



Johnson & Johnson Reports 2019 Fourth-Quarter And Full Year Results:

January 22, 2020

- 2019 Fourth-Quarter Sales of \$20.7 Billion reflecting growth of 1.7%, operational growth of 2.6%* and adjusted operational growth of 3.4%*
- 2019 Full-Year Sales of \$82.1 Billion reflecting growth of 0.6%, operational growth of 2.8%* and adjusted operational growth of 4.5%*
- 2019 Fourth-Quarter EPS of \$1.50 increased 33.9%; adjusted EPS of \$1.88 decreased 4.6%*
- 2019 Full-Year EPS of \$5.63 increased 0.4%; adjusted EPS of \$8.68 increased 6.1%*
- Company projects continued sales and earnings growth in 2020 guidance

NEW BRUNSWICK, N.J., Jan. 22, 2020 /PRNewswire/ -- Johnson & Johnson (NYSE: JNJ) today announced results for fourth-quarter and full year 2019. "We delivered strong underlying sales and earnings growth in 2019, driven by the strength of our Pharmaceutical business, accelerating performance in our Medical Devices business and improved profitability in our Consumer business," said Alex Gorsky, Chairman and Chief Executive Officer. "As we enter into 2020 and this next decade, our strategic investments focused on advancing our pipelines and driving innovation across our entire product portfolio, position us well to deliver long-term sustainable growth and value to our shareholders."

Mr. Gorsky continued, "I am extremely proud of our talented and dedicated colleagues who live Our Credo values each and every day, and are inspired to deliver transformative healthcare solutions that improve the lives of our patients and consumers around the world."

OVERALL FINANCIAL RESULTS:

(\$ in Millions, except EPS)	FOURTH QUARTER			TWELVE MONTHS		
	2019	2018	% Change	2019	2018	% Change
Reported Sales	\$ 20,747	\$ 20,394	1.7%	\$ 82,059	\$ 81,581	0.6%
Net Earnings	4,010	3,042	31.8%	15,119	15,297	(1.2)%
EPS (diluted)	\$ 1.50	\$ 1.12	33.9%	\$ 5.63	\$ 5.61	0.4%

(\$ in Millions, except EPS)	FOURTH QUARTER			TWELVE MONTHS		
	2019	2018	% Change	2019	2018	% Change
Operational Sales ^{1,2}	n/a	n/a	2.6%	n/a	n/a	2.8%
Adjusted Operational Sales ^{1,3}	n/a	n/a	3.4%	n/a	n/a	4.5%
Adjusted Net Earnings ^{1,4}	5,027	5,372	(6.4)%	23,310	22,315	4.5%
Adjusted EPS (diluted) ^{1,4}	\$ 1.88	\$ 1.97	(4.6)%	\$ 8.68	\$ 8.18	6.1%

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

REGIONAL SALES RESULTS:

(\$ in Millions)	FOURTH QUARTER		% Change			
	2019	2018	Reported	Operational ^{1,2}	Currency	Adjusted Operational ^{1,3}
U.S.	\$ 10,774	\$ 10,629	1.4%	1.4	-	2.7
International	9,973	9,765	2.1%	4.0	(1.9)	4.1
Worldwide	\$ 20,747	\$ 20,394	1.7%	2.6	(0.9)	3.4

(\$ in Millions)	TWELVE MONTHS		% Change			
	2019	2018	Reported	Operational ^{1,2}	Currency	Adjusted Operational ^{1,3}
U.S.	\$ 42,097	\$ 41,884	0.5%	0.5	-	2.3
International	39,962	39,697	0.7%	5.3	(4.6)	6.7
Worldwide	\$ 82,059	\$ 81,581	0.6%	2.8	(2.2)	4.5

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)	FOURTH QUARTER		% Change			
	2019	2018	Reported	Operational ^{1,2}	Currency	Adjusted Operational ^{1,3}
Consumer	\$ 3,567	\$ 3,536	0.9%	2.1	(1.2)	1.4
Pharmaceutical	10,548	10,190	3.5%	4.4	(0.9)	4.5
Medical Devices	6,632	6,668	(0.5)%	0.2	(0.7)	2.7
Worldwide	\$ 20,747	\$ 20,394	1.7%	2.6	(0.9)	3.4

(\$ in Millions)	TWELVE MONTHS		% Change			
	2019	2018	Reported	Operational ^{1,2}	Currency	Adjusted Operational ^{1,3}
Consumer	\$ 13,898	\$ 13,853	0.3%	3.0	(2.7)	1.4
Pharmaceutical	42,198	40,734	3.6%	5.8	(2.2)	5.8
Medical Devices	25,963	26,994	(3.8)%	(1.7)	(2.1)	3.9
Worldwide	\$ 82,059	\$ 81,581	0.6%	2.8	(2.2)	4.5

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

FULL-YEAR 2019 SEGMENT COMMENTARY:

Consumer

Consumer worldwide operational sales, excluding the net impact of acquisitions and divestitures, grew 1.4%* driven by NEUTROGENA beauty products and over-the-counter products including TYLENOL and MOTRIN analgesics, partially offset by lower sales of baby care products.

