

Investor Intelligence Highlights Merck & Co.

"Voice of the Shareholder"

1Q 2024

Brendan Wood International
First Intelligence

Notice To Reader

This report contains confidential information which is the exclusive property of Brendan Wood International. Such information shall not be copied, excerpted, disclosed to others, or used for any purpose other than that for which it is expressly given, without the prior written permission of Brendan Wood International.

We wish to emphasize that all reports, evaluations and assessments contained herein, represent Brendan Wood International's subjective judgment and opinions, based on our years of experience and on information obtained by us in the course of our research. Much of the factual information contained in the reports has been obtained by us from third parties on whose responses we have relied in good faith, independent verification by Brendan Wood International being, under the circumstances, impossible. While we believe that you will find our reports to be an invaluable tool in formulating your own strategies and judgments, the foregoing should be borne in mind. Under no circumstances should any ratings or evaluations of individuals' performances in these reports be considered as a sufficient basis for making decisions concerning the careers of individuals, including such matters as promotions, compensation arrangements, terminations, etc.

This report is not meant as investment advice and should not be interpreted as advising on the value of a company's securities, the advisability of investing in, purchasing or selling any company's securities or any other conclusion relating to investment/divestiture of a company's securities. Finally, this report is not intended as an offer or solicitation for the purchase or sale of any of company's securities.

Brendan Wood & Partners

The Brendan Wood Shareholder Conviction Panel

Institutional Investors

+/- 2000 Consultations with Decision Makers
>\$60 Trillion in Assets
70% Sector Specialists
30% Generalists

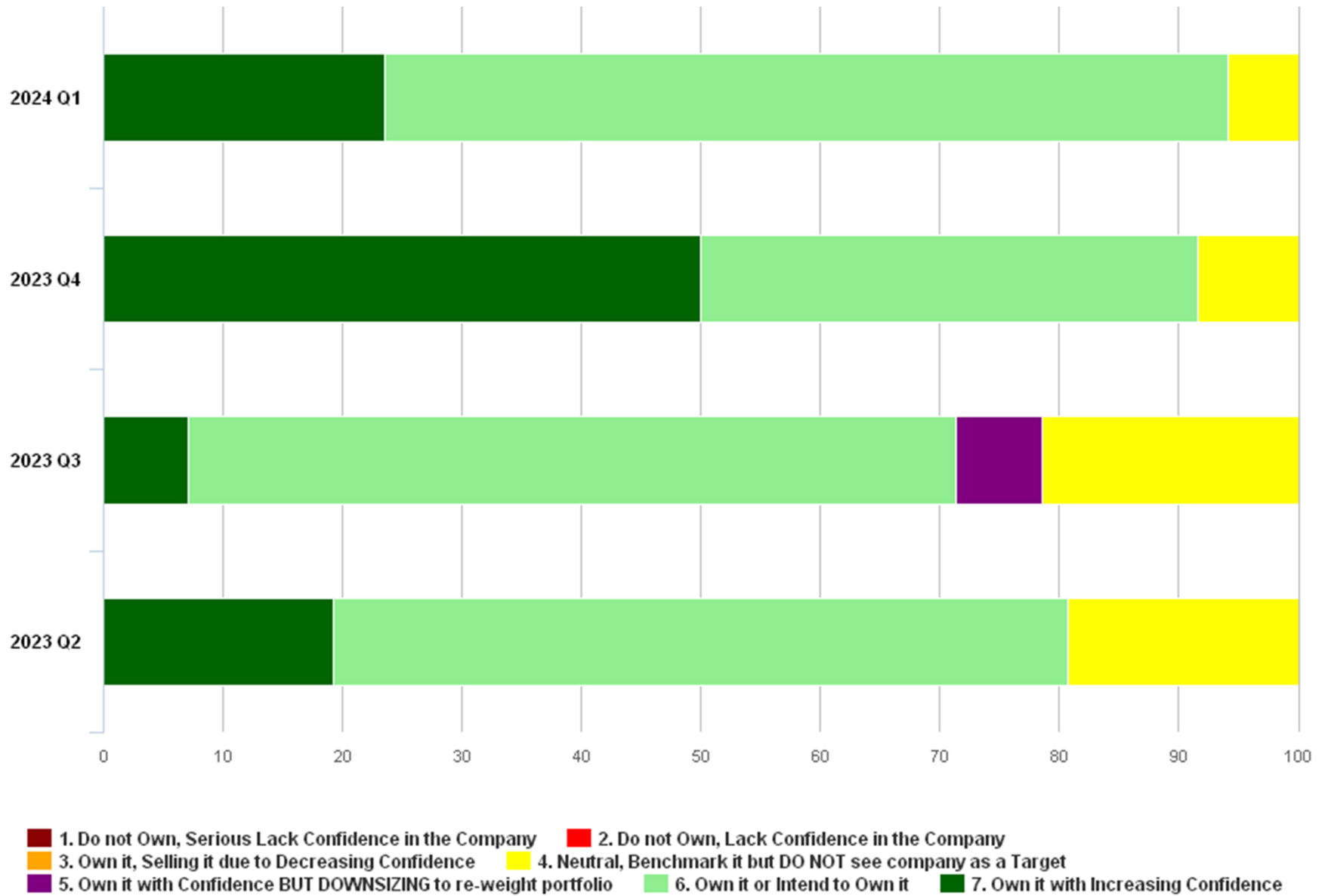
Secondary Markets Professionals
Sales & Trading

