Amgen Inc. (AMGN)

$234.82 (As of 05/08/20)

Price Target (6-12 Months): **$247.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 10/13/19) Prior Recommendation: Outperform	**Neutral**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**3-Hold**
	Zacks Style Scores:	VGM:B
	Value: B | Growth: C | Momentum: B	

Summary

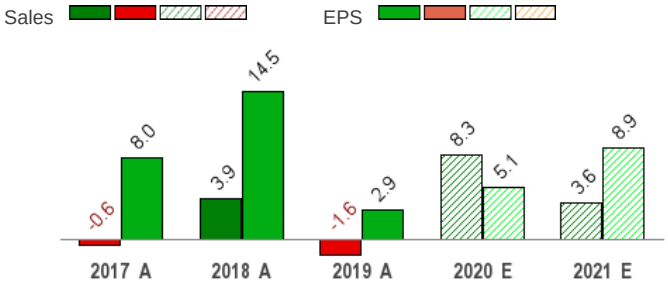
Amgen beat estimates for earnings and sales in Q1. However, it expects a significant impact from coronavirus-related business disruption in Q2, which it expects will ease in the second half of 2020. While Amgen's drugs like Prolia, Evenity, Repatha, Aimovig, Otezla and biosimilars will drive sales, increasing 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 stake in China's BeiGene. Amgen also expects several important clinical data readouts from its innovative pipeline in 2020. However, pricing and competitive pressure are concerns. Amgen's shares have outperformed the industry in the past year.

Price, Consensus & Surprise

Data Overview

52 Week High-Low	**$244.99 - $166.30**
20 Day Average Volume (sh)	**2,644,040**
Market Cap	**$138.1 B**
YTD Price Change	**-2.6%**
Beta	**0.97**
Dividend / Div Yld	**$6.40 / 2.7%**
Industry	**Medical - Biomedical and Genetics**
Zacks Industry Rank	**Top 4% (11 out of 253)**
Last EPS Surprise	**12.7%**
Last Sales Surprise	**2.5%**
EPS F1 Est- 4 week change	**0.7%**
Expected Report Date	**NA**
Earnings ESP	**0.0%**
P/E TTM	**15.2**
P/E F1	**15.1**
PEG F1	**2.8**
P/S TTM	**5.8**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	6,263 E	6,584 E	6,612 E	6,881 E	26,231 E
2020	6,161 A	6,147 E	6,364 E	6,652 E	25,308 E
2019	5,557 A	5,871 A	5,737 A	6,197 A	23,362 A

EPS Estimates

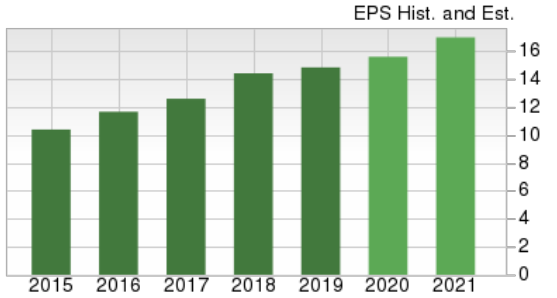
	Q1	Q2	Q3	Q4	Annual*
2021	$4.19 E	$4.30 E	$4.26 E	$3.18 E	$16.97 E
2020	$4.17 A	$3.71 E	$3.88 E	$3.72 E	$15.58 E
2019	$3.56 A	$3.97 A	$3.66 A	$3.64 A	$14.82 A

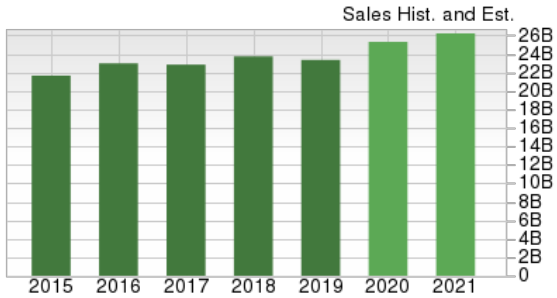
*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 05/08/2020. The reports text is as of 05/11/2020.

