

# Reconciliation of GAAP Net Income to EBITDA and Debt Leverage Ratio Calculation 2022

(Dollars in millions)  
(Unaudited)

	Twelve months ended December 31, 2022
<b>GAAP Net Income</b> .....	\$ 6,552
Depreciation and amortization .....	3,417
Interest expense, net.....	1,406
Provision for income taxes.....	794
<b>EBITDA</b> .....	<b>\$ 12,169</b>

	As of December 31, 2022
Current portion of long-term debt.....	\$ 1,591
Long-term debt .....	37,354
<b>Total Debt</b> .....	<b>\$ 38,945</b>

	As of December 31, 2022
Total Debt .....	\$ 38,945
EBITDA.....	\$ 12,169
<b>Debt leverage ratio</b> .....	<b>3.2</b>

# Reconciliation of Full Year Cash Flows

(In millions)  
(Unaudited)

	Twelve months ended December 31,			
	2022	2021	2020	2019
Net cash provided by operating activities.....	\$ 9,721	\$ 9,261	\$ 10,497	\$ 9,150
Net cash (used in) provided by investing activities.....	(6,044)	733	(5,401)	5,709
Net cash used in financing activities.....	(4,037)	(8,271)	(4,867)	(15,767)
(Decrease) increase in cash and cash equivalents.....	(360)	1,723	229	(908)
Cash and cash equivalents at beginning of period.....	7,989	6,266	6,037	6,945
Cash and cash equivalents at end of period.....	<u>\$ 7,629</u>	<u>\$ 7,989</u>	<u>\$ 6,266</u>	<u>\$ 6,037</u>

	Twelve months ended December 31,			
	2022	2021	2020	2019
Net cash provided by operating activities.....	\$ 9,721	\$ 9,261	\$ 10,497	\$ 9,150
Capital expenditures.....	(936)	(880)	(608)	(618)
Free cash flow.....	<u>\$ 8,785</u>	<u>\$ 8,381</u>	<u>\$ 9,889</u>	<u>\$ 8,532</u>

# Reconciliation of Fourth Quarter Cash Flows 2021-2022

(In millions)  
(Unaudited)

	Three months ended December 31,	
	2022	2021
Net cash provided by operating activities.....	\$ 2,649	\$ 2,808
Net cash (used in) provided by investing activities.....	(3,473)	(230)
Net cash used in financing activities.....	(1,049)	(6,558)
(Decrease) increase in cash and cash equivalents.....	(1,873)	(3,980)
Cash and cash equivalents at beginning of period.....	9,502	11,969
Cash and cash equivalents at end of period.....	<u>\$ 7,629</u>	<u>\$ 7,989</u>

	Three months ended December 31,	
	2022	2021
Net cash provided by operating activities.....	\$ 2,649	\$ 2,808
Capital expenditures.....	(340)	(287)
Free cash flow.....	<u>\$ 2,309</u>	<u>\$ 2,521</u>

# Reconciliation of GAAP to Non-GAAP Net Income 2019-2022

(In millions)  
(Unaudited)

	Twelve months ended December 31,			
	2022	2021 <sup>2</sup>	2020 <sup>3</sup>	2019
<b>GAAP net income</b>	\$ 6,552	\$ 5,893	\$ 7,264	\$ 7,842
Adjustments to net income <sup>1</sup>	3,018	2,085	2,215	1,186
<b>Non-GAAP net income</b>	<u>\$ 9,570</u>	<u>\$ 7,978</u>	<u>\$ 9,479</u>	<u>\$ 9,028</u>

<sup>1</sup> The adjustments related primarily to noncash amortization of intangible assets from business acquisitions.

<sup>2</sup> Starting January 2022, we no longer exclude adjustments for upfront license fees, development milestones and in-process research and development (IPR&D) expenses of pre-approval programs related to licensing, collaboration and asset acquisition transactions from our non-U.S. Generally Accepted Accounting Principles (GAAP) measures. The adjustments to net income reflect this update to our non-GAAP policy for 2021.

<sup>3</sup> Starting January 2021, we began to exclude the gains and losses on our investments in equity securities from our non-GAAP measures that are recorded to Interest (expense) income, net, pursuant to an update to our non-GAAP policy. The adjustments to net income reflect this update to our non-GAAP policy for 2020.