



## Johnson & Johnson Reports 2019 Second-Quarter Results

July 16, 2019

- Sales of \$20.6 billion reflecting a decline of 1.3%, operational growth of 1.6%\* and adjusted operational growth of 3.7%\*
- EPS of \$2.08 increased 43.4%; adjusted EPS of \$2.58 increased 22.9%\*; includes gain from sale of Advanced Sterilization Products (ASP) business
- Operational sales guidance increased due to strength of business; EPS guidance range maintained

NEW BRUNSWICK, N.J., July 16, 2019 /PRNewswire/ -- Johnson & Johnson (NYSE: JNJ) today announced results for second-quarter 2019. "We delivered solid second-quarter underlying sales growth and strong earnings growth that enables us to make investments in innovation to accelerate performance in each of our businesses," said Alex Gorsky, Chairman and Chief Executive Officer. "Our pipelines continue to progress with the launch of new products and several regulatory submissions and approvals, which positions us well to deliver the next wave of transformational products and solutions. I am proud of our talented colleagues across Johnson & Johnson who continue to deliver significant healthcare advances to improve the lives of patients and consumers around the world."

### OVERALL FINANCIAL RESULTS:

(\$ in Millions, except EPS)	SECOND QUARTER		
	2019	2018	% Change
Reported Sales	\$ 20,562	\$ 20,830	(1.3)%
Net Earnings	5,607	3,954	41.8%
EPS (diluted)	\$ 2.08	\$ 1.45	43.4%

Non-GAAP* (\$ in Millions, except EPS)	SECOND QUARTER		
	2019	2018	% Change
Operational Sales <sup>1,2</sup>	N/A	N/A	01.6%
Adjusted Operational Sales <sup>1,3</sup>	N/A	N/A	03.7%
Adjusted Net Earnings <sup>1,4</sup>	6,950	5,718	21.5%
Adjusted EPS (diluted) <sup>1,4</sup>	\$ 2.58	\$ 2.10	22.9%

<sup>1</sup> Non-GAAP financial measure; refer to reconciliations of non-GAAP financial measures included in accompanying schedules

<sup>2</sup> Excludes the impact of translational currency

<sup>3</sup> Excludes the net impact of acquisitions and divestitures and translational currency

<sup>4</sup> Excludes intangible amortization expense and special items

### REGIONAL SALES RESULTS:

(\$ in Millions) <sup>1</sup>	SECOND QUARTER			% Change		
	2019 <sup>2</sup>	2018 <sup>2</sup>	Reported <sup>2</sup>	Operational <sup>1,2</sup>	Currency <sup>2</sup>	Adjusted Operational <sup>1,3</sup>
U.S.	\$ 10,403	\$ 10,640	(2.2)%	(2.2)	-	0.0
International	10,159	10,190	(0.3)%	5.5	(5.8)	7.6
Worldwide	\$ 20,562	\$ 20,830	(1.3)%	1.6	(2.9)	3.7

<sup>1</sup> Non-GAAP financial measure; refer to reconciliations of non-GAAP financial measures included in accompanying schedules

<sup>2</sup> Excludes the impact of translational currency

<sup>3</sup> Excludes the net impact of acquisitions and divestitures and translational currency

Note: values may have been rounded

### SEGMENT SALES RESULTS:

(\$ in Millions) <sup>1</sup>	SECOND QUARTER			% Change		
	2019 <sup>1</sup>	2018 <sup>1</sup>	Reported <sup>2</sup>	Operational <sup>1,2</sup>	Currency <sup>1</sup>	Adjusted Operational <sup>1,3</sup>
Consumer	\$ 3,544	\$ 3,504	1.2%	4.6	(3.4)	2.3
Pharmaceuticals	10,529	10,354	1.7%	4.4	(2.7)	4.4
Medical Devices	6,489	6,972	(6.9)%	(4.1)	(2.8)	3.2
Worldwide	\$ 20,562	\$ 20,830	(1.3)%	1.6	(2.9)	3.7

<sup>1</sup> Non-GAAP financial measure; refer to reconciliations of non-GAAP financial measures included in accompanying schedules

<sup>2</sup> Excludes the impact of translational currency

<sup>3</sup> Excludes the net impact of acquisitions and divestitures and translational currency

Note: values may have been rounded

### SEGMENT COMMENTARY:

#### Consumer

Consumer worldwide operational sales, excluding the net impact of acquisitions and divestitures, grew 2.3%\* driven by NEUTROGENA, AVEENO and OGX beauty products, over-the-counter products including ZYRTEC upper respiratory and MOTRIN analgesic products, international LISTERINE mouthwash in Oral Care products and U.S. Baby Care products.

