

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2023**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number 001-01136**

**BRISTOL-MYERS SQUIBB COMPANY**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**22-0790350**  
(I.R.S Employer  
Identification No.)

**Route 206 & Province Line Road, Princeton, New Jersey 08543**

(Address of principal executive offices)

**(609) 252-4621**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.10 Par Value	BMJ	New York Stock Exchange
1.000% Notes due 2025	BMJ25	New York Stock Exchange
1.750% Notes due 2035	BMJ35	New York Stock Exchange
Celgene Contingent Value Rights	CELG RT	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act:**

Title of each class

\$2 Convertible Preferred Stock, \$1 Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the 2,087,551,048 shares of voting common equity held by non-affiliates of the registrant, computed by reference to the closing price as reported on the New York Stock Exchange, as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$133,498,889,520. Bristol-Myers Squibb Company has no non-voting common equity. At February 6, 2024, there were 2,022,193,411 shares of common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE:** Portions of the definitive proxy statement for the registrant's Annual Meeting of Shareholders to be filed within 120 days after the conclusion of the registrant's fiscal year ended December 31, 2023 with the U.S. Securities and Exchange Commission pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent described therein.

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December 31, 2023

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\* Indicates brand names of products which are trademarks not owned by BMS. Specific trademark ownership information is included in the Exhibit Index at the end of this 2023 Form 10-K.

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## PART I

### Item 1. BUSINESS.

#### General

Bristol-Myers Squibb Company ("we", the "Company", or "BMS") was incorporated under the laws of the State of Delaware in August 1933 under the name Bristol-Myers Company, as successor to a New York business started in 1887. In 1989, Bristol-Myers Company changed its name to Bristol-Myers Squibb Company as a result of a merger.

We operate in one segment engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of biopharmaceutical products on a global basis. We expect that our planned acquisitions of Karuna and RayzeBio, announced during the fourth quarter of 2023, as well as the Mirati (2024) and the Turning Point (2022) acquisitions, will continue to position us as a leading biopharmaceutical company, expanding our targeted oncology portfolio, as well as other therapeutic areas, including neuroscience. Our principal strategy is to combine the resources, scale and capability of a pharmaceutical company with the speed and focus on innovation of the biotech industry. Our focus as a biopharmaceutical company is on discovering, developing and delivering transformational medicines for patients facing serious diseases in areas where we believe that we have an opportunity to make a meaningful difference: oncology, hematology, immunology, cardiovascular and neuroscience. Our priorities are to continue renewing and diversifying our portfolio, advancing our early, mid and late-stage pipeline, and executing disciplined business development. We remain committed to strengthening our balance sheet and returning capital to shareholders. For a further discussion of our strategy initiatives, refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Strategy."

We compete with other worldwide research-based drug companies, smaller research companies and generic drug manufacturers. Our products are sold worldwide, primarily to wholesalers, distributors, specialty pharmacies, and to a lesser extent, directly to retailers, hospitals, clinics and government agencies. We have significant manufacturing operations in the U.S., Puerto Rico, Switzerland, Ireland, and the Netherlands. Most of our revenues come from products in the following therapeutic classes: hematology, oncology, cardiovascular and immunology.

The percentage of revenues by significant region/country were as follows:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
United States	70 %	69 %	63 %
International	28 %	29 %	35 %
Other <sup>(a)</sup>	2 %	2 %	2 %
Total Revenues	\$ 45,006	\$ 46,159	\$ 46,385

(a) Other revenues include royalties and alliance-related revenues for products not sold by BMS's regional commercial organizations.

Refer to the Summary of Abbreviated Terms at the end of this 2023 Form 10-K for definitions of capitalized terms used throughout the document.

## Acquisitions, Divestitures, Licensing and Other Arrangements

Acquisitions, divestitures, licensing and other arrangements allow us to focus our resources on growth opportunities that drive the greatest long-term value. Our significant business development activities in 2023 included: (i) the acquisition of Mirati, which was

completed in January 2024; (ii) the planned acquisitions of Karuna and RayzeBio, which were announced in December 2023; and (iii) a global strategic collaboration agreement with SystImmune, which was announced in December 2023. For additional information relating to our acquisitions, divestitures, licensing and other arrangements refer to “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Acquisitions, Divestitures, Licensing and Other Arrangements”, “Item 8. Financial Statements and Supplementary Data—Note 3. Alliances”, and “Item 8. Financial Statements and Supplementary Data—Note 4. Acquisitions, Divestitures, Licensing and Other Arrangements”.

## Products, Intellectual Property and Product Exclusivity

Our pharmaceutical products include chemically-synthesized or small molecule drugs, products produced from biological processes, called “biologics” and chimeric antigen receptor (CAR-T) cell therapies. Small molecule drugs are typically administered orally in the form of a tablet or capsule, although other drug delivery mechanisms are used as well. Biologics are typically administered to patients through injections or by intravenous infusion. CAR-T therapies are administered to patients by intravenous infusion.

Below is a summary of our significant products, including approved indications. For information about our alliance arrangements for certain of the products below, refer to “—Alliances” below and “Item 8. Financial Statements and Supplementary Data—Note 3. Alliances.”

### In-Line Products

**Eliquis®** *Eliquis* (apixaban) is an oral Factor Xa inhibitor indicated for the reduction in risk of stroke/systemic embolism in NVAF and for the treatment of DVT/PE and reduction in risk of recurrence following initial therapy.

**Opdivo®** *Opdivo* (nivolumab) is a biological product and a fully human monoclonal antibody that binds to the PD-1 on T and NKT cells. It has been approved for several anti-cancer indications including bladder, blood, CRC, head and neck, RCC, HCC, lung, melanoma, MPM, stomach and esophageal cancer. The *Opdivo+Yervoy* regimen also is approved in multiple markets for the treatment of NSCLC, melanoma, MPM, RCC, CRC and various gastric and esophageal cancers. There are several ongoing potentially registrational studies for *Opdivo* across other tumor types and disease areas, in monotherapy and in combination with *Yervoy* and various anti-cancer agents.

**Orencia®** *Orencia* (abatacept) is a biological product, is a fusion protein indicated for adult patients with moderate to severe active RA and PsA and is also indicated for reducing signs and symptoms in certain pediatric patients with moderately to severely active polyarticular JIA and for the treatment of aGVHD, in combination with a calcineurin inhibitor and methotrexate.

**Pomalyst®/Imnovid®** *Pomalyst/Imnovid* (pomalidomide) is a small molecule that is administered orally and modulates the immune system and other biologically important targets. *Pomalyst/Imnovid* is indicated for patients with multiple myeloma who have received at least two prior therapies including lenalidomide and a proteasome inhibitor and have demonstrated disease progression on or within 60 days of completion of the last therapy.

**Yervoy®** *Yervoy* (ipilimumab) is a biological product and is a CTLA4 immune checkpoint inhibitor. *Yervoy* is a monoclonal antibody for the treatment of patients with unresectable or metastatic melanoma. The *Opdivo+Yervoy* regimen is approved in multiple markets for the treatment of NSCLC, melanoma, MPM, RCC, CRC and esophageal cancer.

**Sprycel®** *Sprycel* (dasatinib) is an oral inhibitor of multiple tyrosine kinase indicated for the first-line treatment of patients with Philadelphia chromosome-positive CML in chronic phase and the treatment of adults with chronic, accelerated, or myeloid or lymphoid blast phase CML with resistance or intolerance to prior therapy, including *Gleevec\** (imatinib mesylate) and the treatment of children and adolescents aged 1 year to 18 years with chronic phase Philadelphia chromosome-positive CML.

## **New Product Portfolio**

- Reblozyl®** *Reblozyl* (luspatercept-aamt) is a biological product, and is an erythroid maturation agent indicated for the treatment of anemia in i) adult patients with transfusion dependent and non-transfusion dependent beta thalassemia who require regular red blood cell transfusions, ii) adult patients with very low- to intermediate-risk MDS who have ring sideroblasts and require red blood cell transfusions, as well as iii) adult patients without previous erythropoiesis stimulating agent use (ESA-naïve) with very low- to intermediate-risk MDS who may require regular red blood cell transfusions, regardless of ring sideroblast status.
- Opdualag®** *Opdualag* (nivolumab and relatlimab-rmbw) is a combination of nivolumab, a PD-1 blocking antibody, and relatlimab, a LAG-3 blocking antibody, indicated for the treatment of adult and pediatric patients 12 years of age or older with unresectable or metastatic melanoma.
- Abecma®** *Abecma* (idecabtagene vicleucel) is a BCMA genetically modified autologous CAR-T cell therapy indicated for the treatment of adult patients with relapsed or refractory multiple myeloma after four or more prior lines of therapy, including an immunomodulatory agent, a proteasome inhibitor, and an anti-cyclic ADP ribose hydrolase monoclonal antibody.
- Zeposia®** *Zeposia* (ozanimod) is an oral immunomodulatory drug used to treat relapsing forms of multiple sclerosis, to include clinically isolated syndrome, relapsing-remitting disease, and active secondary progressive disease, in adults and to treat moderately to severely active UC in adults.
- Breyanzi®** *Breyanzi* (lisocabtagene maraleucel) is a CD19-directed genetically modified autologous CAR-T cell therapy indicated for the treatment of adult patients with relapsed or refractory large B-cell lymphoma after one or more lines of systemic therapy, including diffuse large B-cell lymphoma not otherwise specified, high-grade B-cell lymphoma, primary mediastinal large B-cell lymphoma, and FL grade 3B.
- Camzyos®** *Camzyos* (mavacamten) is a cardiac myosin inhibitor indicated for the treatment of adults with symptomatic obstructive HCM to improve functional capacity and symptoms.
- Sotyktu®** *Sotyktu* (deucravacitinib) is an oral, selective, allosteric tyrosine kinase 2 inhibitor indicated for the treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy.
- Onureg®** *Onureg* (azacitidine) is an oral hypomethylating agent that incorporates into DNA and RNA, indicated for continued treatment of adult patients with AML who achieved first complete remission or complete remission with incomplete blood count recovery following intensive induction chemotherapy and are not able to complete intensive curative therapy.
- Inrebic®** *Inrebic* (fedratinib) is an oral kinase inhibitor indicated for the treatment of adult patients with intermediate-2 or high-risk primary or secondary (post-polycythemia vera or post-essential thrombocythemia) MF.
- Augtyro®** *Augtyro* (repotrectinib) is a kinase inhibitor indicated for the treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC.

## **Recent LOE Products**

- Revlimid®** *Revlimid* (lenalidomide) is an oral immunomodulatory drug that in combination with dexamethasone is indicated for the treatment of patients with multiple myeloma. *Revlimid* as a single agent is also indicated as a maintenance therapy in patients with multiple myeloma following autologous hematopoietic stem cell transplant. *Revlimid* has received approvals for several indications in the hematological malignancies including lymphoma and MDS.
- Abraxane®** *Abraxane* (paclitaxel albumin-bound particles for injectable suspension) is a solvent-free protein-bound chemotherapy product that combines paclitaxel with albumin using our proprietary *Nab®* technology platform, and is used to treat breast cancer, NSCLC and pancreatic cancer, among others.

We own or license a number of patents in the U.S. and foreign countries primarily covering our products. We have also developed many brand names and trademarks for our products. We consider the overall protection of our patents, trademarks, licenses and other intellectual property rights to be of material value and act to protect these rights from infringement.

In the pharmaceutical industry, the majority of an innovative product's commercial value is usually realized during the period in which the product has market exclusivity. A product's market exclusivity is generally determined by two forms of intellectual property: patent rights held by the innovator company and any regulatory forms of exclusivity to which the innovative drug is entitled.

Patents are a key determinant of market exclusivity for most branded pharmaceuticals. Patents provide the innovator with the right to exclude others from practicing an invention related to the medicine. Patents may cover, among other things, the active ingredient(s), various uses of a drug product, pharmaceutical formulations, drug delivery mechanisms and processes for (or intermediates useful in) the manufacture of products. Protection for individual products extends for varying periods in accordance with the expiration dates of patents in the various countries. The protection afforded, which may also vary from country to country, depends upon the type of patent, its scope of coverage and the availability of meaningful legal remedies in the country.

Market exclusivity is also sometimes provided by RDP, a period of time after the approval of a new drug during which the regulatory agency may not rely upon the innovator's data to approve a competitor's generic copy. Many developed countries provide certain non-patent incentives for the development of medicines. For example, in the U.S., EU, Japan and certain other countries, RDP exclusivity rights are offered as incentives for research on medicines for rare diseases, or orphan drugs, and on medicines useful in treating pediatric patients. These incentives can provide a market exclusivity period on a product that expires beyond the patent term.

When these patent rights and other forms of exclusivity expire and generic versions of a medicine are approved and marketed, there are often substantial and rapid declines in the sales of the original innovative product. For further discussion of the impact of generic medicines on our business, refer to "—Competition" below.

Specific aspects of the law governing market patent protection and RDP for pharmaceuticals vary from country to country. The following summarizes key exclusivity rules in markets representing significant sales:

### ***United States***

In the U.S., most of our key products are protected by patents with varying terms depending on the type of patent and the filing date. A significant portion of a product's patent life, however, is lost during the time it takes an innovator company to develop and obtain regulatory approval of a new drug. As compensation at least in part for the lost patent term due to regulatory review periods, the innovator may, depending on a number of factors, apply to the government to restore lost patent term by extending the expiration date of one patent up to a maximum term of five years, provided that the extension cannot cause the patent to be in effect for more than 14 years from the date of drug approval.

A company seeking to market an innovative pharmaceutical in the U.S. must submit a complete set of safety and efficacy data to the FDA. If the innovative pharmaceutical is a chemical product, the company files an NDA. If the medicine is a biological product, a BLA is filed. Both types of applications can receive certain periods of regulatory exclusivity. An NDA or a BLA for a compound that is designated as an orphan drug can receive seven years of exclusivity for an orphan drug indication. During this period, the FDA generally may not approve another application for the same drug product for the same orphan use. A company may also earn six months of additional exclusivity for a drug where specific clinical studies are conducted at the written request of the FDA to study the use of the medicine to treat pediatric patients, and submission to the FDA is made prior to the loss of basic exclusivity. The type of application filed (NDA or BLA) can affect RDP exclusivity rights as discussed below.

### ***Chemical products***

A competitor seeking to launch a generic substitute of a chemical innovative drug in the U.S. must file an ANDA with the FDA. In the ANDA, the generic manufacturer needs to demonstrate only "bioequivalence" between the generic substitute and the approved NDA drug. The ANDA relies upon the safety and efficacy data previously filed by the innovator in its NDA.

An innovator company is required to list certain of its patents covering the medicine with the FDA in what is commonly known as the Orange Book. Absent a successful patent challenge, the FDA cannot approve an ANDA until after the innovator's listed patents expire. However, after the innovator has marketed its product for four years, a generic manufacturer may file an ANDA and allege that one or more of the patents listed in the Orange Book under an innovator's NDA is invalid, unenforceable, or will not be infringed by the generic product. This allegation is commonly known as a Paragraph IV certification. The innovator then must decide whether to file a patent infringement suit against the generic manufacturer. From time to time, ANDAs including Paragraph IV certifications are filed with respect to certain of our products. We evaluate these ANDAs on a case-by-case basis and, where warranted, file suit against the generic manufacturer to protect our patent rights.

Medicines approved under an NDA can also receive several types of RDP. An innovative chemical pharmaceutical product is entitled to five years of RDP in the U.S., during which the FDA cannot approve generic substitutes. If an innovator's patent is challenged, as described above, a generic manufacturer may file its ANDA after the fourth year of the five-year RDP period. A pharmaceutical drug product that contains an active ingredient that has been previously approved in an NDA, but is approved in, for example, a new formulation or a new route of administration, but not for the drug itself, or for a new indication on the basis of new clinical studies, may receive three years of RDP for that formulation, route of administration, or indication. Our marketed chemical products include *Eliquis*, *Pomalyst*, *Sprycel*, *Zeposia*, *Onureg*, *Inrebic*, *Camzyos*, *Sotyktu*, and *Augtyro* (repotrectinib).

*Biologic products (includes CAR-T cell therapy products)*

U.S. healthcare legislation enacted in 2010 created an approval pathway for biosimilar versions of innovative biological products. The FDA can approve products that are similar to (but not generic copies of) innovative biologics on the basis of less extensive data than is required by a full BLA. After an innovator has marketed its product for four years, any manufacturer may file an application for approval of a "biosimilar" version of the innovator product. However, although an application for approval of a biosimilar version may be filed four years after approval of the innovator product, qualified innovative biological products will receive 12 years of RDP, meaning that the FDA may not approve a biosimilar version until 12 years after the innovative biological product was first approved by the FDA. The law also provides a mechanism for innovators to enforce the patents that protect innovative biological products and for biosimilar applicants to challenge the patents. Such patent litigation may begin as early as four years after the innovative biological product is first approved by the FDA. Our marketed biologic products include *Opdivo*, *Orencia*, *Yervoy*, *Rebzozyl*, *Abecma*, *Opdualag* and *Breyanzi*.

The increased likelihood of generic and biosimilar challenges to innovators' intellectual property has increased the risk of loss of innovators' market exclusivity. First, generic companies have increasingly sought to challenge innovators' basic patents covering major pharmaceutical products. Second, statutory and regulatory provisions may limit the ability of an innovator company to prevent generic and biosimilar drugs from being approved and launched while patent litigation is ongoing. As a result of these developments, among others, it is not possible to predict the length of market exclusivity for a particular product with certainty based solely on the expiration of the relevant patent(s) or the current forms of regulatory exclusivity.

**European Union**

Patents on pharmaceutical products are generally enforceable in the EU and, as in the U.S., may be extended to compensate for the patent term lost during the regulatory review process. Such extensions are granted on a country-by-country basis.

The primary route we use to obtain marketing authorization of pharmaceutical products in the EU is through the "centralized procedure." This procedure is compulsory for certain pharmaceutical products, in particular those using biotechnological processes, and is also available for certain new chemical compounds and products. A company seeking to market an innovative pharmaceutical product through the centralized procedure must file a complete set of safety data and efficacy data as part of an MAA with the EMA. After the EMA evaluates the MAA, it provides a recommendation to the EC and the EC then approves or denies the MAA. It is also possible for new chemical products to obtain marketing authorization in the EU through a "mutual recognition procedure," in which an application is made to a single member state, and if the member state approves the pharmaceutical product under a national procedure, then the applicant may submit that approval to the mutual recognition procedure of some or all other member states.

After obtaining marketing authorization approval, a company must obtain pricing and reimbursement for the pharmaceutical product, which is typically subject to member state law. In certain EU countries, this process can take place simultaneously while the product is marketed but in other EU countries, this process must be completed before the company can market the new product. The pricing and reimbursement procedure can take months and sometimes years to complete.

Throughout the EU, all products for which marketing authorizations have been filed after October and November 2005 are subject to an "8+2+1" RDP regime. Eight years after the innovator has received its first community authorization for a medicinal product, a generic company may file a MAA for that product with the health authorities. If the MAA is approved, the generic company may not commercialize the product until after either 10 or 11 years have elapsed from the initial marketing authorization granted to the innovator. The possible extension to 11 years is available if the innovator, during the first eight years of the marketing authorization, obtains an additional indication that is of significant clinical benefit in comparison with existing treatments.

In contrast to the U.S., patents in the EU are not listed with regulatory authorities. Generic versions of pharmaceutical products can be approved after RDP expires, regardless of whether the innovator holds patents covering its drug. Thus, it is possible that an innovator may be seeking to enforce its patents against a generic competitor that is already marketing its product. Also, the European patent system has an opposition procedure in which generic manufacturers may challenge the validity of patents covering innovator products within nine months of grant.



In general, EU law treats chemically-synthesized drugs and biologically-derived drugs the same with respect to intellectual property and RDP. In addition to the relevant legislation and annexes related to biologic medicinal products, the EMA has issued guidelines that outline the additional information to be provided for biosimilar products, also known as generic biologics, in order to review an application for marketing approval.

### Japan

In Japan, patents on pharmaceutical products are enforceable and may be extended to compensate for the patent term lost during the regulatory review process. Medicines of new chemical entities are generally afforded eight years of RDP for approved indications and dosage. Generic copies can receive regulatory approval after RDP and patent expirations.

In general, Japanese law treats chemically-synthesized and biologically-derived drugs the same with respect to intellectual property and market exclusivity.

### Rest of the World

In countries outside of the U.S., the EU and Japan, there is a wide variety of legal systems with respect to intellectual property and market exclusivity of pharmaceuticals. Most other developed countries utilize systems similar to either the U.S. or the EU. Among developing countries, some have adopted patent laws and/or regulatory exclusivity laws, while others have not. Some developing countries have formally adopted laws in order to comply with WTO commitments, but have not taken steps to implement these laws in a meaningful way. Enforcement of WTO actions is a long process between governments, and there is no assurance of the outcome. Thus, in assessing the likely future market exclusivity of our innovative drugs in developing countries, we take into account not only formal legal rights but political and other factors as well.

The following chart shows our key products together with the year in which the earliest basic exclusivity loss (patent rights or RDP exclusivity) is currently estimated to occur in the U.S., the EU and Japan (the “estimated minimum market exclusivity date”). We also sell our pharmaceutical products in other countries; however, data is not provided on a country-by-country basis because individual country revenues are not significant outside the U.S., the EU and Japan. Generally, the estimated minimum market exclusivity date in the table below pertains to the end of RDP, COM patent expiration for the respective products and PTR if granted. In situations where there is only data exclusivity without patent protection, a competitor could seek regulatory approval by submitting its own clinical study data to obtain marketing approval prior to the expiration of RDP.

We estimate the minimum market exclusivity date for each of our products for the purpose of business planning only. The length of market exclusivity for any of our products is impossible to predict with certainty because of the complex interaction between patent and regulatory forms of exclusivity and the inherent uncertainties regarding patent litigation. There can be no assurance that a particular product will enjoy market exclusivity for the full period of time that appears in the estimate or that the exclusivity will be limited to the estimate.

	Estimated Minimum Market Exclusivity Date		
	U.S.	EU <sup>(p)</sup>	Japan
<i>Abecma</i> (idecabtagene vicleucel)	2036	2035	2035
<i>Abraxane</i> (paclitaxel) <sup>(a)</sup>	^^	^^	^^
<i>Augtyro</i> (repotrectinib) <sup>(b)</sup>	2035	++	++
<i>Breyanzi</i> (lisocabtagene maraleucel) <sup>(c)</sup>	2033	2033	2033
<i>Camzyos</i> (mavacamten) <sup>(d)</sup>	2034	2034	++
<i>Eliquis</i> (apixaban) <sup>(e)</sup>	2026	^^	2026
<i>Inrebic</i> (fedratinib) <sup>(f)</sup>	2031	2031	++
<i>Onureg</i> (azacitidine) <sup>(g)</sup>	2027	^^	++
<i>Opdivo</i> (nivolumab)	2028	2030	2031
<i>Opdualag</i> (nivolumab and relatlimab-rmbw) <sup>(h)</sup>	2034	2033	++
<i>Orencia</i> (abatacept) <sup>(i)</sup>	^^	^^	^^
<i>Pomalyst/Imnovid</i> (pomalidomide) <sup>(j)</sup>	^^	2024	^^
<i>Reblozyl</i> (luspatерcept-aamt) <sup>(k)</sup>	2031	2030	++
<i>Revlimid</i> (lenalidomide) <sup>(l)</sup>	^^	^^	^^
<i>Sotyktu</i> (deucravacitinib) <sup>(m)</sup>	2033	2033	2033
<i>Sprycel</i> (dasatinib) <sup>(n)</sup>	^^	^^	^^
<i>Yervoy</i> (ipilimumab)	2025	2026	2025
<i>Zeposia</i> (ozanimod) <sup>(o)</sup>	2029	2034	++

^^ See product footnote for more information.

++ We do not currently market the product in the country or region indicated.

- (a) For *Abraxane* in the U.S. and EU generics have entered the market. For Japan, the estimated minimum market exclusivity date was June 2023 and we are not aware of any generics entering the market as of December 31, 2023.
- (b) For *Augtyro* in the U.S., a PTR application is pending and, if granted, the estimated patent expiry will be 2037.
- (c) For *Breyanzi* in the U.S., a PTR application is pending and, if granted, the estimated patent expiry will be 2034.
- (d) For *Camzyos* in the U.S., a PTR application is pending and, if granted, the estimated patent expiry will be 2036. In the EU, SPC applications are pending and, if granted, the estimated patent expiry would be 2038.
- (e) For *Eliquis*, in the U.S., two patents listed in the FDA Orange Book, the composition of matter patent claiming apixaban specifically (expiring 2026) and a formulation patent (expiring 2031), were challenged by numerous generic companies. BMS, along with its partner Pfizer, settled with a number of these generic companies (settled generic companies) while continuing to litigate against three remaining generic companies (remaining generic companies). In August 2020, the U.S. District Court for the District of Delaware decided that the two challenged *Eliquis* patents are both valid and infringed by the remaining generic companies. The remaining generic companies appealed, and in September 2021 the U.S. Court of Appeals for the Federal Circuit upheld the decision with respect to both patents. Under the terms of previously executed settlement agreements with the settled generic companies, the permitted date of launch for the settled generic companies under these patents is April 1, 2028, subject to additional challenges. In the EU, the apixaban composition of matter patents and related SPCs expire in 2026. Generics have challenged the composition of matter patents and related SPCs in various jurisdictions and trials have taken place, or are scheduled to take place, in certain European countries. While these legal proceedings are pending, generic manufacturers have begun marketing generic versions of *Eliquis* in certain EU countries and may seek to market generic versions of *Eliquis* in other EU countries prior to the expiration date of apixaban patents and related SPCs. Refer to "Item 8. Financial Statements and Supplementary Data—Note 20. Legal Proceedings and Contingencies" for more information.
- (f) In the EU, the estimated minimum market exclusivity date is based on RDP exclusivity.
- (g) For *Onureg* in the U.S., the estimated minimum market exclusivity date of 2027 is based on seven years of orphan drug exclusivity. Formulation patents covering *Onureg* expire in 2029 and 2030 in the U.S., and in 2029 in the EU and Japan. In the U.S., generic companies have challenged the formulation patents, which are listed in the FDA Orange Book, and litigation is ongoing. In the EU, we have four formulation patents (EP 2,299,984; EP 2,695,609; EP 3,692,983; and EP 3,782,611) that cover *Onureg* and they are in pending opposition proceedings. The EPO Opposition Division found three of these formulation patents invalid, and the decisions are being or will be appealed. Refer to "Item 8. Financial Statements and Supplementary Data—Note 20. Legal Proceedings and Contingencies" for more information.
- (h) For *Opdivo* in the U.S., a PTR application is pending and, if granted, the estimated patent expiry will be 2036. In the EU, SPC applications are pending and, if granted, the estimated patent expiry will be 2037.
- (i) BMS is not aware of an *Orencia* biosimilar on the market in the U.S., EU or Japan. Formulation and additional patents expire in 2026 and beyond.
- (j) For *Pomalyst* in the U.S., we currently do not expect generic entry prior to the first quarter of 2026. For Europe, the estimated minimum market exclusivity date is August 2024 based on RDP exclusivity. For Japan, the estimated minimum market exclusivity date is 2026 based on a method of use patent.
- (k) For *Reblozyl* in the U.S. and Europe, the estimated minimum market exclusivity date is based on RDP exclusivity. In the U.S., a PTR application on a method of treatment patent is pending and, if granted, the estimated patent expiry will be 2033. In the EU, SPC applications on a method of treatment patent are pending and, if granted, the estimated patent expiry will be 2034.
- (l) For *Revlimid*, in the U.S., as part of the settlement with Natco Pharma Ltd. ("Natco") and its partners and affiliates, Natco was granted a volume-limited license to sell generic lenalidomide in the U.S. commencing in March 2022. Certain other generic companies were granted volume-limited licenses to sell generic lenalidomide in the U.S. beginning on confidential dates that are sometime after the March 2022 volume-limited license date provided to Natco. Natco and certain other generics have begun marketing generic lenalidomide products in the U.S. pursuant to those volume-limited licenses. In addition, Natco and other generic companies have been granted licenses to sell generic lenalidomide in the U.S. without volume limitation beginning on January 31, 2026. In the EU and Japan generics have entered the market.
- (m) For *Sotyktu* in the U.S., a PTR application is pending and, if granted, the estimated patent expiry will be 2036. In the EU, SPC applications are pending and, if granted, the estimated patent expiry would be 2038. In Japan, a PTR application is also pending and, if granted, the estimated patent expiry will be 2037.
- (n) For *Sprycel*, in the U.S., BMS entered into settlement agreements with Apotex Inc. and certain other companies regarding patents covering certain polymorphic forms of dasatinib whereby the generic companies can launch their generic dasatinib ANDA products in September 2024, or earlier in certain circumstances. Lawsuits filed by BMS are pending against other generic companies containing paragraph IV certifications seeking approval of dasatinib products in the U.S. In the EU, the EPO's Opposition Division upheld the validity of the patent directed to the use of dasatinib to treat CML, which expires in 2024; however, further to settlement agreements certain generics have already launched generic dasatinib for all approved indications. In Japan, the composition of matter patent has been extended to 2024 for the treatment of non-imatinib-resistant CML, however, a generic dasatinib product has already launched for all approved indications. Refer to "Item 8. Financial Statements and Supplementary Data—Note 20. Legal Proceedings and Contingencies" for more information.
- (o) For *Zeposia*, in the U.S., a PTR application is pending and, if granted, the estimated patent expiry will be 2033.
- (p) Estimated minimum market exclusivity dates for EU countries are based on the UK, France, Germany, Italy, and Spain.

## Research and Development

R&D is critical to our long-term competitiveness. We concentrate our R&D efforts in the following disease areas with significant unmet medical needs: oncology, including lung, bladder, renal, gastric and esophageal, head and neck, colorectal, melanoma tumor types; hematology and cell therapy, including multiple myeloma, lymphoma, and chronic lymphocytic leukemia; immunology including relapsing multiple sclerosis, psoriasis, lupus, RA and inflammatory bowel disease; cardiovascular, including cardiomyopathy, heart failure and thrombotic disorders; fibrotic disease, specifically lung and liver; and neuroscience conditions, including neuroinflammation, neurodegeneration and neuropsychiatry. We also continue to analyze and may selectively pursue promising leads in other areas. Our R&D pipeline includes potential medicines in various modalities including small (chemically manufactured) molecules and large (protein) molecules—also known as biologics—and also degraders, T-cell and NK-cell engagers, millamolecules, antibody drug conjugates, cellular therapies and gene therapies. In addition to discovering and developing new molecular entities, we look for ways to expand the value of existing products through new indications and formulations that can provide additional benefits to patients.

In order for a new drug to reach the market, industry practice and government regulations in the U.S., the EU and most foreign countries provide for the determination of a drug's effectiveness and safety through preclinical tests and controlled clinical evaluation. The clinical development of a potential new drug typically includes Phase I, Phase II and Phase III clinical studies that have been designed specifically to support an application for regulatory approval for a particular indication, assuming the studies are successful.

Phase I clinical studies involve a small number of healthy volunteers or patients suffering from the indicated disease to test for safety and proper dosing. Phase II clinical studies involve a larger patient population to investigate side effects, efficacy and optimal dosage of the drug candidate. Phase III clinical studies are conducted to confirm Phase II results in a significantly larger patient population over a longer term and to provide reliable and conclusive data regarding the safety and efficacy of a drug candidate. Although regulatory approval is typically based on the results of Phase III clinical studies, there are times when approval can be granted based on data from earlier studies.

We consider our registrational studies to be our significant R&D programs. These programs may include both investigational compounds in Phases II and III development for initial indications, or marketed products that are in development for additional indications or formulations. Substantial components of our R&D program strategy include expanding our portfolio of marketed products in hematology, immunology, cardiovascular and IO, and other agents in both first and second-line therapy with new indications.

Drug development is time consuming, expensive and risky. The R&D process (i.e., target identification to major market approval) typically takes about fourteen years. Drug candidates can fail at any stage of the process, and even late-stage product candidates sometimes fail to receive regulatory approval. According to the KMR Group, based on industry success rates from 2018-2022, approximately 92% of small molecules that enter Phase I development fail to achieve regulatory approval. Small molecules that enter Phase II development have a failure rate of approximately 80% while approximately 31% of Phase III small molecules fail to achieve approval. For biologics, the failure rate is approximately 89% from Phase I development, approximately 73% from Phase II development and approximately 26% from Phase III.

R&D expenses include the costs of discovery research, preclinical development, early-stage and late-stage clinical development, drug formulation, post-commercialization and medical support of marketed products, and proportionate allocations of enterprise-wide costs. Acquired IPRD include upfront payments, contingent milestone payments in connection with asset acquisitions or in-license arrangements of third-party intellectual property rights, as well as any upfront and contingent milestones payable by BMS to alliance partners prior to regulatory approval. Our R&D expenses were \$9.3 billion in 2023, \$9.5 billion in 2022 and \$10.2 billion in 2021. Acquired IPRD expenses were \$913 million in 2023, \$815 million in 2022 and \$1.2 billion in 2021.

We manage our R&D programs on a product portfolio basis, investing resources in each stage of R&D from early discovery through late-stage development. We continually evaluate our portfolio of R&D assets to ensure that there is an appropriate balance of early-stage and late-stage programs to support the future growth of the Company. Spending on our late-stage development programs represented approximately 42% of our annual R&D expenses in 2023.

Our drug discovery and development work takes place across a network of state-of-the-art facilities worldwide. We have continued our investment in our existing sites and the expansion of our manufacturing capabilities. For example, we expanded our Lawrenceville, New Jersey site in 2020, opened an R&D facility in Cambridge, Massachusetts in 2023 and are opening an R&D facility in San Diego, California (planned for 2025). In addition, in support of a continued investment in our cell therapy portfolio, we continue expanding our manufacturing capabilities through the construction of new state-of-the-art cell therapy manufacturing facilities in Devens, Massachusetts, which was completed in 2023, as well as Leiden, Netherlands and Libertyville, Illinois which are currently ongoing.

We supplement our internal drug discovery and development programs with acquisitions, alliances and collaborative agreements which help us bring new molecular agents, capabilities and platforms into our pipeline. We have a broad early-to-mid stage pipeline with over 40 unique assets in clinical development. Our pipeline was built by coupling internal research and development programs with a distributed research and development model, which focused on identifying and supporting the development of disruptive and innovative therapies outside the company through a broad network of external partnerships. Management continues to emphasize leadership, innovation, productivity and quality as strategies for success in our R&D activities.

Listed below are our clinical studies and approved indications for our marketed products in the related therapeutic area as of February 2, 2024. Whether any of the listed compounds ultimately becomes a marketed product depends on the results of clinical studies, the competitive landscape of the potential product's market, reimbursement decisions by payers and the manufacturing processes necessary to produce the potential product on a commercial scale, among other factors. There can be no assurance that we will seek regulatory approval of any of these compounds or that, if such approval is sought, it will be obtained. There is also no assurance that a compound which gets approved will be commercially successful. At this stage of development, we cannot determine all intellectual property issues or all the patent protection that may, or may not, be available for these investigational compounds.

## HEMATOLOGY

PHASE I	PHASE II	PHASE III	APPROVED INDICATIONS
<b><u>Investigational Compounds</u></b> <b>alnuctamab+mezigdomide</b> --Relapsed/Refractory Multiple Myeloma <b>Anti-SIRPα</b> --Hematologic Malignancies <b>BCL6 LDD</b> --Lymphoma <b>BCMA NKE</b> --Relapsed/Refractory Multiple Myeloma <b>BET Inhibitor (BMS-986378)^</b> --Relapsed/Refractory Non-Hodgkin's Lymphoma <b>CD33-GSPT1 ADC</b> --Acute Myeloid Leukemia <b>CD33 NKE</b> --Acute Myeloid Leukemia <b>CK1α Degradar</b> --Hematologic Malignancies <b>Dual Targeting BCMAxGPC5D CAR T</b> --Relapsed/Refractory Multiple Myeloma <b>golcadomide^</b> --1L Diffuse Large B-cell Lymphoma <b>GPC5D CAR T</b> --Relapsed/Refractory Multiple Myeloma	<b><u>Additional Indications</u></b> <b>BREYANZI</b> --3L+ Chronic Lymphocytic Leukemia --Relapsed/Refractory Follicular Lymphoma --Relapsed/Refractory Marginal Zone Lymphoma --Relapsed/Refractory Mantle Cell Lymphoma <b>REBLOZYL<sup>®</sup></b> --A-Thalassemia  <b><u>Investigational Compounds</u></b> <b>BET Inhibitor (BMS-986158)</b> -- 1L Myelofibrosis <b>golcadomide</b> --Relapsed/Refractory Non-Hodgkin's Lymphoma	<b><u>Additional Indications</u></b> <b>ABECMA<sup>®</sup></b> --Newly Diagnosed Multiple Myeloma with Suboptimal Response post-ASCT <b>REBLOZYL<sup>®</sup></b> --1L NTD MDS Associated Anemia --1L TD MF Associated Anemia  <b><u>Investigational Compounds</u></b> <b>alnuctamab</b> --Relapsed/Refractory Multiple Myeloma <b>iberdomide</b> --2L+ Multiple Myeloma --Post-Autologous Stem Cell Therapy Maintenance Newly Diagnosed Multiple Myeloma <b>mezigdomide</b> --2L+ Multiple Myeloma Kd --2L+ Multiple Myeloma Vd	<b>ABECMA</b> --5L+ Multiple Myeloma --4L+ Multiple Myeloma --3L+ Multiple Myeloma <b>BREYANZI</b> --2L Large B-cell Lymphoma --3L+ Large B-cell Lymphoma <b>EMPLICIT<sup>®</sup> + POMALYST/IMNOVID</b> --Relapsed/Refractory Multiple Myeloma <b>EMPLICIT<sup>®</sup> + REVLIMID</b> --Relapsed/Refractory Multiple Myeloma <b>IDHIFA</b> --Relapsed/Refractory Acute Myeloid Leukemia <b>INREBIC</b> --Myelofibrosis <b>ONUREG</b> --Post-Induction Acute Myeloid Leukemia Maintenance <b>OPDIVO<sup>®</sup></b> --Advanced Hodgkin Lymphoma <b>POMALYST/IMNOVID</b> --Multiple Myeloma --Relapsed/Refractory Multiple Myeloma --AIDS related Kaposi Sarcoma --HIV-negative Kaposi Sarcoma <b>REBLOZYL<sup>®</sup></b> --Transfusion-Dependent Beta-Thalassemia --MDS Previously treated with ESA --1L Transfusion-Dependent MDS-Associated Anemia <b>REVLIMID</b> --1L Multiple Myeloma --Mantle Cell Lymphoma --MDS --Multiple Myeloma --Previously treated Follicular Lymphoma --Relapsed/Refractory Adult T-cell Leukemia/Lymphoma <b>SPRYCEL</b> --1L CML --Pediatric ALL --Refractory CML

## ONCOLOGY

PHASE I	PHASE II	PHASE III	APPROVED INDICATIONS
<b><u>Investigational Compounds</u></b> <b>Anti-CCR8<sup>^</sup></b> --Solid Tumors <b>Anti-ILT4<sup>^</sup></b> --Solid Tumors <b>AR LDD</b> --1L, 2L+ Metastatic Castration-Resistant Prostate Cancer <b>DGK Inhibitor</b> --Solid Tumors <b>Helios CELMoD</b> --Solid Tumors <b>JNK Inhibitor</b> --Solid Tumors <b>MAGE A4/8 TCER<sup>a#</sup></b> --Solid Tumors <b>NME 1</b> --Prostate Cancer <b>PRMT5 Inhibitor</b> --Solid Tumors <b>SHP2 Inhibitor<sup>a^</sup></b> --Solid Tumors <b>TGFβ Inhibitor<sup>^</sup></b> --Solid Tumors <b>TIGIT Bispecific<sup>a</sup></b> --Gastric Cancer	<b><u>Additional Indications</u></b> <b>AUGTYRO (repotrectinib)</b> --NTRK Pan Tumor <b>KRAZATI</b> --1L NSCLC --3L+ Colorectal cancer <b>nivolumab + relatlimab</b> --1L Stage IV NSCLC --1L Hepatocellular Carcinoma  <b><u>Investigational Compounds</u></b> <b>Anti-CTLA-4 NF Probody Therapeutic</b> --Lung Cancer --Colorectal Cancer <b>Anti-Fucosyl GM1<sup>^</sup></b> --Relapsed/Refractory Small Cell Lung Cancer <b>Anti-IL8<sup>^</sup></b> --Solid Tumors <b>Anti-NGK2A<sup>^</sup></b> --Non-Small Cell Lung Cancer <b>BET Inhibitor (BMS-986378)<sup>^</sup></b> --Solid Tumors <b>farletuzumab-ecteribulin<sup>a</sup></b> --Ovarian Cancer --Non-Small Cell Lung Cancer	<b><u>Additional Indications</u></b> <b>KRAZATI</b> --1L NSCLC --2L Colorectal Cancer <b>OPDIVO<sup>a</sup></b> --Peri-adjuvant Muscle Invasive Urothelial Carcinoma --Adjuvant HCC --Peri-adjuvant NSCLC -- Stage IB-IIIa Adjuvant NSCLC# <b>OPDIVO<sup>a</sup> + YERVOY<sup>a</sup></b> --1L Muscle Invasive Urothelial Carcinoma --1L HCC --1L+ MSI-High CRC --Stage III Unresectable NSCLC <b>OPDUALAG<sup>a</sup></b> --Adjuvant Melanoma  <b><u>Investigational Compounds</u></b> <b>subcutaneous nivolumab + relatlimab + rHuPH20<sup>a</sup></b> --1L Melanoma <b>subcutaneous nivolumab + rHuPH20 (multi-indications)<sup>a</sup></b> --2L RCC	<b>ABRAXANE</b> --Breast --Gastric --Locally Advanced or Metastatic NSCLC --Metastatic Breast Cancer --NSCLC --Pancreatic --Unresectable Pancreatic <b>AUGTYRO (repotrectinib)</b> --ROS1 NSCLC <b>KRAZATI</b> --Advanced NSCLC with KRAS <sup>G12C</sup> mutation <b>OPDIVO<sup>a</sup></b> --1L Metastatic Melanoma --1L Gastric --Esophageal Squamous Cell Carcinoma --1L Esophageal --Adjuvant Melanoma --Adjuvant Bladder --Adjuvant Esophageal/Gastroesophageal --Adjuvant Melanoma Stage IIB/C --Mesothelioma --Previously treated advanced RCC --Previously treated Gastric cancer (Japan, China) --Previously treated Metastatic Head & Neck --Previously treated Metastatic Melanoma --Previously treated Metastatic MSI-High CRC --Previously treated Metastatic Non-squamous NSCLC --Previously treated Metastatic Squamous NSCLC --Previously treated Metastatic Urothelial Cancer --Previously treated Esophageal Cancer --Neoadjuvant NSCLC <b>OPDIVO<sup>a</sup> + cabozantinib<sup>a</sup></b> --Metastatic RCC <b>OPDIVO<sup>a</sup> + YERVOY<sup>a</sup></b> --1L Metastatic Melanoma --1L Mesothelioma --1L NSCLC --1L RCC --Previously treated Metastatic MSI-High CRC --Previously treated HCC --1L Esophageal --1L Gastric <b>OPDUALAG</b> --1L Melanoma <b>YERVOY<sup>a</sup></b> --Adjuvant Melanoma --Metastatic Melanoma

## IMMUNOLOGY

PHASE I	PHASE II	PHASE III	APPROVED INDICATIONS
<b><u>Investigational Compounds</u></b> <b>Anti-CD40</b> --Autoimmune Disease <b>CD19 NEX T</b> --Severe Refractory Systemic Lupus Erythematosus <b>IL2-CD25</b> --Autoimmune Disease <b>NME 2</b> --Autoimmune Disease <b>PKCθ Inhibitor</b> --Autoimmune Disease	<b><u>Additional Indications</u></b> <b>SOTYKTU</b> --Alopecia Areata --Discoid Lupus Erythematosus  <b><u>Investigational Compounds</u></b> <b>afimretoran</b> --Systemic Lupus Erythematosus <b>TYK2 Inhibitor (BMS-986322)</b> --Moderate-to-Severe Psoriasis	<b><u>Additional Indications</u></b> <b>SOTYKTU</b> --Psoriatic Arthritis --Systemic Lupus Erythematosus --Sjögren's Syndrome <b>ZEPOSIA</b> --Crohn's Disease  <b><u>Investigational Compounds</u></b> <b>cendakimab</b> --Eosinophilic Esophagitis --Eosinophilic Gastroenteritis* <b>LPA1 Antagonist</b> --Idiopathic Pulmonary Fibrosis --Progressive Pulmonary Fibrosis <b>obexelimab #</b> --IgG4-Related Disease	<b>ORENCIA</b> --Active Polyarticular JIA --Early Rheumatoid Arthritis --JIA Intravenous --JIA Subcutaneous --Psoriatic Arthritis --RA Auto injector --RA Intravenous --RA Subcutaneous --Acute Graft versus Host Disease <b>SOTYKTU</b> --Moderate-to-Severe Psoriasis <b>ZEPOSIA</b> --Relapsing Multiple Sclerosis --Moderate-to-Severe Ulcerative Colitis

## CARDIOVASCULAR

PHASE I	PHASE II	PHASE III	APPROVED INDICATIONS
<b><u>Investigational Compounds</u></b> <b>FXIa Inhibitor</b> --Thrombotic Disorders	<b><u>Additional Indications</u></b> <b>CAMZYOS</b> --Heart Failure with Preserved Ejection Fraction (HFpEF)  <b><u>Investigational Compounds</u></b> <b>danicamtiv</b> --Genetic Dilated Cardiomyopathy <b>MYK-224</b> --Obstructive Hypertrophic Cardiomyopathy --Heart Failure with Preserved Ejection Fraction (HFpEF)	<b><u>Additional Indications</u></b> <b>CAMZYOS</b> --Non-obstructive Hypertrophic Cardiomyopathy  <b><u>Investigational Compounds</u></b> <b>milvexian<sup>§</sup></b> --Acute Coronary Syndrome# --Atrial Fibrillation# --Secondary Stroke Prevention (SSP)*	<b>CAMZYOS</b> --Symptomatic Obstructive Hypertrophic Cardiomyopathy <b>ELIQUIS<sup>®</sup></b> --Stroke Prevention in Atrial Fibrillation --Venous Thromboembolism Prevention --Orthopedic Surgery --Venous Thromboembolism Treatment

## NEUROSCIENCE

### PHASE I

#### Investigational Compounds

##### Anti-MTBR-Tau

--Alzheimer's Disease

##### CD19 NEX T

--Multiple Sclerosis

##### eIF2b Activator<sup>a</sup>

--Neuroscience

##### FAAH/MGLL Dual Inhibitor

--Neuroscience

##### TYK2 Inhibitor (BMS-986465)

--Neuroinflammation Disorders

Note: Above pipeline excludes clinical collaborations

<sup>a</sup> Development Partnerships: *ABECMA*: 2seventy bio; farletuzumab ecteribulin: Eisai; rHuPH20: Halozyme; MAGEA4/8 TCER: Immatics; milvexian: Janssen Pharmaceuticals Inc., a Johnson & Johnson company ; *OPDIVO*, *YERVOY*, *OPDUALAG* in Japan: Ono; PKCθ Inhibitor: Exscientia; *REBLOZYL*: Merck; SHP2 Inhibitor: BridgeBio Pharma; TIGIT Bispecific: Agenus; obexelimab: Zenas BioPharma in Japan, South Korea, Taiwan, HK, Singapore, and Australia

<sup>^</sup> Trial(s) exploring various combinations

<sup>#</sup> Partner-run study

<sup>\*</sup> Japan only

The following are our registrational study readouts anticipated through 2024/2025:

Oncology			Immunology		
Asset	Tumor	Trial	Asset	Disease	Trial
<i>Krazati</i>	1L NSCLC TPS<50%	KRYSTAL-17	<i>cendakimab</i>	EoE	IM042-P04
<i>Krazati</i>	2L CRC	KRYSTAL-10	<i>Sotyktu</i>	PsA	POETYK-PsA-1
<i>Krazati</i>	2L+ Mutated NSCLC	KRYSTAL-12*	<i>Sotyktu</i>	PsA	POETYK-PsA-2
<i>Opdivo</i>	Adjuvant HCC	CM-9DX	<i>Zeposia</i>	Crohn's Disease	YELLOWSTONE (Induction -1)
<i>Opdivo</i>	Peri-adjuvant MIUC	CM-078	<i>Zeposia</i>	Crohn's Disease	YELLOWSTONE (Induction-2)

Hematology			CV		
Asset	Disease	Trial	Asset	Disease	Trial
<i>Breyanzi</i>	Relapsed/Refractory MZL	TRANSCEND	<i>Camzyos</i>	nHCM	ODYSSEY-HCM
<i>Reblozyl</i>	1L TD MF Associated Anemia	INDEPENDENCE			

\* Confirmatory trial

## Alliances

We enter into alliance arrangements with third parties for the development and commercialization of specific products or drug candidates in our therapeutic areas of focus. Alliances may be structured as co-development, co-commercialization, licensing or joint venture arrangements. These arrangements may include upfront payments; option payments to develop or commercialize a specific asset or technology; payments for various developmental, regulatory and sales-based performance milestones; royalties; cost reimbursements; profit sharing; and equity investments. Provisions in our alliance arrangements lessen our investment risk for compounds not leading to revenue generating products but reduce the profitability of marketed products due to profit sharing or royalty payments. We actively pursue such arrangements and view alliances as an important complement to our own discovery, development and commercialization activities.

Our alliance arrangements contain customary early termination provisions following material breaches, bankruptcy or product safety concerns. Such arrangements also typically provide for termination by BMS without cause. The amount of notice required for early termination generally ranges from immediately upon notice to 180 days after receipt of notice. Termination immediately upon notice is generally available where the other party files a voluntary bankruptcy petition or if a material safety issue arises with a product such that the medical risk/benefit is incompatible with the welfare of patients to continue to develop or commercialize the product. Termination with a notice period is generally available where an involuntary bankruptcy petition has been filed and has not been dismissed, a material breach by a party has occurred and not been cured or where BMS terminates without cause. Sometimes, BMS's right to terminate without cause may only be exercisable after a specified period of time has elapsed after the alliance agreement is signed. Our alliances typically do not otherwise contain provisions that provide the other party the right to terminate the alliance.

We typically do not retain any rights to another party's product or intellectual property after an alliance terminates. The loss of rights to one or more products that are marketed and sold by us pursuant to an alliance could be material to our results of operations and the loss of cash flows caused by such loss of rights could be material to our financial condition and liquidity. Alliance agreements may be structured to terminate on specific dates, upon the product's patent expiration date or without an expiry date. Profit sharing payments typically have no expiration date while royalty payments typically cease upon loss of market exclusivity, including patent expiration.

Refer to "Item 8. Financial Statements and Supplementary Data—Note 3. Alliances" for further information on our most significant alliance agreements as well as other alliance agreements.

## Marketing, Distribution and Customers

We promote the appropriate use of our products directly to healthcare professionals and organizations such as doctors, nurse practitioners, physician assistants, pharmacists, technologists, hospitals, PBMs and Managed Care Organizations ("MCOs"). We also provide information about the appropriate use of our products to consumers in the U.S. through direct-to-consumer print, radio, television and digital advertising and promotion. In addition, we sponsor general advertising to educate the public about our innovative medical research and corporate mission. For a discussion of the regulation of promotion and marketing of pharmaceuticals, refer to "—Government Regulation" below.

Through our field sales and medical organizations, we explain the risks and benefits of the approved uses of our products to medical professionals. We work to gain access for our products on formularies and reimbursement plans (lists of recommended or approved medicines and other products), including Medicare Part D plans, by providing information about the clinical profiles of our products. Our marketing and sales of prescription pharmaceuticals is limited to the approved uses of the particular product, but we continue to develop scientific data and other information about potential additional uses of our products and provide such information as scientific exchange at scientific congresses or we share information about our products in other appropriate ways, including the development of publications, or in response to unsolicited inquiries from doctors, other medical professionals and MCOs.

Our operations include several marketing and sales organizations. Each product marketing organization is supported by a sales force, which is responsible for selling one or more products. We also have marketing organizations that focus on certain classes of customers such as managed care entities or certain types of marketing tools, such as digital or consumer communications. Our sales forces focus on communicating information about new approved products or uses, as well as approved uses of established products, and promotion to physicians is increasingly targeted at physician specialists who treat the patients in need of our medicines.



Our products are sold principally to wholesalers, specialty distributors, specialty pharmacies, and to a lesser extent, directly to distributors, retailers, hospitals, clinics and government agencies. *Revlimid* and *Pomalyst* are distributed in the U.S. primarily through contracted pharmacies under the Lenalidomide Risk Evaluation and Mitigation Strategy ("REMS") (*Revlimid*) and *Pomalyst* REMS programs, respectively. These are proprietary, mandatory risk-management distribution programs tailored specifically to provide for the safe and appropriate distribution and use of *Revlimid* and *Pomalyst*. Internationally, *Revlimid* and *Imnovid* are distributed under mandatory risk-management distribution programs tailored to meet local authorities' specifications to provide for the product's safe and appropriate distribution and use. *Camzyos* is only available through the *Camzyos* REMS Program. Product distribution is limited to REMS certified pharmacies, and enrolled pharmacies must only dispense to patients who are authorized to receive *Camzyos*. These programs may vary by country and, depending upon the country and the design of the risk-management program, the product may be sold through hospitals or retail pharmacies. Refer to "Item 8. Financial Statements and Supplementary Data—Note 2. Revenue" for gross revenues to the three largest pharmaceutical wholesalers in the U.S. as a percentage of our global gross revenues.

Our U.S. business has DSAs with substantially all of our direct wholesaler and distributor customers that allow us to monitor U.S. wholesaler and distributor inventory levels and requires those wholesalers and distributors to maintain inventory levels that are no more than one month of their demand. The DSAs, including those with our three largest wholesalers, expire in June 2024 subject to certain termination provisions.

Our non-U.S. businesses have significantly more direct customers. Information on available direct customer product level inventory and corresponding out-movement information and the reliability of third-party demand information varies widely. We limit our direct customer sales channel inventory reporting to where we can reliably gather and report inventory levels from our customers.

In a number of countries outside of the U.S., we contract with distributors to support certain products. The services provided by these distributors vary by market, but may include distribution and logistics; regulatory and pharmacovigilance; and/or sales, advertising or promotion.

## Competition

The markets in which we compete are generally broad-based and highly competitive. We compete with other worldwide research-based drug companies, many smaller research companies with more limited therapeutic focus and generic drug manufacturers. Important competitive factors include product efficacy, safety and ease of use, price and demonstrated cost-effectiveness, marketing effectiveness, product labeling, customer service and R&D of new products and processes. Sales of our products can be impacted by new studies that indicate a competitor's product is safer or more effective for treating a disease or particular form of disease than one of our products. Our revenues also can be impacted by additional labeling requirements relating to safety or convenience that may be imposed on products by the FDA or by similar regulatory agencies in different countries. If competitors introduce new products and processes with therapeutic or cost advantages, our products can be subject to progressive price reductions, decreased volume of sales or both.

Advancements in treating cancer with IO therapies continue to evolve at a rapid pace. Our IO products, particularly *Opdivo*, operate in a highly competitive marketplace. In addition to competing for market share with other IO products in approved indications such as lung cancer and melanoma, we face increased competition from existing competing IO products that receive FDA approval for additional indications and for new IO agents that receive FDA approval and enter the market. Furthermore, as therapies combining different IO products or IO products with existing chemotherapy or targeted therapy treatments are investigated for potential expanded approvals, we anticipate that our IO products will continue to experience intense competition.

