

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of The  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported):  
April 14, 2020

**Johnson & Johnson**  
(Exact name of registrant as specified in its charter)

New Jersey  
(State or Other Jurisdiction of  
Incorporation)

1-3215  
(Commission File Number)

22-1024240  
(IRS Employer Identification No.)

One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933  
(Address of Principal Executive Offices)  
(Zip Code)

Registrant's telephone number, including area code:  
732-524-0400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$1.00	JNJ	New York Stock Exchange
0.250% Notes Due January 2022	JNJ	New York Stock Exchange
0.650% Notes Due May 2024	JNJ	New York Stock Exchange
5.50% Notes Due November 2024	JNJ	New York Stock Exchange
1.150% Notes Due November 2028	JNJ	New York Stock Exchange
1.650% Notes Due May 2035	JNJ	New York Stock Exchange

**Item 2.02 Results of Operations and Financial Condition**

On April 14, 2020, Johnson & Johnson issued the attached press release announcing its sales and earnings for the first quarter ended March 29, 2020.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

Exhibit No.	Description of Exhibit
<a href="#">99.1</a>	Press Release dated April 14, 2020 for the period ended March 29, 2020
<a href="#">99.2</a>	Unaudited Comparative Supplementary Sales Data and Condensed Consolidated Statement of Earnings for the first quarter
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Johnson & Johnson**

(Registrant)

Date: April 14, 2020

By: /s/ Robert J. Decker, Jr. \_\_\_\_\_

Robert J. Decker, Jr.

Controller

(Principal Accounting Officer)

**JOHNSON & JOHNSON REPORTS 2020 FIRST-QUARTER RESULTS:**

- **Sales of \$20.7 Billion reflecting strong growth of 3.3%, operational growth of 4.8%\* and adjusted operational growth of 5.6%\*, inclusive of the overall estimated negative impact of the COVID-19 pandemic**
- **EPS of \$2.17 increased 56.1%; adjusted EPS of \$2.30 increased 9.5%\***
- **Dividend increase of 6.3% announced**
- **Long term fundamentals remain intact; 2020 Guidance lowered to reflect COVID-19 impact and related investments**

New Brunswick, N.J. (April 14, 2020) - Johnson & Johnson (NYSE: JNJ) today announced results for first-quarter 2020. The Company also announced earlier today that its Board of Directors declared a 6.3% increase in the quarterly dividend rate, from \$0.95 per share to \$1.01 per share. At the new rate, the indicated dividend on an annual basis is \$4.04 per share compared to the previous rate of \$3.80 per share.

"With Johnson & Johnson's century-plus history of leading in times of great challenge, we are mobilizing our resources across the Company in the fight against the COVID-19 pandemic," said Alex Gorsky, Chairman and Chief Executive Officer. "Johnson & Johnson is built for times like this, and we are leveraging our scientific expertise, operational scale and financial strength in the effort to advance the work on our lead COVID-19 vaccine candidate. We are committed to beginning production at risk imminently and bringing an affordable and accessible vaccine to the public on a not-for-profit basis for emergency pandemic use."

Mr. Gorsky continued, "I am both proud and amazed at the level of dedication that I have witnessed from our more than 132,000 employees as we have focused on delivering on our commitments and responsibilities to the patients and consumers we serve. Our strong performance in the first quarter reflects the efforts of our teams around the world and the sustainability of our business model. Today, our Board of Directors approved an increase in our quarterly dividend for the 58th consecutive year, underscoring our commitment to delivering value for our shareholders and the confidence we have in our business now and in the future."

**OVERALL FINANCIAL RESULTS:**

FIRST QUARTER			
(\$ in Millions, except EPS)	2020	2019	% Change
<b>Reported Sales</b>	\$ 20,691	\$ 20,021	3.3%
<b>Net Earnings</b>	5,796	3,749	54.6%
<b>EPS (diluted)</b>	\$ 2.17	\$ 1.39	56.1%
Non-GAAP*			
FIRST QUARTER			
(\$ in Millions, except EPS)	2020	2019	% Change
<b>Operational Sales<sup>1,2</sup></b>			4.8%
<b>Adjusted Operational Sales<sup>1,3</sup></b>			5.6
<b>Adjusted Net Earnings<sup>1,4</sup></b>	6,154	5,661	8.7%
<b>Adjusted EPS (diluted)<sup>1,4</sup></b>	\$ 2.30	\$ 2.10	9.5%

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

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

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

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

**REGIONAL SALES RESULTS:**

(\$ in Millions)	FIRST QUARTER		% Change			
	2020	2019	Reported	Operational <sup>1,2</sup>	Currency	Adjusted Operational <sup>1,3</sup>
<b>U. S.</b>	\$ 10,699	\$ 10,129	5.6%	5.6	-	6.7
<b>International</b>	9,992	9,892	1.0	4.0	(3.0)	4.5
<b>Worldwide</b>	\$ 20,691	\$ 20,021	3.3%	4.8	(1.5)	5.6

