



Investor Insights Newsletter

Corporate Profile:

- Amgen discovers, develops, manufactures, and delivers innovative human therapeutics. A biotechnology pioneer since 1980, Amgen was one of the first companies to realize the new science's promise by bringing safe, effective medicines from lab to manufacturing plant to patient. Amgen therapeutics have changed the practice of medicine, helping people around the world in the fight against serious illnesses. With a deep and broad pipeline of potential new medicines, Amgen remains committed to advancing science to dramatically improve people's lives.

Q1 2020 Financial Highlights:

- Total revenues increased 11% to \$6.2 billion in comparison to the first quarter of 2019, driven by higher unit demand, offset partially by lower net selling prices.
- Non-GAAP EPS increased 17% to \$4.17 driven by increased revenues and fewer weighted-average shares outstanding.
- The Company generated \$2.0 billion of free cash flow in the quarter.
- 2020 total revenues guidance reaffirmed at \$25.0 - \$25.6 billion and 2020 non-GAAP EPS guidance reaffirmed at \$14.85 - \$15.60*



MESSAGE FROM BOB BRADWAY, CEO

We are facing an unprecedented global healthcare disruption not seen in any of our lifetimes, but as you can see from our Q1 results, we are operating from a position of strength. We continue to provide an uninterrupted supply of our medicines for patients around the world. Our pivotal studies, including for AMG 510 (sotorasib), tezepelumab and omecamtiv mecarbil, are fully enrolled and expected to read out this year as previously announced. It is clear that innovative science will be required to overcome this pandemic and Amgen is doing its part in leveraging our immunology and antibody expertise in the fight against COVID-19. We maintain a healthy balance sheet, our capital allocation priorities are unchanged and we remain focused on delivering sustained long-term value for our shareholders.

We started the year strong in Q1 with 15% volume-driven growth on a global basis, with 10% in the U.S. and 32% growth ex-U.S. This growth was generated broadly across our newer products. We also continued our seamless integration of Otezla®, successfully completed our integration of the Astellas partnership in Japan and continue to progress the collaboration with BeiGene in China.

Amgen's strength has always come from its people. Like me, they believe in the power of science to make a difference in the world. We often talk about this being the bio-century, a golden age of innovation for biology. We may have met our challenge of the century in SARS-CoV-2, but I hope that all of you share our optimism that this virus will ultimately yield to the relentless efforts of the biopharmaceutical industry. I'm proud of the team at Amgen for coming together to support each other and all those we serve during such a challenging time. I'm proud also of the work we are doing with our industry colleagues to tackle the COVID-19 challenge.

\$Millions, except EPS, dividends paid per share and percentages	Q1'20	Q1'19	YOY Δ
Total Revenues	\$ 6,161	\$ 5,557	11%
GAAP Operating Income	\$ 2,355	\$ 2,472	(5%)
GAAP Net Income	\$ 1,825	\$ 1,992	(8%)
GAAP EPS	\$ 3.07	\$ 3.18	(3%)
Non-GAAP Operating Income	\$ 3,176	\$ 2,770	15%
Non-GAAP Net Income	\$ 2,476	\$ 2,230	11%
Non-GAAP EPS	\$ 4.17	\$ 3.56	17%
Dividends Paid Per Share	\$ 1.60	\$ 1.45	10%

References in this document to "non-GAAP" measures, measures presented "on a non-GAAP basis" and to "free cash flow" (computed by subtracting capital expenditures from operating cash flow) refer to non-GAAP financial measures. Adjustments to the most directly comparable GAAP financial measures and other items are presented on the attached reconciliations.

* Guidance and message from Bob Bradway as of April 30, 2020, and are not being updated at this time.

AMGEN MISSION

To serve patients

AMGEN QUICK FACTS

Headquarters

Thousand Oaks, California

Staff

Approximately 23,400 worldwide

Stock Listing

NASDAQ: AMGN

Chairman, CEO and President

Robert A. Bradway

2019 Financial Highlights

Total revenue: \$23.4 billion

Product sales: \$22.2 billion

Non-GAAP R&D expense: \$4.0 billion

AMGEN PRODUCTS

Aimovig® (erenumab-aooe)

AMGEVITA™ (adalimumab-atto)

Aranesp® (darbepoetin alfa)

BLINCYTO® (blinatumomab)

Corlanor® (ivabradine)

Enbrel® (etanercept)

EPOGEN® (epoetin alfa)