Another competitive challenge we face is from generic pharmaceutical manufacturers. In certain countries, including the U.S. and in the EU, the regulatory approval process exempts generics from costly and time-consuming clinical studies to demonstrate their safety and efficacy, allowing generic manufacturers to rely on the safety and efficacy of the innovator product. As a result, generic pharmaceutical manufacturers typically invest far less in R&D than research-based pharmaceutical companies and therefore can price their products significantly lower than branded products. Accordingly, when a branded product loses its market exclusivity, it normally faces intense price competition from generic forms of the product. Upon the expiration or loss of market exclusivity on a product, we can lose the major portion of that product's revenue in a very short period of time.

After the expiration of exclusivity, the rate of revenue decline of a product varies by country. In general, the decline in the U.S. market is more rapid than in most other developed countries, though we have observed rapid declines in a number of EU countries as well. Also, the declines in developed countries tend to be more rapid than in developing countries. The rate of revenue decline after the expiration of exclusivity has also historically been influenced by product characteristics. For example, drugs that are used in a large patient population (e.g., those prescribed by key primary care physicians) tend to experience more rapid declines than drugs in specialized areas of medicine (e.g., oncology). Drugs that are more complex to manufacture (e.g., sterile injectable products) usually experience a slower decline than those that are simpler to manufacture.

In certain countries outside the U.S., patent protection is weak or nonexistent and we are challenged by generic versions shortly after we launch our innovative products. In addition, generic pharmaceutical companies may introduce a generic product before exclusivity has expired, and before the resolution of any related patent litigation. For more information about market exclusivity, refer to “—Products, Intellectual Property and Product Exclusivity.”

We believe our long-term competitive position depends upon our success in discovering and developing innovative, cost-effective products that serve unmet medical needs, along with our ability to manufacture products efficiently and to market them effectively in a highly competitive environment.

### **Pricing, Price Constraints and Market Access**

Our medicines are priced based on a number of factors, including the value of scientific innovation for patients and society in the context of overall health care spend, economic factors impacting health care systems’ ability to provide appropriate and sustainable access and the necessity to sustain our investment in innovation platforms to address unmet medical needs. Central to price is the clinical value that this innovation brings to the market, the current landscape of alternative treatment options and the goals of ensuring appropriate patient access to this innovation and sustaining investment in creative platforms. We continue to explore new pricing approaches to ensure that patients have access to our medicines. Enhancing patient access to medicines is a priority for us. We are focused on: offering creative tiered pricing and patient support programs to optimize access while protecting innovation; advocating for sustainable healthcare policies and infrastructure, leveraging advocacy/payer’s input and utilizing collaborations as appropriate; and improving access to care and supportive services for vulnerable patients through collaborations and demonstration projects.

An important factor on which the pricing of our medicines depends is government regulation. We have been subject to increasing international and domestic efforts by various governments to implement or strengthen measures to regulate pharmaceutical market access and product pricing and payment. In the U.S., we are required to provide discounts on purchases of pharmaceutical products under various federal and state healthcare programs. Federal government officials and legislators continue to face intense pressure from the public to manage the perceived high cost of pharmaceuticals and have responded by pursuing legislation, such as the Inflation Reduction Act of 2022 (“IRA”) and other rules that claim to potentially further reduce the cost of drugs for the federal government and other stakeholders. For further discussion on the IRA, refer to “Item 1. Business—Government Regulation.” We are also now required to comply with state laws that seek additional transparency into the cost of prescription drugs. We are monitoring efforts by states to seek additional rebates and limit state spending on drugs in light of budget pressures. These international, federal and state legislative and regulatory developments could create new constraints on our ability to set prices and/or impact our market access in certain areas. For further discussion on the pricing pressure and its risk, refer to “Item 1. Business—Government Regulation” and “Item 1A. Risk Factors—Product, Industry and Operational Risks—Increased pricing pressure and other restrictions in the U.S. and abroad continue to negatively affect our revenues and profit margins.”

The growth and consolidation of MCOs and PBMs in the U.S., such as Optum (UHC), CVS Health (CVS) and Express Scripts (ESI), has also been a major factor in the healthcare marketplace. These PBMs control nearly 80% of the prescription market and are owned by payers UnitedHealthcare, Aetna, and Cigna, respectively. As MCOs and PBMs have been consolidating into fewer, larger entities, they have also been enhancing their purchasing strength and share of voice within the market. Over half of the U.S. population now participates in some version of managed care. MCOs can include medical insurance companies, medical plan administrators, health-maintenance organizations, Medicare Part D prescription drug plans, alliances of hospitals and physicians and other physician organizations. PBMs are third parties that support formulary management and contracting for MCOs.

To successfully compete for formulary position with MCOs and PBMs, we must often demonstrate that our products offer not only medical benefits but also cost advantages as compared with other forms of care. Exclusion of a product from a formulary can lead to its sharply reduced usage in patient populations due to higher out-of-pocket costs to patients. Consequently, pharmaceutical companies compete aggressively to have their products included on these formularies. Most new products that we introduce compete with other products already on the market or products that are later developed by competitors. Where possible, companies compete for inclusion based upon unique features of their products, such as greater efficacy, better patient ease of use or fewer side effects. A lower overall cost of therapy, usually provided as a rebate to the PBM, is also an important factor. Products that demonstrate fewer therapeutic advantages must compete for inclusion based primarily on price. We have been generally, although not universally, successful in having our major products included on MCO and PBM formularies.

In many markets outside the U.S., we operate in an environment of government-mandated, cost-containment programs. In these markets, a significant portion of funding for healthcare services and the determination of pricing and reimbursement for pharmaceutical products are subject to either direct government control at the point of care or governments serving as the primary payer. As a result, our products may face restricted access, higher out of pocket expenses for patients, and pricing pressures by both public and private payers and may be subject to assessments of comparative value and effectiveness against existing standard of care. Several governments have placed restrictions on physician prescription levels and patient reimbursements, emphasized greater use of generic drugs and/or enacted mandated price cuts or rebate schemes as methods of cost control. In most EU countries, for example, the government regulates pricing of a new product at launch often through direct price controls, international price comparisons, and/or reference pricing to the current standard of care. Prices are often reevaluated and further restricted throughout the life of the medicine. In other EU markets, such as Germany, the government does not set pricing restrictions at launch, but pricing freedom is subsequently limited. Companies may also face significant delays in market access for new products and more than a year can elapse before new medicines become available to patients in the market. Additionally, countries outside of the U.S. have regularly imposed new or additional cost containment measures for pharmaceuticals such as volume discounts, cost caps, cost sharing for increases in excess of prior year costs for individual products or aggregated market level spending and clawbacks. These trends have been accelerating in recent years. For example, in 2022, Germany reformed its pricing and reimbursement system to further restrain pharmaceutical spending by reducing its “free pricing” period and introducing new cost-containment measures on medicines based on their value assessment results, and use in combination with other medicines, and more. The Japanese government continues to impose price cuts outside the normal repricing cycles, and in the last several years introduced a new value assessment requirement on some medicines to further cut prices. The existence of price differentials between markets, particularly among neighboring countries, due to the different national pricing and reimbursement conditions leads to potential parallel trade flows.

### **Government Regulation**

The pharmaceutical industry is subject to extensive global regulations by regional, country, state and local agencies. The Federal Food, Drug, and Cosmetic Act, other Federal statutes and regulations, various state statutes and regulations (including newly enacted state laws regulating drug price transparency, rebates and drug spending), and laws and regulations of foreign governments govern to varying degrees the testing, approval, production, labeling, distribution, post-market surveillance, advertising, dissemination of information and promotion of our products. The lengthy process of laboratory and clinical testing, data analysis, manufacturing, development and regulatory review necessary for required governmental approvals is extremely costly and can significantly delay product introductions in a given market. Promotion, marketing, manufacturing and distribution of pharmaceutical products are extensively regulated in all major world markets. In addition, our operations are subject to complex Federal, state, local and foreign environmental and occupational safety laws and regulations. We anticipate that the laws and regulations affecting the manufacture and sale of current products and the introduction of new products will continue to require substantial scientific and technical effort, time and expense as well as significant capital investments.

The FDA is of particular importance in the U.S. It has jurisdiction over virtually all of our activities and imposes requirements covering the testing, safety, effectiveness, manufacturing, labeling, marketing, advertising and post-marketing surveillance of our products. In many cases, FDA requirements have increased the amount of time and money necessary to develop new products and bring them to market in the U.S. The regulatory review process is a resource intensive undertaking for both the FDA and the pharmaceutical company. Improvements in the efficiency of this process can have significant impact on bringing new therapies to patients more quickly. The FDA can employ several tools to facilitate the development of certain drugs or expedite certain applications, including fast track designation, Breakthrough Therapy designation, priority review, accelerated approval, incentives for orphan drugs developed for rare diseases and others. For example, in recent years the FDA Oncology Center of Excellence (“OCE”) established two projects to test novel approaches for more efficient regulatory review of oncology drugs: the Real-Time Oncology Review pilot program and the Assessment Aid. Under the Assessment Aid pilot program, the FDA approved *Opdivo* given with three cycles of platinum-doublet chemotherapy on March 4, 2022 for the first-line treatment of adult patients with resectable NSCLC in the neoadjuvant setting. This approval was achieved four months before the priority review PDUFA date in July 2022. To develop a framework for concurrent review of supplemental oncology applications among multiple approval authorities, the OCE initiated Project Orbis. Under Project Orbis, earlier approvals from the Australian Therapeutic Goods Administration (“TGA”), Health Canada and the United Kingdom’s Medicines and Healthcare products Regulatory Agency were received on the combination of *Opdivo* given with three cycles of platinum-doublet chemotherapy in 2022.

The FDA mandates that drugs be manufactured, packaged and labeled in conformity with cGMP established by the FDA. In complying with cGMP regulations, manufacturers must continue to expend time, money and effort in production, recordkeeping and quality control to ensure that products meet applicable specifications and other requirements to ensure product safety and efficacy. The FDA periodically inspects our drug manufacturing facilities to ensure compliance with applicable cGMP requirements. Failure to comply with the statutory and regulatory requirements subjects us to possible legal or regulatory action, such as suspension of manufacturing, seizure of product or voluntary recall of a product. Adverse events with the use of products must be reported to the FDA and could result in the imposition of market restrictions through labeling changes or product removal. Product approvals may be withdrawn if compliance with regulatory requirements is not maintained or if problems concerning safety or efficacy occur following approval.

The Federal government has extensive enforcement powers over the activities of pharmaceutical manufacturers, including authority to withdraw or delay product approvals, to commence actions to seize and prohibit the sale of unapproved or non-complying products, to halt manufacturing operations that are not in compliance with cGMPs, and to impose or seek injunctions, voluntary recalls, civil, monetary and criminal penalties. Such a restriction or prohibition on sales or withdrawal of approval of products marketed by us could materially adversely affect our business, financial condition and results of operations and cash flows.

Marketing authorization for our products is subject to revocation by the applicable governmental agencies. In addition, modifications or enhancements of approved products or changes in manufacturing locations are in many circumstances subject to additional FDA approvals, which may or may not be received and may be subject to a lengthy application process.

The distribution of pharmaceutical products is subject to the PDMA as part of the Federal Food, Drug, and Cosmetic Act, which regulates such activities at both the Federal and state level. Under the PDMA and its implementing regulations, states are permitted to require registration of manufacturers and distributors that provide pharmaceuticals even if such manufacturers or distributors have no place of business within the state. States are also permitted to adopt regulations limiting the distribution of product samples to licensed practitioners. The PDMA also imposes extensive licensing, personnel recordkeeping, packaging, quantity, labeling, product handling and facility storage and security requirements intended to prevent the sale of pharmaceutical product samples or other product diversions.

The FDA Amendments Act of 2007 imposed additional obligations on pharmaceutical companies and delegated more enforcement authority to the FDA in the area of drug safety. Key elements of this legislation give the FDA authority to (i) require that companies conduct post-marketing safety studies of drugs, (ii) impose certain safety related drug labeling changes, (iii) mandate risk mitigation measures such as the education of healthcare providers and the restricted distribution of medicines, (iv) require companies to publicly disclose data from clinical studies and (v) pre-review television advertisements.

The marketing practices of all U.S. pharmaceutical manufacturers are subject to Federal and state healthcare laws that are used to protect the integrity of government healthcare programs. The Office of Inspector General ("OIG") oversees compliance with applicable Federal laws, in connection with the payment for products by government funded programs, primarily Medicaid and Medicare. These laws include the Federal anti-kickback statute, which criminalizes knowingly offering something of value to induce the recommendation, order or purchase of products or services reimbursed under a government healthcare program. The OIG has issued a series of guidances to segments of the healthcare industry, including the 2003 Compliance Program Guidance for Pharmaceutical Manufacturers, which includes a recommendation that pharmaceutical manufacturers, at a minimum, adhere to the PhRMA Code, a voluntary industry code of marketing practices. We subscribe to the PhRMA Code and have implemented a compliance program to address the requirements set forth in the guidance and our compliance with the healthcare laws. Failure to comply with these healthcare laws could subject us to administrative and legal proceedings, including actions by Federal and state government agencies. Such actions could result in the imposition of civil and criminal sanctions, which may include fines, penalties and injunctive remedies; the impact of which could materially adversely affect our business, financial condition and results of operations and cash flows.

We are also subject to the jurisdiction of various other Federal and state regulatory and enforcement departments and agencies, such as the Federal Trade Commission, the Department of Justice and the Department of Health and Human Services in the U.S. We are also licensed by the U.S. Drug Enforcement Administration to procure and produce controlled substances. We are, therefore, subject to possible administrative and legal proceedings and actions by these organizations. Such actions may result in the imposition of civil and criminal sanctions, which may include fines, penalties and injunctive or administrative remedies.

The U.S. healthcare industry is subject to various government-imposed laws and regulations authorizing prices or price controls that have and will continue to have an impact on our total revenues. We participate in state government Medicaid programs, as well as certain other qualifying Federal and state government programs whereby discounts and rebates are provided to participating state and local government entities. We participate in the Medicaid Drug Rebate Program ("MDRP"), under which we must pay rebates to state Medicaid programs for our covered outpatient drugs provided to Medicaid beneficiaries, with rebates based on pricing data we report regularly to the Centers for Medicare & Medicaid Services (CMS). We also participate in the Health Resources and Services Administration's 340B program, under which we must offer covered outpatient drugs to statutorily defined covered entities at no more than the 340B program "ceiling price", with that price calculated based on MDRP-reported data. We also participate in federal government programs that specify discounts to certain federal government entities; the most significant of which are the U.S. Department of Defense and the U.S. Department of Veterans Affairs. These entities receive minimum discounts based off a defined "non-federal average manufacturer price" for purchases.

In recent years, several legislative and policy proposals have been introduced in the U.S. to lower drug prices. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 ("IRA") into law which provides for (i) the government to set or "negotiate" prices for select high-cost Medicare Part D (beginning in 2026) and Medicare Part B drugs (beginning in 2028) that are more than nine years (for small-molecule drugs) or 13 years (for biological products) from their initial FDA approval, (ii) manufacturers to pay a rebate for Medicare Part B and Part D drugs when prices increase faster than inflation beginning in 2022 for Medicare Part D and 2023 for Medicare Part B drugs, and (iii) Medicare Part D redesign which replaces the current Part D Coverage Gap Discount Program ("CGDP") and establishes a \$2,000 cap for out-of-pocket limits costs for Medicare beneficiaries beginning in 2025, with manufacturers being responsible for 10% of costs up to the \$2,000 cap and 20% after that cap is reached. In August 2023, the U.S. Department of Health and Human Services selected *Eliquis* as one of the first 10 medicines subject to government-set prices beginning in 2026. It is possible that more of our products could be selected in future years, which could, among other things, accelerate revenue erosion prior to expiry of intellectual property protections. The effect of reducing prices and reimbursement for certain of our products would significantly impact our business and consolidated results of operations. For further discussion of this legislation impact, refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Executive Summary." In addition, in December 2023, the Biden Administration released a proposed framework that for the first time proposed that a drug's price can be a factor in determining that the drug is not accessible to the public and therefore that the government could exercise "march-in rights" and license it to a third party to manufacture. A comment period on the proposal ran through February 6, 2024, and we are not able to predict whether a final rule will be adopted along the lines proposed and, if adopted, whether the government would seek to exercise march-in rights for any of our products. Other proposals, such as those relating to the calculation of best price and potential executive orders focused on drug pricing, are still being debated. At the state level, multiple states are pursuing government actions and ballot initiatives to address or limit drug pricing and reimbursement for their Medicaid programs. These initiatives include drug importation from Canada and attempts to use the IRA's referenced drug price at the state level. Some of these state-level proposals may also influence federal policy and legislation. Given the uncertainty surrounding the adoption and timing of these potential legislative, policy, or administrative changes, we are unable to predict their exact impact on our business. However, if enacted, these changes could modify or decrease access, coverage, or reimbursement of our products, impact our rebates, or shift costs to us, which could in turn have a material impact on our business and results of operations.

Our activities outside the U.S. are also subject to regulatory requirements governing the testing, approval, safety, effectiveness, manufacturing, labeling and marketing of our products. These regulatory requirements vary from country to country. Whether or not FDA or EC approval has been obtained for a product, approval of the product by comparable regulatory authorities of countries outside of the U.S. or the EU, as the case may be, must be obtained prior to marketing the product in those countries. The approval process may be more or less rigorous from country to country and the time required for approval may be longer or shorter than that required in the U.S. Approval in one country does not assure that a product will be approved in another country.

For further discussion of these rebates and programs, refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—GTN Adjustments" and "—Critical Accounting Policies."

### **Sources and Availability of Raw Materials**

In general, we purchase our raw materials, components and supplies required for the manufacturing of our products in the open market. For some products, we purchase our raw materials, components and supplies from one source (the only source available to us) or a single source (the only approved source among many available to us), thereby requiring us to obtain such raw materials and supplies from that particular source. We attempt, if possible, to mitigate our potential risk associated with our raw materials, components and supplies through inventory management and alternative sourcing strategies. For further discussion of sourcing, refer to "—Manufacturing and Quality Assurance" below and discussions of particular products.

## Manufacturing and Quality Assurance

We operate and manage a manufacturing network, consisting of internal and external resources, in a manner that permits us to improve efficiency while maintaining flexibility to reallocate manufacturing capacity. Pharmaceutical manufacturing processes are complex, highly regulated and vary widely from product to product. Given that shifting or adding manufacturing capacity can be a lengthy process requiring significant capital and other expenditures as well as regulatory approvals, we manage and operate a flexible manufacturing network that minimizes unnecessary product transfers and inefficient uses of manufacturing capacity. For further discussion of the regulatory impact on our manufacturing, refer to “—Government Regulation” above.

Our significant biologics, cell therapy and pharmaceutical manufacturing facilities are located in the U.S., Puerto Rico, Ireland and Switzerland and require significant ongoing capital investment for both maintenance and compliance with increasing regulatory requirements. For example, the FDA approved our Devens, Massachusetts commercial facility for CAR-T manufacturing in June 2023. We continue to make capital investments in our Devens, Massachusetts manufacturing facility. For our cell therapy product candidates and marketed products, including *Breyanzi* and *Abecma*, we have invested in our own manufacturing network, including facilities in Bothell, Washington; Summit, New Jersey; Devens, Massachusetts; Leiden, the Netherlands; and Libertyville, Illinois; as well as the use of third-party manufacturers. In addition, we expect to continue modification of our existing manufacturing network to meet complex processing standards that are required for our growing portfolio, particularly biologics and cell therapy. Biologics manufacturing involves more complex processes than those of traditional pharmaceutical operations. Beyond regulatory requirements, many of our products involve technically sophisticated manufacturing processes or require specialized raw materials. For example, we manufacture for clinical and commercial use several sterile products, biologic products and CAR-T products, all of which are particularly complex and involve highly specialized manufacturing technologies. As a result, even slight deviations at any point in their production process may lead to production failures or recalls. In order to address production constraints for CAR-T cell therapy manufacturing, we continue to partner with third party manufacturers to expand supply of vector and are investing in new facilities for drug product manufacturing. Longer-term, we are accelerating our plans to transition to new vector technologies with a dual sourcing strategy.

In addition to our own manufacturing sites, we rely on third parties to manufacture or supply us with all or a portion of the active product ingredient or drug substance necessary for us to manufacture various products, including *Eliquis*, *Opdivo*, *Pomalyst/Imnovid*, *Yervoy*, *Sprycel*, *Reblozyl*, *Abraxane*, *Zeposia*, *Camzyos*, *Sotyktu* and *Inrebic*. We are also expanding our use of third-party manufacturers for drug product and finished goods manufacturing and we continue to shift towards using third-party manufacturers for supply of our mature and other brands. To maintain a stable supply of these products, we take a variety of actions including inventory management and maintenance of additional quantities of materials, when possible, that are designed to provide for a reasonable level of these ingredients to be held by the third-party supplier, us or both, to reduce the risk of interruption of our manufacturing operations. Certain supply arrangements extend over multiple years with committed amounts using expected near or long-term demand requirements that are subject to change. As an additional protection, in some cases, we take steps to maintain an approved back-up source where available and when needed. For example, we have the capability to manufacture *Opdivo* drug product internally and also have arrangements with third-party manufacturers to meet demand of *Opdivo* drug substance and drug product.

In connection with acquisitions, divestitures, licensing and collaboration arrangements or distribution agreements for certain of our products, or in certain other circumstances, we have entered into agreements under which we have agreed to supply our products to third parties and intend to continue to enter into such arrangements or agreements in the future. In addition to liabilities that could arise from our failure to supply such products under the agreements, these arrangements or agreements could require us to invest in facilities for the manufacturing of non-strategic products, in the case of a divestiture or distribution arrangement, resulting in additional regulatory filings and obligations or causing an interruption in the manufacturing of our own strategic products.

Our success depends in great measure upon customer confidence in the quality of our products and in the integrity of the data that support their safety and effectiveness. Product quality arises from a total commitment to quality in all parts of our operations, including research and development, purchasing, facilities maintenance and planning, manufacturing, warehousing, logistics and distribution. We maintain records to demonstrate the quality and integrity of data, technical information and production processes.

Control of production processes involves established specifications and standards for raw materials, components, ingredients, equipment and facilities, manufacturing methods and operations, packaging materials and labeling. We perform tests at various stages of production processes, on the raw materials, drug substance and the final product and on product samples held on stability to ensure that the product meets regulatory requirements and conforms to our standards. These tests may involve chemical and physical analyses, microbiological testing or a combination of these along with other analyses. Quality control testing is provided by business unit/site and third-party laboratories. Quality assurance groups routinely monitor manufacturing procedures and systems used by us, our subsidiaries and third-party suppliers to help ensure quality and compliance requirements are met.

## Environmental Regulation

Our facilities and operations are subject to extensive U.S. and foreign laws and regulations relating to environmental protection and human health and safety, including those governing discharges of pollutants into the air and water; the use, management and disposal of hazardous, radioactive and biological materials and wastes; and the cleanup of contamination. Pollution controls and permits are required for many of our operations, and these permits are subject to modification, renewal or revocation by the issuing authorities.

Our environment, occupational health, safety and sustainability group monitors our operations around the world, providing us with an overview of regulatory requirements and overseeing the implementation of our standards for compliance. We also incur operating and capital costs for such matters on an ongoing basis, which were not material for 2023, 2022 and 2021. In addition, we invested in projects that reduce resource use of energy and water. Although we believe that we are in substantial compliance with applicable environmental, health and safety requirements and the permits required for our operations, we nevertheless could incur additional costs, including civil or criminal fines or penalties, clean-up costs or third-party claims for property damage or personal injury, for violations or liabilities under these laws.

Many of our current and former facilities have been in operation for many years, and over time, we and other operators of those facilities have generated, used, stored or disposed of substances or wastes that are considered hazardous under Federal, state and/or foreign environmental laws, including CERCLA. As a result, the soil and groundwater at or under certain of these facilities is or may be contaminated, and we may be required to make significant expenditures to investigate, control and remediate such contamination, and in some cases to provide compensation and/or restoration for damages to natural resources. Currently, we are involved in investigation and remediation at 15 current or former facilities. We have also been identified as a PRP under applicable laws for environmental conditions at approximately 19 former waste disposal or reprocessing facilities operated by third parties at which investigation and/or remediation activities are ongoing.

We may face liability under CERCLA and other Federal, state and foreign laws for the entire cost of investigation or remediation of contaminated sites, or for natural resource damages, regardless of fault or ownership at the time of the disposal or release. In addition, at certain sites we bear remediation responsibility pursuant to contractual obligations. Generally, at third-party operator sites involving multiple PRPs, liability has been or is expected to be apportioned based on the nature and amount of hazardous substances disposed of by each party at the site and the number of financially viable PRPs. For additional information about these matters, refer to "Item 8. Financial Statements and Supplementary Data—Note 20. Legal Proceedings and Contingencies."

## Human Capital Management and Resources

We believe that our employees around the world embody our mission to discover, develop and deliver innovative medicines that help patients prevail over serious diseases. Together, their unyielding focus on patients defines our culture.

**Demographics:** As of December 31, 2023, we had approximately 34,100 employees in 43 countries. Approximately 59% of our employees are located in the U.S. (excluding Puerto Rico) and 41% are located outside of the U.S. We supplement our workforce with contingent and temporary workers. Certain specialized and skilled services are provided by independent contractors. The average tenure of our employees is approximately seven years.

**People Strategy:** BMS is a global community of compassionate, purpose-driven professionals who are living into our vision of transforming patients' lives through science. Our People Strategy is designed to foster an inclusive and engaging work experience to attract, develop, and retain the most talented workforce which reflects the diverse cultures, backgrounds, and experiences of our patients and communities around the world. We strive to inspire career experiences that enable our people to realize their own aspirations; nurture healthy, energizing and flexible workplaces that foster collaboration and innovation; cultivate an inclusive environment and diverse workforce where everyone feels a sense of belonging and valued for their unique perspectives; and excel in the pursuit of science and innovation for patients. We prioritize investment in enterprise-wide, comprehensive and cohesive strategies, programs, policies and initiatives described below to accelerate personal development and collaboration in service to our patients. We believe that these investments are a competitive advantage in recruiting, developing and retaining our future workforce and that they drive innovation across our people practices as unrelenting as our push for breakthrough science.

**Global Inclusion and Diversity:** Inclusion and Diversity (I&D) strengthen the foundation of BMS to achieve breakthroughs that help us serve the unmet and evolving needs of our patients and communities around the world. We are compelled by our longstanding commitment to elevate Inclusion, Diversity and Health Equity to drive equitable advancement and outcomes for all. Our Global I&D strategy leads with our Value of Inclusion, one of our six core values, is regionally and locally relevant, and strengthens the human connection we bring to work every day to discover, develop and deliver medicines that help patients prevail over serious diseases.

We thrive on a culture of belonging which cultivates and encourages inclusive engagement and innovation. By encouraging employees around the world—across diverse cultures, backgrounds and experiences—to be their authentic selves at work, to speak up and think boldly, we create an energized environment of co-collaboration and co-design where bold ideas and solutions can lead to improved patient outcomes. Our patients, communities, colleagues and industry deserve nothing less.

The Global I&D strategy is enabled through People and Business Resource Groups (“PBRGs”) and operationalized through organization design.

We maintain PBRG chapters worldwide where members network, learn skills, participate in learning development events and contribute to our Global I&D strategy in a tangible way. Our PBRGs are sponsored by members of our executive leadership team and are each led by a full-time dedicated leader who reports directly to a member of our executive leadership team. Our PBRGs include the Black Organization for Leadership and Development, the BMS Network of Women, the Cultivating Leadership and Innovation for Multigenerational and Belonging, the Disability Advancement Workplace Network, the PRIDE Alliance, the Organization for Latino Achievement, the Pan Asian Network and the Veterans Community Network. PBRG membership has grown to more than 15,000+ unique members across 200+ chapters in 41 countries as of October 31, 2023. Approximately 40% of BMS employees are members of one or more PBRG.

Our Global I&D strategy includes five-year inclusion and diversity aspirational goals and health equity commitments launched in 2020: i) increasing diversity in clinical trials globally to improve the efficacy and safety of our medicines; ii) leveraging and strengthening the diversity of our workforce to better understand the unique needs and preferences of our patients and communities; iii) collaborating across global communities and beyond to improve education and access, ensuring our partners can provide culturally competent and appropriate care; and iv) driving economic empowerment in the communities we serve by investing in diverse businesses to enhance the innovation and agility within our supply chain. We are advancing these aspirational goals and we will continue to advance our I&D strategy to drive equitable access and outcomes for our patients and communities globally.

*Career Growth and Development:* Our BMS enterprise learning vision is to build a workforce capable of accelerating future growth, powered by a mindset of continuous learning. BMS champions the learning and development of our people, our most important asset, to recognize their full potential, achieve their career aspirations and drive business success. We aspire to create a ‘future ready’ workforce by developing the critical skills needed to tackle the organization’s most pressing strategic priorities. From on-demand, open-enrollment learning journeys to customized, nomination-based experiences, we aim to unlock personal potential through exceptional learning experiences. Our extensive library of resources, available in multiple languages to our 30,000+ employees, covers a wide range of specialized subjects. In 2023, over 6,800 employees were enrolled into our professional, manager, and leadership development programs. Tuition reimbursement is offered globally to eligible employees who, through their own initiation and desire for development, participate in accredited higher-educational programs. We support PBRG affiliation, tour of duty and stretch assignment opportunities that challenge our people and encourage them to take ownership of their skill development and career advancement.

*Culture and Employee Engagement:* Our workforce is composed of exceptional individuals critical to our mission to discover, develop and deliver innovative medicines that help patients prevail over serious disease. Our workforce is focused on our patients and embodies the values: Integrity, Passion, Inclusion, Innovation, Accountability and Urgency. Because our employees are fundamental to our mission, we want to ensure our workforce and culture thrives and thus we routinely check in on the engagement of our employees via a global employee pulse survey. Through our confidential quarterly pulse survey, conducted in 2023, employees provided feedback on employee satisfaction and covered a variety of topics such as company culture and values, execution of our strategy, diversity and inclusion and individual development, among others. Survey results are reviewed by our executive officers and board of directors, who analyze areas of progress or opportunity both at a company level as well as at a function level. Individual managers use survey results to implement actions and activities intended to increase the wellbeing of our employees. We believe that our employee engagement initiatives, competitive pay and benefit programs and career growth and development opportunities help increase employee satisfaction and tenure and reduce voluntary turnover. Given the criticality of an engaged and motivated workforce, select employee engagement goals are incorporated in our annual bonus program metrics for our executives.

*Compensation and Wellbeing:* We provide highly competitive compensation and wellbeing offerings that enable our workforce to deliver on our business strategy.

Compensation: Includes market competitive base salaries, annual incentives that recognize and reward company performance as well as individual results, and long-term equity incentives that focus employees on long-term value creation. We also offer sales-based incentives, special allowances, and peer-to-peer individual recognition. For executives, a substantial proportion of pay is variable and at-risk based on our financial and operational results, and delivered in the form of equity which supports the alignment of our executive compensation program with the creation of long-term value for our shareholders.



**Wellbeing:** We are committed to prioritizing the wellbeing of our workforce through Living Life Better, our strategy for encouraging the physical, emotional, work life, and financial wellbeing of our employees. To ensure global consistency, local relevance, and competitiveness under Living Life Better, we've established a framework with a global set of standards concentrated on five key areas: inclusive benefits, mental health, family care, people with disabilities and caregivers, and all gender preventive care. This framework enhances employee experience, removes barriers to access, and improves health outcomes. Living Life Better is grounded in science and emphasizes flexibility and inclusion, ensuring our employees have the support that best meets their individual needs at the right moment. Our signature Living Life Better programs include physical, emotional, work life, and financial programs.

**Employee Health & Safety:** We are committed to protecting our workforce, communities, and patients, thereby ensuring the continued supply of life-saving medicines. Our goal is to ensure that all employees, contractors, and visitors to our sites, can work or conduct their visit safely. We achieve this through the rigorous application of control and risk mitigation measures as defined by our Health and Safety management system. All incidents and near misses are investigated to root cause and lessons learned are effectively shared to avoid recurrence. A comprehensive assurance program is in place to objectively assess the effectiveness of, and adherence to, our standards. Corrective and preventive actions are tracked through to closure.

We provide a comprehensive in-house occupational health service with the primary objective of ensuring that any work-related illness or disease is identified early so that worker health can be protected. A range of medical assessments including fitness-for-duty, pre-placement, reproductive health, travel health and wellness checks are also conducted. Employees with disabilities or returning from illness are supported through a rigorous, legally compliant, accommodations process where appropriate.

## **Foreign Operations**

We have significant operations outside the U.S. They are conducted both through our subsidiaries and through distributors.

International operations are subject to certain risks, which are inherent in conducting business abroad, including, but not limited to, currency fluctuations, possible nationalization or expropriation, price and exchange controls, counterfeit products, limitations on foreign participation in local enterprises and other restrictive governmental actions. Our international businesses are also subject to government-imposed constraints, including laws on pricing or reimbursement for use of products.

## **Bristol Myers Squibb Website**

Our internet website address is [www.bms.com](http://www.bms.com). On our website, we make available, free of charge, our annual, quarterly and current reports, including amendments to such reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These documents are also available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Information relating to corporate governance at Bristol Myers Squibb, including our Principles of Integrity, Code of Ethics for Senior Financial Officers, Code of Business Conduct and Ethics for Directors (collectively, the "Codes"), Corporate Governance Guidelines, and information concerning our Executive Committee, Board of Directors (the "Board"), including Board Committees and Committee charters, and transactions in Bristol Myers Squibb securities by directors and executive officers, is available on our website under the "About Us—Our Company," "—Leadership" and "Investors" captions and in print to any stockholder upon request. Any waivers to the Codes by directors or executive officers and any material amendment to the Code of Business Conduct and Ethics for Directors and Code of Ethics for Senior Financial Officers will be posted promptly on our website. Information relating to stockholder services, including our Dividend Reinvestment Plan and direct deposit of dividends, is available on our website under the "Investors—Shareholder Services" caption. In addition, information about our sustainability programs is available on our website under the "About Us—Sustainability" caption. The foregoing information regarding our website and its content is for your convenience only. The information contained in or connected to our website is not deemed to be incorporated by reference in this 2023 Form 10-K or filed with the SEC.

We incorporate by reference certain information from parts of our definitive proxy statement for our 2024 Annual Meeting of Shareholders ("2024 Proxy Statement"). The SEC allows us to disclose important information by referring to it in that manner. Please refer to such information. Our 2024 Proxy Statement will be available on our website under the "Investors—Financial Reporting—SEC Filings" caption within 120 days after the end of our fiscal year.

## Item 1A. RISK FACTORS.

Any of the risks and uncertainties described below could significantly and negatively affect our business operations, financial condition, operating results (including components of our financial results), cash flows, prospects, reputation or credit ratings now and in the future, which could cause the trading price of our common stock to decline significantly. Additional risks and uncertainties that are not presently known to us, or risks that we currently consider immaterial, could also impair our business operations, financial condition, operating results or cash flows. The following discussion of risk factors contains “forward-looking” statements, as discussed in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Special Note Regarding Forward-Looking Statements.”

### **Product, Industry and Operational Risks**

#### ***Increased pricing pressure and other restrictions in the U.S. and abroad continue to negatively affect our revenues and profit margins.***

*Our products continue to be subject to increasing pressures across the portfolio from pharmaceutical market access and pricing controls, required rebates and other discounts, in the U.S., the EU and other regions around the world that result in lower prices, lower reimbursement rates and smaller populations for whom payers will reimburse. We expect that these market access constraints, pricing controls and discounting and other restrictions will become more acute as public and private payers continue to take aggressive steps to control their expenditures. Our future revenues and profit margins could be negatively affected, including as a result of (i) changes in laws and regulations relating to the pricing and reimbursement of pharmaceutical products (including potential penalties for increasing prices over the rate of inflation, new discounts to fund a redesign of the Medicare Part D benefit, and government negotiations/price controls that may change the determination of the “best price” and establish a maximum allowed price/reimbursement rate), as well as other changes relating to federal healthcare programs, such as modifying the federal Anti-Kickback statute discount safe harbor and the IRA, which includes a number of provisions intended to lower the costs of some drugs covered under Medicare Part D and Medicare Part B and to limit Medicare beneficiaries’ out-of-pocket spending under the Medicare Part D benefit, (ii) cost-cutting measures by federal healthcare programs, such as Medicare and Medicaid, MCOs and other institutional and governmental purchasers, (iii) the grant of additional authority to governmental agencies to manage drug utilization and negotiate drug prices (including the implementation of the 2020 regulation issued by the U.S. federal government authorizing states and private parties to develop and implement programs to import certain prescription drugs from Canada and sell them in the U.S., and the American Rescue Plan Act of 2021, which eliminated the Medicaid Prescription Drug Rebate cap starting January 1, 2024), (iv) expanded utilization under the 340B Drug Pricing Program (“340B program”), (v) competition related to placements on applicable commercial and Medicare Part D formularies; (vi) changes to U.S. federal pharmaceutical coverage and reimbursement policies and practices, (vii) the increased scrutiny of drug manufacturers (including any additional review of BMS or Celgene by the House Oversight and Reform Committee), (viii) reimbursement delays, (ix) government price erosion mechanisms across Europe and in other countries resulting in deflation for pharmaceutical product pricing, (x) the increased purchasing power of entities that negotiate on behalf of Medicare, Medicaid and private sector beneficiaries, (xi) collection delays or failures to pay in government-funded public hospitals outside the U.S., (xii) developments in technology and/or industry practices that could impact the reimbursement policies and practices of third-party payers, and (xiii) inhibited market access due to real or perceived differences in value propositions for our products compared to competing products.*

*In particular, the IRA will have the effect of reducing prices and reimbursements for certain of our products, which could significantly impact our business. Under the IRA, the U.S. Department of Health and Human Services can effectively set prices for certain single-source drugs and biologics reimbursed under Medicare Part B and Part D. Generally, these government prices apply nine years (for small molecule drugs) or 13 years (for biological products) following FDA approval and will be capped at a statutory ceiling price that is likely to represent a significant discount from average prices to wholesalers and direct purchasers. In August 2023, the U.S. Department of Health and Human Services selected Eliquis as one of the first 10 medicines subject to government-set prices beginning in 2026. The Medicare price setting process began in February 2024 and will conclude by August 1, 2024. On September 1, 2024, CMS will publish prices that will be applicable to the ten drugs in the Medicare program beginning January 1, 2026. It is possible that more of our products will be selected in future years, which could, among other things, accelerate revenue erosion prior to expiry of intellectual property protections. The IRA also requires drug manufacturers to provide rebates for Medicare Part B and Part D medicines under certain circumstances. The Part D benefit redesign will replace the Part D CGDP with a new manufacturer discount program. Beginning in January 2025, under the IRA, the 70 percent CGDP discount will be replaced by a 10 percent manufacturer discount for all Medicare Part D beneficiaries that have met their deductible and incurred out of pocket drug costs below a \$2,000 threshold and a 20 percent discount for beneficiaries that have incurred out of pocket drug costs above the \$2,000 threshold under the new Part D benefit redesign. Manufacturers that fail to comply with the IRA may be subject to various penalties, including civil monetary penalties, which could be significant. The IRA has and will continue to meaningfully impact our business strategies and those of others in the pharmaceutical industry. The full impact of the IRA on our business and the pharmaceutical industry, including the implications to us of our or a competitor’s product being selected for price setting, remains uncertain.*

At the state level, multiple states are pursuing government actions and ballot initiatives to address or limit drug pricing and reimbursement for their Medicaid programs. These initiatives include attempts to use the IRA's referenced drug price at the state level. Some of these state-level proposals may also influence federal policy and legislation. Given the uncertainty surrounding the adoption and timing of these potential legislative, policy, or administrative changes, we are unable to predict their impact on our business. However, if enacted, these changes could modify or decrease access, coverage, or reimbursement of our products, impact our rebates, or shift costs to us, which could in turn have a material impact on our business and results of operations.

Additionally, manufacturers who are found to have knowingly and intentionally overcharged 340B program covered entities could be subject to significant monetary penalties. Over the course of the past few years, Celgene had received inquiries from Human Resources and Services Administration regarding the limited distribution networks for Revlimid, Pomalyst, and Thalomid and compliance with the 340B program. As part of our broader integration strategy and alignment of our distribution model (post our acquisition of Celgene Corporation) we had announced that beginning March 1, 2022, we would recognize up to two designated 340B program contract pharmacy locations per 340B program hospital that lacks an entity-owned pharmacy. Although we believe that we have complied with, and continue to comply with, all applicable legal requirements, additional legal or legislative changes with respect to the 340B program may cause us to update our approach. Significant changes to our sales or pricing practices with regard to the distribution of drugs under the 340B program, or any material changes in our U.S. payer channel mix, could have an adverse effect on our revenues and profitability. In addition, if we are required to pay penalties under the applicable regulations, there would be an adverse effect on our revenues and profitability. For additional information on pricing pressures and other constraints, refer to "Item 1. Business—Pricing, Price Constraints and Market Access."

**We may experience difficulties or delays in the development and commercialization of new products. Our ability to replace revenue from products that lose patent protection is directly dependent on our ability to successfully commercialize new products in a timely manner.**

As is common in the pharmaceutical industry, BMS expects that sales of its key brand products like Eliquis, Revlimid, Pomalyst, Sprycel and Abraxane will decline after the loss of market exclusivity for such products. Consequently, our future success is highly dependent on our pipeline of new products. There is a high rate of failure inherent in the research and development process for new drugs. As a result, there is a high risk that funds we invest in research programs will not generate financial returns. Compounds or products may appear promising in development but fail to reach market within the expected or optimal timeframe, or at all. We have experienced setbacks and may continue to do so.

In addition, product extensions or additional indications may not be approved. Furthermore, products or indications approved under the U.S. FDA's Accelerated Approval Program may be contingent upon verification and description of clinical benefit in confirmatory studies and such studies may not be successful.

Developing and commercializing new compounds and products involve inherent risks and uncertainties, including (i) efficacy and safety concerns or findings of superior safety or efficacy of competing products; (ii) delayed or denied regulatory approvals, including as a result of difficulties in enrolling patients and completing clinical trials in a timely manner; (iii) delays or challenges with producing products on a commercial scale or excessive costs to manufacture products; (iv) failure to enter into or implement optimal alliances for the development and/or commercialization of new products; (v) changes in regulatory approval processes and policies which may cause delays or denials of new product approvals; (vi) preclusion from commercialization due to intellectual property issues or disputes with third parties; (vii) failure in certain markets to obtain reimbursement commensurate with the level of innovation and clinical benefit presented by the product; and (viii) changing clinical preferences, changing industry standards, laws and regulations, or competitors' innovations, each of which may render new products or enhancements to existing products obsolete.

We are also unable to predict if and when any changes to laws or regulatory policies will occur and how they will affect our business and particularly our pipeline of new products.

Regulatory approval delays are especially common when a product is expected to have a REMS program, as required by the U.S. FDA to address significant risk/benefit issues, and we expect that certain of our future key products will be distributed in the U.S. primarily through a REMS program. The inability to bring a product to market or a significant delay in the expected regulatory approval and related launch date of a new product could negatively impact our revenues and earnings. In addition, if certain acquired pipeline programs are canceled or we believe their commercial prospects have been reduced, we may recognize material non-cash impairment charges for those programs. Finally, losing key molecules and intermediaries or our compound library through a natural or man-made disaster or act of sabotage could negatively impact the product development cycle.

We can provide no assurance when or whether any of our products under development will be approved or launched or whether any products, once launched, will be commercially successful. The public announcement of data from our clinical studies, or those of our competitors, or news of any developments related to our, or our competitors', products or late-stage compounds may cause significant volatility in our stock price and depending on the data, may result in an adverse impact on our business, financial condition or results of operations. If the development of any of our key late-stage product candidates is delayed or discontinued or a clinical study does

not meet one or more of its primary endpoints, our stock price could decline significantly and there may be an adverse impact on our business, financial condition or results of operations.

*We must maintain a continuous flow of successful new products and successful new indications for existing products sufficient both to cover our substantial research and development costs and to replace sales that are lost as profitable products lose market exclusivity or are displaced by competing products or therapies. Failure to do so in the short-term or long-term can have a material adverse effect on our business, results of operations, cash flow, financial condition and prospects. There can be no assurance that our key product candidates would prove to be safe and effective or as safe and effective as other competing products, or that, even if approved, any such products will become commercially successful for all approved indications.*

***We could lose market exclusivity of a product earlier than expected.***

*In the pharmaceutical and biotechnology industries, the majority of an innovative product's commercial value is realized during its market exclusivity period. In the U.S. and in some other countries, when market exclusivity expires and generic versions are approved and marketed or when biosimilars are introduced (even if only for a competing product), there are usually very substantial and rapid declines in a product's revenues.*

*Market exclusivity for our products is based upon patent rights and certain regulatory forms of exclusivity. The scope of our patent rights, if any, varies from country to country and may also be dependent on the availability of meaningful legal remedies in a country. The failure to obtain or maintain patent and other intellectual property rights, or limitations on the use or loss of such rights, could result in a rapid loss of sales for any affected products which could be material to us. In some countries, including certain EU member states, basic patent protections for our products may not exist because certain countries did not historically offer the right to obtain specific types of patents and/or we (or our licensors) did not file in those countries. In addition, the patent environment can be unpredictable and the validity and enforceability of patents cannot be predicted with certainty. For example, for Eliquis, generics have challenged the composition of matter patents and related SPCs in various jurisdictions and trials have taken place, or are scheduled to take place, in certain European countries. While these legal proceedings are pending, generic manufacturers have begun marketing generic versions of Eliquis in certain EU countries and may seek to market generic versions of Eliquis in other EU countries prior to the expiration date of applicable patents and related SPCs. Furthermore, manufacturers of innovative drugs as well as generic drug manufacturers may be able to design their products around our owned or licensed patents and compete with us using the resulting alternative technology. Absent relevant patent protection for a product, once the data exclusivity period expires, generic or alternative versions can be approved and marketed.*

*Generic and biosimilar product manufacturers as well as other groups seeking financial gain are also increasingly seeking to challenge patents before they expire, and we could face earlier-than-expected competition for any products at any time. Patents covering our key products have been, and are likely to continue to be, subject to validity, enforceability and infringement challenges in patent litigations and post-grant review patent office proceedings. Although we are confident in the strength of our intellectual property rights, it may be possible for generic drug companies to successfully challenge our rights and launch their generic versions of our drugs prior to the expiration of our intellectual property rights. For example, following certain adverse judicial decisions in the UK and the Netherlands, generic manufacturers have begun marketing generic versions of Eliquis in the UK and Netherlands, and may seek to market generic versions of Eliquis in additional countries in Europe, prior to the expiration of our patents, which may lead to additional infringement and invalidity actions involving Eliquis patents being filed in various countries in Europe. In addition, in order to avoid the uncertainty and expense of litigation, among other reasons, we may decide to enter into settlements with generic manufacturers that permit generic market entry prior to the expiration of our intellectual property rights. For example, as a result of patent settlements, generic entry for Revlimid in the United Kingdom began on January 18, 2022, and in various other European countries on February 18, 2022. Similarly, in the U.S., following patent settlements, certain companies were granted volume-limited licenses to sell generic lenalidomide in the U.S. commencing in March 2022 or thereafter.*

*In some cases, manufacturers may seek regulatory approval by submitting their own clinical study data to obtain marketing approval or choose to launch a generic product "at risk" before the expiration of the applicable patent(s) and/or before the final resolution of related patent litigation. In addition, some countries are allowing manufacturers to manufacture and sell generic products, which negatively impacts the protections afforded the Company. Lower-priced generics or biosimilars for BMS biologic products or competing biologics could negatively impact our volumes and prices.*

*In addition, both the U.S. Congress and the U.S. FDA have taken steps to promote the development and approval of generic drugs and biosimilar biologics, including by providing generic and biosimilar developers a private right of action to obtain sufficient quantities of drug samples from the reference product's manufacturer in order to conduct testing necessary to obtain approval for generic or biosimilar products.*

*In addition, in December 2023, the Biden Administration released a proposed framework that for the first time proposed that a drug's price can be a factor in determining that the drug is not accessible to the public and therefore that the government could exercise "march-in rights" and license it to a third party to manufacture. A comment period on the proposal ran through February 6, 2024,*

and we are not able to predict whether a final rule will be adopted along the lines proposed and, if adopted, whether the government would seek to exercise march-in rights for any of our products.

There is no assurance that a particular product will enjoy market exclusivity for the full time period that appears in the estimates disclosed in this 2023 Form 10-K or that we assume when we provide our financial guidance.

**We face intense competition from other manufacturers and expect to see increasing market penetration of lower-priced generic products.**

The future growth of BMS is dependent on the market access, uptake and expansion for marketed brands, new product introductions, new indications, product extensions and co-promotional activities with alliance partners. Competition is keen and as we lose exclusivity for some of our marketed brands lower-priced generic products will increasingly penetrate our markets. Generic challenges to our products can also arise at any time, and our patents may not prevent the emergence of generic competition for our products. In some countries, patent protection is significantly weaker than in the U.S. or in the EU; political and social pressure has also pushed legislation and other measures that promote the use of generic and biosimilar products. For additional information, see “Item 1A. Risk Factors—We could lose market exclusivity of a product earlier than expected.”

In addition, we face competition from new products entering the market, particularly in IO. New products may have (i) lower prices, (ii) superior efficacy (benefit) or safety (risk) profiles (whether actual or perceived), (iii) technological advantages that may make such products more convenient to use, (iv) better insurance coverage or reimbursement levels, (v) more effective marketing programs and/or other differentiating factors that make it harder for our products to compete. We cannot predict with accuracy the timing or impact of the introduction of competitive products that treat diseases and conditions like those treated by our products and product candidates. Business combinations among our competitors and major third-party payers may also increase competition for our products. If we are unable to compete successfully against our competitors’ products in the marketplace, this could have a material negative impact on our revenues and earnings.

**We could experience difficulties, delays and disruptions in our supply chain as well as in the manufacturing, distribution and sale of our products.**

Our product supply and related patient access has been, and could in the future be, negatively impacted by difficulties, delays and disruptions in the manufacturing, distribution and sale of our products. Some of the difficulties, delays and disruptions include: (i) product seizures or recalls or forced closings of manufacturing plants; (ii) our failure, or the failure of any of our vendors or suppliers, to comply with cGMP and other applicable regulations or quality assurance guidelines that could lead to manufacturing shutdowns, product shortages or delays in product manufacturing; (iii) manufacturing, quality assurance/quality control, supply problems or governmental approval delays; (iv) the failure of a supplier, including sole source or single source suppliers, to provide us with the necessary raw materials, supplies or finished goods within a reasonable timeframe and with required quality; (v) the failure of a third-party manufacturer to supply us with bulk active or finished product on time; (vi) construction or regulatory approval delays for new facilities or the expansion of existing facilities, including those intended to support future demand for our biologics products, such as Opdivo; (vii) the failure to meet new and emerging regulations requiring products to be tracked throughout the distribution channels using unique identifiers to verify their authenticity in the supply chain; (viii) other manufacturing or distribution issues, including limits to manufacturing capacity and changes in the types of products produced, such as biologics, physical limitations, labor disputes or shortages, or other business interruptions; and (ix) disruptions in supply chain continuity, including from market forces (such as the recent stress on global logistics), natural disasters, global disease outbreaks or pandemics (including COVID-19), acts of war or terrorism or other unforeseeable or unavoidable events that materially impact one or more of our facilities or a critical supplier.

In addition, manufacturing processes for novel cell-based therapies, such as CAR-T cell therapies, are still evolving, and our processes may be more complicated or more expensive than the approaches taken by our current and future competitors. Our ability to source raw materials and supplies used to manufacture our CAR-T cell therapies and to develop consistent and reliable manufacturing processes and distribution networks with an attractive cost of goods could impact future anticipated revenue and gross profit for our CAR-T cell therapies. Furthermore, we may face challenges with sourcing raw materials and supplies for clinical and, if approved, commercial manufacturing. Logistical and shipment delays and other factors not in our control could prevent or delay the delivery of our product candidates and marketed products to patients. Additionally, we are required to maintain a complex chain of identity and custody with respect to patient material as such material enters into and moves through the manufacturing process. As a result, even slight deviations at any point in the production process for our CAR-T cell therapies or in material used in our CAR-T cell therapies could result in loss of product or regulatory remedial action, which could adversely affect our future anticipated revenues and/or profitability related to our CAR-T cell therapies.

## **Regulatory, Intellectual Property, Litigation, Tax and Legal Compliance Risks**

### ***Litigation claiming infringement of intellectual property may adversely affect our future revenues and operating earnings.***

We and certain of our subsidiaries are, and in the future may be, involved in various legal proceedings, including patent litigation, such as claims that our patents are invalid, unenforceable and/or do not cover the product of the generic drug manufacturer or where third parties seek damages and/or injunctive relief to compensate for alleged infringement of their patents by our commercial or other activities. Resolving an intellectual property infringement or other claim can be costly and time consuming and may require us to enter into license agreements, which may not be available on commercially reasonable terms. A successful claim of patent or other intellectual property infringement could subject us to significant damages and/or an injunction preventing the manufacture, sale, or use of the affected product or products. Any of these events could have a material adverse effect on our profitability and financial condition.

### ***Adverse outcomes in legal matters could negatively affect our business.***

Current or future lawsuits, claims, proceedings and government investigations could preclude or delay the commercialization of our products or could adversely affect our operations, profitability, liquidity or financial condition, after any possible insurance recoveries where available. Such legal matters include (i) intellectual property disputes; (ii) adverse decisions in litigation, including product safety and liability, consumer protection and commercial cases; (iii) anti-bribery regulations, such as the U.S. Foreign Corrupt Practices Act or UK Bribery Act, including compliance with ongoing reporting obligations to the government resulting from any settlements; (iv) recalls or withdrawals of pharmaceutical products or forced closings of manufacturing plants; (v) the alleged failure to fulfill obligations under supply contracts with the government and other customers or under other agreements relating to our business; (vi) product pricing and promotional matters; (vii) lawsuits and claims asserting, or investigations into, violations of securities, antitrust, Federal and state pricing, consumer protection, data privacy and other laws and regulations; (viii) environmental, health, safety and sustainability matters, including regulatory actions in response to climate change; and (ix) tax liabilities resulting from assessments from tax authorities.

### ***We are subject to a variety of U.S. and international laws and regulations.***

We are currently subject to a number of government laws and regulations and, in the future, could become subject to new government laws and regulations. The costs of compliance with such laws and regulations, or the negative results of non-compliance, could adversely affect our business, our operating results and the financial condition of our Company. These laws and regulations control and regulate key aspects of our business including but not limited to (i) market access, pricing controls and discounting; (ii) tax liabilities, returns and payments; (iii) imports and other trade restrictions; (iv) intellectual property protection and enforcement; (v) good practice guidelines and regulations; (vi) accounting standards; (vii) data storage and privacy, particularly in the EU and the U.S.; (viii) requirements for reporting payments and other value transfers to healthcare professionals (such as those provided under the Federal Anti-Kickback Statute); and (ix) compliance with anti-bribery and anti-corruption practices of the U.S. and other countries.

In addition, the U.S. healthcare industry is highly regulated and subject to frequent and substantial changes, including as a result of new judicial or governmental decisions. For example, Congress passed the Food and Drug Omnibus Reform Act in December 2022, which gave the U.S. FDA additional authority to require confirmatory trials to be underway at the time of approval and offered an additional enforcement mechanism if sponsors do not complete such studies with due diligence. We cannot predict how other future federal or state legislative or administrative changes relating to healthcare reform will affect our business. For additional information, refer to “Item 1. Business—Government Regulation,” “Item 1. Business—Pricing, Price Constraints and Market Access” and “—Adverse outcomes in legal matters could negatively affect our business.” Similarly, the legislative and regulatory environment regarding privacy and data protection is continuously evolving and the subject of significant attention by regulators and private parties globally. Regulators are imposing new data privacy and security requirements, including new and greater monetary fines or penalties for privacy violations, and jurisdictions where we operate have passed, or continue to propose, data privacy legislation and or regulations. Failure to comply with these current and future laws could result in significant penalties and reputational harm and could have a material adverse effect on our business and results of operations.

