

\$80.70 **-\$2.35 (-2.83%)** as of Friday's close

Cap (\$M USD)
\$203,843

P/E
24.2

EPS (1Y)
-26.5%

Dividend
\$2.60

Last Filing
09/30/21

52-wk Range

\$68.38  \$91.40

Sales (\$M)
52,607

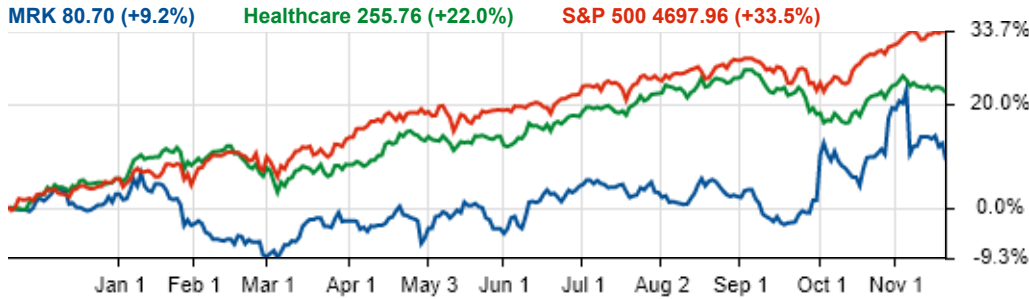
Forward P/E
11.1

Sales (1Y)
11.1%

Div. Yield
3.2%

Next Earnings
02/03/22

Dividend Adjusted Return Nov 19, 2020 - Nov 19, 2021



MRK has underperformed the S&P 500 by -24.3% in the past year.

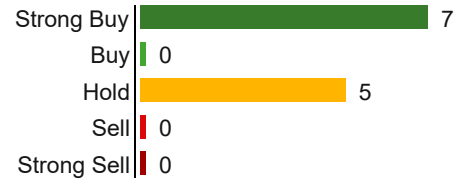
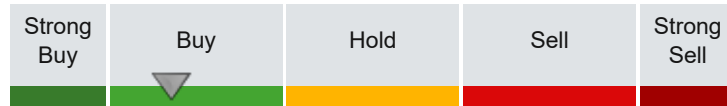
MRK has underperformed its sector by -12.8% in the past year.

The Healthcare sector has underperformed the market by -11.5% in the past year.

ANALYST CONSENSUS

Buy

The consensus rating has improved a little since last month when it was also Buy.



QUANTITATIVE SCORES

Fair Value \$86.94

Margin of Safety 8%

The Margin of Safety is the difference between a company's Fair Value and the current price. See more on page 8.

1 warning
Details on Page 8

Value Score

80

Value Score: Our value score looks at EV/EBITDA, P/E, P/S, P/TB (Price/Tangible Book) and EPS Predictability. P/S and P/TB are compared within a sector. Other metrics are compared across all stocks

Quality Score

91

Quality Score: Our quality score compares profitability and balance sheet metrics to find high quality companies using ROIC, Net Margin, Gross Margin, Interest Coverage, and Debt / Equity metrics.

Growth Score

89

Growth Score: Our growth score looks at the 5 year history and the forward estimates for EBITDA, Sales, and EPS growth, ranking the best companies across all stocks.

Sentiment Score

84

Sentiment Score: Our sentiment score finds stocks in favor by analyzing Short Interest, returns in key periods over the last year, Price vs. 52-wk High, Days Since 52-wk High and MACD signals.

BUSINESS SUMMARY

Merck makes pharmaceutical products to treat several conditions in a number of therapeutic areas, including cardiometabolic disease, cancer, and infections. Within cancer, the firm's immuno-oncology platform is growing as a major contributor to overall sales. The company also has a substantial vaccine business, with treatments to prevent hepatitis B and pediatric diseases as well as HPV and shingles. Additionally, Merck sells animal health-related drugs. From a geographical perspective, close to half of the firm's sales are generated in the United States.