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). Amgen successfully launched two next-generation products, Aranesp and Neulasta. Meanwhile, the acquisition of Immunex Corporation gave Amgen access to the multi-blockbuster drug, Enbrel. 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 40.1% in the past year against increase of 13.2% 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 March 2012 acquisition of biotech company, Micromet, which expanded Amgen's oncology pipeline and gave 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 was approved for scalp psoriasis in April 2020 while being evaluated in 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, sotorasib/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 (PDUFA Date: Dec 19). 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. It expects a significant impact from coronavirus-related business disruption in Q2,

- **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. Two companies are also seeking approval to market generic versions of Kyprolis.

- **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.

- **Unfavorable Debt Profile:** Amgen has an unfavorable debt profile. As of Mar 31, 2020, the company's debt to total capital ratio was 77.1, which increased from 75.6 at the end of 2019. A higher ratio indicates greater financial risk. As of Mar 31, 2020, Amgen had approximately $30.0 billion in long-term debt on its balance sheet, higher than $26.95 billion at the end of 2019. The cash on the company's balance sheet is not enough to cover the same. Amgen's cash, cash equivalents, and marketable securities totaled approximately $8.0 billion as of Mar 31, 2020. Its cash position is not sound. This implies that it does not have sufficient cash to pay debt in case of insolvency.

Last Earnings Report

Amgen Beats on Q1 Earnings & Sales

Quarter Ending	03/2020
Report Date	**Apr 30, 2020**
Sales Surprise	**2.53%**
EPS Surprise	**12.70%**
Quarterly EPS	**4.17**
Annual EPS (TTM)	**15.44**

Amgen's first-quarter results were strong, beating estimates for both earnings and sales. Amgen maintained its previously-issued financial guidance for 2020.

Amgen reported first-quarter 2020 earnings of $4.17 per share, which beat the Zacks Consensus Estimate of $3.70. Earnings rose 17% year over year driven by higher profits and lower share count.

Total revenues of $6.16 billion in the quarter beat the Zacks Consensus Estimate of $6.0 billion. Total revenues rose 11% year over year.

Although Amgen saw minimal business disruption from COVID-19 in the first quarter, it did see some signs of business disruption in the first few weeks of April. On the call, the company said that decline in visits of patients to doctors clinics due to the lockdowns may reduce new patient starts for some of its products due to delays in diagnosis and treatment.

On the call, the company said that it did not experience any disruption in the supply chain in the quarter. Also, key late-stage trials including AMG510, tezepelumab, and omecamtiv mecarbil were not impacted by COVID-19 with readouts expected as scheduled this year. However, some early stage studies were interrupted and the company will re-start the studies as soon as possible.

Quarter in Detail

Total product revenues rose 12% from the year-ago quarter to $5.89 billion (U.S.: $4.28 billion; ex-U.S.: $1.62 billion). Increasing demand for Amgen's newer drugs like Otezla and strong sales of biosimilar products were offset by the erosion of mature brands from biosimilar/new competition. Product sales growth was mostly driven by higher volumes (up 15%) as prices declined in the quarter.

Other revenues of $267 million declined 1.5% in the quarter.

Prolia revenues came in at $654 million, up 10% from the year-ago quarter. Amgen saw volume increases for the product in January and February, which declined sharply in March due to the coronavirus outbreak as Prolia requires in-office administration by a healthcare provider.

Xgeva delivered revenues of $481 million, up 2% from the year-ago quarter mainly due to higher demand, which drove volumes up 4% and, to a lesser extent, on higher selling price. Meanwhile, Amgen warned that sales of Xgeva may also be hurt due to disruptions in physician-patient interactions.

Kyprolis recorded sales of $280 million, up 14% year over year, driven primarily by 21% volume growth in the United States, which was driven by expanded use in second and third-line multiple myeloma.