### ***Expectations relating to environmental, social and governance considerations and related reporting obligations expose the Company to potential liabilities, increased costs, reputational harm, and other adverse effects on the Company's business.***

There is an increased focus by foreign, federal, state, and local regulatory and legislative bodies investors and other stakeholders regarding environmental policies relating to climate change, regulating greenhouse gas emissions, carbon taxes, emissions trading schemes, sustainability, human rights and diversity, inclusion and equity matters, and disclosure regarding the foregoing, many of which may be ambiguous, inconsistent, dynamic or conflicting. We expect to experience increased restrictions and compliance costs, legal costs, and expenses related to such new or changing legal or regulatory requirements. Moreover, compliance with any such legal or regulatory requirements would require us to devote substantial time and attention to these matters. In addition, we may still be subject to penalties or potential litigation if such laws and regulations are interpreted or applied in a manner inconsistent with our practices. Moreover, from time to time we establish and publicly announce environmental, social and governance goals and commitments. Implementation of our environmental, social and governance goals and initiatives involves risks and uncertainties,

requires investments, and depends in part on third-party performance or data that is outside of our control. In addition, some stakeholders may disagree with the Company's environmental, social and governance goals, targets or objectives. If we do not meet, are perceived not to meet, or if stakeholders disagree with, our environmental, social and governance goals, targets or objectives, we risk negative stakeholder reaction, including from proxy advisory services, as well as damage to our brand and reputation, reduced demand for our products or other negative impacts on our business and operations.

**Changes to tax regulations could negatively impact our earnings.**

We are subject to income taxes in the U.S. and various other countries globally. Changes in tax laws and regulations can and do occur. Significant judgment is required for determining the Company's tax liabilities, and the Company's tax returns are periodically examined by various tax authorities. We have faced, and may continue to face, audit challenges on how we apply a tax law or regulation. The ultimate resolution of any tax matters may result in payments greater or less than amounts accrued, which could have a negative impact on our provision for income taxes. In addition, our future earnings could be negatively impacted by further changes in tax legislation, including changes in tax rates and tax base such as limiting, phasing-out or eliminating deductions or tax credits, increase taxing of certain excess income from intellectual property, revising tax law interpretations in domestic or foreign jurisdictions, changes in rules for earnings repatriations and changes in other tax laws in the U.S. or other countries. Notably, in July and October 2021 OECD/G20 Inclusive Framework agreed on the general rules for redefined jurisdictional taxation rights and a global minimum tax. In December 2022, the EU member states voted unanimously to adopt a Directive implementing the Pillar Two (global minimum tax) rules giving member states until December 31, 2023 to implement the Directive into national legislation. Certain jurisdictions in which we operate, under the OECD/G20 Inclusive Framework, have enacted legislation that adopts a subset of such rules effective January 1, 2024, with the remaining rules becoming effective January 1, 2025. These rules and associated legislative changes may significantly impact our tax provision and results of operations. The implementation of Pillar Two is currently expected to increase our effective tax rate excluding specified items by approximately 1% in 2024.

**The failure of third parties to meet their contractual, regulatory and other obligations could adversely affect our business.**

We rely on suppliers, vendors, outsourcing partners, alliance partners and other third parties to research, develop, manufacture, commercialize, co-promote and sell our products, manage certain marketing, human resource, finance, IT, data and other business unit and functional services and meet their contractual, regulatory and other obligations. Using these third parties poses a number of risks, such as: (i) they may not perform to our standards or legal requirements, for example, in relation to the outsourcing of significant clinical development activities for innovative medicines to some contract research organizations; (ii) they may not produce reliable results; (iii) they may not perform in a timely manner; (iv) they may not maintain confidentiality of our proprietary information; (v) they may incur a significant cyberattack or business disruption; (vi) they may be subject to government orders or mandates that require them to give priority to the government and set aside pre-existing commercial orders; (vii) disputes may arise with respect to ownership of rights to technology developed with our partners; and (viii) disagreements could cause delays in, or termination of, the research, development or commercialization of the product or result in litigation or arbitration. Moreover, some third parties are located in markets subject to political and social risks, corruption, infrastructure problems and natural disasters, in addition to country specific privacy and data security risks given current legal and regulatory environments. The failure of any critical third party to satisfactorily meet its obligations, including for future royalty and milestone payments; to adequately deploy business continuity plans in the event of a crisis; and/or to satisfactorily resolve significant disagreements with us or address other factors, could have a material adverse impact on our operations and results. In addition, if these third parties violate, or are alleged to have violated, any laws or regulations, including the local pharmaceutical code, U.S. Foreign Corrupt Practices Act, UK Bribery Act, the EU's General Data Protection Regulation, and other similar laws and regulations, during the performance of their obligations for us, it is possible that we could suffer financial and reputational harm or other negative outcomes, including possible legal consequences.

**Product labeling changes for our marketed products could result in a negative impact on revenues and profit margins.**

Pharmaceutical products receive regulatory approval based on data obtained in controlled clinical trials of limited duration. Additional clinical trials, head-to-head studies, adverse events reports following the use of our products over longer periods of time and studies that identify biomarkers (objective characteristics that can indicate a particular response to a product or therapy) that are conducted after obtaining marketing approval for our products, and regulatory changes to standards regarding safety, efficacy or labeling, may result in product label changes or other measures that could reduce the product's market acceptance and result in declining revenues. Sometimes additional information from new studies identifies a portion of the patient population that may be non-responsive to a medicine or would be at higher risk of adverse reactions and labeling changes based on such studies may limit the patient population. The studies providing such additional information may be sponsored by us, but they could also be sponsored by competitors, insurance companies, government institutions, MCOs, scientists, investigators or other interested parties. While additional safety and efficacy information from such studies assist us and healthcare providers in identifying the best patient population for each product, it can also negatively impact our operating results. New information added to a product's label can affect its risk-benefit profile, leading to potential voluntary or mandatory recalls, withdrawals or declining revenue, as well as product liability claims. Additionally, certain study results, especially from head-to-head studies, could affect a product's formulary listing, which could also adversely affect revenues.

*In addition, if safety or efficacy concerns are raised about a third party's product in the same class as one of our products, those concerns could implicate the entire class and this, in turn, could have an adverse impact on the availability or commercial viability of our product(s) as well as other products in the class.*

***The illegal distribution and sale by third parties of counterfeit or unregistered versions of our products or stolen products could have a negative impact on our revenues, earnings, reputation and business.***

*Third parties may illegally distribute and sell counterfeit versions of our products, which do not meet our rigorous manufacturing and testing standards. A patient who receives a counterfeit drug or a product diverted from its authorized market may be at risk for a number of dangerous health consequences. Our reputation and business could suffer harm as a result of counterfeit drugs sold under our brand name or diverted products. The prevalence of counterfeit medicines is an industry-wide issue due to a variety of factors, including the adoption of e-commerce, which increased during the COVID-19 pandemic, greatly enhancing consumers' ability to obtain prescriptions and other medical treatments via the internet in lieu of traditional brick and mortar pharmacies. The internet exposes patients to greater risk as it is a preferred vehicle for dangerous counterfeit offers and scams because of the anonymity it affords counterfeiters.*

*Thefts of inventory at warehouses, plants or while in-transit, which are then not properly stored and are later sold through unauthorized channels, could adversely impact patient safety, our reputation and our business. In addition, diversion of products from their authorized market into other channels may result in reduced revenues and negatively affect our profitability.*

***Increased use of social media platforms presents risks and challenges.***

*We are increasing our use of social media to communicate Company news and events. The inappropriate and/or unauthorized use of social media could cause brand damage or information leakage and may give rise to liability, including from the improper collection and/or dissemination of personally identifiable information from employees, patients, healthcare professionals or other stakeholders. In addition, negative or inaccurate posts or comments about us on any social networking website could damage our reputation, brand image and goodwill and may cause significant volatility in our stock price. Further, the disclosure of non-public Company-sensitive information by our workforce or others, whether intentional or unintentional, through external media channels could lead to loss of trade secrets or other intellectual property, as well as the Company's commercially sensitive information.*

**Information Technology and Cybersecurity Risks**

***We are dependent on information technology systems and face risk of cybersecurity incidents that could disrupt our business and result in theft of proprietary and confidential information.***

*We rely extensively on information technology systems, networks and services, including internet sites, data hosting and processing facilities and tools, physical security systems and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided by and/or used for third parties or their vendors, to assist in conducting our business. We have faced, and will continue to face, risks of incidents, whether through cyber attacks or cyber intrusions through the Cloud, the Internet, phishing attempts, ransomware and other forms of malware, computer viruses, email attachments, extortion, and other scams. Although we make efforts to maintain the security and integrity of our information technology systems, these systems and the proprietary, confidential and personal information that resides on or is transmitted through them, are subject to the risk of a cybersecurity incident or disruption, and there can be no assurance that our security efforts and measures, and those of our third-party vendors, will prevent breakdowns or incidents to our or our third-party vendors' systems that could adversely affect our business strategy, results of operations, or financial condition. Cybersecurity risks continue to develop, including as a result of threat actors increasingly targeting employees and supply chains and geopolitical tensions leading to an increase in sabotage, espionage and cyber attacks. As the cyber-threat landscape evolves, these attacks are growing in frequency, sophistication and intensity, and due to the nature of some of these attacks, there is also a risk that they may remain undetected for a period of time. A significant breakdown, invasion, corruption, destruction or interruption of critical information technology systems or leak or theft of proprietary, confidential or personal information could negatively impact operations. There can be no assurance that our continuing efforts will prevent breakdowns or incidents to our or our third-party providers' systems or databases that could adversely affect our business. Under certain circumstances, such incidents when detected could require disclosure to government authorities and/or regulators and could require notification to impacted individuals and any such incident could result in material financial, legal, business and reputational harm to us.*

**Strategic, Business Development and Employee Attraction and Retention Risks**

***We depend on several key products for most of our revenues, cash flows and earnings.***

*We derive a majority of our revenue and earnings from several key products. We expect that Revlimid, Eliquis, and Opdivo will represent a significant percentage of our revenue, earnings and cash flows during the next few years. A reduction in revenue from any of these products due to loss of market exclusivity or other factors could adversely impact our earnings and cash flows. For additional information, see "Item 1A. Risk Factors—We could lose market exclusivity of a product earlier than expected."*



Also, if one of our major products were to become subject to issues such as loss of patent protection, significant changes in demand, formulary access changes, material product liability, unexpected side effects, regulatory proceedings, negative publicity, supply disruption from our manufacturing operations or third-party supplier or a significant advancement of competing products, we may incur an adverse impact on our business, financial condition, results of operations or the trading price of our stock.

In addition, in the U.S., most of our products are distributed through wholesalers, and if one of these wholesalers should encounter financial or other difficulties, we might be unable to timely collect the amounts that the wholesaler owes us, which could negatively impact our results of operations.

**Third-party royalties represent a significant percentage of our pretax income and operating cash flow.**

We have entered into several arrangements which entitle us to potential royalties from third parties for out-licensed intellectual property, commercialization rights and sales-based contingent proceeds related to the divestiture of businesses. In many of these arrangements we have minimal, if any, continuing involvement that contribute to the financial success of those activities. Royalties have continued to represent a significant percentage of our pretax income, including royalties related to the divestiture of our diabetes business (including the transfer of certain future royalty rights pertaining to Amylin, Onglyza\* and Farxiga\* product sales), out-licensed intellectual property and the Merck patent infringement settlement. Pretax income generated from royalties was approximately \$2.6 billion in 2023. Our pretax income could be adversely affected if the royalty streams decline in future periods. For example, royalties related to Keytruda\* decreased from 6.5% to 2.5% on January 1, 2024 and are expected to terminate on December 31, 2026, and royalties related to Tecentriq\* are expected to terminate on December 31, 2026. In addition, our royalties from our divested diabetes business, specifically Amylin, Farxiga and Onglyza, terminate on December 31, 2025.

**Failure to execute our business strategy or to identify and effectively manage acquisitions, divestitures, alliances, joint ventures and other portfolio actions could adversely impact our growth and profitability and our future results. In addition, any businesses or assets that we acquire in the future may underperform, we may not be able to successfully integrate them into our existing business and the occurrence of a number of unexpected factors could prevent or substantially delay the consummation of an anticipated acquisition, divestiture or merger.**

Our strategy is focused on delivering innovative, transformational medicines to patients in a focused set of disease areas. To support future revenue growth and maintain an adequate pipeline, we have acquired, or in-licensed, a number of assets and we expect to continue to support our pipeline with compounds or products obtained through licensing and acquisitions. Competition among pharmaceutical companies for acquisition and product licensing opportunities is intense, and we may not be able to locate suitable acquisition targets or licensing partners at reasonable prices, or successfully execute such transactions. If we are unable to consistently maintain an adequate pipeline, whether through internal R&D programs or transactions with third parties or if we are unable to support and grow our marketed products, successfully execute the launches of newly approved products, advance our late-stage pipeline, manage change from our operating model evolution or manage our costs effectively, our operating results and financial condition could be negatively impacted.

Additionally, future revenues, profits and cash flows of an acquired company's products, technologies and pipeline candidates may not materialize due to low product uptake, delayed or missed pipeline opportunities, the inability to capture expected synergies resulting from cost savings and avoidance, increased competition, safety concerns, regulatory issues, supply chain problems or other factors beyond our control. Substantial difficulties, costs and delays could result from integrating our acquisitions, including for: (i) R&D, manufacturing, distribution, sales, marketing, promotion and information technology activities; (ii) policies, procedures, processes, controls and compliance; and (iii) tax considerations.

Where we acquire debt or equity securities as all or part of the consideration for business development activities, such as in connection with a joint venture or acquisition, the value of those securities will fluctuate and may depreciate in value. We may not control the company in which we acquire securities, such as in connection with a collaborative arrangement, and as a result, we will have limited ability to determine its management, operational decisions, internal controls and compliance and other policies, which can result in additional financial and reputational risks.

We may not be successful in separating underperforming or non-strategic assets, and gains or losses on the divestiture of, or lost operating income from, such assets may affect our earnings. Our divestitures also may result in continued financial exposure to the divested businesses, such as through guarantees or other financial arrangements, continued supply and services arrangements, or potential litigation, following the transaction. Under these arrangements, nonperformance by us could result in obligations being imposed on us that could have a material adverse effect on our competitive position, cash flows, results of operations, financial condition or reputation.

We might also incur asset impairment charges related to acquisitions or divestitures that reduce our earnings. The value allocated to certain of our assets could be substantially impaired due to a number of factors beyond our control. New or revised accounting standards, rules and interpretations could result in changes to the recognition of income and expense that may materially and adversely affect our financial results.

If the execution or implementation of acquisitions, divestitures, alliances, joint ventures and other portfolio actions is not successful, it could adversely impact our financial condition, cash flows and results of operations. Moreover, due to the substantial amount of debt that we incurred to finance the cash portion of the Celgene, MyoKardia and Mirati acquisitions, and intend to incur in connection with the Karuna and RayzeBio acquisitions, there can be no assurance of when we will be able to expand our business development capacity. Although we are committed to reducing our debt, pursuing strategic transaction opportunities in future may require us to obtain additional equity or debt financing, and could result in increased leverage and/or a downgrade of our credit ratings.

**Failure to attract and retain highly qualified workforce could affect our ability to successfully develop and commercialize products.**

Our success is largely dependent on our continued ability to (i) attract and retain highly qualified scientific, technical and management workforce, including people with expertise in clinical R&D, governmental regulation and commercialization, and (ii) in connection with our acquisitions, integrate corporate cultures and maintain employee morale. We are facing increasing competition for a limited pool of qualified individuals from numerous pharmaceutical and biotechnology companies, universities, government entities, research institutions, companies seeking to enter the healthcare space, and companies in other industries. We cannot be sure that we will be able to retain quality talent or that the costs of doing so will not materially increase.

**Market, Liquidity and Credit Risks**

**We have significant indebtedness that could have negative consequences.**

Our acquisitions of Celgene, MyoKardia and Mirati increased the amount of our debt resulting in additional interest expense, and we intend to incur more debt to finance future acquisitions, including the Karuna and RayzeBio acquisitions. This could reduce our financial flexibility to continue capital investments, develop new products and declare future dividends. For example, following the announcements of recent acquisitions, Standard & Poor's downgraded BMS's long term-credit rating from A+ to A (with a stable long-term credit outlook).

**Adverse changes in U.S. and global economic and political conditions could adversely affect our operations and profitability.**

Global economic and political risks pose significant challenges to a company's growth and profitability and are difficult to mitigate. We generated approximately 30% of our revenues outside of the U.S. in 2023. As such, a global economic downturn could create or amplify a variety of risks to our business and could negatively affect our growth. In addition, uncertainty in the credit and capital markets could impact our growth strategy. Our revenues, earnings and cash flow are also exposed to risk from a strengthening U.S. dollar and global inflation, including in the U.S. If our operating costs were to significantly increase, whether as a result of rising inflation rates, wage increases or other factors, it could adversely affect our revenues and profitability. We also have exposure to customer credit risks in Europe, South America and other markets including from government-guaranteed hospital receivables in markets where payments are not received on time. We have significant operations in Europe, including for manufacturing and distribution. The results of our operations could be negatively impacted by any member country exiting the eurozone monetary union or EU. In particular, the exit of the UK from the EU, which occurred on January 31, 2020, created uncertainties affecting our business operations in the UK and the EU and may have an impact on our research, commercial and general business operations in the UK and the EU, including the approval and supply of our products and may require changes to our legal entity structure in the UK and the EU.

Additionally, our business and operations may be adversely affected by political volatility, conflicts or crises in individual countries or regions, including terrorist activities or war and pandemics or epidemics. The COVID-19 pandemic affected demand for some of our products driven by lower patient starts and visits, and we would expect any future pandemics to have a similar effect. In addition, while we did not experience any significant manufacturing or supply issues due to COVID-19, it is possible that we could experience these issues in response to future pandemics. For instance, we may experience scarcity of certain raw materials and components as a result of the influx of pandemic related vaccine orders receiving priority treatment from vendors. Furthermore, a future epidemic or pandemic could create material staffing shortages at our manufacturing sites which could disrupt the supply of our products. It is also possible that we may experience supply chain interruptions as a result of quarantines, shelter-in-place and other governmental orders and policies, travel restrictions, airline and cargo capacity and route reductions. We may also experience delays in the initiation and enrollment of patients in our clinical trials as a consequence of any future pandemic. We may not be able to fully mitigate these delays, which could negatively impact the timing of our pipeline development programs and expected future revenues and/or cash flows. A prolonged clinical trial delay could potentially have a significant negative effect on our business, particularly if new competitive products enter the market or clinical trial results for our competitors' products affect the value proposition for our product. Any such delays or difficulties in clinical development could also potentially lead to a material impairment of our intangible assets, including the \$27.1 billion of other intangible assets as of December 31, 2023.

We cannot predict or reasonably estimate the impact of any potential long-term changes to the healthcare industry from global economic and political events, including any future pandemics. For example, there is potential for a shift in the U.S. payer channel mix due to changes in patient coverage from the current economic crisis, but we are not able to reliably estimate what the impact would be on our results of operations given the highly variable and uncertain situation. It is also possible that changes in the

healthcare system could impose additional burdens on clinical trials, which could increase the costs of sponsoring clinical trials or lead to additional delays or difficulties with completing clinical trials. We may also experience additional pricing pressures and/or increased governmental regulation.

Global economic conditions or events such as wars or pandemics also create additional risks from their impact on our suppliers, vendors, outsourcing partners, alliance partners and other third parties that we rely on to research, develop, manufacture, commercialize, co-promote and sell our products, manage certain marketing, selling, human resource, finance, IT and other business unit and functional services. For example, if any of our third-party providers suffer from limited solvency because of global economic conditions, it could negatively impact our operating model and our business. Similarly, global events such as the Ukraine-Russia conflict can increase the volatility of the financial markets, foreign currency exchanges and interest rates. We could also face potential other negative consequences stemming from future pandemics or global events, including but not limited to increased cyber threats to us and our partners such as cyber attacks and outages. It is possible that global economic and political events, including any future pandemic, could exacerbate any of the other risks described in this 2023 Form 10-K as well.

***There can be no guarantee that we will pay dividends or repurchase stock.***

The declaration, amount and timing of any dividends fall within the discretion of our Board. The Board's decision will depend on many factors, including our financial condition, earnings, capital requirements, debt service obligations, industry practice, legal requirements, regulatory constraints and other factors that our Board may deem relevant. A reduction or elimination of our dividend payments or dividend program could adversely affect our stock price. In addition, we could, at any time, decide not to buy back any more shares in the market, or reduce the number of shares repurchased under our share repurchase program, which could also adversely affect our stock price. The IRA imposes a 1% excise tax on our net repurchases of shares after December 31, 2022. The imposition of the excise tax on repurchases of our shares may increase the cost to us of making repurchases and may cause our Board to reduce the number of shares repurchased pursuant to our share repurchase program.

***Our amended bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain lawsuits between us and our stockholders, which could limit our stockholders' ability to obtain a judicial forum that it finds favorable for such lawsuits and make it more costly for our stockholders to bring such lawsuits, which may have the effect of discouraging such lawsuits.***

Our amended bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be, to the fullest extent permitted by law, the sole and exclusive forum for any (i) derivative action or proceeding brought on our behalf, (ii) action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, creditors or other constituents, (iii) action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware, our amended and restated certificate of incorporation or our amended bylaws or (iv) action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine; provided, however, that, in the event that the Court of Chancery of the State of Delaware lacks jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding will be another state or federal court of the State of Delaware. Our bylaws also provide that any person or entity purchasing or otherwise acquiring or holding any interest in shares of our capital stock will be deemed to have notice of and consented to this forum selection provision.

The Court of Chancery of the State of Delaware (or if the Court of Chancery does not have jurisdiction, another state or federal court of the State of Delaware) will have the fullest authority allowed by law to issue an anti-suit injunction to enforce this forum selection clause and to preclude suit in any other forum. However, this forum selection provision is not intended to apply to any actions brought under the Securities Act of 1933 (the "Securities Act"), as amended, or the Exchange Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, the forum selection provision in our amended bylaws will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

Nevertheless, this forum selection provision in our bylaws may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers and other employees, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. In addition, stockholders who do bring a claim in the Court of Chancery in the State of Delaware could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Delaware. While we believe the risk of a court declining to enforce the forum selection provision contained in our amended bylaws is low, if a court were to find the provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

**Item 1B. UNRESOLVED STAFF COMMENTS.**

None.

**Item 1C. CYBERSECURITY**

**Risk Management and Strategy**

The Company manages cybersecurity risk as part of our overall enterprise risk management strategy, which is overseen by the Audit Committee and the Board. The Company employs robust cybersecurity and data privacy programs that are largely aligned to, among others, the U.S. National Institute of Standards and Technology Cybersecurity Framework to assess, identify and manage material risks from cybersecurity threats.

We are constantly evolving our cyber defenses to minimize impacts from cyber threats by using a multi-pronged approach that helps safeguard our assets and data. We are particularly focused on addressing emerging cybersecurity risks, including human risk, as phishing attacks remain one of the most common causes of data breaches; third-party supply chain risks, as threat actors continue to target supply chains to compromise a greater number of victims; and geopolitical risk, as tensions and conflicts around the world are often accompanied by an increase in sabotage, espionage and cyber attacks. As threat actors frequently target employees to gain access to information and systems, we have a comprehensive global human risk management program that educates our workforce on threats they face as a first line of defense, and includes elements addressing phishing, malware, data handling, device security, cybersecurity education, password security, internet browsing and defenses to physical threats. Our employees are exposed to data-driven cybersecurity awareness campaigns and training in order to keep pace with industry standards, evolving challenges and innovative solutions with respect to information security, data privacy, and cybersecurity risks to the organization. Additionally, we employ a multi-layered approach in our application of cybersecurity technologies to help safeguard our systems, networks, and data from potential cybersecurity threats. For companies that we acquire, our integration plans include, where appropriate, workable timelines for alignment on information security, data privacy, cybersecurity and employee education.

To support our preparedness, we have a cybersecurity incident response plan ("CIRP") that we regularly update as business needs and the security landscapes change. In the event of a cybersecurity incident, our incident response team refers to our CIRP and existing management internal controls and disclosure processes. Pursuant to this process, designated personnel are responsible for assessing the severity of the incident and any associated threats, containing and resolving the incident as quickly as possible, managing any damage to the Company's systems and networks, minimizing the impact on the Company's stakeholders, analyzing and executing upon internal reporting obligations, escalating information about the incident to senior management, as appropriate, and performing post-incident analysis and program enhancements, as needed. We perform periodic tabletop exercises annually to test our incident response procedures, identify gaps and improvement opportunities and exercise team preparedness.

We engage with third parties to separately conduct cyber assessments on a recurring basis and assist with containment and remediation efforts. In addition, third-party technology and analytics are utilized to identify potential vulnerabilities. We recognize that third parties that provide services to the Company can be subject to cybersecurity incidents that could impact the Company. To manage third-party risk, we maintain a third-party risk management program, which is designed to assess the security controls of our third parties. The assessment methodology is based on risk and relies on the data, access, connectivity, and criticality of the services that the third-party offers. As noted, we also conduct tabletop exercises to identify gaps in our supply chain resilience so we can implement improvements.

We maintain relationships with law enforcement, government agencies, forensic investigators, and legal counsel to inform our cybersecurity and data privacy programs.

As of December 31, 2023, and through the date of this filing, we are not aware of any material cybersecurity incidents that have impacted the Company. However, we have been the target of cyber attacks and expect them to continue as cybersecurity threats have been rapidly evolving in sophistication and becoming more prevalent in the industry. We face risks of incidents, whether through cyber attacks or cyber intrusions through the Cloud, the Internet, phishing attempts, ransomware and other forms of malware, computer viruses, email attachments, extortion, and other scams. Although we make efforts to maintain the security and integrity of our information technology systems, these systems and the proprietary, confidential and personal information that resides on or is transmitted through them, are subject to the risk of a cybersecurity incident or disruption, and there can be no assurance that our security efforts and measures, and those of our third-party vendors, will prevent breakdowns or incidents to our or our third-party vendors' systems that could adversely affect our business. For a discussion of these risks, see "Item 1A—Risk Factors—Information Technology and Cybersecurity Risks—We are dependent on information technology and our systems and infrastructure face certain risks, including from cybersecurity incidents and data leakage."

## Governance

The Company's cybersecurity and data privacy programs are implemented and overseen by the Company's Chief Information Security Officer ("CISO"), the Executive Vice President, Chief Digital and Technology Officer, and senior management. The information security team responsible for managing and implementing the Company's cybersecurity and data privacy programs has many years of valuable business experience managing risks from cybersecurity threats and data privacy breaches and developing and implementing cybersecurity and data privacy policies and procedures.

Our Audit Committee, which consists solely of independent directors, oversees the Company's overall enterprise risk assessment and risk management policies and guidelines, including risks related to cybersecurity matters. Our Audit Committee reviews, discusses with management and oversees the Company's information security and data protection programs. In particular, the Audit Committee receives periodic updates from the CISO, internal audit function and other members of management on significant cybersecurity and data privacy threats to our systems and the potential impact on the Company's business, financial results, operations, and reputation, risk management strategies, including information governance and security policies and programs, program assessments, planned improvements, major legislative and regulatory developments that could materially impact the Company's cybersecurity and data privacy policies and programs, and status of information security initiatives, including an appropriate threat assessment relating to information technology risks. After each such update, the Chair of the Audit Committee updates the full Board. The Board also receives similar cybersecurity updates directly from the CISO and other members of management at least annually, and as needed from time to time.

### Item 2. PROPERTIES.

Our principal executive offices are located at Route 206 & Province Line Road, Princeton, NJ. We own or lease manufacturing, R&D, administration, storage and distribution facilities at approximately 130 sites worldwide. We believe our manufacturing properties, in combination with our third-party manufacturers, are in good operating condition and provide adequate production capacity for our current and projected operations. We also believe that none of our properties is subject to any material encumbrance, easement or other restriction that would detract materially from its value or impair its use in the operation of the business. For further information about our manufacturing properties, refer to "Item 1. Business—Manufacturing and Quality Assurance."

Our significant manufacturing and R&D locations by geographic area were as follows at December 31, 2023:

	<b>Manufacturing</b>	<b>R&amp;D</b>
United States	6	8
Europe	1	1
Total	7	9

### Item 3. LEGAL PROCEEDINGS.

Information pertaining to legal proceedings can be found in "Item 8. Financial Statements and Supplementary Data—Note 20. Legal Proceedings and Contingencies" and is incorporated by reference herein.

### Item 4. MINE SAFETY DISCLOSURES.

Not applicable.

## PART IA

### Information about our Executive Officers

Listed below is information on our executive officers as of February 13, 2024. Executive officers are elected by the Board of Directors for an initial term, which continues until the first Board meeting following the next Annual Meeting of Shareholders, and thereafter, are elected for a one-year term or until their successors have been elected. Executive officers serve at the discretion of the Board of Directors.

Name and Current Position	Age	Employment History for the Past 5 Years
Christopher Boerner, Ph.D. <i>Chief Executive Officer</i> <i>Member of the Leadership Team</i>	53	2015 to 2017 – President and Head of U.S. Commercial 2017 to 2018 – President and Head, International Markets 2018 to 2023 – Executive Vice President, Chief Commercialization Officer 2023 to 2023 – Executive Vice President, Chief Operating Officer 2023 to present – Chief Executive Officer
Giovanni Caforio, M.D. <i>Executive Chairman of the Board</i> <i>Member of the Leadership Team</i>	59	2015 to 2017 – Chief Executive Officer and Director of the Company 2017 to 2023 – Chairman of the Board and Chief Executive Officer 2023 to present – Executive Chairman of the Board
David V. Elkins <i>Executive Vice President and Chief Financial Officer</i> <i>Member of the Leadership Team</i>	55	2014 to 2017 – Group Vice President and Chief Financial Officer, Consumer and Consumer Medicines, Johnson & Johnson 2017 to 2018 – Worldwide Vice President and Chief Financial Officer, Consumer Products, Medical Development and Corporate Functions, Johnson & Johnson 2018 to 2019 – Chief Financial Officer, Celgene Corporation 2019 to present – Executive Vice President and Chief Financial Officer
Cari Gallman <i>Executive Vice President, Corporate Affairs</i> <i>Member of the Leadership Team</i>	44	2015 to 2018 – Senior Counsel, US Legal 2018 to 2019 – Assistant General Counsel, Oncology Legal 2019 to 2021 – Vice President, Assistant General Counsel, Worldwide Oncology 2021 to 2023 – Senior Vice President, Chief Compliance Officer 2023 to present – Executive Vice President, Corporate Affairs
Sharon Greenlees <i>Senior Vice President, Corporate Controller</i>	52	2016 to 2018 – Vice President of Investor Relations, AbbVie Inc. 2018 to 2020 – Head of Pricing, U.S. Commercial, AbbVie Inc. 2020 to 2021 – Head of Supply Chain Finance, AbbVie Inc. 2021 to 2022 – Vice President and Controller, R&D Finance and Operations, AbbVie Inc. 2022 to present – Senior Vice President, Corporate Controller
Samit Hirawat, M.D. <i>Executive Vice President, Chief Medical Officer, Head of Development</i> <i>Member of the Leadership Team</i>	55	2017 to 2019 – Executive Vice President, Head of Oncology Development, Novartis 2019 to 2023 – Executive Vice President, Chief Medical Officer, Global Drug Development 2023 to present – Executive Vice President, Chief Medical Officer, Head of Development
Lynelle Hoch <i>President, Cell Therapy Organization</i> <i>Member of the Leadership Team</i>	51	2016 to 2019 – Vice President, Immuno-Oncology Marketing 2019 to 2021 – General Manager, Ireland & UK, Major Markets 2021 to 2023 – Senior Vice President, Global Cell Therapy Franchise Lead 2023 to present – President, Cell Therapy Organization
Adam Lenkowsky <i>Executive Vice President, Chief Commercialization Officer</i> <i>Member of the Leadership Team</i>	52	2016 to 2019 – Head of US Oncology 2019 to 2022 – Senior Vice President, General Manager of U.S. Oncology, Immunology & Cardiovascular 2022 to 2023 Senior Vice President, Head of Major Markets 2023 to present – Executive Vice President, Chief Commercialization Officer
Sandra Leung <i>Executive Vice President, General Counsel</i> <i>Member of the Leadership Team</i>	63	2015 to present – Executive Vice President, General Counsel
Greg Meyers <i>Executive Vice President, Chief Digital and Technology Officer</i> <i>Member of the Leadership Team</i>	51	2014 to 2018 – Corporate Vice President and Chief Information Officer, Motorola Solutions 2018 to 2022 – Group Chief Information and Digital Officer, Syngenta Group 2022 to present – Executive Vice President, Chief Digital and Technology Officer
Robert Plenge, M.D., Ph.D. <i>Executive Vice President, Chief Research Officer, Head of Research</i> <i>Member of the Leadership Team</i>	53	2017 to 2019 – Vice President Inflammation and Immunology, Thematic Center of Excellence Unit, Celgene Corporation 2019 to 2021 – Senior Vice President, Immunology, Cardiovascular & Fibrosis, Thematic Research Center 2021 to 2023 – Senior Vice President, Immunology, Cardiovascular & Fibrosis, Thematic Research Center, and Head of Translational Medicine 2023 to 2023 – Senior Vice President and Head of Discovery and Translational Sciences 2023 to present – Executive Vice President, Chief Research Officer, Head of Research
Amanda Poole <i>Executive Vice President, Chief Human Resources Officer</i> <i>Member of the Leadership Team</i>	49	2017 to 2019 – Vice President, Head of Human Resources, Global Product Development & Supply 2019 to 2020 – Vice President, Head of BMS/Celgene Integration 2020 to 2022 – Senior Vice President, Head of Human Resources, Commercialization 2022 to 2024 – Senior Vice President, People Strategy, Solutions & Services 2024 to present – Executive Vice President, Chief Human Resources Officer
Karin Shanahan <i>Executive Vice President, Global Product Development &amp; Supply</i> <i>Member of the Leadership Team</i>	59	2013 to 2018 – Senior Vice President and Chief Operating Officer, Global Operations, Teva Pharmaceuticals 2018 to 2022 – Senior Vice President, Global Biologics & Sterile Operations, Merck 2022 to present – Executive Vice President, Global Product Development & Supply

## PART II

### Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Bristol Myers Squibb common stock is traded on the New York Stock Exchange (Symbol: BMY).

#### Holders of Common Stock

The number of record holders of our common stock at January 31, 2024 was 31,207.

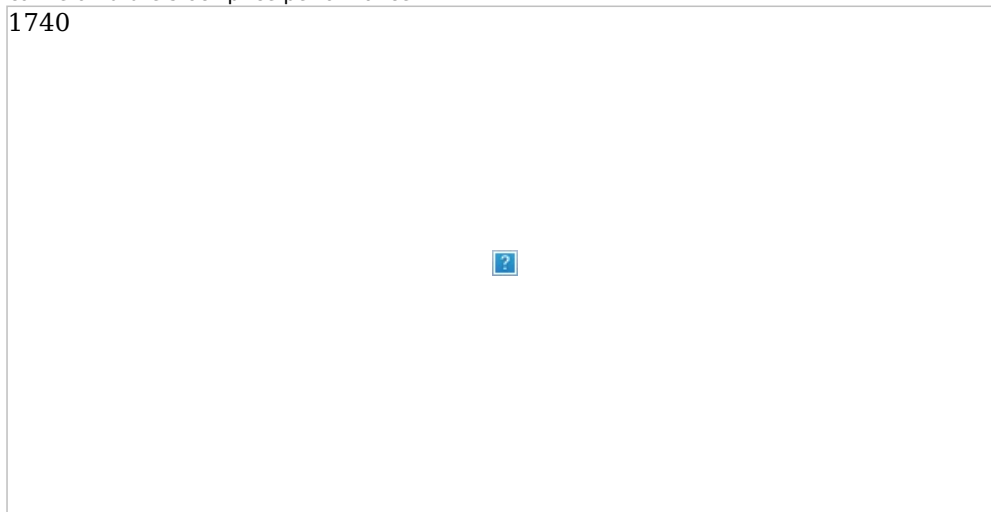
The number of record holders is based upon the actual number of holders registered on our books at such date based on information provided by EQ Shareowner Services, our transfer agent, and does not include holders of shares in "street names" or persons, partnerships, associations, corporations or other entities identified in security position listings maintained by depository trust companies.

#### Equity Compensation Plan Information

Information required by this item will be contained in our 2024 Proxy Statement under the heading "Items to be Voted Upon—Item 2—Advisory Vote to Approve the Compensation of our Named Executive Officers—Equity Compensation Plan Information," which information is incorporated herein by reference.

#### Performance Graph

The following graph compares the cumulative total stockholders' returns of our common shares with the cumulative total stockholders' returns of the companies listed in the Standard & Poor's 500 Index ("S&P 500 Index") and a composite peer group of major pharmaceutical companies comprised of AbbVie, Amgen, AstraZeneca, Biogen, Gilead, GlaxoSmithKline, Johnson & Johnson, Lilly, Merck, Novartis, Pfizer, Roche and Sanofi. The graph assumes \$100 investment on December 31, 2018 in each of our common shares, the S&P 500 Index and the stock of our peer group companies, including reinvestment of dividends, for the years ended December 31, 2019, 2020, 2021, 2022 and 2023. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



	2019	2020	2021	2022	2023
Bristol Myers Squibb	\$ 127.74	\$ 128.26	\$ 131.95	\$ 157.00	\$ 115.95
S&P 500	131.49	155.68	200.37	164.08	207.21
Peer Group	117.27	119.64	147.25	163.08	166.38

## Issuer Purchases of Equity Securities

The following table summarizes the surrenders of our equity securities during the three months ended December 31, 2023:

Period	Total Number of Shares Purchased <sup>(a)</sup>	Average Price Paid per Share <sup>(a)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Programs <sup>(b)</sup>	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs <sup>(b)</sup>
Dollars in millions, except per share data				
October 1 to 31, 2023	68,146	\$ 57.26	—	\$ 2,014
November 1 to 30, 2023 <sup>(c)</sup>	13,875,165		13,853,518	2,014
December 1 to 31, 2023	36,099	50.36	—	5,014
Three months ended December 31, 2023	<u>13,979,410</u>		<u>13,853,518</u>	

(a) Includes shares repurchased as part of publicly announced programs and shares of common stock surrendered to the Company to satisfy tax withholding obligations in connection with the vesting of awards under our long-term incentive program.

(b) In May 2010, the Board of Directors authorized the repurchase of up to \$3.0 billion of our common stock. Following this authorization, the Board subsequently approved additional authorizations, including most recently, in February 2020, January and December 2021 and December 2023, in the amount \$5.0 billion, \$2.0 billion, \$15.0 billion and \$3.0 billion, respectively, to the share repurchase authorization. The remaining share repurchase capacity under the program was \$5.0 billion as of December 31, 2023. Refer to “Item 8. Financial Statements and Supplementary Data—Note 17. Equity” for information on the share repurchase program.

(c) Represents approximately 14 million of shares, under the ASR, settled and transferred into treasury stock. The completed repurchases pursuant to the ASR had an average repurchase price of \$57.19. Refer to “Item 8. Financial Statements and Supplementary Data—Note 17. Equity” for further information.

## Item 6. [RESERVED]



## Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's discussion and analysis of financial condition and results of operations is provided as a supplement to and should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this 2023 Form 10-K to enhance the understanding of our results of operations, financial condition and cash flows.

The comparison of 2022 to 2021 results has been omitted from this Form 10-K and is incorporated by reference from our Form 10-K for the year ended December 31, 2022 "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" filed on February 14, 2023.

### EXECUTIVE SUMMARY

Bristol-Myers Squibb Company is a global biopharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases. Refer to the Summary of Abbreviated Terms at the end of this 2023 Form 10-K for definitions of capitalized terms used throughout the document.

In 2023, we received approvals for initial and additional indications for the following marketed products in major markets (the U.S., EU and Japan), which further expanded our geographical reach in immunology, hematology, oncology, and cardiovascular diseases: (i) U.S. and EU approval of *Opdivo* for treatment of completely resected stage IIB and IIC melanoma, expanding upon the existing adjuvant treatment for melanoma patients; (ii) FDA approval of *Reblozyl* in the first-line setting for the treatment of anemia without previous erythropoiesis stimulating agent use in adult patients with very low- to intermediate-risk MDS who may also require red blood cell transfusions, regardless of ring sideroblast status; and EU approval for an additional indication for anemia associated with non-transfusion-dependent beta thalassemia; (iii) approvals in Japan and in the EU of *Opdivo* in combination with chemotherapy for the neoadjuvant treatment of patients with resectable NSCLC; (iv) approval of *Camzyos* for the treatment of symptomatic obstructive HCM in the EU; (v) approval of Breyanzi for the second-line treatment of diffuse large B-cell lymphoma in the EU; (vi) approval for *Sotyktu* for moderate-to-severe plaque psoriasis in the EU; and (vii) approval of *Augtyro* (repotrectinib), a next-generation tyrosine kinase inhibitor (TKI), for the treatment of adult patients with locally advanced or metastatic ROS1+ non-small cell lung cancer (NSCLC) in the U.S. We continue expanding our commercial CAR-T manufacturing network through the FDA approval of our Devens, MA facility in June 2023.

In January 2024, we acquired Mirati, a commercial stage targeted oncology company with a pipeline of commercial, clinical and pre-clinical stage oncology medicines and assets. With the Mirati acquisition, we obtained rights to *Krazati*®, a best-in-class inhibitor of KRASG12C mutation, approved by the FDA as a second-line treatment for patients with NSCLC; and MRTX1719, a potential first-in-class MTA-cooperative PRMT5 inhibitor in Phase I development, among others. In addition, during the fourth quarter of 2023, we entered into definitive merger agreements to acquire Karuna and RayzeBio and also entered into strategic collaboration with SystImmune. Karuna is a biopharmaceutical company driven to discover, develop and deliver transformative medicines for people living with psychiatric and neurological conditions. RayzeBio is a clinical-stage radiopharmaceutical therapeutics company with an innovation-leading position in actinium-based radiopharmaceutical therapeutics and a pipeline of potentially first-in-class and best-in-class drug development programs. Refer to "Item 8. Financial Statements and Supplementary Data—Note 4. Acquisitions, Divestitures, Licensing and Other Arrangements" for additional information. The goal of the collaboration with SystImmune is to co-develop and co-commercialize BL-B01D1, a bispecific topoisomerase inhibitor-based anti-body drug conjugate which targets both EGFR and HER3 and is currently being evaluated in a Phase I clinical trial for metastatic or unresectable NSCLC. Refer to "Item 8. Financial Statements and Supplementary Data—Note 3. Alliances" for further information.

The Company has the potential to increase its registrational portfolio from six to up to twelve potentially first-in-class/best-in-class assets. In addition to its growing registrational portfolio, the Company has more than 25 indication expansion opportunities on the horizon. Taken together, this leads to increased depth across the Company's therapeutic areas, including oncology, hematology, immunology, cardiovascular and a growing presence in neuroscience.

### Financial Highlights

Dollars in millions, except per share data	Year Ended December 31,	
	2023	2022
Total Revenues	\$ 45,006	\$ 46,159
Diluted Earnings Per Share		
GAAP	\$ 3.86	\$ 2.95
Non-GAAP	7.51	7.70

In 2023, our revenues decreased by 2%, primarily due to lower *Revlimid* sales driven by the previously disclosed generic erosion and increase in patients receiving free drug product for *Revlimid*, and to a lesser extent, *Pomalyst*, from the Bristol Myers Squibb Patient Assistance Foundation, partially offset by higher sales of our New Product Portfolio and In-Line Products (primarily *Opdivo*). The \$0.91 increase in GAAP EPS in 2023 was primarily driven by the impact of certain specified items, including deferred income tax benefit related to a non-U.S. tax ruling, lower losses on equity investments, amortization of intangible assets, as well as litigation and other settlement income, partially offset by lower revenues and product mix. After adjusting for specified items, non-GAAP EPS decreased \$0.19 primarily as a result of lower revenues and product mix, partially offset by higher royalty and interest income and lower weighted average shares outstanding.

Our non-GAAP financial measures, including non-GAAP earnings and related EPS information, are adjusted to exclude specified items that represent certain costs, expenses, gains and losses and other items impacting the comparability of financial results. For a detailed listing of all specified items and further information, reconciliations and changes to our non-GAAP financial measures refer to “—Non-GAAP Financial Measures.”

## Economic and Market Factors

### Governmental Actions

Our products continue to be subject to increasing pressures across the portfolio from pharmaceutical market access and pricing controls and discounting, changes to tax and importation laws and other restrictions in the U.S., the EU and other regions around the world that result in lower prices, lower reimbursement rates and smaller populations for whom payers will reimburse, which can negatively impact our results of operations (including intangible asset impairment charges), operating cash flow, liquidity and financial flexibility. For example, on August 16, 2022, President Biden signed the IRA into law which provides for (i) the government to negotiate prices for select high-cost Medicare Part D (beginning in 2026) and Part B drugs (beginning in 2028) that are more than nine years (for small-molecule drugs) or 13 years (for biological products) from their FDA approval, (ii) manufacturers to pay a rebate for Medicare Part B and Part D drugs when prices increase faster than inflation beginning in 2022 for Part D and 2023 for Part B, and (iii) Medicare Part D redesign which replaces the current Part D CGDP and establishes a \$2,000 cap for out-of-pocket limits costs for Medicare beneficiaries beginning in 2025, with manufacturers being responsible for 10% of costs up to the \$2,000 cap and 20% after that cap is reached. In August 2023, the U.S. Department of Health and Human Services selected *Elquis* as one of the first 10 medicines subject to government-set prices beginning in 2026. It is possible that more of our products could be selected in future years, which could, among other things, accelerate revenue erosion prior to expiry of intellectual property protections. In addition, in December 2023, the Biden Administration released a proposed framework that for the first time proposed that a drug’s price can be a factor in determining that the drug is not accessible to the public and therefore that the government could exercise “march-in rights” and license it to a third party to manufacture. A comment period on the proposal ran through February 6, 2024, and we are not able to predict whether a final rule will be adopted along the lines proposed and, if adopted, whether the government would seek to exercise march-in rights for any of our products. Other proposals, such as those relating to the calculation of best price as well as potential executive orders focused on drug pricing are still being debated. The effect of reducing prices and reimbursement for certain of our products would significantly impact our business and consolidated results of operations.

Additionally, in connection with the IRA the following changes have been made to U.S. tax laws, including (i) a 15% minimum tax that generally applies to U.S. corporations on adjusted financial statement income beginning in 2023 and (ii) a non-deductible 1% excise tax provision on net stock repurchases, to be applied to repurchases beginning in 2023. We continue to evaluate the impact of the IRA legislation on our results of operations and it is possible that these changes may result in a material impact on our business and results of operations. Furthermore, countries are expected to make changes to their tax laws and updates to international tax treaties to implement the agreement by the OECD to establish a global minimum tax.

See risk factors on these items included under “Part I—Item 1A. Risk Factors—Product, Industry and Operational Risks—Increased pricing pressure and other restrictions in the U.S. and abroad continue to negatively affect our revenues and profit margins”, “—We could lose market exclusivity of a product earlier than expected” and “—Changes to tax regulations could negatively impact our earnings.”

### Significant Product Approvals

The following is a summary of the significant approvals received in 2023:

Product	Date	Approval
<b><i>Augtyro</i> (repotrectinib)</b>	November 2023	FDA approval of <i>Augtyro</i> for the treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC.

<b>Opdivo</b>	October 2023	FDA approval of <i>Opdivo</i> for the adjuvant treatment of adult and pediatric patients 12 years and older with completely resected stage IIB or IIC melanoma.
<b>Reblozyl</b>	August 2023	FDA approval of <i>Reblozyl</i> for the treatment of anemia without previous erythropoiesis stimulating agent use (ESA-naïve) in adult patients with very low- to intermediate-risk MDS.
<b>Opdivo</b>	August 2023	EC approval of <i>Opdivo</i> as a monotherapy for the adjuvant treatment of adults and adolescents 12 years of age and older with stage IIB or IIC melanoma who have undergone complete resection.
<b>Opdivo</b>	June 2023	EC approval of <i>Opdivo</i> in combination with platinum-based chemotherapy for the neoadjuvant treatment of resectable NSCLC at a high risk of recurrence in adult patients with tumor cell PD-L1 expression $\geq 1\%$ .
<b>Camzyos</b>	June 2023	EC approval of <i>Camzyos</i> for the treatment of symptomatic (New York Heart Association, class II-III) obstructive HCM.
<b>Breyanzi</b>	May 2023	EC approval of <i>Breyanzi</i> for the treatment of adult patients with diffuse large B-cell lymphoma, high grade B-cell lymphoma, primary mediastinal large B-cell lymphoma and FL grade 3B, who relapsed within 12 months from completion of, or are refractory to, first-line chemoimmunotherapy.
<b>Opdivo</b>	March 2023	Japan's Ministry of Health, Labour and Welfare approval of <i>Opdivo</i> plus chemotherapy for the neoadjuvant treatment of patients with resectable NSCLC.
<b>Sotyktu</b>	March 2023	EC approval of <i>Sotyktu</i> for the treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy.
<b>Reblozyl</b>	March 2023	EC approval of <i>Reblozyl</i> for the treatment in adult patients of anemia associated with non-transfusion-dependent beta thalassemia.

Refer to “—Product and Pipeline Developments” for all of the developments in our marketed products and late-stage pipeline in 2023 and in early 2024.

## Strategy

Our principal strategy is to combine the resources, scale and capability of a large pharmaceutical company with the speed, agility and focus on innovation typically found in the biotech industry. Our priorities are (i) to continue to renew and diversify our portfolio through launching new medicines, (ii) advancing our early, mid and late-stage pipeline and (iii) executing disciplined business development. As we undergo a period of renewal, our strategy will be focused on driving near-term growth, minimizing the impact of a transition period that follows and delivering growth in the late 2020s by accelerating opportunities that enhance productivity and efficiency, advance our pipeline, and drive strong commercial execution that move our business forward. We remain committed to a strategic business development and maintaining a strong investment grade credit rating, growing the dividend and reducing additional debt that will be issued in support of recent transactions.

Our focus is on discovering, developing and delivering transformational medicines for patients facing serious diseases in the following five core therapeutic areas: (i) oncology with a priority in certain tumor types, including diversification beyond IO; (ii) hematology with opportunities to expand leadership position in multiple myeloma, as well as broaden our portfolio across leukemias, lymphomas and non-malignant hematologic diseases; (iii) immunology with priorities in strengthening presence in dermatology, rheumatology and gastrointestinal disorders, establishing new standards of care in pulmonology and rapidly advance cell therapy into immunology diseases; (iv) cardiovascular diseases with focus on cardiomyopathies, heart failures and thrombotic diseases; and (v) neuroscience with a focus on neuropsychiatry, neurodegenerative and neuroinflammation diseases.

We are working towards expanding our pipeline of registrational assets from six to up to twelve. In addition, we are positioned to support continued innovation and expand treatment options across several different diseases based on our differentiated research platforms. We have a broad portfolio and pipeline when it comes to autologous CAR-T cell therapies. We have two approved cell therapies against two distinct targets and are continuing to build our leadership in this space. We are expanding manufacturing capacity, exploring innovative technologies such as dual-targeting CAR-Ts and allogenic approaches, advancing multiple next-generation assets including new targets and rapidly expanding into immunology, including lupus and multiple sclerosis. We also have a strong position in the protein degradation field and have been advancing our pipeline with an expansive library of assets with two in registrational trials, an additional five in clinical phase studies and more than fifteen being studied pre-clinically. This growing platform has potential across several diseases and is positioned to deliver approximately four INDs each year. Together with our proven track record, rapidly advancing pipeline and growth with marketed products, we increased and sustained our R&D productivity enabling us to identify more high-quality candidates and increase their probability of reaching patients in need. Specifically, our ambition is to: (i) deliver approximately ten INDs per year; (ii) increase success rates from first-in-human trials to approval to approximately 20%; (iii) reduce timelines to achieve a median of 6.5 years from first-in-human trials to approval. Our R&D strategy will help ensure we maintain a strong legacy of scientific innovation, bringing first-in class and/or best-in-class treatments to patients at an accelerated speed.

Our commercial model has been successful with revenues from our in-line brands and new product portfolio continuing to grow, which demonstrates strong execution of our strategy. We remain focused and well-resourced in our cancer development programs and seek to broaden the use of *Opdivo* in earlier lines of therapy, expand into new tumors, accelerate next wave oncology mechanisms and develop treatment options for refractory oncology patients. We are encouraged that our investigational subcutaneous formulation for *Opdivo* has the potential to bring enhanced benefits to patients into the next decade, with positive registrational data now in-house. We continue to drive adoption of *Opdivo* by expanding into additional indications and tumor types both as a monotherapy and in combination with *Yervoy* and other anti-cancer agents. We are further strengthening our IO portfolio with *Opdualag* for the treatment of melanoma and potential expanded opportunities in other indications. We are growing a differentiated NSCLC portfolio, which includes the launch of *Augtyro* and includes *Krazati*, (acquired through Mirati), which demonstrates a strategic fit into our oncology portfolio. We are also strengthening our neuroscience portfolio with the planned acquisition of Karuna. Moreover, *Eliquis* continues to grow, leveraging its best in class clinical profile and extensive real world data and remains the number one novel oral anticoagulant in total prescriptions globally. *Camzyos* continues to demonstrate benefits as shared through our long-term follow-up data from two Phase III studies. In immunology, *Sotyktu* is the key growth driver for BMS and we continue to make further investments to accelerate the launch through direct to consumer advertising and adding field force support. In addition, our Phase III registrational clinical trials are underway for *Sotyktu* in PsA, SLE and Sjögren's Syndrome. We are able to leverage our leading capabilities in hematological malignancies and our robust pipeline to provide opportunities for long-term growth to offset the impact of current and future patent expiries for *Revlimid* and *Pomalyst*. As we look at our cell therapy franchise, we continue to explore new indications with *Breyanzi* to include the treatment of CLL, FL and MCL. If indication for CLL is approved, it would be the first and only CAR-T available for this patient population. *Reblozyl* is advancing into new indications with an ongoing registrational trial for chronic anemia associated with myelofibrosis.

The evolution in our operating model, which focuses on maintaining a disciplined approach in marketing, selling and administrative expenses, will enable us to deliver the necessary strategic, financial and operational flexibility to invest in the highest priority opportunities within our portfolio.

Our strategy extends well beyond the discovery, development and delivery of transformative medicines that help patients prevail over serious diseases. We understand the future of our employees, our communities, our planet, and our business are inextricably linked. Through our Environmental, Social and Governance (ESG) strategy, we seek to mobilize our capabilities and resources to positively impact the communities where we live, work, and serve around the world. As we work to transform patients' lives through science, we operate with effective governance, uncompromising quality and compliance, and the highest ethical standards to deliver our mission. These values have been central to who we are, what we do, and how we do it since our company was founded in 1887. We believe that driving long-term business value is at the heart of living our purpose, enabling us to be leaders and difference-makers for generations to come.

#### **Acquisitions, Divestitures, Licensing and Other Arrangements**

For detailed information on significant acquisitions, divestitures, collaborations, licensing and other arrangements during 2023 refer to "Item 8. Financial Statements and Supplementary Data —Note 3. Alliances" and "—Note 4. Acquisitions, Divestitures, Licensing and Other Arrangements."

