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.

Q3 2018 Financial Highlights:

- Total revenues increased 2 percent versus the third quarter of 2017 to $5.9 billion.
  - Product sales grew 1 percent globally. New and recently launched products including Repatha® (evolocumab), Prolia® (denosumab), KYPROLIS® (carfilzomib) and XGEVA® (denosumab) showed double-digit growth.
- Non-GAAP EPS increased 13 percent to $3.69 driven by higher total revenues, a lower tax rate and lower weighted-average shares outstanding.
- Non-GAAP operating income decreased 2 percent to $3.0 billion and non-GAAP operating margin decreased 1.7 percentage points to 53.9 percent.
- 2018 non-GAAP EPS guidance revised to $14.00-$14.25;
  Total revenues guidance revised to $23.2-$23.5 billion.*
- The Company generated $3.1 billion of free cash flow.

$Millions, except EPS and percentages	Q3'18	Q3'17	YOY Δ
Total Revenues	$ 5,904	$ 5,773	2%
GAAP Operating Income	$ 2,323	$ 2,439	(5)%
GAAP Net Income	$ 1,859	$ 2,021	(8)%
GAAP Earnings Per Share	$ 2.86	$ 2.76	4%
Non-GAAP Operating Income	$ 2,971	$ 3,033	(2)%
Non-GAAP Net Income	$ 2,392	$ 2,399	—%
Non-GAAP EPS	$ 3.69	$ 3.27	13%

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 October 30, 2018, and is not being updated at this time.*

MESSAGE FROM BOB BRADWAY, CEO

Despite operating within a period of high volatility, Amgen's fundamental objectives of innovating for the benefit of patients and delivering for shareholders remain intact and unchanged. Looking ahead, there are bound to be headwinds, but we remain confident in our ability to navigate them from a position of strength. You see evidence of that strength reflected once again this quarter in our healthy balance sheet, strong cash flows and efficient cost structure. We've said for some time that we expected growing pressures on drug prices in our industry. With price under pressure, having innovative products which can deliver volume growth by meeting the needs of large numbers of patients is ever more important.

We believe differentiated products like Prolia® (denosumab), Repatha® (evolocumab) and Aimovig® (erenumab-aooe) offer attractive long-term prospects. Prolia® continues to grow globally and large untapped potential remains in the area of osteoporosis. With Repatha®, we are taking steps to improve patient access and affordability to this important therapy. Aimovig® is off to a very strong start. People suffering from migraine and their physicians have been waiting for years for an effective new therapy like Aimovig®.

We believe biosimilars can be an important growth driver for us and we have now launched KANJINTI™ (our biosimilar to Herceptin®) and AMGEVITA™ (our biosimilar to Humira®) in Europe. Our innovative pipeline is advancing rapidly and from a capital allocation standpoint, we've continued with our share buyback and dividend increases. We will continue to take a disciplined approach to business development, investing in opportunities where we believe we can create value for Amgen shareholders.

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)
AMGEVITA™ (biosimilar adalimumab)
Aranesp® (darbepoetin alfa)
BLINCYTO® (blinatumomab)
Corlanor® (ivabradine)
Enbrel® (etanercept)
EPOGEN® (epoetin alfa)
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?

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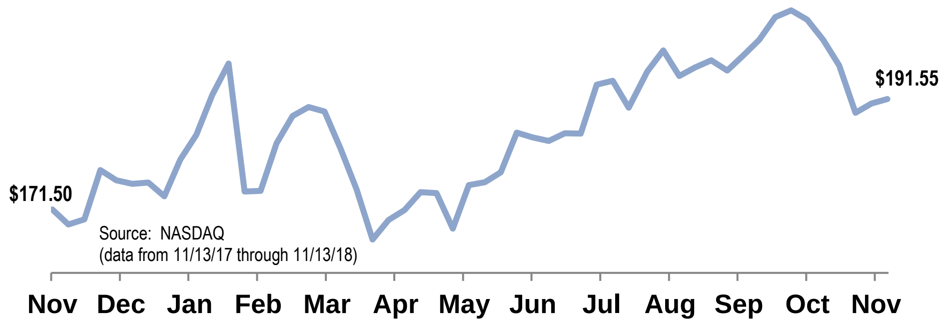
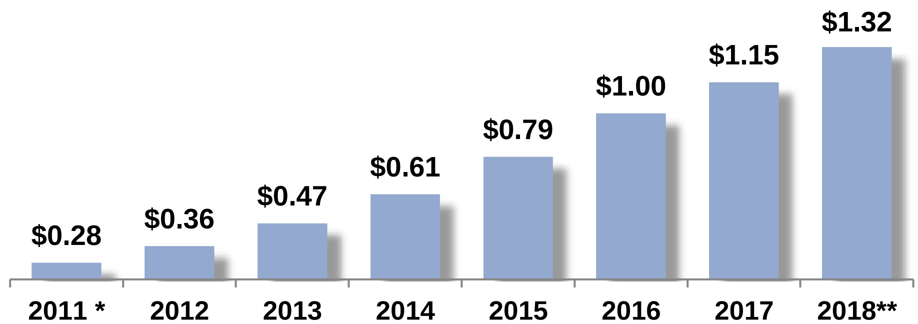
Stock Price Performance (Last 12 Months)



Quarterly Per Share Dividend History



* Dividend initiated in September 2011

** Represents Q1, Q2 and Q3 dividends paid and Q4 dividend payable on December 7, 2018 to all stockholders of record as of the close of business on November 16, 2018.