#### Pharmaceutical

Pharmaceutical worldwide operational sales, excluding the net impact of acquisitions and divestitures grew 4.4%\* driven by DARZALEX (daratumumab), for the treatment of multiple myeloma, STELARA (ustekinumab), a biologic for the treatment of a number of immune-mediated inflammatory diseases, IMBRUVICA (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, a type of blood or lymph node cancer, INVEGA SUSTENNA/XEPLION/INVEGA TRINZA/TREVICTA (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults, TREMFYA (guselkumab), a biologic for the treatment of adults living with moderate to severe plaque psoriasis, OPSUMIT (macitentan), an oral endothelin receptor antagonist indicated for the treatment of pulmonary arterial hypertension to delay disease progression, ERLEADA (apalutamide), a next-generation androgen receptor inhibitor for the treatment of patients with non-metastatic castration-resistant prostate cancer and PREZISTA/PREZCOBIX/REZOLSTA/ SYMTUZA (D/C/F/TAF) for the treatment of human immunodeficiency virus type 1 (HIV-1) infection, partially offset by declines in REMICADE (infliximab), a biologic approved for the treatment of a number of immune-mediated inflammatory diseases, and U.S. ZYTIGA (abiraterone acetate), an oral, once-daily medication for use in combination with prednisone for the treatment of metastatic, castration-resistant prostate cancer due to biosimilar and generic entrants.

#### Medical Devices

Worldwide Medical Devices operational sales, excluding the net impact of acquisitions and divestitures grew 3.2%\* driven by the growth of electrophysiology products in the Interventional Solutions business, endcutters and international energy products in the Advanced Surgery business. As previously disclosed, the divestiture of the ASP business was completed, resulting in an approximate \$2.0 billion pretax gain in the quarter.

### NOTABLE NEW ANNOUNCEMENTS IN THE QUARTER:

The information contained in this section should be read in conjunction with Johnson & Johnson's other disclosures filed with the Securities and Exchange Commission, including its Current Reports on Form 8-K, Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K. Copies of these filings are available online at [www.sec.gov](http://www.sec.gov), [www.jnj.com](http://www.jnj.com) or on request from Johnson & Johnson. The reader is also encouraged to review all other news releases available online in the Investors section of the company's website at [news.releases](http://news.releases).

#### Pipeline Updates

Regulatory Approvals	IMBRUVICA (ibrutinib) – CHMP Positive Opinions in combination with obinutuzumab in CLL and in combination with rituximab in WM	<a href="#">(press release)</a>
	DARZALEX (daratumumab) – Newly diagnosed patients with Multiple Myeloma in combination with Lenalidomide and Dexamethasone (U.S.)	<a href="#">(press release)</a>
Regulatory Submissions	DARZALEX (daratumumab) – Subcutaneous formulation in multiple myeloma (U.S.) <sup>1</sup>	<a href="#">(press release)</a>
	ERLEADA (apalutamide) - Metastatic Hormone-Sensitive Prostate Cancer (EU)	<a href="#">(press release)</a>
	ERLEADA (apalutamide) – Metastatic Castration - Sensitive Prostate Cancer (U.S)	<a href="#">(press release)</a>
	Rilpivirine and Cabotegravir - Monthly, Injectable, Two-Drug Regimen for Treatment of HIV	<a href="#">(press release)</a>

<sup>1</sup> Subsequent to the quarter

**FULL YEAR 2019 GUIDANCE:**

Johnson & Johnson does not provide GAAP financial measures on a forward-looking basis because the company is unable to predict with reasonable certainty the ultimate outcome of legal proceedings, unusual gains and losses, acquisition-related expenses and purchase accounting fair value adjustments without unreasonable effort. These items are uncertain, depend on various factors, and could be material to Johnson & Johnson's results computed in accordance with GAAP.

	July 2019	April 2019
(\$ in Billions, except EPS)		
Adjusted Operational Sales <sup>1,2</sup>	3.2% - 3.7%	2.5% - 3.5%
Change vs. Prior Year		
Operational Sales <sup>2</sup>	\$82.4 to \$83.2	\$82.0 to \$82.8
Change vs. Prior Year	1.0% - 2.0%	0.5% - 1.5%
Estimated Reported Sales <sup>3</sup>	\$80.8 to \$81.6	\$80.4 to \$81.2
Change vs. Prior Year	(1.0%) - 0.0%	(1.5%) - (0.5%)

Adjusted Operational EPS (Diluted) <sup>2,4</sup>	\$8.73 to \$8.83	\$8.73 to \$8.83
Change vs. Prior Year	6.7% - 7.9%	6.7% - 7.9%
Adjusted EPS (Diluted) <sup>3,4</sup>	\$8.53 to \$8.63	\$8.53 to \$8.63
Change vs. Prior Year	4.3% - 5.5%	4.3% - 5.5%

<sup>1</sup> Non-GAAP financial measure; excludes the net impact of acquisitions and divestitures

<sup>2</sup> Non-GAAP financial measure; excludes the impact of translational currency

<sup>3</sup> Calculated using Euro Average Rate: July 2019 = \$1.12; Euro Average Rate: April 2019 = \$1.12 (Illustrative purposes only)

<sup>4</sup> Non-GAAP financial measure; excludes intangible amortization expense and special items

Other modeling considerations will be provided on the [webcast](#).

**WEBCAST INFORMATION:**

Johnson & Johnson will conduct a conference call with investors to discuss this earnings release today at 8:30 a.m., Eastern Time. A simultaneous webcast of the call for investors and other interested parties may be accessed by visiting the [Johnson & Johnson website](#). A replay and podcast will be available approximately two hours after the live webcast in the Investors section of the company's website at [events-and-presentations](#).

**ABOUT JOHNSON & JOHNSON:**

At Johnson & Johnson, we believe good health is the foundation of vibrant lives, thriving communities and forward progress. That's why for more than 130 years, we have aimed to keep people well at every age and every stage of life. Today, as the world's largest and most broadly-based health care company, we are committed to using our reach and size for good. We strive to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere. We are blending our heart, science and ingenuity to profoundly change the trajectory of health for humanity.

