

# 1st Quarter 2021 Results



## 1st Quarter 2021 Sales

**\$22.3B** | Worldwide Increased ▲ **7.9%** | Excluding acquisitions/divestitures on an operational basis | Worldwide Increased ▲ **6.0%\***

## Diluted Earnings Per Share

## Adjusted Diluted Earnings Per Share\*

**\$2.32** | Increased ▲ **6.9%** | **\$2.59** | Increased ▲ **12.6%**



“Johnson & Johnson delivered a strong first quarter performance led by the above market growth of our Pharmaceutical business and continued recovery in Medical Devices. The ability to deliver these results while simultaneously advancing our robust pipeline of life-enhancing medicines, products and solutions during these times is a testament to the strength and resilience of our business and the dedication of the 135,000 employees of Johnson & Johnson who strive every day to profoundly change the trajectory of health for humanity and make healthier communities for everyone, everywhere.”

**Alex Gorsky**  
Chairman and  
Chief Executive Officer  
Johnson & Johnson

**\$3.5 Billion**



## Worldwide Consumer Health Sales

Consumer Health worldwide reported sales decreased (2.3)% or (3.3)% operationally<sup>1</sup>. Primary offsets to decline:



**\$12.2 Billion**



## Worldwide Pharmaceutical Sales

Pharmaceutical worldwide reported sales increased 9.6% or 7.1% operationally<sup>1</sup>. Primary operational drivers:

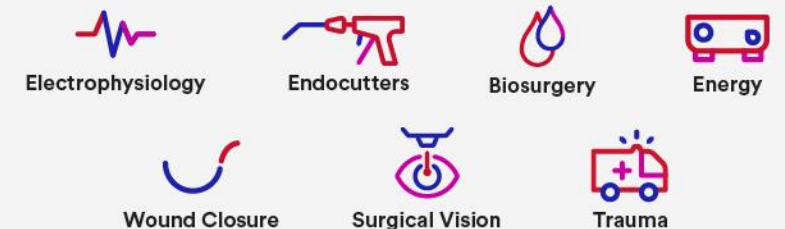


**\$6.6 Billion**



## Worldwide Medical Devices Sales

Medical Devices worldwide reported sales increased 10.9% or 8.0% operationally<sup>1</sup>. Primary operational drivers:



Note: values may have been rounded

For full financial data and non-GAAP reconciliations, please refer to Johnson & Johnson's earnings release issued on April 20, 2021, 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.

<sup>1</sup>Non-GAAP measure; excludes the impact of translational currency.

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 April 20, 2021, 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.

# 1<sup>st</sup> Quarter 2021 Earnings Call

April 20, 2021

*Johnson & Johnson*

# Cautionary Note on Forward-looking Statements

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# 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 presentation, we will discuss a number of products and compounds developed in collaboration with strategic partners or licensed from other companies. The 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 discovered using MorphoSys AG antibody technology
<b>Neuroscience</b>	INVEGA SUSTENNA/ XEPLION/ INVEGA TRINZA/ TREVICTA includes technology licensed from Alkermes Pharma Ireland Limited, RISPERDAL CONSTA developed in collaboration with Alkermes, Inc.
<b>Infectious Diseases</b>	PREZCOBIX/ REZOLSTA fixed-dose combination, SYMTUZA and ODEFSEY developed in collaboration with Gilead Sciences, Inc., and JULUCA and CABENUVA developed in collaboration with ViiV Healthcare UK. ENSEMBLE has been funded in whole or in part with Federal funds from the Office of the Assistant Secretary for Preparedness and Response, Biomedical Advanced Research and Development Authority (BARDA), under Contract No. HHSO100201700018C, and in collaboration with the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH) at the U.S. Department of Health and Human Services (HHS).
<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, PROCIT/ EPREX licensed from Amgen Inc., and X-Linked Retinitis Pigmentosa: AAV-RPGR licensed from MeiraGTx
<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, BALVERSA discovered in collaboration with Astex Pharmaceuticals, Inc., and cusatuzumab licensed and developing in collaboration argenx BVBA and argenx SE, ERLEADA is licensed from Regents of California and Memorial Sloan Kettering, BCMA CAR-T licensed and developed in collaboration with Legend Biotech USA Inc., Legend Biotech Ireland Limited ("Legend"), subsidiaries of GenScript Biotech Corporation, niraparib licensed from TESARO, Inc., an oncology-focused business within GSK, and DuoBody platform licensed from Genmab relates to several bispecific antibody programs; ENHANZE platform licensed from Halozyme Therapeutics, Inc.
<b>Pulmonary Hypertension</b>	UPTRAVI license and supply agreement with Nippon Shinyaku (co-promotion in Japan), and OPSUMIT co-promotion agreement with Nippon Shinyaku in Japan
<b>Global Public Health</b>	Janssen's Monovalent Ebola Vaccine is developed in collaboration with Bavarian Nordic A/S, and MVA-BN-Filo® is licensed-in from Bavarian Nordic A/S. The program has benefited from funding and preclinical services from the National Institute of Allergy and Infectious Diseases (NIAID), part of NIH, NIAID support included 2 product development contracts starting in 2008 and 8 pre-clinical services contracts. This program is also receiving funding from the IMI2 Joint Undertaking under EBOVAC1 (grant nr. 115854), EBOVAC2 (grant nr. 115861), EBOVAC3 (grant nr. 800176), EBOMAN (grant nr. 115850) and EBODAC (grant nr. 115847). The IMI2 Joint Undertaking receives support from the European Union's Horizon 2020 research and innovation program and the European Federation of Pharmaceutical Industries and Associations (EFPIA). Further funding for the Ebola vaccine regimen has been provided by the BARDA, within the U.S. Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response, under Contract Numbers HHSO100201700013C and HHSO100201500008C.. The initial work on Ebola was conducted which was extended from 2002 until 2011. 2002 and 2007 via a Cooperative Research and Development Agreement (CRADA is AI-0114) between Janssen/Crucell and the Vaccine Research Center (VRC)/NIAID, part of the NIH. Janssen/Crucell have licenses to much of VRC's Ebola IP specific for human adenovirus under the Ad26/Ad35 Ebola vaccine CRADA invention. VAC69120 (Filovirus multivalent vaccine) developed in collaboration with Bavarian Nordic; funding: NIH Division of Microbiology and Infectious Diseases (DMID), under Contract Number HHSN272200800056C.

