



# Changing the Trajectory of Atrial Fibrillation and Stroke

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These presentations and exhibits contain “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 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: 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, including restructuring 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, regulations and government policies, 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; and the potential failure to meet obligations in compliance agreements with government bodies. 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 31, 2017, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” and in the company's subsequent Quarterly Reports on Form 10-Q and other 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 these presentations and exhibits speak only as of the date of these presentations and exhibits. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.

## Cautionary Note on Non-GAAP Financial Measures

These presentations refer to certain non-GAAP financial measures. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures.

A reconciliation 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 Investor Relations section of the Company's website at [www.investor.jnj.com](http://www.investor.jnj.com).



# Strategic Partnerships, Collaborations & Licensing Arrangements

During the course of today's presentations, we will discuss a number of products developed in collaboration with strategic partners or licensed from other companies. Following is an acknowledgement of those relationships:

<b>Consumer</b>	RHINOCORT licensed from AstraZeneca; Dr. Ci:Labo brand skincare products in collaboration with Ci:z Holdings Co., Ltd.
<b>Orthopaedics</b>	MONOVISC/ORTHOVISC licensed from Anika Therapeutics, Inc.; Digital Ortho Tools developed in collaboration with Brainlab; FIBERGRAFT Family of Products exclusive U.S. promotional agreement with Prosidyan, ViviGen Bone Regeneration in collaboration with LifeNet Health; ME1000 Surgical Impactor co-marketed with Medical Enterprises Distribution, LLC; SERF Dual Mobility System licensed from Société d'Etude, de Recherche et de Fabrication; PROTI 360 developed in collaboration with Tyber Medical; Joint Point co-marketed with JointPoint, Inc.
<b>Surgery</b>	Verb Surgical robotics platform in development with Verily Life Sciences
<b>Vision</b>	LipiView II licensed from Orb Royalty; ACUVUE OASYS with Transitions Light Intelligent Technology developed in collaboration with Transition Optical, Inc.; Xlens in collaboration with IBM



# Interventional Solutions: A Significant Growth Portfolio

Interventional  
Solutions is a  
\$2.3B portfolio,  
delivered 12%  
ops growth\*  
in 2017

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WW EP market at \$4.4B with  
strong growth: 11% CAGR  
(2017-2022)

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Biosense Webster is the market  
leader in all regions with >\$2B  
in sales and ~46% share WW

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WW Neurovascular Market at  
~\$2B is vibrant: ~10% CAGR  
(2017-2022)

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CERENOVUS is our new stroke  
intervention business with ~\$200M  
revenue in 2017 and ~11% share



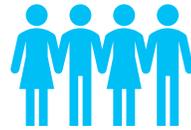
Source: Internal estimates  
\* Excludes impact of translational currency

# AFib is a Growing Global Health Concern Affecting Millions of Lives and Burdening Healthcare Systems



**33 Million**

Estimated number of individuals with AFib globally<sup>1</sup>



**5,000,000**

The annual new cases of AFib globally in 2010<sup>1</sup>



**5X**

Risk of stroke is fivefold in patients with AFib<sup>2</sup>



**\$16 Billion**

Annual estimated cost to Medicare, with inpatient expenses contributing the majority<sup>3</sup>



**50%**

>50% of AFib patients do not respond to or cannot tolerate drug therapy<sup>4</sup>



**<10%**

Drug-resistant paroxysmal AFib remains significantly undertreated with less than 10% undergoing ablation<sup>5</sup>



1. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4151302/>

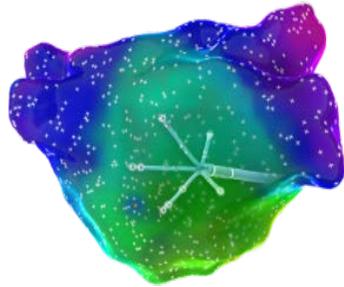
2. [https://www.cdc.gov/dhdspl/data\\_statistics/fact\\_sheets/fs\\_atrial\\_fibrillation.htm](https://www.cdc.gov/dhdspl/data_statistics/fact_sheets/fs_atrial_fibrillation.htm)

