Amgen Inc. (AMGN)

$212.12 (As of 03/05/20)

Price Target (6-12 Months): **$223.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 10/11/19) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:D
	Value: B | Growth: D | Momentum: D	

Summary

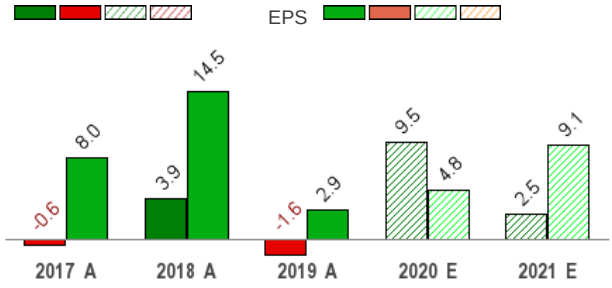
In 2020, while Amgen's growth products like Prolia, Evenity, Repatha, Aimovig, Otezla and biosimilars will drive sales, increasing competition for its legacy products will continue to hurt the same. Amgen boasts a strong biosimilars portfolio, which can drive long-term growth. Amgen is also progressing with its pipeline while regularly pursuing "external opportunities" such as the acquisition of Otezla and the recently acquired stake in China's BeiGene. Amgen also expects several important clinical data readouts from its innovative pipeline in 2020. Amgen's restructuring plan is making it leaner and more cost efficient. However, pricing and competitive pressure are concerns. Amgen's shares have outperformed the industry in the past one year.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$244.99 - $166.30**
20 Day Average Volume (sh)	**2,716,605**
Market Cap	**$125.1 B**
YTD Price Change	**-12.0%**
Beta	**1.11**
Dividend / Div Yld	**$6.40 / 3.0%**
Industry	**Medical - Biomedical and Genetics**
Zacks Industry Rank	**Top 39% (99 out of 255)**
Last EPS Surprise	**5.8%**
Last Sales Surprise	**3.2%**
EPS F1 Est- 4 week change	**-0.2%**
Expected Report Date	**05/05/2020**
Earnings ESP	**-7.7%**
P/E TTM	**14.3**
P/E F1	**13.7**
PEG F1	**2.5**
P/S TTM	**5.4**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	6,209 E	6,569 E	6,510 E	6,735 E	26,207 E
2020	6,054 E	6,490 E	6,412 E	6,617 E	25,579 E
2019	5,557 A	5,871 A	5,737 A	6,197 A	23,362 A

EPS Estimates

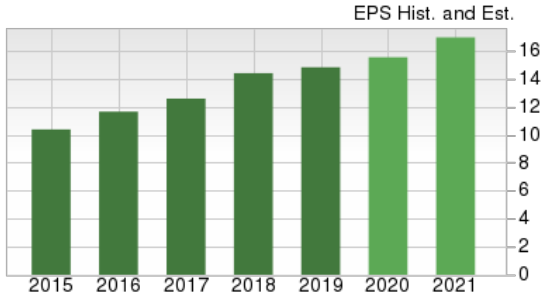
	Q1	Q2	Q3	Q4	Annual*
2021	$3.95 E	$4.23 E	$4.09 E	$3.78 E	$16.95 E
2020	$3.73 E	$4.13 E	$3.97 E	$3.77 E	$15.53 E
2019	$3.56 A	$3.97 A	$3.66 A	$3.64 A	$14.82 A

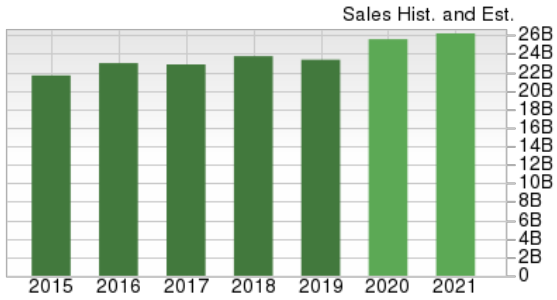
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 03/05/2020. The reports text is as of 03/06/2020.

