

**Johnson & Johnson and Subsidiaries**

**Reconciliation of Non-GAAP Financial Measures**

	Second Quarter		Six Months Ended	
(Dollars in Millions Except Per Share Data)	2021	2020	2021	2020
Net Earnings, after tax- as reported	\$6,278	\$3,626	\$12,475	\$9,422
<i>Pre-tax Adjustments</i>				
Intangible Asset Amortization expense	1,202	1,127	2,417	2,245
Litigation related	(23)	613	(23)	733
IPR&D	-	6	-	6
Restructuring related	108	115	212	233
Acquisition, integration and divestiture related <sup>1</sup>	14	29	(524)	(933)
Unrealized (gains)/losses on securities	(243)	(533)	(208)	(206)
Medical Device Regulation	56	37	102	51
Other	-	3	-	3
<i>Tax Adjustments</i>				
Tax impact on special item adjustments <sup>2</sup>	(135)	(253)	(248)	(520)
Tax legislation and other tax related	(632)	(324)	(654)	(434)
Adjusted Net Earnings, after tax	<b>\$6,625</b>	<b>\$4,446</b>	<b>\$13,549</b>	<b>\$10,600</b>
Average shares outstanding (Diluted)	2,671.6	2,665.5	2,674.0	2,671.0
Adjusted net earnings per share (Diluted)	<b>\$2.48</b>	<b>\$1.67</b>	<b>\$5.07</b>	<b>\$3.97</b>
Operational adjusted net earnings per share (Diluted)	<b>\$2.42</b>		<b>\$4.91</b>	

**Notes:**

<sup>1</sup> Acquisition, integration and divestiture related for the six months of 2021 primarily includes the gain on the divestiture of two Pharmaceutical brands outside of the U.S. The six months 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> 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.

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

Adjusted Operational Sales Growth  
SECOND QUARTER 2021 ACTUAL vs. 2020 ACTUAL

<u>Segments</u>				
	<u>Consumer Health</u>	<u>Pharmaceutical</u>	<u>Medical Devices</u>	<u>Total</u>
<b>WW As Reported</b>	<b>13.3%</b>	<b>17.2%</b>	<b>62.7%</b>	<b>27.1%</b>
U.S.	12.4%	12.2%	77.2%	24.9%
International	14.1%	23.7%	51.6%	29.5%
<b>WW Currency</b>	<b>4.1</b>	<b>3.6</b>	<b>5.5</b>	<b>4.1</b>
U.S.	-	-	-	-
International	7.8	8.3	9.7	8.6
<b>WW Operational</b>	<b>9.2%</b>	<b>13.6%</b>	<b>57.2%</b>	<b>23.0%</b>
U.S.	12.4%	12.2%	77.2%	24.9%
International	6.3%	15.4%	41.9%	20.9%
<b>General Surgery</b>				
<b>Advanced Sterilization Products</b>			<b>1.2</b>	<b>0.2</b>
U.S.			0.0	0.0
International			1.9	0.4
<b>All Other Acquisitions and Divestitures</b>	<b>0.8</b>	<b>0.6</b>	<b>0.3</b>	<b>0.6</b>
U.S.	0.6	(0.1)	0.7	0.1
International	1.1	1.5	0.0	1.0
<b>WW Adjusted Operational</b>	<b>10.0%</b>	<b>14.1%</b>	<b>58.7%</b>	<b>23.8%</b>
U.S.	13.0%	12.1%	77.9%	25.1%
International	7.4%	16.8%	43.8%	22.4%

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

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Reconciliation of Non-GAAP Financial Measure

