# Q1 ’20 EARNINGS CALL

## APRIL 30, 2020

# SAFE HARBOR STATEMENT

This presentation contains forward-looking statements that are based on management's current expectations and beliefs 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 Amgen's 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 April 30, 2020 and expressly disclaims any duty to update information contained in this presentation.

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.

The information relating to our Q1 results is expressly limited to information through March 31, 2020, do not reflect the full effects of the ongoing COVID-19 pandemic on our business, including disruptions and effects on our product sales and extrapolation on such results should include the timing and effects of the COVID-19 pandemic discussed in our oral presentation and our Form 10-Q for the period ended March 31, 2020.

This presentation includes GAAP and non-GAAP financial measures. In accordance with the requirements of SEC Regulation G, reconciliations between these two measures, if these slides are in hard copy, accompany the hard copy presentation or, if these slides are delivered electronically, are available on the Company's website at www.amgen.com within the Investors section.

# AGENDA

| | |
|---|---|
| Introduction | Arvind Sood |
| Opening Remarks | Bob Bradway |
| R&D Review | David Reese |
| Global Commercial Review | Murdo Gordon |
| Q1 ’20 Business Results and Outlook | Peter Griffith |
| Q&A | All |

# MANAGING THROUGH DISRUPTION FROM A POSITION OF STRENGTH

- **Continuing to provide uninterrupted supply of medicines for patients around the world**
- **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**
- **Solid Q1 performance/execution**
- **Strong balance sheet; capital allocation priorities remain unchanged**

# R&D REVIEW

**DAVID REESE, M.D.**
EXECUTIVE VICE PRESIDENT,
RESEARCH AND DEVELOPMENT

AMGEN 40 YEARS

# Q1 ’20 EARNINGS CALL—R&D REVIEW

## Oncology

- **AMG 510 (sotorasib)—KRAS G12C inhibitor**
  - **Continue to expect initial data in 2020 from potentially pivotal Phase 2 non-small cell lung cancer (NSCLC) monotherapy study, including at least six months of response data**
  - **Updated results from Phase 1 monotherapy study in patients with colorectal cancer (CRC) and solid tumor types other than CRC and NSCLC to be presented at Virtual ASCO20 in May**
- **BiTE® molecules**
  - **Additional data from first-in-human dose escalation study of AMG 330 (CD33) to be presented at ASCO**
  - **Data from first-in-human dose escalation studies expected in H2 2020 for HLE-BiTE® molecules AMG 701 (BCMA), AMG 160 (PSMA) and AMG 757 (DLL3)**
- **KYPROLIS®**
  - **November 15, 2020 PDUFA target action date in U.S. for Phase 3 CANDOR data submission**
  - **Indication based on Phase 3 CANDOR data under regulatory review in EU**
- **XGEVA®**
  - **Under regulatory review in China for the treatment of skeletal-related events**
- **ABP 798 (biosimilar rituximab)**
  - **December 19, 2020 BsUFA target action date in U.S.**

**KRAS G12C = Kirsten rat sarcoma viral oncogene homolog with G12C mutation; ASCO = American Society of Clinical Oncology; BiTE® = bispecific T-cell engager; HLE = half-life extended; BCMA = B-cell maturation antigen; PSMA = prostate specific membrane antigen; DLL3 = delta-like ligand 3; PDUFA = Prescription Drug User Fee Act; BsUFA = Biosimilar User Fee Act**

# Q1 ’20 EARNINGS CALL—R&D REVIEW

## Inflammation

- **Otezla®**
  - Entering COVID-19 clinical trials in the coming weeks
  - Integration, Development and Regulatory activities on track
    - Phase 3 data in patients with mild-to-moderate psoriasis expected in Q2 ’20
    - U.S. label updated with data from Phase 3 scalp psoriasis study
    - Approved in EU for treatment of oral ulcers associated with Behçet’s disease
- **Tezepelumab—TSLP monoclonal antibody**
  - Continue to expect data in late 2020 from Phase 3 NAVIGATOR study in severe uncontrolled asthma

## Cardiovascular

- **Omecamtiv mecarbil—cardiac myosin activator**
  - Continue to expect data from Phase 3 GALACTIC-HF study in Q4 ’20
- **Repatha®**
  - Significantly reduced low-density lipoprotein cholesterol (LDL-C) in HIV-positive patients with elevated LDL-C despite stable background lipid-lowering therapy
- **AMG 890—Lipoprotein(a) siRNA**
  - Phase 2 study to begin H2 2020

TSLP = thymic stromal lymphopoietin; HIV = human immunodeficiency virus; siRNA = short interfering ribonucleic acid; Tezepelumab is being developed in collaboration with AstraZeneca; Omecamtiv mecarbil is being developed under a collaboration between Amgen and Cytokinetics, with funding and strategic support from Servier

# OUR RESPONSE TO COVID-19

## Leveraging Our Expertise in the Fight Against COVID-19

- **Collaboration with Adaptive Biotechnologies to discover and develop fully human neutralizing antibodies targeting SARS-CoV-2**
- **Otezla® will be investigated as a potential immunomodulatory treatment in adult patients with COVID-19 in upcoming platform trials**

## Maintaining Our Executional Excellence Through COVID-19 Pandemic

- **Enrollment paused in clinical trials where there is uncertainty around the ability of sites to ensure subject safety or data integrity**
- **Study start-up activities continuing where possible to allow rapid site activation and enrollment when that becomes feasible**
- **Study procedures implemented consistent with recent regulatory guidance to maintain patient safety and study data integrity**
- **Research activities increasing in various geographies as the situation safely permits**
- **Engaging with medical conferences and journals to ensure continued dissemination of important data in a timely manner**