**NON-GAAP FINANCIAL MEASURES:**

\*Operational sales growth excluding the impact of translational currency, adjusted operational sales growth excluding the net impact of acquisitions and divestitures and translational currency, as well as adjusted net earnings, adjusted diluted earnings per share and adjusted operational diluted earnings per share excluding after-tax intangible amortization expense and special items, are non-GAAP financial measures and should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. Except for guidance measures, reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the accompanying financial schedules of the earnings release and the Investors section of the company's website at [quarterly-results](#).

Copies of the financial schedules accompanying this earnings release are available on the company's website at [quarterly-results](#). These schedules include supplementary sales data, a condensed consolidated statement of earnings, reconciliations of non-GAAP financial measures, and sales of key products/franchises. Additional information on Johnson & Johnson, including adjusted income before tax by segment, a [pharmaceutical pipeline](#) of selected compounds in late stage development and a copy of today's earnings call presentation can also be found in the Investors section of the company's website at [quarterly-results](#).

**NOTE TO INVESTORS CONCERNING FORWARD-LOOKING STATEMENTS:**

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things: future operating and financial performance, product development, market position and business strategy. The reader is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Johnson & Johnson. Risks and uncertainties include, but are not limited to: economic factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in new product research and development, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; challenges to patents; the impact of patent expirations; the ability of the company to successfully execute strategic plans; the impact of business combinations and divestitures; manufacturing difficulties or delays, internally or within the supply chain; product efficacy or safety concerns resulting in product recalls or regulatory action; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws and global health care reforms; trends toward health care cost containment; changes in behavior and spending patterns of purchasers of health care products and services; financial instability of international economies and legal systems and sovereign risk; increased scrutiny of the health care industry by government agencies. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended December 30, 2018, including in the sections captioned "Cautionary Note Regarding Forward-Looking Statements" and "Item 1A. Risk Factors," in the company's most recently filed Quarterly Report on Form 10-Q and the company's subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at [www.sec.gov](#), [www.jnj.com](#) or on request from Johnson & Johnson. Any forward-looking statement made in this release speaks only as of the date of this release. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.

**Johnson & Johnson and Subsidiaries****Supplementary Sales Data**

(Unaudited; Dollars in Millions)	SECOND QUARTER					SIX MONTHS				
	2019	2018	Total	Percent Change		2019	2018	Total	Percent Change	
				Operations	Currency				Operations	Currency
<b>Sales to customers by segment of business</b>										
Consumer										
U.S.	\$ 1,537	1,476	4.1	%	4.1	\$ 2,975	2,912	2.2	%	2.2
International	2,007	2,028	(1.0)		4.9	3,887	3,990	(2.6)		4.3
	3,544	3,504	1.2		4.6	6,862	6,902	(0.6)		3.4
Pharmaceutical										
U.S.	5,783	5,899	(2.0)		(2.0)	11,365	11,253	1.0		1.0
International	4,746	4,455	6.5		12.9	9,408	8,945	5.2		12.5
	10,529	10,354	1.7		4.4	20,773	20,198	2.8		6.1
Medical Devices										
U.S.	3,083	3,265	(5.6)		(5.6)	6,192	6,426	(3.6)		(3.6)
International	3,406	3,707	(8.1)		(2.9)	6,756	7,313	(7.6)		(1.6)
	6,489	6,972	(6.9)		(4.1)	12,948	13,739	(5.7)		(2.6)
U.S.	10,403	10,640	(2.2)		(2.2)	20,532	20,591	(0.3)		(0.3)
International	10,159	10,190	(0.3)		5.5	20,051	20,248	(1.0)		5.8
Worldwide	\$ 20,562	20,830	(1.3)	%	1.6	\$ 40,583	40,839	(0.6)	%	2.7

Note: Percentages have been calculated using actual, non-rounded figures and, therefore, may not recalculate precisely.

**Johnson & Johnson and Subsidiaries****Supplementary Sales Data**

(Unaudited; Dollars in Millions)	SECOND QUARTER					SIX MONTHS				
	2019	2018	Total	Percent Change		2019	2018	Total	Percent Change	
				Operations	Currency				Operations	Currency
<b>Sales to customers by geographic area</b>										
U.S.	\$ 10,403	10,640	(2.2) %	(2.2)	-	\$ 20,532	20,591	(0.3) %	(0.3)	-
Europe	4,733	4,810	(1.6)	4.7	(6.3)	9,342	9,607	(2.8)	4.6	(7.4)
Western Hemisphere excluding U.S.	1,455	1,540	(5.5)	4.2	(9.7)	2,958	3,107	(4.8)	6.5	(11.3)
Asia-Pacific, Africa	3,971	3,840	3.4	7.2	(3.8)	7,751	7,534	2.9	7.0	(4.1)
International	10,159	10,190	(0.3)	5.5	(5.8)	20,051	20,248	(1.0)	5.8	(6.8)
Worldwide	\$ 20,562	20,830	(1.3) %	1.6	(2.9)	\$ 40,583	40,839	(0.6) %	2.7	(3.3)

Note: Percentages have been calculated using actual, non-rounded figures and, therefore, may not recalculate precisely.