EVENTY® (romosozumab-aqqg)

IMLYGIC® (talimogene laherparepvec)

KANJINTI® (trastuzumab-anns)

KYPROLIS® (carfilzomib)

MVASI® (bevacizumab-awwb)

Neulasta® (pegfilgrastim)

Otezla® (apremilast)

NEUPOGEN® (filgrastim)

Nplate® (romiplostim)

Parsabiv® (etelcalcetide)

Prolia® (denosumab)

Repatha® (evolocumab)

Sensipar® (cinacalcet)

Vectibix® (panitumumab)

XGEVA® (denosumab)

For product information, including important safety information, visit www.amgen.com.

QUESTIONS?

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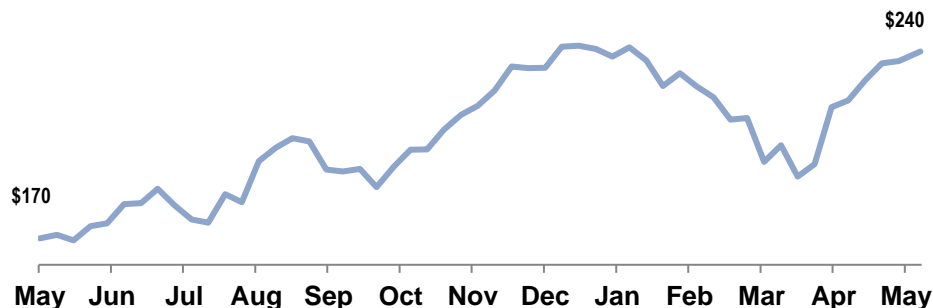
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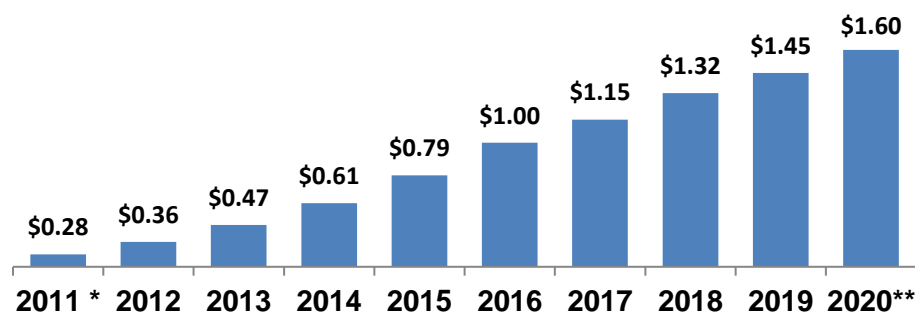
800-937-5449

Stock Price Performance (Last 12 Months)

Source: NASDAQ
(data from 5/15/19 through 5/15/20)



Quarterly Per Share Dividend History



* Dividend initiated in September 2011

** Represents Q1 dividend paid on March 6, 2020 to all stockholders of record as of the close of business on February 14, 2020

Key News:

Managing through COVID-19 Disruption from a Position of Strength

- Continuing to provide uninterrupted supply of medicines for patients around the world
- Solid Q1 performance/execution
- Our pivotal studies are fully enrolled and remain on track for 2020
- Leveraging our immunology and antibody expertise to help in the fight against COVID-19
- Strong balance sheet; capital allocation priorities remain unchanged

Non-GAAP Financial Measures

In this news release, management has presented its operating results for the first quarters of 2020 and 2019, in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and on a non-GAAP basis. In addition, management has presented its full year 2020 EPS and tax rate guidance in accordance with GAAP and on a non-GAAP basis. These non-GAAP financial measures are computed by excluding certain items related to acquisitions, restructuring and certain other items from the related GAAP financial measures. Reconciliations for these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the news release. Management has also presented Free Cash Flow (FCF), which is a non-GAAP financial measure, for the first quarters of 2020 and 2019. FCF is computed by subtracting capital expenditures from operating cash flow, each as determined in accordance with GAAP.

The Company believes that its presentation of non-GAAP financial measures provides useful supplementary information to and facilitates additional analysis by investors. The Company uses certain non-GAAP financial measures to enhance an investor's overall understanding of the financial performance and prospects for the future of the Company's ongoing business activities by facilitating comparisons of results of ongoing business operations among current, past and future periods. The Company believes that FCF provides a further measure of the Company's liquidity.

