

3rd Quarter 2020 Results

3rd Quarter 2020 Sales			
\$21.1B	Worldwide Increased ▲	Excluding acquisitions/ divestitures on an operational basis	Worldwide Increased ▲
	1.7%		2.0%*
Diluted Earnings Per Share		Adjusted Diluted Earnings Per Share*	
\$1.33	Increased ▲	\$2.20	Increased ▲
	101.5%		3.8%



“Our third-quarter results reflect solid performance and positive trends across Johnson & Johnson, powered by better-than-expected procedure recovery in Medical Devices, growth in Consumer Health, and continued strength in Pharmaceuticals. I am proud of the relentless passion and Credo-led commitment to patients and customers that our colleagues around the world continue to demonstrate as we boldly fight the COVID-19 pandemic. Our world-class R&D team is working tirelessly to advance the Phase 3 trials of our COVID-19 vaccine and to uphold the highest standards of transparency, safety and efficacy; while other dedicated teams provide ongoing support to hospitals and patients as they return to sites of care, and ensure patients and consumers have the medicines and products they need. This resilient mindset, combined with our strategic capabilities and execution excellence, increase our optimism for continued recovery in 2020 and strong momentum entering into 2021.”

Alex Gorsky
Chairman and
Chief Executive Officer
Johnson & Johnson

\$3.5 Billion



Worldwide Consumer Health Sales

Consumer Health worldwide reported sales increased 1.3% or 3.0% operationally¹. Primary operational drivers:



\$11.4 Billion



Worldwide Pharmaceutical Sales

Pharmaceutical worldwide reported sales increased 5.0% or 4.6% operationally¹. Primary operational drivers:



\$6.2 Billion



Worldwide Medical Devices Sales

Medical Devices worldwide reported sales decreased (3.6%) or (3.9%) operationally¹. Primary offsets to decline:



Note: values may have been rounded

For full financial data and non-GAAP reconciliations, please refer to Johnson & Johnson's earnings release issued on October 13, 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 October 13, 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.

3rd Quarter 2020 Earnings Call

October 13, 2020

Johnson & Johnson

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 reader 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: risks related to the impact of the COVID-19 global pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, material delays and cancellations of medical procedures, supply chain disruptions and other impacts to our business, or on our ability to execute business continuity plans, as a result of the COVID-19 pandemic; economic factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in new product research and development, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; challenges to patents; the impact of patent expirations; the ability of the company to successfully execute strategic plans; the impact of business combinations and divestitures; manufacturing difficulties or delays, internally or within the supply chain; product efficacy or safety concerns resulting in product recalls or regulatory action; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws 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; increased scrutiny of the health care industry by government agencies. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended December 29, 2019, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” in the company’s most recently filed Quarterly Report on Form 10-Q and the company’s subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, www.jnj.com or on request from Johnson & Johnson. Any forward-looking statement made in this presentation 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.

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, RISPERDAL CONSTA developed in collaboration with Alkermes, Inc
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, PROCIT/ 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, 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.
Pulmonary Hypertension	UPTRAVI license and supply agreement with Nippon Shinyaku (co-promotion in Japan), and OPSUMIT co-promotion agreement with Nippon Shinyaku in Japan
Global Public Health	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 Sales Performance and Earnings Review
- ② CFO Remarks
- ③ Capital Allocation and Guidance
- ④ Q&A



Jennifer Taubert

Executive Vice President
Worldwide Chairman,
Pharmaceuticals



Ashley McEvoy

Executive Vice President
Worldwide Chairman,
Medical Devices



Thibaut Mongon

Executive Vice President
Worldwide Chairman,
Consumer Health



Mathai Mammen

Global Head of Janssen
Research and Development



Joseph J. Wolk

Executive Vice President,
Chief Financial Officer



Chris DeOrefice

Vice President,
Investor Relations

3rd Quarter 2020 Sales

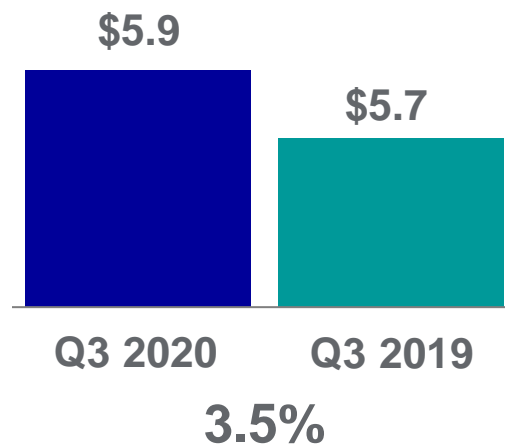
Dollars in Billions Regional Sales Results	Q3 2020	Q3 2019	% CHANGE	
			Reported	Operational¹
U.S.	\$11.1	\$10.8	2.7%	2.7%
Europe	4.8	4.5	8.0	4.6
Western Hemisphere (ex U.S.)	1.3	1.5	(12.9)	(1.2)
Asia-Pacific, Africa	3.9	4.0	(2.7)	(3.2)
International	10.0	9.9	0.6	0.6
Worldwide (WW)	\$21.1	\$20.7	1.7%	1.7%