+/- 400 TopGun Sell-Side Professionals Research,

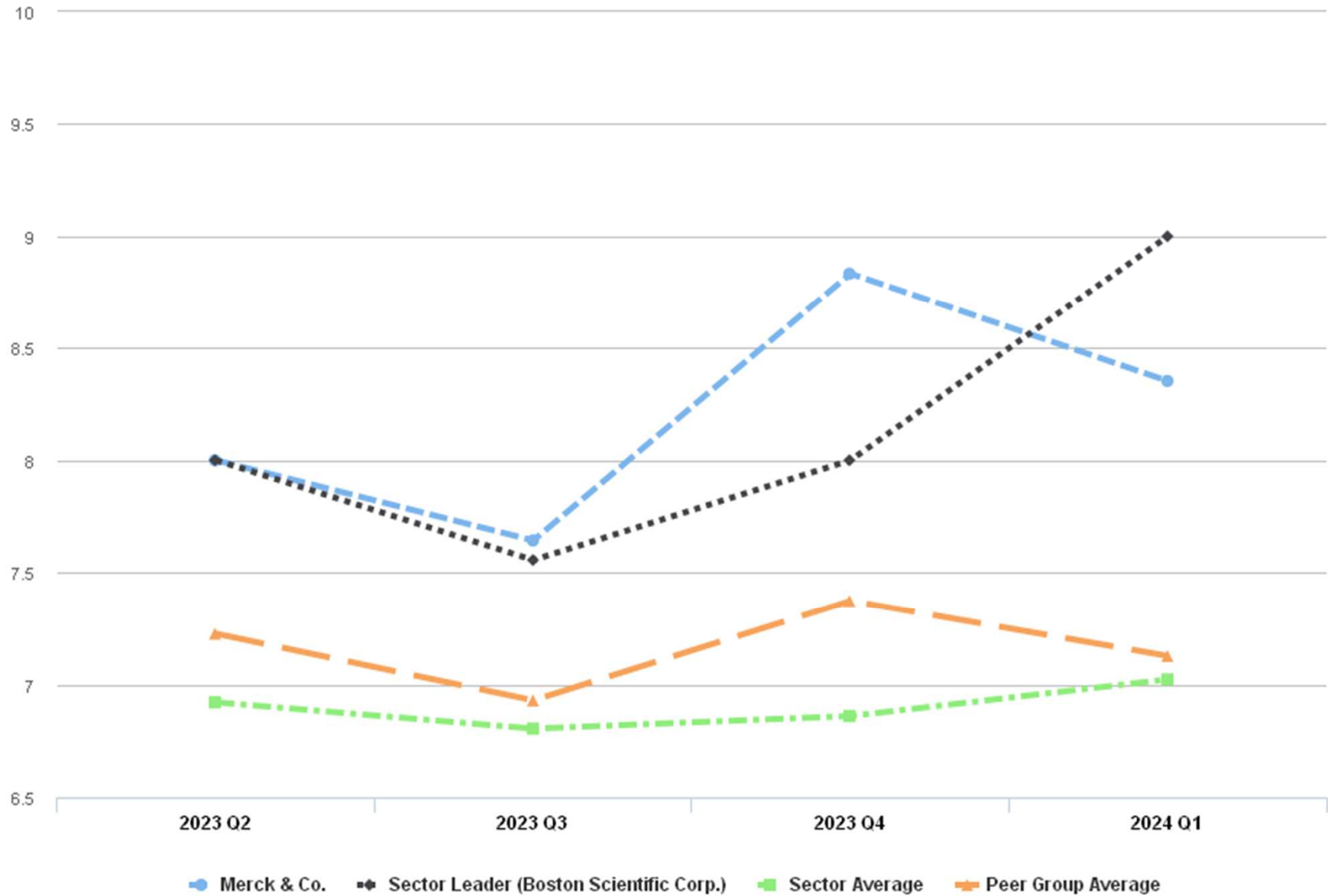
Geographic Breakdown of the BWI Panel:	2024:
US	42%
Canada	17%
Europe/Middle East/Africa	30%
Pacific Rim	10%
Latin America	1%

What is Your Commitment to Own This Stock in The Year Ahead?

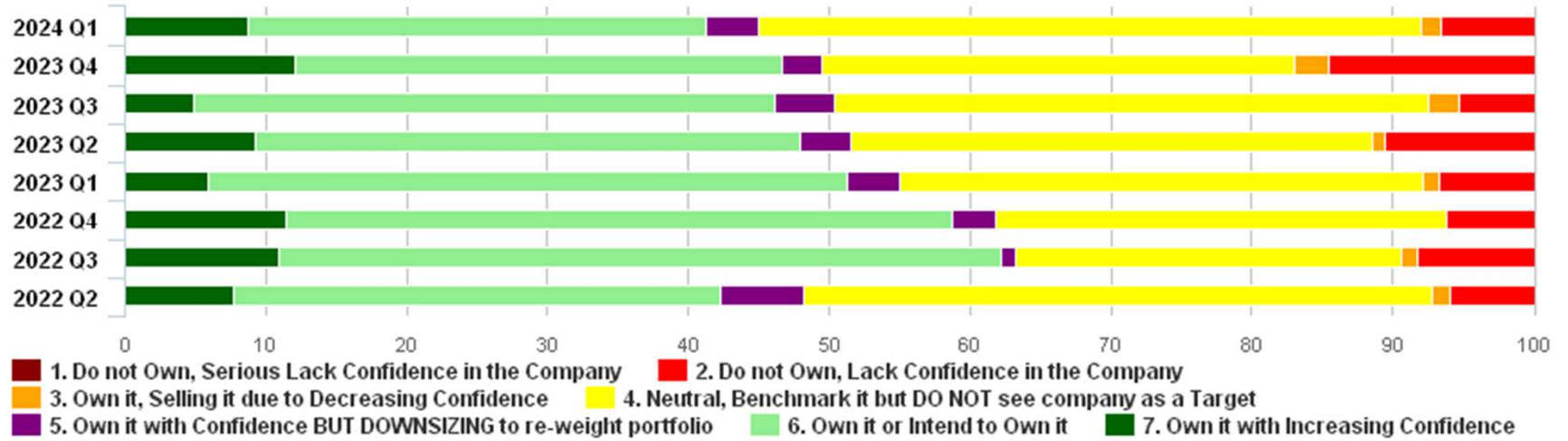
Merck & Co.



What is Your Commitment to Own This Stock in The Year Ahead?



Commitment to Own Pharmaceuticals



Shareholder Confidence Metrics

Merck & Co.'s Performance Vs Merck & Co. Peer Group

Merck & Co. Peer Group

AbbVie Inc

Amgen Inc

Biogen Inc

Bristol-Myers Squibb Company

Eli Lilly and Company

Gilead Sciences Inc.