Key News:

Amgen Makes Repatha® Available in the U.S. at a 60 Percent Lower List Price

- Cardiovascular disease is one of the country's most significant health challenges and every 40 seconds, someone in America has a heart attack or stroke.
- Repatha® dramatically lowers LDL (low-density lipoprotein) and reduces the risk of heart attack by 27% and the risk of stroke by 21%.
- Throughout 2018, Amgen has been offering payers significant rebates on Repatha® in exchange for improved patient access. However, despite these improvements in access, many patients face high out-of-pocket costs for Repatha®, especially Medicare patients.
- To address patient affordability issues, Amgen has now made Repatha® available at a reduced list price which significantly improves affordability for Medicare patients. Availability will depend on each insurance plan's determination of coverage.
- Patients or physicians who need help understanding these changes can contact RepathaReady® (1-844-REPATHA). The RepathaReady® program provides a comprehensive suite of services to help patients and providers, including a Repatha® $5 co-pay card for eligible commercially insured patients, insurance coverage support and injection training.
- Amgen also provides patient assistance for its medicines marketed in the U.S. in a variety of ways, including free medicines through the Amgen Safety Net Foundation for qualifying individuals with no or limited drug coverage.

Non-GAAP Financial Measures

Management has presented its operating results for the third quarters of 2018 and 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 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 attached to this newsletter. Management has also presented Free Cash Flow (FCF), which is a non-GAAP financial measure, for the third quarters of 2018 and 2017. 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. 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 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 may be 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	$	12.23	-	$	12.55
Known adjustments to arrive at non-GAAP*:					
Acquisition-related expenses (a)			1.69		
Restructuring charges		0.00	-		0.07
Certain other expenses			0.03		
Tax adjustments (b)			(0.02)		
Non-GAAP diluted EPS guidance	$	14.00	-	$	14.25

