



FOR IMMEDIATE RELEASE

**Johnson & Johnson Announces Updated Financials and 2023 Guidance
Following Completion of the Kenvue Separation**

- **Company expects increased 2023 Reported Sales Growth of 7.0% - 8.0%, Operational Sales Growth of 7.5% - 8.5%, and Adjusted Operational Sales Growth of 6.2% - 7.2%; Figures exclude the COVID-19 Vaccine**
- **Company expects 2023 Adjusted Reported Earnings Per Share (EPS) of \$10.00 - \$10.10, reflecting increased growth of 12.5% at the mid-point and Adjusted Operational EPS of \$9.90 - \$10.00, reflecting increased growth of 11.5% at the mid-point**
- **Company reduced outstanding share count by approximately 191 million; 2023 guidance reflects only a partial-year benefit of approximately 73.5 million shares or \$0.28 benefit to EPS**
- **Company secured \$13.2 billion in cash proceeds from the Kenvue debt offering and initial public offering and maintains 9.5% of equity stake in Kenvue**
- **Company maintains its quarterly dividend of \$1.19 per share**

New Brunswick, N.J., (August 30, 2023) – Johnson & Johnson (NYSE: JNJ) (“the Company”) today announced updates to its financials and 2023 guidance which reflect its operations as a company focused on transformational innovation in Pharmaceutical and MedTech. The Company has published a recorded webinar for investors to provide additional context behind the updated financials and 2023 guidance found in this release, which may be accessed by visiting the Investors section of the Company's website at [webcasts & presentations](#).

“The completion of this transaction uniquely positions Johnson & Johnson as a Pharmaceutical and MedTech company focused on delivering transformative healthcare solutions to patients,” said Joaquin Duato, Chairman of the Board and Chief Executive Officer. “We are incredibly proud of the focus and dedication of our employees worldwide to achieve this milestone, which we are confident will unlock near- and long-term value for all of our stakeholders.”

As previously [announced](#), the Company recently completed an exchange offer to finalize the separation of Kenvue Inc., formerly Johnson & Johnson’s Consumer Health business. As a result of the completion of the exchange offer, Johnson & Johnson will now present its Consumer Health business financial results as discontinued operations, including a gain of approximately \$20 billion in the third quarter of 2023.

Unless otherwise noted, the financial results and earnings guidance included below have been recast to reflect the continuing operations of Johnson & Johnson.

FINANCIAL RESULTS

(\$ in Millions, except EPS)	SIX MONTHS		
	2023	2022	% Change
Reported Sales	\$42,413	\$40,055	5.9%
Net Earnings	\$4,885	\$8,833	(44.7)%
EPS (diluted)	\$1.86	\$3.31	(43.8)%

Non-GAAP* (\$ in Millions, except EPS)	SIX MONTHS		
	2023	2022	% Change
Operational Sales ^{1,2}			8.0%
Adjusted Operational Sales ^{1,3}			6.4%
Adjusted Net Earnings ^{1,4}	\$13,070	\$12,426	5.2%
Adjusted EPS (diluted) ^{1,4}	\$4.97	\$4.66	6.7%

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

² Excludes the impact of translational currency

³ Excludes the net impact of acquisitions and divestitures and translational currency

⁴ Excludes intangible amortization expense and special items

Note: Values may have been rounded

REGIONAL SALES RESULTS

(\$ in Millions)	SIX MONTHS		% Change			
	2023	2022	Reported	Operational ^{1,2}	Currency	Adjusted Operational ^{1,3}
U.S.	\$22,439	\$20,367	10.2%	10.2	-	7.6
International	19,974	19,688	1.5	5.8	(4.3)	5.4
Worldwide	\$42,413	\$40,055	5.9%	8.0	(2.1)	6.4

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

² Excludes the impact of translational currency

³ Excludes the net impact of acquisitions and divestitures and translational currency

Note: Values may have been rounded

SEGMENT SALES RESULTS

(\$ in Millions)	SIX MONTHS		% Change			
	2023	2022	Reported	Operational ^{1,2}	Currency	Adjusted Operational ^{1,3}
Pharmaceutical	27,144	26,186	3.7	5.5	(1.8)	5.6
MedTech	15,269	13,869	10.1	12.8	(2.7)	8.1
Worldwide	\$42,413	\$40,055	5.9%	8.0	(2.1)	6.4

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

² Excludes the impact of translational currency

³ Excludes the net impact of acquisitions and divestitures and translational currency

Note: Values may have been rounded

UPDATED FULL-YEAR 2023 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.

<i>(\$ in Billions, except EPS; Shares in Millions)</i>	August 2023 (excl. Consumer Health)	July 2023 (incl. Consumer Health)⁶
Adjusted Operational Sales ^{1,2,5} Change vs. Prior Year / Mid-point	6.2% – 7.2% / 6.7%	6.0% – 7.0% / 6.5%
Operational Sales ^{2,5} / Mid-point Change vs. Prior Year / Mid-point	\$83.6B – \$84.4B / \$84.0B 7.5% – 8.5% / 8.0%	\$99.3B – \$100.3B / \$99.8B 7.0% – 8.0% / 7.5%
Reported Sales ^{3,5} / Mid-point Change vs. Prior Year / Mid-point	\$83.2B – \$84.0B / \$83.6B 7.0% – 8.0% / 7.5%	\$98.8B – \$99.8B / \$99.3B 6.5% – 7.5% / 7.0%

