



Second Quarter 2023
Other Financial Disclosures
Table of Contents

<u>Table 1: Sales by Segment</u>	1
<u>Table 2: Sales by Geographic Area</u>	2
<u>Table 3: Sales of Key Products/Franchises</u>	3 - 8
<u>Table 3a: Supplemental Sales Reconciliation</u>	9
<u>Table 4: Condensed Consolidated Statement of Earnings - QTD</u>	10
<u>Table 5: Condensed Consolidated Statement of Earnings - YTD</u>	11
<u>Table 6: Non-GAAP Adjusted Operational Sales Growth - QTD</u>	12
<u>Table 7: Non-GAAP Adjusted Operational Sales Growth - YTD</u>	13
<u>Table 8: Non-GAAP Adjusted Net Earnings</u>	14
<u>Table 9: Non-GAAP IBT by Segment - QTD</u>	15
<u>Table 10: Non-GAAP IBT by Segment - YTD</u>	16
<u>Table 11: Non-GAAP P&L Reconciliation</u>	17

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

Adjusted Operational Sales Growth
SECOND QUARTER 2023 ACTUAL vs. 2022 ACTUAL

Segments

	<u>Consumer Health</u>	<u>Pharmaceutical</u>	<u>MedTech</u>	<u>Total</u>
WW As Reported	5.4%	3.1%	12.9%	6.3%
U.S.	6.0%	9.2%	14.6%	10.2%
International	5.0%	(4.0)%	11.3%	2.2%
WW Currency	(2.3)	(0.7)	(1.8)	(1.2)
U.S.	-	-	-	-
International	(4.0)	(1.5)	(3.4)	(2.5)
WW Operational	7.7%	3.8%	14.7%	7.5%
U.S.	6.0%	9.2%	14.6%	10.2%
International	9.0%	(2.5)%	14.7%	4.7%
Abiomed			(4.8)	(1.4)
U.S.			(8.1)	(2.2)
International			(1.7)	(0.5)
All Other Acquisitions and Divestitures	0.0	0.1	0.0	0.1
U.S.	0.0	0.0	0.0	0.0
International	0.0	0.3	0.0	0.2
WW Adjusted Operational	7.7%	3.9%	9.9%	6.2%
U.S.	6.0%	9.2%	6.5%	8.0%
International	9.0%	(2.2)%	13.0%	4.4%

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

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

Adjusted Operational Sales Growth
SIX MONTHS 2023 ACTUAL vs. 2022 ACTUAL

Segments				
	Consumer Health	Pharmaceutical	MedTech	Total
WW As Reported	6.4%	3.7%	10.1%	6.0%
U.S.	8.6%	7.6%	15.5%	10.0%
International	4.7%	(0.7)%	5.2%	2.0%
WW Currency	(3.1)	(1.8)	(2.7)	(2.2)
U.S.	-	-	-	-
International	(5.4)	(3.8)	(5.1)	(4.5)
WW Operational	9.5%	5.5%	12.8%	8.2%
U.S.	8.6%	7.6%	15.5%	10.0%
International	10.1%	3.1%	10.3%	6.5%
Abiomed			(4.7)	(1.4)
U.S.			(8.2)	(2.3)
International			(1.6)	(0.5)
All Other Acquisitions and Divestitures	0.0	0.1	0.0	0.1
U.S.	0.0	0.0	0.0	0.0
International	0.0	0.3	0.0	0.2
WW Adjusted Operational	9.5%	5.6%	8.1%	6.9%
U.S.	8.6%	7.6%	7.3%	7.7%
International	10.1%	3.4%	8.7%	6.2%

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

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

(Dollars in Millions Except Per Share Data)	Second Quarter		Six Months Ended	
	2023	2022	2023	2022
Net Earnings, after tax- as reported	\$5,144	\$4,814	\$5,076	\$9,963
<i>Pre-tax Adjustments</i>				
Litigation related	137	385	7,037	385
Intangible Asset Amortization expense	1,211	1,095	2,415	2,203
COVID-19 Vaccine related costs ¹	165	276	609	276
Consumer Health separation costs	282	268	582	370
Restructuring related ²	145	128	275	200
Medical Device Regulation ³	85	70	149	130
Acquisition, integration and divestiture related	38	-	80	-
(Gains)/losses on securities	(1)	109	71	520
IPR&D	-	-	49	610
Other	-	-	-	(7)
<i>Tax Adjustments</i>				
Tax impact on special item adjustments ⁴	(373)	(313)	(2,430)	(706)
Consumer Health separation tax related costs	546	2	557	98
Tax legislation and other tax related	(21)	78	(44)	(1)
Adjusted Net Earnings, after tax	\$7,358	\$6,912	\$14,426	\$14,041
Average shares outstanding (Diluted)	2,625.7	2,667.9	2,630.7	2,669.2
Adjusted net earnings per share (Diluted)	\$2.80	\$2.59	\$5.48	\$5.26
Operational adjusted net earnings per share (Diluted)	\$2.84		\$5.59	

