

Reconciliations



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

	Twelve months ended December 31,	
	2022	2021
GAAP cost of sales	\$ 6,406	\$ 6,454
Adjustments to cost of sales:		
Acquisition-related expenses (a)	(2,455)	(2,443)
Other	—	(17)
Total adjustments to cost of sales	(2,455)	(2,460)
Non-GAAP cost of sales	\$ 3,951	\$ 3,994
GAAP cost of sales as a percentage of product sales	25.8 %	26.6 %
Acquisition-related expenses (a)	(9.9)	(10.1)
Other	0.0	(0.1)
Non-GAAP cost of sales as a percentage of product sales	15.9 %	16.4 %
GAAP research and development expenses	\$ 4,434	\$ 4,819
Adjustments to research and development expenses:		
Acquisition-related expenses (a)	(93)	(123)
Non-GAAP research and development expenses	\$ 4,341	\$ 4,696
GAAP research and development expenses as a percentage of product sales	17.9 %	19.8 %
Acquisition-related expenses (a)	(0.4)	(0.5)
Non-GAAP research and development expenses as a percentage of product sales	17.5 %	19.3 %
GAAP selling, general and administrative expenses	\$ 5,414	\$ 5,368
Adjustments to selling, general and administrative expenses:		
Acquisition-related expenses (a)	(144)	(87)
Other	—	(16)
Total adjustments to selling, general and administrative expenses	(144)	(103)
Non-GAAP selling, general and administrative expenses	\$ 5,270	\$ 5,265
GAAP selling, general and administrative expenses as a percentage of product sales	21.8 %	22.1 %
Acquisition-related expenses (a)	(0.6)	(0.4)
Other	0.0	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales	21.2 %	21.7 %
GAAP operating expenses	\$ 16,757	\$ 18,340
Adjustments to operating expenses:		
Adjustments to cost of sales	(2,455)	(2,460)
Adjustments to research and development expenses	(93)	(123)
Adjustments to selling, general and administrative expenses	(144)	(103)
Certain charges pursuant to our cost savings initiatives	8	(130)
Certain other expenses (b)	(511)	(64)
Total adjustments to operating expenses	(3,195)	(2,880)
Non-GAAP operating expenses	\$ 13,562	\$ 15,460

	Twelve months ended December 31,	
	2022	2021
GAAP operating income	\$ 9,566	\$ 7,639
Adjustments to operating expenses	3,195	2,880
Non-GAAP operating income	\$ 12,761	\$ 10,519
GAAP operating income as a percentage of product sales	38.6 %	31.4 %
Adjustments to cost of sales	9.9	10.2
Adjustments to research and development expenses	0.4	0.5
Adjustments to selling, general and administrative expenses	0.6	0.4
Certain charges pursuant to our cost savings initiatives	0.0	0.5
Certain other expenses (b)	2.0	0.3
Non-GAAP operating income as a percentage of product sales	51.5 %	43.3 %
GAAP interest expense, net	\$ (1,406)	\$ (1,197)
Adjustments to interest expense, net:		
Acquisition-related interest expense (c)	5	—
Non-GAAP interest expense, net	\$ (1,401)	(1,197)
GAAP other (expense) income, net	\$ (814)	\$ 259
Adjustments to other (expense) income, net:		
Equity method investment basis difference amortization	192	173
Net (gains)/losses from equity investments	362	(421)
Total adjustments to other (expense) income, net	554	(248)
Non-GAAP other (expense) income, net	\$ (260)	11
GAAP income before income taxes	\$ 7,346	\$ 6,701
Adjustments to income before income taxes:		
Adjustments to operating expenses	3,195	2,880
Adjustments to interest expense, net	5	—
Adjustments to other (expense) income, net	554	(248)
Total adjustments to income before income taxes	3,754	2,632
Non-GAAP income before income taxes	\$ 11,100	\$ 9,333
GAAP provision for income taxes	\$ 794	\$ 808
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (d)	690	544
Other income tax adjustments (c)	46	3
Total adjustments to provision for income taxes	736	547
Non-GAAP provision for income taxes	\$ 1,530	\$ 1,355
GAAP tax as a percentage of income before taxes	10.8 %	12.1 %
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments (d)	2.6	2.4
Other income tax adjustments (c)	0.4	0.0
Total adjustments to provision for income taxes	3.0	2.4
Non-GAAP tax as a percentage of income before taxes	13.8 %	14.5 %
GAAP net income	\$ 6,552	\$ 5,893
Adjustments to net income:		
Adjustments to income before income taxes, net of the income tax effect	3,064	2,088
Other income tax adjustments (c)	(46)	(3)
Total adjustments to net income	3,018	2,085
Non-GAAP net income	\$ 9,570	\$ 7,978

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

	Twelve months ended December 31, 2022		Twelve months ended December 31, 2021	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	\$ 6,552	\$ 9,570	\$ 5,893	\$ 7,978
Weighted-average shares for diluted EPS	541	541	573	573
Diluted EPS	\$ 12.11	\$ 17.69	\$ 10.28	\$ 13.92

- (a) The adjustments related primarily to noncash amortization of intangible assets from business acquisitions.
- (b) For 2022, the adjustments related primarily to cumulative foreign currency translation adjustments from a nonstrategic divestiture. For 2021, the adjustments related primarily to the change in fair values of contingent consideration liabilities.
- (c) The adjustments related to certain acquisition items, prior period and other items excluded from GAAP earnings.
- (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. Due to these factors, the effective tax rate for the adjustments to our GAAP income before income taxes for 2022 and 2021 were 18.4% and 20.7%, respectively.



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

	Twelve months ended December 31,	
	2022	2021
Net cash provided by operating activities	\$ 9,721	\$ 9,261
Net cash (used in) provided by investing activities	(6,044)	733
Net cash used in financing activities	(4,037)	(8,271)
(Decrease) increase in cash and cash equivalents	(360)	1,723
Cash and cash equivalents at beginning of period	7,989	6,266
Cash and cash equivalents at end of period	<u>\$ 7,629</u>	<u>\$ 7,989</u>
	Twelve months ended December 31,	
	2022	2021
Net cash provided by operating activities	\$ 9,721	\$ 9,261
Capital expenditures	(936)	(880)
Free cash flow	<u>\$ 8,785</u>	<u>\$ 8,381</u>

