

## MERCK & CO., INC.

Kenilworth, N.J., USA

### 2019 US Pricing Transparency Report

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 on our Corporate Responsibility website about the price of our medicines in the United States. This is our fourth consecutive report. It shows an average annual net price increase of 1.8% in 2019.

The report also shows that our annual average list price increases across our portfolio have gone down each year for the past five years. For example, in 2019, the average annual list price across our portfolio increased by 4.3%—the lowest increase since 2010—as compared with a 5.5% increase in 2018. In 2019, the Company's gross US sales were reduced by 43.7% as a result of rebates, discounts and returns.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
US Product Portfolio <sup>1</sup> % Change vs. Prior Year <sup>2</sup>										
List Price Change (WAC) <sup>3</sup>	7.4	9.5	9.2	9.6	10.5	9.8	9.6	6.6	5.5	4.3
Net Price <sup>4</sup>	3.4	5.1	6.2	5.5	3.7	5.5	5.5	(1.9) <sup>5</sup>	2.99	1.8
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
US Product Portfolio										
Avg. Discount <sup>6</sup> (%)	27.3	28.9	29.9	32.1	37.0	38.2	40.9	45.1	44.3	43.7

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 US Product Portfolio in 2010 and approached 99.2% of coverage in 2019.

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 In 2017, the average annual net price across our portfolio declined by 1.9 percent, reflecting specific in-year dynamics, including the impact of loss of patent protection for three major medicines.

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

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.

