Johnson & Johnson to Separate Consumer Health Business

Benefiting Patients and Consumers and Unlocking Value for all Stakeholders

November 12, 2021
Cautionary Note on Forward-looking Statements

This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things: the anticipated separation of Johnson & Johnson’s Consumer Health business; future operating and financial performance, product development, market position and business strategy. The viewer 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: Johnson & Johnson’s ability to satisfy the necessary conditions to consummate the separation of Johnson & Johnson’s Consumer Health business on a timely basis or at all, Johnson & Johnson’s ability to successfully separate Johnson & Johnson’s Consumer Health business and realize the anticipated benefits from the separation, the New Consumer Health Company’s ability to succeed as a standalone publicly traded company, 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 unexpected clinical trial results, additional analysis of existing clinical data, uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; the impact of business combinations and divestitures; challenges to patents; the impact of patent expirations; the ability of Johnson & Johnson to successfully execute strategic plans, including restructuring plans; 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, global health care reforms and import/export and trade laws; 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 January 3, 2021, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” in Johnson & Johnson’s most recently filed Quarterly Report on Form 10-Q and in Johnson & Johnson’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 presentation speaks only as of the date of this presentation. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.
Creating Two Global Leaders That Will Advance Our Mission

We are taking a bold, Credo-based action to evolve our business in order to provide value to our stakeholders today, tomorrow, and in the decades ahead.
Nuestro Credo

Unser Credo

Our Credo

We believe our first responsibility is to the patients, doctors and nurses, to mothers and fathers and all others who use our products and services. In meeting their needs we must be of high quality. We must continue to reduce our costs and maintain reasonable prices. Customer orders must be serviced promptly and accurately. Our business partners must have an opportunity to make a fair profit.

As responsible for the employees who work with us throughout the world, we must provide an inclusive work environment where each person must be considered as an individual. We must respect their diversity and dignity and recognize their needs. They must have a sense of security, fulfillment and purpose in their jobs.

We must work towards ensuring that our employees and their families and other personal responsibilities are maintained. Employees must be free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide a support for leaders and their actions as just and ethical.

We are responsible for the communities in which we live and work and to the world community as well. We must help people be healthier by supporting better access and care in more places around the world. We must be good citizens — support good works and charities, better health and education, and leave our fair share of taxes. We must maintain good order in the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative, progressive, developed, invented and the future and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

Ons Credo

Når vi er i stand til at lægge et ansvar for de mennesker, der arbejder med os overalt i verden, må vi sikre, at der er et inkluderende arbejdsmiljø, hvor varigheden af hver person skal betragtes som en ensartet. Vi skal respektere deres diversitet og deres ændringer og identiteter, og velkomme deres behov.

Vi skal arbejde mod at sikre, at vores arbejdere og deres familier og andre personlige ansvar kan afvikles. Vi også fremskriver inden for at give arbejdere ret til at forslag og advarsler. Der skal være økent ret for venlig og vellykket udvikling og fremgang for dem, der tilsiger sig dem. Vi skal sikre en støtte for lederne og deres handlinger som ret og etisk.

Vi er ansvarlige for de samfund, i hvilke vi boede og arbejder, og for verdens samfund især. Vi skal hjælpe mennesker at være sundere ved at støtte bedre adgang og omsorg i flere steder om verden. Vi skal også være gode medborgere — støtte bedre arbejde og donationer, bedre sundhed og uddannelse, og påvirke vores fair share af skatter. Vi skal også sikre, at vi beholder god ordning på det egendom, vi lider på at bruge, at beskytte miljøet og naturlige ressourcer.

Positioned to Win at a Pivotal Moment in Healthcare

New Johnson & Johnson

Demand for Delivering Life-Enhancing Innovations at Speed and Scale
Cutting-Edge Technology
Global Understanding that Good Health is the Foundation for a Better Future

Separation Will Ensure Both Companies Will Thrive for Another Century and Beyond...