**Johnson & Johnson and Subsidiaries**  
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)	SECOND QUARTER				
	2019		2018		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,562	100.0	\$ 20,830	100.0	(1.3)
Cost of products sold	6,940	33.8	6,927	33.3	0.2
Gross Profit	13,622	66.2	13,903	66.7	(2.0)
Selling, marketing and administrative expenses	5,546	27.0	5,743	27.5	(3.4)
Research and development expense	2,666	13.0	2,639	12.7	1.0
Interest (income) expense, net	(5)	0.0	127	0.6	
Other (income) expense, net	(1,683)	(8.2)	364	1.7	
Restructuring	57	0.2	57	0.3	
Earnings before provision for taxes on income	7,041	34.2	4,973	23.9	41.6
Provision for taxes on income	1,434	6.9	1,019	4.9	40.7
Net earnings	\$ 5,607	27.3	\$ 3,954	19.0	41.8
Net earnings per share (Diluted)	\$ 2.08		\$ 1.45		43.4
Average shares outstanding (Diluted)	2,691.7		2,721.3		
Effective tax rate	20.4 %		20.5 %		

Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 8,614	41.9	\$ 7,014	33.7	22.8
Net earnings	\$ 6,950	33.8	\$ 5,718	27.5	21.5
Net earnings per share (Diluted)	\$ 2.58		\$ 2.10		22.9
Effective tax rate	19.3 %		18.5 %		

(1) See Reconciliation of Non-GAAP Financial Measures.

**Johnson & Johnson and Subsidiaries**  
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)	SIX MONTHS				
	2019		2018		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 40,583	100.0	\$ 40,839	100.0	(0.6)
Cost of products sold	13,555	33.4	13,541	33.2	0.1
Gross Profit	27,028	66.6	27,298	66.8	(1.0)
Selling, marketing and administrative expenses	10,765	26.5	11,006	27.0	(2.2)
Research and development expense	5,524	13.6	5,043	12.3	9.5
In-process research and development	890	2.2	-	-	
Interest (income) expense, net	(2)	0.0	272	0.7	
Other (income) expense, net	(1,705)	(4.2)	424	1.0	
Restructuring	93	0.3	99	0.2	
Earnings before provision for taxes on income	11,463	28.2	10,454	25.6	9.7
Provision for taxes on income	2,107	5.1	2,133	5.2	(1.2)
Net earnings	\$ 9,356	23.1	\$ 8,321	20.4	12.4
Net earnings per share (Diluted)	\$ 3.47		\$ 3.05		13.8
Average shares outstanding (Diluted)	2,697.0		2,728.5		
Effective tax rate	18.4 %		20.4 %		

Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 15,481	38.1	\$ 13,872	34.0	11.6
Net earnings	\$ 12,611	31.1	\$ 11,353	27.8	11.1
Net earnings per share (Diluted)	\$ 4.68		\$ 4.16		12.5
Effective tax rate	18.5 %		18.2 %		

(1) See Reconciliation of Non-GAAP Financial Measures.

**Johnson & Johnson and Subsidiaries**  
Reconciliation of Non-GAAP Financial Measures

(Dollars in Millions Except Per Share Data)	Second Quarter		% Incr. / (Decr.)	Six Months YTD		% Incr. / (Decr.)
	2019	2018		2019	2018	

Earnings before provision for taxes on income - as reported	\$ 7,041	4,973	41.6 %	\$ 11,463	10,454	9.7 %
Intangible asset amortization expense	1,118	1,084		2,248	2,199	
In-process research and development	-	-		890	-	
Litigation expense, net	409	703		832	703	
Restructuring/Other <sup>(1)</sup>	142	176		232	283	
Actelion acquisition related cost	51	64		90	160	
AMO acquisition related cost	13	25		41	46	
Auris Health acquisition related	(9)	-		(9)	-	
Unrealized loss/(gain) on securities	(148)	(39)		(306)	(12)	
Diabetes asset impairment	-	4		-	4	
Other	(3)	24		-	35	
Earnings before provision for taxes on income - as adjusted	\$ 8,614	7,014	22.8 %	\$ 15,481	13,872	11.6 %
Net Earnings - as reported	\$ 5,607	3,954	41.8 %	\$ 9,356	8,321	12.4 %
Intangible asset amortization expense	979	967		1,825	1,963	
In-process research and development	-	-		703	-	
Litigation expense, net	342	609		684	609	
Restructuring/Other	116	152		191	233	
Actelion acquisition related cost	47	64		84	156	
AMO acquisition related cost	10	22		33	39	
Auris Health acquisition related	(7)	-		(7)	-	
Unrealized loss/(gain) on securities	(117)	(31)		(242)	(10)	
Diabetes asset impairment	-	3		-	3	
Impact of tax legislation <sup>(2)</sup>	-	(40)		-	12	
Other	(27)	18		(16)	27	
Net Earnings - as adjusted	\$ 6,950	5,718	21.5 %	\$ 12,611	11,353	11.1 %
Diluted Net Earnings per share - as reported	\$ 2.08	1.45	43.4 %	\$ 3.47	3.05	13.8 %
Intangible asset amortization expense	0.36	0.36		0.68	0.72	
In-process research and development	-	-		0.26	-	
Litigation expense, net	0.13	0.22		0.26	0.22	
Restructuring/Other	0.04	0.06		0.07	0.09	
Actelion acquisition related cost	0.02	0.02		0.03	0.05	
AMO acquisition related cost	-	0.01		0.01	0.01	
Auris Health acquisition related	-	-		-	-	
Unrealized loss/(gain) on securities	(0.04)	(0.01)		(0.09)	-	
Diabetes asset impairment	-	-		-	-	
Impact of tax legislation	-	(0.02)		-	0.01	
Other	(0.01)	0.01		(0.01)	0.01	
Diluted Net Earnings per share - as adjusted	\$ 2.58	2.10	22.9 %	\$ 4.68	4.16	12.5 %
Operational Diluted Net Earnings per share - as adjusted at 2017 foreign currency exchange rates		2.04			3.97	
Impact of currency at 2018 foreign currency exchange rates	0.05	0.06		0.13	0.19	
Operational Diluted Net Earnings per share - as adjusted at 2018 foreign currency exchange rates	\$ 2.63	2.10	25.2 %	\$ 4.81	4.16	15.6 %