[Non-GAAP financial measure](#); refer to reconciliations of non-GAAP financial measures included in accompanying schedules

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

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

Note: values may have been rounded

**SEGMENT SALES RESULTS:**

(\$ in Millions)	FIRST QUARTER		% Change			
	2020	2019	Reported	Operational <sup>1,2</sup>	Currency	Adjusted Operational <sup>1,3</sup>
<b>Consumer Health</b>	\$ 3,625	\$ 3,318	9.2%	11.3	(2.1)	11.0
<b>Pharmaceutical</b>	11,134	10,244	8.7	10.1	(1.4)	10.2
<b>Medical Devices</b>	5,932	6,459	(8.2)	(6.9)	(1.3)	(4.8)
<b>Worldwide</b>	\$ 20,691	\$ 20,021	3.3%	4.8	(1.5)	5.6

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

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

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

Note: values may have been rounded

## **SEGMENT COMMENTARY:**

### **Consumer Health**

Consumer Health worldwide operational sales, excluding the net impact of acquisitions and divestitures, grew 11.0%\* driven primarily by over-the-counter products including TYLENOL and MOTRIN analgesics; upper respiratory products including ZYRTEC; digestive health products and ZARBEE'S NATURALS. Other contributors to growth were LISTERINE mouthwash in oral care products; NEUTROGENA and AVEENO in skin health/beauty products, as well as STAYFREE and o.b. in international women's health. Consumer Health results across the majority of franchises were positively impacted by the increased demand related to the COVID-19 pandemic.

### **Pharmaceutical**

Pharmaceutical worldwide operational sales, excluding the net impact of acquisitions and divestitures, grew 10.2%\* 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, INVEGA SUSTENNA/XEPLION/INVEGA TRINZA/TREVICTA (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults, ERLEADA (apalutamide), a next-generation androgen receptor inhibitor for the treatment of patients with prostate cancer, OPSUMIT (macitentan), an oral endothelin receptor antagonist indicated for the treatment of pulmonary arterial hypertension to delay disease progression, TREMFYA (guselkumab), a biologic for the treatment of adults living with moderate to severe plaque psoriasis, and PREZISTA/PREZCOBIX/REZOLSTA/SYMTUZA for the treatment of human immunodeficiency virus type 1 (HIV-1) infection. This growth was partially offset by biosimilar and generic competition, with declines primarily in international VELCADE (bortezomib), a proteasome inhibitor for the treatment of multiple myeloma, REMICADE (infliximab), a biologic approved for the treatment of a number of immune-mediated inflammatory diseases, and PROCRIT (epoetin alfa), a treatment for chemotherapy-induced anemia and patients with chronic kidney disease.

### **Medical Devices**

Medical Devices worldwide operational sales, excluding the net impact of acquisitions and divestitures, declined by 4.8%\* driven by the estimated net negative impact of the COVID-19 pandemic and the associated deferral of medical procedures to our Surgery, Orthopaedics, Interventional Solutions and Vision businesses.

**NOTABLE NEW ANNOUNCEMENTS IN THE QUARTER:**

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

Regulatory Approvals	ERLEADA (apalutamide) - European Commission (EC) Approves Expanded Use for Treatment of Patients with Metastatic Hormone-Sensitive Prostate Cancer	<a href="#">(press release)</a>
	STELARA (ustekinumab) - EC Approves Expanded Use for Treatment of Pediatric Patients With Moderate To Severe Plaque Psoriasis	<a href="#">(press release)</a>
Regulatory Submissions	Ponesimod - Submission of New Drug Applications to the U.S. Food and Drug Administration (FDA) and European Marketing Authorization for Treatment of Adults with Relapsing Multiple Sclerosis	<a href="#">(press release)</a>
	DARZALEX (daratumumab) - Submission to U.S. FDA for Combination with carfilzomib and dexamethasone (DKd) For Patients with Relapsed/Refractory Multiple Myeloma	
Other	Lead Vaccine Candidate for COVID-19; Landmark New Partnership with U.S. Department of Health & Human Services; and Commitment to Supply One Billion Vaccines Worldwide for Emergency Pandemic Use; Announced	<a href="#">(press release)</a>
	XARELTO (rivaroxaban) -Landmark Phase 3 VOYAGER PAD Study of XARELTO Plus Aspirin Shows Significant Benefit in Patients with Symptomatic Peripheral Artery Disease (PAD) after Lower-Extremity Revascularization	<a href="#">(press release)</a>
	Rilpivirine And Cabotegravir Results of Phase 3 FLARE Study Demonstrate the Safety and Efficacy of Long-Acting Injectable HIV Treatment Regimen through 96 Weeks	<a href="#">(press release)</a>
	Rilpivirine and Cabotegravir 48-week Results of Phase 3b ATLAS-2M Study Demonstrate the Safety and Efficacy of Long-Acting Injectable HIV Treatment Administered Every Two Months	<a href="#">(press release)</a>
	JNJ-6372 Granted U.S. FDA Breakthrough Therapy Designation for the Treatment of Non-Small Cell Lung Cancer	<a href="#">(press release)</a>
	RPGR Gene Therapy Granted European Medicines Agency PRIME and Advanced Therapy Medicinal Product Designations for X-Linked Retinitis Pigmentosa	<a href="#">(press release)</a>
	HEARTLINE launched, the First-of-its-Kind, Virtual Study Designed to Explore if a New iPhone® App and Apple Watch® Can Help Reduce the Risk of Stroke <sup>1</sup>	<a href="#">(press release)</a>

