

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):
July 16, 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 July 16, 2020, Johnson & Johnson issued the attached press release announcing its sales and earnings for the second quarter ended June 28, 2020.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description of Exhibit
99.1	Press Release dated July 16, 2020 for the period ended June 28, 2020
99.2	Unaudited Comparative Supplementary Sales Data and Condensed Consolidated Statement of Earnings for the second 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: July 16, 2020

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

Robert J. Decker, Jr.
Controller
(Principal Accounting Officer)

JOHNSON & JOHNSON REPORTS 2020 SECOND-QUARTER RESULTS:

- Sales of \$18.3 billion reflecting a decline of 10.8%, operational decline of 9.0%* and adjusted operational decline of 8.8%*, primarily driven by the negative impact of the COVID-19 pandemic
- EPS of \$1.36 decreased 34.6%; adjusted EPS of \$1.67 decreased 35.3%*; 2019 included gain from sale of Advanced Sterilization Products (ASP) business
- Company increasing Full Year Sales and EPS guidance

New Brunswick, N.J. (July 16, 2020) – Johnson & Johnson (NYSE: JNJ) today announced results for second-quarter 2020. “Our second quarter results reflect the impact of COVID-19 and the enduring strength of our Pharmaceutical business, where we saw continued growth even in this environment,” said Alex Gorsky, Chairman and Chief Executive Officer. “Thanks to the tireless work of our colleagues around the world and our broad range of capabilities, we continue to successfully navigate the external landscape, and we remain focused on advancing the development of a vaccine to help address this pandemic and save lives.” Mr. Gorsky continued, “We are bringing together our best minds, our global footprint and our sophisticated supply chain technology to deliver on our commitment to provide the vaccine on a not-for-profit basis for emergency pandemic use, globally. We know the need is urgent, and every day we commit to doing our part to find a solution for the global good.”

OVERALL FINANCIAL RESULTS:

SECOND QUARTER			
(\$ in Millions, except EPS)	2020	2019	% Change
Reported Sales	\$ 18,336	\$ 20,562	(10.8)%
Net Earnings	3,626	5,607	(35.3)%
EPS (diluted)	\$ 1.36	\$ 2.08	(34.6)%
Non-GAAP*			
SECOND QUARTER			
(\$ in Millions, except EPS)	2020	2019	% Change
Operational Sales^{1,2}			(9.0)%
Adjusted Operational Sales^{1,3}			(8.8)%
Adjusted Net Earnings^{1,4}	4,446	6,950	(36.0)%
Adjusted EPS (diluted)^{1,4}	\$ 1.67	\$ 2.58	(35.3)%

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

² Excludes the impact of translational currency

³ Excludes the net impact of acquisitions and divestitures and translational currency

⁴ Excludes intangible amortization expense and special items

REGIONAL SALES RESULTS:

(\$ in Millions)	SECOND QUARTER		% Change			
	2020	2019	Reported	Operational ^{1,2}	Currency	Adjusted Operational ^{1,3}
U.S.	\$ 9,539	\$ 10,403	(8.3)%	(8.3)	-	(8.1)
International	8,797	10,159	(13.4)	(9.6)	(3.8)	(9.4)
Worldwide	\$ 18,336	\$ 20,562	(10.8)%	(9.0)	(1.8)	(8.8)

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

² Excludes the impact of translational currency

³ Excludes the net impact of acquisitions and divestitures and translational currency

Note: values may have been rounded

SEGMENT SALES RESULTS:

(\$ in Millions)	SECOND QUARTER		% Change			
	2020	2019	Reported	Operational ^{1,2}	Currency	Adjusted Operational ^{1,3}
Consumer Health	\$ 3,296	\$ 3,544	(7.0)%	(3.6)	(3.4)	(3.4)
Pharmaceutical	10,752	10,529	2.1	3.9	(1.8)	3.9
Medical Devices	4,288	6,489	(33.9)	(32.7)	(1.2)	(32.5)
Worldwide	\$ 18,336	\$ 20,562	(10.8)%	(9.0)	(1.8)	(8.8)

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

² Excludes the impact of translational currency

³ 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, declined by 3.4%* as results were negatively impacted by the COVID-19 pandemic most notably reflected in skin health and beauty care products, followed by women's health care products and international baby care products. Partially offsetting this impact was growth in over-the-counter products including TYLENOL analgesics; digestive health products and ZARBEE'S NATURALS; and LISTERINE mouthwash in oral care products. Both over-the-counter and oral care products were positively impacted by COVID-19.

Pharmaceutical

Pharmaceutical worldwide operational sales, excluding the net impact of acquisitions and divestitures, grew 3.9%* 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, ERLEADA (apalutamide), a next-generation androgen receptor inhibitor for the treatment of patients with prostate cancer, TREMFYA (guselkumab), a biologic for the treatment of adults living with moderate to severe plaque psoriasis, UPTRAVI (selexipag), an oral prostacyclin receptor agonist used to treat pulmonary arterial hypertension and reduce hospitalization, INVEGA SUSTENNA/XEPLION/INVEGA TRINZA/TREVICTA (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults, and OPSUMIT (macitentan), an oral endothelin receptor antagonist indicated for the treatment of pulmonary arterial hypertension to delay disease progression. This growth was partially offset by the negative impact of COVID-19 as well as biosimilar and generic competition, with declines primarily in REMICADE (infliximab), a biologic approved for the treatment of a number of immune-mediated inflammatory diseases, international VELCADE (bortezomib), a proteasome inhibitor for the treatment of multiple myeloma, and ZYTIGA (abiraterone acetate), an oral, once-daily medication for use in combination with prednisone for the treatment of metastatic castration-resistant prostate cancer.