3rd Quarter 2020 Financial Highlights

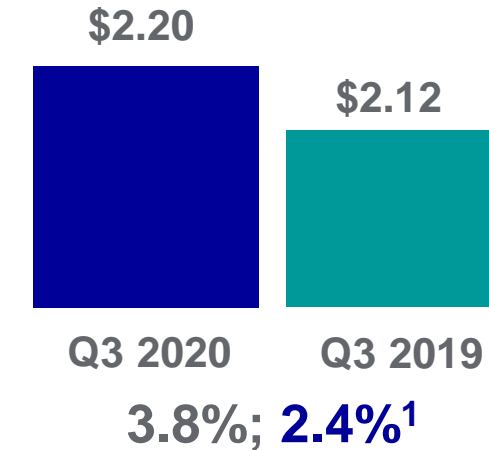
Dollars in Billions, except EPS
Reported %; **Operational %¹**



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 – 3rd Quarter 2020

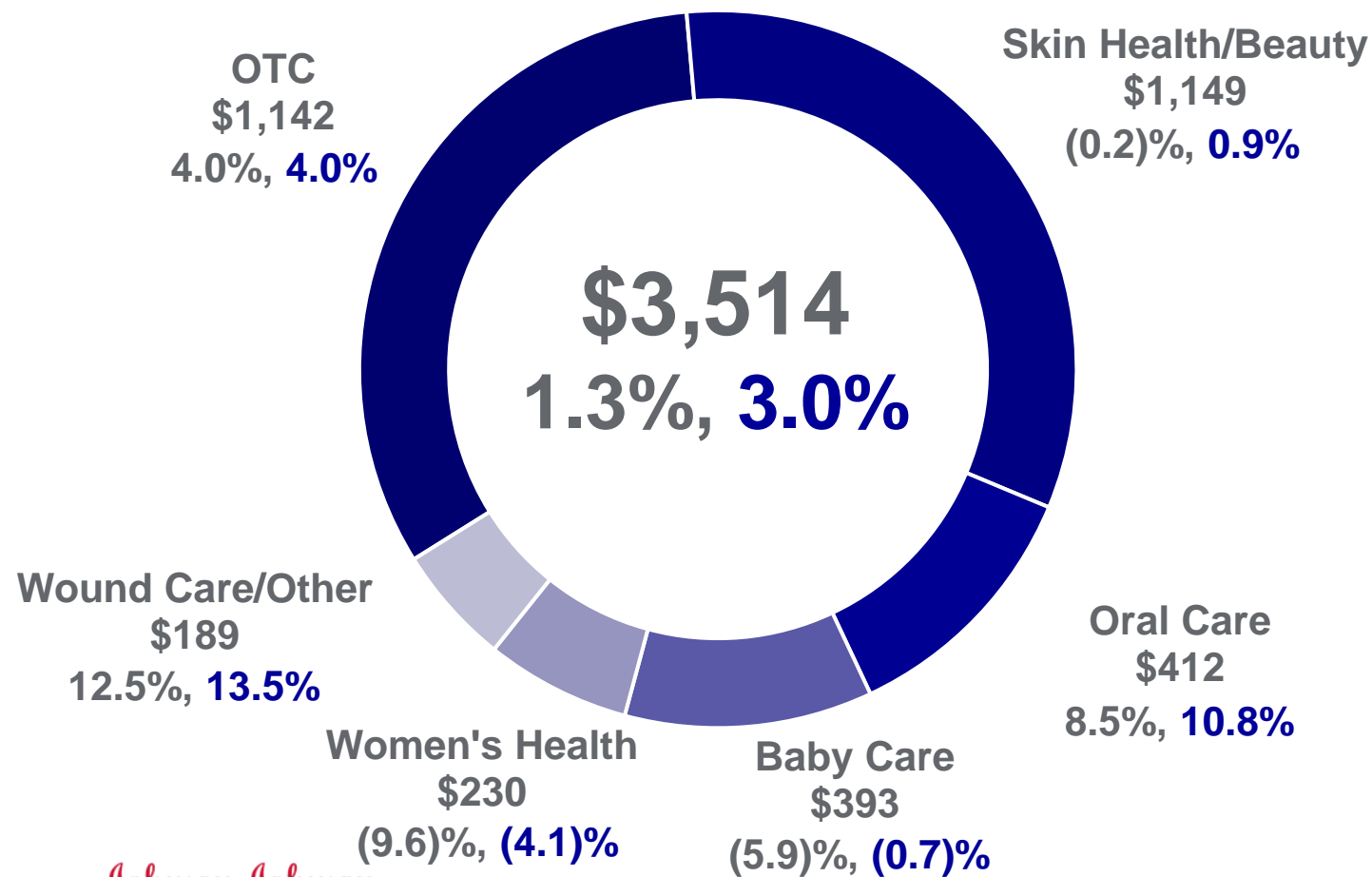
Double digit U.S. growth partially offset by negative OUS COVID-19 impacts

