

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

<i>(Dollars in Millions Except Per Share Data)</i>	Third Quarter		% Incr. /	Nine Months YTD		% Incr. /
	2019	2018	(Decr.)	2019	2018	(Decr.)
Earnings before provision for taxes on income - as reported	\$ 1,647	4,423	(62.8) %	\$ 13,110	14,877	(11.9) %
Intangible asset amortization expense	1,138	1,085		3,386	3,284	
In-process research and development	-	1,126		890	1,126	
Litigation expense, net	4,000	-		4,832	703	
Restructuring/Other (1)	128	190		360	473	
Actelion acquisition related cost	33	40		123	200	
Auris Health acquisition related cost	65	-		56	-	
AMO acquisition related cost	9	36		50	82	
Unrealized loss/(gain) on securities	89	9		(217)	(3)	
Contingent liability reversal	-	(184)		-	(184)	
Diabetes asset impairment	-	-		-	4	
Other	7	55		7	90	
Earnings before provision for taxes on income - as adjusted	<u>\$ 7,116</u>	<u>6,780</u>	<u>5.0 %</u>	<u>\$ 22,597</u>	<u>20,652</u>	<u>9.4 %</u>
Net Earnings - as reported	\$ 1,753	3,934	(55.4) %	\$ 11,109	12,255	(9.4) %
Intangible asset amortization expense	1,011	968		2,836	2,931	
In-process research and development	-	859		703	859	
Litigation expense, net	3,080	-		3,764	609	
Restructuring/Other	106	162		297	395	
Actelion acquisition related cost	30	37		114	193	
Auris Health acquisition related cost	51	-		44	-	
AMO acquisition related cost	7	29		40	68	
Unrealized loss/(gain) on securities	71	8		(171)	(2)	
Contingent liability reversal	-	(184)		-	(184)	
Diabetes asset impairment	-	-		-	3	
Impact of tax legislation (2)	(391)	(265)		(391)	(253)	
Other	(46)	42		(62)	69	
Net Earnings - as adjusted	<u>\$ 5,672</u>	<u>5,590</u>	<u>1.5 %</u>	<u>\$ 18,283</u>	<u>16,943</u>	<u>7.9 %</u>
Diluted Net Earnings per share - as reported	\$ 0.66	1.44	(54.2) %	\$ 4.13	4.49	(8.0) %
Intangible asset amortization expense	0.38	0.35		1.06	1.07	
In-process research and development	-	0.32		0.26	0.32	
Litigation expense, net	1.15	-		1.40	0.22	
Restructuring/Other	0.04	0.06		0.11	0.15	
Actelion acquisition related cost	0.01	0.02		0.04	0.07	
Auris Health acquisition related cost	0.02	-		0.02	-	
AMO acquisition related cost	-	0.01		0.01	0.02	
Unrealized loss/(gain) on securities	0.03	-		(0.06)	-	
Contingent liability reversal	-	(0.07)		-	(0.07)	
Diabetes asset impairment	-	-		-	-	
Impact of tax legislation	(0.15)	(0.10)		(0.15)	(0.09)	
Other	(0.02)	0.02		(0.02)	0.03	
Diluted Net Earnings per share - as adjusted	<u>\$ 2.12</u>	<u>2.05</u>	<u>3.4 %</u>	<u>\$ 6.80</u>	<u>6.21</u>	<u>9.5 %</u>
Operational Diluted Net Earnings per share - as adjusted at 2017 foreign currency exchange rates		2.08			6.04	
Impact of currency at 2018 foreign currency exchange rates	0.05	(0.03)		0.18	0.17	
Operational Diluted Net Earnings per share - as adjusted at 2018 foreign currency exchange rates	<u>\$ 2.17</u>	<u>2.05</u>	<u>5.9 %</u>	<u>\$ 6.98</u>	<u>6.21</u>	<u>12.4 %</u>

<sup>(1)</sup> Includes \$20M recorded in cost of products sold and \$39M recorded in other (income) expense for the third quarter 2019. Includes \$81M recorded in cost of products sold and \$117M recorded in other (income) expense for nine months 2019 YTD. Includes \$23M recorded in cost of products sold and \$79M recorded in other (income) expense for the third quarter 2018. Includes \$73M recorded in cost of products sold and \$213M recorded in other (income) expense for nine months 2018 YTD.

