Amgen Inc (AMGN)

Updated December 1st, 2025 by Nathan Parsh

Key Metrics

Current Price:	$345	**5 Year Annual Expected Total Return:**	6.4%	**Market Cap:**	$186 B
Fair Value Price:	$294	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	11/21/25
% Fair Value:	117%	**5 Year Valuation Multiple Estimate:**	-3.1%	**Dividend Payment Date:**	12/12/25
Dividend Yield:	2.8%	**5 Year Price Target**	$412	**Years Of Dividend Growth:**	14
Dividend Risk Score:	B	**Sector:**	Health Care	**Rating:**	Hold

Overview & Current Events

Amgen is the largest independent biotech company in the world. Amgen discovers, develops, manufactures and sells medicines that treat serious illnesses. The company focuses on six therapeutic areas: cardiovascular disease, oncology, bone health, neuroscience, nephrology, and inflammation. Amgen generates about $35 billion in annual revenues. Founded in 1980, the company began with just three employees. Today Amgen has about 28,000 employees and operates in approximately 100 countries.

On December 12th, 2024, Amgen announced that it was raising its quarterly dividend 5.8% to $2.38.

On November 4th, 2025, Amgen reported third quarter earnings results for the period ending June 30th, 2025. Revenue increased 12% to $9.6 billion, which was $630 million more than expected. Adjusted earnings-per-share of $5.64 compared favorably to $5.58 in the prior year and was $0.63 above estimates.

For the quarter, growth was primarily a result of a 14% increase in volume, partially offset by a 4% decline in pricing. Sales for Enbrel, which treats rheumatoid arthritis, declined 30% to $580 million as net selling prices fell 38%. Prolia, which treats osteoporosis, grew 9% to a $1.1 billion, largely due to favorably changes to estimated sales deductions, offset by lower net sell prices related to biosimilar competition. Repatha, which is used to control cholesterol, grew 40% to $794 million. Amgen reduced prices for Repatha in 2018 and this has allowed the product to capture market share. Higher volumes more than offset weaker pricing. The company announced that there was positive trial data regarding Repatha preventing deaths for individuals with no prior history of heart attack or stroke. Otezla, which is used to treat inflammatory diseases, improved 14% to $585 million due to volume growth and a 5% favorable change to estimated sales deductions. Evenity, which is used to treat osteoporosis, was up 36% to $541 million due to increased volume. In total, sixteen products saw double-digit growth during the period. Amgen stated two quarters ago that its Phase 2 data for its injectable weight-loss drug candidate, called MariTide, revealed that the product is the first obesity treatment with monthly or less frequent dosing to demonstrate safe and effective weight loss in a Phase 2 study. Several Phase 3 studies were completed during the quarter. The company ended the quarter with $9.4 billion of cash and cash equivalents against total debt of $54.6 billion.

Amgen updated guidance for 2025 as well. The company now expects adjusted earnings-per-share in a range of $20.60 to $21.40 for the year, up from $20.20 to $21.30 and $20.00 to $21.20 previously. At the midpoint, this would be a 5.8% improvement from the prior year.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$10.38	$11.65	$12.58	$14.40	$14.82	$16.60	$17.10	$17.69	$18.65	$19.84	***$21.00***	***$29.45***
DPS	$3.16	$4.00	$4.60	$5.28	$5.80	$6.40	$7.04	$7.76	$8.52	$9.00	***$9.52***	***$13.35***
Shares[1]	754	738	720	640	598	585	565	539	535	537	***538***	***515***

[1] Share count in millions

Disclosure: This analyst has a long position in the security discussed in this research report.

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Amgen's earnings not only held up during the last recession, but grew. Over the last ten years, the company has grown earnings at a rate of 7.5% per year, though that growth has slowed to 4.8% over the last five years. We reaffirm our expected growth rate of 7% annually due to strength in new products and share repurchases, offset by the high beginning base for earnings-per-share. Amgen has been aggressively repurchasing its own shares, retiring 3.7% of outstanding shares annually since 2015. That said, share repurchases have slowed in recent years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	15.2	13.4	13.6	13.1	13.3	13.9	13.1	14.8	15.4	13.1	***16.4***	***14.0***
Avg. Yld.	2.0%	2.6%	2.7%	2.8%	3.0%	2.8%	3.1%	3.0%	3.0%	3.5%	***2.8%***	***3.2%***

Shares of Amgen have gained $49, or 16.6%, since our August 17th, 2025 update. Based off estimates for 2025, Amgen trades with a multiple of 16.4 times earnings. We are reaffirming our target P/E of 14 from 13.5 as this is near the medium- and long-term average price-to-earnings multiples. If shares were to revert to our target multiple by 2030, then valuation would reduce annual returns by 3.1% over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	30%	34%	37%	37%	39%	39%	41%	44%	46%	45%	***45%***	***45%***