Reported: WW 1.3%, U.S. 11.6%, Int'l (5.6)%

Operational¹: WW 3.0%, U.S. 11.6%, Int'l (2.7)%

WW Sales \$MM

■ Reported Growth ■ Operational Growth¹



Key Drivers of Operational Performance¹

OTC	<ul style="list-style-type: none"> U.S. increase driven by share growth for TYLENOL primarily due to COVID-19 demand, PEPCID due to competitive withdrawal; ZYRTEC due to share gains; and increased retailer stocking across multiple brands as well as ZARBEE's strength OUS decline due to COVID-19 negative impacts, primarily consumption declines in China in Pain and in other regions impacting Cough & Cold and Digestive Health
Skin Health/Beauty	<ul style="list-style-type: none"> U.S. growth driven by OGX share gains, increased retail stocking and lower Sun Care returns partially offset by competitive pressures and negative COVID -19 market impacts primarily in Cleansing, Sun Care and Makeup OUS decline driven by negative COVID-19 impacts in ASPAC and LATAM partially offset by strong e-commerce growth for DR. CI LABO and OGX
Oral Care	<ul style="list-style-type: none"> Primarily due to strong performance of LISTERINE mouthwash driven by new product launches in ASPAC and increased demand globally related to COVID-19
Baby Care	<ul style="list-style-type: none"> Decline due to Baby Center divestiture prior year, SKU rationalization primarily in EMEA and the negative impact of COVID-19 partially offset by AVEENO e-commerce growth primarily driven by COVID-19 demand
Women's Health	<ul style="list-style-type: none"> Declines driven by liners and internal sanitary protection pricing reductions in EMEA partially offset by napkins growth due to COVID-19 recovery in India
Wound Care/Other	<ul style="list-style-type: none"> Growth due to BAND-AID® Brand Adhesive Bandages strong performance in the U.S. and isopropyl alcohol in ASPAC primarily attributed to COVID-19

Adjusted Operational Sales²: WW 3.1%, U.S. 12.0%, Int'l (2.8)%



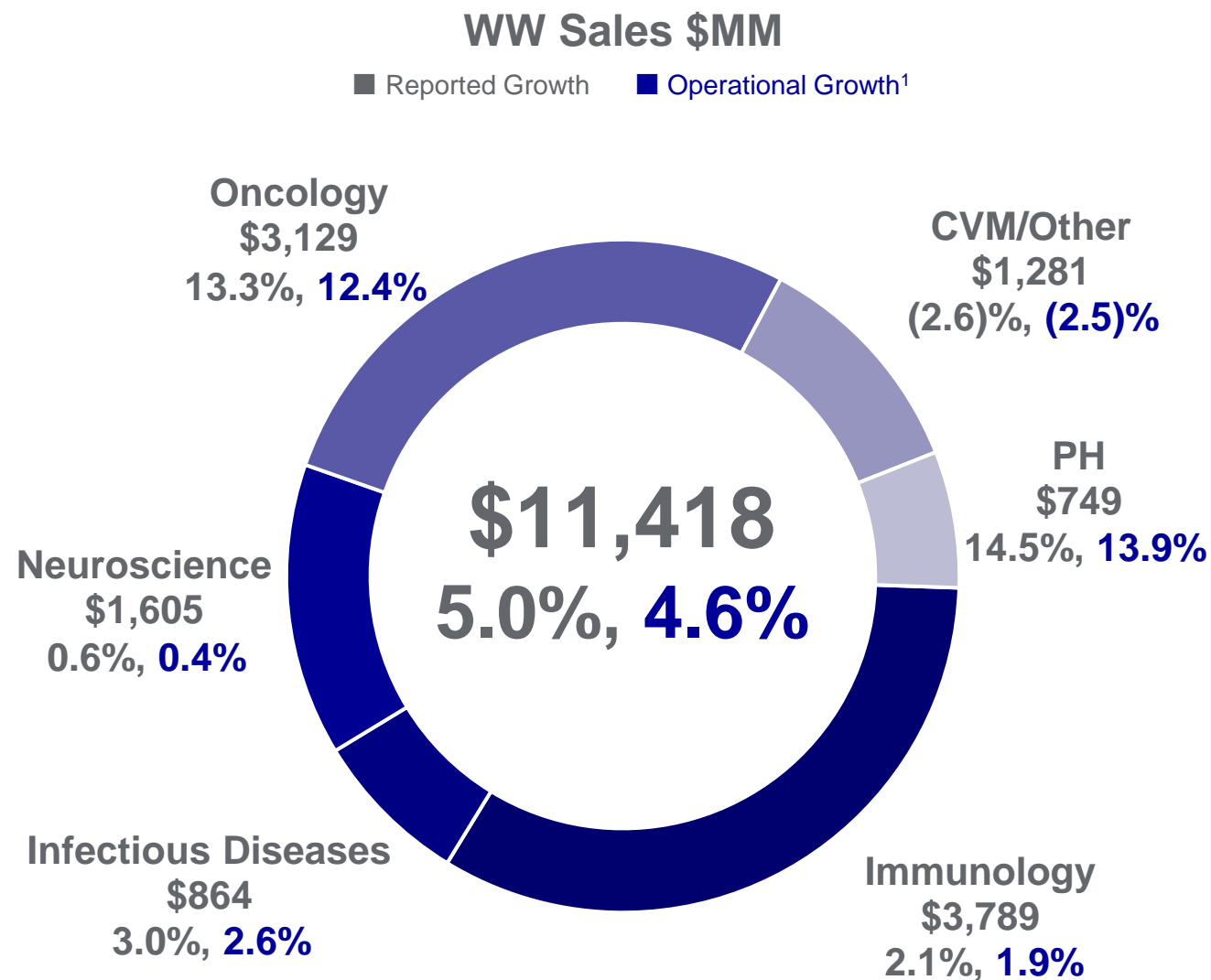
¹ Non-GAAP measure; excludes the impact of translational currency; see reconciliation schedules in the Investors section of the [company's website](#)
² Non-GAAP measure; excludes acquisitions and divestitures and translational currency; see reconciliation schedules in the Investors section of the [company's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