Pharmaceutical

Pharmaceutical worldwide operational sales, excluding the net impact of acquisitions and divestitures, grew 5.8%* driven by STELARA (ustekinumab), a biologic for the treatment of a number of immune-mediated inflammatory diseases, DARZALEX (daratumumab), for the treatment of multiple myeloma, IMBRUVICA (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, a type of blood or lymph node cancer, TREMFYA (guselkumab), a biologic for the treatment of adults living with moderate to severe plaque psoriasis, INVEGA SUSTENNA/XEPLION/INVEGA TRINZA/TREVICTA (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults, and ERLEADA (apalutamide), a next-generation androgen receptor inhibitor for the treatment of patients with prostate cancer. This growth was partially offset by biosimilar and generic competition, primarily declines in REMICADE (infliximab), a biologic approved for the treatment of a number of immune-mediated inflammatory diseases, 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 and international VELCADE (bortezomib), a proteasome inhibitor for the treatment of multiple myeloma.

Medical Devices

Medical Devices worldwide operational sales, excluding the net impact of acquisitions and divestitures, grew 3.9%* driven by electrophysiology products in the Interventional Solutions business, international energy and endocutter products in the Advanced Surgery business, and ACUVUE contact lenses in the Vision business.

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, 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.

Regulatory Approvals	DARZALEX (daratumumab) - European Commission Approves Combination with Bortezomib, Thalidomide and Dexamethasone for Patients with Newly Diagnosed Multiple Myeloma Who Are Transplant Eligible ¹	(press release)
	SPRAVATO (esketamine) Nasal Spray - Approved in Europe for Adults with Treatment-Resistant Major Depressive Disorder	(press release)
	DARZALEX (daratumumab) - European Commission Approves Combination with Lenalidomide and Dexamethasone for Patients with Newly Diagnosed Multiple Myeloma Who Are Transplant Ineligible	(press release)
	STELARA (ustekinumab) - U.S. FDA Approval for the Treatment of Adults with Moderately to Severely Active Ulcerative Colitis	(press release)
Regulatory Submissions	SPRAVATO (esketamine) - Submission of a Type II Variation Application to the European Medicines Agency (EMA) Seeking Expanded Use as a Treatment for Depressive Symptoms in Adults with Major Depressive Disorder Who Have Current Suicidal Ideation with Intent ¹	(press release)
	IMBRUVICA (ibrutinib) - Supplemental NDA Submitted to U.S. FDA and Type II Variation Submitted to EMA ¹ Seeking Approval of Combination with Rituximab for Previously Untreated Patients with CLL	(press release) (press release)
	Ebola Vaccine Regimen - Submission of MAA to EMA for Prevention of Ebola Virus Disease (EVD) caused by Zaire Ebolavirus Species.	(press release)
	TREMFYA (guselkumab) - Submission of a Type II Variation Application to the EMA Seeking to Expand Use in the Treatment of Adults with Active Psoriatic Arthritis	(press release)
Other	Completion of Acquisition of Bermekimab, an investigational compound for multiple dermatological indications, from XBiotech Inc. ¹	(press release)
	Rilpivirine and Cabotegravir - U.S. FDA issues Complete Response Letter Issued for Investigational Two-Drug Long-Acting HIV Regimen	(press release)
	Completion of Acquisition of TARIS Biomedical with Focus on Transforming the Treatment of Bladder Cancer	(press release)
	Agreement Announced to Acquire Remaining Stake in Verb Surgical Inc.	(press release)
	BCMA CAR-T Therapy Granted U.S. FDA Breakthrough Therapy Designation for the Treatment of Relapsed or Refractory Multiple Myeloma	(press release)
	J&J Vision Introduces TECNIS Toric II 1-Piece IOL as New Monofocal Option for Cataract Patients with Astigmatism	(press release)
	Ethicon Launches VISTASEAL Fibrin Sealant (Human) To Manage Bleeding During Surgery	(press release)
	New Cervical Spine System from DePuy Synthes Advances Treatment Options for Patients with Complex Cervical Spine Disorders	(press release)

¹ Subsequent to the quarter

FULL-YEAR 2020 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.

