

Keytruda and Gardasil lead Merck's earnings beat



[Lisa Urquhart](#)

Keytruda is the gift that keeps on giving, with the PD-1 checkpoint inhibitor smashing expectations in [Merck & Co's second-quarter earnings](#); global sales surged 19% to \$6.3bn. Merck also reported unexpectedly high sales of the HPV vaccine Gardasil, as huge demand in China pushed sales up by 47% to \$2.5bn. Merck added a billion to its full-year sales guidance, taking it to \$58.6-59.6bn, and shares in the group responded accordingly, rising 2% this morning before flattening. Merck put Keytruda's success in the quarter down to strong sales in earlier treatment lines, including in triple-negative breast cancer. The results further emphasise Merck's reliance on Keytruda's income stream, which could start drying up in the next decade through patent expiries. Merck has already announced a string of acquisitions in the hopes of finding replacement revenues, including the [\\$10.8bn takeover of Prometheus earlier this year](#). On today's conference call, chief exec Robert Davis said the group was "out actively looking" and would use its firepower to drive deals. But with earnings per share in the quarter dragged down by the Prometheus buyout Merck will need to be mindful of overpaying for assets.

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