Employees 74,000

Homepage www.merck.com

Headquarters Kenilworth, NJ

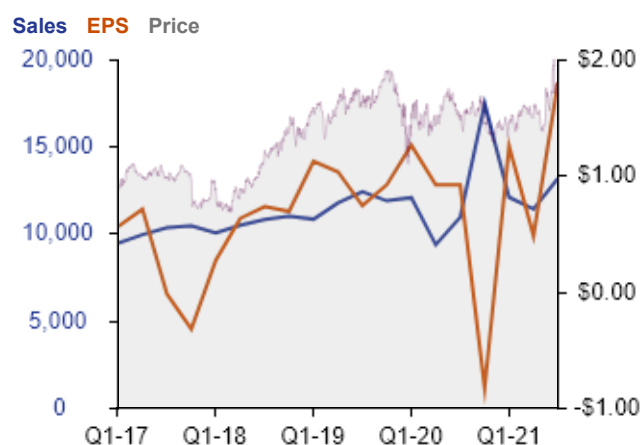
VALUATION SUMMARY

	MRK	Industry	S&P 500
Value Score	80	74	74
Price / Earnings	24.2	27.9	28.6
Price / Sales	3.9	4.0	3.2
Price / Free Cash Flow	25.1	17.2	30.7
Price / Book	5.7	4.8	5.1
Price / Tangible Book	57.5	-	100+
EV / EBITDA	15.2	14.6	23.7
EPS Predict. Pctl.	65	77	70
Piotroski F Score	7	6	9
5-Year P/E Range	15.9		100+
5-Year P/B Range	3.7		8.7
5-Year P/S Range	3.6		5.4



GROWTH SUMMARY

	MRK	Industry	S&P 500
Growth Score	89	74	79
Sales Growth			
Sales Growth Next Year	17.2%	-1.6%	9.2%
Sales 1-Year Chg (%)	11.1%	13.4%	21.0%
Sales 3-Year Avg (%)	8.0%	4.9%	14.7%
Sales 5-Year Avg (%)	5.7%	4.0%	13.2%
EPS Growth			
Next Yr. Growth Est.	24.3%	3.3%	8.6%
EPS 1-Year Chg (%)	-26.5%	1.8%	68.5%
EPS 3-Year Avg (%)	31.3%	16.7%	30.8%
EPS 5-Year Avg (%)	11.2%	4.0%	25.9%