3. Health Services Utilization and Medical Costs Among Medicare Atrial Fibrillation Patients / September 2010

4. Calkins et al. Arrhythmia and Electrophysiology. 2009; 2:349-361

5. Chugh et al. Circulation 2014;129:837-847

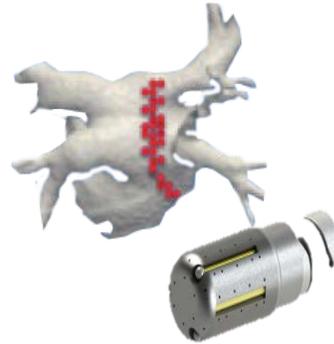
# Unmet Needs Shape Our Innovation Strategy Designed to Improve Efficiency and Simplicity



## Locate Where to Ablate

**Advanced Mapping and  
Persistent AF Solution**

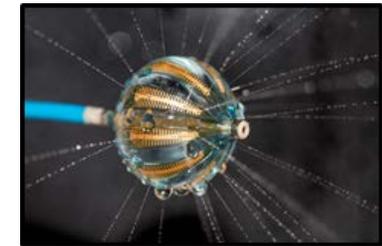
High Density  
Mapping Catheters  
Signal Processing



## Deliver Better Lesion Treatments

**Contact Force Sensing and  
Lesion Assessment**

High Power Short  
Duration Ablation



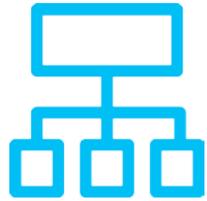
## Simplify the Procedure

**Multi-Electrode Ablation and  
Single Shot Device**

Radiofrequency Balloon Catheter  
Workflow Optimization



# Focusing on Critical Areas to Fuel Our Strong Growth Momentum



## Commercial Expansion

- Differentiated commercial field model deployed around the world with Clinical Account Specialists supporting cases
- Worldwide acceleration in commercial and clinical hiring



## Indication Expansion

- Persistent AF Indication (PRECEPT Study)
- CABANA study – Ablation as first-line therapy
- Evidence generation – continued investment in clinical studies



## AFib Adjacencies

- Left Atrial Appendage Device – WAVECREST
  - Commercially available in EMEA

# Stroke is One of the Most Feared and Devastating Diseases



1 in 6

People worldwide will have a stroke in their lifetime<sup>1</sup>



6 Seconds

Worldwide, a stroke claims a life every 6 seconds<sup>1</sup>



\$320 Billion

Estimated economic costs of heart disease and stroke, after taking into account health expenses and lost productivity<sup>2</sup>



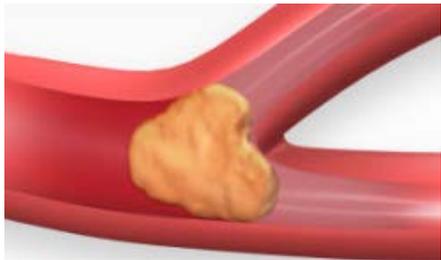
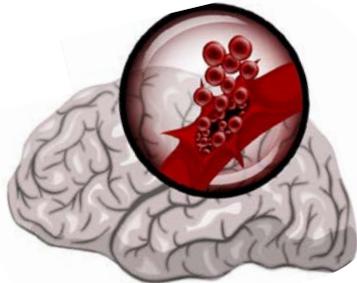
Stroke remains the second leading cause of death in the world and a leading cause of long-term disability<sup>1</sup>



1. <http://www.strokecenter.org/patients/about-stroke/stroke-statistics/>

2. <https://www.cardiosmart.org/News-and-Events/2015/01/New-Report-Conveys-Global-Impact-of-Heart-Disease-and-Stroke>

# A Stroke Is a “Brain Attack” and it Can Happen to Anyone, at Any Time, at Any Age

	Prevalence	Causes	Treatment	Market/CAGR ('17-'22)
<b>Ischemic Stroke</b> 	<p><b>90%</b> of stroke cases (4,557,629 cases worldwide in 2017)<sup>1</sup></p>	<p>Obstruction within a blood vessel supplying blood to the brain (caused by clot)</p>	<p><b>Acute Treatment</b> (Thrombectomy Devices)</p>	<p><b>~\$700MM</b> ~15%<sup>2</sup></p>
<b>Hemorrhagic Stroke</b> 	<p><b>10%</b> of stroke cases (471,291 cases worldwide in 2017)<sup>1</sup></p>	<p>Weakened vessel ruptures and bleeds into the surrounding brain; Blood accumulates and compresses the surrounding brain tissue</p>	<p><b>Preventative Treatment</b> (stents, coils, etc.)</p>	<p><b>~\$1.3B</b> 6%<sup>2</sup></p>