# GLOBAL COMMERCIAL REVIEW

**MURDO GORDON**
EXECUTIVE VICE PRESIDENT,
GLOBAL COMMERCIAL OPERATIONS

AMGEN 40 YEARS

# Q1 ’20 GLOBAL COMMERCIAL REVIEW

| $ Millions, Net Sales | Q1 ’20 | | | Q1 ’19 | YoY △ |
|---|---|---|---|---|---|
| | U.S. | ROW | Total | Total | Total |
| Prolia® | 422 | 232 | 654 | 592 | 10% |
| EVENITY® | 37 | 63 | 100 | 17 | NM |
| Repatha® | 124 | 105 | 229 | 141 | 62% |
| Aimovig® | 71 | – | 71 | 59 | 20% |
| Otezla® | 377 | 102 | 479 | – | NM |
| Enbrel® | 1,117 | 36 | 1,153 | 1,151 | 0% |
| AMGEVITA™ | – | 86 | 86 | 31 | NM |
| KYPROLIS® | 187 | 93 | 280 | 245 | 14% |
| XGEVA® | 355 | 126 | 481 | 471 | 2% |
| Vectibix® | 80 | 122 | 202 | 170 | 19% |
| Nplate® | 127 | 91 | 218 | 189 | 15% |
| BLINCYTO® | 57 | 37 | 94 | 69 | 36% |
| Neulasta® | 534 | 75 | 609 | 1,021 | (40%) |
| KANJINTI® | 96 | 23 | 119 | 24 | NM |
| MVASI® | 108 | 7 | 115 | – | NM |
| NEUPOGEN® | 45 | 20 | 65 | 73 | (11%) |
| EPOGEN® | 155 | – | 155 | 219 | (29%) |
| Aranesp® | 175 | 247 | 422 | 414 | 2% |
| Sensipar®/Mimpara® | 42 | 81 | 123 | 213 | (42%) |
| Parsabiv® | 146 | 29 | 175 | 126 | 39% |
| Other* | 24 | 40 | 64 | 61 | 5% |
| Total Product Sales | $4,279 | $1,615 | $5,894 | $5,286 | 12% |
| Total Revenue | | | $6,161 | $5,557 | 11% |

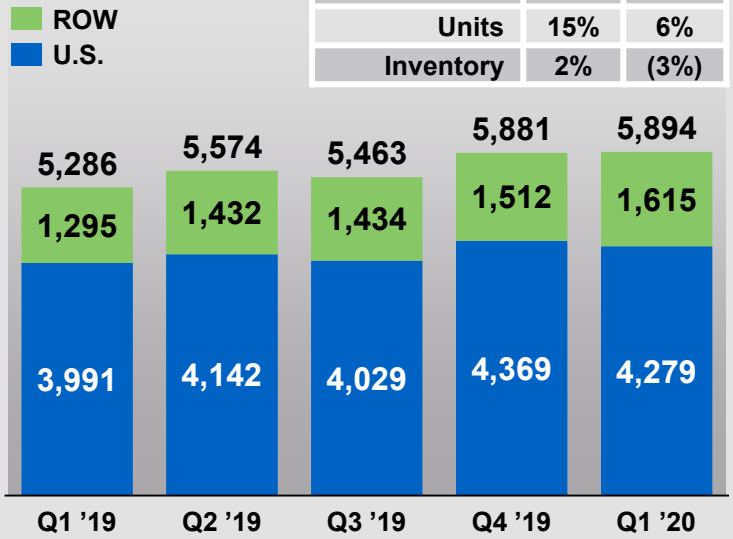
NM = not meaningful

*Other includes GENSENTA, IMLYGIC®, Corlanor® and Bergamo

# Q1 ’20 PRODUCT SALES

## $ Millions, Net Sales

| | Q1 ’20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | | 12% | 0% |
| Units | | 15% | 6% |
| Inventory | | 2% | (3%) |



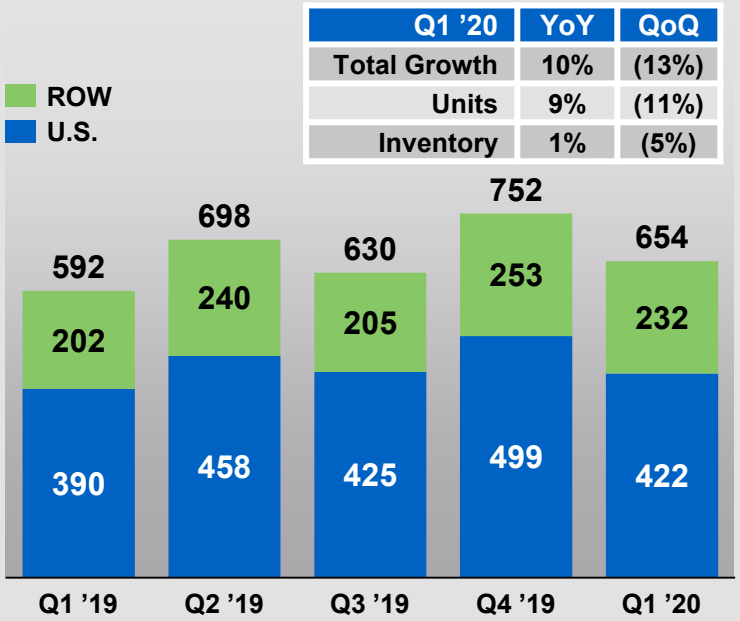

## Q1 ’20 Highlights

- Growth brands including Otezla® delivered volume-driven growth
- International sales grew 27% YoY, excluding the impact of foreign exchange,* driven by 32% volume growth

*Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section
Note: Inventory represents wholesaler and, based on prescription data for Enbrel®, end-user inventories

# Q1 ’20 PROLIA® SALES GREW 10% YOY

## $ Millions, Net Sales




| | Q1 ’20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | | 10% | (13%) |
| Units | | 9% | (11%) |
| Inventory | | 1% | (5%) |

## Q1 ’20 Highlights

- YoY growth driven by higher unit demand
- Negative impact of COVID-19 on in-office injections beginning in March
- Exploring novel solutions to address continuity of care

