

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF THE INFORMATION PROVIDED IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES THIS REPORT CONSTITUTE AN INVESTMENT RECOMMENDATION OR A BASIS FOR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO CONSULT WITH THEIR FINANCIAL ADVISOR FOR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.

REFINITIV

DELTA REPORT

10-Q

ORGANON & CO.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	3294
CHANGES	227
DELETIONS	2752
ADDITIONS	315

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2024** **September 30, 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 001-40235

Organon & Co.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

46-4838035

(I.R.S. Employer Identification No.)

30 Hudson Street, Floor 33

Jersey City, New Jersey 07302

(Address of principal executive offices) (zip code)

(Registrant's telephone number, including area code) **(551) 430-6900**

Not Applicable

(Former name, former address and former fiscal year, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock (\$0.01 par value)	OGN	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock outstanding as of the close of business on **July 30, 2024** **October 25, 2024**: **257,473,477** **257,538,875**

Table of Contents

		Page No
PART I	FINANCIAL INFORMATION	3
Item 1.	Financial Statements (unaudited)	3
	Condensed Consolidated Statements of Income	3
	Condensed Consolidated Statements of Comprehensive Income	4
	Condensed Consolidated Balance Sheets	5
	Condensed Consolidated Statements of Stockholders' Equity (Deficit)	6
	Condensed Consolidated Statements of Cash Flows	7
	Notes to Condensed Consolidated Financial Statements (unaudited)	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	31 32
Item 4.	Controls and Procedures	31 32
PART II	OTHER INFORMATION	32
Item 1.	Legal Proceedings	32
Item 1A.	Risk Factors	32
Item 5.	Other Information	32
Item 6.	Exhibits	33
	Signatures	

The following notations in this Quarterly Report on Form 10-Q have the meanings as set forth below:

¹ Indicates, in this Form 10-Q for Quarter Ending **June 30, 2024** **September 30, 2024**, brand names of products, that are not available in the United States.

² Indicates, in this Form 10-Q for Quarter Ending **June 30, 2024** **September 30, 2024**, brand names of products, which are trademarks not owned by the Company or its subsidiaries. *Humira* is a trademark registered in the United States in the name of AbbVie Biotechnology Ltd.; *Enbrel* is a trademark registered in the United States in the name of Immunex Corporation; *Remicade* is a trademark registered in the United States in the name of Janssen Biotech, Inc.; *Herceptin* is a trademark registered in the United States in the name of Genentech, Inc.; *Xgeva* and *Prolia* are trademarks registered in the United States in the name of Amgen Inc.; *Emgality* is a trademark registered in the United States in the name of Eli Lilly and Company (used under license); and *Rayvow* is a registered trademark of Eli Lilly in the European Union and other countries (used under license). Brand names of products that are in all italicized letters, without the footnote, are trademarks of, or are otherwise licensed by, Organon and/or one of its subsidiaries.

-2-

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Organon & Co.

Condensed Consolidated Statements of Income

(Unaudited, \$ in millions except shares in thousands and per share amounts)

	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	Nine Months Ended September 30,

2024

Revenues
Revenues
Revenues
Cost of sales
Cost of sales
Cost of sales
Gross profit
Gross profit
Gross profit
Selling, general and administrative
Selling, general and administrative
Selling, general and administrative
Research and development
Research and development
Research and development
Acquired in-process research and development and milestones
Acquired in-process research and development and milestones
Acquired in-process research and development and milestones
Restructuring costs
Restructuring costs
Restructuring costs
Interest expense
Interest expense
Interest expense
Exchange (gains) losses
Exchange (gains) losses
Exchange (gains) losses
Exchange losses
Exchange losses
Exchange losses
Other expense, net
Other expense, net
Other expense, net
Income before income taxes
Income before income taxes
Income before income taxes
Taxes on income
Taxes on income
Taxes on income
Income tax (benefit) expense
Income tax (benefit) expense
Income tax (benefit) expense
Net income
Net income
Net income
Earnings per share:
Earnings per share:
Earnings per share:
Basic
Basic
Basic
Diluted

Diluted

Diluted

Weighted average shares outstanding:

Weighted average shares outstanding:

Weighted average shares outstanding:

Basic

Basic

Basic

Diluted

Diluted

Diluted

The accompanying notes are an integral part of these interim Condensed Consolidated Financial Statements.

