

# 1ST QUARTER 2018 RESULTS



## Q1 2018 RESULTS

**\$20.0B** **12.6%** **WORLDWIDE INCREASED ▲** | Excluding acquisitions/divestitures on an operational basis, worldwide sales **4.3% INCREASED ▲\***

DILUTED EARNINGS PER SHARE

**\$1.60**

ADJUSTED DILUTED EARNINGS PER SHARE\*

**\$2.06** **12.6%** **INCREASE ▲**



"We are pleased with the strong and consistent performance delivered by our colleagues around the world, demonstrated by our sales and EPS growth in the first quarter. Our Pharmaceutical business continues to deliver robust growth and we are pleased with the improvement in our Consumer business. In our Medical Devices businesses, we have areas of leadership and continue to make investments and portfolio choices to improve performance. The U.S. tax legislation passed late last year is creating the opportunity for us to invest more than \$30 billion in R&D and capital investments in the U.S. over the next four years, which is an increase of 15%."

## WORLDWIDE CONSUMER SALES

**\$3.4B**

Consumer worldwide sales increased: **5.3%**

Primary contributors to growth:



## WORLDWIDE PHARMACEUTICAL SALES

**\$9.8B**

Pharmaceutical worldwide sales increased: **19.4%**

Primary contributors to growth:



## WORLDWIDE MEDICAL DEVICES SALES

**\$6.8B**

Medical Devices worldwide sales increased: **7.5%**

Primary contributors to growth:



SURGICAL VISION



ELECTROPHYSIOLOGY



ACUVUE® CONTACT LENSES



ENDOCUTTERS



TRAUMA



BIOSURGERY

For full financial data and non-GAAP reconciliations, please refer to Johnson & Johnson's earnings release issued on April 17, 2018, available at <http://www.investor.jnj.com/sales-earnings.cfm>.

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

Caution Concerning Forward-Looking Statements: This document contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding future operating and financial performance. You are cautioned not to rely on these forward-looking statements, which are based on current expectations of future events. For important information about the risks and uncertainties that could cause actual results to vary materially from the assumptions, expectations, and projections expressed in any forward-looking statements, review the "Note to Investors Concerning Forward-Looking Statements" included in the Johnson & Johnson earnings release issued on April 17, 2018, as well as the most recently filed Johnson & Johnson Reports on Forms 10-K and 10-Q. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.

# 1<sup>st</sup> Quarter 2018 Earnings Call

April 17, 2018

*Johnson & Johnson*



**Joseph J. Wolk**

Vice President, Investor Relations



# Agenda

Sales Performance and Highlights

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Financial Results Review and Guidance

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Q&A



# Cautions Concerning Forward-looking Statements

This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things: future operating and financial performance, product development, market position and business strategy. The viewer is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Johnson & Johnson. Risks and uncertainties include, but are not limited to: economic 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, including restructuring 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, regulations and government policies, 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; and the potential failure to meet obligations in compliance agreements with government bodies. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” and in the company’s subsequent Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. Copies of these filings are available online at [www.sec.gov](http://www.sec.gov), [www.jnj.com](http://www.jnj.com) or on request from Johnson & Johnson. Any forward-looking statement made in these presentations speaks only as of the date of these presentations. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.

## Cautionary Note on Non-GAAP Financial Measures

This presentation refers to certain non-GAAP financial measures. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures.

A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the accompanying financial schedules of the earnings release and the Investor Relations section of the Company’s website at [www.investor.jnj.com](http://www.investor.jnj.com).



# Strategic Partnerships, Collaborations & Licensing Arrangements

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

## 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 & Virology

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, and PROCRIT/EPREX licensed from Amgen Inc.

## 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

## Pulmonary Hypertension

UPTRAVI license and supply agreement with Nippon Shinyaku (co-promotion in Japan), OPSUMIT co-promotion agreement with Nippon Shinyaku in Japan



# 1<sup>st</sup> Quarter 2018 Sales

\$ U.S. Billions, except EPS

Total Company	1Q 2018	1Q 2017	% Change	
			Reported	Operational <sup>1</sup>
U.S	\$10.0	\$9.4	6.1%	6.1%
Europe	4.8	3.9	24.3	10.0
Western Hemisphere (ex U.S.)	1.6	1.5	7.8	7.2
Asia-Pacific, Africa	3.7	3.1	20.1	13.7
International	10.1	8.4	19.9	10.9
Worldwide (WW)	\$20.0	\$17.8	12.6%	8.4%

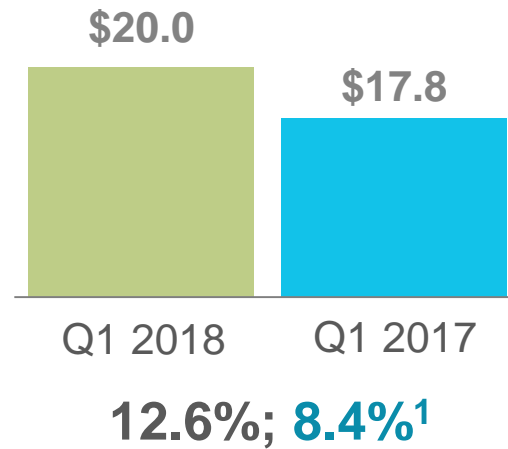


<sup>1</sup> Excludes impact of translational currency  
Note: values may have been rounded