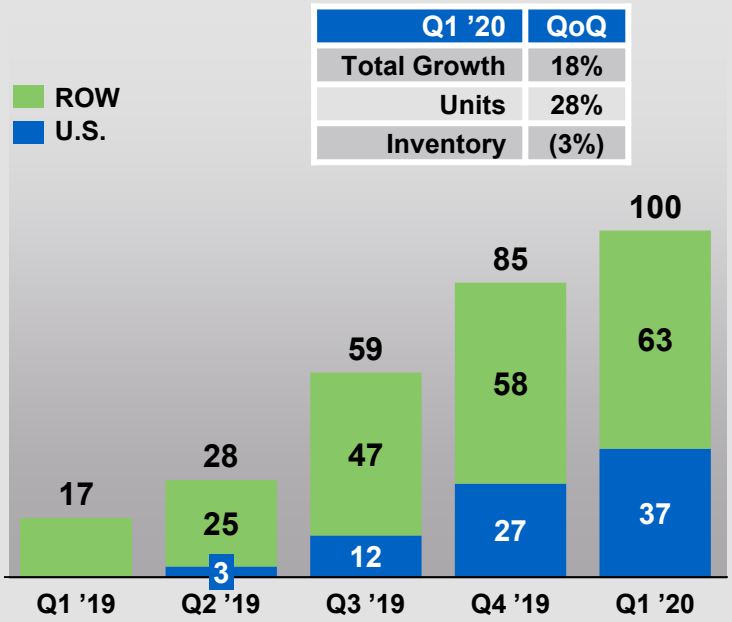
**Note: Inventory represents wholesaler inventories**

Provided April 30, 2020, 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.

# EVENITY® GENERATED $100M IN SALES IN Q1 ’20

EVENITY®
(romosozumab-aqqg)
injection 105 mg/1.17 mL

## $ Millions, Net Sales




## Q1 ’20 Highlights

- Uptake was strong in Japan and the U.S.
- Complementary with Prolia® in addressing fractures related to postmenopausal osteoporosis

Note: Inventory represents wholesaler inventories

EVENITY® is developed and commercialized in collaboration with UCB globally, as well as our collaboration partner Astellas in Japan





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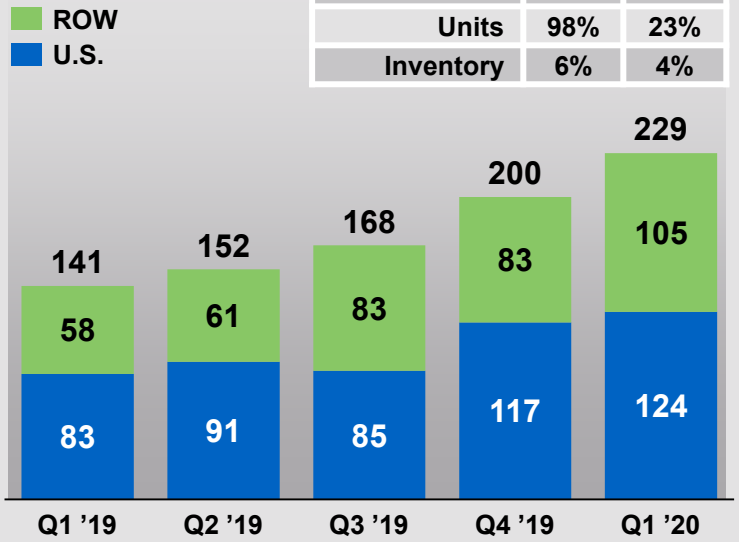
# Q1 ’20 REPATHA® SALES GREW 62% YOY

## $ Millions, Net Sales

| | Q1 ’20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | 62% | 15% | |
| Units | 98% | 23% | |
| Inventory | 6% | 4% | |




## Q1 ’20 Highlights

- Efforts to improve access and affordability yielded strong results
- YoY growth driven by higher unit demand, offset partially by lower net selling price*
- 93% volume growth in U.S. in Q1
- Repatha® exited Q1 with ~ 80% share of new prescriptions

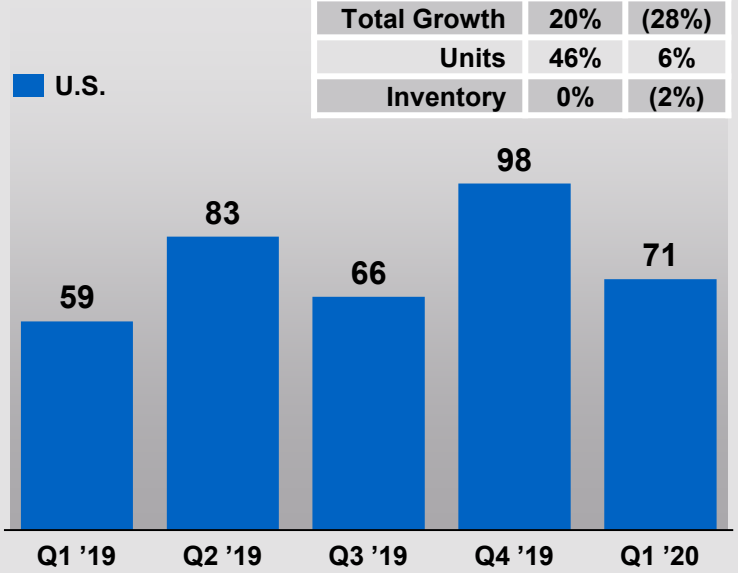
*Net selling price represents the impact of list price changes as well as contracting and access changes

Note: Inventory represents wholesaler inventories

# AIMOVIG® CONTINUES TO TRANSFORM THE TREATMENT OF MIGRAINE

## $ Millions, Net Sales

| | Q1 '20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | 20% | (28%) | |
| Units | 46% | 6% | |
| Inventory | 0% | (2%) | |




## Q1 '20 Highlights

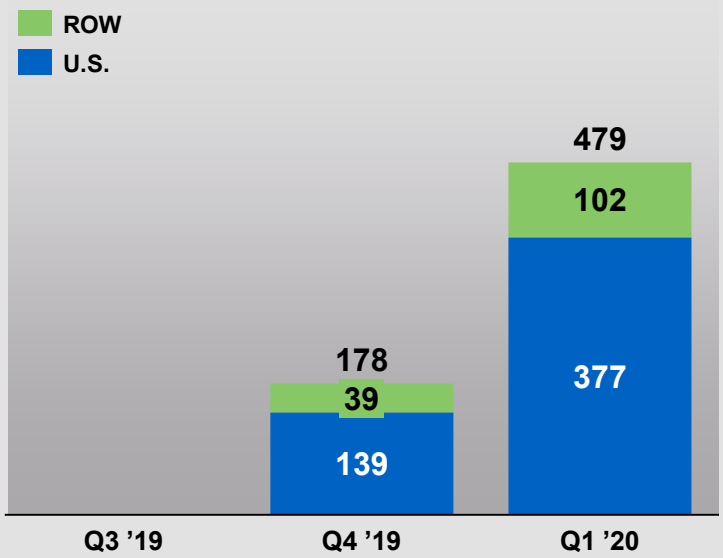
- YoY growth driven by higher unit demand, offset partially by lower net selling price*
- Aimovig® is the market leader with 48% of total prescriptions exiting Q1
- Paid prescriptions were ~ 90% at the end of Q1

