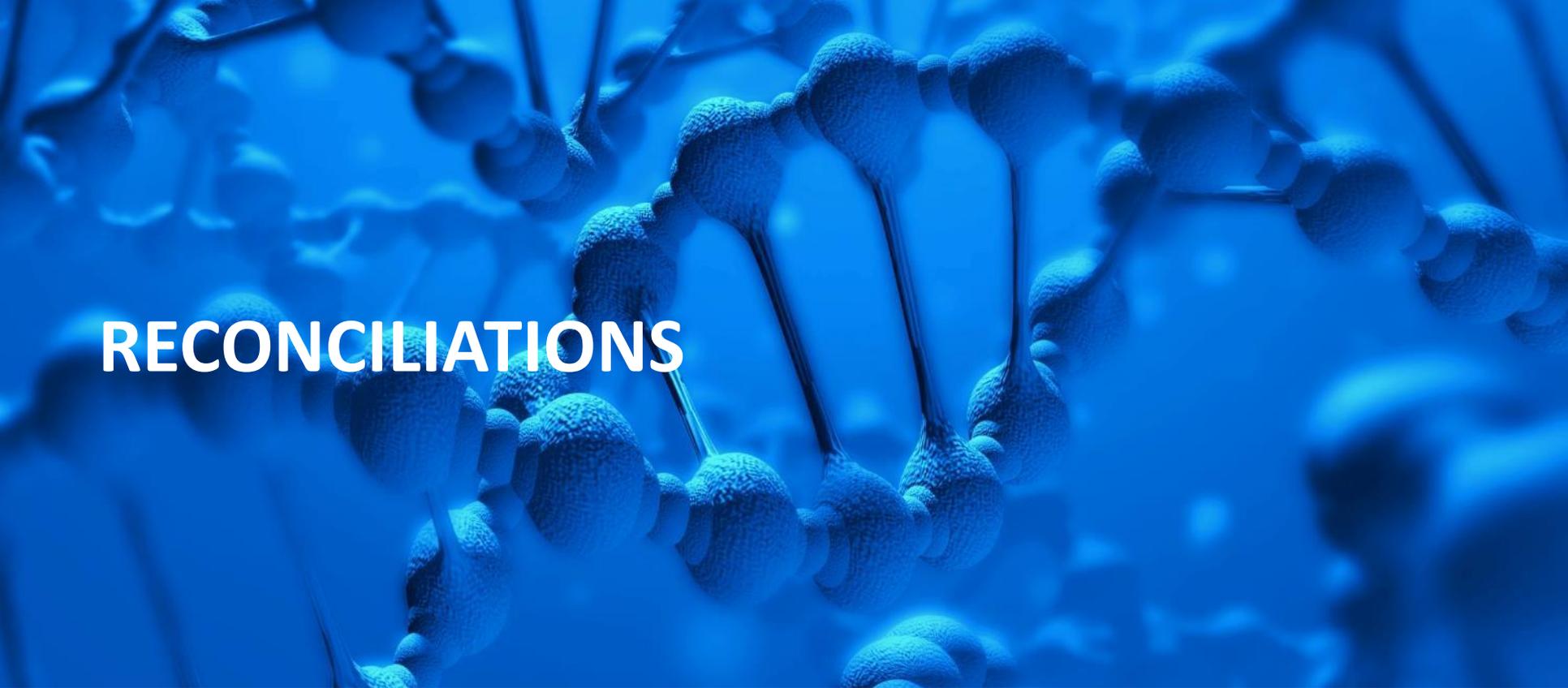


2021

Annual Meeting of Stockholders

May 18, 2021





RECONCILIATIONS

Amgen Inc.
GAAP to Non-GAAP Reconciliations
(Dollars in millions)
(Unaudited)

	Years ended December 31,	
	2020	2019
GAAP cost of sales	\$ 6,159	\$ 4,356
Adjustments to cost of sales:		
Acquisition-related expenses (a)	(2,797)	(1,291)
Non-GAAP cost of sales	<u>\$ 3,362</u>	<u>\$ 3,065</u>
GAAP cost of sales as a percentage of product sales	25.4%	19.6%
Acquisition-related expenses (a)	-11.5	-5.8
Non-GAAP cost of sales as a percentage of product sales	<u>13.9%</u>	<u>13.8%</u>
GAAP research and development expenses	\$ 4,207	\$ 4,116
Adjustments to research and development expenses:		
Acquisition-related expenses (a)	(120)	(87)
Certain net charges pursuant to our restructuring initiatives	(2)	(2)
Total adjustments to research and development expenses	<u>(122)</u>	<u>(89)</u>
Non-GAAP research and development expenses	<u>\$ 4,085</u>	<u>\$ 4,027</u>
GAAP research and development expenses as a percentage of product sales	17.4%	18.5%
Acquisition-related expenses (a)	-0.5	-0.4
Certain net charges pursuant to our restructuring initiatives	0.0	0.0
Non-GAAP research and development expenses as a percentage of product sales	<u>16.9%</u>	<u>18.1%</u>
GAAP selling, general and administrative expenses	\$ 5,730	\$ 5,150
Adjustments to selling, general and administrative expenses:		
Acquisition-related expenses (a)	(85)	(38)
Certain net charges pursuant to our restructuring initiatives	-	1
Other	(2)	-
Total adjustments to selling, general and administrative expenses	<u>(87)</u>	<u>(37)</u>
Non-GAAP selling, general and administrative expenses	<u>\$ 5,643</u>	<u>\$ 5,113</u>
GAAP selling, general and administrative expenses as a percentage of product sales	23.6%	23.2%
Acquisition-related expenses (a)	-0.3	-0.2
Certain net charges pursuant to our restructuring initiatives	0.0	0.0
Other	0.0	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales	<u>23.3%</u>	<u>23.0%</u>
GAAP operating expenses	\$ 16,285	\$ 13,688
Adjustments to operating expenses:		
Adjustments to cost of sales	(2,797)	(1,291)
Adjustments to research and development expenses	(122)	(89)
Adjustments to selling, general and administrative expenses	(87)	(37)
Certain net charges pursuant to our restructuring initiatives	5	(44)
Certain other expenses (b)	(194)	(22)
Total adjustments to operating expenses	<u>(3,195)</u>	<u>(1,483)</u>
Non-GAAP operating expenses	<u>\$ 13,090</u>	<u>\$ 12,205</u>

