

1st Quarter 2020 Results



1st Quarter 2020 Sales

Worldwide Increased ▲	\$20.7B	3.3%	Excluding acquisitions/ divestitures on an operational basis	Worldwide Increased ▲	5.6%*
Diluted Earnings Per Share	Increased ▲	\$2.17	Adjusted Diluted Earnings Per Share*	Increased ▲	9.5%
		56.1%			\$2.30



“With Johnson & Johnson’s century-plus history of leading in times of great challenge, we are mobilizing our resources across the Company in the fight against the COVID-19 pandemic. Johnson & Johnson is built for times like this, and we are leveraging our scientific expertise, operational scale and financial strength in the effort to advance the work on our lead COVID-19 vaccine candidate. We are committed to beginning production at risk imminently and bringing an affordable and accessible vaccine to the public on a not-for-profit basis for emergency pandemic use.”

Alex Gorsky
Chairman and
Chief Executive Officer
Johnson & Johnson

**\$3.6
Billion**



Worldwide Consumer Health Sales

Consumer Health worldwide reported sales increased 9.2% or 11.3% operationally¹. Primary operational contributors:



**\$11.1
Billion**



Worldwide Pharmaceutical Sales

Pharmaceutical worldwide reported sales increased 8.7% or 10.1% operationally¹. Primary operational contributors:



**\$5.9
Billion**



Worldwide Medical Devices Sales

Medical Devices worldwide reported sales decreased (8.2%) or (6.9%) operationally¹. Primary operational contributors:



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 14, 2020, 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.

¹Non-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 14, 2020, 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.

1st Quarter 2020 Earnings Call

April 14, 2020

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.

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:

Immunology	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
Neuroscience	INVEGA SUSTENNA/ XEPLION/ INVEGA TRINZA/ TREVICTA includes technology licensed from Alkermes Pharma Ireland Limited
Infectious Diseases	PREZCOBIX/ REZOLSTA fixed-dose combination, SYMTUZA and ODEFSEY developed in collaboration with Gilead Sciences, Inc., and JULUCA developed in collaboration with ViiV Healthcare UK
Cardiovascular/ Metabolism/Other	INVOKANA/ INVOKAMET/ VOKANAMET/ INVOKAMET XR fixed-dose combination licensed from Mitsubishi Tanabe Pharma Corporation, XARELTO co-developed with Bayer HealthCare AG, PROCRI/ EPREX licensed from Amgen Inc., and X-Linked Retinitis Pigmentosa: AAV-RPGR licensed from MeiraGTx
Oncology	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
Pulmonary Hypertension	UPTRAVI license and supply agreement with Nippon Shinyaku (co-promotion in Japan), and OPSUMIT co-promotion agreement with Nippon Shinyaku in Japan

Agenda

- ① **CEO Perspective on COVID-19**
- ② **COVID-19 Vaccine Update**
- ③ **Sales Performance and Earnings Review**
- ④ **Capital Allocation and Guidance**
- ⑤ **Q&A**



Alex Gorsky

Chairman and
Chief Executive Officer



Paul Stoffels, M.D.

Vice Chairman of the
Executive Committee &
Chief Scientific Officer



Joaquin Duato

Vice Chairman of the
Executive Committee



Joseph J. Wolk

Executive Vice President,
Chief Financial Officer



Chris DeLorefice

Vice President,
Investor Relations

Johnson & Johnson

58 consecutive
years
of dividend
increases



We blend , **Science**
and **Ingenuity** to
profoundly change
the trajectory of
health for humanity.

Johnson & Johnson



\$250M

**Commitment to Support
Frontline Health
Workers
over 10 years**

**Plus an
additional \$50M**

Johnson & Johnson



Pharmaceuticals

Consumer Health

Medical Devices



Pharmaceuticals



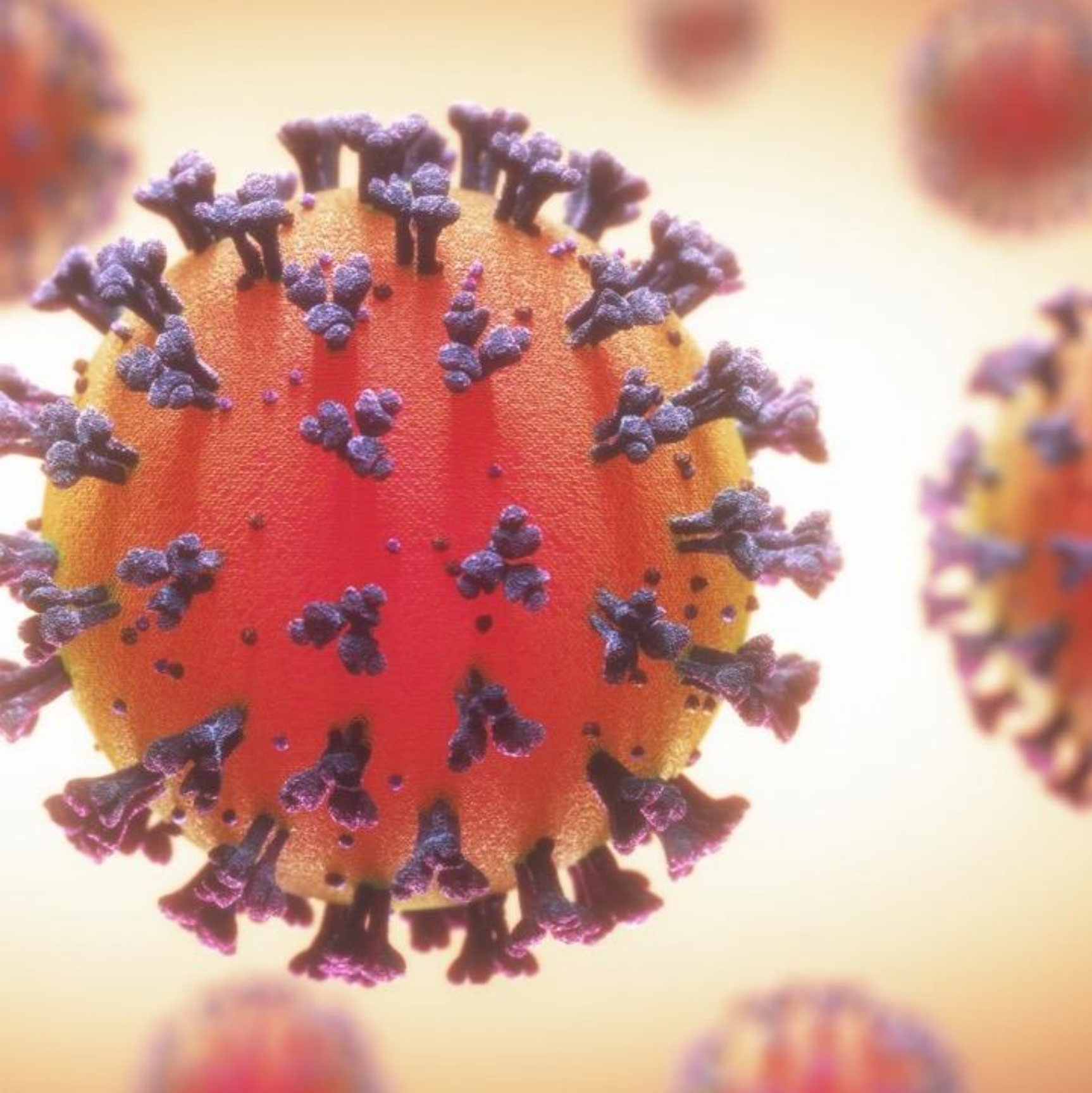
Consumer Health





Medical Devices

Johnson & Johnson



- ④ **Unparalleled Scientific Expertise**
- ④ **Lead COVID-19 vaccine candidate**
- ④ **Available for emergency use in early 2021**

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Our Credo

We believe our first responsibility is to the patients, doctors and nurses, 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 provide value, reduce our costs and maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our business partners must have an opportunity to make a fair profit.

We are responsible to our employees who work with us throughout the world. We must provide an inclusive work environment where each person must be considered as an individual. We must respect their diversity and dignity and recognize their merit. They must have a sense of security, fulfillment and purpose in their jobs. Compensation must be fair and adequate and working conditions clean, orderly and safe. We must support the health and well-being of our employees and help them fulfill their family and other personal 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 highly capable leaders 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 help people be healthier by supporting better access and care in more places around the world. We must be good citizens — support good works and charities, better health and education, and bear our fair share of taxes. 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, investments made for the future 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.