*Net selling price represents the impact of list price changes as well as contracting and access changes

Note: Inventory represents wholesaler inventories; Aimovig® is commercialized in collaboration with Novartis

# OTEZLA® HAS WELL-ESTABLISHED EFFICACY AND SAFETY

## $ Millions, Net Sales



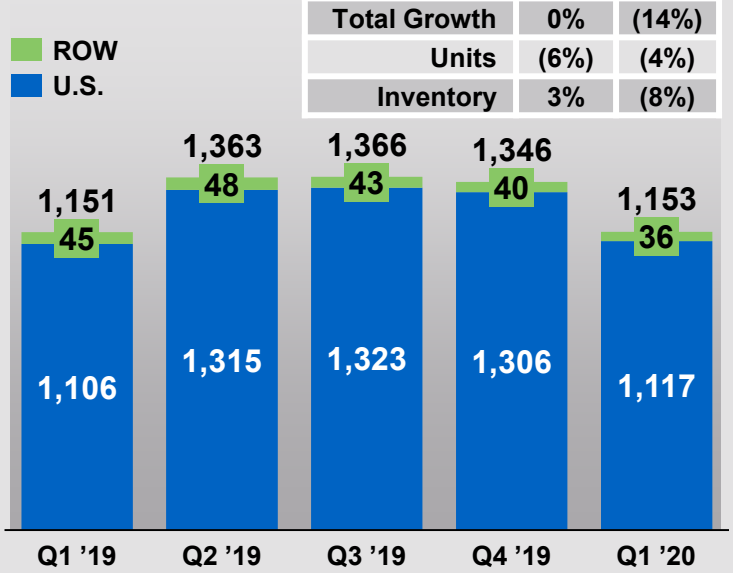

## Q1 ’20 Highlights

- Acquisition closed on November 21, 2019
- Integration has been seamless
- Will be investigated as a potential immunomodulatory therapy for COVID-19

# ENBREL® HAS A STRONG CONTINUING BASE OF PATIENTS

## $ Millions, Net Sales

| | Q1 '20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | | 0% | (14%) |
| Units | | (6%) | (4%) |
| Inventory | | 3% | (8%) |



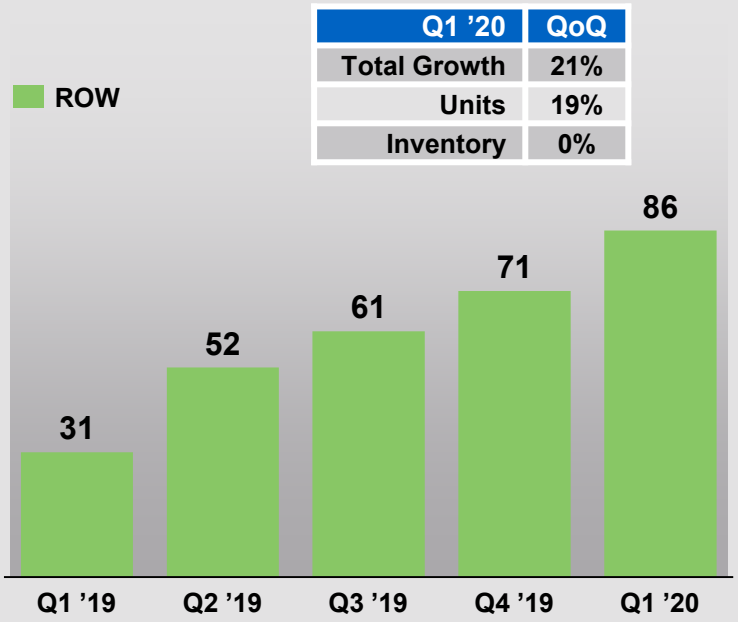

## Q1 '20 Highlights

- **Sales were flat YoY as favorable changes to estimated sales deductions and inventory were offset by lower unit demand and net selling price***

***Net selling price represents the impact of list price changes as well as contracting and access changes**
**Note: Inventory represents wholesaler and, based on prescription data, end-user inventories**

# AMGEVITA™ IS ADDING TO OUR INFLAMMATION FRANCHISE

## $ Millions, Net Sales




## Q1 ’20 Highlights

- **AMGEVITA™ remains the leading adalimumab biosimilar in European markets**

**Note: Inventory represents wholesaler inventories**

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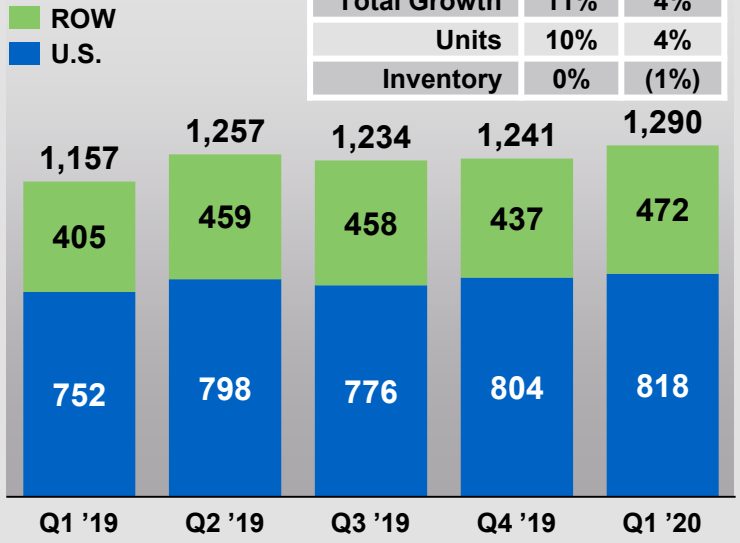
# Q1 ’20 HEMATOLOGY/ONCOLOGY* SALES GREW 11% YOY