The Company uses the non-GAAP financial measures set forth in the news release in connection with its own budgeting and financial planning internally to evaluate the performance of the business, including to allocate resources and to evaluate results relative to incentive compensation targets. The non-GAAP financial measures are in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

Forward-Looking Statements

This news release contains forward-looking statements that are based on the current expectations and beliefs of Amgen and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including any statements on the outcome, benefits and synergies of collaborations, or potential collaborations, with any other company, including Adaptive Biotechnologies (including statements regarding such collaboration's ability to discover and develop fully-human neutralizing antibodies targeting SARS-CoV-2 to potentially prevent or treat COVID-19), BeiGene, Ltd., or the Otezla® (apremilast) acquisition, including anticipated Otezla sales growth and the timing of non-GAAP EPS accretion, as well as estimates of revenues, operating margins, capital expenditures, cash, other financial metrics, expected legal, arbitration, political, regulatory or clinical results or practices, customer and prescriber patterns or practices, reimbursement activities and outcomes, effects of pandemics or other widespread health problems such as the ongoing COVID-19 pandemic on our business, outcomes progress, or effects relating to studies of Otezla as a potential treatment for COVID-19, and other such estimates and results. Forward-looking statements involve significant risks and uncertainties, including those discussed below and more fully described in the Securities and Exchange Commission (SEC) reports filed by Amgen, including our most recent annual report on Form 10-K and any subsequent periodic reports on Form 10-Q and current reports on Form 8-K. Please refer to Amgen's most recent Forms 10-K, 10-Q and 8-K for additional information on the uncertainties and risk factors related to our business. Unless otherwise noted, Amgen is providing this information as of the date of this news release and does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

No forward-looking statement can be guaranteed and actual results may differ materially from those we project. Our results may be affected by our ability to successfully market both new and existing products domestically and internationally, clinical and regulatory developments involving current and future products, sales growth of recently launched products, competition from other products including biosimilars, difficulties or delays in manufacturing our products and global economic conditions. In addition, sales of our products are affected by pricing pressure, political and public scrutiny and reimbursement policies imposed by third-party payers, including governments, private insurance plans and managed care providers and may be affected by regulatory, clinical and guideline developments and domestic and international trends toward managed care and healthcare cost containment. Furthermore, our research, testing, pricing, marketing and other operations are subject to extensive regulation by domestic and foreign government regulatory authorities. We or others could identify safety, side effects or manufacturing problems with our products, including our devices, after they are on the market. Our business may be impacted by government investigations, litigation and product liability claims. In addition, our business may be impacted by the adoption of new tax legislation or exposure to additional tax liabilities. If we fail to meet the compliance obligations in the corporate integrity agreement between us and the U.S. government, we could become subject to significant sanctions. Further, while we routinely obtain patents for our products and technology, the protection offered by our patents and patent applications may be challenged, invalidated or circumvented by our competitors, or we may fail to prevail in present and future intellectual property litigation. We perform a substantial amount of our commercial manufacturing activities at a few key facilities, including in Puerto Rico, and also depend on third parties for a portion of our manufacturing activities, and limits on supply may constrain sales of certain of our current products and product candidate development. An outbreak of disease or similar public health threat, such as COVID-19, and the public and governmental effort to mitigate against the spread of such disease, could have a significant adverse effect on the supply of materials for our manufacturing activities, the distribution of our products, the commercialization of our product candidates, and our clinical trial operations, and any such events may have a material adverse effect on our product development, product sales, business and results of operations. We rely on collaborations with third parties for the development of some of our product candidates and for the commercialization and sales of some of our commercial products. In addition, we compete with other companies with respect to many of our marketed products as well as for the discovery and development of new products. Discovery or identification of new product candidates or development of new indications for existing products cannot be guaranteed and movement from concept to product is uncertain; consequently, there can be no guarantee that any particular product candidate or development of a new indication for an existing product will be successful and become a commercial product. Further, some raw materials, medical devices and component parts for our products are supplied by sole third-party suppliers. Certain of our distributors, customers and payers have substantial purchasing leverage in their dealings with us. The discovery of significant problems with a product similar to one of our products that implicate an entire class of products could have a material adverse effect on sales of the affected products and on our business and results of operations. Our efforts to collaborate with or acquire other companies, products or technology, and to integrate the operations of companies or to support the products or technology we have acquired, may not be successful. A breakdown, cyberattack or information security breach could compromise the confidentiality, integrity and availability of our systems and our data. Our stock price is volatile and may be affected by a number of events. Our business performance could affect or limit the ability of our Board of Directors to declare a dividend or our ability to pay a dividend or repurchase our common stock. We may not be able to access the capital and credit markets on terms that are favorable to us, or at all.

