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.

Q2 2018 Financial Highlights:

- Total revenues increased 4 percent versus the second quarter of 2017 to $6.1 billion.
    - Product sales grew 2 percent globally. New and recently launched products including Repatha® (evolocumab), KYPROLIS® (carfilzomib), Prolia® (denosumab) and XGEVA® (denosumab), showed double-digit growth.
- Non-GAAP EPS increased 17 percent to $3.83 driven by higher product sales, a lower tax rate and lower weighted-average shares outstanding.
- Non-GAAP operating income increased 2 percent to $3.1 billion and non-GAAP operating margin decreased 0.1 percentage points to 55.1 percent.
- 2018 non-GAAP EPS guidance revised to $13.30-$14.00;
  Total revenues guidance revised to $22.5-$23.2 billion.*
- The Company generated $1.9 billion of free cash flow.

$Millions, except EPS and percentages	Q2'18	Q2'17	YOY Δ
Total Revenues.....	$ 6,059	$ 5,810	4%
GAAP Operating Income.....	$ 2,832	$ 2,698	5%
GAAP Net Income.....	$ 2,296	$ 2,151	7%
GAAP Earnings Per Share.....	$ 3.48	$ 2.91	20%
Non-GAAP Operating Income.....	$ 3,131	$ 3,075	2%
Non-GAAP Net Income.....	$ 2,529	$ 2,410	5%
Non-GAAP EPS.....	$ 3.83	$ 3.27	17%

MESSAGE FROM BOB BRADWAY, CEO

Our second quarter results demonstrate that we continue to effectively execute our long-term growth strategy. An important part of our strategy is to increasingly focus on volume-driven growth and our results reflect the progress that we are making on that objective. Unit volumes increased, in many cases by double digits, for all of our newer products. We continue to generate strong volume-driven growth outside the U.S. where our legacy brands have faced competition for some time.

We remain confident that our newer product launches, as well as the medicines advancing through our pipeline, will enable us to drive attractive, volume-driven growth globally over the long-term. In the second quarter, we launched Aimovig™ (erenumab-aooe), the first and only Calcitonin Gene-Related Peptide (CGRP) receptor blocker approved for migraine prevention. Aimovig marks Amgen's first entry into neuroscience. In the cardiovascular space, we are encouraged by the progress we are making with Repatha which we believe can play an important role in the fight against heart disease. We are seeing strong early adoption of Parsabiv™ (etelcalcetide) which is the first new treatment in more than a decade for secondary hyperparathyroidism in patients on hemodialysis. We also launched KANJINTI™ (our biosimilar to Herceptin®) in Europe. We look forward to launching AMGEVITA™ (our biosimilar to Humira®) internationally later this year. We continue to believe that biosimilars represent a meaningful growth opportunity for us.

Overall, we are pleased with our performance through the first half of 2018. Our outlook remains strong as we continue to deliver for patients and shareholders.

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 as of July 26, 2018, and is not being updated at this time.*

AMGEN MISSION

To serve patients

AMGEN QUICK FACTS

Headquarters

Thousand Oaks, California

Staff

Approximately 20,800 worldwide

Stock Listing

NASDAQ: AMGN

Chairman, CEO and President

Robert A. Bradway

2017 Financial Highlights

Total revenue: $22.8 billion

Product sales: $21.8 billion

Non-GAAP R&D expense: $3.5 billion

AMGEN PRODUCTS

Aimovig™ (erenumab-aooe)
Aranesp® (darbepoetin alfa)
BLINCYTO® (blinatumomab)
Corlanor® (ivabradine)
Enbrel® (etanercept)
EPOGEN® (epoetin alfa)
IMLYGIC® (talimogene laherparepvec)
KANJINTI™ (ABP 980, biosimilar trastuzumab)
KYPROLIS® (carfilzomib)
Neulasta® (pegfilgrastim)
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?