Adjusted Operational Sales Growth  
SIX MONTHS 2021 ACTUAL vs. 2020 ACTUAL

	Segments			
	Consumer Health	Pharmaceutical	Medical Devices	Total
<b>WW As Reported</b>	<b>5.2%</b>	<b>13.3%</b>	<b>32.7%</b>	<b>16.9%</b>
U.S.	2.0%	9.3%	33.5%	13.8%
International	8.1%	18.3%	31.9%	20.3%
<b>WW Currency</b>	<b>2.5</b>	<b>3.0</b>	<b>4.0</b>	<b>3.2</b>
U.S.	-	-	-	-
International	4.8	6.9	7.4	6.6
<b>WW Operational</b>	<b>2.7%</b>	<b>10.3%</b>	<b>28.7%</b>	<b>13.7%</b>
U.S.	2.0%	9.3%	33.5%	13.8%
International	3.3%	11.4%	24.5%	13.7%
<b>General Surgery</b>				
<i>Advanced Sterilization Products</i>			<b>0.8</b>	<b>0.2</b>
U.S.			0.0	0.0
International			1.5	0.4
<b>All Other Acquisitions and Divestitures</b>	<b>0.6</b>	<b>0.5</b>	<b>0.2</b>	<b>0.4</b>
U.S.	0.5	(0.1)	0.5	0.1
International	0.7	1.2	0.0	0.8
<b>WW Adjusted Operational</b>	<b>3.3%</b>	<b>10.7%</b>	<b>29.7%</b>	<b>14.4%</b>
U.S.	2.5%	9.2%	33.9%	13.9%
International	4.0%	12.6%	26.0%	14.8%

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

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

Q2 QTD - Income Before Tax by Segment\*  
Dollars in Millions

	Consumer Health		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Reported Income Before Tax by Segment	\$ 804	32	4,356	4,514	1,746	(354)	(244)	(252)	6,662	3,940
<b>% to Sales</b>	<b>21.5%</b>	<b>1.0%</b>	<b>34.6%</b>	<b>42.0%</b>	<b>25.0%</b>	<b>-8.3%</b>	<b>-1.0%</b>	<b>-1.4%</b>	<b>28.6%</b>	<b>21.5%</b>
Intangible asset amortization expense	105	102	842	779	255	246	-	-	1,202	1,127
In-process research and development	-	-	-	-	-	6	-	-	-	6
Litigation related	122	638	(81)	(58)	(64)	33	-	-	(23)	613
Unrealized loss/(gain) on securities	(18)	-	(151)	(522)	(74)	(11)	-	-	(243)	(533)
Restructuring related	27	20	17	21	64	74	-	-	108	115
Acquisition, integration and divestiture related	-	-	-	10	14	19	-	-	14	29
Medical Device Regulation	-	-	-	-	56	37	-	-	56	37
Other	-	-	-	-	-	3	-	-	-	3
Adjusted Income Before Tax by Segment	\$ 1,040	792	4,983	4,744	1,997	53	(244)	(252)	7,776	5,337
<b>% to Sales</b>	<b>27.8%</b>	<b>24.0%</b>	<b>39.6%</b>	<b>44.1%</b>	<b>28.6%</b>	<b>1.2%</b>	<b>-1.0%</b>	<b>-1.4%</b>	<b>33.4%</b>	<b>29.1%</b>

\*Estimated as of 07/21/2021.

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

Q2 YTD - Income Before Tax by Segment\*  
Dollars in Millions

	Consumer Health		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Reported Income Before Tax by Segment	\$ 1,592	802	9,579	8,348	3,375	1,671	(455)	(372)	14,091	10,449
<b>% to Sales</b>	<b>21.9%</b>	<b>11.6%</b>	<b>38.6%</b>	<b>38.1%</b>	<b>24.9%</b>	<b>16.4%</b>	<b>-1.0%</b>	<b>-1.0%</b>	<b>30.9%</b>	<b>26.8%</b>
Intangible asset amortization expense	211	202	1,698	1,550	508	493	-	-	2,417	2,245
In-process research and development	-	-	-	-	-	6	-	-	-	6
Litigation related	122	638	(81)	35	(64)	60	-	-	(23)	733
Unrealized loss/(gain) on securities	(20)	1	(114)	(208)	(74)	1	-	-	(208)	(206)
Restructuring related	55	38	37	41	120	154	-	-	212	233
Acquisition, integration and divestiture related	-	-	(570)	19	46	(952)	-	-	(524)	(933)
Medical Device Regulation	-	-	-	-	102	51	-	-	102	51
Other	-	-	-	-	-	3	-	-	-	3
Adjusted Income Before Tax by Segment	\$ 1,960	1,681	10,549	9,785	4,013	1,487	(455)	(372)	16,067	12,581
<b>% to Sales</b>	<b>26.9%</b>	<b>24.3%</b>	<b>42.5%</b>	<b>44.7%</b>	<b>29.6%</b>	<b>14.6%</b>	<b>-1.0%</b>	<b>-1.0%</b>	<b>35.2%</b>	<b>32.2%</b>

\*Estimated as of 07/21/2021.