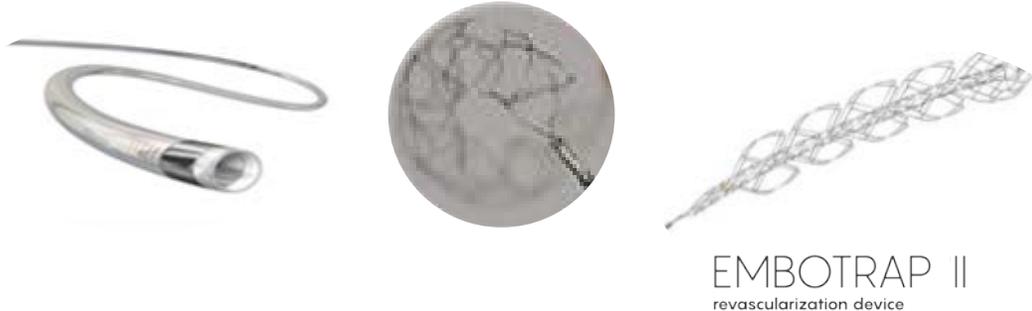
1. GlobalData 2018 Neurovascular Thrombectomy and Embolization Market Model  
 2. Internal estimates

# Every Second Matters in Stroke Treatment and Our Innovation Strategy is Shaped by Unmet Needs

## Ischemic

### Key Unmet Need

1. Time is brain – extract clot quickly and safely
2. Distal emboli protection



## Hemorrhagic

### Key Unmet Need

1. Improve aneurysm neck coverage to improve aneurysm occlusion
2. Reduce or eliminate the need for dual anti-platelet regimens



# Focusing on Critical Areas to Position Ourselves for Rapid Growth



## Entering New Segments

- Ischemic Stroke Market
  - Continue EmboTrap commercialization in EMEA
  - Expect to enter U.S. market in June
- Flow Diverter Market



## Evidence Generation

- Generating robust evidence to support product adoption and market expansion
  - Registration studies
  - Reimbursement studies
  - Registries



## Commercial Expansion

- Implementing differentiated commercial model including clinical expertise around the world

# Our Sense of Urgency to Change the Trajectory of AFib and Stroke is Stronger Than Ever Before

We are confident we will continue delivering strong double-digit growth

**Millions of patients waiting**



*Johnson & Johnson*

Appendix

# Electrophysiology

2017 SALES CHANGE <sup>1</sup>	2017 WW MARKET POSITION <sup>2</sup>	WW MARKET 2017-2022 CAGR <sup>2</sup>	TOTAL WW MARKET REVENUE 2022 <sup>2</sup>
16.6%	#1	~11%	~\$7.4B

## Strategic Initiatives

- Continue CARTO 3 System penetration around the world with innovative software enhancements including VISITAG, CONFIDENSE and Multi-Electrode Mapping Modules
- Launch next generation ablation solutions to address efficiency, efficacy and ease of use needs for AF and VT
- Expand AF leadership beyond Paroxysmal AF to include persistent AF indication in the U.S.
- Advance AF Care continuum solutions and capitalize on AF adjacent categories (Left Atrial Appendage Device Coherex acquisition)



<sup>1</sup> Operational

<sup>2</sup> Internal estimates

# Aesthetics

2017 SALES CHANGE <sup>1</sup>	2017 WW MARKET POSITION <sup>2</sup>	WW MARKET 2017-2022 CAGR <sup>2</sup>	TOTAL WW MARKET REVENUE 2022 <sup>2</sup>
(8.7)%	#2	~4%	~\$1.5B