<sup>(1)</sup>Includes \$38M recorded in cost of products sold and \$47M recorded in other (income) expense for the second quarter 2019. Includes \$61M recorded in cost of products sold and \$78M recorded in other (income) expense for six months 2019 YTD. Includes \$44M recorded in cost of products sold and \$75M recorded in other (income) expense for the second quarter 2018. Includes \$50M recorded in cost of products sold and \$134M recorded in other (income) expense for six months 2018 YTD.

<sup>(2)</sup>Includes foreign currency translation

#### Johnson & Johnson and Subsidiaries Reconciliation of Non-GAAP Financial Measure

##### Adjusted Operational Sales Growth SECOND QUARTER 2019 ACTUAL vs. 2018 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
<b>WW As Reported</b>	<b>1.2%</b>	<b>1.7%</b>	<b>(6.9)%</b>	<b>(1.3)%</b>
U.S.	4.1%	(2.0)%	(5.6)%	(2.2)%
International	(1.0)%	6.5%	(8.1)%	(0.3)%
<b>WW Currency</b>	<b>(3.4)</b>	<b>(2.7)</b>	<b>(2.8)</b>	<b>(2.9)</b>
U.S.	-	-	-	-
International	(5.9)	(6.4)	(5.2)	(5.8)
<b>WW Operational</b>	<b>4.6%</b>	<b>4.4%</b>	<b>(4.1)%</b>	<b>1.6%</b>
U.S.	4.1%	(2.0)%	(5.6)%	(2.2)%
International	4.9%	12.9%	(2.9)%	5.5%
<b>Beauty</b>				
<b>Nizoral</b>	<b>0.6</b>			<b>0.1</b>
U.S.	0.3			0.0
International	0.7			0.1
<b>OTC</b>				
<b>Zarbees</b>	<b>(0.6)</b>			<b>(0.1)</b>
U.S.	(1.4)			(0.2)
International	0.0			0.0
<b>Diabetes Care</b>				
<b>LifeScan</b>			<b>5.1</b>	<b>1.7</b>
U.S.			4.0	1.2
International			6.2	2.3
<b>Beauty RoC</b>	<b>0.7</b>			<b>0.1</b>

U.S.	1.3			0.2
International	0.3			0.1
<b>Beauty</b>				
<i>Dr. Ci Labo - Japan</i>	<b>(3.0)</b>			<b>(0.5)</b>
U.S.	0.0			0.0
International	(5.2)			(1.0)
<b>Specialty Surgery</b>				
<i>Advanced Sterilization Products</i>			<b>2.0</b>	<b>0.7</b>
U.S.			3.0	0.9
International			1.2	0.5
<b>All Other Acquisitions and Divestitures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>
U.S.	0.0	0.0	0.1	0.0
International	0.1	0.0	0.1	0.0
<b>WW Adjusted Operational</b>	<b>2.3%</b>	<b>4.4%</b>	<b>3.2%</b>	<b>3.7%</b>
U.S.	4.4%	(2.0)%	1.6%	0.0%
International	0.7%	12.9%	4.7%	7.6%

Note: Percentages are based on actual, non-rounded figures and may not sum

Johnson & Johnson and Subsidiaries  
Reconciliation of Non-GAAP Financial Measure