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Nosso Credo

Cremos que nossa primeira responsabilidade é para com pacientes, médicos e enfermeiros, para com mães, pais e todos os demais que usam nossos produtos e serviços. Para atender às suas necessidades, tudo o que fazemos deve ser de alta qualidade. Devemos constantemente...

Ons Credo

Wij geloven dat wij in de eerste plaats verantwoordelijk zijn voor patiënten, artsen en verpleegkundigen, voor de moeders en voor iedereen die onze producten en diensten gebruikt. Alles wat we doen moet van hoge kwaliteit zijn. We moeten voortdurend...

Nuestro Credo

Cremos que nuestra primera responsabilidad es con los pacientes, médicos y enfermeros, con las madres y los padres, y todos aquellos que utilizan nuestros productos y servicios. Para responder a sus necesidades, todo lo que hacemos debe ser de primera calidad. Devemos luchar constantemente por reducir costos, reducir nuestros costos y mantener precios razonables. Los pedidos de los clientes deben ser atendidos rápidamente y con precisión. Nuestros socios comerciales deben tener la oportunidad de conseguir una ganancia justa.

Chúng tôi phải làm việc để đáp ứng nhu cầu của bệnh nhân, bác sĩ và các nhân viên y tế. Mọi thứ chúng ta làm phải luôn trong sự tận tâm và chính xác. Chúng ta phải liên tục tìm cách giảm chi phí, giảm chi phí và duy trì mức giá hợp lý. Các đơn hàng của khách hàng phải được xử lý một cách nhanh chóng và chính xác. Các đối tác kinh doanh của chúng ta phải có cơ hội để kiếm được lợi nhuận hợp lý.

Наше Кредо

Наша первая ответственность — перед пациентами, врачами и медсестрами, перед матерями и отцами и перед всеми теми, кто пользуется нашими продуктами и услугами. Мы должны постоянно стремиться к высокому качеству. Мы должны постоянно стараться снизить издержки, снизить наши издержки и поддерживать разумные цены. Заказы клиентов должны выполняться быстро и точно. Наши деловые партнеры должны иметь возможность получить справедливую прибыль.

Iostro Credo

Il nostro primo dovere è verso i malati, verso i medici ed i infermieri, verso i genitori ed i nonni. Tutto quello che facciamo deve essere di alta qualità. Dobbiamo costantemente cercare di ridurre i costi, ridurre i nostri costi e mantenere prezzi equi. Gli ordini dei clienti devono essere trattati con prontezza e precisione. I nostri partners commerciali devono avere la possibilità di ottenere un profitto equo.

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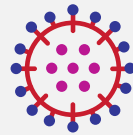
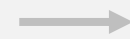
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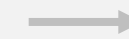
We have mobilized a multi-pronged response to COVID-19



Unprecedented global health crisis



> 1.6 MM cases
> 100,000 deaths*



A vaccine is critical to eradicating the pandemic



Developing a vaccine leveraging our proven Ad26 and Per.C6 platforms



Screening our late-stage and marketed antiviral compound library, other companies' compound libraries to identify broad spectrum of drugs



Exploring immuno-modulators to protect against the over-active immune response we see in some patients

* As of 4/10/20 <https://coronavirus.jhu.edu/map.html>

Key attributes of Janssen vaccine platform position us for leadership

- ✓ Ad26[®] vector technology: potent, long-lasting cellular and humoral immunity
- ✓ Low or no risk of “Enhanced Respiratory Disease”
- ✓ Well tolerated safety profile >50,000 people, and absence of any safety signal
- ✓ PER.C6[®] cell line: high yields, scalable, fully industrialized
- ✓ Favorable thermostability profile (>2 years at 2-8°C)
- ✓ Distribution using existing infrastructure

WHO criteria for vaccine platform

Key attributes of Prioritization WHO – Geneva – Jan 2020	Vectored	DNA	RNA	J&J Vaccine
1 dose regimen	✓	✓	✓	✓
Neutralizing antibodies	✓			✓
Proven strategy	✓	✓	✓	✓
Cytokine CMI response	✓	✓	✓	✓
Risk of enhancement ↓	✓	✓	✓	✓
Speed of development	✓	✓		✓
Capability to scale up	✓			✓
Duration of immunity				✓
Vaccine stability				✓
Cost/dose				✓

✓ Fulfilled according to WHO

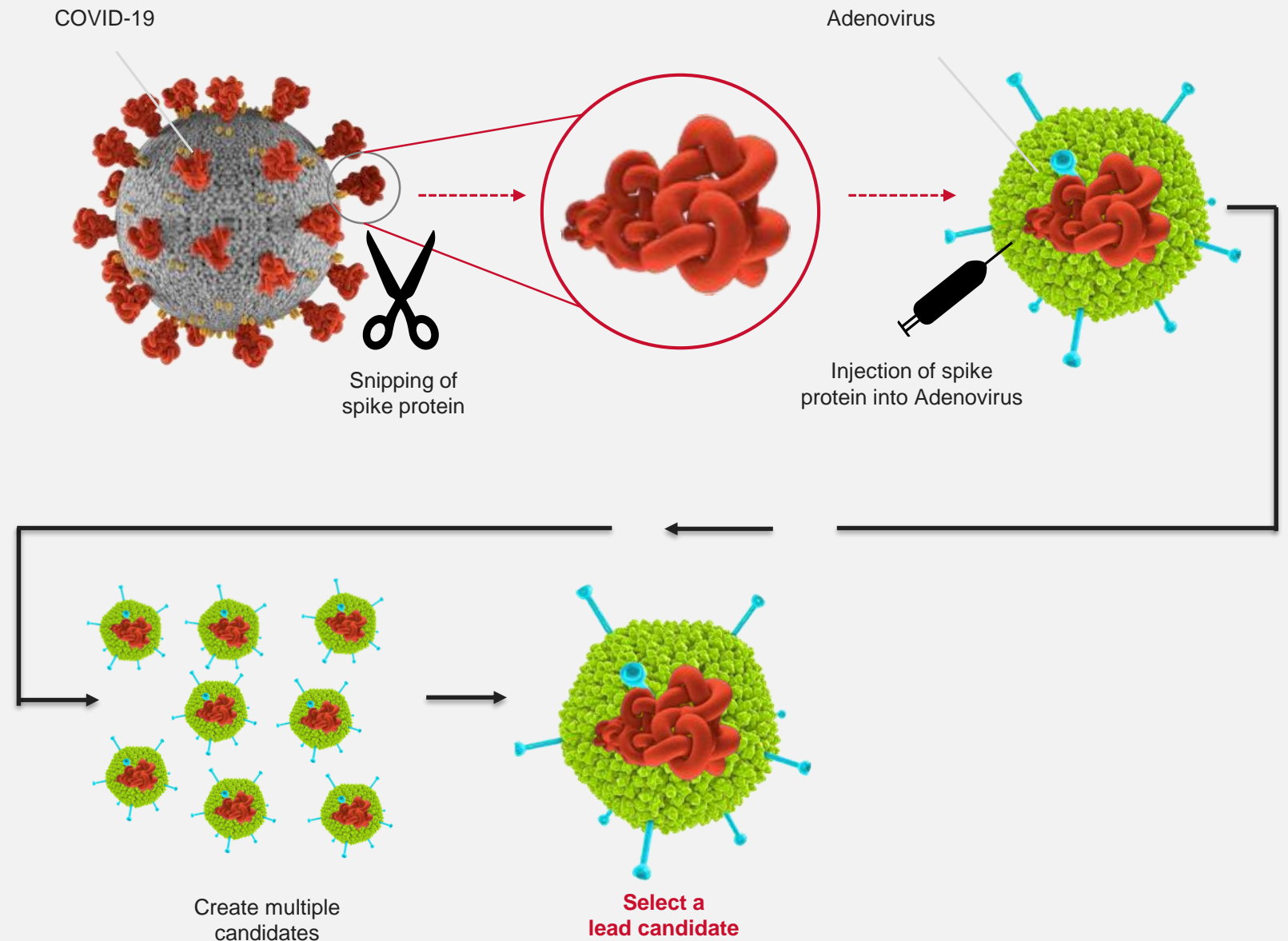
✓ Fulfilled based on Janssen data

Either unfulfilled (WHO) or unavailability of relevant data

Designing a vaccine

January – March 2020

- **January 2020:** SARS-CoV-2 sequence available
- Vaccine design commences
- SARS-CoV-2 spike protein inserted into Ad26 vector
- Multiple vaccine candidates constructed
- **March 2020:** Validated with pre-clinical testing to identify lead candidate



Road to the Janssen vaccine: Accelerating R&D and manufacturing in parallel to get to 1B doses