Medical Devices

Medical Devices worldwide operational sales, excluding the net impact of acquisitions and divestitures, declined by 32.5%* primarily driven by the negative impact of the COVID-19 pandemic and the associated deferral of medical procedures to our Surgery, Orthopaedics, Vision and Interventional Solutions 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, 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	TREMFYA (guselkumab) – U.S. Food and Drug Administration (FDA) Approves for Adult Patients with Active Psoriatic Arthritis (PsA) ¹	(press release)
	ZABDENO (Ad26.ZEBOV) and MVABEA (MVA-BN-Filo) – European Commission Approves Janssen's Preventive Ebola Vaccine ¹	(press release)
	DARZALEX (daratumumab) – European Commission (EC) Grants Marketing Authorisation for Subcutaneous Formulation for all Currently Approved Intravenous Formulation Indications	(press release)
	SIRTURO (bedaquiline) – U.S. FDA Approves New Pediatric Formulation as Part of Combination Therapy to Treat Children with Pulmonary Multidrug-Resistant Tuberculosis	(press release)
	DARZALEX FASPRO (daratumumab and hyaluronidase-fihj) – U.S. FDA Approves a new Subcutaneous Formulation of Daratumumab in the Treatment of Patients with Multiple Myeloma	(press release)
	IMBRUVICA (ibrutinib) – U.S.FDA Approves IMBRUVICA Plus Rituximab for Treatment of Patients with Chronic Lymphocytic Leukemia (CLL)	(press release)
Regulatory Submissions	SIMPONI ARIA (golimumab) – Submission to the U.S. Food and Drug Administration (FDA) for the Treatment of Polyarticular Juvenile Idiopathic Arthritis and Juvenile Psoriatic Arthritis	(press release)
Other	STELARA (ustekinumab) Discontinuation of Phase 3 LOTUS Study in Systemic Lupus Erythematosus	(press release)
	Johnson & Johnson Announces Acceleration of its COVID-19 Vaccine Candidate; Phase 1/2a Clinical Trial to Begin in Second Half of July	(press release)
	Biosense Webster Unveils Late-Breaking Results from PRECEPT Study in Patients with Persistent Atrial Fibrillation	(press release)

¹ Subsequent to the quarter

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 estimated impact of the COVID-19 pandemic is included in the guidance below.

	<u>July 2020</u>	<u>April 2020</u>
(\$ in Billions, except EPS)		
Adjusted Operational Sales ^{1,2}		
Change vs. Prior Year	(0.8%) - 1.0%	(3.0%) - 0.5%
Operational Sales ²	\$81.0 to \$82.5	\$79.2 to \$82.2
Change vs. Prior Year	(1.3%) - 0.5%	(3.5%) - 0.0%
Estimated Reported Sales ³	\$79.9 to \$81.4	\$77.5 to \$80.5
Change vs. Prior Year	(2.6%) - (0.8%)	(5.5%) - (2.0%)
Adjusted Operational EPS (Diluted) ^{2,4}	\$7.85 to \$8.05	\$7.65 to \$8.05
Change vs. Prior Year	(9.6%) - (7.3%)	(11.9%) - (7.3%)
Adjusted EPS (Diluted) ^{3,4}	\$7.75 to \$7.95	\$7.50 to \$7.90
Change vs. Prior Year	(10.7%) - (8.4%)	(13.6%) - (9.0%)

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

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

³ Calculated using Euro Average Rate: July 2020 = \$1.12 Euro Average Rate: April 2020 = \$1.09 (Illustrative purposes only)

⁴ [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 8:00 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, 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.

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

(Unaudited; Dollars in Millions)

SECOND QUARTER

	Percent Change				
	2020	2019	Total	Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 9,539	10,403	(8.3) %	(8.3)	-
Europe	4,063	4,733	(14.2)	(11.5)	(2.7)
Western Hemisphere excluding U.S.	1,133	1,455	(22.1)	(8.9)	(13.2)
Asia-Pacific, Africa	3,601	3,971	(9.3)	(7.7)	(1.6)
International	8,797	10,159	(13.4)	(9.6)	(3.8)
Worldwide	\$ 18,336	20,562	(10.8) %	(9.0)	(1.8)

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)

SIX MONTHS

			Percent Change		
	2020	2019	Total	Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 20,238	20,532	(1.4) %	(1.4)	-
Europe	8,890	9,342	(4.8)	(2.1)	(2.7)
Western Hemisphere excluding U.S.	2,635	2,958	(10.9)	(0.1)	(10.8)
Asia-Pacific, Africa	7,264	7,751	(6.3)	(4.9)	(1.4)
International	18,789	20,051	(6.3)	(2.9)	(3.4)
Worldwide	\$ 39,027	40,583	(3.8) %	(2.2)	(1.6)

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)

SECOND QUARTER

	2020	2019	Total	Percent Change	
				Operations	Currency
Sales to customers by segment of business					
Consumer Health					
U.S.	\$ 1,557	1,537	1.3 %	1.3	—
International	1,739	2,007	(13.4)	(7.4)	(6.0)
	3,296	3,544	(7.0)	(3.6)	(3.4)
Pharmaceutical					
U.S.	6,120	5,783	5.8	5.8	—
International	4,632	4,746	(2.4)	1.4	(3.8)
	10,752	10,529	2.1	3.9	(1.8)
Medical Devices					
U.S.	1,862	3,083	(39.6)	(39.6)	—
International	2,426	3,406	(28.8)	(26.4)	(2.4)
	4,288	6,489	(33.9)	(32.7)	(1.2)
U.S.	9,539	10,403	(8.3)	(8.3)	—
International	8,797	10,159	(13.4)	(9.6)	(3.8)
Worldwide	\$ 18,336	20,562	(10.8) %	(9.0)	(1.8)