**Adjusted Operational Sales Growth**  
SIX MONTHS 2019 ACTUAL vs. 2018 ACTUAL

Segments				
	Consumer	Pharmaceutical	Medical Devices	Total
<b>WW As Reported</b>	<b>(0.6)%</b>	<b>2.8%</b>	<b>(5.7)%</b>	<b>(0.6)%</b>
U.S.	2.2%	1.0%	(3.6)%	(0.3)%
International	(2.6)%	5.2%	(7.6)%	(1.0)%
<b>WW Currency</b>	<b>(4.0)</b>	<b>(3.3)</b>	<b>(3.1)</b>	<b>(3.3)</b>
U.S.	-	-	-	-
International	(6.9)	(7.3)	(6.0)	(6.8)
<b>WW Operational</b>	<b>3.4%</b>	<b>6.1%</b>	<b>(2.6)%</b>	<b>2.7%</b>
U.S.	2.2%	1.0%	(3.6)%	(0.3)%
International	4.3%	12.5%	(1.6)%	5.8%
<b>Beauty</b>				
<i>Nizoral</i>	<b>0.5</b>			<b>0.1</b>
U.S.	0.3			0.0
International	0.6			0.1
<b>OTC</b>				
<i>Zarbees</i>	<b>(0.7)</b>			<b>(0.1)</b>
U.S.	(1.7)			(0.2)
International	0.0			0.0
<b>Diabetes Care</b>				
<i>LifeScan</i>			<b>5.1</b>	<b>1.7</b>
U.S.			3.9	1.2
International			6.1	2.3
<b>Beauty</b>				
<i>RoC</i>	<b>0.8</b>			<b>0.1</b>
U.S.	1.4			0.2
International	0.3			0.1
<b>Beauty</b>				
<i>Dr. Ci Labo - Japan</i>	<b>(2.6)</b>			<b>(0.4)</b>
U.S.	0.0			0.0
International	(4.4)			(0.9)
<b>Specialty Surgery</b>				
<i>Advanced Sterilization Products</i>			<b>1.1</b>	<b>0.4</b>
U.S.			1.5	0.5
International			0.6	0.2
<b>All Other Acquisitions and Divestitures</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
U.S.	0.0	0.0	0.2	0.1
International	0.2	0.0	0.1	0.1
<b>WW Adjusted Operational</b>	<b>1.5%</b>	<b>6.1%</b>	<b>3.8%</b>	<b>4.6%</b>
U.S.	2.2%	1.0%	2.1%	1.5%
International	1.0%	12.5%	5.3%	7.7%

Note: Percentages are based on actual, non-rounded figures and may not sum

CONSUMER SEGMENT (2)	REPORTED SALES vs. PRIOR PERIOD (\$MM)									
	SECOND QUARTER					SIX MONTHS				
	2019	2018	% Change			2019	2018	% Change		
		Reported	Operational (1)	Currency			Reported	Operational (1)	Currency	
<b>BABY CARE</b>										
US	\$ 99	89	11.5%	11.5%	-	\$ 186	186	-0.2%	-0.2%	-
Intl	344	367	-6.3%	0.0%	-6.3%	651	727	-10.5%	-3.2%	-7.3%
WW	443	456	-2.8%	2.2%	-5.0%	837	913	-8.4%	-2.6%	-5.8%