<sup>1</sup> iPhone and Apple Watch are trademarks of their respective owners

**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.

The impact of COVID-19, inclusive of the related investments the Company is making to combat the pandemic, is included in the guidance below.

	<b>April 2020</b>	<b>January 2020</b>
(\$ in Billions, except EPS)		
Adjusted Operational Sales <sup>1,2</sup> Change vs. Prior Year	(3.0%) - 0.5%	5.0% - 6.0%
Operational Sales <sup>2</sup> Change vs. Prior Year	\$79.2 to \$82.2 (3.5%) - 0.0%	\$85.8 to \$86.6 4.5% - 5.5%
Estimated Reported Sales <sup>3</sup> Change vs. Prior Year	\$77.5 to \$80.5 (5.5%) - (2.0%)	\$85.4 to \$86.2 4.0% - 5.0%
Adjusted Operational EPS (Diluted) <sup>2,4</sup> Change vs. Prior Year	\$7.65 to \$80.5 (11.9%) - (7.3%)	\$9.00 to \$9.15 3.7% - 5.4%
Adjusted EPS (Diluted) <sup>3,4</sup> Change vs. Prior Year	\$7.50 to \$7.90 (13.6%) - (9.0%)	\$8.95 to \$9.10 3.1% - 4.8%

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

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

<sup>3</sup> Calculated using Euro Average Rate: April 2020 = \$1.09 Euro Average Rate: January 2020 = \$1.11 (Illustrative purposes only)

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

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

**WEBCAST INFORMATION:**

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

**ABOUT JOHNSON & JOHNSON:**

At Johnson & Johnson, we believe good health is the foundation of vibrant lives, thriving communities and forward progress. That's why for more than 130 years, we have aimed to keep people well at every age and every stage of life. Today, as the world's largest and most broadly-based health care company, we are committed to using our reach



and size for good. We strive to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere. We are blending our heart, science and ingenuity to profoundly change the trajectory of health for humanity.

**NON-GAAP FINANCIAL MEASURES:**

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

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

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

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things: future operating and financial performance, product development, market position and business strategy. The reader is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Johnson & Johnson. Risks and uncertainties include, but are not limited to: risks related to the impact of the COVID-19 global pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, material delays and cancellations of medical procedures, supply chain disruptions and other impacts to the business, or on the Company's ability to execute business continuity plans, as a result of the COVID-19 pandemic, 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 29, 2019, 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](http://www.sec.gov), [www.jnj.com](http://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: Investor Contacts:**

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

	FIRST QUARTER				
	(Unaudited; Dollars in Millions)				
	2020	2019	Total	Percent Change	
			Operations	Currency	
<b>Sales to customers by geographic area</b>					
U.S.	<b>\$ 10,699</b>	<b>10,129</b>	5.6 %	5.6	—
Europe	<b>4,827</b>	<b>4,609</b>	4.7	7.5	(2.8)
Western Hemisphere excluding U.S.	<b>1,502</b>	<b>1,503</b>	(0.1)	8.5	(8.6)
Asia-Pacific, Africa	<b>3,663</b>	<b>3,780</b>	(3.1)	(1.9)	(1.2)
International	<b>9,992</b>	<b>9,892</b>	1.0	4.0	(3.0)
Worldwide	<b>\$ 20,691</b>	<b>20,021</b>	3.3 %	4.8	(1.5)

**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				
	2020	2019	Total	Percent Change	
				Operations	Currency
<b>Sales to customers by segment of business</b>					
Consumer Health					
U.S.	\$ 1,740	1,438	21.0 %	21.0	—
International	1,885	1,880	0.3	3.9	(3.6)
	<b>3,625</b>	<b>3,318</b>	9.2	11.3	(2.1)
Pharmaceutical					
U.S.	6,061	5,582	8.6	8.6	—
International	5,073	4,662	8.8	12.0	(3.2)
	<b>11,134</b>	<b>10,244</b>	8.7	10.1	(1.4)
Medical Devices					
U.S.	2,898	3,109	(6.8)	(6.8)	—
International	3,034	3,350	(9.4)	(6.9)	(2.5)
	<b>5,932</b>	<b>6,459</b>	(8.2)	(6.9)	(1.3)
U.S.	10,699	10,129	5.6	5.6	—
International	9,992	9,892	1.0	4.0	(3.0)
Worldwide	<b>\$ 20,691</b>	<b>20,021</b>	3.3 %	4.8	(1.5)