* The known adjustments are presented net of their related tax impact, which amount to approximately $0.55 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 September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
GAAP cost of sales	$ 1,037	$ 990	$ 3,005	$ 3,010
Adjustments to cost of sales:				
Acquisition-related expenses **(a)**	(278)	(255)	(823)	(883)
Total adjustments to cost of sales	(278)	(255)	(823)	(883)
Non-GAAP cost of sales	$ 759	$ 735	$ 2,182	$ 2,127
GAAP cost of sales as a percentage of product sales	18.8%	18.2%	18.2%	18.6%
Acquisition-related expenses **(a)**	-5.0	-4.7	-5.0	-5.5
Non-GAAP cost of sales as a percentage of product sales	13.8%	13.5%	13.2%	13.1%
GAAP research and development expenses	$ 926	$ 877	$ 2,555	$ 2,519
Adjustments to research and development expenses:				
Acquisition-related expenses **(a)**	(19)	(19)	(59)	(57)
Certain net charges pursuant to our restructuring initiative	(1)	-	(1)	(5)
Total adjustments to research and development expenses	(20)	(19)	(60)	(62)
Non-GAAP research and development expenses	$ 906	$ 858	$ 2,495	$ 2,457
GAAP research and development expenses as a percentage of product sales	16.8%	16.1%	15.5%	15.5%
Acquisition-related expenses **(a)**	-0.4	-0.4	-0.4	-0.4
Certain net charges pursuant to our restructuring initiative	0.0	0.0	0.0	0.0
Non-GAAP research and development expenses as a percentage of product sales	16.4%	15.7%	15.1%	15.1%
GAAP selling, general and administrative expenses	$ 1,293	$ 1,170	$ 3,773	$ 3,443
Adjustments to selling, general and administrative expenses:				
Acquisition-related expenses **(a)**	(20)	(22)	(65)	(79)
Certain net charges pursuant to our restructuring initiative	(5)	(1)	(8)	(1)
Other	-	-	-	(3)
Total adjustments to selling, general and administrative expenses	(25)	(23)	(73)	(83)
Non-GAAP selling, general and administrative expenses	$ 1,268	$ 1,147	$ 3,700	$ 3,360
GAAP selling, general and administrative expenses as a percentage of product sales	23.5%	21.5%	22.8%	21.2%
Acquisition-related expenses **(a)**	-0.4	-0.5	-0.4	-0.5
Certain net charges pursuant to our restructuring initiative	-0.1	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Non-GAAP selling, general and administrative expenses as a percentage of product sales	23.0%	21.0%	22.4%	20.7%
GAAP operating expenses	$ 3,581	$ 3,334	$ 9,636	$ 9,319
Adjustments to operating expenses:				
Adjustments to cost of sales	(278)	(255)	(823)	(883)
Adjustments to research and development expenses	(20)	(19)	(60)	(62)
Adjustments to selling, general and administrative expenses	(25)	(23)	(73)	(83)
Certain net charges pursuant to our restructuring initiative **(b)**	2	(10)	8	(56)
Certain other expenses	-	-	(25)	-
Acquisition-related adjustments **(c)**	(327)	(287)	(286)	(291)
Total adjustments to operating expenses	(648)	(594)	(1,259)	(1,375)
Non-GAAP operating expenses	$ 2,933	$ 2,740	$ 8,377	$ 7,944
GAAP operating income	$ 2,323	$ 2,439	$ 7,881	$ 7,728
Adjustments to operating expenses	648	594	1,259	1,375
Non-GAAP operating income	$ 2,971	$ 3,033	$ 9,140	$ 9,103
GAAP operating income as a percentage of product sales	42.2%	44.7%	47.7%	47.6%
Adjustments to cost of sales	5.0	4.7	5.0	5.5
Adjustments to research and development expenses	0.4	0.4	0.4	0.4
Adjustments to selling, general and administrative expenses	0.5	0.5	0.4	0.5
Certain net charges pursuant to our restructuring initiative **(b)**	-0.1	0.1	0.0	0.3
Certain other expenses	0.0	0.0	0.1	0.0
Acquisition-related adjustments **(c)**	5.9	5.2	1.7	1.8
Non-GAAP operating income as a percentage of product sales	53.9%	55.6%	55.3%	56.1%
GAAP interest and other income, net	$ 126	$ 267	$ 519	$ 627
Adjustments to other income **(d)**	7	-	(68)	-
Non-GAAP interest and other income, net	$ 133	$ 267	$ 451	$ 627
GAAP income before income taxes	$ 2,094	$ 2,381	$ 7,360	$ 7,383
Adjustments to operating expenses	648	594	1,259	1,375
Adjustments to other income **(d)**	7	-	(68)	-
Non-GAAP income before income taxes	$ 2,749	$ 2,975	$ 8,551	$ 8,758
GAAP provision for income taxes	$ 235	$ 360	$ 894	$ 1,140
Adjustments to provision for income taxes:				
Income tax effect of the above adjustments **(e)**	147	204	285	440
Other income tax adjustments **(f)**	(25)	12	(15)	36
Total adjustments to provision for income taxes	122	216	270	476
Non-GAAP provision for income taxes	$ 357	$ 576	$ 1,164	$ 1,616
GAAP tax as a percentage of income before taxes	11.2%	15.1%	12.1%	15.4%
Adjustments to provision for income taxes:				
Income tax effect of the above adjustments **(e)**	2.7	3.9	1.7	2.6
Other income tax adjustments **(f)**	-0.9	0.4	-0.2	0.5
Total adjustments to provision for income taxes	1.8	4.3	1.5	3.1
Non-GAAP tax as a percentage of income before taxes	13.0%	19.4%	13.6%	18.5%
GAAP net income	$ 1,859	$ 2,021	$ 6,466	$ 6,243
Adjustments to net income:				
Adjustments to income before income taxes, net of the income tax effect	508	390	906	935
Other income tax adjustments **(f)**	25	(12)	15	(36)
Total adjustments to net income	533	378	921	899
Non-GAAP net income	$ 2,392	$ 2,399	$ 7,387	$ 7,142

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 September 30, 2018		Three months ended September 30, 2017	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	$ 1,859	$ 2,392	$ 2,021	$ 2,399
Weighted-average shares for diluted EPS	649	649	733	733
Diluted EPS	$ 2.86	$ 3.69	$ 2.76	$ 3.27

	Nine months ended September 30, 2018		Nine months ended September 30, 2017	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net income	$ 6,466	$ 7,387	$ 6,243	$ 7,142
Weighted-average shares for diluted EPS	673	673	738	738
Diluted EPS	$ 9.61	$ 10.98	$ 8.46	$ 9.68

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

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

(c) The adjustments related primarily to impairments of intangible assets acquired in business combinations.

(d) For the nine months ended September 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 nine months ended September 30, 2018, were 22.4% and 23.9%, compared with 34.3% and 32.0% 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 September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Net cash provided by operating activities	$ 3,273	$ 3,454	$ 8,102	$ 8,165
Net cash provided by (used in) investing activities	1,132	(1,976)	18,976	(3,946)
Net cash used in financing activities	(2,580)	(1,107)	(18,922)	(4,460)
Increase (decrease) in cash and cash equivalents	1,825	371	8,156	(241)
Cash and cash equivalents at beginning of period	10,131	2,629	3,800	3,241
Cash and cash equivalents at end of period	$ 11,956	$ 3,000	$ 11,956	$ 3,000

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Net cash provided by operating activities	$ 3,273	$ 3,454	$ 8,102	$ 8,165
Capital expenditures	(171)	(158)	(513)	(511)
Free cash flow	$ 3,102	$ 3,296	$ 7,589	$ 7,654