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)

SIX MONTHS

			Total	Percent Change	
	2020	2019		Operations	Currency
Sales to customers by segment of business					
Consumer Health					
U.S.	\$ 3,297	2,975	10.8 %	10.8	-
International	3,624	3,887	(6.8)	(1.9)	(4.9)
	6,921	6,862	0.9	3.6	(2.7)
Pharmaceutical					
U.S.	12,181	11,365	7.2	7.2	-
International	9,705	9,408	3.2	6.7	(3.5)
	21,886	20,773	5.4	7.0	(1.6)
Medical Devices					
U.S.	4,760	6,192	(23.1)	(23.1)	-
International	5,460	6,756	(19.2)	(16.8)	(2.4)
	10,220	12,948	(21.1)	(19.8)	(1.3)
U.S.	20,238	20,532	(1.4)	(1.4)	-
International	18,789	20,051	(6.3)	(2.9)	(3.4)
Worldwide	\$ 39,027	40,583	(3.8) %	(2.2)	(1.6)

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)

SECOND QUARTER

	2020		2019		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,336	100.0	\$ 20,562	100.0	(10.8)
Cost of products sold	6,579	35.9	6,940	33.8	(5.2)
Gross Profit	11,757	64.1	13,622	66.2	(13.7)
Selling, marketing and administrative expenses	4,993	27.2	5,546	27.0	(10.0)
Research and development expense	2,707	14.8	2,666	13.0	1.5
In-process research and development	6	0.0	—	—	
Interest (income) expense, net	26	0.2	(5)	0.0	
Other (income) expense, net	24	0.1	(1,683)	(8.2)	
Restructuring	61	0.3	57	0.2	
Earnings before provision for taxes on income	3,940	21.5	7,041	34.2	(44.0)
Provision for taxes on income	314	1.7	1,434	6.9	(78.1)
Net earnings	\$ 3,626	19.8	\$ 5,607	27.3	(35.3)
Net earnings per share (Diluted)	\$ 1.36		\$ 2.08		(34.6)
Average shares outstanding (Diluted)	2,665.5		2,691.7		
Effective tax rate	8.0 %		20.4 %		
Adjusted earnings before provision for taxes and net earnings ^{(1) (A)}					
Earnings before provision for taxes on income	\$ 5,337	29.1	\$ 8,614	41.9	(38.0)
Net earnings	\$ 4,446	24.2	\$ 6,950	33.8	(36.0)
Net earnings per share (Diluted)	\$ 1.67		\$ 2.58		(35.3)
Effective tax rate	16.7 %		19.3 %		

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

^(A) 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
Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SIX MONTHS

	2020		2019		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 39,027	100.0	\$ 40,583	100.0	(3.8)
Cost of products sold	13,641	35.0	13,555	33.4	0.6
Gross Profit	25,386	65.0	27,028	66.6	(6.1)
Selling, marketing and administrative expenses	10,196	26.1	10,765	26.5	(5.3)
Research and development expense	5,287	13.5	5,524	13.6	(4.3)
In-process research and development	6	0.0	890	2.2	
Interest (income) expense, net	(16)	0.0	(2)	0.0	
Other (income) expense, net	(655)	(1.7)	(1,705)	(4.2)	
Restructuring	119	0.3	93	0.3	
Earnings before provision for taxes on income	10,449	26.8	11,463	28.2	(8.8)
Provision for taxes on income	1,027	2.7	2,107	5.1	(51.3)
Net earnings	\$ 9,422	24.1	\$ 9,356	23.1	0.7
Net earnings per share (Diluted)	\$ 3.53		\$ 3.47		1.7
Average shares outstanding (Diluted)	2,671.0		2,697.0		
Effective tax rate	9.8 %		18.4 %		
Adjusted earnings before provision for taxes and net earnings ^{(1) (A)}					
Earnings before provision for taxes on income	\$ 12,581	32.2	\$ 15,481	38.1	(18.7)
Net earnings	\$ 10,600	27.2	\$ 12,611	31.1	(15.9)
Net earnings per share (Diluted)	\$ 3.97		\$ 4.68		(15.2)
Effective tax rate	15.7 %		18.5 %		

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

^(A) 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

(Dollars in Millions Except Per Share Data)	Second Quarter	
	2020	2019
Net Earnings, after-tax as reported	\$3,626	\$5,607
<i>Pre-tax Adjustments</i>		
Intangible Asset Amortization expense	1,127	1,118
Litigation expense, net	613	409
IPR&D	6	—
Restructuring related	115	142
Acquisition and Integration related	29	55
Unrealized (gains)/losses on securities	(533)	(148)
Medical Device Regulation ¹	37	—
Other	3	(3)
<i>Tax Adjustments</i>		
Tax impact on special item adjustments ²	(253)	(230)
Tax legislation and related impacts	(324)	—
Adjusted Net Earnings, after-tax	\$4,446	\$6,950
Average shares outstanding (Diluted)	2,665.5	2,691.7
Adjusted net earnings per share (Diluted)	\$1.67	\$2.58
Operational adjusted net earnings per share (Diluted)	\$1.69	

Notes:

¹ 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.

² 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 Measures

(Dollars in Millions Except Per Share Data)	Six Months Ended	
	2020	2019
Net Earnings, after-tax as reported	\$9,422	\$9,356
Pre-tax Adjustments		
Intangible Asset Amortization expense	2,245	2,248
Litigation expense, net	733	832
IPR&D	6	890
Restructuring related	233	232
Acquisition and Integration related ¹	(933)	122
Unrealized (gains)/losses on securities	(206)	(306)
Medical Device Regulation ²	51	-
Other	3	-
Tax Adjustments		
Tax impact on special item adjustments ³	(520)	(763)
Tax legislation and related impacts	(434)	-
Adjusted Net Earnings, after-tax	\$10,600	\$12,611
Average shares outstanding (Diluted)	2,671.0	2,697.0
Adjusted net earnings per share (Diluted)	\$3.97	\$4.68
Operational adjusted net earnings per share (Diluted)	\$4.01	

Notes:

¹ Acquisition and integration related costs for 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.