**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)

FIRST QUARTER

	2020		2019		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,691	100.0	\$ 20,021	100.0	3.3
Cost of products sold	7,062	34.1	6,615	33.0	6.8
Gross Profit	13,629	65.9	13,406	67.0	1.7
Selling, marketing and administrative expenses	5,203	25.1	5,219	26.1	(0.3)
Research and development expense	2,580	12.5	2,858	14.3	(9.7)
In-process research and development	—	—	890	4.4	
Interest (income) expense, net	(42)	(0.2)	3	0.0	
Other (income) expense, net	(679)	(3.3)	(22)	(0.1)	
Restructuring	58	0.3	36	0.2	
Earnings before provision for taxes on income	6,509	31.5	4,422	22.1	47.2
Provision for taxes on income	713	3.5	673	3.4	5.9
Net earnings	5,796	28.0	3,749	18.7	54.6
Net earnings per share (Diluted)	\$ 2.17		\$ 1.39		56.1
Average shares outstanding (Diluted)	2,671.0		2,698.8		
Effective tax rate	11.0 %		15.2 %		

Adjusted earnings before provision for taxes and net earnings <sup>(1) (A)</sup>					
Earnings before provision for taxes on income	\$ 7,244	35.0	\$ 6,867	34.3	5.5
Net earnings	\$ 6,154	29.7	\$ 5,661	28.3	8.7
Net earnings per share (Diluted)	\$ 2.30		\$ 2.10		9.5
Effective tax rate	15.0 %		17.6 %		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures.

<sup>(A)</sup> NON-GAAP FINANCIAL MEASURES "Adjusted earnings before provision for taxes on income," "adjusted net earnings," "adjusted net earnings per share (diluted)," and "adjusted effective tax rate" are non-GAAP financial measures and should not be considered replacements for GAAP results. The Company provides earnings before provision for taxes on income, net earnings, net earnings per share (diluted), and effective tax rate on an adjusted basis because management believes that these measures provide useful information to investors. Among other things, these measures may assist investors in evaluating the Company's results of operations period over period. In various periods, these measures may exclude such items as intangible asset amortization expense, significant costs associated with acquisitions, restructuring, litigation, and changes in applicable laws and regulations (including significant accounting or tax matters). Special items may be highly variable, difficult to predict, and of a size that sometimes has substantial impact on the Company's reported results of operations for a period. Management uses these measures internally for planning, forecasting and evaluating the performances of the Company's businesses, including allocating resources and evaluating results relative to employee performance compensation targets. Unlike earnings before provision for taxes on income, net earnings, net earnings per share (diluted), and effective tax rate prepared in accordance with GAAP, adjusted earnings before provision for taxes on income, adjusted net earnings, adjusted net earnings per share (diluted), and adjusted effective tax rate may not be comparable with the calculation of similar measures for other companies. The limitations of using these non-GAAP financial measures as performance measures are that they provide a view of the Company's results of operations without including all events during a period, such as intangible asset amortization expense, the effects of an acquisition, restructuring, litigation, and changes in applicable laws and regulations (including significant accounting or tax matters) and do not provide a comparable view of the Company's performance to other companies in the health care industry. Investors should consider non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP.

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

(Dollars in Millions Except Per Share Data)	2020	2019
Net Earnings, after tax- as reported	\$5,796	\$3,749
<i>Pre-tax Adjustments</i>		
Intangible Asset Amortization expense	1,118	1,130
Litigation expense	120	423
IPR&D	—	890
Restructuring related	118	90
Acquisition and Integration related <sup>1</sup>	(962)	67
Unrealized (gains)/losses on securities	327	(158)
Medical Device Regulation <sup>2</sup>	14	—
Other	—	3
<i>Tax Adjustments</i>		
Tax impact on special item adjustments <sup>3</sup>	(267)	(533)
Tax legislation and related impacts	(110)	—
Adjusted Net Earnings, after tax	<b>\$6,154</b>	<b>\$5,661</b>
Average shares outstanding (Diluted)	2,671.0	2,698.8
Adjusted net earnings per share (Diluted)	<b>\$2.30</b>	<b>\$2.10</b>
Operational adjusted net earnings per share (Diluted)	<b>\$2.32</b>	

**Notes:**

<sup>1</sup> Acquisition and integration related costs for the first quarter of 2020 primarily includes a \$983M Contingent Consideration reversal related to the timing of certain developmental milestones associated with the Auris Health acquisition.