Merck & Co.

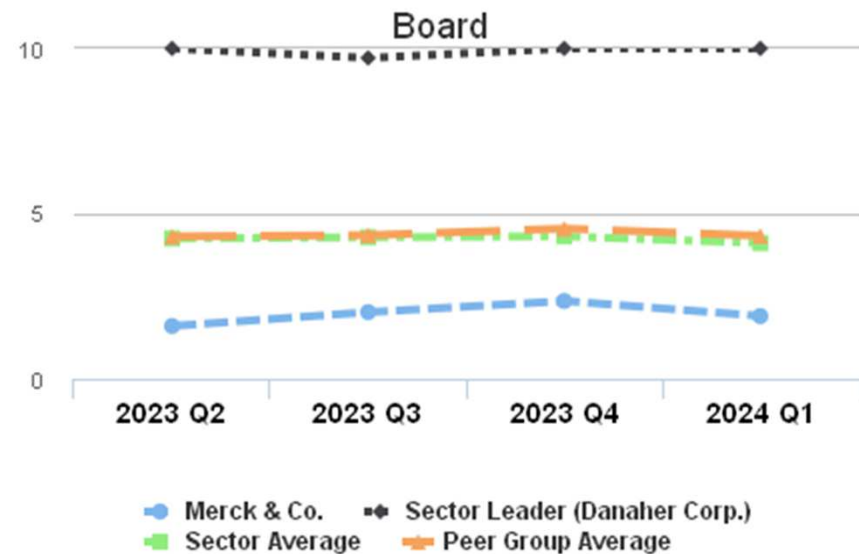
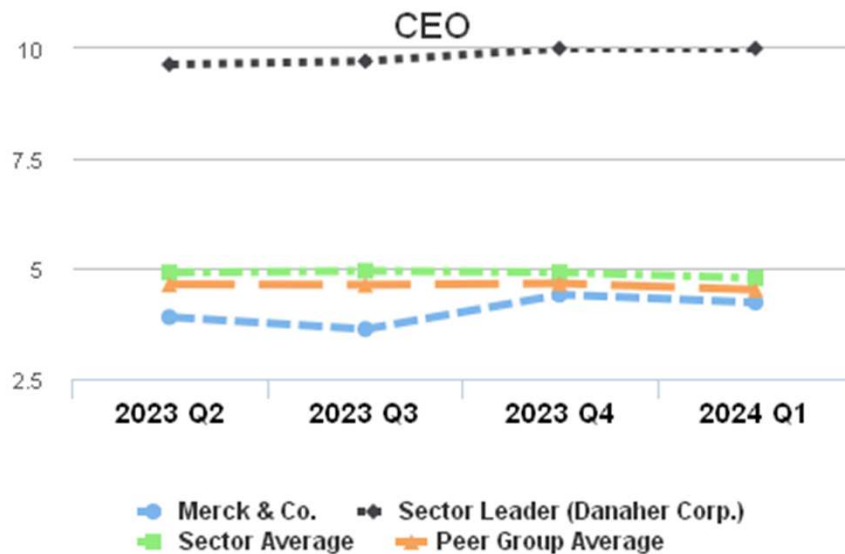
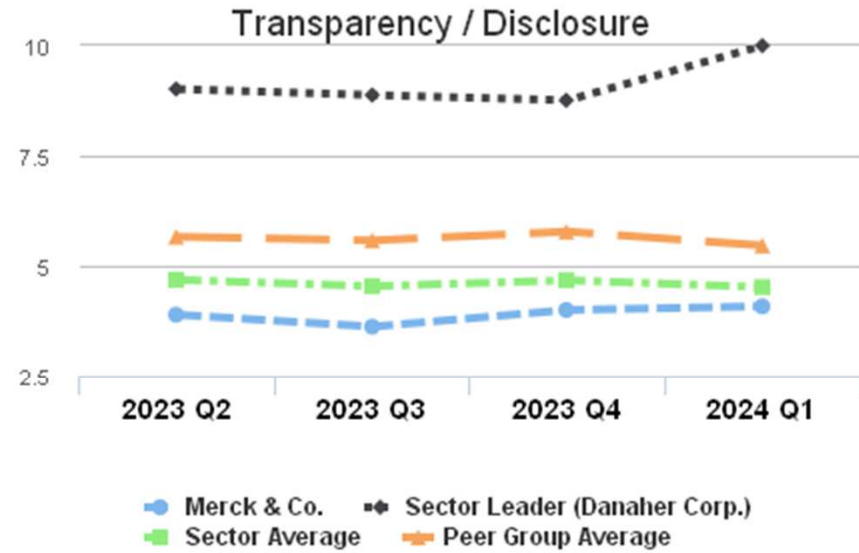
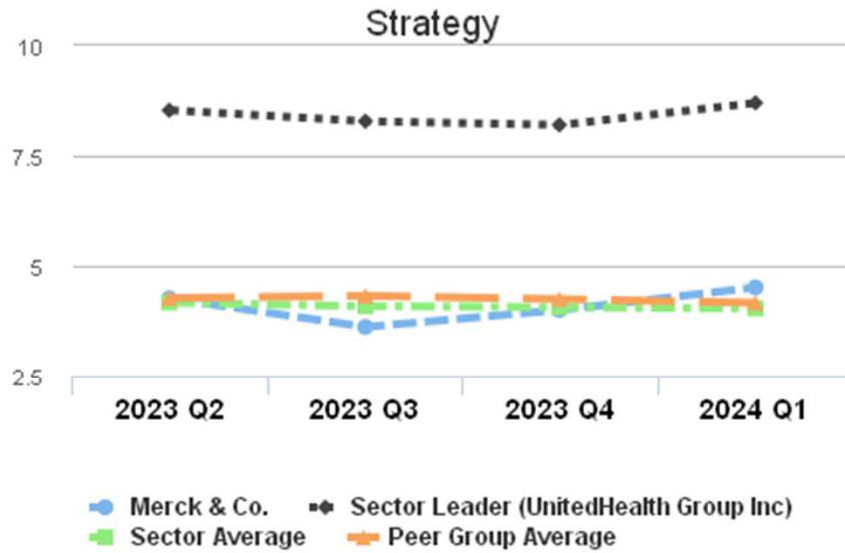
Pfizer Inc

Regeneron Pharmaceuticals Inc.

