

# FULL YEAR 2017 RESULTS



## 2017 WORLDWIDE SALES

**\$76.5B** | **WORLDWIDE INCREASED ▲ 6.3%** | Excluding acquisitions/divestitures on an operational basis, worldwide sales **INCREASED ▲ 2.4%\***

## DILUTED EARNINGS PER SHARE

**\$0.47**

## ADJUSTED DILUTED EARNINGS PER SHARE\*

**\$7.30** | **INCREASE ▲ 8.5%**



"Johnson & Johnson delivered strong adjusted earnings per share growth of 8.5% and total shareholder return of greater than 24% in 2017, driven by the robust performance of our Pharmaceutical business, while continuing to make investments in acquisitions, innovation and strategic partnerships to accelerate growth in each of our businesses. As we enter 2018 and look beyond, we are experiencing an incredible pace of change in health care. Johnson & Johnson is uniquely positioned to lead during this dynamic era and deliver innovative solutions for patients and consumers that drive sustainable, long-term growth. We are pleased with the passage of recent legislation modernizing the U.S. tax system, which enables Johnson & Johnson to invest in innovation at higher levels to help address the most challenging unmet medical needs facing health care today. I want to thank all of our talented colleagues for their commitment, passion and dedication to transforming the lives of patients and consumers worldwide."

## WORLDWIDE CONSUMER SALES

**\$13.6B** | Consumer worldwide sales increased: **2.2%**  
Primary contributors to growth:



## WORLDWIDE PHARMACEUTICAL SALES

**\$36.3B** | Pharmaceutical worldwide sales increased: **8.3%**  
Primary contributors to growth:



## WORLDWIDE MEDICAL DEVICES SALES

**\$26.6B** | Medical Devices worldwide sales increased: **5.9%**  
Primary contributors to growth:



SURGICAL VISION



ELECTROPHYSIOLOGY



ACUVUE® CONTACT LENSES



WOUND CLOSURE



ENDOCUTTERS



ENERGY



BIOSURGERY

For full financial data and non-GAAP reconciliations, please refer to Johnson & Johnson's earnings release issued on January 23, 2018, available at <http://www.investor.jnj.com/sales-earnings.cfm>.

\*Non-GAAP financial measure; non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures.

Caution Concerning Forward-Looking Statements: This document contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding future operating and financial performance. You are cautioned not to rely on these forward-looking statements, which are based on current expectations of future events. For important information about the risks and uncertainties that could cause actual results to vary materially from the assumptions, expectations, and projections expressed in any forward-looking statements, review the "Note to Investors Concerning Forward-Looking Statements" included in the Johnson & Johnson earnings release issued on January 23, 2018, as well as the most recently filed Johnson & Johnson Reports on Forms 10-K and 10-Q. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.



4<sup>th</sup> Quarter and Full Year 2017  
Earnings Call Presentation

January 23, 2018

*Johnson & Johnson*



**Joseph J. Wolk**

Vice President  
Investor Relations



# 2017 In Review

## Strong 4<sup>th</sup> Quarter & Full Year Results



**Consistent Sales & Adjusted Earnings Growth**



**2<sup>nd</sup> Half Sales Acceleration**  
*Strength in Pharma & improving Medical Devices*



**Significant Acquisitions, Collaboration Agreements**



# 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, 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 and financial market factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in 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; significant adverse litigation or government action, including related to product liability claims and allegations concerning opioid marketing practices; 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; manufacturing difficulties or delays, internally or within the supply chain; product efficacy or safety concerns resulting in product recalls or regulatory action; 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 January 1, 2017, including under “Item 1A. Risk Factors,” its most recently filed Quarterly Report on Form 10-Q, including in the section captioned “Cautionary Note Regarding Forward-Looking Statements,” and the company's subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at [www.sec.gov](http://www.sec.gov), [www.investor.jnj.com](http://www.investor.jnj.com), or on request from Johnson & Johnson. Any forward-looking statement made in this release 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.

# Cautionary Note on Non-GAAP Financial Measures

This presentation refers 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 this morning's presentations, we will discuss a number of products and compounds developed in collaboration with strategic partners or licensed from other companies. Following is an acknowledgement of those relationships:

<b>Immunology</b>	REMICADE® and SIMPONI®/SIMPONI ARIA® marketing partners are Schering-Plough (Ireland) Company, a subsidiary of Merck & Co., Inc. and Mitsubishi Tanabe Pharma Corporation, and TREMFYA® (guselkumab) discovered using MorphoSys AG antibody technology
<b>Neuroscience</b>	INVEGA SUSTENNA®/XEPLION®/INVEGA TRINZA®/TREVICTA® includes technology licensed from Alkermes, Inc.
<b>Infectious Diseases &amp; Virology</b>	OLYSIO® developed in collaboration with Medivir AB, PREZCOBIX®/ REZOLSTA® fixed-dose combination, SYMTUZA® and ODEFSEY® developed in collaboration with Gilead Sciences, Inc., and JULUCA® in collaboration with ViiV Healthcare UK
<b>Cardiovascular/ Metabolism/Other</b>	INVOKANA®/INVOKAMET®/VOKANAMET®/INVOKAMET® XR fixed-dose combination licensed from Mitsubishi Tanabe Pharma Corporation, XARELTO® co-developed with Bayer HealthCare AG, and PROCREDIT®/EPREX® licensed from Amgen Inc.
<b>Oncology</b>	IMBRUVICA® developed in collaboration and co-marketed in the U.S. with Pharmacyclics, LLC, an AbbVie company, ZYTIGA® licensed from BTG International Ltd., VELCADE® developed in collaboration with Millennium: The Takeda Oncology Company, DARZALEX® licensed from Genmab A/S
<b>Pulmonary Hypertension</b>	UPTRAVI® license and supply agreement with Nippon Shinyaku (co-promotion in Japan), OPSUMIT® co-promotion agreement with Nippon Shinyaku in Japan
<b>Orthopaedics</b>	MONOVISC®/ORTHOVISC® licensed from Anika Therapeutics, Inc.





# Agenda

Sales Performance and Highlights

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Enterprise Update

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Financial Results Review and Guidance

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Q&A

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# 4<sup>th</sup> Quarter and Full Year 2017 Sales

\$ U.S. Billions

% Change

TOTAL COMPANY	4Q 2017	4Q 2016	Reported	Operational*
U.S.	\$10.5	\$9.5	9.8%	9.8%
International	9.7	8.6	13.5	9.0
<b>Worldwide (WW)</b>	<b>\$20.2</b>	<b>\$18.1</b>	<b>11.5%</b>	<b>9.4%</b>

TOTAL COMPANY	FY 2017	FY 2016	Reported	Operational*
U.S.	\$39.9	\$37.8	5.4%	5.4%
International	36.6	34.1	7.4	6.6
<b>Worldwide (WW)</b>	<b>\$76.5</b>	<b>\$71.9</b>	<b>6.3%</b>	<b>6.0%</b>

\* Excludes impact of translational currency



# 4<sup>th</sup> Quarter 2017 Financial Highlights

\$ U.S. Billions, except EPS

	4Q 2017	4Q 2016	% Change
Sales	\$20.2	\$18.1	11.5 Total 9.4 Ops*
GAAP Earnings	(10.7)	3.8	(380.9)
GAAP EPS	(3.99)	1.38	(389.1)
Adjusted Earnings**	4.8	4.4	9.5
Adjusted EPS**	1.74	1.58	10.1 Total 5.7 Ops*

\* Excludes impact of translational currency

\*\* Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation

# Full Year 2017 Financial Highlights

\$ U.S. Billions, except EPS

	2017	2016	% Change
Sales	\$76.5	\$71.9	6.3 Total 6.0 Ops*
GAAP Earnings	1.3	16.5	(92.1)
GAAP EPS	0.47	5.93	(92.1)
Adjusted Earnings**	20.0	18.8	6.8
Adjusted EPS**	7.30	6.73	8.5 Total 7.6 Ops*