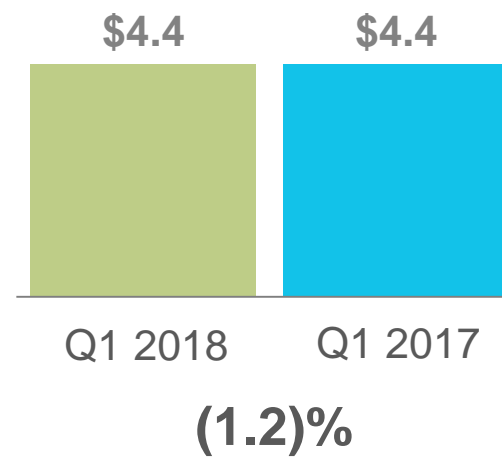
# 1<sup>st</sup> Quarter 2018 Financial Highlights

\$ U.S. Billions, except EPS  
Reported; **Operational**

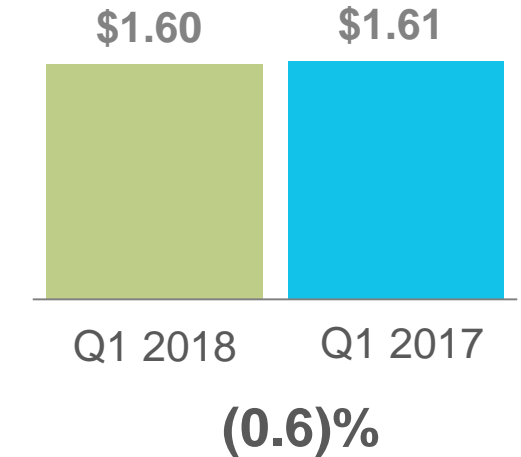
## Sales



## GAAP Earnings



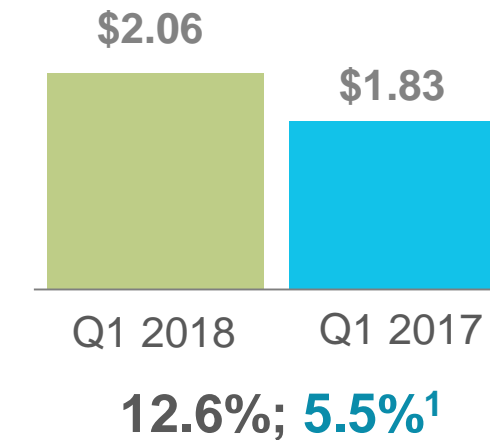
## GAAP EPS



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



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



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

<sup>2</sup> Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation

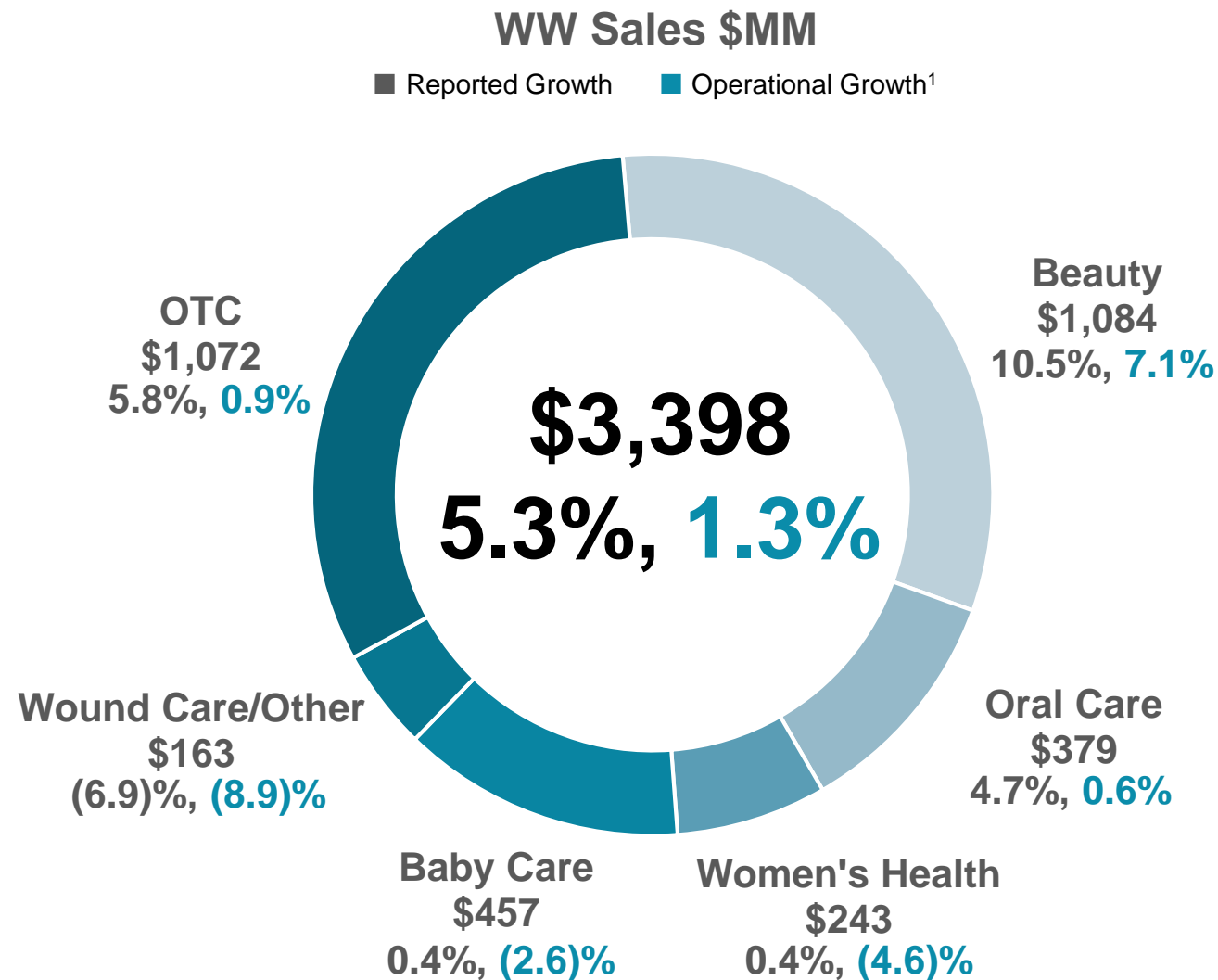


# Consumer Highlights – 1<sup>st</sup> Quarter 2018

Improved performance driven by new products and geographic expansion

Reported: WW 5.3%, U.S. 1.6%, Int'l 8.2%

Operational<sup>1</sup>: WW 1.3%, U.S. 1.6%, Int'l 1.2%



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

<b>Baby Care</b>	<ul style="list-style-type: none"> <li>Competitive pressures partially offset by geographic expansion in ASPAC</li> </ul>
<b>Beauty</b>	<ul style="list-style-type: none"> <li>Driven by positive impact of timing of NEUTROGENA and AVEENO suncare products season, market growth in the U.S. and strength in Dr. Ci Labo, OGx and MAUI MOISTURE expansion OUS</li> </ul>
<b>Oral Care</b>	<ul style="list-style-type: none"> <li>Share gains driven by successful marketing campaigns and new products partially offset by divestitures OUS</li> </ul>
<b>OTC</b>	<ul style="list-style-type: none"> <li>Geographic expansion of RHINOCORT acquisition; strong cough/cold season in U.S. and ASPAC primarily reflected in pediatric MOTRIN and TYLENOL, largely offset by negative comparison to pipeline build for new analgesic products in the U.S.</li> </ul>
<b>Women's Health</b>	<ul style="list-style-type: none"> <li>Driven by competitive pressures and category declines in EU and India</li> </ul>
<b>Wound Care/Other</b>	<ul style="list-style-type: none"> <li>COMPEED and other divestitures OUS offset by strength in BAND-AID® Brand Adhesive Bandages</li> </ul>

Sales excl. acquisition and divestiture<sup>2</sup>: WW 2.0%, U.S. 1.6%, OUS 2.3%