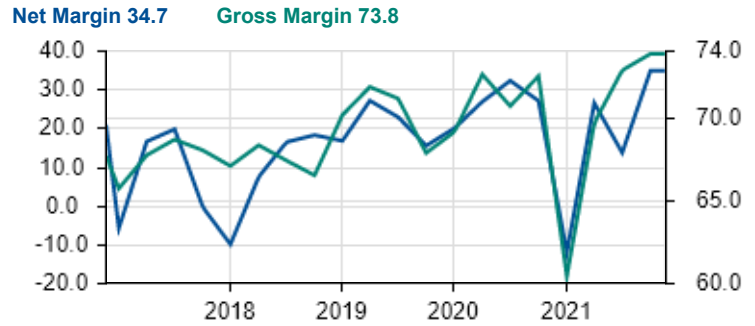


PEERS ANALYSIS SUMMARY

Ticker	Company	Cap (\$M USD)	P/E	Div. Yield	1M Return	1Y Return	Margin of Safety	Value Score	Growth Score	Quality Score
PFE	Pfizer	\$285,133	14.8	3.1%	21.8%	45.9%	20%	88	72	96
LLY	Eli Lilly	\$249,383	39.8	1.3%	7.9%	84.5%	-11%	70	90	94
ABBV	AbbVie	\$205,498	28.1	4.9%	8.2%	22.2%	32%	84	97	80
MRK	Merck & Co	\$203,843	24.2	3.2%	1.5%	9.0%	8%	80	89	91
NVS	Novartis	\$183,096	18.9	3.9%	-1.8%	-2.8%	18%	88	78	92
AZN	AstraZeneca	\$176,559	100+	2.5%	-5.8%	7.8%	17%	71	94	68
BMJ	Bristol-Myers Squibb	\$128,362	-	3.4%	0.4%	-3.9%	35%	75	80	51
SNY	Sanofi	\$127,238	19.3	3.8%	5.3%	3.3%	24%	84	82	89
AMGN	Amgen	\$116,435	21.2	3.4%	0.5%	-5.4%	39%	85	81	88
GILD	Gilead Sciences	\$86,163	11.7	4.1%	2.7%	18.3%	27%	88	62	93
TAK	Takeda Pharmace...	\$44,070	10.7	6.0%	-0.6%	-17.9%	38%	90	88	80
VTRS	Viartis	\$15,685	-	3.4%	-3.6%	-26.7%	54%	77	64	44

PROFITABILITY SUMMARY

	MRK	Industry	S&P 500
Quality Score	91	83	76
Gross Margin	68.4%	68.5%	30.4%
Operating Margin	18.8%	22.9%	14.3%
Net Margin	13.7%	14.9%	11.4%
Return on Assets	7.7%	8.3%	8.4%
Return on Equity	20.1%	23.0%	33.7%
ROIC	12.9%	14.8%	19.2%



RETURNS SUMMARY

	MRK	Industry	S&P 500
Sentiment Score	84	40	70
5-Day Return	-3.9%	-1.5%	0.3%
1-Month Return	1.5%	2.2%	3.9%
YTD Return	6.3%	8.7%	26.3%
1-Year Return	9.0%	12.0%	33.0%
3-Year Return	21.9%	36.2%	84.1%
5-Year Return	60.4%	73.6%	135.9%
Beta 1-Year	0.34	0.38	0.99

Dividend Adjusted Return Nov 19, 2020 - Nov 19, 2021

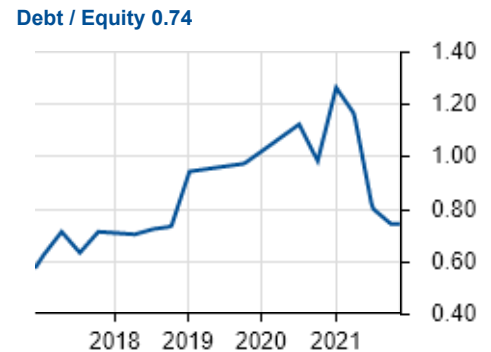


DIVIDEND

	MRK	Industry
Dividend Yield	3.2%	2.9%
Payout Ratio	91.6%	66.4%
TTM Yield	3.2%	-
Dividend Per Share	\$2.60	\$3.51
Div. 1Y Chg (%)	6.6%	-23.9%
Div. 3Y Avg (%)	10.6%	-4.4%
Div. 5Y Avg (%)	7.2%	-0.8%
Cons. Growth Years	10+	0
Div. Coverage Ratio	1.1	1.5

DEBT & EQUITY

Current Ratio	1.3
Quick Ratio	1.0
Price	\$80.70
Net Cash Per Share	-\$6.51
Equity Per Share	\$14.17
Debt / Equity	0.7
Solvency Ratio	23%
Interest Coverage	13.9
Short % of Float	0.8%
Altman Z-Score	3.9



ANALYST REVISIONS

Current Quarter EPS		Next Quarter EPS	
# Up Last 30 days	2.00	# Up Last 30 days	4.00
# Down Last 30 days	0.00	# Down Last 30 days	0.00
Mean Estimate	1.60	Mean Estimate	1.66
% Change (30 Days)	7.38%	% Change (30 Days)	-1.78%

MEAN ESTIMATE TREND

	Cur Qtr	Next Qtr	Cur Year	Next Year
Latest	\$1.66	\$1.60	\$5.84	\$7.26
30 Days Ago	\$1.69	\$1.49	\$5.75	\$6.77
90 Days Ago	\$1.51	\$1.46	\$5.53	\$6.47
% Change (90 Days)	9.9%	9.6%	5.6%	12.2%

EARNINGS SURPRISES

Earnings surprise is the difference between a company's announced earnings and the average analyst estimated value. Surprises typically causes the stock price to jump and are often followed by more of the same surprise type.