January 2020

(\$ in Billions, except EPS)

Adjusted Operational Sales ^{1,2}	5.0% - 6.0%
Change vs. Prior Year	
Operational Sales ²	\$85.8 to \$86.6
Change vs. Prior Year	4.5% - 5.5%
Estimated Reported Sales ³	\$85.4 to \$86.2
Change vs. Prior Year	4.0% - 5.0%

Adjusted Operational EPS (Diluted) ^{2,4}	\$9.00 to \$9.15
Change vs. Prior Year	3.7% - 5.4%
Adjusted EPS (Diluted) ^{3,4}	\$8.95 to \$9.10
Change vs. Prior Year	3.1% - 4.8%

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: January 2020 = \$1.11 (Illustrative purposes only)

⁴ 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 8:00 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. The 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.

Supplementary Sales Data

(Unaudited; Dollars in Millions)	FOURTH QUARTER					TWELVE MONTHS				
	2019	2018	Total	Percent Change		2019	2018	Total	Percent Change	
				Operations	Currency				Operations	Currency
Sales to customers by segment of business										
Consumer										
U.S.	\$ 1,470	1,479	(0.6) %	(0.6)	-	\$ 5,839	5,761	1.4 %	1.4	-
International	2,097	2,057	2.0	4.0	(2.0)	8,059	8,092	(0.4)	4.2	(4.6)
	3,567	3,536	0.9	2.1	(1.2)	13,898	13,853	0.3	3.0	(2.7)
Pharmaceutical										
U.S.	6,169	5,936	3.9	3.9	-	23,874	23,286	2.5	2.5	-
International	4,379	4,254	2.9	5.1	(2.2)	18,324	17,448	5.0	10.1	(5.1)
	10,548	10,190	3.5	4.4	(0.9)	42,198	40,734	3.6	5.8	(2.2)
Medical Devices										
U.S.	3,135	3,214	(2.4)	(2.4)	-	12,384	12,837	(3.5)	(3.5)	-
International	3,497	3,454	1.3	2.7	(1.4)	13,579	14,157	(4.1)	(0.1)	(4.0)
	6,632	6,668	(0.5)	0.2	(0.7)	25,963	26,994	(3.8)	(1.7)	(2.1)
U.S.	10,774	10,629	1.4	1.4	-	42,097	41,884	0.5	0.5	-
International	9,973	9,765	2.1	4.0	(1.9)	39,962	39,697	0.7	5.3	(4.6)
Worldwide	\$ 20,747	20,394	1.7 %	2.6	(0.9)	\$ 82,059	81,581	0.6 %	2.8	(2.2)

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)	FOURTH QUARTER					TWELVE MONTHS				
	2019	2018	Total	Percent Change		2019	2018	Total	Percent Change	
				Operations	Currency				Operations	Currency
Sales to customers by geographic area										
U.S.	\$ 10,774	10,629	1.4 %	1.4	-	\$ 42,097	41,884	0.5 %	0.5	-
Europe	4,663	4,730	(1.4)	1.0	(2.4)	18,466	18,753	(1.5)	3.8	(5.3)
Western Hemisphere excluding U.S.	1,495	1,456	2.6	9.3	(6.7)	5,941	6,113	(2.8)	5.7	(8.5)
Asia-Pacific, Africa	3,815	3,579	6.6	5.8	0.8	15,555	14,831	4.9	6.9	(2.0)
International	9,973	9,765	2.1	4.0	(1.9)	39,962	39,697	0.7	5.3	(4.6)
Worldwide	\$ 20,747	20,394	1.7 %	2.6	(0.9)	\$ 82,059	81,581	0.6 %	2.8	(2.2)

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)	FOURTH QUARTER				
	2019		2018		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,747	100.0	\$ 20,394	100.0	1.7
Cost of products sold	7,134	34.4	6,961	34.1	2.5
Gross Profit	13,613	65.6	13,433	65.9	1.3
Selling, marketing and administrative expenses	6,039	29.1	5,991	29.4	0.8
Research and development expense	3,232	15.6	3,224	15.8	0.2
Interest (income) expense, net	4	0.0	54	0.3	
Other (income) expense, net	16	0.1	978	4.8	
Restructuring	104	0.5	64	0.3	
Earnings before provision for taxes on income	4,218	20.3	3,122	15.3	35.1
Provision for taxes on income	208	1.0	80	0.4	160.0
Net earnings	\$ 4,010	19.3	\$ 3,042	14.9	31.8
Net earnings per share (Diluted)	\$ 1.50		\$ 1.12		33.9
Average shares outstanding (Diluted)	2,669.1		2,724.0		
Effective tax rate	4.9 %		2.6 %		
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 5,628	27.1	\$ 6,046	29.6	(6.9)
Net earnings	\$ 5,027	24.2	\$ 5,372	26.3	(6.4)
Net earnings per share (Diluted)	\$ 1.88		\$ 1.97		(4.6)
Effective tax rate	10.7 %		11.1 %		