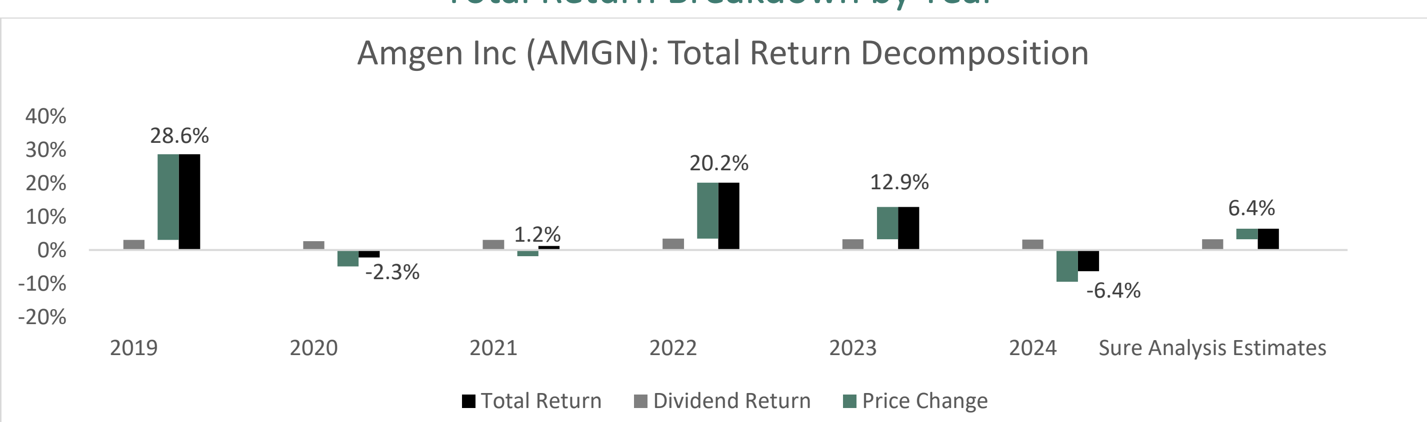
Amgen's profitability held up very well during the last recession. Companies in the health care sector are often recession resistant as people will seek treatment for their health issues regardless of economic conditions. The company also has a very low payout ratio that will allow it to continue to raise its dividend going forward, even in a prolonged recession.

Amgen is the largest biotech company in the world, giving it size and scale over its peers. This allows the company to reduce net selling price on products, such as with Repatha, to take market share. Another key competitive advantage Amgen has over its peers is the company's ability to bring new products to market. The company has reduced its development cycle timeline by 36 months. Amgen spent 17.9% of 2024 sales on R&D.

Final Thoughts & Recommendation

Following third quarter earnings results, Amgen is now projected to offer a total annual return of 6.4% through 2030, down from our previous estimate of 9.5%. Our estimated return stems from a 7% earnings growth rate and a 2.8% starting dividend yield, offset by a small headwind from multiple contraction. Once again, Amgen's newer products largely performed well despite lower prices. We have raised our 2025 price target $5 to $412 due to EPS estimates for the year. We continue to rate Amgen as a hold due to projected returns and a solid dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	21,662	22,991	22,849	23,747	23,362	25,424	25,979	26,323	28,190	33,424
Gross Profit	17,435	18,829	18,780	19,646	19,006	19,265	19,525	19,917	19,739	20,566
Gross Margin	80.5%	81.9%	82.2%	82.7%	81.4%	75.8%	75.2%	75.7%	70.0%	61.5%
SG&A Exp.	4,846	5,062	4,870	5,332	5,150	5,730	5,368	5,414	6,179	7,096
D&A Exp.	2,108	2,105	1,955	1,946	2,206	3,601	3,398	3,417	4,071	5,592
Operating Profit	8,470	9,794	9,973	10,263	9,674	9,139	9,144	9,566	7,897	7,258
Op. Margin	39.1%	42.6%	43.6%	43.2%	41.4%	35.9%	35.2%	36.3%	28.0%	21.7%
Net Profit	6,939	7,722	1,979	8,394	7,842	7,264	5,893	6,552	6,717	4,090
Net Margin	32.0%	33.6%	8.7%	35.3%	33.6%	28.6%	22.7%	24.9%	23.8%	12.2%
Free Cash Flow	9,137	9,616	10,513	10,558	8,532	9,889	8,381	8,785	7,359	10,394
Income Tax	1,039	1,441	7,618	1,151	1,296	869	808	794	1,138	519

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	71,449	77,626	79,954	66,416	59,707	62,948	61,165	65,121	97,154	91,839
Cash & Equivalents	4,144	3,241	3,800	6,945	6,037	6,266	7,989	7,629	10,944	11,973
Acc. Receivable	2,995	3,165	3,237	3,580	4,057	4,525	4,895	5,563	7,268	6,782
Inventories	2,435	2,745	2,834	2,940	3,584	3,893	4,086	4,930	9,518	6,998
Goodwill & Int.	26,428	25,030	23,370	22,142	34,116	31,276	30,072	31,609	51,270	46,336
Total Liabilities	43,366	47,751	54,713	53,916	50,034	53,539	54,465	61,460	90,922	85,962
Accounts Payable	965	917	1,352	1,207	1,371	1,421	1,366	1,572	1,590	1,908
Long-Term Debt	31,429	34,596	35,342	33,929	29,903	32,986	33,309	38,945	64,613	60,099
Total Equity	28,083	29,875	25,241	12,500	9,673	9,409	6,700	3,661	6,232	5,877
LTD/E Ratio	1.12	1.16	1.40	2.71	3.09	3.51	4.97	10.64	10.37	10.23

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	9.9%	10.4%	2.5%	11.5%	12.4%	11.8%	9.5%	10.4%	8.3%	4.3%
Return on Equity	25.8%	26.6%	7.2%	44.5%	70.7%	76.1%	73.2%	126.5%	135.8%	67.6%
ROIC	12.0%	12.5%	3.2%	15.7%	18.2%	17.7%	14.3%	15.9%	11.8%	6.0%
Shares Out.	754	738	720	640	598	585	565	539	535	537
Revenue/Share	28.28	30.49	31.09	35.71	38.36	43.09	45.34	48.66	52.40	61.78
FCF/Share	11.93	12.75	14.30	15.88	14.01	16.76	14.63	16.24	13.68	19.21

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.