Vertex Pharmaceuticals Inc.

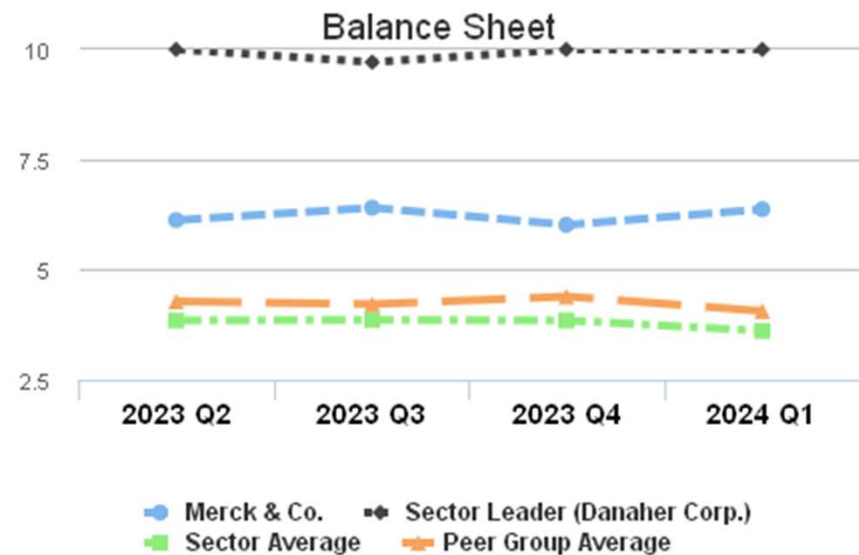
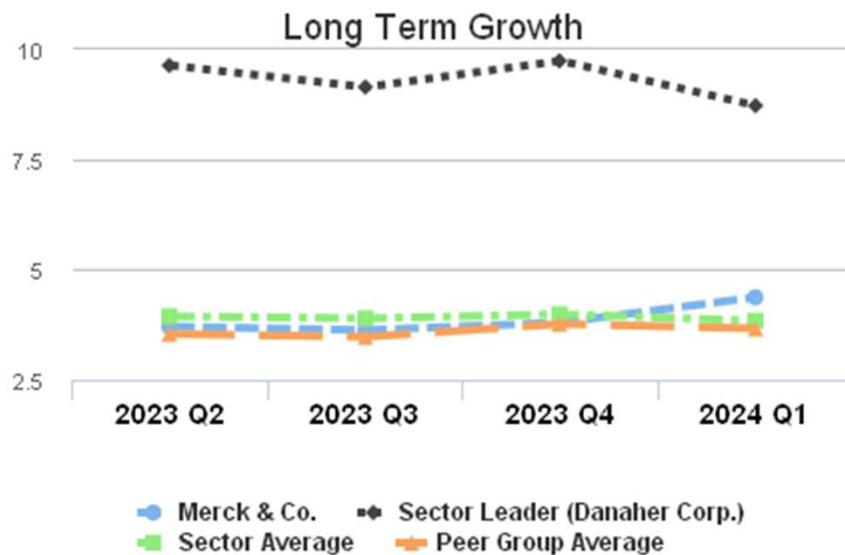
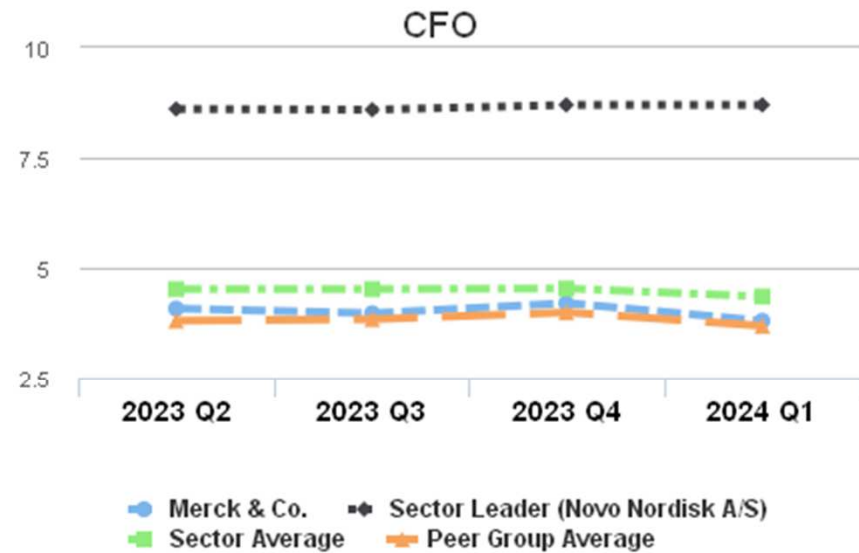
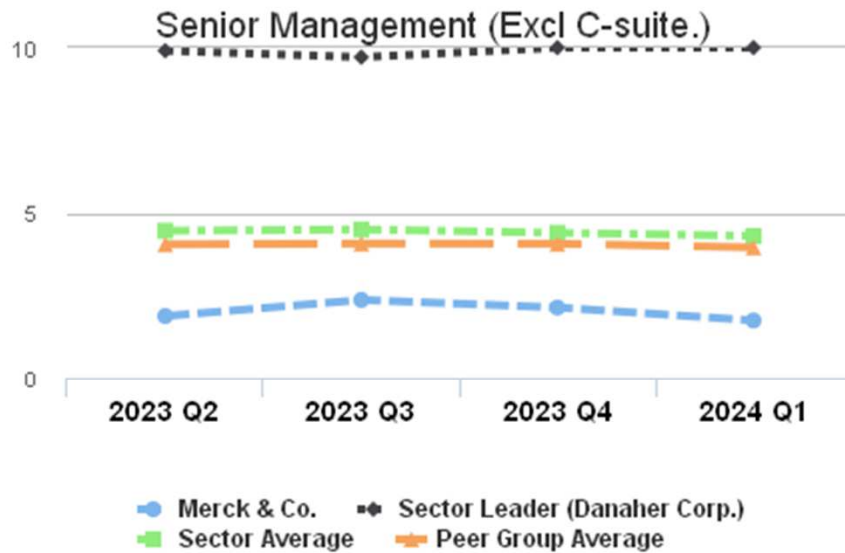
Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results