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

Johnson & Johnson and Subsidiaries
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)	TWELVE MONTHS				
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	2019		2018		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 82,059	100.0	\$ 81,581	100.0	0.6
Cost of products sold	27,556	33.6	27,091	33.2	1.7
Gross Profit	54,503	66.4	54,490	66.8	0.0
Selling, marketing and administrative expenses	22,178	27.0	22,540	27.6	(1.6)
Research and development expense	11,355	13.8	10,775	13.2	5.4
In-process research and development	890	1.1	1,126	1.4	
Interest (income) expense, net	(39)	0.0	394	0.5	
Other (income) expense, net	2,525	3.1	1,405	1.7	
Restructuring	266	0.3	251	0.3	
Earnings before provision for taxes on income	17,328	21.1	17,999	22.1	(3.7)
Provision for taxes on income	2,209	2.7	2,702	3.3	(18.2)
Net earnings	\$ 15,119	18.4	\$ 15,297	18.8	(1.2)
Net earnings per share (Diluted)	\$ 5.63		\$ 5.61		0.4
Average shares outstanding (Diluted)	2,684.3		2,728.7		
Effective tax rate	12.7 %		15.0 %		
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 28,225	34.4	\$ 26,698	32.7	5.7
Net earnings	\$ 23,310	28.4	\$ 22,315	27.4	4.5
Net earnings per share (Diluted)	\$ 8.68		\$ 8.18		6.1
Effective tax rate	17.4 %		16.4 %		

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

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

	Fourth Quarter			Twelve Months		
	2019	2018	% Incr. / (Decr.)	2019	2018	% Incr. / (Decr.)
<i>(Dollars in Millions Except Per Share Data)</i>						
Earnings before provision for taxes on income - as reported	\$ 4,218	3,122	35.1 %	\$ 17,328	17,999	(3.7) %
Litigation expense, net	264	1,288		5,096	1,991	
Intangible asset amortization expense	1,142	1,073		4,528	4,357	
In-process research and development	-	-		890	1,126	
Restructuring/Other ⁽¹⁾	251	227		611	700	
Actelion acquisition related cost	62	43		185	243	
Auris Health acquisition related cost	16	-		72	-	
AMO acquisition related cost	12	27		62	109	
Unrealized loss/(gain) on securities	(350)	182		(567)	179	
Contingent liability reversal	-	-		-	(184)	
Tax legislation and related impacts	-	72		-	72	
Other	13	12		20	106	
Earnings before provision for taxes on income - as adjusted	\$ 5,628	6,046	(6.9) %	\$ 28,225	26,698	5.7 %
Net Earnings - as reported	\$ 4,010	3,042	31.8 %	\$ 15,119	15,297	(1.2) %
Litigation expense, net	251	1,113		4,015	1,722	
Intangible asset amortization expense	1,008	957		3,844	3,888	
In-process research and development	-	-		703	859	
Restructuring/Other	214	190		511	585	
Actelion acquisition related cost	58	39		172	232	
Auris Health acquisition related cost	12	-		56	-	
AMO acquisition related cost	12	21		52	89	
Unrealized loss/(gain) on securities	(277)	143		(448)	141	
Contingent liability reversal	-	-		-	(184)	
Tax legislation and related impacts ⁽²⁾	(184)	(137)		(575)	(390)	
Other	(77)	4		(139)	76	
Net Earnings - as adjusted	\$ 5,027	5,372	(6.4) %	\$ 23,310	22,315	4.5 %
Diluted Net Earnings per share - as reported	\$ 1.50	1.12	33.9 %	\$ 5.63	5.61	0.4 %
Litigation expense, net	0.10	0.41		1.50	0.63	
Intangible asset amortization expense	0.38	0.35		1.43	1.42	
In-process research and development	-	-		0.26	0.32	
Restructuring/Other	0.08	0.07		0.19	0.21	
Actelion acquisition related cost	0.02	0.01		0.06	0.09	
Auris Health acquisition related cost	-	-		0.02	-	
AMO acquisition related cost	-	0.01		0.02	0.03	
Unrealized loss/(gain) on securities	(0.10)	0.05		(0.17)	0.05	
Contingent liability reversal	-	-		-	(0.07)	
Tax legislation and related impacts	(0.07)	(0.05)		(0.21)	(0.14)	
Other	(0.03)	-		(0.05)	0.03	
Diluted Net Earnings per share - as adjusted	\$ 1.88	1.97	(4.6) %	\$ 8.68	8.18	6.1 %
Operational Diluted Net Earnings per share - as adjusted at 2017 foreign currency exchange rates		2.02			8.06	
Impact of currency at 2018 foreign currency exchange rates	0.03	(0.05)		0.22	0.12	
Operational Diluted Net Earnings per share - as adjusted at 2018 foreign currency exchange rates	\$ 1.91	1.97	(3.0) %	\$ 8.90	8.18	8.8 %

(1) Includes \$70M recorded in cost of products sold and \$77M recorded in other (income) expense for the fourth quarter 2019, and \$32M recorded in cost of products sold and \$131M recorded in other (income) expense for the fourth quarter 2018.
Includes \$151M recorded in cost of products sold and \$194M recorded in other (income) expense for twelve months YTD 2019, and \$105M recorded in cost of products sold and \$344M recorded in other (income) expense for twelve months YTD 2018.