\* Excludes impact of translational currency

\*\* Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation

# Consumer Highlights – 4<sup>th</sup> Quarter 2017

Continued geographic expansion of new products and strong e-commerce growth

Sales: \$3.5B: WW 3.1%, U.S. (0.6)%, Int'l 5.7%  
Ops Change<sup>1</sup>: WW 0.4%, U.S. (0.6)%, Int'l 1.2%



FRANCHISE	TOTAL WW SALES \$MM	REPORTED % GROWTH	OPERATIONAL % GROWTH <sup>1</sup>	KEY DRIVERS OF OPERATIONAL PERFORMANCE <sup>1</sup>
Baby Care	490	(0.6)	(2.4)	<ul style="list-style-type: none"> <li>Competitive pressures partially offset by lapping of prior year India demonetization and AVEENO® Baby geographic expansion in ASPAC</li> </ul>
Beauty	1,110	4.4	2.4	<ul style="list-style-type: none"> <li>Driven by Dr. Ci Labo, OGx and Maui Moisture share gains and geographic expansion, e-commerce growth, NEUTROGENA® and AVEENO® new products, partially offset by increased trade promotion and Sun care products in Brazil</li> <li>WW: Excl. Acq/Div = ~+1%</li> </ul>
Oral Care	393	(1.0)	(3.3)	<ul style="list-style-type: none"> <li>OUS Reach divestiture; competitive pressures in LATAM; weakness in EMEA primarily due to category slowdown; lapping of Q4 2016 inventory build in support of trade/media promotion event in the U.S., partially offset by strength in ASPAC due to new product launches</li> <li>WW Excl. Acq/Div = ~(2%)</li> </ul>
OTC	1,105	6.4	2.6	<ul style="list-style-type: none"> <li>Strength in Upper Respiratory in ASPAC primarily due to TYLENOL®, BENADRYL®; OUS RHINOCORT® acquisition; partially offset by Q4 2016 stocking related to prior retailer inventory reductions and TYLENOL® supply disruptions due to Hurricane Maria</li> <li>WW Excl. Acq/Div = ~2%</li> </ul>
Women's Health	262	(0.8)	(4.4)	<ul style="list-style-type: none"> <li>Driven by competitive pressures and category declines in EU</li> </ul>
Wound Care/Other	180	2.3	(0.1)	<ul style="list-style-type: none"> <li>Flat due to strong uptake of BAND-AID® new product launch in Japan offset by lapping of prior year inventory build in support of trade promotions and competitive out of stock in the U.S.</li> <li>WW Excl. Acq/Div = ~(1%)</li> </ul>
<b>Total Consumer</b>	<b>\$3,540</b>	<b>3.1%</b>	<b>0.4%</b>	<b>Excluding impact of acq/div<sup>2</sup>, WW +0.2%, U.S. (0.6%), OUS +0.7%</b>

<sup>1</sup> Excludes impact of translational currency

<sup>2</sup> Non-GAAP measure; see reconciliation



Neutrogena



Aveeno  
ACTIVE NATURALS



Carefree

LISTERINE

BAND-AID  
BRAND ADHESIVE BANDAGES



Benadryl

TYLENOL

Motrin<sup>IB</sup>





# Pharmaceutical Highlights – 4<sup>th</sup> Quarter 2017

Strong performance in Oncology and continued growth in Immunology

Sales: : \$9.7B WW 17.6%, U.S. 15.5%, Int'l 20.9%

Ops Change<sup>1</sup>: WW 15.5%, U.S. 15.5%, Int'l 15.5%



THERAPEUTIC AREA	TOTAL WW SALES \$MM	REPORTED % GROWTH	OPERATIONAL % GROWTH <sup>1</sup>	KEY DRIVERS OF OPERATIONAL PERFORMANCE <sup>1</sup>
Immunology	3,086	5.1	3.7	<ul style="list-style-type: none"> <li>Growth driven by strong uptake of STELARA<sup>®</sup> in Crohn's Disease, U.S. immunology market growth, launch of TREMFYA<sup>®</sup> and strength across major regions for SIMPONI<sup>®</sup> / SIMPONI ARIA<sup>®</sup></li> <li>Lower sales of REMICADE<sup>®</sup> due to increased discounts/rebates and biosimilar competition</li> </ul>
Infectious Diseases	800	5.1	1.0	<ul style="list-style-type: none"> <li>Strong sales of PREZCOBIX<sup>®</sup>/REZOLSTA<sup>®</sup>, continued success of ODEFSEY<sup>®</sup> and launch of SYMTUZA<sup>®</sup>, mostly offset by lower sales of OLYSIO<sup>®</sup>, and PREZISTA<sup>®</sup></li> </ul>
Neuroscience	1,524	3.7	1.6	<ul style="list-style-type: none"> <li>Paliperidone long-acting injectables growth due to strength of INVEGA TRINZA<sup>®</sup>/TREVICTA<sup>®</sup> and INVEGA SUSTENNA<sup>®</sup>/XEPLION<sup>®</sup>, partially offset by cannibalization of RISPERDAL CONSTA<sup>®</sup> and generic competition for CONCERTA<sup>®</sup></li> </ul>
Oncology	2,039	39.5	35.7	<ul style="list-style-type: none"> <li>DARZALEX<sup>®</sup> continued strong uptake in U.S. and EU, especially 1 prior-line setting; now launched in 25 countries in EU and Japan</li> <li>Strong sales of IMBRUVICA<sup>®</sup> due to increased patient uptake globally; higher market share and growth across multiple indications; U.S. new and total patient share leader for 1<sup>st</sup> and 2<sup>nd</sup> line CLL and 2<sup>nd</sup> line MCL</li> <li>Strong U.S. sales of ZYTIGA<sup>®</sup> driven by market growth and LATITUDE data. Strong growth in EU and Japan</li> </ul>
Cardiovascular/ Metabolism / Other	1,622	1.2	0.1	<ul style="list-style-type: none"> <li>XARELTO<sup>®</sup> increase in market share driven by access wins, partially offset by higher discounts to Managed Care/government channels</li> <li>INVOKANA<sup>®</sup>/INVOKAMET<sup>®</sup> lower sales due to increased contracting discounts, higher utilization in Medicaid and share loss</li> </ul>
Pulmonary Hypertension	610	-	-	<ul style="list-style-type: none"> <li>Acquisition of Actelion June 2017; key products are OPSUMIT<sup>®</sup>, TRACLEER<sup>®</sup> and UPTRAVI<sup>®</sup></li> </ul>
<b>Total Pharmaceutical</b>	<b>\$9,681</b>	<b>17.6%</b>	<b>15.5%</b>	<b>Excluding impact of acq/div<sup>2</sup>, WW +7.6%, U.S. +7.9%, OUS +7.2%</b>

<sup>1</sup> Excludes impact of translational currency

<sup>2</sup> Non-GAAP measure; see reconciliation



# Medical Devices Highlights – 4<sup>th</sup> Quarter 2017

Continued strong product performance in Vision Care and Cardiovascular, with improving growth in Surgery

