

# RECONCILIATIONS

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

	Twelve months ended December 31,	
	2021	2020*
GAAP cost of sales.....	\$ 6,454	\$ 6,159
Adjustments to cost of sales:		
Acquisition-related expenses (a).....	(2,443)	(2,797)
Other.....	(17)	—
Total adjustments to cost of sales .....	<u>(2,460)</u>	<u>(2,797)</u>
Non-GAAP cost of sales.....	\$ 3,994	\$ 3,362
GAAP cost of sales as a percentage of product sales.....	26.6 %	25.4 %
Acquisition-related expenses (a).....	(10.1)	(11.5)
Other.....	(0.1)	0.0
Non-GAAP cost of sales as a percentage of product sales .....	<u>16.4 %</u>	<u>13.9 %</u>
GAAP research and development expenses .....	\$ 4,819	\$ 4,207
Adjustments to research and development expenses:		
Licensing- and acquisition-related expenses (b).....	(523)	(120)
Certain net charges pursuant to our cost savings initiatives.....	—	(2)
Total adjustments to research and development expenses .....	<u>(523)</u>	<u>(122)</u>
Non-GAAP research and development expenses .....	\$ 4,296	\$ 4,085
GAAP research and development expenses as a percentage of product sales.....	19.8 %	17.4 %
Licensing- and acquisition-related expenses (b).....	(2.1)	(0.5)
Certain net charges pursuant to our cost savings initiatives.....	0.0	0.0
Non-GAAP research and development expenses as a percentage of product sales.....	<u>17.7 %</u>	<u>16.9 %</u>
GAAP acquired IPR&D.....	\$ 1,505	\$ —
Adjustments to acquired IPR&D:		
Five Prime acquisition IPR&D expense.....	(1,505)	—
Non-GAAP acquired IPR&D .....	\$ —	\$ —
GAAP acquired IPR&D expenses as a percentage of product sales .....	6.2 %	— %
Five Prime acquisition IPR&D expense.....	(6.2)	0.0
Non-GAAP acquired IPR&D expenses as a percentage of product sales .....	<u>— %</u>	<u>— %</u>
GAAP selling, general and administrative expenses.....	\$ 5,368	\$ 5,730
Adjustments to selling, general and administrative expenses:		
Acquisition-related expenses (a).....	(87)	(85)
Other.....	(16)	(2)
Total adjustments to selling, general and administrative expenses.....	<u>(103)</u>	<u>(87)</u>
Non-GAAP selling, general and administrative expenses.....	\$ 5,265	\$ 5,643
GAAP selling, general and administrative expenses as a percentage of product sales .....	22.1 %	23.6 %
Acquisition-related expenses (a).....	(0.4)	(0.3)
Other.....	0.0	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales .....	<u>21.7 %</u>	<u>23.3 %</u>
GAAP operating expenses.....	\$ 18,340	\$ 16,285
Adjustments to operating expenses:		
Adjustments to cost of sales.....	(2,460)	(2,797)
Adjustments to research and development expenses.....	(523)	(122)
Adjustments to acquired IPR&D.....	(1,505)	—
Adjustments to selling, general and administrative expenses.....	(103)	(87)
Certain charges pursuant to our cost savings initiatives .....	(130)	5
Certain other expenses (c).....	(64)	(194)
Total adjustments to operating expenses.....	<u>(4,785)</u>	<u>(3,195)</u>
Non-GAAP operating expenses.....	\$ 13,555	\$ 13,090