Overview

Thousand Oaks, CA-based Amgen is one of the biggest biotech companies in the world, with a strong presence in the oncology/hematology, cardiovascular disease, neuroscience, inflammation, bone health and nephrology markets. The company used advances in cellular and molecular biology to develop two of the biotech industry's earliest and most successful drugs, Epogen (anemia) and Neupogen (white blood cell stimulant). Meanwhile, the acquisition of Immunex Corporation gave Amgen an access to the multi-blockbuster drug, Enbrel. Meanwhile, Amgen successfully launched two next-generation products - Aranesp and Neulasta. However, all these older drugs are facing declining sales due to biosimilar or branded competition, which is being somewhat offset by its newer blockbuster drugs like Prolia/Xgeva.





Amgen also has a promising pipeline of cancer drugs. It has one of the strongest cash positions in the biotech sector, which could be used to acquire more pipeline assets that could fuel long-term growth. Biosimilar drugs are also a key part of Amgen's growth strategy.

Epogen/Aranesp, Neupogen/Neulasta and Enbrel account for more than half of Amgen's revenues. While the erythropoiesis-stimulating agents (ESA) franchise consisting of Epogen and Aranesp contributed 11.7% to 2019 product sales, the granulocyte colony-stimulating factor (G-CSF) franchise comprising Neupogen/Neulasta contributed 16.1% to product sales in 2019. Enbrel accounted for 23.5% of product sales.

Prolia/Xgeva sales in 2019 were $4.6 billion, accounting for almost 21% of product sales. Other relatively newer products are Repatha, Blincyto, Imlygic, Corlanor, Parsabiv, Evenity, Aimovig, Kanjinti, Mvasi and Amgevita biosimilars.

Amgen derives the bulk of its revenues from the domestic market (74.5% of total product sales in 2019). The company posted global sales of $23.4 billion in 2019, down 2% year over year.

Reasons To Buy:

> Amgen's growth drugs like Prolia, Evenity, Aimovig, Otezla and biosimilars should drive sales in 2020.

- **Shares Outperforming Industry:** Amgen's shares have risen 16.9% in the past year against decrease of 1.3% for the industry.

- **Acquisitions and Deals Drive Growth:** We are pleased with Amgen's efforts to drive growth and boost its pipeline through deals and acquisitions. The Oct 2013 Onyx acquisition helped Amgen strengthen its presence in the oncology market. The acquisition added Kyprolis (multiple myeloma) to Amgen's portfolio. Kyprolis represents significant commercial potential. Sales are likely to be driven by launch in additional countries, expansion into additional indications and a longer duration of treatment.

  Other interesting deals include the Mar 2012 acquisition of biotech company, Micromet, for approximately $1.16 billion. With this acquisition, Amgen expanded its oncology pipeline and gained access to Micromet's proprietary BiTE (Bispecific T cell Engager) antibody technology. Micromet's leukemia immunotherapy, Blincyto, a BiTE antibody has now become a key top-line driver at Amgen. Blincyto has the potential to be developed for other hematologic malignancies.

  In November 2019, Amgen acquired global commercial rights to Celgene's (now part of Bristol-Myers) blockbuster psoriasis drug, Otezla. The acquisition significantly strengthened its inflammation portfolio which should boost long-term growth. Amgen expects to grow Otezla sales at a CAGR of low double-digit over the next five years.

- **Growth Products Performing Well:** While Amgen continues to manage the lifecycle of its more mature products, its growth products – Prolia, Xgeva, Vectibix, Nplate and Kyprolis and Blincyto – are performing well, gaining consistent approvals for label expansions.

  Amgen is evaluating the currently marketed products like Prolia/Xgeva, Vectibix, Enbrel, Aranesp, Kyprolis, Nplate and Blincyto for additional indications. In 2017/early 2018, Amgen gained regulatory approvals to include overall survival data from studies in the labels for Kyprolis and Blincyto, which is driving sales of these products. In 2018, Prolia and Xgeva were approved for new indications, glucocorticoid-induced osteoporosis and prevention of SRE in multiple myeloma patients, respectively, in both the United States and EU which are driving sales of these drugs higher. Otezla is under review for scalp psoriasis (PDUFA date is April 2020) while being evaluated in a phase III studies for the treatment of oral ulcers associated with Behcet's disease, severe genital psoriasis and mild-to-moderate plaque psoriasis.