New Consumer Health Company

Personal Health and Wellness Industry Center Stage
Demand for Innovation and Omnichannel Access
Heightened Sustainability Profile

Global Understanding that Good Health is the Foundation for a Better Future
Cutting-Edge Technology
Demand for Delivering Life-Enhancing Innovations at Speed and Scale
Creating Two Independent, Market-Leading Companies

New Johnson & Johnson
An Innovative Pharmaceuticals and Medical Devices Leader

~$77B Revenue

Sharpened Focus on Major Unmet Medical Needs and Advancing Standard of Care

New Consumer Health Company
A Leading Global Consumer Health Company

~$15B Revenue

Powerful Portfolio of Iconic Brands and Commitment to Continued Innovation

Note: Values may not add due to rounding
Note: Figures represent Total Reported Sales from the 2021 Midpoint of October Sales Dollar Guidance excluding Vaccine. Sales dollars are allocated to segments based on September 2021 YTD Actuals sales mix
NEW JOHNSON & JOHNSON

Company would remain the world’s largest and most diverse healthcare company
New Johnson & Johnson Would Remain a Highly Diversified Global Pharmaceuticals and Medical Devices Leader

Blending strong Pharmaceutical and Medical Device capabilities through innovation and technology

~$77B
worldwide sales

Strengths in Core Areas of:

- Science
- Technology
- Regulatory
- Supply Chain
- Global Commercial Reach

65% Pharmaceutical

35% Medical Devices

- Cardiovascular / Metabolism
- Pulmonary Hypertension

First Quarter 2021 Results

Blending strong Pharmaceutical and Medical Device capabilities through innovation and technology

Note: Values may not add due to rounding
Note: Figures represent Total Reported Sales from the 2021 Midpoint of October Sales Dollar Guidance excluding Vaccine. Sales dollars are allocated to segments and business categories based on September 2021 YTD Actuals sales mix
1. Cardiovascular / Metabolism
2. Pulmonary Hypertension
Continuing to Play a Leading Role in Advancing the Industry Forward

New Johnson & Johnson will be positioned to continue building on its offering of life-saving treatments and medical device solutions to address the most challenging diseases in healthcare.

- Shared and complementary focus on scientific R&D
- Shared mission of addressing major unmet medical needs
- Shared focus on patient and disease-centric care

- Potential for cross-enterprise collaboration
- Opportunity to leverage data science and incorporate digital technologies
- Similar regulatory and competitive environments
Positioned to Transform the Patient Journey

Combining pharmaceutical, interventional, surgical, robotics and software solutions to deliver for patients

Lung Cancer Initiative

MONARCH Robotic Platform   Ethicon Surgical Capabilities   Oncology Expertise

Eye Health

Cardiovascular
NEW CONSUMER HEALTH COMPANY

A global leader with a powerful portfolio of iconic brands
New Consumer Health Company: A Global Leader

Touching the lives of more than one billion consumers around the world every day

<table>
<thead>
<tr>
<th>Iconic Portfolio of Mega Brands</th>
<th>Attractive Categories</th>
<th>Global Footprint</th>
<th>Key Organizational Strengths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutrogena</td>
<td>Essential Health/Specialty 33%</td>
<td>U.S. 45%</td>
<td>Balanced &amp; resilient portfolio</td>
</tr>
<tr>
<td></td>
<td>OTC/Self Care 35%</td>
<td>Western Hemisphere 12%</td>
<td>Top quartile profitability</td>
</tr>
<tr>
<td>TYLENOL</td>
<td>Skin Health/Beauty 32%</td>
<td>Europe 20%</td>
<td>Unique digital capabilities</td>
</tr>
<tr>
<td>LISTERINE</td>
<td></td>
<td>Asia Pacific / Africa 23%</td>
<td>Sustainability innovation</td>
</tr>
<tr>
<td>Johnson's®</td>
<td></td>
<td></td>
<td>World class team &amp; capabilities</td>
</tr>
</tbody>
</table>

Note: Values may not add due to rounding
Note: Figures represent Total Reported Sales from the 2021 Midpoint of October Sales Dollar Guidance excluding Vaccine. Sales dollars are allocated to segments, business categories and regions based on September 2021 YTD Actuals sales mix.
1. Excludes U.S.
# Portfolio of Trusted Iconic Brands

New Consumer Health Company holds leading positions in attractive consumer categories globally

## Key Brands

<table>
<thead>
<tr>
<th>OTC/Self Care</th>
<th>Skin Health/Beauty</th>
<th>Essential Health/Specialty</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYLENOL®</td>
<td>Neutrogena®</td>
<td>LISTERINE®</td>
</tr>
<tr>
<td>Motrin®</td>
<td>Aveeno®</td>
<td>BAND-AID®</td>
</tr>
<tr>
<td>Zyrtec®</td>
<td>Neostrata®</td>
<td>Neosporin®</td>
</tr>
<tr>
<td>Nicorette®</td>
<td>Dr. CI:Labo®</td>
<td>Johnson's®</td>
</tr>
<tr>
<td>Benadryl®</td>
<td>Aveno®</td>
<td>Carefree®</td>
</tr>
<tr>
<td>Zarbee's®</td>
<td>Mustangs®</td>
<td>Stayfree®</td>
</tr>
</tbody>
</table>

