Amgen Inc (AMGN)

Updated May 15th, 2026, by Nathan Parsh

Key Metrics

Current Price:	$330	**5 Year Annual Expected Total Return:**	8.7%	**Market Cap:**	$178 B
Fair Value Price:	$314	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	05/15/26
% Fair Value:	105%	**5 Year Valuation Multiple Estimate:**	-1.0%	**Dividend Payment Date:**	06/05/26
Dividend Yield:	3.1%	**5 Year Price Target**	$440	**Years Of Dividend Growth:**	15
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 $37 billion in annual revenues. Founded in 1980, the company began with just three employees. Today Amgen has about 31,500 employees and operates in approximately 100 countries.

On December 9th, 2025, Amgen announced that it was raising its quarterly dividend 5.9% to $2.52.

On April 30th, 2026, Amgen reported first quarter earnings results for the period ending March 31st, 2026. For the quarter, revenue increased 5.8% to $8.6 billion and was $50 million more than expected. Adjusted earnings-per-share of $5.15 compared favorably to $4.90 in the prior year and was $0.38 ahead of estimates.

The first quarter continued some of the trends of growth that the company experienced in 2025. 16 products produced at least double-digit sales growth from the prior year and 17 products had annualized sales of more than $1 billion. For the quarter, product sales grew 4%, as a 9% increase in volume was partially offset by a 2% headwind from both lower net selling prices and lower inventory levels. Prolia, which treats osteoporosis, fell 34% to $727 million as weaker prices and volume were caused by biosimilar competition. Sales erosion is expected to continue due to this competition. Repatha, which is used to control cholesterol, grew 34% to $727 million. Volume improved 34% while lower pricing was a 10% headwind to results. Evenity, which is used to treat osteoporosis, was up 27% to $562 million due once again to increased volume. Amgen stated last year 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. Multiple phase 3 studies have recently been completed or are still ongoing. The company ended the quarter with $12 billion of cash and cash equivalents against total debt of $57.3 billion.

Amgen provided updated guidance for 2026 as well. The company now expects adjusted earnings-per-share in a range of $21.70 to $23.10, up from $21.60 to $23.00 previously. At the midpoint, this would be a 2.6% improvement from the prior year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$11.65	$12.58	$14.40	$14.82	$16.60	$17.10	$17.69	$18.65	$19.84	$21.84	***$22.40***	***$31.42***
DPS	$4.00	$4.60	$5.28	$5.80	$6.40	$7.04	$7.76	$8.52	$9.00	$9.52	***$10.08***	***$14.14***
Shares[1]	738	720	640	598	585	565	539	535	537	543	***544***	***530***

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 7.2% per year, though that growth has slowed to 5.5% 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

[1] Share count in millions

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

beginning base for earnings-per-share. Amgen has been aggressively repurchasing its own shares, retiring 3.4% of outstanding shares annually since 2016. That said, share repurchases have slowed in recent years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.4	13.6	13.1	13.3	13.9	13.1	14.8	15.4	13.1	15.0	***14.7***	***14.0***
Avg. Yld.	2.6%	2.7%	2.8%	3.0%	2.8%	3.1%	3.0%	3.0%	3.5%	2.9%	***3.1%***	***3.2%***

Shares of Amgen have declined $4, or 11.8%, since our February 9th, 2026 update. Based off estimates for 2026, Amgen trades with a multiple of 14.7 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 2031, then valuation would reduce annual returns by 1.0% over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	34%	37%	37%	39%	39%	41%	44%	46%	45%	44%	***45%***	***45%***

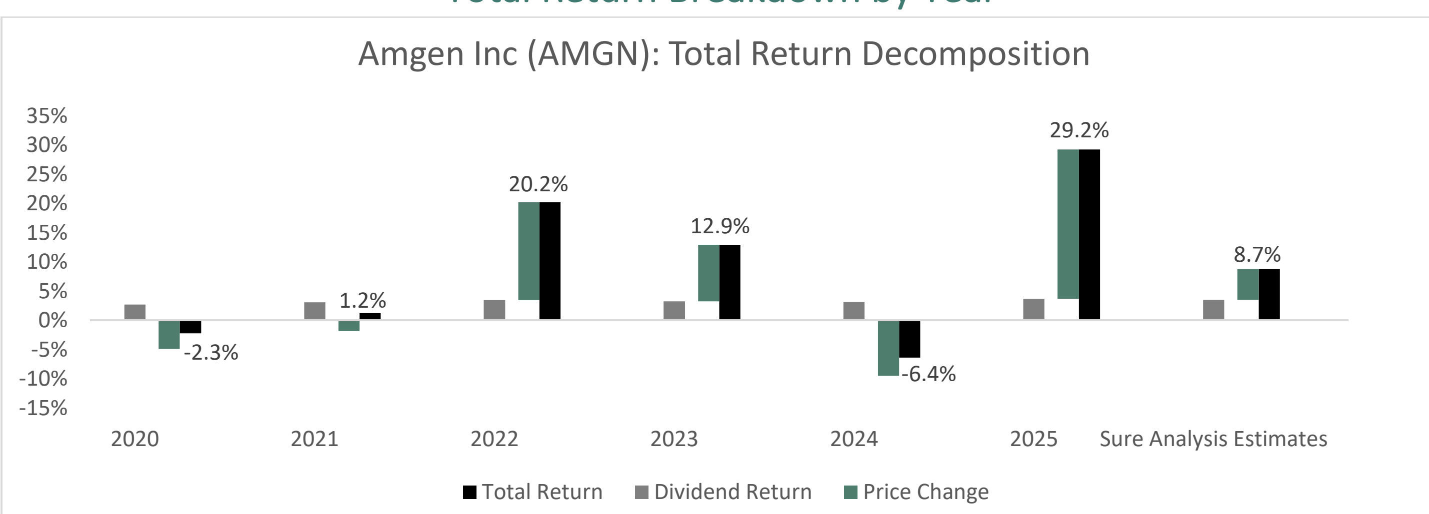
Amgen's profitability held up very well during the last recession. Companies in the health care sector are often recession resistant as people will seek treatment for their health issues regardless of economic conditions. The company also has a very low payout ratio that will allow it to continue to 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. In 2025, Amgen spent 19.8% of sales on R&D in order to help strengthen its pipeline.