## Strategic Initiatives

- Heavy customer engagement fueling R&D pipeline with recent launch of ARTOURA Smooth Breast Tissue Expander driving clear leadership in Expander Category
- Leveraging consumer preference and implant softness to drive customer loyalty with new MemoryGel Xtra Breast Implants
- Strategic external partnerships meeting a wide range of customer needs (Dermis, Suture, Facial Injectable Program)



**ARTOURA**  
Smooth Breast Tissue  
Expander



<sup>1</sup> Operational  
<sup>2</sup> Internal estimates

# Neurovascular

2017 SALES CHANGE <sup>1</sup>	2017 WW MARKET POSITION <sup>2</sup>	WW MARKET 2017-2022 CAGR <sup>2</sup>	TOTAL WW MARKET REVENUE 2022 <sup>2</sup>
(1.0)%	#4	~10%	~\$3.2B

## Strategic Initiatives

- Divested Codman Neurosurgery business and are focused on the neurovascular / stroke market; re-branded the organization as Cerenovus
- Accelerate growth in Neurovascular through acquisitions of Pulsar Vascular, Inc. and Neuravi Limited
- New market entry into Ischemic stroke (87% of all stroke cases) with EmboTrap Revascularization Platform in the U.S this year



<sup>1</sup> Operational

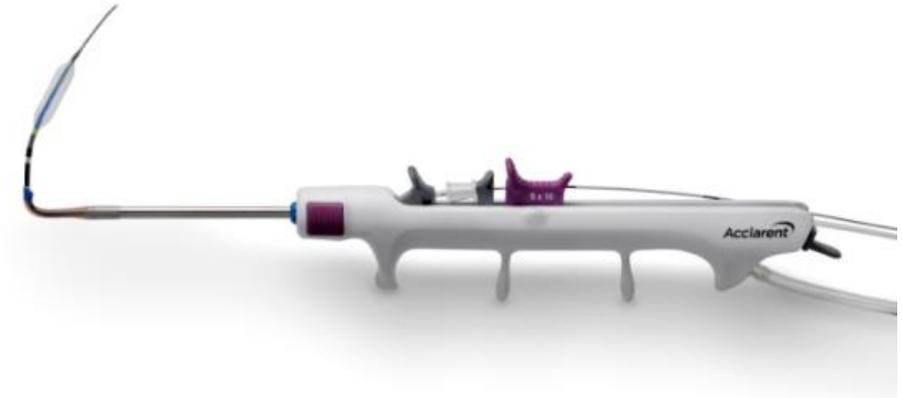
<sup>2</sup> Internal estimates, excludes Neuro Modulation

# Ear, Nose, and Throat (ENT)

2017 SALES CHANGE <sup>1</sup>	2017 WW MARKET POSITION <sup>2</sup>	WW MARKET 2017-2022 CAGR <sup>2</sup>	TOTAL WW MARKET REVENUE 2022 <sup>2</sup>
(1.5)%	#2	~4%	~\$1.1B

## Strategic Initiatives

- Continue Leadership in Balloon Sinuplasty by focusing on cadence of innovation and new product introduction
- Expand Acclarent presence in broader ENT market through entry into:
  - Eustachian Tube Dysfunction (ETD) market: Strong momentum in adoption of Acclarent AERA technology with more than 1,500 surgeons trained and 10,000 patients treated in 2017
  - Navigation market: Entry into navigation category with differentiated platform leveraging Biosense Webster navigation expertise



<sup>1</sup> Operational

<sup>2</sup> Internal estimates

# Infection Prevention

2017 SALES CHANGE <sup>1</sup>	2017 WW MARKET POSITION <sup>2</sup>	WW MARKET 2017-2022 CAGR <sup>2</sup>	TOTAL WW MARKET REVENUE 2022 <sup>2</sup>
(3.2)%	#1	~4%	~\$5.5B

## Strategic Initiatives

- Sustain strong Terminal Sterilization market leadership with solid innovation cadence across ASP portfolio
- 2017 launch of next generation STERRAD Sterilization System with ALL CLEAR technology, and rapid 30min Biological Indicator form a compelling ecosystem, fueling momentum and growth in business for 2018 and beyond
- Expecting continued cadence of innovation in high level disinfection (HLD) category with launch of AEROFLEX in U.S later this year



<sup>1</sup> Operational

<sup>2</sup> Internal estimates

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