CONTACT US

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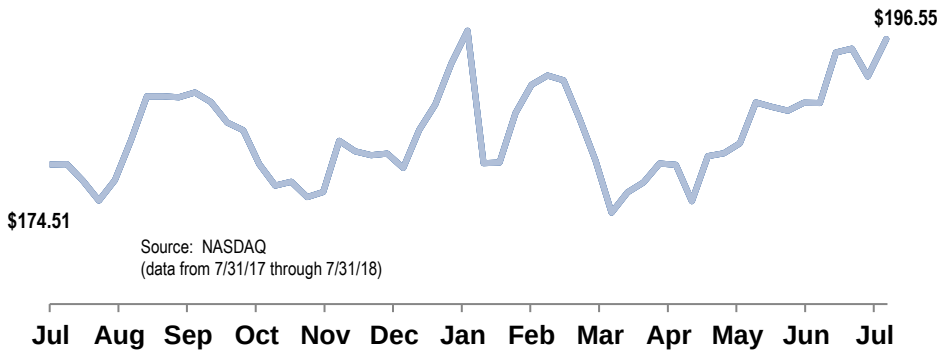
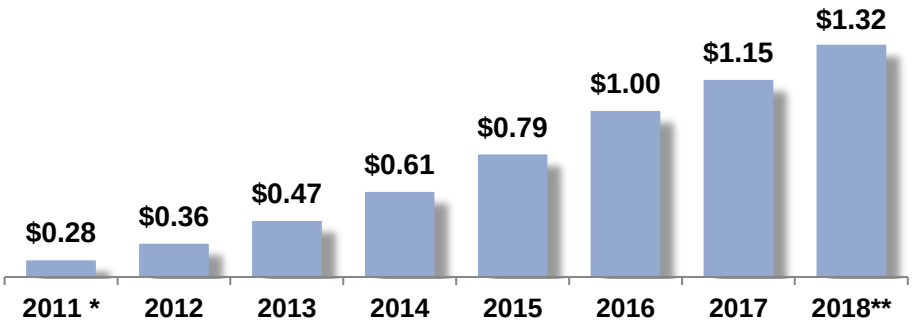
New York, NY 10038

Stock Price Performance (Last 12 Months)



Quarterly Per Share Dividend History



* Dividend initiated in September 2011

** Represents Q1 & Q2 dividends paid and Q3 dividend payable on September 7, 2018 to all stockholders of record as of the close of business on August 17, 2018.

Key Quarterly News:

Amgen Launches Aimovig™, The First and Only Treatment Specifically Designed to Prevent Migraine By Targeting The CGRP Receptor

- Migraine impacts people in their prime productive years and is costly to patients and society. It ranks among the top-10 causes of disability globally and is 4th highest among women. A migraine attack may last up to three days and results in significant loss of productivity.
- Migraine is a highly prevalent, underdiagnosed and undertreated disease. Roughly 3.5 million patients in the U.S. currently receive preventative migraine therapy, but compliance is poor due to variable efficacy and poor tolerability.
- Together with our global partner Novartis, Amgen launched Aimovig, the first new medicine in decades designed specifically to prevent migraine. In clinical trials, Aimovig demonstrated consistent and sustained efficacy across a range of episodic and chronic migraine patients, including difficult-to-treat patients, such as those who have failed prior preventative treatments. Many patients achieved at least a 50% reduction in migraine frequency, with one in five achieving at least a 75% reduction.
- Aimovig has established a long-term safety profile in over 3,000 patients. Aimovig is available via a once-monthly, low volume, subcutaneous and self-administered form of dosing.
- To learn more about Aimovig, visit our website at www.aimovig.com where you can learn about the Aimovig Ally™ program. The program includes a free, two-month trial of Aimovig so patients can evaluate if Aimovig is right for them.

Non-GAAP Financial Measures

Management has presented its operating results for the second quarters of 2018 and 2017 and research and development costs for the full year 2017 in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and on a non-GAAP basis. In addition, management has presented its full year 2018 EPS guidance 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 attached. Management has also presented Free Cash Flow (FCF), which is a non-GAAP financial measure, for the second quarter of 2018. 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 this document 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 document contains forward-looking statements that are based on the current expectations and beliefs of Amgen. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including 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 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 reports filed by Amgen, including our most recent annual report on Form 10-K and any subsequent periodic reports on Form 10-Q and Form 8-K. Unless otherwise noted, Amgen is providing this information as of the date of this document 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. 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 cannot be guaranteed and movement from concept to product is uncertain; consequently, there can be no guarantee that any particular product candidate 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 acquire other companies or products and to integrate the operations of companies 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.

