2ND QUARTER 2018 RESULTS

Q2 2018 SALES
Worldwide increased 10.6% excluding acquisitions/dissolutions on an operational basis worldwide sales increased 6.3%.

Diluted earnings per share $1.45
Adjusted diluted earnings per share $2.10 increased 14.8%.

"Our strong second-quarter results reflect double-digit growth in our Pharmaceutical business and the accelerating sales momentum in our Medical Devices business, driven by the continued growth of our market leading products and strategic new launches. We remain focused on investing in innovation and meeting the needs of our customers by delivering innovative products and solutions that position the company to deliver long-term, sustainable growth," said Alex Gorsky, Chairman and Chief Executive Officer. "Our talented J&J colleagues are united in our efforts to address some of the most critical health and consumer needs of people around the world."

WORLDWIDE CONSUMER SALES
$3.5B
Consumer worldwide sales increased: 0.7%
Primary contributors to growth:

- TopoGel
- TYLENOL
- OTC
- Imodium

WORLDWIDE PHARMACEUTICAL SALES
$10.4B
Pharmaceutical worldwide sales increased: 19.9%
Primary contributors to growth:

- DARZALEX (domestically)
- Zytiga
- Stelara
- Imbruvica
- Opsumet
- Simponi ARIA
- Imprivigen

WORLDWIDE MEDICAL DEVICES SALES
$7.0B
Medical Devices worldwide sales increased: 3.7%
Primary contributors to growth:

- Electrophysiology
- Active Contact Lenses

Note: values may have been rounded.


*Non-GAAP financial measures: non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures.

Caution Concerning Forward-Looking Statements: This document contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding future operating and financial performance. You are cautioned not to rely on these forward-looking statements, which are based on current expectations of future events. For important information about the risks and uncertainties that could cause actual results to vary materially from the assumptions, expectations, and projections expressed in any forward-looking statements, review the "Note to Investors Concerning Forward-Looking Statements" included in the Johnson & Johnson earnings release issued on July 17, 2018, as well as the most recently filed Johnson & Johnson Reports on Forms 10-K and 10-Q. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.
Joseph J. Wolk
Executive Vice President,
Chief Financial Officer
Agenda

Sales Performance and Highlights

Enterprise Update

Financial Results Review and Guidance

Q&A
Cautionary Note on Forward-looking Statements

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Cautionary Note on Non-GAAP Financial Measures

This presentation refers to certain non-GAAP financial measures. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures.

A reconciliation 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 Investor Relations section of the Company’s website at www.investor.jnj.com.
### Strategic Partnerships, Collaborations & Licensing Arrangements

During the course of this morning’s presentation, we will discuss a number of products and compounds developed in collaboration with strategic partners or licensed from other companies. Following is an acknowledgement of those relationships:

<table>
<thead>
<tr>
<th>Category</th>
<th>Acknowledgements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>RHINOCORT licensed from AstraZeneca; Dr. Ci:Labo brand skincare products in collaboration with Ci:z Holdings Co., Ltd.</td>
</tr>
<tr>
<td>Immunology</td>
<td>REMICADE and SIMPONI/ SIMPONI ARIA marketing partners are Schering-Plough (Ireland) Company, a subsidiary of Merck &amp; Co., Inc. and Mitsubishi Tanabe Pharma Corporation, and TREMFYA discovered using MorphoSys AG antibody technology</td>
</tr>
<tr>
<td>Neuroscience</td>
<td>INVEGA SUSTENNA/ XEPLION/ INVEGA TRINZA/ TREVICTA includes technology licensed from Alkermes Pharma Ireland Limited</td>
</tr>
<tr>
<td>Infectious Diseases &amp; Virology</td>
<td>PREZCOBIX/ REZOLSTA fixed-dose combination, SYMTUZA and ODEFSEY developed in collaboration with Gilead Sciences, Inc., and JULUCA developed in collaboration with Viiv Healthcare UK</td>
</tr>
<tr>
<td>Cardiovascular/ Metabolism/Other</td>
<td>INVOKANA/ INVOKAMET/ VOKANAMET/ INVOKAMET XR fixed-dose combination licensed from Mitsubishi Tanabe Pharma Corporation, XARELTO co-developed with Bayer HealthCare AG, and PROCRIT/EPREX licensed from Amgen Inc.</td>
</tr>
<tr>
<td>Oncology</td>
<td>IMBRUVICA developed in collaboration and co-marketed in the U.S. with Pharmacyclics, LLC, an AbbVie company, ZYTIGA licensed from BTG International Ltd., VELCADE developed in collaboration with Millennium: The Takeda Oncology Company, DARZALEX licensed from Genmab A/S</td>
</tr>
<tr>
<td>Pulmonary Hypertension</td>
<td>UPTRAVI license and supply agreement with Nippon Shinyaku (co-promotion in Japan), OPSUMIT co-promotion agreement with Nippon Shinyaku in Japan</td>
</tr>
</tbody>
</table>
## 2nd Quarter 2018 Sales

