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.

Q1 2019 Financial Highlights:

- Total revenues were unchanged at $5.6 billion in comparison to the first quarter of 2018.
    - Product sales declined 1 percent globally. New and recently launched products including Prolia® (denosumab), Repatha® (evolocumab), Prolia® and KYPROLIS® (carfilzomib) showed double-digit growth.
- Non-GAAP EPS increased 3 percent to $3.56 benefitting from lower weighted-average shares outstanding.
- The Company generated $1.7 billion of free cash flow.
- 2019 total revenues guidance revised to $22.0 - $22.9 billion and 2019 non-GAAP EPS guidance to $13.25 - $14.30*

$Millions, except EPS and percentages	Q1'19	Q1'18	YOY
Total Revenues	$5,557	$5,554	—%
GAAP Operating Income	$2,472	$2,726	(9%)
GAAP Net Income	$1,992	$2,311	(14%
GAAP EPS	$ 3.18	$ 3.25	(2%)
Non-GAAP Operating Income	$2,770	$3,038	(9%)
Non-GAAP Net Income	$2,230	$2,466	(10%
Non-GAAP EPS	$ 3.56	$ 3.47	3%

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 April 30, 2019, and is not being updated at this time.*

MESSAGE FROM BOB BRADWAY, CEO

We entered 2019 with a strong track record of execution and having strengthened our ability to innovate, compete, and grow over the long term. We are well positioned to capitalize on the growth opportunities presented by our newer products, even as we effectively defend our mature products against emerging and expected new competition. Drug prices are being challenged around the world and we therefore have said for some time that we expect volume-driven growth to be important to our long-term success. In Q1, we once again demonstrated our ability to grow unit volumes, especially for our newer products like Prolia, Repatha and Aimovig, as well as for our six hematology/oncology products that are in early phases of their life cycle. We remain confident in the life-cycle management strategies we have in place to defend our mature brands, and we believe there is considerable upside potential with our newer products that will drive attractive long-term growth.

Looking to the future, we are rapidly advancing a robust pipeline of innovative medicines, many with the potential to be first-in-class or best-in-class therapies. In oncology alone, we are capitalizing on our industry-leading BiTE portfolio and targeted therapies across a number of important disease areas including multiple myeloma, AML as well as various solid tumors.

Our strong balance sheet and cash flows enable us to provide significant returns to our shareholders through buybacks and dividends, even as we invest in long-term, volume-driven growth opportunities around the world. In closing, we will build on our recent transformation successes and have the resources and determination to take advantage of the many opportunities in front of us, to meet our competitive challenges and to deliver growth over the long term.

AMGEN MISSION

To serve patients

AMGEN QUICK FACTS

Headquarters

Thousand Oaks, California

Staff

Approximately 21,500 worldwide

Stock Listing

NASDAQ: AMGN

Chairman, CEO and President

Robert A. Bradway

2018 Financial Highlights

Total revenue: $23.7 billion

Product sales: $22.5 billion

Non-GAAP R&D expense: $3.7 billion

AMGEN PRODUCTS

Aimovig® (erenumab-aooe)
AMGEVITA™ (biosimilar adalimumab)
Aranesp® (darbepoetin alfa)
BLINCYTO® (blinatumomab)
Corlanor® (ivabradine)
Enbrel® (etanercept)
EPOGEN® (epoetin alfa)
EVENITY® (romosozumab-aqqg)
IMLYGIC® (talimogene laherparepvec)
KANJINTI™ (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?

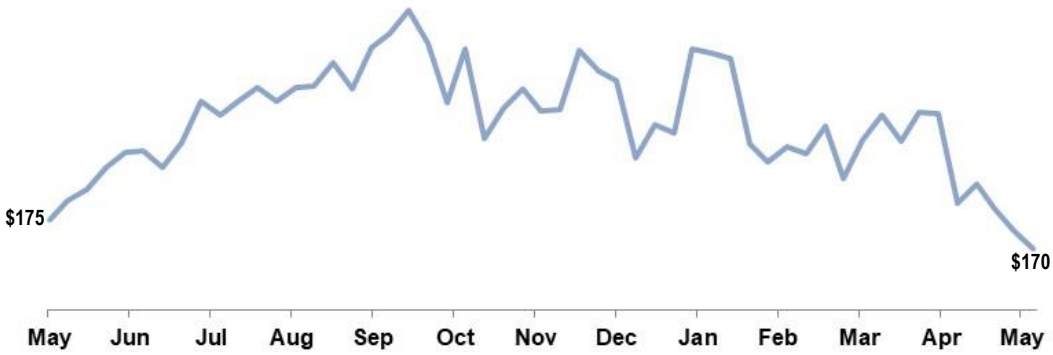
CONTACT US

Amgen
Investor Relations
Mailstop 28-3-D
Phone: 805-447-1060
E-mail:
investor.relations@amgen.com
investors.amgen.com