## RESULTS OF OPERATIONS

### Regional Revenues

The composition of the changes in revenues was as follows:

Dollars in millions	Year Ended December 31,		% Change	Foreign Exchange <sup>(b)</sup>
	2023	2022		
United States	\$ 31,555	\$ 31,828	(1)%	N/A
International	12,752	13,497	(6)%	(1)%
Other <sup>(a)</sup>	699	834	(16)%	N/A
Total	<u>\$ 45,006</u>	<u>\$ 46,159</u>	(2)%	— %

(a) Other revenues include royalties and alliance-related revenues for products not sold by our regional commercial organizations.

(b) Foreign exchange impacts were derived by applying the prior period average currency rates to the current period revenues.

### United States

- U.S. revenues in 2023 decreased 1% primarily due to lower *Revlimid* sales driven by the previously disclosed generic erosion and an increase in patients receiving free drug product for *Revlimid*, and to a lesser extent, *Pomalyst*, from the Bristol Myers Squibb Patient Assistance Foundation, a separate and independent 501(c)(3) entity to which BMS donates product, partially offset by an increase in demand for our In-Line Products and New Product Portfolio. Average net selling prices remained flat in 2023 compared to 2022.

### International

- International revenues in 2023 decreased 6% primarily due to *Revlimid* and *Eliquis* generic erosion, lower average net selling prices, and foreign exchange impacts, partially offset by an increase in demand for *Opdivo* and New Product Portfolio.

No single country outside the U.S. contributed more than 10% of total revenues in 2023 and 2022. Our business is typically not seasonal.

### GTN Adjustments

We recognize revenue net of GTN adjustments that are further described in “—Critical Accounting Policies.”

The activities and ending reserve balances for each significant category of GTN adjustments were as follows:

Dollars in millions	Charge-Backs and Cash Discounts	Medicaid and Medicare Rebates	Other Rebates, Returns, Discounts and Adjustments	Total
Balance at January 1, 2023	\$ 675	\$ 3,822	\$ 2,880	\$ 7,377
Provision related to sales made in:				
Current period	9,155	13,400	7,480	30,035
Prior period	(11)	11	(134)	(134)
Payments and returns	(9,172)	(12,788)	(7,065)	(29,025)
Foreign currency translation and other	(1)	—	76	75
Balance at December 31, 2023	<u>\$ 646</u>	<u>\$ 4,445</u>	<u>\$ 3,237</u>	<u>\$ 8,328</u>

The reconciliation of gross product sales to net product sales by each significant category of GTN adjustments was as follows:

Dollars in millions	Year Ended December 31,		% Change
	2023	2022	2023 vs. 2022
Gross product sales	\$ 73,679	\$ 69,633	6 %
GTN Adjustments			
Charge-backs and cash discounts	(9,144)	(7,469)	22 %
Medicaid and Medicare rebates	(13,411)	(11,362)	18 %
Other rebates, returns, discounts and adjustments	(7,346)	(6,131)	20 %
Total GTN Adjustments	(29,901)	(24,962)	20 %
Net product sales	\$ 43,778	\$ 44,671	(2)%
GTN adjustments percentage	40 %	36 %	4 %
U.S.	46 %	41 %	5 %
Non-U.S.	19 %	17 %	2 %

Reductions to provisions for product sales made in prior periods resulting from changes in estimates were \$134 million for 2023 and \$229 million for 2022, respectively. The reductions to provisions in 2022 driven by the non-U.S. revisions in clawback amounts driven by the VAT recoverable estimates. GTN adjustments are primarily a function of product sales volume, regional and payer channel mix, contractual or legislative discounts and rebates. U.S. GTN adjustments percentage increased primarily due to higher government channel mix, which has higher GTN adjustment percentages. Non-U.S. GTN adjustments percentage increased primarily due to continued pricing pressures.

## Product Revenues

Dollars in millions

In-Line Products

	Year Ended December 31,		
	2023	2022	% Change
<i>Eliquis</i>	12,206	\$ 11,789	4 %
U.S.	8,592	7,786	10 %
Non-U.S.	3,614	4,003	(10)%
<i>Opdivo</i>	9,009	8,249	9 %
U.S.	5,283	4,812	10 %
Non-U.S.	3,726	3,437	8 %
<i>Orencia</i>	3,601	3,464	4 %
U.S.	2,754	2,638	4 %
Non-U.S.	847	826	3 %
<i>Pomalyst/Imnovid</i>	3,441	3,497	(2)%
U.S.	2,357	2,438	(3)%
Non-U.S.	1,084	1,059	2 %
<i>Yervoy</i>	2,238	2,131	5 %
U.S.	1,388	1,304	6 %
Non-U.S.	850	827	3 %
<i>Sprycel</i>	1,930	2,165	(11)%
U.S.	1,446	1,497	(3)%
Non-U.S.	484	668	(28)%
Mature and other products	1,895	2,045	(7)%
U.S.	772	750	3 %
Non-U.S.	1,123	1,295	(13)%
Total In-Line Products	34,320	33,340	3 %
U.S.	22,592	21,225	6 %
Non-U.S.	11,728	12,115	(3)%



Dollars in millions	Year Ended December 31,		
	2023	2022	% Change
<b>New Product Portfolio</b>			
<i>Reblozyl</i>	1,008	717	41 %
U.S.	811	591	37 %
Non-U.S.	197	126	56 %
<i>Opdualag</i>	627	252	*
U.S.	617	252	*
Non-U.S.	10	—	N/A
<i>Abecma</i>	472	388	22 %
U.S.	358	297	21 %
Non-U.S.	114	91	25 %
<i>Zeposia</i>	434	250	74 %
U.S.	324	177	83 %
Non-U.S.	110	73	51 %
<i>Breyanzi</i>	364	182	100 %
U.S.	303	151	*
Non-U.S.	61	31	97 %
<i>Camzyos</i>	231	24	*
U.S.	226	24	*
Non-U.S.	5	—	N/A
<i>Sotyktu</i>	170	8	*
U.S.	157	8	*
Non-U.S.	13	—	N/A
<i>Onureg</i>	168	124	35 %
U.S.	117	95	23 %
Non-U.S.	51	29	76 %
<i>Inrebic</i>	110	85	29 %
U.S.	74	69	7 %
Non-U.S.	36	16	*
<i>Augtyro</i>	1	—	N/A
U.S.	1	—	N/A
Non-U.S.	—	—	N/A
<b>Total New Product Portfolio</b>	3,585	2,030	77 %
U.S.	2,988	1,664	80 %
Non-U.S.	597	366	63 %
<b>Total In-Line Products and New Product Portfolio</b>	37,905	35,370	7 %
U.S.	25,580	22,889	12 %
Non-U.S.	12,325	12,481	(1)%

Dollars in millions Recent LOE Products <sup>(a)</sup>	Year Ended December 31,		% Change
	2023	2022	
<i>Revlimid</i>	6,097	9,978	(39)%
U.S.	5,266	8,359	(37)%
Non-U.S.	831	1,619	(49)%
<i>Abraxane</i>	1,004	811	24 %
U.S.	709	580	22 %
Non-U.S.	295	231	28 %
Total Recent LOE Products	7,101	10,789	(34)%
U.S.	5,975	8,939	(33)%
Non-U.S.	1,126	1,850	(39)%
Total Revenues	45,006	46,159	(2)%
U.S.	31,555	31,828	(1)%
Non-U.S.	13,451	14,331	(6)%

\* Change in excess of 100%.

(a) Recent LOE Products include products with significant expected decline in revenue from a prior reporting period as a result of a LOE.

*Eliquis* (apixaban) — an oral Factor Xa inhibitor indicated for the reduction in risk of stroke/systemic embolism in NVAf and for the treatment of DVT/PE and reduction in risk of recurrence following initial therapy.

- U.S. revenues increased 10% in 2023 primarily due to higher demand.
- International revenues decreased 10% in 2023 primarily due to lower average net selling prices and generic erosion in the UK and Canada. Excluding foreign exchange impacts, revenues decreased by 10%.
- Following the May 2021 expiration of regulatory exclusivity for *Eliquis* in Europe and the court decision in the UK finding the UK apixaban composition-of-matter patent and related SPC invalid, generic manufacturers have begun marketing generic versions of *Eliquis* in the UK and in Portugal, and may seek to market generic versions of *Eliquis* in additional countries in Europe, prior to the expiration of our patents, which has led to additional infringement and invalidity actions involving our *Eliquis* patents being filed in various countries in Europe. Most recently, in France, Norway and Sweden, courts held in BMS's favor, confirming the validity of the composition of matter patent and related SPCs in those countries. We believe in the innovative science behind *Eliquis* and the strength of our intellectual property, which we will defend against infringement. Refer to "Item 1. Financial Statements—Note 20. Legal Proceedings and Contingencies—Intellectual Property" for further information.

*Opdivo* (nivolumab) — a fully human monoclonal antibody that binds to the PD-1 on T and NKT cells. It has been approved for several anti-cancer indications including bladder, blood, CRC, head and neck, RCC, HCC, lung, melanoma, MPM, stomach and esophageal cancer. The *Opdivo*+*Yervoy* regimen also is approved in multiple markets for the treatment of NSCLC, melanoma, MPM, RCC, CRC and various gastric and esophageal cancers. There are several ongoing potentially registrational studies for *Opdivo* across other tumor types and disease areas, in monotherapy and in combination with *Yervoy* and various anti-cancer agents.

- U.S. revenues increased 10% in 2023 due to higher demand across multiple indications and to a lesser extent higher average net selling prices. The higher demand was related to the following indications: the *Opdivo*+*Yervoy* combinations for NSCLC, various gastric, esophageal and bladder cancers.
- International revenues increased 8% in 2023 primarily due to higher demand as a result of core indications and additional indication launches partially offset by foreign exchange impact of 3%. Excluding foreign exchange impacts, revenues increased by 11%.

*Orencia* (abatacept) — a fusion protein indicated for adult patients with moderate to severe active RA and PsA and is also indicated for reducing signs and symptoms in certain pediatric patients with moderately to severely active polyarticular JIA and for the treatment of aGVHD, in combination with a calcineurin inhibitor and methotrexate.

- U.S. revenues increased 4% in 2023 primarily due to higher demand.
- International revenues increased 3% in 2023 due to higher demand partially offset by foreign exchange impact of 3%. Excluding foreign exchange impacts, revenues increased by 6%.
- BMS is not aware of any *Orencia* biosimilars on the market in the U.S., EU or Japan. Formulation and additional patents expire in 2026 and beyond.

*Pomalyst/Imnovid* (pomalidomide) — a proprietary, distinct, small molecule that is administered orally and modulates the immune system and other biologically important targets. *Pomalyst/Imnovid* is indicated for patients with multiple myeloma who have received at least two prior therapies including lenalidomide and a proteasome inhibitor and have demonstrated disease progression on or within 60 days of completion of the last therapy.

- U.S. revenues decreased 3% in 2023 due to an increase in the number of patients receiving free drug product from the Bristol Myers Squibb Patient Assistance Foundation, a separate and independent 501(c)(3) entity to which BMS donates products, partially offset by higher average net selling prices.
- International revenues increased 2% in 2023 due to higher demand, partially offset by lower average net selling prices and foreign exchange impacts of 1%. Excluding foreign exchange impacts, revenues increased by 3%.
- In the EU, the estimated minimum market exclusivity date is August 2024.

*Yervoy* (ipilimumab) — a CTLA4 immune checkpoint inhibitor. *Yervoy* is a monoclonal antibody for the treatment of patients with unresectable or metastatic melanoma. The *Opdivo*+*Yervoy* regimen is approved in multiple markets for the treatment of NSCLC, melanoma, MPM, RCC, CRC and esophageal cancer.

- U.S. revenues increased 6% in 2023 due to higher average net selling prices and demand.
- International revenues increased 3% in 2023 due to higher demand as a result of additional indication launches and core indications, partially offset by lower average net selling prices and foreign exchange impacts of 2%. Excluding foreign exchange impacts, revenues increased by 5%.

*Sprycel* (dasatinib) — an oral inhibitor of multiple tyrosine kinase indicated for the first-line treatment of patients with Philadelphia chromosome-positive CML in chronic phase and the treatment of adults with chronic, accelerated, or myeloid or lymphoid blast phase CML with resistance or intolerance to prior therapy, including *Gleevec*\* (imatinib mesylate) and the treatment of children and adolescents aged 1 year to 18 years with chronic phase Philadelphia chromosome-positive CML.

- U.S. revenues decreased 3% in 2023 due to lower average net selling prices driven by unfavorable GTN adjustments.
- International revenues decreased 28% in 2023 due to lower demand as a result of generic erosion, lower average net selling price and foreign exchange impact of 3%. Excluding foreign exchange impact, revenues decreased by 25%.
- In the U.S., BMS entered into settlement agreements with certain third parties to sell generic dasatinib products beginning in September 2024, or earlier in certain circumstances. In the EU, generic dasatinib products have entered the market. In Japan, the composition of matter patent has been extended to 2024 for the treatment of non-imatinib-resistant CML, but generics have been approved for other indications.

Mature and other products — includes all other products, including those which have lost exclusivity in major markets, OTC products and royalty revenue and mature products.

- International revenues for mature and other products decreased 13% primarily due to lower demand as a result of continued generic erosion and foreign exchange impacts of 2%. Excluding foreign exchange impacts, revenues decreased by 11%.

*Reblozyl* (luspatercept-aamt) — an erythroid maturation agent indicated for the treatment of anemia in i) adult patients with transfusion dependent and non-transfusion dependent beta thalassemia who require regular red blood cell transfusions, ii) adult patients with very low- to intermediate-risk MDS who have ring sideroblasts and require red blood cell transfusions, as well as iii) adult patients without previous erythropoiesis stimulating agent use (ESA-naïve) with very low- to intermediate-risk MDS who may require regular red blood cell transfusions, regardless of ring sideroblast status.

- U.S. revenues increased 37% in 2023 primarily due to higher demand.

*Opdualag* (nivolumab and relatlimab-rmbw) — a combination of nivolumab, a PD-1 blocking antibody, and relatlimab, a LAG-3 blocking antibody, indicated for the treatment of adult and pediatric patients 12 years of age or older with unresectable or metastatic melanoma. *Opdualag* was launched in March 2022.

*Abecma* (idecabtagene vicleucel) — is a BCMA genetically modified autologous CAR-T cell therapy indicated for the treatment of adult patients with relapsed or refractory multiple myeloma after four or more prior lines of therapy, including an immunomodulatory agent, a proteasome inhibitor, and an anti-cyclic ADP ribose hydrolase monoclonal antibody.

- U.S. revenues increased 21% in 2023 primarily due to higher demand enabled by additional manufacturing capacity.

*Zeposia* (ozanimod) — an oral immunomodulatory drug used to treat relapsing forms of multiple sclerosis, to include clinically isolated syndrome, relapsing-remitting disease, and active secondary progressive disease, in adults and to treat moderately to severely active UC in adults.

- U.S. revenues increased 83% in 2023 primarily due to higher demand.

*Breyanzi* (lisocabtagene maraleucel) — a CD19-directed genetically modified autologous CAR-T cell therapy indicated for the treatment of adult patients with relapsed or refractory large B-cell lymphoma after one or more lines of systemic therapy, including diffuse large B-cell lymphoma not otherwise specified, high-grade B-cell lymphoma, primary mediastinal large B-cell lymphoma, and FL grade 3B.

- U.S. revenues doubled in sales primarily due to higher demand.

*Camzyos* (mavacamten) — a cardiac myosin inhibitor indicated for the treatment of adults with symptomatic obstructive HCM to improve functional capacity and symptoms. *Camzyos* was launched in April 2022.

*Sotyktu* (deucravacitinib) — an oral, selective, allosteric tyrosine kinase 2 inhibitor indicated for the treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy. *Sotyktu* was launched in September 2022.

*Onureg* (azacitidine) — an oral hypomethylating agent that incorporates into DNA and RNA, indicated for continued treatment of adult patients with AML who achieved first complete remission or complete remission with incomplete blood count recovery following intensive induction chemotherapy and are not able to complete intensive curative therapy.

- U.S. revenues increased 23% in 2023 primarily due to higher demand.

*Inrebic* (fedratinib) — an oral kinase inhibitor indicated for the treatment of adult patients with intermediate-2 or high-risk primary or secondary (post-polycythemia vera or post-essential thrombocythemia) MF.

- U.S. revenues increased 7% in 2023 primarily due to higher demand.

*Augtyro* (repotrectinib) — a kinase inhibitor indicated for the treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC. *Augtyro* was launched in December 2023.

*Revlimid* (lenalidomide) — an oral immunomodulatory drug that in combination with dexamethasone is indicated for the treatment of patients with multiple myeloma. *Revlimid* as a single agent is also indicated as a maintenance therapy in patients with multiple myeloma following autologous hematopoietic stem cell transplant. *Revlimid* has received approvals for several indications in the hematological malignancies including lymphoma and MDS.

- U.S. revenues decreased 37% in 2023 primarily due to generic erosion and an increase in the number of patients receiving free drug product from the Bristol Myers Squibb Patient Assistance Foundation, a separate and independent 501(c)(3) entity to which BMS donates products, and to a lesser extent lower average net selling prices.
- International revenues decreased 49% in 2023 primarily due to generic erosion across several European countries and foreign exchange impacts of 2%. Excluding foreign exchange impacts, revenues decreased by 47%.
- In the U.S., certain third parties have been granted volume-limited licenses to sell generic lenalidomide beginning in March 2022 or thereafter. Pursuant to these licenses, several generics have entered or are expected to enter the U.S. market with volume-limited quantities of generic lenalidomide. In the EU and Japan, generic lenalidomide products have entered the market. Global revenues for *Revlimid* are expected to decline in the range of approximately \$1.5 billion to \$2.0 billion in 2024.

*Abraxane* (paclitaxel albumin-bound particles for injectable suspension) — a solvent-free protein-bound chemotherapy product that combines paclitaxel with albumin using our proprietary *Nab*<sup>®</sup> technology platform, and is used to treat breast cancer, NSCLC and pancreatic cancer, among others.

- U.S. revenues increased 22% in 2023 primarily due to higher branded sales resulting from lower authorized generic sales.

## Estimated End-User Demand

Pursuant to the SEC Consent Order described under “—SEC Consent Order”, we monitor inventory levels on hand in the U.S. wholesaler distribution channel and outside of the U.S. in the direct customer distribution channel. We disclose products with levels of inventory in excess of one month on hand or expected demand, subject to certain limited exceptions. There were none as of December 31, 2023, for our U.S. distribution channels, and September 30, 2023, for our non-U.S. distribution channels.

In the U.S., we generally determine our months on hand estimates using inventory levels of product on hand and the amount of out-movement provided by our three largest wholesalers, which account for approximately 85% of total gross sales of U.S. products for the year ended December 31, 2023. Factors that may influence our estimates include generic erosion, seasonality of products, wholesaler purchases in light of increases in wholesaler list prices, new product launches, new warehouse openings by wholesalers and new customer stockings by wholesalers. In addition, these estimates are calculated using third-party data, which may be impacted by their recordkeeping processes.

*Camzyos* is only available through a restricted program called the *Camzyos* REMS Program. Product distribution is limited to REMS certified pharmacies, and enrolled pharmacies must only dispense to patients who are authorized to receive *Camzyos*. *Revlimid* and *Pomalyst* are distributed in the U.S. primarily through contracted pharmacies under the Lenalidomide REMS and *Pomalyst* REMS programs, respectively. These are proprietary risk-management distribution programs tailored specifically to provide for the safe and appropriate distribution and use of *Revlimid* and *Pomalyst*. Internationally, *Revlimid* and *Imnovid* are distributed under mandatory risk-management distribution programs tailored to meet local authorities’ specifications to provide for the products’ safe and appropriate distribution and use. These programs may vary by country and, depending upon the country and the design of the risk-management program, the product may be sold through hospitals or retail pharmacies.

Our non-U.S. businesses have significantly more direct customers. Information on available direct customer product level inventory and corresponding out-movement information and the reliability of third-party demand information varies widely. We limit our direct customer sales channel inventory reporting to where we can influence demand. When this information does not exist or is otherwise not available, we have developed a variety of methodologies to estimate such data, including using historical sales made to direct customers and third-party market research data related to prescription trends and end-user demand. Given the difficulties inherent in estimating third-party demand information, we evaluate our methodologies to estimate direct customer product level inventory and to calculate months on hand on an ongoing basis and make changes as necessary. Factors that may affect our estimates include generic competition, seasonality of products, price increases, new product launches, new warehouse openings by direct customers, new customer stockings by direct customers and expected direct customer purchases for governmental bidding situations. As such, all of the information required to estimate months on hand in the direct customer distribution channel for non-U.S. business for the year ended December 31, 2023 is not available prior to the filing of this 2023 Form 10-K. We will disclose any product with levels of inventory in excess of one month on hand or expected demand for the current quarter, subject to certain limited exceptions, in our next quarterly report on Form 10-Q.

## Expenses

Dollar in Millions	Year Ended December 31,		% Change
	2023	2022	
Cost of products sold <sup>(a)</sup>	\$ 10,693	\$ 10,137	5 %
Marketing, selling and administrative	7,772	7,814	(1)%
Research and development	9,299	9,509	(2)%
Acquired IPRD	913	815	12 %
Amortization of acquired intangible assets	9,047	9,595	(6)%
Other (income)/expense, net	(1,158)	576	*
Total Expenses	\$ 36,566	\$ 38,446	(5)%

\* Change in excess of 100%.

(a) Excludes amortization of acquired intangible assets.

### Cost of products sold

Cost of products sold include material, internal labor and overhead costs from our owned manufacturing sites, third-party product supply costs and other supply chain costs managed by our global manufacturing and supply organization. Cost of products sold also includes royalties and profit sharing, foreign currency hedge settlement gains and losses and impairment charges, as well as proportionate allocations of enterprise-wide costs. The allocations include facilities, information technology, employee stock compensation costs and other appropriate costs. Cost of products sold excludes amortization from acquired intangible assets.

Cost of products sold increased by \$556 million or 5% primarily due to higher inventory costs (\$388 million), driven by product mix and CAR-T cell therapy costs, higher royalties and profit sharing (\$381 million), lower hedging settlement gains (\$189 million), partially offset by the elimination of the Puerto Rico excise tax (\$210 million) and lower inventory purchase price adjustments (\$209 million).

### Marketing, selling and administrative

Marketing, selling and administrative expenses primarily include salary and benefit costs, third-party professional and marketing fees, outsourcing fees, shipping and handling costs, advertising and product promotion costs, as well as proportionate allocations of enterprise-wide costs. The allocations include facilities, information technology, employee stock compensation costs and other appropriate costs. Expenses are managed through regional commercialization organizations or global enabling functions such as finance, legal, information technology and human resources. Certain expenses are shared with alliance partners based upon contractual agreements.

Marketing, selling and administrative expenses decreased by \$42 million or 1% primarily due to the timing of charitable giving (\$215 million) and cash settlement of Turning Point unvested stock awards (\$73 million) in 2022, partially offset by higher advertising and promotion costs resulting from additional new product launches (\$121 million) and site exit costs (\$88 million).

### Research and development

Research and development activities include research and early discovery, preclinical and clinical development, drug formulation and medical support of marketed products. Expenses include salary and benefit costs, third-party grants and fees paid to clinical research organizations, supplies, IPRD impairment charges and proportionate allocations of enterprise-wide costs. The allocations include facilities, information technology, employee stock compensation costs and other appropriate costs. Certain expenses are shared with alliance partners based upon contractual agreements.

Research and development expense decreased by \$210 million or 2% primarily due to costs related to the unwinding of inventory purchase price adjustments for clinical use (\$130 million) and cash settlement of Turning Point unvested stock awards (\$80 million) in 2022, partially offset by the purchase of a priority review voucher (\$95 million) in 2023.

### Acquired IPRD

Acquired IPRD expenses are comprised of upfront payments, contingent milestone payments in connection with asset acquisitions or in-license arrangements of third-party intellectual property rights, as well as any upfront and contingent milestones payable by BMS to alliance partners prior to regulatory approval. Acquired IPRD charges are detailed in the table below.

Dollars in millions	Year Ended December 31,	
	2023	2022
Mavacamten rights buy-out (Note 4)	\$ 445	\$ —
Orum upfront payment (Note 4)	100	—
Mavacamten royalty extinguishment (Note 4)	—	295
Dragonfly milestone and opt-in license fee	—	200
Evotec designation and opt-in license fees	90	—
BridgeBio upfront collaboration fee	—	90
Prothena opt-in license fee	55	—
Zenas upfront license fee	50	—
Immatics upfront license and opt-in fee (Note 4)	15	150
Other	158	80
Acquired IPRD	\$ 913	\$ 815

Refer to “Item 8. Financial Statements and Supplementary Data—Note 3. Alliances” and “—Note 4. Acquisitions, Divestitures, Licensing and Other Arrangements” for additional information.

#### **Amortization of Acquired Intangible Assets**

Amortization of acquired intangible assets decreased by \$548 million or 6% primarily due to *Abraxane* marketed product right being fully amortized in the fourth quarter of 2022.

#### **Other (income)/expense, net**

Other (income)/expense, net changed by \$1.7 billion primarily due to litigation and other settlements, equity investments and other items discussed below.

Dollars in millions	Year Ended December 31,	
	2023	2022
Interest expense	\$ 1,166	\$ 1,232
Royalty and licensing income	(1,488)	(1,283)
Royalty income - divestitures	(862)	(832)
Equity investment losses/(income), net	160	801
Integration expenses	242	440
Loss on debt redemption	—	266
Divestiture gains	—	(211)
Litigation and other settlements	(390)	178
Investment income	(449)	(171)
Provision for restructuring	365	75
Contingent consideration	(8)	(9)
Other	106	90
Other (income)/expense, net	\$ (1,158)	\$ 576

- Interest expense decreased in 2023 due to additional debt maturities. Refer to “Item 8. Financial Statements and Supplementary Data—Note 10. Financing Arrangements” for further information.
- Royalties increased in 2023 primarily due to higher *Keytruda*\* royalties. Refer to “Item 8. Financial Statements and Supplementary Data—Note 4. Acquisitions, Divestitures, Licensing and Other Arrangements” for further information.
- Equity investments generated lower losses in 2023 compared to 2022 due to fair value adjustments for investments that have readily determinable fair value. Refer to “Item 8. Financial Statements and Supplementary Data—Note 9. Financial Instruments and Fair Value Measurements” for more information.
- Integration expenses decreased in 2023 due to lower consulting fees to implement Celgene integration initiatives related to processes and systems.
- Loss on debt redemption resulted from the early redemption of long-term debt of \$6.0 billion in 2022.
- Divestiture gains resulted from certain mature product rights divested in 2022.
- Investment income increased in 2023 primarily due to higher interest rates.



- Litigation and other settlements in 2023 include \$384 million of income related to the AZ settlement and \$400 million of income related to the Nimbus' TYK2 program change of control provision, partially offset by \$322 million expense recorded in connection with the BeiGene settlement. Litigation and other settlements in 2022 include amounts related to commercial disputes regarding licensing and supply obligation matters, intellectual property and promotional practice matters. Refer to "Item 8. Financial Statements—Note 5. Other (Income)/Expense, Net."
- Provision for restructuring includes exit and other costs primarily related to certain restructuring activities including a new plan in 2023 discussed further in "Item 8. Financial Statements and Supplementary Data—Note 6. Restructuring."

## Income Taxes

Dollars in millions	Year Ended December 31,	
	2023	2022
Earnings Before Income Taxes	\$ 8,440	\$ 7,713
Provision for Income Taxes	400	1,368
Effective Tax Rate	4.7 %	17.7 %
Impact of Specified Items	10.0 %	(2.4)%
Effective Tax Rate Excluding Specified Items	14.7 %	15.3 %

The effective tax rate decreased from 17.7% to 4.7% primarily due to the impact of specified items summarized in the following "—Non-GAAP Financial Measures" section. The most significant impacts included (i) a \$656 million deferred income tax benefit following the receipt of a non-U.S. tax ruling regarding the deductibility of a statutory impairment of subsidiary investments in 2023, (ii) \$123 million higher tax benefits attributed to foreign currency on net operating loss and other carryforwards in 2023, (iii) a \$193 million valuation allowance reversal related to unrealized equity investment losses in 2023, (iv) a \$72 million tax benefit resulting from a revaluation of the basis of intangible and other assets internally transferred to streamline our legal entity structure after the Celgene acquisition in 2022, and (v) a \$225 million tax reserve release related to the 2009 Mead Johnson split-off transaction in 2022.

Excluding the impact of specified items, the effective tax rate decreased from 15.3% to 14.7% primarily due to (i) revised guidance regarding deductibility of certain research and development expenses which reduced income taxes attributable to 2023 pre-tax income by approximately \$160 million and was the primary reason for a \$240 million reduction to previously estimated income taxes for 2022 upon finalization of the U.S. Federal income tax return, (ii) a favorable jurisdictional earnings mix which was partially offset by (iii) a \$144 million impact of changes in the Puerto Rico tax decree that eliminated a previously creditable excise tax and (iv) \$208 million of lower income tax reserve reversals. Income tax reserve reversals included \$89 million related to the Celgene's 2009-2011 IRS audits in 2023 and \$297 million for tax positions that were effectively settled for the BMS 2008 to 2012 tax years (excluding Mead Johnson related amounts that were specified) and the lapse of statute of limitations for the Celgene 2012 to 2016 tax years in 2022. Refer to "Item 8. Financial Statements and Supplementary Data—Note 7. Income Taxes" for additional information.

In December 2022, the EU member states voted unanimously to adopt a Directive implementing the Pillar Two (global minimum tax) rules giving member states until December 31, 2023 to implement the Directive into national legislation. Certain jurisdictions in which we operate, under the OECD/G20 Inclusive Framework, have enacted legislation that adopts a subset of such rules effective January 1, 2024, with the remaining rules becoming effective January 1, 2025. These rules and associated legislative changes may significantly impact our tax provision and results of operations. The implementation of Pillar Two is currently expected to increase our effective tax rate excluding specified items by approximately 1% in 2024.

## Non-GAAP Financial Measures

Our non-GAAP financial measures, such as non-GAAP earnings and related EPS information, are adjusted to exclude certain costs, expenses, gains and losses and other specified items that are evaluated on an individual basis. These items are adjusted after considering their quantitative and qualitative aspects and typically have one or more of the following characteristics, such as being highly variable, difficult to project, unusual in nature, significant to the results of a particular period or not indicative of past or future operating results. These items are excluded from non-GAAP earnings and related EPS information because the Company believes they neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance. Similar charges or gains were recognized in prior periods and will likely reoccur in future periods, including (i) amortization of acquired intangible assets, including product rights that generate a significant portion of our ongoing revenue and will recur until the intangible assets are fully amortized, (ii) unwind of inventory purchase price adjustments, (iii) acquisition and integration expenses, (iv) restructuring costs, (v) accelerated depreciation and impairment of property, plant and equipment and intangible assets, (vi) costs of acquiring a priority review voucher, (vii) divestiture gains or losses, (viii) stock compensation resulting from acquisition-related equity awards, (ix) pension, legal and other contractual settlement charges, (x) equity investment and contingent value rights fair value adjustments (including fair value adjustments attributed to limited partnership equity method investments), (xi) income resulting from the change in control of the Nimbus Therapeutics TYK2 Program and (xii) amortization of fair value adjustments of debt acquired from Celgene in our 2019 exchange offer, among other items. Deferred and current income taxes attributed to these items are also adjusted for considering their individual impact to the overall tax expense, deductibility and jurisdictional tax rates. Certain other significant tax items are also excluded such as the impact resulting from a non-U.S. tax ruling regarding the deductibility of a statutory impairment of subsidiary investments, release of income tax reserves related to the Mead Johnson split-off transaction and internal transfers of intangible and other assets to streamline our legal entity structure subsequent to the Celgene acquisition. We also provide international revenues for our priority products excluding the impact of foreign exchange. We calculate foreign exchange impacts by converting our current-period local currency financial results using the prior period average currency rates and comparing these adjusted amounts to our current-period results. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included in Exhibit 99.1 to our Form 8-K filed on February 2, 2024 and are incorporated herein by reference.

Non-GAAP information is intended to portray the results of our baseline performance, supplement or enhance management, analysts and investors' overall understanding of our underlying financial performance and facilitate comparisons among current, past and future periods. This information is not intended to be considered in isolation or as a substitute for the related financial measures prepared in accordance with GAAP and may not be the same as or comparable to similarly titled measures presented by other companies due to possible differences in method and in the items being adjusted. We encourage investors to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

Specified items were as follows:

Dollars in millions	Year Ended December 31,	
	2023	2022
Inventory purchase price accounting adjustments	\$ 84	\$ 293
Intangible asset impairment	27	—
Site exit and other costs	64	63
Cost of products sold	175	356
Employee compensation charges	—	73
Site exit and other costs	94	6
Marketing, selling and administrative	94	79
IPRD impairments	80	98
Priority review voucher	95	—
Inventory purchase price accounting adjustments	—	130
Employee compensation charges	—	80
Site exit and other costs	12	—
Research and development	187	308
Amortization of acquired intangible assets	9,047	9,595
Interest expense <sup>(a)</sup>	(52)	(83)
Equity investment losses/(gains), net	152	799
Integration expenses	242	440
Loss on debt redemption	—	266
Divestiture gains	—	(211)
Litigation and other settlements	(397)	140
Provision for restructuring	365	75
Other	55	71
Other (income)/expense, net	365	1,497
Increase to pretax income	9,868	11,835
Income taxes on items above	(1,639)	(1,332)
Income taxes attributed to internal transfer of intangible and other assets	—	(72)
Income tax reserve release attributed to Mead Johnson	—	(225)
Income taxes attributed to non-U.S. tax ruling	(656)	—
Income taxes	(2,295)	(1,629)
Increase to net earnings	\$ 7,573	\$ 10,206

(a) Includes amortization of purchase price adjustments to Celgene debt.

The reconciliations from GAAP to Non-GAAP were as follows:

	Year Ended December 31,	
	2023	2022
Dollars in millions, except per share data		
Net earnings attributable to BMS		
GAAP	\$ 8,025	\$ 6,327
Specified Items	7,573	10,206
Non-GAAP	<u>\$ 15,598</u>	<u>\$ 16,533</u>
Weighted-average common shares outstanding – diluted	2,078	2,146
Diluted earnings per share attributable to BMS		
GAAP	\$ 3.86	\$ 2.95
Specified items	3.65	4.75
Non-GAAP	<u>\$ 7.51</u>	<u>\$ 7.70</u>

## Financial Position, Liquidity and Capital Resources

Our net debt position was as follows:

Dollars in millions	December 31,	
	2023	2022
Cash and cash equivalents	\$ 11,464	\$ 9,123
Marketable debt securities – current	816	130
Marketable debt securities – non-current	364	—
Total cash, cash equivalents and marketable debt securities	12,644	9,253
Short-term debt obligations	(3,119)	(4,264)
Long-term debt	(36,653)	(35,056)
Net debt position	<u>\$ (27,128)</u>	<u>\$ (30,067)</u>

### Liquidity and Capital Resources

We regularly assess our anticipated working capital needs, debt and leverage ratio levels, debt maturities, capital expenditure requirements, dividend payouts, potential share repurchases and future investments or acquisitions in order to maximize shareholder return, efficiently finance our ongoing operations and maintain flexibility for future strategic transactions. We also regularly evaluate our capital structure to ensure financial risks, adequate liquidity access and lower cost of capital are efficiently managed, which may lead to the issuance of additional debt securities, the repurchase of debt securities prior to maturity or the issuance or repurchase of common stock.

We believe that our existing cash, cash equivalents and marketable debt securities together with cash generated from operations in the next few years, and, if required, from the issuance of commercial paper, will be sufficient to satisfy our anticipated cash needs for at least the next few years, including dividends, capital expenditures, milestone payments, working capital, income taxes, restructuring initiatives, repurchase of common stock, and debt maturities of approximately \$10.3 billion through 2028, as well as any debt repurchases through redemptions or tender offers. As of December 31, 2023, our net debt position decreased by \$2.9 billion primarily driven by \$13.9 billion of cash provided by operations partially offset by \$9.9 billion of dividend payments and common stock repurchases and \$1.2 billion of capital expenditures.

In February 2024, we entered into a \$10.0 billion 364-day senior unsecured delayed draw term loan facility to provide bridge financing for the planned acquisitions of Karuna and RayzeBio. This facility would be drawn only if these acquisitions close prior to our planned issuance of debt securities and, if drawn, would be repaid following the issuance of such securities. No amounts were outstanding as of February 13, 2024. For more information on planned acquisitions, refer to “Item 8. Financial Statements and Supplementary Data — Note 4. Acquisitions, Divestitures, Licensing and Other Arrangements”.

In 2023, we issued an aggregate principal amount of \$4.5 billion of debt. We used the net proceeds for the acquisition of Mirati in January 2024 and general corporate purposes. In addition, \$3.9 billion of debt matured and was repaid. Refer to “Item 8. Financial Statements and Supplementary Data —Note 10. Financing Arrangements” for further information.

We have a share repurchase program, authorized by our Board of Directors, allowing for repurchases of BMS common stock shares, effected in the open market or through privately negotiated transactions in compliance with Rule 10b-18 under the Exchange Act, including through Rule 10b5-1 trading plans. The share repurchase program does not obligate us to repurchase any specific number of shares nor does it have a specific expiration date and may be suspended or discontinued at any time. In 2023, we repurchased approximately 87 million shares of our common stock for \$5.2 billion, including approximately 70 million shares for \$4.0 billion through our ASR agreements. In December 2023, the Board of Directors approved an increase of \$3.0 billion to the share repurchase authorization for BMS's common stock. The remaining share repurchase capacity under the BMS share repurchase program was \$5.0 billion as of December 31, 2023. Refer to “Item 8. Financial Statements and Supplementary Data—Note 17. Equity” for additional information.

Dividend payments were \$4.7 billion in 2023 and \$4.6 billion in 2022. Dividend paid per common share was \$0.57 during each quarter of 2023. Dividends are authorized on a quarterly basis by our Board of Directors.

Under our commercial paper program, we may issue a maximum of \$7.0 billion unsecured notes that have maturities of not more than 365 days from the date of issuance. There were no commercial paper borrowings outstanding as of December 31, 2023.

As of December 31, 2023, we had a five-year \$5.0 billion revolving credit facility expiring in January 2028, which is extendable annually by one year with the consent of the lenders. In January 2024, we extended the credit facility to January 2029. Additionally, in February 2024, we entered into a \$2.0 billion 364-day revolving credit facility. The facilities provide for customary terms and conditions with no financial covenants and may be used to provide backup liquidity for our commercial paper borrowings. No borrowings were outstanding under any revolving credit facility as of December 31, 2023 or 2022.

Our investment portfolio includes marketable debt securities, which are subject to changes in fair value as a result of interest rate fluctuations and other market factors. Our investment policy establishes limits on the amount and time to maturity of investments with any institution. The policy also requires that investments are only entered into with corporate and financial institutions that meet high credit quality standards. Refer to "Item 8. Financial Statements and Supplementary Data—Note 10. Financing Arrangements" for further information.

### ***Capital Expenditures***

Annual capital expenditures were approximately \$1.1 billion in 2023 and 2022, \$970 million in 2021 and are expected to be approximately \$1.4 billion in 2024 and 2025. We continue to make capital expenditures in connection with the expansion of our cell therapy and other manufacturing capabilities, research and development and other facility-related activities.

### ***Contractual Obligations and Off-Balance Sheet Arrangements***

In the normal course of business, we enter into contracts and commitments that obligate us to make payments in the future. Information regarding our obligations relating to debt, income taxes and lease arrangements are provided in "Item 8. Financial Statements and Supplementary Data—Note 1. Accounting Policies and Recently Issued Accounting Standards", "—Note 10. Financing Arrangements", "—Note 7. Income Taxes" and "—Note 14. Leases", respectively.

We are committed to an aggregate \$20.0 billion of potential contingent future research and development milestone payments to third parties for in-licensing, asset acquisitions and development programs including early-stage milestones of \$6.5 billion (milestones achieved through Phase III clinical studies) and late-stage milestones of \$13.5 billion (milestones achieved post Phase III clinical studies). Payments generally are due and payable only upon achievement of certain developmental and regulatory milestones for which the specific timing cannot be predicted. Certain agreements also provide for sales-based milestones aggregating to \$14.6 billion that we would be obligated to pay upon achievement of certain sales levels in addition to royalties. We also have certain manufacturing, development and commercialization obligations in connection with alliance arrangements. It is not practicable to estimate the amount of these obligations. Refer to "Item 8. Financial Statements and Supplementary Data—Note 3. Alliances" and "—Note 4. Acquisitions, Divestitures, Licensing and Other Arrangements" for further information.

We do not have any off-balance sheet arrangements that are material or reasonably likely to become material to our financial condition or results of operations.

### ***Credit Ratings***

In December 2023, following our announcements to acquire Karuna and RayzeBio, Standard & Poor's downgraded BMS's long-term credit rating to A from A+ (with a stable long-term credit outlook). There were no changes to our short-term Standard & Poor credit rating (A1). The downgrade to long-term credit ratings reflects Standard & Poor's anticipation of a higher debt leverage following the announced acquisitions, partially offset by improvements in business strengths. In February 2024, Moody's confirmed BMS's long-term (A2) and short-term (Prime-1) ratings (with a negative long-term credit outlook).

Collectively, the current long-term credit ratings reflect the agencies' opinion that we have a low default risk but are somewhat susceptible to adverse effects of changes in circumstances and economic conditions. The short-term credit ratings reflect the agencies' opinion that we have good to extremely strong capacity for timely repayment. Any credit rating downgrade may affect the interest rate of any debt we may incur, the fair market value of existing debt and our ability to access the capital markets generally.

## Cash Flows

The following is a discussion of cash flow activities:

Dollars in millions Cash flow provided by/(used in):	Year Ended December 31,	
	2023	2022
Operating activities	\$ 13,860	\$ 13,066
Investing activities	(2,295)	(1,062)
Financing activities	(9,416)	(16,962)

### ***Operating Activities***

Cash flow from operating activities represents the cash receipts and disbursements from all of our activities other than investing and financing activities. Operating cash flow is derived by adjusting net earnings for noncontrolling interest, non-cash operating items, gains and losses attributed to investing and financing activities and changes in operating assets and liabilities resulting from timing differences between the receipts and payments of cash and when the transactions are recognized in our results of operations. As a result, changes in cash from operating activities reflect the timing of cash collections from customers and alliance partners; payments to suppliers, alliance partners and employees; customer discounts and rebates; and tax payments in the ordinary course of business.

The \$794 million increase in cash flow provided by operating activities compared to 2022 resulted from \$1.1 billion of lower U.S. income tax payments, primarily due to revised guidance regarding deductibility of certain research and development expenses, and \$900 million of higher non-customer collections, primarily due to royalties, interest, litigation and other settlements. These impacts were partially offset by \$900 million of lower net customer collections (net of rebates and discounts) and \$300 million of higher payments, primarily due to additional inventory requirements.

### ***Investing Activities***

Cash requirements from investing activities include cash used for acquisitions, manufacturing and facility-related capital expenditures and purchases of marketable securities with original maturities greater than 90 days at the time of purchase, proceeds from business divestitures (including royalties), the sale and maturity of marketable securities, sale of equity investments, as well as upfront and contingent milestones payments from licensing arrangements.

The \$1.2 billion increase in cash flow used in investing activities compared to 2022 resulted from \$3.9 billion of changes in the amount of marketable debt securities held and \$396 million of lower divestiture proceeds, partially offset by the acquisition of Turning Point (\$3.2 billion net of cash acquired) in 2022.

### ***Financing Activities***

Cash requirements from financing activities include cash used to pay dividends, repurchase common stock and repay long-term debt and other borrowings, as well as proceeds from the exercise of stock options and issuance of long-term debt and other borrowings.

The \$7.5 billion decrease in cash used in financing activities compared to 2022 resulted from \$5.8 billion of changes in net debt position, primarily due to the \$4.5 billion issuance of debt in connection with the acquisition of Mirati and lower debt maturities of \$871 million, and \$2.8 billion of lower share repurchases, partially offset by \$957 million of lower proceeds from stock option exercises.

## **Recently Issued Accounting Standards**

For recently issued accounting standards, refer to “Item 8. Financial Statements and Supplementary Data—Note 1. Accounting Policies and Recently Issued Accounting Standards.”

## **SEC Consent Order**

As previously disclosed, on August 4, 2004, we entered into a final settlement with the SEC, concluding an investigation concerning certain wholesaler inventory and accounting matters. The settlement was reached through a Consent, a copy of which was attached as Exhibit 10 to our quarterly report on Form 10-Q for the period ended September 30, 2004.

Under the terms of the Consent, we agreed, subject to certain defined exceptions, to limit sales of all products sold to our direct customers (including wholesalers, distributors, hospitals, retail outlets, pharmacies and government purchasers) based on expected demand or on amounts that do not exceed approximately one month of inventory on hand, without making a timely public disclosure of any change in practice. We also agreed in the Consent to certain measures that we have implemented including: (a) establishing a formal review and certification process of our annual and quarterly reports filed with the SEC; (b) establishing a business risk and disclosure group; (c) retaining an outside consultant to comprehensively study and help re-engineer our accounting and financial reporting processes; (d) publicly disclosing any sales incentives offered to direct customers for the purpose of inducing them to purchase products in excess of expected demand; and (e) ensuring that our budget process gives appropriate weight to inputs that come from the bottom to the top, and not just from the top to the bottom, and adequately documenting that process.

We have established a company-wide policy concerning our sales to direct customers for the purpose of complying with the Consent, which includes the adoption of various procedures to monitor and limit sales to direct customers in accordance with the terms of the Consent. These procedures include a governance process to escalate to appropriate management levels potential questions or concerns regarding compliance with the policy and timely resolution of such questions or concerns. In addition, compliance with the policy is monitored on a regular basis.

We maintain DSAs with our U.S. pharmaceutical wholesalers, which account for nearly 100% of our gross U.S. revenues. Under the current terms of the DSAs, our wholesaler customers provide us with weekly information with respect to months on hand product-level inventories and the amount of out-movement of products. The three largest wholesalers currently account for approximately 85% of our gross U.S. revenues. The inventory information received from our wholesalers, together with our internal information, is used to estimate months on hand product level inventories at these wholesalers. We estimate months on hand product inventory levels for our U.S. business's wholesaler customers other than the three largest wholesalers by extrapolating from the months on hand calculated for the three largest wholesalers. In contrast, our non-U.S. business has significantly more direct customers, limited information on direct customer product level inventory and corresponding out-movement information and the reliability of third-party demand information, where available, varies widely. Accordingly, we rely on a variety of methods to estimate months on hand product level inventories for these business units.

We believe the above-described procedures provide a reasonable basis to ensure compliance with the Consent.

### **Critical Accounting Policies**

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. Our critical accounting policies are those that significantly affect our financial condition and results of operations and require the most difficult, subjective or complex judgments, often because of the need to make estimates about the effect of matters that are inherently uncertain. Because of this uncertainty, actual results may vary from these estimates.

#### ***Revenue Recognition***

Our accounting policy for revenue recognition has a substantial impact on reported results and relies on certain estimates. Revenue is recognized following a five-step model: (i) identify the customer contract; (ii) identify the contract's performance obligation; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation; and (v) recognize revenue when or as a performance obligation is satisfied. Revenue is also reduced for GTN sales adjustments discussed below, all of which involve significant estimates and judgment after considering legal interpretations of applicable laws and regulations, historical experience, payer channel mix (e.g. Medicare or Medicaid), current contract prices under applicable programs, unbilled claims and processing time lags and inventory levels in the distribution channel. Estimates are assessed each period and adjusted as required to revise information or actual experience.

The following categories of GTN adjustments involve significant estimates, judgments and information obtained from external sources. Refer to "Item 8. Financial Statements and Supplementary Data—Note 2. Revenue" for further discussion and analysis of each significant category of GTN sales adjustments.

#### ***Charge-backs and cash discounts***

Our U.S. business participates in programs with government entities, the most significant of which are the U.S. Department of Defense and the U.S. Department of Veterans Affairs, and other parties, including covered entities under the 340B program, whereby pricing on products is extended below wholesaler list price to participating entities. These entities purchase products through wholesalers at the lower program price and the wholesalers then charge us the difference between their acquisition cost and the lower program price. Accounts receivable is reduced for the estimated amount of unprocessed charge-back claims attributable to a sale (typically within a two to four week time lag).



In the U.S. and certain other countries, customers are offered cash discounts as an incentive for prompt payment, generally approximating 2% of the invoiced sales price. Accounts receivable is reduced for the estimated amount of cash discount at the time of sale and the discount is typically taken by the customer within one month.

#### Medicaid and Medicare rebates

Our U.S. business participates in state government Medicaid programs and other qualifying Federal and state government programs requiring discounts and rebates to participating state and local government entities. All discounts and rebates provided through these programs are included in our Medicaid rebate accrual. Medicaid rebates have also been extended to drugs used in managed Medicaid plans. The estimated amount of unpaid or unbilled rebates is presented as a liability.

Rebates and discounts are offered to managed healthcare organizations in the U.S. managing prescription drug programs and Medicare Advantage prescription drug plans covering the Medicare Part D drug benefit. We also pay a 70% point of service discount to the CMS when the Medicare Part D beneficiaries are in the coverage gap. The estimated amount of unpaid or unbilled rebates and discounts is presented as a liability.

#### Other rebates, returns, discounts and adjustments

Other GTN sales adjustments include sales returns and all other programs based on applicable laws and regulations for individual non-U.S. countries as well as rebates offered to managed healthcare organizations in the U.S. to a lesser extent. The non-U.S. programs include several different pricing schemes such as cost caps, volume discounts, outcome-based pricing schemes and pricing claw-backs that are based on sales of individual companies or an aggregation of all companies participating in a specific market. The estimated amount of unpaid or unbilled rebates and discounts is presented as a liability.

Estimated returns for established products are determined after considering historical experience and other factors including levels of inventory in the distribution channel, estimated shelf life, product recalls, product discontinuances, price changes of competitive products, introductions of generic products, introductions of competitive new products and lower demand following the loss of market exclusivity. Estimated returns for new products are determined after considering historical sales return experience of similar products, such as those within the same product line, similar therapeutic area and/or similar distribution model and estimated levels of inventory in the distribution channel and projected demand. The estimated amount for product returns is presented as a liability.

#### Use of information from external sources

Information from external sources is used to estimate GTN adjustments. Our estimate of inventory at the wholesalers is based on the projected prescription demand-based sales for our products and historical inventory experience, as well as our analysis of third-party information, including written and oral information obtained from certain wholesalers with respect to their inventory levels and sell-through to customers and third-party market research data, and our internal information. The inventory information received from wholesalers is a product of their recordkeeping process and excludes inventory held by intermediaries to whom they sell, such as retailers and hospitals.

We have also continued the practice of combining retail and mail prescription volume on a retail-equivalent basis. We use this methodology for internal demand forecasts. We also use information from external sources to identify prescription trends, patient demand and average selling prices. Our estimates are subject to inherent limitations of estimates that rely on third-party information, as certain third-party information was itself in the form of estimates, and reflect other limitations including lags between the date as of which third-party information is generated and the date on which we receive third-party information.

#### **Acquisition and Intangible Assets Valuations**

We make certain judgments to determine whether transactions should be accounted for as acquisitions of assets or as business combinations. If it is determined that substantially all of the fair value of gross assets acquired in a transaction is concentrated in a single asset (or a group of similar assets), the transaction is treated as an acquisition of assets. We evaluate the inputs, processes, and outputs associated with the acquired set of activities and assets. If the assets in a transaction include an input and a substantive process that together significantly contribute to the ability to create outputs, the transaction is treated as an acquisition of a business.

We account for business combinations using the acquisition method of accounting, which requires that assets acquired and liabilities assumed generally be recorded at their fair values as of the acquisition date. Excess of consideration over the fair value of net assets acquired is recorded as goodwill. Estimating fair value requires us to make significant judgments and assumptions.

In transactions accounted for as acquisitions of assets, no goodwill is recorded and contingent consideration, such as payments upon achievement of various developmental, regulatory and commercial milestones, generally is not recognized at the acquisition date. In an asset acquisition, upfront payments allocated to IPRD projects at the acquisition date are expensed unless there is an alternative future use. In addition, product development milestones are expensed upon achievement.

We have identifiable intangible assets that are measured at their respective fair values as of the acquisition date. Generally, we engage an independent third-party valuation firm to assist in determining the fair values of these assets as of the acquisition date. The fair value of these assets is estimated using discounted cash flow models. These models required the use of the following significant estimates and assumptions among others:

- Identification of product candidates with sufficient substance requiring separate recognition;
- Estimates of revenues and operating profits related to commercial products or product candidates;
- Eligible patients, pricing and market share used in estimating future revenues;
- Probability of success for unapproved product candidates and additional indications for commercial products;
- Resources required to complete the development and approval of product candidates;
- Timing of regulatory approvals and exclusivity;
- Appropriate discount rate by products;
- Market participant income tax rates; and
- Allocation of expected synergies to products.

We believe the fair value used to record intangible assets acquired are based upon reasonable estimates and assumptions considering the facts and circumstances as of the acquisition date.

#### ***Impairment and Amortization of Long-lived Assets, including Intangible Assets***

Long-lived assets include intangible assets and property, plant and equipment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable or at least annually for IPRD. Intangible assets are highly vulnerable to impairment charges, particularly newly acquired assets for recently launched products or IPRD. These assets are initially measured at fair value and therefore any reduction in expectations used in the valuations could potentially lead to impairment. Some of the more common potential risks leading to impairment include changes in competitive landscape, earlier than expected loss of market exclusivity, pricing reductions, adverse regulatory changes or clinical study results, delay or failure to obtain regulatory approval for initial or follow on indications and unanticipated development costs, inability to achieve expected synergies resulting from cost savings and avoidance, higher operating costs, changes in tax laws and other macro-economic changes. The complexity in estimating the fair value of intangible assets in connection with an impairment test is similar to the initial valuation. If the carrying value of long-lived assets exceeds its fair value, then the asset is written-down to its fair value. Expectations of future cash flows are subject to change based upon the near and long-term production volumes and margins generated by the asset as well as any potential alternative future use. The estimated useful lives of long-lived assets is subjective and requires significant judgment regarding patent lives, future plans and external market factors. Long-lived assets are also periodically reviewed for changes in facts or circumstances resulting in a reduction to the estimated useful life of the asset, requiring the acceleration of depreciation or amortization. Impairment charges included in Cost of products sold and Research and development expense were \$136 million in 2023, \$101 million in 2022 and \$1.2 billion in 2021. Refer to “Item 8. Financial Statements and Supplementary Data—Note 15. Goodwill and Other Intangible Assets” for further discussion and analysis of these impairment charges.

#### ***Income Taxes***

Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. The assessment of whether or not a valuation allowance is required often requires significant judgment including long-range forecasts of future taxable income and evaluation of tax planning initiatives. Adjustments to the deferred tax valuation allowances are made to earnings in the period when such assessments are made. Our deferred tax assets were \$7.3 billion at December 31, 2023 (net of valuation allowance of \$764 million) and \$4.1 billion at December 31, 2022 (net of valuation allowance of \$873 million).

The U.S. federal net operating loss carryforwards were \$420 million at December 31, 2023. These carryforwards were acquired as a result of certain acquisitions and are subject to limitations under Section 382 of the Internal Revenue Code. The net operating loss carryforwards expire in varying amounts beginning in 2024. The foreign and state net operating loss carryforwards expire in varying amounts beginning in 2024 (certain amounts have unlimited lives).