# Agenda

- ① Enterprise Highlights
- ② Sales Performance and Earnings Review
- ③ Capital Allocation and Guidance
- ④ Q&A



**Alex Gorsky**

Chairman and  
Chief Executive Officer



**Joaquin Duato**

Vice Chairman of the  
Executive Committee



**Paul Stoffels, M.D.**

Vice Chairman of the  
Executive Committee and  
Chief Scientific Officer



**Joseph J. Wolk**

Executive Vice President,  
Chief Financial Officer



**Chris DeLOrefice**

Vice President,  
Investor Relations

# 1<sup>st</sup> Quarter 2021 Sales

Dollars in Billions <b>Regional Sales Results</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>% CHANGE</b>	
			<b>Reported</b>	<b>Operational<sup>1</sup></b>
<b>U.S.</b>	<b>\$11.1</b>	<b>\$10.7</b>	<b>3.9%</b>	<b>3.9%</b>
Europe	5.4	4.8	12.1	4.7
Western Hemisphere (ex U.S.)	1.4	1.5	(5.1)	0.0
Asia-Pacific, Africa	4.4	3.7	19.4	13.7
<b>International</b>	<b>11.2</b>	<b>10.0</b>	<b>12.2</b>	<b>7.3</b>
<b>Worldwide (WW)</b>	<b>\$22.3</b>	<b>\$20.7</b>	<b>7.9%</b>	<b>5.5%</b>

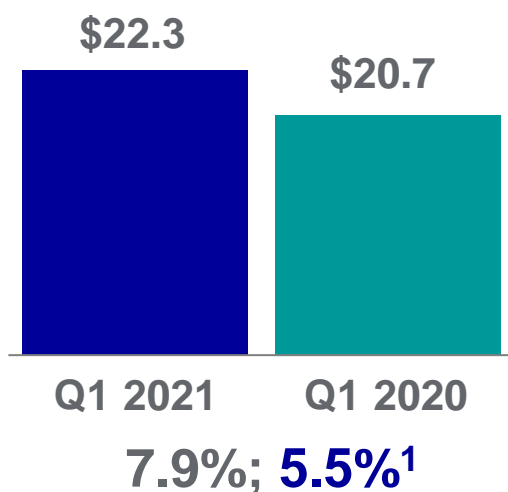


<sup>1</sup> Non-GAAP measure; excludes the impact of translational currency; see reconciliation schedules in the Investors section of the [company's website](#)  
Note: Values may not add due to rounding

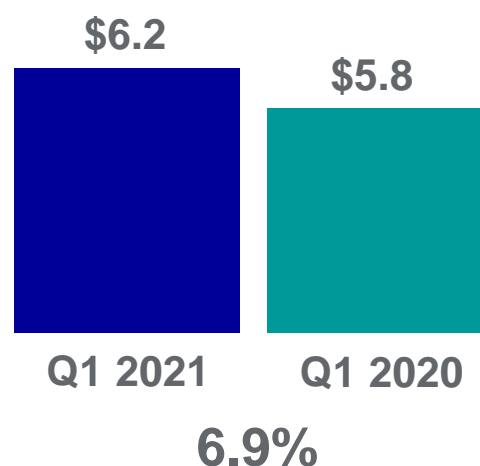
# 1<sup>st</sup> Quarter 2021 Financial Highlights

Dollars in Billions, except EPS  
Reported %; **Operational %<sup>1</sup>**

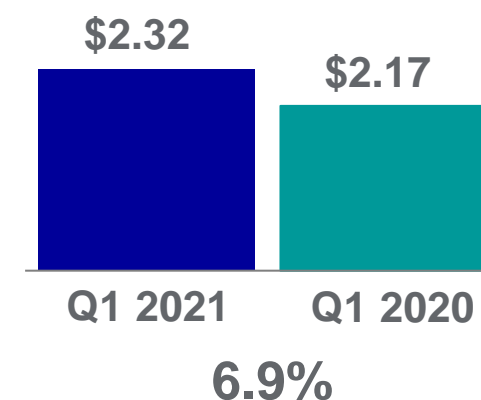
## Sales



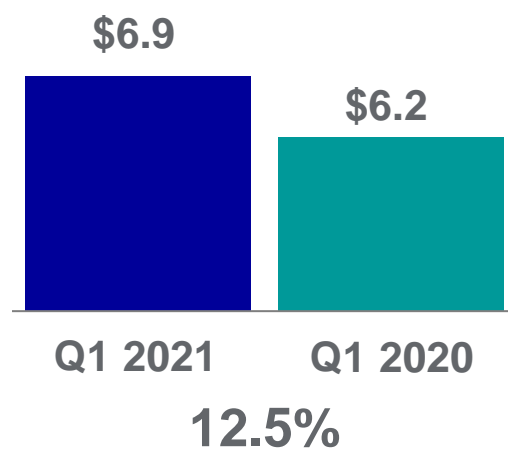
## GAAP Earnings



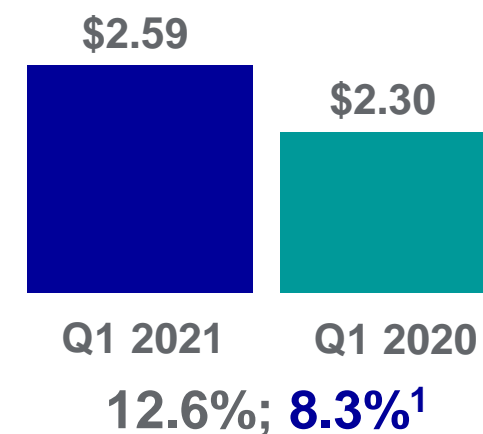
## GAAP EPS



## Adjusted Earnings<sup>2</sup>



## Adjusted EPS<sup>2</sup>



<sup>1</sup> Non-GAAP measure; excludes the impact of translational currency; see reconciliation schedules in the Investors section of the [company's website](#)

<sup>2</sup> Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation schedules in the Investors section of the [company's website](#)

# Consumer Health Highlights – 1<sup>st</sup> Quarter 2021

*Solid performance across multiple franchises offset by prior year pantry loading comparisons*

