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OVERVIEW:

Company Summary

REFINITIV

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PRESENTATION

Operator

Good morning, and welcome to Johnson & Johnson's fourth-quarter 2024 earnings conference call. (Operator Instructions) This call is being recorded. (Operator Instructions)

I'd now like to turn the conference call over to Johnson & Johnson. You may begin.

Jessica Moore - *Johnson & Johnson - Vice President - Investor Relations*

Hello, everyone. This is Jessica Moore, Vice President of Investor Relations for Johnson & Johnson. Welcome to our company's review of business results for the fourth quarter and full year 2024 and our financial outlook for 2025.

A few logistics before we get into the details. As a reminder, you can find additional materials, including today's presentation and associated schedules, on the Investor Relations section of the Johnson & Johnson website at investor.jnj.com.

Please note that this presentation contains forward-looking statements regarding, among other things, the company's future operating and financial performance, market position and business strategy. You are cautioned not to rely on these forward-looking statements, which are based on the current expectations of future events using the information available as of the date of this recording and are subject to certain risks and uncertainties that may cause the company's actual results to differ materially from those projected. A description of these risks, uncertainties, and other factors can be found in our SEC filings, including our 2023 Form 10-K which is available at investor.jnj.com and on the SEC's website.

Additionally, several of the products and compounds discussed today are being developed in collaboration with strategic partners or licensed from other companies. This slide acknowledges those relationships.

Moving to today's agenda. Joaquin Duato, our Chairman and CEO, will open with a few comments on our performance and key catalysts for the company. I will then review the fourth quarter sales and P&L results as well as full year 2024 results for the enterprise. Joe Wolk, our CFO, will then close by sharing an overview of our cash position, capital allocation priorities and guidance for 2025. Jennifer Taubert, John Reed, and Tim Schmid, our innovative medicine and MedTech leaders will be joining us for Q&A. To ensure we provide enough time to address your questions, we anticipate the webcast will last a little over 60 minutes.

With that, I will now turn the call over to Joaquin.

Joaquin Duato - *Johnson & Johnson - Chairman of the Board, Chief Executive Officer*

Thank you, Jess, and good morning, everyone. 2024 was a year of progress and transformation for Johnson & Johnson. Today, we operate in a broad set of high unmet need, high growth and high innovation segments including oncology, immunology, and neuroscience in Innovative Medicine and cardiovascular, vision, and robotics in MedTech.

In 2024, we continue to make disciplined decisions to exit lower priority businesses while investing industry-leading amounts in our pipeline, approximately $50 billion in R&D and M&A in the last year, inclusive of the recently announced acquisition agreement with Intracellular Therapies, which I will speak about shortly.

And while we have been through a period of transformation, the fundamentals of our company remain the same. Indeed, our enduring success is rooted in two things. First, we are a purpose-driven company guided by our credo. And second, we are broadly diversified, meaning that we can truly lead where medicine is going.

No other company has the span of expertise and capabilities that Johnson & Johnson has. No other company can impact the entire patient journey as we do. We are not just a pharma company or a MedTech company. We are a healthcare company. And our strategies are disease-centric, focused on end-to-end solutions. Just think about multiple myeloma and the impact of DARZALEX, CARVYKTI, TECVAYLI, and TALVEY. Think about heart recovery and the impact of Abiomed's IMPELLA heart pumps and the promise of V-Wave's minimally invasive interatrial shunt.

Think about mental health and the impact of our INVEGA portfolio, SPRAVATO, and the potential of the Intracellular Therapies acquisition we announced last week. And think about inflammatory bowel disease and the impact of STELARA and TREMFYA and the potential of our targeted oral peptide that blocks IL-23 icotrokinra and JNJ-4804 our co-antibody therapeutic targeting IL-23 and TNF.

As the only major healthcare company focused both on pharmaceuticals and medical technology, we are unique in the industry with the financial muscle, global reach, and disease expertise to deliver the sustained high pace of growth and innovation that is the hallmark of Johnson & Johnson. The strategic decisions we made in 2024 position Johnson & Johnson for sustained growth through the second half of the decade and beyond and strengthen our confidence in our 2025 guidance.

Now to the numbers for 2024. Over the full year, we delivered robust operational sales growth of 7%, excluding the COVID-19 vaccine. With SPRAVATO surpassing $1 billion in annual sales, we now have 26 platforms that generate at least $1 billion in annual revenue. In Innovative Medicine, we reported a third consecutive quarter of sales exceeding $14 billion with 10 key brands growing double digit. Across the full year, we achieved strong growth in oncology, neuroscience, and pulmonary hypertension with immunology performing well despite the entry of biosimilars for STELARA in the EU.

Equally impressive is our pace of innovation, which in 2024 resulted in 27 approvals in major markets, including FDA approvals of TREMFYA for the treatment of ulcerative colitis and RYBREVANT and LAZCLUZE for first-line treatment of patients with EGFR mutated advanced non-small cell lung cancer. In 2024, we reported 18 positive readouts for registrational studies, initiated 16 Phase 3 studies and submitted 49 filings across major markets.

And as you have seen over the last three weeks, we are off to a fast start in 2025. RYBREVANT and LAZCLUZE showed significant improvement in overall survival in first-line treatment of advanced or metastatic non-small cell lung cancer. We received FDA approval of SPRAVATO as the first

and only monotherapy for adults with treatment-resistant depression. We received priority review for nipocalimab for the treatment of generalized myasthenia gravis in addition to the FDA breakthrough therapy and fast track designations for other indications received last year. And last week, we announced a new drug application with the FDA for TAR-200, our intravesical drug release system for the treatment of non-muscle invasive bladder cancer, an area of significant unmet need impacting as many as 1 million patients per year.

Turning to MedTech and for the full year, we reported a second year of over $30 billion in sales with growth across most parts of the business, including particularly strong momentum in cardiovascular and vision. Our pace of MedTech innovation also continues to accelerate with 15 major products launched in 2024.

Major highlights of the year include the approval of our VARIPULSE Pulsed-field ablation platform in several major markets and FDA clearance of our VELYS robotic-assisted solution for the use in unicompartmental knee arthroplasty procedures. As well as an expanded FDA indication for Impella heart pumps to treat pediatric patients and FDA clearance of Shockwave's Javelin peripheral IVL catheter for the treatment of tight, difficult to cross peripheral lesions.