Liabilities are established for possible assessments by tax authorities resulting from known tax exposures including, but not limited to, transfer pricing matters, tax credits and deductibility of certain expenses. Such liabilities represent a reasonable provision for taxes ultimately expected to be paid and may need to be adjusted over time as more information becomes known.

For discussions on income taxes, refer to “Item 8. Financial Statements and Supplementary Data—Note 1. Accounting Policies and Recently Issued Accounting Standards—Income Taxes” and “—Note 7. Income Taxes.”

### Contingencies

In the normal course of business, we are subject to contingencies, such as legal proceedings and claims arising out of our business, that cover a wide range of matters, including, among others, government investigations, shareholder lawsuits, product and environmental liability, contractual claims and tax matters. We recognize accruals for such contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. These estimates are subject to uncertainties that are difficult to predict and, as such, actual results could vary from these estimates.

For discussions on contingencies, refer to “Item 8. Financial Statements and Supplementary Data—Note 1. Accounting Policies and Recently Issued Accounting Standards—Contingencies,” “—Note 7. Income Taxes” and “—Note 20. Legal Proceedings and Contingencies.”

### Product and Pipeline Developments

Our R&D programs are managed on a portfolio basis from early discovery through late-stage development and include a balance of early-stage and late-stage programs to support future growth. Our late stage R&D programs in Phase III development include both investigational compounds for initial indications and additional indications or formulations for marketed products. Spending on these programs represents approximately 46% of our annual R&D expenses in the last three years. *Opdivo* was the only investigational compound or marketed product that represented approximately 10% of our R&D expenses in the last three years. Our late-stage development programs could potentially have an impact on our revenue and earnings within the next few years if regulatory approvals are obtained and products are successfully commercialized. The following are the late-stage new indication developments in our marketed products, as well as developments in our late-stage pipeline through February 2, 2024:

Product	Indication	Date	Developments
<b>Opdivo</b>	Bladder	December 2023	Ono, our alliance partner for <i>Opdivo</i> in Japan, announced that it has submitted a supplemental application of <i>Opdivo</i> Intravenous Infusion, a human anti-human PD-1 monoclonal antibody in Japan, to expand its use for the treatment of unresectable urothelial carcinoma, for a partial change in approved items of the manufacturing and marketing approval. The application is based on the results from the sub-study of the Phase III CheckMate -901 trial.
		December 2023	Announced that the FDA accepted the sBLA for <i>Opdivo</i> in combination with cisplatin-based chemotherapy as a first-line treatment for adult patients with unresectable or metastatic urothelial carcinoma. The application is based on results from the Phase III CheckMate -901 trial. The FDA granted the application Priority Review status and assigned a PDUFA goal date of April 5, 2024.
		October 2023	Announced that the EMA validated its type II variation application of <i>Opdivo</i> in combination with cisplatin-based chemotherapy as a first-line treatment for adult patients with unresectable or metastatic urothelial carcinoma. The application is based on results from the Phase III CheckMate -901 trial. Application validation confirms the submission is complete and begins the EMA's centralized review procedure.
	Melanoma	October 2023	Announced FDA approval of <i>Opdivo</i> for the adjuvant treatment of adult and pediatric patients 12 years and older with completely resected stage IIB or IIC melanoma. The approval is based on the Phase III CheckMate -76K trial.
		August 2023	Announced EC approval of <i>Opdivo</i> as a monotherapy for the adjuvant treatment of adults and adolescents 12 years of age and older with stage IIB or IIC melanoma who have undergone complete resection. The approval is based on results from the Phase III CheckMate -76K trial.
	Malignant Mesothelioma	November 2023	Ono, our alliance partner for <i>Opdivo</i> in Japan, announced that they have received supplemental approval of <i>Opdivo</i> Intravenous Infusion, a human anti-human PD-1 monoclonal antibody in Japan, for expanded use for the treatment of malignant mesothelioma (excluding malignant pleural mesothelioma), for a partial change in approved items of the manufacturing and marketing approval. The supplemental approval is based on results from the investigator-initiated clinical Phase II VIOLA trial.

Product	Indication	Date	Developments
<b>Opdivo</b>	NSCLC	October 2023	Announced follow-up results from the Phase III CheckMate -816 trial, demonstrating sustained event-free survival and promising overall survival trends with three cycles of <i>Opdivo</i> in combination with platinum-based chemotherapy for the neoadjuvant treatment of patients with resectable NSCLC, regardless of PD-L1 expression levels. Neoadjuvant <i>Opdivo</i> with chemotherapy also showed improvements in pathologic complete response and major pathologic response over chemotherapy alone in PD-L1>1% and <1% patient populations. The safety profile of the <i>Opdivo</i> -based regimen was consistent across all PD-L1 subgroups.
		October 2023	Announced that the first disclosure of data from the Phase III CheckMate -77T trial evaluating perioperative regimen of neoadjuvant <i>Opdivo</i> with chemotherapy followed by surgery and adjuvant <i>Opdivo</i> in patients with resectable stage IIA to IIIB NSCLC showed statistically significant and clinically meaning improvement in the primary efficacy endpoint of event-free survival as assessed by Blinded Independent Central Review compared to neoadjuvant chemotherapy and placebo followed by surgery and adjuvant placebo.
	NSCLC	June 2023	Announced EC approval of <i>Opdivo</i> in combination with platinum-based chemotherapy for the neoadjuvant treatment of resectable NSCLC at a high risk of recurrence in adult patients with tumor cell PD-L1 expression $\geq 1\%$ . The approval is based on results from the Phase III CheckMate -816 trial.
		March 2023	Ono, our alliance partner for <i>Opdivo</i> in Japan, announced the Japan's Ministry of Health, Labour and Welfare's supplemental approval of <i>Opdivo</i> plus chemotherapy for the neoadjuvant treatment of patients with resectable NSCLC. The approval is based on results from the Phase III CheckMate -816 trial.
	Prostate Cancer	July 2023	Announced that results from the Phase III CheckMate -7DX trial evaluating <i>Opdivo</i> in combination with docetaxel in patients with advanced or metastatic castration-resistant prostate cancer did not meet the primary endpoints of radiographic progressive free survival at final analysis, nor overall survival at an interim analysis. No safety concerns were reported. Based on the recommendation from the DMC, the Company has decided to discontinue the study.
	RCC	January 2024	Announced data from the Phase III CheckMate -67T trial, evaluating subcutaneous nivolumab co-formulated with Halozyme's proprietary recombinant human hyaluronidase compared to intravenous <i>Opdivo</i> in patients with advanced or metastatic clear cell RCC who have received prior systemic therapy, demonstrated non-inferiority for the co-primary endpoints of Cavgd28 (time-averaged <i>Opdivo</i> serum concentration over 28 days) and Cminss (trough serum concentration at steady state) compared to intravenous <i>Opdivo</i> . In addition, subcutaneous nivolumab displayed non-inferior objective response rate as assessed by Blinded Independent Central Review versus intravenous <i>Opdivo</i> .
		January 2024	Announced four-year follow-up results from the CheckMate -9ER trial evaluating <i>Opdivo</i> in combination with <i>Cabometyx</i> * (cabozantinib) vs. sunitinib in patients with previously untreated advanced or metastatic RCC continued to show superior progression-free survival and objective response rates in patients treated with <i>Opdivo</i> plus <i>Cabometyx</i> * over sunitinib, regardless of risk classification based on IMDC scores. Superior overall survival was also observed in patients treated with the combination.
		October 2023	Announced that the Phase III CheckMate -67T noninferiority trial evaluating the subcutaneous formulation of <i>Opdivo</i> co-formulated with Halozyme Therapeutics' proprietary recombinant human hyaluronidase (rHPuH20) ("subcutaneous nivolumab") compared to intravenous (IV) <i>Opdivo</i> in patients with advanced or metastatic clear cell renal cell carcinoma (ccRCC) who have received prior systemic therapy met its co-primary pharmacokinetics endpoints and key secondary endpoint. Subcutaneous nivolumab demonstrated noninferiority of Cavgd28 (time-averaged <i>Opdivo</i> serum concentration over 28 days) and Cminss (trough serum concentration at steady state) compared to IV <i>Opdivo</i> , the study's co-primary endpoints. Additionally, subcutaneous nivolumab showed a noninferior objective response rate as assessed by Blinded Independent Central Review vs. IV <i>Opdivo</i> , a key secondary endpoint. The safety profile of subcutaneous nivolumab was consistent with the IV formulation.
	UC	February 2023	Announced three-year results from the Phase III CheckMate -274 trial demonstrating significant sustained clinical benefits with <i>Opdivo</i> for the adjuvant treatment of patients with surgically resected, high-risk muscle-invasive UC and continuous improvement in disease-free survival, non-urothelial tract recurrence-free survival, distant metastasis-free survival and second progression-free survival compared to placebo across all-randomized patients and in patients whose tumor cells express PD-L1 $\geq 1\%$ .

Product	Indication	Date	Developments
<b>Opdivo + Yervoy</b>	RCC	January 2024	Announced that eight-year data from the Phase III CheckMate -214 trial evaluating <i>Opdivo</i> plus <i>Yervoy</i> versus sunitinib continued to demonstrate long-term survival results, reducing the risk of death by 28% in patients with previously untreated advanced or metastatic RCC, regardless of IMDC risk group. Patients treated with <i>Opdivo</i> plus <i>Yervoy</i> maintained superior survival and more durable response benefits compared to those who received sunitinib in both patients with intermediate- and poor-risk prognostic factors and across all randomized patients.
	Metastatic Colorectal Cancer	January 2024	Announced that the Phase III CheckMate -8HW trial evaluating <i>Opdivo</i> plus <i>Yervoy</i> compared to investigator's choice of chemotherapy as a first-line treatment for patients with microsatellite instability-high or mismatch repair deficient metastatic colorectal cancer met the dual primary endpoint of progression-free survival (PFS) as assessed by Blinded Independent Central Review (BICR) at a pre-specific interim analysis. The study is ongoing to assess the second dual primary endpoint of PFS per BICR in patients receiving <i>Opdivo</i> plus <i>Yervoy</i> compared to <i>Opdivo</i> alone across all lines of therapy, as well as secondary endpoints.  In addition, data from the Phase III CheckMate -8HW trial showed that the combination of <i>Opdivo</i> plus <i>Yervoy</i> reduced the risk of disease progression or death by 79% versus chemotherapy as a first-line treatment for patients with microsatellite instability-high or mismatch repair deficient metastatic colorectal cancer (MSI-H/dMMR mCRC) compared to chemotherapy.
	NSCLC	September 2023	Announced six-year results from the Phase III CheckMate -227 trial demonstrating long-term, durable survival benefits of <i>Opdivo</i> plus <i>Yervoy</i> compared to chemotherapy in the first-line treatment of patients with metastatic NSCLC, regardless of PD-L1 expression levels.
		June 2023	Announced four-year follow-up results from the Phase III CheckMate -9LA trial demonstrating durable, long-term survival benefits with <i>Opdivo</i> plus <i>Yervoy</i> with two cycles of chemotherapy compared to four cycles of chemotherapy alone in previously untreated patients with metastatic NSCLC.
<b>Reblozyl</b>	MDS	January 2024	Announced that Japan's Ministry of Health, Labour and Welfare granted manufacturing and marketing approval for <i>Reblozyl</i> for MDS-related anemia. The approval is based on the results of the global Phase III COMMANDS trial and the Phase III MEDALIST study, as well as a Japanese Phase II study (Study MDS-003) in red blood cell transfusion-independent low-risk MDS patients.
		December 2023	Announced updated results from the primary analysis of the Phase III COMMANDS trial, comparing <i>Reblozyl</i> versus epoetin alfa for the treatment of anemia in erythropoiesis stimulating agent (ESA)-naïve patients with lower-risk myelodysplastic syndromes who may require red blood cell transfusions, which confirmed positive outcome of the interim analysis with superior efficacy and durability compared to ESAs.
		August 2023	Announced FDA approval of <i>Reblozyl</i> for the treatment of anemia without previous erythropoiesis stimulating agent use (ESA-naïve) in adult patients with very low- to intermediate-risk MDS who may require regular red blood cell transfusions. The approval is based on the Phase III COMMANDS trial.
	Beta Thalassemia	March 2023	Announced EC approval of <i>Reblozyl</i> for the treatment in adult patients of anemia associated with non-transfusion-dependent beta thalassemia. The approval is based on results from the Phase II BEYOND study.
<b>Opdualag</b>	Colorectal Cancer	December 2023	The Phase III RELATIVITY-123 trial evaluating the fixed-dose combination of nivolumab and relatlimab for the treatment of microsatellite stable metastatic colorectal cancer patients whose disease has progressed following at least one, but no more than four, prior lines of therapy for metastatic disease will be discontinued due to futility based on a planned analysis conducted by an independent data monitoring committee. It was determined that the trial was unlikely to meet its primary endpoints upon completion. The recommendation to stop the study was not based on safety concerns.
<b>Abecma</b>	Multiple Myeloma	January 2024	Announced that the CHMP of the EMA has recommended the approval of <i>Abecma</i> in earlier lines of therapy for triple-class exposed relapsed and refractory multiple myeloma. The CHMP recommendation will now be reviewed by the EC, which has the authority to approve medicines for the EU. Recommendation for approval was based on Phase III KarMMa-3 study in which <i>Abecma</i> demonstrated superiority over standard regimens, significantly improved progression-free survival and a well-established safety profile with mostly low-grade occurrences of cytokine release syndrome and neurotoxicity.

Product	Indication	Date	Developments
<b>Abecma</b>	Multiple Myeloma	December 2023	Announced results from the preplanned final progression-free survival analysis of the pivotal Phase III, open-label, global, randomized controlled KarMMa-3 study demonstrated a significantly improved PFS maintained with <i>Abecma</i> compared to standard regimens, with a 51% reduction in the risk of disease progression or death.
		December 2023	Announced that Japan's Ministry of Health, Labour and Welfare granted manufacturing and marketing approval of the supplemental New Drug Application for an additional indication for <i>Abecma</i> for patients with relapsed or refractory multiple myeloma who have received at least two prior therapies, including an immunomodulatory agent, a proteasome inhibitor, and an anti-CD38 antibody. The approval is based on the interim analysis from the Phase III KarMMa-3 study.
		April 2023	Announced with our alliance partner, 2seventy bio, that the FDA accepted the sBLA for <i>Abecma</i> for the treatment of adult patients with relapsed and refractory multiple myeloma who have received an immunomodulatory agent, a proteasome inhibitor, and an anti-CD38 monoclonal antibody.
<b>Zeposia</b>	Multiple Sclerosis	October 2023	Announced data from the Phase III DAYBREAK and RADIANCE trials showing that after eight years of follow-up, 76% of patients treated with <i>Zeposia</i> for relapsing multiple sclerosis were free of six-month confirmed disability progression. Findings also demonstrated treatment with <i>Zeposia</i> resulted in low rates of progression independent relapse activity and relapse-associated worsening, key drivers of disease progression and permanent disability in multiple sclerosis.
			Also announced that first interim readout from the Phase IIIb ENLIGHTEN trial showing clinically meaningful improvement in cognitive functioning compared to baseline after one year of <i>Zeposia</i> treatment in almost half of patients with early relapsing multiple sclerosis.
<b>Breyanzi</b>	Lymphoma	January 2024	Announced the FDA accepted sBLAs for <i>Breyanzi</i> to expand into new indications to include the treatment of adult patients with relapsed or refractory follicular lymphoma (FL) and relapsed or refractory mantle cell lymphoma (MCL) after a Bruton tyrosine kinase inhibitor. The FDA granted both applications Priority Review and assigned a PDUFA goal date of May 23, 2024, for <i>Breyanzi</i> in relapsed or refractory FL and May 31, 2024, for <i>Breyanzi</i> in relapsed or refractory MCL.  In addition, Japan's Ministry of Health, Labour and Welfare has also accepted the company's supplemental New Drug Application (sNDA) for <i>Breyanzi</i> for the treatment of relapsed or refractory FL.  In relapsed or refractory FL, the applications for <i>Breyanzi</i> in the U.S. and Japan are based on results from the TRANSCEND FL study. In relapsed or refractory MCL, the application for <i>Breyanzi</i> in the U.S. is based on results from the MCL cohort of the TRANSCEND NHL 001 study.
		December 2024	Announced first disclosure of primary analysis results from the high-risk, second-line cohort of the Phase II TRANSCEND FL study evaluating <i>Breyanzi</i> in patients with relapsed or refractory follicular lymphoma (FL) demonstrated 95.7% complete response for patients with high-risk relapsed or refractory FL treated in the second-line setting.
		November 2024	Announced that the FDA accepted the sBLA for <i>Breyanzi</i> to expand its current indication to include the treatment of adult patients with relapsed or refractory chronic lymphocytic leukemia or small lymphocytic lymphoma who received a prior Bruton tyrosine kinase inhibitor and B-cell lymphoma 2 inhibitor. The FDA granted the application Priority Review and assigned a PDUFA goal date of March 14, 2024.
		May 2023	Announced EC approval of <i>Breyanzi</i> for the treatment of adult patients with diffuse large B-cell lymphoma, high grade B-cell lymphoma, primary mediastinal large B-cell lymphoma and FL grade 3B, who relapsed within 12 months from completion of, or are refractory to, first-line chemoimmunotherapy. The approval is based on results from the Phase III TRANSFORM trial.

Product	Indication	Date	Developments
<b>Sotyktu</b>	Plaque Psoriasis	October 2023	Announced results from the POETYK PSO LTE trial of <i>Sotyktu</i> treatment in adult patients with moderate-to-severe plaque psoriasis. Clinical response rates were maintained with continuous treatment with modified nonresponder imputation responses of 73.2% for Psoriasis Area and Severity Index (PASI) 75 with 3 years of continuous <i>Sotyktu</i> treatment. <i>Sotyktu</i> had a consistent safety profile with no increases in adverse events or serious adverse events and no new safety signals.
		March 2023	Announced EC approval of <i>Sotyktu</i> for the treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy. The approval was based on Phase III POETYK PSO-1 and POETYK PSO-2 clinical trials as well as additional data from the POETYK PSO long-term extension trial.
<b>Camzyos</b>	Obstructive HCM	August 2023	Announced long-term follow-up results from the Phase III VALOR-HCM LTE trial demonstrating the consistent impact of oral treatment for severely symptomatic obstructive HCM patients by showing that nearly 9 out of 10 patients treated with <i>Camzyos</i> have continued in the trial without septal reduction therapy at either 40 or 56 weeks of treatment.  Also announced results from the Phase III EXPLORER-LTE trial showing treatment with <i>Camzyos</i> demonstrated sustained improvements in left ventricular outflow tract obstruction, symptoms and NT-proBNP levels in patients with symptomatic obstructive HCM. No new safety signals were observed.
		June 2023	Announced EC approval of <i>Camzyos</i> for the treatment of symptomatic (New York Heart Association, class II-III) obstructive HCM in adult patients. The approval is based on results from the Phase III EXPLORER-HCM and VALOR-HCM trials.
<b>Augtyro (repotrectinib)</b>	NSCLC	November 2023	Announced FDA approval of <i>Augtyro</i> for the treatment of patients with ROS1-positive locally advanced or metastatic NSCLC. The approval is based on the Phase I/II TRIDENT-1 trial.
<b>repotrectinib</b>	NSCLC	January 2024	The EMA validated the marketing authorization application for repotrectinib as a treatment for ROS1 tyrosine kinase inhibitor (TKI)-naïve and -pretreated adult patients with ROS1-positive locally advanced or metastatic NSCLC and TKI-naïve and -pretreated adult and pediatric patients 12 years and older with NTRK-positive locally advanced or metastatic solid tumors. The application was based on results from the registrational Phase I/II TRIDENT-1 trial and CARE study.
<b>milvexian</b>	Thrombosis	May 2023	Announced with our alliance partner Janssen Pharmaceuticals Inc., a Johnson & Johnson company, that all three prospective indications for milvexian, an investigational oral factor XIa inhibitor, have been granted Fast Track Designation by the FDA. The designations cover all three indication-seeking studies within the Phase III Librexia development program: Librexia STROKE, Librexia ACS and Librexia AF, which are all dosing patients.
<b>BMS-986278 (LPA<sub>1</sub>)</b>	Progressive Pulmonary Fibrosis	October 2023	Announced that the FDA has granted Breakthrough Therapy Designation for BMS-986278, a potential first-in-class, oral, lysophosphatidic acid receptor 1 (LPA <sub>1</sub> ) antagonist, for the treatment of progressive pulmonary fibrosis (PPF). The Breakthrough Therapy Designation is based on results from the global, randomized Phase II study that assessed the safety and efficacy of BMS-986278 treatment versus placebo in people living with idiopathic pulmonary fibrosis (IPF) and PPF. Stable background use of antifibrotics in the IPF cohort and/or select immunosuppressives in the PPF cohort were allowed.

## Special Note Regarding Forward-Looking Statements

This 2023 Form 10-K (including documents incorporated by reference) and other written and oral statements we make from time to time contain certain “forward-looking” statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. You can identify these forward-looking statements by the fact they use words such as “should,” “could,” “expect,” “anticipate,” “estimate,” “target,” “may,” “project,” “guidance,” “intend,” “plan,” “believe,” “will” and other words and terms of similar meaning and expression in connection with any discussion of future operating or financial performance. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on our current expectations and projections about our future financial results, goals, plans and objectives and involve inherent risks, assumptions and uncertainties, including internal or external factors that could delay, divert or change any of them in the next several years, and could cause our future financial results, goals, plans and objectives to differ materially from those expressed in, or implied by, the statements. These statements are likely to relate to, among other things, our goals, plans and objectives regarding our financial position, results of operations, cash flows, market position, product development, product approvals, sales efforts, expenses, performance or results of current and anticipated products, our business development strategy and in relation to our ability to realize the projected benefits of our acquisitions, alliances and other business development activities, the impact of any pandemic or epidemic on our operations and the development and commercialization of our products, potential laws and regulations to lower drug prices, market actions taken by private and government payers to manage drug utilization and contain costs, the expiration of patents or data protection on certain products, including assumptions about our ability to retain marketing exclusivity of certain products, and the outcome of contingencies such as legal proceedings and financial results. No forward-looking statement can be guaranteed. We have included important factors in the cautionary statements included in this 2023 Form 10-K, particularly under “Item 1A. Risk Factors,” that we believe could cause actual results to differ materially from any forward-looking statement.

Although we believe that we have been prudent in our plans and assumptions, no assurance can be given that any goal or plan set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed in this 2023 Form 10-K not to occur. Except as otherwise required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise after the date of this 2023 Form 10-K.

## Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to market risk resulting from changes in currency exchange rates and interest rates. Certain derivative financial instruments are used when available on a cost-effective basis to hedge our underlying economic exposure. All of our financial instruments, including derivatives, are subject to counterparty credit risk considered as part of the overall fair value measurement. Derivative financial instruments are not used for trading purposes.

### Foreign Exchange Risk

Significant amounts of our revenues, earnings and cash flow are exposed to changes in foreign currency rates. Our primary net foreign currency translation exposures are the euro and Japanese yen. Foreign currency forward and purchased local currency put option contracts are used to manage risk primarily arising from certain intercompany sales and purchases transactions. We are also exposed to foreign exchange transaction risk arising from non-functional currency denominated assets and liabilities and earnings denominated in non-U.S. dollar currencies. Foreign currency forward contracts are used to offset these exposures but are not designated as hedges. Foreign currency forward contracts are also used to hedge the foreign currency exposures of our net investment in certain international affiliates and are designated as hedges of net investments.

We estimate that a 10% appreciation in the underlying currencies being hedged from their levels against the U.S. dollar (with all other variables held constant) would decrease the fair value of foreign exchange contracts by \$409 million and \$782 million as of December 31, 2023 and December 31, 2022, respectively, reducing earnings over the remaining life of the contracts.

Cross-currency swap contracts are used to manage risk arising from long-term debt denominated in euros and to hedge the Company's net investment in its foreign subsidiaries. We estimate that a 10% appreciation in the underlying currencies being hedged from their levels against the U.S. dollar (with all other variables held constant) would increase the fair value of cross-currency swap contracts by \$46 million as of December 31, 2023 and decrease by \$73 million as of December 31, 2022, respectively.

For additional information, refer to “Item 8. Financial Statements and Supplementary Data—Note 9. Financial Instruments and Fair Value Measurements.”



## **Interest Rate Risk**

We use fixed-to-floating interest rate swap contracts designated as fair value hedges to provide an appropriate balance of fixed and floating rate debt. We use cross-currency swap contracts designated to manage risk arising from long-term debt denominated in euros and to hedge the Company's net investment in its foreign subsidiaries. The fair values of these contracts as well as our marketable debt securities are analyzed at year-end to determine their sensitivity to interest rate changes. In this sensitivity analysis, if there was a 1% increase in short-term or long-term interest rates as of December 31, 2023 and December 31, 2022, the expected adverse impact on our earnings would not be material.

We estimate that an increase of 1% in long-term interest rates as of December 31, 2023 and December 31, 2022 would decrease the fair value of long-term debt by \$3.0 billion and \$2.6 billion, respectively.

## **Credit Risk**

We monitor our investments with counterparties with the objective of minimizing concentrations of credit risk. Our investment policy is to invest only in institutions that meet high credit quality standards and establishes limits on the amount and time to maturity of investments with any individual counterparty. The policy also requires that investments are only entered into with corporate and financial institutions that meet high credit quality standards.

The use of derivative instruments exposes us to credit risk if the counterparty fails to perform when the fair value of a derivative instrument contract is positive. If the counterparty fails to perform, collateral is not required by any party whether derivatives are in an asset or liability position. We have a policy of diversifying derivatives with counterparties to mitigate the overall risk of counterparty defaults. For additional information, refer to "Item 8. Financial Statements and Supplementary Data—Note 9. Financial Instruments and Fair Value Measurements."

**Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

**BRISTOL-MYERS SQUIBB COMPANY**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
Dollars in millions, except per share data

<b>EARNINGS</b>	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Net product sales	\$ 43,778	\$ 44,671	\$ 45,055
Alliance and other revenues	1,228	1,488	1,330
Total Revenues	45,006	46,159	46,385
Cost of products sold <sup>(a)</sup>	10,693	10,137	9,940
Marketing, selling and administrative	7,772	7,814	7,690
Research and development	9,299	9,509	10,195
Acquired IPRD	913	815	1,159
Amortization of acquired intangible assets	9,047	9,595	10,023
Other (income)/expense, net	(1,158)	576	(720)
Total Expenses	36,566	38,446	38,287
Earnings Before Income Taxes	8,440	7,713	8,098
Provision for Income Taxes	400	1,368	1,084
Net Earnings	8,040	6,345	7,014
Noncontrolling Interest	15	18	20
Net Earnings Attributable to BMS	\$ 8,025	\$ 6,327	\$ 6,994
Earnings per Common Share			
Basic	\$ 3.88	2.97	\$ 3.15
Diluted	3.86	2.95	3.12

(a) Excludes amortization of acquired intangible assets.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
Dollars in millions

<b>COMPREHENSIVE INCOME</b>	<b>Year Ended December 31,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Net Earnings	\$ 8,040	\$ 6,345	\$ 7,014
Other Comprehensive Income/(Loss), net of taxes and reclassifications to earnings:			
Derivatives qualifying as cash flow hedges	(230)	54	415
Pension and postretirement benefits	(115)	145	206
Marketable debt securities	2	(2)	(9)
Foreign currency translation	78	(210)	(41)
Total Other Comprehensive Income/(Loss)	(265)	(13)	571
Comprehensive Income	7,775	6,332	7,585
Comprehensive Income Attributable to Noncontrolling Interest	15	18	20
Comprehensive Income Attributable to BMS	\$ 7,760	\$ 6,314	\$ 7,565

The accompanying notes are an integral part of these consolidated financial statements.

**BRISTOL-MYERS SQUIBB COMPANY**  
**CONSOLIDATED BALANCE SHEETS**  
Dollars in millions, except share and per share data

	December 31,	
	2023	2022
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 11,464	\$ 9,123
Marketable debt securities	816	130
Receivables	10,921	9,886
Inventories	2,662	2,339
Other current assets	5,907	5,795
Total Current assets	31,770	27,273
Property, plant and equipment	6,646	6,255
Goodwill	21,169	21,149
Other intangible assets	27,072	35,859
Deferred income taxes	2,768	1,344
Marketable debt securities	364	—
Other non-current assets	5,370	4,940
Total Assets	<u>\$ 95,159</u>	<u>\$ 96,820</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Short-term debt obligations	\$ 3,119	\$ 4,264
Accounts payable	3,259	3,040
Other current liabilities	15,884	14,586
Total Current liabilities	22,262	21,890
Deferred income taxes	338	2,166
Long-term debt	36,653	35,056
Other non-current liabilities	6,421	6,590
Total Liabilities	<u>65,674</u>	<u>65,702</u>
Commitments and contingencies		
<b>EQUITY</b>		
Bristol-Myers Squibb Company Shareholders' Equity:		
Preferred stock, \$2 convertible series, par value \$1 per share: Authorized 10 million shares; issued and outstanding 2,953 in 2023 and 2,991 in 2022, liquidation value of \$50 per share	—	—
Common stock, par value of \$0.10 per share: Authorized 4.5 billion shares; 2.9 billion issued in 2023 and 2022	292	292
Capital in excess of par value of stock	45,684	45,165
Accumulated other comprehensive loss	(1,546)	(1,281)
Retained earnings	28,766	25,503
Less cost of treasury stock — 902 million common shares in 2023 and 825 million common shares in 2022	(43,766)	(38,618)
Total BMS Shareholders' Equity	29,430	31,061
Noncontrolling interest	55	57
Total Equity	<u>29,485</u>	<u>31,118</u>
Total Liabilities and Equity	<u>\$ 95,159</u>	<u>\$ 96,820</u>

The accompanying notes are an integral part of these consolidated financial statements.

**BRISTOL-MYERS SQUIBB COMPANY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
Dollars in millions

	Year Ended December 31,		
	2023	2022	2021
<b>Cash Flows From Operating Activities:</b>			
Net earnings	\$ 8,040	\$ 6,345	\$ 7,014
Adjustments to reconcile net earnings/(loss) to net cash provided by operating activities:			
Depreciation and amortization, net	9,760	10,276	10,686
Deferred income taxes	(3,288)	(2,738)	(1,393)
Stock-based compensation	518	457	583
Impairment charges	255	179	1,207
Divestiture gains and royalties	(884)	(1,063)	(684)
Acquired IPRD	913	815	1,159
Equity investment losses/(gains), net	160	801	(745)
Contingent consideration fair value adjustments	(8)	(9)	(542)
Other adjustments	308	232	183
Changes in operating assets and liabilities:			
Receivables	(995)	(663)	(1,054)
Inventories	(751)	(69)	13
Accounts payable	198	109	245
Rebates and discounts	904	427	863
Income taxes payable	(603)	(1,423)	(1,063)
Other	(667)	(610)	(265)
Net Cash Provided by Operating Activities	13,860	13,066	16,207
<b>Cash Flows From Investing Activities:</b>			
Sale and maturities of marketable debt securities	733	6,411	4,196
Purchase of marketable debt securities	(1,774)	(3,592)	(5,478)
Proceeds from sales of equity investment securities	215	218	2,579
Capital expenditures	(1,209)	(1,118)	(973)
Divestiture and other proceeds	909	1,305	748
Acquisition and other payments, net of cash acquired	(1,169)	(4,286)	(1,610)
Net Cash Used in Investing Activities	(2,295)	(1,062)	(538)
<b>Cash Flows From Financing Activities:</b>			
Short-term debt obligations, net	(120)	194	(160)
Issuance of long-term debt	4,455	5,926	—
Repayment of long-term debt	(3,879)	(11,431)	(6,022)
Repurchase of common stock	(5,155)	(8,001)	(6,287)
Dividends	(4,744)	(4,634)	(4,396)
Stock option proceeds and other, net	27	984	641
Net Cash Used in Financing Activities	(9,416)	(16,962)	(16,224)
Effect of Exchange Rates on Cash, Cash Equivalents and Restricted Cash	45	(33)	(102)
Increase/(Decrease) in Cash, Cash Equivalents and Restricted Cash	2,194	(4,991)	(657)
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	9,325	14,316	14,973
Cash, Cash Equivalents and Restricted Cash at End of Year	\$ 11,519	\$ 9,325	\$ 14,316

The accompanying notes are an integral part of these consolidated financial statements.

## **Note 1. ACCOUNTING POLICIES AND RECENTLY ISSUED ACCOUNTING STANDARDS**

### **Nature of Operations and Basis of Consolidation**

Bristol-Myers Squibb Company (“BMS”, or “the Company”) is a global biopharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases.

The consolidated financial statements are prepared in conformity with U.S. GAAP, including the accounts of Bristol-Myers Squibb Company and all of its controlled majority-owned subsidiaries and certain variable interest entities. All intercompany balances and transactions are eliminated. Material subsequent events are evaluated and disclosed through the report issuance date. Refer to the Summary of Abbreviated Terms at the end of this 2023 Form 10-K for definitions of capitalized terms used throughout the document.

Alliance and license arrangements are assessed to determine whether the terms provide economic or other control over the entity requiring consolidation of an entity. Entities controlled by means other than a majority voting interest are referred to as variable interest entities and are consolidated when BMS has both the power to direct the activities of the variable interest entity that most significantly impacts its economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity.

### **Business Segment Information**

BMS operates in a single segment engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of innovative medicines that help patients prevail over serious diseases. A global research and development organization and supply chain organization are responsible for the discovery, development, manufacturing and supply of products. Regional commercial organizations market, distribute and sell the products. The business is also supported by global corporate staff functions. Consistent with BMS’s operational structure, the Chief Executive Officer (“CEO”), as the chief operating decision maker, manages and allocates resources at the global corporate level. Managing and allocating resources at the global corporate level enables the CEO to assess both the overall level of resources available and how to best deploy these resources across functions, therapeutic areas, regional commercial organizations and research and development projects in line with our overarching long-term corporate-wide strategic goals, rather than on a product or franchise basis. The determination of a single segment is consistent with the financial information regularly reviewed by the CEO for purposes of evaluating performance, allocating resources, setting incentive compensation targets, and planning and forecasting future periods. For further information on product and regional revenue, see “—Note 2. Revenue.”

### **Use of Estimates and Judgments**

The preparation of financial statements requires the use of management estimates, judgments and assumptions. The most significant assumptions are estimates used in determining accounting for acquisitions; impairments of intangible assets; charge-backs, cash discounts, sales rebates, returns and other adjustments; legal contingencies; and income taxes. Actual results may differ from estimates.

### **Cash and Cash Equivalents**

Cash and cash equivalents include bank deposits, time deposits, commercial paper, treasury bills and money market funds. Cash equivalents consist of highly liquid investments with original maturities of three months or less at the time of purchase and are recognized at cost, which approximates fair value.

### **Marketable Debt Securities**

Marketable debt securities are classified as “available-for-sale” on the date of purchase and reported at fair value. Fair value is determined based on observable market quotes or valuation models using assessments of counterparty credit worthiness, credit default risk or underlying security and overall capital market liquidity. Marketable debt securities are reviewed for impairment by assessing if the decline in market value of the investment below the carrying value is other than temporary, which considers the intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value, the duration and extent that the market value has been less than cost and the investee’s financial condition.

## **Equity Investments**

Equity investments with readily determinable fair values are recorded at fair value with changes in fair value recorded in Other (income)/expense, net. Equity investments without readily determinable fair values are recorded at cost minus any impairment, plus or minus changes in their estimated fair value resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Changes in the estimated fair value of equity investments without readily determinable fair values are recorded in Other (income)/expense, net.

BMS holds investments in limited partnerships, which primarily invest in early-stage life sciences companies. Such limited partnership investments are measured by using our proportionate share of the net asset values of the underlying investments held by the limited partnerships as a practical expedient. These investments are typically redeemable only through distributions upon liquidation of the underlying assets. Limited partnerships and investments in 50% or less owned companies are accounted for using the equity method of accounting when the ability to exercise significant influence over the operating and financial decisions of the investee is maintained. The proportional share of the investee's net income or losses of equity investments accounted for using the equity method are included in Other (income)/expense, net. Equity investments without readily determinable fair values and equity investments accounted for using the equity method are assessed for potential impairment on a quarterly basis based on qualitative factors.

## **Inventory Valuation**

Inventories are stated at the lower of average cost or net realizable value.

## **Property, Plant and Equipment and Depreciation**

Expenditures for additions, renewals and improvements are capitalized at cost. Depreciation is computed on a straight-line method based on the estimated useful lives of the related assets ranging from 20 to 50 years for buildings and 3 to 20 years for machinery, equipment and fixtures.

Current facts or circumstances are periodically evaluated to determine if the carrying value of depreciable assets to be held and used may not be recoverable. If such circumstances exist, an estimate of undiscounted future cash flows generated by the long-lived asset, or appropriate grouping of assets, is compared to the carrying value to determine whether an impairment exists at its lowest level of identifiable cash flows. If an asset is determined to be impaired, the loss is measured based on the difference between the asset's fair value and its carrying value. An estimate of the asset's fair value is based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques using unobservable fair value inputs, such as a discounted value of estimated future cash flows.

## **Capitalized Software**

Eligible costs to obtain internal use software are capitalized and amortized over the estimated useful life of the software ranging from three to ten years.

## **Acquisitions**

Businesses acquired are consolidated upon obtaining control. The fair value of assets acquired and liabilities assumed are recognized at the date of acquisition. Any excess of the purchase price over the estimated fair values of the net assets acquired is recognized as goodwill. Business acquisition costs are expensed when incurred. Contingent consideration from potential development, regulatory, approval and sales-based milestones and sales-based royalties are included in the purchase price for business combinations and excluded for asset acquisitions.

If the assets acquired do not meet the definition of a business, primarily because no significant processes were acquired or substantially all of the relative fair value was allocated to a single asset, the transaction is accounted for as an asset acquisition rather than a business combination and no goodwill is recorded. In addition, in an asset acquisition, acquired in-process research and development ("IPRD") assets with no alternative future use are charged to Acquired IPRD.

## **Goodwill, IPRD and Other Intangible Assets**

The fair value of acquired intangible assets is determined using an income-based approach referred to as the excess earnings method utilizing Level 3 fair value inputs. Market participant valuations assume a global view considering all potential jurisdictions and indications based on discounted after-tax cash flow projections, risk adjusted for estimated probability of technical and regulatory success.

Finite-lived intangible assets, including licenses, marketed product rights and IPRD projects that reach commercialization are amortized on a straight-line basis over their estimated useful life. Estimated useful lives are determined considering the period assets are expected to contribute to future cash flows. Finite-lived intangible assets are tested for impairment when facts or circumstances suggest that the carrying value of the asset may not be recoverable. If the carrying value exceeds the projected undiscounted pretax cash flows of the intangible asset, an impairment loss equal to the excess of the carrying value over the estimated fair value (discounted after-tax cash flows) is recognized.

Goodwill is tested at least annually for impairment by assessing qualitative factors in determining whether it is more likely than not that the fair value of net assets is below their carrying amounts. Examples of qualitative factors assessed include BMS's share price, financial performance compared to budgets, long-term financial plans, macroeconomic, industry and market conditions as well as the substantial excess of fair value over the carrying value of net assets from the annual impairment test performed in a prior year. Each relevant factor is assessed both individually and in the aggregate.

IPRD is tested for impairment at least annually or more frequently if events occur or circumstances change that would indicate a potential reduction in the fair values of the assets below their carrying value. Impairment charges are recognized to the extent the carrying value of IPRD is determined to exceed its fair value.

### **Derivatives**

All derivative instruments are recognized as either assets or liabilities at fair value on the consolidated balance sheets and are classified as current or long-term based on the scheduled maturity of the instrument. Derivatives designated as hedges, are assessed at inception and quarterly thereafter, to determine whether they are highly effective in offsetting changes or cash flows of the hedged item. The changes in fair value of a derivative designated as a fair value hedge and of the hedged item attributable to the hedged risk are recognized in earnings immediately. The effective portions of changes in the fair value of a derivative designated as a cash flow hedge are reported in Accumulated other comprehensive loss and are subsequently recognized in earnings consistent with the underlying hedged item. If a derivative is no longer highly effective as a hedge, the Company discontinues hedge accounting prospectively. The earnings impact related to discontinued cash flow hedges and hedge ineffectiveness was not material during all periods presented. If a hedged forecasted transaction becomes probable of not occurring, any gains or losses are reclassified from Accumulated other comprehensive loss to earnings. Derivatives that are not designated as hedges are adjusted to fair value through current earnings. The Company also uses derivative instruments or foreign currency denominated debt to hedge its net investments in certain foreign subsidiaries and affiliates. Realized and unrealized gains and losses from these hedges are included in foreign currency translation in Accumulated other comprehensive loss. Derivative cash flows, with the exception of net investment hedges, are principally classified in the operating section of the consolidated statements of cash flows, consistent with the underlying hedged item. Cash flows related to net investment hedges are classified in investing activities.

### **Restructuring**

Restructuring charges are recognized as a result of actions to streamline operations, realize synergies from acquisitions and reduce the number of facilities. Estimating the impact of restructuring plans, including future termination benefits, integration expenses and other exit costs, requires judgment. Actual results could vary from these estimates. Restructuring charges are recognized upon meeting certain criteria, including finalization of committed plans, reliable estimates and discussions with local works councils in certain markets.

### **Contingencies**

Loss contingencies from legal proceedings and claims may occur from government investigations, shareholder lawsuits, product and environmental liability, contractual claims, tax and other matters. Accruals are recognized when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. Gain contingencies (including contingent proceeds related to the divestitures) are not recognized until realized. Legal fees are expensed as incurred.

### **Revenue Recognition**

Refer to "—Note 2. Revenue" for a detailed discussion of accounting policies related to revenue recognition, including deferred revenue and royalties. Refer to "—Note 3. Alliances" for further details regarding alliances.

## Research and Development and Acquired IPRD

Research and development costs are expensed as incurred. Clinical study and certain research costs are recognized over the service periods specified in the contracts and adjusted as necessary based upon an ongoing review of the level of effort and costs actually incurred. Research and development costs are presented net of reimbursements from alliance partners.

Acquired IPRD expenses include upfront payments, contingent milestone payments in connection with asset acquisitions or in-license arrangements of third-party intellectual property rights, as well as any upfront and contingent milestones payable by BMS to alliance partners prior to regulatory approval.

The Company's Acquired IPRD by type of transaction was as follows:

Dollars in millions	Year ended December 31,		
	2023	2022	2021
Alliance (Note 3)	\$ 55	\$ 100	\$ 730
In-license arrangements and other (Note 4)	858	715	429
Acquired IPRD	<u>\$ 913</u>	<u>\$ 815</u>	<u>\$ 1,159</u>

## Advertising and Product Promotion Costs

Advertising and product promotion costs are expensed as incurred. Advertising and product promotion costs are included in Marketing, selling and administrative expenses and were approximately \$1.4 billion in 2023 and \$1.3 billion in 2022 and 2021.

## Foreign Currency Translation

Foreign subsidiary earnings are translated into U.S. dollars using average exchange rates. The net assets of foreign subsidiaries are translated into U.S. dollars using current exchange rates. The U.S. dollar effects that arise from translating the net assets of these subsidiaries at changing rates are recognized in Other Comprehensive Income/(Loss).

## Income Taxes

The provision for income taxes includes income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax basis of assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. The assessment of whether or not a valuation allowance is required often requires significant judgment including the long-range forecast of future taxable income and the evaluation of tax planning initiatives. Adjustments to the deferred tax valuation allowances are made to earnings in the period when such assessments are made. The tax effects of global intangible low-taxed income from certain foreign subsidiaries is recognized in the income tax provision in the period the tax arises.

Tax benefits are recognized from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefit recognized in the financial statements for a particular tax position is based on the largest benefit that is more likely than not to be realized upon settlement.

## Recently Adopted Accounting Standards

### Fair Value Measurements

In June 2022, the FASB issued amended guidance on measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security. The guidance clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The guidance also clarifies that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The amendment requires the following disclosures for equity securities subject to contractual sale restrictions: the fair value of equity securities subject to contractual sale restrictions reflected in the consolidated balance sheets; the nature and remaining duration of the restriction(s); and the circumstances that could cause a lapse in the restriction(s). The amended guidance is effective January 1, 2024 on a prospective basis. Early adoption is permitted. The guidance was adopted on January 1, 2023 and the adoption did not have an impact to the consolidated financial statements.



### Business Combinations

In October 2021, the FASB issued amended guidance on accounting for contract assets and contract liabilities from contracts with customers in a business combination. The guidance is intended to address inconsistency related to recognition of an acquired contract liability and payment terms and their effect on subsequent revenue recognized. At the acquisition date, an entity should account for the related revenue contracts in accordance with existing revenue recognition guidance generally by assessing how the acquiree applied recognition and measurement in their financial statements. The guidance was adopted on January 1, 2023 and the adoption did not have an impact to the consolidated financial statements.

### **Recently Issued Accounting Standards Not Yet Adopted**

#### Income Taxes

In December 2023, the FASB issued amended guidance on income tax disclosures. The guidance is intended to provide additional disaggregation to the effective income tax rate reconciliation and income tax payment disclosures. The amended guidance is effective for annual periods beginning January 2025 and should be applied on a prospective basis. Early adoption is permitted.

#### Segment Reporting

In November 2023, the FASB issued amended guidance for improvements to reportable segment disclosures. The revised guidance requires that a public entity disclose significant segment expenses regularly reviewed by the chief operating decision maker (CODM), including public entities with a single reportable segment. The amended guidance is effective for fiscal years beginning January 2024 and interim periods beginning January 2025 on a retrospective basis. Early adoption is permitted.

### **Note 2. REVENUE**

The following table summarizes the disaggregation of revenue by nature:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Net product sales	\$ 43,778	\$ 44,671	\$ 45,055
Alliance revenues	608	742	716
Other revenues	620	746	614
Total Revenues	<u>\$ 45,006</u>	<u>\$ 46,159</u>	<u>\$ 46,385</u>

Net product sales represent more than 95% of total revenues for all periods presented. Products are sold principally to wholesalers, distributors, specialty pharmacies, and to a lesser extent, directly to retailers, hospitals, clinics and government agencies. Customer orders are generally fulfilled within a few days of receipt resulting in minimal order backlog. Contractual performance obligations are usually limited to transfer of control of the product to the customer. The transfer occurs either upon shipment, upon receipt of the product after considering when the customer obtains legal title to the product, or upon infusion for cell therapies and when BMS obtains a right of payment. At these points, customers are able to direct the use of and obtain substantially all of the remaining benefits of the product.

Gross revenue to the three largest pharmaceutical wholesalers in the U.S. as a percentage of U.S. gross revenues was as follows:

	Year Ended December 31,		
	2023	2022	2021
McKesson Corporation	33 %	32 %	32 %
Cencora, Inc. (formerly known as AmerisourceBergen Corporation)	29 %	25 %	25 %
Cardinal Health, Inc.	23 %	21 %	20 %

Wholesalers are initially invoiced at contractual list prices. Payment terms are typically 30 to 90 days based on customary practices in each country. Revenue is reduced from wholesaler list price at the time of recognition for expected charge-backs, discounts, rebates, sales allowances and product returns ("GTN adjustments"). In the U.S., these GTN adjustments are attributed to various commercial arrangements, managed healthcare organizations and government programs such as Medicare, Medicaid and the 340B program containing various pricing implications, such as mandatory discounts, pricing protection below wholesaler list price or other discounts when Medicare Part D beneficiaries are in the coverage gap. In addition, non-U.S. government programs include different pricing schemes such as cost caps, volume discounts, outcome-based pricing and pricing claw-backs determined on sales of individual companies or an aggregation of companies participating in a specific market. Charge-backs and cash discounts are reflected as a reduction to receivables and settled through the issuance of credits to the customer, typically within one month. All other GTN adjustments, are reflected as a liability and settled through cash payments to the customer, typically within various time periods ranging from a few months to one year.

Significant judgment is required in estimating GTN adjustments considering legal interpretations of applicable laws and regulations, historical experience, payer channel mix, current contract prices under applicable programs, unbilled claims, processing time lags and inventory levels in the distribution channel.

The following table summarizes GTN adjustments:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Gross product sales	\$ 73,679	\$ 69,633	\$ 67,897
GTN adjustments <sup>(a)</sup>			
Charge-backs and cash discounts	(9,144)	(7,469)	(7,253)
Medicaid and Medicare rebates	(13,411)	(11,362)	(9,374)
Other rebates, returns, discounts and adjustments	(7,346)	(6,131)	(6,215)
Total GTN adjustments	(29,901)	(24,962)	(22,842)
Net product sales	\$ 43,778	\$ 44,671	\$ 45,055

(a) Includes adjustments for provisions for product sales made in prior periods resulting from changes in estimates of \$134 million in 2023, \$229 million in 2022, and \$319 million in 2021.

Alliance and other revenues consist primarily of amounts related to collaborations and out-licensing arrangements. Each of these arrangements are evaluated for whether they represent contracts that are within the scope of the revenue recognition guidance in their entirety or contain aspects that are within the scope of the guidance, either directly or by reference based upon the application of the guidance related to the derecognition of nonfinancial assets (ASC 610).

Performance obligations are identified and separated when the other party can benefit directly from the rights, goods or services either on their own or together with other readily available resources and when the rights, goods or services are not highly interdependent or interrelated.

Transaction prices for these arrangements may include fixed upfront amounts as well as variable consideration such as contingent development and regulatory milestones, sales-based milestones and royalties. The most likely amount method is used to estimate contingent development, regulatory and sales-based milestones because the ultimate outcomes are binary in nature. The expected value method is used to estimate royalties because a broad range of potential outcomes exist, except for instances in which such royalties relate to a license. Variable consideration is included in the transaction price only to the extent a significant reversal in the amount of cumulative revenue recognized is not probable of occurring when the uncertainty associated with the variable consideration is subsequently resolved. Significant judgment is required in estimating the amount of variable consideration to recognize when assessing factors outside of BMS's influence such as likelihood of regulatory success, limited availability of third party information, expected duration of time until resolution, lack of relevant past experience, historical practice of offering fee concessions and a large number and broad range of possible amounts. To the extent arrangements include multiple performance obligations that are separable, the transaction price assigned to each distinct performance obligation is reflective of the relative stand-alone selling price and recognized at a point in time upon the transfer of control.

Three types of out-licensing arrangements are typically utilized: (i) arrangements when BMS out-licenses intellectual property to another party and has no further performance obligations; (ii) arrangements that include a license and an additional performance obligation to supply product upon the request of the third party; and (iii) collaboration arrangements, which include transferring a license to a third party to jointly develop and commercialize a product.

Most out-licensing arrangements consist of a single performance obligation that is satisfied upon execution of the agreement when the development and commercialization rights are transferred to a third party. Upfront fees are recognized immediately and included in Other (income)/expense, net. Although contingent development and regulatory milestone amounts are assessed each period for the likelihood of achievement, they are typically constrained and recognized when the uncertainty is subsequently resolved for the full amount of the milestone and included in Other (income)/expense, net. Sales-based milestones and royalties are recognized when the milestone is achieved or the subsequent sales occur. Sales-based milestones and royalties are included in Alliance and other revenues.

Certain out-licensing arrangements may also include contingent performance obligations to supply commercial product to the third party upon its request. The license and supply obligations are accounted for as separate performance obligations as they are considered distinct because the third party can benefit from the license either on its own or together with other supply resources readily available to it and the obligations are separately identifiable from other obligations in the contract in accordance with the revenue recognition guidance. After considering the standalone selling prices in these situations, upfront fees, contingent development and regulatory milestone amounts and sales-based milestone and royalties are allocated to the license and recognized in the manner described above. Consideration for the supply obligation is usually based upon stipulated cost-plus margin contractual terms which represent a standalone selling price. The supply consideration is recognized at a point in time upon transfer of control of the product to the third party and included in Alliance and other revenues. The above fee allocation between the license and the supply represents the amount of consideration expected to be entitled to for the satisfaction of the separate performance obligations.

Although collaboration arrangements are unique in nature, both parties are active participants in the operating activities and are exposed to significant risks and rewards depending on the commercial success of the activities. Performance obligations inherent in these arrangements may include the transfer of certain development or commercialization rights, ongoing development and commercialization services and product supply obligations. Except for certain product supply obligations which are considered distinct and accounted for as separate performance obligations similar to the manner discussed above, all other performance obligations are not considered distinct and are combined into a single performance obligation since the transferred rights are highly integrated and interrelated to the obligation to jointly develop and commercialize the product with the third party. As a result, upfront fees are recognized ratably over time throughout the expected period of the collaboration activities and included in Other (income)/expense, net as the license is combined with other development and commercialization obligations. Contingent development and regulatory milestones that are no longer constrained are recognized in a similar manner on a prospective basis. Royalties and profit sharing are recognized when the underlying sales and profits occur and are included in Alliance and other revenues. Refer to “—Note 3. Alliances” for further information.

The following table summarizes the disaggregation of revenue by product and region:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
<b>In-Line Products</b>			
<i>Eliquis</i>	12,206	\$ 11,789	\$ 10,762
<i>Opdivo</i>	9,009	8,249	7,523
<i>Orencia</i>	3,601	3,464	3,306
<i>Pomalyst/Imnovid</i>	3,441	3,497	3,332
<i>Yervoy</i>	2,238	2,131	2,026
<i>Sprycel</i>	1,930	2,165	2,117
Mature and other brands	1,895	2,045	2,234
<b>Total In-Line Products</b>	<b>34,320</b>	<b>33,340</b>	<b>31,300</b>
<b>New Product Portfolio</b>			
<i>Reblozyl</i>	1,008	717	551
<i>Opdualag</i>	627	252	—
<i>Abecma</i>	472	388	164
<i>Zeposia</i>	434	250	134
<i>Breyanzi</i>	364	182	87
<i>Camzyos</i>	231	24	—
<i>Sotyktu</i>	170	8	—
<i>Onureg</i>	168	124	73
<i>Inrebic</i>	110	85	74
<i>Augtyro</i>	1	—	—
<b>Total New Product Portfolio</b>	<b>3,585</b>	<b>2,030</b>	<b>1,083</b>
<b>Total In-Line Products and New Product Portfolio</b>	<b>37,905</b>	<b>35,370</b>	<b>32,383</b>
<b>Recent LOE Products<sup>(a)</sup></b>			
<i>Revlimid</i>	6,097	9,978	12,821
<i>Abraxane</i>	1,004	811	1,181
<b>Total Recent LOE Products</b>	<b>7,101</b>	<b>10,789</b>	<b>14,002</b>
<b>Total revenues</b>	<b>\$ 45,006</b>	<b>\$ 46,159</b>	<b>\$ 46,385</b>
<b>United States</b>	<b>\$ 31,555</b>	<b>\$ 31,828</b>	<b>\$ 29,214</b>
<b>International</b>	<b>12,752</b>	<b>13,497</b>	<b>16,319</b>
<b>Other<sup>(b)</sup></b>	<b>699</b>	<b>834</b>	<b>852</b>
<b>Total revenues</b>	<b>\$ 45,006</b>	<b>\$ 46,159</b>	<b>\$ 46,385</b>

(a) Recent LOE Products include products with significant expected decline in revenue from the prior reporting period as a result of a LOE.

(b) Other include royalties and alliance-related revenues for products not sold by BMS's regional commercial organizations.

Contract assets are primarily estimated future royalties and termination fees not eligible for the licensing exclusion and therefore recognized under ASC 606 and ASC 610. Contract assets are reduced and receivables are increased in the period the underlying sales occur. Cumulative catch-up adjustments to revenue affecting contract assets or contract liabilities were not material during the years ended December 31, 2023, 2022 and 2021. Revenue recognized from performance obligations satisfied in prior periods was \$462 million in 2023, \$556 million in 2022, and \$561 million in 2021 consisting primarily of revised estimates for GTN adjustments related to prior period sales and royalties from out-licensing arrangements.