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

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



Neutrogena



Aveeno  
ACTIVE NATURALS



Carefree

LISTERINE

BAND-AID  
BRAND ADHESIVE BANDAGES



TYLENOL

Motrin<sup>IB</sup>

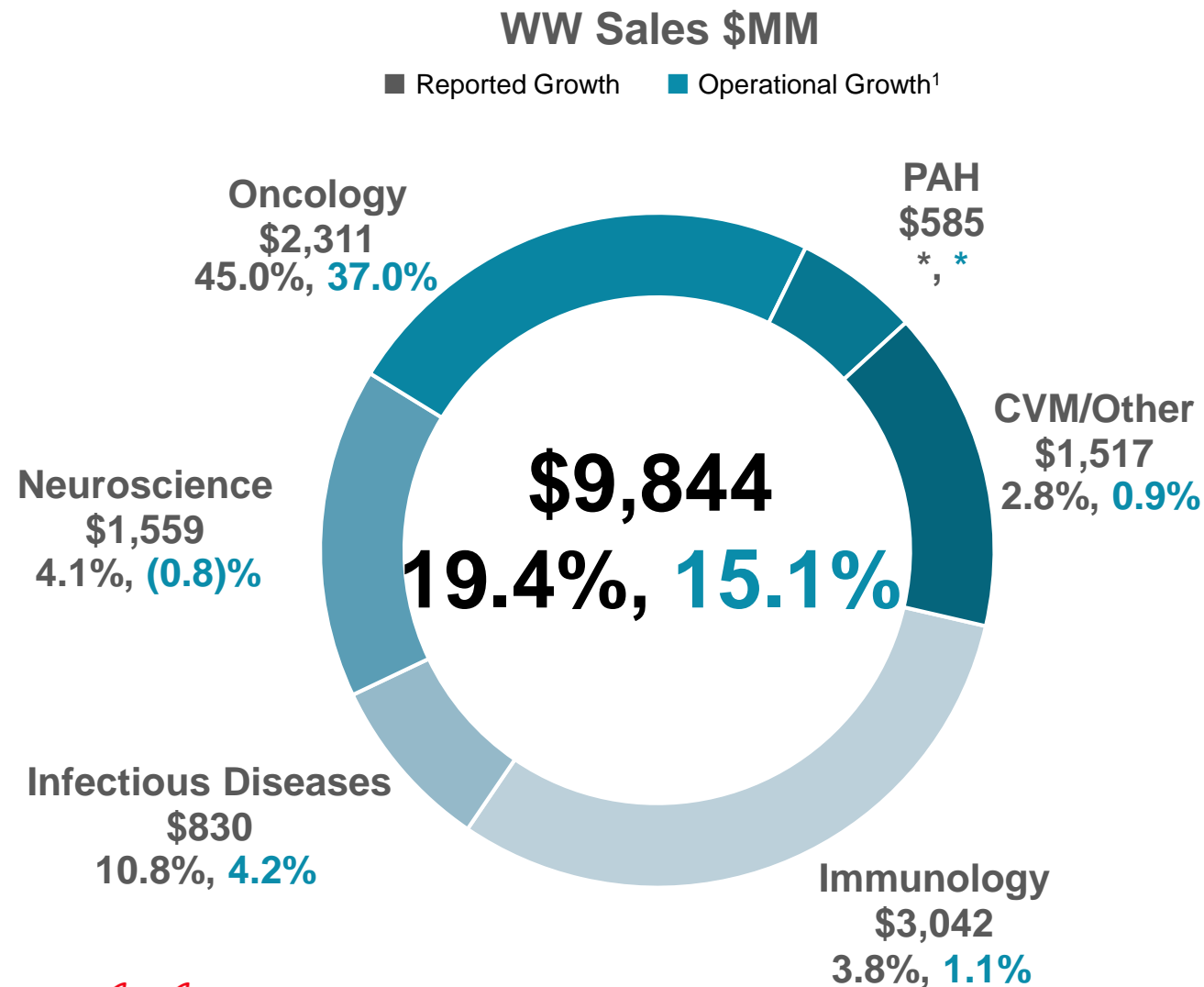


# Pharmaceutical Highlights – 1<sup>st</sup> Quarter 2018

*Strong performance in Oncology and international sales*

Reported: WW 19.4%, U.S. 9.9%, Int'l 33.1%

Operational<sup>1</sup>: WW 15.1%, U.S. 9.9%, Int'l 22.5%



## 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, U.S. immunology market growth, launch uptake of TREMFYA and strength across major regions for SIMPONI/SIMPONI ARIA</li> <li>Lower sales of REMICADE due to increased discounts/rebates, biosimilar competition and one-time rebate adjustment</li> </ul>
<b>Infectious Diseases</b>	<ul style="list-style-type: none"> <li>Strong sales of PREZCOBIX/REZOLSTA, continued success of ODEFSEY and launch of SYMTUZA, offset by lower sales of OLYSIO, and PREZISTA</li> </ul>
<b>Neuroscience</b>	<ul style="list-style-type: none"> <li>Paliperidone long-acting injectables growth due to strength of INVEGA TRINZA/TREVICTA and INVEGA SUSTENNA/XEPLION, offset by cannibalization of RISPERDAL CONSTA and generic competition for CONCERTA</li> </ul>
<b>Oncology</b>	<ul style="list-style-type: none"> <li>DARZALEX continued strong uptake in U.S. and EU, especially 1 prior-line setting; commercially available in 29 countries in EMEA and Japan</li> <li>Strong sales of IMBRUVICA due to increased patient uptake globally; higher market share and growth across all indications; U.S. new and total patient share leader for 1st and 2nd line CLL and 2nd line MCL. New formulation approved as one tablet, once daily.</li> <li>Strong sales and share growth of ZYTIGA driven by LATITUDE data and market growth</li> </ul>
<b>Cardiovascular/ Metabolism/ Other (CVM/Other)</b>	<ul style="list-style-type: none"> <li>XARELTO increase in market share driven by clinical differentiation, partially offset by higher discounts to Managed Care/government channels</li> <li>INVOKANA/INVOKAMET lower sales due to increased contracting discounts, higher utilization in Medicaid and share loss</li> </ul>
<b>Pulmonary Hypertension (PAH)</b>	<ul style="list-style-type: none"> <li>Acquisition of Actelion June 2017; key products are OPSUMIT, TRACLEER and UPTRAVI</li> </ul>

Sales excl. acquisition and divestiture<sup>2</sup>: WW 7.5%, U.S. 2.2%, OUS 15.3%



