# Merck & Co., Inc.

**MRK**

NYSE; healthcare; SIC 2834, Pharmaceutical Preparations; CIK 0000310158

# D/E

**on the D/E boundary of 305 graded peers in healthcare**

rank 252 of 305; percentile 82.6; sampling error 2.8 points; lower is stronger

A B C D E

**D/E, the sloth**



## Scoreboard

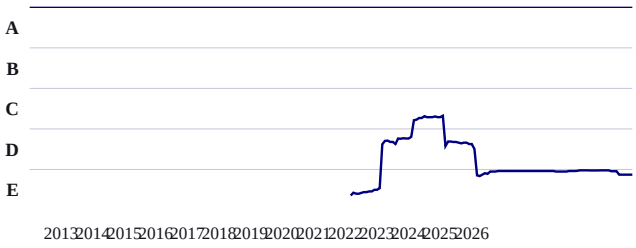
| | | |
|---|---|---|
| **Profitability** | C | percentile 52.8 |
| **Solvency** | D/E | percentile 81.8 |
| **Growth and financing** | C | percentile 46.3 |
| **Reliability** | 0.94 AUC | filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year | Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets | total assets $136.9B |
| **Standard universe** | inside | revenue above $1M and assets above $10M |
| **Warnings** | none triggered | not computable: distress, fortress balance sheet |
| **Inputs computable** | 8 of 13 | |
| **Graded from** | filings received through Feb 24, 2026 | 271 days before the rescan; latest periodic filing 10-Q received Nov 4, 2026 |
| **Last close** | $133.70 | 2026-11-20; market equity $329.6B; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Feb 24, 2026*

Merck & Co., Inc. (Merck or the Company) is a global health care company that delivers innovative health solutions through its prescription medicines, including biologic therapies, vaccines and animal health products. The Company's operations are principally managed on a product basis and include two operating segments, Pharmaceutical and Animal Health, both of which are reportable segments. The Pharmaceutical segment includes human health pharmaceutical and vaccine products. Human health pharmaceutical products consist of therapeutic and preventive agents, generally sold by prescription, for the treatment of human disorders.

## The thirteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 52.8** | | | | | | |
| Gross profitability | 35.5% | 32.8% | | 38.3 | 346 | 2025-12-31 |
| Return on invested capital | not computable | 9.6% | | | | |
| *one or more required annual facts are missing* | | | | | | |

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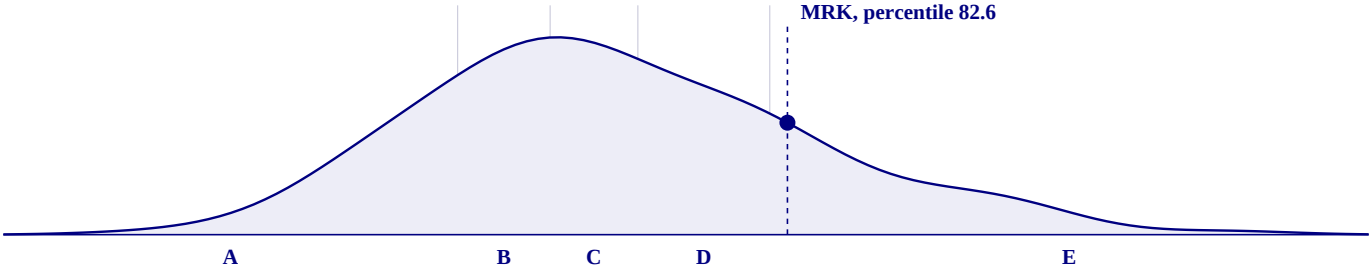
| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | 1.4% | (6.7%) | 83.7 | 756 | 2025-12-31 |
| Gross margin stability, five years | 2.0 pts | 2.8 pts | 36.4 | 237 | 2025-12-31 |
| **Solvency, sleeve percentile 81.8** | | | | | |
| Altman Z double-prime | not computable | 0.31 | | | |
| *one or more required annual facts are missing* | | | | | |
| Net debt to EBITDA | not computable | 1.82x | | | |
| *one or more required annual facts are missing* | | | | | |
| Interest coverage | not computable | (3.61x) | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 1.54x | 2.68x | 81.8 | 781 | 2025-12-31 |
| **Growth and financing, sleeve percentile 46.3** | | | | | |
| Revenue growth, three-year compound | 3.1% | 9.6% | 63.7 | 400 | 2025-12-31 |
| Free cash flow growth, three-year compound | (5.6%) | 11.1% | 79.6 | 94 | 2025-12-31 |
| Reinvestment rate | not computable | 33.9% | | | |
| *one or more required annual facts are missing* | | | | | |
| Asset growth, three years | 7.8% | 3.2% | 35.3 | 663 | 2025-12-31 |
| Net share issuance, one year | (2.1%) | 1.6% | 6.6 | 626 | 2026-01-31 |