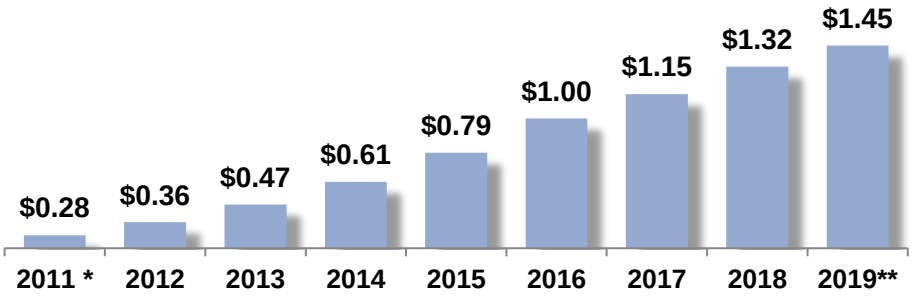
Transfer Agent
American Stock Transfer and Trust Co.
59 Maiden Lane
New York, NY 10038
Phone: (212) 936-5100 or
800-937-5449

Stock Price Performance (Last 12 Months)

Source: NASDAQ
(data from 5/17/18 through 5/17/19)



Quarterly Per Share Dividend History

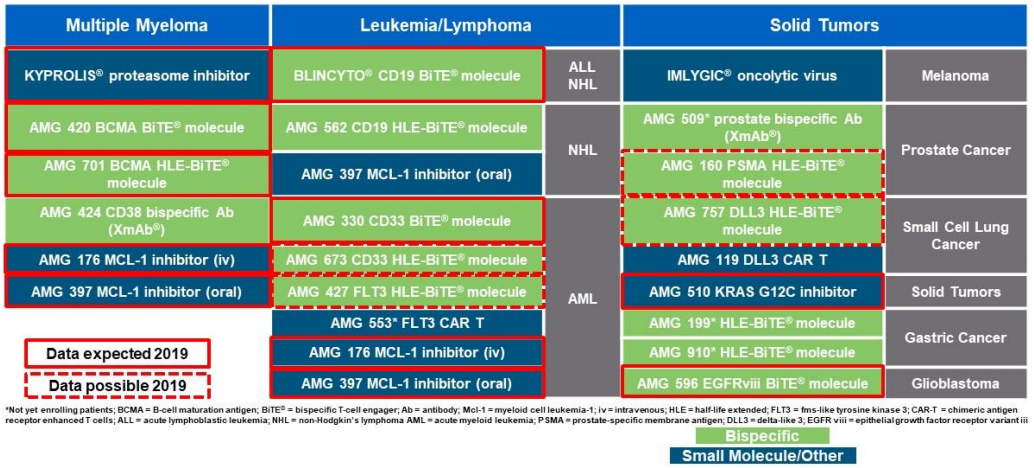


* Dividend initiated in September 2011

** Represents Q1 dividend paid and Q2 dividend payable on June 7, 2019 to all stockholders of record as of the close of business on May 17, 2019.

Key News:

Data Expected From Many Novel, High-Potential Oncology Programs



*Not yet enrolling patients; BCMA = B-cell maturation antigen; BiTE® = bispecific T-cell engager; Ab = antibody; Mcl-1 = myeloid cell leukemia-1; iv = intravenous; HLE = half-life extended; FLT3 = fms-like tyrosine kinase 3; CAR-T = chimeric antigen receptor enhanced T cells; ALL = acute lymphoblastic leukemia; NHL = non-Hodgkin's lymphoma AML = acute myeloid leukemia; PSMA = prostate-specific membrane antigen; DLL3 = delta-like 3; EGFR viii = epithelial growth factor receptor variant iii

Non-GAAP Financial Measures

In this news release, management has presented its operating results for the first quarters of 2019 and 2018, in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and on a non-GAAP basis. In addition, management has presented its full year 2019 EPS and tax rate guidance in accordance with GAAP and 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 included in the news release. Management has also presented Free Cash Flow (FCF), which is a non-GAAP financial measure, for the first quarters of 2019 and 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 the news release 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 current reports on Form 8-K. Unless otherwise noted, Amgen is providing this information as of the date of this news release 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. 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 new indications for existing products 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.