Pharmaceutical Highlights – 3rd Quarter 2020

Growth across most therapeutic areas

Reported: WW 5.0%, U.S. 1.5%, Int'l 9.7%

Operational¹: WW 4.6%, U.S. 1.5%, Int'l 8.8%



Key Drivers of Operational Performance¹

Immunology	<ul style="list-style-type: none"> Growth driven by strong uptake of STELARA in Crohn's Disease and Ulcerative Colitis and strength of TREMFYA in Psoriasis, partially offset by COVID-19 impacts to market growth and unfavorable channel mix dynamics in the U.S. REMICADE decline due to increased discounts/rebates and biosimilar competition
Infectious Diseases	<ul style="list-style-type: none"> Driven by strong sales of SYMTUZA in the US and launch uptake of JULUCA in the EU, 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, declines in U.S. CONCERTA due to competitive entrants, and COVID-19
Oncology	<ul style="list-style-type: none"> DARZALEX increase driven by continued strong market growth and share gains in the U.S. and EU and solid uptake of the subcutaneous formulation that was approved in Q2 Strong sales of IMBRUVICA due to increased patient uptake globally, partially offset by unfavorable prior year one-time inventory and returns reserve comparisons in the US Continued strong global launch uptake of ERLEADA and share gains in non-metastatic CRPC as well as recently approved mCSPC indication Lower sales and share of VELCADE and ZYTIGA due to generic competition
Cardiovascular/ Metabolism/ Other (CVM/Other)	<ul style="list-style-type: none"> Decline driven by lower sales of PROCIT/EPREX due to biosimilar competition Modest growth in XARELTO due to a one-time prior period pricing adjustment and demand growth, partially offset by increased rebates INVOKANA/INVOKAMET increase due to market growth and favorable channel mix dynamics in the U.S. as well as strength in the EU, partially offset by U.S. share declines due to competitive pressures
Pulmonary Hypertension (PH)	<ul style="list-style-type: none"> Growth in OPSUMIT and UPTRAVI due to continued share gains, market growth, and improved payer mix, partially offset by the impact of COVID-19

Adjusted Operational Sales²: WW 4.7%, U.S. 1.5%, Int'l 9.2%

Johnson & Johnson

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 – 3rd Quarter 2020

Decline driven by negative impact of COVID-19, partially offset by double digit growth in Interventional Solutions

Reported: WW (3.6)%, U.S. 1.2%, Int'l (8.1)%

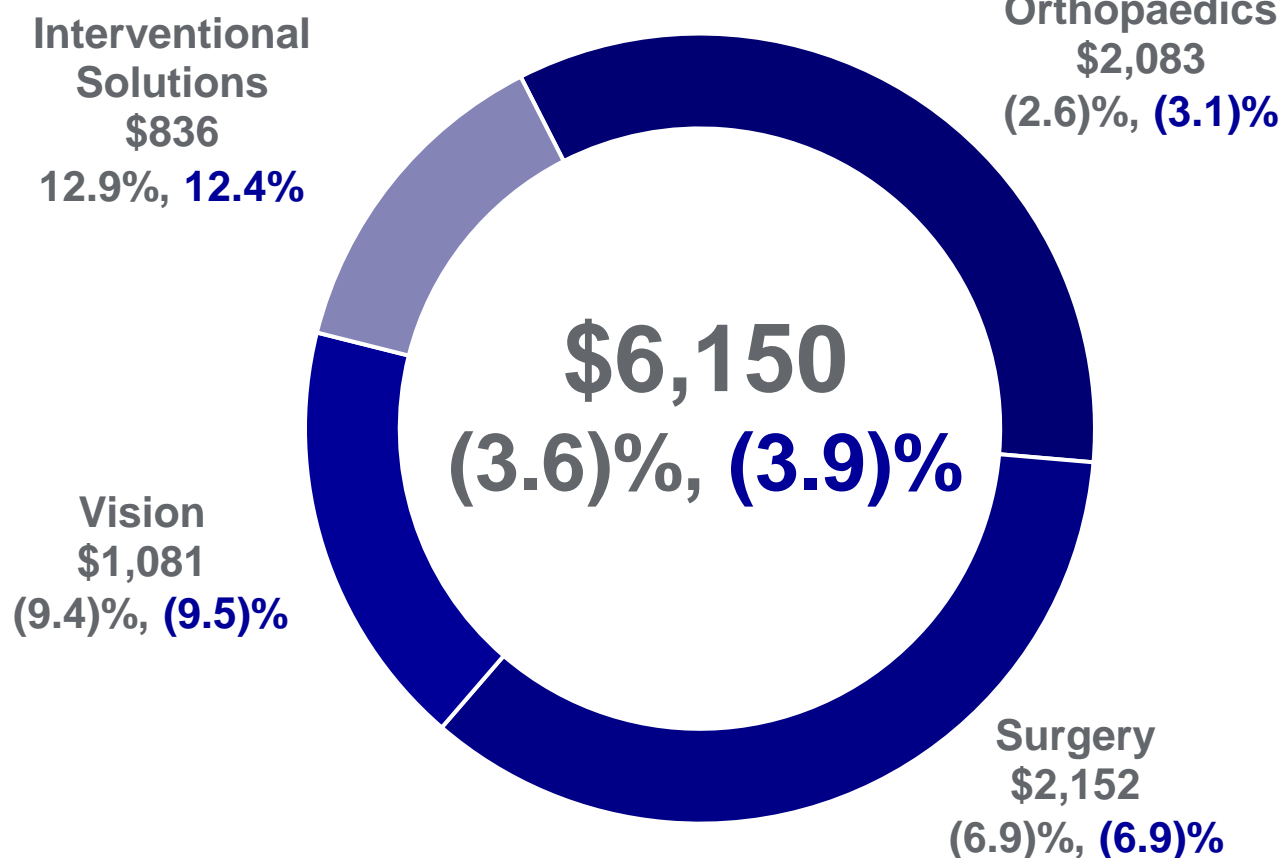
Operational¹: WW (3.9)%, U.S. 1.2%, Int'l (8.5)%