Surprise Detail (Last 6 Quarters)

Surprise Type	Announce Date	Period End Date	Actual EPS	Est. EPS	Surprise (%)
Positive	10/28/21	09/30/21	\$1.75	\$1.54	13.6%
In-Line	07/29/21	06/30/21	\$1.31	\$1.33	-1.5%
Negative	04/29/21	03/31/21	\$1.40	\$1.63	-14.1%
Negative	02/04/21	12/31/20	\$1.32	\$1.36	-2.9%
Positive	10/27/20	09/30/20	\$1.74	\$1.44	20.8%
Positive	07/31/20	06/30/20	\$1.37	\$1.14	20.2%

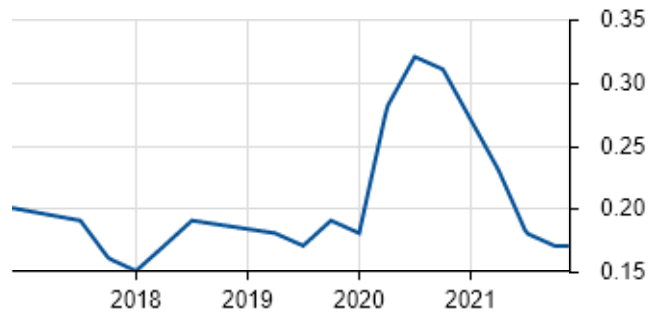
Surprise Summary (Last 12 Quarters)

Surprise Type	Amount	Percent
Positive Quarters (> 2%)	7	58.3%
Negative Quarters (< 2%)	2	16.7%
In-Line Quarters (within 2%)	3	25.0%

RISK

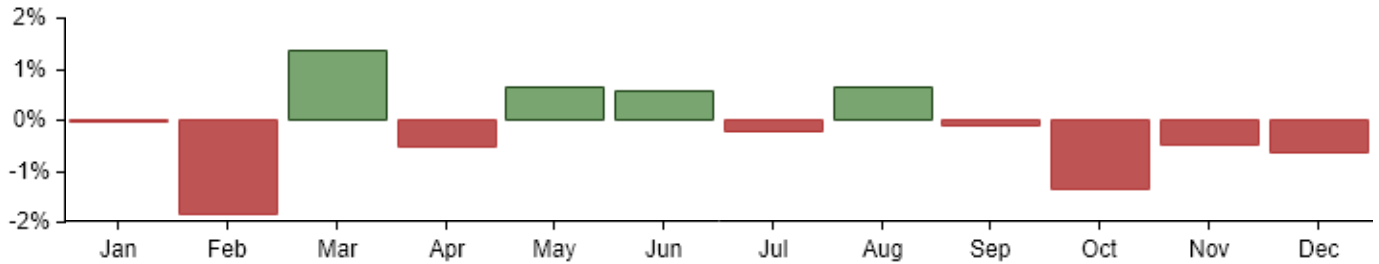
	MRK	Industry	S&P 500
Best Monthly Return (5Y)	10.5%	12.2%	17.9%
Worst Monthly Return (5Y)	-14.7%	-8.0%	-16.4%
Beta 1-Year	0.34	0.38	0.99
Volatility 1-Year	0.22	0.11	0.12
Volatility 1Y Pctl.	20	-	-
Max Drawdown 1-Year	-15.1%	-17.0%	-5.2%
Max Drawdown 3-Year	-27.9%	-29.9%	-33.9%
Max Drawdown 5-Year	-27.9%	-31.7%	-33.9%