(2) Includes foreign currency translation

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

Adjusted Operational Sales Growth
FOURTH QUARTER 2019 ACTUAL vs. 2018 ACTUAL

Segments				
	Consumer	Pharmaceutical	Medical Devices	Total
WW As Reported	0.9%	3.5%	(0.5)%	1.7%
U.S.	(0.6)%	3.9%	(2.4)%	1.4%
International	2.0%	2.9%	1.3%	2.1%
WW Currency	(1.2)	(0.9)	(0.7)	(0.9)
U.S.	-	-	-	-
International	(2.0)	(2.2)	(1.4)	(1.9)
WW Operational	2.1%	4.4%	0.2%	2.6%
U.S.	(0.6)%	3.9%	(2.4)%	1.4%
International	4.0%	5.1%	2.7%	4.0%
Beauty				
RoC	0.6			0.1
U.S.	1.4			0.2
International	0.0			0.0
Beauty				
Dr. Ci Labo - Japan	(1.7)			(0.3)
U.S.	0.0			0.0
International	(2.9)			(0.6)
Specialty Surgery				
Advanced Sterilization Products			2.4	0.8
U.S.			3.0	0.9
International			2.0	0.7
Baby Care				
Baby Center	0.3			0.1
U.S.	0.8			0.1
International	0.0			0.0
All Other Acquisitions and Divestitures	0.0	0.1	0.1	0.1
U.S.	0.0	0.1	0.0	0.1
International	0.1	0.0	0.1	0.1
WW Adjusted Operational	1.4%	4.5%	2.7%	3.4%
U.S.	1.6%	4.1%	0.6%	2.7%
International	1.3%	5.1%	4.7%	4.1%

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
TWELVE MONTHS 2019 ACTUAL vs. 2018 ACTUAL

Segments				
	Consumer	Pharmaceutical	Medical Devices	Total
WW As Reported	0.3%	3.6%	(3.8)%	0.6%
U.S.	1.4%	2.5%	(3.5)%	0.5%
International	(0.4)%	5.0%	(4.1)%	0.7%
WW Currency	(2.7)	(2.2)	(2.1)	(2.2)
U.S.	-	-	-	-
International	(4.6)	(5.1)	(4.0)	(4.6)
WW Operational	3.0%	5.8%	(1.7)%	2.8%
U.S.	1.4%	2.5%	(3.5)%	0.5%
International	4.2%	10.1%	(0.1)%	5.3%
Beauty				
Nizoral	0.2			0.0
U.S.	0.1			0.0
International	0.3			0.1
OTC				
Zarbees	(0.4)			(0.1)
U.S.	(1.1)			(0.1)
International	0.0			0.0
Diabetes Care				
LifeScan			3.8	1.3
U.S.			2.9	0.9
International			4.6	1.7
Beauty				
RoC	0.7			0.1
U.S.	1.3			0.2
International	0.2			0.0
Beauty				

US	435	372	17.1%	17.1%	-	1,597	1,378	15.9%	15.9%	-
Intl	430	430	0.2%	3.0%	-2.8%	1,815	1,926	-5.7%	-0.2%	-5.5%
WW	866	802	8.0%	9.6%	-1.6%	3,413	3,304	3.3%	6.5%	-3.2%
EDURANT / rilpivirine										
US	14	16	-12.3%	-12.3%	-	50	58	-13.7%	-13.7%	-
Intl	209	177	17.7%	20.9%	-3.2%	812	758	7.1%	12.7%	-5.6%
WW	222	193	15.2%	18.2%	-3.0%	861	816	5.6%	10.8%	-5.2%
PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA										
US	390	322	21.0%	21.0%	-	1,422	1,169	21.6%	21.6%	-
Intl	155	173	-10.7%	-7.8%	-2.9%	689	786	-12.3%	-6.8%	-5.5%
WW	544	495	9.9%	10.9%	-1.0%	2,110	1,955	8.0%	10.2%	-2.2%
OTHER INFECTIOUS DISEASES										
US	32	34	-5.8%	-5.8%	-	126	151	-16.5%	-16.5%	-
Intl	67	80	-15.4%	-13.3%	-2.1%	315	382	-17.6%	-12.3%	-5.3%
WW	99	114	-12.5%	-11.0%	-1.5%	441	533	-17.3%	-13.5%	-3.8%