1st Quarter 2020 Sales

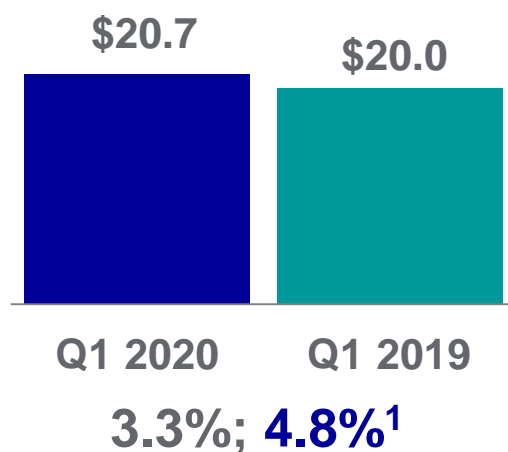
Dollars in Billions Regional Sales Results	Q1 2020	Q1 2019	% CHANGE	
			Reported	Operational ¹
U.S.	\$10.7	\$10.1	5.6%	5.6%
Europe	4.8	4.6	4.7	7.5
Western Hemisphere (ex U.S.)	1.5	1.5	(0.1)	8.5
Asia-Pacific, Africa	3.7	3.8	(3.1)	(1.9)
International	10.0	9.9	1.0	4.0
Worldwide (WW)	\$20.7	\$20.0	3.3%	4.8%

1st Quarter 2020 Financial Highlights

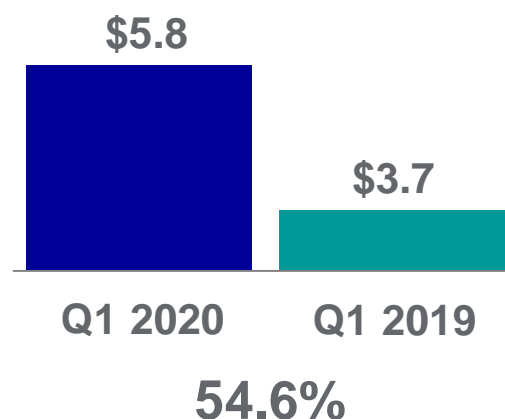
Dollars in Billions, except EPS

Reported %; Operational %¹

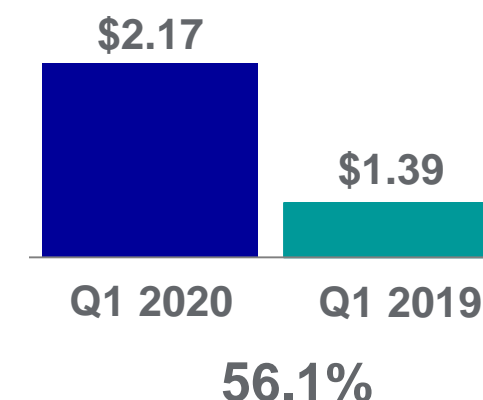
Sales



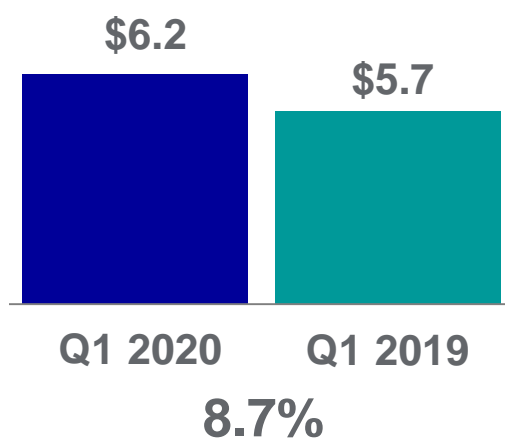
GAAP Earnings



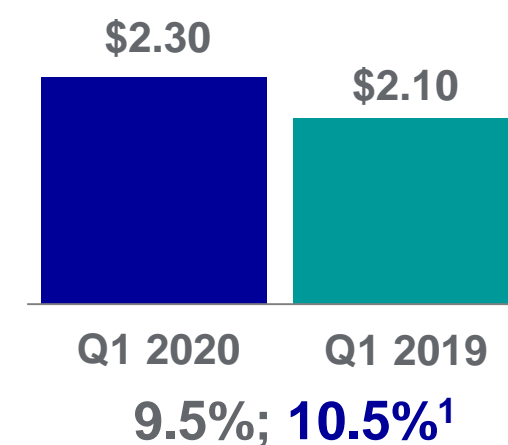
GAAP EPS



Adjusted Earnings²



Adjusted EPS²



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

² 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 – 1st Quarter 2020

Solid growth across multiple franchises

Reported: WW 9.2%, U.S. 21.0%, Int'l 0.3%

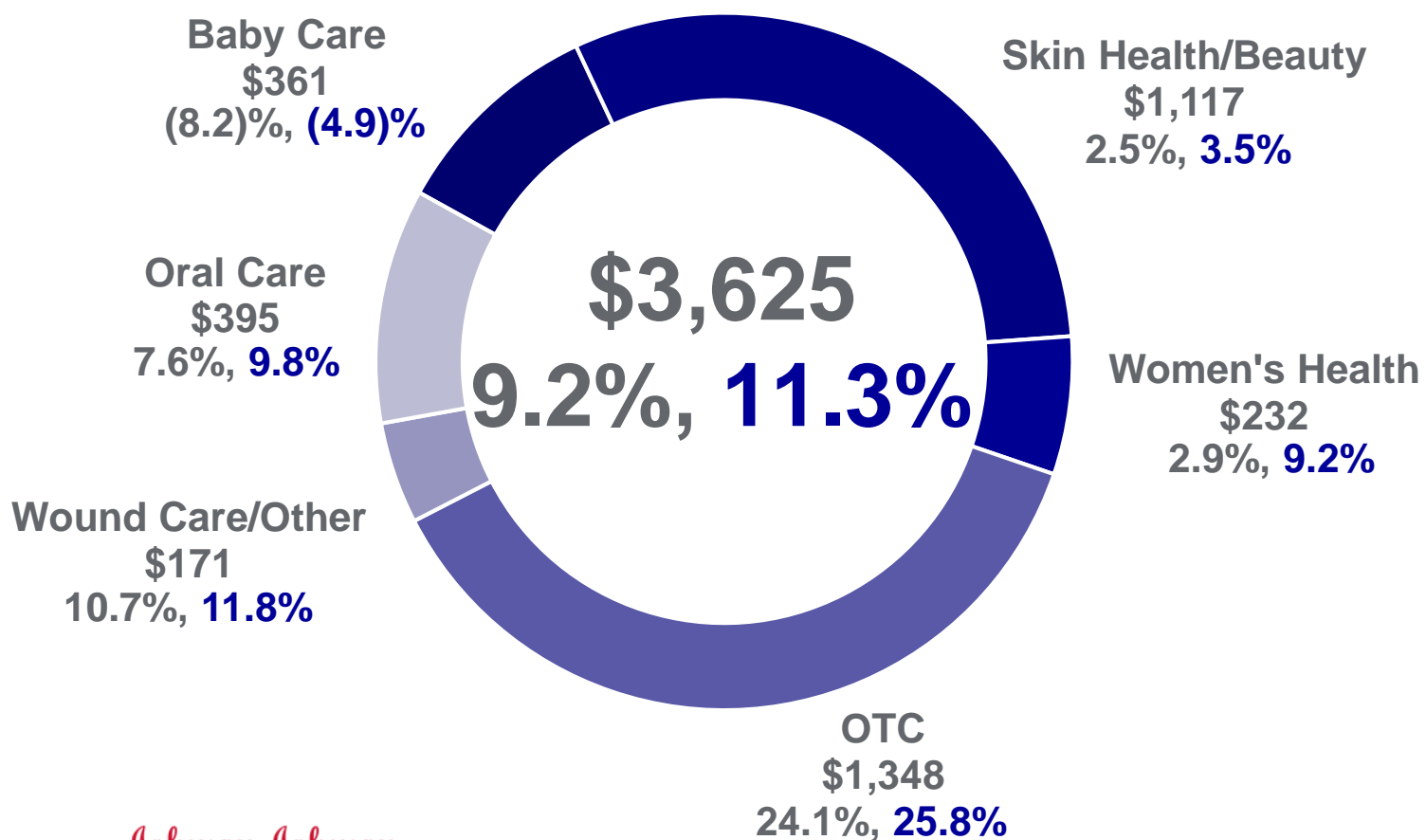
Operational¹: WW 11.3%, U.S. 21.0%, Int'l 3.9%

