

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

<i>(Dollars in Millions Except Per Share Data)</i>	First Quarter		% Incr. / (Decr.)
	2019	2018	
Earnings before provision for taxes on income - as reported	\$ 4,422	5,481	(19.3) %
Intangible asset amortization expense	1,130	1,115	
In-process research and development	890	-	
Litigation expense	423	-	
Unrealized (gain)/loss on securities	(158)	27	
Restructuring/Other ⁽¹⁾	90	107	
Actelion acquisition related cost	39	96	
AMO acquisition related cost	28	21	
Other	3	11	
Earnings before provision for taxes on income - as adjusted	\$ 6,867	6,858	0.1 %
Net Earnings - as reported	\$ 3,749	4,367	(14.2) %
Intangible asset amortization expense	846	996	
In-process research and development	703	-	
Litigation expense	342	-	
Unrealized (gain)/loss on securities	(125)	21	
Restructuring/Other	75	81	
Actelion acquisition related cost	37	92	
AMO acquisition related cost	23	17	
Impact of tax legislation ⁽²⁾	-	52	
Other	11	9	
Net Earnings - as adjusted	\$ 5,661	5,635	0.5 %
Diluted Net Earnings per share - as reported	\$ 1.39	1.60	(13.1) %
Intangible asset amortization expense	0.31	0.36	
In-process research and development	0.26	-	
Litigation expense	0.13	-	
Unrealized (gain)/loss on securities	(0.05)	0.01	
Restructuring/Other	0.03	0.03	
Actelion acquisition related cost	0.01	0.03	
AMO acquisition related cost	0.01	0.01	
Impact of tax legislation	-	0.02	
Other	0.01	-	
Diluted Net Earnings per share - as adjusted	\$ 2.10	2.06	1.9 %
Operational Diluted Net Earnings per share - as adjusted at 2017 foreign currency exchange rates		1.93	
Impact of currency at 2018 foreign currency exchange rates	0.08	0.13	
Operational Diluted Net Earnings per share - as adjusted at 2018 foreign currency exchange rates	\$ 2.18	2.06	5.8 %

⁽¹⁾ Includes \$23M recorded in cost of products sold and \$31M recorded in other (income) expense in the first quarter 2019, and \$6M recorded in cost of products sold and \$59M recorded in other (income) expense in the first quarter 2018

⁽²⁾ Includes foreign currency translation

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

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

Segments				
	Consumer	Pharmaceutical	Medical Devices	Total
WW As Reported	(2.4)%	4.1%	(4.6)%	0.1%
U.S.	0.2%	4.3%	(1.6)%	1.8%
International	(4.2)%	3.9%	(7.1)%	(1.7)%
WW Currency	(4.6)	(3.8)	(3.6)	(3.8)
U.S.	-	-	-	-
International	(7.9)	(8.3)	(6.8)	(7.7)
WW Operational	2.2%	7.9%	(1.0)%	3.9%
U.S.	0.2%	4.3%	(1.6)%	1.8%
International	3.7%	12.2%	(0.3)%	6.0%
Beauty				
Nizoral	0.4			0.1
U.S.	0.3			0.0
International	0.5			0.1
OTC				
Zarbees	(0.8)			(0.1)
U.S.	(2.0)			(0.3)
International	0.0			0.0
Diabetes Care				
LifeScan			5.1	1.7
U.S.			3.8	1.2
International			6.2	2.3
Beauty				
RoC	0.8			0.1
U.S.	1.5			0.2
International	0.3			0.1
Beauty				
Dr. Ci Labo - Japan	(2.1)			(0.4)
U.S.	0.0			0.0
International	(3.6)			(0.7)
All Other Acquisitions and Divestitures	0.2	0.0	0.2	0.1
U.S.	0.0	0.0	0.3	0.1
International	0.4	0.0	0.0	0.1
WW Adjusted Operational	0.7%	7.9%	4.3%	5.5%
U.S.	0.0%	4.3%	2.5%	3.1%
International	1.3%	12.2%	5.9%	7.9%

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

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

Q1 - Income Before Tax by Segment*
Dollars in Millions

	Consumer		Pharmaceutical		Medical Devices		Unallocated		Worldwide Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Reported Income Before Tax by Segment	\$ 741	548	2,331	3,666	1,497	1,579	(147)	(312)	4,422	5,481
% to Sales	22.3%	16.1%	22.8%	37.2%	23.2%	23.3%	-0.7%	-1.6%	22.1%	27.4%
Intangible asset amortization expense	79	64	807	780	244	271	-	-	1,130	1,115
In-process research and development	-	-	890	-	-	-	-	-	890	-
Litigation expense, net	8	-	325	-	90	-	-	-	423	-
Unrealized loss/(gain) on securities	(4)	-	(143)	31	(11)	(4)	-	-	(158)	27
Restructuring / Other	7	-	25	-	58	107	-	-	90	107
Actelion acquisition related cost	-	-	39	96	-	-	-	-	39	96
AMO acquisition related cost	-	-	-	-	28	21	-	-	28	21
Other	-	-	-	-	3	11	-	-	3	11
Adjusted Income Before Tax by Segment	\$ 831	612	4,274	4,573	1,909	1,985	(147)	(312)	6,867	6,858
% to Sales	25.0%	18.0%	41.7%	46.5%	29.6%	29.3%	-0.7%	-1.6%	34.3%	34.3%

*Estimated as of 04/16/2019.

Johnson & Johnson and Subsidiaries
Net Income and Diluted EPS GAAP to Non-GAAP Reconciliation
\$ in Millions Except Per Share Data
(Unaudited)

	First Quarter March 31, 2019		A	First Quarter March 31, 2019		First Quarter April 1, 2018		E	First Quarter April 1, 2018	
	GAAP	Adjustment		Non-GAAP	GAAP	Adjustment	Non-GAAP			
Cost of products sold	\$ 6,615	(1,153)		5,462	\$ 6,614	(1,198)		5,416		
Other (Income) / Expense	(22)	(366)	B	(388)	60	(137)	F	(77)		
In-process research and development	890	(890)	C	-	-	-		-		
Restructuring	36	(36)	D	-	42	(42)	G	-		
Provision for taxes on income	673	533		1,206	1,114	109		1,223		
Net Earnings	3,749	1,912		5,661	4,367	1,268		5,635		
Diluted Net Earnings per Share	\$ 1.39	0.71		2.10	\$ 1.60	0.46		2.06		

(A) Includes \$1,130 Intangible asset amortization expense and \$23 Restructuring/Other

(B) Includes \$423 Litigation expense, \$158 Unrealized gain on securities, \$31 Restructuring/Other, \$39 Actelion acquisition related cost, \$28 AMO acquisition related cost and \$3 Other

(C) Includes \$890 In-process research and development

(D) Includes \$36 Restructuring/Other

(E) Includes \$1,115 Intangible asset amortization expense, \$77 Actelion acquisition related cost and \$6 Restructuring/Other

(F) Includes \$59 Restructuring/Other, \$19 Actelion acquisition related cost, \$27 Unrealized loss on securities, \$21 AMO acquisition related cost and \$11 Other

(G) Includes \$42 Restructuring/Other