

Reconciliations

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

	Twelve months ended December 31,	
	2025	2024
GAAP cost of sales	\$ 12,037	\$ 12,858
Adjustments to cost of sales:		
Acquisition-related expenses (a)	(5,614)	(7,122)
Non-GAAP cost of sales	\$ 6,423	\$ 5,736
GAAP cost of sales as a percentage of product sales	34.2 %	40.1 %
Acquisition-related expenses (a)	(15.9)	(22.2)
Non-GAAP cost of sales as a percentage of product sales	18.3 %	17.9 %
GAAP research and development expenses	\$ 7,272	\$ 5,964
Adjustments to research and development expenses:		
Acquisition-related expenses (b)	(89)	(86)
Non-GAAP research and development expenses	\$ 7,183	\$ 5,878
GAAP research and development expenses as a percentage of product sales	20.7 %	18.6 %
Acquisition-related expenses (b)	(0.3)	(0.2)
Non-GAAP research and development expenses as a percentage of product sales	20.4 %	18.4 %
GAAP selling, general and administrative expenses	\$ 7,050	\$ 7,096
Adjustments to selling, general and administrative expenses:		
Acquisition-related expenses (c)	(86)	(314)
Certain net charges pursuant to our restructuring and cost-savings initiatives	(22)	—
Total adjustments to selling, general and administrative expenses	(108)	(314)
Non-GAAP selling, general and administrative expenses	\$ 6,942	\$ 6,782
GAAP selling, general and administrative expenses as a percentage of product sales	20.1 %	22.2 %
Acquisition-related expenses (c)	(0.2)	(1.0)
Certain net charges pursuant to our restructuring and cost-savings initiatives	(0.1)	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales	19.8 %	21.2 %
GAAP operating expenses	\$ 27,671	\$ 26,166
Adjustments to operating expenses:		
Adjustments to cost of sales	(5,614)	(7,122)
Adjustments to research and development expenses	(89)	(86)
Adjustments to selling, general and administrative expenses	(108)	(314)
Impairment of intangible assets (d)	(1,200)	(159)
Certain net charges pursuant to our restructuring and cost-savings initiatives	(120)	(36)
Certain other expenses	8	(53)
Total adjustments to operating expenses	(7,123)	(7,770)
Non-GAAP operating expenses	\$ 20,548	\$ 18,396

	Twelve months ended December 31,	
	2025	2024
GAAP operating income	\$ 9,080	\$ 7,258
Adjustments to operating expenses	7,123	7,770
Non-GAAP operating income	\$ 16,203	\$ 15,028
GAAP operating income as a percentage of product sales	25.8 %	22.7 %
Adjustments to cost of sales	15.9	22.2
Adjustments to research and development expenses	0.3	0.2
Adjustments to selling, general and administrative expenses	0.3	1.0
Impairment of intangible assets (d)	3.4	0.5
Certain net charges pursuant to our restructuring and cost-savings initiatives	0.4	0.1
Certain other expenses	0.0	0.2
Non-GAAP operating income as a percentage of product sales	46.1 %	46.9 %
GAAP other income, net	\$ 2,651	\$ 506
Adjustments to other income, net		
Net (gains) losses from equity investments (e)	(2,023)	182
Non-GAAP other income, net	\$ 628	\$ 688
GAAP income before income taxes	\$ 8,976	\$ 4,609
Adjustments to income before income taxes:		
Adjustments to operating expenses	7,123	7,770
Adjustments to other income, net	(2,023)	182
Total adjustments to income before income taxes	5,100	7,952
Non-GAAP income before income taxes	\$ 14,076	\$ 12,561
GAAP provision for income taxes	\$ 1,265	\$ 519
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (f)	919	1,544
Other income tax adjustments (g)	55	(236)
Total adjustments to provision for income taxes	974	1,308
Non-GAAP provision for income taxes	\$ 2,239	\$ 1,827
GAAP tax as a percentage of income before taxes	14.1 %	11.3 %
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (f)	1.4	5.1
Other income tax adjustments (g)	0.4	(1.9)
Total adjustments to provision for income taxes	1.8	3.2
Non-GAAP tax as a percentage of income before taxes	15.9 %	14.5 %
GAAP net income	\$ 7,711	\$ 4,090
Adjustments to net income:		
Adjustments to income before income taxes, net of the income tax effect	4,181	6,408
Other income tax adjustments (g)	(55)	236
Total adjustments to net income	4,126	6,644
Non-GAAP net income	\$ 11,837	\$ 10,734

Note: Numbers may not add due to rounding

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

	Twelve months ended December 31, 2025		Twelve months ended December 31, 2024	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income.....	\$ 7,711	\$ 11,837	\$ 4,090	\$ 10,734
Weighted-average shares for diluted EPS	542	542	541	541
Diluted EPS.....	<u>\$ 14.23</u>	<u>\$ 21.84</u>	<u>\$ 7.56</u>	<u>\$ 19.84</u>

- (a) The adjustments related primarily to noncash amortization of intangible assets and fair value step-up of inventory acquired from business combinations.
- (b) For the twelve months ended December 31, 2025 and 2024, the adjustments related primarily to acquisition-related expenses related to our Horizon acquisition.
- (c) For twelve months ended December 31, 2025 and 2024, the adjustments related primarily to acquisition-related costs related to our Horizon acquisition.
- (d) For the twelve months ended December 31, 2025, the adjustment included intangible asset impairment charges for Otezla®. For the twelve months ended December 31, 2024, the adjustment included impairment charges for in-process R&D assets related to our Teneobio, Inc. acquisition from 2021.
- (e) For the twelve months ended December 31, 2025 and 2024, the adjustments related primarily to our BeOne Medicines Ltd. equity fair value adjustment.
- (f) 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, the tax impact of adjustments, including the amortization of intangible assets and acquired inventory, gains and losses on our investments in equity securities and expenses related to restructuring and cost-savings 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 rate for the adjustments to our GAAP income before income taxes for the twelve months ended December 31, 2025 and 2024 was 18.0% and 19.4%, respectively.
- (g) The adjustments related to certain acquisition-related, prior-period and other items excluded from GAAP earnings.