<sup>2</sup> European Medical Device Regulation (MDR) costs represent one-time compliance costs for the Company's previously registered products. MDR is a replacement of the existing European Medical Devices Directive regulatory framework, and manufacturers of currently marketed medical devices are required to comply with EU MDR beginning in May 2021. The Company considers the adoption of EU MDR to be a significant one-time regulatory change and is not indicative of on-going operations. The Company has excluded only external third-party regulatory and consulting costs from its Medical Devices operating segments' measures of profit and loss used for making operating decisions and assessing performance.

<sup>3</sup> The tax impact related to special item adjustments reflects the current and deferred income taxes associated with the above pre-tax special items in arriving at adjusted earnings.

## Reconciliation of Non-GAAP Financial Measure

**Adjusted Operational Sales Growth <sup>(A)</sup>**  
**FIRST QUARTER 2020 ACTUAL vs. 2019 ACTUAL**

	Segments			
	Consumer Health	Pharmaceutical	Medical Devices	Total
<b>WW As Reported</b>	<b>9.2%</b>	<b>8.7%</b>	<b>(8.2)%</b>	<b>3.3%</b>
U.S.	21.0%	8.6%	(6.8)%	5.6%
International	0.3%	8.8%	(9.4)%	1.0%
<b>WW Currency</b>	<b>(2.1)</b>	<b>(1.4)</b>	<b>(1.3)</b>	<b>(1.5)</b>
U.S.	—	—	—	—
International	(3.6)	(3.2)	(2.5)	(3.0)
<b>WW Operational</b>	<b>11.3%</b>	<b>10.1%</b>	<b>(6.9)%</b>	<b>4.8%</b>
U.S.	21.0%	8.6%	(6.8)%	5.6%
International	3.9%	12.0%	(6.9)%	4.0%
<b>Skin Health / Beauty</b>				
<b>Dr. Ci Labo - Japan</b>	<b>(0.4)</b>			<b>(0.1)</b>
U.S.	0.0			0.0
International	(0.7)			(0.1)
<b>General Surgery</b>				
<b>Advanced Sterilization Products</b>			<b>2.1</b>	<b>0.8</b>
U.S.			2.7	0.9
International			1.6	0.6
<b>Baby Care</b>				
<b>Baby Center</b>	<b>0.3</b>			<b>0.0</b>
U.S.	0.8			0.1
International	0.0			0.0
<b>All Other Acquisitions and Divestitures</b>	<b>(0.2)</b>	<b>0.1</b>	<b>(0.1)</b>	<b>0.0</b>
U.S.	0.0	0.1	(0.2)	0.0
International	(0.3)	0.0	0.1	0.0
<b>WW Adjusted Operational</b>	<b>11.0%</b>	<b>10.2%</b>	<b>(4.8)%</b>	<b>5.6%</b>
U.S.	21.7%	8.7%	(4.3)%	6.7%
International	2.8%	12.0%	(5.3)%	4.5%

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

<sup>(A)</sup> NON-GAAP FINANCIAL MEASURE "Adjusted operational sales growth" excludes acquisitions, divestitures and translational currency and is a non-GAAP financial measure. Investors should consider non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP. Due to the variable nature of acquisitions and divestitures, and the impact they may have on the analysis of underlying business performance and trends, management believes that providing this measure enhances an investor's understanding of the Company's performance and may assist in the evaluation of ongoing business operations period over period. This non-GAAP financial measure is presented to permit investors to more fully understand how management assesses the performance of the Company, including for internal evaluation of the performance of the Company's businesses and planning and forecasting for future periods. The use of this non-GAAP financial measure as a performance measure is limited in that it provides a view of the Company's results of operations without including all events during a period and may not provide a comparable view of the Company's performance to that of other companies in the health care industry.

# Johnson & Johnson

Segment Sales  
(Dollars in Millions)

## FIRST QUARTER

	2020	2019	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>CONSUMER HEALTH SEGMENT<sup>(2) (3)</sup></b>					
<b>BABY CARE</b>					
US	\$ 92	87	6.7 %	6.7 %	— %
Intl	269	307	(12.4)	(8.2)	(4.2)
WW	<u>361</u>	<u>394</u>	(8.2)	(4.9)	(3.3)
<b>SKIN HEALTH / BEAUTY<sup>(4)</sup></b>					
US	659	588	12.1	12.1	—
Intl	458	502	(8.8)	(6.5)	(2.3)
WW	<u>1,117</u>	<u>1,090</u>	2.5	3.5	(1.0)
<b>ORAL CARE</b>					
US	176	151	16.2	16.2	—
Intl	219	216	1.5	5.3	(3.8)
WW	<u>395</u>	<u>367</u>	7.6	9.8	(2.2)
<b>OTC</b>					
US	689	507	35.9	35.9	—
Intl	659	580	13.7	17.0	(3.3)
WW	<u>1,348</u>	<u>1,087</u>	24.1	25.8	(1.7)
<b>WOMEN'S HEALTH</b>					
US	4	3	32.0	32.0	—
Intl	228	222	2.5	8.9	(6.4)
WW	<u>232</u>	<u>225</u>	2.9	9.2	(6.3)
<b>WOUND CARE / OTHER</b>					
US	119	102	17.0	17.0	—
Intl	52	53	(1.2)	1.9	(3.1)
WW	<u>171</u>	<u>155</u>	10.7	11.8	(1.1)
<b>TOTAL CONSUMER HEALTH</b>					
US	1,740	1,438	21.0	21.0	—
Intl	1,885	1,880	0.3	3.9	(3.6)
WW	<u>\$ 3,625</u>	<u>3,318</u>	9.2 %	11.3 %	(2.1)%