Notes:

- COVID-19 Vaccine related costs include remaining commitments and obligations, including external manufacturing network exit costs and required clinical trial expenses, associated with the Company's completion of its COVID-19 vaccine contractual commitments.
- In the first and second quarter of 2023, the company completed a prioritization of its research and development (R&D) investment within the Pharmaceutical segment to focus on the most promising medicines with the greatest benefit to patients. This resulted in the exit of certain programs within therapeutic areas. The R&D program exits are primarily in infectious diseases and vaccines including the discontinuation of its respiratory syncytial virus (RSV) adult vaccine program, hepatitis and HIV development. The restructuring expenses of \$145 million in the quarter (\$275 million Q2 YTD) include the termination of partnered and non-partnered program costs and asset impairments.
- 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 were 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 MedTech operating segments' measures of profit and loss used for making operating decisions and assessing performance which is expected to be completed during 2024.
- 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.

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

	Consumer Health		Pharmaceutical		MedTech		Unallocated		Consumer Health Separation Costs		Worldwide Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Reported Income Before Tax by Segment	\$ 860	784	4,862	4,420	1,699	1,141	(377)	(237)	(282)	(268)	6,762	5,840
% to Sales	21.4%	20.6%	35.4%	33.2%	21.8%	16.5%	-1.5%	-1.0%	-1.1%	-1.1%	26.5%	24.3%
Intangible asset amortization expense	81	100	748	736	382	259	-	-	-	-	1,211	1,095
In-process research and development	-	-	-	-	-	-	-	-	-	-	-	-
Litigation related	-	78	(93)	36	60	271	170	-	-	-	137	385
COVID-19 Vaccine related costs	-	-	165	276	-	-	-	-	-	-	165	276
Loss/(gain) on securities	-	-	38	102	(39)	7	-	-	-	-	(1)	109
Restructuring related	-	25	145	23	-	80	-	-	-	-	145	128
Acquisition, integration and divestiture related	-	-	-	-	38	-	-	-	-	-	38	-
Medical Device Regulation	-	-	-	-	85	70	-	-	-	-	85	70
Consumer Health separation costs	-	-	-	-	-	-	-	-	282	268	282	268
Other	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Income Before Tax by Segment	\$ 941	987	5,865	5,593	2,225	1,828	(207)	(237)	-	-	8,824	8,171
% to Sales	23.5%	25.9%	42.7%	42.0%	28.6%	26.5%	-0.8%	-1.0%	0.0%	0.0%	34.6%	34.0%

*Estimated as of 7/20/2023

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

	Consumer Health		Pharmaceutical		MedTech		Unallocated		Consumer Health Separation Costs		Worldwide Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Reported Income Before Tax by Segment	\$ 1,636	1,470	9,306	8,344	3,144	2,618	(7,479)	(360)	(582)	(370)	6,025	11,702
% to Sales	20.8%	19.9%	34.3%	31.9%	20.6%	18.9%	-14.9%	-0.8%	-1.2%	-0.8%	12.0%	24.7%
Intangible asset amortization expense	163	194	1,487	1,496	765	513	-	-	-	-	2,415	2,203
In-process research and development	-	-	-	610	49	-	-	-	-	-	49	610
Litigation related	-	78	(93)	36	60	271	7,070	-	-	-	7,037	385
COVID-19 Vaccine related costs	-	-	609	276	-	-	-	-	-	-	609	276
Loss/(gain) on securities	-	-	76	496	(5)	24	-	-	-	-	71	520
Restructuring related	-	39	275	9	-	152	-	-	-	-	275	200
Acquisition, integration and divestiture related	-	-	-	-	80	-	-	-	-	-	80	-
Medical Device Regulation	-	-	-	-	149	130	-	-	-	-	149	130
Consumer Health separation costs	-	-	-	-	-	-	-	-	582	370	582	370
Other	-	-	-	-	-	-	-	(7)	-	-	-	(7)
Adjusted Income Before Tax by Segment	\$ <u>1,799</u>	<u>1,781</u>	<u>11,660</u>	<u>11,267</u>	<u>4,242</u>	<u>3,708</u>	<u>(409)</u>	<u>(367)</u>	<u>-</u>	<u>-</u>	<u>17,292</u>	<u>16,389</u>
% to Sales	22.9%	24.1%	43.0%	43.0%	27.8%	26.7%	-0.8%	-0.8%	0.0%	0.0%	34.4%	34.5%