Adjusted Operational EPS (Diluted) ^{2,4} / Mid-point Change vs. Prior Year / Mid-point	\$9.90 – \$10.00 / \$9.95 11.0% – 12.0% / 11.5%	\$10.60 – \$10.70 / \$10.65 4.5% – 5.5% / 5.0%
Adjusted EPS (Diluted) ^{3,4} / Mid-point Change vs. Prior Year / Mid-point	\$10.00 – \$10.10 / \$10.05 12.0% – 13.0% / 12.5%	\$10.70 – \$10.80 / \$10.75 5.5% – 6.5% / 6.0%
Average Shares Outstanding (Diluted)	~2,557.2 ⁸	2,630.7 ⁷

¹ [Non-GAAP financial measure](#); excludes the net impact of acquisitions and divestitures

² [Non-GAAP financial measure](#); excludes the impact of translational currency

³ Calculated using Euro Average Rate: July 2023 = \$1.09 (Illustrative purposes only)

⁴ [Non-GAAP financial measure](#); excludes intangible amortization expense and special items

⁵ Excludes COVID-19 Vaccine

⁶ The July 2023 financial measures that were previously communicated reflect amounts before the separation of Kenvue and therefore include the Consumer Health results

⁷ Average shares outstanding (Diluted) as reported on Q2 2023 Form 10-Q

⁸ Full Year 2023 Projected Average Shares Outstanding (Diluted) only reflects impact from the Kenvue exchange offer

Note: percentages may have been rounded

Following completion of the Kenvue exchange offer, the Company has reduced its outstanding share count by the approximately 191 million shares of common stock accepted in the exchange offer.

The weighted average shares outstanding used in the calculation of the August 2023 Guidance for Adjusted Diluted EPS reflects the net reduction of approximately 73.5 million shares of Johnson & Johnson outstanding common

stock as a result of the Kenvue exchange offer. Because this net reduction occurred on August 23, 2023, Johnson & Johnson will recognize only a partial-year benefit of \$0.28 to its full-year 2023 Adjusted Diluted EPS.

The Company generated \$13.2 billion in cash proceeds as result of the Kenvue debt offering and initial public offering. Additionally, Johnson & Johnson maintains a 9.5% stake in Kenvue common stock, which provides the Company the opportunity to monetize the retained stake in a tax efficient manner in the next year, subject to a current 90-day lockup agreement. Johnson & Johnson is under no obligation to do so if market conditions are not supportive.

The Company will maintain its quarterly dividend of \$1.19 per share.

WEBINAR INFORMATION:

Johnson & Johnson has published a recorded webinar for investors to provide additional context behind the updated financials and 2023 guidance found in this release. This webinar, along with supplemental information, may be accessed by visiting the Investors section of the Company's website at [webcasts & 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 135 years, we have aimed to keep people well at every age and every stage of life. Today, as the world's largest, most diversified healthcare products 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 release and the Investors section of the Company's website at [webcasts & presentations](#).

Copies of the financial schedules accompanying this release are available on the Company's website at [webcasts & presentations](#). These schedules include supplementary sales data, a condensed consolidated statement of earnings, and reconciliations of non-GAAP financial measures.

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, and 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, including restructuring 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; the Company’s ability to realize the anticipated benefits from the separation of the Company’s Consumer Health business; and the New Consumer Health Company’s ability to succeed as a standalone publicly traded company. 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 January 1, 2023, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” and in Johnson & Johnson’s subsequent Quarterly Reports on Form 10-Q and other 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.

Press Contacts:

Jake Sargent
media-relations@its.jnj.com

Investor Contacts:

Jessica Moore
investor-relations@its.jnj.com

Johnson & Johnson and Subsidiaries

Supplementary Sales Data

(Unaudited; Dollars in Millions)		FIRST QUARTER				
	2023	2022	Total	Percent Change		
				Operations	Currency	
Sales to customers by geographic area						
U.S.	\$ 10,782	9,857	9.4 %	9.4	-	
Europe	5,590	5,341	4.7	9.4	(4.7)	
Western Hemisphere excluding U.S.	1,076	998	7.8	15.5	(7.7)	
Asia-Pacific, Africa	3,446	3,644	(5.4)	3.1	(8.5)	
International	10,112	9,983	1.3	7.7	(6.4)	
Worldwide	\$ 20,894	19,840	5.3 %	8.5	(3.2)	

(Unaudited; Dollars in Millions)		SECOND QUARTER				
	2023	2022	Total	Percent Change		
				Operations	Currency	
Sales to customers by geographic area						
U.S.	\$ 11,657	10,510	10.9 %	10.9	-	
Europe	5,131	5,355	(4.2)	(5.2)	1.0	
Western Hemisphere excluding U.S.	1,136	1,027	10.7	16.8	(6.2)	
Asia-Pacific, Africa	3,595	3,323	8.2	14.3	(6.1)	
International	9,862	9,705	1.6	3.8	(2.2)	
Worldwide	\$ 21,519	20,215	6.5 %	7.5	(1.0)	

(Unaudited; Dollars in Millions)		SIX MONTHS				
	2023	2022	Total	Percent Change		
				Operations	Currency	
Sales to customers by geographic area						
U.S.	\$ 22,439	20,367	10.2 %	10.2	-	
Europe	10,721	10,696	0.2	2.1	(1.9)	
Western Hemisphere excluding U.S.	2,212	2,025	9.3	16.2	(6.9)	
Asia-Pacific, Africa	7,041	6,967	1.1	8.5	(7.4)	
International	19,974	19,688	1.5	5.8	(4.3)	
Worldwide	\$ 42,413	40,055	5.9 %	8.0	(2.1)	