Key Drivers of Operational Performance¹

Interventional Solutions	<ul style="list-style-type: none"> Returned to double-digit growth driven by atrial fibrillation procedure growth coupled with strength from new products, including the CARTO VIZIGO sheath
Orthopaedics	<ul style="list-style-type: none"> Hips: Returned to growth due to market procedure recovery as well as our leadership in the Anterior approach, strong market demand for the ACTIS stem and enabling technologies – KINCISE and VELYS Hip Navigation Trauma: Returned to growth with procedures rebounding and strength from new products Knees: Decline driven by the negative impact of COVID-19 Spine, Sports & Other: Decline driven by the negative impact of COVID-19 partially offset by strong uptake of SYMPHONY in Spine <ul style="list-style-type: none"> Spine: WW: ~Flat, U.S.: ~+1%, OUS: ~(3%)
Surgery	<ul style="list-style-type: none"> Advanced: <ul style="list-style-type: none"> Endocutters: ~(3%) Primarily driven by the negative impact of COVID-19 and competitive pressures in the U.S. partially offset by new products OUS, primarily EMEA and China Biosurgery: ~+5% Returned to growth globally led by share gains from SURGIFLO after prior year supply disruption and procedure rebound Energy: ~(7%) Primarily driven by the negative impact of COVID-19 and competitive pressures in the U.S. partially offset by new product growth in China General: Decline primarily driven by the negative impact of COVID-19
Vision	<ul style="list-style-type: none"> Contact Lenses/Other: Decline primarily driven by the negative impact of COVID-19; U.S. returned to growth partially driven by higher level of stocking Surgical: Decline primarily driven by the negative impact of COVID-19 coupled with competitive pressures in the U.S.