Repatha generated revenues of $229 million, up 62% year over year, as higher volume (up 98%) was partially offset by lower prices due to Amgen's efforts to improve access and affordability for the product. Repatha's new-to-brand prescriptions rose 51% in the quarter. Amgen expects net selling price to remain stable in the remainder of the year

Vectibix revenues came in at $202 million, up 19% year over year. Nplate sales rose 15% to $218 million. Blincyto sales increased 36% from the year-ago period to $94 million. Sales of all three drugs were driven by higher demand.

Parsabiv recorded sales of $175 million, up 39% driven by higher demand, which offset the impact of lower selling prices.

Aimovig recorded sales of $71 million in the quarter, lower than $98 million in the previous quarter as higher volumes were offset by lower price as Amgen expanded patient access with CVS Health. Aimovig volumes rose 46% in the quarter. Aimovig's new-to-brand prescriptions rose 19% in the quarter.

On the call, the company said that approximately 330,000 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 first quarter.

Evenity recorded sales of $100 million in the quarter compared with $85 million in the previous quarter, driven by strong uptake in both Japan and the United States where the product was launched last year. In the United States, sales were $37 million while international sales were $63 million.

Sales of Otezla were $479 million in the quarter, up 23% year over year driven by volume growth. Amgen said that COVID-19 may benefit future sales of Otezla as it provides a convenient oral formulation and is conducive to telemedicine.

Among biosimilars, Amjevita sales were $86 million in the quarter. Sales of Kanjinti and Mvasi were $119 million and $115 million in the quarter, compared with $103 million and $84 million, respectively, in the previous quarter.

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

Aranesp revenues rose 2% from the prior-year quarter to $414 million as higher unit demand and favorable changes in inventory offset the impact of lower net selling price.

Revenues of the other ESA, Epogen, declined 29% to $155 million due to lower selling prices and unfavorable changes in accounting estimates.

Neulasta revenues declined 40% from the year-ago period to $609 million due to the impact of biosimilar competition on demand and price. The first quarter of 2019 had benefited from a BARDA order.

Neupogen recorded 11% decline in sales to $65 million in the quarter. Enbrel delivered revenues of $1.15 billion, flat year over year as favorable changes in accounting estimates were offset by lower demand and selling prices.

Sensipar/Mimpara revenues declined 42% to $123 million due to several at-risk generic launches. Amgen lost patent protection for Sensipar in several ex-U.S. countries this year, which should result in a significant decline in ex-U.S. sales in 2020.

Other product sales rose 5% to $64 million.

Operating Margins Rise

Adjusted operating margin rose 150 basis points (bps) to 53.9%. Adjusted operating expenses rose 7% year over year in the quarter to $2.99 billion.

SG&A spend rose 12% to $1.29 billion due to Otezla-related commercial expenses. R&D expenses rose 8% year over year to $927 million as higher spending on Amgen's oncology pipeline and costs related to Otezla were partially offset by cost recoveries from Amgen's collaboration with BeiGene.

Adjusted tax rate was 12.8% for the quarter, a 1.8 points increase from the year-ago quarter.

Amgen repurchased 4.3 million shares worth $933 million in the quarter and has $5.5 billion remaining under its stock repurchase authorization.

To Study Otezla for Coronavirus

Amgen announced that it will begin clinical studies to evaluate Otezla as a potential immunomodulatory treatment in late-stage adult COVID-19 patients.

2020 Outlook

Amgen re-affirmed its previously issued financial guidance for 2020. It expects revenues in the range of $25.0 billion-$25.6 billion, which indicates an increase from 2019 levels.

Amgen expects to see a significant impact of the uncertainty related to COVID-19 in the second quarter, which it expects will stabilize and then improve in the second half of the year. Meanwhile, increased utilization of patient affordability programs and changes in segment mix due to increased unemployment could negatively impact U.S. net prices

Adjusted earnings per share are anticipated in the range of $14.85-$15.60.