\* Percentage greater than 100% or not meaningful

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

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

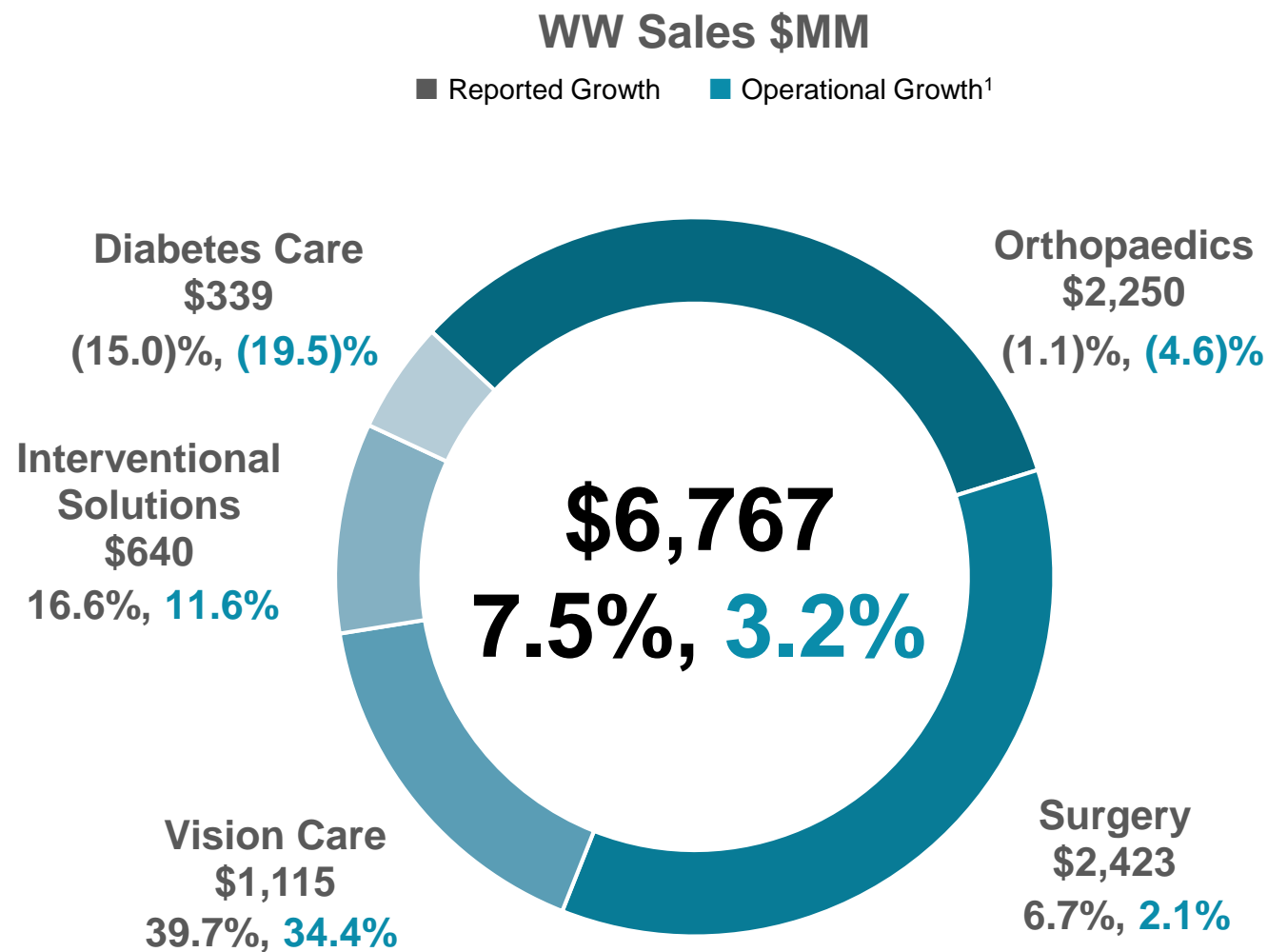


# Medical Devices Highlights – 1<sup>st</sup> Quarter 2018

Continued strong product performance in Vision Care and Interventional Solutions

Reported: WW 7.5%, U.S. 2.2%, Int'l 12.7%

Operational<sup>1</sup>: WW 3.2%, U.S. 2.2%, Int'l 4.2%



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

<b>Interventional Solutions</b>	<ul style="list-style-type: none"> <li>Electrophysiology growth of +15% primarily driven by Atrial Fibrillation procedure growth and continued uptake of the THERMOCOOL SMARTTOUCH Contact Force Sensing Catheter</li> </ul>
<b>Diabetes Care</b>	<ul style="list-style-type: none"> <li>Pump discontinuation, BGM price declines in the U.S. and category and share softness in EMEA</li> </ul>
<b>Orthopaedics</b>	<ul style="list-style-type: none"> <li><b>Hips:</b> Market softness partially offset by volume growth in U.S. driven by leadership position in the anterior approach and the ACTIS stem</li> <li><b>Knees:</b> Competitive pressure in U.S. coupled with declines in EMEA</li> <li><b>Trauma:</b> Market growth and continued uptake of TFN-ADVANCED nailing system in U.S. coupled with strength of new products in Japan and tender timing in the Middle East</li> <li><b>Spine &amp; Other:</b> Codman divestiture and share losses in Spine               <ul style="list-style-type: none"> <li><b>Spine:</b> WW: ~(10%), U.S. ~(11%), OUS: ~(8%)</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> +7% driven by powered and minimally invasive surgery penetration in China and OUS new product growth</li> <li><b>Biosurgery:</b> +5% driven by double-digit growth in ASPAC behind strong performance of Topical Absorbable Hemostats &amp; Bioseal in China coupled with U.S. market growth</li> <li><b>Energy:</b> +3% driven by growth in ASPAC coupled with the acquisition of Megadyne partially offset by market and share decline in U.S.</li> </ul> </li> <li><b>General:</b> Driven by Wound Closure growth in U.S. from price, ASPAC strength aided by the WHO &amp; CDC guidelines recommending our Plus Suture product and the acquisition of Torax, offset by downside in EMEA</li> <li><b>Specialty:</b> ASP growth offset by share declines across the rest of the portfolio</li> </ul>
<b>Vision Care</b>	<ul style="list-style-type: none"> <li><b>Contact Lenses/Other:</b> Category/consumption growth driven by new products including OASYS 1-Day, newly added customer distribution center stocking, and Vision Surgical acquisition (Eye Health business)</li> <li><b>Surgical:</b> Vision Surgical acquisition</li> </ul>

Sales excl. acquisition and divestiture<sup>2</sup>: WW 1.1%, U.S. (0.2)%, OUS 2.4%