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)					
FIRST QUARTER					
	2022	2021	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 9,857	9,500	3.8 %	3.8	-
Europe	5,341	4,727	13.0	21.2	(8.2)
Western Hemisphere excluding U.S.	998	968	3.0	4.2	(1.2)
Asia-Pacific, Africa	3,644	3,485	4.6	8.3	(3.7)
International	9,983	9,180	8.7	14.5	(5.8)
Worldwide	\$ 19,840	18,680	6.2 %	9.1	(2.9)

(Unaudited; Dollars in Millions)					
SECOND QUARTER					
	2022	2021	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 10,510	10,168	3.4 %	3.4	-
Europe	5,355	4,936	8.5	22.1	(13.6)
Western Hemisphere excluding U.S.	1,027	933	10.2	13.2	(3.0)
Asia-Pacific, Africa	3,323	3,421	(2.9)	6.2	(9.1)
International	9,705	9,290	4.5	15.4	(10.9)
Worldwide	\$ 20,215	19,458	3.9 %	9.1	(5.2)

(Unaudited; Dollars in Millions)					
THIRD QUARTER					
	2022	2021	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 10,794	10,338	4.4 %	4.4	-
Europe	4,844	4,833	0.2	16.1	(15.9)
Western Hemisphere excluding U.S.	1,059	1,019	3.9	9.1	(5.2)
Asia-Pacific, Africa	3,299	3,336	(1.1)	11.4	(12.5)
International	9,202	9,188	0.1	13.6	(13.5)
Worldwide	\$ 19,996	19,526	2.4 %	8.7	(6.3)

(Unaudited; Dollars in Millions)					
FOURTH QUARTER					
	2022	2021	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 10,820	10,634	1.7 %	1.7	-
Europe	5,124	6,099	(16.0)	(6.3)	(9.7)
Western Hemisphere excluding U.S.	1,024	1,007	1.7	8.3	(6.6)
Asia-Pacific, Africa	2,971	3,336	(10.9)	3.0	(13.9)
International	9,119	10,442	(12.7)	(1.9)	(10.8)
Worldwide	\$ 19,939	21,076	(5.4) %	(0.1)	(5.3)

(Unaudited; Dollars in Millions)					
TWELVE MONTHS					
	2022	2021	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 41,981	40,640	3.3 %	3.3	-
Europe	20,664	20,595	0.3	12.1	(11.8)
Western Hemisphere excluding U.S.	4,108	3,927	4.6	8.7	(4.1)
Asia-Pacific, Africa	13,237	13,578	(2.5)	7.2	(9.7)
International	38,009	38,100	(0.2)	10.0	(10.2)
Worldwide	\$ 79,990	78,740	1.6 %	6.5	(4.9)

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)

2023

	Q1		Q2		SIX MONTHS	
	Amount	Percent to Sales	Amount	Percent to Sales	Amount	Percent to Sales
Sales to customers	\$ 20,894	100.0	\$ 21,519	100.0	\$ 42,413	100.0
Cost of products sold	6,687	32.0	6,462	30.0	13,149	31.0
Gross Profit	14,207	68.0	15,057	70.0	29,264	69.0
Selling, marketing and administrative expenses	4,906	23.5	5,396	25.1	10,302	24.3
Research and development expense	3,455	16.6	3,703	17.2	7,158	16.9
In-process research and development Impairments	49	0.2	-	-	49	0.1
Interest income	(198)	(0.9)	(326)	(1.5)	(524)	(1.2)
Interest expense, net of portion capitalized	212	1.0	217	1.0	429	1.0
Other (income) expense, net	6,940	33.2	(384)	(1.8)	6,556	15.5
Restructuring	130	0.6	145	0.7	275	0.6
Earnings/(loss) before provision for taxes on income	(1,287)	(6.2)	6,306	29.3	5,019	11.8
Provision for/(Benefit from) taxes on income	(796)	(3.9)	930	4.3	134	0.3
Net earnings/(loss) from Continuing Operations	\$ (491)	(2.3)	\$ 5,376	25.0	\$ 4,885	11.5
Net earnings/(loss) from Discontinued Operations, net of tax	423		(232)		191	
Net earnings/(loss)	\$ (68)		\$ 5,144		\$ 5,076	
Net Earnings (loss) per Share (Diluted) from Continuing Operations	\$ (0.19)		\$ 2.05		\$ 1.86	
Net Earnings (loss) per Share (Diluted) from Discontinued Operations	\$ 0.16		\$ (0.09)		\$ 0.07	
Average shares outstanding (Diluted)	2,605.5 *		2,625.7		2,630.7	
Effective tax rate from Continuing Operations	61.8 %		14.7 %		2.7 %	

*Basic Shares used as in an overall loss position

Adjusted earnings from continuing operations before provision for taxes and net earnings (1)						
Earnings before provision for taxes on income from continuing operations	\$ 7,536	36.1	\$ 8,005	37.2	\$ 15,541	36.6
Net earnings from continuing operations	\$ 6,340	30.3	\$ 6,730	31.3	\$ 13,070	30.8
Net earnings per share (Diluted) from continuing operations	\$ 2.41		\$ 2.56		\$ 4.97	
Average shares outstanding (Diluted)	2,634.3		2,625.7		2,630.7	
Effective tax rate from continuing operations	15.9 %		15.9 %		15.9 %	