WW Sales \$MM

■ Reported Growth ■ Operational Growth¹



Adjusted Operational Sales²: WW (3.3)%, U.S. 1.3%, Int'l (7.6)%



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



Condensed Consolidated Statement of Earnings

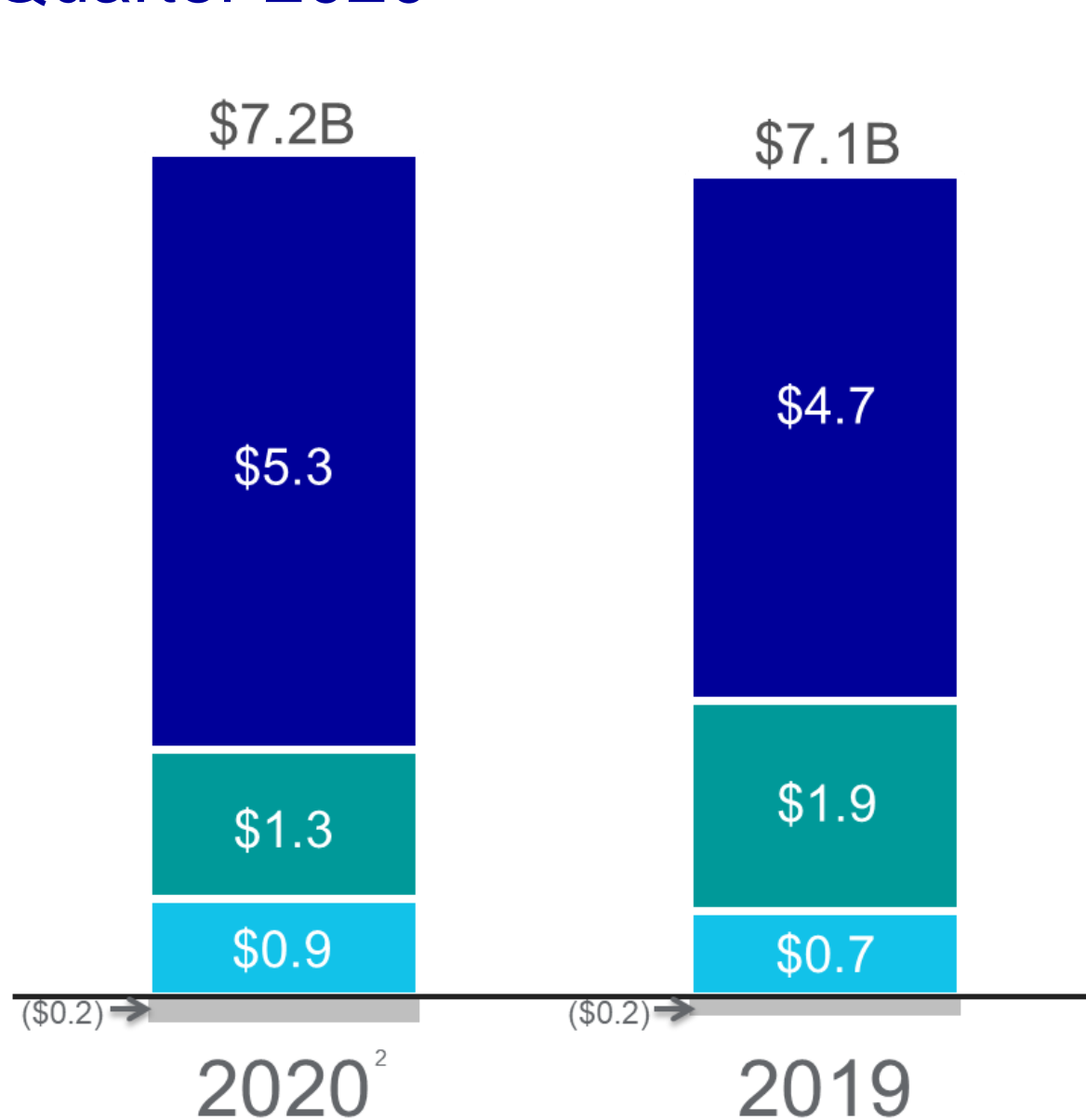
3rd Quarter 2020

	2020		2019		% Increase (Decrease)
	Amount	% to Sales	Amount	% to Sales	
(Unaudited; Dollar and Shares in Millions Except Per Share Figures)					
Sales to customers	\$21,082	100.0	\$20,729	100.0	1.7
Cost of products sold	6,972	33.1	6,867	33.1	1.5
Gross Profit	14,110	66.9	13,862	66.9	1.8
Selling, marketing, and administrative expenses	5,431	25.8	5,374	26.0	1.1
Research and development expense	2,840	13.5	2,599	12.5	9.3
In-process research and development	138	0.6	-	-	
Interest (income) expense, net	32	0.1	(41)	(0.2)	
Other (income) expense, net	1,200	5.7	4,214	20.3	
Restructuring	68	0.3	69	0.4	
Earnings before provision for taxes on income	4,401	20.9	1,647	7.9	167.2
Provision for / (Benefit from) taxes on income	847	4.0	(106)	(0.6)	
Net Earnings	\$3,554	16.9	\$1,753	8.5	102.7
Net earnings per share (Diluted)	\$1.33		\$0.66		101.5
Average shares outstanding (Diluted)	2,669.3		2,669.9		
Effective tax rate	19.2%		(6.4)%		
Adjusted earnings before provision for taxes and net earnings¹					
Earnings before provision for taxes on income	\$7,246	34.4	\$7,116	34.3	1.8
Net earnings	\$5,868	27.8	\$5,672	27.4	3.5
Net earnings per share (Diluted)	\$2.20		\$2.12		3.8
Effective tax rate	19.0%		20.3%		

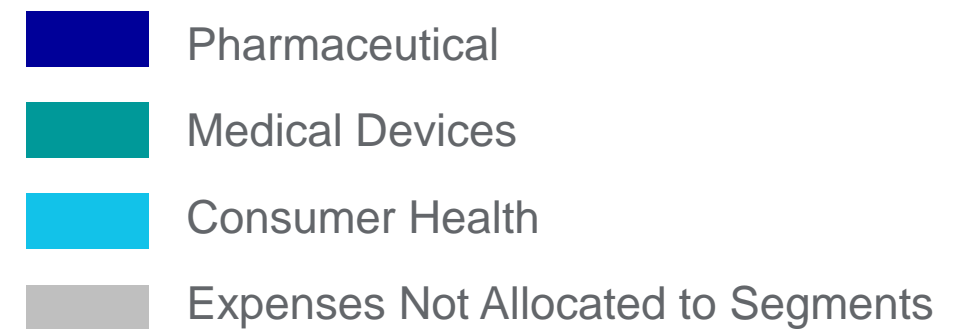
¹ Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation schedules in the Investors section of the [company's website](#)

Adjusted Income Before Tax by Segment¹

3rd Quarter 2020



	% to Sales	
	3Q 2020	3Q 2019
Pharmaceutical	46.4%	43.0%
Medical Devices	21.6%	29.3%
Consumer Health	24.4%	21.6%
Total	34.4%	34.3%