Adjusted operating costs are expected to grow in a high single-digit percentage range year over year in 2020 versus prior expectation of a low double-digit percentage range. Adjusted tax rate is expected in the range of 13.5% to 14.5%.

Amgen plans to spend approximately $600 million for capital expenditures in 2020, less than $700 million guided previously. The company guided that it will buy back shares at the lower end of the previous guidance of $3 billion to $5 billion through the year.

Recent News

Fast Track Status to Omecamtiv – May 8

Amgen announced that the FDA has granted Fast Track designation to omecamtiv mecarbil for the treatment of chronic heart failure with reduced ejection fraction (HFrEF).

ADVANCE Study on Otezla Meets Endpoint – May 6

Amgen announced positive top-line data from the phase III ADVANCE study evaluating Otezla in adults with mild-to-moderate plaque psoriasis.

The data showed that Otezla (taken orally 30 mg twice daily) achieved a statistically significant improvement, compared with placebo, in the primary endpoint. The primary endpoint of the study was the static Physician's Global Assessment (sPGA) response at week 16. At present, Otezla is approved for the treatment of moderate-to-severe plaque psoriasis in patients who are candidates for phototherapy or systemic therapy. The data from the ADVANCE study will be submitted to the FDA to seek approval to include the data in Otezla's label.

Kyprolis Patent Claim Upheld in District Court – May 5

Amgen announced that a U.S. district court upheld the validity of patent claims from three patents that protect Kyprolis. With the decision, Cipla will be barred from launching its generic version of Kyprolis until expiration of these three U.S. patents, the last of which expired in December 2027

Partners With Adaptive Biotechnologies to Make Antibodies for COVID-19 – Apr 2

Amgen announced a strategic partnership with Adaptive Biotechnologies to co-develop fully human neutralizing antibodies targeting SARS-CoV-2, the virus that causes the COVID-19 disease. Amgen obtained viral gene sequences from hundreds of patients. Using Adaptive's viral-neutralizing antibody platform, Amgen will leverage its drug development and manufacturing capabilities to quickly advance promising antibodies that can bind and neutralize SARS-CoV-2 into clinical studies.

Valuation

Amgen's shares declined 2.6% in the year-to-date period but rose 40.1% over the trailing 12-month period. While stocks in the Zacks sub-industry are up 5.1%, those in the sector are down 3.4% in the year-to-date period. Over the past year, the Zacks sub-industry and sector are up 13.2% and 4%, respectively.

The S&P 500 Index is down 9% in the year-to-date period but up 4.1% in the past year.

The stock is currently trading at 5.82X trailing 12-month sales per share, which compares to 3.35X for the Zacks sub-industry, 3.02X for the Zacks sector and 3.14X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 6.53X and as low as 4.39X, with a 5-year median of 5.45X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our $247 price target reflects 6.1X trailing 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	5.82	3.35	3.02	3.14
	5-Year High	6.53	4.62	4.15	3.62
	5-Year Low	4.39	2.19	2.39	2.48
	5-Year Median	5.45	2.67	3.26	3.16
P/E F12M	Current	14.61	N/A	22.32	21.16
	5-Year High	17.27	N/A	22.32	21.16
	5-Year Low	11.1	20.63	15.81	15.19
	5-Year Median	13.76	40.54	18.73	17.44
P/B TTM	Current	14.56	4.12	3.75	3.88
	5-Year High	14.56	5.41	5.04	4.54
	5-Year Low	3.28	2.48	3.03	2.9
	5-Year Median	4.5	3.33	4.28	3.65

As of 4/29/2020

Industry Analysis **Zacks Industry Rank:** Top 4% (11 out of 253)

Top Peers

Company (Ticker)	Rec	Rank
Eli Lilly and Company **(LLY)**	Outperform	1
Sanofi **(SNY)**	Outperform	2
AbbVie Inc **(ABBV)**	Neutral	3
BristolMyers Squibb Company **(BMY)**	Neutral	2
JohnsonJohnson **(JNJ)**	Neutral	3
Pfizer Inc **(PFE)**	Neutral	3
Roche Holding AG **(RHHBY)**	Neutral	3
Teva Pharmaceutical Industries Ltd **(TEVA)**	Neutral	3