See footnotes at end of schedule

REPORTED SALES vs. PRIOR PERIOD (\$MM)

	FOURTH QUARTER					TWELVE MONTHS				
	2019	2018	% Change			2019	2018	% Change		
			Reported	Operational (1)	Currency			Reported	Operational (1)	Currency
NEUROSCIENCE										
US	747	660	13.2%	13.2%	-	2,919	2,574	13.4%	13.4%	-
Intl	819	840	-2.5%	-1.2%	-1.3%	3,409	3,503	-2.7%	1.5%	-4.2%
WW	1,566	1,500	4.4%	5.2%	-0.8%	6,328	6,077	4.1%	6.6%	-2.5%
CONCERTA / methylphenidate										
US	37	38	-4.4%	-4.4%	-	233	229	1.7%	1.7%	-
Intl	115	112	2.4%	3.0%	-0.6%	463	434	6.6%	10.3%	-3.7%
WW	152	150	0.7%	1.1%	-0.4%	696	663	4.9%	7.3%	-2.4%
INVEGA SUSTENNA / XEPLION / INVEGA TRINZA / TREVICTA										
US	564	485	16.2%	16.2%	-	2,107	1,791	17.6%	17.6%	-
Intl	308	278	10.7%	13.2%	-2.5%	1,224	1,137	7.7%	13.0%	-5.3%
WW	871	763	14.2%	15.1%	-0.9%	3,330	2,928	13.7%	15.8%	-2.1%
RISPERDAL CONSTA										
US	77	77	0.3%	0.3%	-	314	315	-0.3%	-0.3%	-
Intl	82	101	-18.9%	-17.0%	-1.9%	374	422	-11.4%	-6.5%	-4.9%
WW	160	178	-10.6%	-9.5%	-1.1%	688	737	-6.7%	-3.9%	-2.8%
OTHER NEUROSCIENCE										
US	70	60	16.7%	16.7%	-	266	239	11.4%	11.4%	-
Intl	314	349	-9.9%	-9.3%	-0.6%	1,349	1,510	-10.7%	-7.4%	-3.3%
WW	383	409	-6.1%	-5.5%	-0.6%	1,614	1,749	-7.7%	-4.9%	-2.8%
ONCOLOGY										
US	1,153	1,063	8.5%	8.5%	-	4,299	4,331	-0.7%	-0.7%	-
Intl	1,563	1,426	9.6%	12.2%	-2.6%	6,393	5,513	16.0%	21.8%	-5.8%
WW	2,716	2,489	9.1%	10.6%	-1.5%	10,692	9,844	8.6%	11.9%	-3.3%
DARZALEX										
US	444	323	37.8%	37.8%	-	1,567	1,203	30.3%	30.3%	-
Intl	385	261	47.5%	52.8%	-5.3%	1,430	822	73.9%	84.1%	-10.2%
WW	830	584	42.1%	44.5%	-2.4%	2,998	2,025	48.0%	52.2%	-4.2%
IMBRUVICA										
US	392	318	22.8%	22.8%	-	1,555	1,129	37.7%	37.7%	-
Intl	483	385	25.9%	29.7%	-3.8%	1,856	1,486	24.9%	32.1%	-7.2%
WW	875	703	24.5%	26.6%	-2.1%	3,411	2,615	30.4%	34.5%	-4.1%
VELCADE										
US	-	-	-	-	-	-	-	-	-	-
Intl	115	252	-54.6%	-55.2%	0.6%	751	1,116	-32.7%	-30.1%	-2.6%