We also achieved the full market release of 10 major products, including the Shockwave E8 peripheral IVL catheter in the US, Version 8 of the CARTO 3 Electro-Anatomical mapping system, and our TECNIS Odyssey intraocular lens. And we progressed 18 clinical trial programs, including the IDE approval for our OTTAVA robotic surgical system, which allows clinical trials to begin at US sites.

And last year, we fortified our future by making significant value-creating investments in M&A. These investments enable us to further shift our portfolio to address unmet needs in high-growth and high innovation markets. This included the acquisitions of Shockwave and V-Wave in MedTech, and Ambrx, Proteologix and NM-26 bispecific antibody in Innovative Medicine.

And building on our nearly 70-year legacy in neuroscience, we announced last week plans to acquire Intra-Cellular Therapies, a biopharmaceutical company focused on the development and commercialization of therapeutics for central nervous system disorders. This unique opportunity to add Intra-Cellular Therapies reflect our commitment to transforming care and advancing research in mental health. It also further solidifies sales growth above analyst expectations now and through the remainder of the decade.

Together, these transactions represent industry-leading levels of investment for the company, providing strategic near and long-term growth catalysts for Johnson & Johnson.

Turning to 2025. And as previously guided back at the end of 2023, we expect to deliver operational sales growth of 3% overcoming headwinds associated with US biosimilar entries for STELARA and the impact of the Part D redesign and continued macroeconomic pressures in China. Perhaps, even more impressive, we are planning for adjusted operational earnings per share growth of nearly 9%. I cannot think of any other company that would be able to deliver growth through the first year of losing exclusivity of a multibillion-dollar product.

We are able to achieve these results because of the diversification of our business, the strength of our commercial assets as well as the breadth of our pipeline with additional launches in 2025, including TREMFYA in IBD, RYBREVANT and LAZCLUZE in lung cancer, and VARIPULSE and the Dual Energy THERMOCOOL SMARTTOUCH SF Catheter in electrophysiology.

In closing, I want to thank everyone at Johnson & Johnson for all that they do to help patients. We are starting the year from a position of strength, and we have confidence in our sales growth and EPS guidance for 2025.

And with that, I'll turn the call over to Jess.

Jessica Moore - *Johnson & Johnson - Vice President - Investor Relations*

Thank you, Joaquin. Moving to our financial results. Unless otherwise stated, the results and guidance highlighted today reflect the continuing operations of Johnson & Johnson. Furthermore, the percentages quoted represent operational results and therefore, exclude the impact of currency translation.

Starting with Q4 2024 sales results. Worldwide sales were $22.5 billion for the quarter. Sales increased 6.7% with growth of 10% in the US and 2.5% outside of the US. Worldwide growth was negatively impacted by 290 basis points due to STELARA and positively impacted by 100 basis points due to acquisitions and divestitures. It's important to note growth in Europe was negatively impacted by 720 basis points due to the loss of exclusivity of STELARA and the COVID-19 vaccine.

Turning now to earnings. For the quarter, net earnings were $3.4 billion and diluted earnings per share was $1.41 versus diluted earnings per share of $1.70 a year ago. Excluding after-tax intangible asset amortization expense and special items for both periods, adjusted net earnings for the quarter were $4.9 billion and adjusted diluted earnings per share was $2.04, representing decreases of 11.1% and 10.9%, respectively, compared to the fourth quarter of 2023. The earnings per share in the quarter was negatively impacted by $0.22 of acquired IP R&D expense related to the V-Wave acquisition.

For the full year 2024, sales were $88.8 billion. Sales grew 5.9% with growth of 8.3% in the US and 2.9% outside of the US. STELARA and the COVID-19 vaccine negatively impacted worldwide growth by 260 basis points. Acquisitions and divestitures positively impacted worldwide growth by 50 basis points. Growth in Europe was negatively impacted by 670 basis points due to the COVID-19 vaccine and the loss of exclusivity of STELARA.

Net earnings for the full year 2024 were $14.1 billion, and diluted earnings per share was $5.79 versus diluted earnings per share of $5.20 a year ago. Full year 2024 adjusted net earnings were $24.2 billion, and adjusted diluted earnings per share was $9.98, representing a decrease of 4.6% and an increase of 0.6%, respectively, versus full year 2023. Earnings per share in the year was negatively impacted by $0.67 due to acquired IPR&D charges on various transactions throughout the year.

I will now comment on business sales performance in the quarter. Beginning with Innovative Medicine. Worldwide sales of $14.3 billion increased 6.5%, excluding the COVID-19 vaccine with growth of 11.1% in the US and a decline of 0.3% outside of the US. STELARA negatively impacted worldwide growth by 490 basis points. Innovative Medicine growth was driven by our key brands and continued uptake from recently launched products, with 10 assets delivering double-digit growth. Results across the portfolio continue to be positively impacted by price adjustments associated with Argentina hyperinflation, consistent with market practice.

Starting with oncology. We continue to drive strong sales growth across our multiple myeloma portfolio. DARZALEX growth was 23.5%, primarily driven by share gains of over 3 points across all lines of therapy and 6 points in the frontline setting as well as market growth. This marks Johnson & Johnson's first brand to achieve over $3 billion in sales in a quarter.

CARVYKTI achieved sales of $334 million with growth of over 100% and driven by share gains and capacity expansion. This reflects sequential growth of 17.3%, aligned with our expectations of accelerating growth in the back half of the year. TECVAYLI sales were $146 million in the quarter with growth of 18%, reflecting a strong launch in the relapse refractory setting. Demand remained strong despite continued adoption of longer duration dosing intervals.

Finally, within our multiple myeloma portfolio, TALVEY continued its launch trajectory with another quarter of strong growth. As a reminder, we anticipate disclosing TALVEY sales in the first quarter of 2025, which are currently reported in the category other oncology. ERLEADA continues to deliver strong growth of 22.7%, primarily driven by share gains and market growth, reaching $3 billion in annual sales for the first time. RYBREVANT, our bispecific antibody for non-small cell lung cancer contributed to growth in the category other oncology as we continue to expand approved indications. We also anticipate disclosing RYBREVANT sales in the first quarter of 2025.

Within immunology, we saw sales growth in TREMFYA of 5.6%, driven by strong market growth and share gains in PSO and PSA, partially offset by unfavorable patient mix and inventory dynamics. We are excited about the recent UC launch and expect to see strong uptake of the IBD indications in 2025. STELARA declined 13.6% driven by the impact of current and anticipated biosimilar competition. As a reminder, biosimilar competition has entered the US in January 2025. REMICADE and SIMPONI worldwide sales were positively impacted by a return of distribution rights in Europe.