² 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.

³ 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 ^(A)
SECOND QUARTER 2020 ACTUAL vs. 2019 ACTUAL

	Segments			
	Consumer Health	Pharmaceutical	Medical Devices	Total
WW As Reported	(7.0) %	2.1 %	(33.9) %	(10.8) %
U.S.	1.3 %	5.8 %	(39.6) %	(8.3) %
International	(13.4) %	(2.4) %	(28.8) %	(13.4) %
WW Currency	(3.4)	(1.8)	(1.2)	(1.8)
U.S.	—	—	—	—
International	(6.0)	(3.8)	(2.4)	(3.8)
WW Operational	(3.6) %	3.9 %	(32.7) %	(9.0) %
U.S.	1.3 %	5.8 %	(39.6) %	(8.3) %
International	(7.4) %	1.4 %	(26.4) %	(9.6) %
General Surgery				
Advanced Sterilization Products			0.1	0.1
U.S.			0.0	0.0
International			0.3	0.2
Baby Care				
Baby Center	0.3			0.0
U.S.	0.7			0.1
International	0.0			0.0
All Other Acquisitions and Divestitures	0.0	0.0	0.1	0.1
U.S.	0.0	0.0	0.1	0.0
International	(0.1)	0.1	0.0	0.0
WW Adjusted Operational	(3.4) %	3.9 %	(32.5) %	(8.8) %
U.S.	2.0 %	5.8 %	(39.5) %	(8.1) %
International	(7.5) %	1.5 %	(26.1) %	(9.4) %

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

^(A) 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 and Subsidiaries
Reconciliation of Non-GAAP Financial Measure

Adjusted Operational Sales Growth ^(A)
SIX MONTHS 2020 ACTUAL vs. 2019 ACTUAL

	Segments			Total
	Consumer Health	Pharmaceutical	Medical Devices	
WW As Reported	0.9 %	5.4 %	(21.1) %	(3.8) %
U.S.	10.8 %	7.2 %	(23.1) %	(1.4) %
International	(6.8) %	3.2 %	(19.2) %	(6.3) %
WW Currency	(2.7)	(1.6)	(1.3)	(1.6)
U.S.	—	—	—	—
International	(4.9)	(3.5)	(2.4)	(3.4)
WW Operational	3.6 %	7.0 %	(19.8) %	(2.2) %
U.S.	10.8 %	7.2 %	(23.1) %	(1.4) %
International	(1.9) %	6.7 %	(16.8) %	(2.9) %
Skin Health / Beauty				
Dr. Ci Labo - Japan	(0.2)			0.0
U.S.	0.0			0.0
International	(0.4)			(0.1)
General Surgery				
Advanced Sterilization Products			1.0	0.4
U.S.			1.1	0.4
International			0.9	0.4
Baby Care				
Baby Center	0.3			0.0
U.S.	0.7			0.1
International	0.0			0.0
All Other Acquisitions and Divestitures	(0.1)	0.1	0.0	0.0
U.S.	0.0	0.1	0.0	0.1
International	(0.2)	0.0	0.0	0.0
WW Adjusted Operational	3.6 %	7.0 %	(18.8) %	(1.7) %
U.S.	11.5 %	7.2 %	(22.0) %	(0.8) %
International	(2.5) %	6.7 %	(15.9) %	(2.6) %

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

^(A) 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)

SECOND QUARTER

	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER HEALTH SEGMENT⁽²⁾⁽³⁾					
BABY CARE					
US	\$ 96	99	(3.5) %	(3.5) %	— %
Intl	260	344	(24.3)	(16.6)	(7.7)
WW	356	443	(19.7)	(13.6)	(6.1)
ORAL CARE					
US	170	155	9.7	9.7	—
Intl	227	234	(2.8)	4.0	(6.8)
WW	397	389	2.2	6.3	(4.1)
OTC					
US	627	484	29.6	29.6	—
Intl	522	580	(10.1)	(5.0)	(5.1)
WW	1,149	1,064	7.9	10.7	(2.8)
SKIN HEALTH / BEAUTY⁽⁴⁾					
US	536	663	(19.2)	(19.2)	—
Intl	471	539	(12.5)	(8.2)	(4.3)
WW	1,007	1,202	(16.2)	(14.3)	(1.9)
WOMEN'S HEALTH					
US	3	3	(2.9)	(2.9)	—
Intl	199	250	(20.4)	(12.0)	(8.4)
WW	202	253	(20.1)	(11.8)	(8.3)
WOUND CARE / OTHER					
US	126	132	(4.7)	(4.7)	—
Intl	59	61	(2.4)	3.7	(6.1)
WW	185	193	(4.0)	(2.1)	(1.9)
TOTAL CONSUMER HEALTH					
US	1,557	1,537	1.3	1.3	—
Intl	1,739	2,007	(13.4)	(7.4)	(6.0)
WW	\$ 3,296	3,544	(7.0) %	(3.6) %	(3.4) %