MRK Volatility 1-Year 0.17



SEASONALITY

Ten-Year Seasonal Performance vs the S&P 500



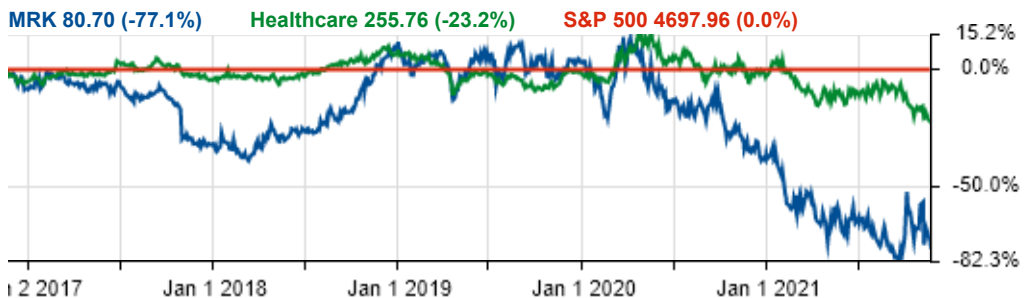
5-YEAR RELATIVE PERFORMANCE VS S&P 500

Relative to the S&P 500 baseline, MRK has underperformed the S&P 500 by -77.1% in the past 5 Years.

MRK has underperformed its sector by -53.9% in the past 5 Years.

The Healthcare sector has underperformed the market by -23.2% in the past 5 Years.

Dividend Adjusted Return Nov 18, 2016 - Nov 19, 2021



Overall Rating
vs. Peers

86

Ratings scores are relative to industry groups. They compare key metrics to rank stocks vs. their competitors. For example, higher growth than peers will score high even when the absolute growth is below the market average.

Growth vs Peers

Ticker	Company	Growth Ratings Score	Sales QoQ Chg.	Eps QoQ Chg.	Sales Growth Next Y.	Sales 1Y Chg (%)	Sales 3Y Avg (%)	Sales 5Y Avg (%)
PFE	Pfizer	94	134.5%	787.5%	-5.6%	42.5%	9.1%	5.4%
ABBV	AbbVie	90	11.2%	38.0%	6.5%	35.7%	19.7%	16.9%
NVS	Novartis	72	6.6%	45.2%	3.5%	5.6%	-0.2%	1.1%
BMJ	Bristol-Myers Squibb	67	10.3%	-15.8%	2.4%	15.4%	27.3%	19.7%
MRK	Merck & Co	55	20.4%	95.7%	17.2%	11.1%	8.0%	5.7%

Valuation vs Peers

Ticker	Company	Valuation Ratings Score	P/E	Forward P/E	PEG Trailing	P/S	P/B	5Y P/E Range
PFE	Pfizer	94	14.8	1.4	0.5	4.2	3.8	9.9 34.6
NVS	Novartis	85	18.9	12.2	2.1	3.5	3.2	13.9 33.4
MRK	Merck & Co	68	24.2	11.1	2.2	3.9	5.7	15.9 100+
BMJ	Bristol-Myers Squibb	56	-	7.4	-	2.8	3.5	11.3 -
ABBV	AbbVie	54	28.1	8.3	12.4	3.8	15.2	13.9 44.9

Efficiency vs Peers

Ticker	Company	Efficiency Ratings Score	Gross Margin	Operating Margin	Net Margin	5Y ROE Range	5Y ROA Range
MRK	Merck & Co	98	68.4%	18.8%	13.7%	4.1% 39.5%	1.6% 12.8%
PFE	Pfizer	91	65.2%	25.8%	28.7%	12.1% 33.4%	4.2% 14.2%
NVS	Novartis	87	69.3%	22.5%	18.7%	9.0% 26.2%	4.8% 10.2%
ABBV	AbbVie	85	67.7%	31.7%	13.7%	-257.8% 178.8%	3.1% 11.4%
BMJ	Bristol-Myers Squ...	71	76.9%	8.9%	-11.9%	-23.8% 35.1%	-7.6% 14.8%