WW	115	252	-54.6%	-55.2%	0.6%	751	1,116	-32.7%	-30.1%	-2.6%
ZYTIGA / abiraterone acetate										
US	194	351	-44.8%	-44.8%	-	810	1,771	-54.3%	-54.3%	-
Intl	483	435	11.2%	12.9%	-1.7%	1,985	1,727	15.0%	19.8%	-4.8%
WW	677	786	-13.8%	-12.9%	-0.9%	2,795	3,498	-20.1%	-17.7%	-2.4%
OTHER ONCOLOGY										
US	122	71	75.1%	75.1%	-	367	228	61.0%	61.0%	-
Intl	97	93	3.0%	5.9%	-2.9%	371	362	2.4%	8.1%	-5.7%
WW	220	164	33.7%	35.4%	-1.7%	739	590	25.0%	28.6%	-3.6%
PULMONARY HYPERTENSION										
US	388	436	-11.1%	-11.1%	-	1,684	1,651	2.0%	2.0%	-
Intl	235	231	1.6%	3.1%	-1.5%	939	922	1.9%	6.3%	-4.4%
WW	623	667	-6.7%	-6.2%	-0.5%	2,623	2,573	1.9%	3.5%	-1.6%
QPSUMIT										
US	185	189	-2.4%	-2.4%	-	766	700	9.4%	9.4%	-
Intl	143	134	5.8%	7.5%	-1.7%	562	515	9.0%	14.1%	-5.1%
WW	326	323	1.0%	1.7%	-0.7%	1,327	1,215	9.2%	11.4%	-2.2%
TRACLEER / bosentan										
US	10	60	-83.3%	-83.3%	-	131	268	-51.1%	-51.1%	-
Intl	46	64	-27.6%	-28.8%	1.2%	210	278	-24.3%	-22.6%	-1.7%
WW	56	124	-54.8%	-55.4%	0.6%	341	546	-37.5%	-36.6%	-0.9%
UPTRAVI										
US	178	165	7.4%	7.4%	-	714	598	19.3%	19.3%	-
Intl	30	16	92.5%	99.5%	-7.0%	105	65	62.4%	70.7%	-8.3%
WW	208	181	14.8%	15.4%	-0.6%	819	663	23.5%	24.3%	-0.8%
OTHER										
US	16	22	-27.7%	-27.7%	-	74	85	-13.7%	-13.7%	-
Intl	16	17	-5.9%	-2.4%	-3.5%	62	64	-3.7%	3.3%	-7.0%
WW	32	39	-18.1%	-16.5%	-1.6%	135	149	-9.4%	-6.4%	-3.0%
CARDIOVASCULAR / METABOLISM / OTHER										
US	930	1,049	-11.4%	-11.4%	-	3,734	4,279	-12.7%	-12.7%	-
Intl	327	341	-4.4%	-3.5%	-0.9%	1,458	1,537	-5.2%	-1.3%	-3.9%
WW	1,256	1,390	-9.7%	-9.5%	-0.2%	5,192	5,816	-10.7%	-9.7%	-1.0%
XARELTO										
US	609	608	0.4%	0.4%	-	2,313	2,477	-6.6%	-6.6%	-
Intl	-	-	-	-	-	-	-	-	-	-
WW	609	608	0.4%	0.4%	-	2,313	2,477	-6.6%	-6.6%	-
INVOKANA / INVOKAMET										
US	125	188	-33.8%	-33.8%	-	536	711	-24.6%	-24.6%	-
Intl	52	40	33.7%	36.0%	-2.3%	199	170	17.3%	22.1%	-4.8%
WW	177	228	-22.2%	-21.8%	-0.4%	735	881	-16.5%	-15.6%	-0.9%