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	SECOND QUARTER				
	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5)}					
IMMUNOLOGY					
US	\$ 2,362	2,379	(0.7)%	(0.7)%	— %
Intl	1,161	1,087	6.8	11.0	(4.2)
WW	3,523	3,466	1.6	3.0	(1.4)
<u>REMICADE</u>					
US	593	801	(25.8)	(25.8)	—
US Exports ⁽⁶⁾	133	62	*	*	—
Intl	208	244	(14.5)	(8.7)	(5.8)
WW	935	1,107	(15.5)	(14.2)	(1.3)
<u>SIMPONI / SIMPONI ARIA</u>					
US	256	281	(8.7)	(8.7)	—
Intl	289	282	2.6	6.8	(4.2)
WW	546	563	(3.0)	(0.9)	(2.1)
<u>STELARA</u>					
US	1,138	1,058	7.5	7.5	—
Intl	558	499	11.9	15.5	(3.6)
WW	1,697	1,558	8.9	10.1	(1.2)
<u>TREMFYA</u>					
US	241	176	36.7	36.7	—
Intl	101	59	71.0	73.4	(2.4)
WW	342	235	45.4	46.0	(0.6)
<u>OTHER IMMUNOLOGY</u>					
US	—	—	—	—	—
Intl	3	3	11.8	21.6	(9.8)
WW	3	3	11.8	21.6	(9.8)
INFECTIOUS DISEASES					
US	416	387	7.4	7.4	—
Intl	463	475	(2.5)	2.6	(5.1)
WW	878	862	1.9	4.7	(2.8)
<u>EDURANT / rilpivirine</u>					
US	10	12	(14.0)	(14.0)	—
Intl	246	198	24.5	27.7	(3.2)
WW	256	210	22.2	25.2	(3.0)
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	379	344	10.5	10.5	—
Intl	130	191	(32.0)	(26.1)	(5.9)
WW	510	535	(4.7)	(2.6)	(2.1)
<u>OTHER INFECTIOUS DISEASES</u>					
US	25	31	(18.7)	(18.7)	—
Intl	87	86	1.0	8.7	(7.7)
WW	113	117	(4.2)	1.5	(5.7)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	SECOND QUARTER				
	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ⁽²⁾ ⁽⁵⁾ (Continued)					
NEUROSCIENCE					
US	\$ 778	664	17.4 %	17.4 %	— %
Intl	809	875	(7.6)	(4.1)	(3.5)
WW	1,587	1,538	3.2	5.2	(2.0)
<u>CONCERTA / methylphenidate</u>					
US	55	15	*	*	—
Intl	94	123	(23.0)	(20.2)	(2.8)
WW	149	137	8.7	11.2	(2.5)
<u>INVEGA SUSTENNA / XEPLION / INVEGA TRINZA / TREVICTA</u>					
US	576	506	13.8	13.8	—
Intl	303	312	(2.8)	0.3	(3.1)
WW	879	818	7.5	8.6	(1.1)
<u>RISPERDAL CONSTA</u>					
US	74	81	(9.3)	(9.3)	—
Intl	79	101	(21.2)	(18.1)	(3.1)
WW	153	182	(15.9)	(14.2)	(1.7)
<u>OTHER NEUROSCIENCE</u>					
US	75	62	21.5	21.5	—
Intl	331	340	(2.5)	1.7	(4.2)
WW	406	401	1.2	4.7	(3.5)
ONCOLOGY					
US	1,181	1,013	16.6	16.6	—
Intl	1,609	1,684	(4.4)	(0.9)	(3.5)
WW	2,791	2,697	3.5	5.7	(2.2)
<u>DARZALEX</u>					
US	492	369	32.9	32.9	—
Intl	409	405	1.2	5.9	(4.7)
WW	901	774	16.3	18.8	(2.5)
<u>ERLEADA</u>					
US	136	62	*	*	—
Intl	33	7	*	*	*
WW	170	69	*	*	*
<u>IMBRUVICA</u>					
US	447	367	21.5	21.5	—
Intl	502	463	8.3	13.4	(5.1)
WW	949	831	14.1	17.0	(2.9)
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	98	224	(56.1)	(55.2)	(0.9)
WW	98	224	(56.1)	(55.2)	(0.9)
<u>ZYTIGA / abiraterone acetate</u>					
US	87	198	(55.6)	(55.6)	—
Intl	480	500	(3.9)	(2.0)	(1.9)
WW	568	698	(18.6)	(17.2)	(1.4)
<u>OTHER ONCOLOGY</u>					
US	20	16	22.9	22.9	—
Intl	87	85	2.2	5.9	(3.7)
WW	106	101	5.5	8.6	(3.1)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales

(Dollars in Millions)

	SECOND QUARTER				
	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ⁽²⁾ ⁽⁵⁾ (Continued)					
PULMONARY HYPERTENSION					
US	\$ 545	439	24.2 %	24.2 %	— %
Intl	243	251	(3.3)	(1.0)	(2.3)
WW	789	690	14.2	15.0	(0.8)
<u>OPSUMIT</u>					
US	256	203	26.1	26.1	—
Intl	150	146	3.0	5.7	(2.7)
WW	406	348	16.5	17.6	(1.1)
<u>UPTRAVI</u>					
US	254	175	44.5	44.5	—
Intl	28	28	4.0	7.3	(3.3)
WW	282	203	39.0	39.5	(0.5)
<u>OTHER PULMONARY HYPERTENSION</u>					
US	37	61	(40.2)	(40.2)	—
Intl	64	78	(17.6)	(16.4)	(1.2)
WW	101	140	(27.5)	(26.9)	(0.6)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales

(Dollars in Millions)