Reconciliation of GAAP EPS Guidance to Non-GAAP EPS Guidance for the Year Ending December 31, 2018 (Unaudited)

GAAP diluted EPS guidance	$ 11.83	-	$ 12.62
Known adjustments to arrive at non-GAAP*:			
Acquisition-related expenses (a)		1.35	
Restructuring charges	0.02	-	0.11
Certain other expenses		0.03	
Tax adjustments (b)		(0.02)	
Non-GAAP diluted EPS guidance	$ 13.30	-	$ 14.00

* The known adjustments are presented net of their related tax impact, which amount to approximately $0.40 per share, in the aggregate.

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

(b) The adjustments relate primarily to certain acquisition items and prior period items excluded from GAAP earnings.

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 of our contingent consideration.

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

	Three months ended June 30,		Six months ended June 30,	
	2018	**2017**	**2018**	**2017**
GAAP cost of sales	$ 1,024	$ 1,024	$ 1,968	$ 2,020
Adjustments to cost of sales:				
Acquisition-related expenses **(a)**	(279)	(314)	(545)	(628)
Total adjustments to cost of sales	(279)	(314)	(545)	(628)
Non-GAAP cost of sales	$ 745	$ 710	$ 1,423	$ 1,392
GAAP cost of sales as a percentage of product sales	18.0%	18.4%	17.9%	18.8%
Acquisition-related expenses **(a)**	-4.9	-5.7	-5.0	-5.9
Non-GAAP cost of sales as a percentage of product sales	13.1%	12.7%	12.9%	12.9%
GAAP research and development expenses	$ 869	$ 873	$ 1,629	$ 1,642
Adjustments to research and development expenses:				
Acquisition-related expenses **(a)**	(19)	(19)	(40)	(38)
Certain net charges pursuant to our restructuring initiative	-	(3)	-	(5)
Total adjustments to research and development expenses	(19)	(22)	(40)	(43)
Non-GAAP research and development expenses	$ 850	$ 851	$ 1,589	$ 1,599
GAAP research and development expenses as a percentage of product sales	15.3%	15.7%	14.8%	15.2%
Acquisition-related expenses **(a)**	-0.3	-0.3	-0.4	-0.3
Certain net charges pursuant to our restructuring initiative	0.0	-0.1	0.0	-0.1
Non-GAAP research and development expenses as a percentage of product sales	15.0%	15.3%	14.4%	14.8%
GAAP selling, general and administrative expenses	$ 1,353	$ 1,209	$ 2,480	$ 2,273
Adjustments to selling, general and administrative expenses:				
Acquisition-related expenses **(a)**	(20)	(32)	(45)	(57)
Certain net charges pursuant to our restructuring initiative	-	-	(3)	-
Other	-	(3)	-	(3)
Total adjustments to selling, general and administrative expenses	(20)	(35)	(48)	(60)
Non-GAAP selling, general and administrative expenses	$ 1,333	$ 1,174	$ 2,432	$ 2,213
GAAP selling, general and administrative expenses as a percentage of product sales	23.8%	21.7%	22.5%	21.1%
Acquisition-related expenses **(a)**	-0.3	-0.5	-0.4	-0.6
Certain net charges pursuant to our restructuring initiative	0.0	0.0	0.0	0.0
Other	0.0	-0.1	0.0	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales	23.5%	21.1%	22.1%	20.5%
GAAP operating expenses	$ 3,227	$ 3,112	$ 6,055	$ 5,985
Adjustments to operating expenses:				
Adjustments to cost of sales	(279)	(314)	(545)	(628)
Adjustments to research and development expenses	(19)	(22)	(40)	(43)
Adjustments to selling, general and administrative expenses	(20)	(35)	(48)	(60)
Certain net charges pursuant to our restructuring initiative **(b)**	7	(9)	6	(46)
Certain other expenses	(25)	-	(25)	-
Acquisition-related adjustments **(c)**	37	3	41	(4)
Total adjustments to operating expenses	(299)	(377)	(611)	(781)
Non-GAAP operating expenses	$ 2,928	$ 2,735	$ 5,444	$ 5,204
GAAP operating income	$ 2,832	$ 2,698	$ 5,558	$ 5,289
Adjustments to operating expenses	299	377	611	781
Non-GAAP operating income	$ 3,131	$ 3,075	$ 6,169	$ 6,070
GAAP operating income as a percentage of product sales	49.9%	48.4%	50.4%	49.1%
Adjustments to cost of sales	4.9	5.7	5.0	5.9
Adjustments to research and development expenses	0.3	0.4	0.4	0.4
Adjustments to selling, general and administrative expenses	0.3	0.6	0.4	0.6
Certain net charges pursuant to our restructuring initiative **(b)**	0.0	0.2	0.0	0.3
Certain other expenses	0.4	0.0	0.2	0.0
Acquisition-related adjustments **(c)**	-0.7	-0.1	-0.4	0.0
Non-GAAP operating income as a percentage of product sales	55.1%	55.2%	56.0%	56.3%
GAAP interest and other income, net	$ 162	$ 165	$ 393	$ 360
Adjustments to other income **(d)**	-	-	(75)	-
Non-GAAP interest and other income, net	$ 162	$ 165	$ 318	$ 360
GAAP income before income taxes	$ 2,647	$ 2,542	$ 5,266	$ 5,002
Adjustments to operating expenses	299	377	611	781
Adjustments to other income **(d)**	-	-	(75)	-
Non-GAAP income before income taxes	$ 2,946	$ 2,919	$ 5,802	$ 5,783
GAAP provision for income taxes	$ 351	$ 391	$ 659	$ 780
Adjustments to provision for income taxes:				
Income tax effect of the above adjustments **(e)**	74	117	138	236
Other income tax adjustments **(f)**	(8)	1	10	24
Total adjustments to provision for income taxes	66	118	148	260
Non-GAAP provision for income taxes	$ 417	$ 509	$ 807	$ 1,040
GAAP tax as a percentage of income before taxes	13.3%	15.4%	12.5%	15.6%
Adjustments to provision for income taxes:				
Income tax effect of the above adjustments **(e)**	1.2	2.0	1.2	2.0
Other income tax adjustments **(f)**	-0.3	0.0	0.2	0.4
Total adjustments to provision for income taxes	0.9	2.0	1.4	2.4
Non-GAAP tax as a percentage of income before taxes	14.2%	17.4%	13.9%	18.0%
GAAP net income	$ 2,296	$ 2,151	$ 4,607	$ 4,222
Adjustments to net income:				
Adjustments to income before income taxes, net of the income tax effect	225	260	398	545
Other income tax adjustments **(f)**	8	(1)	(10)	(24)
Total adjustments to net income	233	259	388	521
Non-GAAP net income	$ 2,529	$ 2,410	$ 4,995	$ 4,743