Financial Strength vs Peers

Ticker	Company	Financial Strength Ratings Score	Debt / Equity	Interest Coverage	Quick Ratio	Intangibles %	Solvency Ratio	Short % of Float	
PFE	Pfizer	82		0.5	17.0	1.2	42.3%	33%	1.1%
NVS	Novartis	79		0.6	15.6	0.6	52.4%	29%	-
MRK	Merck & Co	77		0.7	13.9	1.0	34.5%	23%	0.8%
ABBV	AbbVie	74		6.0	3.9	0.9	73.7%	16%	0.8%
BMJ	Bristol-Myers Squibb	28		1.2	-2.1	1.4	59.0%	9%	1.0%

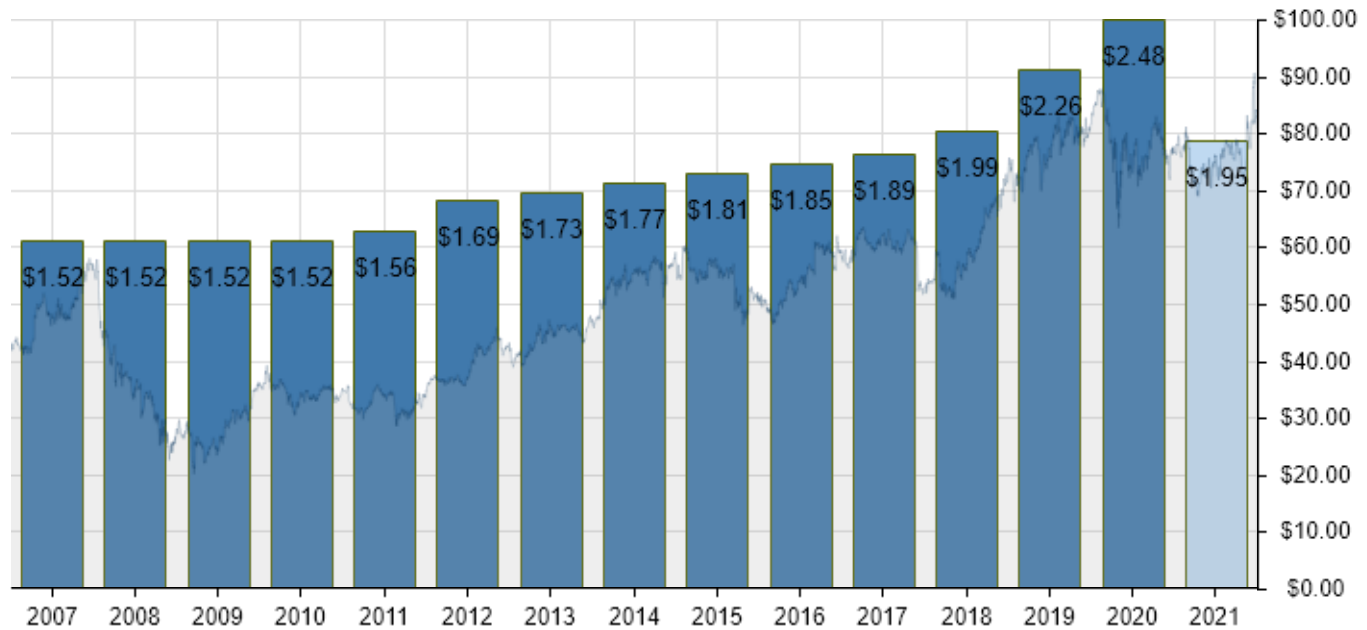
Dividends vs Peers

Ticker	Company	Dividends Ratings Score	Div. Yield	TTM Yield	Price	Div. Per Share	Consecutive Div. Growth Years	Payout Ratio
ABBV	AbbVie	95	4.9%	4.5%	\$116.24	\$5.64	7	122.1%
MRK	Merck & Co	80	3.2%	3.2%	\$80.70	\$2.60	10+	91.6%
NVS	Novartis	68	3.9%	3.9%	\$81.66	\$3.20	1	73.2%
BMJ	Bristol-Myers Squibb	56	3.4%	3.4%	\$57.83	\$1.96	4	-
PFE	Pfizer	47	3.1%	3.1%	\$50.80	\$1.56	10+	43.7%