US	506	438	15.6%	15.6%	-	989	838	18.1%	18.1%	-
Intl	312	282	10.4%	17.2%	-6.8%	619	578	7.0%	14.7%	-7.7%
WW	818	720	13.6%	16.3%	-2.7%	1,608	1,416	13.6%	16.7%	-3.1%
<b>RISPERDAL CONSTA</b>										
US	81	80	0.8%	0.8%	-	158	162	-3.0%	-3.0%	-
Intl	101	108	-6.5%	-0.1%	-6.4%	203	222	-8.4%	-1.3%	-7.1%
WW	182	188	-3.4%	0.3%	-3.7%	361	384	-6.2%	-2.0%	-4.2%
<b>OTHER NEUROSCIENCE</b>										
US	62	53	16.1%	16.1%	-	128	129	-0.4%	-0.4%	-
Intl	340	384	-11.5%	-7.3%	-4.2%	719	802	-10.3%	-4.8%	-5.5%
WW	401	437	-8.1%	-4.4%	-3.7%	847	931	-8.9%	-4.1%	-4.8%
<b>ONCOLOGY</b>										
US	1,013	1,085	-6.6%	-6.6%	-	1,975	2,018	-2.1%	-2.1%	-
Intl	1,684	1,371	22.8%	30.5%	-7.7%	3,240	2,749	17.9%	26.3%	-8.4%
WW	2,697	2,456	9.8%	14.1%	-4.3%	5,215	4,767	9.4%	14.3%	-4.9%
<b>DARZALEX</b>										
US	369	298	24.4%	24.4%	-	721	562	28.5%	28.5%	-
Intl	405	213	89.5%	*	-13.6%	682	381	78.7%	93.0%	-14.3%
WW	774	511	51.6%	57.3%	-5.7%	1,403	943	48.8%	54.6%	-5.8%
<b>IMBRUVICA</b>										
US	367	250	47.0%	47.0%	-	716	477	50.2%	50.2%	-
Intl	463	370	25.3%	33.9%	-8.6%	898	730	23.1%	33.0%	-9.9%
WW	831	620	34.1%	39.2%	-5.1%	1,615	1,207	33.8%	39.8%	-6.0%
<b>VELCADE</b>										
US	-	-	-	-	-	-	-	-	-	-
Intl	224	280	-20.1%	-16.1%	-4.0%	487	593	-17.9%	-12.9%	-5.0%
WW	224	280	-20.1%	-16.1%	-4.0%	487	593	-17.9%	-12.9%	-5.0%
<b>ZYTIGA / abiraterone acetate</b>										
US	198	486	-59.4%	-59.4%	-	383	893	-57.1%	-57.1%	-
Intl	500	423	18.0%	24.5%	-6.5%	994	861	15.4%	22.6%	-7.2%
WW	698	909	-23.3%	-20.3%	-3.0%	1,377	1,754	-21.5%	-18.0%	-3.5%
<b>OTHER ONCOLOGY</b>										
US	78	51	50.5%	50.5%	-	154	86	77.7%	77.7%	-
Intl	92	85	8.8%	16.2%	-7.4%	179	184	-2.5%	5.3%	-7.8%
WW	170	136	24.7%	29.3%	-4.6%	333	270	23.2%	28.6%	-5.4%
<b>PULMONARY HYPERTENSION</b>										
US	439	429	2.2%	2.2%	-	869	790	10.0%	10.0%	-
Intl	251	236	6.7%	12.7%	-6.0%	477	460	3.7%	10.7%	-7.0%
WW	690	665	3.8%	6.0%	-2.2%	1,346	1,250	7.7%	10.2%	-2.5%
<b>QPSUMIT</b>										
US	203	180	12.8%	12.8%	-	375	329	14.2%	14.2%	-
Intl	146	131	11.5%	18.1%	-6.6%	279	253	10.3%	18.0%	-7.7%
WW	348	311	12.3%	15.0%	-2.7%	654	582	12.5%	15.8%	-3.3%
<b>TRACLEER</b>										
US	41	71	-41.8%	-41.8%	-	102	139	-26.3%	-26.3%	-
Intl	62	72	-14.5%	-10.9%	-3.6%	118	144	-18.7%	-14.6%	-4.1%
WW	103	143	-28.0%	-26.2%	-1.8%	220	283	-22.4%	-20.3%	-2.1%
<b>UPTRAVI</b>										
US	175	155	13.4%	13.4%	-	351	279	25.9%	25.9%	-
Intl	28	16	62.5%	71.6%	-9.1%	50	32	53.1%	63.0%	-9.9%
WW	203	171	18.2%	19.1%	-0.9%	401	311	28.7%	29.7%	-1.0%
<b>OTHER</b>										
US	20	23	-18.2%	-18.2%	-	41	43	-8.4%	-8.4%	-
Intl	16	17	3.7%	13.3%	-9.6%	31	31	4.1%	15.1%	-11.0%
WW	37	40	-9.6%	-5.8%	-3.8%	72	74	-3.4%	1.0%	-4.4%
<b>CARDIOVASCULAR / METABOLISM / OTHER</b>										
US	902	1,101	-18.1%	-18.1%	-	1,849	2,204	-16.1%	-16.1%	-
Intl	373	417	-10.5%	-5.7%	-4.8%	771	831	-7.2%	-1.5%	-5.7%
WW	1,275	1,518	-16.0%	-14.7%	-1.3%	2,620	3,035	-13.7%	-12.1%	-1.6%
<b>XARELTO</b>										
US	549	679	-19.2%	-19.2%	-	1,091	1,257	-13.2%	-13.2%	-
Intl	-	-	-	-	-	-	-	-	-	-
WW	549	679	-19.2%	-19.2%	-	1,091	1,257	-13.2%	-13.2%	-
<b>INVOKANA / INVOKAMET</b>										
US	132	169	-21.2%	-21.2%	-	286	373	-23.2%	-23.2%	-
Intl	43	46	-6.0%	-1.5%	-4.5%	92	90	2.6%	8.9%	-6.3%
WW	177	215	-17.9%	-16.9%	-1.0%	379	463	-18.2%	-16.9%	-1.3%
<b>PROCRIT / EPREX</b>										
US	113	156	-27.5%	-27.5%	-	261	345	-24.3%	-24.3%	-
Intl	70	80	-13.4%	-9.6%	-3.8%	148	167	-11.7%	-7.3%	-4.4%
WW	183	236	-22.7%	-21.4%	-1.3%	409	512	-20.2%	-18.7%	-1.5%
<b>OTHER</b>										
US	107	97	9.3%	9.3%	-	211	229	-8.2%	-8.2%	-
Intl	260	291	-10.5%	-5.2%	-5.3%	531	574	-7.5%	-1.4%	-6.1%
WW	368	388	-5.5%	-1.5%	-4.0%	742	803	-7.7%	-3.4%	-4.3%
<b>TOTAL PHARMACEUTICAL</b>										
US	5,783	5,899	-2.0%	-2.0%	-	11,365	11,253	1.0%	1.0%	-
Intl	4,746	4,455	6.5%	12.9%	-6.4%	9,408	8,945	5.2%	12.5%	-7.3%
WW	\$ 10,529	10,354	1.7%	4.4%	-2.7%	\$ 20,773	20,198	2.8%	6.1%	-3.3%

See footnotes at end of schedule

REPORTED SALES vs. PRIOR PERIOD (\$MM)

	SECOND QUARTER					SIX MONTHS				
	2019	2018	% Change			2019	2018	% Change		
			Reported	Operational <sup>(1)</sup>	Currency			Reported	Operational <sup>(1)</sup>	Currency
<b>MEDICAL DEVICES SEGMENT (2)(5)</b>										
<b>DIABETES CARE<sup>(5)</sup></b>										
US	\$ -	129	*	*	-	\$ -	246	*	*	-
Intl	-	226	*	*	*	-	448	*	*	*
WW	-	355	*	*	*	-	694	*	*	*
<b>INTERVENTIONAL SOLUTIONS</b>										
US	366	323	13.7%	13.7%	-	709	627	13.2%	13.2%	-
Intl	385	344	11.6%	17.3%	-5.7%	774	680	13.7%	20.0%	-6.3%

