

Merck & Co., Inc. (MRK)

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

Merck & Co., Inc.

MRK; healthcare

Grade

D/E

A B C D E

on the D/E boundary of 371 graded peers
percentile 80.8; sampling error 2.5 points; lower is stronger

Rank

300 of 371

Profitability

C

percentile 52.2

Solvency

D/E

percentile 80.2

Growth and financing

C

percentile 46.4

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 active

not computable: distress, fortress balance sheet

Inputs computable

8 of 14

Graded from

filings received through Feb 24, 2026

227 days before the rescans; latest periodic filing 10-Q received Aug 7, 2026

Last close

\$142.42

2026-10-08; market equity \$351.4B

Price used in grade

None



D/E, the sloth

on the D/E boundary of its sector; letters are fifths of the 371 graded peers

Share price, twelve months to the rescans

split-adjusted close; the letter is fixed at the rescans that set it



Rescans on file: C from Mar 21, 2024, D from Mar 21, 2025, E from Mar 21, 2026

Letter at every rescan

Jan 21, 2012 to Oct 9, 2026; sector percentile, 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.

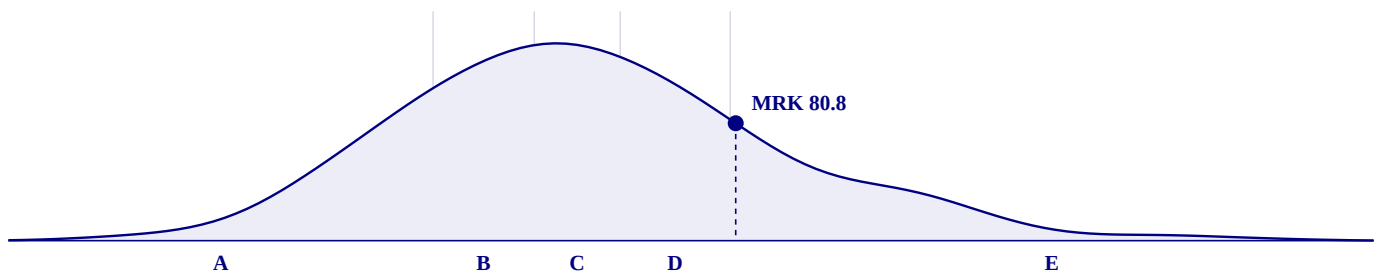
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 52.2						
Gross profitability		35.5%	32.2%	38.0	372	2025-12-31
Return on invested capital		not computable	9.3%			one or more required annual facts are missing
Accruals ratio		1.4%	(6.6%)	83.1	811	2025-12-31
Gross margin stability, five years		2.0 pts	2.8 pts	35.5	243	2025-12-31
Solvency, sleeve percentile 80.2						
Twelve-month failure probability		not computable	0.07%			liabilities and a nearby cover-page share count are required at 2026-06-30
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	(4.51x)			one or more required annual facts are missing
Current ratio		1.54x	2.96x	80.2	839	2025-12-31
Growth and financing, sleeve percentile 46.4						
Revenue growth, three-year compound		3.1%	10.0%	63.5	415	2025-12-31
Free cash flow growth, three-year compound		(5.6%)	10.9%	80.0	96	2025-12-31
Reinvestment rate		not computable	37.1%			one or more required annual facts are missing
Asset growth, three years		7.8%	2.1%	35.1	704	2025-12-31
Net share issuance, one year		(2.1%)	2.5%	7.0	634	2026-01-31

Among 371 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
295	Whitehawk Therapeutics, Inc. (WHWK)	79.5	D/E	
296	Ironwood Pharmaceuticals Inc. (IRWD)	79.7	D/E	late filer,
				fortress
				balance sheet
297	Champions Oncology, Inc. (CSBR)	80.0	D/E	
298	Voyager Therapeutics, Inc. (VYGR)	80.3	D/E	short runway
299	Lucid Diagnostics Inc. (LUCD)	80.5	D/E	dilution
300	Merck & Co., Inc. (MRK) <	80.8	D/E	
301	Lexicon Pharmaceuticals, Inc. (LXRX)	81.1	D/E	fortress
				balance sheet
302	Hyperfine, Inc. (HYPR)	81.4	D/E	
303	Surgery Partners, Inc. (SGRY)	81.6	D/E	late filer
304	Personalis, Inc. (PSNL)	81.9	D/E	
305	Accuray Inc. (ARAY)	82.2	D/E	late filer