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

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

**Adjusted Operational Sales Growth**  
**THIRD QUARTER 2019 ACTUAL vs. 2018 ACTUAL**

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
<b>WW As Reported</b>	<b>1.6%</b>	<b>5.1%</b>	<b>(3.1)%</b>	<b>1.9%</b>
U.S.	1.7%	4.0%	(4.4)%	1.2%
International	1.4%	6.8%	(1.9)%	2.6%
<b>WW Currency</b>	<b>(1.7)</b>	<b>(1.3)</b>	<b>(1.1)</b>	<b>(1.3)</b>
U.S.	-	-	-	-
International	(2.9)	(3.2)	(2.2)	(2.8)
<b>WW Operational</b>	<b>3.3%</b>	<b>6.4%</b>	<b>(2.0)%</b>	<b>3.2%</b>
U.S.	1.7%	4.0%	(4.4)%	1.2%
International	4.3%	10.0%	0.3%	5.4%
<b>OTC</b>				
<b>Zarbees</b>	<b>(0.4)</b>			<b>(0.1)</b>
U.S.	(1.0)			(0.1)
International	0.0			0.0
<b>Diabetes Care</b>				
<b>LifeScan</b>			<b>5.1</b>	<b>1.6</b>
U.S.			4.0	1.2
International			6.1	2.1
<b>Beauty</b>				
<b>RoC</b>	<b>0.5</b>			<b>0.1</b>
U.S.	1.1			0.1
International	0.1			0.0
<b>Beauty</b>				
<b>Dr. Ci Labo - Japan</b>	<b>(2.3)</b>			<b>(0.4)</b>
U.S.	0.0			0.0
International	(3.9)			(0.8)
<b>Specialty Surgery</b>				
<b>Advanced Sterilization Products</b>			<b>2.1</b>	<b>0.7</b>
U.S.			2.9	0.9
International			1.4	0.5
<b>Baby Care</b>				
<b>BabyCenter</b>	<b>0.2</b>			<b>0.0</b>
U.S.	0.5			0.1
International	0.0			0.0
<b>All Other Acquisitions and Divestitures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
U.S.	0.0	0.0	(0.1)	0.0
International	0.1	0.0	0.1	0.1
<b>WW Adjusted Operational</b>	<b>1.3%</b>	<b>6.4%</b>	<b>5.3%</b>	<b>5.2%</b>
U.S.	2.4%	4.0%	2.5%	3.4%
International	0.6%	10.0%	8.0%	7.3%

**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**  
NINE MONTHS 2019 ACTUAL vs. 2018 ACTUAL

Segments				
	Consumer	Pharmaceutical	Medical Devices	Total
<b>WW As Reported</b>	<b>0.1%</b>	<b>3.6%</b>	<b>(4.9)%</b>	<b>0.2%</b>
U.S.	2.0%	2.0%	(3.9)%	0.2%
International	(1.2)%	5.7%	(5.8)%	0.2%
<b>WW Currency</b>	<b>(3.3)</b>	<b>(2.6)</b>	<b>(2.5)</b>	<b>(2.7)</b>
U.S.	-	-	-	-
International	(5.5)	(6.0)	(4.8)	(5.5)
<b>WW Operational</b>	<b>3.4%</b>	<b>6.2%</b>	<b>(2.4)%</b>	<b>2.9%</b>
U.S.	2.0%	2.0%	(3.9)%	0.2%
International	4.3%	11.7%	(1.0)%	5.7%
<b>Beauty</b>				
<b>Nizoral</b>	<b>0.3</b>			<b>0.1</b>
U.S.	0.2			0.0
International	0.4			0.1
<b>OTC</b>				
<b>Zarbees</b>	<b>(0.6)</b>			<b>(0.1)</b>
U.S.	(1.5)			(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			6.1	2.2
<b>Beauty</b>				
<b>RoC</b>	<b>0.7</b>			<b>0.1</b>
U.S.	1.3			0.2
International	0.2			0.0
<b>Beauty</b>				
<b>Dr. Ci Labo - Japan</b>	<b>(2.5)</b>			<b>(0.4)</b>
U.S.	0.0			0.0
International	(4.2)			(0.9)
<b>Specialty Surgery</b>				
<b>Advanced Sterilization Products</b>			<b>1.4</b>	<b>0.5</b>
U.S.			1.9	0.6
International			0.8	0.3
<b>Baby Care</b>				
<b>BabyCenter</b>	<b>0.1</b>			<b>0.0</b>
U.S.	0.2			0.0
International	0.0			0.0
<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	0.1	0.0
International	0.2	0.0	0.1	0.1
<b>WW Adjusted Operational</b>	<b>1.4%</b>	<b>6.2%</b>	<b>4.3%</b>	<b>4.8%</b>
U.S.	2.2%	2.0%	2.2%	2.1%
International	0.8%	11.7%	6.1%	7.6%