In neuroscience, SPRAVATO growth of 45.3% continues to be driven by increased physician and patient demand. As Joaquin mentioned, SPRAVATO has exceeded $1 billion in annual sales for the first time. Other neuroscience decline was driven by the loss of a SPINRAZA tender in Europe.

In pulmonary hypertension, OPSUMIT grew 2.5%, driven by market growth and share gains, partially offset by inventory dynamics in the US and austerity measures in Europe. Starting in 2025, we will begin to report OPSYNVI, which is currently reported in the category other pulmonary hypertension in OPSUMIT. UPTRAVI grew 12.1% driven by market growth, patient mix, and share gains. Finally, XARELTO sales growth was driven by favorable patient mix.

I'll now turn your attention to MedTech. Worldwide sales of $8.2 billion increased 7.6%, both in the US and outside of the US. Acquisitions and divestitures had a net positive impact of 300 basis points on worldwide growth: 430 basis points in the US and 150 basis points outside of the US. Overall, MedTech growth was driven by commercial execution and strength of new product introductions, partially offset by increased competitive PFA pressures in US electrophysiology and continued headwinds in Asia Pacific, primarily in China.

In cardiovascular, electrophysiology delivered growth of 7.3%. Performance was driven by global procedure growth, new product uptake, and commercial execution, partially offset by competitive PFA ablation catheter uptake in the US and VBP in China. Despite the IV sailing shortage in the US, Abiomed delivered growth of 13.2%, driven by strong growth in all regions and continued adoption of Impella 5.5 and Impella RP technology. Cardiovascular results also included $258 million associated with the acquisition of Shockwave.

Contact lenses and other grew 7.4% driven by trade inventory dynamics, continued strategic price actions, strong performance in ACUVUE OASYS 1-Day family of products as well as lapping prior year impacts from Russia sanctions. Surgical vision growth of 13.6% was driven by TECNIS PureSee and TECNIS EYEHANCE, Commercial execution, partially offset by competitive pressures in the US.

Orthopedics grew 2.5%, inclusive of hips growth of 5.6%, primarily driven by the success of recent product launches and commercial execution, partially offset by revenue disruption from the previously announced orthopedics transformation, impacts of China VBP, and competitive pressures.

Lastly, surgery grew 0.4% with the Acclarent divestiture negatively impacting results by approximately 130 basis points. Performance was driven primarily by commercial execution, strength of new products across wound closure and biosurgery, and continued price adjustments primarily associated with hyperinflation, consistent with market practice. Growth was partially offset by competitive pressures in energy and endocutters as well as VBP and the anticorruption campaign in China.

Now turning to our consolidated statement of earnings for the fourth quarter of 2024. I'd like to highlight a few noteworthy items that have changed compared to the same quarter of last year. We continue to invest strategically in research and development at competitive levels to fortify our future, investing $5.3 billion or nearly 24% of sales, which includes $540 million of acquired IP R&D expense associated with the V-Wave acquisition.

Selling, marketing, and administrative expense as a percent of sales deleveraged 150 basis points, driven by increased commercial investment in the Innovative Medicine business.

Interest income and expense was a net income of $144 million as compared to $212 million of income last year, driven by lower interest rates earned on a lower average cash balance and higher interest rates on a higher average debt balance.

Other income and expense was a net income of $161 million compared to $421 million of income in the prior year. This was primarily driven by lower gains on securities, a lower benefit related to employee benefit programs due to the discount rate partially offset by lower litigation expense in 2024.

Regarding taxes in the quarter, our effective tax rate was 11.7% versus 14.4% in the same period last year. This decrease was primarily driven by post-acquisition integration efforts that allowed the company to deduct certain acquisition costs for tax purposes, as well as the resolution of prior tax matters, both in jurisdictions outside of the US. Excluding special items, the effective tax rate was 8.8% versus 10.8% in the same period last year. I encourage you to review our upcoming 2024 10-K filing for additional details on specific tax-related matters.

Lastly, I'll direct your attention to the box section of the slide, where we have also provided our income before tax, net earnings, and earnings per share adjusted to exclude the impact of intangible amortization expense and special items.

Now let's look at adjusted income before tax by segment for the quarter. Innovative Medicine margin declined from 37.4% to 32.5%, primarily driven by strategic commercial investment and R&D pipeline advancement. MedTech margin declined from 15.5% to 10.8%, primarily driven by acquired IPR&D expense related to the V-Wave acquisition.

Please note that the MedTech margin was negatively impacted in both years due to expenses associated with the strategic acquisition of Laminar. When adjusting for these onetime items, MedTech margin was relatively flat. As a result, adjusted income before tax for the enterprise as a percentage of sales decreased from 29.2% to 24.1% with the V-Wave acquired IPR&D expense impacting results by 240 basis points.

When looking at the full year, Innovative Medicine, MedTech, and the enterprise adjusted income before tax remain relatively flat year-over-year when adjusting for the onetime items highlighted on the slide, mainly acquired IP R&D expenses on various transactions across both years.

This concludes the sales and earnings portion of the call. I am now pleased to turn it over to Joe.

Joseph Wolk - *Johnson & Johnson - Chief Financial Officer, Executive Vice President*

Thank you, Jessica, and thanks, everyone, for joining us today. As you've heard already, we delivered solid overall fourth quarter and full year results in 2024 above the operational guidance we set at the beginning of the year when excluding acquisition costs we incurred to fortify our business for the future.

We are particularly pleased with advancements made throughout the year, strengthening our pipeline, achieving key milestones across core therapeutic areas and platforms. We continue to prioritize investment in innovation, forge strategic partnerships that further enhance our differentiated business and focus on improving margins, positioning the company for near- and long-term growth.

Additionally, we've made progress towards resolving the talc litigation. As many of you are aware, our prepackaged bankruptcy plan received overwhelming support from current claimants and the future claims representative and that support has only increased in recent months. The next milestone is the scheduled confirmation hearing commencing on February 18 in the Southern District of Texas Bankruptcy Court.

Now let's get into the numbers, starting with cash and capital allocation. We ended 2024 with approximately $25 billion of cash and marketable securities and approximately $37 billion of debt for a net debt position of approximately $12 billion. Our focus on cash flow resulted in the company delivering approximately $20 billion of free cash flow during 2024, $1.6 billion more than in 2023, despite having higher litigation settlement payments during 2024, higher TCJA toll tax, and eight months of contribution from Consumer Health in 2023.