	Years ended December 31,	
	2020	2019
GAAP operating income	\$ 9,139	\$ 9,674
Adjustments to operating expenses	3,195	1,483
Non-GAAP operating income	<u>\$ 12,334</u>	<u>\$ 11,157</u>
GAAP operating income as a percentage of product sales	37.7%	43.6%
Adjustments to cost of sales	11.5	5.8
Adjustments to research and development expenses	0.5	0.4
Adjustments to selling, general and administrative expenses	0.4	0.2
Certain net charges pursuant to our restructuring initiatives	0.0	0.2
Certain other expenses (b)	0.8	0.0
Non-GAAP operating income as a percentage of product sales	<u>50.9%</u>	<u>50.2%</u>
GAAP interest and other income, net	\$ 256	\$ 753
Adjustments to interest and other income, net (c)	37	-
Non-GAAP interest and other income, net	<u>\$ 293</u>	<u>\$ 753</u>
GAAP income before income taxes	\$ 8,133	\$ 9,138
Adjustments to operating expenses	3,195	1,483
Adjustments to interest and other income, net	37	-
Non-GAAP income before income taxes	<u>\$ 11,365</u>	<u>\$ 10,621</u>
GAAP provision for income taxes	\$ 869	\$ 1,296
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (d)	634	329
Other income tax adjustments (e)	67	(32)
Total adjustments to provision for income taxes	<u>701</u>	<u>297</u>
Non-GAAP provision for income taxes	<u>\$ 1,570</u>	<u>\$ 1,593</u>
GAAP tax as a percentage of income before taxes	10.7%	14.2%
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (d)	2.5	1.1
Other income tax adjustments (e)	0.6	-0.3
Total adjustments to provision for income taxes	<u>3.1</u>	<u>0.8</u>
Non-GAAP tax as a percentage of income before taxes	<u>13.8%</u>	<u>15.0%</u>
GAAP net income	\$ 7,264	\$ 7,842
Adjustments to net income:		
Adjustments to income before income taxes, net of the income tax effect	2,598	1,154
Other income tax adjustments (e)	(67)	32
Total adjustments to net income	<u>2,531</u>	<u>1,186</u>
Non-GAAP net income	<u>\$ 9,795</u>	<u>\$ 9,028</u>

Note: Numbers may not add due to rounding

Provided May 18, 2021, as part of an oral presentation and is qualified by such, contains forward-looking statements, actual results may vary materially; Amgen disclaims any duty to update.



Amgen Inc.
GAAP to Non-GAAP Reconciliations
(Dollars in millions)
(Unaudited)

The following table presents the computations for GAAP and non-GAAP diluted earnings per share.

	Years ended		Years ended	
	December 31, 2020		December 31, 2019	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income.....	\$ 7,264	\$ 9,795	\$ 7,842	\$ 9,028
Weighted-average shares for diluted EPS.....	590	590	609	609
Diluted earnings per share.....	\$ 12.31	\$ 16.60	\$ 12.88	\$ 14.82

- (a) The adjustments related primarily to noncash amortization of intangible assets from business acquisitions.
- (b) For the twelve months ended December 31, 2020, the adjustments related primarily to legal matters. For the twelve months ended December 31, 2019, the adjustments related primarily to an impairment charge associated with a nonkey in-process research and development asset.
- (c) For the twelve months ended December 31, 2020, the adjustments related to the amortization of the basis difference from our BeiGene equity method investment, partially offset by a gain from legal judgment proceeds.
- (d) The tax effect of the adjustments between our GAAP and non-GAAP results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact at the U.S. marginal tax rate for certain adjustments, including the majority of amortization of intangible assets, whereas the tax impact of other adjustments, including restructuring initiatives, depends on whether the amounts are deductible in the respective tax jurisdictions and the applicable tax rate(s) in those jurisdictions. Due to these factors, the effective tax rates for the adjustments to our GAAP income before income taxes, for the twelve months ended December 31, 2020 and 2019, were 19.6% and 22.2%, respectively.
- (e) The adjustments related to certain acquisition items and prior period items excluded from GAAP earnings.