Reported: WW (2.3)%, U.S. (7.4)%, Int'l 2.5%

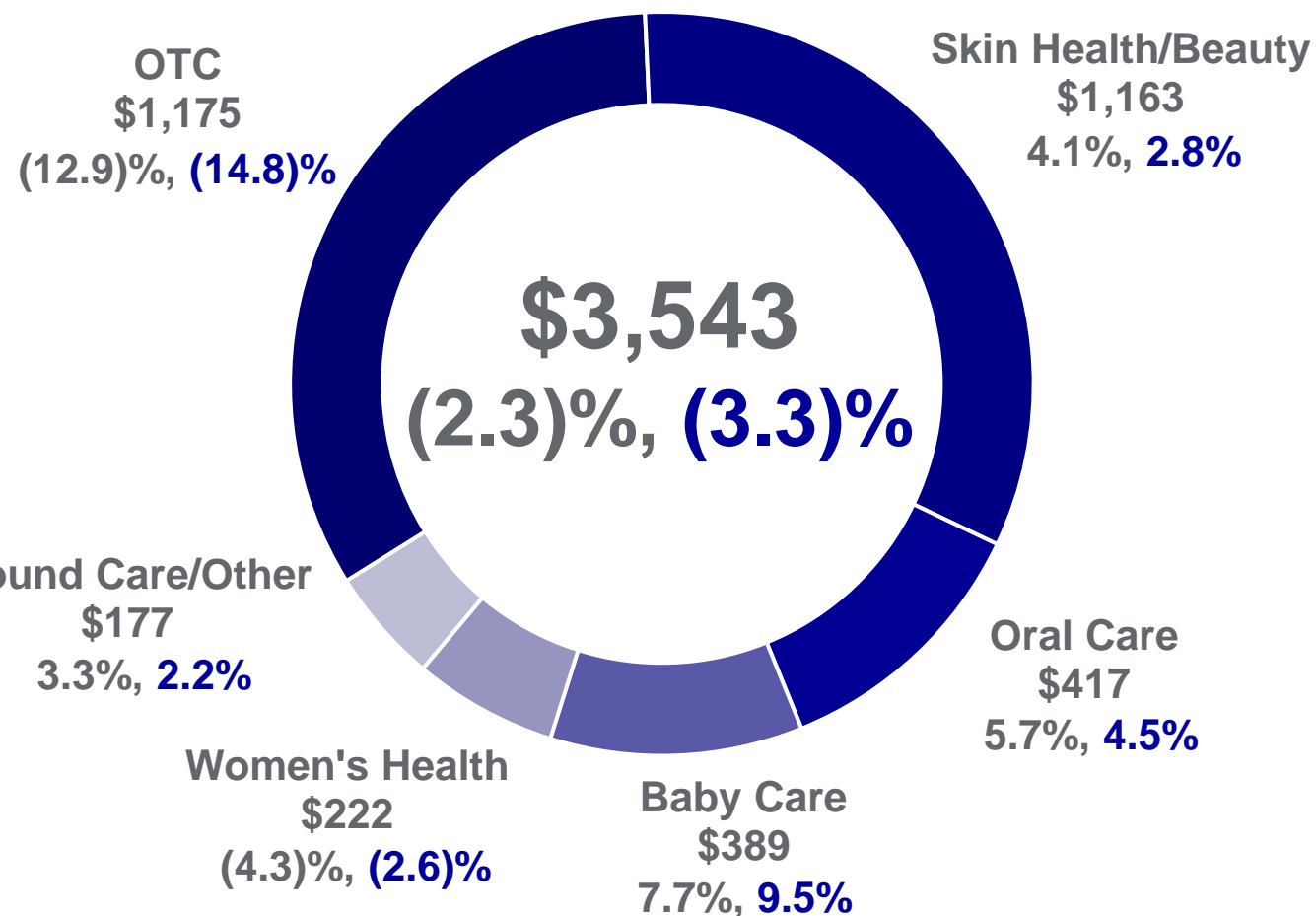
Operational<sup>1</sup>: WW (3.3)%, U.S. (7.4)%, Int'l 0.5%

## Key Drivers of Operational Performance<sup>1</sup>

<b>OTC</b>	<ul style="list-style-type: none"> <li>Decline primarily due to comparisons to prior year COVID-19 pantry loading and category declines driven by weaker Cough, Cold and Flu season due to social distancing and lockdowns. Partially offsetting declines were timing of shipments, e-commerce strength, and U.S. share gains primarily in TYLENOL, ZYRTEC and PEPCID as well as strong OUS performance of NICORETTE.</li> </ul>
<b>Skin Health/Beauty</b>	<ul style="list-style-type: none"> <li>Growth primarily driven by OUS NEUTROGENA and DABAO as well as WW AVEENO due to strength in e-commerce and new product innovations and COVID-19 related recovery. Results were partially offset by U.S. COVID-19 related market contraction in make-up wipes and competitive pressures in NEUTROGENA.</li> </ul>
<b>Oral Care</b>	<ul style="list-style-type: none"> <li>Growth primarily due to strong OUS performance for LISTERINE mouthwash due to category growth driven by increased consumer focus on oral hygiene and strong promotions partially offset by divestitures</li> </ul>
<b>Baby Care</b>	<ul style="list-style-type: none"> <li>Growth driven by OUS JOHNSON's primarily in LATAM and ASPAC across all categories due to increased COVID-19 demand coupled with AVEENO baby growth in e-commerce globally</li> </ul>
<b>Women's Health</b>	<ul style="list-style-type: none"> <li>Decline driven by internal sanitary protection and liners due to prior year COVID-19 impact comparisons primarily in EMEA partially offset by growth in napkins in ASPAC and LATAM</li> </ul>
<b>Wound Care/Other</b>	<ul style="list-style-type: none"> <li>Growth due to strong performance in hand hygiene primarily due to increased demand and new promotional campaigns coupled with U.S. share gains partially offset by prior year COVID-19 impact comparisons</li> </ul>

## WW Sales \$MM

■ Reported Growth ■ Operational Growth<sup>1</sup>



Adjusted Operational Sales<sup>2</sup>: WW (2.9)%, U.S. (6.9)%, Int'l 0.9%



<sup>1</sup> Non-GAAP measure; excludes the impact of translational currency; see reconciliation schedules in the Investors section of the [company's website](#)  
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 Note: Values may not add due to rounding





