
--------------	-------	-----------	--------------------------------------	--------------------	------	-----------	------	------------

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
8.82	14.92	15.80	15.62	15.04	14.88	14.20	14.48	14.88	16.31	18.45	18.97	19.27	23.36	23.75	25.39	26.10	27.65	Sales per sh	32.65
3.21	5.87	6.29	6.19	5.95	5.98	5.96	5.83	5.79	6.23	6.71	7.39	7.32	9.03	3.05	9.47	10.75	11.60	"Cash Flow" per sh	13.65
3.25	3.42	3.77	3.82	3.49	3.49	3.59	3.78	3.98	4.34	5.19	5.94	6.02	7.48	1.51	7.65	8.95	9.75	Earnings per sh <sup>A</sup>	11.70
1.52	1.52	1.52	1.68	1.42	1.72	1.76	1.80	1.84	1.88	1.92	2.20	2.44	2.60	2.76	2.92	3.08	3.24	Div'ds Decl'd per sh <sup>B</sup>	4.20
.47	.54	.57	.65	.53	.46	.46	.59	.70	1.01	1.37	1.85	1.76	1.73	1.53	1.33	1.50	1.55	Cap'l Spending per sh	1.65
19.00	17.64	17.93	17.52	17.00	17.14	16.06	14.58	12.73	10.30	10.20	10.01	15.11	18.12	14.84	18.32	19.85	21.30	Book Value per sh	25.40
3108.2	3082.1	3040.8	3026.6	2927.5	2838.1	2781.1	2748.7	2696.6	2592.6	2539.0	2530.2	2527.6	2537.8	2531.6	2527.6	2495.0	2490.0	Common Shs Outst'g <sup>C</sup>	2480.0
9.1	10.5	9.1	10.8	13.3	16.4	15.8	15.2	15.6	14.8	15.9	13.6	12.9	12.0	NMF	15.1	<b><i>Bold figures are Value Line estimates</i></b>		Avg Ann'l P/E Ratio	13.0
.61	.67	.57	.69	.75	.86	.80	.80	.78	.80	.85	.70	.70	69	NMF	8.5			Relative P/E Ratio	.70
5.1%	4.2%	4.4%	4.1%	3.7%	3.1%	3.2%	3.2%	3.0%	3.0%	2.7%	3.0%	3.4%	3.1%	2.7%	2.6%			Avg Ann'l Div'd Yield	2.8%

Cash Assets	7093	13689	8622	<b>BUSINESS:</b> Merck & Co., Inc. is a global health care company that delivers innovative health solutions through its prescription medicines, vaccines, biologic therapies, and animal health products. Operations comprised of two segments: Pharmaceutical (89% of total sales) and Animal Health (11%). Top-grossing franchises in 2024: <i>Keytruda</i> (oncology), <i>Gardasil</i> (vaccine), <i>ProQuad</i> (vaccine), <i>Januvia</i> (diabetes), <i>Bridion</i> (hospital acute care), and <i>Lagevrio</i> (virology). Acquired Acceleron Pharma (11/21). Has about 75,000 employees. Officers and directors own less than 1% of common stock; Vanguard, 10.0%; BlackRock, 8.0% (4/25 proxy). Chairman & CEO: Robert M. Davis. Inc.: NJ. Addr.: 126 East Lincoln Avenue, Rahway, NJ 07033. Tel.: 908-740-4000. Internet: <a href="http://www.merck.com">www.merck.com</a> .
Receivables	10349	10278	11846	
Inventory (LIFO)	6358	6109	6601	
Other	8368	8706	9996	
Current Assets	32168	38782	37065	
Accts Payable	3922	4079	3892	
Debt Due	1372	2649	1434	
Other	20400	21692	20711	
Current Liab.	25694	28420	26037	

Calendar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2022	15901	14593	14959	13830	59283
2023	14487	15035	15962	14631	60115
2024	15775	16112	16657	15624	64168
2025	15529	15806	17200	16565	65100
2026	16500	17000	18000	17400	68900

2026	2.25	2.30	2.65	2.95	3.75
	QUARTERLY DIVIDENDS PAID				25
Cal- endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.65	.65	.65	.65	2.60
2022	.69	.69	.69	.69	2.76
2023	.73	.73	.73	.73	2.92
2024	.77	.77	.77	.77	3.08
2025	.81	.81	.81		

**Our 2025 adjusted earnings call is unchanged at \$8.95 a share.** We have lowered our sales estimates due to the extended pause in *Gardasil* shipments, but we look for much of the impact to be absorbed by an enhanced focus on expense discipline. In July, the company announced a new round of cost cuts that it anticipates will save \$3 billion annually by 2027. We believe this will be supportive of earnings reaching \$9.75 a share in 2026 and \$11.70 by 2028-2030. Continued momentum in Merck's blockbuster *Keytruda* franchise, which is slated to maintain exclusivity until 2028, is another catalyst. **The company is investing in its U.S. manufacturing capabilities.** This includes a new \$1 billion facility in Delaware, which will serve as the top manufacturing site for *Keytruda*. It also announced an \$895 million expansion of its Animal Health facility in Kansas to increase capacity of vaccines/biologic products. **The stock holds an Above Average (2) rank for Timeliness.** Our projections also show attractive upside potential over the 18-month and 2028-2030 time frames.

*Michael Rattv* *September 26, 2025*

© 2025 Value Line Inc. In strictest confidence. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.