Our ability to strategically invest and deploy capital that unlocks value has made Johnson & Johnson successful in the past and will be as important for our success moving forward. We value a strong credit rating, which underscores the strength of Johnson & Johnson's financial discipline and enables us to execute against our capital allocation priorities.

In research and development, we invested more than $17 billion or 19.4% of sales. We remain one of the top investors in R&D across all industries.

2024 marked the 62nd consecutive year of dividend increases. We know this use of capital is a priority for our investors, and we plan to continue to increase our dividend annually.

We also deployed, announced, or committed to over $32 billion in strategic value-creating inorganic growth opportunities in the last 12 months. This amount includes larger transactions such as Shockwave, Proteologix, the NM26 bispecific antibody, V-Wave, the planned acquisition of Intra-Cellular Therapies as well as more than 40 smaller early-stage collaborations and partnerships to complement our businesses that are much more common for us than larger transactions. As we look ahead to 2025, we will maintain a heightened focus on cash flow generation to build on our strong financial foundation and judiciously deploy capital on behalf of shareholders to create value.

Let's now discuss our full year guidance for 2025. It is important to note that guidance at this time excludes the impact from the planned acquisition of Intra-Cellular Therapies, but I will provide some comments on that transaction in a few moments.

We anticipate operational sales in the range of 2.5% to 3.5%, with a midpoint of $91.3 billion or 3.0% and in line with the expectations outlined at our late 2023 enterprise business review as Joaquin noted. Acquisitions and divestitures are expected to favorably impact operational growth by approximately 50 basis points resulting in an adjusted operational sales growth midpoint of 2.5%. Sales growth across our Innovative Medicine businesses will be driven by our proven assets such as DARZALEX, ERLEADA, and SPRAVATO. Our recently launched products, CARVYKTI, TECVAYLI, and TALVEY. And our new launches of TREMFYA in IBD and RYBREVANT plus LAZCLUZE in lung cancer. The strength of our portfolio enables innovative medicine to grow despite the expanded STELARA biosimilar competition and approximately $2 billion negative impact from Part D redesign.

MedTech sales growth will be driven by our recent acquisitions, Shockwave and Abiomed, as well as continued uptake of our recently launched products such as VARIPULSE, TECNIS Odyssey, ACUVUE OASYS MAX, the VELYS portfolio of enabling technology and our barbed suture and hemostat portfolio. We continue to expect China to remain a headwind through 2025.

Regarding VARIPULSE in the US, we are working diligently to complete our investigation, and we'll provide an update when we have additional information to share. As a reminder, there is no impact to commercial activity to VARIPULSE outside of the United States.

As you know, we don't speculate on future currency movements. For today's call, we are utilizing yesterday's euro spot rate relative to the US dollar of $1.04 significantly below last quarter's euro spot rate of $1.10. This results in an estimated unfavorable foreign currency impact on sales of $1.7 billion or 2.0%. As such, we estimate reported 2025 sales of $89.6 billion or 1% growth at the midpoint.

Turning to other items on the P&L. Despite STELARA biosimilar competition and the impact of Part D redesign, we expect our 2025 adjusted pretax operating margins to increase by approximately 300 basis points of which approximately half is driven by operating spend management and the remainder from reduced acquired IP R&D expense. This is about 50 basis points better than we discussed on the Q3 earnings call in October.

We anticipate net other income to be $900 million to $1.1 billion for 2025. The reduction versus last year is primarily driven by a lower benefit related to employee benefit programs based on discount rate assumptions, the nonrecurring monetization of royalty rights in 2024, and no longer receiving a Kenvue dividend. Due to higher debt incurred associated with 2024 acquisitions and the reduction in interest rates earned on cash, we expect net interest income between $0 and $100 million. Finally, we are projecting an effective tax rate for 2025 in the range of 16.5% to 17.0% based on current tax laws and our anticipated geographic income mix across our businesses.

Given all these factors, we expect adjusted operational earnings per share to grow 8.7% at the midpoint for a range of $10.75 to $10.95. While not predicting the impact of currency movements, utilizing the recent exchange rate previously referenced, our reported adjusted earnings per share for the year now estimates a full year negative impact of $0.25. As such, we expect reported adjusted earnings per share of $10.60 at the midpoint.

When adjusting for this impact, it becomes clear that our operational EPS performance is considerably stronger than consensus assumed as only about half the analysts incorporated the impact of foreign currency into their models. A few initial considerations outlined on this chart regarding the planned acquisition of Intra-Cellular Therapies, a transaction we plan to finance mainly with debt. We are not planning for material near-term cost synergies. Rather, we expect to accelerate penetration of CAPLYTA in existing markets, explore additional geographies to commercialize the portfolio, and potentially accelerate research and development to expand into new indications and disease areas where high unmet need exists.

Given this and assuming a close subject to regulatory review early in the second quarter, we anticipate an acceleration of our sales growth of approximately 80 basis points. Inclusive of the impact of financing cost, the transaction is expected to have a dilutive impact on adjusted EPS of approximately $0.30 to $0.35 in 2025. Again, these are very preliminary thoughts, which will be influenced by when the transaction closes and borrowing rates. We will be sure to provide an update to our full year guidance shortly after the acquisition is complete.

I'll now provide some qualitative considerations on the phasing of notable events for your modeling. We expect both Innovative Medicine and MedTech operational sales growth to be higher in the second half of the year versus the first half.

Regarding Innovative Medicine, we anticipate STELARA biosimilar competition to accelerate throughout the year as the number of biosimilar entrants increase. Humira's erosion curve, once faced with material biosimilar competition continues to be the best proxy for STELARA erosion

with the additive impact of Part D redesign. The impact of Part D redesign as a percent of sales will be consistently applied throughout the year. We expect a more pronounced benefit from our newly launched products as we progress throughout 2025 to counter these headwinds.

In MedTech, for the first half of the year and more prominently in Q1, we faced tougher year-over-year comparisons, excluding the positive impact associated with the Shockwave acquisition. We anticipate acceleration of our newly launched products to build throughout the year. As we've said before, we continue to expect normalized procedure volume and seasonality.

Regarding the P&L, it is important to consider onetime items that impacted our EPS results in 2024. Specifically, the benefit of Kenvue dividend in the first two quarters of 2024 is not repeating, higher interest income prior to the Shockwave acquisition closure in May, the monetization of royalty rights recorded in Q3, and IP R&D expense associated with the NM26 bispecific antibody in Q3 and V-Wave acquisition in Q4. Given these factors and aligned with sales, we expect higher earnings per share growth in the second half of the year versus the first half.