*Estimated as of 7/20/2023

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

Quarter to Date

	Second Quarter July 2, 2022 GAAP	Intangible asset amortization	Litigation related	In-process research and development	Restructuring related	Acquisition, integration and divestiture related	(Loss)/gain on securities	Medical Device Regulation	COVID-19 Vaccine Related Costs	Consumer Health separation costs	Consumer Health separation tax related costs	Tax legislation and other tax related	Other	Second Quarter July 2, 2022 Non-GAAP
Cost of products sold	\$ 8,212	(1,211)			-			(34)	38	(14)	-	-	-	6,991
Selling, marketing and admin expenses	6,665							(8)		(44)				6,613
Research and development expense	3,829							(44)	(46)	(2)				3,737
Other (Income) / Expense	(60)		(137)			(38)	1		(156)	(221)				(611)
In-process research and development	-													-
Interest (Income)/Expense	(23)									(1)				(24)
Restructuring	145				(145)									-
Provision for taxes on income	1,618	194	29		37	12	(1)	15	38	49	(546)	21		1,466
Net Earnings	5,144	1,017	108		108	26	-	71	126	233	546	(21)		7,358

	Second Quarter July 2, 2022 GAAP	Intangible asset amortization	Litigation related	In-process research and development	Restructuring related	Acquisition, integration and divestiture related	(Loss)/gain on securities	Medical Device Regulation	COVID-19 Vaccine Related Costs	Consumer Health separation costs	Consumer Health separation tax related costs	Tax legislation and other tax related	Other	Second Quarter July 2, 2022 Non-GAAP
Cost of products sold	\$ 7,919	(1,083)			(17)			(25)	(194)	-	-	-	-	6,600
Selling, marketing and admin expenses	6,226							(6)						6,220
Research and development expense	3,703							(39)	(110)					3,554
Other (Income) / Expense	273	(12)	(385)		(26)		(109)		28	(268)				(499)
In-process research and development	-													-
Restructuring	85				(85)									-
Provision for taxes on income	1,026	170	(29)		25		25	13	65	44	(2)	(78)		1,259
Net Earnings	4,814	925	414		103		84	57	211	224	2	78		6,912

Year to Date

	Six Months July 2, 2022 GAAP	Intangible asset amortization	Litigation related	In-process research and development	Restructuring related	Acquisition, integration and divestiture related	(Loss)/gain on securities	Medical Device Regulation	COVID-19 Vaccine Related Costs	Consumer Health separation costs	Consumer Health separation tax related costs	Tax legislation and other tax related	Other	Six Months July 2, 2022 Non-GAAP
Cost of products sold	\$ 16,607	(2,411)			-			(57)	(188)	(26)				13,945
Selling, marketing and admin expenses	12,803							(15)		(82)				12,706
Research and development expense	7,392					(16)		(78)	(62)	(4)				7,232
Other (Income) / Expense	7,168	(4)	(7,037)			(64)	(71)		(378)	(506)				(892)
In-process research and development	49			(49)										-
Interest (Income)/Expense	(43)									36				(7)
Restructuring	275				(275)									-
Provision for taxes on income	949	388	1,651	11	69	17	15	27	143	109	(557)	44		2,866
Net Earnings	5,076	2,027	5,386	38	206	63	56	123	465	473	557	(44)		14,426

	Six Months July 3, 2022 GAAP	Intangible asset amortization	Litigation related	In-process research and development	Restructuring related	Acquisition, integration and divestiture related	(Loss)/gain on securities	Medical Device Regulation	COVID-19 Vaccine Related Costs	Consumer Health separation costs	Consumer Health separation tax related costs	Tax legislation and other tax related	Other	Six Months July 3, 2022 Non-GAAP
Cost of products sold	\$ 15,517	(2,191)			(33)			(47)	(194)					13,052
Selling, marketing and admin expenses	12,164							(12)						12,152
Research and development expense	7,165							(71)	(110)					6,984
Other (Income) / Expense	171	(12)	(385)		(12)		(520)		28	(370)			7	(1,093)
In-process research and development	610			(610)										-
Restructuring	155				(155)									-
Provision for taxes on income	1,739	338	(82)	138	37		121	24	65	67	(98)	1	(2)	2,348
Net Earnings	9,963	1,865	467	472	163		399	106	211	303	98	(1)	(5)	14,041