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

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

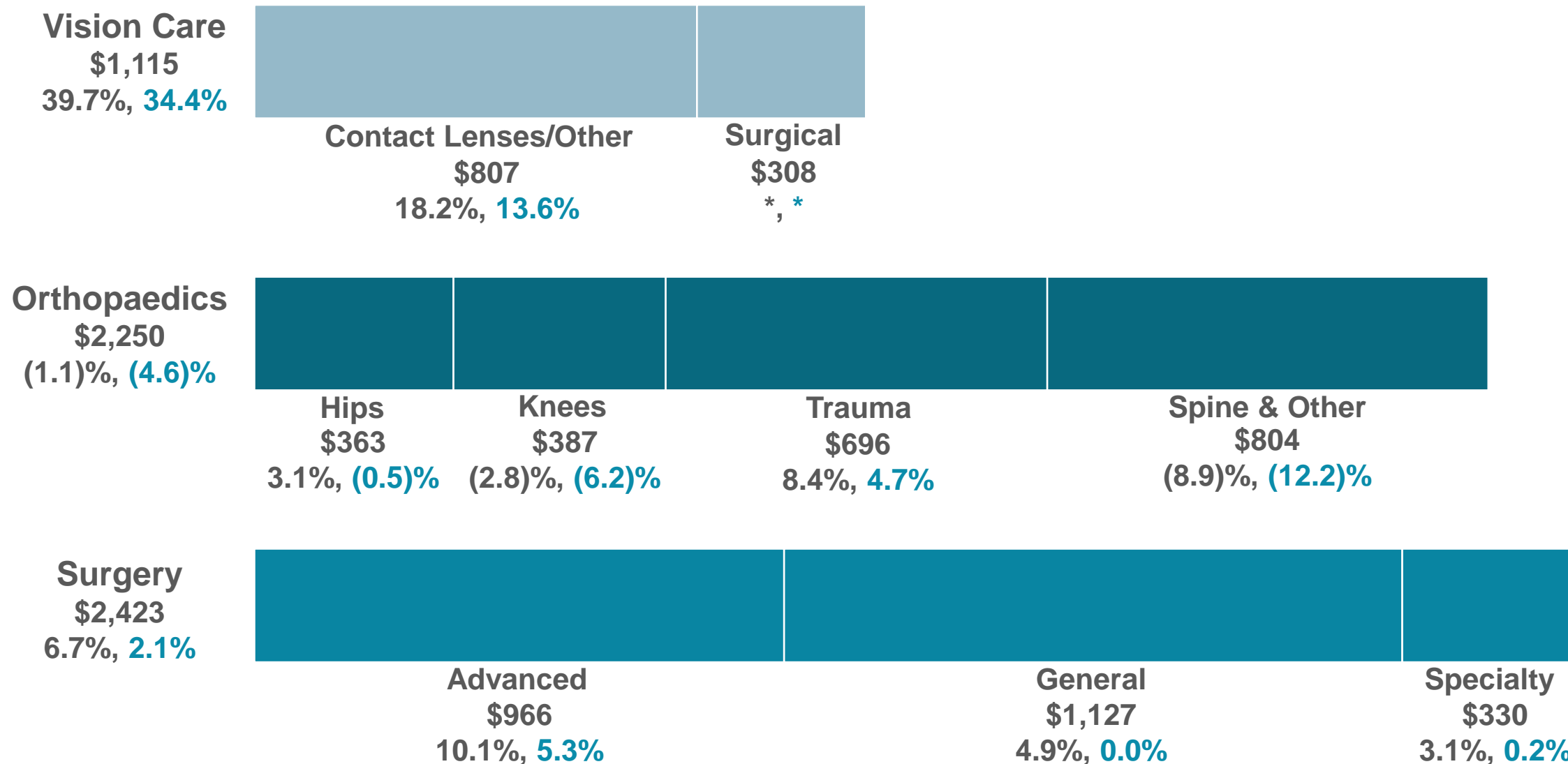


# Medical Devices Platforms

Continued strong product performance in Vision Care and Interventional Solutions

## WW Sales \$MM

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



\* Percentage greater than 100% or not meaningful

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



# Important Developments in 1<sup>st</sup> Quarter 2018

- U.S. Food and Drug Administration (FDA) approved an additional indication for ZYTIGA (abiraterone acetate), in combination with prednisone for the treatment of patients with metastatic high-risk castration-sensitive prostate cancer
- The FDA approved ERLEADA, an oral androgen receptor inhibitor for the treatment of patients with non-metastatic castration-resistant prostate cancer
- A Marketing Authorization Application was submitted to the European Medicines Agency for apalutamide for the treatment of patients with high-risk non-metastatic castration-resistant prostate cancer
- The acquisition of Orthotaxy S.A.S., a privately-held developer of software-enabled surgery technologies, including a differentiated robotic-assisted surgery was completed
- The FDA granted Breakthrough Therapy Designation for erdafitinib in the treatment of urothelial cancer
- A binding offer was announced from Platinum Equity, a private investment firm, to acquire the LifeScan business for approximately \$2.1 billion, subject to customary adjustments
- The Committee for Medicinal Products for Human Use issued a positive opinion recommending marketing authorization for JULUCA (rilpivirine and dolutegravir), the first, complete, single-pill, two-drug regimen for the treatment of HIV type 1 infection
- A decision was made to discontinue further development of cadazolid in Phase 3 for the treatment of clostridium difficile-associated diarrhea
- A global supply chain initiative was announced to focus resources and increase investment in critical capabilities, technologies and solutions necessary to manufacture and supply our product portfolio of the future, enhance agility and drive growth<sup>1</sup>
- ACUVUE OASYS with Transitions received 510(k) clearance from the FDA and is indicated for vision correction and the attenuation of bright light<sup>1</sup>
- A supplemental New Drug Application was filed with the FDA for IMBRUVICA for the treatment of Waldenström's macroglobulinemia used in combination with rituximab in treatment-naïve and previously treated subjects<sup>1</sup>
- A worldwide collaboration with Bristol-Myers Squibb Company was announced to develop and commercialize a FXIa inhibitor, including, BMS-986177, an anticoagulant drug candidate being studied for the prevention and treatment of major thrombotic conditions<sup>1</sup>