  Amgen's PCSK9 inhibitor, Repatha, gained approval to include the cardiovascular indication (based on FOURIER outcomes study) in its label in 2017. With the inclusion of the FOURIER data, patient access to Repatha is gradually improving and the product has shown increase in sales trajectory. In October 2018, Amgen slashed the U.S. list price of Repatha by 60%, which has improved affordability of Repatha.

  Key recent FDA approvals were that of Evenity/romosozumab for osteoporosis in postmenopausal women at increased risk for fracture and calcitonin gene-related peptide (CGRP) antibody Aimovig/erenumab for prevention of migraine. Both the drugs are off to strong starts.

  These new products and line extensions should bring in additional sales in the future quarters.

- **Deep Pipeline:** Amgen has several interesting candidates in its pipeline, which represent a significant commercial potential. The company is focusing on therapeutic areas like oncology/hematology, cardiovascular disease, inflammation and bone health. Important pipeline candidates include tezepelumab (severe asthma – phase III; COPD, atopic dermatitis – phase II), omecamtiv mecarbil (chronic heart failure – phase III) and rozibafusp alfa/AMG 570 (systematic lupus erythematosus – phase II). Amgen also has an intriguing lineup of early and mid-stage programs, which can contribute to growth in the long term. Early clinical data on a key candidate, AMG-510, Amgen's KRAS inhibitor for solid tumor, has shown encouraging anti-tumor activity in patients with locally-advanced or metastatic KRASG12C mutant solid tumors like non-small cell lung cancer (NSCLC), colorectal cancer (CRC) and appendiceal cancer. Amgen is conducting a phase II monotherapy study on AMG-510 in NSCLC and in advanced colorectal cancer patients. It is also conducting phase Ib combination studies with PD-1, MEK and other targeted therapies.

  Results from several pivotal programs are expected in the near term.

  Exploring the World of Biosimilars: Amgen boasts a strong biosimilars portfolio which could be an important long-term growth driver for the company. Amgen markets Kanjinti (a biosimilar of Roche's Herceptin) and Mvasi (biosimilar of Roche's Avastin) in the United States and Amgevita (biosimilar of AbbVie's Humira), Kanjinti and Mvasi outside the United States. Its biosimilars business is already annualizing at over $1 billion in sales.

  In the United States, Amjevita is expected to be launched in 2023. Amgen expects more biosimilars to gain approval in 2020 and contribute to total revenues. In December, the FDA granted approval to Avsola (ABP 710), Amgen's biosimilar version of J&J/Merck's blockbuster immunology medicine, Remicade. It also filed a biologics license application (BLA) to the FDA for ABP 798, a biosimilar candidate to Roche's Rituxan in the same month. A biosimilar of Alexion's Soliris (ABP 959) and Regeneron's Eylea is in late state development.

  Amgen has collaborated with Allergan for the worldwide development and commercialization of Mvasi, Kanjinti and ABP 798.

- **Expansion into New and Emerging Markets:** We are pleased to see that Amgen is working on expanding its presence in international markets, which represent significant commercial potential. Amgen's outside U.S. sales accounts for around 26% of its product sales. Among the emerging markets, Amgen expects China to become a key market while Japan is an important new market where it expects to grow over time. In 2019, volumes of its drugs in Asia Pacific markets rose 62% year over year. Over the next decade, Amgen expects these markets to account for around 25% of its sales growth.

  In January 2020, it bought a 20.5% stake in China's leading pharma company BeiGene. Per the deal, BeiGene will commercialize Xgeva, Kyprolis, and Blincyto in China while also help advance 20 of Amgen's oncology pipeline candidates, including AMG 510, in China.

