


**\$87.72** **\$0.97 (1.12%)** as of Friday's close

Cap (\$M USD) **\$222,219** P/E **13.4** EPS (1Y) **167.3%** Dividend **\$2.76** Last Filing **06/30/22**

52-wk Range  
\$70.89  \$95.72

Sales (\$M) **57,169** Forward P/E **11.8** Sales (1Y) **13.5%** Div. Yield **3.2%** Next Earnings **10/27/22**

**Dividend Adjusted Return** Sep 16, 2021 - Sep 16, 2022

**MRK 87.72 (+24.7%)** **Healthcare 235.80 (-7.6%)** **S&P 500 3873.33 (-12.0%)**



MRK has outperformed the S&P 500 by 36.7% in the past year.

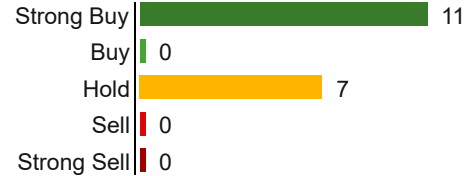
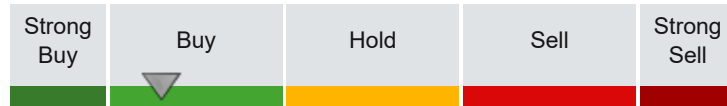
MRK has outperformed its sector by 32.3% in the past year.

The Healthcare sector has outperformed the market by 4.4% 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** \$100.36

**Margin of Safety** 14%

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

**2 warnings**  
Details on Page 8

**Value Score**

**83**

**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**

**96**

**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**

**74**

**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**

**99**

**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**

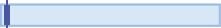

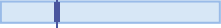
Merck makes pharmaceutical products to treat several conditions in a number of therapeutic areas, including cardiometabolic disease, cancer, and infections. Within cancer, the firm's immuno-oncology platform is growing as a major contributor to overall sales. The company also has a substantial vaccine 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, just under half of the firm's sales are generated in the United States.

**Employees** 68,000

**Homepage** [www.merck.com](http://www.merck.com)

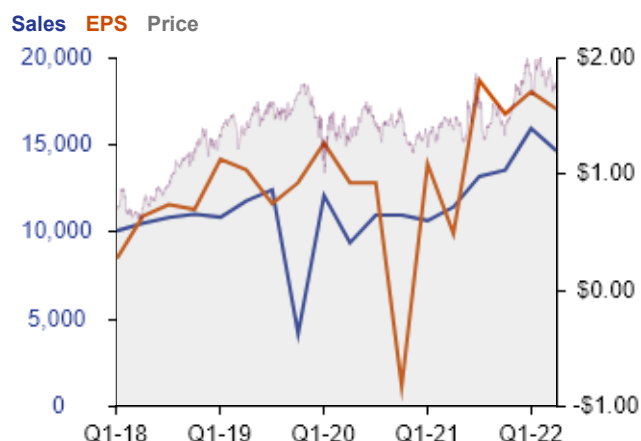
**Headquarters** Kenilworth, NJ

## VALUATION SUMMARY

	MRK	Industry	S&P 500
Value Score	<b>83</b>	<b>73</b>	<b>75</b>
Price / Earnings	13.4	18.5	20.4
Price / Sales	3.9	3.7	2.3
Price / Free Cash Flow	15.5	16.5	20.7
Price / Book	5.1	4.7	4.1
Price / Tangible Book	-	-	100+
EV / EBITDA	10.6	12.7	17.2
EPS Predict. Pctl.	60	75	70
Piotroski F Score	7	5	8
5-Year P/E Range	13.0		100+
5-Year P/B Range	3.7		8.7
5-Year P/S Range	3.5		5.4

## GROWTH SUMMARY

	MRK	Industry	S&P 500
Growth Score	<b>74</b>	<b>76</b>	<b>78</b>
<b>Sales Growth</b>			
Sales Growth Next Year	-2.1%	-2.2%	7.6%
Sales 1-Year Chg (%)	13.5%	17.5%	15.2%
Sales 3-Year Avg (%)	8.8%	8.7%	16.9%
Sales 5-Year Avg (%)	7.4%	6.2%	14.3%
<b>EPS Growth</b>			
Next Yr. Growth Est.	1.1%	1.5%	10.1%
EPS 1-Year Chg (%)	167.3%	26.4%	16.6%
EPS 3-Year Avg (%)	22.3%	9.6%	13.1%
EPS 5-Year Avg (%)	28.7%	8.1%	13.4%