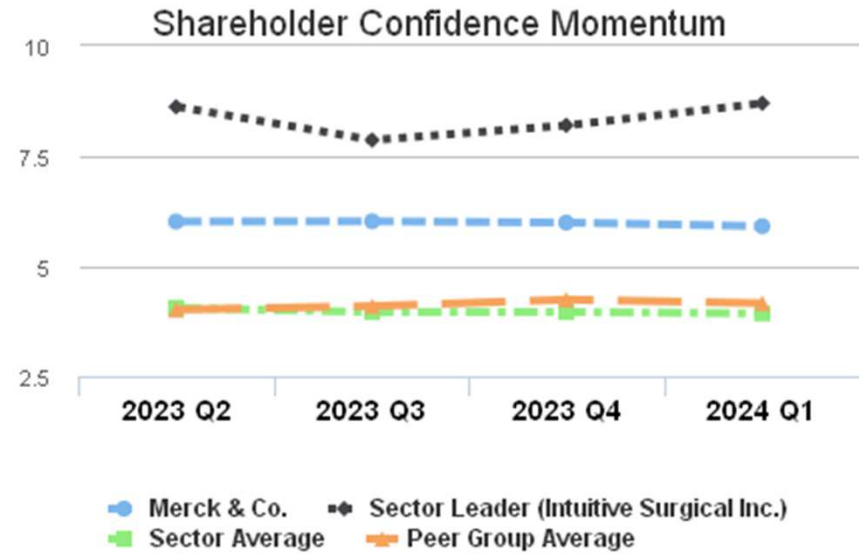
Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results



Shareholder Confidence Metrics Forecast for the Year Ahead

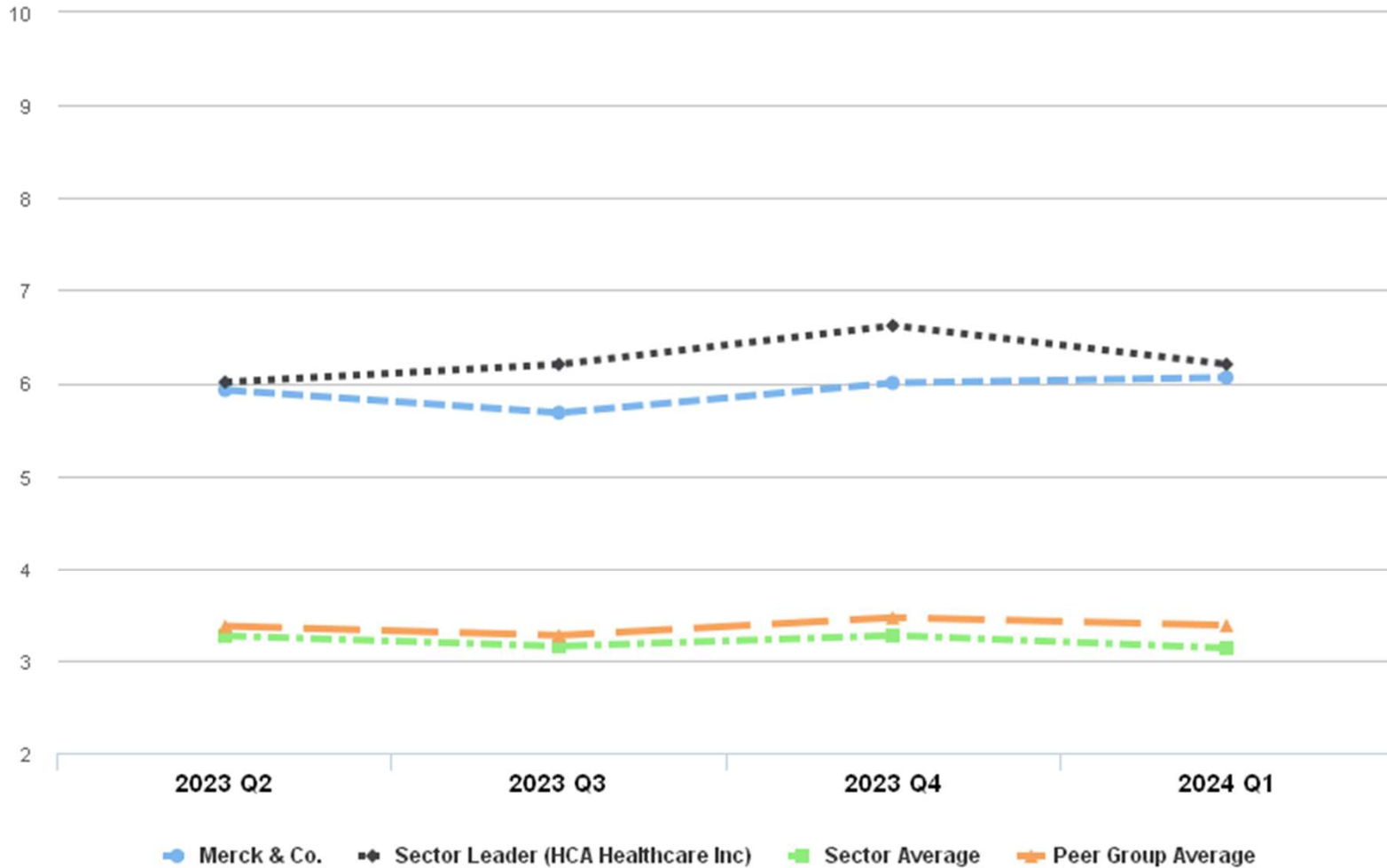
Quarter over Quarter Results



Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results

Price Appreciation Potential



Typical Investor Verbatim

Positive Momentum Verbatim

“Merck got their new product approved and the label was really good. They have a big patent cliff and usually stocks don't trade so well going into big LOEs. However, it's a great story and a great culture. It's one that you have to entertain at some point and look at.”