$ U.S. Billions, except EPS

<table>
<thead>
<tr>
<th>Total Company</th>
<th>2Q 2018</th>
<th>2Q 2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reported</td>
</tr>
<tr>
<td>U.S</td>
<td>$10.6</td>
<td>$9.7</td>
<td>9.4%</td>
</tr>
<tr>
<td>Europe</td>
<td>4.8</td>
<td>4.2</td>
<td>13.7</td>
</tr>
<tr>
<td>Western Hemisphere (ex U.S.)</td>
<td>1.5</td>
<td>1.5</td>
<td>2.7</td>
</tr>
<tr>
<td>Asia-Pacific, Africa</td>
<td>3.8</td>
<td>3.4</td>
<td>13.5</td>
</tr>
<tr>
<td>International</td>
<td>10.2</td>
<td>9.1</td>
<td>11.8</td>
</tr>
<tr>
<td>Worldwide (WW)</td>
<td>$20.8</td>
<td>$18.8</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

¹ Excludes impact of translational currency
Note: values may have been rounded
2nd Quarter 2018 Financial Highlights

$ U.S. Billions, except EPS
Reported %; Operational %

Sales

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ Billions</td>
<td>$20.8</td>
<td>$18.8</td>
</tr>
</tbody>
</table>

10.6%; 8.7%\(^1\)

GAAP Earnings

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ Billions</td>
<td>$4.0</td>
<td>$3.8</td>
</tr>
</tbody>
</table>

3.3%

GAAP EPS

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ Billions</td>
<td>$1.45</td>
<td>$1.40</td>
</tr>
</tbody>
</table>

3.6%

Adjusted Earnings\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ Billions</td>
<td>$5.7</td>
<td>$5.0</td>
</tr>
</tbody>
</table>

14.0%

Adjusted EPS\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ Billions</td>
<td>$2.10</td>
<td>$1.83</td>
</tr>
</tbody>
</table>

14.8%; 11.5%\(^1\)

\(^1\) Excludes impact of translational currency
\(^2\) Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation
Consumer Highlights – 2nd Quarter 2018

Underlying growth consistent with Q1 driven by OTC and geographic expansion in Beauty

Reported: WW 0.7%, U.S. (0.7)%, Int'l 1.9%

Operational1: WW (0.4)%, U.S. (0.7)%, Int'l 0.0%

Key Drivers of Operational Performance1

<table>
<thead>
<tr>
<th>Category</th>
<th>Key Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Care</td>
<td>• Retailer stocking reductions and discounting in anticipation of relaunch in the U.S. and competitive pressures in JOHNSON’s</td>
</tr>
<tr>
<td>Beauty</td>
<td>• Driven by new product launches; OGx and MAUI MOISTURE share growth and geographic expansion; strength in Dr. Ci Labo and U.S. market growth, partially offset by the negative impact of timing of NEUTROGENA and AVEENO suncare products season in the U.S.</td>
</tr>
<tr>
<td>Oral Care</td>
<td>• LISTERINE market, share growth and new product pipeline build in the U.S., offset by OUS divestitures and softness in EMEA</td>
</tr>
<tr>
<td>OTC</td>
<td>• Share growth across multiple brands coupled with inventory replenishment post hurricane Maria, OUS strength in Children’s MOTRIN, anti-smoking aids and RHINOCORT</td>
</tr>
<tr>
<td>Women’s Health</td>
<td>• Growth in liners and internal sanitary protection, partially offset by weakness in napkins</td>
</tr>
<tr>
<td>Wound Care/Other</td>
<td>• COMPEED OUS divestiture</td>
</tr>
</tbody>
</table>