## Among 305 peers

*healthcare; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 247 | Lucid Diagnostics Inc. (LUCD) | 80.9 | D/E | dilution |
| 248 | Champions Oncology, Inc. (CSBR) | 81.2 | D/E | |
| 249 | Rockwell Medical, Inc. (RMTI) | 81.6 | D/E | |
| 250 | Hyperfine, Inc. (HYPR) | 81.9 | D/E | |
| 251 | Surgery Partners, Inc. (SGRY) | 82.2 | D/E | late filer |
| 252 | Merck & Co., Inc. (MRK) | 82.6 | D/E | |
| 253 | Johnson & Johnson (JNJ) | 82.9 | E | |
| 254 | Outset Medical, Inc. (OM) | 83.2 | E | dilution |
| 255 | Novavax Inc. (NVAX) | 83.6 | E | distress |
| 256 | Moderna, Inc. (MRNA) | 83.9 | E | |
| 257 | Accuray Inc. (ARAY) | 84.2 | E | late filer |

## What the price implies

*at the 2026-11-20 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 74.0% | (1.7%) | 87 |
| Distance from 52-week high | (14.5%) | (33.0%) | 71 |
| EBIT to enterprise value | not computable | 0.5% | |
| Free cash flow yield | 3.7% | 0.6% | 69 |
| Book value to price | 0.14 | 0.29 | 29 |
| Sales to price | 0.20 | 0.38 | 31 |

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| | | | |
|---|---|---|---|
| Composite equity issuance, five years | (20.5%) | 13.5% | 10 |
| Relative strength against the sector, log excess return | 0.38 | (0.19) | 87 |
| Twelve-month failure probability, CHS model | not computable | 0.06% | |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 4 of 9, period end 2025-12-31** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | fail |
| Operating cash flow exceeds net income | fail |
| Long-term leverage fell | fail |
| Current ratio improved | pass |
| No new shares issued | pass |
| Gross margin improved | fail |
| Asset turnover improved | fail |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $9.6B |
| Operating cash flow, four quarters | $18.7B |
| Months of runway | not finite |
| Days since last periodic filing | 18 (10-Q received Nov 4, 2026) |
| Median daily dollar volume, 63 sessions | $1.3B |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | revenue | us-gaap:Revenues | $65.0B | 2025-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 2 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $16.4B | 2025-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 3 | assets | us-gaap:Assets | $136.9B | 2025-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 4 | net income | us-gaap:NetIncomeLoss | $18.3B | 2025-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 5 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $16.5B | 2025-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 6 | assets | us-gaap:Assets | $117.1B | 2024-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 7 | revenue | us-gaap:Revenues | $64.2B | 2024-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 8 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $15.2B | 2024-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 9 | revenue | us-gaap:Revenues | $60.1B | 2023-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 10 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $16.1B | 2023-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 11 | revenue | us-gaap:Revenues | $59.3B | 2022-12-31 | 2025-02-25 | 10-K | 25-007732 |
| 12 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $17.4B | 2022-12-31 | 2025-02-25 | 10-K | 25-007732 |
| 13 | revenue | us-gaap:Revenues | $48.7B | 2021-12-31 | 2024-02-26 | 10-K | 24-006850 |
| 14 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $13.6B | 2021-12-31 | 2024-02-26 | 10-K | 24-006850 |
| 15 | current assets | us-gaap:AssetsCurrent | $43.5B | 2025-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $28.3B | 2025-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 17 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $4.1B | 2025-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 18 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $21.5B | 2024-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 19 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $3.4B | 2024-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 20 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivitiesC... | $13.0B | 2023-12-31 | 2024-02-26 | 10-K | 24-006850 |
| 21 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $3.9B | 2023-12-31 | 2026-02-24 | 10-K | 26-000063 |
| 22 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivitiesC... | $19.1B | 2022-12-31 | 2024-02-26 | 10-K | 24-006850 |
| 23 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $4.4B | 2022-12-31 | 2023-02-24 | 10-K | 23-005061 |
| 24 | assets | us-gaap:Assets | $106.7B | 2023-12-31 | 2025-02-25 | 10-K | 25-007732 |
| 25 | assets | us-gaap:Assets | $109.2B | 2022-12-31 | 2024-02-26 | 10-K | 24-006850 |
| 26 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 2,472,392,003 | 2026-01-31 | 2026-02-24 | 10-K | 26-000063 |
| 27 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 2,526,036,240 | 2025-01-31 | 2025-02-25 | 10-K | 25-007732 |

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