## 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
LLY	Eli Lilly	\$293,499	49.3	1.3%	-0.5%	35.6%	-8%	<b>67</b>	<b>88</b>	<b>93</b>
PFE	Pfizer	\$258,336	9.0	3.5%	-7.7%	6.9%	10%	<b>91</b>	<b>68</b>	<b>97</b>
ABBV	AbbVie	\$254,711	20.4	3.9%	1.1%	38.8%	6%	<b>80</b>	<b>72</b>	<b>88</b>
MRK	Merck & Co	\$222,219	13.4	3.2%	-2.4%	26.2%	14%	<b>83</b>	<b>74</b>	<b>96</b>
AZN	AstraZeneca	\$178,911	-	2.5%	-13.0%	5.0%	4%	<b>69</b>	<b>81</b>	<b>59</b>
NVS	Novartis	\$177,597	7.9	4.1%	-6.0%	-0.5%	-15%	<b>89</b>	<b>73</b>	<b>98</b>
BMJ	Bristol-Myers Squibb	\$152,713	23.8	3.0%	-3.5%	20.5%	23%	<b>77</b>	<b>92</b>	<b>86</b>
AMGN	Amgen	\$123,643	19.7	3.4%	-8.0%	9.9%	32%	<b>83</b>	<b>80</b>	<b>90</b>
SNY	Sanofi	\$102,780	15.5	4.3%	-8.9%	-12.0%	35%	<b>81</b>	<b>84</b>	<b>90</b>
GILD	Gilead Sciences	\$82,220	20.1	4.5%	0.0%	-3.7%	27%	<b>83</b>	<b>53</b>	<b>86</b>
ZTS	Zoetis	\$73,638	35.7	0.8%	-8.4%	-21.9%	8%	<b>72</b>	<b>92</b>	<b>93</b>
TAK	Takeda Pharmace...	\$41,961	30.5	5.4%	-5.1%	-18.1%	39%	<b>83</b>	<b>87</b>	<b>69</b>

## PROFITABILITY SUMMARY

	MRK	Industry	S&P 500
Quality Score	<b>96</b>	<b>84</b>	<b>77</b>
Gross Margin	70.4%	68.6%	30.2%
Operating Margin	33.9%	24.7%	14.8%
Net Margin	29.0%	20.1%	11.8%
Return on Assets	15.5%	11.1%	8.7%
Return on Equity	38.3%	31.0%	35.2%
ROIC	23.3%	18.2%	20.1%

## RETURNS SUMMARY

	MRK	Industry	S&P 500
Sentiment Score	<b>99</b>	<b>56</b>	<b>54</b>
5-Day Return	1.2%	-1.4%	-4.4%
1-Month Return	-2.4%	-4.7%	-9.7%
YTD Return	17.4%	-6.9%	-17.8%
1-Year Return	26.2%	-0.4%	-11.8%
3-Year Return	24.1%	28.8%	36.2%
5-Year Return	63.6%	42.2%	68.9%
Beta 1-Year	0.28	0.31	0.99

## Dividend Adjusted Return Sep 16, 2021 - Sep 16, 2022

MRK 87.87 (+24.3%)

EMA 50 88.74 (+25.6%)

EMA 150 86.64 (+22.6%)



## DIVIDEND

	MRK	Industry
Dividend Yield	3.2%	3.0%
Payout Ratio	41.5%	56.2%
TTM Yield	3.2%	-
Dividend Per Share	\$2.76	\$3.65
Div. 1Y Chg (%)	6.2%	51.3%
Div. 3Y Avg (%)	7.9%	8.0%
Div. 5Y Avg (%)	8.0%	6.8%
Cons. Growth Years	10+	1
Div. Coverage Ratio	2.4	1.8

## DEBT &amp; EQUITY

Current Ratio	1.4
Quick Ratio	1.2
Price	\$87.72
Net Cash Per Share	-\$8.53
Equity Per Share	\$17.07
Debt / Equity	0.7
Solvency Ratio	39%
Interest Coverage	21.9
Short % of Float	0.8%
Altman Z-Score	4.1