Sales: \$7.0B: WW 8.3%, U.S. 5.3%, Int'l 11.1%

Ops Change<sup>1</sup>: WW 6.5%, U.S. 5.3%, Int'l 7.5%



FRANCHISE	TOTAL WW SALES \$MM	REPORTED % GROWTH	OPERATIONAL % GROWTH <sup>1</sup>	KEY DRIVERS OF OPERATIONAL PERFORMANCE <sup>1</sup>
Cardiovascular	568	17.1	15.7	<ul style="list-style-type: none"> <li>Electrophysiology growth of ~+20% primarily driven by AF procedure growth and continued uptake of the THERMOCOOL SMARTTOUCH® Contact Force Sensing Catheter, partially offset by Cordis divestiture transition agreements</li> </ul>
Diabetes Care	390	(15.6)	(18.7)	<ul style="list-style-type: none"> <li>BGM price declines in the U.S. and category and share softness in EMEA coupled with insulin pump discontinuation in U.S. and Canada</li> </ul>
Diagnostics	-	-	-	
Orthopaedics	2,339	(2.0)	(3.7)	
Hips	364	4.0	2.2	<ul style="list-style-type: none"> <li><b>Hips:</b> Continued growth of CORAIL® primary stem platform and our leadership position in anterior approach in the U.S.</li> </ul>
Knees	397	0.5	(1.2)	<ul style="list-style-type: none"> <li><b>Knees:</b> Competitive pressure in the U.S. coupled with the impact of India implant pricing legislation</li> </ul>
Trauma	669	2.3	0.6	<ul style="list-style-type: none"> <li><b>Trauma:</b> Continued uptake of TFN-ADVANCED™ nailing system in U.S. coupled with strength in LATAM, partially offset by share loss in the U.S.</li> </ul>
Spine & Other	909	(8.0)	(9.7)	<ul style="list-style-type: none"> <li><b>Spine &amp; Other:</b> Codman divestiture and share losses in U.S. Spine due to portfolio gaps partially offset by growth in MONOVISC®</li> <li><b>Spine:</b> WW: ~(6%), U.S. ~(9%), OUS: ~(3%)</li> </ul>
Surgery	2,558	7.2	5.3	
Advanced	1,023	12.7	10.8	<ul style="list-style-type: none"> <li><b>Advanced:</b> Endocutters +14% driven by minimally invasive surgery penetration in China, new product growth OUS and competitor supply issues in EMEA; Energy +8% driven by acquisition of Megadyne partially offset by market and share decline in the U.S.; Biosurgery +8% driven by U.S. market growth and strength in ASPAC and LATAM</li> </ul>
General	1,170	6.2	4.0	<ul style="list-style-type: none"> <li><b>General:</b> Driven by the acquisition of Torax, competitor supply issues, strong suture growth in U.S. sutures driven by price and a stocking order in the veterinary channel coupled with growth in ASPAC from the new World Health Organization guidelines recommending our Plus Suture product</li> </ul>
Specialty	365	(3.2)	(4.3)	<ul style="list-style-type: none"> <li><b>Specialty:</b> U.S. share declines in Mentor, ASP, and Sterilmed</li> </ul>
Vision Care	1,119	55.2	53.8	
Contact Lenses/Other	800	11.0	9.6	<ul style="list-style-type: none"> <li><b>Contact Lenses/Other:</b> Category/consumption growth driven by new products including OASYS® 1-Day and trade-up; Medical Optics CEH acquisition</li> </ul>
Surgical	319	-	-	<ul style="list-style-type: none"> <li><b>Surgical:</b> Medical Optics acquisition</li> </ul>
Total Med Dev	\$6,974	8.3%	6.5%	Excluding impact of acq/div <sup>2</sup> , WW +2.0%, U.S. +0.3%, OUS +3.6%

<sup>1</sup> Excludes impact of translational currency

<sup>2</sup> Non-GAAP measure; see reconciliation



# Consumer Highlights – Full Year 2017

Strength in OTC and Beauty, enhanced by acquisitions

Sales: \$13.6B: WW 2.2%, U.S. 2.7%, Int'l 1.9%

Ops Change<sup>1</sup>: WW 1.3%, U.S. 2.7%, Int'l 0.4%



FRANCHISE	TOTAL WW SALES \$MM	REPORTED % GROWTH	OPERATIONAL % GROWTH <sup>1</sup>	KEY DRIVERS OF OPERATIONAL PERFORMANCE <sup>1</sup>
Baby Care	1,916	(4.2)	(4.7)	<ul style="list-style-type: none"> <li>Competitive pressure and trade discounting in the U.S.</li> </ul>
Beauty	4,200	7.8	7.2	<ul style="list-style-type: none"> <li>Vogue acquisition and Dr. Ci Labo license; NEUTROGENA<sup>®</sup> promotions and new products</li> <li>WW Excl. Acq/Div = Flat</li> </ul>
Oral Care	1,531	(2.4)	(3.2)	<ul style="list-style-type: none"> <li>Global category declines and competitive pressure partially offset by new product launches OUS</li> <li>WW Excl. Acq/Div = ~(2%)</li> </ul>
OTC	4,126	3.7	2.6	<ul style="list-style-type: none"> <li>RHINOCORT<sup>®</sup> acquisition OUS, Internal Analgesic U.S. category growth and TYLENOL<sup>®</sup> share growth behind Rapid Release Gels, Upper Respiratory category and share growth partially offset by other OTC divestitures</li> </ul>
Women's Health	1,050	(1.6)	(3.7)	<ul style="list-style-type: none"> <li>Category decline in EMEA and share loss in Brazil</li> <li>WW Excl. Acq/Div = ~(2%)</li> </ul>
Wound Care/Other	779	(2.3)	(3.0)	<ul style="list-style-type: none"> <li>Private label competitive pressure in the U.S. partially offset by BAND-AID<sup>®</sup> new product launches OUS</li> </ul>
<b>Total Consumer</b>	<b>\$13,602</b>	<b>2.2%</b>	<b>1.3%</b>	<b>Excluding impact of acq/div<sup>2</sup>, WW (0.5%), U.S. (0.7%), OUS (0.3%)</b>

<sup>1</sup> Excludes impact of translational currency

<sup>2</sup> Non-GAAP measure; see reconciliation





# Pharmaceutical Highlights – Full Year 2017

Growth driven by Oncology and Actelion acquisition

Sales: \$36.3B: WW 8.3%, U.S. 6.7%, Int'l 10.8%

Ops Change<sup>1</sup>: WW 8.0%, U.S. 6.7%, Int'l 10.1%



THERAPEUTIC AREA	TOTAL WW SALES \$MM	REPORTED % GROWTH	OPERATIONAL % GROWTH <sup>1</sup>	KEY DRIVERS OF OPERATIONAL PERFORMANCE <sup>1</sup>
Immunology	12,244	2.3	2.0	<ul style="list-style-type: none"> <li>Growth driven by strong uptake of STELARA® in Crohn's Disease, U.S. immunology market growth, launch of TREMFYA® and strength across major regions for SIMPONI® / SIMPONI ARIA®</li> <li>Lower sales of REMICADE® due to by increased discounts/rebates and biosimilar competition</li> </ul>
Infectious Diseases	3,154	(1.7)	(2.7)	<ul style="list-style-type: none"> <li>Lower sales of OLYSIO®, vaccines and PREZISTA®; partially offset by strong sales of PREZCOBIX®/REZOLSTA® and continued success of ODEFSEY®</li> </ul>
Neuroscience	5,986	(1.6)	(1.6)	<ul style="list-style-type: none"> <li>Lower sales of RISPERDAL CONSTA® and CONCERTA® and divestiture of API business, mostly offset by strength of INVEGA TRINZA®/TREVICTA® and INVEGA SUSTENNA®/XEPLION® long-acting injectables</li> </ul>
Oncology	7,258	25.0	24.6	<ul style="list-style-type: none"> <li>DARZALEX® surpassed \$1B in sales due to accelerated demand following successful launch; now launched in 25 countries in EU and Japan</li> <li>Strong sales of IMBRUVICA® driven by higher market share and market growth across multiple indications; U.S. new and total patient share leader for 1<sup>st</sup> and 2<sup>nd</sup> line CLL and 2<sup>nd</sup> line MCL</li> <li>Strong U.S. sales of ZYTIGA® driven by market growth and favorable clinical data results from the LATITUDE data. Strong growth in Japan and EU</li> </ul>
Cardiovascular/ Metabolism/ Other	6,287	(1.7)	(1.6)	<ul style="list-style-type: none"> <li>XARELTO® increase due to market growth and market share driven by access wins, partially offset by higher discounts to Managed Care/government channels</li> <li>INVOKANA®/INVOKAMET® lower sales due to increased contracting discounts, higher utilization in Medicaid and share loss</li> </ul>
Pulmonary Hypertension	1,327	-	-	<ul style="list-style-type: none"> <li>Acquisition of Actelion June 2017; key products are OPSUMIT®, TRACLEER® and UPTRAVI®</li> </ul>
<b>Total Pharma</b>	<b>\$36,256</b>	<b>8.3%</b>	<b>8.0%</b>	<b>Excluding impact of acq/div<sup>2</sup>, WW +4.2%, U.S. +3.1%, OUS +5.8%; PPAs negatively impacted WW and U.S. growth by 1.8 pts and 2.9 pts, respectively</b>