Sales commissions and other incremental costs of obtaining customer contracts are expensed as incurred as the amortization periods would be less than one year.

### Note 3. ALLIANCES

BMS enters into collaboration arrangements with third parties for the development and commercialization of certain products. Although each of these arrangements is unique in nature, both parties are active participants in the operating activities of the collaboration and exposed to significant risks and rewards depending on the commercial success of the activities. BMS may either in-license intellectual property owned by the other party or out-license its intellectual property to the other party. These arrangements also typically include research, development, manufacturing, and/or commercial activities and can cover a single investigational compound or commercial product or multiple compounds and/or products in various life cycle stages. The rights and obligations of the parties can be global or limited to geographic regions. BMS refers to these collaborations as alliances and its partners as alliance partners.

The most common activities between BMS and its alliance partners are presented in results of operations as follows:

- When BMS is the principal in the end customer sale, 100% of product sales are included in Net product sales. When BMS's alliance partner is the principal in the end customer sale, BMS's contractual share of the third-party sales and/or royalty income are included in Alliance revenues as the sale of commercial products are considered part of BMS's ongoing major or central operations. Refer to "—Note 2. Revenue" for information regarding recognition criteria.
- Amounts payable to BMS by alliance partners (who are the principal in the end customer sale) for supply of commercial products are included in Alliance revenues as the sale of commercial products are considered part of BMS's ongoing major or central operations.
- Profit sharing, royalties and other sales-based fees payable by BMS to alliance partners are included in Cost of products sold as incurred.
- Cost reimbursements between the parties are recognized as incurred and included in Cost of products sold; Marketing, selling and administrative expenses; or Research and development expenses, based on the underlying nature of the related activities subject to reimbursement.
- Upfront and contingent development and regulatory approval milestones payable to BMS by alliance partners for investigational compounds and commercial products are deferred and amortized over the expected period of BMS's development and co-promotion obligation through the market exclusivity period or the periods in which the related compounds or products are expected to contribute to future cash flows. The amortization is presented consistent with the nature of the payment under the arrangement. For example, amounts received for investigational compounds are presented in Other (income)/expense, net as the activities being performed at that time are not related to the sale of commercial products included in BMS's ongoing major or central operations; amounts received for commercial products are presented in alliance revenue as the sale of commercial products are considered part of BMS's ongoing major or central operations.
- Upfront and contingent regulatory approval milestones payable by BMS to alliance partners for commercial products are capitalized and amortized over the shorter of the contractual term or the periods in which the related products are expected to contribute to future cash flows.
- Upfront and contingent milestones payable by BMS to alliance partners prior to regulatory approval are expensed as incurred and included in Acquired IPRD expense.
- Royalties and other contingent consideration payable to BMS by alliance partners related to the divestiture of such businesses are included in Other (income)/expense, net when earned.
- All payments between BMS and its alliance partners are presented in Cash Flows From Operating Activities except for upfront and milestone payments which are presented in Cash Flows From Investing Activities.

Selected financial information pertaining to alliances was as follows, including net product sales when BMS is the principal in the third-party customer sale for products subject to the alliance. Expenses summarized below do not include all amounts attributed to the activities for the products in the alliance, but only the payments between the alliance partners or the related amortization if the payments were deferred or capitalized.

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
<b>Revenues from alliances:</b>			
Net product sales	\$ 12,543	\$ 12,001	\$ 10,840
Alliance revenues	608	742	716
Total Revenues	<u>\$ 13,151</u>	<u>\$ 12,743</u>	<u>\$ 11,556</u>
<b>Payments to/(from) alliance partners:</b>			
Cost of products sold	\$ 6,067	\$ 5,768	\$ 5,227
Marketing, selling and administrative	(263)	(223)	(183)
Research and development	137	49	42
Acquired IPRD	55	100	730
Other (income)/expense, net	(49)	(53)	(62)
<b>Selected alliance balance sheet information:</b>			
Dollars in millions	December 31,		
	2023	2022	
Receivables - from alliance partners	\$ 233	\$ 317	
Accounts payable - to alliance partners	1,394	1,249	
Deferred income from alliances <sup>(a)</sup>	274	289	

(a) Includes unamortized upfront and milestone payments.

Specific information pertaining to significant alliances is discussed below, including their nature and purpose; the significant rights and obligations of the parties; specific accounting policy elections; and the statements of earnings classification of and amounts attributable to payments between the parties.

## SystImmune

In December 2023, BMS and SystImmune, Inc. (SystImmune) announced a global strategic collaboration for the co-development and co-commercialization of BL-B01D1, a bispecific topoisomerase inhibitor-based anti-body drug conjugate which targets both EGFR and HER3 and is currently being evaluated in a Phase I clinical trial for metastatic or unresectable NSCLC.

The parties will jointly develop and commercialize BL-B01D1 in the U.S. Profits, research and development and commercialization costs are shared in the U.S. SystImmune will be responsible for the development, commercialization and manufacturing in Mainland China and will be responsible for manufacturing certain drug supplies for outside of Mainland China, where BMS will receive a royalty on net sales. BMS will be responsible for development and commercialization in the rest of the world, where SystImmune will receive a royalty on net sales.

The transaction became effective in February 2024 and included an upfront payment of \$800 million, which will be included in Acquired IPRD during the first quarter of 2024. BMS is also obligated to pay up to \$7.6 billion upon the achievement of contingent development, regulatory and sales-based milestones.

## Pfizer

BMS and Pfizer jointly develop and commercialize *Eliquis*, an anticoagulant discovered by BMS. Pfizer funds between 50% and 60% of all development costs depending on the study. Profits and losses are shared equally on a global basis except in certain countries where Pfizer commercializes *Eliquis* and pays BMS a sales-based fee.

The co-exclusive license rights granted to Pfizer in exchange for an upfront payment and potential milestone payments were recorded to Deferred income and are being amortized in Other (income)/expense, net, as *Eliquis* was not a commercial product at the commencement of the alliance. The upfront payment and any subsequent contingent milestone proceeds are amortized over the expected period of BMS's co-promotion obligation through the market exclusivity period. Both parties assumed certain obligations to actively participate in a joint executive committee and various other operating committees and have joint responsibilities for the research, development, distribution, sales and marketing activities of the alliance using resources in their own infrastructures. BMS and Pfizer manufacture the product in the alliance and BMS is the principal in the end customer product sales in the U.S., significant countries in Europe, as well as Canada, Australia, China, Japan and South Korea. In certain smaller countries, Pfizer has full commercialization rights and BMS supplies the product to Pfizer at cost plus a percentage of the net sales price to end-customers, which is recorded in full upon transfer of control of the product to Pfizer.

Summarized financial information related to this alliance was as follows:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
<b>Revenues from Pfizer alliance:</b>			
Net product sales	\$ 12,006	\$ 11,488	\$ 10,431
Alliance revenues	200	301	331
Total revenues	\$ 12,206	\$ 11,789	\$ 10,762
<b>Payments to/(from) Pfizer:</b>			
Cost of products sold – profit sharing	5,833	5,604	5,064
Other (income)/expense, net – amortization of deferred income	(42)	(42)	(36)
<b>Selected alliance balance sheet information:</b>			
Dollars in millions	December 31,		
	2023	2022	
Receivables	\$ 169	\$ 191	
Accounts payable	1,311	1,208	
Deferred income	180	222	

## Ono

BMS and Ono jointly develop and commercialize *Opdivo*, *Yervoy* and several BMS investigational compounds in Japan, South Korea and Taiwan. BMS is responsible for supply of the products. Profits, losses and development costs are shared equally for all combination therapies involving compounds of both parties. Otherwise, sharing is 80% and 20% for activities involving only one of the party's compounds.

BMS and Ono also jointly develop and commercialize *Orencia* in Japan. BMS is responsible for the order fulfillment and distribution of the intravenous formulation and Ono is responsible for the subcutaneous formulation. Both formulations are jointly promoted by both parties with assigned customer accounts and BMS is responsible for the product supply. A co-promotion fee of 60% is paid when a sale is made to the other party's assigned customer.

Summarized financial information related to this alliance was as follows:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
<b>Revenues from Ono alliances:</b>			
Net product sales	\$ 180	\$ 216	\$ 251
Alliance revenues	408	441	385
Total Revenues	\$ 588	\$ 657	\$ 636

BMS is the principal in the end customer product sales and has the exclusive right to develop, manufacture and commercialize *Opdivo* worldwide except in Japan, South Korea and Taiwan. Ono is entitled to receive royalties of 4% in North America and 15% in all territories excluding the three countries listed above, subject to customary adjustments.

## BridgeBio

In 2022, BMS and BridgeBio commenced a collaboration to develop and commercialize BBP-398, a SHP2 inhibitor, in oncology. The transaction included an upfront payment of \$90 million which was expensed to Acquired IPRD. BridgeBio is eligible to receive contingent development, regulatory and sales-based milestones up to \$815 million, as well as royalties on global net sales, excluding certain markets. BridgeBio is responsible for funding and completing ongoing BBP-398 Phase I monotherapy and combination therapy trials. BMS will lead and fund all other development and commercial activities. BridgeBio has an option to co-develop BBP-398 and receive higher royalties in the U.S.

## 2seventy bio

BMS and 2seventy bio jointly develop and commercialize novel disease-altering gene therapy product candidates targeting BCMA. The collaboration includes (i) a right for BMS to license any anti-BCMA products resulting from the collaboration, (ii) a right for 2seventy bio to participate in the development and commercialization of any licensed products resulting from the collaboration through a 50/50 co-development and profit share in the U.S. in exchange for a reduction of milestone payments, and (iii) sales-based milestones and royalties payable to 2seventy bio upon the commercialization of any licensed products resulting from the collaboration should 2seventy bio decline to exercise their co-development and profit sharing rights.

BMS exercised its option to license idecabtagene vicleucel (*Abecma*) in 2016 and 2seventy bio elected to participate in development and commercialization of *Abecma* in the U.S. in 2018. The terms of the collaboration have since been amended to transfer substantially all manufacturing obligations to BMS and eliminate ex-U.S. milestones and royalties payable to 2seventy bio for *Abecma*.

In 2021, the FDA approved *Abecma* for the treatment of relapsed or refractory multiple myeloma. Net product sales of *Abecma* in the U.S. were \$358 million, \$297 million and \$158 million; and the related profit sharing costs were \$109 million, \$49 million and \$42 million in 2023, 2022 and 2021, respectively. Cost reimbursements were not material.

## Eisai

In 2021, BMS and Eisai commenced an exclusive global strategic collaboration for the co-development and co-commercialization of MORAb-202, a selective folate receptor alpha antibody-drug conjugate being investigated in endometrial, ovarian, lung and breast cancers. MORAb-202 is currently in Phase I/II clinical trials for solid tumors.

The parties jointly develop and commercialize MORAb-202 in the U.S., Canada, Europe, Russia, Japan, China and certain other countries in the Asia-Pacific region (the "collaboration territory"). Eisai is responsible for the global manufacturing and supply. Profits, research and development and commercialization costs are shared in the collaboration territories. BMS is responsible for development and commercialization outside of the collaboration territory and will pay a royalty on those sales.

A \$650 million upfront collaboration fee was expensed to Acquired IPRD in 2021. BMS is also obligated to pay up to \$2.5 billion upon the achievement of contingent development, regulatory and sales-based milestones. Cost reimbursements were not material.

## Note 4. ACQUISITIONS, DIVESTITURES, LICENSING AND OTHER ARRANGEMENTS

### Acquisitions

#### Mirati

In January 2024, BMS acquired Mirati, a commercial stage targeted oncology company with a pipeline of clinical and commercial oncology medicines. Through this acquisition, BMS has added commercialized lung cancer medicine *Krazati*, as well as several clinical assets, including MRTX1719. *Krazati* is a best-in-class inhibitor of KRAS<sup>G12C</sup> mutation, which was approved by the FDA as a second-line treatment for patients with NSCLC and is in clinical development in combination with a PD-1 inhibitor as a first-line therapy for patients with NSCLC, as well as in other indications. MRTX1719, is a potential first-in-class MTA-cooperative PRMT5 inhibitor in Phase I development. BMS also gained access to several other promising clinical and pre-clinical stage assets, including additional KRAS inhibitors and enabling programs.



BMS acquired all of the issued and outstanding shares of Mirati's common stock for \$58.00 per share in an all-cash transaction for a total consideration of \$4.8 billion or \$4.1 billion, net of estimated cash acquired. Mirati stockholders will also receive one non-tradeable contingent value right for each share of Mirati common stock held, potentially worth \$12.00 per share in cash for a total value of approximately \$1.0 billion. The payout of the contingent value right is subject to the FDA acceptance of an NDA for MRTX1719 for the treatment of specific indications within seven years of the closing of the transaction. The transaction will be accounted for as a business combination in which all assets acquired and liabilities assumed will be recognized at fair value as of the acquisition date. The purchase price allocation of the consideration transferred to the assets acquired and liabilities assumed has not yet been finalized. The acquisition was funded through a combination of cash on hand and debt proceeds.

#### Karuna

In December 2023, BMS entered into a definitive merger agreement to acquire Karuna, a clinical-stage biopharmaceutical company driven to discover, develop, and deliver transformative medicines for people living with psychiatric and neurological conditions. The acquisition will provide BMS with rights to Karuna's lead asset, KarXT (xanomeline-trospium). KarXT is an antipsychotic with a novel mechanism of action and differentiated efficacy and safety, is currently under review by the FDA for the treatment of schizophrenia in adults with a PDUFA date of September 26, 2024. KarXT is also in registrational trials for both adjunctive therapy to existing standard of care agents in schizophrenia and for the treatment of psychosis in patients with Alzheimer's disease.

BMS will acquire all of the issued and outstanding shares of Karuna's common stock for \$330.00 per share in an all-cash transaction for a total consideration of \$14.0 billion. The accounting treatment as a business combination or asset acquisition will be determined in the period the transaction closes. The transaction is expected to close in the first half of 2024, subject to customary closing conditions, including approval of Karuna stockholders and receipt of regulatory approvals. The acquisition will be funded primarily with future debt proceeds.

#### RayzeBio

In December 2023, BMS entered into a definitive merger agreement to acquire RayzeBio, a clinical-stage radiopharmaceutical therapeutics (RPT) company with actinium-based RPTs for solid tumors. The acquisition will provide BMS with rights to RayzeBio's actinium-based radiopharmaceutical platform and lead asset, RYZ101, which is in Phase III development for treatment of gastroenteropancreatic neuroendocrine tumors.

BMS will acquire all of the issued and outstanding shares of RayzeBio's common stock for \$62.50 per share in an all-cash transaction for a total consideration of \$4.1 billion. The transaction is expected to be accounted for as a business combination and is anticipated to close in the first half of 2024, subject to fulfillment of customary closing conditions, including receipt of required regulatory approvals. The acquisition will be funded primarily with future debt proceeds.

#### Orum

In November 2023, BMS acquired the rights to Orum's ORM-6151 program, which is in preclinical development. ORM-6151 is a anti-CD33 antibody-enabled GSPT1 degrader that has received the FDA's clearance for Phase I for the treatment of patients with acute myeloid leukemia or high-risk myelodysplastic syndromes. The consideration included an upfront payment of \$100 million, as well as contingent development milestone payments up to \$80 million. The upfront payment was expensed to Acquired IPRD.

#### Turning Point

In 2022, BMS acquired Turning Point for \$4.1 billion of cash (or \$3.3 billion net of cash acquired). Turning Point was a clinical-stage precision oncology company with a pipeline of investigational medicines designed to target the common mutations and alterations that drive cancer growth. The acquisition provided BMS rights to Turning Point's lead asset, repotrectinib, and other clinical and pre-clinical stage assets. Repotrectinib was approved by the FDA in November 2023 and is marketed under the brand name *Augtyro*.

The transaction was accounted for as a business combination in which all assets acquired and liabilities assumed were recognized at fair value as of the acquisition date.

Total consideration for the acquisition consisted of the following:

Dollars in millions

Cash consideration for outstanding shares	\$	3,811
Cash consideration for equity awards		302
Consideration paid		4,113
Less: unvested stock awards <sup>(a)</sup>		153
Total consideration allocated	\$	3,960

(a) Included unvested equity awards of \$73 million expensed in Marketing, selling, and administrative and \$80 million expensed in Research and development in 2022.

The purchase price allocation resulted in the following amounts being allocated to the assets acquired and liabilities assumed as of the acquisition date based upon their respective fair values summarized below:

Dollars in millions

Cash and cash equivalents	\$	795
Other current assets		14
Intangible assets <sup>(a)</sup>		2,971
Deferred income tax assets		229
Other non-current assets		10
Deferred income tax liabilities		(643)
Other current liabilities		(111)
Identifiable net assets acquired	\$	3,265
Goodwill <sup>(b)</sup>		695
Total consideration allocated	\$	3,960

(a) Intangible assets included \$2.8 billion of IPRD allocated to repotrectinib (*Augtyro*). The estimated fair value of IPRD assets was determined using income approach valuation method.

(b) Goodwill resulted primarily from the recognition of deferred tax liabilities and is not deductible for tax purposes.

The results of Turning Point's operations were included in the consolidated financial statements commencing August 18, 2022, and were not material. Historical financial results of the acquired entity were not significant.

## Divestitures

The following table summarizes the financial impact of divestitures including royalty income, which is included in Other (income)/expense, net. Revenue and pretax earnings related to all divestitures were not material in all periods presented (excluding divestiture gains or losses).

Dollars in millions	Net Proceeds			Divestiture (Gains)/Losses			Royalty Income		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Diabetes business - royalties	\$ 846	\$ 767	\$ 612	\$ —	\$ —	\$ —	\$ (862)	\$ (810)	\$ (622)
Mature products and other <sup>(a)</sup>	12	390	136	—	(211)	(9)	—	(22)	(44)
Total	\$ 858	\$ 1,157	\$ 748	\$ —	\$ (211)	\$ (9)	\$ (862)	\$ (832)	\$ (666)

(a) Includes cash proceeds of \$221 million and a divestiture gain of \$211 million related to the sale of several mature products of Cheplapharm in 2022.

### Diabetes Business

In 2014, BMS and AstraZeneca terminated their diabetes business alliance agreements and BMS sold to AstraZeneca substantially all of the diabetes business comprising the alliance. Consideration for the transaction included tiered royalty payments ranging from 10% to 25% based on net sales through 2025. Royalties were \$960 million in 2023, \$924 million in 2022 and \$725 million in 2021.

In 2015 and 2017, BMS transferred a percentage of its future royalty rights on *Amylin*, *Onglyza*\* and *Farxiga*\* net product sales to third parties. As a result of these transfers, the royalty income associated with these products was reduced by \$98 million in 2023, \$114 million in 2022 and \$103 million in 2021.

#### Mature Products and Other

#### Manufacturing Operations

In 2022, BMS agreed to sell its manufacturing facility in Syracuse, New York to LOTTE Corporation and accounted for the business as held-for-sale, which resulted in a \$63 million impairment charge recorded to Cost of products sold. Assets and liabilities reclassified to held-for-sale were included within Other current assets and Other current liabilities and were \$172 million and \$20 million, respectively, as of December 31, 2022. In January 2023, BMS completed the sale resulting in cash proceeds of \$159 million, which was received in December 2022.

### **Licensing and Other Arrangements**

#### Royalty and Licensing Income

The following table summarizes the financial impact of *Keytruda*\* royalties, *Tecentriq*\* royalties, upfront licensing fees and milestones for products that have not obtained commercial approval, which are included in Other (income)/expense, net.

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
<i>Keytruda</i> * royalties	\$ (1,186)	\$ (1,001)	\$ (841)
<i>Tecentriq</i> * royalties	(107)	(93)	(90)
Upfront licensing fees	—	—	(34)
Contingent milestone income	(91)	(50)	(18)
Amortization of deferred income	(51)	(53)	(39)
Biohaven sublicense income	—	(55)	—
Other royalties	(53)	(31)	(45)
Total	<u>\$ (1,488)</u>	<u>\$ (1,283)</u>	<u>\$ (1,067)</u>

#### LianBio (mavacamten)

In October 2023, BMS reacquired the rights for mavacamten in China and certain other Asian territories from LianBio. The transaction resulted in a \$445 million Acquired IPRD charge which included the cash transferred of \$350 million and the carrying value of previously established License intangible asset.

#### Keytruda\* Patent License Agreement

BMS and Ono are parties to a global patent license agreement with Merck related to Merck's PD-1 antibody *Keytruda*\*. Under the agreement, Merck was obligated to pay ongoing royalties on global sales of *Keytruda*\* of 6.5% through December 31, 2023, and will pay 2.5% from January 1, 2024 through December 31, 2026. The companies also granted certain rights to each other under their respective patent portfolios pertaining to PD-1. Payments and royalties are shared between BMS and Ono on a 75/25 percent allocation, respectively after adjusting for each parties' legal fees.

#### Tecentriq\* Patent License Agreement

BMS and Ono are parties to a global patent license agreement with Roche Group related to *Tecentriq*\*, Roche's anti-PD-L1 antibody. Under the agreement, Roche is obligated to pay single-digit royalties on worldwide net sales of *Tecentriq*\* through December 31, 2026. The royalties are shared between BMS and Ono consistent with existing agreements.

### In-license and other arrangements

#### *Immatix*

In 2022, BMS obtained a global exclusive license to Immatix's TCR bispecific IMA401 program, which is being studied in oncology. BMS and Immatix collaborate on the development and BMS will be responsible for the commercialization of IMA401 worldwide, including strategic decisions, regulatory responsibilities, funding and manufacturing. Immatix has the option to co-fund U.S. development in exchange for enhanced U.S. royalty payments and/or to co-promote IMA401 in the U.S. The transaction included an upfront payment of \$150 million which was expensed to Acquired IPRD in 2022. Immatix is eligible to receive contingent development, regulatory and sales-based milestones up to \$770 million, as well as royalties on global net sales.

#### *Agenus*

In 2021, BMS obtained a global exclusive license to Agenus' proprietary AGEN1777 bispecific antibody program that blocks TIGIT and an additional target. AGEN1777 is being studied in oncology. BMS is responsible for the development and any subsequent commercialization of AGEN1777 and its related products worldwide, including strategic decisions, regulatory responsibilities, funding and manufacturing. The transaction included a payment of \$200 million which was expensed to Acquired IPRD in 2021. In addition, Agenus is eligible to receive contingent development, regulatory and sales-based milestones up to \$1.4 billion as well as royalties on global net sales.

#### *Dragonfly*

In 2020, BMS obtained a global exclusive license to Dragonfly's interleukin-12 ("IL-12") investigational immunotherapy program. In 2022, a Phase I development milestone for IL-12 was achieved resulting in a \$175 million payment to Dragonfly which was expensed to Acquired IPRD. In 2023, BMS notified Dragonfly that it was terminating the global exclusive license that relates to Dragonfly's IL-12 program and all rights were reverted back to Dragonfly.

#### *Other*

In 2022, BMS amended the terms of a license arrangement and paid a third party \$295 million to extinguish a future royalty obligation related to *Camzyos* (mavacamten), prior to its FDA approval in April 2022, resulting in an Acquired IPRD charge.

### **Note 5. OTHER (INCOME)/EXPENSE, NET**

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Interest expense	\$ 1,166	\$ 1,232	\$ 1,334
Royalty and licensing income (Note 4)	(1,488)	(1,283)	(1,067)
Royalty income - divestitures (Note 4)	(862)	(832)	(666)
Equity investment losses/(gains), net (Note 9)	160	801	(745)
Integration expenses (Note 6)	242	440	564
Loss on debt redemption (Note 10)	—	266	281
Divestiture gains (Note 4)	—	(211)	(9)
Litigation and other settlements	(390)	178	82
Investment income	(449)	(171)	(39)
Provision for restructuring (Note 6)	365	75	169
Contingent consideration	(8)	(9)	(542)
Other	106	90	(82)
Other (income)/expense, net	\$ (1,158)	\$ 576	\$ (720)

### Litigation and Other Settlements

#### *BeiGene Settlement*

In 2023, BMS and BeiGene, Ltd. ("BeiGene") entered into an agreement that settled all on-going disputes and claims between the parties, including those related to the *Abraxane* license and supply agreements and related arbitration proceedings as further described in "—Note 20. Legal Proceedings and Contingencies."

The agreement also provided for the termination of all contractual relationships between the parties, including the license and supply arrangements pertaining to *Revlimid* and *Vidaza* effective as of December 31, 2023, subject to BeiGene's right to continue to sell all remaining inventory beyond that date. In consideration for the above, BMS agreed to transfer 23.3 million of BeiGene ordinary shares of common stock held under a share subscription agreement back to BeiGene resulting in \$322 million of expense that was included in Other (income)/expense, net in 2023. The expense was determined based on the closing price of the shares on the date of the transfer. In addition, the remaining BeiGene ordinary shares owned by BMS under the share subscription agreement were converted to American Depositary Shares, which were subsequently sold in 2023.

#### *AstraZeneca Settlement*

In 2023, BMS entered into an agreement with AstraZeneca to settle all outstanding claims between the parties in the CTLA-4 litigation and the two PD-L1 antibody litigations, as further described in "—Note 20. Legal Proceedings and Contingencies." AstraZeneca will pay an aggregate of \$560 million to BMS in four payments through September 2026, which will be subject to sharing arrangements with Ono and Dana-Farber. BMS's share is approximately \$418 million, of which the net present value of \$384 million was reflected in Other (income)/expense in 2023.

#### *Nimbus Change of Control Income*

In 2022, BMS and Nimbus entered into a settlement resolving all legal claims and business interests pertaining to Nimbus' TYK2 inhibitor resulting in \$40 million of income included in Other (income)/expense. The settlement also provides for BMS to receive additional amounts for contingent development, regulatory approval and sales-based milestones and 10% of any change in control proceeds received by Nimbus related to its TYK2 inhibitor. In 2023, Takeda acquired 100% ownership of Nimbus' TYK2 inhibitor for approximately \$4.0 billion in upfront proceeds plus contingent sales-based milestones aggregating up to \$2.0 billion. As a result, \$400 million of income related to the change of control provision was included in Other (income)/expense in 2023.

### Contingent Consideration

Contingent consideration in 2021 included \$513 million of fair value adjustments resulting from the change in the traded price of contingent value rights issued with the Celgene acquisition. The contractual obligation to pay the contingent value rights terminated in January 2021 because the FDA did not approve liso-cel (JCAR017) by December 31, 2020.

## **Note 6. RESTRUCTURING**

### *2023 Restructuring Plan*

In 2023, BMS commenced a restructuring plan to accelerate the delivery of medicines to patients by evolving and streamlining its enterprise operating model in key areas, such as R&D, manufacturing, commercial and other functions, to ensure its operating model supports and is appropriately aligned with the Company's strategy to invest in key priorities. These changes primarily include (i) transforming R&D operations to accelerate pipeline delivery, (ii) enhancing our commercial operating model, and (iii) establishing a more responsive manufacturing network and expanding our cell therapy manufacturing capabilities. Charges of approximately \$1.0 billion are expected to be incurred through 2025, consisting primarily of employee termination costs and to a lesser extent site exit costs, including impairment and accelerated depreciation of property, plant and equipment.

### *Celgene and Other Acquisition Plans*

Restructuring and integration plans were initiated to realize expected cost synergies resulting from cost savings and avoidance from the acquisition of Celgene (2019), MyoKardia (2020) and Turning Point (2022). As part of these plans, the Company expects to incur charges of approximately \$3.9 billion. Cumulative charges of approximately \$3.6 billion have been recognized to date including integration planning and execution expenses, employee termination benefit costs and accelerated stock-based compensation, contract termination costs and other shutdown costs associated with site exits. The remaining charges are primarily related to Celgene's IT system integration.

The following provides the charges related to restructuring initiatives by type of cost:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
2023 Restructuring Plan	\$ 442	\$ —	\$ —
Celgene and Other Acquisition Plans	335	520	751
Total charges	\$ 777	\$ 520	\$ 751
Employee termination costs	\$ 350	\$ 69	\$ 159
Other termination costs	15	6	10
Provision for restructuring	365	75	169
Integration expenses	242	440	564
Accelerated depreciation	42	5	2
Asset impairments	126	—	24
Other shutdown costs, net	2	—	(8)
Total charges	\$ 777	\$ 520	\$ 751
Cost of products sold	\$ 64	\$ —	\$ 24
Marketing, selling and administrative	94	5	3
Research and development	12	—	—
Other (income)/expense, net	607	515	724
Total charges	\$ 777	\$ 520	\$ 751

The following summarizes the charges and spending related to restructuring plan activities:

Dollars in millions	Year Ended December 31,	
	2023	2022
Liability at January 1	\$ 47	\$ 101
Provision for restructuring <sup>(a)</sup>	365	75
Payments	(225)	(122)
Foreign currency translation and other	1	(7)
Liability at December 31	\$ 188	\$ 47

(a) Includes reductions to the liability resulting from changes in estimates of \$9 million in 2023 and \$7 million in 2022.

## Note 7. INCOME TAXES

The provision/(benefit) for income taxes consisted of:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Current:			
U.S.	\$ 2,745	\$ 3,017	\$ 1,879
Non-U.S.	943	1,089	598
Total current	3,688	4,106	2,477
Deferred:			
U.S.	(2,339)	(2,889)	(1,255)
Non-U.S.	(949)	151	(138)
Total deferred	(3,288)	(2,738)	(1,393)
Total Provision for Income Taxes	\$ 400	\$ 1,368	\$ 1,084

## Effective Tax Rate

The reconciliation of the effective tax rate to the U.S. statutory Federal income tax rate was as follows:

Dollars in millions	% of Earnings Before Income Taxes					
	2023		2022		2021	
Earnings before income taxes:						
U.S.	\$ 2,624		\$ (140)		\$ 1,593	
Non-U.S.	5,816		7,853		6,505	
Total	8,440		7,713		8,098	
U.S. statutory rate	1,772	21.0 %	1,620	21.0 %	1,701	21.0 %
GILTI, net of foreign derived intangible income deduction	223	2.6 %	634	8.2 %	645	8.0 %
Foreign tax effect of certain operations in Ireland, Puerto Rico and Switzerland	(850)	(10.1)%	(416)	(5.4)%	(143)	(1.8)%
Non-U.S. tax ruling	(656)	(7.8)%	—	— %	—	— %
Internal transfers of intangible and other assets	—	— %	(93)	(1.2)%	(983)	(12.1)%
U.S. Federal valuation allowance	(171)	(2.0)%	58	0.8 %	6	0.1 %
U.S. Federal, state and foreign contingent tax matters	143	1.7 %	(297)	(3.9)%	154	1.9 %
U.S. Federal research-based credits	(243)	(2.9)%	(142)	(1.8)%	(165)	(2.0)%
Charitable contributions of inventory	(75)	(0.9)%	(94)	(1.2)%	(42)	(0.5)%
Contingent value rights	—	— %	—	— %	(108)	(1.3)%
Puerto Rico excise tax credit	—	— %	(144)	(1.9)%	(152)	(1.9)%
State and local taxes (net of valuation allowance)	92	1.1 %	103	1.3 %	33	0.4 %
Foreign and other	165	2.0 %	139	1.8 %	138	1.6 %
Total Provision for Income Taxes	\$ 400	4.7 %	\$ 1,368	17.7 %	\$ 1,084	13.4 %

GILTI, net of foreign derived intangible income deduction includes a benefit of approximately \$325 million due to the revised 2023 guidance regarding the deductibility of certain research and development expenses.

Foreign tax effect of certain operations in Ireland, Puerto Rico and Switzerland includes the impact of earnings mix and a \$123 million benefit from the impact of foreign currency on net operating loss and other carryforwards in 2023.

The Non-U.S. tax ruling includes a \$656 million deferred income tax benefit regarding the deductibility of a statutory impairment of subsidiary investments in 2023.

Internal transfers of intangible and other assets to streamline our legal entity structure subsequent to the Celgene acquisition resulted in a tax benefit in 2022 and 2021.

U.S. Federal valuation allowance includes a \$193 million reversal related to unrealized equity investment losses in 2023.

U.S. Federal, state and foreign contingent tax matters include tax benefits related to lapse of statute and effectively settled contingent tax matters of \$89 million in 2023 and \$522 million in 2022.

U.S. Federal research-based credits includes credits both on research and development as well as orphan drug. The credits in 2023 include revised estimates upon finalization of prior year tax returns.

Fair value adjustments for contingent value rights are not taxable or tax deductible.

Puerto Rico imposed an excise tax on the gross company purchase price of goods sold from BMS's manufacturer in Puerto Rico. The excise tax was recognized in Cost of products sold when the intra-entity sale occurred. For U.S. income tax purposes, the excise tax was not deductible but resulted in foreign tax credits that were generally recognized in BMS's provision for income taxes when the excise tax was incurred. As of December 31, 2022, BMS amended its existing Puerto Rico decree, eliminating the excise tax and increasing its Puerto Rico tax rate to 10.5% effective for the tax year beginning January 1, 2023, and extending BMS's tax grants an additional 15 years to 2038.

## Deferred Taxes and Valuation Allowance

The components of deferred income tax assets/(liabilities) were as follows:

Dollars in millions	December 31,	
	2023	2022
<b>Deferred tax assets</b>		
Foreign net operating loss and other carryforwards	\$ 2,017	\$ 566
State net operating loss and credit carryforwards	349	329
U.S. Federal capital loss, net operating loss and tax credit	249	236
Milestone payments and license fees	918	1,030
Capitalized research expenditures	2,682	1,573
Other	1,883	1,284
Total deferred tax assets	8,098	5,018
Valuation allowance	(764)	(873)
Deferred tax assets net of valuation allowance	\$ 7,334	\$ 4,145
<b>Deferred tax liabilities</b>		
Acquired intangible assets	\$ (4,052)	\$ (4,362)
Goodwill and other	(852)	(605)
Total deferred tax liabilities	\$ (4,904)	\$ (4,967)
Deferred tax assets/(liabilities), net	\$ 2,430	\$ (822)
Recognized as:		
Deferred income taxes assets – non-current	\$ 2,768	\$ 1,344
Deferred income taxes liabilities – non-current	(338)	(2,166)
Total	\$ 2,430	\$ (822)

BMS is not indefinitely reinvested with respect to its undistributed earnings from foreign subsidiaries and has provided a deferred tax liability for foreign and state income and withholding tax that would apply. BMS remains indefinitely reinvested with respect to its financial statement basis in excess of tax basis of its foreign subsidiaries. A determination of the deferred tax liability with respect to this basis difference is not practicable.

Foreign net operating loss and other carryforwards includes the impact of a non-U.S. tax ruling regarding the deductibility of a statutory impairment of subsidiary investments.

The U.S. Federal net operating loss carryforwards were \$420 million at December 31, 2023. These carryforwards were acquired as a result of certain acquisitions and are subject to limitations under Section 382 of the Internal Revenue Code. The net operating loss carryforwards expire in varying amounts beginning in 2024. The foreign and state net operating loss carryforwards expire in varying amounts beginning in 2024 (certain amounts have unlimited lives).

At December 31, 2023, a valuation allowance of \$764 million exists for the following items: \$319 million primarily for foreign net operating loss and tax credit carryforwards, \$303 million for state deferred tax assets including net operating loss and tax credit carryforwards and \$142 million for U.S. Federal deferred tax assets including equity investment fair value adjustments and U.S. Federal net operating loss carryforwards.

Changes in the valuation allowance were as follows:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 873	\$ 1,056	\$ 2,809
Provision	(39)	213	201
Utilization	(54)	(68)	(1,087)
Foreign currency translation	(19)	(59)	(157)
Acquisitions/(dispositions)/(liquidations), net	—	(271)	(720)
Non-U.S. rate change	3	2	10
Balance at end of year	\$ 764	\$ 873	\$ 1,056



In 2022 and 2021, certain foreign net operating losses and related valuation allowances were utilized or eliminated as a result of internal legal entity restructurings.

Income tax payments were \$4.3 billion in 2023, \$5.4 billion in 2022 and \$3.5 billion in 2021.

In connection with the enactment of the TCJA, we were required to pay a one-time transition tax and elected to pay over a period of eight years as permitted under the TCJA. The remaining amounts payable are as follows: \$799 million in 2024; \$1.0 billion in 2025; and \$244 million in 2026.

Business is conducted in various countries throughout the world and is subject to tax in numerous jurisdictions. A significant number of tax returns that are filed are subject to examination by various federal, state and local tax authorities. Tax examinations are often complex, as tax authorities may disagree with the treatment of items reported requiring several years to resolve. Liabilities are established for possible assessments by tax authorities resulting from known tax exposures including, but not limited to, transfer pricing matters, tax credit deductibility of certain expenses, and deemed repatriation transition tax. Such liabilities represent a reasonable provision for taxes ultimately expected to be paid and may need to be adjusted over time as more information becomes known. The effect of changes in estimates related to contingent tax liabilities is included in the effective tax rate reconciliation above.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows (excluding interest and penalties):

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 1,766	\$ 2,042	\$ 2,003
Gross additions to tax positions related to current year	38	53	66
Gross additions to tax positions related to prior years	145	137	75
Gross additions to tax positions assumed in acquisitions	—	15	—
Gross reductions to tax positions related to prior years	(5)	(381)	(22)
Settlements	(30)	(8)	(70)
Reductions to tax positions related to lapse of statute	(4)	(83)	(5)
Cumulative translation adjustment	4	(9)	(5)
Balance at end of year	\$ 1,914	\$ 1,766	\$ 2,042

Additional information regarding unrecognized tax benefits is as follows:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Unrecognized tax benefits that if recognized would impact the effective tax rate	\$ 1,872	\$ 1,736	\$ 1,957
Accrued interest	434	332	424
Accrued penalties	23	25	26
Interest and penalties expense/(benefit)	110	(87)	66

Accrued interest and penalties payable for unrecognized tax benefits are included in either current or non-current income taxes payable. Interest and penalties related to unrecognized tax benefits are included in income tax expense. These amounts reflect the beneficial impacts of various tax settlements, including the settlement discussed below.

BMS is currently under examination by a number of tax authorities that proposed or are considering proposing material adjustments to tax positions for issues such as transfer pricing, certain tax credits and the deductibility of certain expenses. As previously disclosed, BMS received several notices of proposed adjustments from the IRS related to transfer pricing and other tax issues for the 2008 to 2012 tax years. BMS disagrees with the IRS's positions and continues to work cooperatively with the IRS to resolve these issues. In 2022, BMS entered the IRS administrative appeals process to resolve these matters. Timing of the final resolution of these complex matters is uncertain and could have a material impact on BMS's financial statements. Tax positions for these years unrelated to matters that entered the administrative appeals process are considered effectively settled.

It is reasonably possible that new issues will be raised by tax authorities that may increase unrecognized tax benefits; however, an estimate of such increases cannot reasonably be made at this time. BMS believes that it has adequately provided for all open tax years by tax jurisdiction.

It is also reasonably possible that the total amount of unrecognized tax benefits at December 31, 2023 could decrease in the range of approximately \$100 million to \$140 million in the next twelve months as a result of the settlement of certain tax audits and other events. The expected change in unrecognized tax benefits may result in the payment of additional taxes, adjustment of certain deferred taxes and/or recognition of tax benefits. The following is a summary of major tax jurisdictions for which tax authorities may assert additional taxes based upon tax years currently under audit and subsequent years that will likely be audited:

U.S.	2008 to 2012, 2016 to 2023
Canada	2012 to 2023
France	2020 to 2023
Germany	2015 to 2023
Italy	2019 to 2023
Japan	2018 to 2023
UK	2012 to 2023

#### Note 8. EARNINGS/(LOSS) PER SHARE

	Year Ended December 31,		
	2023	2022	2021
Amounts in millions, except per share data			
Net earnings attributable to BMS	\$ 8,025	\$ 6,327	\$ 6,994
Weighted-average common shares outstanding - basic	2,069	2,130	2,221
Incremental shares attributable to share-based compensation plans	9	16	24
Weighted-average common shares outstanding - diluted	2,078	2,146	2,245
Earnings per common share			
Basic	\$ 3.88	\$ 2.97	\$ 3.15
Diluted	3.86	2.95	3.12

The total number of potential shares of common stock excluded from the diluted earnings per share computation because of the antidilutive impact was not material in 2023, 2022 and 2021.

#### Note 9. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Financial instruments include cash and cash equivalents, marketable debt securities, equity investments, accounts receivable and payable, debt instruments and derivatives.

Changes in exchange rates and interest rates create exposure to market risk. Certain derivative financial instruments are used when available on a cost-effective basis to hedge the underlying economic exposure. These instruments qualify as cash flow, net investment and fair value hedges upon meeting certain criteria, including effectiveness of offsetting hedged exposures. Changes in fair value of derivatives that do not qualify for hedge accounting are recognized in earnings as they occur. Derivative financial instruments are not used for trading purposes.

Financial instruments are subject to counterparty credit risk which is considered as part of the overall fair value measurement. Counterparty credit risk is monitored on an ongoing basis and mitigated by limiting amounts outstanding with any individual counterparty, utilizing conventional derivative financial instruments and only entering into agreements with counterparties that meet high credit quality standards. The consolidated financial statements would not be materially impacted if any counterparty failed to perform according to the terms of its agreement. Collateral is not required by any party whether derivatives are in an asset or liability position under the terms of the agreements.

**Fair Value Measurements** — The fair value of financial instruments are classified into one of the following categories:

Level 1 inputs utilize unadjusted quoted prices in active markets accessible at the measurement date for identical assets or liabilities. The fair value hierarchy provides the highest priority to Level 1 inputs.

Level 2 inputs utilize observable prices for similar instruments and quoted prices for identical or similar instruments in non-active markets. Additionally, certain corporate debt securities utilize a third-party matrix pricing model using significant inputs corroborated by market data for substantially the full term of the assets. Equity and fixed income funds are primarily invested in publicly traded securities valued at the respective NAV of the underlying investments. Level 2 derivative instruments are valued using SOFR yield curves, less credit valuation adjustments, and observable forward foreign exchange rates at the reporting date. Valuations of derivative contracts may fluctuate considerably from volatility in underlying foreign currencies and underlying interest rates driven by market conditions and the duration of the contract. The fair value of Level 2 equity investments is adjusted for characteristics specific to the security and is not adjusted for contractual sale restrictions. Equity investments subject to contractual sale restrictions were not material as of December 31, 2023 and 2022.

Level 3 unobservable inputs are used when little or no market data is available. Level 3 financial liabilities consist of other acquisition related contingent consideration and success payments related to undeveloped product rights.

There were no transfers between Levels 1, 2 and 3 during the year ended December 31, 2023.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

Dollars in millions	December 31, 2023			December 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Cash and cash equivalents</b>						
Money market and other securities	\$ —	\$ 8,489	\$ —	\$ —	\$ 7,770	\$ —
<b>Marketable debt securities</b>						
Certificates of deposit	—	609	—	—	32	—
Commercial paper	—	92	—	—	98	—
Corporate debt securities	—	460	—	—	—	—
U.S. Treasury securities	—	19	—	—	—	—
Derivative assets	—	219	—	—	305	—
Equity investments	318	141	—	424	680	—
Derivative liabilities	—	160	—	—	213	—
<b>Contingent consideration liability</b>						
Contingent value rights	4	—	—	5	—	—
Other acquisition related contingent consideration	—	—	8	—	—	24

#### Marketable Debt Securities

The amortized cost for marketable debt securities approximates its fair value and these securities mature within four years as of December 31, 2023, and one year as of December 31, 2022.

#### Equity Investments

The following summarizes the carrying amount of equity investments:

Dollars in millions	December 31,	
	2023	2022
Equity investments with readily determinable fair values	\$ 459	\$ 1,104
Equity investments without readily determinable fair values	698	537
Limited partnerships and other equity method investments	542	546
Total equity investments	\$ 1,699	\$ 2,187

The following summarizes the activity related to equity investments. Changes in fair value of equity investments are included in Other (income)/expense, net.

Dollars in millions	Year ended December 31,		
	2023	2022	2021
<b>Equity investments with readily determined fair values</b>			
Net loss recognized	\$ 117	\$ 762	\$ 403
Net (gain) recognized on investments sold	(3)	(17)	(357)
Net unrealized loss recognized on investments still held	120	779	760
<b>Equity investments without readily determinable fair values</b>			
Upward adjustments	(9)	(80)	(918)
Impairments and downward adjustments	14	11	1
Equity in net (income)/loss of affiliates	38	108	(231)
Total equity investment losses/(gains)	160	801	(745)

Cumulative upwards adjustments and cumulative impairments and downward adjustments based on observable price changes in equity investments without readily determinable fair values still held as of December 31, 2023 were \$190 million and \$75 million, respectively.

### Qualifying Hedges and Non-Qualifying Derivatives

#### Cash Flow Hedges

BMS enters into foreign currency forward and purchased local currency put option contracts (foreign exchange contracts) to hedge certain forecasted intercompany inventory sales and certain other foreign currency transactions. The objective of these foreign exchange contracts is to reduce variability caused by changes in foreign exchange rates that would affect the U.S. dollar value of future cash flows derived from foreign currency denominated sales, primarily the euro and Japanese yen. The fair values of these derivative contracts are recorded as either assets (gain positions) or liabilities (loss positions) in the consolidated balance sheets. Changes in fair value for these foreign exchange contracts, which are designated as cash flow hedges, are temporarily recorded in Accumulated other comprehensive loss ("AOCL") and reclassified to net earnings when the hedged item affects earnings (typically within the next 24 months). As of December 31, 2023, assuming market rates remain constant through contract maturities, we expect to reclassify pre-tax gains of \$4 million into Cost of products sold for our foreign exchange contracts out of AOCL during the next 12 months. The notional amount of outstanding foreign currency exchange contracts was primarily \$4.4 billion for the euro contracts and \$1.2 billion for Japanese yen contracts as of December 31, 2023.

BMS also enters into cross-currency swap contracts to hedge exposure to foreign currency exchange rate risk associated with its long-term debt denominated in euros. These contracts convert interest payments and principal repayment of the long-term debt to U.S. dollars from euros and are designated as cash flow hedges. The unrealized gains and losses on these contracts are reported in AOCL and reclassified to Other (income)/expense, net, in the same periods during which the hedged debt affects earnings. The notional amount of cross-currency interest rate swap contracts associated with long-term debt denominated in euros was \$1.2 billion as of December 31, 2023.

Cash flow hedge accounting is discontinued when the forecasted transaction is no longer probable of occurring within 60 days after the originally forecasted date or when the hedge is no longer effective. Assessments to determine whether derivatives designated as qualifying hedges are highly effective in offsetting changes in the cash flows of hedged items are performed at inception and on a quarterly basis. The earnings impact related to discontinued cash flow hedges and hedge ineffectiveness was not material during all periods presented. Foreign currency exchange contracts not designated as a cash flow hedge offset exposures in certain foreign currency denominated assets, liabilities and earnings. Changes in the fair value of these derivatives are recognized in earnings as they occur.

#### *Net Investment Hedges*

Cross-currency swap contracts and foreign currency forward contracts of \$962 million as of December 31, 2023 are designated to hedge currency exposure of BMS's net investment in its foreign subsidiaries. Contract fair value changes are recorded in the foreign currency translation component of AOCL with a related offset in derivative asset or liability in the consolidated balance sheets. The notional amount of outstanding cross-currency swap and foreign currency forward contracts was primarily attributed to the Japanese yen of \$524 million and euro of \$438 million as of December 31, 2023.

During the years ended December 31, 2023, 2022 and 2021, the amortization of gains related to the portion of our net investment hedges that was excluded from the assessment of effectiveness was not material.

#### *Fair Value Hedges*

Fixed to floating interest rate swap contracts are designated as fair value hedges and used as an interest rate risk management strategy to create an appropriate balance of fixed and floating rate debt. The contracts and underlying debt for the hedged benchmark risk are recorded at fair value. Gains or losses resulting from changes in fair value of the underlying debt attributable to the hedged benchmark interest rate risk are recorded in interest expense with an associated offset to the carrying value of debt. Since the specific terms and notional amount of the swap are intended to align with the debt being hedged, all changes in fair value of the swap are recorded in interest expense with an associated offset to the derivative asset or liability on the consolidated balance sheet. As a result, there was no net impact in earnings. If the underlying swap is terminated prior to maturity, then the fair value adjustment to the underlying debt is amortized as a reduction to interest expense over the remaining term of the debt.

Derivative cash flows, with the exception of net investment hedges, are principally classified in the operating section of the consolidated statements of cash flows, consistent with the underlying hedged item. Cash flows related to net investment hedges are classified in investing activities.

The following summarizes the fair value of outstanding derivatives:

	December 31, 2023				December 31, 2022			
	Asset <sup>(a)</sup>		Liability <sup>(b)</sup>		Asset <sup>(a)</sup>		Liability <sup>(b)</sup>	
	Notional	Fair Value	Notional	Fair Value	Notional	Fair Value	Notional	Fair Value
Dollars in millions								
<b>Designated as cash flow hedges</b>								
Foreign exchange contracts	4,772	130	1,971	(66)	5,771	271	2,281	(80)
Cross-currency swap contracts	1,210	50	—	—	—	—	584	(7)
<b>Designated as net investment hedges</b>								
Foreign exchange contracts	—	—	215	(8)	—	—	—	—
Cross-currency swap contracts	—	—	747	(43)	72	1	1,157	(78)
<b>Designated as fair value hedges</b>								
Interest rate swap contracts	2,500	3	1,755	(14)	—	—	255	(18)
<b>Not designated as hedges</b>								
Foreign currency exchange contracts	906	20	1,250	(29)	1,564	33	1,703	(19)
Total return swap contracts <sup>(c)</sup>	401	16	—	—	—	—	322	(11)

(a) Included in Other current assets and Other non-current assets.

(b) Included in Other current liabilities and Other non-current liabilities.

(c) Total return swap contracts were entered into to hedge changes in fair value of certain deferred compensation liabilities.

The following table summarizes the financial statement classification and amount of (gain)/loss recognized on hedging instruments:

	Year Ended December 31,					
	2023		2022		2021	
	Cost of products sold	Other (income)/expense, net	Cost of products sold	Other (income)/expense, net	Cost of products sold	Other (income)/expense, net
Dollars in millions						
Interest rate swap contracts	\$ —	\$ (5)	\$ —	\$ (27)	\$ —	\$ (31)
Cross-currency swap contracts	—	(65)	—	(52)	—	(11)
Foreign exchange contracts	(303)	(95)	(492)	(96)	96	(21)

The following table summarizes the effect of derivative and non-derivative instruments designated as hedging instruments in Other Comprehensive Income/(Loss):

	Year Ended December 31,		
	2023	2022	2021
Dollars in millions			
<b>Derivatives qualifying as cash flow hedges</b>			
Foreign exchange contracts gain/(loss):			
Recognized in Other Comprehensive Income/(Loss)	\$ 13	\$ 592	\$ 364
Reclassified to Cost of products sold	(303)	(492)	96
Cross-currency swap contracts gain/(loss):			
Recognized in Other Comprehensive Income	57	(7)	—
Reclassified to Other (income)/expense, net	(31)	(29)	—
Forward starting interest rate swap contract loss:			
Reclassified to Other (income)/expense, net	—	(3)	—
<b>Derivatives qualifying as net investment hedges</b>			
Cross-currency swap contracts gain/(loss):			
Recognized in Other Comprehensive Income/(Loss)	52	30	38
Foreign Exchange contracts gain/(loss):			
Recognized in Other Comprehensive Income/(Loss)	(15)	—	—
<b>Non-derivatives qualifying as net investment hedges</b>			
Non-U.S. dollar borrowings gain/(loss):			
Recognized in Other Comprehensive Income/(Loss) <sup>(a)</sup>	(10)	91	83

<sup>(a)</sup> In 2023, the Company de-designated its remaining net investment hedge in debt denominated in euros of €375 million, and the amount represents the effective portion of foreign exchange loss on the remeasurement of the debt.

#### Note 10. FINANCING ARRANGEMENTS

Short-term debt obligations include:

	December 31,	
	2023	2022
Dollars in millions		
Non-U.S. short-term borrowings	\$ 170	\$ 176
Current portion of long-term debt	2,873	3,897
Other	76	191
Total	\$ 3,119	\$ 4,264

Long-term debt and the current portion of long-term debt includes:

Dollars in millions	December 31,	
	2023	2022
Principal Value:		
0.537% Notes due 2023	—	1,500
2.750% Notes due 2023	—	750
3.250% Notes due 2023	—	500
3.250% Notes due 2023	—	890
7.150% Notes due 2023	—	239
2.900% Notes due 2024	2,478	2,478
3.625% Notes due 2024	395	395
0.750% Notes due 2025	1,000	1,000
1.000% Euro Notes due 2025	636	613
3.875% Notes due 2025	229	229
3.200% Notes due 2026	1,750	1,750
6.800% Notes due 2026	256	256
1.125% Notes due 2027	1,000	1,000
3.250% Notes due 2027	512	512
3.450% Notes due 2027	534	534
3.900% Notes due 2028	1,500	1,500
3.400% Notes due 2029	2,400	2,400
1.450% Notes due 2030	1,250	1,250
5.750% Notes due 2031	1,000	—
2.950% Notes due 2032	1,750	1,750
5.900% Notes due 2033	1,000	—
1.750% Euro Notes due 2035	636	613
5.875% Notes due 2036	279	279
6.125% Notes due 2038	219	219
4.125% Notes due 2039	2,000	2,000
2.350% Notes due 2040	750	750
5.700% Notes due 2040	153	153
3.550% Notes due 2042	1,250	1,250
3.250% Notes due 2042	500	500
5.250% Notes due 2043	226	226
4.500% Notes due 2044	342	342
4.625% Notes due 2044	748	748
5.000% Notes due 2045	758	758
4.350% Notes due 2047	1,250	1,250
4.550% Notes due 2048	1,272	1,272
4.250% Notes due 2049	3,750	3,750
2.550% Notes due 2050	1,500	1,500
3.700% Notes due 2052	2,000	2,000
6.250% Notes due 2053	1,250	—
3.900% Notes due 2062	1,000	1,000
6.400% Notes due 2063	1,250	—
6.875% Notes due 2097	63	63
0.130% Convertible debt due 2023	—	15
Total	\$ 38,886	\$ 38,234

Dollars in millions	December 31,	
	2023	2022
Principal Value	\$ 38,886	\$ 38,234
Adjustments to Principal Value:		
Fair value of interest rate swap contracts	(11)	(18)
Unamortized basis adjustment from swap terminations	82	97
Unamortized bond discounts and issuance costs	(303)	(284)
Unamortized purchase price adjustments of Celgene debt	872	924
Total	\$ 39,526	\$ 38,953
Current portion of long-term debt	\$ 2,873	\$ 3,897
Long-term debt	36,653	35,056
Total	\$ 39,526	\$ 38,953

The fair value of long-term debt was \$36.7 billion and \$34.9 billion at December 31, 2023 and 2022, respectively, valued using Level 2 inputs which are based upon the quoted market prices for the same or similar debt instruments. The fair value of short-term borrowings approximates the carrying value due to the short maturities of the debt instruments.

In February 2024, we entered into a \$10.0 billion 364-day senior unsecured delayed draw term loan facility to provide bridge financing for the planned acquisitions of Karuna and RayzeBio. This facility would be drawn only if these acquisitions close prior to our planned issuance of debt securities and, if drawn, would be repaid following the issuance of such securities. No amounts were outstanding as of February 13, 2024.

In 2023, BMS issued an aggregate principal amount of \$4.5 billion of fixed rate unsecured senior notes. The Company used the net proceeds of the offering to finance the acquisition of Mirati in January 2024 and for other general corporate purposes. In 2022, BMS issued an aggregate principal amount of \$6.0 billion of fixed rate unsecured senior notes with net proceeds of \$5.9 billion.