## ANALYST REVISIONS

Current Quarter EPS		Next Quarter EPS	
# Up Last 30 days	1.00	# Up Last 30 days	1.00
# Down Last 30 days	1.00	# Down Last 30 days	0.00
Mean Estimate	1.62	Mean Estimate	1.75
% Change (30 Days)	0.62%	% Change (30 Days)	-

## MEAN ESTIMATE TREND

	Cur Qtr	Next Qtr	Cur Year	Next Year
Latest	\$1.75	\$1.62	\$7.37	\$7.45
30 Days Ago	\$1.75	\$1.61	\$7.37	\$7.49
90 Days Ago	\$1.87	\$1.64	\$7.34	\$7.38
% Change (90 Days)	-6.4%	-1.2%	0.4%	0.9%

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 Summary (Last 12 Quarters)

Surprise Type	Amount	Percent
Positive Quarters (> 2%)	8	66.7%
Negative Quarters (< 2%)	2	16.7%
In-Line Quarters (within 2%)	2	16.7%

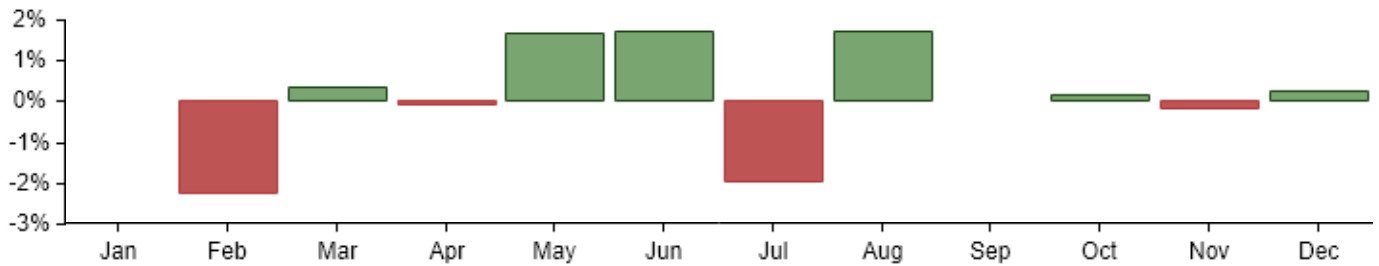
Surprise Type	Announce Date	Period End Date	Actual EPS	Est. EPS	Surprise (%)
Positive	07/28/22	06/30/22	\$1.87	\$1.67	11.7%
Positive	04/28/22	03/31/22	\$2.14	\$1.81	18.0%
Positive	02/03/22	12/31/21	\$1.80	\$1.45	24.1%
Positive	10/28/21	09/30/21	\$1.75	\$1.54	13.6%
In-Line	07/29/21	06/30/21	\$1.31	\$1.33	-1.5%
Negative	04/29/21	03/31/21	\$1.40	\$1.63	-14.1%

RISK

	MRK	Industry	S&P 500
Best Monthly Return (5Y)	10.5%	11.6%	17.9%
Worst Monthly Return (5Y)	-14.7%	-7.8%	-16.4%
Beta 1-Year	0.28	0.31	0.99
Volatility 1-Year	0.24	0.14	0.21
Volatility 1Y Pctl.	22	-	-
Max Drawdown 1-Year	-20.2%	-21.2%	-23.5%
Max Drawdown 3-Year	-27.9%	-30.2%	-33.9%
Max Drawdown 5-Year	-27.9%	-32.7%	-33.9%

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 -6.3% in the past 5 Years.

MRK has performed nearly in line with its sector over the past 5 Years.

The Healthcare sector has underperformed the market by -5.5% in the past 5 Years.