Key Drivers of Operational Performance¹

Baby Care	<ul style="list-style-type: none"> Decline due to Baby Center divestiture, SKU rationalization and COVID-19 related impacts in EMEA and ASPAC, partially offset by strength in AVEENO baby
Skin Health/Beauty	<ul style="list-style-type: none"> Primarily due to U.S. NEUTROGENA growth in e-commerce, warehouse club as well as Hydroboost promotional timing and strength in EMEA; AVEENO and OGx higher market demand due to COVID-19 partially offset by declines due to COVID-19 impacts in China and Japan
Oral Care	<ul style="list-style-type: none"> Primarily due to market growth for LISTERINE mouthwash due to increased demand related to COVID-19 as well as new U.S. product innovation
OTC	<ul style="list-style-type: none"> U.S.: Due to market growth driven by COVID-19, a strong flu and allergy season and overall share gains as well as competitive supply disruptions and ZARBEE's NATURALS strength OUS: Primarily due to COVID-19 impact, stronger cough and cold season in EMEA and ASPAC
Women's Health	<ul style="list-style-type: none"> Driven by o.b. increased COVID-19 demand in Germany and growth in napkins primarily in LATAM
Wound Care/Other	<ul style="list-style-type: none"> Primarily due to U.S. market growth in NEOSPORIN and adhesive bandages due to increased demand related to COVID-19

WW Sales \$MM

■ Reported Growth ■ Operational Growth¹



Adjusted Operational Sales²: WW 11.0%, U.S. 21.7%, Int'l 2.8%



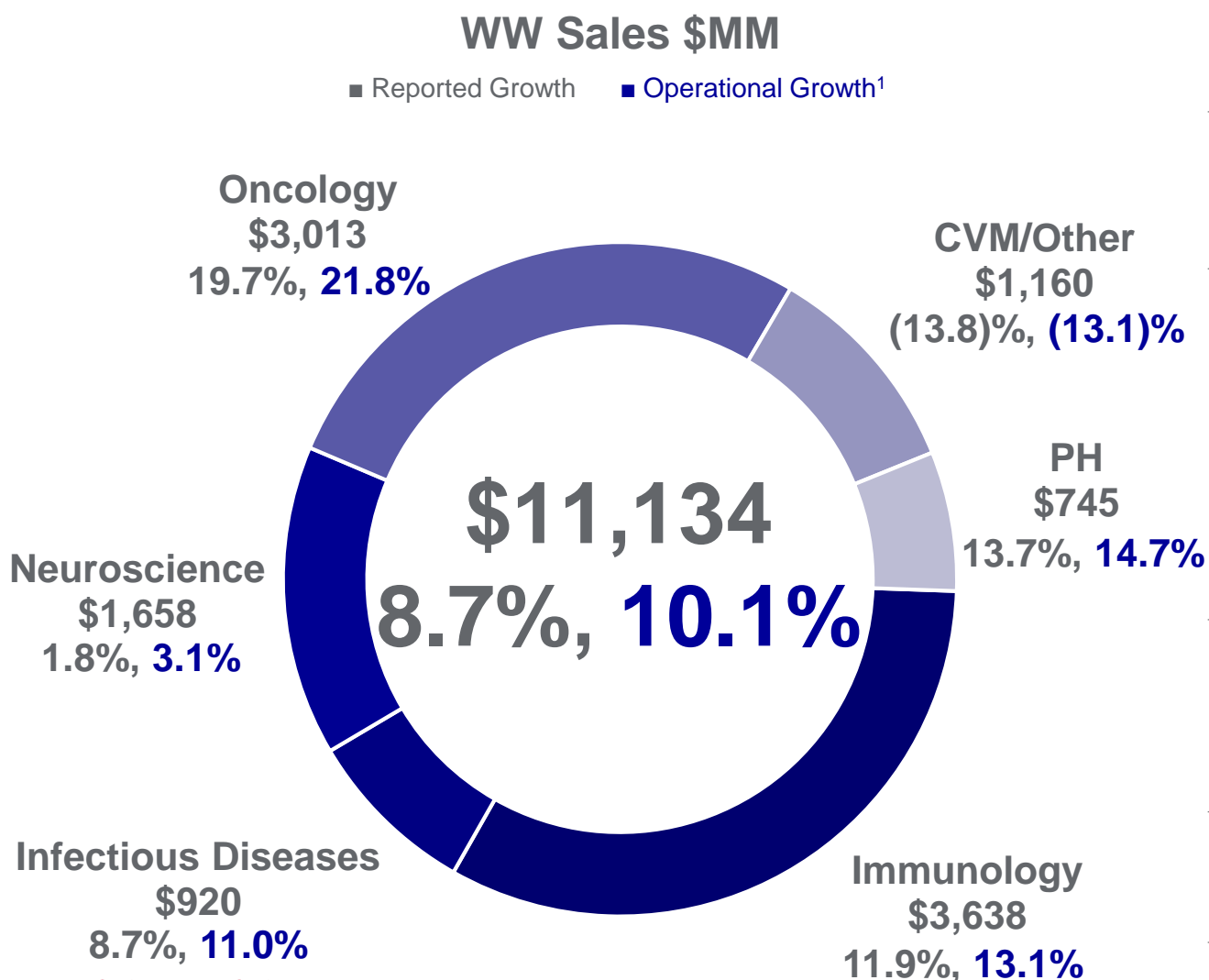
¹ Non-GAAP measure; excludes the impact of translational currency; see reconciliation schedules in the Investors section of the [company's website](#)
² Non-GAAP measure; excludes acquisitions and divestitures and translational currency; see reconciliation schedules in the Investors section of the [company's website](#)
 Note: Values may not add due to rounding

Pharmaceutical Highlights – 1st Quarter 2020

Strong growth across multiple therapeutic areas

Reported: WW 8.7%, U.S. 8.6%, Int'l 8.8%

Operational¹: WW 10.1%, U.S. 8.6%, Int'l 12.0%



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Key Drivers of Operational Performance¹

Immunology	<ul style="list-style-type: none"> Growth driven by strong uptake of STELARA in Crohn's Disease and increased COVID-19 related demand, strength in TREMFYA in Psoriasis, and expanded indications of SIMPONI ARIA, and U.S. immunology market growth REMICADE decline due to increased discounts/rebates and biosimilar competition
Infectious Diseases	<ul style="list-style-type: none"> Strong sales of SYMTUZA and increased COVID-19 demand across the Infectious Disease portfolio, partially offset by increased competition for PREZISTA/PREZCOBIX/REZOLSTA and PREZISTA OUS LOE
Neuroscience	<ul style="list-style-type: none"> Paliperidone long-acting injectables growth due to strength of INVEGA SUSTENNA/XEPLION and INVEGA TRINZA/TREVICTA from new patient starts and persistency, partially offset by cannibalization of RISPERDAL CONSTA and generic competition on CONCERTA
Oncology	<ul style="list-style-type: none"> DARZALEX continued strong market growth and share gains in the U.S. and EU, driven by patient uptake in all lines of therapy Strong sales of IMBRUVICA due to increased patient uptake globally, higher market share primarily in CLL L1, and increased COVID-19 demand related to longer scrips being written Strong sales and share growth of ZYTIGA in the EU and ASPAC, partially offset by lower sales in the U.S. due to generic competition Launch uptake of ERLEADA and share gains in non-metastatic CRPC as well as recently approved mCSPC indication; available in 18 EMEA countries Lower sales of VELCADE due to generic competition
Cardiovascular/ Metabolism/ Other (CVM/Other)	<ul style="list-style-type: none"> Decline in XARELTO due to increased rebates including channel mix dynamics, partially offset by market growth and increased COVID-19 demand due to longer scrips being written INVOKANA/INVOKAMET lower sales due to share loss from competitive pressures and safety label update in the U.S., slightly offset by growth in EU and LATAM Lower sales of PROCIT/EPREX due to biosimilar competition
Pulmonary Hypertension (PH)	<ul style="list-style-type: none"> Growth in OPSUMIT and UPTRAVI due to continued share gains, market growth, and increased COVID-19 related demand Lower sales of TRACLEER due to generic competition and cannibalization from OPSUMIT