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 EPS.

	Three months ended June 30, 2018		Three months ended June 30, 2017	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	$ 2,296	$ 2,529	$ 2,151	$ 2,410
Weighted-average shares for diluted EPS	660	660	738	738
Diluted EPS	$ 3.48	$ 3.83	$ 2.91	$ 3.27

	Six months ended June 30, 2018		Six months ended June 30, 2017	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	$ 4,607	$ 4,995	$ 4,222	$ 4,743
Weighted-average shares for diluted EPS	685	685	740	740
Diluted EPS	$ 6.73	$ 7.29	$ 5.71	$ 6.41

(a) The adjustments related primarily to non-cash amortization of intangible assets acquired in business combinations.

(b) For the six months ended June 30, 2017, the adjustment related primarily to severance expenses associated with our restructuring initiative.

(c) For the three and six months ended June 30, 2018, the adjustment related primarily to the change in fair values of contingent consideration liabilities.

(d) For the six months ended June 30, 2018, the adjustment related to the net gain associated with the Kirin-Amgen share acquisition.

(e) 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 expense, 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 and six months ended June 30, 2018 were 24.7% and 25.7%, compared with 31.0% and 30.2% for the corresponding periods of the prior year.

(f) The adjustments related primarily to certain acquisition items and prior period items excluded from GAAP earnings.

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

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Net cash provided by operating activities	$ 2,102	$ 2,326	$ 4,829	$ 4,711
Net cash provided by (used in) investing activities	2,938	(1,813)	17,844	(1,970)
Net cash used in financing activities	(4,650)	(1,242)	(16,342)	(3,353)
Increase (decrease) in cash and cash equivalents	390	(729)	6,331	(612)
Cash and cash equivalents at beginning of period	9,741	3,358	3,800	3,241
Cash and cash equivalents at end of period	$ 10,131	$ 2,629	$ 10,131	$ 2,629

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Net cash provided by operating activities	$ 2,102	$ 2,326	$ 4,829	$ 4,711
Capital expenditures	(187)	(185)	(342)	(353)
Free cash flow	$ 1,915	$ 2,141	$ 4,487	$ 4,358