

Dear shareholders,

2023 was a defining moment in Johnson & Johnson's 138-year history.

It was a year of transformation and growth that has positioned our company to be a leader in global healthcare for decades to come.

With the successful separation of our consumer health business, we entered a new era – one exclusively focused on tackling the world's toughest health challenges through scientific innovation and technology.

We remain the world's largest, most diversified healthcare products company, and Johnson & Johnson is now moving forward as a more focused and agile organization, with a stronger growth and margin profile.

Operating as a company focused on delivering innovative medicines and medical technologies has strengthened our position as an innovation powerhouse. Today, we are innovating for patients across a spectrum of healthcare solutions in ways no other company can, and our impact is significant.

Performance and priorities

In 2023, we delivered strong and sustained performance with 9.0% operational sales growth*, excluding the COVID-19 vaccine. Adjusted net earnings were \$25.4 billion*. Adjusted diluted net earnings per share was \$9.92*, an increase of 11.1% from 2022.

We maintained a healthy balance sheet and robust credit rating, underscoring the stability of our financial position, and executed against all our capital allocation priorities. We remain a top investor in innovation, funding \$15.1 billion in R&D, or almost 18% of 2023 sales – an all-time high for the company.

We committed over \$3 billion to external growth opportunities in the last 12 months, including the acquisitions of Ambrx and Laminar, and more than 50 smaller, early-stage licensing deals and partnerships. We increased our dividend for the 61st consecutive year and completed the share repurchase program initiated in 2022, returning a total of over \$14 billion to shareholders.

Innovative Medicine

We are leading where medicine is going, and for the 12th consecutive year we reported above-market growth for our Innovative Medicine business. This strong performance was fueled by growth in key brands such as DARZALEX, ERLEADA, STELARA and TREMFYA, and the acceleration of recently launched products, including CARVYKTI, SPRAVATO, TALVEY and TECVAYLI.

We made significant advances in our pipeline, with FDA approvals for AKEEGA and TALVEY, and positive Phase III data readouts for 11 in-line and pipeline medicines. We initiated Phase III clinical development programs for milvexian and our targeted oral peptide, JNJ-2113, and received FDA Breakthrough Therapy Designation for TAR-200 for the treatment of bladder cancer. Milvexian also received FDA Fast Track designations in atrial fibrillation, stroke, and acute coronary syndrome.

With 19 U.S. and EU filings across Innovative Medicine in 2023, we have high expectations for the year ahead.

MedTech

Innovating at the intersection of biology and technology, our MedTech businesses delivered over \$30 billion in sales, with sales growth across Orthopaedics, Surgery, Interventional Solutions, and Vision.

We progressed 20+ MedTech pipeline programs that each have an expected net present value of greater than \$100 million, and launched 15 major products. To increase access for patients and deliver clinical differentiation, we produced more than 200 scientific publications.

We built on our commitment to interventional cardiology with our successful integration of Abiomed and our acquisition of Laminar, a company focused on eliminating the left atrial appendage to prevent stroke in AFib patients.

Profoundly impacting health for humanity

Science and technology will advance human health more in the next decade than in the last century. It will lead to more effective and personalized treatments, earlier intervention, and smarter, less invasive healthcare. One example is in lung cancer, where doctors can use our robotic bronchoscopy to make a diagnosis, perform surgery with our smart instruments, and treat with our bispecific antibody. In so many ways, we are just getting started.

We are energized by our future and our evolution at Johnson & Johnson, and we remain grounded in our purpose and guiding principles. For more than 80 years, Our Credo has reminded us of our responsibilities to the people we serve: patients, doctors and nurses, employees, communities, and investors.

Our Credo values are as strong as ever. I see them in action every day working with my colleagues—a team of over 130,000 incredible individuals that includes more than 26,000 employees working in R&D, innovation, and engineering, and approximately 6,000 data scientists and digital experts embedded across our businesses globally.

The people of Johnson & Johnson are my greatest source of inspiration and the foundation of my confidence in the future of our business. Fueled by our shared belief that health is everything, and our commitment to investing in transformative science and breakthrough technology, Johnson & Johnson is poised to lead the next wave of innovation. I look forward to seeing what we accomplish together in 2024 and beyond.



Sincerely,

A handwritten signature in black ink that reads "Joaquin Duato". The signature is written in a cursive, slightly slanted style. Below the signature is a short horizontal line.

Joaquin Duato
Chairman and CEO



Delivering for Our Credo stakeholders

9%

operational sales growth¹

\$85.2 billion

in consolidated sales

61st

consecutive year of increased dividends

\$15.1 billion

invested in R&D

13,000+

employee promotions to new roles

80

years of Our Credo

800,000

courses of SIRTURO® delivered to fight multi-drug resistant tuberculosis since 2014

>\$5 billion

global impact spend with small and diverse suppliers

6

consecutive years of recognition with a CDP A-List rating for our leadership in climate action

\$3 billion

invested in externally sourced innovation

40,000

operating room and hospital staff trained in resource-limited settings

* Non-GAAP Measure: Operational sales growth excludes the effect of translational currency. Adjusted net earnings and adjusted diluted net earnings per share excludes special items and intangible asset amortization expense. See Non-GAAP reconciliation in this Annual Report.

¹ Excluding the Covid-19 vaccine.



Key drivers for long-term competitive growth

At our 2023 Enterprise Business Review, we presented the Company's overarching innovation strategy, diverse and robust pipelines, and expected long-term financial outlook:

5 - 7%

compound annual growth rate for the Enterprise between 2025-2030^{2,3}

5 - 7%

compound annual growth rate in our Innovative Medicine business between 2025-2030^{2,3}

10+

innovative medicines by 2030 with potential for \$5+ billion in peak year sales⁴

15+

innovative medicines by 2030 with potential for \$1-5 billion in peak year sales⁴

2022 - 2027

MedTech growth in the upper range of the market 5-7%⁵

1/3rd

of MedTech sales to be generated by new products⁶ in 2027

² Represents operational sales; Non-GAAP financial measure; excludes the impact of translational currency.

³ Based on risk-adjusted sales projection.

⁴ Peak non-risk adjusted operational sales, including partner sales.

⁵ MedTech Market WAMGR reflects the following sources: Internal estimates, Fitch, HRI, GlobalData, and DRG.

⁶ Products launched within last five years.