Adjusted Operational Sales²: WW 10.2%, U.S. 8.7%, Int'l 12.0%

¹ 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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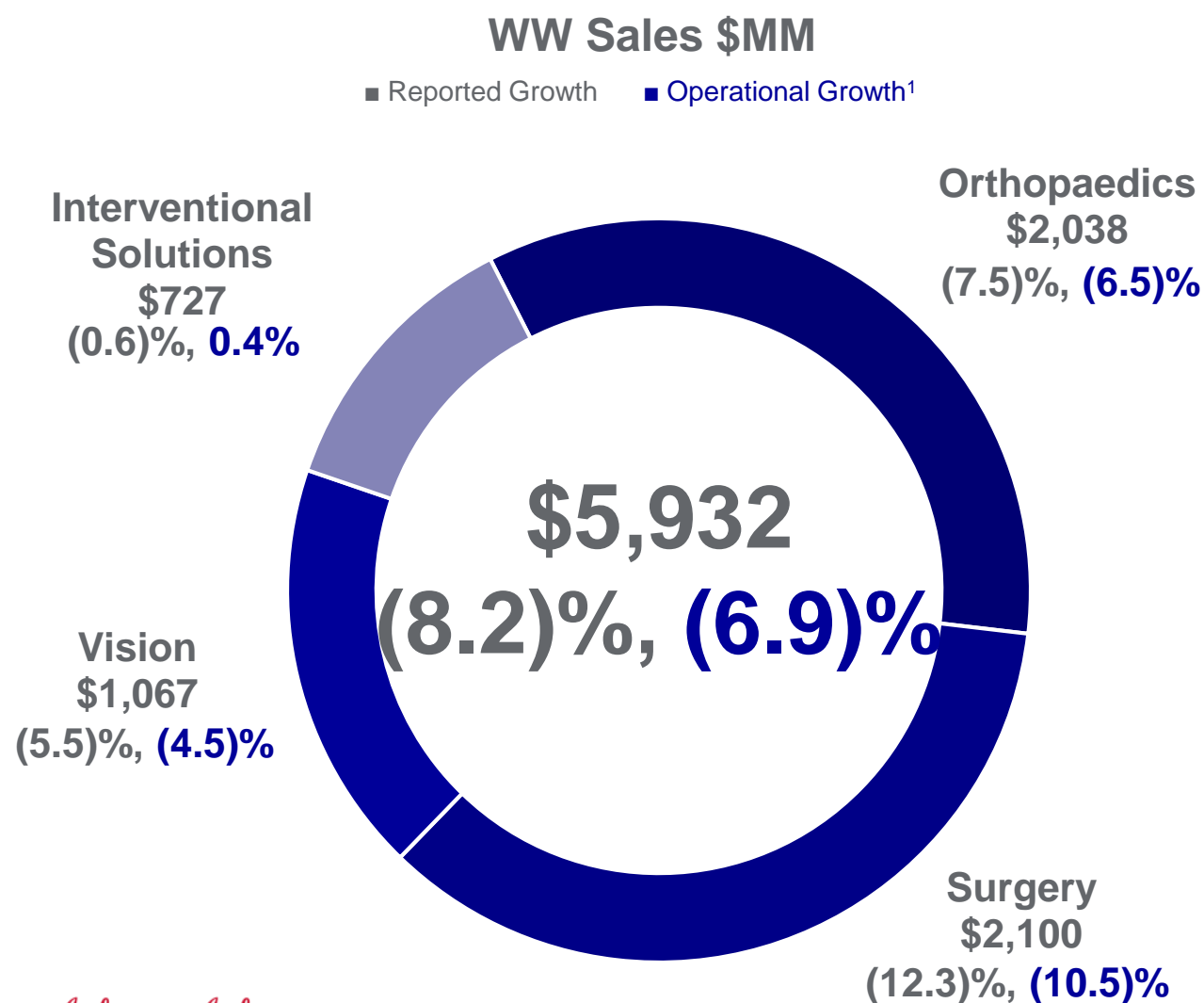


Medical Devices Highlights – 1st Quarter 2020

Sales decline driven by the negative impact of COVID-19

Reported: WW (8.2)%, U.S. (6.8)%, Int'l (9.4)%

Operational¹: WW (6.9)%, U.S. (6.8)%, Int'l (6.9)%



Key Drivers of Operational Performance¹

Interventional Solutions	<ul style="list-style-type: none"> Growth driven by Atrial Fibrillation procedure growth coupled with strong diagnostic catheter sales and new products partially offset by the net negative impact of COVID-19
Orthopaedics	<ul style="list-style-type: none"> Hips: Driven by the net negative impact of COVID-19 partially offset by leadership position in the anterior approach, strong market demand for the ACTIS stem and enabling technologies - KINCISE and VELYS Hip Navigation Knees: Driven by the negative impact of COVID-19 partially offset by the continued global uptake of new products Trauma: Driven by the negative impact of COVID-19 and market softness Spine, Sports & Other: Driven by the negative impact of COVID-19 and base business declines in Spine partially offset by OUS share growth in Sports <ul style="list-style-type: none"> Spine: WW: ~(11%), U.S.: ~(8%), OUS: ~(14%)
Surgery	<ul style="list-style-type: none"> Advanced: <ul style="list-style-type: none"> Endocutters: ~(6%) Driven by the negative impact of COVID-19 and competitive pressures in the U.S. partially offset by the growth of new products in ASPAC Biosurgery: ~FLAT as the negative impact of COVID-19 was offset by the growth of new products Energy: ~FLAT as the negative impact of COVID-19 and competitive pressures in the U.S. was offset by new product growth OUS General: Driven by the ASP divestiture and the negative impact of COVID-19
Vision	<ul style="list-style-type: none"> Contact Lenses/Other: Net negative impact of COVID-19 offset by double-digit U.S. growth in daily disposable lenses in the ACUVUE OASYS family Surgical: Primarily driven by negative impact of COVID-19 and competitive pressures in the U.S. partially offset by new product growth OUS

Adjusted Operational Sales²: WW (4.8)%, U.S. (4.3)%, Int'l (5.3)%



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

² Non-GAAP measure; excludes acquisitions and divestitures and translational currency; see reconciliation schedules in the Investors section of the [company's website](#)