# Pharmaceutical Highlights – 1<sup>st</sup> Quarter 2021

*Above-market performance driven by double-digit growth in 7 key products*

**Reported:** WW 9.6%, U.S. 6.4%, Int'l 13.4%

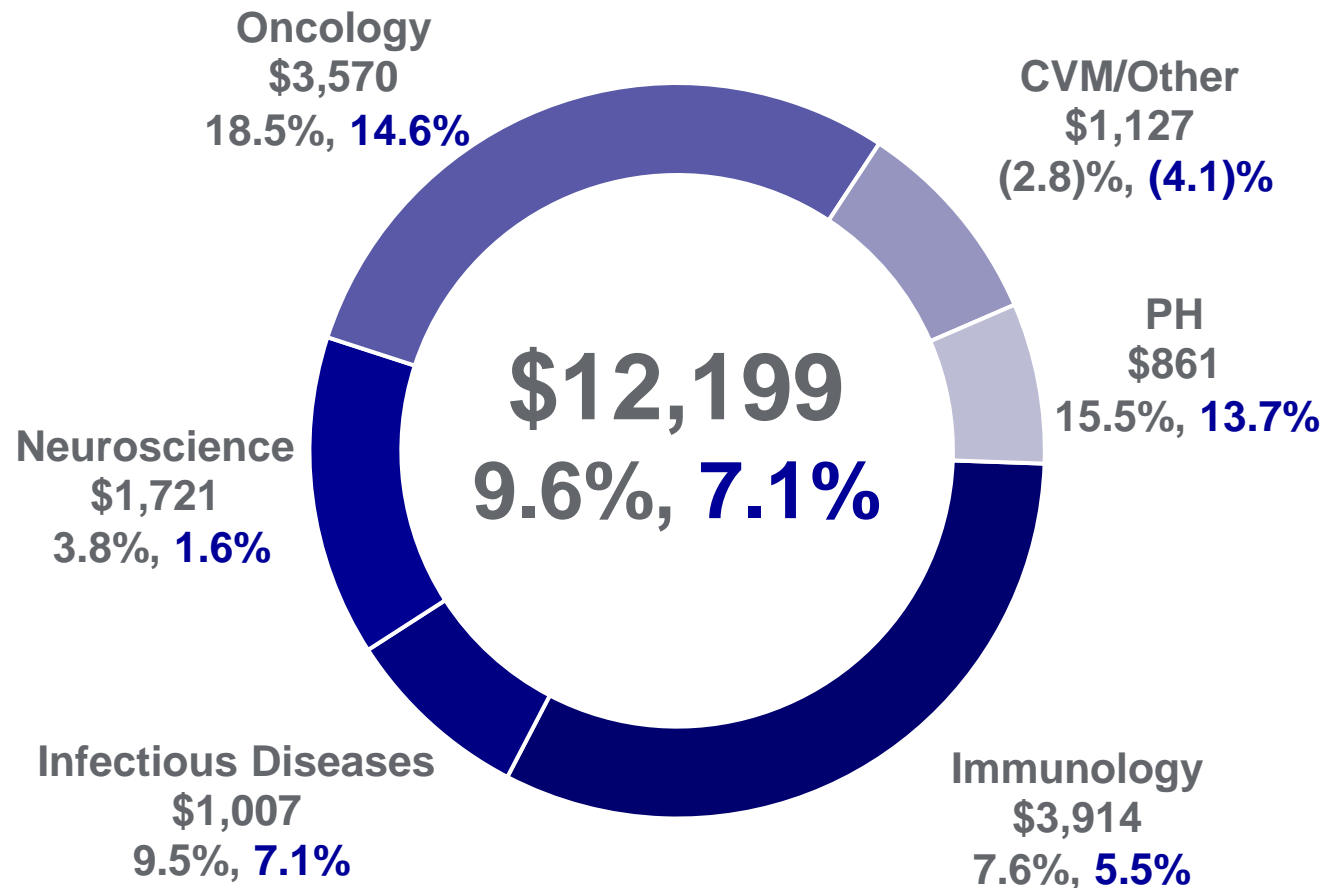
**Operational<sup>1</sup>:** WW 7.1%, U.S. 6.4%, Int'l 7.9%

## Key Drivers of Operational Performance<sup>1</sup>

<b>Immunology</b>	<ul style="list-style-type: none"> <li>Growth driven by strong uptake of STELARA in Crohn's Disease and Ulcerative Colitis and strength of TREMFYA in Psoriasis and uptake in Psoriatic Arthritis</li> <li>REMICADE decline due to biosimilar competition</li> </ul>
<b>Infectious Diseases</b>	<ul style="list-style-type: none"> <li>Growth driven by the contribution of the recently authorized COVID-19 vaccine and uptake of JULUCA in the EU</li> <li>Partially offset by increased competition for PREZISTA/PREZCOBIX/REZOLSTA and PREZISTA OUS LOE</li> </ul>
<b>Neuroscience</b>	<ul style="list-style-type: none"> <li>Paliperidone long-acting injectables growth due to strength of INVEGA SUSTENNA/XEPLION and INVEGA TRINZA/TREVICTA from new patient starts and persistency</li> </ul>
<b>Oncology</b>	<ul style="list-style-type: none"> <li>DARZALEX increase driven by continued strong market growth and share gains in all regions and solid uptake of the subcutaneous formulation launched in 2020</li> <li>IMBRUVICA growth driven by market leading share and increased persistency as patients extend the duration of therapy, partially offset by COVID-19 related market dynamics including new patient starts and longer-term scripts written in the same quarter of 2020</li> <li>Continued strong global launch uptake of ERLEADA</li> <li>Lower sales and share of ZYTIGA due to generic competition</li> </ul>
<b>Cardiovascular/ Metabolism/ Other (CVM/Other)</b>	<ul style="list-style-type: none"> <li>Decline driven by lower sales of PROCIT/EPREX due to biosimilar competition</li> <li>INVOKANA/INVOKAMET decline due to share erosion, partially offset by strong market growth</li> <li>Growth in XARELTO driven by continued demand and a one-time favorable prior period pricing adjustment in the current quarter partially offset by higher rebates</li> </ul>
<b>Pulmonary Hypertension (PH)</b>	<ul style="list-style-type: none"> <li>Growth driven by strong sales of OPSUMIT and UPTRAVI due to continued share gains and market growth</li> </ul>