Sales excl. acquisition and divestiture2: WW 0.9%, U.S. (0.7)%, OUS 2.1%

1 Excludes impact of translational currency
2 Non-GAAP measure; see reconciliation
Pharmaceutical Highlights – 2nd Quarter 2018

Double-digit growth led by Oncology and Immunology

<table>
<thead>
<tr>
<th>Business Line</th>
<th>WW Sales $MM</th>
<th>Reported Growth</th>
<th>Operational Growth 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immunology</td>
<td>$3,338</td>
<td>12.8%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Infectious Diseases</td>
<td>$849</td>
<td>7.2%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Neuroscience</td>
<td>$1,528</td>
<td>4.2%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Oncology</td>
<td>$2,456</td>
<td>42.2%</td>
<td>38.7%</td>
</tr>
<tr>
<td>Cardiovascular/ Metabolism/ Other (CVM/Other)</td>
<td>$1,518</td>
<td>(5.4)%, (6.6)%</td>
<td></td>
</tr>
<tr>
<td>Pulmonary Hypertension (PAH)</td>
<td>$665</td>
<td>* , *</td>
<td></td>
</tr>
</tbody>
</table>

Key Drivers of Operational Performance 1

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Drivers</th>
</tr>
</thead>
</table>
| Immunology             | • Growth driven by strong uptake of STELARA in Crohn’s Disease, U.S. immunology market growth, launch uptake of TREMFYA and strength across major regions for expanded indications of SIMPONI/SIMPONI ARIA  
• Lower sales of REMICADE due to increased discounts/rebates and biosimilar competition |
| Infectious Diseases    | • Strong sales of PREZCOBIX/REZOLSTA, continued success of ODEFSEY and launch of SYMTUZA, offset by lower sales of PREZISTA |
| Neuroscience           | • Paliperidone long-acting injectables growth due to strength of INVEGA TRINZA/TREVICTA and INVEGA SUSTENNA/XEPLION, offset by cannibalization of RISPERDAL CONSTA and generic competition for CONCERTA |
| Oncology               | • DARZALEX continued strong uptake in the U.S. and EU, especially 1 prior-line setting; commercially available in 31 countries in EMEA and Japan  
• Strong sales of IMBRUVICA due to increased patient uptake globally; higher market share and growth across multiple indications; U.S. new and total patient share leader for 1st and 2nd line CLL and 2nd line MCL  
• Strong sales and share growth of ZYTIGA driven by LATITUDE data and market growth  
• Addition of newly launched ERLEADA sales in non-metastatic CRPC |
| Cardiovascular/ Metabolism/ Other (CVM/Other) | • XARELTO increase in market share driven by clinical differentiation, partially offset by higher contracted sales and discounts to Managed Care  
• INVOKANA/INVOKAMET lower sales due to increased contracting discounts and higher Managed Care rebates and share loss due to competitive pressures |
| Pulmonary Hypertension (PAH) | • Acquisition of Actelion June 2017; Pro-forma growth 2 of key products are OPSUMIT (+16%WW), TRACLEER (-37%WW) and UPTRAVI (+42%WW) |

Sales excl. acquisition and divestiture 2: WW 11.0%, U.S. 10.2%, OUS 11.9%

1 Excludes impact of translational currency
2 Non-GAAP measure; see reconciliation
3 Reflects estimated operational growth for Q2 utilizing Actelion sales for the same period prior to the close of the acquisition

* Percentage greater than 100% or not meaningful
Medical Devices Highlights – 2\textsuperscript{nd} Quarter 2018

Accelerating sales momentum driven by continued strong performance in Vision & Interventional Solutions