- **Cost Cutting Initiatives & Share Buybacks Drive the Bottom Line:** Amgen has undertaken initiatives like staff reduction, rationalization of manufacturing facilities and outsourcing of non-core business functions to help control costs. Amgen is also looking to reduce its R&D spend

by entering into collaborations for its pipeline candidates. Amgen has partnerships with companies like UCB (Evenity) Pfizer (Enbrel), and Bayer (Nexavar). Such deals not only result in sharing of costs, they also help the company share the risk associated with pipeline development.

Amgen is also returning cash to shareholders through dividends. Amgen raised its dividend by 10% each for 2020 and 2019 and 15% each for 2018 and 2017. The company bought back shares worth $7.6 billion in 2019, $17.9 billion in 2018 and $3.1 billion in 2017. In 2020, it expects to buy back shares within a range of $3 billion to $5 billion.

Reasons To Sell:

> Bioosimilar and brand competition for its legacy products is hurting sales. Uptake of key drug, Repatha has been slow due to payer restrictions.

- **Biosimilars Hurting Sales:** Biosimilars are having a negative impact on key products like Neupogen and Neulasta in both the United States and EU. While Neupogen lost patent protection in the United States in December 2013, Neulasta lost protection in October 2015. Several generic versions of Neupogen have been launched, which have significantly pulled down sales. Meanwhile, three biosimilar versions of Neulasta have also been launched in the United States and more biosimilars may also receive approval in the near future, which will put further pressure on Neulasta sales. Pfizer's Retacrit, the first biosimilar version of Epogen, was launched in November 2018 and other biosimilar versions of Epogen may also receive approval in the future. Sensipar also lost patent exclusivity in March 2018 and generics have been launched (at-risk).

  In August 2016, Sandoz received FDA approval for its biosimilar version of Enbrel, Erelzi. Notably, Erelzi is yet to be launched in the United States due to ongoing litigation. In April 2019, the FDA approved a second biosimilar version of Enbrel.

- **Competitive Pressures on Key Products:** The softness in sales of Enbrel, Amgen's largest product, is also key cause for concern. Pricing pressure and stiff competition are hurting sales of Enbrel, one of the main drivers of Amgen's revenues. The declining trends in Enbrel volumes are expected to continue in 2020.

  Additionally, increased competition from PD-1s and other new cancer therapies are hurting demand for Neulasta. Epogen and Aranesp are also facing increasing competition from branded products like Roche's Mircera. Aranesp is facing competition from long-acting products and could also lose share to Epogen biosimilars. Sales of almost all mature products declined in 2017, 2018 and 2019.

  Importantly, Aimovig faces intense competition from Teva and Lilly's CGRPs, Ajovy and Emgality, respectively. Both were approved by the FDA in 2018.

- **Negative Updates on the Pipeline Front:** The company has had its share of pipeline setbacks including the disappointing top-line late-stage data on trebananib for recurrent ovarian cancer.

  In July 2019, Amgen discontinued two pivotal phase II/III studies evaluating CNP520 to prevent or delay the symptoms of Alzheimer's disease (AD) in a high-risk population. A review of clinical data from the study showed that some patients in the studies experienced worsening of cognitive function. This led the sponsors of the Generation Program to conclude that the potential benefit for participants in the studies failed to outweigh the risks.

- **Repatha Issues:** Sales of Repatha have suffered since launch due to payer restrictions. Despite Amgen's efforts to improve access to Repatha, patients face significant hurdles due to high co-pay expenses. Though volumes have improved, following the 60% cut in the U.S. list price of Repatha improve access and affordability of Repatha, the lower prices are affecting the profits from the drug.

- **Global Pricing Pressure:** Global efforts toward health care cost containment are creating pricing pressure on drugs and market access. While many of the company's drugs face pricing pressures in the United States, in many markets outside the U.S., government-mandated pricing actions have led to lowering of generic and patented drug prices. All these factors are creating pressure on sales and profits of pharma companies. Also changes in the U.S. healthcare system as part of the health care reforms could further create further pricing pressure.