	Twelve months ended December 31,	
	2021	2020*
GAAP operating income.....	\$ 7,639	\$ 9,139
Adjustments to operating expenses .....	4,785	3,195
Non-GAAP operating income.....	\$ 12,424	\$ 12,334
GAAP operating income as a percentage of product sales .....	31.4 %	37.7 %
Adjustments to cost of sales.....	10.2	11.5
Adjustments to research and development expenses .....	2.1	0.5
Acquired IPR&D.....	6.2	0.0
Adjustments to selling, general and administrative expenses.....	0.4	0.4
Certain charges pursuant to our cost savings initiatives.....	0.5	0.0
Certain other expenses (c).....	0.3	0.8
Non-GAAP operating income as a percentage of product sales .....	<u>51.1 %</u>	<u>50.9 %</u>
GAAP other income, net.....	\$ 259	\$ 256
Adjustments to other income (expense), net:		
Equity method investment basis difference amortization.....	173	109
Net gains from equity investments .....	(421)	(404)
Gain from legal judgment proceeds .....	—	(72)
Total adjustments to other income (expense), net.....	<u>(248)</u>	<u>(367)</u>
Non-GAAP other income (expense), net.....	\$ 11	\$ (11)
GAAP income before income taxes.....	\$ 6,701	\$ 8,133
Adjustments to income before income taxes:		
Adjustments to operating expenses .....	4,785	3,195
Adjustments to other income, net.....	(248)	(367)
Total adjustments to income before income taxes .....	<u>4,537</u>	<u>2,828</u>
Non-GAAP income before income taxes .....	\$ 11,238	\$ 10,961
GAAP provision for income taxes.....	\$ 808	\$ 869
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (d) .....	630	546
Other income tax adjustments (e).....	3	67
Total adjustments to provision for income taxes.....	<u>633</u>	<u>613</u>
Non-GAAP provision for income taxes.....	\$ 1,441	\$ 1,482
GAAP tax as a percentage of income before taxes.....	12.1 %	10.7 %
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (d) .....	0.7	2.2
Other income tax adjustments (e).....	0.0	0.6
Total adjustments to provision for income taxes.....	<u>0.7</u>	<u>2.8</u>
Non-GAAP tax as a percentage of income before taxes .....	<u>12.8 %</u>	<u>13.5 %</u>
GAAP net income.....	\$ 5,893	\$ 7,264
Adjustments to net income:		
Adjustments to income before income taxes, net of the income tax effect.....	3,907	2,282
Other income tax adjustments (e).....	(3)	(67)
Total adjustments to net income.....	<u>3,904</u>	<u>2,215</u>
Non-GAAP net income.....	\$ 9,797	\$ 9,479

Note: Numbers may not add due to rounding



**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:

	Twelve months ended December 31, 2021		Twelve months ended December 31, 2020*	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income.....	\$ 5,893	\$ 9,797	\$ 7,264	\$ 9,479
Weighted-average shares for diluted EPS	573	573	590	590
Diluted EPS .....	<u>\$ 10.28</u>	<u>\$ 17.10</u>	<u>\$ 12.31</u>	<u>\$ 16.07</u>

\*Effective January 2021, we began to exclude the gains and losses on our investments in equity securities from our non-U.S. Generally Accepted Accounting Principles (GAAP) measures that are recorded to Other income, net pursuant to an update to our non-GAAP policy. For comparability of results to the prior year, non-GAAP Other income, net, non-GAAP Net income and non-GAAP EPS amounts for 2020 have been revised to reflect the update to our non-GAAP policy.

- (a) The adjustments related primarily to noncash amortization of intangible assets from business acquisitions.
- (b) The adjustments for the twelve months ended December 31, 2021, related primarily to licensing-related expense from the upfront payment to Kyowa Kirin Co., Ltd. and noncash amortization of intangible assets from business acquisitions. The adjustments for the twelve months ended December 31, 2020, related primarily to noncash amortization of intangible assets from business acquisitions.
- (c) For the twelve months ended December 31, 2021 and 2020, the adjustments related primarily to legal matters.
- (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. Acquired IPR&D expense from the Five Prime acquisition was not tax deductible. 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, 2021, was 13.9%, compared to 19.3% for the corresponding period of the prior year.
- (e) The adjustments related to certain acquisition items, prior period and other items excluded from GAAP earnings.