The notes rank equally in right of payment with all of BMS's existing and future senior unsecured indebtedness and are redeemable at any time, in whole, or in part, at varying specified redemption prices plus accrued and unpaid interest.

In 2022, BMS purchased aggregate principal amount of \$6.0 billion of certain of its debt securities for \$6.6 billion of cash in a series of tender offers and "make whole" redemptions. In connection with these transactions, a \$266 million loss on debt redemption was recognized based on the carrying value of the debt and included in Other (income)/expense, net.

In 2021, BMS purchased aggregate principal amount of \$3.5 billion of certain of its debt securities for approximately \$4.0 billion of cash in a series of tender offers and "make whole" redemptions. In connection with these transactions, a \$281 million loss on debt redemption was recognized based on the carrying value of the debt and included in Other (income)/expense, net.

Repayment of notes at maturity aggregated \$3.9 billion in 2023, \$4.8 billion in 2022 and \$2.0 billion in 2021. Interest payments were \$1.2 billion in 2023, \$1.4 billion in 2022 and \$1.5 billion in 2021.

The aggregate maturities of long-term debt for each of the next five years are as follows: \$2.9 billion in 2024; \$1.9 billion in 2025; \$2.0 billion in 2026; \$2.0 billion in 2027; and \$1.5 billion in 2028. Interest payments related to long-term debt for each of the next five years are as follows: \$1.4 billion in 2024; \$1.4 billion in 2025; \$1.3 billion in 2026; \$1.3 billion in 2027; and \$1.2 billion in 2028.

#### *Credit Facilities*

As of December 31, 2023, BMS had a five-year \$5.0 billion revolving credit facility expiring in January 2028, which is extendable annually by one year with the consent of the lenders. In January 2024, we extended the credit facility to January 2029. Additionally, in February 2024, we entered into a \$2.0 billion 364-day revolving credit facility. The facilities provide for customary terms and conditions with no financial covenants and may be used to provide backup liquidity for BMS' commercial paper borrowings. No borrowings were outstanding under any revolving credit facility as of December 31, 2023 or 2022.

Available financial guarantees provided in the form of bank overdraft facilities, stand-by letters of credit and performance bonds were \$1.0 billion as of December 31, 2023. Stand-by letters of credit and guarantees are issued through financial institutions in support of various obligations, including sale of products to hospitals and foreign ministries of health, bonds for customs, and duties and VAT.



**Note 11. RECEIVABLES**

Dollars in millions	December 31,	
	2023	2022
Trade receivables	\$ 9,551	\$ 8,848
Less charge-backs and cash discounts	(646)	(675)
Less allowance for expected credit loss	(23)	(22)
Net trade receivables	8,882	8,151
Alliance, royalties, VAT and other	2,039	1,735
Receivables	<u>\$ 10,921</u>	<u>\$ 9,886</u>

Non-U.S. receivables sold on a nonrecourse basis were \$1.0 billion in 2023, \$1.0 billion in 2022 and \$1.5 billion in 2021. In the aggregate, receivables from three pharmaceutical wholesalers in the U.S. represented approximately 72% and 66% of total trade receivables at December 31, 2023 and 2022, respectively.

Changes to the allowances for expected credit loss, charge-backs and cash discounts were as follows:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 697	\$ 744	\$ 663
Provision <sup>(a)</sup>	9,158	7,476	7,257
Utilization	(9,186)	(7,521)	(7,170)
Other	—	(2)	(6)
Balance at end of year	<u>\$ 669</u>	<u>\$ 697</u>	<u>\$ 744</u>

(a) Includes provision for expected credit loss of \$14 million in 2023, \$7 million in 2022 and \$4 million in 2021.

**Note 12. INVENTORIES**

Dollars in millions	December 31,	
	2023	2022
Finished goods	\$ 663	\$ 509
Work in process	2,430	1,850
Raw and packaging materials	475	464
Total Inventories	<u>\$ 3,568</u>	<u>\$ 2,823</u>
Inventories	\$ 2,662	\$ 2,339
Other non-current assets	906	484

Total inventories include fair value adjustments resulting from the Celgene acquisition of approximately \$84 million as of December 31, 2022.

**Note 13. PROPERTY, PLANT AND EQUIPMENT**

Dollars in millions	December 31,	
	2023	2022
Land	\$ 162	\$ 162
Buildings	6,495	5,920
Machinery, equipment and fixtures	3,717	3,284
Construction in progress	1,075	1,053
Gross property, plant and equipment	11,449	10,419
Less accumulated depreciation	(4,803)	(4,164)
Property, plant and equipment	<u>\$ 6,646</u>	<u>\$ 6,255</u>
United States	\$ 5,040	\$ 4,833
International	1,606	1,422
Total	<u>\$ 6,646</u>	<u>\$ 6,255</u>

Depreciation expense was \$611 million in 2023, \$587 million in 2022 and \$559 million in 2021.

## Note 14. LEASES

Leased facilities for office, research and development, storage and distribution purposes comprise approximately 95% of the total lease obligation. Lease terms vary based on the nature of operations and the market dynamics in each country; however, all leased facilities are classified as operating leases with remaining lease terms between one year and 14 years. Most leases contain specific renewal options for periods ranging between one year and 10 years where notice to renew must be provided in advance of lease expiration or automatic renewals where no advance notice is required. Periods covered by an option to extend the lease were included in the non-cancellable lease term when exercise of the option was determined to be reasonably certain. Certain leases also contain termination options that provide the flexibility to terminate the lease ahead of its expiration with sufficient advance notice. Periods covered by an option to terminate the lease were included in the non-cancellable lease term when exercise of the option was determined not to be reasonably certain. Judgment is required in assessing whether renewal and termination options are reasonably certain to be exercised. Factors are considered such as contractual terms compared to current market rates, leasehold improvements expected to have significant value, costs to terminate a lease and the importance of the facility to operations. Costs determined to be variable and not based on an index or rate were not included in the measurement of real estate lease liabilities. These variable costs include real estate taxes, insurance, utilities, common area maintenance and other operating costs. As the implicit rate on most leases is not readily determinable, an incremental borrowing rate was applied on a portfolio approach to discount its real estate lease liabilities.

The remaining lease obligations are comprised of vehicles and a research and development facility operated by a third party under management's direction. Vehicle lease terms vary by country with terms generally between one year and four years.

The following table summarizes the components of lease expense:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Operating lease cost	\$ 317	\$ 224	\$ 220
Variable lease cost	79	55	44
Short-term lease cost	20	20	17
Sublease income	(11)	(6)	(7)
Total operating lease expense	<u>\$ 405</u>	<u>\$ 293</u>	<u>\$ 274</u>

Operating lease right-of-use assets and liabilities were as follows:

Dollars in millions	December 31,	
	2023	2022
Other non-current assets	\$ 1,390	\$ 1,220
Other current liabilities	\$ 162	\$ 136
Other non-current liabilities	1,530	1,261
Total liabilities	<u>\$ 1,692</u>	<u>\$ 1,397</u>

Future lease payments for non-cancellable operating leases as of December 31, 2023 were as follows:

Dollars in millions	
2024	\$ 225
2025	236
2026	211
2027	205
2028	192
Thereafter	1,061
Total future lease payments	2,130
Less imputed interest	(438)
Total lease liability	<u>\$ 1,692</u>

Right-of-use assets obtained in exchange for new operating lease obligations were \$389 million in 2023. Right-of-use assets impairment charge was \$85 million in 2023. Cash paid for amounts included in the measurement of operating lease liabilities was \$195 million in 2023, \$203 million in 2022 and \$189 million in 2021.

Undiscounted lease obligations for operating leases not yet commenced were \$542 million as of December 31, 2023. The obligation primarily relates to a research and development facility that is being constructed by the lessor and is expected to be ready for use in 2025.

Supplemental balance sheet information related to leases was as follows:

	December 31,	
	2023	2022
Weighted average remaining lease term	10 years	11 years
Weighted average discount rate	4 %	4 %

## Note 15. GOODWILL AND OTHER INTANGIBLE ASSETS

### Goodwill

The changes in the carrying amounts in Goodwill were as follows:

	December 31,	
	2023	2022
Dollars in millions		
Beginning balance	\$ 21,149	\$ 20,502
Turning Point acquisition	—	695
Currency translation and other adjustments	20	(48)
Ending balance	\$ 21,169	\$ 21,149

### Other Intangible Assets

Other intangible assets consisted of the following:

	Estimated Useful Lives	December 31,					
		2023			2022		
Dollars in millions		Gross carrying amounts	Accumulated amortization	Other intangible assets, net	Gross carrying amounts	Accumulated amortization	Other intangible assets, net
Licenses	5 - 15 years	\$ 218	\$ (118)	\$ 100	\$ 400	\$ (128)	\$ 272
Acquired marketed product rights	3 - 15 years	62,858	(40,066)	22,792	60,477	(31,949)	28,528
Capitalized software	3 - 10 years	1,497	(1,027)	470	1,555	(1,056)	499
IPRD		3,710	—	3,710	6,560	—	6,560
Total		\$ 68,283	\$ (41,211)	\$ 27,072	\$ 68,992	\$ (33,133)	\$ 35,859

In November 2023, \$2.8 billion of IPRD, previously allocated to repotrectinib (*Augtyro*), was transferred to Acquired marketed product rights upon obtaining FDA approval. Refer to “—Note 4. Acquisitions, Divestitures, Licensing and Other Arrangements” for further information related to the Turning Point acquisition.

In December 2023, BMS agreed to pay \$400 million to the former shareholders of Impact Biomedicines to extinguish all remaining contingent milestone obligations, which was recorded to Acquired marketed product rights for *Inrebic* in the amount of \$511 million (after establishing the applicable deferred tax liability). The \$400 million was paid in January 2024.

Amortization expense of Other intangible assets was \$9.2 billion in 2023, \$9.7 billion in 2022 and \$10.2 billion in 2021. Future annual amortization expense of Other intangible assets is expected to be approximately \$8.7 billion in 2024, \$3.2 billion in 2025, \$1.7 billion in 2026, \$1.6 billion in 2027 and \$1.6 billion in 2028.

Other intangible asset impairment charges were \$136 million in 2023, \$101 million in 2022 and \$1.2 billion in 2021.

The impairment charges in 2023 and 2022 primarily resulted from decisions to discontinue development of investigational compounds in connection with the prioritization of current pipeline opportunities.

In 2021, a \$610 million IPRD impairment charge for an investigational compound was recorded in Research and development expense primarily resulting from changes in clinical timelines, expected launch dates and competitive landscape. The compound is being studied as a potential treatment for hematologic diseases and was acquired in the acquisition of Celgene. The charge represented a partial write-down of its carrying value based on the estimated fair value determined using discounted cash flow projections.

In 2021, a \$230 million IPRD impairment charge was recorded in Research and development expense following a decision to discontinue development of an investigational compound in connection with the prioritization of pipeline opportunities. The compound was being studied as a potential treatment for fibrotic diseases and was acquired in the acquisition of Celgene. The charge represented a full write-down based on the estimated fair value determined using discounted cash flow projections.

In 2021, *Inrebic* EU regulatory approval milestones of \$300 million were achieved resulting in a \$385 million increase to the acquired marketed product rights intangible asset, after establishing the applicable deferred tax liability. An impairment charge of \$315 million was recognized in Cost of products sold as the carrying value of this asset exceeded the projected undiscounted cash flows of the asset. The charge was equal to the excess of the asset's carrying value over its estimated fair value using discounted cash flow projections.

#### Note 16. SUPPLEMENTAL FINANCIAL INFORMATION

	December 31,	
	2023	2022
Dollars in millions		
Income taxes	\$ 3,927	\$ 3,547
Research and development	723	579
Contract assets	416	504
Restricted cash <sup>(a)</sup>	55	148
Other	786	1,017
Other current assets	\$ 5,907	\$ 5,795

	December 31,	
	2023	2022
Dollars in millions		
Equity investments	\$ 1,699	2,187
Operating leases	1,390	1,220
Inventories	906	484
Pension and postretirement	284	285
Research and development	413	496
Restricted cash <sup>(a)</sup>	—	54
Receivables and convertible notes	436	—
Other	242	214
Other non-current assets	5,370	4,940

(a) Restricted cash consists of funds restricted for annual Company contributions to the defined contribution plan in the U.S. and escrow for litigation settlements. Cash is restricted when withdrawal or general use is contractually or legally restricted.

	December 31,	
	2023	2022
Dollars in millions		
Depreciation and discounts	\$ 7,680	6,702
Income taxes	1,371	942
Employee compensation and benefits	1,291	1,425
Research and development	1,257	1,359
Dividends	1,213	1,196
Interest	349	321
Licenses	465	431
Operating leases	162	136
Other	2,096	2,074
Other current liabilities	\$ 15,884	14,586

	December 31,	
	2023	2022
Dollars in millions		
Income taxes	\$ 3,288	\$ 3,992
Pension and postretirement	480	402
Operating leases	1,530	1,261
Deferred income	300	283
Deferred compensation	427	349
Other	396	303
Other non-current liabilities	\$ 6,421	\$ 6,590

## Note 17. EQUITY

Dollars and shares in millions	Common Stock		Capital in Excess of Par Value of Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock		Noncontrolling Interest
	Shares	Par Value				Shares	Cost	
Balance at December 31, 2020	2,923	\$ 292	\$ 44,325	\$ (1,839)	\$ 21,281	679	\$ (26,237)	\$ 60
Net earnings	—	—	—	—	6,994	—	—	20
Other Comprehensive Income/(Loss)	—	—	—	571	—	—	—	—
Cash dividends declared <sup>(a)</sup>	—	—	—	—	(4,455)	—	—	—
Share repurchases	—	—	—	—	—	102	(6,240)	—
Stock compensation	—	—	36	—	—	(34)	1,218	—
Distributions	—	—	—	—	—	—	—	(20)
Balance at December 31, 2021	2,923	292	44,361	(1,268)	23,820	747	(31,259)	60
Net earnings	—	—	—	—	6,327	—	—	18
Other Comprehensive Income/(Loss)	—	—	—	(13)	—	—	—	—
Cash dividends declared <sup>(a)</sup>	—	—	—	—	(4,644)	—	—	—
Share repurchases	—	—	—	—	—	109	(8,001)	—
Stock compensation	—	—	804	—	—	(31)	642	—
Distributions	—	—	—	—	—	—	—	(21)
Balance at December 31, 2022	2,923	292	45,165	(1,281)	25,503	825	(38,618)	57
Net earnings	—	—	—	—	8,025	—	—	14
Other Comprehensive Income/(Loss)	—	—	—	(265)	—	—	—	—
Cash dividends declared <sup>(a)</sup>	—	—	—	—	(4,762)	—	—	—
Share repurchases	—	—	105	—	—	87	(5,306)	—
Stock compensation	—	—	410	—	—	(10)	147	—
Convertible debt	—	—	4	—	—	—	11	—
Distributions	—	—	—	—	—	—	—	(16)
Balance at December 31, 2023	2,923	\$ 292	\$ 45,684	\$ (1,546)	\$ 28,766	902	\$ (43,766)	\$ 55

(a) Cash dividends declared per common share were \$2.31 in 2023, \$2.19 in 2022 and \$2.01 in 2021.

BMS has a share repurchase program, authorized by its Board of Directors, allowing for repurchases of its shares, effected in the open market or through privately negotiated transactions in compliance with Rule 10b-18 under the Exchange Act, including through Rule 10b5-1 trading plans. The share repurchase program does not obligate us to repurchase any specific number of shares, does not have a specific expiration date and may be suspended or discontinued at any time. Treasury stock is recognized at the cost to reacquire the shares. Shares issued from treasury are recognized utilizing the first-in first-out method and are generally funded by cash on hand. In December 2023, the Board of Directors approved an increase of \$3.0 billion to the share repurchase authorization for BMS's common stock. The remaining share repurchase capacity under the BMS share repurchase program was \$5.0 billion as of December 31, 2023.

In 2021, BMS repurchased approximately 102 million shares of common stock for \$6.2 billion.

In 2022, BMS entered into ASR agreements and repurchased 69 million shares of common stock for \$5.0 billion. In addition, as part of its share repurchase program, BMS repurchased 40 million shares of its common stock for \$3.0 billion.

In 2023, BMS entered into ASR agreements and repurchased 70 million shares of common stock for \$4.0 billion. In addition, as part of its share repurchase program, BMS repurchased 17 million shares of its common stock for \$1.2 billion.



The ASR agreements were funded with cash on-hand. The total number of shares repurchased under the ASR agreements was based on volume-weighted average prices of BMS's common stock during the terms of the ASR transactions less a discount and subject to adjustments pursuant to the terms and conditions of the ASR agreements.

The components of Other Comprehensive Income/(Loss) were as follows:

Dollars in millions	Year Ended December 31,								
	2023			2022			2021		
	Pretax	Tax	After Tax	Pretax	Tax	After Tax	Pretax	Tax	After Tax
Derivatives qualifying as cash flow hedges:									
Recognized in Other comprehensive income/(loss)	\$ 70	\$ (12)	\$ 58	\$ 585	\$ (79)	\$ 506	\$ 364	\$ (34)	\$ 330
Reclassified to net earnings <sup>(a)</sup>	(334)	46	(288)	(524)	72	(452)	95	(10)	85
Derivatives qualifying as cash flow hedges	(264)	34	(230)	61	(7)	54	459	(44)	415
Pension and postretirement benefits:									
Actuarial gains/(losses)	(140)	25	(115)	146	(25)	121	220	(40)	180
Amortization <sup>(b)</sup>	—	—	—	21	(6)	15	41	(10)	31
Settlements <sup>(b)</sup>	—	—	—	11	(2)	9	(6)	1	(5)
Pension and postretirement benefits	(140)	25	(115)	178	(33)	145	255	(49)	206
Marketable debt securities:									
Unrealized (losses)/gains	3	(1)	2	(2)	—	(2)	(11)	2	(9)
Foreign currency translation	84	(6)	78	(183)	(27)	(210)	(14)	(27)	(41)
Other comprehensive income/(loss)	<u>\$ (317)</u>	<u>\$ 52</u>	<u>\$ (265)</u>	<u>\$ 54</u>	<u>\$ (67)</u>	<u>\$ (13)</u>	<u>\$ 689</u>	<u>\$ (118)</u>	<u>\$ 571</u>

(a) Included in Cost of products sold and Other (income)/expense, net. Refer to "—Note 9. Financial Instruments and Fair Value Measurements" for further information.

(b) Included in Other (income)/expense, net.

The accumulated balances related to each component of Other Comprehensive Income/(Loss), net of taxes, were as follows:

Dollars in millions	December 31,	
	2023	2022
Derivatives qualifying as cash flow hedges	\$ 2	\$ 232
Pension and postretirement benefits	(738)	(623)
Marketable debt securities	2	—
Foreign currency translation <sup>(a)</sup>	(812)	(890)
Accumulated other comprehensive loss	<u>\$ (1,546)</u>	<u>\$ (1,281)</u>

(a) Included in foreign currency are net investment hedges gains of \$144 million and \$125 million as of December 31, 2023 and December 31, 2022, respectively.

## Note 18. RETIREMENT BENEFITS

BMS sponsors defined benefit pension plans, defined contribution plans and termination indemnity plans for certain employees.

### Defined Benefit Pension Plans

The net periodic benefit cost of defined benefit pension plans was \$11 million, \$27 million, and \$28 million during the years ended December 31, 2023, 2022 and 2021, respectively.

Changes in defined benefit pension plan obligations, assets, funded status and amounts recognized in the consolidated balance sheets were as follows:

Dollars in millions	Year Ended December 31,	
	2023	2022
Benefit obligations at beginning of year	\$ 1,976	\$ 2,935
Service cost—benefits earned during the year	29	36
Interest cost	80	42
Settlements and curtailments	(41)	(58)
Actuarial (gains)/losses	165	(760)
Benefits paid	(65)	(68)
Foreign currency and other	94	(151)
Benefit obligations at end of year	<u>\$ 2,238</u>	<u>\$ 1,976</u>
Fair value of plan assets at beginning of year	\$ 2,027	\$ 2,815
Actual return on plan assets	130	(570)
Employer contributions	56	76
Settlements	(38)	(53)
Benefits paid	(65)	(68)
Foreign currency and other	102	(173)
Fair value of plan assets at end of year	<u>\$ 2,212</u>	<u>\$ 2,027</u>
Funded status	<u>\$ (26)</u>	<u>\$ 51</u>
Assets/(Liabilities) recognized:		
Other non-current assets	\$ 284	\$ 285
Other current liabilities	(20)	(21)
Other non-current liabilities	(290)	(213)
Funded status	<u>\$ (26)</u>	<u>\$ 51</u>
Recognized in Accumulated other comprehensive loss:		
Net actuarial losses	\$ 994	\$ 869
Prior service credit	(21)	(25)
Total	<u>\$ 973</u>	<u>\$ 844</u>

The accumulated benefit obligation for defined benefit pension plans was \$2.2 billion and \$2.0 billion at December 31, 2023 and 2022, respectively.

Additional information related to pension plan was as follows:

Dollars in millions	December 31,	
	2023	2022
Pension plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligation	\$ 1,045	\$ 728
Fair value of plan assets	735	495
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	1,017	728
Fair value of plan assets	734	495

### Actuarial Assumptions

Weighted-average assumptions used to determine defined benefit pension plan obligations were as follows:

	December 31,	
	2023	2022
Discount rate	3.4 %	4.0 %
Rate of compensation increase	1.4 %	1.2 %
Interest crediting rate	2.5 %	2.5 %



Weighted-average actuarial assumptions used to determine defined benefit pension plan net periodic benefit cost were as follows:

	Year Ended December 31,		
	2023	2022	2021
Discount rate	4.0 %	1.6 %	1.2 %
Expected long-term return on plan assets	4.1 %	3.6 %	3.6 %
Rate of compensation increase	1.2 %	1.0 %	1.3 %
Interest crediting rate	2.5 %	2.1 %	2.2 %

The yield on high quality corporate bonds matching the duration of the benefit obligations is used in determining the discount rate. The FTSE Pension Discount Curve is used in developing the discount rate for the U.S. plans.

The expected return on plan assets assumption for each plan is based on management's expectations of long-term average rates of return to be achieved by the underlying investment portfolio. Several factors are considered in developing the expected return on plan assets, including long-term historical returns and input from external advisors. Individual asset class return forecasts were developed based upon market conditions, for example, price-earnings levels and yields and long-term growth expectations. The expected long-term rate of return is the weighted-average of the target asset allocation of each individual asset class.

Actuarial gains and losses resulted from changes in actuarial assumptions (such as changes in the discount rate and revised mortality rates) and from differences between assumed and actual experience (such as differences between actual and expected return on plan assets). Actuarial gains and losses related to plan benefit obligations primarily resulted from changes in discount rates.

#### Postretirement Benefit Plans

Comprehensive medical and group life benefits are provided for substantially all BMS U.S. retirees electing to participate in comprehensive medical and group life plans and to a lesser extent certain benefits for non-U.S. employees. The medical plan is contributory. Contributions are adjusted periodically and vary by date of retirement. The life insurance plan is noncontributory. Postretirement benefit plan obligations were \$183 million and \$187 million at December 31, 2023 and 2022, respectively. The weighted-average discount rate used to determine benefit obligations was 4.8% and 5.0% at December 31, 2023 and 2022, respectively. The net periodic benefit credits were not material.

#### Plan Assets

The fair value of pension plan assets by asset category was as follows:

Dollars in millions	December 31, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Plan Assets</b>								
Equity securities	\$ 1	\$ —	\$ —	\$ 1	\$ 1	\$ —	\$ —	\$ 1
Equity funds	—	363	7	370	—	368	—	368
Fixed income funds	—	785	—	785	—	697	—	697
Corporate debt securities	—	332	—	332	—	376	—	376
U.S. Treasury and agency securities	—	58	—	58	—	75	—	75
Insurance contracts	—	—	224	224	—	—	123	123
Cash and cash equivalents	32	—	—	32	43	—	—	43
Other	—	18	38	56	—	15	35	50
Plan assets subject to leveling	\$ 33	\$ 1,556	\$ 269	\$ 1,858	\$ 44	\$ 1,531	\$ 158	\$ 1,733
Plan assets measured at NAV as a practical expedient				354				294
Net plan assets				\$ 2,212				\$ 2,027

The investment valuation policies per investment class are as follows:

Level 1 inputs utilize unadjusted quoted prices in active markets accessible at the measurement date for identical assets or liabilities. The fair value hierarchy provides the highest priority to Level 1 inputs. These instruments include equity securities, equity funds and fixed income funds publicly traded on a national securities exchange, and cash and cash equivalents. Cash and cash equivalents are highly liquid investments with original maturities of three months or less at the time of purchase and are recognized at cost, which approximates fair value. Pending trade sales and purchases are included in cash and cash equivalents until final settlement.

Level 2 inputs utilize observable prices for similar instruments, quoted prices for identical or similar instruments in non-active markets, and other observable inputs that can be corroborated by market data for substantially the full term of the assets or liabilities. Equity funds and fixed income funds classified as Level 2 within the fair value hierarchy are valued at the NAV of their shares held at year end, which represents fair value. Corporate debt securities and U.S. Treasury and agency securities classified as Level 2 within the fair value hierarchy are valued utilizing observable prices for similar instruments and quoted prices for identical or similar instruments in markets that are not active.

Level 3 unobservable inputs are used when little or no market data is available. Insurance contracts are held by certain foreign pension plans and are carried at contract value, which approximates the estimated fair value and is based on the fair value of the underlying investment of the insurance company.

There were no transfers between Levels 1, 2 and 3 during the year ended December 31, 2023. Investments using the practical expedient consist primarily of multi-asset funds which are redeemable on either a daily, weekly, or monthly basis.

The investment strategy is to maximize return while maintaining an appropriate level of risk to provide sufficient liquidity for benefit obligations and plan expenses. Individual plan investment allocations are determined by local fiduciary committees and the composition of total assets for all pension plans at December 31, 2023 was broadly characterized as an allocation between equity securities (21%), debt securities (63%) and other investments (16%).

#### *Contributions and Estimated Future Benefit Payments*

The Company's estimated annual contributions and future benefits payments are not expected to be material.

#### ***Savings Plans***

The principal defined contribution plan is the Bristol-Myers Squibb Savings and Investment Program. The contributions are based on employee contributions and the level of Company match. The U.S. defined contribution plan expense was approximately \$380 million in 2023, \$360 million in 2022 and \$350 million in 2021.

#### **Note 19. EMPLOYEE STOCK BENEFIT PLANS**

On May 4, 2021, the shareholders approved the 2021 Stock Award and Incentive Plan (the "2021 Plan") replacing our previous equity plans. The 2021 Plan authorizes awards in the form of incentive stock options, nonqualified stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), dividend equivalents, performance share units ("PSUs"), market share units ("MSUs") and other stock-based awards. As of December 31, 2023, the 2021 Plan was the only plan under which we were authorized to grant equity awards.

The 2021 Plan provides for 85 million shares to be authorized for grants plus shares recaptured upon forfeitures or other terminations of awards under our previous equity awards plans, subject to adjustments in accordance with the terms of the 2021 Plan. As of December 31, 2023, 70 million shares were available for award and 40 million equity awards were outstanding (stock options, RSUs, MSUs and PSUs). Shares generally are issued from treasury stock to satisfy BMS's obligations under the 2021 Plan and our prior equity award plans.

Under the 2021 Plan, executive officers and other employees may be granted options to purchase common stock at no less than the market price on the date the option is granted. Options generally become exercisable ratably over four years and have a maximum term of 10 years. The 2021 Plan provides for the granting of SARs whereby the grantee may surrender exercisable rights and receive common stock and/or cash measured by the excess of the market price of the common stock over the award's exercise price. BMS did not grant stock options or SARs during the years ended December 31, 2023, 2022 and 2021. Options that were outstanding during those years generally vested ratably over four years (some options granted as replacements for options held by Celgene option holders upon the acquisition of Celgene in 2019 provided for cliff vesting and/or longer or shorter vesting periods).

RSUs are granted to executive officers and other employees, subject to restrictions as to continuous employment. Generally, vesting occurs ratably over a three- to four-year period from grant date, subject to accelerated vesting in specified circumstances. A stock unit is a right to receive stock at the end of the specified vesting and/or deferral period; stock units have no voting rights. BMS grants non-forfeitable stock units to its non-employee directors.

MSUs are granted to executive officers. Vesting is conditioned upon continuous employment and occurs ratably over four years, subject to accelerated vesting in specified circumstances. The number of shares issued upon vesting of MSUs is determined based on a specified payout factor requiring that the market price per share at a specified measurement date be at least 80% of the grant-date share price (market condition) for awards granted in 2023 (60% prior to 2022). Attainment of a higher payout factor, calculated as the share price on measurement date divided by share price on award date, results in a higher percentage payout of MSUs, up to a maximum of 225% of the target number of MSUs for awards granted in 2023 (200% prior to 2022). The share price used in the payout factor is calculated using an average of the closing prices on the grant date or measurement date, and the nine trading days immediately preceding the grant date or measurement date.

PSUs are granted to executive officers, have a three-year performance cycle and are granted as a target number of stock units subject to adjustment. The number of shares issued when PSUs vest is determined based on the achievement of specified performance goals (a performance condition) and based on BMS's three-year relative total shareholder return compound annual growth rate relative to a peer group of companies (a market condition) for awards granted in 2023 (three-year total shareholder return relative to a peer group of companies prior to 2023) and can range from 0% to a maximum of 200% of the target number of PSUs. Vesting is conditioned upon continuous employment and occurs on the third anniversary of the grant date, subject to accelerated vesting in specified circumstances.

Stock-based compensation expense for awards ultimately expected to vest is recognized over the vesting period. Forfeitures are estimated based on historical experience at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. Stock-based compensation expense was as follows:

Dollars in millions	Year Ended December 31,		
	2023	2022	2021
Cost of products sold	\$ 51	\$ 41	\$ 57
Marketing, selling and administrative	215	195	241
Research and development	252	221	272
Other (income)/expense, net	—	—	13
Total stock-based compensation expense	\$ 518	\$ 457	\$ 583
Income tax benefit <sup>(a)</sup>	\$ 105	\$ 91	\$ 120

(a) Income tax benefit excludes excess tax benefits from share-based compensation awards that were vested or exercised of \$19 million in 2023, \$74 million in 2022 and \$38 million in 2021.

The following table summarizes the stock compensation activity for the year ended December 31, 2023:

Shares in Millions	Stock Options		RSUs		MSUs		PSUs	
	Number of Options	Weighted-Average Exercise Price of Shares	Number of Nonvested RSUs	Weighted-Average Grant-Date Fair Value	Number of Nonvested MSUs	Weighted-Average Grant-Date Fair Value	Number of Nonvested PSUs	Weighted-Average Grant-Date Fair Value
Balance at January 1, 2023	21.9	\$ 55.25	16.9	\$ 59.17	1.8	\$ 58.25	3.5	\$ 60.88
Granted	—	—	9.5	60.26	1.0	57.99	1.5	63.86
Released/Exercised	(4.8)	46.79	(6.3)	57.57	(0.7)	56.64	(1.1)	55.59
Adjustments for actual payout	—	—	—	—	0.1	54.42	0.1	55.59
Forfeited/Canceled	(0.9)	63.49	(2.1)	60.10	(0.3)	58.78	(0.4)	64.29
Balance at December 31, 2023	16.2	57.34	18.0	60.21	1.9	58.52	3.6	63.32
Expected to vest			15.8	60.14	1.6	58.50	2.9	63.07

Dollars in millions	Restricted Stock Units	Market Share Units	Performance Share Units
Unrecognized compensation cost	\$ 76	\$ 4	\$ 75
Expected weighted-average period in years of compensation cost to be recognized	2.5	2.7	1.6

Amounts in Millions, except per share data	2023	2022	2021
Weighted-average grant date fair value (per share):			
RSUs	60.26	64.12	\$ 56.58
MSUs	57.99	60.74	58.04
PSUs	63.86	66.76	59.04
Fair value of awards that vested:			
RSUs - replacement awards	\$ —	\$ 152	\$ 519
RSUs	365	300	246
MSUs	45	44	37
PSUs	65	68	61
Total intrinsic value of stock options exercised	90	526	512

The fair value of RSUs approximates the closing market price of BMS's common stock on the grant date after adjusting for the units not eligible for accrual of dividend equivalents. The fair value of MSUs is estimated as of the grant date using a Monte Carlo simulation. The fair value of PSUs is estimated as of the grant date for the portion related to the relative total shareholder return measure, using a Monte Carlo simulation and, for the remaining portion, based on the closing market price of BMS's common stock on the grant date after adjusting for the units not eligible for accrual of dividend equivalents, and taking into account the probability of satisfying the performance condition as of the grant date.

The following table summarizes significant outstanding and exercisable options at December 31, 2023:

Range of Exercise Prices	Number of Options (in millions)	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price Per Share	Aggregate Intrinsic Value (in millions)
\$10 - \$40	0.7	0.8	\$ 36.34	\$ 11
\$40 - \$55	5.5	2.8	49.76	16
\$55 - \$65	6.6	1.9	59.45	—
\$65 +	3.4	2.5	70.04	—
Outstanding	16.2	2.3	57.34	\$ 26
Exercisable	16.2	2.3	57.34	\$ 26

The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value, based on the closing stock price of \$51.31 on December 29, 2023, which was the last trading day of 2023.

## Note 20. LEGAL PROCEEDINGS AND CONTINGENCIES

BMS and certain of its subsidiaries are involved in various lawsuits, claims, government investigations and other legal proceedings that arise in the ordinary course of business. These claims or proceedings can involve various types of parties, including governments, competitors, customers, partners, suppliers, service providers, licensees, licensors, employees, or shareholders, among others. These matters may involve patent infringement, antitrust, securities, pricing, sales and marketing practices, environmental, commercial, contractual rights, licensing obligations, health and safety matters, consumer fraud, employment matters, product liability and insurance coverage, among others. The resolution of these matters often develops over a long period of time and expectations can change as a result of new findings, rulings, appeals or settlement arrangements. Legal proceedings that are significant or that BMS believes could become significant or material are described below.

While BMS does not believe that any of these matters, except as otherwise specifically noted below, will have a material adverse effect on its financial position or liquidity as BMS believes it has substantial claims and/or defenses in the matters, the outcomes of BMS's legal proceedings and other contingencies are inherently unpredictable and subject to significant uncertainties. There can be no assurance that there will not be an increase in the scope of one or more of these pending matters or any other or future lawsuits, claims, government investigations or other legal proceedings will not be material to BMS's financial position, results of operations or cash flows for a particular period. Furthermore, failure to successfully enforce BMS's patent rights would likely result in substantial decreases in the respective product revenues from generic competition.

Unless otherwise noted, BMS is unable to assess the outcome of the respective matters nor is it able to estimate the possible loss or range of losses that could potentially result for such matters. Contingency accruals are recognized when it is probable that a liability will be incurred and the amount of the related loss can be reasonably estimated. Developments in legal proceedings and other matters that could cause changes in the amounts previously accrued are evaluated each reporting period. For a discussion of BMS's tax contingencies, see " — Note 7. Income Taxes."

## INTELLECTUAL PROPERTY

### ***Eliquis* - Europe**

Lawsuits have been filed by generic companies in various countries in Europe seeking revocation of our composition-of-matter patents and SPCs relating to *Eliquis*, and trials or preliminary proceedings have been held in certain of those cases.

In Croatia, on October 20, 2023, BMS filed a request with the Commercial Court of Zagreb for a preliminary injunction to prohibit Teva from offering, storing or selling generic *Eliquis* products in Croatia, and a decision is pending.

In Finland, the court granted our request for a preliminary injunction prohibiting Teva from offering, storing or selling generic *Eliquis* products in Finland that have obtained price and reimbursement. A trial regarding Teva's challenge to the validity of the Finnish composition-of-matter patent and related SPC concluded on July 5, 2023, and a decision is pending.

In France, a trial was held regarding Teva's challenge to the validity of the French composition-of-matter patent and related SPC, and a decision was issued on June 8, 2023, confirming their validity and rejecting Teva's claims. Teva has appealed the decision.

In Ireland, the court granted our request for a preliminary injunction prohibiting Teva from making, offering, putting on the market and/or using and/or importing or stocking for the aforesaid purposes, generic *Eliquis* products. The trial court's preliminary injunction decision was subsequently affirmed on appeal by the Irish Court of Appeal. A trial regarding Teva's challenge to the validity of the Irish composition-of-matter patent and related SPC concluded on July 28, 2023, and in a decision delivered on December 8, 2023, the Irish trial court found the Irish composition-of-matter patent and related SPC to be invalid. BMS intends to appeal the Irish trial court's decision.

In the Netherlands, our requests for preliminary injunctions to prevent at-risk generic launches by Sandoz, Stada and Teva prior to full trials on the validity of the Dutch composition-of-matter patent and SPC were initially denied by the lower courts. However, in a judgment issued on August 15, 2023, the Dutch Court of Appeal overturned the decisions of the lower court, issued preliminary injunctions against Sandoz, Stada and Teva and ordered those companies to recall any generic *Eliquis* product from the Dutch market. Trials regarding challenges brought by Sandoz and Teva, respectively, to the validity of the Dutch composition-of-matter patent and related SPC took place on October 13, 2023 and January 12, 2024, and decisions are pending.

In Norway, a trial was held regarding Teva's challenge to the validity of the Norwegian composition-of-matter patent and related SPC, and a decision was issued on May 23, 2023, confirming their validity and rejecting Teva's claims. Teva has appealed the decision, and a hearing on the appeal is scheduled for April 2024.

In Portugal, there are patent validity and infringement proceedings pending with multiple companies seeking to market generic versions of *Eliquis*. A trial regarding Mylan's challenge to the validity of the Portuguese composition-of-matter patent is scheduled to commence in February 2024. In early September 2023, Teva launched a generic *Eliquis* product on the Portuguese market. On September 15, 2023, the Company filed a request for a preliminary injunction against Teva at the Portuguese Intellectual Property Court.

In Romania, our request for a preliminary injunction against Teva was initially denied by the lower court. However, in January 2024, the Romania Court of Appeal overturned the decision of the lower court, and issued a preliminary injunction against Teva prohibiting Teva from offering, storing or selling generic *Eliquis* products in Romania.

In Spain, a trial regarding Teva's challenge to the validity of the Spanish composition-of-matter patent and related SPC was held on October 18-19, 2023, and in a decision delivered in January 2024, the Spanish court found the Spanish composition-of-matter patent and related SPC to be invalid. BMS intends to appeal the Spanish court's decision.

In Sweden, a trial was held regarding Teva's challenge to the validity of the Swedish composition-of-matter patent and related SPC, and a decision was issued on November 2, 2022, confirming their validity and rejecting Teva's claims. Teva has appealed the decision, and a hearing on the appeal is scheduled for May 2024.

In Switzerland, a trial regarding Teva's challenge to the validity of the Swiss composition-of-matter patent and related SPC was held on November 29, 2023, and a decision is pending.

In the UK, Sandoz and Teva filed lawsuits seeking revocation of the UK composition-of-matter patent and related SPC. BMS subsequently filed counterclaims for infringement in both actions. A combined trial took place in February 2022, and in a judgment issued on April 7, 2022, the judge found the UK apixaban composition-of-matter patent and related SPC invalid. BMS appealed the judgment and on May 4, 2023, the Court of Appeal upheld the lower court's decision. On October 31, 2023, the UK Supreme Court rejected BMS's application to appeal. Following the first instance decision in the UK, generic manufacturers have begun marketing generic versions of *Eliquis* in the UK.

In addition to the above, challenges to the validity of the composition-of-matter patent and related SPC are pending in Denmark, Italy, Poland, Czechia, Slovakia, Hungary, Bulgaria, Greece and Lithuania.

Generic manufacturers may seek to market generic versions of *Eliquis* in additional countries in Europe prior to the expiration of our patents, which may lead to additional infringement and invalidity actions involving *Eliquis* patents being filed in various countries in Europe.

#### ***Inrebic* - U.S.**

In September 2023, Impact Biomedicines, Inc. ("Impact") received a Notice Letter from Teva notifying BMS that Impact had filed an ANDA containing a paragraph IV certification seeking approval of a generic version of *Inrebic* in the U.S. and challenging certain patents listed in the Orange Book for *Inrebic*. In response, in October 2023, Impact filed a patent infringement action against Teva in the U.S. District Court for the District of New Jersey. In January 2024, the parties entered into a confidential settlement agreement, and the case was dismissed.

#### ***Onureg* - U.S.**

BMS has received Notice Letters from Accord Healthcare, Inc. ("Accord"), MSN Laboratories Private Limited ("MSN"), Teva Pharmaceuticals, Inc. ("Teva") and Natco Pharma Limited ("Natco"), respectively, each notifying BMS that it has filed an ANDA containing a paragraph IV certification seeking approval of a generic version of *Onureg* in the U.S. and challenging U.S. Patent Nos. 11,571,436 (the "'436 Patent") and 8,846,628 (the "'628 Patent"), FDA Orange Book-listed formulation patents covering *Onureg*, which expire in 2029 and 2030, respectively. In response, BMS filed a patent infringement action against Accord, MSN, Teva and Natco in the U.S. District Court for the District of Delaware. In case against MSN, a trial has been scheduled to begin on September 23, 2024. No trial dates have been scheduled for the Teva or Natco actions. In November 2023, BMS and Accord entered into a confidential settlement agreement, and the case against Accord was dismissed.

In February 2023, Apotex Inc. filed a request for *inter partes* review ("IPR") of the '628 Patent. On July 20, 2023, the USPTO granted Apotex's request to institute an IPR of the '628 Patent. Discovery is ongoing. In January 2024, the parties entered into a settlement agreement, and the *inter partes* review was terminated.

#### ***Plavix*\* - Australia**

Sanofi was notified that, in August 2007, GenRx Proprietary Limited ("GenRx") obtained regulatory approval of an application for clopidogrel bisulfate 75mg tablets in Australia. GenRx, formerly a subsidiary of Apotex Inc., subsequently changed its name to Apotex ("GenRx-Apotex"). In August 2007, GenRx-Apotex filed an application in the Federal Court of Australia seeking revocation of Sanofi's Australian Patent No. 597784 (Case No. NSD 1639 of 2007). Sanofi filed counterclaims of infringement and sought an injunction. On September 21, 2007, the Federal Court of Australia granted Sanofi's injunction. A subsidiary of BMS was subsequently added as a party to the proceedings. In February 2008, a second company, Spirit Pharmaceuticals Pty. Ltd., also filed a revocation suit against the same patent. This case was consolidated with the GenRx-Apotex case. On August 12, 2008, the Federal Court of Australia held that claims of Patent No. 597784 covering clopidogrel bisulfate, hydrochloride, hydrobromide, and taurocholate salts were valid. The Federal Court also held that the process claims, pharmaceutical composition claims, and claim directed to clopidogrel and its pharmaceutically acceptable salts were invalid. BMS and Sanofi filed notices of appeal in the Full Court of the Federal Court of Australia ("Full Court") appealing the holding of invalidity of the claim covering clopidogrel and its pharmaceutically acceptable salts, process claims, and pharmaceutical composition claims. GenRx-Apotex appealed. On September 29, 2009, the Full Court held all of the claims of Patent No. 597784 invalid. In March 2010, the High Court of Australia denied a request by BMS and Sanofi to hear an appeal of the Full Court decision. The case was remanded to the Federal Court for further proceedings related to damages sought by GenRx-Apotex. BMS and GenRx-Apotex settled, and the GenRx-Apotex case was dismissed. The Australian government intervened in this matter seeking maximum damages up to 449 million AUD (\$307 million), plus interest, which would be split between BMS and Sanofi, for alleged losses experienced for paying a higher price for branded *Plavix*\* during the period when the injunction was in place. BMS and Sanofi dispute that the Australian government is entitled to any damages. A trial was concluded in September 2017. In April 2020, the Federal Court issued a decision dismissing the Australian government's claim for damages. In May 2020, the Australian government appealed the Federal Court's decision and an appeal hearing concluded in February 2021. On June 26, 2023, the appeal court issued a ruling in BMS and Sanofi's favor, upholding the lower court's decision. In December 2023, the Australian government was granted leave to appeal the decision to the High Court of Australia.

**Revlimid - U.S.**

In April 2023, Celgene received a Notice Letter from Amneal Pharmaceuticals ("Amneal") notifying Celgene that Amneal has filed an ANDA containing paragraph IV certifications seeking approval to market a generic version of Revlimid in the U.S. In response, in January 2024, Celgene initiated a patent infringement action against Amneal in the U.S. District Court for the District of New Jersey asserting certain FDA Orange Book listed patents. Thereafter, in February 2024, the parties entered into a confidential settlement agreement and the case was dismissed.

**Sprycel - U.S.**

BMS has received Notice Letters from Xsray Pharma AB ("Xsray"), Nanocopoeia, LLC ("Nanocopoeia"), Handa Oncology, LLC ("Handa") and Zydus Pharmaceuticals ("Zydus"), each notifying BMS that it has filed applications containing paragraph IV certifications seeking approval of a dasatinib product in the U.S. and challenging two FDA Orange Book-listed monohydrate form patents expiring in 2025 and 2026. In February 2022, BMS filed a patent infringement action against Xsray in the U.S. District Court for the District of New Jersey. In May 2022, BMS filed a patent infringement action against Nanocopoeia in the U.S. District Court for the District of Minnesota. In November 2022, BMS filed a patent infringement action against Handa in the U.S. District Court for the Northern District of California. On March 24, 2023, the Minnesota court denied a motion that Nanocopoeia had filed seeking a judgment based on the pleadings. On June 16, 2023, BMS entered into a confidential settlement agreement with Handa, settling all outstanding claims in the litigation. On September 13, 2023, BMS entered into a confidential settlement agreement with Xsray, settling all outstanding claims in the litigation. On October 10, 2023, BMS entered into a confidential settlement agreement with Nanocopoeia, settling all outstanding claims in the litigation. In October 2023, BMS filed a patent infringement action against Zydus in the U.S. District Court for the District of New Jersey.

**Zeposia - U.S.**

On October 15, 2021, Actelion Pharmaceuticals LTD and Actelion Pharmaceuticals US, INC ("Actelion") filed a complaint for patent infringement in the United States District Court for the District of New Jersey against BMS and Celgene for alleged infringement of U.S. Patent No. 10,251,867 (the "'867 Patent"). The Complaint alleges that the sale of *Zeposia* infringes certain claims of the '867 Patent and Actelion is seeking damages. No trial date has been scheduled.

**PRICING, SALES AND PROMOTIONAL PRACTICES LITIGATION****Plavix\* State Attorneys General Lawsuits**

BMS and certain Sanofi entities are defendants in a consumer protection action brought by the attorney general of Hawaii relating to the labeling, sales and/or promotion of *Plavix\**. In February 2021, a Hawaii state court judge issued a decision against Sanofi and BMS, imposing penalties in the total amount of \$834 million, with \$417 million attributed to BMS. Sanofi and BMS appealed the decision. On March 15, 2023, the Hawaii Supreme Court issued its decision, reversing in part and affirming in part the trial court decision, vacating the penalty award and remanding the case for a new trial and penalty determination. A new bench trial concluded on October 16, 2023, and a decision is pending.

**PRODUCT LIABILITY LITIGATION**

BMS is a party to various product liability lawsuits. Plaintiffs in these cases seek damages and other relief on various grounds for alleged personal injury and economic loss. As previously disclosed, in addition to lawsuits, BMS also faces unfilled claims involving its products.

**Abilify\***

BMS and Otsuka are co-defendants in product liability litigation related to *Abilify\**. Plaintiffs allege *Abilify\** caused them to engage in compulsive gambling and other impulse control disorders. Cases were filed in state and federal courts in the United States. Pursuant to a previously disclosed master settlement agreement and settlement related court orders, the vast majority of the cases in the United States were resolved or dismissed. Eleven inactive cases remain pending in state courts in New Jersey. There are also eleven cases pending in Canada (four class actions and seven individual injury claims), two of which are active (the certified class actions in Quebec and Ontario).

### ***Onglyza\****

BMS and AstraZeneca are co-defendants in product liability litigation related to *Onglyza\**. Plaintiffs assert claims, including claims for wrongful death, as a result of heart failure or other cardiovascular injuries they allege were caused by their use of *Onglyza\**. In February 2018, the Judicial Panel on Multidistrict Litigation ordered all the federal *Onglyza\** cases to be transferred to an MDL in the U.S. District Court for the Eastern District of Kentucky. A significant majority of the claims were pending in the MDL, with others pending in a coordinated proceeding in California Superior Court in San Francisco ("JCCP"). The JCCP court granted summary judgment to defendants in March 2022, a decision which was affirmed by the California Court of Appeal. The California Supreme Court declined to review the decision in July 2023. In the MDL, the court granted defendants' motion to exclude plaintiffs' only general causation expert on January 5, 2022 and granted summary judgment on August 2, 2022. Plaintiffs filed their Notice of Appeal on December 2, 2022. The appeal remains pending in the Sixth Circuit. As part of BMS's global diabetes business divestiture, BMS sold *Onglyza\** to AstraZeneca in February 2014 and any potential liability with respect to *Onglyza\** is expected to be shared with AstraZeneca.

## **SECURITIES LITIGATION**

### **Celgene Securities Litigations**

Beginning in March 2018, two putative class actions were filed against Celgene and certain of its officers in the U.S. District Court for the District of New Jersey (the "Celgene Securities Class Action"). The complaints allege that the defendants violated federal securities laws by making misstatements and/or omissions concerning (1) trials of GED-0301, (2) Celgene's 2020 outlook and projected sales of *Otezla\**, and (3) the NDA for *Zeposia*. The Court consolidated the two actions and appointed a lead plaintiff, lead counsel, and co-liaison counsel for the putative class. In February 2019, the defendants filed a motion to dismiss plaintiffs' amended complaint in full. In December 2019, the Court denied the motion to dismiss in part and granted the motion to dismiss in part (including all claims arising from alleged misstatements regarding GED-0301). Although the Court gave the plaintiff leave to re-plead the dismissed claims, it elected not to do so, and the dismissed claims are now dismissed with prejudice. In November 2020, the Court granted class certification with respect to the remaining claims. In March 2023, the Court granted the defendants leave to file a motion for summary judgment, the briefing for which was completed in June 2023. On September 8, 2023, the Court granted in part and denied in part defendants' motion for summary judgment as to the claims regarding statements made by the remaining officer defendants. As to the claims regarding Celgene's corporate statements, the Court denied the defendants' motion without prejudice and granted the defendants leave to re-raise the issue. On October 27, 2023, the defendants filed a motion for partial summary judgment as to Celgene's corporate statements.

In April 2020, certain Schwab management investment companies on behalf of certain Schwab funds filed an individual action in the U.S. District Court for the District of New Jersey asserting largely the same allegations as the Celgene Securities Class Action against the same remaining defendants in that action (the "Schwab Action"). In July 2020, the defendants filed a motion to dismiss the plaintiffs' complaint in full. In March 2021, the Court granted in part and denied in part defendants' motion to dismiss consistent with its decision in the Celgene Securities Class Action.

The California Public Employees' Retirement System in April 2021 (the "CalPERS Action"); DFA Investment Dimensions Group Inc., on behalf of certain of its funds; and American Century Mutual Funds, Inc., on behalf of certain of its funds, in July 2021 (respectively the "DFA Action" and the "American Century Action"), and GIC Private Limited in September 2021 (the "GIC Action"), filed separate individual actions in the U.S. District Court for the District of New Jersey asserting largely the same allegations as the Celgene Securities Class Action and the Schwab individual action against the same remaining defendants in those actions. In October 2021, these actions were consolidated for pre-trial proceedings with the Schwab Action. The Court also consolidated any future direct actions raising common questions of law and fact with the Schwab Action (the "Consolidated Schwab Action"). On October 2, 2023, defendants filed a motion for partial summary judgment in the Consolidated Schwab Action.

No trial dates have been scheduled in any of the above Celgene Securities Litigations.

### **Contingent Value Rights Litigations**

In June 2021, an action was filed against BMS in the U.S. District Court for the Southern District of New York asserting claims of alleged breaches of a Contingent Value Rights Agreement ("CVR Agreement") entered into in connection with the closing of BMS's acquisition of Celgene Corporation in November 2019. An entity claiming to be the successor trustee under the CVR Agreement alleges that BMS breached the CVR Agreement by allegedly failing to use "diligent efforts" to obtain FDA approval of liso-cel (*Breyanzi*) before a contractual milestone date, thereby allegedly avoiding a \$6.4 billion potential obligation to holders of the contingent value rights governed by the CVR Agreement and by allegedly failing to permit inspection of records in response to a request by the alleged successor trustee. The plaintiff seeks damages in an amount to be determined at trial and other relief, including interest and attorneys' fees. BMS disputes the allegations. BMS filed a motion to dismiss the alleged successor trustee's complaint for failure to state a claim upon which relief can be granted, which was denied on June 24, 2022. On February 2, 2024, BMS filed a motion to dismiss the complaint for lack of subject matter jurisdiction.



In October 2021, alleged former Celgene stockholders filed a complaint in the U.S. District Court for the Southern District of New York asserting claims on behalf of a putative class of Celgene stockholders who received CVRs in the BMS merger with Celgene for violations of sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") relating to the joint proxy statement. That action later was consolidated with another action filed in the same court, and a consolidated complaint thereafter was filed asserting claims on behalf of a class of CVR acquirers, whether in the BMS merger with Celgene or otherwise, for violations of sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the "Securities Act") and sections 10(b), 14(a) and 20(2) of the Exchange Act. The complaint alleged that the February 22, 2019 joint proxy statement was materially false or misleading because it failed to disclose that BMS allegedly had no intention to obtain FDA approval for liso-cel (*Breyanzi*) by the applicable milestone date in the CVR Agreement and that certain statements made by BMS or certain BMS officers in periodic SEC filings, earnings calls, press releases, and investor presentations between December 2019 and November 2020 were materially false or misleading for the same reason. Defendants moved to dismiss the complaint. On March 1, 2023, the Court entered an opinion and order granting defendants' motion and dismissed the complaint in its entirety. The claims under Sections 11, 12(a)(2), and 15 of the Securities Act and Section 14(a) of the Exchange Act were dismissed with prejudice. The claims under Sections 10(a) and 20(a) of the Exchange Act were dismissed with leave to file a further amended complaint, which plaintiffs filed on April 14, 2023. Defendants moved to dismiss the amended complaint and briefing on the motion was completed on June 23, 2023. The motion is currently pending before the Court.

In November 2021, an alleged purchaser of CVRs filed a complaint in the Supreme Court of the State of New York for New York County asserting claims on behalf of a putative class of CVR acquirers for violations of sections 11(a) and 12(a)(2) of the Securities Act of 1933. The complaint alleges that the registration statement filed in connection with the proposed merger transaction between Celgene and BMS was materially false or misleading because it failed to disclose that allegedly BMS had no intention at the time to obtain FDA approval for liso-cel (*Breyanzi*) by the contractual milestone date. The complaint asserts claims against BMS, the members of its board of directors at the time of the joint proxy statement, and certain BMS officers who signed the registration statement. Defendants moved to stay the action pending resolution of the federal action or, in the alternative, to dismiss the complaint and later filed a similar motion in response to an amended complaint. On February 2, 2024, the Court granted defendants' motion and dismissed the case in its entirety.

In November 2021, an alleged Celgene stockholder filed a complaint in the Superior Court of New Jersey, Union County asserting claims on behalf of two separate putative classes, one of acquirers of CVRs and one of acquirers of BMS common stock, for violations of sections 11(a), 12(a)(2), and 15 of the Securities Act. The complaint alleges that the registration statement filed in connection with the proposed merger transaction between Celgene and BMS was materially false or misleading because it failed to disclose that allegedly BMS had no intention at the time to obtain FDA approval for liso-cel (*Breyanzi*) by the contractual milestone date. The complaint asserts claims against BMS, the members of its board of directors at the time of the joint proxy statement, certain BMS officers who signed the registration statement and Celgene's former chairman and chief executive officer. Defendants moved to stay the action pending resolution of the federal action and, in the alternative, to dismiss the complaint. On February 17, 2023, the Court granted defendants' motion to stay and declined to reach the merits of defendants' motion to dismiss. On October 9, 2023, the plaintiff filed a motion to vacate the stay.