PROCRIT / EPREX										
US	118	151	-21.6%	-21.6%	-	505	674	-25.1%	-25.1%	-
Intl	65	70	-7.1%	-7.0%	-0.1%	285	314	-9.2%	-6.5%	-2.7%
WW	183	221	-17.0%	-16.9%	-0.1%	790	988	-20.0%	-19.2%	-0.8%
OTHER										
US	78	102	-25.0%	-25.0%	-	380	417	-9.1%	-9.1%	-
Intl	209	231	-10.0%	-9.1%	-0.9%	974	1,053	-7.6%	-3.5%	-4.1%
WW	286	333	-14.6%	-14.0%	-0.6%	1,353	1,470	-8.0%	-5.1%	-2.9%
TOTAL PHARMACEUTICAL										
US	6,169	5,936	3.9%	3.9%	-	23,874	23,286	2.5%	2.5%	-
Intl	4,379	4,254	2.9%	5.1%	-2.2%	18,324	17,448	5.0%	10.1%	-5.1%
WW	\$ 10,548	10,190	3.5%	4.4%	-0.9%	\$ 42,198	40,734	3.6%	5.8%	-2.2%

See footnotes at end of schedule

	REPORTED SALES vs. PRIOR PERIOD (\$MM)									
	FOURTH QUARTER					TWELVE MONTHS				
	2019	2018	% Change			2019	2018	% Change		
		Reported	Operational ⁽¹⁾	Currency			Reported	Operational ⁽¹⁾	Currency	
MEDICAL DEVICES SEGMENT (2)(4)										
DIABETES CARE⁽⁴⁾										
US	\$ -	-	-	-	-	\$ -	371	*	*	-
Intl	-	-	-	-	-	-	638	*	*	-
WW	-	-	-	-	-	-	1,009	*	*	-
INTERVENTIONAL SOLUTIONS										
US	377	336	12.2%	12.2%	-	1,443	1,283	12.5%	12.5%	-
Intl	398	350	13.4%	14.3%	-0.9%	1,554	1,363	14.0%	17.8%	-3.8%
WW	774	686	12.8%	13.3%	-0.5%	2,997	2,646	13.3%	15.2%	-1.9%
ORTHOPAEDICS										
US	1,369	1,358	0.9%	0.9%	-	5,319	5,281	0.7%	0.7%	-
Intl	904	904	-0.1%	1.7%	-1.8%	3,520	3,604	-2.3%	1.9%	-4.2%
WW	2,273	2,262	0.5%	1.2%	-0.7%	8,839	8,885	-0.5%	1.2%	-1.7%
HIPS										
US	230	220	4.9%	4.9%	-	863	841	2.6%	2.6%	-
Intl	147	145	1.2%	3.0%	-1.8%	575	577	-0.3%	4.2%	-4.5%
WW	377	365	3.4%	4.2%	-0.8%	1,438	1,418	1.4%	3.3%	-1.9%
KNEES										
US	239	239	0.2%	0.2%	-	889	911	-2.4%	-2.4%	-
Intl	156	153	1.5%	3.2%	-1.7%	591	591	0.0%	4.1%	-4.1%
WW	395	392	0.7%	1.4%	-0.7%	1,480	1,502	-1.4%	0.2%	-1.6%
TRAUMA										
US	413	403	2.3%	2.3%	-	1,652	1,599	3.3%	3.3%	-
Intl	273	271	0.8%	2.6%	-1.8%	1,068	1,100	-2.9%	1.4%	-4.3%
WW	686	674	1.7%	2.5%	-0.8%	2,720	2,699	0.8%	2.5%	-1.7%
SPINE & OTHER										
US	488	496	-1.6%	-1.6%	-	1,915	1,930	-0.8%	-0.8%	-
Intl	329	335	-2.1%	-0.4%	-1.7%	1,286	1,336	-3.8%	0.4%	-4.2%
WW	817	831	-1.8%	-1.1%	-0.7%	3,201	3,266	-2.0%	-0.3%	-1.7%
SURGERY										
US	961	1,094	-12.2%	-12.2%	-	3,828	4,125	-7.2%	-7.2%	-
Intl	1,481	1,493	-0.8%	1.2%	-2.0%	5,673	5,776	-1.8%	2.7%	-4.5%
WW	2,442	2,587	-5.6%	-4.4%	-1.2%	9,501	9,901	-4.0%	-1.4%	-2.6%
ADVANCED										
US	428	441	-3.0%	-3.0%	-	1,637	1,657	-1.2%	-1.2%	-
Intl	647	614	5.5%	7.6%	-2.1%	2,458	2,345	4.8%	9.4%	-4.6%
WW	1,076	1,055	2.0%	3.2%	-1.2%	4,095	4,002	2.3%	5.0%	-2.7%
GENERAL										
US	451	469	-3.9%	-3.9%	-	1,762	1,751	0.6%	0.6%	-
Intl	720	712	1.2%	3.3%	-2.1%	2,718	2,806	-3.1%	1.3%	-4.4%
WW	1,171	1,181	-0.8%	0.4%	-1.2%	4,480	4,557	-1.7%	1.0%	-2.7%
SPECIALTY										
US	83	184	-55.3%	-55.3%	-	430	717	-40.1%	-40.1%	-
Intl	114	167	-32.3%	-30.7%	-1.6%	497	625	-20.5%	-16.4%	-4.1%
WW	195	351	-44.4%	-43.6%	-0.8%	926	1,342	-31.0%	-29.0%	-2.0%
VISION										
US	428	426	0.3%	0.3%	-	1,794	1,777	0.9%	0.9%	-
Intl	713	707	1.0%	1.2%	-0.2%	2,830	2,776	2.0%	4.9%	-2.9%
WW	1,141	1,133	0.7%	0.9%	-0.2%	4,624	4,553	1.6%	3.3%	-1.7%
CONTACT LENSES / OTHER										
US	311	289	7.7%	7.7%	-	1,304	1,237	5.4%	5.4%	-
Intl	522	527	-0.8%	-0.9%	0.1%	2,088	2,065	1.1%	4.0%	-2.9%
WW	833	816	2.2%	2.1%	0.1%	3,392	3,302	2.7%	4.6%	-1.9%
SURGICAL										
US	117	137	-15.2%	-15.2%	-	490	540	-9.4%	-9.4%	-
Intl	191	180	6.4%	7.6%	-1.2%	742	711	4.4%	7.3%	-2.9%
WW	309	317	-3.0%	-2.3%	-0.7%	1,232	1,251	-1.6%	0.1%	-1.7%
TOTAL MEDICAL DEVICES										
US	3,135	3,214	-2.4%	-2.4%	-	12,384	12,837	-3.5%	-3.5%	-
Intl	3,497	3,454	1.3%	2.7%	-1.4%	13,579	14,157	-4.1%	-0.1%	-4.0%
WW	\$ 6,632	6,668	-0.5%	0.2%	-0.7%	\$ 25,963	26,994	-3.8%	-1.7%	-2.1%

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) Reflects LifeScan divestiture October 2, 2018



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