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

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

2022

	Q1		Q2		SIX MONTHS		Q3		Q4		FULL YEAR	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
		to Sales		to Sales		to Sales		to Sales		to Sales		to Sales
Sales to customers	\$ 19,840	100.0	\$ 20,215	100.0	\$ 40,055	100.0	\$ 19,996	100.0	\$ 19,939	100.0	\$ 79,990	100.0
Cost of products sold	6,018	30.3	6,322	31.3	12,340	30.8	6,172	30.9	6,084	30.5	24,596	30.7
Gross Profit	13,822	69.7	13,893	68.7	27,715	69.2	13,824	69.1	13,855	69.5	55,394	69.3
Selling, marketing and administrative expenses	4,812	24.3	5,120	25.3	9,932	24.8	4,975	24.9	5,339	26.8	20,246	25.3
Research and development expense	3,355	16.9	3,585	17.7	6,940	17.3	3,485	17.4	3,710	18.6	14,135	17.7
In-process research and development impairments	610	3.1	-	-	610	1.5	-	-	173	0.8	783	1.0
Interest income	(22)	(0.1)	(64)	(0.3)	(86)	(0.2)	(150)	(0.8)	(254)	(1.3)	(490)	(0.6)
Interest expense, net of portion capitalized	10	0.1	38	0.2	48	0.1	51	0.3	177	0.9	276	0.3
Other (income) expense, net	(210)	(1.1)	(1)	0.0	(211)	(0.5)	226	1.1	795	4.0	810	1.0
Restructuring	64	0.3	71	0.4	135	0.4	65	0.3	75	0.4	275	0.4
Earnings before provision for taxes on income	5,203	26.2	5,144	25.4	10,347	25.8	5,172	25.9	3,840	19.3	19,359	24.2
Provision for taxes on income	632	3.2	882	4.3	1,514	3.7	862	4.3	613	3.1	2,989	3.7
Net earnings from Continuing Operations	4,571	23.0	\$ 4,262	21.1	\$ 8,833	22.1	\$ 4,310	21.6	\$ 3,227	16.2	\$ 16,370	20.5
Net earnings from Discontinued Operations, net of tax	578		552		1,130		148		293		1,571	
Net earnings	\$ 5,149		\$ 4,814		\$ 9,963		\$ 4,458		\$ 3,520		\$ 17,941	
Net Earnings per Share (Diluted) from Continuing Operations	\$ 1.71		\$ 1.60		\$ 3.31		\$ 1.62		\$ 1.22		\$ 6.14	
Net Earnings per Share (Diluted) from Discontinued Operations	\$ 0.22		\$ 0.20		\$ 0.42		\$ 0.06		\$ 0.11		\$ 0.59	
Average shares outstanding (Diluted)	2,666.5		2,667.9		2,669.2		2,661.3		2,650.1		2,663.9	
Effective tax rate from Continuing Operations	12.1 %		17.1 %		14.6 %		16.7 %		16.0 %		15.4 %	
Adjusted earnings from continuing operations before provision for taxes and net earnings (1)												
Earnings before provision for taxes on income from continuing operations	\$ 7,349	37.0	\$ 7,082	35.0	\$ 14,431	36.0	\$ 7,060	35.3	\$ 6,482	32.5	\$ 27,973	35.0
Net earnings from continuing operations	\$ 6,388	32.2	\$ 6,038	29.9	\$ 12,426	31.0	\$ 5,938	29.7	\$ 5,432	27.2	\$ 23,796	29.7
Net earnings per share (Diluted) from continuing operations	\$ 2.40		\$ 2.26		\$ 4.66		\$ 2.23		\$ 2.05		\$ 8.93	
Average shares outstanding (Diluted)	2,666.5		2,667.9		2,669.2		2,661.3		2,650.1		2,663.9	
Effective tax rate from continuing operations	13.1 %		14.7 %		13.9 %		15.9 %		16.2 %		14.9 %	

(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)	2023		
	Q1	Q2	SIX MONTHS
Net Earnings/(loss) from Continuing Operations, after tax - as reported	(\$491)	\$5,376	\$4,885
<i>Pre-tax Adjustments</i>			
Intangible Asset Amortization expense	1,122	1,130	2,252
Litigation related	6,900	137	7,037
IPR&D impairments	49	0	49
Restructuring related	130	145	275
Acquisition, integration and divestiture related	42	38	80
(Gains)/losses on securities	72	(1)	71
Medical Device Regulation	64	85	149
COVID-19 Vaccine related costs	444	165	609
<i>Tax Adjustments</i>			
Tax impact on special item adjustments	(1,980)	(307)	(2,287)
Consumer Health separation tax related costs	11	(17)	(6)
Tax legislation and other tax related	(23)	(21)	(44)
Adjusted Net Earnings from continuing operations, after tax	\$6,340	\$6,730	\$13,070
Average shares outstanding (Diluted)	2,634.3	2,625.7	2,630.7
Adjusted net earnings per share from continuing operations (Diluted)	\$2.41	\$2.56	\$4.97