		SECOND QUARTER				
		2020	2019	% Change		
				Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) Continued}						
CARDIOVASCULAR / METABOLISM / OTHER						
US	\$	837	902	(7.2) %	(7.2) %	— %
Intl		347	373	(7.0)	(2.4)	(4.6)
WW		1,184	1,275	(7.1)	(5.8)	(1.3)
<u>XARELTO</u>						
US		559	549	1.7	1.7	—
Intl		—	—	—	—	—
WW		559	549	1.7	1.7	—
<u>INVOKANA / INVOKAMET</u>						
US		132	132	(0.8)	(0.8)	—
Intl		47	43	9.1	14.8	(5.7)
WW		179	177	1.6	3.1	(1.5)
<u>PROCRIT / EPREX</u>						
US		70	113	(38.3)	(38.3)	—
Intl		66	70	(5.0)	(2.3)	(2.7)
WW		136	183	(25.6)	(24.6)	(1.0)
<u>OTHER</u>						
US		78	107	(27.7)	(27.7)	—
Intl		234	260	(10.2)	(5.3)	(4.9)
WW		312	368	(15.3)	(11.8)	(3.5)
TOTAL PHARMACEUTICAL						
US		6,120	5,783	5.8	5.8	—
Intl		4,632	4,746	(2.4)	1.4	(3.8)
WW	\$	10,752	10,529	2.1 %	3.9 %	(1.8) %

See footnotes at end of schedule

Johnson & Johnson

Segment Sales

(Dollars in Millions)

	SECOND QUARTER				
	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5)}					
INTERVENTIONAL SOLUTIONS					
US	\$ 255	366	(30.5)%	(30.5)%	— %
Intl	335	385	(12.8)	(10.9)	(1.9)
WW	<u>590</u>	<u>750</u>	(21.5)	(20.5)	(1.0)
ORTHOPAEDICS					
US	869	1,331	(34.7)	(34.7)	—
Intl	583	894	(34.8)	(32.6)	(2.2)
WW	<u>1,451</u>	<u>2,224</u>	(34.7)	(33.9)	(0.8)
<u>HIPS</u>					
US	137	216	(36.5)	(36.5)	—
Intl	88	147	(39.8)	(37.3)	(2.5)
WW	<u>226</u>	<u>364</u>	(37.8)	(36.8)	(1.0)
<u>KNEES</u>					
US	108	218	(50.5)	(50.5)	—
Intl	66	153	(56.8)	(55.3)	(1.5)
WW	<u>174</u>	<u>372</u>	(53.1)	(52.5)	(0.6)
<u>TRAUMA</u>					
US	354	407	(12.9)	(12.9)	—
Intl	198	265	(25.2)	(22.6)	(2.6)
WW	<u>553</u>	<u>672</u>	(17.8)	(16.7)	(1.1)
<u>SPINE, SPORTS & OTHER ⁽⁷⁾</u>					
US	270	490	(45.0)	(45.0)	—
Intl	230	328	(29.9)	(27.9)	(2.0)
WW	<u>499</u>	<u>818</u>	(39.0)	(38.2)	(0.8)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales

(Dollars in Millions)

SECOND QUARTER

	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5) (Continued)}					
SURGERY					
US	\$ 490	926	(47.0) %	(47.0) %	— %
Intl	1,060	1,427	(25.7)	(22.6)	(3.1)
WW	1,551	2,353	(34.1)	(32.2)	(1.9)
<u>ADVANCED</u>					
US	277	396	(30.0)	(30.0)	—
Intl	498	633	(21.2)	(18.4)	(2.8)
WW	775	1,029	(24.6)	(22.9)	(1.7)
<u>GENERAL</u>					
US	213	530	(59.8)	(59.8)	—
Intl	562	794	(29.2)	(26.0)	(3.2)
WW	775	1,325	(41.5)	(39.5)	(2.0)
VISION					
US	248	461	(46.1)	(46.1)	—
Intl	447	701	(36.1)	(34.8)	(1.3)
WW	695	1,161	(40.1)	(39.3)	(0.8)
<u>CONTACT LENSES / OTHER</u>					
US	203	333	(39.0)	(39.0)	—
Intl	352	509	(30.9)	(29.6)	(1.3)
WW	554	842	(34.1)	(33.3)	(0.8)
<u>SURGICAL</u>					
US	45	128	(64.6)	(64.6)	—
Intl	96	191	(49.9)	(48.8)	(1.1)
WW	141	319	(55.8)	(55.2)	(0.6)
TOTAL MEDICAL DEVICES					
US	1,862	3,083	(39.6)	(39.6)	—
Intl	2,426	3,406	(28.8)	(26.4)	(2.4)
WW	\$ 4,288	6,489	(33.9) %	(32.7) %	(1.2) %

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SIX MONTHS

	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER HEALTH SEGMENT⁽²⁾⁽³⁾					
BABY CARE					
US	\$ 188	186	1.2 %	1.2 %	—%
Intl	529	651	(18.7)	(12.6)	(6.1)
WW	717	837	(14.3)	(9.5)	(4.8)
ORAL CARE					
US	346	306	12.9	12.9	—
Intl	446	450	(0.8)	4.6	(5.4)
WW	792	756	4.8	8.0	(3.2)
OTC					
US	1,316	991	32.8	32.8	—
Intl	1,181	1,160	1.8	6.0	(4.2)
WW	2,497	2,151	16.1	18.3	(2.2)
SKIN HEALTH / BEAUTY⁽⁴⁾					
US	1,195	1,251	(4.5)	(4.5)	—
Intl	929	1,041	(10.7)	(7.4)	(3.3)
WW	2,124	2,292	(7.3)	(5.8)	(1.5)
WOMEN'S HEALTH					
US	7	6	14.3	14.3	—
Intl	427	472	(9.6)	(2.1)	(7.5)
WW	434	478	(9.3)	(1.9)	(7.4)
WOUND CARE / OTHER					
US	245	234	4.7	4.7	—
Intl	111	114	(1.9)	2.8	(4.7)
WW	356	348	2.6	4.1	(1.5)
TOTAL CONSUMER HEALTH					
US	3,297	2,975	10.8	10.8	—
Intl	3,624	3,887	(6.8)	(1.9)	(4.9)
WW	\$ 6,921	6,862	0.9 %	3.6 %	(2.7) %