“Merck &Co's pipeline has improved a lot.”

“Merck’s CEO, Robert Davis, has communicated well. They have been steady. They haven't worked themselves up into a tizzy and have executed.”

“Merck & Co. bring various people from the senior management out to the conferences. They are doing a good job bringing on talent, such as Elias Tannous and Marjorie Green who used to be at Seagen in oncology.”

“Merck & Co. has recently done some good M&A.”

“Merck & Co. has an incredible amount of internal pipeline momentum and it seems like they are hitting all the right notes on capital allocation as well.”

“It's not surprising when you see Eli Lilly and Merck & Co. being pushed by the Street. Those are the two names that have captured sentiment.”

“Merck & Co. is pretty steady. You don't have much to worry about with them right now.”

“Merck & Co. is doing a good job. They are facing a huge patent cliff, and they have made some inroads.”

Typical Investor Verbatim

Positive Momentum Verbatim

“Investors are very positive on Merck & Co.'s CEO, Robert Davis.”

“Merck & Co. has been fantastic in terms of capital allocation.”

“You can feel in the market that everyone who owns Merck & Co. is getting increasingly more confident on their ability to overcome the Keytruda LOE.”

“Merck & Co.'s Acceleron deal was brilliant. It was a relatively small deal for \$11 billion. That's not chump change. It's still big enough.”

Typical Investor Verbatim

Neutral Momentum Verbatim

“Part of the challenge for Merck & Co. over the last month or two has been the concern over the Sotatercept approval, which is slated to come very soon. Those who are optimistic are saying, we can bridge to Keytruda. Those who are pessimistic are saying they are still not sure on the gap to Keytruda. That Sotatercept approval, and particularly what the label looks like, people are using as a proxy in some ways for how likely they are going to be able to fill that long-term growth gap. It's not surprising to me that the stock has taken a pause. The confidence was building at the end of the year and beginning of Q1, but now everybody wants to see that approval and clean label. Then it can probably start to work again.”

“Merck & Co. has a huge patent cliff coming up, so people are wondering what they are going to do with the pipeline. They have been doing some interesting deals to fill the gap, which is good.”

“Merck & Co. is throwing a lot of money behind these ADCs, but the outcome remains to be seen.”

“A few years ago, Keytruda was a really big issue on people's minds. It really drove negative sentiment at the time. I wonder where that has gone now. The messaging has changed, but it's still an unknown.”

“Merck & Co. is making some headway. They have stuff that still looks good and promising. You have Keytruda combos. If we sit back and think about the reality of the biosimilar picture, it's harder for them to gain traction in the marketplace. It's really hard to make biosimilars. It's even harder to change the minds of physicians who aren't necessarily worried about price so much as efficacy. What they are getting is a bit different, maybe not a carbon copy like the generic is, but it's really hard to make them switch. With how successful Keytruda has been and how well-known it is, it's going to be harder to switch their patterns in their practices.”

Typical Investor Verbatim

Neutral Momentum Verbatim

“Merck & Co.'s Keytruda patent cliff is not going to be terribly severe.”

“Merck & Co.'s growth is going to depend on the launch of PAH. Growth might slow down this year after such a strong 2023.”

“Merck & Co.'s IR team is trying.”

Negative Momentum Verbatim

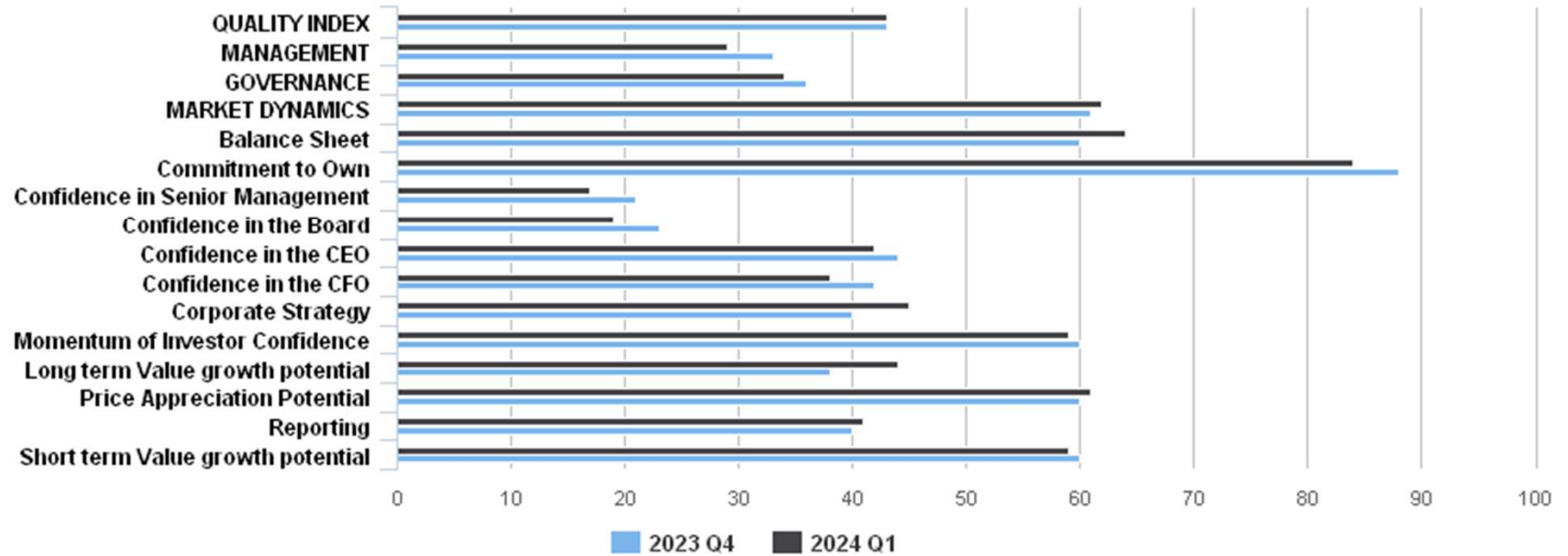
“Merck & Co. will have to deploy a ton of capital over the next few years if they want to patch the hole that Keytruda is going to create. I have decreasing confidence in the balance sheet.”