See footnotes at end of schedule



# Johnson & Johnson

## Segment Sales

(Dollars in Millions)

	FIRST QUARTER				
	2020	2019	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>PHARMACEUTICAL SEGMENT<sup>(2)</sup></b>					
<b>IMMUNOLOGY</b>					
US	\$ 2,410	2,163	11.4 %	11.4 %	— %
Intl	1,228	1,088	12.8	16.3	(3.5)
WW	3,638	3,251	11.9	13.1	(1.2)
<u>REMICADE</u>					
US	625	774	(19.3)	(19.3)	—
US Exports <sup>(5)</sup>	110	76	44.3	44.3	—
Intl	256	252	1.5	5.2	(3.7)
WW	990	1,102	(10.2)	(9.3)	(0.9)
<u>SIMPONI / SIMPONI ARIA</u>					
US	272	263	3.4	3.4	—
Intl	258	261	(1.2)	2.6	(3.8)
WW	529	524	1.1	3.0	(1.9)
<u>STELARA</u>					
US	1,217	882	37.9	37.9	—
Intl	603	523	15.2	18.3	(3.1)
WW	1,819	1,405	29.5	30.6	(1.1)
<u>TREMFYA</u>					
US	187	168	11.5	11.5	—
Intl	109	49	*	*	*
WW	296	217	36.4	37.3	(0.9)
<u>OTHER IMMUNOLOGY</u>					
US	—	—	—	—	—
Intl	3	3	(6.9)	(5.6)	(1.3)
WW	3	3	(6.9)	(5.6)	(1.3)
<b>INFECTIOUS DISEASES</b>					
US	436	357	22.3	22.3	—
Intl	483	489	(1.2)	2.7	(3.9)
WW	920	846	8.7	11.0	(2.3)
<u>EDURANT / rilpivirine</u>					
US	12	12	0.6	0.6	—
Intl	212	199	6.4	9.2	(2.8)
WW	224	211	6.1	8.7	(2.6)
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	396	315	25.5	25.5	—
Intl	184	208	(11.6)	(6.4)	(5.2)
WW	579	523	10.8	12.8	(2.0)
<u>OTHER INFECTIOUS DISEASES</u>					
US	29	30	(3.4)	(3.4)	—
Intl	87	82	6.7	10.2	(3.5)
WW	116	112	4.0	6.6	(2.6)

See footnotes at end of schedule

# Johnson & Johnson

## Segment Sales

(Dollars in Millions)

	FIRST QUARTER				
	2020	2019	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>PHARMACEUTICAL SEGMENT <sup>(2)</sup> (Continued)</b>					
<b>NEUROSCIENCE</b>					
US	\$ 748	723	3.3 %	3.3 %	— %
Intl	910	905	0.5	3.0	(2.5)
WW	1,658	1,629	1.8	3.1	(1.3)
<u>CONCERTA / methylphenidate</u>					
US	52	97	(46.1)	(46.1)	—
Intl	118	116	1.5	3.6	(2.1)
WW	171	214	(20.1)	(19.0)	(1.1)
<u>INVEGA SUSTENNA / XEPLION / INVEGA</u>					
<u>TRINZA / TREVICTA</u>					
US	544	483	12.6	12.6	—
Intl	339	307	10.3	13.2	(2.9)
WW	883	790	11.7	12.9	(1.2)
<u>RISPERDAL CONSTA</u>					
US	76	77	(0.3)	(0.3)	—
Intl	94	102	(8.7)	(5.9)	(2.8)
WW	170	179	(5.1)	(3.5)	(1.6)
<u>OTHER NEUROSCIENCE</u>					
US	75	66	12.5	12.5	—
Intl	360	379	(5.1)	(3.1)	(2.0)
WW	435	446	(2.5)	(0.8)	(1.7)
<b>ONCOLOGY</b>					
US	1,175	962	22.1	22.1	—
Intl	1,839	1,556	18.2	21.7	(3.5)
WW	3,013	2,518	19.7	21.8	(2.1)
<u>DARZALEX</u>					
US	463	352	31.8	31.8	—
Intl	474	277	70.9	76.8	(5.9)
WW	937	629	49.0	51.6	(2.6)
<u>ERLEADA <sup>(6)</sup></u>					
US	119	58	*	*	—
Intl	24	3	*	*	*
WW	143	61	*	*	*
<u>IMBRUVICA</u>					
US	432	349	23.9	23.9	—
Intl	599	435	37.8	42.3	(4.5)
WW	1,031	784	31.6	34.1	(2.5)
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	108	263	(59.0)	(58.2)	(0.8)
WW	108	263	(59.0)	(58.2)	(0.8)
<u>ZYTIGA / abiraterone acetate</u>					
US	139	185	(25.2)	(25.2)	—
Intl	552	494	11.7	14.3	(2.6)
WW	690	679	1.6	3.5	(1.9)
<u>OTHER ONCOLOGY <sup>(6)</sup></u>					
US	22	18	20.1	20.1	—
Intl	82	84	(2.7)	0.6	(3.3)
WW	104	102	1.3	4.1	(2.8)