## WW Sales \$MM

■ Reported Growth ■ Operational Growth<sup>1</sup>



**Adjusted Operational Sales<sup>2</sup>:** WW 7.4%, U.S. 6.2%, Int'l 8.8%



<sup>1</sup> Non-GAAP measure; excludes the impact of translational currency; see reconciliation schedules in the Investors section of the [company's website](#).  
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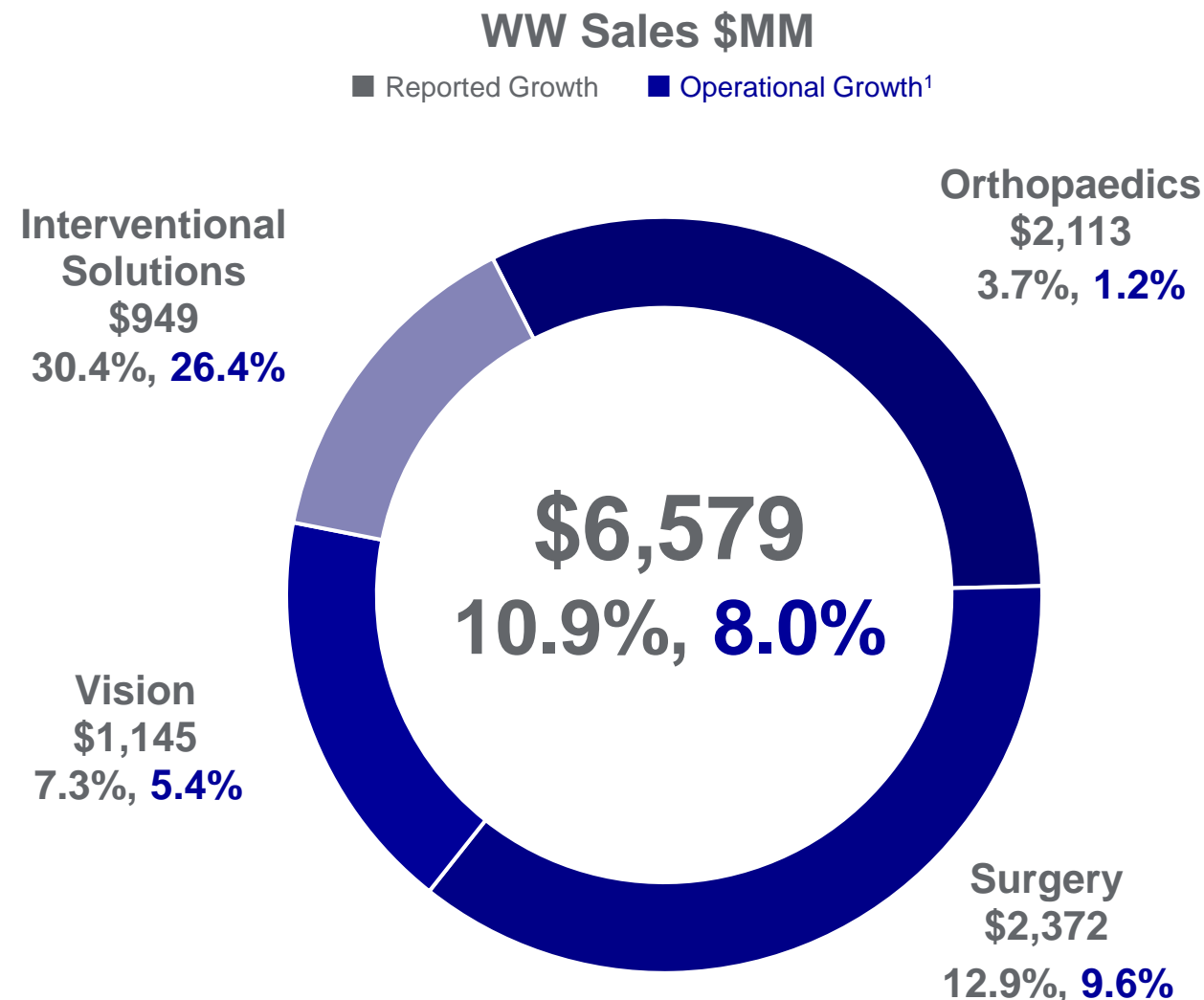


# Medical Devices Highlights – 1<sup>st</sup> Quarter 2021

*Growth primarily driven by COVID-19 related market recovery in Asia Pacific and the U.S.*

**Reported:** WW 10.9%, U.S. 5.4%, Int'l 16.2%

**Operational<sup>1</sup>:** WW 8.0%, U.S. 5.4%, Int'l 10.5%



## Key Drivers of Operational Performance<sup>1</sup>

<b>Interventional Solutions</b>	<ul style="list-style-type: none"> <li>Double-digit growth driven by atrial fibrillation market growth coupled with strength from new products including CARTO and VIZIGO sheath</li> </ul>
<b>Orthopaedics</b>	<ul style="list-style-type: none"> <li><b>Hips:</b> Primarily driven by market recovery and continued leadership in the anterior approach with strong market demand for the ACTIS stem aided by our other enabling technologies – KINCISE and VELYS Hip Navigation</li> <li><b>Trauma:</b> Global market recovery and uptake of new products including Cannulated Compression Headless Screws</li> <li><b>Knees:</b> Decline driven by the negative impact of COVID-19 and changes in channel mix</li> <li><b>Spine, Sports &amp; Other:</b> Negative impact from COVID-19 and China distribution channel changes partially offset by uptake of new products and partnerships in Spine               <ul style="list-style-type: none"> <li><b>Spine:</b> WW: ~(1)%, U.S.: ~(1)%, OUS: ~FLAT</li> </ul> </li> </ul>
<b>Surgery</b>	<ul style="list-style-type: none"> <li><b>Advanced:</b> <ul style="list-style-type: none"> <li><b>Endocutters:</b> ~+16% Driven by market recovery, market expansion and new products primarily in China, offsetting competitive pressure in the U.S.</li> <li><b>Biosurgery:</b> ~+14% Led by market recovery, success of newer products (VISTASEAL and SURGICEL POWDER) and expansion within the China market</li> <li><b>Energy:</b> ~+14% Primarily due to market recovery, new products and expansion within the China market</li> </ul> </li> <li><b>General:</b> Growth primarily driven by market recovery and continued strength of the Suture portfolio in Wound Closure partially offset by the impact of the ASP divestiture</li> </ul>
<b>Vision</b>	<ul style="list-style-type: none"> <li><b>Contact Lenses/Other:</b> Growth primarily driven by market recovery, new products and channel inventory changes in the U.S. and Japan</li> <li><b>Surgical:</b> Growth primarily due to market recovery &amp; uptake of recently launched products</li> </ul>

**Adjusted Operational Sales<sup>2</sup>: WW 8.8%, U.S. 5.6%, Int'l 11.8%**



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Note: Values may not add due to rounding