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

	2022				
(Dollars in Millions Except Per Share Data)	Q1	Q2	Q3	Q4	FULL YEAR
Net Earnings from Continuing Operations, after tax - as reported	\$4,571	\$4,262	\$4,310	\$3,227	\$16,370
<i>Pre-tax Adjustments</i>					
Intangible Asset Amortization expense	1,014	995	958	977	3,944
Litigation related	0	385	219	262	866
IPR&D impairments	610	0	0	173	783
Restructuring related	58	103	92	119	372
Acquisition, integration and divestiture related	0	0	0	196	196
(Gains)/losses on securities	411	109	164	6	690
Medical Device Regulation	60	70	78	88	296
COVID-19 Vaccine related costs	0	276	377	821	1,474
Other	(7)	0	0	0	(7)
<i>Tax Adjustments</i>					
Tax impact on special item adjustments	(346)	(242)	(312)	(394)	(1,294)
Consumer Health separation tax related costs	96	2	(36)	4	66
Tax legislation and other tax related	(79)	78	88	(47)	40
Adjusted Net Earnings from continuing operations, after tax	\$6,388	\$6,038	\$5,938	\$5,432	\$23,796
Average shares outstanding (Diluted)	2,666.5	2,667.9	2,661.3	2,650.1	2,663.9
Adjusted net earnings per share from continuing operations (Diluted)	\$2.40	\$2.26	\$2.23	\$2.05	\$8.93

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

Adjusted Operational Sales Growth
2023 ACTUAL vs. 2022 ACTUAL

Total Enterprise

	<u>Q1</u>	<u>Q2</u>	<u>SIX MONTHS</u>
WW As Reported	5.3%	6.5%	5.9%
U.S.	9.4%	10.9%	10.2%
International	1.3%	1.6%	1.5%
WW Currency	(3.2)	(1.0)	(2.1)
U.S.	-	-	-
International	(6.4)	(2.2)	(4.3)
WW Operational	8.5%	7.5%	8.0%
U.S.	9.4%	10.9%	10.2%
International	7.7%	3.8%	5.8%
Abiomed	(1.6)	(1.6)	(1.6)
U.S.	(2.7)	(2.6)	(2.6)
International	(0.6)	(0.6)	(0.6)
All Other Acquisitions and Divestitures	0.0	0.1	0.0
U.S.	0.0	0.0	0.0
International	0.1	0.2	0.2
WW Adjusted Operational	6.9%	6.0%	6.4%
U.S.	6.7%	8.3%	7.6%
International	7.2%	3.4%	5.4%

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
2022 ACTUAL vs. 2021 ACTUAL

Total Enterprise							
	<u>Q1</u>	<u>Q2</u>	<u>SIX MONTHS</u>	<u>Q3</u>	<u>NINE MONTHS</u>	<u>Q4</u>	<u>TWELVE MONTHS</u>
WW As Reported	6.2%	3.9%	5.0%	2.4%	4.1%	(5.4)%	1.6%
U.S.	3.8%	3.4%	3.6%	4.4%	3.8%	1.7%	3.3%
International	8.7%	4.5%	6.6%	0.1%	4.5%	(12.7)%	(0.2)%
WW Currency	(2.9)	(5.2)	(4.1)	(6.3)	(4.8)	(5.3)	(4.9)
U.S.	-	-	-	-	-	-	-
International	(5.8)	(10.9)	(8.4)	(13.5)	(10.0)	(10.8)	(10.2)
WW Operational	9.1%	9.1%	9.1%	8.7%	8.9%	(0.1)%	6.5%
U.S.	3.8%	3.4%	3.6%	4.4%	3.8%	1.7%	3.3%
International	14.5%	15.4%	15.0%	13.6%	14.5%	(1.9)%	10.0%
Abiomed						(0.1)	
U.S.						(0.3)	
International						0.0	
All Other Acquisitions and Divestitures	0.0	0.1	0.1	0.1	0.1	0.1	0.0
U.S.	0.0	0.1	0.0	0.1	0.0	0.1	0.0
International	0.0	0.1	0.1	0.1	0.1	0.1	0.1
WW Adjusted Operational	9.1%	9.2%	9.2%	8.8%	9.0%	(0.1)%	6.5%
U.S.	3.8%	3.5%	3.6%	4.5%	3.8%	1.5%	3.3%
International	14.5%	15.5%	15.1%	13.7%	14.6%	(1.8)%	10.1%

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

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

Q1 2023 - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	<u>Pharmaceutical</u>	<u>MedTech</u>	<u>Unallocated</u>	<u>Worldwide Total</u>
Reported Income Before Tax by Segment from Continuing Operations	\$ 4,402	1,409	(7,098)	(1,287)
% to Sales	32.8%	18.8%	-34.0%	-6.2%
Intangible asset amortization expense	739	383	-	1,122
In-process research and development Impairments	-	49	-	49
Litigation Related	-	-	6,900	6,900
Loss/(gain) on securities	38	34	-	72
Restructuring related	130	-	-	130
Acquisition, integration and divestiture related	-	42	-	42
Medical Device Regulation	-	64	-	64
COVID-19 Vaccine related costs	444	-	-	444
Adjusted Income Before Tax by Segment from Continuing Operations	\$ <u>5,753</u>	<u>1,981</u>	<u>(198)</u>	<u>7,536</u>
% to Sales	<u>42.9%</u>	<u>26.5%</u>	<u>-0.9%</u>	<u>36.1%</u>