## Leadership Positions

<table>
<thead>
<tr>
<th>#1</th>
<th>#1</th>
<th>#1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctor recommended brand for pain relief &amp; fever reduction in the U.S. TYLENOL®</td>
<td>Allergist recommended brand among OTC Oral Antihistamines in the U.S. Zyrtec®</td>
<td>Global smoking cessation brand NICORETTE®</td>
</tr>
<tr>
<td>Doctor recommended Acid Reducer in the U.S. PEPCID®</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Source: IQVIA ProVoice, Adult Analgesics, All Physicians, 12 months ending Q3 2020
2. Source: IQVIA ProVoice, Among OTC oral antihistamines; Adult Oral Antihistamines, Allergists, 12 months ending 2Q 2020
3. In markets where J&J manages NICORETTE (ex-US)
4. Source: IQVIA ProVoice, Among OTC Acid Reducers; All specialties, 12 months ending 2Q 2021
5. Source: 2019 IPSOS Dermatology Tracker National Level Report
6. Source: Intage SLI 2020 Jan-Dec series value sales
7. Source: Nielsen xAOC L52wks thru 4/23/2021
8. Source: Nielsen POS $ Sales Data L52 Week Ending 8/22/2020
10. Source: Nielsen (Global) L52W through July 2020; IRI (Pacific) L52W through July 2020; Intage (Japan) L52W through July 2020 for J&J measured universe (includes countries and categories where J&J brands are present)
Better Positioned to Drive Incremental Growth

New Consumer Health Company will be ready to realize potential in underpenetrated markets and unlock long-term growth opportunities across its businesses.

Playing in Fast Growing, Attractive Categories

Key CPG categories: ‘21-’25E CAGR

- Skin Care
- Baby Care
- Oral Care
- Consumer Health (OTC)
- Beer
- Soft Drinks
- Wine & Spirits
- Packaged Food
- Home Care

Growth Opportunities

- Enhance leadership positions
- Accelerate e-commerce growth by scaling investments in digital and analytics
- Evolve agile innovation model to customize business models by market
- Expand scale in key geographies
- Invest/acquire new business models

Source: Euromonitor International Ltd; Beauty & Personal Care, Consumer Health, Alcoholic Drinks, Cooking Ingredients & Meals, Staple Foods, Pet Care 2021ed; Soft Drinks, Apparel & Footwear, Tobacco, Home Care, 2020ed, retail and off-trade value RSP, current prices, fixed ex rates

1. Represents selection of key consumer categories and J&J categories
2. Includes carbonated soft drinks, concentrates, juice, RTD tea and sports drinks
3. Includes ready meals, baked goods, processed meat and seafood, processed fruit and vegetables and breakfast cereals
## Transaction Summary

<table>
<thead>
<tr>
<th>Transaction Details</th>
<th>• Transaction is intended to qualify as a tax-free separation for U.S. federal income tax purposes</th>
</tr>
</thead>
</table>
| Financial Profile & Dividend | • New Johnson & Johnson would remain committed to maintaining a strong balance sheet and to its stated capital allocation priorities of R&D investment, competitive dividends and value-creating acquisitions  
• Planned New Consumer Health Company would be expected to benefit from a strong investment grade profile and balance sheet  
• Expected that the overall shareholder dividend will remain at least at the same level following the completion of the transaction |
| Timing | • New Consumer Health Company expected to complete separation in 18 to 24 months |
| Conditions | • Consultations with works councils and other employee representative bodies, as required  
• Final approval of Johnson & Johnson’s Board of Directors  
• Receipt of a favorable opinion and Internal Revenue Service ruling with respect to the tax-free nature of the transaction  
• Receipt of other regulatory approvals. |
Increase management focus, resources, agility and speed to effectively address differing industry trends and to better meet the needs of the new Johnson & Johnson and New Consumer Health Company patients and consumers.

Provide each company with a compelling financial profile that more accurately reflects the strengths and opportunities of each business and, as a result, offers investors a more targeted investment opportunity.

Further focus capital allocation based on the objectives of each independent company.

Align corporate and operational structures so each company is better able to drive growth and value creation.
Q&A

Presenters

**Alex Gorsky**
Chairman, Board of Directors, Chief Executive Officer

**Joaquin Duato**
Vice Chairman, Executive Committee

**Joseph J. Wolk**
Executive Vice President, Chief Financial Officer