<sup>1</sup> Excludes impact of translational currency

<sup>2</sup> Non-GAAP measure; see reconciliation



# Medical Devices Highlights – Full Year 2017

Growth driven by strong product performance in Contact Lenses, Cardiovascular and Advanced Surgery; coupled with Medical Optics acquisition

**Sales: \$26.6B: WW 5.9%, U.S. 4.5%, Int'l 7.1%**  
**Ops Change<sup>1</sup>: WW 5.7%, U.S. 4.5%, Int'l 6.7%**



FRANCHISE	TOTAL WW SALES \$MM	REPORTED % GROWTH	OPERATIONAL % GROWTH <sup>1</sup>	KEY DRIVERS OF OPERATIONAL PERFORMANCE <sup>1</sup>
Cardiovascular	2,096	13.4	13.5	<ul style="list-style-type: none"> <li>Electrophysiology growth of ~+17% primarily driven by AF procedure growth and continued uptake of the THERMOCOOL SMARTTOUCH® Contact Force Sensing Catheter, partially offset by Cordis divestiture transition agreements</li> </ul>
Diabetes Care	1,615	(9.7)	(10.5)	<ul style="list-style-type: none"> <li>BGM price declines in the U.S. and category and share softness in EMEA coupled with pump competitive pressure and Q4 discontinuation in U.S. and Canada</li> </ul>
Diagnostics	1	—	—	
Orthopaedics	9,258	(0.8)	(1.1)	
Hips	1,394	2.4	2.1	<ul style="list-style-type: none"> <li><b>Hips:</b> Continued uptake of CORAIL® primary stem platform, ALTRX™ liners and increased anterior approach procedure growth in the U.S.</li> </ul>
Knees	1,523	(0.1)	(0.3)	<ul style="list-style-type: none"> <li><b>Knees:</b> Impact of India implant pricing legislation partially offset by market growth in the U.S.</li> </ul>
Trauma	2,616	1.8	1.5	<ul style="list-style-type: none"> <li><b>Trauma:</b> Continued uptake of TFN-ADVANCED™ nailing system and the acquisition of BioMedical Enterprise in the U.S. coupled with strength in EMEA partially offset by performance in China</li> </ul>
Spine & Other	3,725	(4.0)	(4.2)	<ul style="list-style-type: none"> <li><b>Spine &amp; Other:</b> Codman divestiture and share losses in U.S. Spine due to portfolio gaps partially offset by growth in MONOVISC®</li> <li><b>Spine:</b> WW: ~(6%), U.S., ~(8%), OUS ~(3%)</li> </ul>
Surgery	9,559	2.8	2.6	
Advanced	3,756	6.8	6.7	<ul style="list-style-type: none"> <li><b>Advanced:</b> Endocutters +7% driven by minimally invasive surgery penetration in China and OUS new product growth; Energy +6% driven by acquisition of Megadyne and strength in ASPAC, partially offset by unit decline in the Ultrasonic U.S. market; Biosurgery +6% driven by strength in ASPAC and market growth in the U.S.</li> </ul>
General	4,463	2.3	2.0	<ul style="list-style-type: none"> <li><b>General:</b> Acquisition of Torax, competitor supply issues, growth in ASPAC and suture growth in the U.S. driven by volume and price</li> </ul>
Specialty	1,340	(5.4)	(5.8)	<ul style="list-style-type: none"> <li><b>Specialty:</b> U.S. share declines in Mentor, ASP, and Sterilmed</li> </ul>
Vision Care	4,063	45.9	46.0	
Contact Lenses/Other	3,036	9.0	9.1	<ul style="list-style-type: none"> <li><b>Contact Lenses/Other:</b> Volume increases driven by category growth and trade-up led by OASYS® 1-Day and astigmatism lenses; price optimization and Medical Optics CEH acquisition</li> </ul>
Surgical	1,027	—	—	<ul style="list-style-type: none"> <li><b>Surgical:</b> Medical Optics acquisition</li> </ul>
<b>Total Med Dev</b>	<b>\$26,592</b>	<b>5.9%</b>	<b>5.7%</b>	<b>Excluding impact of acq/div<sup>2</sup>, WW +1.5%, U.S. 0.0%, OUS +3.0%</b>

<sup>1</sup> Excludes impact of translational currency

<sup>2</sup> Non-GAAP measure; see reconciliation



# Important Developments in 4<sup>th</sup> Quarter 2017

## Pharmaceutical:

- U.S. Food and Drug Administration (FDA) approved JULUCA<sup>®</sup> (rilpivirine and dolutegravir), the first, complete, single-pill, two-drug regimen for the treatment of human immunodeficiency virus type 1 (HIV-1) infection
- The FDA approved a 10 mg once-daily dose of XARELTO<sup>®</sup> (rivaroxaban) for reducing the continued risk for recurrent venous thromboembolism after completing at least six months of initial anticoagulation therapy
- The FDA approved SIMPONI ARIA<sup>®</sup> (golimumab) for the treatment of adults with active psoriatic arthritis or active ankylosing spondylitis
- The European Commission (EC) approved TREMFYA<sup>®</sup> (guselkumab) for the treatment of adults with moderate to severe plaque psoriasis
- The EC approved broadening the existing marketing authorization for ZYTIGA<sup>®</sup> (abiraterone acetate) plus prednisone / prednisolone to include the treatment of newly-diagnosed high-risk metastatic hormone-sensitive prostate cancer
- Regulatory applications were submitted to the FDA and European Medicines Agency to expand the current indication of DARZALEX<sup>®</sup> (daratumumab) for use in combination with bortezomib, melphalan and prednisone, as a treatment for newly diagnosed patients with multiple myeloma ineligible for autologous stem cell transplantation
- A supplemental New Drug Application was submitted to the FDA for two new XARELTO<sup>®</sup> (rivaroxaban) vascular indications: reducing the risk of major cardiovascular (CV) events such as CV death, heart attack or stroke in patients with chronic coronary and/or peripheral artery disease (CAD/PAD), and for reducing the risk of acute limb ischemia in patients with PAD
- A worldwide collaboration and license agreement was completed with Legend Biotech, a subsidiary of GenScript Biotech Corporation to develop, manufacture and commercialize a chimeric antigen receptor (CAR) T-cell therapy, LCAR-B38M, targeting BCMA for the treatment of multiple myeloma



*Johnson & Johnson*



**Alex Gorsky**  
Chairman of the Board  
&  
Chief Executive Officer

# Our Broad-based Business

Total shareholder return for 2017

24.4%



**Enterprise**

Deliver on our financial and quality commitments, and advance innovation



**Pharmaceuticals**

Continues to deliver strong topline growth and further develop our pipeline of innovative new medicines



**Medical Devices**

Continues to accelerate growth through innovation, portfolio management and new business models



**Consumer**

Continues to enhance our leadership in priority categories by focusing on critical geographies and our iconic mega brands