<sup>1</sup> Subsequent to quarter in April 2018



## **Dominic Caruso**

Executive Vice President,  
Chief Financial Officer



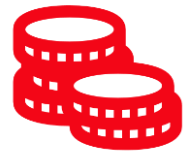
# Continued Growth & Success



Continued Momentum and Growth



Portfolio Optimization



Strong Balance Sheet



Invest in Innovation



# Condensed Consolidated Statement Of Earnings

## 1<sup>st</sup> Quarter 2018

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

	2018		2017*		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
<b>Sales to customers</b>	<b>\$ 20,009</b>	<b>100.0</b>	<b>\$ 17,766</b>	<b>100.0</b>	12.6
<b>Cost of products sold</b>	<b>6,614</b>	<b>33.1</b>	<b>5,409</b>	<b>30.4</b>	22.3
<b>Selling, marketing and administrative expenses</b>	<b>5,263</b>	<b>26.3</b>	<b>4,763</b>	<b>26.8</b>	10.5
<b>Research and development expense</b>	<b>2,404</b>	<b>12.0</b>	<b>2,070</b>	<b>11.7</b>	16.1
<b>Interest (income) expense, net</b>	<b>145</b>	<b>0.7</b>	<b>83</b>	<b>0.5</b>	
<b>Other (income) expense, net</b>	<b>60</b>	<b>0.3</b>	<b>(219)</b>	<b>(1.3)</b>	
<b>Restructuring</b>	<b>42</b>	<b>0.2</b>	<b>85</b>	<b>0.5</b>	
<b>Earnings before provision for taxes on income</b>	<b>5,481</b>	<b>27.4</b>	<b>5,575</b>	<b>31.4</b>	(1.7)
<b>Provision for taxes on income</b>	<b>1,114</b>	<b>5.6</b>	<b>1,153</b>	<b>6.5</b>	(3.4)
<b>Net earnings</b>	<b>4,367</b>	<b>21.8</b>	<b>4,422</b>	<b>24.9</b>	(1.2)
<b>Net earnings per share (Diluted)</b>	<b>\$ 1.60</b>		<b>\$ 1.61</b>		(0.6)
<b>Average shares outstanding (Diluted)</b>	<b>2,731.9</b>		<b>2,754.5</b>		
<b>Effective tax rate</b>	<b>20.3 %</b>		<b>20.7 %</b>		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
<b>Earnings before provision for taxes on income</b>	<b>\$ 6,858</b>	<b>34.3</b>	<b>\$ 6,103</b>	<b>34.4</b>	12.4
<b>Net earnings</b>	<b>\$ 5,635</b>	<b>28.2</b>	<b>\$ 5,038</b>	<b>28.4</b>	11.8
<b>Net earnings per share (Diluted)</b>	<b>\$ 2.06</b>		<b>\$ 1.83</b>		12.6
<b>Effective tax rate</b>	<b>17.8 %</b>		<b>17.5 %</b>		



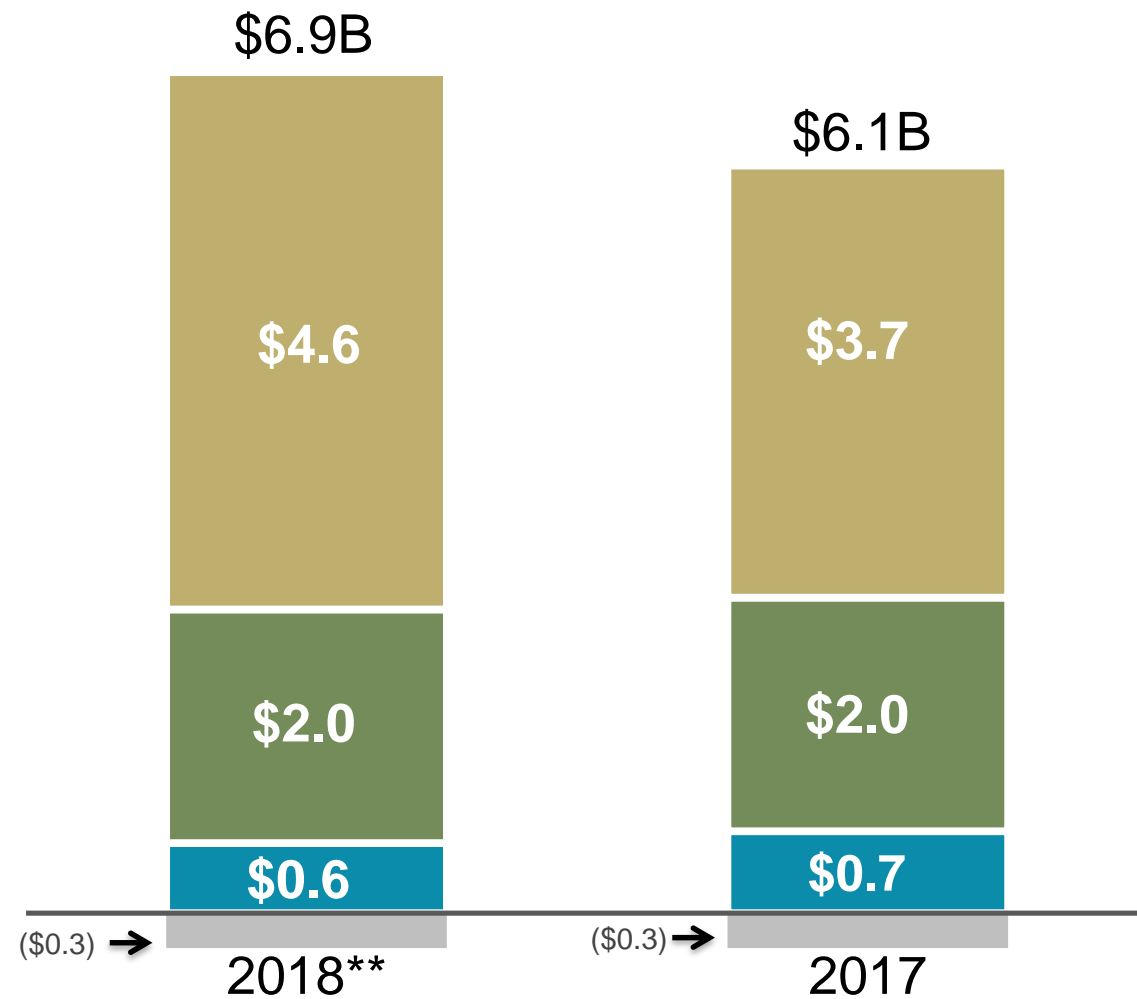
<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures.