See footnotes at end of schedule



# Johnson & Johnson

Segment Sales  
(Dollars in Millions)

## FIRST QUARTER

	2020	2019	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>PHARMACEUTICAL SEGMENT <sup>(2)</sup> (Continued)</b>					
<b>PULMONARY HYPERTENSION</b>					
US	\$ 486	430	13.0 %	13.0 %	— %
Intl	260	226	14.9	17.8	(2.9)
WW	745	656	13.7	14.7	(1.0)
<u>OPSUMIT</u>					
US	229	172	33.0	33.0	—
Intl	160	133	20.2	23.3	(3.1)
WW	389	306	27.4	28.8	(1.4)
<u>UPTRAVI</u>					
US	212	176	20.7	20.7	—
Intl	38	22	70.2	75.0	(4.8)
WW	250	198	26.2	26.8	(0.6)
<u>OTHER PULMONARY HYPERTENSION <sup>(6)</sup></u>					
US	44	82	(45.9)	(45.9)	—
Intl	62	71	(12.4)	(10.7)	(1.7)
WW	106	152	(30.4)	(29.6)	(0.8)

See footnotes at end of schedule

# Johnson & Johnson

## Segment Sales

(Dollars in Millions)

### FIRST QUARTER

	2020	2019	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>PHARMACEUTICAL SEGMENT <sup>(2)</sup> (Continued)</b>					
<b>CARDIOVASCULAR / METABOLISM / OTHER</b>					
US	\$ 806	947	(14.9)%	(14.9)%	— %
Intl	354	398	(11.0)	(8.7)	(2.3)
WW	<u>1,160</u>	<u>1,345</u>	(13.8)	(13.1)	(0.7)
<u>XARELTO</u>					
US	527	542	(2.7)	(2.7)	—
Intl	—	—	—	—	—
WW	<u>527</u>	<u>542</u>	(2.7)	(2.7)	—
<u>INVOKANA / INVOKAMET</u>					
US	117	154	(23.6)	(23.6)	—
Intl	58	49	18.6	20.9	(2.3)
WW	<u>175</u>	<u>202</u>	(13.5)	(12.9)	(0.6)
<u>PROCRIPT / EPREX</u>					
US	76	148	(48.5)	(48.5)	—
Intl	79	78	0.4	1.9	(1.5)
WW	<u>155</u>	<u>226</u>	(31.6)	(31.0)	(0.6)
<u>OTHER</u>					
US	85	104	(18.0)	(18.0)	—
Intl	217	271	(19.7)	(17.1)	(2.6)
WW	<u>302</u>	<u>374</u>	(19.2)	(17.4)	(1.8)
<b>TOTAL PHARMACEUTICAL</b>					
US	6,061	5,582	8.6	8.6	—
Intl	5,073	4,662	8.8	12.0	(3.2)
WW	<u>\$ 11,134</u>	<u>10,244</u>	8.7 %	10.1 %	(1.4)%

See footnotes at end of schedule

# Johnson & Johnson

## Segment Sales

(Dollars in Millions)

	FIRST QUARTER				
	2020	2019	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>MEDICAL DEVICES SEGMENT <sup>(2)</sup></b>					
<b>INTERVENTIONAL SOLUTIONS</b>					
US	365	343	6.6 %	6.6 %	— %
Intl	362	389	(6.9)	(5.1)	(1.8)
WW	727	732	(0.6)	0.4	(1.0)
<b>ORTHOPAEDICS</b>					
US	1,250	1,318	(5.2)	(5.2)	—
Intl	788	885	(11.0)	(8.5)	(2.5)
WW	2,038	2,204	(7.5)	(6.5)	(1.0)
<b><u>HIPS</u></b>					
US	206	213	(3.6)	(3.6)	—
Intl	132	148	(11.2)	(8.4)	(2.8)
WW	337	361	(6.7)	(5.6)	(1.1)
<b><u>KNEES</u></b>					
US	214	223	(4.2)	(4.2)	—
Intl	130	146	(11.4)	(8.9)	(2.5)
WW	343	369	(7.0)	(6.1)	(0.9)
<b><u>TRAUMA</u></b>					
US	407	417	(2.3)	(2.3)	—
Intl	247	268	(8.0)	(5.3)	(2.7)
WW	654	685	(4.5)	(3.5)	(1.0)
<b><u>SPINE, SPORTS &amp; OTHER <sup>(7)</sup></u></b>					
US	423	465	(8.9)	(8.9)	—
Intl	280	323	(13.3)	(11.1)	(2.2)
WW	703	788	(10.7)	(9.8)	(0.9)