  These pricing pressures are expected to continue and hurt the top line in future quarters. In fact, Amgen's net selling price declined 1% in 2018 and 5% globally in 2019 and is expected to decline in 2020 at a low to mid-single digit rate.

Last Earnings Report

Amgen Beats on Q4 Earnings & Sales

Quarter Ending	12/2019
Report Date	**Jan 30, 2020**
Sales Surprise	**3.18%**
EPS Surprise	**5.81%**
Quarterly EPS	**3.64**
Annual EPS (TTM)	**14.83**

Amgen reported fourth-quarter 2019 earnings of $3.64 per share, which beat the Zacks Consensus Estimate of $3.44. Earnings rose 6% year over year as lower revenues and higher R&D costs were offset by a lower share count.

Total revenues of $6.2 billion in the quarter beat the Zacks Consensus Estimate of $6.0 billion. However, total revenues declined 1% year over year.

Quarter in Detail

Total product revenues decreased 2% from the year-ago quarter to $5.88 billion (U.S.: $4.37 billion; ex-U.S.: $1.51 billion). Increasing demand of Amgen's growth and launch drugs like Prolia, Repatha, Aimovig, Parsabiv and others and strong sales of biosimilar products and in ex-U.S. markets was offset by the erosion of mature brands from biosimilar/new competition. Product sales growth was mostly driven by higher volumes (up 3%) as prices were lower for several drugs. Net selling prices declined 4% year over year in the quarter, which resulted in decline in total revenues.

Other revenues of $316 million rose 38% in the quarter.

Prolia revenues came in at $752 million, up 15% from the year-ago quarter, driven by volume increases resulting from new patient growth as well as strong repeat rates.

Xgeva delivered revenues of $489 million, up 7% from the year-ago quarter mainly due to higher demand, which drove volumes up 4% and, to a lesser extent, higher selling price.

Kyprolis recorded sales of $266 million, up 6% year over year, driven primarily by 12% volume growth in the United States.

Blincyto sales increased 27% from the year-ago period to $80 million.

Repatha generated revenues of $200 million, up 26% year over year, as higher volume was partially offset by lower prices.

Vectibix revenues came in at $182 million, up 8% year over year. Nplate sales rose 15% to $210 million.

Parsabiv recorded sales of $179 million, up 49% as higher demand offset the impact of lower selling prices.

Aimovig recorded sales of $98 million in the quarter, higher than $66 million in the previous quarter as higher demand was partially offset by unfavorable changes in accounting estimates. Aimovig volumes rose 27% in the quarter.

On the call, the company said that approximately 300,000 patients in the United States have been prescribed Aimovig since launch. Meanwhile, more than 33,000 physicians have prescribed Aimovig since launch. It commanded a 48% market share among CGRP antibodies at the end of the fourth quarter.

Evenity recorded sales of $85 million in the quarter compared with $59 million in the previous quarter, driven by strong uptake in both Japan and the United States where the product has been launched. In the United States, where Evenity was launched in April 2019, sales were $27 million while international sales were $58 million.

Amgen recorded total biosimilars revenues of $258 million in the quarter. Amjevita sales were $71 million in the quarter. Sales of Kanjinti and Mvasi were $103 million and $84 million, respectively. On the call, Amgen mentioned that it now faces additional biosimilar competition for Kanjinti and Mvasi and expects other players to enter the market in 2020 increasing competition and pricing pressure.

Sales of Otezla were $178 million for the approximately five weeks post-closing on Nov 21.

However, Amgen's mature drugs like Enbrel, Aranesp, Epogen, Neupogen and Neulasta are facing an array of branded and generic competitors.

Aranesp revenues declined 10% from the prior-year quarter to $427 million on lower volume due to increased competitive pressure. Meanwhile, lower net selling price as well as unfavorable changes in inventory hurt sales.

Revenues of the other ESA, Epogen, declined 20% to $210 million due to lower selling prices and demand with the category becoming extremely competitive.

Neulasta revenues declined 43% from the year-ago period to $665 million due to the impact of biosimilar competition on demand and price.