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

**Quarter to Date**

	<b>Second Quarter July 4, 2021 GAAP</b>	<b>Intangible asset amortization</b>	<b>Litigation related</b>	<b>In-process research and development</b>	<b>Restructuring related</b>	<b>Acquisition, integration and divestiture related</b>	<b>Unrealized (loss)/gain on securities</b>	<b>Medical Device Regulation</b>	<b>Tax legislation and other tax related</b>	<b>Other</b>	<b>Second Quarter July 4, 2021 Non-GAAP</b>
Cost of products sold	\$ 7,587	(1,202)			(20)			(20)			6,345
Selling, marketing and admin expenses	6,073							(6)			6,067
Research and development expense	3,394					-		(30)			3,364
Other (Income) / Expense	(488)	-	23		(32)	(14)	243			-	(268)
In-process research and development	-			-							-
Restructuring	56				(56)						-
Provision for taxes on income	384	163	(1)	-	17	3	(57)	10	632	-	1,151
Net Earnings	6,278	1,039	(22)	-	91	11	(186)	46	(632)	-	6,625

	<b>Second Quarter June 28, 2020 GAAP</b>	<b>Intangible asset amortization</b>	<b>Litigation related</b>	<b>In-process research and development</b>	<b>Restructuring related</b>	<b>Acquisition, integration and divestiture related</b>	<b>Unrealized (loss)/gain on securities</b>	<b>Medical Device Regulation</b>	<b>Tax legislation and other tax related</b>	<b>Other</b>	<b>Second Quarter June 28, 2020 Non-GAAP</b>
Cost of products sold	\$ 6,579	(1,127)			(22)			(8)			5,422
Selling, marketing and admin expenses	4,993							(6)			4,987
Research and development expense	2,707					(5)		(23)			2,679
Other (Income) / Expense	24	-	(613)		(32)	(24)	533			(3)	(115)
In-process research and development	6			(6)							-
Restructuring	61				(61)						-
Provision for taxes on income	314	217	123	1	22	4	(122)	7	324	1	891
Net Earnings	3,626	910	490	5	93	25	(411)	30	(324)	2	4,446

**Year to Date**

	<b>Six Months July 4, 2021 GAAP</b>	<b>Intangible asset amortization</b>	<b>Litigation related</b>	<b>In-process research and development</b>	<b>Restructuring related</b>	<b>Acquisition, integration and divestiture related (1)</b>	<b>Unrealized (loss)/gain on securities</b>	<b>Medical Device Regulation</b>	<b>Tax legislation and other tax related</b>	<b>Other</b>	<b>Six Months July 4, 2021 Non-GAAP</b>
Cost of products sold	\$ 14,650	(2,417)			(47)			(37)			12,149
Selling, marketing and admin expenses	11,505							(11)			11,494
Research and development expense	6,572					-		(54)			6,518
Other (Income) / Expense	(1,370)	-	23		(56)	524	208			-	(671)
In-process research and development	-			-							-
Restructuring	109				(109)						-
Provision for taxes on income	1,616	340	(1)	-	37	(98)	(49)	19	654	-	2,518
Net Earnings	12,475	2,077	(22)	-	175	(426)	(159)	83	(654)	-	13,549

	<b>Six Months June 28, 2020 GAAP</b>	<b>Intangible asset amortization</b>	<b>Litigation related</b>	<b>In-process research and development</b>	<b>Restructuring related</b>	<b>Acquisition, integration and divestiture related (1)</b>	<b>Unrealized (loss)/gain on securities</b>	<b>Medical Device Regulation</b>	<b>Tax legislation and other tax related</b>	<b>Other</b>	<b>Six Months June 28, 2020 Non-GAAP</b>
Cost of products sold	\$ 13,641	(2,245)			(37)			(22)			11,337
Selling, marketing and admin expenses	10,196							(6)			10,190
Research and development expense	5,287					(5)		(23)			5,259
Other (Income) / Expense	(655)	-	(733)		(77)	938	206			(3)	(324)
In-process research and development	6			(6)							-
Restructuring	119				(119)						-
Provision for taxes on income	1,027	363	143	1	43	7	(47)	9	434	1	1,981
Net Earnings	9,422	1,882	590	5	190	(940)	(159)	42	(434)	2	10,600

(1) 2021 primarily includes gains on the divestitures of two Pharmaceutical brands outside of the United States. 2020 primarily includes a \$983 million Contingent Consideration reversal related to the timing of certain developmental milestones associated with the Auris Health acquisition.