Note: Values may not add due to rounding

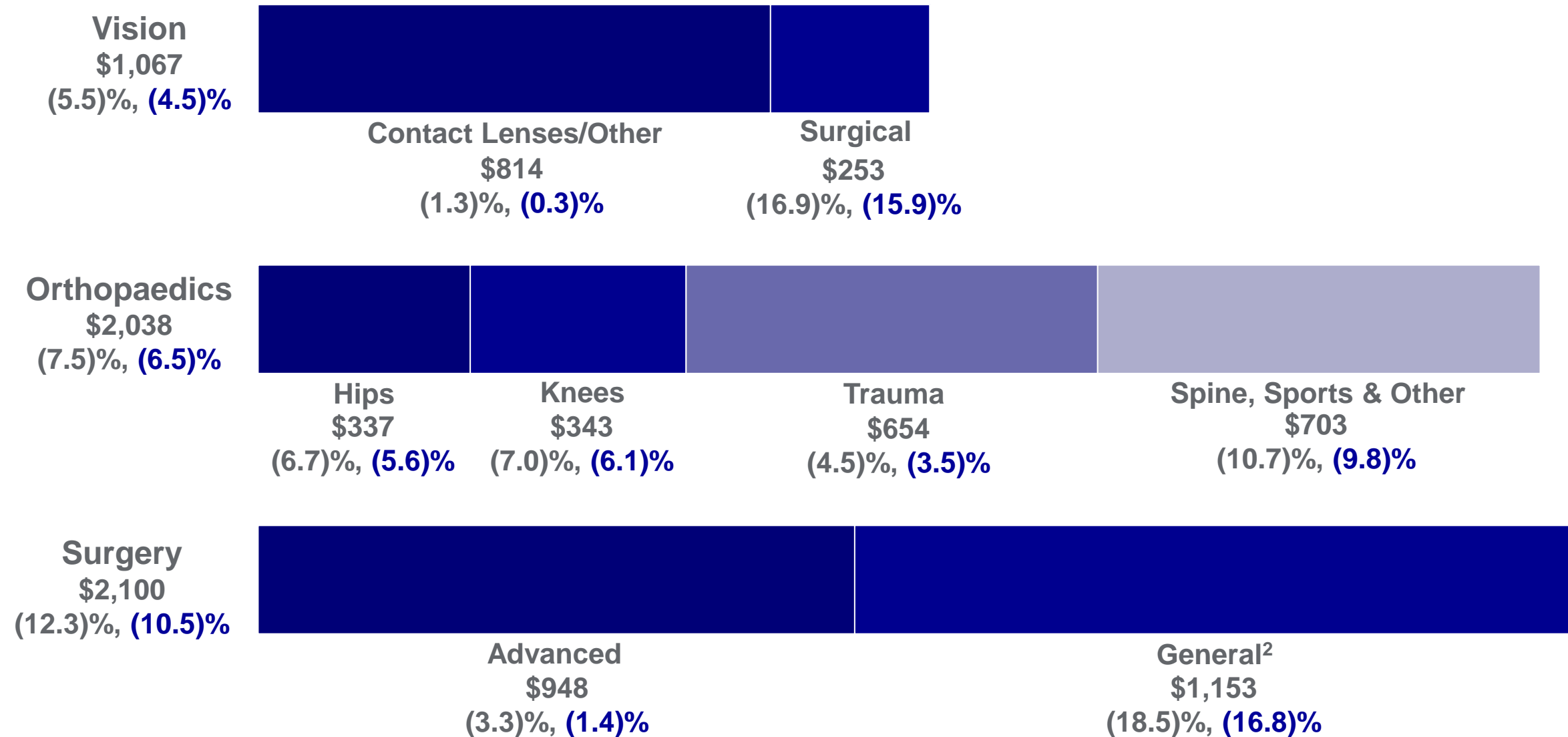


Medical Devices Highlights – 1st Quarter 2020

Sales decline driven by the negative impact of COVID-19

WW Sales \$MM

■ Reported Growth ■ Operational Growth¹



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

² General Surgery now includes Specialty Surgery

Note: Values may not add due to rounding



Condensed Consolidated Statement of Earnings

1st Quarter 2020

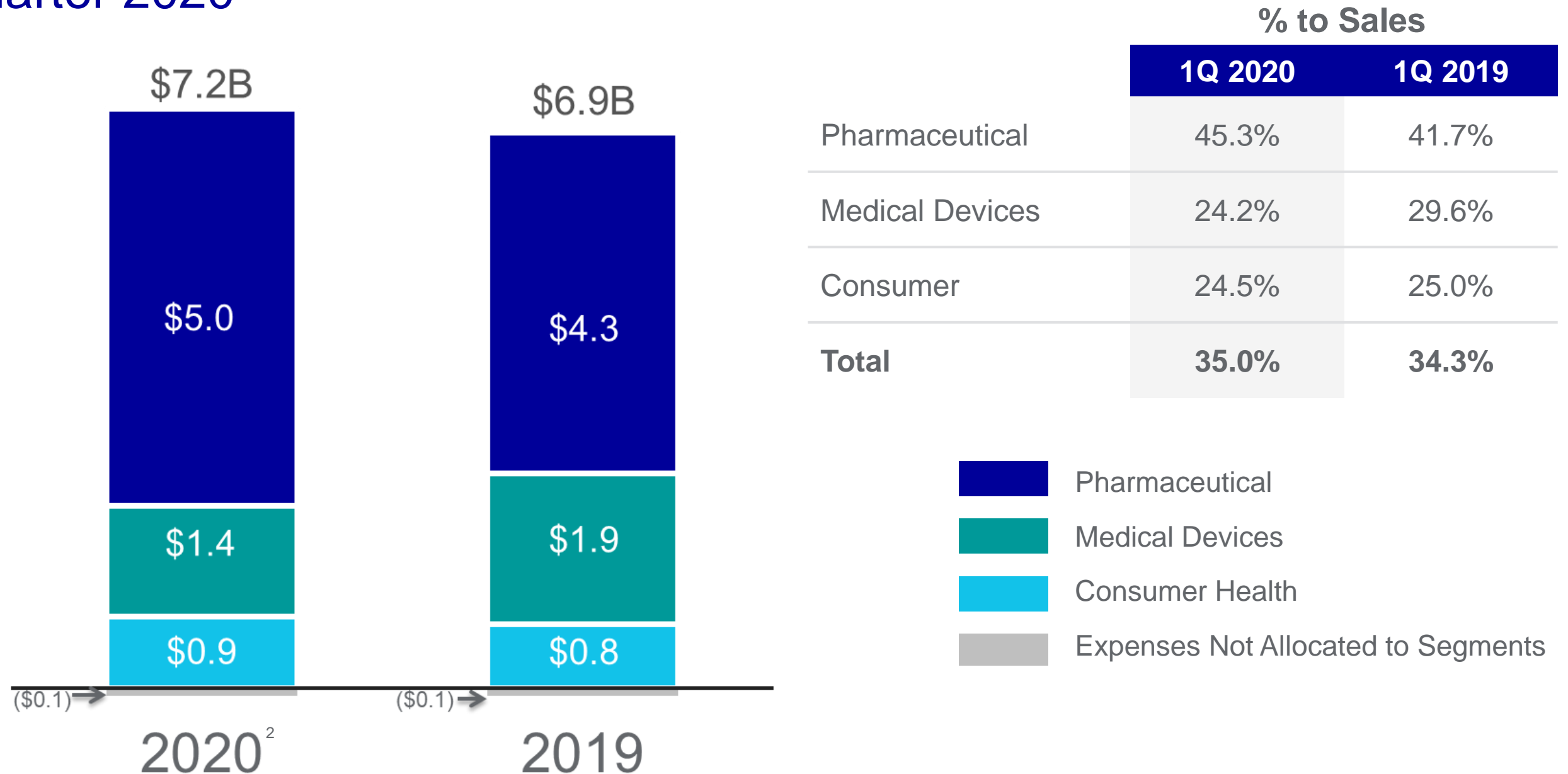
(Unaudited; Dollar and Shares in Millions Except Per Share Figures)

	2020		2019		% Increase (Decrease)
	Amount	% to Sales	Amount	% to Sales	
Sales to customers	\$20,691	100.0	\$20,021	100.0	3.3
Cost of products sold	7,062	34.1	6,615	33.0	6.8
Gross Profit	13,629	65.9	13,406	67.0	1.7
Selling, marketing, and administrative expenses	5,203	25.1	5,219	26.1	(0.3)
Research and development expense	2,580	12.5	2,858	14.3	(9.7)
In-process research and development	-	-	890	4.4	
Interest (income) expense, net	(42)	(0.2)	3	0.0	
Other (income) expense, net	(679)	(3.3)	(22)	(0.1)	
Restructuring	58	0.3	36	0.2	
Earnings before provision for taxes on income	6,509	31.5	4,422	22.1	47.2
Provision for taxes on income	713	3.5	673	3.4	5.9
Net Earnings	\$5,796	28.0	\$3,749	18.7	54.6
Net earnings per share (Diluted)	\$2.17		\$1.39		56.1
Average shares outstanding (Diluted)	2,671.0		2,698.8		
Effective tax rate	11.0%		15.2%		
Adjusted earnings before provision for taxes and net earnings¹					
Earnings before provision for taxes on income	\$7,244	35.0	\$6,867	34.3	5.5
Net earnings	\$6,154	29.7	\$5,661	28.3	8.7
Net earnings per share (Diluted)	\$2.30		\$2.10		9.5
Effective tax rate	15.0%		17.6%		

¹ 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 Segment¹

1st Quarter 2020



Notable New Announcements in 1st Quarter 2020¹

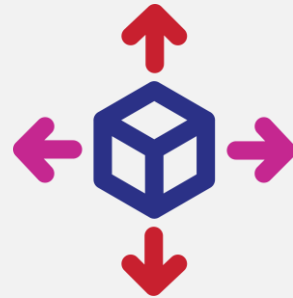
Pharmaceuticals

- Regulatory Approvals:
 - STELARA (ustekinumab) – European Commission (EC) approval of expanded use for the treatment of pediatric patients (ages 6–11) with moderate to severe plaque psoriasis
 - ERLEADA (apalutamide) – EC granted marketing authorization for the expanded use to include the treatment of adult men with metastatic hormone-sensitive prostate cancer in combination with androgen deprivation therapy
- Regulatory Submissions:
 - DARZALEX (daratumumab) – Submission of a supplemental Biologics License Application to the U.S. Food and Drug Administration (FDA) for the combination with carfilzomib and dexamethasone (DKd) for relapsed/refractory multiple myeloma
 - Ponesimod – Submission of a supplemental New Drug Application to the FDA and marketing authorization application to the European Medicines Agency (EMA) for the treatment of adult patients with relapsing multiple sclerosis
- Other:
 - JNJ-6372 – FDA granted Breakthrough Therapy Designation for the treatment of non-small cell lung cancer
 - Rilpivirine and cabotegravir 48-week results of phase 3b ATLAS study demonstrate the safety and efficacy of long-acting injectable HIV treatment administered every two months
 - Rilpivirine and cabotegravir results of phase 3 FLARE study demonstrate the safety and efficacy of long-acting injectable HIV treatment regimen through 96 weeks
 - XARELTO (rivaroxaban) – Landmark phase 3 VOYAGER PAD study of XARELTO plus aspirin shows significant benefit in patients with symptomatic peripheral artery disease after lower-extremity revascularization
 - Announced lead COVID-19 vaccine candidate and landmark new partnership with U.S. Department of Health & Human Services
 - Launched HEARTLINE, the first-of-its-kind, virtual study designed to explore if a new iPhone app and Apple Watch can help reduce the risk of stroke
 - RPGR gene therapy – EMA has granted both Priority Medicines and Advanced Therapy Medicinal Product designations for the treatment of inherited retinal disease X-linked retinitis pigmentosa