## $ Millions, Net Sales

| | Q1 ’20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | | 11% | 4% |
| Units | | 10% | 4% |
| Inventory | | 0% | (1%) |




## Q1 ’20 Highlights

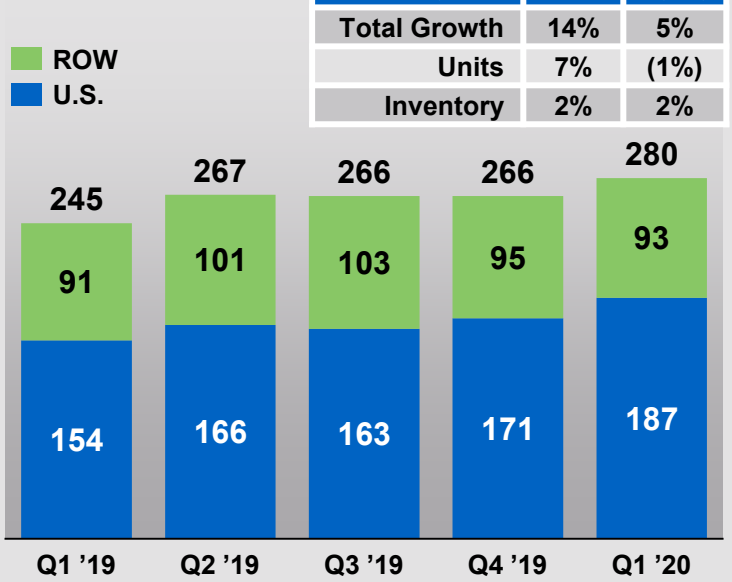
- **Sales totaled $1.3B in Q1 ’20**
- **Double-digit YoY growth driven by unit volume growth**

***Includes XGEVA®, KYPROLIS®, Nplate®, Vectibix®, BLINCYTO® and IMLYGIC®**
**Note: Inventory represents wholesaler inventories**

# Q1 ’20 KYPROLIS® SALES GREW 14% YOY

## $ Millions, Net Sales

| | Q1 ’20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | | 14% | 5% |
| Units | | 7% | (1%) |
| Inventory | | 2% | 2% |




## Q1 ’20 Highlights

- **YoY growth driven by higher unit demand from expanded second- and third-line use in multiple myeloma and, to a lesser extent, higher net selling price***

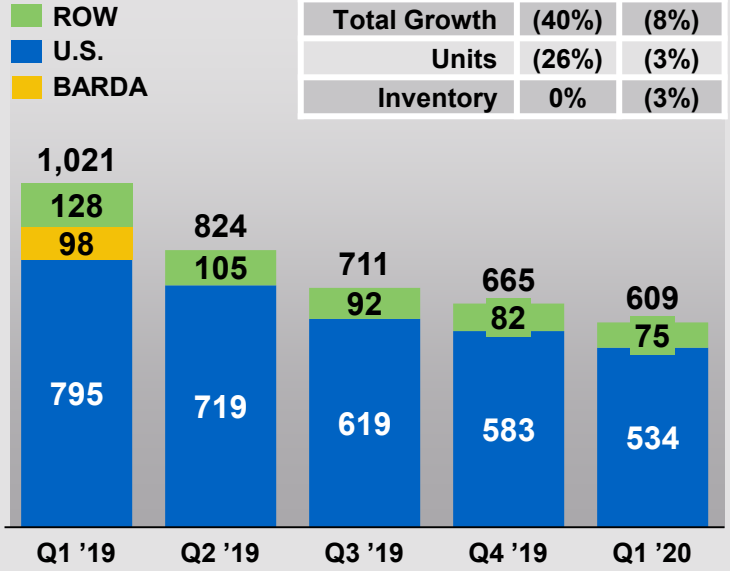
***Net selling price represents the impact of list price changes as well as contracting and access changes**
**Note: Inventory represents wholesaler and, based on prescription data, end-user inventories**

# Q1 ’20 NEULASTA® SALES DECREASED 40% YOY

Neulasta® (pegfilgrastim)

## $ Millions, Net Sales

| | Q1 ’20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | | (40%) | (8%) |
| Units | | (26%) | (3%) |
| Inventory | | 0% | (3%) |




## Q1 ’20 Highlights

- YoY sales decline driven by impact of competition on unit demand and net selling price*
  - YoY comparison adversely impacted by $98M U.S. Biomedical Advanced Research and Development Authority (BARDA) order in Q1 2019
- Neulasta® exited Q1 with 72% share of the long-acting segment
- Onpro® exited Q1 with 54% share of the long-acting segment
- NCCN guidelines revised to recommend increased use of G-CSFs

NCCN = National Comprehensive Cancer Network; G-CSF = granulocyte colony-stimulating factor
*Net selling price represents the impact of list price changes as well as contracting and access changes
Note: Inventory represents wholesaler inventories





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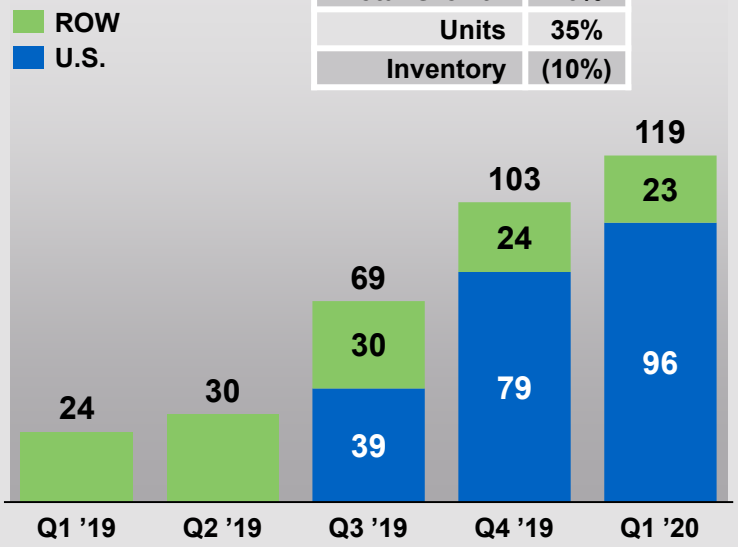
# Q1 ’20 KANJINTI® SALES