Amgen Inc.
Consolidated Statements of Income - GAAP
(In millions, except per-share data)
(Unaudited)

	Three months ended March 31,	
	2020	2019
Revenues:		
Product sales	\$ 5,894	\$ 5,286
Other revenues	267	271
Total revenues	<u>6,161</u>	<u>5,557</u>
Operating expenses:		
Cost of sales	1,513	1,055
Research and development	952	879
Selling, general and administrative	1,316	1,154
Other	25	(3)
Total operating expenses	<u>3,806</u>	<u>3,085</u>
Operating income	2,355	2,472
Interest expense, net	346	343
Interest and other income, net	<u>11</u>	<u>185</u>
Income before income taxes	2,020	2,314
Provision for income taxes	<u>195</u>	<u>322</u>
Net income	<u>\$ 1,825</u>	<u>\$ 1,992</u>
Earnings per share:		
Basic	\$ 3.09	\$ 3.20
Diluted	\$ 3.07	\$ 3.18
Weighted-average shares used in calculation of earnings per share:		
Basic	590	622
Diluted	594	626

Amgen Inc.
Consolidated Balance Sheets - GAAP
(In millions)

	March 31, 2020 (Unaudited)	December 31, 2019
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	\$ 8,012	\$ 8,911
Trade receivables, net	5,009	4,057
Inventories	3,682	3,584
Other current assets	2,110	1,888
Total current assets	18,813	18,440
Property, plant and equipment, net	4,879	4,928
Intangible assets, net	18,653	19,413
Goodwill	14,683	14,703
Other assets	4,641	2,223
Total assets	\$ 61,669	\$ 59,707
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 9,987	\$ 9,882
Current portion of long-term debt	1,840	2,953
Total current liabilities	11,827	12,835
Long-term debt	30,008	26,950
Long-term deferred tax liabilities	427	606
Long-term tax liabilities	8,111	8,037
Other noncurrent liabilities	1,811	1,606
Total stockholders' equity	9,485	9,673
Total liabilities and stockholders' equity	\$ 61,669	\$ 59,707
Shares outstanding	588	591

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

	Three months ended March 31,	
	2020	2019
GAAP cost of sales	\$ 1,513	\$ 1,055
Adjustments to cost of sales:		
Acquisition-related expenses (a)	(742)	(276)
Total adjustments to cost of sales	(742)	(276)
Non-GAAP cost of sales	\$ 771	\$ 779
GAAP cost of sales as a percentage of product sales	25.7%	20.0%
Acquisition-related expenses (a)	-12.6	-5.3
Non-GAAP cost of sales as a percentage of product sales	13.1%	14.7%
GAAP research and development expenses	\$ 952	\$ 879
Adjustments to research and development expenses:		
Acquisition-related expenses (a)	(25)	(20)
Total adjustments to research and development expenses	(25)	(20)
Non-GAAP research and development expenses	\$ 927	\$ 859
GAAP research and development expenses as a percentage of product sales	16.2%	16.6%
Acquisition-related expenses (a)	-0.5	-0.3
Non-GAAP research and development expenses as a percentage of product sales	15.7%	16.3%
GAAP selling, general and administrative expenses	\$ 1,316	\$ 1,154
Adjustments to selling, general and administrative expenses:		
Acquisition-related expenses (a)	(29)	(4)
Certain net charges pursuant to our restructuring initiatives	—	(1)
Total adjustments to selling, general and administrative expenses	(29)	(5)
Non-GAAP selling, general and administrative expenses	\$ 1,287	\$ 1,149
GAAP selling, general and administrative expenses as a percentage of product sales	22.3%	21.8%
Acquisition-related expenses (a)	-0.5	-0.1
Certain net charges pursuant to our restructuring initiatives	0.0	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales	21.8%	21.7%
GAAP operating expenses	\$ 3,806	\$ 3,085
Adjustments to operating expenses:		
Adjustments to cost of sales	(742)	(276)
Adjustments to research and development expenses	(25)	(20)
Adjustments to selling, general and administrative expenses	(29)	(5)
Certain net charges pursuant to our restructuring initiatives	2	1
Acquisition-related adjustments (b)	(27)	2
Total adjustments to operating expenses	(821)	(298)
Non-GAAP operating expenses	\$ 2,985	\$ 2,787
GAAP operating income	\$ 2,355	\$ 2,472
Adjustments to operating expenses	821	298
Non-GAAP operating income	\$ 3,176	\$ 2,770