Dividend Adjusted Return Sep 15, 2017 - Sep 16, 2022



Overall Rating vs. Peers

98

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 Rating vs. Peer	Sales QoQ Chg.	Eps QoQ Chg.	Sales Growth Next Y.	Sales 1Y Chg (%)	Sales 3Y Avg (%)	Sales 5Y Avg (%)
MRK	Merck & Co	99	28.0%	222.9%	-2.1%	13.5%	8.8%	7.4%
ABBV	AbbVie	89	4.5%	21.4%	-6.2%	6.7%	20.7%	16.5%
BMJ	Bristol-Myers Squibb	86	1.6%	40.4%	3.5%	6.2%	25.5%	18.4%
LLY	Eli Lilly	81	-3.7%	-31.4%	5.9%	8.8%	5.5%	5.7%
AZN	AstraZeneca	79	31.0%	-45.2%	5.8%	49.1%	24.0%	15.1%

Valuation vs Peers

Ticker	Company	Valuation Rating vs. Peer	P/E	Forward P/E	PEG Trailing	P/S	P/B	5Y P/E Range
MRK	Merck & Co	67	13.4	11.8	0.5	3.9	5.1	13.0 - 100+
BMJ	Bristol-Myers Squibb	65	23.8	8.9	12.5	3.3	4.7	11.3 -
LLY	Eli Lilly	44	49.3	32.2	2.2	9.7	34.4	21.3 -
ABBV	AbbVie	43	20.4	12.1	1.7	4.5	17.4	13.9 - 44.9
AZN	AstraZeneca	8	-	16.0	-	4.1	5.0	21.0 -

Efficiency vs Peers

Ticker	Company	Efficiency Rating vs. Peer	Gross Margin	Operating Margin	Net Margin	5Y ROE Range	5Y ROA Range
MRK	Merck & Co	100	70.4%	33.9%	29.0%	4.1% - 39.5%	1.6% - 15.5%
LLY	Eli Lilly	96	76.0%	29.7%	19.6%	-1.8% - 319.1%	-0.5% - 21.2%
ABBV	AbbVie	88	70.5%	32.2%	22.0%	-190.2% - 178.8%	3.1% - 10.5%
BMJ	Bristol-Myers Squ...	85	79.1%	18.1%	14.0%	-23.8% - 38.7%	-7.6% - 14.8%
AZN	AstraZeneca	44	66.2%	-3.9%	-2.8%	-3.5% - 28.3%	-1.3% - 6.1%

Financial Strength vs Peers

Ticker	Company	Financial Strength Rating vs. Peers	Debt / Equity	Interest Coverage	Quick Ratio	Intangibles %	Solvency Ratio	Short % of Float
MRK	Merck & Co	77	0.7	21.9	1.2	40.8%	39%	0.8%
ABBV	AbbVie	72	5.0	7.2	0.8	72.5%	22%	0.7%
BMJ	Bristol-Myers Squibb	71	1.3	6.9	1.3	58.5%	29%	1.1%
LLY	Eli Lilly	67	2.0	19.8	0.9	24.2%	24%	0.6%
AZN	AstraZeneca	26	0.8	-0.4	0.7	61.8%	13%	-

