

AMGEN INC.
CONSOLIDATED STATEMENTS OF INCOME
Years ended December 31, 2019, 2018 and 2017
(In millions, except per-share data)

	2019	2018	2017
Revenues:			
Product sales	\$ 22,204	\$ 22,533	\$ 21,795
Other revenues	1,158	1,214	1,054
Total revenues	<u>23,362</u>	<u>23,747</u>	<u>22,849</u>
Operating expenses:			
Cost of sales	4,356	4,101	4,069
Research and development	4,116	3,737	3,562
Selling, general and administrative	5,150	5,332	4,870
Other	66	314	375
Total operating expenses	<u>13,688</u>	<u>13,484</u>	<u>12,876</u>
Operating income	9,674	10,263	9,973
Interest expense, net	1,289	1,392	1,304
Interest and other income, net	<u>753</u>	<u>674</u>	<u>928</u>
Income before income taxes	9,138	9,545	9,597
Provision for income taxes	<u>1,296</u>	<u>1,151</u>	<u>7,618</u>
Net income	<u>\$ 7,842</u>	<u>\$ 8,394</u>	<u>\$ 1,979</u>
Earnings per share:			
Basic	\$ 12.96	\$ 12.70	\$ 2.71
Diluted	\$ 12.88	\$ 12.62	\$ 2.69
Shares used in the calculation of earnings per share:			
Basic	605	661	731
Diluted	609	665	735

See accompanying notes.

AMGEN INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years ended December 31, 2019, 2018 and 2017
(In millions)

	2019	2018	2017
Net income	\$ 7,842	\$ 8,394	\$ 1,979
Other comprehensive income (loss), net of reclassification adjustments and taxes:			
(Losses) gains on foreign currency translation	(48)	(141)	81
(Losses) gains on cash flow hedges	(66)	247	(288)
Gains (losses) on available-for-sale securities	360	(185)	(6)
Other (losses) gains	(5)	(2)	5
Other comprehensive income (loss), net of taxes	241	(81)	(208)
Comprehensive income	\$ 8,083	\$ 8,313	\$ 1,771

See accompanying notes.

AMGEN INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2019 and 2018
(In millions, except per-share data)

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,037	\$ 6,945
Marketable securities	2,874	22,359
Trade receivables, net	4,057	3,580
Inventories	3,584	2,940
Other current assets	1,888	1,794
Total current assets	18,440	37,618
Property, plant and equipment, net	4,928	4,958
Intangible assets, net	19,413	7,443
Goodwill	14,703	14,699
Other assets	2,223	1,698
Total assets	\$ 59,707	\$ 66,416
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,371	\$ 1,207
Accrued liabilities	8,511	7,862
Current portion of long-term debt	2,953	4,419
Total current liabilities	12,835	13,488
Long-term debt	26,950	29,510
Long-term deferred tax liabilities	606	864
Long-term tax liabilities	8,037	8,770
Other noncurrent liabilities	1,606	1,284
Contingencies and commitments		
Stockholders' equity:		
Common stock and additional paid-in capital; \$0.0001 par value per share; 2,750.0 shares authorized; outstanding—591.4 shares in 2019 and 629.6 shares in 2018	31,531	31,246
Accumulated deficit	(21,330)	(17,977)
Accumulated other comprehensive loss	(528)	(769)
Total stockholders' equity	9,673	12,500
Total liabilities and stockholders' equity	\$ 59,707	\$ 66,416

See accompanying notes.

AMGEN INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended December 31, 2019, 2018 and 2017

(In millions, except per-share data)

	Number of shares of common stock	Common stock and additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance as of December 31, 2016	738.2	\$ 30,784	\$ (438)	\$ (471)	\$ 29,875
Net income	—	—	1,979	—	1,979
Other comprehensive loss, net of taxes	—	—	—	(208)	(208)
Dividends declared on common stock (\$4.77 per share)	—	—	(3,487)	—	(3,487)
Issuance of common stock in connection with the Company's equity award programs	2.5	52	—	—	52
Stock-based compensation expense	—	347	—	—	347
Tax impact related to employee stock-based compensation expense	—	(191)	—	—	(191)
Repurchases of common stock	(18.5)	—	(3,126)	—	(3,126)
Balance as of December 31, 2017	722.2	30,992	(5,072)	(679)	25,241
Cumulative effect of changes in accounting principles, net of taxes	—	—	38	(9)	29
Net income	—	—	8,394	—	8,394
Other comprehensive loss, net of taxes	—	—	—	(81)	(81)
Dividends declared on common stock (\$5.41 per share)	—	—	(3,482)	—	(3,482)
Issuance of common stock in connection with the Company's equity award programs	1.9	56	—	—	56
Stock-based compensation expense	—	327	—	—	327
Tax impact related to employee stock-based compensation expense	—	(129)	—	—	(129)
Repurchases of common stock	(94.5)	—	(17,855)	—	(17,855)
Balance as of December 31, 2018	629.6	31,246	(17,977)	(769)	12,500
Net income	—	—	7,842	—	7,842
Other comprehensive income, net of taxes	—	—	—	241	241
Dividends declared on common stock (\$5.95 per share)	—	—	(3,555)	—	(3,555)
Issuance of common stock in connection with the Company's equity award programs	2.0	97	—	—	97
Stock-based compensation expense	—	323	—	—	323
Tax impact related to employee stock-based compensation expense	—	(135)	—	—	(135)
Repurchases of common stock	(40.2)	—	(7,640)	—	(7,640)
Balance as of December 31, 2019	591.4	\$ 31,531	\$ (21,330)	\$ (528)	\$ 9,673

See accompanying notes.

AMGEN INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2019, 2018 and 2017
(In millions)

	2019	2018	2017
Cash flows from operating activities:			
Net income	\$ 7,842	\$ 8,394	\$ 1,979
Depreciation, amortization and other	2,206	1,946	1,955
Stock-based compensation expense	308	311	329
Deferred income taxes	(289)	(363)	(1,330)
Other items, net	(186)	386	334
Changes in operating assets and liabilities, net of acquisitions:			
Trade receivables, net	(504)	(378)	(58)
Inventories	(66)	(3)	133
Other assets	10	35	(24)
Accounts payable	164	(143)	424
Accrued income taxes, net	(585)	(361)	523
Long-term tax liabilities	(146)	258	6,681
Other liabilities	396	1,214	231
Net cash provided by operating activities	9,150	11,296	11,177
Cash flows from investing activities:			
Purchases of marketable securities	(9,394)	(18,741)	(33,607)
Proceeds from sales of marketable securities	8,842	28,356	24,240
Proceeds from maturities of marketable securities	20,548	5,412	6,174
Purchases of property, plant and equipment	(618)	(738)	(664)
Cash paid for acquisitions, net of cash acquired	(13,617)	195	(19)
Other	(52)	(145)	(148)
Net cash provided by (used in) investing activities	5,709	14,339	(4,024)
Cash flows from financing activities:			
Net proceeds from issuance of debt	—	—	4,476
Repayment of debt	(4,514)	(1,121)	(4,405)
Repurchases of common stock	(7,702)	(17,794)	(3,160)
Dividends paid	(3,509)	(3,507)	(3,365)
Withholding taxes arising from shares withheld for share-based payments	(137)	(126)	(191)
Other	95	58	51
Net cash used in financing activities	(15,767)	(22,490)	(6,594)
(Decrease) increase in cash and cash equivalents	(908)	3,145	559
Cash and cash equivalents at beginning of year	6,945	3,800	3,241
Cash and cash equivalents at end of year	\$ 6,037	\$ 6,945	\$ 3,800

See accompanying notes.