	Three months ended March 31,	
	2020	2019
GAAP operating income as a percentage of product sales	40.0%	46.8%
Adjustments to cost of sales	12.6	5.3
Adjustments to research and development expenses	0.5	0.3
Adjustments to selling, general and administrative expenses	0.5	0.1
Certain net charges pursuant to our restructuring initiatives	-0.1	0.0
Acquisition-related adjustments (b)	0.4	-0.1
Non-GAAP operating income as a percentage of product sales	53.9%	52.4%
GAAP income before income taxes	\$ 2,020	\$ 2,314
Adjustments to operating expenses	821	298
Non-GAAP income before income taxes	\$ 2,841	\$ 2,612
GAAP provision for income taxes	\$ 195	\$ 322
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (c)	171	68
Other income tax adjustments (d)	(1)	(8)
Total adjustments to provision for income taxes	170	60
Non-GAAP provision for income taxes	\$ 365	\$ 382
GAAP tax as a percentage of income before taxes	9.7%	13.9%
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (c)	3.1	1.0
Other income tax adjustments (d)	0.0	-0.3
Total adjustments to provision for income taxes	3.1	0.7
Non-GAAP tax as a percentage of income before taxes	12.8%	14.6%
GAAP net income	\$ 1,825	\$ 1,992
Adjustments to net income:		
Adjustments to income before income taxes, net of the income tax effect	650	230
Other income tax adjustments (d)	1	8
Total adjustments to net income	651	238
Non-GAAP net income	\$ 2,476	\$ 2,230

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

	Three months ended December 31,		Years ended December 31,	
	2019	2018	2019	2018
GAAP cost of sales	\$ 1,253	\$ 1,096	\$ 4,356	\$ 4,101
Adjustments to cost of sales:				
Acquisition-related expenses (a)	(463)	(276)	(1,291)	(1,099)
Certain net charges pursuant to our restructuring initiatives	—	(1)	—	(1)
Total adjustments to cost of sales	(463)	(277)	(1,291)	(1,100)
Non-GAAP cost of sales	\$ 790	\$ 819	\$ 3,065	\$ 3,001
GAAP cost of sales as a percentage of product sales	21.3%	18.3%	19.6%	18.2%
Acquisition-related expenses (a)	-7.9	-4.7	-5.8	-4.9
Certain net charges pursuant to our restructuring initiatives	0.0	0.0	0.0	0.0
Non-GAAP cost of sales as a percentage of product sales	13.4%	13.6%	13.8%	13.3%
GAAP research and development expenses	\$ 1,312	\$ 1,182	\$ 4,116	\$ 3,737
Adjustments to research and development expenses:				
Acquisition-related expenses (a)	(25)	(19)	(87)	(78)
Certain net charges pursuant to our restructuring initiatives	(2)	(1)	(2)	(2)
Total adjustments to research and development expenses	(27)	(20)	(89)	(80)
Non-GAAP research and development expenses	\$ 1,285	\$ 1,162	\$ 4,027	\$ 3,657
GAAP research and development expenses as a percentage of product sales	22.3%	19.7%	18.5%	16.6%
Acquisition-related expenses (a)	-0.4	-0.3	-0.4	-0.4
Certain net charges pursuant to our restructuring initiatives	0.0	0.0	0.0	0.0
Non-GAAP research and development expenses as a percentage of product sales	21.9%	19.4%	18.1%	16.2%
GAAP selling, general and administrative expenses	\$ 1,513	\$ 1,559	\$ 5,150	\$ 5,332
Adjustments to selling, general and administrative expenses:				
Acquisition-related expenses (a)	(12)	(19)	(38)	(84)
Certain net charges pursuant to our restructuring initiatives	—	(8)	1	(16)
Total adjustments to selling, general and administrative expenses	(12)	(27)	(37)	(100)
Non-GAAP selling, general and administrative expenses	\$ 1,501	\$ 1,532	\$ 5,113	\$ 5,232
GAAP selling, general and administrative expenses as a percentage of product sales	25.7%	26.0%	23.2%	23.7%
Acquisition-related expenses (a)	-0.2	-0.3	-0.2	-0.4
Certain net charges pursuant to our restructuring initiatives	0.0	-0.2	0.0	-0.1
Non-GAAP selling, general and administrative expenses as a percentage of product sales	25.5%	25.5%	23.0%	23.2%
GAAP operating expenses	\$ 4,149	\$ 3,848	\$ 13,688	\$ 13,484
Adjustments to operating expenses:				
Adjustments to cost of sales	(463)	(277)	(1,291)	(1,100)
Adjustments to research and development expenses	(27)	(20)	(89)	(80)
Adjustments to selling, general and administrative expenses	(12)	(27)	(37)	(100)
Certain net charges pursuant to our restructuring initiatives	(46)	(1)	(44)	7
Certain other expenses	—	—	—	(25)
Acquisition-related adjustments (b)	(25)	(10)	(22)	(296)
Total adjustments to operating expenses	(573)	(335)	(1,483)	(1,594)
Non-GAAP operating expenses	\$ 3,576	\$ 3,513	\$ 12,205	\$ 11,890
GAAP operating income	\$ 2,048	\$ 2,382	\$ 9,674	\$ 10,263
Adjustments to operating expenses	573	335	1,483	1,594
Non-GAAP operating income	\$ 2,621	\$ 2,717	\$ 11,157	\$ 11,857