Momentum vs Peers

Ticker	Company	Momentum Ratings Score	1M Return	3M Return	6M Return	YTD Return	1Y Return	Beta 1Y	Volatility 1Y	Price vs 52-wk High (%)
PFE	Pfizer	77	21.8%	5.0%	29.8%	43.4%	45.9%	0.34	0.23	96.2%
ABBV	AbbVie	50	8.2%	-0.2%	2.7%	13.7%	22.2%	0.65	0.20	95.7%
MRK	Merck & Co	47	1.5%	3.8%	8.5%	6.3%	9.0%	0.34	0.22	88.3%
BMJ	Bristol-Myers Squibb	18	0.4%	-14.9%	-10.4%	-4.6%	-3.9%	0.56	0.18	82.9%

DIVIDEND DETAIL



CALENDAR YEAR DIVIDEND HISTORY

Year	Date	Pay Date	Text	Amount
2021 Dividends				\$1.95
	09/14/21	10/07/21	Regular	\$0.65
	06/14/21	07/07/21	Regular	\$0.65
	03/12/21	04/07/21	Regular	\$0.65
2020 Dividends				\$2.48
	12/14/20	01/08/21	Regular	\$0.65
	09/14/20	10/07/20	Regular	\$0.61
	06/12/20	07/07/20	Regular	\$0.61
	03/13/20	04/07/20	Regular	\$0.61
2019 Dividends				\$2.26
	12/13/19	01/08/20	Regular	\$0.61
	09/13/19	10/07/19	Regular	\$0.55
	06/14/19	07/08/19	Regular	\$0.55
	03/14/19	04/05/19	Regular	\$0.55
2018 Dividends				\$1.99
	12/14/18	01/08/19	Regular	\$0.55
	09/14/18	10/05/18	Regular	\$0.48
	06/14/18	07/09/18	Regular	\$0.48
	03/14/18	04/06/18	Regular	\$0.48
2017 Dividends				\$1.89
	12/14/17	01/08/18	Regular	\$0.48
	09/14/17	10/06/17	Regular	\$0.47
	06/13/17	07/10/17	Regular	\$0.47
	03/13/17	04/07/17	Regular	\$0.47

UPCOMING DIVIDEND

Ex-Dividend Date	09/14/21
Payment Date	10/07/21
Amount	\$0.65
Type	Regular

DIVIDEND RATE

Regular Dividend	\$0.65
Annual Dividend Rate	\$2.60
Annual Dividend Yield	3.2%
Trailing 12 Months Dividends	\$2.60
Trailing 12 Months Yield	3.2%

STATISTICS

Payout Ratio	91.5%
Dividend Coverage Ratio	109.2%
Consecutive Growth Years	10+
3 Year Growth Rate	10.6%
5 Year Growth Rate	7.2%
10 Year Growth Rate	5.5%