Johnson & Johnson

Business Continuity

Robust business continuity plans across our network



Manufacturing

Closely monitor and maintain critical inventory



Commercial Capabilities

Support healthcare providers virtually and directly engage in areas needed



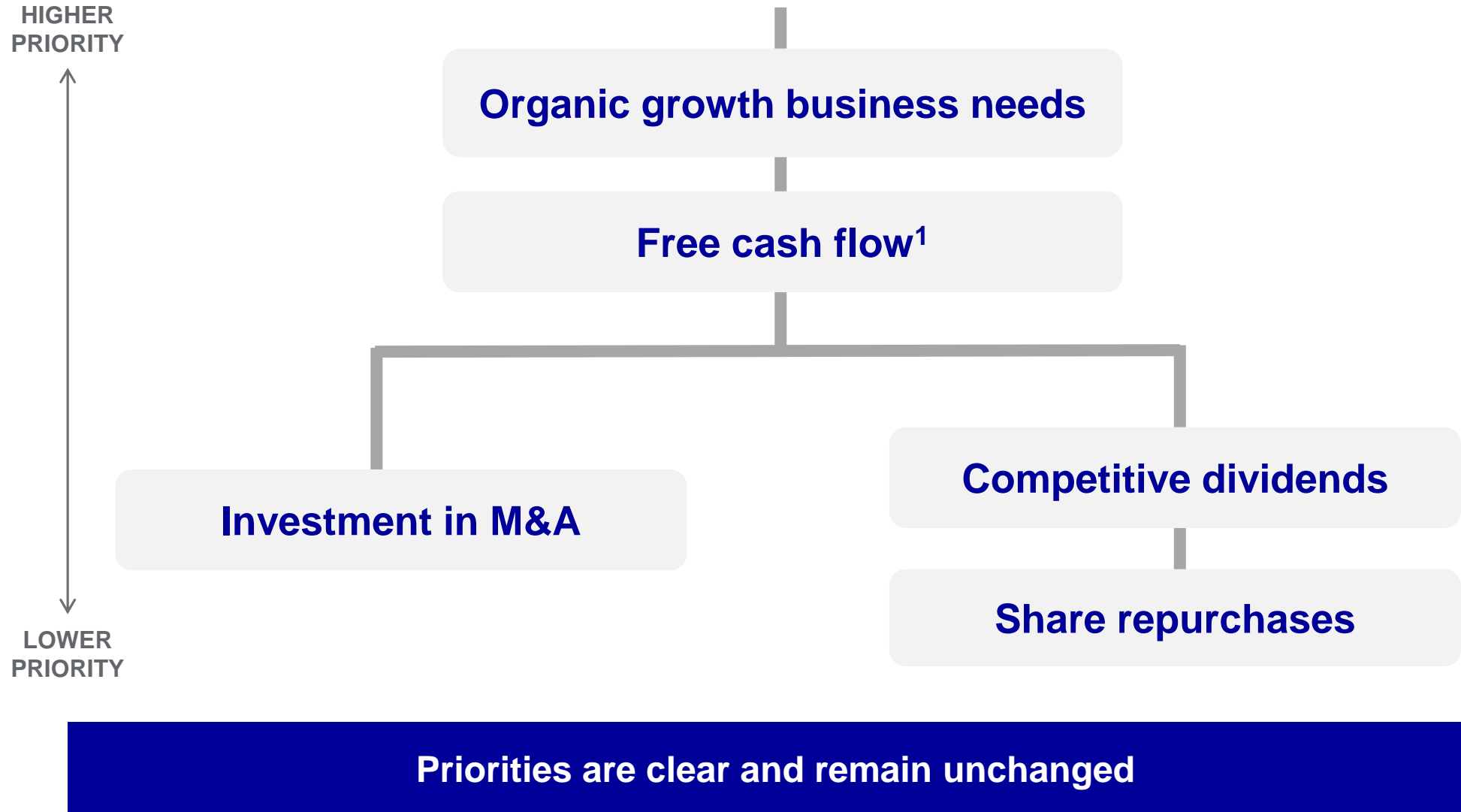
Research & Development

Maintain our clinical operation priorities, protecting the participants and satisfying all regulatory requirements

Most broadly-based global healthcare company with sustainable and resilient business model


Capital Allocation Strategy


Capital Allocation



Dollars in Billions	Q1 2020
Cash and Marketable Securities	\$18.1
Debt	(\$27.6)
Net Debt	(\$9.5)
Free Cash Flow ²	~\$3.0

Note: values may have been rounded


Q1 2020:



\$2.6B invested in R&D

\$2.5B in dividends paid to shareholders

2020 Guidance Assumptions

Enterprise

- Inclusive of the macroeconomic impact of COVID-19
- The relative shape of the COVID-19 curve to be an acute, shorter term impact
- Virus does not return in the fall at the same intensity levels we are currently experiencing
- Recovery for procedures begins at the end of the 2nd quarter, continues in the 3rd quarter and improves further in the 4th quarter

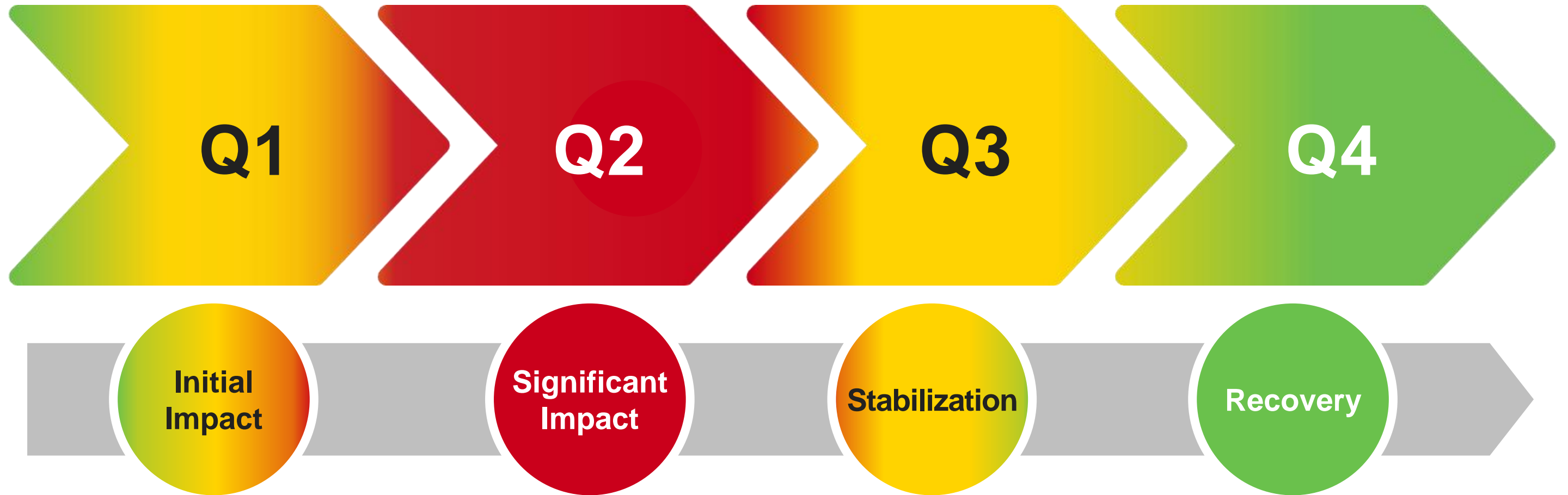
Pharmaceutical

- Smaller levels of disruption associated with delayed diagnosis and new patient starts
- Continued above market growth
- Continue to progress our plans for our 2020 anticipated filings and approvals

Consumer Health

- Expect key categories such as OTC to continue to perform well
- Impact to certain categories as a result of reduced store traffic and social distancing behaviors
- Above market growth in the U.S.
- SKU rationalization program for benchmark profitability

Medical Devices: COVID-19 Framework



Medical Devices: COVID-19 Framework

Data Utilized

- Q1 actual results in impacted regions
- Coronavirus reported cases by country
- Surgeon surveys and insights from our field force
- Epidemiology data combined with infectious diseases, economic and other scientific experts' opinions