Neupogen recorded 17% decline in sales to $62 million in the quarter. Enbrel delivered revenues of $1.35 billion, up 2% from the year-ago quarter, driven primarily by favorable changes in inventory along with a slight price increase, which offset volume declines due to continued competition.

Sensipar/Mimpara revenues declined 76% to $107 million due to several at-risk generic launches. Other product sales rose 19% to $87 million. In 2020, Amgen lost patent protection for Sensipar in several ex-U.S. countries, which should result in a significant decline in ex-U.S. sales in 2020.

Other product sales rose 19% to $87 million.

Operating Margins Decrease

Adjusted operating margin declined 70 basis points (bps) to 44.6%. Adjusted operating expenses rose 2% year over year in the quarter to $3.58 billion.

SG&A spend decreased 2% to $1.5 billion on cost control, which offset the impact of Otezla related expenses. R&D expenses rose 11% year over year to $1.29 due to higher spending on Amgen's early- and late-stage oncology pipeline.

Adjusted tax rate was 14.9% for the quarter, a 1.6 points increase from the year-ago quarter.

Amgen repurchased 5.1 million shares worth $1.1 billion in the fourth quarter and has $6.5 billion remaining under its stock repurchase authorization.

2019 Results

Full-year 2019 sales declined 2% to $23.36 billion, beating the Zacks Consensus Estimate of $23.18 billion. Sales slightly topped the guided range of $23.1-$23.3 billion. Product sales declined 1%.

Adjusted earnings for 2019 of $14.82 per share were also above the Zacks Consensus Estimate of $14.63 as well as the guided range of $14.50 -$14.70. Earnings rose 3% year over year.

2020 Outlook

Amgen issued its financial guidance for 2020. It expects revenues in the range of $25.0 billion-$25.6 billion, which indicates an increase from 2019 levels. In 2020, Amgen's base business, excluding Otezla, is expected to remain stable over 2019, with the addition of Otezla providing positive sales growth.

In 2020, while Amgen's growth products like Prolia, Evenity, Repatha, Aimovig, Otezla and the biosimilar products are expected to drive sales, increasing competition for its legacy products will continue to create pressure on sales.

Importantly, Amgen's net selling price for its drugs fell 5% globally in 2019 and is expected to decline in 2020 at a low to mid-single digit rate.

Adjusted earnings per share are anticipated in the range of $14.85-$15.60. Adjusted operating costs are expected to grow in a low double-digit percentage range year over year in 2020. Adjusted tax rate is expected in the range of 13.5% to 14.5%

Amgen plans to spend approximately $700 million for capital expenditures in 2020.

Q1 Outlook

Historically, the first quarter represents the lowest product sales quarter for Amgen. Accordingly, as a percent of the full year, Amgen expects product sales for the first quarter to look similar to the percentage seen in the first quarter of 2019, which was 23.8%.

Recent News

Phase III Study on Omecamtiv Mecarbil to Continue – Feb 26

Amgen, Cytokinetics and Servier announced that following the second and final planned interim analysis, the Data Monitoring Committee (DMC) has recommended the continuation of the phase III GALACTIC-HF study on omecamtiv mecarbil in patients with heart failure without changes to its conduct. This analysis included consideration of pre-specified criteria for futility and superiority. Top-line data from this global cardiovascular outcomes study in heart failure is expected in the fourth quarter.

Diagnostic Collaborations With Guardant Health and QIAGEN – Jan 13

Amgen announced global collaborations with Guardant Health and QIAGEN to develop blood- and tissue-based companion diagnostics for AMG 510. The partners will initially focus on CDx tests to identify patients with NSCLC who may benefit from AMG 510. However, the deal allows for further development of the diagnostic tests for Amgen's other oncology clinical development programs.

Closes Oncology Deal with BeiGene in China – Jan 2

Amgen announced the closing of the previously announced strategic alliance with China's leading pharma company BeiGene to expand its oncology footprint in the country. Per the deal, Amgen bought a 20.5% stake in BeiGene for $2.8 billion in cash.