# Creating Value through Portfolio Management

Investments in Innovation

Value-Creating Acquisitions

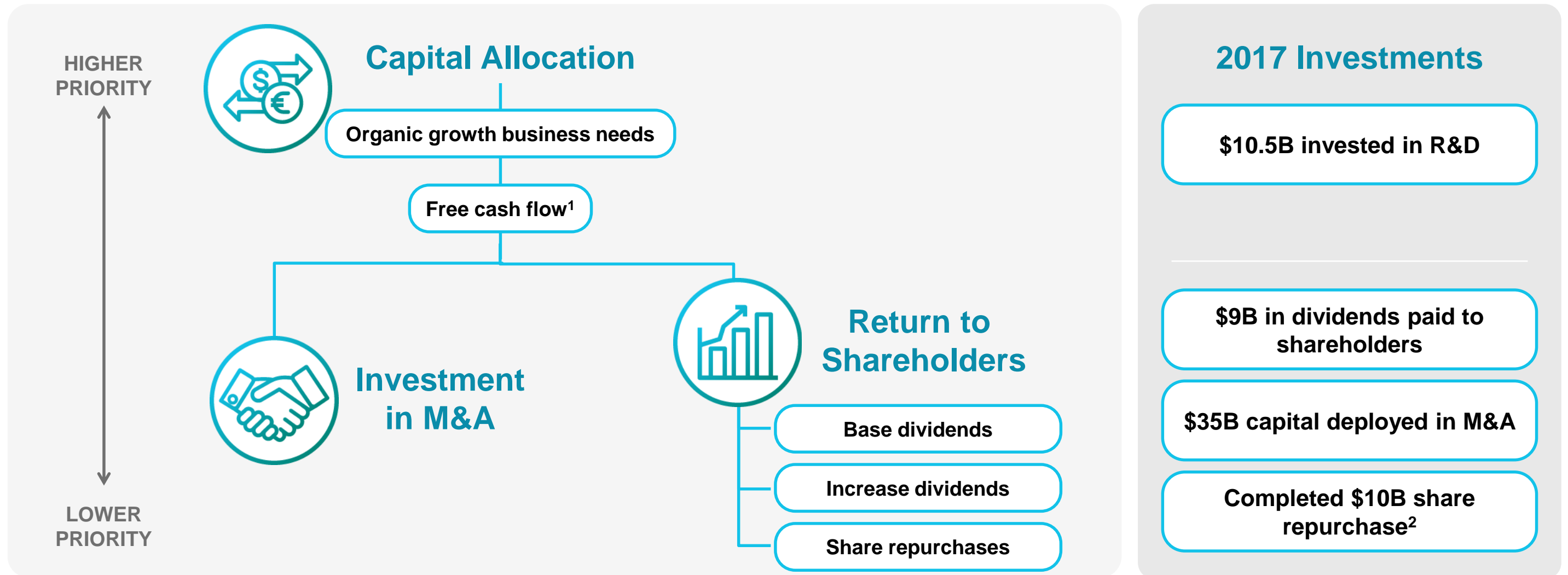
Strategic Deals & Partnerships

Portfolio Optimization



# Capital Allocation Priorities

Effectively executed against our capital allocation priorities



After investing in our business at competitive levels, we allocate capital to drive long-term value by first paying dividends, then using excess cash on priority M&A or share repurchases

<sup>1</sup> Cash flow from operations less CAPEX

<sup>2</sup> Began Oct 2015 and completed June 2017; Does not include Employee Stock Purchase Plans



# Leading Responsibly



Helping to end the vertical transmission of AIDS in Africa



Advancing spinal care for patients



Enabling breakthroughs in PAH



Enhancing mobility with novel technology



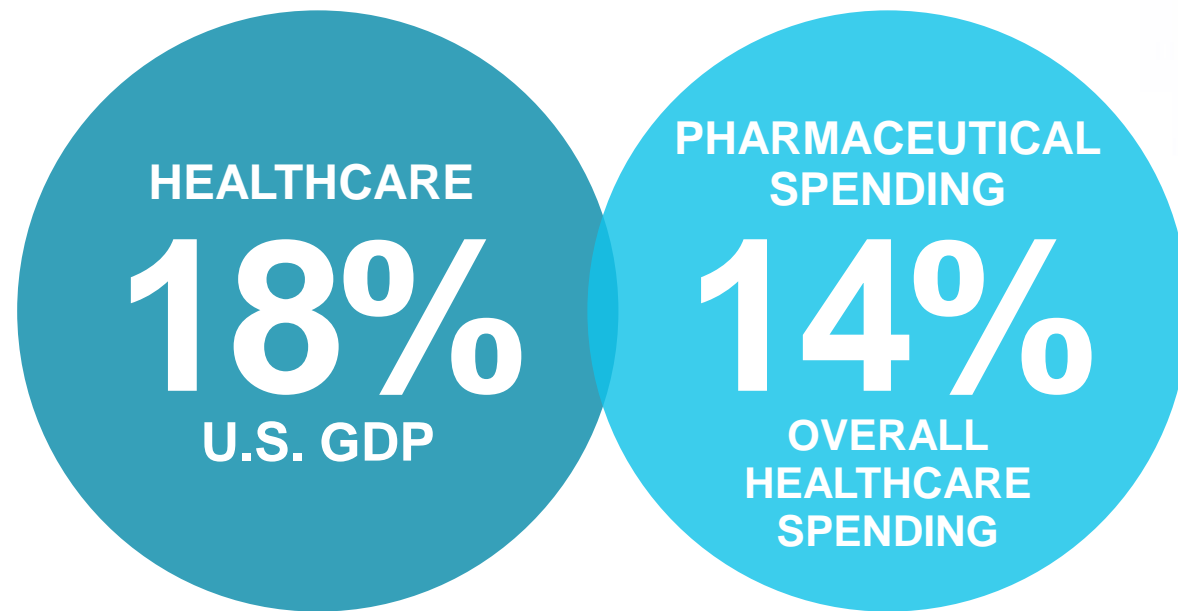
Enabling digital skin scanning



Enabling eye health management

# Leading Responsibly

- Speed to Market
- Innovation
- Breakthrough Solutions
- Focus on Customer Outcomes





# Policy Updates



## Leading Dialogue

We are participating in policy discussions on the important issues impacting healthcare today.

## Healthcare Reform

We continue to support initiatives that expand access to affordable healthcare and improve long-term sustainability of the U.S. healthcare system.

## Pharmaceutical Pricing

We have a responsibility to ensure our products are both accessible and representative of the outcomes and value they deliver.

## Recently Enacted Tax Legislation

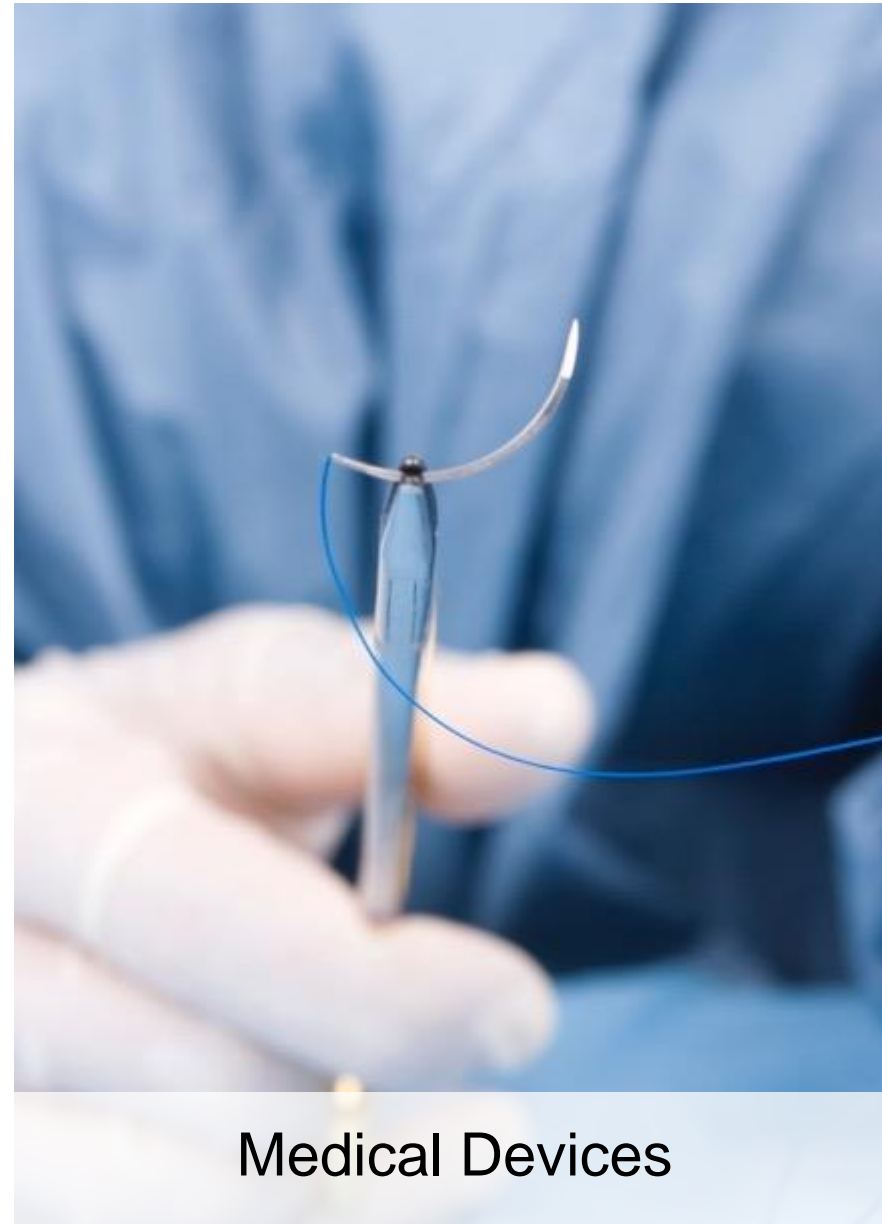
We are pleased with the final passage of legislation to modernize the tax code for American businesses.