See footnotes at end of schedule

# Johnson & Johnson

## Segment Sales

(Dollars in Millions)

	FIRST QUARTER				
	2020	2019	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>MEDICAL DEVICES SEGMENT <sup>(2)</sup> (Continued)</b>					
<b>SURGERY</b>					
US	\$ 844	1,001	(15.7)%	(15.7)%	— %
Intl	1,257	1,394	(9.8)	(6.7)	(3.1)
WW	2,100	2,395	(12.3)	(10.5)	(1.8)
<u>ADVANCED</u>					
US	381	404	(5.7)	(5.7)	—
Intl	567	576	(1.6)	1.6	(3.2)
WW	948	980	(3.3)	(1.4)	(1.9)
<u>GENERAL <sup>(6)</sup></u>					
US	463	597	(22.5)	(22.5)	—
Intl	690	818	(15.7)	(12.6)	(3.1)
WW	1,153	1,414	(18.5)	(16.8)	(1.7)
<b>VISION</b>					
US	439	446	(1.6)	(1.6)	—
Intl	628	682	(8.0)	(6.4)	(1.6)
WW	1,067	1,129	(5.5)	(4.5)	(1.0)
<u>CONTACT LENSES / OTHER</u>					
US	346	321	7.7	7.7	—
Intl	467	502	(7.0)	(5.4)	(1.6)
WW	814	824	(1.3)	(0.3)	(1.0)
<u>SURGICAL</u>					
US	93	125	(25.5)	(25.5)	—
Intl	160	180	(11.0)	(9.2)	(1.8)
WW	253	305	(16.9)	(15.9)	(1.0)
<b>TOTAL MEDICAL DEVICES</b>					
US	2,898	3,109	(6.8)	(6.8)	—
Intl	3,034	3,350	(9.4)	(6.9)	(2.5)
WW	\$ 5,932	6,459	(8.2)%	(6.9)%	(1.3)%

**Note:** Column 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

<sup>(1)</sup> Operational growth excludes the effect of translational currency

<sup>(2)</sup> Unaudited

<sup>(3)</sup> Previously referred to as Consumer

<sup>(4)</sup> Previously referred to as Beauty

<sup>(5)</sup> Reported as U.S. sales

<sup>(6)</sup> Refer to supplemental schedule

<sup>(7)</sup> Previously referred to as Spine & Other

# Johnson & Johnson

## Supplemental Sales Information

(Dollars in Millions)

Prior quarter amounts have been reclassified to conform to current quarter products disclosure

	2018	2019				2019
	Full Year	Q1	Q2	Q3	Q4	Full Year
<b><u>PHARMACEUTICAL SEGMENT</u></b> <sup>(1)</sup>						
<u>ERLEADA</u> <sup>(2)</sup>						
US	124	58	62	74	103	297
Intl	—	3	7	12	13	35
WW	<u>124</u>	<u>61</u>	<u>69</u>	<u>86</u>	<u>116</u>	<u>332</u>
 <u>OTHER ONCOLOGY</u> <sup>(2)</sup>						
US	104	18	16	17	19	70
Intl	362	84	85	83	84	336
WW	<u>466</u>	<u>102</u>	<u>101</u>	<u>100</u>	<u>104</u>	<u>407</u>
 <b><u>PULMONARY HYPERTENSION</u></b>						
<u>OTHER PAH</u> <sup>(3)</sup>						
US	353	82	61	36	26	205
Intl	342	71	78	61	62	272
WW	<u>695</u>	<u>152</u>	<u>140</u>	<u>96</u>	<u>88</u>	<u>476</u>
 <b><u>MEDICAL DEVICES SEGMENT</u></b> <sup>(1)</sup>						
<u>GENERAL SURGERY</u> <sup>(4)</sup>						
US	2,468	597	530	531	534	2,192
Intl	3,431	818	794	769	834	3,215
WW	<u>5,899</u>	<u>1,414</u>	<u>1,325</u>	<u>1,301</u>	<u>1,366</u>	<u>5,406</u>

**Note:** Columns and rows within tables may not add due to rounding.

<sup>(1)</sup> Unaudited

<sup>(2)</sup> ERLEADA was previously included in Other Oncology

<sup>(3)</sup> Other PAH is inclusive of TRACLEER, which was previously disclosed separately

<sup>(4)</sup> General Surgery is inclusive of Specialty Surgery, which was previously disclosed separately