No trial dates have been scheduled in any of the above CVR Litigations.

## **OTHER LITIGATION**

### ***IRA Litigation***

On June 16, 2023, BMS filed a lawsuit against the U.S. Department of Health & Human Services and the Centers for Medicare & Medicaid Services, *et al.*, challenging the constitutionality of the drug-pricing program in the IRA. That program requires pharmaceutical companies, like BMS, under the threat of significant penalties, to sell certain of their medicines at government-dictated prices. On August 29, 2023, the government selected *Elivis* for this program. In its lawsuit, BMS argues that this program violates the Fifth Amendment, which requires the government to pay just compensation if it takes property for public use, by requiring pharmaceutical manufacturers to provide medicines to third parties at prices set by the government that necessarily fall below fair market value. BMS also argues that this program violates the First Amendment right to free speech by requiring manufacturers to state that they agree that the price set by the government is the medicine's "maximum fair price" as determined by negotiation, even though there is no true negotiation. On August 16, 2023, BMS filed a motion for summary judgment. On October 16, 2023, the government filed an opposition to BMS's motion for summary judgment and a cross-motion for summary judgment.

### ***Thalomid and Revlimid Litigations***

Beginning in November 2014, certain putative class action lawsuits were filed against Celgene in the U.S. District Court for the District of New Jersey alleging that Celgene violated various antitrust, consumer protection, and unfair competition laws by (a) allegedly securing an exclusive supply contract for the alleged purpose of preventing a generic manufacturer from securing its own supply of thalidomide active pharmaceutical ingredient, (b) allegedly refusing to sell samples of *Thalomid* and *Revlimid* brand drugs to various generic manufacturers for the alleged purpose of bioequivalence testing necessary for ANDAs to be submitted to the FDA for approval to market generic versions of these products, (c) allegedly bringing unjustified patent infringement lawsuits in order to allegedly delay approval for proposed generic versions of *Thalomid* and *Revlimid*, and/or (d) allegedly entering into settlements of patent infringement lawsuits with certain generic manufacturers that allegedly have had anticompetitive effects. The plaintiffs, on behalf of themselves and putative classes of third-party payers, sought injunctive relief and damages. The various lawsuits were consolidated into a master action for all purposes. In March 2020, Celgene reached a settlement with the class plaintiffs. In October 2020, the Court entered a final order approving the settlement and dismissed the matter. That settlement did not resolve certain claims of certain entities that opted out of the settlement, and who have since filed new suits advancing related theories. As described below, certain other consolidated or coordinated suits described below, are pending.

In March 2019, Humana Inc. ("Humana"), which opted out of the above settlement, filed a lawsuit against Celgene in the U.S. District Court for the District of New Jersey. Humana's complaint makes largely the same claims and allegations as were made in the now settled *Thalomid* and *Revlimid* antitrust class action litigation. The complaint purports to assert claims on behalf of Humana and its subsidiaries in several capacities, including as a direct purchaser and as an indirect purchaser, and seeks, among other things, treble and punitive damages, injunctive relief and attorneys' fees and costs. In May 2019, Celgene filed a motion to dismiss Humana's complaint. In April 2022, the Court issued an order denying Celgene's motion to dismiss. That order addressed only Celgene's argument that certain of Humana's claims were barred by the statute of limitations. The Court's order did not address Celgene's other grounds for dismissal and instead directed Celgene to present those arguments in a renewed motion to dismiss following the filing of amended complaints. In May 2022, Humana filed an amended complaint against Celgene and BMS asserting the same claims based on additional factual allegations. Celgene and BMS subsequently filed a motion to dismiss Humana's amended complaint. On August 18, and September 8, 2023, the Court held argument on Celgene and BMS' motion. No trial date has been scheduled.

United HealthCare Services, Inc. ("UHS"), Blue Cross Blue Shield Association ("BCBSM"), BCBSM Inc., Health Care Service Corporation ("HCSC"), Blue Cross and Blue Shield of Florida Inc., Cigna Corporation ("Cigna"), Molina Healthcare, Inc. ("Molina") and several MSP related entities (MSP Recovery Claims, Series LLC; MSPA Claims 1, LLC; MAO-MSO Recovery II, LLC, Series PMPI, a segregated series of MAO-MSO Recovery II, LLC; MSP Recovery Claims Series 44, LLC; MSP Recovery Claims PROV, Series LLC; and MSP Recovery Claims CAID, Series LLC (together, "MSP")) filed lawsuits between 2020 and 2022 making largely the same claims and allegations as were made in the now-settled class action litigation and in the *Humana* opt-out action. The UHS and MSP matters include additional claims related to copay assistance for *Thalomid* and *Revlimid*. These cases are now pending in the U.S. District Court for the District of New Jersey. BCBSM has voluntarily dismissed its claims. Celgene and BMS's motion to dismiss the *Humana* amended complaint applies to these other actions as well, and these other actions will proceed as described above with respect to that *Humana* opt-out action. No trial dates have been scheduled.

In May 2021, Molina sued Celgene and BMS in San Francisco Superior Court. Molina's complaint makes largely the same claims and allegations as were made in the now settled class action litigation. In June 2022, the San Francisco Superior Court dismissed 63 of Molina's claims, which Molina later reasserted in the District of New Jersey as described above, and stayed the remaining 4 claims. No activity is expected in this case until disposition of the New Jersey actions.

Certain other entities that opted out of the now-settled class action have also filed summonses related to two actions in the Philadelphia County Court of Common Pleas in connection with the allegations made by Humana and other opt-out entities. Those actions have been placed in deferred status pending further developments in the above opt-out cases.

In November 2022, certain specialty pharmacies filed an action as direct purchasers against Celgene, BMS, and certain generic manufacturers in the U.S. District Court for the District of New Jersey. The action makes largely the same claims and allegations against Celgene and BMS as were made with respect to *Revlimid* in the now settled class action litigation, and seek injunctive relief and damages under the Sherman Antitrust Act. Also in November 2022, a putative class of end-payor plaintiffs filed an action against Celgene, BMS, and certain generic manufacturers in the U.S. District Court for the District of New Jersey. The class complaint brings claims based on Celgene's allegedly anticompetitive settlements of *Revlimid* patent litigation, seeking damages under state antitrust and consumer protection laws and injunctive relief under federal antitrust law. Celgene, BMS and the generic defendants have filed consolidated motions to dismiss these two actions. The motions were fully briefed in May 2023 and administratively terminated in November 2023 pending a ruling on Celgene and BMS's motion to dismiss the *Humana* amended complaint. No trial dates have been scheduled.

In October and November 2023, three healthcare systems—the Mayo Clinic, LifePoint Corporate Services, G.P. and Intermountain Health, Inc.—filed two new lawsuits against Celgene, BMS and certain generic manufacturers making largely the same claims and allegations against Celgene and BMS as were made with respect to *Revlimid* in the now-settled class action litigation, and seeking injunctive relief and damages under the Sherman Antitrust Act and parallel state laws. Those actions are pending in the U.S. District Court for the District of New Jersey. No trial dates have been scheduled.

#### ***MSK Contract Litigation***

On April 1, 2022, Memorial Sloan Kettering Cancer Center and Eureka Therapeutics, Inc. (collectively, "Plaintiffs") filed a complaint against BMS, Celgene and Juno (collectively, "Defendants"). In June 2022, Plaintiffs filed an amended complaint. Plaintiffs allege that Defendants breached a license agreement by allegedly failing to use commercially reasonable efforts to develop, manufacture, and commercialize a certain chimeric antigen receptor product and by failing to pay Plaintiffs a running royalty of at least 1.5% of worldwide sales of *Abecma* allegedly owed to Plaintiffs under the license agreement. Defendants disagree with plaintiffs' claims, and filed a motion to dismiss the amended complaint in July 2022. On January 24, 2024, the Court granted Defendants' motion to dismiss as to BMS and Celgene, removing them from the case. The case against Juno will continue. No trial date has been scheduled.

#### ***Pomalyst Antitrust Class Action***

In September 2023, certain health plan entities filed an action on behalf of a putative class of end-payor plaintiffs against Celgene, BMS, and certain generic pharmaceutical manufacturers in the U.S. District Court for the Southern District of New York. The class complaint asserts claims under federal antitrust law and state antitrust, consumer protection, and unjust enrichment laws based on allegations that Celgene and BMS engaged in anticompetitive conduct related to pomalidomide in the U.S., including by allegedly engaging in fraud before the USPTO in the acquisition of patents related to the use of pomalidomide, by filing alleged sham patent litigations against generic pharmaceutical companies seeking to market generic pomalidomide, and by entering into allegedly unlawful patent litigation settlements with certain generic pharmaceutical companies seeking to market generic pomalidomide. In December 2023, the plaintiffs filed an amended complaint that added one individual Pomalyst patient as a plaintiff, removed the generic manufacturer defendants, and added two individuals as defendants. No trial date has been scheduled.

### **GOVERNMENT INVESTIGATIONS**

Like other pharmaceutical companies, BMS and certain of its subsidiaries are subject to extensive regulation by national, state and local authorities in the U.S. and other countries in which BMS operates. As a result, BMS, from time to time, is subject to various governmental and regulatory inquiries and investigations as well as threatened legal actions and proceedings. It is possible that criminal charges, substantial fines and/or civil penalties, could result from government or regulatory investigations.

### **ENVIRONMENTAL PROCEEDINGS**

As previously reported, BMS is a party to several environmental proceedings and other matters, and is responsible under various state, federal and foreign laws, including CERCLA, for certain costs of investigating and/or remediating contamination resulting from past industrial activity at BMS's current or former sites or at waste disposal or reprocessing facilities operated by third parties.

#### ***CERCLA and Other Remediation Matters***

With respect to CERCLA and other remediation matters for which BMS is responsible under various state, federal and international laws, BMS typically estimates potential costs based on information obtained from the U.S. Environmental Protection Agency, or counterpart state or foreign agency and/or studies prepared by independent consultants, including the total estimated costs for the site and the expected cost-sharing, if any, with other "potentially responsible parties," and BMS accrues liabilities when they are probable and reasonably estimable. BMS estimated its share of future costs for these sites to be \$80 million as of December 31, 2023, which represents the sum of best estimates or, where no best estimate can reasonably be made, estimates of the minimal probable amount among a range of such costs (without taking into account any potential recoveries from other parties). The amount includes the estimated costs for any additional probable loss associated with the previously disclosed North Brunswick Township High School Remediation Site.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Bristol-Myers Squibb Company

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Bristol-Myers Squibb Company and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of earnings, comprehensive income, and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### ***Gross-to-Net U.S. Rebate Accruals for U.S. Medicaid, Medicare Part D, and managed healthcare — Refer to "Note 2 - Revenue" to the financial statements***

##### *Critical Audit Matter Description*

As more fully disclosed in Note 2 to the financial statements, the Company reduces gross product sales from list price at the time revenue is recognized for expected charge-backs, discounts, rebates, sales allowances and product returns, which are referred to as gross-to-net ("GTN") adjustments. These reductions are attributed to various commercial arrangements, managed healthcare organizations, and government programs that mandate various reductions from list price. Charge-backs and cash discounts are reflected as a reduction to receivables and settled through the issuance of credits to the customer. All other rebates, discounts and adjustments, are reflected as a liability and settled through cash payments.

Certain of the GTN liabilities related to U.S. Medicaid, Medicare Part D, and managed healthcare organizations rebate programs (the "GTN U.S. rebate accruals") involve the use of significant assumptions and judgments in their calculation. These significant assumptions and judgments include consideration of legal interpretations of applicable laws and regulations, historical claims experience, payer channel mix, current contract prices, unbilled claims, claims submission time lags, and inventory levels in the distribution channel.

Given the complexity involved in determining the significant assumptions used in calculating certain GTN U.S. rebate accruals, auditing these estimates involved especially subjective judgment.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to GTN U.S. rebate accruals included the following, among others:

- We evaluated the appropriateness and consistency of the Company's methods and assumptions used to calculate GTN U.S. rebate accruals.
- We tested the effectiveness of internal controls over the review of the Company's estimation model, including underlying assumptions and key inputs into the Company's process to calculate GTN U.S. rebate accruals.
- We tested the mathematical accuracy of GTN U.S. rebate accruals.
- We tested significant assumptions and key inputs used to calculate GTN U.S. rebate accruals.
- We evaluated the Company's ability to estimate GTN U.S. rebate accruals accurately by comparing actual amounts incurred for GTN U.S. rebate accruals to historical estimates.
- We tested the overall reasonableness of the GTN U.S. rebate accruals recorded at period end by developing an expectation for comparison to actual recorded balances.
- We involved audit professionals with industry and quantitative analytics experience to assist us in performing our auditing procedures.

***Taxes — Unrecognized Tax Benefit Liabilities for U.S. Transfer Pricing — Refer to "Note 7- Income Taxes" to the financial statements***

*Critical Audit Matter Description*

As more fully disclosed in Note 7 to the financial statements, the Company recognizes certain income tax benefits associated with transactions between its U.S. operating companies and related foreign affiliates. These income tax benefits are estimated based on transfer pricing agreements, third-party transfer pricing studies, and the Company's judgment as to whether it is more-likely-than-not the benefits will be realized. Tax benefits that may not ultimately be realized by the Company, as determined by its judgment, are accrued for as unrecognized tax benefit liabilities. The amounts recognized as unrecognized tax benefit liabilities related to U.S. transfer pricing may be significantly affected in subsequent periods due to various factors, such as changes in tax law, identification of additional relevant facts, or a change in the Company's judgment regarding measurement of the tax benefits upon ultimate settlement with the taxing authorities.

Given the complexity associated with significant assumptions used and judgments made to calculate unrecognized tax benefit liabilities related to U.S. transfer pricing auditing these estimates involved especially subjective judgment.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to unrecognized tax benefit liabilities related to U.S. transfer pricing included the following, among others:

- We evaluated the appropriateness and consistency of the Company's methods and assumptions used in the identification, recognition, measurement, and disclosure of unrecognized tax benefit liabilities.
- We tested the effectiveness of internal controls over the review of the underlying assumptions and key inputs into the Company's process to calculate unrecognized tax benefit liabilities.
- We obtained an understanding of the Company's related party transactions and transfer pricing policies.
- We tested the mathematical accuracy of the unrecognized tax benefit liabilities.
- We tested the completeness of unrecognized tax benefit liabilities.

- We tested the reasonableness of the underlying tax positions and amounts accrued for a selection of unrecognized tax benefit liabilities by reviewing the Company's evaluation of the relevant facts and tax law associated with the tax position, and testing the significant assumptions and inputs used to calculate the unrecognized tax benefit liabilities by reference to third party data, information produced by the entity, our understanding of transfer pricing principles and tax laws, and inquires of management.
- We evaluated whether the Company had appropriately considered new information that could significantly change the recognition, measurement or disclosure of the unrecognized tax benefit liabilities.
- We involved income tax specialists and audit professionals with industry experience to assist us in performing our auditing procedures.

*/s/ DELOITTE & TOUCHE LLP*

Morristown, New Jersey  
February 12, 2024

We have served as the Company's auditor since 2006.

**Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None.

**Item 9A. CONTROLS AND PROCEDURES.**

**Evaluation of Disclosure Controls and Procedures**

As of December 31, 2023, management carried out an evaluation, under the supervision and with the participation of its chief executive officer and chief financial officer, of the effectiveness of the design and operation of its disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), as of the end of the period covered by this 2023 Form 10-K. Based on this evaluation, management has concluded that as of December 31, 2023, such disclosure controls and procedures were effective.

**Management's Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of management, including the chief executive officer and chief financial officer, management assessed the effectiveness of internal control over financial reporting as of December 31, 2023 based on the framework in "Internal Control—Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management has concluded that the Company's internal control over financial reporting was effective at December 31, 2023 to provide reasonable assurance regarding the reliability of its financial reporting and the preparation of its financial statements for external purposes in accordance with United States generally accepted accounting principles. Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Deloitte & Touche LLP, an independent registered public accounting firm, has audited the Company's financial statements included in this report on this 2023 Form 10-K and issued its report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2023, which is included herein.

**Changes in Internal Control Over Financial Reporting**

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2023 that have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**Item 9B. OTHER INFORMATION.**

During the fourth quarter of 2023, no director or officer of the Company adopted or terminated an active "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.**

Not applicable.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Bristol-Myers Squibb Company

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Bristol-Myers Squibb Company and subsidiaries (the “Company”) as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 12, 2024, expressed an unqualified opinion on those financial statements.

### Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Morristown, New Jersey

February 12, 2024



### **PART III**

#### **Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

- (a) Reference is made to our 2024 Proxy Statement section "Who We Are: 2024 Director Nominees" with respect to information relating to our Directors, which is incorporated herein by reference and made a part hereof in response to the information required by Item 10.
- (b) The information required by Item 10 with respect to our Executive Officers has been included in Part IA of this 2023 Form 10-K in reliance on General Instruction G of Form 10-K and Instruction 3 to Item 401(b) of Regulation S-K, which is incorporated herein by reference and made a part hereof in response to the information required by Item 10.
- (c) Reference is made to our 2024 Proxy Statement section "How We Govern and Are Governed – Codes of Conduct" with respect to our code of ethics, which is incorporated herein by reference and made a part hereof in response to the information required by Item 10.
- (d) Reference is made to our 2024 Proxy Statement section "How We Are Selected and Elected – Director Succession Planning and Identification of Board Candidates – Shareholder Nominations for Director" with respect to procedures by which shareholders can recommend nominees to our board of directors, which is incorporated herein by reference and made a part hereof in response to the information required by Item 10.
- (e) Reference is made to our 2024 Proxy Statement section "How We Are Organized – Committees of Our Board" with respect to our audit committee, which is incorporated herein by reference and made a part hereof in response to the information required by Item 10.

#### **Item 11. EXECUTIVE COMPENSATION.**

- (a) Reference is made to our 2024 Proxy Statement section "Executive Compensation," which is incorporated herein by reference and made a part hereof in response to the information required by Item 11, except that the information under "Executive Compensation – Pay Versus Performance" will not be deemed to be incorporated by reference herein.

#### **Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

- (a) Reference is made to our 2024 Proxy Statement "Voting Securities and Principal Holders – Common Stock Ownership by Directors and Executive Officers" with respect to the security ownership of certain beneficial owners and management, which is incorporated herein by reference and made a part hereof in response to the information required by Item 12.
- (b) Reference is made to our 2024 Proxy Statement section "Items To Be Voted Upon – Equity Compensation Plan Information" with respect to the securities authorized for issuance under equity compensation plans, which is incorporated herein by reference and made a part hereof in response to the information required by Item 12.

#### **Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

- (a) Reference is made to our 2024 Proxy Statement section "How We Govern and Are Governed – Related Party Transactions" with respect to certain relationships and related transactions, which is incorporated herein by reference and made a part hereof in response to the information required by Item 13.
- (b) Reference is made to our 2024 Proxy Statement section "How We Are Selected and Elected – Director Independence" with respect to director independence, which is incorporated herein by reference and made a part hereof in response to the information required by Item 13.

#### **Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**

Reference is made to our 2024 Proxy Statement sections "Items To Be Voted Upon – Audit and Non-Audit Fees" and "Items To Be Voted Upon – Pre-Approval Policy for Services Provided by our Independent Registered Public Accounting Firm" with respect to the aggregate fees billed to us and services provided by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34), which are incorporated herein by reference and made a part hereof in response to the information required by Item 14.

**PART IV**

**Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE.**

(a)

	<b>Page Number</b>
1 Consolidated Financial Statements	
<a href="#">Consolidated Statements of Earnings and Comprehensive Income</a>	<a href="#">71</a>
<a href="#">Consolidated Balance Sheets</a>	<a href="#">72</a>
<a href="#">Consolidated Statements of Cash Flows</a>	<a href="#">73</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">74</a>
<a href="#">Report of Independent Registered Public Accounting Firm</a>	<a href="#">120</a>

2. Financial Statement Schedules

All other schedules not included with this additional financial data are omitted because they are not applicable or the required information is included in the financial statements or notes thereto.

3. Exhibits

The information called for by this Item is incorporated herein by reference to the Exhibit Index in this 2023 Form 10-K.

(b) [Exhibits Required to be filed by Item 601 of Regulation S-K](#) [130](#)

The information called for by this Item is incorporated herein by reference to the Exhibit Index in this 2023 Form 10-K.

**Item 16. FORM 10-K SUMMARY.**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRISTOL-MYERS SQUIBB COMPANY  
(Registrant)

By /s/ CHRISTOPHER BOERNER, Ph.D.  
**Christopher Boerner, Ph.D.**  
*Chief Executive Officer*

Date: February 13, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
<u>/s/ CHRISTOPHER BOERNER, Ph.D.</u> (Christopher Boerner, Ph.D.)	Chief Executive Officer (Principal Executive Officer)	February 13, 2024
<u>/s/ DAVID V. ELKINS</u> (David V. Elkins)	Chief Financial Officer (Principal Financial Officer)	February 13, 2024
<u>/s/ SHARON GREENLEES</u> (Sharon Greenlees)	Senior Vice President and Corporate Controller (Principal Accounting Officer)	February 13, 2024
<u>/s/ GIOVANNI CAFORIO, M.D.</u> (Giovanni Caforio, M.D.)	Executive Chairman of the Board	February 13, 2024
<u>/s/ PETER J. ARDUINI</u> (Peter J. Arduini)	Director	February 13, 2024
<u>/s/ DEEPAK L. BHATT, M.D. MPH</u> (Deepak L. Bhatt, M.D. MPH)	Director	February 13, 2024
<u>/s/ JULIA A. HALLER, M.D.</u> (Julia A. Haller, M.D.)	Director	February 13, 2024
<u>/s/ MANUEL HIDALGO MEDINA, M.D., Ph.D.</u> (Manuel Hidalgo Medina, M.D., Ph.D.)	Director	February 13, 2024
<u>/s/ PAULA A. PRICE</u> (Paula A. Price)	Director	February 13, 2024
<u>/s/ DERICA W. RICE</u> (Derica W. Rice)	Director	February 13, 2024
<u>/s/ THEODORE R. SAMUELS</u> (Theodore R. Samuels)	Director	February 13, 2024
<u>/s/ GERALD L. STORCH</u> (Gerald L. Storch)	Director	February 13, 2024
<u>/s/ KAREN H. VOUSDEN, Ph.D.</u> (Karen H. Vousden, Ph.D.)	Director	February 13, 2024
<u>/s/ PHYLLIS R. YALE</u> (Phyllis R. Yale)	Director	February 13, 2024

## SUMMARY OF ABBREVIATED TERMS

Bristol-Myers Squibb Company and its consolidated subsidiaries may be referred to as Bristol Myers Squibb, BMS, the Company, we, our or us in this 2023 Form 10-K, unless the context otherwise indicates. Throughout this 2023 Form 10-K, we have used terms which are defined below:

2023 Form 10-K	Annual Report on Form 10-K for the fiscal year ended December 31, 2023	MAA	Marketing Authorization Application
2021 Plan	2021 Stock Award and Incentive Plan	MCOs	Managed Care Organizations
2seventy bio	2seventy bio, Inc.	MDL	multi-district litigation
340B Program	340B Drug Pricing Program	MDS	myelodysplastic syndromes
AbbVie	AbbVie Inc.	MF	myelofibrosis
Agenus	Agenus Inc.	MPM	Malignant Pleural Mesothelioma
aGVHD	acute graft-versus-host disease	MSI-H	high microsatellite instability
Amgen	Amgen Inc.	Mead Johnson	Mead Johnson Nutrition Company
Amylin	Amylin Pharmaceuticals, Inc.	Merck	Merck & Co., Inc.
ANDA	abbreviated New Drug Application	Mirati	Mirati Therapeutics, Inc.
AstraZeneca	AstraZeneca PLC	MyoKardia	MyoKardia, Inc.
ASC	Accounting Standards Codification	NAV	net asset value
ASR	Accelerated Share Repurchase	NDA	New Drug Application
BCMA	B-cell maturation antigen	NKT	natural killer T
Biogen	Biogen, Inc.	Nimbus	Nimbus Therapeutics, LLC
Biohaven	Biohaven Pharmaceutical Holding Company Ltd.	Novartis	Novartis Pharmaceutical Corporation
BLA	Biologics License Application	NSCLC	non-small cell lung cancer
BridgeBio	BridgeBio Pharma Inc.	NVAF	non-valvular atrial fibrillation
CAR-T	Chimeric Antigen Receptor T cells	OCE	Oncology Center of Excellence
Celgene	Celgene Corporation acquired by BMS on November 20, 2019	OECD	Organization for Economic Co-operation and Development
CERCLA	U.S. Comprehensive Environmental Response, Compensation and Liability Act	OIG	Office of Inspector General of the U.S. Department of Health and Human Services
cGMP	current Good Manufacturing Practices	Orum	Orum Therapeutics
Cheplapharm	Cheplapharm Arzneimittel GmbH	OTC	over-the-counter
CHMP	Committee for Medicinal Products for Human Use	Ono	Ono Pharmaceutical Co., Ltd.
CML	chronic myeloid leukemia	Otsuka	Otsuka Pharmaceutical Co., Ltd.
CLL	Chronic lymphocytic leukemia	PBMs	Pharmacy Benefit Managers
COSO	Committee of Sponsoring Organizations of the Treadway Commission	PBRGs	People and Business Resource Groups
CRC	colorectal cancer	PCAOB	Public Company Accounting Oversight Board
DMC	Data Monitoring Committee	PD-1	programmed death receptor-1
Dragonfly	Dragonfly Therapeutics, Inc.	PDMA	Prescription Drug Marketing Act
DSA	Distribution Services Agreement	PDUFA	Prescription Drug User Fee Act
EC	European Commission	Pfizer	Pfizer, Inc.
EGFR	estimated glomerular filtration rate	Prothena	Prothena Corporation
Eisai	Eisai Co., Ltd.	PhRMA Code	Pharmaceutical Research and Manufacturers of America's Professional Practices Code
EMA	European Medicines Agency	PRP	potentially responsible party
EPO	European Patent Office	PsA	psoriatic arthritis
EPS	earnings per share	PTR	patent term restoration
ESA	erythropoiesis-stimulating agent	R&D	research and development
Evotec	Evotec SE	RA	rheumatoid arthritis
EU	except as otherwise noted, EU refers to the countries that are members of the European Union plus the United Kingdom	RayzeBio	RayzeBio, Inc.
FASB	Financial Accounting Standards Board	RCC	renal cell carcinoma
FDA	U.S. Food and Drug Administration	RDP	Regulatory Data Protection
FL	follicular lymphoma	REMS	Risk Evaluation and Mitigation Strategy
GAAP	U.S. generally accepted accounting principles	ROS1	c-ros oncogene 1
Gilead	Gilead Sciences, Inc.	Roche	Roche Holding AG
GILTI	global intangible low taxed income	Sanofi	Sanofi S.A.
GlaxoSmithKline	GlaxoSmithKline PLC	sBLA	supplemental Biologics License Application
GTN	gross-to-net	SEC	U.S. Securities and Exchange Commission
Halozyne	Halozyne Therapeutics, Inc.	SLE	systemic lupus erythematosus
HCM	hypertrophic cardiomyopathy	SOFR	Secured Overnight Financing Rate
IMDC	International Metastatic Renal Cell Carcinoma Database Consortium	SPC	Supplementary Protection Certificate
Immatics	Immatics N.V.	Takeda	Takeda Pharmaceutical Company Limited
IO	immuno-oncology	TCJA	the Tax Cuts and Jobs Act of 2017
IPRD	in-process research and development	UC	ulcerative colitis
IRS	Internal Revenue Services	U.S.	United States
JIA	Juvenile Idiopathic Arthritis	UK	United Kingdom
Lilly	Eli Lilly and Company	VAT	value added tax
LOE	loss of exclusivity	WTO	World Trade Organization
Karuna	Karuna Therapeutics, Inc.		

## EXHIBIT INDEX

The Exhibits listed below are identified by numbers corresponding to the Exhibit Table of Item 601 of Regulation S-K. The Exhibits designated by the symbol ## are management contracts or compensatory plans or arrangements required to be filed pursuant to Item 15. The symbol ‡ in the Page column indicates that the Exhibit has been previously filed with the Commission and is incorporated herein by reference. Unless otherwise indicated, all Exhibits are part of Commission File Number 1-1136.

Exhibit No.	Description	Page No
2.	<a href="#"><u>Agreement and Plan of Merger, dated as of January 2, 2019, among Bristol-Myers Squibb Company, Burgundy Merger Sub, Inc. and Celgene Corporation (incorporated herein by reference to Exhibit 2.1 to the Form 8-K dated January 2, 2019 and filed on January 4, 2019).</u></a> †	‡
3a.	<a href="#"><u>Amended and Restated Certificate of Incorporation of Bristol-Myers Squibb Company (incorporated herein by reference to Exhibit 3a to the Form 10-Q for the quarterly period ended June 30, 2005).</u></a>	‡
3b.	<a href="#"><u>Certificate of Correction to the Amended and Restated Certificate of Incorporation, effective as of December 24, 2009 (incorporated herein by reference to Exhibit 3b to the Form 10-K for the fiscal year ended December 31, 2010).</u></a>	‡
3c.	<a href="#"><u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective as of May 7, 2010 (incorporated herein by reference to Exhibit 3a to the Form 8-K dated May 4, 2010 and filed on May 10, 2010).</u></a>	‡
3d.	<a href="#"><u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective as of May 7, 2010 (incorporated herein by reference to Exhibit 3b to the Form 8-K dated May 4, 2010 and filed on May 10, 2010).</u></a>	‡
3e.	<a href="#"><u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective as of May 4, 2021 (incorporated herein by reference to Exhibit 3a to the Form 8-K dated and filed on May 4, 2021).</u></a>	‡
3f.	<a href="#"><u>Bylaws of Bristol-Myers Squibb Company, as amended as of May 4, 2021 (incorporated herein by reference to Exhibit 3b to the Form 8-K dated and filed on May 4, 2021).</u></a>	‡
4a.	<a href="#"><u>Description of Bristol-Myers Squibb Company's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated herein by reference to Exhibit 4a to the Form 10-K for fiscal year ended December 31, 2022).</u></a>	‡
4b.	Letter of Agreement dated March 28, 1984 (incorporated herein by reference to Exhibit 4 to the Form 10-K for the fiscal year ended December 31, 1983).	‡
4c.	<a href="#"><u>Indenture, dated as of June 1, 1993, between Bristol-Myers Squibb Company and JPMorgan Chase Bank (as successor trustee to The Chase Manhattan Bank (National Association)) (incorporated herein by reference to Exhibit 4a to the registration statement on Form S-3 dated April 28, 2008 and filed on April 28, 2008).</u></a>	‡
4d.	<a href="#"><u>Form of 6.80% Debenture due 2026 of Bristol-Myers Squibb Company (incorporated herein by reference to Exhibit 4e to the Form 10-K for the fiscal year ended December 31, 1996).</u></a>	‡
4e.	<a href="#"><u>Form of 6.875% Debenture due 2097 of Bristol-Myers Squibb Company (incorporated herein by reference to Exhibit 4f to the Form 10-Q for the quarterly period ended September 30, 1997).</u></a>	‡
4f.	<a href="#"><u>Specimen Certificate of Common Stock (incorporated herein by reference to Exhibit 4s to the Form 10-K for the fiscal year ended December 31, 2003).</u></a>	‡
4g.	<a href="#"><u>Form of Fourth Supplemental Indenture between Bristol-Myers Squibb Company and The Bank of New York, as Trustee, to the indenture dated June 1, 1993 (incorporated herein by reference to Exhibit 4r to the Form 8-K dated November 20, 2006 and filed on November 27, 2006).</u></a>	‡
4h.	<a href="#"><u>Form of 5.875% Notes due 2036 (incorporated herein by reference to Exhibit 4s to the Form 8-K dated November 20, 2006 and filed November 27, 2006).</u></a>	‡
4i.	<a href="#"><u>Form of Fifth Supplemental Indenture between Bristol-Myers Squibb Company and The Bank of New York, as Trustee, to the indenture dated June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated May 1, 2008 and filed on May 7, 2008).</u></a>	‡
4j.	<a href="#"><u>Form of 6.125% Notes due 2038 (incorporated herein by reference to Exhibit 4.3 to the Form 8-K dated May 1, 2008 and filed on May 7, 2008).</u></a>	‡
4k.	<a href="#"><u>Form of Sixth Supplemental Indenture between Bristol-Myers Squibb Company and The Bank of New York, as Trustee, to the indenture dated June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated July 26, 2012 and filed on July 31, 2012).</u></a>	‡
4l.	<a href="#"><u>Form of 3.250% Notes Due 2042 (incorporated herein by reference to Exhibit 4.4 to the Form 8-K dated July 26, 2012 and filed on July 31, 2012).</u></a>	‡

4m.	<a href="#"><u>Seventh Supplemental Indenture, dated as of October 31, 2013, between Bristol-Myers Squibb Company and The Bank of New York Mellon, as Trustee to the Indenture dated as of June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on October 31, 2013).</u></a>	†
4n.	<a href="#"><u>Form of 3.250% Notes Due 2023 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on October 31, 2013).</u></a>	†
4o.	<a href="#"><u>Form of 4.500% Notes Due 2044 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on October 31, 2013).</u></a>	†
4p.	<a href="#"><u>Eighth Supplemental Indenture, dated as of May 5, 2015, between Bristol-Myers Squibb Company and The Bank of New York Mellon, as Trustee, to the Indenture dated as of June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on May 5, 2015).</u></a>	†
4q.	<a href="#"><u>Form of €575,000,000 1.000% Notes Due 2025 (incorporated herein by reference to Exhibit 4.2 to the Form 8-K dated and filed on May 5, 2015).</u></a>	†
4r.	<a href="#"><u>Form of €575,000,000 1.750% Notes Due 2035 (incorporated herein by reference to Exhibit 4.3 to the Form 8-K dated and filed on May 5, 2015).</u></a>	†
4s.	<a href="#"><u>Ninth Supplemental Indenture, dated as of February 27, 2017, between Bristol-Myers Squibb Company and The Bank of New York Mellon, as Trustee, to the Indenture dated as of June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on February 27, 2017).</u></a>	†
4t.	<a href="#"><u>Form of \$750,000,000 3.250% Notes due 2027 (incorporated herein by reference to Exhibit 4.3 to the Form 8-K dated and filed on February 27, 2017).</u></a>	†
4u.	<a href="#"><u>Tenth Supplemental Indenture, dated as of May 16, 2019, by and between Bristol-Myers Squibb Company and The Bank of New York Mellon, as Trustee, to the Indenture dated as of June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on May 16, 2019).</u></a>	†
4v.	<a href="#"><u>Form of \$3,250,000,000 2.900% Senior Notes due 2024 (incorporated herein by reference to Exhibit 4.6 to the Form 8-K dated and filed on May 16, 2019).</u></a>	†
4w.	<a href="#"><u>Form of \$2,250,000,000 3.200% Senior Notes due 2026 (incorporated herein by reference to Exhibit 4.7 to the Form 8-K dated and filed on May 16, 2019).</u></a>	†
4x.	<a href="#"><u>Form of \$4,000,000,000 3.400% Senior Notes due 2029 (incorporated herein by reference to Exhibit 4.8 to the Form 8-K dated and filed on May 16, 2019).</u></a>	†
4y.	<a href="#"><u>Form of \$2,000,000,000 4.125% Senior Notes due 2039 (incorporated herein by reference to Exhibit 4.9 to the Form 8-K dated and filed on May 16, 2019).</u></a>	†
4z.	<a href="#"><u>Form of \$3,750,000,000 4.250% Senior Notes due 2049 (incorporated herein by reference to Exhibit 4.10 to the Form 8-K dated and filed on May, 16, 2019).</u></a>	†
4aa.	<a href="#"><u>Eleventh Supplemental Indenture, dated as of November 22, 2019, by and between Bristol-Myers Squibb Company and The Bank of New York Mellon, as trustee, to the Indenture dated as of June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4bb.	<a href="#"><u>Form of 3.625% Senior Notes due 2024 (incorporated herein by reference to Exhibit 4.11 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4cc.	<a href="#"><u>Form of 3.875% Senior Notes due 2025 (incorporated herein by reference to Exhibit 4.12 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4dd.	<a href="#"><u>Form of 3.450% Senior Notes due 2027 (incorporated herein by reference to Exhibit 4.13 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4ee.	<a href="#"><u>Form of 3.900% Senior Notes due 2028 (incorporated herein by reference to Exhibit 4.14 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4ff.	<a href="#"><u>Form of 5.700% Senior Notes due 2040 (incorporated herein by reference to Exhibit 4.15 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4gg.	<a href="#"><u>Form of 5.250% Senior Notes due 2043 (incorporated herein by reference to Exhibit 4.16 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4hh.	<a href="#"><u>Form of 4.625% Senior Notes due 2044 (incorporated herein by reference to Exhibit 4.17 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4ii.	<a href="#"><u>Form of 5.000% Senior Notes due 2045 (incorporated herein by reference to Exhibit 4.18 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†

4jj.	<a href="#"><u>Form of 4.350% Senior Notes due 2047 (incorporated herein by reference to Exhibit 4.19 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4kk.	<a href="#"><u>Form of 4.550% Senior Notes due 2048 (incorporated herein by reference to Exhibit 4.20 to the Form 8-K dated and filed on November 22, 2019).</u></a>	†
4ll.	<a href="#"><u>Twelfth Supplemental Indenture, dated as of November 13, 2020, by and between Bristol-Myers Squibb Company and The Bank of New York Mellon, as Trustee, to the Indenture dated as of June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on November 13, 2020).</u></a>	†
4mm.	<a href="#"><u>Form of \$1,000,000,000 0.750% Notes due 2025 (incorporated herein by reference to Exhibit 4.3 to the Form 8-K dated and filed on November 13, 2020).</u></a>	†
4nn.	<a href="#"><u>Form of \$1,000,000,000 1.125% Notes due 2027 (incorporated herein by reference to Exhibit 4.4 to the Form 8-K dated and filed on November 13, 2020).</u></a>	†
4oo.	<a href="#"><u>Form of \$1,250,000,000 1.450% Notes due 2030 (incorporated herein by reference to Exhibit 4.5 to the Form 8-K dated and filed on November 13, 2020).</u></a>	†
4pp.	<a href="#"><u>Form of \$750,000,000 2.350% Notes due 2040 (incorporated herein by reference to Exhibit 4.6 to the Form 8-K dated and filed on November 13, 2020).</u></a>	†
4qq.	<a href="#"><u>Form of \$1,500,000,000 2.550% Notes due 2050 (incorporated herein by reference to Exhibit 4.7 to the Form 8-K dated and filed on November 13, 2020).</u></a>	†
4rr.	<a href="#"><u>Thirteenth Supplemental Indenture, dated as of March 2, 2022, by and between Bristol-Myers Squibb Company and the Bank of New York Mellon, as Trustee, to the Indenture dated as of June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on March 2, 2022).</u></a>	†
4ss.	<a href="#"><u>Form of \$1,750,000,000 2.950% Notes due 2032 (incorporated herein by reference to Exhibit 4.2 to the Form 8-K dated and filed on March 2, 2022).</u></a>	†
4tt.	<a href="#"><u>Form of \$1,250,000,000 3.550% Notes due 2042 (incorporated herein by reference to Exhibit 4.3 to the Form 8-K dated and filed on March 2, 2022).</u></a>	†
4uu.	<a href="#"><u>Form of \$2,000,000,000 3.700% Notes due 2052 (incorporated herein by reference to Exhibit 4.4 to the Form 8-K dated and filed on March 2, 2022).</u></a>	†
4vv.	<a href="#"><u>Form of \$1,000,000,000 3.900% Notes due 2062 (incorporated herein by reference to Exhibit 4.5 to the Form 8-K dated and filed on March 2, 2022).</u></a>	†
4ww.	<a href="#"><u>Fourteenth Supplemental Indenture, dated as of November 13, 2023, by and between Bristol-Myers Squibb Company and The Bank of New York Mellon, as Trustee, to the Indenture dated as of June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on November 13, 2023).</u></a>	†
4xx.	<a href="#"><u>Form of \$1,000,000,000 5.750% Notes due 2031 (incorporated herein by reference to Exhibit 4.2 to the Form 8-K dated and filed on November 13, 2023).</u></a>	†
4yy.	<a href="#"><u>Form of \$1,000,000,000 5.900% Notes due 2033 (incorporated herein by reference to Exhibit 4.3 to the Form 8-K dated and filed on November 13, 2023).</u></a>	†
4zz.	<a href="#"><u>Form of \$1,250,000,000 6.250% Notes due 2053 (incorporated herein by reference to Exhibit 4.4 to the Form 8-K dated and filed on November 13, 2023).</u></a>	†
4aaa.	<a href="#"><u>Form of \$1,250,000,000 6.400% Notes due 2063 (incorporated herein by reference to Exhibit 4.5 to the Form 8-K dated and filed on November 13, 2023).</u></a>	†
4bbb.	<a href="#"><u>Assignment, Assumption, and Amendment Agreement, dated as of November 20, 2019, among Bristol-Myers Squibb Company, Celgene Corporation, American Stock Transfer &amp; Trust Company, LLC and Equiniti Trust Company (incorporated herein by reference to Exhibit 4.2 to the Form 8-K dated and filed on November 20, 2019).</u></a>	†
10a.	SEC Consent Order (incorporated herein by reference to Exhibit 10s to the Form 10-Q for the quarterly period ended September 30, 2004).	†
10b.	<a href="#"><u>Amended and Restated Co-Development and Co-Promotion Agreement (Apixaban) by and between Bristol-Myers Squibb Company and Pfizer, Inc. dated April 26, 2007 as amended and restated as of August 23, 2007 (incorporated herein by reference to Exhibit 10c to the Form 10-Q for the quarterly period ended June 30, 2016).</u></a>	†



10c.	<a href="#">Second Amendment to Amended and Restated Co-Development and Co-Promotion Agreement (Apixaban) by and between Bristol-Myers Squibb Company and Pfizer, Inc. dated as of March 15, 2012 (incorporated herein by reference to Exhibit 10d to the Form 10-Q for the quarterly period ended June 30, 2016).</a> <sup>†</sup>	†
10d.	<a href="#">Fourth Amendment to Amended and Restated Co-Development and Co-Promotion Agreement (Apixaban) by and between Bristol-Myers Squibb Company and Pfizer, Inc. dated as of May 18, 2015 (incorporated herein by reference to Exhibit 10e to the Form 10-Q for the quarterly period ended June 30, 2016).</a> <sup>†</sup>	†
##10e.	<a href="#">Bristol-Myers Squibb Company 2012 Stock Award and Incentive Plan, effective as of May 1, 2012 (incorporated herein by reference to Exhibit B to the 2012 Proxy Statement dated March 20, 2012).</a>	†
##10f.	<a href="#">Form of 2021-2023 Performance Share Units Award Agreement under the 2012 Equity Incentive Plan (incorporated herein by reference to Exhibit 10bb to the Form 10-K for the fiscal year ended December 31, 2020).</a>	†
##10g.	<a href="#">Form of 2022-2024 Performance Share Units Award Agreement under the 2021 Equity Incentive Plan (incorporated herein by reference to Exhibit 10i to the Form 10-K for the fiscal year ended December 31, 2021).</a>	†
##10h.	<a href="#">Form of 2023-2025 Performance Share Units Award Agreement under the 2021 Equity Incentive Plan (incorporated herein by reference to Exhibit 10i to the Form 10-K for the fiscal year ended December 31, 2022).</a>	†
##10i.	<a href="#">Form of 2024-2026 Performance Share Units Award Agreement under the 2021 Equity Incentive Plan (filed herewith).</a>	E-10-1
##10j.	<a href="#">Form of Restricted Stock Units Agreement with five year vesting under the 2014 Equity Incentive Plan (incorporated herein by reference to Exhibit 10gg to the Form 10-K for the fiscal year ended December 31, 2019).</a>	†
##10k.	<a href="#">Form of Restricted Stock Units Agreement with four year vesting under the 2014 Equity Incentive Plan (incorporated herein by reference to Exhibit 10hh to the Form 10-K for the fiscal year ended December 31, 2019).</a>	†
##10l.	<a href="#">Form of Restricted Stock Units Agreement with five year vesting under the 2017 Stock Incentive Plan (incorporated herein by reference to Exhibit 10kk to the Form 10-K for the fiscal year ended December 31, 2019).</a>	†
##10m.	<a href="#">Form of Restricted Stock Units Agreement with four year vesting under the 2017 Stock Incentive Plan (incorporated herein by reference to Exhibit 10ll to the Form 10-K for the fiscal year ended December 31, 2019).</a>	†
##10n.	<a href="#">Form of Restricted Stock Units Agreement with five year vesting under the 2012 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10kk to the Form 10-K for the fiscal year ended December 31, 2020).</a>	†
##10o.	<a href="#">Form of Restricted Stock Units Agreement with four year vesting under the 2012 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10ll to the Form 10-K for the fiscal year ended December 31, 2020).</a>	†
##10p.	<a href="#">Form of Restricted Stock Units Agreement with five year vesting under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10v to the Form 10-K for the fiscal year ended December 31, 2021).</a>	†
##10q.	<a href="#">Form of Restricted Stock Units Agreement with four year vesting under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10w to the Form 10-K for the fiscal year ended December 31, 2021).</a>	†
##10r.	<a href="#">Form of Restricted Stock Units Agreement with three year vesting under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10x to the Form 10-K for the fiscal year ended December 31, 2021).</a>	†
##10s.	<a href="#">Form of Restricted Stock Units Agreement with two-year cliff vesting with a one-year post-vest holding period under the 2021 Stock Award and Incentive Plan. (incorporated herein by reference to Exhibit 10y to the Form 10-K for the fiscal year ended December 31, 2021).</a>	†
##10t.	<a href="#">Form of Restricted Stock Units Agreement with one-year cliff vesting with a two-year post-vest holding period under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10z to the Form 10-K for the fiscal year ended December 31, 2021).</a>	†

##10u.	<a href="#">Form of Market Share Units Agreement under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10aa to the Form 10-K for the fiscal year ended December 31, 2021).</a>	†
##10v.	<a href="#">Form of Restricted Stock Units Agreement with five year vesting under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10v to the Form 10-K for the fiscal year ended December 31, 2022).</a>	†
##10w.	<a href="#">Form of Restricted Stock Units Agreement with four year vesting under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10w to the Form 10-K for the fiscal year ended December 31, 2022).</a>	†
##10x.	<a href="#">Form of Restricted Stock Units Agreement with three year vesting under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10x to the Form 10-K for the fiscal year ended December 31, 2022).</a>	†
##10y.	<a href="#">Form of Restricted Stock Units Agreement with two-year cliff vesting with a one-year post-vest holding period under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10y to the Form 10-K for the fiscal year ended December 31, 2022).</a>	†
##10z.	<a href="#">Form of Restricted Stock Units Agreement with one-year cliff vesting with a two-year post-vest holding period under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10z to the Form 10-K for the fiscal year ended December 31, 2022).</a>	†
##10aa.	<a href="#">Form of Market Share Units Agreement under the 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10aa to the Form 10-K for the fiscal year ended December 31, 2022).</a>	†
##10bb.	<a href="#">Form of Restricted Stock Units Agreement with five year vesting under the 2021 Stock Award and Incentive Plan (filed herewith).</a>	E-10-2
##10cc.	<a href="#">Form of Restricted Stock Units Agreement with four year vesting under the 2021 Stock Award and Incentive Plan (filed herewith).</a>	E-10-3
##10dd.	<a href="#">Form of Restricted Stock Units Agreement with three year vesting under the 2021 Stock Award and Incentive Plan (filed herewith).</a>	E-10-4
##10ee.	<a href="#">Form of Restricted Stock Units Agreement with two-year cliff vesting with a one-year post-vest holding period under the 2021 Stock Award and Incentive Plan (filed herewith).</a>	E-10-5
##10ff.	<a href="#">Form of Restricted Stock Units Agreement with one-year cliff vesting with a two-year post-vest holding period under the 2021 Stock Award and Incentive Plan (filed herewith).</a>	E-10-6
##10gg.	<a href="#">Form of Market Share Units Agreement under the 2021 Stock Award and Incentive Plan (filed herewith).</a>	E-10-7
##10hh.	Bristol-Myers Squibb Company Performance Incentive Plan, as amended (as adopted, incorporated herein by reference to Exhibit 2 to the Form 10-K for the fiscal year ended December 31, 1978; as amended as of January 8, 1990, incorporated herein by reference to Exhibit 19b to the Form 10-K for the fiscal year ended December 31, 1990; as amended on April 2, 1991, incorporated herein by reference to Exhibit 19b to the Form 10-K for the fiscal year ended December 31, 1991; as amended effective January 1, 1994, incorporated herein by reference to Exhibit 10d to the Form 10-K for the fiscal year ended December 31, 1993; and as amended effective January 1, 1994, incorporated herein by reference to Exhibit 10d to the Form 10-K for the fiscal year ended December 31, 1994).	†
##10ii.	Bristol-Myers Squibb Company Executive Performance Incentive Plan effective January 1, 1997 (incorporated herein by reference to Exhibit 10b to the Form 10-K for the fiscal year ended December 31, 1996).	†
##10jj.	<a href="#">Bristol-Myers Squibb Company Executive Performance Incentive Plan effective January 1, 2003 and as amended effective June 10, 2008 (incorporated herein by reference to Exhibit 10.3 to the Form 10-Q for the quarterly period ended September 30, 2008).</a>	†
##10kk.	<a href="#">Bristol-Myers Squibb Company 2007 Senior Executive Performance Incentive Plan (as amended and restated effective June 8, 2010 and incorporated herein by reference to Exhibit 10a. to the Form 10-Q for the quarterly period ended June 30, 2010).</a>	†
##10ll.	<a href="#">Bristol-Myers Squibb Company Benefit Equalization Plan – Retirement Income Plan, effective as of January 1, 2012 and as amended and restated effective as of August 2, 2019 (incorporated herein by reference to Exhibit 10tt to the Form 10-K for the fiscal year ended December 31, 2020).</a>	†

##10mm.	<a href="#">Bristol-Myers Squibb Company Benefit Equalization Plan – Savings and Investment Program, effective as of January 1, 2012 and as amended and restated effective as of January 1, 2020 (incorporated herein by reference to Exhibit 10uu to the Form 10-K for the fiscal year ended December 31, 2020).</a>	†
##10nn.	Squibb Corporation Supplementary Pension Plan, as amended (as previously amended and restated, incorporated herein by reference to Exhibit 19g to the Form 10-K for the fiscal year ended December 31, 1991; as amended as of September 14, 1993, and incorporated herein by reference to Exhibit 10g to the Form 10-K for the fiscal year ended December 31, 1993).	†
##10oo.	<a href="#">Senior Executive Severance Plan, effective as of April 26, 2007 and as amended and restated effective as of January 1, 2021 (incorporated herein by reference to Exhibit 10ww to the Form 10-K for the fiscal year ended December 31, 2020).</a>	†
##10pp.	<a href="#">Form of Agreement entered into between the Registrant and each of the named executive officers and certain other executives effective January 1, 2016 (incorporated by reference to Exhibit 10kk to the Form 10-K for the fiscal year ended December 31, 2015).</a>	†
##10qq.	Bristol-Myers Squibb Company Retirement Income Plan for Non-Employee Directors, as amended March 5, 1996 (incorporated herein by reference to Exhibit 10k to the Form 10-K for the fiscal year ended December 31, 1996).	†
##10rr.	<a href="#">Bristol-Myers Squibb Company 1987 Deferred Compensation Plan for Non-Employee Directors, as amended and restated June 13, 2019 (incorporated herein by reference to Exhibit 10e to the Form 10-Q for quarterly period ended September 30, 2019).</a>	†
##10ss.	Bristol-Myers Squibb Company Non-Employee Directors’ Stock Option Plan, as amended (as approved by the Stockholders on May 2, 2000, incorporated herein by reference to Exhibit A to the 2000 Proxy Statement dated March 20, 2000).	†
##10tt.	Squibb Corporation Deferral Plan for Fees of Outside Directors, as amended (as adopted, incorporated herein by reference to Exhibit 10e Squibb Corporation 1991 Form 10-K for the fiscal year ended December 31, 1987, File No. 1-5514; as amended effective December 31, 1991 incorporated herein by reference to Exhibit 10m to the Form 10-K for the fiscal year ended December 31, 1992).	†
##10uu.	<a href="#">Bristol-Myers Squibb Company 2017 Stock Incentive Plan (incorporated herein by reference to Exhibit 99.1 to the registration statement on Form S-8 filed on November 25, 2019).</a>	†
##10vv.	<a href="#">Bristol-Myers Squibb Company 2014 Equity Incentive Plan (incorporated herein by reference to Exhibit 99.2 to the registration statement on Form S-8 filed on November 25, 2019).</a>	†
##10ww.	<a href="#">Bristol-Myers Squibb Company 2021 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit B to Bristol Myers-Squibb Company’s Definitive Proxy Statement filed on March 25, 2021)</a>	†
##10xx.	<a href="#">Letter Agreement between Bristol-Myers Squibb Company and Mr. David Elkins, dated as of May 30, 2019 (incorporated herein by reference to Exhibit 10iii to the Form 10-K for the fiscal year ended December 31, 2019).</a>	†
19.	<a href="#">Standard Operating Procedure BMS-SOP-5k: Securities Trading (filed herewith)</a>	E-19-1
21.	<a href="#">Subsidiaries of the Registrant (filed herewith).</a>	E-21-1
23.	<a href="#">Consent of Deloitte &amp; Touche LLP (filed herewith).</a>	E-23-1
31a.	<a href="#">Section 302 Certification Letter (filed herewith).</a>	E-31-1
31b.	<a href="#">Section 302 Certification Letter (filed herewith).</a>	E-31-2
32a.	<a href="#">Section 906 Certification Letter (filed herewith).</a>	E-32-1
32b.	<a href="#">Section 906 Certification Letter (filed herewith).</a>	E-32-2
97.	<a href="#">Policies and Procedures for the Recoupment of Compensation for Accounting Restatement effective December 1, 2023 (filed herewith).</a> Compensation for Accounting Restatement	E-97
101.	The following financial statements from the Bristol-Myers Squibb Company Annual Report on Form 10-K for the years ended December 31, 2023, 2022 and 2021, formatted in Inline Extensible Business Reporting Language (XBRL): (i) consolidated statements of earnings, (ii) consolidated statements of comprehensive (loss)/income, (iii) consolidated balance sheets, (iv) consolidated statements of cash flows, and (v) the notes to the consolidated financial statements.	
104.	The cover page from the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 formatted in Inline XBRL.	

- † Confidential treatment has been granted for certain portions which are omitted in the copy of the exhibit electronically filed with the Commission.
- \* Indicates, in this 2023 Form 10-K, brand names of products, which are registered trademarks not solely owned by the Company or its subsidiaries. *Abilify* is a trademark of Otsuka Pharmaceutical Co., Ltd.; *Cabometyx* is a trademark of Exelixis, Inc.; *Farxiga* and *Onglyza* are trademarks of AstraZeneca AB; *Gleevec* is a trademark of Novartis AG; *Keytruda* is a trademark of Merck Sharp & Dohme Corp.; *Otezla* is a trademark of Amgen Inc.; *Plavix* is a trademark of Sanofi; and *Tecentriq* is a trademark of Genentech, Inc. Brand names of products that are in all italicized letters, without an asterisk, are registered trademarks of BMS and/or one of its subsidiaries.