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

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

Q3 YTD - Income Before Tax by Segment  
Dollars in Millions

	Consumer		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Reported Income Before Tax by Segment	\$ 1,800	1,887	5,786	10,193	6,078	3,642	(554)	(845)	13,110	14,877
<b>% to Sales</b>	<b>17.4%</b>	<b>18.3%</b>	<b>18.3%</b>	<b>33.4%</b>	<b>31.4%</b>	<b>17.9%</b>	<b>-0.9%</b>	<b>-1.4%</b>	<b>21.4%</b>	<b>24.3%</b>
Intangible asset amortization expense	287	193	2,370	2,279	729	812	-	-	3,386	3,284
In-process research and development	-	-	890	1,126	-	-	-	-	890	1,126
Litigation expense, net	172	-	4,325	29	335	674	-	-	4,832	703
Unrealized loss/(gain) on securities	(1)	1	(236)	4	20	(8)	-	-	(217)	(3)
Restructuring / Other	61	17	68	43	231	413	-	-	360	473
Contingent Liability Reversal	-	-	-	(184)	-	-	-	-	-	(184)
Actelion acquisition related cost	-	-	123	200	-	-	-	-	123	200
AMO acquisition related cost	-	-	-	-	50	82	-	-	50	82
Diabetes asset impairment	-	-	-	-	-	4	-	-	-	4
Auris Health acquisition related	-	-	-	-	56	-	-	-	56	-
Other	-	-	-	-	7	90	-	-	7	90
Adjusted Income Before Tax by Segment	\$ <u>2,319</u>	<u>2,098</u>	<u>13,326</u>	<u>13,690</u>	<u>7,506</u>	<u>5,709</u>	<u>(554)</u>	<u>(845)</u>	<u>22,597</u>	<u>20,652</u>
<b>% to Sales</b>	<b>22.4%</b>	<b>20.3%</b>	<b>42.1%</b>	<b>44.8%</b>	<b>38.8%</b>	<b>28.1%</b>	<b>-0.9%</b>	<b>-1.4%</b>	<b>36.9%</b>	<b>33.8%</b>

2019 has been updated in accordance with the Form 8-K filed on October 23, 2019

**Johnson & Johnson and Subsidiaries**  
**Net Income and Diluted EPS GAAP to Non-GAAP Reconciliation**  
**\$ in Millions Except Per Share Data**

	Third Quarter Sept. 29, 2019		A	Third Quarter Sept. 29, 2019		B	Third Quarter Sept. 30, 2018		C	Third Quarter Sept. 30, 2018	
	GAAP	Adjustment		Non-GAAP	GAAP		Adjustment	Non-GAAP			
Cost of products sold	\$ 6,867	(1,158)		5,709	\$ 6,589	(1,108)		5,481			
Other (Income) / Expense	4,214	(4,242)		(28)	3	(35)		(32)			
In-process research and development	-	-		-	1,126	(1,126)		-			
Restructuring	69	(69)		-	88	(88)		-			
Provision for/(Benefit from) taxes on income	(106)	1,550		1,444	489	701		1,190			
Net Earnings	1,753	3,919		5,672	3,934	1,656		5,590			
Diluted Net Earnings per Share	\$ 0.66	1.46		2.12	\$ 1.44	0.61		2.05			

(A) Includes \$1,138 Intangible asset amortization expense and \$20 Restructuring/Other

(B) Includes \$4,000 Litigation expense, \$39 Restructuring/Other, \$33 Actelion acquisition related cost, \$65 Auris acquisition related cost, \$9 AMO acquisition related cost, \$89 Unrealized loss on securities and \$7 Other

(C) Includes \$69 Restructuring/Other

(D) Includes \$1,085 Intangible asset amortization expense and \$23 Restructuring/Other

(E) Includes \$79 Restructuring/Other, \$40 Actelion acquisition related cost, \$184 Contingent liability reversal, \$36 AMO acquisition related cost, \$9 Unrealized loss on securities and \$55 Other

(F) Includes \$1,126 In-process research and development

(G) Includes \$88 Restructuring/Other

	Nine Months Sept. 29, 2019		A	Nine Months Sept. 29, 2019		B	Nine Months Sept. 30, 2018		C	Nine Months Sept. 30, 2018	
	GAAP	Adjustment		Non-GAAP	GAAP		Adjustment	Non-GAAP			
Cost of products sold	\$ 20,422	(3,429)		16,993	\$ 20,130	(3,465)		16,665			
Other (Income) / Expense	2,509	(5,006)		(2,497)	427	(997)		(570)			
In-process research and development	890	(890)		-	1,126	(1,126)		-			
Restructuring	162	(162)		-	187	(187)		-			
Provision for taxes on income	2,001	2,313		4,314	2,622	1,087		3,709			
Net Earnings	11,109	7,174		18,283	12,255	4,688		16,943			
Diluted Net Earnings per Share	\$ 4.13	2.67		6.80	\$ 4.49	1.72		6.21			

(A) Includes \$3,348 Intangible asset amortization expense and \$81 Restructuring/Other

(B) Includes \$4,832 Litigation expense, \$117 Restructuring/Other, \$123 Actelion acquisition related cost, \$56 Auris acquisition related cost, \$50 AMO acquisition related cost, \$217 Unrealized gain on securities, \$38 Intangible asset amortization expense and \$7 Other

(C) Includes \$890 In-process research and development

(D) Includes \$162 Restructuring/Other

(E) Includes \$3,284 Intangible asset amortization expense, \$108 Actelion acquisition related cost and \$73 Restructuring/Other

(F) Includes \$703 Litigation expense, \$213 Restructuring/Other, \$92 Actelion acquisition related cost, \$184 Contingent liability reversal, \$82 AMO acquisition related cost, \$4 Diabetes asset impairment, \$3 Unrealized gain on securities and \$90 Other

(G) Includes \$1,126 In-process research and development

(H) Includes \$187 Restructuring/Other

Note: Values may have been rounded

2019 has been updated in accordance with the Form 8-K filed on October 23, 2019