“Merck & Co. is facing a drop in EPS growth in 2023 of nearly 60%.”

Quarter over Quarter Results

Forecast for the Year Ahead

Merck & Co.



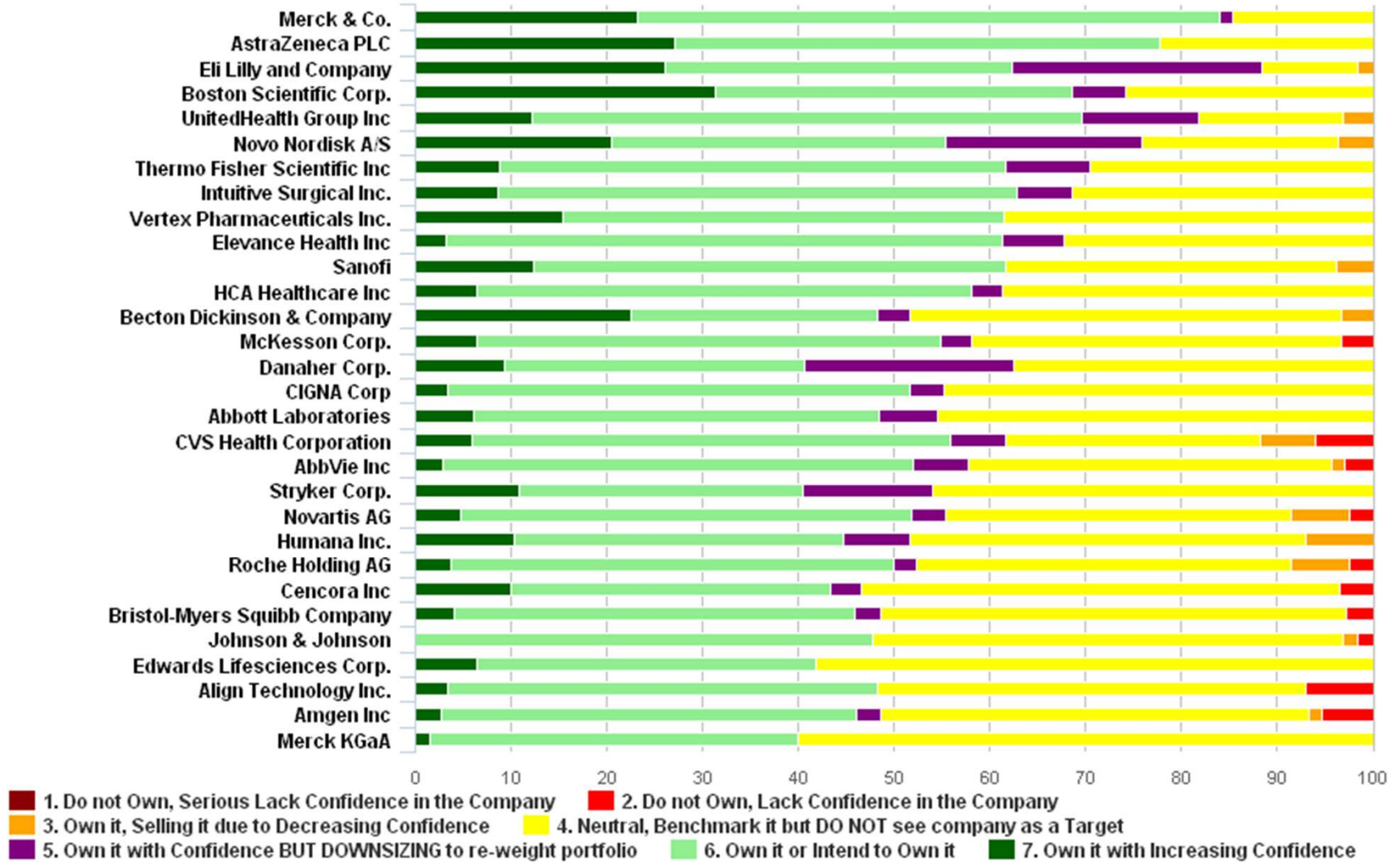
Rolling Year Data*

*Rolling Year Data = Accumulation of the rolling 12 month intelligence from the
BWI Shareholder Confidence Panel