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

Q2 2023 QTD - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	Pharmaceutical	MedTech	Unallocated	Worldwide Total
Reported Income Before Tax by Segment from Continuing Operations	\$ 4,812	1,671	(177)	6,306
% to Sales	35.0%	21.5%	-0.8%	29.3%
Intangible asset amortization expense	748	382	-	1,130
In-process research and development Impairments	-	-	-	-
Litigation Related	(93)	60	170	137
Loss/(gain) on securities	38	(39)	-	(1)
Restructuring related	145	-	-	145
Acquisition, integration and divestiture related	-	38	-	38
Medical Device Regulation	-	85	-	85
COVID-19 Vaccine related costs	165	-	-	165
Adjusted Income Before Tax by Segment from Continuing Operations	\$ 5,815	2,197	(7)	8,005
% to Sales	42.3%	28.2%	0.0%	37.2%

Q2 2023 YTD - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	Pharmaceutical	MedTech	Unallocated	Worldwide Total
Reported Income Before Tax by Segment from Continuing Operations	\$ 9,214	3,080	(7,275)	5,019
% to Sales	33.9%	20.2%	-17.2%	11.8%
Intangible asset amortization expense	1,487	765	-	2,252
In-process research and development Impairments	-	49	-	49
Litigation Related	(93)	60	7,070	7,037
Loss/(gain) on securities	76	(5)	-	71
Restructuring related	275	-	-	275
Acquisition, integration and divestiture related	-	80	-	80
Medical Device Regulation	-	149	-	149
COVID-19 Vaccine related costs	609	-	-	609
Adjusted Income Before Tax by Segment from Continuing Operations	\$ 11,568	4,178	(205)	15,541
% to Sales	42.6%	27.4%	-0.5%	36.6%

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

Q1 2022 - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	<u>Pharmaceutical</u>	<u>MedTech</u>	<u>Unallocated</u>	<u>Worldwide Total</u>
Reported Income Before Tax by Segment from Continuing Operations	\$ 3,873	1,441	(111)	5,203
% to Sales	30.1%	20.7%	-0.6%	26.2%
Intangible asset amortization expense	760	254	-	1,014
In-process research and development Impairments	610	-	-	610
Loss/(gain) on securities	394	17	-	411
Restructuring related	(14)	72	-	58
Medical Device Regulation	-	60	-	60
Other	-	-	(7)	(7)
Adjusted Income Before Tax by Segment from Continuing Operations	<u>\$ 5,623</u>	<u>1,844</u>	<u>(118)</u>	<u>7,349</u>
% to Sales	43.7%	26.5%	-0.6%	37.0%

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

Q2 2022 QTD - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	<u>Pharmaceutical</u>	<u>MedTech</u>	<u>Unallocated</u>	<u>Worldwide Total</u>
Reported Income Before Tax by Segment from Continuing Operations <i>% to Sales</i>	\$ 4,365 32.8%	1,110 16.1%	(331) -1.6%	5,144 25.4%
Intangible asset amortization expense	736	259	-	995
Litigation Related	21	264	100	385
Loss/(gain) on securities	102	7	-	109
Restructuring related	23	80	-	103
Medical Device Regulation	-	70	-	70
COVID-19 Vaccine related costs	276	-	-	276
Adjusted Income Before Tax by Segment from Continuing Operations <i>% to Sales</i>	<u>\$ 5,523</u> 41.5%	<u>1,790</u> 25.9%	<u>(231)</u> -1.1%	<u>7,082</u> 35.0%

Q2 2022 YTD - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	<u>Pharmaceutical</u>	<u>MedTech</u>	<u>Unallocated</u>	<u>Worldwide Total</u>
Reported Income Before Tax by Segment from Continuing Operations <i>% to Sales</i>	\$ 8,238 31.5%	2,551 18.4%	(442) -1.1%	10,347 25.8%
Intangible asset amortization expense	1,496	513	-	2,009
In-process research and development Impairments	610	-	-	610
Litigation Related	21	264	100	385
Loss/(gain) on securities	496	24	-	520
Restructuring related	9	152	-	161
Medical Device Regulation	-	130	-	130
COVID-19 Vaccine related costs	276	-	-	276
Other	-	-	(7)	(7)
Adjusted Income Before Tax by Segment from Continuing Operations <i>% to Sales</i>	<u>\$ 11,146</u> 42.6%	<u>3,634</u> 26.2%	<u>(349)</u> -0.9%	<u>14,431</u> 36.0%

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

Q3 2022 QTD - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	<u>Pharmaceutical</u>	<u>MedTech</u>	<u>Unallocated</u>	<u>Worldwide Total</u>
Reported Income Before Tax by Segment from Continuing Operations <i>% to Sales</i>	\$ 4,186 31.7%	1,090 16.1%	(104) -0.5%	5,172 25.9%
Intangible asset amortization expense	698	260	-	958
Litigation Related	7	212	-	219
Loss/(gain) on securities	177	(13)	-	164
Restructuring related	23	69	-	92
Medical Device Regulation	-	78	-	78
COVID-19 Vaccine related costs	377	-	-	377
Adjusted Income Before Tax by Segment from Continuing Operations <i>% to Sales</i>	<u>\$ 5,468</u> 41.4%	<u>1,696</u> 25.0%	<u>(104)</u> -0.5%	<u>7,060</u> 35.3%

Q3 2022 YTD - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	<u>Pharmaceutical</u>	<u>MedTech</u>	<u>Unallocated</u>	<u>Worldwide Total</u>
Reported Income Before Tax by Segment from Continuing Operations <i>% to Sales</i>	\$ 12,424 31.5%	3,641 17.6%	(546) -0.9%	15,519 25.8%
Intangible asset amortization expense	2,194	773	-	2,967
In-process research and development Impairments	610	-	-	610
Litigation Related	28	476	100	604
Loss/(gain) on securities	673	11	-	684
Restructuring related	32	221	-	253
Medical Device Regulation	-	208	-	208
COVID-19 Vaccine related costs	653	-	-	653
Other	-	-	(7)	(7)
Adjusted Income Before Tax by Segment from Continuing Operations <i>% to Sales</i>	<u>\$ 16,614</u> 42.2%	<u>5,330</u> 25.8%	<u>(453)</u> -0.8%	<u>21,491</u> 35.8%