Industry Comparison Industry: Medical - Biomedical And Genetics

	AMGN	X Industry	S&P 500	Industry Peers ABBV	BMY	JNJ
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	B	-	-	A	A	C
Market Cap	138.13 B	203.07 M	20.19 B	123.98 B	137.82 B	391.76 B
# of Analysts	14	3	14	4	5	9
Dividend Yield	2.73%	0.00%	2.12%	5.62%	2.95%	2.56%
Value Score	B	-	-	B	A	C
Cash/Price	0.06	0.24	0.06	0.33	0.11	0.05
EV/EBITDA	12.68	-3.52	11.95	12.30	24.67	16.19
PEG Ratio	2.77	1.99	2.60	2.38	1.17	3.23
Price/Book (P/B)	14.56	3.82	2.75	NA	2.63	6.39
Price/Cash Flow (P/CF)	12.42	15.89	10.78	8.13	13.91	12.91
P/E (F1)	15.07	30.86	19.85	8.31	10.00	19.37
Price/Sales (P/S)	5.76	15.02	2.03	3.64	4.44	4.74
Earnings Yield	6.63%	-15.61%	4.83%	12.03%	9.99%	5.16%
Debt/Equity	3.16	0.02	0.75	-7.71	0.84	0.41
Cash Flow ($/share)	18.91	-1.04	7.01	10.33	4.39	11.52
Growth Score	C	-	-	B	A	C
Hist. EPS Growth (3-5 yrs)	10.16%	18.12%	10.87%	21.62%	20.53%	9.40%
Proj. EPS Growth (F1/F0)	5.12%	4.39%	-9.87%	12.98%	30.15%	-11.57%
Curr. Cash Flow Growth	-2.47%	13.90%	5.88%	8.78%	36.74%	3.68%
Hist. Cash Flow Growth (3-5 yrs)	5.06%	7.90%	8.55%	19.92%	22.46%	7.62%
Current Ratio	1.59	4.72	1.24	3.18	1.60	1.31
Debt/Capital	75.98%	4.35%	44.23%	NA	45.63%	29.29%
Net Margin	32.03%	-204.52%	10.68%	24.77%	3.08%	24.47%
Return on Equity	90.75%	-67.19%	16.36%	-165.18%	35.70%	39.71%
Sales/Assets	0.40	0.20	0.55	0.50	0.38	0.53
Proj. Sales Growth (F1/F0)	8.33%	5.26%	-2.26%	30.85%	58.09%	-2.59%
Momentum Score	B	-	-	A	C	C
Daily Price Chg	0.64%	0.96%	2.40%	-0.31%	0.02%	0.75%
1 Week Price Chg	-2.24%	-2.40%	0.53%	-0.90%	-3.20%	-4.24%
4 Week Price Chg	7.61%	14.96%	2.68%	5.28%	3.63%	5.29%
12 Week Price Chg	5.28%	-8.39%	-19.20%	-11.95%	-7.61%	-0.93%
52 Week Price Chg	35.84%	-20.55%	-8.44%	7.77%	29.26%	7.19%
20 Day Average Volume	2,644,040	230,978	2,398,409	9,580,089	13,891,925	9,224,994
(F1) EPS Est 1 week change	1.82%	0.00%	0.00%	-2.40%	0.00%	0.00%
(F1) EPS Est 4 week change	0.70%	0.00%	-6.95%	-5.78%	-0.03%	-10.38%
(F1) EPS Est 12 week change	0.12%	0.00%	-15.68%	7.56%	-0.65%	-15.03%
(Q1) EPS Est Mthly Chg	-9.46%	0.00%	-13.12%	-11.20%	-0.84%	-23.36%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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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	C
Momentum Score	B
VGM Score	B

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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