Moving to the discussion beyond financial commitments. We are excited for the pipeline progress planned for 2025.

In Innovative Medicine, this includes expected approvals for TREMFYA subcutaneous for Crohn's disease, nipocalimab for generalized myasthenia gravis, and subcutaneous RYBREVANT for non-small cell lung cancer. We expect to file for regulatory approval of TAR-200 in non-muscle invasive bladder cancer, and icotrokinra in psoriasis.And planned data readouts for RYBREVANT lung cancer overall survival as well as data in head and neck and colorectal cancer ad icotrokinra in ulcerative colitis as well as head-to-head data versus Sotyktu in psoriasis.

In MedTech, building upon the 15 major product launches in 2024, a we anticipate a submission to the FDA for Impella ECP regulatory approval, continued progress on our OTTAVA robotic surgical system and advancements across our cardiovascular portfolio, including electrophysiology, heart recovery, and circulatory restoration.

So to summarize, we are well positioned to tackle the challenges in 2025, continue to advance our pipeline, deliver on our financial commitments, and create long-term sustainable value for shareholders. Our success is the result of the hard work and dedication of our colleagues who share a sincere passion to successfully serve patients around the world. We are extremely grateful for their efforts.

With that, we are happy to take your questions. So I will now turn it to Kevin to provide instructions for those seeking to participate in the Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Terence Flynn, Morgan Stanley.

Terence Flynn - *Morgan Stanley - Analyst*

Great. Thanks so much for taking the questions. Appreciate it. Obviously, myeloma franchise is a very important growth driver as we think about history, but also 2025. So just wondering if you can kind of frame for us how you're thinking about that, both from the bispecifics as well as CAR-T and maybe a broadening into the community setting and the pace of growth here as we think about the ramp in '25. Thank you.

Jennifer Taubert - *Johnson & Johnson - Executive Vice President, Worldwide Chairman, Innovative Medicine*

Great. Well, good morning, Terence, and hello, everybody. I'd like to start by thanking all of our innovative medicine colleagues around the world for a very strong quarter. This was our third quarter with sales over $14 billion with 10 key brands achieving double-digit growth, and Terence I will come back to that. That includes brands like DARZALEX, CARVYKTI, TALVEY, and TECVAYL as well as ones such as ERLEADA, SPRAVATO, and

UPTRAVI. We're making really nice progress on our launches, including TREMFYA in ulcerative colitis and RYBREVANT plus LAZCLUZE in non-small cell lung cancer.

And just an important note, we hit our $57 billion target this year, a year early for those that were here back at our enterprise review, we had made that commitment to hit the $57 billion by 2025, and we cleared that goal this year in 2024.

So multiple myeloma is really an extraordinary franchise for us. And maybe I will start with DARZALEX because our quarter was over $3 billion. It was $3.1 billion and 22% growth, and we continue to really build out share across the frontline settings in both transplant eligible and ineligible patients and in triplet and quad regimens. And so we're performing very well for DARZALEX and anticipate that to continue. And in fact, with DARZALEX, it's our first brand to hit $3 billion in quarterly sales. So important to note that milestone too.

CARVYKTI had a really, really robust quarter as well as year nearing $1 billion for the year, $963 million as we continue to see very strong demand in that second-line plus setting as well as very strong capacity expansion in the US, in Europe and also with a contract manufacturer. And so we've talked before about that being more of a stair step rather than a direct linear line, and it is performing very, very well, and we're seeing nice, continued expansion in the first quarter of this year that will also continue throughout the year.

For TEC and TAL, both products did well. We report -- we break out sales on TEC. We don't yet on TAL. Both of these agents are by our best-in-class bispecifics. They're performing very well from a competitive share standpoint. We've got them nicely being utilized in the academic setting and we're working that out into more of the community setting, which will be important for their continued growth and uptake.

So in total, multiple myeloma really is a stronghold for us, and we're not stopping there. Because of the strength that we have, the assets that we have, we're also working on multiple additional types of combinations.

John, maybe you want to address what we're doing with the bispecifics specifically.

John Reed - *Johnson & Johnson - Executive Vice President - Innovative Medicine, Research and Development*

Yeah. Thank you, Jennifer. Maybe before I jump in, I'll follow your lead and just offer my appreciation and thanks to our colleagues and innovation, business R&D. We had a heck of a year for the pipeline, 27 approvals, 49 submissions, 15 out of 17 positive Phase 3, more than 90% success rate. Nine out of 12 POCs came in positive, exceeding the industry benchmarks by approximately double -- 10 first in humans, 10 new NMEs added to the pipeline from internal research at a price point well below the industry median and quite an impressive year on the BD front with five bolt-on acquisitions and six new molecules added to the pipeline. So my congratulations to the team.

Now on the point around our broad portfolio of myeloma medicines, this is where we are now bringing them together to reinvent the next frontline therapies. And if you were at the ASH Congress, the American Society of Hematology, you saw some of the early tantalizing data where in early lines of therapy front, first, second line of myeloma, we're bringing DARA together with either TEC or TAL, and we've been getting 100% minimal residual disease negativity, MRD negativity, showing the impressive potential of these new combinations. Mind you, last year, the FDA declared mineral residual disease negativity or MRD as a surrogate endpoint within myeloma that could form the basis for accelerated approvals. So we're really excited about bringing these into earlier lines.

And then I would also remind you with CARVYKTI, we are now doing studies in frontline transplant eligible and ineligible and asking whether we can replace autologous stem cell transplant with our CAR-T therapy as a new opportunity there to break through with unprecedented outcomes for patients. CARVYKTI, of course, already is the go-to regimen in the second line setting, the only CAR-T for myeloma approved in that setting. And last year, we reported overall survival data for CARVYKTI in a randomized setting with an impressive hazard ratio of 0.55. So really, I feel great about bringing CARVYKTI into earlier lines of therapy as well.

Jennifer Taubert - *Johnson & Johnson - Executive Vice President, Worldwide Chairman, Innovative Medicine*

Maybe hot off the press last night. The team was very excited to come tell me. We've actually completed and reached our 5,000th patient infused with CARVYKTI, both across the clinical and commercial settings. And it is the most successful cell therapy launched in the industry.

Operator

Josh Jennings, TD Cowen.