# Condensed Consolidated Statement of Earnings

## 1<sup>st</sup> Quarter 2021

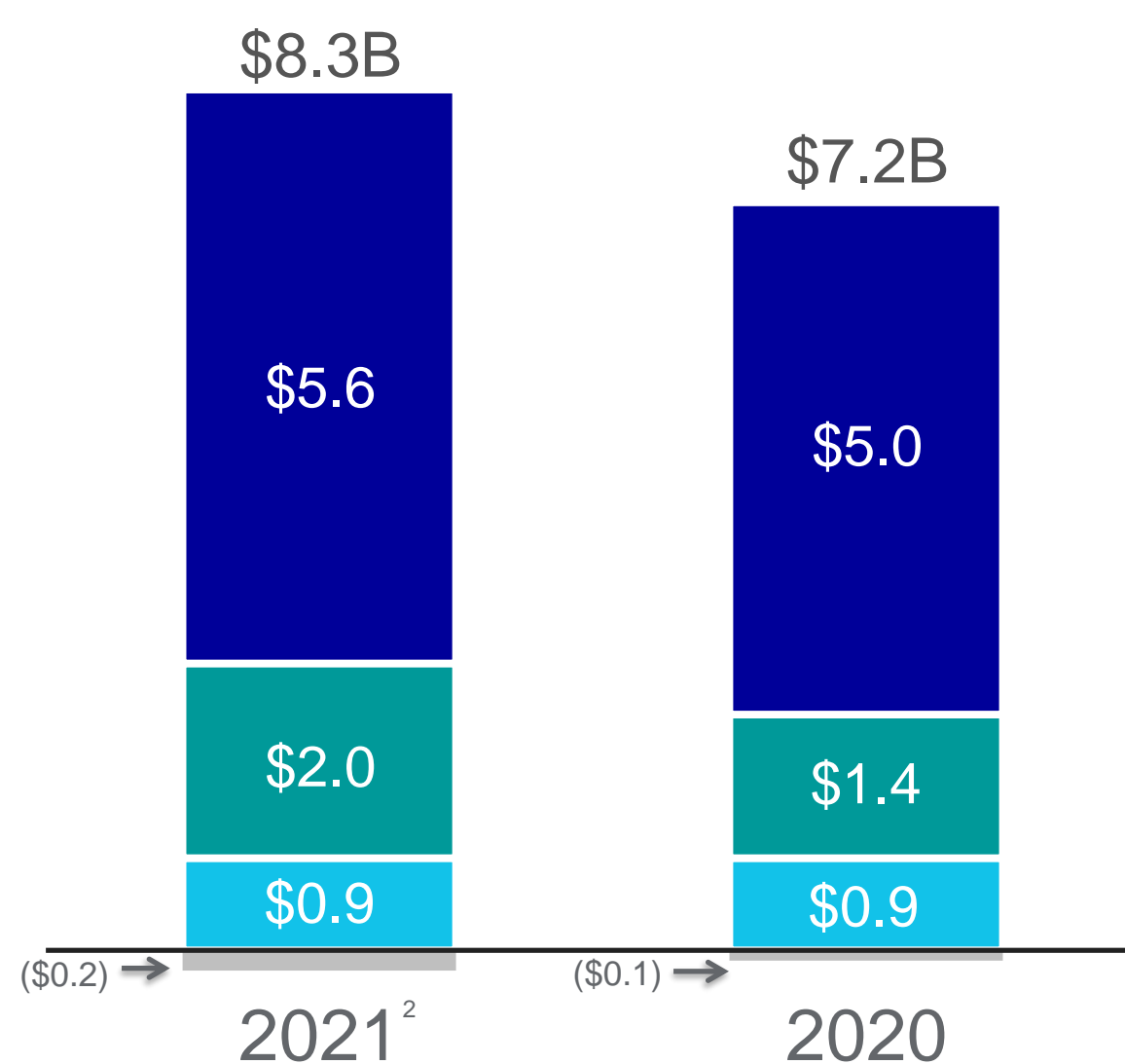
(Unaudited; Dollar and Shares in Millions Except Per Share Figures)

	2021		2020		% Increase (Decrease)
	Amount	% to Sales	Amount	% to Sales	
Sales to customers	\$22,321	100.0	\$20,691	100.0	7.9
Cost of products sold	7,063	31.7	7,062	34.1	0.0
<b>Gross Profit</b>	<b>15,258</b>	<b>68.3</b>	<b>13,629</b>	<b>65.9</b>	<b>12.0</b>
Selling, marketing, and administrative expenses	5,432	24.3	5,203	25.1	4.4
Research and development expense	3,178	14.2	2,580	12.5	23.2
Interest (income) expense, net	48	0.2	(42)	(0.2)	
Other (income) expense, net	(882)	(3.9)	(679)	(3.3)	
Restructuring	53	0.2	58	0.3	
Earnings before provision for taxes on income	7,429	33.3	6,509	31.5	14.1
Provision for taxes on income	1,232	5.5	713	3.5	72.8
<b>Net Earnings</b>	<b>\$6,197</b>	<b>27.8</b>	<b>\$5,796</b>	<b>28.0</b>	<b>6.9</b>
Net earnings per share (Diluted)	\$2.32		\$2.17		6.9
Average shares outstanding (Diluted)	2,672.7		2,671.0		
Effective tax rate	16.6%		11.0%		
<b>Adjusted earnings before provision for taxes and net earnings<sup>1</sup></b>					
Earnings before provision for taxes on income	\$8,291	37.1	\$7,244	35.0	14.5
Net earnings	\$6,924	31.0	\$6,154	29.7	12.5
Net earnings per share (Diluted)	\$2.59		\$2.30		12.6
Effective tax rate	16.5%		15.0%		

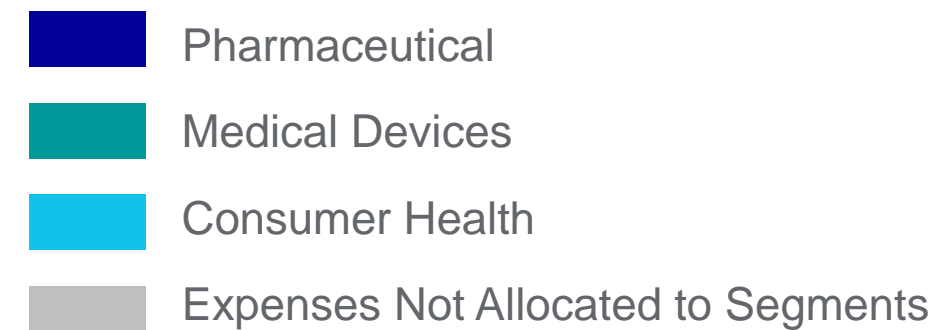
<sup>1</sup> Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation schedules in the Investors section of the [company's website](#)

# Adjusted Income Before Tax by Segment<sup>1</sup>

1<sup>st</sup> Quarter 2021



	% to Sales	
	1Q 2021	1Q 2020
Pharmaceutical	45.6%	45.3%
Medical Devices	30.6%	24.2%
Consumer Health	26.0%	24.5%
<b>Total</b>	<b>37.1%</b>	<b>35.0%</b>



<sup>1</sup> Non-GAAP measure; excludes amortization expense and special items; see reconciliation schedules in the Investors section of the [company's website](#)