-3-

Organon & Co.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited, \$ in millions)

Three Months Ended
June 30,

Three Months Ended
June 30,

Three Months Ended
June 30,

Six Months Ended
June 30,

Three Months Ended
September 30,

Three Months Ended
September 30,

Three Months Ended
September 30,

Nine Months Ended
September 30,

2024

Net income

Net income

Net income

Other Comprehensive (Loss) Income, Net of Taxes:

Other Comprehensive (Loss) Income, Net of Taxes:

Other Comprehensive (Loss) Income, Net of Taxes:

Other Comprehensive Income (Loss), Net of Taxes:

Other Comprehensive Income (Loss), Net of Taxes:

Other Comprehensive Income (Loss), Net of Taxes:

Benefit plan net (loss) gain and prior service credit, net of amortization

Benefit plan net (loss) gain and prior service credit, net of amortization

Benefit plan net (loss) gain and prior service credit, net of amortization

Cumulative translation adjustment

Cumulative translation adjustment

Cumulative translation adjustment

Comprehensive income

Comprehensive income

Comprehensive income

Organon & Co.
Condensed Consolidated Balance Sheets
(Unaudited, \$ in millions except shares in thousands and per share amounts)

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
Assets		
Assets		
Assets		
Current Assets:		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Accounts receivable (net of allowance for doubtful accounts of \$10 in 2024 and \$9 in 2023)		
Inventories (excludes inventories of \$113 in 2024 and \$110 in 2023 classified in Other assets)		
Accounts receivable (net of allowance for doubtful accounts of \$13 in 2024 and \$9 in 2023)		
Inventories (excludes inventories of \$130 in 2024 and \$110 in 2023 classified in Other assets)		
Other current assets		
Total Current Assets		
Property, plant and equipment, net		
Goodwill		
Intangibles, net		
Other assets		
Total Assets		
	Liabilities and Equity	
	Liabilities and Equity	
	Liabilities and Equity	
Current Liabilities:		
Current portion of long-term debt		
Current portion of long-term debt		
Current portion of long-term debt		
Trade accounts payable		
Accrued and other current liabilities		
Income taxes payable		
Total Current Liabilities		
Long-term debt		
Deferred income taxes		
Other noncurrent liabilities		
Total Liabilities		
Contingencies (Note 15)	Contingencies (Note 15)	Contingencies (Note 15)
Organon & Co. Stockholders' Equity (Deficit):		
Organon & Co. Stockholders' Equity (Deficit):		
Organon & Co. Stockholders' Equity (Deficit):		
Common stock, \$0.01 par value		
Authorized - 500,000		
Issued and outstanding - 257,473 in 2024 and 255,626 in 2023		

Common stock, \$0.01 par value
Authorized - 500,000
Issued and outstanding - 257,473 in 2024 and 255,626 in 2023
Common stock, \$0.01 par value
Authorized - 500,000
Issued and outstanding - 257,473 in 2024 and 255,626 in 2023
Common stock, \$0.01 par value
Authorized - 500,000
Issued and outstanding - 257,539 in 2024 and 255,626 in 2023
Common stock, \$0.01 par value
Authorized - 500,000
Issued and outstanding - 257,539 in 2024 and 255,626 in 2023
Common stock, \$0.01 par value
Authorized - 500,000
Issued and outstanding - 257,539 in 2024 and 255,626 in 2023
Additional paid-in capital
Retained earnings
Accumulated other comprehensive loss
Total Stockholders' Equity (Deficit)
Total Liabilities and Stockholders' Equity (Deficit)

The accompanying notes are an integral part of these interim Condensed Consolidated Financial Statements.

Organon & Co.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(Unaudited, \$ in millions, except shares in thousands and per share amounts)

Common Stock	Additional Paid-In Capital	Retained Earnings and (Accumulated Deficit)
--------------	----------------------------	---