Final Thoughts & Recommendation

Following first quarter earnings results, Amgen is now projected to offer a total annual return of 8.7% through 2031, up from our previous estimate of 6.0%. Our estimated return stems from a 7% earnings growth rate and a 3.1% starting dividend yield, offset by a small headwind from multiple contraction. Once again, Amgen's newer products largely performed well during the quarter. We have raised our five-year price target $2 to $440 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	22,683	22,784	23,768	23,261	25,246	25,987	26,092	28,010	33,232	36,751
Gross Profit	18,521	18,715	19,667	18,905	19,087	19,533	19,686	19,595	21,333	30,328
Gross Margin	81.7%	82.1%	82.7%	81.3%	75.6%	75.2%	75.4%	70.0%	64.2%	82.5%
SG&A Exp.	5,120	4,870	5,332	5,150	5,730	5,368	5,414	6,179	7,096	7,050
D&A Exp.	2,105	1,955	1,946	2,206	3,601	3,398	3,417	3,885	5,592	
Operating Profit	9,524	10,018	10,326	9,573	8,961	9,152	9,335	8,471	8,313	14,891
Op. Margin	42.0%	44.0%	43.4%	41.2%	35.5%	35.2%	35.8%	30.2%	25.0%	40.5%
Net Profit	7,722	1,979	8,394	7,842	7,264	5,893	6,552	6,717	4,090	7,711
Net Margin	34.0%	8.7%	35.3%	33.7%	28.8%	22.7%	25.1%	24.0%	12.3%	21.0%
Free Cash Flow	9,517	10,513	10,558	8,532	9,889	8,381	8,785	7,359	10,394	9,958
Income Tax	1,441	7,618	1,151	1,296	869	808	794	1,138	519	1,265

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	77,626	79,954	66,416	59,707	62,948	61,165	65,121	97,154	91,839	90,586
Cash & Equivalents	38,085	41,678	29,304	8,911	10,647	8,037	9,305	10,944	11,973	9,129
Acc. Receivable	3,165	3,237	3,580	4,057	4,525	4,895	5,563	7,268	6,782	9,570
Inventories	2,745	2,834	2,940	3,584	3,893	4,086	4,930	9,518	6,998	6,225
Goodwill & Int.	25,030	23,370	22,142	34,116	31,276	30,072	31,609	51,270	46,336	40,956
Total Liabilities	47,751	54,713	53,916	50,034	53,539	54,465	61,460	90,922	85,962	81,928
Accounts Payable	917	1,352	1,207	1,371	1,421	1,366	1,572	1,590	1,908	20,890
Long-Term Debt	33,991	35,342	33,929	30,291	33,292	33,834	39,484	65,304	60,772	54,604
Total Equity	29,875	25,241	12,500	9,673	9,409	6,700	3,661	6,232	5,877	8,658
LTD/E Ratio	1.16	1.40	2.71	3.15	3.55	5.07	10.83	10.50	10.36	6.31

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	10.4%	2.5%	11.5%	12.4%	11.8%	9.5%	10.4%	8.3%	4.3%	8.5%
Return on Equity	26.6%	7.2%	44.5%	70.7%	76.1%	73.2%	126.5%	135.8%	67.6%	106.1%
ROIC	12.5%	3.2%	15.7%	18.1%	17.5%	14.1%	15.6%	11.7%	5.9%	11.9%
Shares Out.	738	720	640	598	585	565	539	535	537	543
Revenue/Share	30.08	31.00	35.74	38.20	42.79	45.35	48.23	52.06	61.43	67.81
FCF/Share	12.62	14.30	15.88	14.01	16.76	14.63	16.24	13.68	19.21	18.37

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