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	SIX MONTHS				
	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT^{(2) (5)}					
IMMUNOLOGY					
US	\$ 4,772	4,542	5.1 %	5.1 %	—%
Intl	2,389	2,175	9.8	13.7	(3.9)
WW	7,161	6,717	6.6	7.9	(1.3)
<u>REMICADE</u>					
US	1,218	1,575	(22.7)	(22.7)	—
US Exports ⁽⁶⁾	243	138	75.7	75.7	—
Intl	464	496	(6.4)	(1.6)	(4.8)
WW	1,925	2,209	(12.9)	(11.8)	(1.1)
<u>SIMPONI / SIMPONI ARIA</u>					
US	528	544	(2.9)	(2.9)	—
Intl	547	543	0.8	4.8	(4.0)
WW	1,075	1,087	(1.1)	1.0	(2.1)
<u>STELARA</u>					
US	2,355	1,940	21.4	21.4	—
Intl	1,161	1,022	13.6	16.9	(3.3)
WW	3,516	2,963	18.7	19.8	(1.1)
<u>TREMFYA</u>					
US	428	344	24.4	24.4	—
Intl	210	108	94.0	97.1	(3.1)
WW	638	452	41.1	41.8	(0.7)
<u>OTHER IMMUNOLOGY</u>					
US	—	—	—	—	—
Intl	6	6	2.7	8.4	(5.7)
WW	6	6	2.7	8.4	(5.7)
INFECTIOUS DISEASES					
US	852	744	14.5	14.5	—
Intl	946	964	(1.8)	2.7	(4.5)
WW	1,798	1,708	5.3	7.8	(2.5)
<u>EDURANT / rilpivirine</u>					
US	22	24	(6.9)	(6.9)	—
Intl	458	397	15.4	18.4	(3.0)
WW	480	421	14.1	17.0	(2.9)
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	775	659	17.7	17.7	—
Intl	314	399	(21.4)	(15.8)	(5.6)
WW	1,089	1,058	2.9	5.0	(2.1)
<u>OTHER INFECTIOUS DISEASES</u>					
US	54	61	(11.2)	(11.2)	—
Intl	174	168	3.8	9.4	(5.6)
WW	229	229	(0.2)	3.9	(4.1)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	SIX MONTHS				
	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
NEUROSCIENCE					
US	\$ 1,526	1,387	10.1 %	10.1 %	—%
Intl	1,719	1,780	(3.5)	(0.5)	(3.0)
WW	3,245	3,167	2.5	4.1	(1.6)
<u>CONCERTA / methylphenidate</u>					
US	107	112	(4.2)	(4.2)	—
Intl	212	239	(11.0)	(8.6)	(2.4)
WW	320	351	(8.9)	(7.2)	(1.7)
<u>INVEGA SUSTENNA / XEPLION / INVEGA TRINZA / TREVICTA</u>					
US	1,120	989	13.2	13.2	—
Intl	642	619	3.7	6.7	(3.0)
WW	1,762	1,608	9.5	10.7	(1.2)
<u>RISPERDAL CONSTA</u>					
US	150	158	(4.9)	(4.9)	—
Intl	173	203	(14.9)	(11.9)	(3.0)
WW	323	361	(10.5)	(8.9)	(1.6)
<u>OTHER NEUROSCIENCE</u>					
US	150	128	16.8	16.8	—
Intl	691	719	(3.9)	(0.8)	(3.1)
WW	841	847	(0.7)	1.8	(2.5)
ONCOLOGY					
US	2,356	1,975	19.3	19.3	—
Intl	3,448	3,240	6.4	9.9	(3.5)
WW	5,804	5,215	11.3	13.5	(2.2)
<u>DARZALEX</u>					
US	955	721	32.3	32.3	—
Intl	883	682	29.6	34.7	(5.1)
WW	1,838	1,403	31.0	33.5	(2.5)
<u>ERLEADA</u>					
US	255	120	*	*	—
Intl	57	10	*	*	*
WW	313	130	*	*	*
<u>IMBRUVICA</u>					
US	879	716	22.6	22.6	—
Intl	1,101	898	22.6	27.4	(4.8)
WW	1,980	1,615	22.6	25.3	(2.7)
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	206	487	(57.7)	(56.9)	(0.8)
WW	206	487	(57.7)	(56.9)	(0.8)
<u>ZYTIGA / abiraterone acetate</u>					
US	226	383	(40.9)	(40.9)	—
Intl	1,032	994	3.8	6.1	(2.3)
WW	1,258	1,377	(8.6)	(7.0)	(1.6)
<u>OTHER ONCOLOGY</u>					
US	42	34	21.4	21.4	—
Intl	169	169	(0.3)	3.3	(3.6)
WW	210	203	3.4	6.3	(2.9)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales

(Dollars in Millions)

	SIX MONTHS				
	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ⁽²⁾ ⁽⁵⁾ (Continued)					
PULMONARY HYPERTENSION					
US	\$ 1,031	869	18.7 %	18.7 %	—%
Intl	503	477	5.3	7.9	(2.6)
WW	1,534	1,346	13.9	14.9	(1.0)
<u>OPSUMIT</u>					
US	485	375	29.3	29.3	—
Intl	310	279	11.2	14.1	(2.9)
WW	795	654	21.6	22.8	(1.2)
<u>UPTRAVI</u>					
US	466	351	32.6	32.6	—
Intl	66	50	33.6	37.6	(4.0)
WW	532	401	32.7	33.2	(0.5)
<u>OTHER PULMONARY HYPERTENSION</u>					
US	81	143	(43.5)	(43.5)	—
Intl	126	149	(15.1)	(13.7)	(1.4)
WW	207	292	(29.0)	(28.3)	(0.7)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales

(Dollars in Millions)

	SIX MONTHS				
	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
CARDIOVASCULAR / METABOLISM / OTHER					
US	\$ 1,643	1,849	(11.1) %	(11.1) %	—%
Intl	701	771	(9.1)	(5.6)	(3.5)
WW	2,344	2,620	(10.5)	(9.5)	(1.0)
<u>XARELTO</u>					
US	1,086	1,091	(0.5)	(0.5)	—
Intl	—	—	—	—	—
WW	1,086	1,091	(0.5)	(0.5)	—
<u>INVOKANA / INVOKAMET</u>					
US	249	286	(13.0)	(13.0)	—
Intl	105	92	14.1	18.1	(4.0)
WW	354	379	(6.4)	(5.5)	(0.9)
<u>PROCRIT / EPREX</u>					
US	146	261	(44.1)	(44.1)	—
Intl	145	148	(2.2)	(0.1)	(2.1)
WW	291	409	(28.9)	(28.2)	(0.7)
<u>OTHER</u>					
US	163	211	(22.9)	(22.9)	—
Intl	451	531	(15.0)	(11.3)	(3.7)
WW	614	742	(17.3)	(14.6)	(2.7)
TOTAL PHARMACEUTICAL					
US	12,181	11,365	7.2	7.2	—
Intl	9,705	9,408	3.2	6.7	(3.5)
WW	\$ 21,886	20,773	5.4 %	7.0 %	(1.6) %

See footnotes at end of schedule

Johnson & Johnson

Segment Sales

(Dollars in Millions)

	SIX MONTHS				
	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5)}					
INTERVENTIONAL SOLUTIONS					
US	\$ 620	709	(12.6) %	(12.6) %	—%
Intl	697	774	(9.9)	(8.0)	(1.9)
WW	<u>1,317</u>	<u>1,482</u>	(11.2)	(10.2)	(1.0)
ORTHOPAEDICS					
US	2,119	2,649	(20.0)	(20.0)	—
Intl	1,371	1,779	(22.9)	(20.6)	(2.3)
WW	<u>3,489</u>	<u>4,428</u>	(21.2)	(20.3)	(0.9)
<u>HIPS</u>					
US	343	429	(20.1)	(20.1)	—
Intl	220	295	(25.4)	(22.8)	(2.6)
WW	<u>563</u>	<u>725</u>	(22.3)	(21.2)	(1.1)
<u>KNEES</u>					
US	322	441	(27.1)	(27.1)	—
Intl	196	299	(34.6)	(32.7)	(1.9)
WW	<u>517</u>	<u>741</u>	(30.1)	(29.3)	(0.8)
<u>TRAUMA</u>					
US	761	824	(7.6)	(7.6)	—
Intl	445	533	(16.5)	(13.9)	(2.6)
WW	<u>1,207</u>	<u>1,357</u>	(11.1)	(10.0)	(1.1)
<u>SPINE, SPORTS & OTHER ⁽⁷⁾</u>					
US	693	955	(27.4)	(27.4)	—
Intl	510	651	(21.7)	(19.6)	(2.1)
WW	<u>1,202</u>	<u>1,606</u>	(25.1)	(24.3)	(0.8)

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SIX MONTHS

	2020	2019	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5)} (Continued)					
SURGERY					
US	\$ 1,334	1,927	(30.8) %	(30.8) %	—%
Intl	2,317	2,821	(17.9)	(14.8)	(3.1)
WW	<u>3,651</u>	<u>4,748</u>	(23.1)	(21.3)	(1.8)
<u>ADVANCED</u>					
US	658	800	(17.7)	(17.7)	—
Intl	1,065	1,209	(11.9)	(8.9)	(3.0)
WW	<u>1,723</u>	<u>2,009</u>	(14.2)	(12.4)	(1.8)
<u>GENERAL</u>					
US	676	1,127	(40.0)	(40.0)	—
Intl	1,252	1,612	(22.4)	(19.2)	(3.2)
WW	<u>1,928</u>	<u>2,739</u>	(29.6)	(27.8)	(1.8)
VISION					
US	687	907	(24.2)	(24.2)	—
Intl	1,075	1,383	(22.3)	(20.8)	(1.5)
WW	<u>1,762</u>	<u>2,290</u>	(23.0)	(22.2)	(0.8)
<u>CONTACT LENSES / OTHER</u>					
US	549	654	(16.1)	(16.1)	—
Intl	819	1,011	(19.0)	(17.6)	(1.4)
WW	<u>1,368</u>	<u>1,666</u>	(17.9)	(17.0)	(0.9)
<u>SURGICAL</u>					
US	138	253	(45.3)	(45.3)	—
Intl	256	371	(31.0)	(29.6)	(1.4)
WW	<u>394</u>	<u>624</u>	(36.8)	(36.0)	(0.8)
TOTAL MEDICAL DEVICES					
US	4,760	6,192	(23.1)	(23.1)	—
Intl	5,460	6,756	(19.2)	(16.8)	(2.4)
WW	<u>\$ 10,220</u>	<u>12,948</u>	(21.1) %	(19.8) %	(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

⁽¹⁾ Operational growth excludes the effect of translational currency

⁽²⁾ Unaudited

⁽³⁾ Previously referred to as Consumer

⁽⁴⁾ Previously referred to as Beauty

⁽⁵⁾ Certain prior year amounts have been reclassified to conform to current year product disclosures

⁽⁶⁾ Reported as U.S. sales

⁽⁷⁾ Previously referred to as Spine & Other