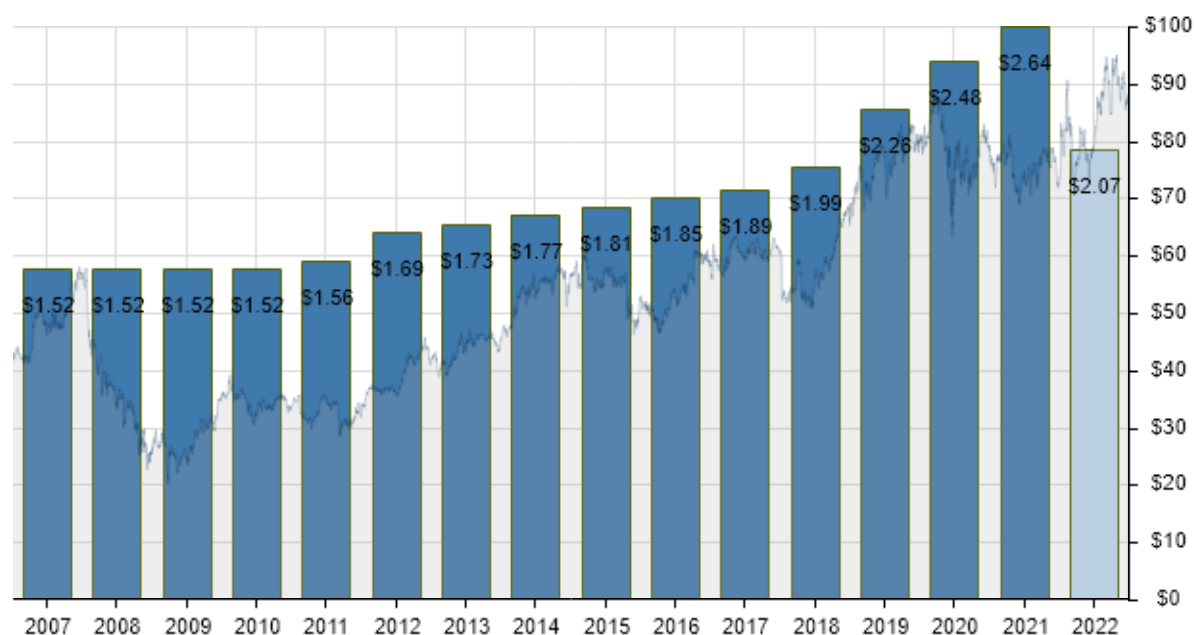
Dividends vs Peers

Ticker	Company	Dividends Rating vs. Peer	Div. Yield	TTM Yield	Price	Div. Per Share	Consecutive Div. Growth Years	Payout Ratio
ABBV	AbbVie	82	3.9%	3.8%	\$144.06	\$5.64	8	76.3%
MRK	Merck & Co	60	3.2%	3.2%	\$87.72	\$2.76	10+	41.5%
LLY	Eli Lilly	34	1.3%	1.2%	\$308.89	\$3.92	7	58.1%
BMJ	Bristol-Myers Squibb	27	3.0%	3.0%	\$71.52	\$2.16	0	69.6%
AZN	AstraZeneca	8	2.5%	2.5%	\$58.05	\$1.45	0	-

Momentum vs Peers

Ticker	Company	Momentum Rating vs. Peer	1M Return	3M Return	6M Return	YTD Return	1Y Return	Beta 1Y	Volatility 1Y	Price vs 52-wk High (%)
LLY	Eli Lilly	92	-0.5%	7.6%	12.5%	13.0%	35.6%	0.60	0.27	92.1%
MRK	Merck & Co	89	-2.4%	4.2%	14.1%	17.4%	26.2%	0.28	0.24	91.6%
ABBV	AbbVie	87	1.1%	4.5%	-6.0%	9.4%	38.8%	0.32	0.20	81.9%
BMJ	Bristol-Myers Squibb	81	-3.5%	-0.8%	4.1%	17.4%	20.5%	0.27	0.20	88.8%
AZN	AstraZeneca	57	-13.0%	-3.9%	-5.6%	2.0%	5.0%	0.49	0.27	81.0%

## DIVIDEND DETAIL



## CALENDAR YEAR DIVIDEND HISTORY

Year	Date	Pay Date	Text	Amount
<b>2022 Dividends</b>				<b>\$2.07</b>
	09/14/22	10/07/22	Regular	\$0.69
	06/14/22	07/08/22	Regular	\$0.69
	03/14/22	04/07/22	Regular	\$0.69
<b>2021 Dividends</b>				<b>\$2.64</b>
	12/14/21	01/07/22	Regular	\$0.69
	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
<b>2020 Dividends</b>				<b>\$2.48</b>
	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
<b>2019 Dividends</b>				<b>\$2.26</b>
	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
<b>2018 Dividends</b>				<b>\$1.99</b>
	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

## UPCOMING DIVIDEND

Ex-Dividend Date	09/14/22
Payment Date	10/07/22
Amount	\$0.69
Type	Regular

## DIVIDEND RATE

Regular Dividend	\$0.69
Annual Dividend Rate	\$2.76
Annual Dividend Yield	3.1%
Trailing 12 Months Dividends	\$2.76
Trailing 12 Months Yield	3.2%

## STATISTICS

Payout Ratio	41.5%
Dividend Coverage Ratio	240.8%
Consecutive Growth Years	10+
3 Year Growth Rate	7.9%
5 Year Growth Rate	8.0%
10 Year Growth Rate	5.1%