## $ Millions, Net Sales

| | Q1 ’20 | QoQ |
|---|---|---|
| Total Growth | | 16% |
| Units | | 35% |
| Inventory | | (10%) |




## Q1 ’20 Highlights

- **Strong uptake in the U.S. with 27% exit share of the trastuzumab segment**

**Note: Inventory represents wholesaler inventories**

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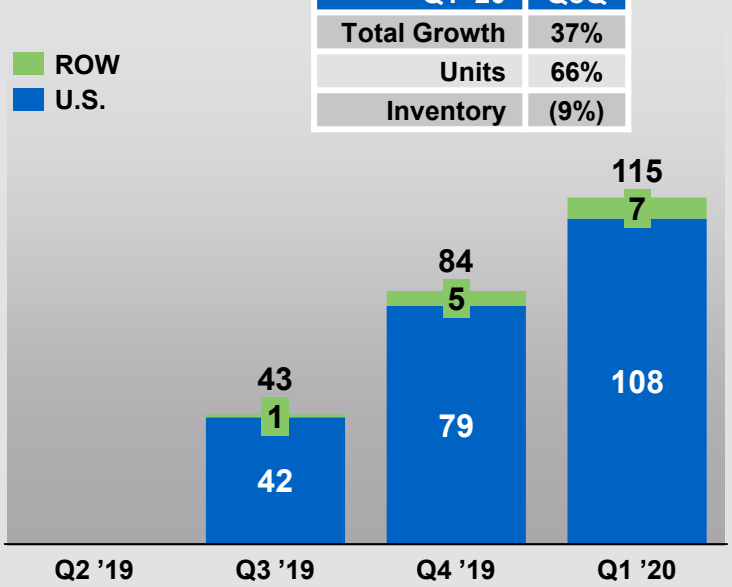
# Q1 ’20 MVASI® SALES

## $ Millions, Net Sales

| | Q1 ’20 | QoQ |
|---|---|---|
| Total Growth | | 37% |
| Units | | 66% |
| Inventory | | (9%) |




## Q1 ’20 Highlights

- **Strong uptake in the U.S. with 33% exit share of the bevacizumab segment**

**Note: Inventory represents wholesaler inventories**

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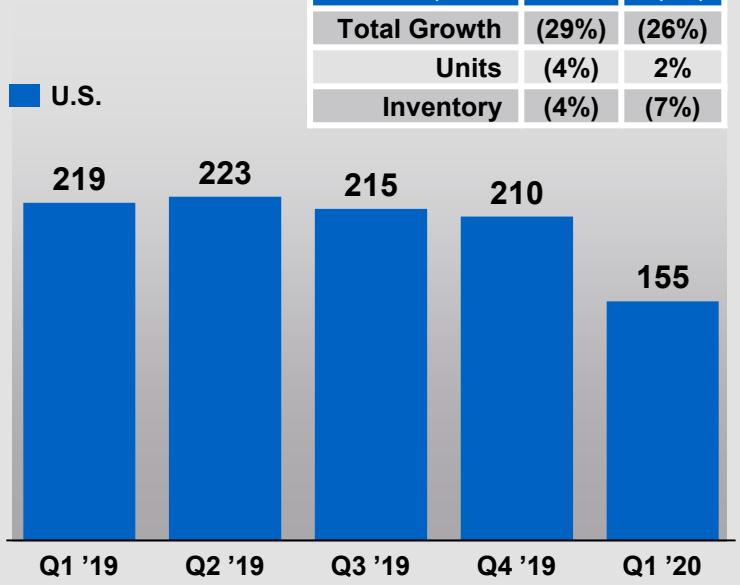
# Q1 ’20 EPOGEN® SALES DECREASED 29% YOY

EPOGEN (EPOETIN ALFA) RECOMBINANT

## $ Millions, Net Sales

| | Q1 ’20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | | (29%) | (26%) |
| Units | | (4%) | 2% |
| Inventory | | (4%) | (7%) |




## Q1 ’20 Highlights

- **YoY sales decline driven by lower net selling price* from our contractual commitment with DaVita and unfavorable changes to estimated sales deductions**

***Net selling price represents the impact of list price changes as well as contracting and access changes**
**Note: Inventory represents wholesaler inventories**





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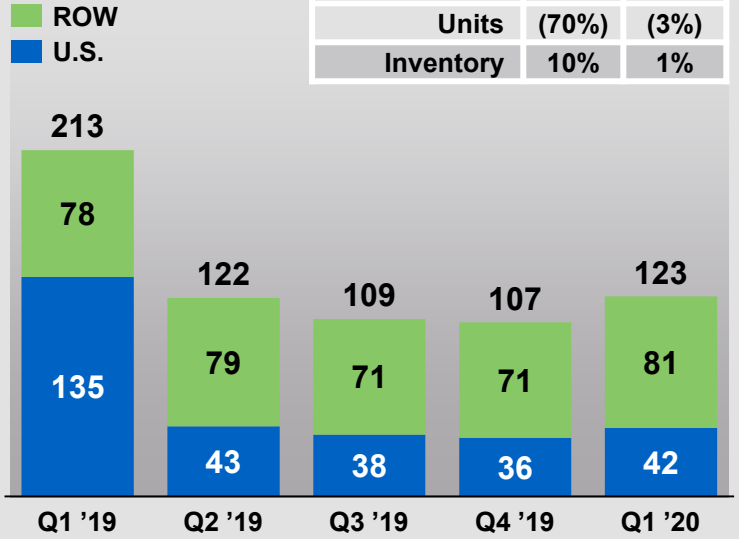
# Q1 ’20 SENSIPAR® SALES DECREASED 42% YOY