What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

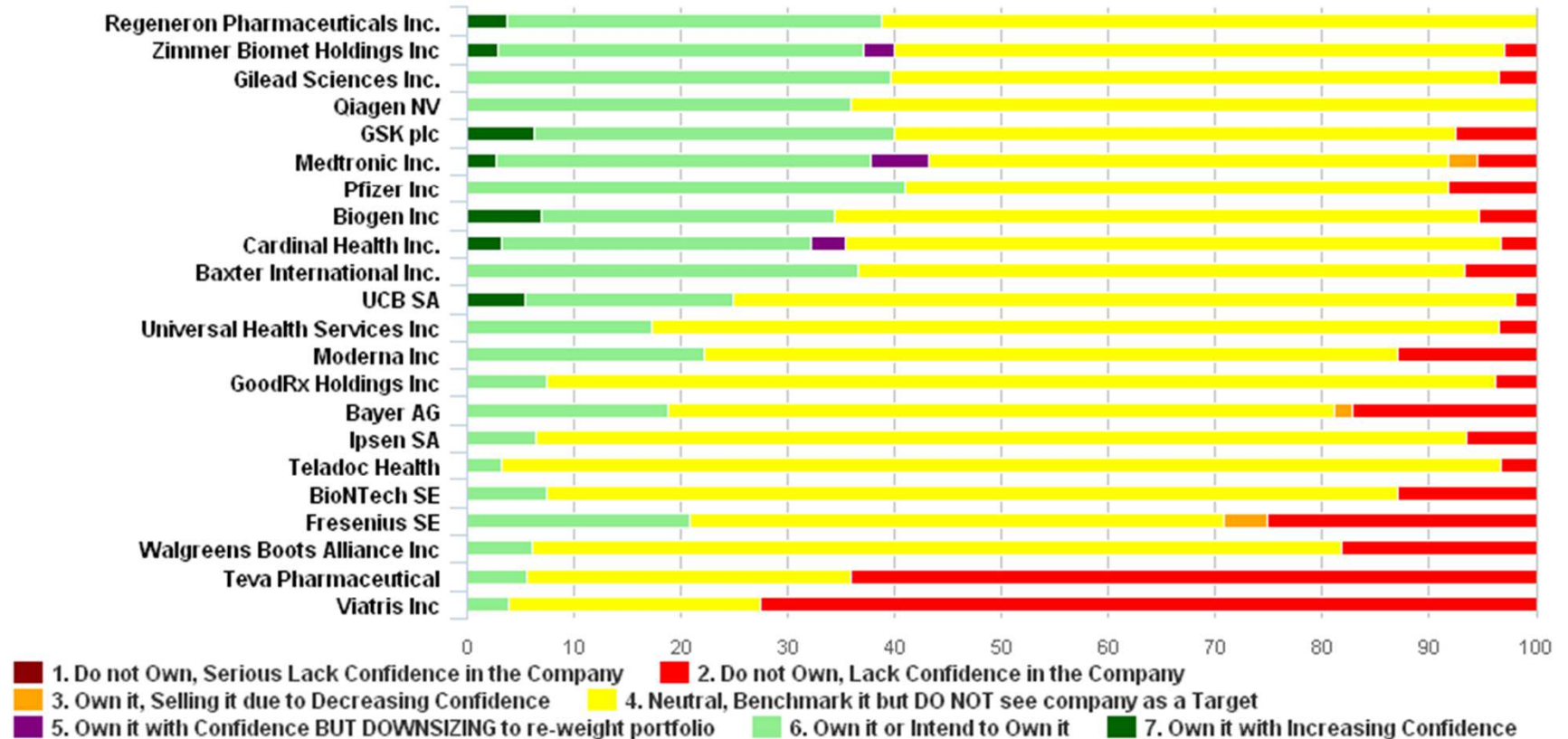
Buyers/Sellers by Sector



What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

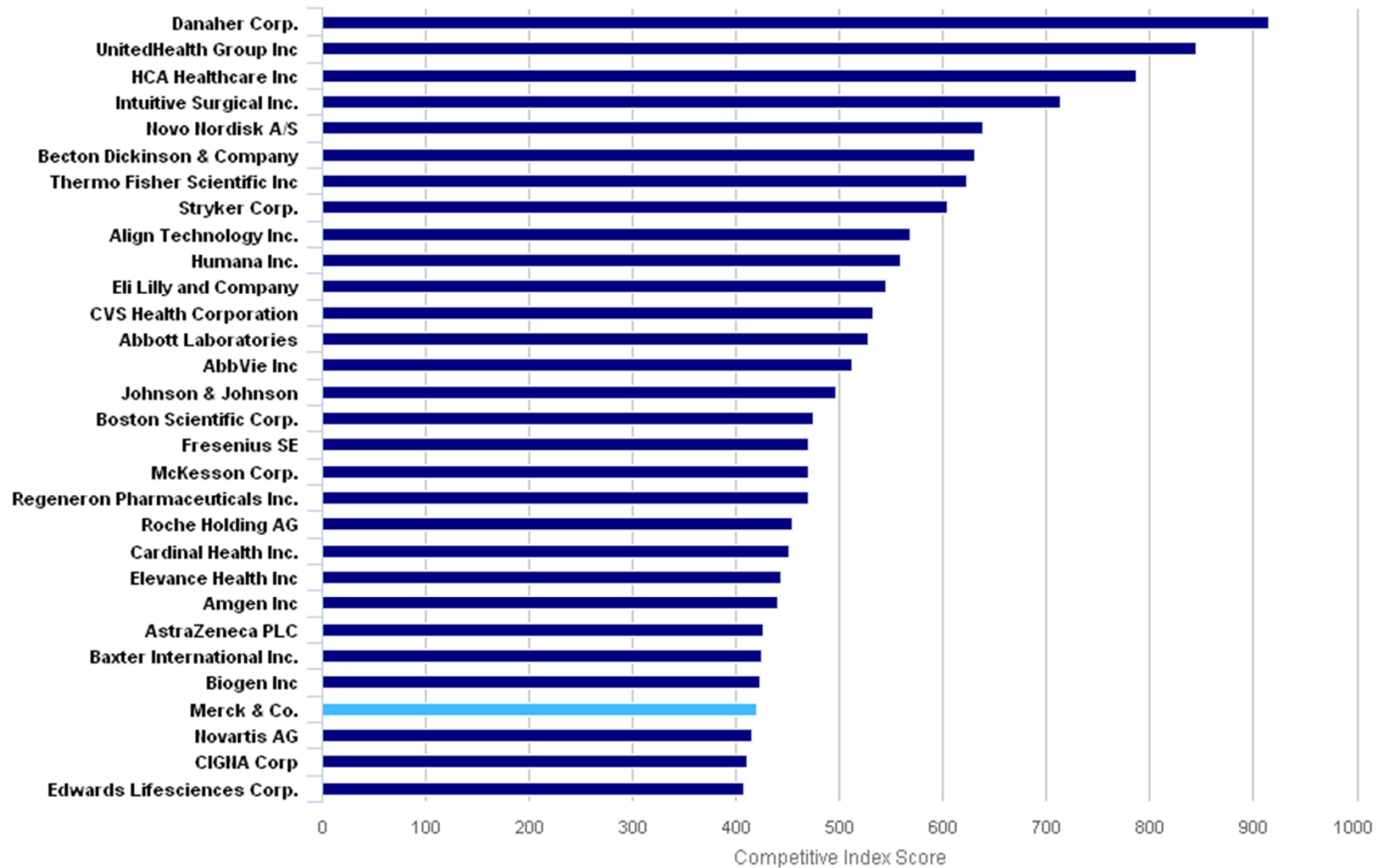
Buyers/Sellers by Sector



Shareholder Confidence Competitive Index

Global Investors - Investment Quality Index

Rolling Year Data



Shareholder Confidence Competitive Index

Rolling Year Data

Global Investors - Investment Quality Index