Filed BLA for Rituxan Biosimilar – Dec 19

Amgen and partner Allergan announced the submission of a biologics license application (BLA) to the FDA for ABP 798, their biosimilar candidate to Rituxan.

Increases Dividend – Dec 11

The board of directors of Amgen declared a dividend of $1.60 cents per share for first-quarter of 2020. The quarterly dividend amounts to an annual dividend of $6.40 per share, which represents an increase of 10.3% from the previous annual dividend of $5.80 per share (quarterly dividend of $1.44 per share). The dividend is payable on Mar 6, 2020 to shareholders of record at the close of business on Feb 14, 2020.

Evenity Gets Approval in Europe — Dec 11

Amgen and partner UCB announced that the European Commission (EC) has granted marketing authorization to Evenity (romosozumab) for the treatment of severe osteoporosis in postmenopausal women at high risk of fracture.

The approval was supported by the positive opinion given by the Committee for Medicinal Products for Human Use (CHMP) in October 2019. The drug is expected to be launched in Europe in the first half of 2020. Evenity was approved in April by the FDA.

Kyprolis Data at ASH – Dec 10

Amgen presented additional data a phase III study – CANDOR – which evaluated Kyprolis + dexamethasone and Darzalex in patients with relapsed or refractory multiple myeloma at the annual meeting of the American Society of Hematology (ASH).

Valuation

Amgen's shares declined 12% in the year-to-date period and rose 16.9% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 1.8% while that in the sector are down 1.5%, in the year-to-date period. Over the past year, while the Zacks sub-industry is down 1.3%, the sector is up 0.5%.

The S&P 500 Index is down 3% in the year-to-date period but up 12.5% in the past year.

The stock is currently trading at 5.43X trailing 12-month sales per share, which compares to 2.85X for the Zacks sub-industry, 3.1X for the Zacks sector and 3.37X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 6.55X and as low as 4.39X, with a 5-year median of 5.49X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $223 price target reflects 5.7X forward 12-month sales per share.

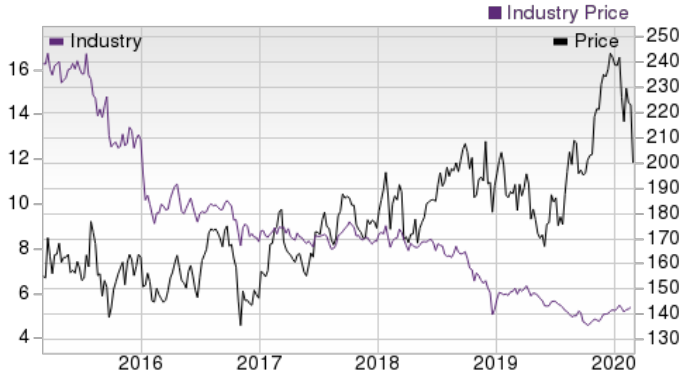
The table below shows summary valuation data for AMGN

Valuation Multiples - AMGN

		Stock	Sub-Industry	Sector	S&P 500
P/S TTM	Current	5.43	2.85	3.1	3.37
	5-Year High	6.55	5.04	4.17	3.65
	5-Year Low	4.39	2.13	2.73	2.48
	5-Year Median	5.49	2.66	3.27	3.15
P/E F12M	Current	13.42	N/A	20.43	17.89
	5-Year High	17.7	N/A	21.09	19.34
	5-Year Low	11.09	20.59	15.82	15.18
	5-Year Median	13.79	39.86	18.87	17.46
P/B TTM	Current	13.03	3.93	4.52	4.18
	5-Year High	14.85	5.8	5.05	4.54
	5-Year Low	3.27	2.44	3.44	2.85
	5-Year Median	4.53	3.28	4.32	3.63

As of 3/5/2020

Industry Analysis **Zacks Industry Rank:** Top 39% (99 out of 255)