WW	750	667	12.6%	15.6%	-3.0%	1,482	1,307	13.4%	16.7%	-3.3%
<b>ORTHOPAEDICS</b>										
US	1,331	1,332	-0.1%	-0.1%	-	2,649	2,639	0.4%	0.4%	-
Intl	894	930	-3.8%	1.5%	-5.3%	1,779	1,873	-5.0%	1.1%	-6.1%
WW	2,224	2,262	-1.6%	0.6%	-2.2%	4,428	4,512	-1.9%	0.7%	-2.6%
<b>HIPS</b>										
US	216	211	2.1%	2.1%	-	429	420	2.1%	2.1%	-
Intl	147	149	-0.7%	5.0%	-5.7%	295	303	-2.3%	4.2%	-6.5%
WW	364	360	0.9%	3.3%	-2.4%	725	723	0.3%	3.0%	-2.7%
<b>KNEES</b>										
US	218	229	-4.8%	-4.8%	-	441	457	-3.5%	-3.5%	-
Intl	153	153	0.4%	5.4%	-5.0%	299	312	-4.0%	1.9%	-5.9%
WW	372	382	-2.8%	-0.7%	-2.1%	741	769	-3.7%	-1.3%	-2.4%
<b>TRAUMA</b>										
US	407	394	3.3%	3.3%	-	824	801	2.9%	2.9%	-
Intl	265	281	-5.9%	-0.6%	-5.3%	533	570	-6.5%	-0.5%	-6.0%
WW	672	675	-0.6%	1.7%	-2.3%	1,357	1,371	-1.0%	1.5%	-2.5%
<b>SPINE &amp; OTHER</b>										
US	490	498	-1.5%	-1.5%	-	955	961	-0.6%	-0.6%	-
Intl	328	347	-5.3%	0.0%	-5.3%	651	688	-5.4%	0.6%	-6.0%
WW	818	845	-3.1%	-0.9%	-2.2%	1,606	1,649	-2.6%	-0.1%	-2.5%
<b>SURGERY</b>										
US	926	1,022	-9.5%	-9.5%	-	1,927	2,015	-4.4%	-4.4%	-
Intl	1,427	1,493	-4.4%	1.5%	-5.9%	2,821	2,923	-3.5%	3.0%	-6.5%
WW	2,353	2,515	-6.5%	-3.0%	-3.5%	4,748	4,938	-3.9%	0.0%	-3.9%
<b>ADVANCED</b>										
US	396	402	-1.7%	-1.7%	-	800	795	0.6%	0.6%	-
Intl	633	603	5.0%	11.2%	-6.2%	1,209	1,176	2.8%	9.5%	-6.7%
WW	1,029	1,005	2.3%	6.1%	-3.8%	2,009	1,971	1.9%	5.9%	-4.0%
<b>GENERAL</b>										
US	443	436	1.6%	1.6%	-	868	859	1.0%	1.0%	-
Intl	674	733	-7.9%	-2.4%	-5.5%	1,339	1,437	-6.8%	-0.4%	-6.4%
WW	1,119	1,169	-4.3%	-0.9%	-3.4%	2,208	2,296	-3.9%	0.1%	-4.0%
<b>SPECIALTY</b>										
US	87	184	-53.1%	-53.1%	-	259	361	-28.3%	-28.3%	-
Intl	120	157	-23.7%	-18.2%	-5.5%	273	310	-12.1%	-5.4%	-6.7%
WW	206	341	-39.6%	-37.1%	-2.5%	531	671	-20.8%	-17.8%	-3.0%
<b>VISION</b>										
US	461	459	0.4%	0.4%	-	907	899	1.0%	1.0%	-
Intl	701	714	-2.0%	2.2%	-4.2%	1,383	1,389	-0.5%	4.7%	-5.2%
WW	1,161	1,173	-1.0%	1.5%	-2.5%	2,290	2,288	0.1%	3.2%	-3.1%
<b>CONTACT LENSES / OTHER</b>										
US	333	320	3.9%	3.9%	-	654	629	4.0%	4.0%	-
Intl	509	524	-2.9%	1.5%	-4.4%	1,011	1,022	-1.0%	4.4%	-5.4%
WW	842	844	-0.3%	2.4%	-2.7%	1,666	1,651	0.9%	4.2%	-3.3%
<b>SURGICAL</b>										
US	128	139	-7.7%	-7.7%	-	253	270	-6.1%	-6.1%	-
Intl	191	190	0.7%	4.2%	-3.5%	371	367	1.0%	5.5%	-4.5%
WW	319	329	-2.8%	-0.8%	-2.0%	624	637	-2.0%	0.6%	-2.6%
<b>TOTAL MEDICAL DEVICES</b>										
US	3,083	3,265	-5.6%	-5.6%	-	6,192	6,426	-3.6%	-3.6%	-
Intl	3,406	3,707	-8.1%	-2.9%	-5.2%	6,756	7,313	-7.6%	-1.6%	-6.0%
WW	\$ 6,489	\$ 6,972	-6.9%	-4.1%	-2.8%	\$ 12,948	\$ 13,739	-5.7%	-2.6%	-3.1%

Note: Columns and rows within tables may not add due to rounding. Percentages have been calculated using actual, non-rounded figures, and therefore, may not recalculate precisely.

\* Percentage greater than 100% or not meaningful

- (1) Operational growth excludes the effect of translational currency
- (2) Unaudited
- (3) Reported as U.S. sales
- (4) Prior year amounts have been reclassified to conform to current year product disclosure
- (5) Reflects LifeScan divestiture October 2, 2018

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