<sup>2</sup> Estimated as of 4/20/2021

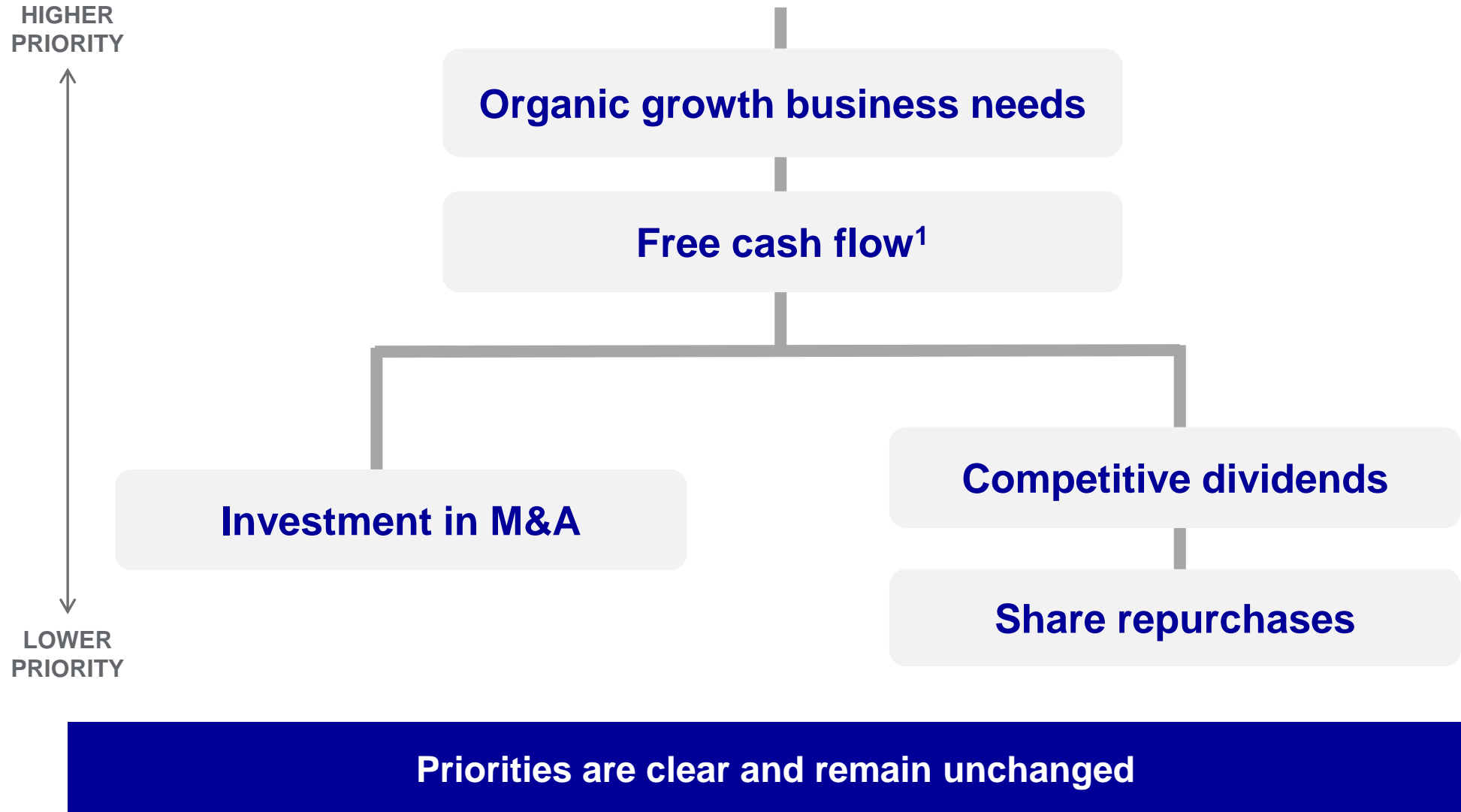
# Joseph J. Wolk

Executive Vice President,  
Chief Financial Officer



# Capital Allocation Strategy

## **Capital Allocation**



Dollars in Billions	Q1 2021
Cash and Marketable Securities	\$25.0
Debt	(\$34.0)
Net Debt	(\$9.0)
Free Cash Flow <sup>2</sup>	~\$3.4

Note: values may have been rounded


**Q1 2021:**

**\$3.2B** invested in R&D

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**\$2.7B** in dividends paid to shareholders

# Notable New Announcements in 1<sup>st</sup> Quarter 2021<sup>1</sup>

## Pharmaceutical

- Regulatory Decisions:
  - PONVORY (ponesimod) approved by U.S. FDA, an oral treatment for adults with relapsing multiple sclerosis proven superior to (teriflunomide) in reducing annual relapses and brain lesions
  - Johnson & Johnson Single-Shot COVID-19 Vaccine granted conditional marketing authorization by European Commission
  - Johnson & Johnson Single-Shot COVID-19 Vaccine granted emergency use listing by the World Health Organization
  - Johnson & Johnson COVID-19 Vaccine authorized by U.S. FDA for emergency use
  - SPRAVATO (Esketamine Nasal Spray) authorized in Europe for the rapid reduction of depressive symptoms in a psychiatric emergency for patients with major depressive disorder
- Regulatory Submission:
  - Submission of supplemental new drug application to U.S. FDA by ViiV Healthcare for expanded use of CABENUVA (rilpivirine and cabotegravir) as an HIV treatment for use every two months
- Other:
  - Janssen provides update on Phase 3 ACIS Study in patients with metastatic castration-resistant prostate cancer treated with ERLEADA (apalutamide) and ZYTIGA (abiraterone acetate) combination<sup>2</sup>
  - Johnson & Johnson announces advance purchase agreement with the African Vaccine Acquisition Trust for the Company's COVID-19 vaccine candidate
  - PONVORY (ponesimod) receives positive CHMP opinion for the treatment of adults with relapsing forms of multiple sclerosis with active disease defined by clinical or imaging features
  - CAR-T Therapy Ciltacabtagene Autoleucel (Cilta-cel) accepted for accelerated assessment in Europe for the treatment of patients with heavily pretreated multiple myeloma

## Medical Devices

- Regulatory Decisions:
  - MONOFOCAL INTRAOCULAR LENS - TECNIS EYHANCE AND TECNIS EYHANCE TORIC II IOLS - receives FDA approval for a next generation treatment for cataract patients



<sup>1</sup> These developments and all other news releases are available online in the Investors section of the company's website at [news releases](#)

<sup>2</sup> Subsequent to the quarter

# 2021 Assumptions and Outlook



## Pharmaceutical

- Ongoing focus on reaching patients through transformational innovation
- Anticipate delivering the 10th consecutive year of operational above market growth



## Consumer Health

- Expect full year competitive growth versus the market driven by strong iconic brands, with quarterly fluctuations as a result of COVID-19 impact in 2020
- Continue focus on maintaining enhanced margin profile through SKU rationalization and investment optimization