Josh Jennings - *TD Cowen - Analyst*

Hi. Good morning. Thank you for taking the questions. I was hoping to just ask about the medical device or the sector, the business, excuse me. And just the acquisition strategy, you've had a couple of pre-revenue swings with Laminar and V-Wave and some other more established more established businesses under the roof. Can you just talk about the strategy on a go-forward basis? I mean, is it going to continue to be a mix between pre-revenue companies and formally more fully established businesses? Or are you going to be -- is there going to be a shift in that strategy? Thanks for taking the question.

Joaquin Duato - *Johnson & Johnson - Chairman of the Board, Chief Executive Officer*

Thank you, Joseph, It's Joaquin, and good morning, everyone. External innovation has always been a very important part of our capital allocation strategy for Johnson & Johnson for the enterprise. And in fact, we are one of the top investors not only in M&A, but also in R&D. We are always looking for opportunities to be able to enhance our portfolio and our pipeline.

And in 2024 alone, we completed more than 40 business development transactions. Some of them were big, some of them were small, but all of them complement both our Innovative and MedTech portfolio. Many of these smaller acquisitions were also in our MedTech portfolio. You have to think that larger acquisitions like the case of Shockwave or in the Innovative Medicine side, Intra-Cellular are more outliers. Our go forward, it's always been focused on these smaller opportunities like the ones you mentioned like Laminar or V-Wave or some of the ones we have complete Innovative Medicines like TARIS or our IL-23 blocker, which are more than $5 billion opportunities. That's where we are able to create value, larger opportunities have to be seen more like outliers.

And finally, I want to underline that both Abiomed and Shockwave are progressing really well. ahead of the deal model, delivering on our financial commitments there and that we are looking forward upon closure to start working on the Intra-Cellular acquisition, which is an opportunity to reinforce our position of leadership in the neuroscience space, which has been always a strength of Johnson & Johnson and also an opportunity overall to fortify revenue projections that you have looking today and also into the future. Thank you.

Tim Schmid - *Johnson & Johnson - Executive Vice President, Worldwide Chairman of MedTech*

And Josh, maybe just a building on Joaquin's comments relative to med tech. While the big acquisitions get a lot of attention to Joaquin's point, we have a tremendous amount of business development activity across all of our businesses, I think most notably evidenced by almost 40 transactions just in '24 alone.

I did want to point to the excitement we have around the significant investments we've made both in Abiomed and Shockwave. Abiomed grew 15% for full year 2024, and we are seeing constant acceleration driven by firstly, the tremendous portfolio we have. I think we could not be more excited about the DanGer shock results, which really bring more validity to the evidence base around this portfolio. This is the first study in 20 years to actually demonstrate a survival benefit. In fact, a 12.7% mortality improvement versus the standard of care.

We also -- while not a big commercial opportunity, received FDA approval in the fourth quarter of last year for the use of Impella in pediatric community, which I think is further evidence of the building confidence around the safety profile of this product.

We also mentioned earlier that we are excited to be planning our submission for ECP to the FDA in the first half year. This will Josh be the first and actually the smallest pump in the world. This is a 9 French at insertion, which expands to about 21 French inside the heart, a lower profile, which we believe that along with its ease of use, reduce further barriers to adoption.

And then finally, a smaller transaction, but certainly important to our goal to play a bigger role in heart failure is the acquisition of V-Wave, which reinforces our commitment to building leadership in heart failure and really allows for the active shunting of blood across the interatrial septum.

A couple of comments on Shockwave. It's our latest acquisition. We closed that in May of last year. This delivered $564 million of growth last year. It is the leading and first-to-market pioneer and IVL technology. And we're confident that while certainly, there's a lot of excitement around this category, we have at least a five- to eight-year first-mover advantage. And this comes down to the fact that we have an easy-to-use system with now six available catheters. We've also recently announced the addition of two additional catheters, our E8 catheter, which is our workhorse within peripheral as well as Javelin, which is a novel non-balloon based IVL catheter designed to modify calcium and cross extremely narrowed vessels.

And so we feel enormously confident that while big investments, they will make tremendous impact on patients and continue to drive our business. Thank you, Josh.

Operator

Alexandria Hammond, Wolfe Research.

Alexandria Hammond - *Wolfe Research - Analyst*

Thanks so much for taking the question and congrats on the Intra-Cellular deal last week. For CAPLYTA, how should we be thinking about the cadence of sales growth to the forecasted sales of $5 billion? And I guess on the acquisition, should we expect a deprioritization of seltorexant and aticaprant? Thank you so much.

Jennifer Taubert - *Johnson & Johnson - Executive Vice President, Worldwide Chairman, Innovative Medicine*

Thanks so much for the question. And we are so excited to be able to welcome the Intra-Cellular colleagues to Johnson & Johnson. They have done an extraordinary job, both in developing CAPLYTA and their pipeline, but also commercializing and bringing CAPLYTA to patients currently for schizophrenia as well as for bipolar 1 and bipolar 2 depression.

I think you can take a look at their current sales trajectory, which is a really nice growth curve and then also take into account the filing that has been done for a MDD, major depressive disorder. The filing has been done with the regulatory authorities that we anticipate approval for later in the year. An MDD, we believe to ultimately be the largest of those three indications for CAPLYTA. And so we think that that will be an additional catalyst for growth, so you can factor that into your thinking.

We're really excited about CAPLYTA. I know the company had guided to it being a $5 billion-plus asset. We definitely think that it will be as well and think that together, we're going to be able to do even more for patients with mental health issues.

We're also really excited about their pipeline and 1284 and potential in Alzheimer's psychosis, general anxiety disorder and others. So we see Intra-Cellular as both in near term as well as long-term growth catalyst for us.

John Reed - *Johnson & Johnson - Executive Vice President - Innovative Medicine, Research and Development*

Yeah. About your question, though, around whether we'll do you prioritize other things in the portfolio, absolutely not. Let me just remind everyone that depression is a very heterogeneous disorder, and it's not a disease that accommodates to a one size fits all.

We see each of these molecules that we're developing, having unique mechanisms that can play in different subpopulations. And we're developing those aticaprant, seltorexant, for example, using a precision neuroscience strategy. So we see this broad portfolio, which includes, of course, SPRAVATO as repertoire of different mechanisms we can bring to bear. The 260 million people worldwide that suffer from chronic depression. It's the leading cause of disability and more than 30% of those do not get relief from the ongoing medicines.