### Key Drivers of Operational Performance\(^1\)

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interventional Solutions</td>
<td>- Electrophysiology growth of +17% primarily driven by Atrial Fibrillation procedure growth coupled with strong THERMOCOOL SMARTTOUCH SF Contact Force Sensing Catheter and diagnostic catheter sales</td>
</tr>
<tr>
<td>Diabetes Care</td>
<td>- Pump discontinuation, BGM price declines in the U.S., as well as category and share softness in EMEA</td>
</tr>
</tbody>
</table>
| Orthopaedics              | - Hips: Driven by leadership position in the anterior approach and strong market demand for the ACTIS stem  
- Knees: Competitive pressure in the U.S. coupled with declines in EMEA 
- Trauma: Demand growth OUS led by ASPAC and the continued uptake of new products, primarily the TFN-ADVANCED nailing system  
- Spine & Other: Codman divestiture and share decline in Spineiente 
  - Spine: WW: ~(5%), U.S. ~(6%), OUS: ~(3%)  |
| Surgery                   | - Advanced:  
  - Endocutters: +7% driven by powered and minimally invasive surgery penetration in China and continued success of new products OUS  
  - Biosurgery: +8% driven by Topical Absorbable Hemostat and Biologics  
  - Energy: +1% driven by OUS growth partially offset by market and share decline in the U.S.  
  - General: Driven by Wound Closure growth in all regions led by strength in ASPAC aided by the WHO and CDC guidelines recommending our Plus Suture product  
  - Specialty: ASP growth offset by share declines across the rest of the portfolio  |
| Vision                    | - Contact Lenses/Other: Strong above-market consumption primarily reflected in astigmatism and daily disposable lenses in the OASYS family coupled with strong growth in Japan and emerging markets as well as prior year comparisons in the U.S.  
  - Surgical: Strength in OUS cataracts in all IOL segments primarily in Asia and Japan coupled with the Tear Science acquisition |

### Sales excl. acquisition and divestiture\(^2\): WW 2.9%, U.S. 1.7%, OUS 4.1%

### WW Sales $MM

- **Interventional Solutions**: $667, 16.4%, 13.7%
- **Diabetes Care**: $355, (15.7)%, (17.5)%
- **Orthopaedics**: $2,262, (1.4)%, (3.0)%
- **Vision**: $1,173, 11.2%, 9.6%
- **Surgery**: $2,515, 5.5%, 3.5%

\(^1\) Excludes impact of translational currency  
\(^2\) Non-GAAP measure; see reconciliation
## Medical Devices Platforms

*Accelerating sales momentum driven by continued strong performance in Vision & Interventional Solutions*

### WW Sales $MM

<table>
<thead>
<tr>
<th>Platform</th>
<th>Reported Growth</th>
<th>Operational Growth(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vision</strong></td>
<td>$1,173</td>
<td>11.2%, 9.6%</td>
</tr>
<tr>
<td>Contact Lenses/Other</td>
<td>$844</td>
<td>12.1%, 10.4%</td>
</tr>
<tr>
<td>Surgical</td>
<td>$329</td>
<td>8.9%, 7.5%</td>
</tr>
<tr>
<td><strong>Orthopaedics</strong></td>
<td>$2,262</td>
<td>(1.4)%, (3.0)%</td>
</tr>
<tr>
<td>Hips</td>
<td>$360</td>
<td>2.9%, 1.2%</td>
</tr>
<tr>
<td>Knees</td>
<td>$382</td>
<td>(0.8)%, (2.2)%</td>
</tr>
<tr>
<td>Trauma</td>
<td>$675</td>
<td>5.0%, 3.3%</td>
</tr>
<tr>
<td>Spine &amp; Other</td>
<td>$845</td>
<td>(7.7)%, (9.4)%</td>
</tr>
<tr>
<td><strong>Surgery</strong></td>
<td>$2,515</td>
<td>5.5%, 3.5%</td>
</tr>
<tr>
<td>Advanced</td>
<td>$1,005</td>
<td>7.7%, 5.4%</td>
</tr>
<tr>
<td>General</td>
<td>$1,169</td>
<td>4.9%, 2.9%</td>
</tr>
<tr>
<td>Specialty</td>
<td>$341</td>
<td>1.2%, 0.4%</td>
</tr>
</tbody>
</table>

\(^1\) Excludes impact of translational currency
Important Developments in 2nd Quarter 2018