# Near-Term Priorities

<b>Enterprise</b>	Deliver on our financial and quality commitments
<b>Pharmaceutical</b>	Drive continued growth, while delivering on our near-term product pipeline
<b>Medical Devices</b>	Accelerate growth through innovation, partnerships, portfolio management, and new business models
<b>Consumer</b>	Accelerate growth in priority categories across e-commerce and other channels



# Innovation Advancing Health and Addressing Unmet Needs



# Pharmaceutical

## Industry-Leading Pipeline & Commercial Excellence

**Priority:** Drive continued growth while delivering on our near-term pipeline

**Strategy:** Focus on six therapeutic areas of high unmet medical need, robust innovation and commercial capabilities

### Plans for Growth:

- Expand profile on key lifesaving and life changing products, such as DARZALEX<sup>®</sup>, IMBRUVICA<sup>®</sup>, and STELARA<sup>®</sup>
- Enable best in class uptake of TREMFYA<sup>®</sup>
- Secure regulatory approvals for apalutamide
- Submit NMEs and line extensions





# Medical Devices

## Comprehensive Portfolio & Accelerated Growth Strategy

**Priority:** Accelerate growth through innovation, partnerships, portfolio management, and new business models

**Strategy:** Strengthen foundation and simplify operations, reshape our business and portfolio in anticipation of and in response to major changes in the industry

### Plans for Growth:

- Build world-class commercial capabilities across the portfolio
- Execute robotics and digital surgery solutions
- Deliver forward-looking innovative pipeline
- Integrate holistic, insights-driven capabilities to help health systems navigate value-based care



# Consumer

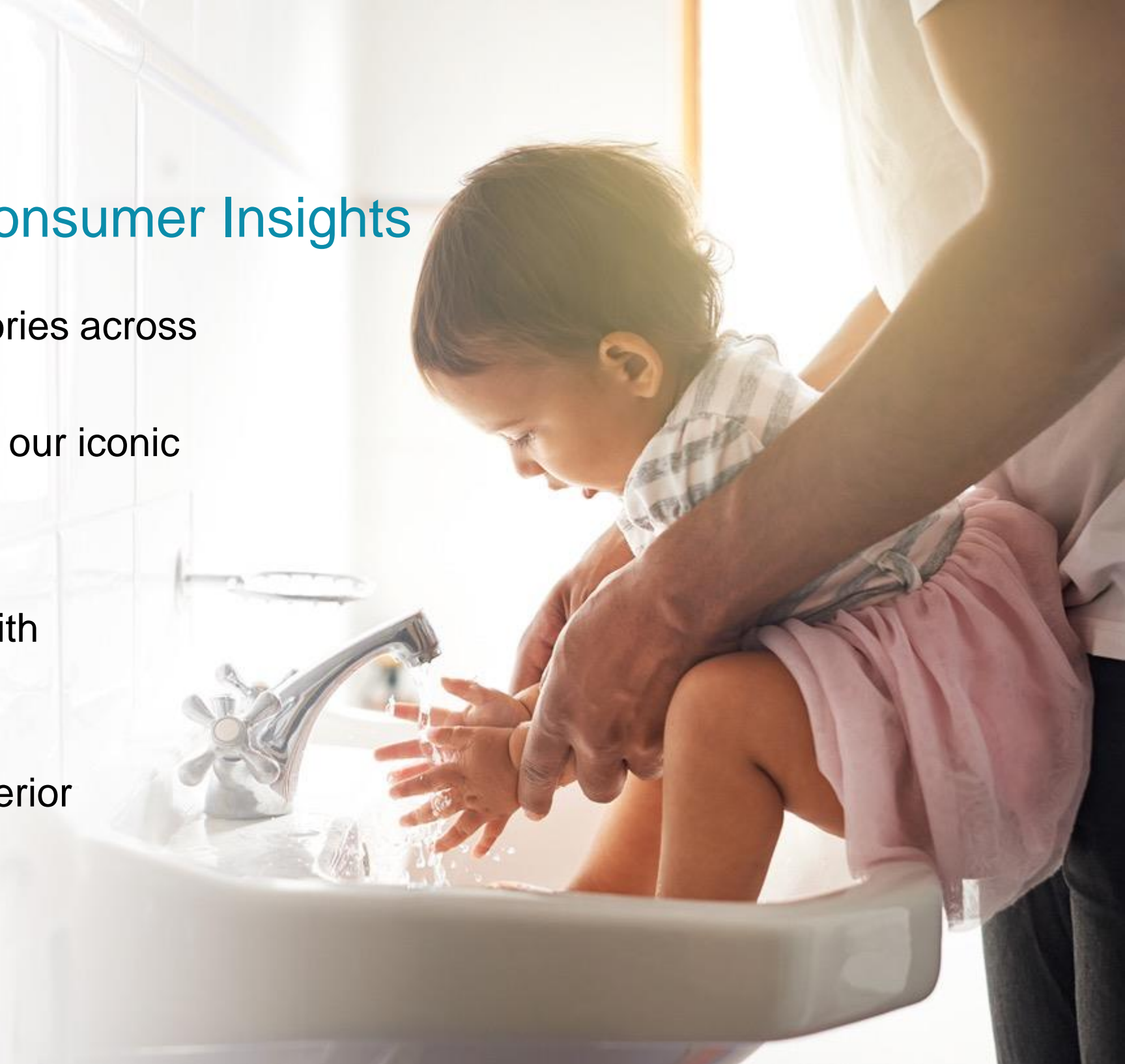
## Iconic Brands & Unparalleled Consumer Insights

**Priority:** Accelerate growth in priority categories across multiple channels including e-commerce

**Strategy:** Focus on critical geographies and our iconic mega brands

### Plans for Growth:

- Broaden scope of the innovation model with breakthrough global platforms
- Expand e-commerce capabilities
- Drive insight-led innovation to deliver superior differentiated products
- Re-launch Baby franchise







# Putting People First



Best,  
Healthiest,  
and Most  
Engaged  
Workforce



# J&J Notable Recognition

# FORTUNE

World's Most Admired Companies







75<sup>th</sup>  
Anniversary  
of Our Credo





# 우리의 신조

우리의 신조는 우리의 성공과 서비스의 수반자는 의사, 간호사, 약사, 그리고 환자입니다. 우리는 모든 사람들을 항상 최고의 품질로 돌보아야 합니다. 우리는 모든 사람들이 건강하고 행복하게 살 수 있도록 최선을 다할 것입니다. 우리는 고객에게 최고의 품질을 제공할 수 있도록 최선을 다할 것입니다.

우리의 총괄 책임은 전 세계 어디서나 우리의 것이 근무하는 직원에 대한 것입니다. 우리는 모든 직원들이 안전하고 건강하게 일할 수 있도록 최선을 다할 것입니다. 우리는 고객에게 최고의 품질을 제공할 수 있도록 최선을 다할 것입니다.