\*2017 Statement of Earnings line items have been restated to reflect impact of ASU 2017-07

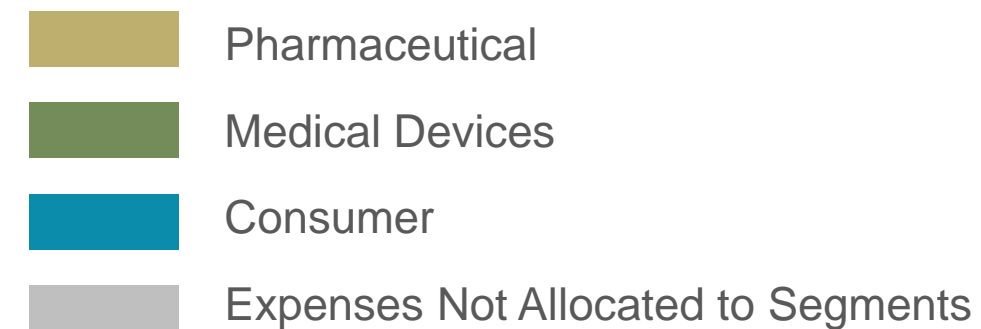


# Adjusted Income Before Tax by Segment\*

1<sup>st</sup> Quarter 2018



	% to Sales	
	Q1 2018	Q1 2017
Pharmaceutical	46.5%	45.0%
Medical Devices	29.3%	31.6%
Consumer	18.0%	20.2%
<b>Total</b>	<b>34.3%</b>	<b>34.4%</b>



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

\*\* Estimated as of 4/17/18

# 2018 Guidance

	April 2018	January 2018
Net Interest Expense	\$600 - \$700 million	\$700 - \$800 million
Net Other Income <sup>1</sup>	\$1.5 - \$1.7 billion	\$1.7 - \$2.0 billion
Adjusted Pre-Tax Operating Margin <sup>1,2</sup>	Improve by approximately 150 basis points	Improve by approximately 100 basis points
Effective Tax Rate <sup>1</sup>	16.5% - 18.0%	16.5% - 18.0%



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

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

Johnson & Johnson

# 2018 Guidance - Sales

April 2018	Estimated Operational <sup>1</sup>	Estimated Currency	Estimated Reported <sup>2</sup>
Sales Change vs. PY	\$79.5B - \$80.3B 4.0% - 5.0%	\$1.5B 2.0%	\$81.0B - \$81.8B 6.0% - 7.0%
<i>Net Impact: Acq./Div.</i>	(~1.0%)		
Sales ex. Acq./Div. Change vs. PY	3.0% - 4.0%		

January 2018	Estimated Operational <sup>1</sup>	Estimated Currency	Estimated Reported
Sales Change vs. PY	\$79.1B - \$79.9B 3.5% - 4.5%	\$1.5B 2.0%	\$80.6B - \$81.4B 5.5% - 6.5%
<i>Net Impact: Acq./Div.</i>	(~1.0%)		
Sales ex. Acq./Div. Change vs. PY	2.5% - 3.5%		



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

<sup>2</sup> Euro Average Rate: April 2018 = \$1.23

# 2018 Guidance - EPS

April 2018	Estimated Operational <sup>2</sup>	Estimated Currency	Estimated Reported <sup>3</sup>
Adjusted EPS <sup>1</sup> Change vs. PY	\$7.80 - \$8.00 6.8% - 9.6%	\$0.20 2.7%	\$8.00 - \$8.20 9.6% - 12.3%

January 2018	Estimated Operational <sup>2</sup>	Estimated Currency	Estimated Reported
Adjusted EPS <sup>1</sup> Change vs. PY	\$7.80 - \$8.00 6.8% - 9.6%	\$0.20 2.7%	\$8.00 - \$8.20 9.6% - 12.3%



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

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

<sup>3</sup> Euro Average Rate: April 2018 = \$1.23

# 2018 Guidance – Sales and EPS Summary

April 2018	Estimated Operational <sup>1</sup>	Estimated Currency	Estimated Reported <sup>2</sup>
Sales Change vs. PY	\$79.5B – \$80.3B 4.0% - 5.0%	\$1.5B 2.0%	\$81.0B - \$81.8B 6.0% – 7.0%
Sales ex. Acq./Div. Change vs. PY <sup>3</sup>	3.0% - 4.0%		
Adjusted EPS <sup>4</sup> Change vs. PY	\$7.80 - \$8.00 6.8% - 9.6%	\$0.20 2.7%	\$8.00 - \$8.20 9.6% - 12.3%

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

Improve by approximately 150 basis points



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

<sup>2</sup> Euro Average Rate: April 2018 = \$1.23

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

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

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

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**Save the Date**

**Consumer/Medical Devices  
Business Review**

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





# Q&A



**Dominic Caruso**

Executive Vice President,  
Chief Financial Officer



**Joaquin Duato**

Executive Vice President,  
Worldwide Chairman,  
Pharmaceuticals



**Joseph J. Wolk**

Vice President,  
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