The other thing that I really like about our portfolio is the side effect profiles are so benign compared to the standard of care. With all four of the mechanisms, whether it's CAPLYTA, which we hope to welcome into the portfolio, whether it's an aticaprant, seltorexant, or SPRAVATO, you don't have weight gain, you don't have sexual dysfunction. You don't have the tardive dyskinesia or extrapyramidal effects that are so common with many of the medicines today. So this is really exciting for us.

Maybe also while I am talking about our depression portfolio, I would just acknowledge and congratulate the team on the recent approval of SPRAVATO in the monotherapy context. This indeed allows us to offer SPRAVATO as a solution for patients with treatment resistant depression without necessity to use it on top of standard of care, and therefore, avoiding those side effects that I just mentioned that the standard care medicines often bring. Very excited about that approval. We had received priority review from the FDA for that submission. That's the second time SPRAVATO had received a prior review, the only antidepressant ever to do so. and SPRAVATO is also the only antidepressant to ever receive breakthrough designation from the FDA. So great momentum and a long-term commitment to patients suffering with depression.

Operator

Tim Anderson, Bank of America.

Tim Anderson - *BofA Global Research - Analyst*

Thank you very much. I have a question on immunology franchise and TREMFYA. So with STELARA facing biosimilars, I'm wondering if it might play out like how it has with AbbVie. So in the case of AbbVie, they said that biosimilar Humira has actually driven the volume shifts in favor of other brands like Skyrizi. I'm wondering if you expect that could occur with TREMFYA on the volume side. And then on the price side, can you talk about incremental price erosion in 2025 to maintain access relative to whatever the price erosion was in 2024.

Jennifer Taubert - *Johnson & Johnson - Executive Vice President, Worldwide Chairman, Innovative Medicine*

Thank you very much for the question. And we're really excited about the great progress that we're making with TREMFYA. In psoriasis and psoriatic arthritis, but really particularly with inflammatory bowel diseases coming up with the launch in ulcerative colitis now and Crohn's upcoming.

We've guided -- maybe just back on STELARA, we've talked about the Humira erosion curve being probably the best thing to model. Specific to your question about should there or will there be patient switches. I think there are a lot of patients in the immunology market right now that are in need of both advanced therapies or are in need of better therapies than they are on now.

And so we across the board, shifting of patients and movement into the newer and the better products. I would put TREMFYA squarely in that camp. We've got lots of reasons -- we focus in on IBD and the potential growth for TREMFYA. We've got a lot of reasons for great optimism there and differentiation. It's the only dual-acting IL-23 agent in IBD, acting on both IL-23 as well as CD64. We think it's got the potential to really set the next bar in efficacy and we know there are a lot of patients who need more and are ready for switch. And we think with our sub-q induction dose, we're going to have unrivaled flexibility. So the ability for sub-q induction and maintenance as well as the opportunity for IV. So the launch right now is going very well in UC, and we're very excited and optimistic really looking forward to the upcoming launch in Crohn's in sub-q.

And we've invested appropriate -- last part of the question, I think, was on pricing. We've invested appropriately to make sure that we've got the right access for patients with TREMFYA so that as we launch, we've got the abilities when prescribers want to write for patients. We've got the access to be able to do so. And we're seeing that right now with very strong frontline commercial coverage for TREMFYA in UC as well as a permanent J code. So that is in and sort of factored into what we're seeing now.

Operator

Larry Biegelsen, Wells Fargo.

Larry Biegelsen - *Wells Fargo Securities, LLC - Analyst*

Good morning. Thanks for taking the question. Tim, how are you thinking about the growth of the med tech market in 2025 and J&J relative to the market? And what are you assuming for the EP business and VARIPULSE. Thanks for taking the question.

Tim Schmid - *Johnson & Johnson - Executive Vice President, Worldwide Chairman of MedTech*

Thank you, Larry, and appreciate your continued interest in our business. Let me start with the market we communicated that the enterprise business review that we saw our end markets growing roughly 5% to 7%. As we look at procedures within the year to come, we believe that they have, for the most part, normalized. You will recall that in the first half of last year, we expected some tailwinds on the back of clearing of the backlog, specifically in orthopedic procedures. We believe that for the most part around the world, procedures have normalized to pre-COVID levels, and we expect the same as we now move into 2025.

Specific to electrophysiology, I did want to firstly acknowledge that out of an abundance of caution, we recently announced a temporary pause of all US VARIPULSE case as while we investigate the root cause of four reported neurovascular events. And Larry, while disappointing, this is an easy decision for us to align to our credo. Patient safety is always an absolute priority for us. And frankly, given that we are collaborating now with the FDA on this matter, this is all we will be sharing at this time. We will proactively provide further updates when we have additional information to share.

I do have -- I think it's important to remind everyone that this announcement is specific to the US, and there is no expected impact to VARIPULSE cases outside of the US where the rollout of the technology has been successful with approximately 3,000 commercial cases completed.

I do think important -- it's important to reinforce that while we are facing a headwind today, we have tremendous opportunity in the electrophysiology space. It's an exciting market, as you know, with relatively low global penetration well under 5%, as you know, and an expanding market size due to aging populations. Today, -- we have a $5 billion market-leading position in electrophysiology, which grew 14% in 2024, driven by commercial execution and a significant portfolio of new product introductions from QDOT to ultrasound, CARTO and more recently, VARIPULSE, partially offset by competitive PFA pressures, most notably here in the US.

Now we've been a market leader, as you know, Larry, for 20 years, and have an entrenched footprint with an installed base of over 5,000 CARTO systems, which is widely recognized as the benchmark and mapping software and a broad network of highly trained mappers and building on our success in navigation catheters and RF ablation in 2024, we launched our first PFA catheter VARIPULSE with strong initial feedback in Europe, Japan, and Canada.

Additionally, similar to our success in our RF portfolio, we are expanding beyond that and we recently announced EU approval of the dual energy STSF catheter modeled on the RFS STSF catheter, which historically is the most widely used ablation catheter in the world. We're also building on this and working on an omni pulse large tip focal catheter demonstrating our commitment to bring to market a comprehensive portfolio in PFA.

And so I will also say, Larry, it's not just in EP, we're also moving beyond AFib and we're working to enter the left atrial appendage closure market through the acquisition of Laminar which we announced in the fourth quarter of 2023.

In summary, Larry, while we're facing short-term headwinds, as you know, especially here in the US, we are absolutely confident in our ability to retain our global market leadership position over the long term. Thank you.