Key ASPAC Markets:
China, Japan, Korea

~20%
of MD Sales

Remaining Top 10 Markets:
US, Italy, France, Germany,
UK, Russia, Spain

~60%
of MD Sales

Rest of World

~20%
of MD Sales

Medical Devices: COVID-19 Framework

Approximately 1/3 of Procedures are Urgent or Non-Elective

Franchise	Urgent %	Deferrable %
Contact Lens	N/A	N/A
Surgical Vision	10%	90%
Biosurgery / Energy / General Surgery	40%	60%
Endocutters	35%	65%
ENT	10%	90%
Aesthetics	5%	95%
Hips / Knees / Other Ortho	10%	90%
Spine	5%	95%
Trauma	80%	20%
Electrophysiology	10%	90%
Stroke	80%	20%
Total MD¹	30% to 35%	65% to 70%

Medical Devices: COVID-19 Framework

Full Year 2020 Operational Sales Impact inclusive of Q1 Actuals: (-\$4B) to (-\$7B)



	Q1 Initial Impact	Q2 Significant Impact	Q3 Stabilization	Q4 Recovery
Countries Impacted: China, Japan, Korea ~20% of MD Sales	<ul style="list-style-type: none"> China represented more than 40% of total MD impact in Q1 Japan and Korea represented less than 5% of total MD impact in Q1 	<ul style="list-style-type: none"> Impacts are less significant due to earlier timing and/or preventative measures taken <ul style="list-style-type: none"> Deferrable procedures decline -20% to -60% Urgent procedures decline -10% to -20% 	<ul style="list-style-type: none"> Normalize and begin to recover pent-up demand <ul style="list-style-type: none"> Deferrable procedures increase 0% to +15% Urgent procedures normalize and are flat 	<ul style="list-style-type: none"> Continue to recover pent-up demand but to a lesser extent <ul style="list-style-type: none"> Deferrable procedures increase 0% to +10% Urgent procedures are flat
Major Markets: US, Italy, France, Germany, UK, Russia, Spain ~60% of MD Sales	<ul style="list-style-type: none"> U.S. represented ~30% of total MD impact in Q1 Remaining major markets represented less than 20% of total MD impact in Q1 	<ul style="list-style-type: none"> Major markets seeing most significant impact to date <ul style="list-style-type: none"> Deferrable procedures decline -65% to -85% Urgent procedures decline -20% to -30% 	<ul style="list-style-type: none"> Major markets begin to stabilize with declines slowing <ul style="list-style-type: none"> Deferrable procedures decline -20% to -60% Urgent procedures decline -10% to -20% 	<ul style="list-style-type: none"> Major markets normalize and begin to recover pent-up demand <ul style="list-style-type: none"> Deferrable procedures increase 0% to +15% Urgent procedures normalize and are flat
Rest of World ~20% of MD Sales	<ul style="list-style-type: none"> ROW represented more than 5% of total MD impact in Q1 	<ul style="list-style-type: none"> Decline consistent with Major Markets 	<ul style="list-style-type: none"> Decline consistent with Major Markets 	<ul style="list-style-type: none"> Recovery consistent with Major Markets

Overall economy, unemployment, insurance coverage and procedure capacity are key variables that could impact rate of recovery

2020 Guidance

	April	January	Comments
Adjusted Operational Sales^{1,2}	(3.0%) - 0.5%	5.0% - 6.0%	
Operational Sales²	\$79.2 - \$82.2B (3.5%) - 0.0%	\$85.8 - \$86.6B 4.5% - 5.5%	Net Impact Acq./Div: ~0.5%
Estimated Reported Sales³	\$77.5B - \$80.5B (5.5%) - (2.0%)	\$85.4B - \$86.2B 4.0% - 5.0%	FX (\$1.7B) or (2.0%) impact
Adjusted Pre-Tax Operating Margin^{4,5}	~100 bps decline	~100 bps improvement	Higher manufacturing costs partially offset by spending reductions
Net Interest Expense / (Income)	\$50 - \$150 million	\$0 - \$100 million	Lower rates on interest income earned
Net Other Income⁴	\$0.8 - \$1.0 billion	\$1.5 - \$1.7 billion	Previously planned divestitures will be deferred
Effective Tax Rate⁴	16.5% - 18.0%	17.5% - 18.5%	Associated with sequence and pace of economic recovery
Adjusted EPS (Operational)^{2,4}	\$7.65 - \$8.05 (11.9%) - (7.3%)	\$9.00 - \$9.15 3.7% - 5.4%	Midpoint of \$7.85 or (9.6%)
Adjusted EPS (Reported)^{3,4}	\$7.50 - \$7.90 (13.6%) - (9.0%)	\$8.95 - \$9.10 3.1% - 4.8%	Midpoint of \$7.70 or (11.3%) FX (\$0.15) or (1.7%) impact



¹ Non-GAAP measure; excludes acquisitions and divestitures

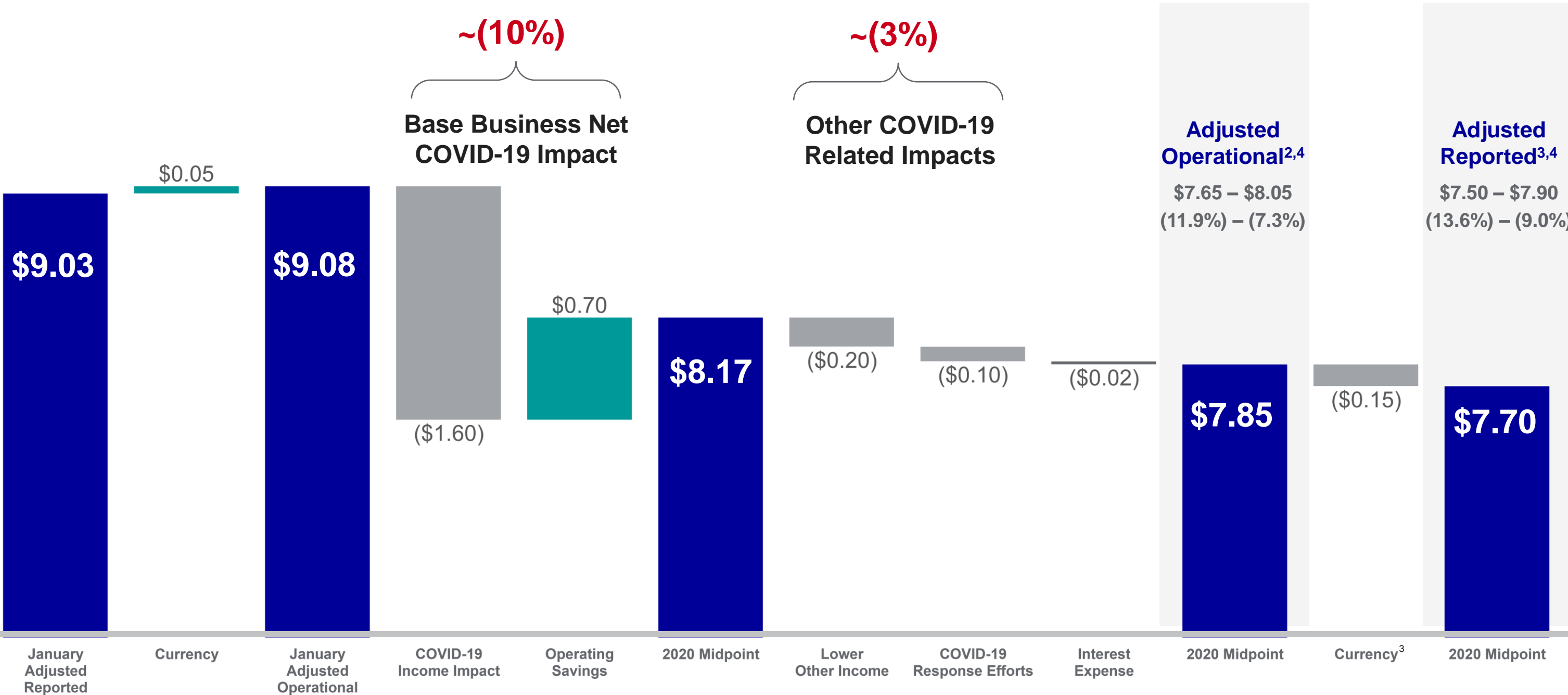
² Non-GAAP measure; excludes the impact of translational currency

³ Euro Average Rate: April 2020 = \$1.09

⁴ Non-GAAP measure; excludes intangible amortization expense and special items

⁵ Sales less: COGS, SM&A and R&D expenses

2020 EPS Guidance Update¹



¹ Represents the midpoint of guidance
² Excludes the impact of translational currency

³ Euro Average Rate: April 2020 = \$1.09
⁴ Non-GAAP measure; excludes intangible amortization expense and special items
 Note: Values may not add due to rounding

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 &
Chief Scientific Officer



Joseph J. Wolk

Executive Vice President,
Chief Financial Officer

Johnson & Johnson