Johnson & Johnson

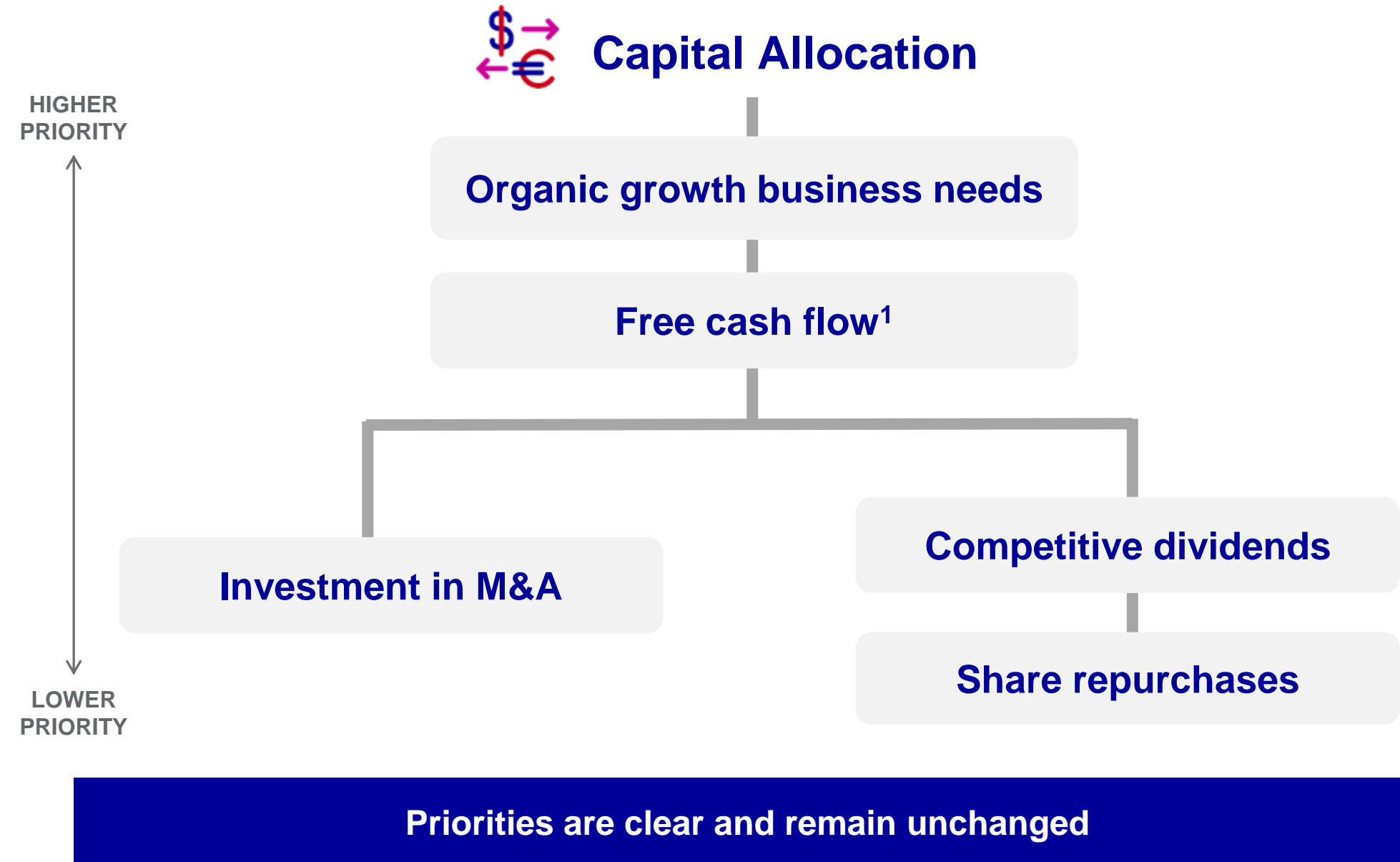
CFO Remarks



Joseph J. Wolk

Executive Vice President,
Chief Financial Officer

Capital Allocation Strategy



Dollars in Billions	Q3 2020
Cash and Marketable Securities	\$30.8
Debt	(\$37.8)
Net Debt	(\$7.0)
Free Cash Flow ²	~\$13.0

Note: values may have been rounded

Q3 2020:

\$2.8B invested in R&D

\$2.7B in dividends paid to shareholders

Notable New Announcements in 3rd Quarter 2020¹

Pharmaceuticals

- Regulatory Approvals:
 - SIMPONI ARIA (golimumab) – Approved by the U.S. Food and Drug Administration for Active Polyarticular Juvenile Idiopathic Arthritis and Extension of Its Active Psoriatic Arthritis Indication in Patients 2 Years of Age and Older
 - SPRAVATO (esketamine) – Janssen Announces U.S. FDA Approval of CIII Nasal Spray to Treat Depressive Symptoms in Adults with Major Depressive Disorder with Acute Suicidal Ideation or Behavior
 - DARZALEX (daratumumab) – U.S. FDA Approves New DARZALEX-Based Combination Regimen for Patients with Relapsed/Refractory Multiple Myeloma
 - STELARA (ustekinumab) – U.S. Food and Drug Administration Approves Treatment of Pediatric Patients with Moderate to Severe Plaque Psoriasis
- Regulatory Submissions:
 - UPTRAVI (selexipag) – Janssen Submits New Drug Application (NDA) to U.S. FDA for Injection for Intravenous Use to Treat Pulmonary Arterial Hypertension (PAH)
 - DARZALEX FASPRO (daratumumab and hyaluronidase-fihj) – Janssen Submits Application Seeking U.S. FDA Approval for the Treatment of Patients with Light Chain (AL) Amyloidosis
- Other:
 - Johnson & Johnson Announces European Commission Approval of Agreement to Supply 200 Million Doses of Janssen's COVID-19 Vaccine Candidate ²
 - Johnson & Johnson Completes Acquisition of Momenta Pharmaceuticals, Inc.²
 - Johnson & Johnson Initiates Pivotal Global Phase 3 Clinical Trial of Janssen's COVID-19 Vaccine Candidate
 - Johnson & Johnson Announces that Janssen's COVID-19 Investigational Vaccine Candidate Prevents Severe Clinical Disease in Pre-clinical Studies
 - Janssen to Discontinue Pimodivir Influenza Development Program
 - Johnson & Johnson Announces Agreement with U.S. Government for 100 Million Doses of Investigational COVID-19 Vaccine