Amgen Inc.
Consolidated Statements of Income - GAAP
(In millions, except per-share data)
(Unaudited)

	Three months ended March 31,	
	2019	**2018**
Revenues:		
Product sales	$ 5,286	$ 5,343
Other revenues	271	211
Total revenues	5,557	5,554
Operating expenses:		
Cost of sales	1,055	944
Research and development	879	760
Selling, general and administrative	1,154	1,127
Other	(3)	(3)
Total operating expenses	3,085	2,828
Operating income	2,472	2,726
Interest expense, net	343	338
Interest and other income, net	185	231
Income before income taxes	2,314	2,619
Provision for income taxes	322	308
Net income	$ 1,992	$ 2,311
Earnings per share:		
Basic	$ 3.20	$ 3.27
Diluted	$ 3.18	$ 3.25
Weighted-average shares used in calculation of earnings per share:		
Basic	622	707
Diluted	626	711

Amgen Inc.
Consolidated Balance Sheets - GAAP
(In millions)

	March 31, 2019 (Unaudited)	**December 31, 2018**
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	$ 26,301	$ 29,304
Trade receivables, net	3,771	3,580
Inventories	3,016	2,940
Other current assets	2,063	1,794
Total current assets	35,151	37,618
Property, plant and equipment, net	4,892	4,958
Intangible assets, net	7,124	7,443
Goodwill	14,692	14,699
Other assets	2,138	1,698
Total assets	$ 63,997	$ 66,416
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 9,001	$ 9,069
Current portion of long-term debt	3,705	4,419
Total current liabilities	12,706	13,488
Long-term debt	29,319	29,510
Long-term deferred tax liabilities	811	864
Long-term tax liabilities	8,869	8,770
Other noncurrent liabilities	1,460	1,284
Stockholders' equity	10,832	12,500
Total liabilities and stockholders' equity	$ 63,997	$ 66,416
Shares outstanding	614	630