Sensipar® (cinacalcet HCl) Tablets 30mg·60mg·90mg

## $ Millions, Net Sales

| | Q1 ’20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | | (42%) | 15% |
| Units | | (70%) | (3%) |
| Inventory | | 10% | 1% |




## Q1 ’20 Highlights

- **YoY decrease driven by the impact of competition on unit demand, offset partially by favorable changes to estimated sales deductions and inventory**

**Note: Inventory represents wholesaler inventories**





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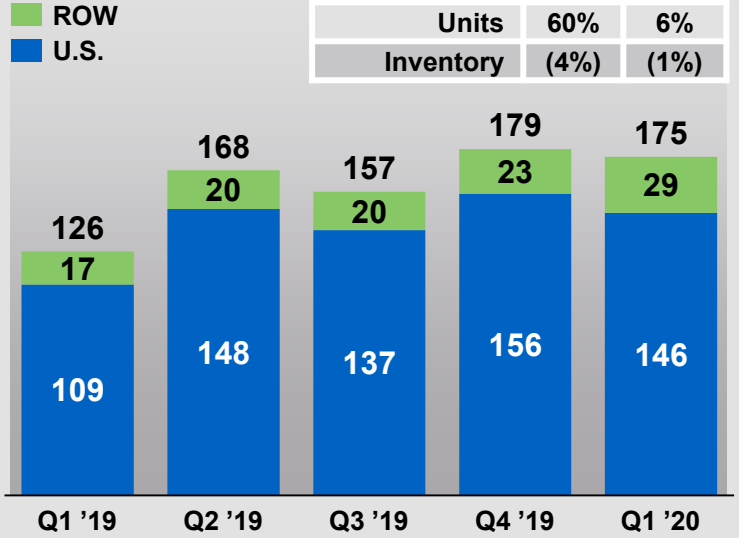
# Q1 ’20 PARSABIV® SALES GREW 39% YOY

Parsabiv (etelcalcetide) Injection for intravenous use
2.5mg/0.5mL | 5mg/1mL | 10mg/2mL

## $ Millions, Net Sales

| | Q1 ’20 | YoY | QoQ |
|---|---|---|---|
| Total Growth | | 39% | (2%) |
| Units | | 60% | 6% |
| Inventory | | (4%) | (1%) |




## Q1 ’20 Highlights

- YoY growth driven by higher unit demand, offset partially by net selling price*

*Net selling price represents the impact of list price changes as well as contracting and access changes
Note: Inventory represents wholesaler inventories





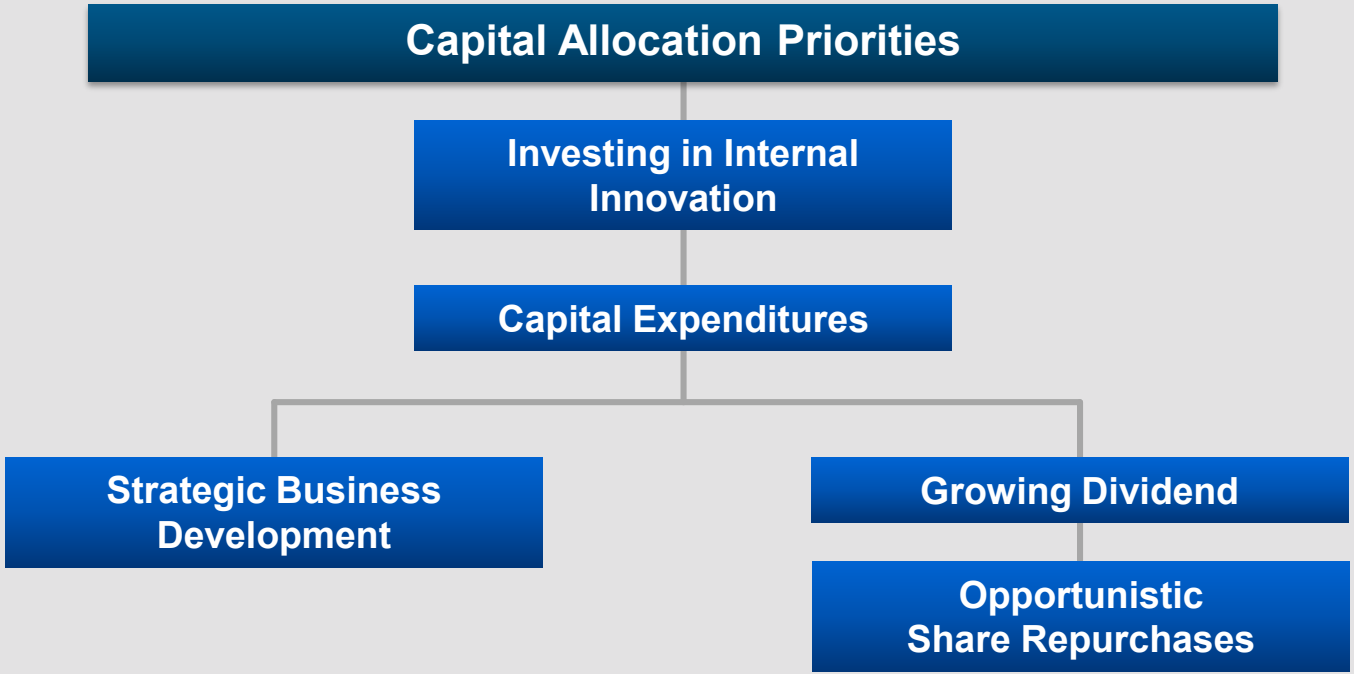
AMGEN 40 YEARS

# Q1 ’20 BUSINESS RESULTS AND OUTLOOK

**PETER GRIFFITH**
EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER

AMGEN 40 YEARS

# CAPITAL ALLOCATION PRIORITIES ARE UNCHANGED AND UNINTERRUPTED



# NON-GAAP EPS UP 17% IN Q1 2020

## $ Millions, Except Non-GAAP EPS

| Item | Q1 '20 | Q1 '19 | B/(W) % |
|---|---|---|---|
| Revenue | $6,161 | $5,557 | 11% |
| Product Sales | 5,894 | 5,286 | 12% |
| Other Revenues | 267 | 271 | (1)% |
| Non-GAAP Operating Expenses | 2,985 | 2,787 | (7%) |
| Cost of Sales *% of product sales* | 771 *13.1%* | 779 *14.7%* | 1% |
| R&D *% of product sales* | 927 *15.7%* | 859 *16.3%* | (8%) |
| SG&A *% of product sales* | 1,287 *21.8%* | 1,149 *21.7%* | (12%) |
| Non-GAAP Operating Income *% of product sales* | 3,176 *53.9%* | 2,770 *52.4%* | 15% |
| Other Income/(Expense) | (335) | (158) | (112%) |
| Non-GAAP Net Income | $2,476 | $2,230 | 11% |
| Non-GAAP EPS | $4.17 | $3.56 | 17% |
| Average Shares (millions) | 594 | 626 | 5% |
| Non-GAAP Tax Rate | 12.8% | 14.6% | 1.8 pts |