Medical Devices

- Regulatory Approvals:
 - THERMOCOOL SMARTTOUCH – Biosense Webster Receives FDA Approval for SF Ablation Catheter for the Treatment of Persistent Atrial Fibrillation²
- Other:
 - CERENOVUS Launches New Suite of Technologies to Advance Stroke Treatment
 - U.S. FDA Grants Ethicon Breakthrough Device Designation for Monarch-enabled NeuWave Microwave Ablation Technology



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

² Subsequent to the quarter

Save the Date

Medical Devices Update

Thursday, November 19, 2020

Johnson & Johnson



Medical Devices: COVID-19 Framework

Full Year 2020 Operational Sales Impact inclusive of Q3 YTD Actuals: (-\$3.5B) to (-\$4.2B)



	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"> China declined (5%) vs. original expectations in January, but grew +11%¹ vs. 2019 Japan and Korea declined (25%) vs. original expectations in January 	<ul style="list-style-type: none"> China grew +17%¹ vs. 2019 and was flat vs. original expectations in January 	Total Worldwide Medical Devices Current estimate: <ul style="list-style-type: none"> Impact of (10%) to 0% vs original expectations July assumptions: <ul style="list-style-type: none"> Impact of (15%) to 0% vs original expectations
Major Markets: U.S., 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"> U.S. declined (40%) vs. original expectations in January with June declining (20%) Germany declined (25%) vs. original expectations in January with June declining (15%) Remaining markets declined (45%) vs. original expectations in January 	<ul style="list-style-type: none"> U.S. returned to growth at +1%¹ vs. 2019; slightly below our original expectations in January Germany results were slightly under our original expectations in January UK recovery continues to lag; sales declined (40%) vs. original expectations in January 	
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"> ROW declined (45%) vs. original expectations in January 	<ul style="list-style-type: none"> ROW declined (30%) vs. original expectations in January 	

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



¹ Non-GAAP measure; excludes acquisitions and divestitures and translational currency; see reconciliation schedules in the Investors section of the [company's website](#)
 Note: Values are rounded

2020 Guidance

	October	July	Comments
Adjusted Operational Sales^{1,2}	0.5% - 1.5%	(0.8%) - 1.0%	Increase and Tightening of Range
Operational Sales²	\$82.0 - \$82.8B 0.0% - 1.0%	\$81.0 - \$82.5B (1.3%) - 0.5%	Net Impact Acq./Div: ~0.5%
Estimated Reported Sales³	\$81.2B - \$82.0B (1.0%) - 0.0%	\$79.9B - \$81.4B (2.6%) - (0.8%)	FX (\$0.8B) or (1.0%) impact
Adjusted Pre-Tax Operating Margin^{4,5}	~100 bps decline	~100 bps decline	
Net Interest Expense / (Income)	\$100 - \$150 million	\$50 - \$150 million	Tightening of Range
Net Other Income⁴	\$0.8 - \$0.9 billion	\$0.8 - \$1.0 billion	Tightening of Range
Effective Tax Rate⁴	17.0% - 17.5%	16.5% - 17.5%	Tightening of Range
Adjusted EPS (Operational)^{2,4}	\$7.95 - \$8.05 (8.4%) - (7.3%)	\$7.85 - \$8.05 (9.6%) - (7.3%)	Midpoint of \$8.00 or (7.8%)
Adjusted EPS (Reported)^{3,4}	\$7.95 - \$8.05 (8.4%) - (7.3%)	\$7.75 - \$7.95 (10.7%) - (8.4%)	Midpoint of \$8.00 or (7.8%) No FX Impact



¹ Non-GAAP measure; excludes acquisitions and divestitures

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

³ Euro Average Rate: October 2020 = \$1.14; Euro Spot Rate: October 2020 = \$1.17

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

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

2021 Considerations



Pharmaceuticals

- On going focus on reaching patients through transformational innovation
- Expect to continue to deliver above market growth



Consumer Health

- Expect competitive growth with the market and enhanced strength in e-Commerce channel
- 2020 COVID-19 elevated consumption trends for health and hygiene focused brands



Medical Devices

- Continued strength in underlying market fundamentals
- Assume procedures to be largely permissible throughout the year leading to double-digit operational sales growth



Enterprise

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

Q&A



Jennifer Taubert

Executive Vice President
Worldwide Chairman,
Pharmaceuticals



Ashley McEvoy

Executive Vice President
Worldwide Chairman,
Medical Devices



Thibaut Mongon

Executive Vice President
Worldwide Chairman,
Consumer Health



Mathai Mammen

Global Head of Janssen
Research and Development



Joseph J. Wolk

Executive Vice President,
Chief Financial Officer

Johnson & Johnson