Operator

Chris Schott, JPMorgan.

Chris Schott - *JPMorgan - Analyst*

Great. Thanks so much. I just had a two-parter on operating margins. I think you mentioned in the remarks about 150 basis points of improvement this year in process R&D. Can you just elaborate a little bit more on what's enabling that despite the lower top line growth and some of the negative product mix from STELARA. I guess, I'm trying to get at, should we be expecting OpEx to be down this year embedded in that guide?

And the second part was just beyond this year. Just help us think about the cadence of margin expansion as we think about 26 and beyond and top line reaccelerates. Thank you.

Joseph Wolk - *Johnson & Johnson - Chief Financial Officer, Executive Vice President*

Yes. Thanks for the question, Chris. With respect to the 150 basis improvement that wasn't related to year-on-year comparison from IP R&D I would say that's really part and parcel to what we've been doing for a couple of years now when we had a chance to separate the consumer health business out into its own company, we did take a look at the corporate infrastructure. And as you know, we also prioritized our investments in Innovative Medicine and MedTech, specifically within those portfolios as well. So we became much more focused and you're starting to see the culmination of that this year. .

You might have noticed in MedTech last year, we did have some restructuring charges related to some orthopedic moves that we made, getting out of certain markets that were less profitable improving our infrastructure around manufacturing. Those are starting to come home to roost, so to speak. In Innovative Medicine, obviously, prioritizing most of our investment into what I would call our -- our thorough breads within the stable, so oncology, immunology, neuroscience, as you can tell.

And we have invested in technology over the last few years in a pretty significant way. There's still more investment to come, but that's starting to yield some benefits as well in terms of efficiency around the organization. So we knew for a few years now that STELARA would face biosimilar competition. And so we had to be prepared, and this is kind of how the organization has gone about it.

As far as 26 and beyond, I think I'd go back to the comments I made with respect to operating margin and probably EPS growth overall that, that will be commensurate with sales. So that should be a positive outlook.

As you know, this year, we're calling for 3% operational growth despite a multibillion-dollar headwinds. Most organizations would be looking to contract both probably top and bottom line. Here, we are growing 3% on the top line operationally and about 9% on the bottom line. I think you could look for maybe a little bit better equilibrium in 26 and beyond, but with an expectation that we'd have some higher sales growth.

Operator

David Roman, Goldman Sachs.

David Roman - *Goldman Sachs - Analyst*

Thank you. Good morning, everybody. It's on behalf of Chris Shibutani and myself here. I wanted to come back to just the overall MedTech strategy. And I appreciate that you exited the year over the 7% number that you had previously communicated as the high end of the range. But when you pick that apart a little bit, clearly, a big percentage of that does come from M&A, I think with ex M&A, the organic number being below the 5% to 7%.

So can you maybe just walk through a little bit how you think about the organic investment in the business versus inorganic contribution to that number long term, especially when you start to look at some of the more established franchises of that surgery or orthopedics on your end market? And then if I just speak in accounting one on one here. I just want to confirm there is no revenue recognition reversal charges in the EP numbers this quarter for VARIPULSE.

Tim Schmid - *Johnson & Johnson - Executive Vice President, Worldwide Chairman of MedTech*

David, thank you for the question. And we could not be more thrilled with the performance that we delivered in 2024. And while there are opportunities, we delivered almost $32 billion of sales at an operational growth rate of 6.2%. When you take out impact of Shockwave, that's 4.7%. And let me be very clear that we remain very confident in our expectations communicated at the EBR. And as a reminder, we expect our end markets to grow between 5% and 7% on a weighted average basis between 22 and 27. And we expect to deliver an operational CAGR in the upper end of the range over that period.

In 2024, 6.2%, as I mentioned, and we're pleased with the continued double-digit growth in cardiovascular, both within our core electrophysiology business and our new acquisitions in Abiomed and Shockwave, which I referenced earlier. We're also proud of the continuous improvements in Ortho. This is a business that historically was a laggard to MedTech, but tremendous improvements, especially with the mid-single-digit growth in hips and knees and continued innovation with our enabling technologies and specifically in VELYS. We're also encouraged by the continuous improvements in Vision, another core business. And as you know, we had a slower start to 2024, but we saw that improve throughout the year, culminating in operational growth rate in the fourth quarter of 9.1%.

That said, as you know too well, we do have some short-term headwinds near-term competitive pressures in US EP as one; and secondly, continued headwinds in China, which we've mentioned in 2025 will continue to be a headwind, and we have included that in our estimates.

As we look to the year ahead, we don't provide guidance by sector, as you know, but we're confident that continued growth will be driven by our tremendous portfolio of new products, specifically VARIPULSE, our TECNIS premium IOLs, ACUVUE OASYS MAX and contact lens, VELYS portfolio in ortho, our STRATAFIX portfolio and barbed sutures, and our broad-based hemostats in surgery. We also believe that our recent acquisitions of Shockwave and Abiomed, as I mentioned earlier, will continue to perform exceptionally well fueled by multiple new products, new indications, and a rapidly growing body of clinical evidence.

I will say that it's important as you think about 2025 to recognize, as Joe mentioned earlier, that we expect to see an acceleration in the back half. We are seeing some tough comparators when we compare to 2024. A couple of factors will be a positive onetime change in revenue recognition in our ortho business, inventory builds outside of the US and electrophysiology, and finally, headwinds related to selling days versus prior year. And so we would recommend, that you, encourage you to consider these in your statements for the year ahead.

Joseph Wolk - *Johnson & Johnson - Chief Financial Officer, Executive Vice President*

And maybe, David, just to cap off, you asked a specific question around accounting reversal and whether that had any impact on the quarter. There was none related to VARIPULSE.

Jessica Moore - *Johnson & Johnson - Vice President - Investor Relations*

Thanks, David, and thanks to everyone for your questions and your continued interest in our company. We apologize to those we couldn't get to because of time, but don't hesitate to reach out to the Investor Relations team with any remaining questions that you may have.

I'll now turn the call over to Joaquin for some brief closing remarks.

Joaquin Duato - *Johnson & Johnson - Chairman of the Board, Chief Executive Officer*

Thank you. Thank you, Jason, and thank you, everyone, for joining the call today. As you have heard, we are ready for 2025, a year that will solidify our strength and lead to elevated performance for the balance of the decade. Enjoy the rest of the day.

Operator

Thank you. This concludes today's Johnson & Johnson's fourth-quarter 2024 earnings conference call. You may now disconnect.