**All income statement items for Q1 '20 and/or Q1 '19, except revenue, other income/(expense) and average shares, are non-GAAP financial measures—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section**

# STRONG BALANCE SHEET WITH FREE CASH FLOW OF $2.0B IN Q1 2020

## $ Billions, Except Dividends Paid Per Share

| Cash Flow Data | Q1 ’20 | Q1 ’19 |
|---|---|---|
| Capital Expenditures | $0.1 | $0.1 |
| Free Cash Flow* | 2.0 | 1.7 |
| Share Repurchases | 0.9 | 3.0 |
| Dividends Paid | 0.9 | 0.9 |
| Dividends Paid Per Share | $1.60 | $1.45 |
| **Balance Sheet Data** | **Q1 ’20** | **Q1 ’19** |
| Cash and Investments | 8.0 | 26.3 |
| Debt Outstanding | 31.8 | 33.0 |

*Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, see reconciliations available at: www.amgen.com within the Investors section

# CONSIDERATIONS RELATED TO COVID-19 WITHIN OUR 2020 OUTLOOK

| Disruptions | |
|---|---|
| Fewer patient/physician interactions | Increased unemployment resulting in changes in segment mix |
| Delays in diagnosis and treatment | In-office administration challenges (e.g., Prolia®) |
| **Resiliencies** | |
| Uninterrupted supply for patients and pivotal trials remain on track for 2020 | Diverse portfolio of growing franchises |
| Strong balance sheet/fundamentals | Established therapeutic areas addressing grievous diseases |

# 2020 GUIDANCE UPDATE

| | Current Guidance | Previous Guidance |
|---|---|---|
| Revenue | $25.0B–$25.6B | $25.0B–$25.6B |
| Non-GAAP EPS* | $14.85–$15.60 | $14.85–$15.60 |
| Non-GAAP Tax Rate* | 13.5%–14.5% | 13.5%–14.5% |
| Capital Expenditures | ~ $600M | ~ $700M |

***Non-GAAP financial measure—if this slide is in hard copy, see reconciliations accompanying the presentation, or if this slide is delivered electronically, or amounts pertain to previously issued financial guidance, see reconciliations available at: www.amgen.com within the Investors section**

Provided April 30, 2020, 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.

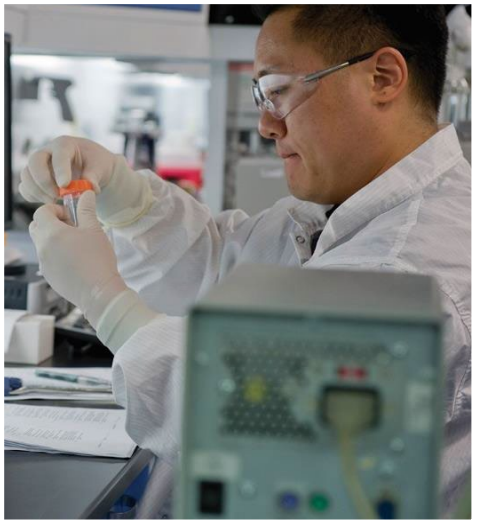


AMGEN 40 YEARS

# Q1 ’20 EARNINGS CALL

## APRIL 30, 2020

# OUR RESPONSE TO COVID-19

| Ensuring Safety and Well-Being of Our Employees | Continuing to Serve Patients | Leveraging Our Scientific Expertise | Supporting Our Local Communities |
|---|---|---|---|
|  |  |  |  |







AMGEN 40 YEARS

# RECONCILIATIONS

**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 | 6,161 | 5,557 |
| 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 | 3,806 | 3,085 |
| Operating income | 2,355 | 2,472 |
| Interest expense, net | 346 | 343 |
| Interest and other income, net | 11 | 185 |
| Income before income taxes | 2,020 | 2,314 |
| Provision for income taxes | 195 | 322 |
| Net income | $ 1,825 | $ 1,992 |
| 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**
**(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 | $ 3.07 | $ 4.17 | $ 3.18 | $ 3.56 |

**(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 | $ 7,687 | $ 7,358 |

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

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

| | | | |
|---|---|---|---|
| **GAAP diluted EPS guidance** | $10.85 | — | $11.65 |
| **Known adjustments to arrive at non-GAAP*:** | | | |
| Acquisition-related expenses (a) | 3.95 | — | 4.00 |
| **Non-GAAP diluted EPS guidance** | $14.85 | — | $15.60 |

* The known adjustments are presented net of their related tax impact, which amount to approximately $1.10 to $1.11 per share.

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

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% | |
| Non-GAAP diluted EPS guidance | 13.5% | — | 14.5% |

**Amgen Inc.**
**International Sales Performance Adjusted for Foreign Exchange**

Amgen has presented international sales performance excluding the impact of foreign exchange. This measure adjusts for the translation effect of changes in average foreign exchange rates between the current period and the corresponding period in the prior year. Amgen's calculation to adjust for the impact of foreign exchange results in prior period weighted-average, foreign exchange rates being applied to current period product sales. Amgen believes that excluding the impact of foreign exchange enhances an investor's overall understanding of the financial performance and prospects for the future of Amgen's core business activities by facilitating comparisons of results of core business operations among current, past and future periods.

# Q1 ’20 EARNINGS CALL

## APRIL 30, 2020