## FINANCIAL STATEMENT SUMMARY

USD in Millions	Chart	2017	2018	2019	2020	2021	TTM	CAGR
<b>Income Statement</b>								
Revenue		40,122	42,294	39,121	41,518	48,704	57,169	7.8%
Operating Income		6,797	8,931	7,926	5,548	13,199	19,363	24.9%
Net income		2,394	6,220	9,843	7,067	13,049	16,579	50.8%
Earnings per share diluted		\$0.87	\$2.32	\$2.21	\$1.78	\$4.86	\$6.55	53.5%
Average shares diluted		2,748	2,679	2,580	2,541	2,538	2,537	-1.7%
P/E Ratio		54.1	61.0	25.4	18.1	23.0	13.4	-25.6%
<b>Balance Sheet</b>								
Cash		8,498	8,864	10,450	8,050	8,096	10,128	3.8%
Current assets		24,766	25,875	27,483	27,764	30,266	32,116	5.7%
Net Property, Plant and Equipm...		12,439	13,291	15,053	17,000	19,279	20,059	10.7%
Working Capital		6,152	3,669	5,263	437	6,394	8,948	8.3%
Net Debt		15,912	16,250	15,896	23,741	25,006	21,535	6.6%
Stockholders' Equity		34,336	26,701	25,907	25,317	38,184	43,243	5.0%
<b>Cash Flow</b>								
Operating Cash Flow		6,451	10,922	13,440	10,253	14,109	18,891	25.6%
Cap Ex		-1,888	-2,615	-3,369	-4,429	-4,448	-4,493	20.2%
Free Cash Flow		4,563	8,307	10,071	5,824	9,661	14,398	27.6%
Free Cash Flow per share		\$1.66	\$3.10	\$3.90	\$2.29	\$3.81	\$5.68	29.8%
<b>Profitability</b>								
Operating Margin		16.9%	21.1%	20.3%	13.4%	27.1%	33.9%	15.8%
Return on Assets		2.7%	7.5%	11.7%	7.7%	12.3%	15.5%	44.6%
Return on Equity		7.0%	23.3%	38.0%	27.9%	34.2%	38.3%	43.6%
Return on Invested Capital		4.2%	11.8%	19.8%	14.0%	21.4%	23.3%	43.7%
<b>Dividends</b>								
Dividends Per Share		\$1.89	\$1.99	\$2.26	\$2.48	\$2.64	\$2.76	8.4%
Dividend Yield		3.4%	2.9%	2.7%	3.2%	3.6%	3.1%	-1.7%
Dividend Growth		-	5.3%	13.6%	9.7%	6.5%	7.8%	11.1%
Dividend Coverage		0.5x	1.2x	1.7x	1.1x	2.0x	2.4x	41.8%

## VALUATION &amp; PROFITABILITY HISTORY


Date →	TTM	1 Yr Ago	2 Yrs. Ago	3 Yrs. Ago	4 Yrs. Ago
Price / Earnings	13.4	26.0	21.7	23.0	100+
Price / Cash Flow	11.8	16.1	17.1	19.4	26.1
Price / Book	5.1	6.8	8.3	7.6	5.6
Price / Tangible B...	-	-	-	-	95.6
Price / Sales	3.9	3.8	4.6	4.9	4.7
EV / EBITDA	10.6	17.1	13.3	13.3	17.8
Dividend Yield	3.2%	3.6%	2.9%	2.7%	2.7%
Shareholder Yield	3.4%	3.7%	4.7%	7.3%	5.0%
Gross Margin	70.4%	67.8%	70.1%	69.9%	68.0%
Net Margin	29.0%	11.1%	22.2%	21.1%	3.3%
Return on Assets	15.5%	6.1%	11.6%	11.2%	1.6%
Return on Equity	38.3%	16.7%	37.9%	33.9%	4.1%
ROIC	23.3%	10.7%	19.4%	18.8%	3.8%



## WARNINGS

Name	Severity	Details
Negative Sales Growth Years	Medium 	Number of Years: 6; Sales 1Y Chg (%): 13.5%

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.

GAAP Earnings vs. Pro Forma	Low 	Official EPS: \$1.55; Announced EPS: \$1.87
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The GAAP compliant earnings that the company filed with the SEC are less than the pro-forma earnings they announced to the press. Pro-forma earnings can exclude special one-time charges but some distressed companies post these "one-time" charges quarter after quarter.

## REPORT TIPS

**Metric Definitions**

Metric descriptions are available at [stockrover.com/help/metrics/metric-overview](https://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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