What the price implies

at the 2026-10-08 close; none enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	79.1%	8.0%	84
Distance from 52-week high	(9.0%)	(31.4%)	86
EBIT to enterprise value	not computable	(1.5%)	
Free cash flow yield	3.5%	(1.0%)	72
Book value to price	0.12	0.28	29
Sales to price	0.19	0.31	38
Composite equity issuance, five years	(19.9%)	20.3%	8
Relative strength against the sector, log excess return	0.37	(0.14)	84

Diagnostics

not in 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	\$6.8B
Operating cash flow, four quarters	\$20.0B
Months of runway	not finite
Days since last periodic filing	63 (10-Q received Aug 7, 2026)
Median daily dollar volume, 63 sessions	\$1.2B

Sources

each row links to the 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	0000310158-26-000063
2	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$16.4B	2025-12-31	2026-02-24	10-K	0000310158-26-000063
3	assets	us-gaap:Assets	\$136.9B	2025-12-31	2026-02-24	10-K	0000310158-26-000063
4	net income	us-gaap:NetIncomeLoss	\$18.3B	2025-12-31	2026-02-24	10-K	0000310158-26-000063
5	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$16.5B	2025-12-31	2026-02-24	10-K	0000310158-26-000063

6	assets	us-gaap:Assets	\$117.1B	2024-12-31	2026-02-24	10-K	0000310158-26-000063
7	revenue	us-gaap:Revenues	\$64.2B	2024-12-31	2026-02-24	10-K	0000310158-26-000063
8	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$15.2B	2024-12-31	2026-02-24	10-K	0000310158-26-000063
9	revenue	us-gaap:Revenues	\$60.1B	2023-12-31	2026-02-24	10-K	0000310158-26-000063
10	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$16.1B	2023-12-31	2026-02-24	10-K	0000310158-26-000063
11	revenue	us-gaap:Revenues	\$59.3B	2022-12-31	2025-02-25	10-K	0001628280-25-007732
12	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$17.4B	2022-12-31	2025-02-25	10-K	0001628280-25-007732
13	revenue	us-gaap:Revenues	\$48.7B	2021-12-31	2024-02-26	10-K	0001628280-24-006850
14	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$13.6B	2021-12-31	2024-02-26	10-K	0001628280-24-006850
15	current assets	us-gaap:AssetsCurrent	\$43.5B	2025-12-31	2026-02-24	10-K	0000310158-26-000063
16	current liabilities	us-gaap:LiabilitiesCurrent	\$28.3B	2025-12-31	2026-02-24	10-K	0000310158-26-000063
17	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$4.1B	2025-12-31	2026-02-24	10-K	0000310158-26-000063
18	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$21.5B	2024-12-31	2026-02-24	10-K	0000310158-26-000063
19	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$3.4B	2024-12-31	2026-02-24	10-K	0000310158-26-000063
20	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivitiesContinuingOperations	\$13.0B	2023-12-31	2024-02-26	10-K	0001628280-24-006850
21	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$3.9B	2023-12-31	2026-02-24	10-K	0000310158-26-000063
22	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivitiesContinuingOperations	\$19.1B	2022-12-31	2024-02-26	10-K	0001628280-24-006850
23	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$4.4B	2022-12-31	2023-02-24	10-K	0001628280-23-005061
24	assets	us-gaap:Assets	\$106.7B	2023-12-31	2025-02-25	10-K	0001628280-25-007732
25	assets	us-gaap:Assets	\$109.2B	2022-12-31	2024-02-26	10-K	0001628280-24-006850
26	shares outstanding	dei:EntityCommonStockSharesOutstanding	2,472,392,003	2026-01-31	2026-02-24	10-K	0000310158-26-000063
27	shares outstanding	dei:EntityCommonStockSharesOutstanding	2,526,036,240	2025-01-31	2025-02-25	10-K	0001628280-25-007732