## Medical Devices

- Enhanced focus on execution, recent innovation, and market recovery will enable strong growth in 2021
- Recovery influenced by patient willingness to seek care, health provider capacity, insurance and unemployment rates, and easing of mobility restrictions



## Enterprise

- Strong YoY sales and EPS performance
- Anticipate operating margin in-line with 2019 exit
- 2020 additional 2 to 3 shipping days (53<sup>rd</sup> week)



# 2021 Guidance

	April	January	Comments
Adjusted Operational Sales <sup>1,2</sup>	8.7% - 9.9%	8.0% - 9.5%	Midpoint of 9.3%
Operational Sales <sup>2</sup>	\$89.3B - \$90.3B 8.2% - 9.4%	\$88.8B - \$90.0B 7.5% - 9.0%	Tightening of the range and improving operational performance
Estimated Reported Sales <sup>3</sup>	\$90.6B - \$91.6B 9.7% - 10.9%	\$90.5B - \$91.7B 9.5% - 11.0%	Maintaining midpoint of \$91.1B
Adjusted Pre-Tax Operating Margin <sup>4,5</sup>	>200 bps improvement	>200 bps improvement	
Net Other Income <sup>4</sup>	\$0.6 - \$0.7 billion	\$0.6 - \$0.7 billion	
Net Interest Expense / (Income)	\$150 - \$250 million	\$150 - \$250 million	
Effective Tax Rate <sup>4</sup>	16.5% - 17.5%	16.5% - 17.5%	
Adjusted EPS (Operational) <sup>2,4</sup>	\$9.30 - \$9.45 15.8% - 17.7%	\$9.25 - \$9.45 15.2% - 17.7%	Midpoint increasing by \$0.03
Adjusted EPS (Reported) <sup>3,4</sup>	\$9.42 - \$9.57 17.3% - 19.2%	\$9.40 - \$9.60 17.1% - 19.6%	Maintaining midpoint of \$9.50



<sup>1</sup> Non-GAAP measure; excludes acquisitions and divestitures

<sup>2</sup> Non-GAAP measure; excludes the impact of translational currency

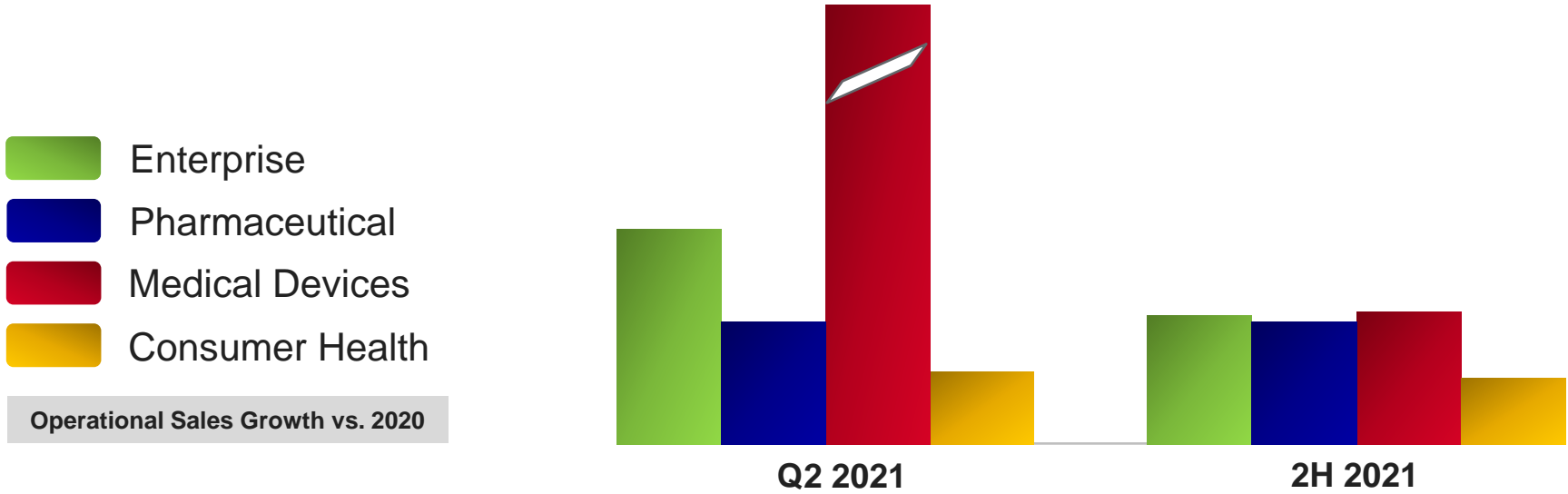
<sup>3</sup> Euro Average Rate: April 2021 = \$1.19

<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

# 2021 Segment Outlook & Sales Phasing\*

*Illustration intended to visualize quarterly phasing; Chart not to scale*



Segment	Full Year Considerations	Sales Phasing and Considerations
<b>Pharmaceutical</b>	Continued strong, above market performance	<ul style="list-style-type: none"> <li>Anticipate more balanced quarter to quarter growth throughout 2021</li> <li>Prior year included some negative impacts from reduced office visits and access to physician administered drugs due to COVID-19 restrictions most prominent in Q2 and reduced through the remaining quarters of 2020</li> </ul>
<b>Medical Devices</b>	Double digit growth driven by procedure recovery and continued momentum from enhanced execution new product introductions	<ul style="list-style-type: none"> <li>Expect highest growth rate in second quarter given prior year market disruption and 2021 recovery</li> <li>Expect variable market recovery and strengthened core platforms to drive revenue growth through 2021</li> </ul>
<b>Consumer Health</b>	Continue to drive competitive market growth	<ul style="list-style-type: none"> <li>Continued SKU rationalization program negative impact to first half growth</li> <li>Anticipate normalized growth in the second half as consumers return to typical usage patterns in areas like Skin Health / Beauty</li> </ul>

*Note: Fourth Quarter growth will be negatively impacted by additional 2020 selling days that will not be repeated in 2021 (Q4 2020: ~4pts of growth related to additional selling days)*



\*Chart is not to scale; Illustration intended to visualize quarterly phasing impact of operational sales growth rates throughout 2021

# Q&A



**Alex Gorsky**

Chairman and  
Chief Executive Officer



**Joaquin Duato**

Vice Chairman of the  
Executive Committee



**Paul Stoffels, M.D.**

Vice Chairman of the  
Executive Committee and  
Chief Scientific Officer



**Joseph J. Wolk**

Executive Vice President,  
Chief Financial Officer

*Johnson & Johnson*