Amgen Inc.
GAAP to Non-GAAP Reconciliations
(In millions, except per-share data)
(Unaudited)

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

	Three months ended March 31, 2020		Three months ended March 31, 2019	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	\$ 1,825	\$ 2,476	\$ 1,992	\$ 2,230
Weighted-average shares for diluted EPS	594	594	626	626
Diluted EPS	<u>\$ 3.07</u>	<u>\$ 4.17</u>	<u>\$ 3.18</u>	<u>\$ 3.56</u>

- (a) The adjustments related primarily to noncash amortization of intangible assets from business acquisitions.
- (b) For the three months ended March 31, 2020 the adjustment related primarily to an impairment charge associated with an in-process research and development asset.
- (c) 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 three months ended March 31, 2020, was 20.8%, compared with 22.8% for the corresponding period of the prior year.
- (d) The adjustments related to certain acquisition items and prior period items excluded from GAAP earnings.

Amgen Inc.
Reconciliations of Cash Flows
(In millions)
(Unaudited)

	Three months ended March 31,	
	2020	2019
Net cash provided by operating activities	\$ 2,134	\$ 1,845
Net cash (used in) provided by investing activities	(230)	3,555
Net cash used in financing activities	(254)	(4,987)
Increase in cash and cash equivalents	1,650	413
Cash and cash equivalents at beginning of period	6,037	6,945
Cash and cash equivalents at end of period	<u>\$ 7,687</u>	<u>\$ 7,358</u>

	Three months ended March 31,	
	2020	2019
Net cash provided by operating activities	\$ 2,134	\$ 1,845
Capital expenditures	(142)	(116)
Free cash flow	<u>\$ 1,992</u>	<u>\$ 1,729</u>

Amgen Inc.
Reconciliation of GAAP EPS Guidance to Non-GAAP
EPS Guidance for the Year Ending December 31, 2020
(Unaudited)

GAAP diluted EPS guidance	\$ 10.65	—	\$ 11.45
Known adjustments to arrive at non-GAAP*:			
Acquisition-related expenses (a)	4.25	—	4.30
Legal settlement proceeds		(0.10)	
Non-GAAP diluted EPS guidance	<u>\$ 14.85</u>	<u>—</u>	<u>\$ 15.60</u>

* The known adjustments are presented net of their related tax impact, which amount to approximately \$0.97 per share.

(a) The adjustments relate primarily to noncash amortization of intangible assets acquired in business acquisitions.

Our GAAP diluted EPS guidance does not include the effect of GAAP adjustments triggered by events that may occur subsequent to this press release such as acquisitions, asset impairments, litigation and changes in the fair value or our contingent consideration.

Reconciliation of GAAP Tax Rate Guidance to Non-GAAP
Tax Rate Guidance for the Year Ending December 31, 2020
(Unaudited)

GAAP tax rate guidance	10.5%	—	11.5%
Tax rate of known adjustments discussed above		3.0%	
Non-GAAP diluted EPS guidance	<u>13.5%</u>	<u>—</u>	<u>14.5%</u>