우리의 새 정책은 모든 세계 공동체, 직원, 고객, 그리고 건강과 교육에 대한 우리의 의무를 포함합니다. 우리는 모든 사람들이 건강하고 행복하게 살 수 있도록 최선을 다할 것입니다. 우리는 고객에게 최고의 품질을 제공할 수 있도록 최선을 다할 것입니다.

# 我們的信條

我們相信我們首先要對醫生、護士和病人負責。對父母親以及所有使用我們產品的人負責。為了滿足他們的需求，我們必須不斷地努力降低我們的成本，以確保產品是最高品質的。我們的供應商和經銷商必須有公平的機會來獲得合理的利潤。

我們對世界各地和我們一起共事的男女同仁負責。我們必須尊重他們的尊嚴，並承認他們的貢獻。我們必須公平合理，工作環境必須清潔、安全。我們必須給予他們對家庭的責任。我們必須依法幫助員工履行他們對家庭的責任。我們必須給予合格的人，必須給予平等的機會，發展和促進他們的管理人員，他們的行為必須公正並符合倫理。

我們對我們所生活和工作的社會，以及全世界所有對社會有益的活動和慈善事業，應納我們應盡的社會責任。促進健康和教育事業。我們必須保護環境和天然資源。

最後，我們對全體股東負責。企業經營必須以獲利為前提。必須堅持研究工作，研發新產品。必須購買新設備，提供新設施，推出新產品。如果我們依照這些原則進行經營，股東應該獲得合理的回報。

# Unser Credo

## Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order 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 programs developed 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.



# Nosso Credo

# nuestro Credo

...mos que nuestra primera responsabilidad es con los médicos, enfermeras y pacientes, con las madres y padres y todos los demás que utilizan nuestros productos y servicios. Para responder a sus necesidades, todo lo que hagamos debe ser de primera calidad. Debemos luchar constantemente por reducir nuestros costos a fin de mantener precios razonables. Los pedidos de los clientes deben atenderse rápidamente y con precisión. Nuestros proveedores deben tener la oportunidad de conseguir una ganancia justa.

...nsables ante nuestros empleados, los hombres y mujeres que trabajan con nosotros en todo el mundo. Cada uno de ellos debe ser considerado como persona. Hemos de respetar su dignidad y sus méritos. Deben tener un sentido de seguridad y bienestar en sus trabajos. Deben tener un sentido de responsabilidad y orgullo. Deben sentirse libres de hacer sugerencias y quejas. Debe haber igualdad de oportunidades para el empleo, desarrollo y avance de aquellos que estén calificados. Debemos proporcionar una gestión competente, y sus acciones deben ser justas y éticas.

# Наше Кредо

Наша основная ответственность — перед врачами и медицинскими сестрами, перед пациентами, перед отцами и матерями, перед всеми теми, кто пользуется нашей продукцией и услугами. В соответствии с этими потребностями мы должны обеспечивать высокое качество продукции во всем, что мы делаем. Мы должны постоянно стремиться к снижению затрат, чтобы поддерживать приемлемый уровень цен. Заказ клиентов должны выполняться точно и в срок. Наши поставщики и дистрибьютеры должны иметь возможность получать достойную прибыль.

Мы несем ответственность перед нашими сотрудниками, мужчинами и женщинами, которые работают у нас по всему миру. Мы должны считать каждого из них индивидуальностью и признавать ее. Мы должны уважать их достоинство и привлекать их к работе наравне с нами. Вознаграждение должно быть справедливым и соразмерным труду. Вознаграждение должно быть свободным от семейных обязательств. Нам важно, чтобы сотрудники могли свободно выступать с предложениями и замечаниями. У всех сотрудников должны быть равные возможности для профессионального развития и продвижения. Мы должны поддерживать в хорошем состоянии имущество, которым мы пользуемся, защищая окружающую среду и природные ресурсы.

*Johnson & Johnson*



**Dominic Caruso**

Executive Vice President,  
Chief Financial Officer

# Full Year 2017 Condensed Consolidated Statement of Earnings

(Unaudited; Dollars and Shares in Millions Except Per Share Figures)

	2017		2016		% Increase/ (Decrease)
	Amount	% to Sales	Amount	% to Sales	
<b>Sales to Customers</b>	\$ 76,450	100.0	\$ 71,890	100.0	6.3
<b>Cost of Products Sold</b>	25,354	33.2	21,685	30.2	16.9
<b>Selling, Marketing &amp; Admin Expenses</b>	21,420	28.0	19,945	27.7	7.4
<b>Research &amp; Development Expense</b>	10,554	13.8	9,095	12.7	16.0
<b>In-process Research &amp; Development</b>	408	0.6	29	0.0	
<b>Interest (income) expense, net</b>	549	0.7	358	0.5	
<b>Other (income) expense, net</b>	183	0.2	484	0.7	
<b>Restructuring</b>	309	0.4	491	0.7	
<b>Earnings before provision for taxes on income</b>	17,673	23.1	19,803	27.5	(10.8)
<b>Provision for taxes on income</b>	16,373	21.4	3,263	4.5	401.8
<b>Net Earnings</b>	1,300	1.7	16,540	23.0	(92.1)
<b>Net earnings per share (Diluted)</b>	0.47		5.93		(92.1)
<b>Average shares outstanding (Diluted)</b>	2,745.3		2,788.9		
<b>Effective tax rate</b>	92.6%		16.5%		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
<b>Earnings before provision for taxes on income</b>	24,212	31.7	22,759	31.7	6.4
<b>Net earnings</b>	20,040	26.2	18,764	26.1	6.8
<b>Net earnings per share (Diluted)</b>	7.30		6.73		8.5
<b>Effective tax rate</b>	17.2%		17.6%		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures



# 4<sup>th</sup> Quarter 2017 Condensed Consolidated Statement of Earnings

(Unaudited; Dollars and Shares in Millions Except Per Share Figures)