FINANCIAL STATEMENT SUMMARY


USD in Millions	Chart	2016	2017	2018	2019	2020	TTM	CAGR
Income Statement								
Revenue		39,807	40,122	42,294	46,840	47,994	52,607	5.9%
Operating Income		5,499	6,797	8,931	12,241	8,483	9,897	12.8%
Net income		3,920	2,394	6,220	9,843	7,067	7,197	13.2%
Earnings per share diluted		\$1.41	\$0.87	\$2.32	\$3.81	\$2.78	\$2.83	15.3%
Average shares diluted		2,787	2,748	2,679	2,580	2,541	2,539	-1.9%
P/E Ratio		30.0	54.1	61.0	25.4	18.1	24.2	-4.3%
Balance Sheet								
Cash		14,341	8,498	8,864	10,450	8,062	10,016	-7.1%
Current assets		30,614	24,766	25,875	27,483	27,764	31,058	0.3%
Net Property, Plant and Eq...		12,026	12,439	13,291	15,053	17,986	18,565	9.3%
Working Capital		13,410	6,152	3,669	5,263	437	7,330	-11.6%
Net Debt		10,501	15,912	16,250	15,896	23,729	16,425	9.6%
Stockholders' Equity		40,088	34,336	26,701	25,907	25,317	35,794	-2.3%
Cash Flow								
Operating Cash Flow		10,376	6,451	10,922	13,440	10,253	13,084	4.9%
Cap Ex		-1,614	-1,888	-2,615	-3,473	-4,684	-4,926	25.7%
Free Cash Flow		8,762	4,563	8,307	9,967	5,569	8,158	-1.5%
Free Cash Flow per share		\$3.14	\$1.66	\$3.10	\$3.86	\$2.19	\$3.21	0.4%
Profitability								
Operating Margin		13.8%	16.9%	21.1%	26.1%	17.7%	18.8%	6.5%
Return on Assets		4.1%	2.7%	7.5%	11.7%	7.7%	7.7%	13.7%
Return on Equity		9.8%	7.0%	23.3%	38.0%	27.9%	20.1%	15.9%
Return on Invested Capital		6.2%	4.2%	11.8%	19.9%	14.1%	12.9%	16.0%

Dividends

VALUATION & PROFITABILITY HISTORY

Date →	TTM	1 Yr Ago	2 Yrs. Ago	3 Yrs. Ago	4 Yrs. Ago
Price / Earnings	24.2	19.6	23.7	100+	29.8
Price / Cash Flow	15.7	15.7	20.6	28.1	15.0
Price / Book	5.7	7.4	7.8	6.2	3.8
Price / Tangible B...	57.5	-	-	100+	28.8
Price / Sales	3.9	4.4	5.0	5.0	3.8
EV / EBITDA	15.2	11.8	14.2	15.8	18.0
Dividend Yield	3.2%	3.0%	2.6%	2.5%	3.4%
Shareholder Yield	3.6%	4.2%	7.3%	5.0%	5.7%
Gross Margin	68.4%	71.2%	70.1%	67.6%	68.1%
Net Margin	13.7%	24.3%	20.3%	8.0%	7.2%
Return on Assets	7.7%	12.8%	11.2%	3.9%	3.1%
Return on Equity	20.1%	39.5%	34.7%	10.3%	7.4%
ROIC	12.9%	21.3%	19.3%	7.3%	5.5%

WARNINGS

Name	Severity	Details
Negative Sales Growth Years	Low 	Number of Years: 5; Sales 1Y Chg (%): 11.1%

In the last decade this company has had several years with negative revenue growth. If the top-line sales are shrinking this company could be a value trap that looks inexpensive on some measures but never outperforms the market.

REPORT TIPS

Metric Definitions

Metric descriptions are available at stockrover.com/help/metrics/metric-overview

Quantitative Scores

Our scores analytics is to offer our concise analysis of a stock in powerful, but easy to digest format. Each of the composite score metrics are designed to use the best available accounting practices as well as source data from SEC filings. The scores are computed for a company vs. the market as a whole.

Fair Value

Fair value performs a forecasted discounted cash flow analysis of a company to determine the company's intrinsic value based on the expected future cash flows the company will produce. It basically determines what a company is worth based on how much cash flow it is expected to generate for you in the future, taking into account the time value of money and the predictability of those forecasted cash flows.

Peers

Peer ratings are computed from raking companies in the same

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