



MERK Merck & Co., Inc. Dividend Stock Info Card

Company Overview

Industry: Pharmaceutical / Healthcare

- One of the world's largest pharmaceutical companies
- Known for leading oncology drug Keytruda, vaccines (Gardasil), and animal health products
- Operates in 140+ countries with a diversified R&D pipeline in cancer, cardio, and infectious disease
- Focused on human and animal health, with strong patent protection and global reach

Growth Catalysts

- Continued growth of Keytruda, now one of the top-selling cancer drugs globally
- Expanding vaccine portfolio (e.g. Gardasil, V116)
- Acquisitions (e.g. Prometheus Biosciences, Caraway Therapeutics) to boost pipeline
- Advancements in oncology, cardiometabolic, and immunology drug development
- Global aging population driving drug demand

Financials

- EPS Growth Next Year: 9.63%
- EPS Growth Next 3 Years: 10.16%
- ROE: 35.91%
- ROIC: 18.60%
- 5 Yr Avg. Net Profit Margin: 18.81%
- 5 Yr Avg. Gross Margin: 72.25%
- 5 Yr Avg. FCF Margin: 20.88%
- 5 Yr Avg. Revenue Growth: 7.16%
- 5 Yr Avg. CAPEX to Revenue: 7.90%
- 5 Yr Avg. EPS Growth: 937.08%
- Debt to Equity: 0.72
- Net Debt to EBITDA: 1.05

Dividend Profile

- Forward Dividend: \$3.20/year
- Yield: 3.76%
- 5 Yr Avg Dividend Yield: 2.96%
- Payout Ratio: 48.40%
- Dividend Growth Streak: 14 years
- 5-Year Dividend CAGR: 6.91%
- Dividend Coverage Ratio: 2.11
- Strong and growing dividend
- Well-covered and stable
- Above-average yield for the healthcare sector

Stock Returns & Valuation

- Price: \$84.71
 - 52-Week High: \$122.30
 - 52-Week Low: \$73.31
 - 1 Month Return: 5.31%
 - 1 Year Return: -26.41%
 - YTD Return: -15.09%
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- P/E: 12.96
 - Historical P/E: 171.11
 - Price / FCF: 12.47
 - BETA: 0.38
 - PEG: 1.35

SWOT Analysis

Strengths:

- Blockbuster drug portfolio with strong pricing power
- Consistent dividend growth
- Large and productive R&D pipeline

Opportunities:

- New drug launches in oncology and cardiology
- Pipeline expansion via M&A and biotech partnerships
- Increased vaccine uptake globally

Weaknesses:

- Heavy reliance on Keytruda for earnings
- Exposure to regulatory price pressures

Threats:

- Generic/biosimilar competition post-patent
- Drug pricing reform (U.S. and abroad)
- Litigation or safety issues on key drugs

Investment Thesis

MRK is a high-quality dividend growth stock in the defensive healthcare sector. It blends strong cash flow, consistent dividend hikes, and powerful innovation with global demand tailwinds.

Quality Score

B+

As of 9/7/2025



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