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

Q4 2022 QTD - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	Pharmaceutical	MedTech	Unallocated	Worldwide Total
Reported Income Before Tax by Segment from Continuing Operations	\$ 3,223	806	(189)	3,840
% to Sales	24.5%	11.9%	-0.9%	19.3%
Intangible asset amortization expense	717	260	-	977
In-process research and development Impairments	173	-	-	173
Litigation Related	76	136	50	262
Loss/(gain) on securities	23	(17)	-	6
Restructuring related	31	88	-	119
Acquisition, integration and divestiture related	(104)	300	-	196
Medical Device Regulation	-	88	-	88
COVID-19 Vaccine related costs	821	-	-	821
Adjusted Income Before Tax by Segment from Continuing Operations	<u>\$ 4,960</u>	<u>1,661</u>	<u>(139)</u>	<u>6,482</u>
% to Sales	37.7%	24.5%	-0.7%	32.5%

Q4 2022 YTD - Income Before Tax by Segment from Continuing Operations
Dollars in Millions

	Pharmaceutical	MedTech	Unallocated	Worldwide Total
Reported Income Before Tax by Segment from Continuing Operations	\$ 15,647	4,447	(735)	19,359
% to Sales	29.8%	16.2%	-0.9%	24.2%
Intangible asset amortization expense	2,911	1,033	-	3,944
In-process research and development Impairments	783	-	-	783
Litigation Related	104	612	150	866
Loss/(gain) on securities	696	(6)	-	690
Restructuring related	63	309	-	372
Acquisition, integration and divestiture related	(104)	300	-	196
Medical Device Regulation	-	296	-	296
COVID-19 Vaccine related costs	1,474	-	-	1,474
Other	-	-	(7)	(7)
Adjusted Income Before Tax by Segment from Continuing Operations	<u>\$ 21,574</u>	<u>6,991</u>	<u>(592)</u>	<u>27,973</u>
% to Sales	41.0%	25.5%	-0.7%	35.0%

Johnson & Johnson and Subsidiaries
GAAP to Non-GAAP Reconciliation
\$ in Millions

Quarter to Date	First Quarter	Intangible asset	Litigation related	In-process	Restructuring	Acquisition,	(Loss)/gain on	Medical Device	COVID-19 Vaccine	Consumer Health	Tax legislation and	First Quarter
	April 2, 2023											amortization
	GAAP			development		divestiture related				related costs		Non-GAAP
Cost of products sold	\$ 6,687	(1,118)		Impairments	-				(23)	(206)		5,340
Selling, marketing and admin expenses	4,906								(7)			4,899
Research and development expense	3,455					(16)			(34)	(16)		3,389
Other (Income) / Expense	6,940	(4)	(6,900)		-	(26)	(72)			(222)		(284)
In-process research and development Impairments	49			(49)								-
Interest (Income) / Expense	14											14
Restructuring	130				(130)							-
Provision for/(Benefit from) taxes on income	(796)	177	1,622	11	32	5	16	12	105	(11)	23	1,196
Net Earnings/(Loss) from Continuing Operations	(491)	945	5,278	38	98	37	56	52	339	11	(23)	6,340
Quarter to Date												
	Second Quarter	Intangible asset	Litigation related	In-process	Restructuring	Acquisition,	(Loss)/gain on	Medical Device	COVID-19 Vaccine	Consumer Health	Tax legislation and	Second Quarter
	July 2, 2023											amortization
	GAAP			development		divestiture related				related costs		Non-GAAP
Cost of products sold	\$ 6,462	(1,130)		Impairments	-				(34)	38	-	5,336
Selling, marketing and admin expenses	5,396								(8)			5,388
Research and development expense	3,703					-			(44)	(46)		3,613
Other (Income) / Expense	(384)	-	(137)		-	(38)	1			(156)		(714)
In-process research and development Impairments	-			-								-
Interest (Income)/Expense	(109)											(109)
Restructuring	145				(145)							-
Provision for taxes on income	930	177	29	-	37	12	(1)	15	38	17	21	1,275
Net Earnings from Continuing Operations	5,376	953	108	-	108	26	-	71	126	(17)	(21)	6,730
Year to Date												
	Six Months	Intangible asset	Litigation related	In-process	Restructuring	Acquisition,	(Loss)/gain on	Medical Device	COVID-19 Vaccine	Consumer Health	Tax legislation and	Six Months
	July 2, 2023											amortization
	GAAP			development		divestiture related				related costs		Non-GAAP
Cost of products sold	\$ 13,149	(2,248)		Impairments	-				(57)	(168)		10,676
Selling, marketing and admin expenses	10,302								(15)			10,287
Research and development expense	7,158					(16)				(62)		7,002
Other (Income) / Expense	6,556	(4)	(7,037)		-	(64)	(71)		(78)			(998)
In-process research and development Impairments	49			(49)								-
Interest (Income)/Expense	(95)											(95)
Restructuring	275				(275)							-
Provision for taxes on income	134	354	1,651	11	69	17	15	27	143	6	44	2,471
Net Earnings from Continuing Operations	4,885	1,898	5,386	38	206	63	56	123	465	(6)	(44)	13,070