- A binding offer was accepted from Platinum Equity to acquire the LifeScan business for approximately $2.1 billion, subject to customary adjustments
- Received binding offer from Fortive Corporation to acquire its Advanced Sterilization Products business for an aggregate value of approximately $2.8 billion, subject to customary adjustments
- Completed the acquisition of assets from Medical Enterprises Distribution, LLC, a privately held developer of surgical impactor technology, including the automated ME1000 Surgical Impactor for use in hip replacement
- The U.S. Food and Drug Administration (FDA) approved an additional indication for DARZALEX in combination with VELCADE; melphalan; and prednisone for the treatment of patients with newly diagnosed multiple myeloma who are ineligible for autologous stem cell transplant
- A supplemental New Drug Application was submitted to the FDA seeking to expand the indication of OPSUMIT to include the treatment of adults with inoperable chronic thromboembolic pulmonary hypertension (CTEPH, WHO Group 4) to improve exercise capacity and pulmonary vascular resistance
- A worldwide collaboration was entered into with Bristol-Myers Squibb Company to develop and commercialize Factor XIa inhibitors, including BMS-986177, for the prevention and treatment of major thrombotic conditions
- Received 510(k) clearance from the FDA for ACUVUE OASYS with Transitions indicated for vision correction and the attenuation of bright light
- The European Commission granted marketing authorization for JULUCA, a two-drug regimen, once-daily, single-pill for the treatment of HIV-1
- Completed the acquisition of BeneVir Biopharm, Inc., a privately-held, biopharmaceutical company specializing in the development of oncolytic immunotherapies
- Completed the divestiture of the global rights to the medicated anti-dandruff shampoo, NIZORAL
- Completed the divestiture of the U.S. and Canada rights to PANCREAZE
- The FDA approved iDESIGN Refractive Studio, part of a next generation LASIK platform that measures the eye inside and out to enable highly precise personalized vision correction
Alex Gorsky
Chairman
&
Chief Executive Officer
OUR CREDO
WRITTEN IN 1943

75th Anniversary of Our Credo

Johnson & Johnson
Health For Humanity Report

The 2017 Health for Humanity Report shares how we hold ourselves accountable to those who entrust their lives – and communities – to us.
Creating Value through Portfolio Management

Investments in Innovation

+15.5%  
2018 YTD increase in R&D spend

#5 U.S. #8 Globally  
2017 R&D Investment Rankings

Value Creating Acquisitions & Strategic Partnerships

- Orthotaxy, Auris, CSATS, Surgical Impactor
- BMS FXIa inhibitor collaboration
- BeneVir Biopharm
- Theravance BioPharma collaboration to develop 1st in class oral JAK inhibitor

Portfolio Optimization

Divestitures:

- Nizoral
- Valchlor
- Pancreaze

- ASP binding offer received
- Accepted binding offer for LifeScan

Note: select deals
Pharmaceuticals

Industry-Leading Pipeline & Commercial Excellence

Drive continued above-market growth, while delivering on our near-term product pipeline

Key catalysts for growth:

• Continuing penetration and securing new indications for life-changing products such as DARZALEX, IMBRUVICA, STELARA and XARELTO

• Driving best in class uptake of successful new product launches such as TREMFYA and ERLEADA

• Accelerating growth of Actelion products

• Submitting regulatory applications for new molecular entities (NMEs), which include esketamine and erdafitinib in 2018
Consumer

Iconic Brands & Unparalleled Consumer Insights

Accelerate growth in priority categories across E-commerce and other channels

Key catalysts for growth:

• Revitalizing our market leading JOHNSON’s BABY brand to appeal to today’s parents

• Broadening the scope of our innovation model to accelerate growth of our beloved brands to more consumers around the world wherever they shop

• Continuing to build our strong brand portfolio through innovation – delivering differentiated products that are professionally endorsed and science-based
Medical Devices
Comprehensive Portfolio & Accelerated Growth Strategy

Accelerate growth through innovation, strategic partnerships, portfolio management, and new business models

Key catalysts for growth:

• Launching several new products across our orthopaedics, surgery, interventional and vision portfolios

• On track to deliver digital surgery and orthopaedic robotics solutions in 2020

• Maximizing new market growth opportunities and sites of care beyond the hospital

• Simplifying operations while relentlessly focusing on execution
Ensuring Responsible Healthcare Costs & Drug Pricing Requires:

- A system that rewards innovation
- Transparency
- Avoiding unintended consequences
- An end-to-end view of the entire healthcare system