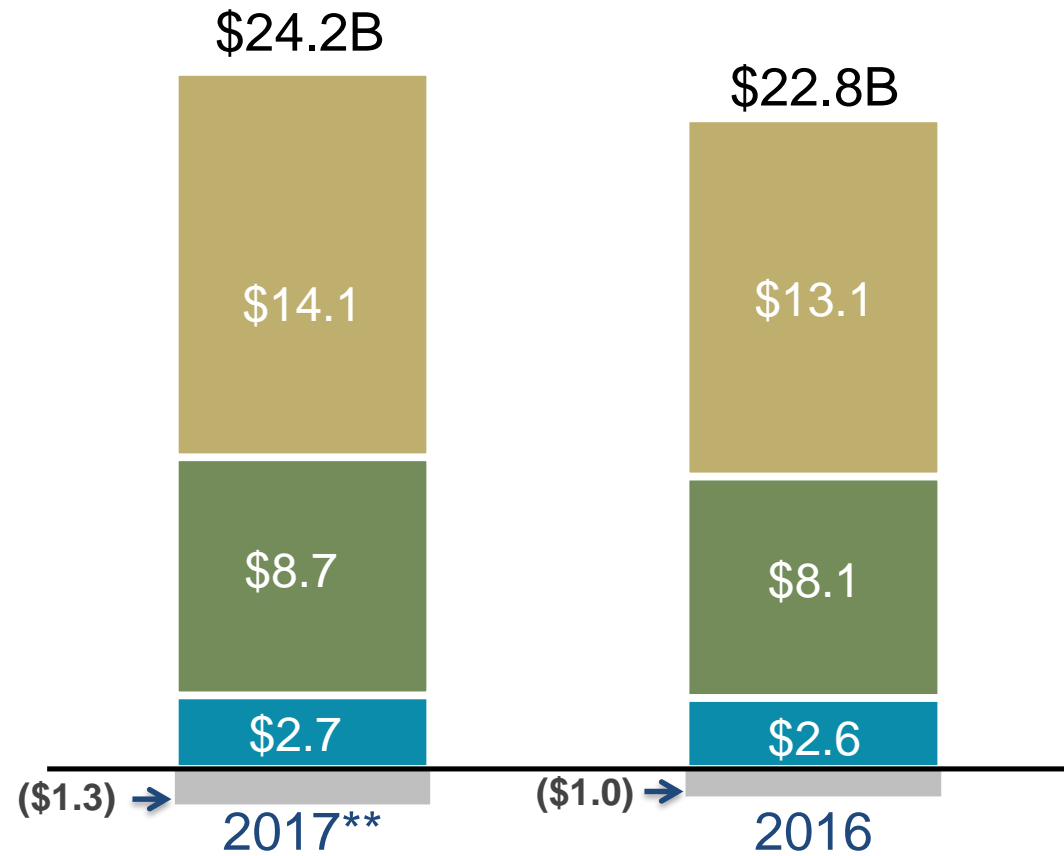
	2017		2016		% Increase/ (Decrease)
	Amount	% to Sales	Amount	% to Sales	
<b>Sales to Customers</b>	\$ 20,195	100.0	\$ 18,106	100.0	11.5
<b>Cost of Products Sold</b>	7,243	35.9	5,534	30.5	30.9
<b>Selling, Marketing &amp; Admin Expenses</b>	6,025	29.8	5,309	29.3	13.5
<b>Research &amp; Development Expense</b>	3,635	18.0	2,640	14.6	37.7
<b>In-process Research &amp; Development</b>	408	2.0	-	-	
<b>Interest (income) expense, net</b>	189	0.9	84	0.5	
<b>Other (income) expense, net</b>	(9)	0.0	20	0.1	
<b>Restructuring</b>	144	0.7	195	1.1	
<b>Earnings before provision for taxes on income</b>	2,560	12.7	4,324	23.9	(40.8)
<b>Provision for taxes on income</b>	13,273	65.7	510	2.8	
<b>Net Earnings/(Loss)</b>	(10,713)	(53.0)	3,814	21.1	(380.9)
<b>Net earnings/(Loss) per share (Basic/Diluted)*</b>	(3.99)		1.38		(389.1)
<b>Average shares outstanding (Basic/Diluted)*</b>	2,684.9		2,764.5		
<b>Effective tax rate</b>	518.5%		11.8%		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
<b>Earnings before provision for taxes on income</b>	5,251	26.0	5,103	28.2	2.9
<b>Net earnings</b>	4,777	23.7	4,361	24.1	9.5
<b>Net earnings per share (Diluted)</b>	1.74		1.58		10.1
<b>Average shares outstanding (Diluted)**</b>	2,740.7		2,764.5		
<b>Effective tax rate</b>	9.0%		14.5%		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures

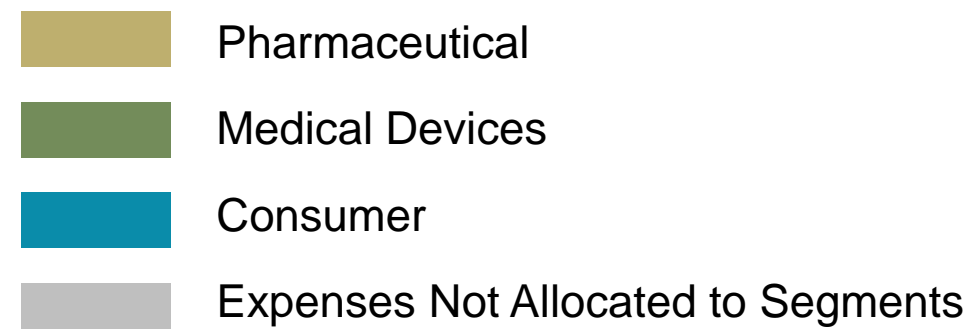
\* Basic shares are used to calculate loss per share as use of diluted shares when in a loss position would be anti-dilutive

\*\* Difference of 55.8 shares due to anti-dilutive impact on net loss position

# Full Year – Adjusted Income Before Tax by Segment\*



	% to Sales	
	Q4 2017	Q4 2016
Pharmaceutical	38.8%	39.1%
Medical Devices	32.7%	32.2%
Consumer	20.3%	19.9%
<b>Total</b>	<b>31.7%</b>	<b>31.7%</b>



\* Non-GAAP measure; excludes amortization expense and special items; see reconciliation at [www.investor.jnj.com](http://www.investor.jnj.com)

\*\* Estimated as of 01/23/2018

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# 2018 Guidance

## JANUARY 2018

**Net Interest  
Expense**

\$700 - \$800 million

**Net Other  
Income<sup>1</sup>**

\$1.7 - \$2.0 billion

**Adjusted Pre-tax  
Operating Margin<sup>1,2</sup>**

Improve by approximately 100 basis points

**Effective Tax  
Rate<sup>1</sup>**

16.5% - 18.0%

<sup>1</sup> Non-GAAP measure; excludes intangible amortization expense and special items

<sup>2</sup> Sales less: COGS, SM&A and R&D expenses

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# 2018 Guidance – Sales

JANUARY 2018	ESTIMATED OPERATIONAL <sup>1</sup>	ESTIMATED CURRENCY	ESTIMATED REPORTED <sup>2</sup>
Sales Change vs. PY	\$79.1B - \$79.9B 3.5% - 4.5%	\$1.5B 2.0%	\$80.6B - \$81.4B 5.5% - 6.5%
<i>Net Impact: Acq./Div.</i>	(~1.0%)		
Sales ex. Acq./Div. Change vs. PY	2.5% - 3.5%		



<sup>1</sup> Excludes the impact of translational currency

<sup>2</sup> Euro Average Rate: January 2018 = \$1.22



# 2018 Guidance – EPS

JANUARY 2018	ESTIMATED OPERATIONAL <sup>2</sup>	ESTIMATED CURRENCY	ESTIMATED REPORTED <sup>3</sup>
Adjusted EPS <sup>1</sup> Change vs. PY	\$7.80 - \$8.00 6.8% - 9.6%	\$0.20 2.7%	\$8.00 - \$8.20 9.6% - 12.3%



<sup>1</sup> Non-GAAP measure; excludes intangible amortization expense and special items

<sup>2</sup> Excludes the impact of translational currency

<sup>3</sup> Euro Average Rate: January 2018 = \$1.22

# 2018 Guidance – Sales and EPS Summary

January 2018	ESTIMATED OPERATIONAL <sup>1</sup>	ESTIMATED CURRENCY	ESTIMATED REPORTED <sup>2</sup>
Sales Change vs. PY	\$79.1B - \$79.9B 3.5% - 4.5%	\$1.5B 2.0%	\$80.6B - \$81.4B 5.5% - 6.5%
Sales ex. Acq./Div. Change vs. PY <sup>3</sup>	2.5% - 3.5%		
Adjusted EPS <sup>4</sup> Change vs. PY	\$7.80 - \$8.00 6.8% - 9.6%	\$0.20 2.7%	\$8.00 - \$8.20 9.6% - 12.3%

Adjusted Pre-tax Operating Margin<sup>4,5</sup>

Improve by approximately 100 basis points

<sup>1</sup> Excludes the impact of translational currency

<sup>2</sup> Euro Average Rate: January 2018 = \$1.22

<sup>3</sup> Excludes Acq./Div impact of (~1.0%)

<sup>4</sup> Non-GAAP measure; excludes intangible amortization expense and special items

<sup>5</sup> Sales less: COGS, SM&A and R&D expenses

# Closing Remarks

*Well-positioned for Future Growth & Success*



**Maximize Strengths; Prioritize Focus Areas**



**Strong Balance Sheet**



**Invest in Innovation**







*Johnson & Johnson*

**Save the Date**

**Consumer/Medical Device  
Business Review**

**Wednesday, May 16, 2018**  
**Hyatt Regency, New Brunswick**





# Johnson & Johnson

## Q&A Participants



**Alex Gorsky**  
Chairman of the Board &  
Chief Executive Officer



**Dominic J. Caruso**  
Executive Vice President,  
Chief Financial Officer



**Joseph Wolk**  
Vice President,  
Investor Relations

Johnson & Johnson