Top Peers

Pfizer Inc. **(PFE)**	Outperform
AbbVie Inc. **(ABBV)**	Neutral
Bristol-Myers Squibb Company **(BMY)**	Neutral
Johnson & Johnson **(JNJ)**	Neutral
Eli Lilly and Company **(LLY)**	Neutral
Roche Holding AG **(RHHBY)**	Neutral
Sanofi **(SNY)**	Neutral
Teva Pharmaceutical Industries Ltd. **(TEVA)**	Neutral

Industry Comparison Industry: Medical - Biomedical And Genetics

Industry Peers

	AMGN Neutral	X Industry	S&P 500	ABBV Neutral	BMY Neutral	JNJ Neutral
VGM Score	D	-	-	A	B	B
Market Cap	125.11 B	190.97 M	21.47 B	134.03 B	136.58 B	374.39 B
# of Analysts	12	2	13	2	5	9
Dividend Yield	3.02%	0.00%	2.04%	5.21%	2.98%	2.68%
Value Score	B	-	-	B	B	C
Cash/Price	0.08	0.23	0.05	0.31	0.12	0.05
EV/EBITDA	11.33	-3.22	12.81	13.14	24.49	15.48
PEG Ratio	2.51	1.77	1.88	1.91	1.17	2.37
Price/Book (P/B)	13.03	3.85	2.95	NA	2.61	6.28
Price/Cash Flow (P/CF)	11.22	13.17	11.75	8.77	13.78	12.33
P/E (F1)	13.66	31.79	17.19	8.61	9.86	15.73
Price/Sales (P/S)	5.36	13.49	2.32	4.03	5.22	4.56
Earnings Yield	7.32%	-15.58%	5.81%	11.61%	10.13%	6.36%
Debt/Equity	2.79	0.02	0.70	-7.71	0.84	0.45
Cash Flow ($/share)	18.91	-1.08	7.01	10.33	4.39	11.52
Growth Score	D	-	-	B	B	B
Hist. EPS Growth (3-5 yrs)	10.57%	18.12%	10.85%	21.82%	20.53%	9.27%
Proj. EPS Growth (F1/F0)	4.81%	4.76%	6.27%	17.73%	30.79%	4.03%
Curr. Cash Flow Growth	-2.47%	14.61%	6.07%	8.78%	36.74%	3.68%
Hist. Cash Flow Growth (3-5 yrs)	5.06%	8.17%	8.52%	19.92%	22.46%	7.62%
Current Ratio	1.44	4.85	1.23	3.18	1.60	1.26
Debt/Capital	73.59%	4.20%	42.57%	NA	45.63%	30.82%
Net Margin	33.57%	-227.76%	11.69%	23.69%	13.15%	22.18%
Return on Equity	85.52%	-67.29%	16.66%	-162.54%	31.85%	39.27%
Sales/Assets	0.39	0.21	0.54	0.51	0.38	0.53
Proj. Sales Growth (F1/F0)	9.49%	13.95%	3.90%	43.93%	59.81%	4.68%
Momentum Score	D	-	-	B	B	B
Daily Price Chg	-1.39%	-1.51%	-3.79%	-1.24%	-1.59%	-1.02%
1 Week Price Chg	-10.35%	-9.92%	-12.06%	-9.74%	-10.01%	-10.30%
4 Week Price Chg	-8.35%	-6.54%	-10.92%	3.93%	-9.84%	-7.50%
12 Week Price Chg	-10.12%	-0.24%	-8.10%	2.12%	-5.38%	0.47%
52 Week Price Chg	16.90%	-14.87%	4.09%	15.81%	17.45%	2.73%
20 Day Average Volume	2,716,605	199,127	2,483,920	10,981,572	13,289,737	8,493,698
(F1) EPS Est 1 week change	-0.08%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.17%	0.00%	-0.06%	12.69%	1.30%	-0.08%
(F1) EPS Est 12 week change	-1.98%	0.00%	-0.42%	11.91%	2.76%	-0.44%
(Q1) EPS Est Mthly Chg	-0.11%	0.00%	-0.29%	4.98%	-2.33%	-1.06%

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	B
Growth Score	D
Momentum Score	B
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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