Johnson & Johnson and Subsidiaries
GAAP to Non-GAAP Reconciliation
 \$ in Millions

Quarter to Date	Johnson & Johnson and Subsidiaries GAAP to Non-GAAP Reconciliation \$ in Millions											First Quarter April 3, 2022 Non-GAAP	
	First Quarter April 3, 2022 GAAP	Intangible asset amortization	Litigation related	In-process research and development Impairments	Restructuring related	Acquisition, integration and divestiture related	(Loss)/gain on securities	Medical Device Regulation	COVID-19 Vaccine Related Costs	Consumer Health separation tax related costs	Tax legislation and other tax related		Other
Cost of products sold	\$ 6,018	(1,014)			(14)			(22)					4,968
Selling, marketing and admin expenses	4,812						(6)						4,806
Research and development expense	3,355						(32)						3,323
Other (Income) / Expense	(210)				20							7	(594)
In-process research and development Impairments	610			(610)			(411)						-
Restructuring	64				(64)								-
Provision for taxes on income	632	148	(53)	138	8		96	11		(96)	79	(2)	961
Net Earnings from Continuing Operations	4,571	866	53	472	50		315	49		96	(79)	(5)	6,388
Quarter to Date	Second Quarter July 3, 2022 GAAP	Intangible asset amortization	Litigation related	In-process research and development Impairments	Restructuring related	Acquisition, integration and divestiture related	(Loss)/gain on securities	Medical Device Regulation	COVID-19 Vaccine Related Costs	Consumer Health separation tax related costs	Tax legislation and other tax related	Other	Second Quarter July 3, 2022 Non-GAAP
Cost of products sold	\$ 6,322	(995)			(14)			(25)	(194)				5,094
Selling, marketing and admin expenses	5,120							(6)					5,114
Research and development expense	3,585							(39)	(110)				3,436
Other (Income) / Expense	(1)		(385)		(18)		(109)		28				(485)
In-process research and development Impairments	-			-									-
Restructuring	71				(71)								-
Provision for taxes on income	882	148	(29)	-	20		25	13	65	(2)	(78)		1,044
Net Earnings from Continuing Operations	4,262	847	414	-	83		84	57	211	2	78		6,038
Quarter to Date	Third Quarter Oct 2, 2022 GAAP	Intangible asset amortization	Litigation related	In-process research and development Impairments	Restructuring related	Acquisition, integration and divestiture related	(Loss)/gain on securities	Medical Device Regulation	COVID-19 Vaccine Related Costs	Consumer Health separation tax related costs	Tax legislation and other tax related	Other	Third Quarter Oct 2, 2022 Non-GAAP
Cost of products sold	\$ 6,172	(958)			(9)			(29)	(102)				5,074
Selling, marketing and admin expenses	4,975							(7)					4,968
Research and development expense	3,485							(42)	(80)				3,363
Other (Income) / Expense	226		(219)		(18)		(164)		(195)				(370)
In-process research and development Impairments	-			-									-
Restructuring	65				(65)								-
Provision for taxes on income	862	146	(7)	-	19		43	15	96	36	(88)		1,122
Net Earnings from Continuing Operations	4,310	812	226	-	73		121	63	281	(36)	88		5,938
Quarter to Date	Fourth Quarter Jan 1, 2023 GAAP	Intangible asset amortization	Litigation related	In-process research and development Impairments	Restructuring related	Acquisition, integration and divestiture related	(Loss)/gain on securities	Medical Device Regulation	COVID-19 Vaccine Related Costs	Consumer Health separation tax related costs	Tax legislation and other tax related	Other	Fourth Quarter Jan 1, 2023 Non-GAAP
Cost of products sold	\$ 6,084	(977)			(25)			(33)	(160)				4,889
Selling, marketing and admin expenses	5,339							(9)					5,330
Research and development expense	3,710							(46)	(114)				3,550
Other (Income) / Expense	795		(262)		(19)		(6)		(547)				(235)
In-process research and development Impairments	173			(173)									-
Restructuring	75				(75)								-
Provision for taxes on income	613	148	(36)	40	19		2	17	199	(4)	47		1,050
Net Earnings from Continuing Operations	3,227	829	298	133	100	191	4	71	622	4	(47)		5,432
Year to Date	Twelve Months Jan 1, 2023 GAAP	Intangible asset amortization	Litigation related	In-process research and development Impairments	Restructuring related	Acquisition, integration and divestiture related	(Loss)/gain on securities	Medical Device Regulation	COVID-19 Vaccine Related Costs	Consumer Health separation tax related costs	Tax legislation and other tax related	Other	Twelve Months Jan 1, 2023 Non-GAAP
Cost of products sold	\$ 24,596	(3,944)			(62)			(109)	(456)				20,025
Selling, marketing and admin expenses	20,246							(28)					20,218
Research and development expense	14,135							(159)	(304)				13,672
Other (Income) / Expense	810		(866)		(35)	(196)	(690)		(714)			7	(1,684)
In-process research and development Impairments	783			(783)									-
Restructuring	275				(275)								-
Provision for taxes on income	2,989	590	(125)	178	66	5	166	56	360	(66)	(40)	(2)	4,177
Net Earnings from Continuing Operations	16,370	3,354	991	605	306	191	524	240	1,114	66	40	(5)	23,796