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

	Three months ended March 31,	
	2019	**2018**
GAAP cost of sales	$ 1,055	$ 944
Adjustments to cost of sales:		
Acquisition-related expenses **(a)**	(276)	(266)
Total adjustments to cost of sales	(276)	(266)
Non-GAAP cost of sales	$ 779	$ 678
GAAP cost of sales as a percentage of product sales	20.0%	17.7%
Acquisition-related expenses **(a)**	-5.3	-5.0
Non-GAAP cost of sales as a percentage of product sales	14.7%	12.7%
GAAP research and development expenses	$ 879	$ 760
Adjustments to research and development expenses:		
Acquisition-related expenses **(a)**	(20)	(21)
Total adjustments to research and development expenses	(20)	(21)
Non-GAAP research and development expenses	$ 859	$ 739
GAAP research and development expenses as a percentage of product sales	16.6%	14.2%
Acquisition-related expenses **(a)**	-0.3	-0.4
Non-GAAP research and development expenses as a percentage of product sales	16.3%	13.8%
GAAP selling, general and administrative expenses	$ 1,154	$ 1,127
Adjustments to selling, general and administrative expenses:		
Acquisition-related expenses **(a)**	(4)	(25)
Certain net charges pursuant to our restructuring initiative	(1)	(3)
Total adjustments to selling, general and administrative expenses	(5)	(28)
Non-GAAP selling, general and administrative expenses	$ 1,149	$ 1,099
GAAP selling, general and administrative expenses as a percentage of product sales	21.8%	21.1%
Acquisition-related expenses **(a)**	-0.1	-0.5
Certain net charges pursuant to our restructuring initiative	0.0	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales	21.7%	20.6%
GAAP operating expenses	$ 3,085	$ 2,828
Adjustments to operating expenses:		
Adjustments to cost of sales	(276)	(266)
Adjustments to research and development expenses	(20)	(21)
Adjustments to selling, general and administrative expenses	(5)	(28)
Certain net charges pursuant to our restructuring initiative	1	(1)
Acquisition-related adjustments	2	4
Total adjustments to operating expenses	(298)	(312)
Non-GAAP operating expenses	$ 2,787	$ 2,516
GAAP operating income	$ 2,472	$ 2,726
Adjustments to operating expenses	298	312
Non-GAAP operating income	$ 2,770	$ 3,038
GAAP operating income as a percentage of product sales	46.8%	51.0%
Adjustments to cost of sales	5.3	5.0
Adjustments to research and development expenses	0.3	0.4
Adjustments to selling, general and administrative expenses	0.1	0.5
Certain net charges pursuant to our restructuring initiative	0.0	0.0
Acquisition-related adjustments	-0.1	0.0
Non-GAAP operating income as a percentage of product sales	52.4%	56.9%
GAAP interest and other income, net	$ 185	$ 231
Adjustments to other income **(b)**	-	(75)
Non-GAAP interest and other income, net	$ 185	$ 156
GAAP income before income taxes	$ 2,314	$ 2,619
Adjustments to operating expenses	298	312
Adjustments to other income **(b)**	-	(75)
Non-GAAP income before income taxes	$ 2,612	$ 2,856
GAAP provision for income taxes	$ 322	$ 308
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments **(c)**	68	64
Other income tax adjustments **(d)**	(8)	18
Total adjustments to provision for income taxes	60	82
Non-GAAP provision for income taxes	$ 382	$ 390
GAAP tax as a percentage of income before taxes	13.9%	11.8%
Adjustments to provision for income taxes:		
Income tax effect of the above adjustments **(c)**	1.0	1.3
Other income tax adjustments **(d)**	-0.3	0.6
Total adjustments to provision for income taxes	0.7	1.9
Non-GAAP tax as a percentage of income before taxes	14.6%	13.7%
GAAP net income	$ 1,992	$ 2,311
Adjustments to net income:		
Adjustments to income before income taxes, net of the income tax effect	230	173
Other income tax adjustments **(d)**	8	(18)
Total adjustments to net income	238	155
Non-GAAP net income	$ 2,230	$ 2,466

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, 2019		Three months ended March 31, 2018	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	$ 1,992	$ 2,230	$ 2,311	$ 2,466
Weighted-average shares for diluted EPS	626	626	711	711
Diluted earnings per share	$ 3.18	$ 3.56	$ 3.25	$ 3.47

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

(b) For three months ended March 31, 2018, the adjustment related to the net gain associated with the Kirin-Amgen share acquisition.

(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 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 rate for the adjustments to our GAAP income before income taxes, for the three months ended March 31, 2019, was 22.8%, compared with 27.0% for the corresponding period of the prior year.

(d) For three months ended March 31, 2019, the adjustment related to prior-period items excluded from GAAP earnings. For three months ended March 31, 2018, the adjustment related primarily to the K-A acquisition.

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

	Three months ended March 31,	
	2019	2018
Net cash provided by operating activities	$ 1,845	$ 2,727
Net cash provided by investing activities	3,555	14,906
Net cash used in financing activities	(4,987)	(11,692)
Increase in cash and cash equivalents	413	5,941
Cash and cash equivalents at beginning of period	6,945	3,800
Cash and cash equivalents at end of period	$ 7,358	$ 9,741

	Three months ended March 31,	
	2019	2018
Net cash provided by operating activities	$ 1,845	$ 2,727
Capital expenditures	(116)	(155)
Free cash flow	$ 1,729	$ 2,572

Reconciliation of GAAP EPS Guidance to Non-GAAP EPS Guidance for the Year Ending December 31, 2019 (Unaudited)

GAAP diluted EPS guidance	$	11.68	-	$	12.73
Known adjustment to arrive at non-GAAP*:					
Acquisition-related expenses (a)			1.56		
Tax adjustments			0.01		
Non-GAAP diluted EPS guidance	$	13.25	-	$	14.30

* The known adjustments are presented net of their related tax impact, which amount to approximately $0.41 per share.

(a) The adjustments relate primarily to non-cash 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 of our contingent consideration.

Reconciliation of GAAP Tax Rate Guidance to Non-GAAP Tax Rate Guidance for the Year Ending December 31, 2019 (Unaudited)

GAAP tax rate guidance	13.0%	-	14.0%
Tax rate effect of known adjustments discussed above		1.0%	
Non-GAAP tax rate guidance	14.0%	-	15.0%