![Pie chart showing the distribution of healthcare costs. Hospitals account for 80%, followed by Pharmaceuticals at 14% and Medical Devices at 6%.]
J&J is Proud of Key Industry Recognitions

FORTUNE
THOMSON REUTERS
Gartner
WORKING MOTHER
Forbes
DiversityInc
A Laser-like Focus on

Innovation  Execution  Customers

Drives Superior Long-Term Performance
Joseph J. Wolk
Executive Vice President,
Chief Financial Officer
## Condensed Consolidated Statement Of Earnings

### 2nd Quarter 2018

(UNAUDITED; DOLLAR AND SHARES IN MILLIONS EXCEPT PER SHARE FIGURES)

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 Amount</th>
<th>2018 Percent to Sales</th>
<th>2017* Amount</th>
<th>2017* Percent to Sales</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to customers</td>
<td>$20,830</td>
<td>100.0</td>
<td>$18,839</td>
<td>100.0</td>
<td>10.6</td>
</tr>
<tr>
<td>Cost of products sold</td>
<td>6,927</td>
<td>33.3</td>
<td>5,846</td>
<td>31.0</td>
<td>18.5</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>13,903</td>
<td>66.7</td>
<td>12,993</td>
<td>69.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Selling, marketing and administrative expenses</td>
<td>5,743</td>
<td>27.5</td>
<td>5,289</td>
<td>28.1</td>
<td>8.6</td>
</tr>
<tr>
<td>Research and development expense</td>
<td>2,639</td>
<td>12.7</td>
<td>2,296</td>
<td>12.2</td>
<td>14.9</td>
</tr>
<tr>
<td>Interest (income) expense, net</td>
<td>127</td>
<td>0.6</td>
<td>122</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>364</td>
<td>1.7</td>
<td>527</td>
<td>2.8</td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td>57</td>
<td>0.3</td>
<td>11</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Earnings before provision for taxes on income</td>
<td>4,973</td>
<td>23.9</td>
<td>4,748</td>
<td>25.2</td>
<td>4.7</td>
</tr>
<tr>
<td>Provision for taxes on income</td>
<td>1,019</td>
<td>4.9</td>
<td>921</td>
<td>4.9</td>
<td>10.6</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$3,954</td>
<td>19.0</td>
<td>$3,827</td>
<td>20.3</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Net earnings per share (Diluted) $1.45 $1.40 3.6
Average shares outstanding (Diluted) 2,721.3 2,741.5
Effective tax rate 20.5 % 19.4 %

### Adjusted earnings before provision for taxes and net earnings (1)

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 Amount</th>
<th>2018 Percent</th>
<th>2017* Amount</th>
<th>2017* Percent</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings before provision for taxes on income</td>
<td>$7,014</td>
<td>33.7</td>
<td>$6,285</td>
<td>33.4</td>
<td>11.6</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$5,718</td>
<td>27.5</td>
<td>$5,017</td>
<td>26.6</td>
<td>14.0</td>
</tr>
<tr>
<td>Net earnings per share (Diluted)</td>
<td>$2.10</td>
<td>18.5</td>
<td>$1.83</td>
<td>14.8</td>
<td></td>
</tr>
</tbody>
</table>

Effective tax rate 18.5 % 20.2 %

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

*2017 Statement of Earnings line items have been restated to reflect impact of ASU 2017-07
## Adjusted Income Before Tax by Segment*

### 2nd Quarter 2018

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2 2018 QTD %</th>
<th>Q2 2017 QTD %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical</td>
<td>43.2%</td>
<td>44.5%</td>
</tr>
<tr>
<td>Medical Devices</td>
<td>27.8%</td>
<td>30.4%</td>
</tr>
<tr>
<td>Consumer</td>
<td>25.7%</td>
<td>20.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>33.7%</strong></td>
<td><strong>33.4%</strong></td>
</tr>
</tbody>
</table>

* Non-GAAP measure; excludes amortization expense and special items; see reconciliation at www.investor.jnj.com

** Estimated as of 7/17/18
Johnson & Johnson
Q&A

Alex Gorsky
Chairman
&
Chief Executive Officer

Joseph J. Wolk
Executive Vice President,
Chief Financial Officer
Johnson & Johnson